



Scottish Affairs Committee

Oral evidence: [Land Reform in Scotland](#), HC 274

Wednesday 04 February 2015

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Members present: Mr Ian Davidson (Chair); Mike Crockart; Jim McGovern; Mark Menzies; Graeme Morrice; Pamela Nash; Sir James Paice.

Questions 1275 – 1325

Witnesses: **David Ian Jones**, General Manager, Rio Tinto Alcan, Lochaber, gave evidence.

Q1275 Chair: Welcome to this meeting of the Scottish Affairs Committee. As you may be aware, we have been looking at issues relating to land reform in Scotland. We are particularly interested to meet you, as you represent a corporate landowner who owns land as a by-product of something else, which is unusual. You are also, of course, one of the biggest landowners in Scotland. We want you to explore some of those issues with us. Could you introduce yourself and tell us where you fit into the grand order of things in terms of Rio Tinto Zinc?

David Ian Jones: My name is David Ian Jones. I work for Rio Tinto Alcan, which is the aluminium product group for Rio Tinto, and I am the general manager of the operations in Scotland. That consists of the Fort William aluminium smelter, the Fort William hydropower station, the Kinlochleven hydropower station and the highland estates business.

Q1276 Chair: As you will be aware, there has been a fair amount of discussion about land reform both from us and from various arms of the Scottish Government. Do you think any of that impinges directly on you as a company? Is there anything that has been raised so far that has started alarm bells ringing or would make you want to change your processes as a result of what is being aired and floated?

David Ian Jones: Not as such. The main thrust of the consultation and the discussion on land reform so far is on transparency of ownership. We are absolutely in favour of that, and we think it is a really good thing. We see no logical reason why people should object to that. Looking at wider community ownership and involvement in the land, we actively support that in a number of initiatives on our land and we welcome that. The one area where we would have some concern, or would like more clarity on the detail, is the phrase

about a landlord acting as a barrier to sustainable development. How do we define that barrier?

As you mentioned, the key reason why we own land—our landholding—is for the purpose of the water catchment that flows into our hydropower stations. That is a key part of the sustainability of our business. We would want to ensure that there was no impediment to that water catchment and that any community involvement or buying of land would not impair our ability to carry on our business. I guess we would need some definition over what the barrier would be when a landlord or landowner could be seen to be a barrier to development and therefore Ministers could intervene. That is the only area where we think some clarity and more detail might be needed.

Q1277 Sir James Paice: One of the main objectives of the Scottish Government in their land reform is diversification of land ownership and occupancy. When Scottish Land and Estates came to give evidence to us, they made it clear that they did not believe there was any need for extra measures to create a more diverse pattern of land ownership. Is that a view that you share? You are in a relatively unique position as corporate landowners. Do you see a need for greater diversity and basically breaking up some of the land ownership?

David Ian Jones: It is difficult for us to have a view on that one. As I say, we own our land predominantly for the water catchment, but there is quite a diversity of use on our land. Yes, we are an owner of a large amount of land. People talk about more users of the land; I think one of the phrases the Scottish Government uses is “For the benefit of the many and not the few”. The Ben path is on our land, so 120,000 people cross our land to go to Ben Nevis every year. We do a lot of work in Kinlochleven with the Kinlochleven Community Trust and have helped set up businesses there.

There are many diverse uses. For example, the ski resort Nevis Range is on our land, and that attracts a lot of skiing in the winter and mountain biking in the summer. There are lots of diverse uses of our land, but there is not necessarily diverse ownership. I am not sure whether it needs to be split up to be used differently or whether it can remain in single ownership. We actively pursue land sales where the land is not core to our business. We are happy to talk with communities who want to own different parts of our land if it is not core to the water catchment. We would not particularly have a view on more diverse ownership, but we certainly promote diverse use.

Q1278 Sir James Paice: Can you expand on the usage, and particularly the management, of your land? You talked about things that are loosely in the tourist arena. I suspect its farmability is pretty limited, but are there any tenant farmers, or do you farm the farmable land in hand? It is a large area, so how is it actually managed?

David Ian Jones: You are correct that most of it is not farmable. Most of it is high mountain land. That is predominantly managed as sporting estates. We have three separate sporting estates that we manage. We obviously have to keep the deer numbers in check and that kind of thing. We have three farms, two of which are tenanted and one of which has been taken in hand. Yes, there is a small farm area, but most of it is sporting estates.

Q1279 Sir James Paice: Would you have a view on the absolute right to buy for farm tenants if it was introduced?

David Ian Jones: We would have a view on that. None of our tenants has indicated a request for right to buy. We have sold some properties to our tenants recently, such as farm buildings and small areas of land. We are willing to discuss that. The absolute right to buy might only be a difficulty if it impinged on our ability to get access to our water assets. For example, some of the intakes may be on land where, if it was owned by somebody else, we might need to guarantee access to those intakes to be able to maintain them, and that kind of thing. It is really around being able to carry on our business unhindered in that way. Our view would be around having some controls. Someone else might own the land, but can we still get access to it to carry on our business as normal?

Q1280 Sir James Paice: Is any of the land crofted?

David Ian Jones: We have offered crofts. We set up an initiative to create a woodland croft and advertised that. We got very little response. In fact, one of our current employees took up the croft in the end. We are quite open to generating more crofting land, but at the moment we do not see the demand, certainly in the area of our land. We tried to promote it, but, as I say, there has been very little uptake at the moment.

Q1281 Sir James Paice: Finally, in terms of the sporting estates—you say you run three separate ones—they are presumably run totally corporately by the business. I am not interested in the clients, but is there any community involvement or activity in any of the sporting estates, or are they traditional Scottish sporting estates, privately owned and the sporting rights harvested, for want of a better word?

David Ian Jones: I guess we operate them as normal sporting estates. There is lots of public access on those estates, as I mentioned—things like the Ben path and so on. We do a lot of maintenance of footpaths. Our land is in areas where people want to get access to go up the Munros and things like that—different mountains. There is plenty of public access to our land in that sense. I guess they are managed as traditional sporting estates. We employ local people. Obviously there are rural jobs in that, and we support the local economy in the values that we operate, but they are run as typical sporting estates.

Q1282 Chair: Could I seek clarification on one point? You mentioned your reservation about the possibility of right to buy and how that might end up affecting your right to draw water and so on. I do not quite understand that. Presumably, if somebody was farming it as a tenant and they wanted to buy it to farm it, and there wasn't a difficulty when they were tenancing it, there would not automatically be a difficulty if they bought it, would there? There is nothing inherently different in buying it to farm it as distinct from renting to farm it, is there?

David Ian Jones: You are probably right. On the right to buy, it is about us getting access to our intakes and the different things that we need to maintain and keep going; we just need to make sure that we can keep control of that. There might be no difference whether someone owns it, leases it from us or is our tenant. It is just an unknown for us at this stage.

Q1283 Chair: Maybe I do not quite understand how access to water works. There is no reason why you should not be able to strike a deal with anybody that bought it to allow you continued access to whatever it is you need access to. It is not as if you require such a swathe of land as to make the farm uneconomic or anything like that, is it?

David Ian Jones: No. We should be able to agree.

Q1284 Chair: We had a discussion yesterday about not being unreasonably withheld. Something like that would cover all of that, wouldn't it? It is just a question of reasonableness on both sides; accommodation is entirely possible.

David Ian Jones: Absolutely. As I say, as long as our needs for access and use of the land for water catchment are met and the needs are being met on both sides, I am sure we would reach agreement on that. The nervousness is when there is an absolute right. When there is a phrase like, "If a landowner is acting as a barrier, then Ministers could intervene," we want a bit more detail around how that would work and the mechanism around that. It just creates uncertainty. You are absolutely right: the chances are that it could be agreed and we would never get to that stage. As I say, in most of our dealings with the community and people who want to use, buy or lease our land, we can reach agreement fairly quickly. They understand our situation and we understand their situation.

Q1285 Mike Crockart: I should start by declaring an interest because my wife provides consultancy services to Rio Tinto Alcan in Scotland. I put that on the record.

Presumably you bought the land for a reason in the first place. That surely explains your hesitancy about not owning the land. Presumably if somebody else bought the land they could, if they so wished, extract the water to use for whatever else they wanted, such as the whisky industry, and that would then impact on your business downstream.

David Ian Jones: Yes. We actually provide water to the whisky industry.

Mike Crockart: Thank you for that.

David Ian Jones: You are right that we bought the land for a reason, but the land has been acquired at various times since the early part of the last century right through to the 1950s. In many cases, if you look through the history, we were forced to buy a whole estate. The seller at the time wanted to sell the whole estate, so there will be areas of our land that we do not require absolutely all the time. We review it in our five-year plan to ask whether strategically we still need the land or whether we can find a better use for it, and sell or lease it to somebody else. For most of the land, we absolutely need it to extract the water. In Fort William, at the hydropower station, we run at just enough capacity for what we need. Any loss of that water or any small amount of water being drawn off, which people might see as insignificant, is really quite significant for us in terms of reducing our efficiency and our ability to operate at the optimum in an industrial way.

Q1286 Mike Crockart: Is it fair to say that the plant in Lochaber is right on the extremes of its economics? If there were difficulties with generating electricity that bring your costs down, would that put you in danger?

David Ian Jones: It would not be right to say that it is on the extremes of the economics, but I would say that on a world scale the smelter in Fort William is very small. We produce a maximum of 48,000 tonnes of aluminium. A typical smelter will be 10 times that size, built in China or the middle east. We are small but the reason we are still standing, and the last one remaining in the UK, is the hydropower. That is what produces the clean electricity. Rio Tinto Alcan is very keen to produce aluminium from zero CO₂ power, which is very important to our customers as well. The hydropower is our edge, so any diminishing of our ability to extract water and produce hydropower really affects our ability to make aluminium. We want to maximise the tonnes we produce, because that obviously creates the most efficiency in terms of economy of scale for us, for our equipment, for our work force and so on.

Q1287 Mike Crockart: I get that you are more concerned with land use, and a particular land use, than with land ownership, but of course what you have is land ownership. With land ownership come benefits, regardless of what that land use is. There is very little land use in Scotland that does not need some form of Government support, effectively, to make it work. What other benefits accrue to Rio Tinto Alcan because of its land ownership? That is the difficulty for us. If land reform is meant to be spreading those benefits more widely, how do we get past the fact that it all accrues to the landowner? What benefits do you get from land ownership?

David Ian Jones: In simple terms, we do not really accrue any benefits from owning the land. We manage the land as a highland estate and pretty well break even. It does not cost us money or add costs to our business. It does not accrue benefit for us. I believe the wider community benefits from it because obviously we pay a lot into the local economy.

Q1288 Mike Crockart: I am going to come on to community benefit in a minute. I am trying to pin down what benefit you get. You say you do not get any benefit, but of course just from the hydro you will get ROCs, for example.

David Ian Jones: Yes. I was thinking of the land in terms of the sporting side. The benefit we get from the land is the water and our ability to generate power. For example, for Kinlochleven we get renewable obligation certificates; the size and scale of that hydro facility means that we can do that. That effectively nets our power cost to a reasonable power cost. We are a net importer of power in the summer. We do not have enough water to keep us going through the year. Typically at this time of year, we have full reservoirs; we are generating to our full limit and using all that electricity. We are typically exporting from Kinlochleven. For most of the time in the summer we are importing a good level, and we are actually a net importer of power. The benefit of that is that essentially it reduces our power cost to an acceptable level. As you will know, aluminium is the most energy intensive metal to smelt. The biggest cost in producing aluminium anywhere in the world is power and energy.

Q1289 Mike Crockart: What about forestry? Do you have forestry on your estates?

David Ian Jones: We have some forestry on our land. Over the last few years we are pretty well around break-even. We received a grant of around £500,000, for example, and we sold around £200,000-worth of timber, but it cost us over £700,000 to do that. With all the costs associated with that forestry, we just about break even. We get some benefit in terms of forestry grants.

Q1290 Mike Crockart: That was the question really. What is the income that you are getting from the Government due to your ownership of land? You will get some from ROCs and some from forestry. Is there anything else?

David Ian Jones: The point with the forestry, though, is that it is not necessarily income. We are doing woodland regeneration schemes. A lot of it is for habitat regeneration, native species and so on. Yes, we want to do that but we don't do it necessarily to make money. As I say, when I look at the scale of what we have done, it pretty well breaks even but it is a good thing to do. If there are opportunities to get money in the form of grants to do that work, we will do it. It is not a benefit that we would necessarily seek to gain from the land, because it is pretty well break-even. If the support is not there, it may not happen.

Q1291 Sir James Paice: Presumably you must also be getting some farm support, such as the single farm payment.

David Ian Jones: Our tenants get that. It goes straight to them.

Q1292 Sir James Paice: You said one is in hand.

David Ian Jones: It is just about to be brought in hand; it was previously tenanted. Yes, we would get the single farm payment.

Q1293 Chair: To be clear on this question of forestry, I think you are saying to us that, if you were not getting public money to assist the forestry project to break even, you would not be doing it. Is that fair?

David Ian Jones: In all likelihood, when I look at the figures, we might not be doing it, because it would be quite costly to do. The reason for those subsidies and grants is to try to encourage that kind of native species regeneration and habitat regeneration. We are absolutely happy to get involved in that, but it should not necessarily be seen as an income or an extra benefit from the land. It is something that we are glad to do and get involved in, but I guess if the grants were not there we would not be doing it, or we would be doing it on a smaller scale.

Q1294 Chair: You are happy to do it if you are paid for it, but you would not do it otherwise. It is not a trick question. I just want to be clear.

David Ian Jones: I guess so.

Q1295 Mike Crockart: I am not going to paraphrase what Scottish Land and Estates said, but it comes across as that it needs the acumen of landowners running land businesses to be able to do these types of things. The difficulty is that we have communities saying, “No, we could do these and probably do them more efficiently, and then we would at least get the benefit as a community.” The point of my question is that you are the landowner; you are the one who makes the decision about whether these sorts of things happen. Even if they do not make you money, you are making the decisions. Do you see any problem with that? That is the issue.

David Ian Jones: Do I see any problem with the community doing it instead of us?

Mike Crockart: Yes.

David Ian Jones: No, I do not see why a community group could not do that as well as we do. It is not our core business either in that sense. I do not see any reason why a community could not develop it in the same way and get that money from the Government in the same way.

Q1296 Mike Crockart: I am interested in what other income could be generated for you as the landowner but potentially for others if they were the landowners. What is the potential for wind? I imagine a fair amount of that land is fairly windy. Do you do any wind generation investment?

David Ian Jones: We do not have any wind farms on our land at this stage. We have looked at that, and we have gone out to tender for developers to look at it. As you say, part of our land has been designated a wind hub by the Scottish Government. Obviously the Scottish Government are quite supportive of renewable energy and have set quite high targets. It would not be our core business and it is not something we would necessarily do ourselves, but we could work with others to do that.

The same also goes for small hydro. We have worked with a number of community groups to look at small hydro. We have also looked at the small hydro opportunities on our land. Again, we are working with various developers to develop some of those small hydro opportunities. There are ones that may be too small for us to look at. The ski resort at Nevis Range is a good example. They approached us to put a small hydro scheme on our land to generate more power to serve their business. We gave them technical advice and we did the work to show that it would not affect our water catchment. They would take it out before and put it back into the water flows. We have worked with them, and that should get off the ground fairly soon. The same goes for Kinlochleven. We are working with the Kinlochleven Community Trust, of which we are members, and which we set up a few years ago with the community. They are developing a small hydro scheme. There are wind opportunities and small hydro opportunities. We will work with developers to put those in, or with communities to put in small-scale hydro.

Q1297 Mike Crockart: You moved off wind quite quickly and on to the good story of small hydro. Presumably, wind has the potential to be quite profitable.

David Ian Jones: Potentially. It is one of the things we would look at in our strategic plan. You mentioned ROCs, for example. They are not going to be there for ever; they run out

in a few years time for us, so we need to look at other income streams on our land. Wind might be a potential income stream on our land, from which the community would get significant benefit as well. If any installed capacity goes on to our land, the community would benefit; there is a levy on every megawatt generated, and it would be quite substantial from some of the numbers we have seen.

Q1298 Sir James Paice: I am slightly puzzled about the ROCs issue. Unlike most green energy yours was there first, long before ROCs, inasmuch as the power for the hydro plant and your buying the land preceded that. Presumably the straight economics worked then by generating your own power without ROCs.

David Ian Jones: It was before my time in the business, but the Kinlochleven station in particular was rebuilt in the early 2000s, and that was why it then qualified for ROCs. The investment that went in at that time needed the ROCs income to justify the investment. It had to be completely reconfigured and rebuilt. We do not qualify for ROCs at the Fort William one. It is a separate station that was put in and met all the requirements for ROCs.

Q1299 Mike Crockart: You talked about the benefits that your ownership brings to the community in terms of small hydro. The employment benefits it brings are obvious, but are there any other benefits that accrue to the communities in which you are operating from your management of the land?

David Ian Jones: As opposed to the economic benefits of the business we do there? We work closely with the Kinlochleven Community Trust, which we set up when the smelter in Kinlochleven closed. There are various ways in which we manage the land there and encourage other uses of the land. For example, we helped them set up the first via ferrata in Scotland.

Q1300 Mike Crockart: You will have to explain what that is.

David Ian Jones: Via ferrata is a system used in Europe; they put ladders and wires into rock faces to aid people to climb along rock faces. That is another diversification to attract people to Kinlochleven. It is mainly tourism. Fort William and that area markets itself as the outdoor capital of the UK. Much of what attracts people to the area where we operate is the outdoor pursuits. There is use of our land for skiing and mountain biking. The Scottish six-day trial takes place on our land and, as I said, there is the Ben path. They all accrue significant community benefit from use of our land. We are glad to help people to do that, but we also look for opportunities with other businesses to do that. We are selling a piece of land at the moment for a supermarket development and some new road infrastructure. We would look at semi-urban land as well as some of the wilder land that might be used for tourism. I would say that significant benefits accrue to the community from that work. Most of it will be around outdoor pursuits and that kind of thing.

Q1301 Mike Crockart: The question that immediately follows that, though, is would the benefit to the community be greater if they were the landowners and making the decisions themselves? Using the wind farm as an example, you can imagine that, if the local community were the landowners of that wind hub, the benefit that would accrue to them

would be greater than the levy they would get through the generation that would go to them, which you outlined before.

David Ian Jones: The difficulty I would have with that is the definition of the community in that area. There are not a lot of people around in those areas. For example, when we look at the community benefit that might accrue from a levy on any wind generation it would spread quite a large distance, simply because it is fairly sparsely populated. It would take some understanding for me as to what collective body of the community would get together to do that development. In our case, it may take the landowner to initiate and do that work, and then the community would get a benefit from that. For example, where is the community that is going to get together, become a collective body and do the development to generate a wind farm on any sort of scale on our sparsely populated land? That would be my question on that, and I do not have a particularly good answer for you.

Q1302 Mike Crockart: I have one final question on whether you derive other income from being the landowner. One of the big pushes at the moment is on broadband and mobile infrastructure. I know that a lot of the companies that are trying to put up that infrastructure are complaining bitterly about the amount they have to pay to access land. You are on the other side of that. Do you get income from rental for masts, electricity infrastructure or anything else like that?

David Ian Jones: Not that I am aware of. In fact, we installed a repeater station. We allowed a community group to put it up on one of our buildings so that they could beam it down the valley and improve the broadband signal. We did not take any rental for that. We saw it as a good community thing to do. In fact, it was a few guys at the plant who happened to live in that area. They were part of a community group and said, “Can we put a repeater station on your building because it is at exactly the right angle?” We said, “Yes, go for it.” We obviously get some local PR for that. It is a good thing and we put that in our employee newsletter. It is good as well from an engagement point of view as employers. I am not aware that we accrue any income from phone masts and things on our land. I can find out and write to you, but it is not something I have come across.

Mike Crockart: Thank you. That would be helpful.

Q1303 Chair: One point you mentioned in passing was that you had released some land for a supermarket.

David Ian Jones: Yes.

Q1304 Chair: One of the issues that has been raised with us is that on occasions a landowner will effectively hold the local community or the local authority to ransom by demanding a substantial price for a piece of land which, until it was wanted, was essentially valueless. From what you are saying, unless a bit of land has a direct impact upon the drawing of water, you do not really mind one way or the other whether or not somebody buys a little bit to build a house or a shop on. You would be quite happy to dispose of it provided it does not cut across your main objective. Is that a fair assessment?

David Ian Jones: That is absolutely right, yes.

Q1305 Chair: Taking into account the fact that you are not a charity, there is then the question of pricing. How do you determine price in those circumstances? Again, it is a question of what the market would bear as distinct from what would be considered fair. How do you assess what you would charge for a site to build three houses at the end of a village, or a local shop or something equivalent?

David Ian Jones: My understanding is that it would be treated in the same way as any other valuation. We get the land or building surveyed, and we put a value on it. We take advice on value from a surveyor, as you would when you are buying a house. For example, the supermarket land that we were talking about has been on the agenda for five or 10 years. It has gone through various planning stages. Obviously, when you get planning permission for a certain thing it accrues a certain value. Without giving away any commercial detail, I know that land values have gone down since we originally discussed that, probably five years ago. We will look at that and take advice on the value of the land, but we would not hold someone to ransom on a price. It is the piece of land that would be important to us. In fact, in that particular case, we are more interested in the fact that it will improve the road infrastructure around our plant, in terms of the planning. That is really the thing that would be of most interest to me from a safety point of view—the entrance to the plant.

Q1306 Chair: In terms of possible conflict between, on the one hand, keeping the hills bare for shooting estates and the like and, on the other, selling land for housing, which might bring more people in and might impinge on that, in principle you do not particularly have a view one way or the other, do you?

David Ian Jones: No.

Q1307 Chair: Obviously some other landowners do. I would not say that you do not care, but because it is not your core business you do not mind, in a sense, one way or the other. In many ways, I am just wondering whether or not you could see yourselves as being the ideal landlord. You do not have a direct stake in blocking anything else. Apart from the core issue of water, you have virtually no objection to anything.

David Ian Jones: As long as it is legal. Yes, absolutely.

Q1308 Chair: We will get on to that privately later on. I had not quite thought of cannabis farming in Lochaber.

David Ian Jones: There is not a lot of sunshine.

Chair: There is that issue as well.

Mike Crockart: There are hydroponics.

Sir James Paice: They generate a lot of heat.

Chair: Indeed. Sir James, you had a question.

Q1309 Sir James Paice: In some respects, I think we have covered this ground. I do not want to put words into your mouth, but in terms of the local community you are open to any engagement, offers or suggestions that people come up with, even if it means an individual wanting to build a house or start a business. If it meant you parting with a bit of land, in principle you have no objection to that.

David Ian Jones: No. We have examples where we have done that, but we have probably also got examples where we have refused it. We need to take each one on a case-by-case basis. It is not always in everyone's interest if an individual wants to do something on our land. We have to take the wider view sometimes, and refuse some of those applications. For the most part, we are actively engaged with a number of community groups and individuals to look at other uses for our land. We will actively encourage that.

Q1310 Sir James Paice: Can we define actively engaged? Do you have formal liaison systems or mechanisms with community groups? You referred to being part of the Kinlochleven Community Trust. As a business, do you have any formalised community-type liaison arrangements?

David Ian Jones: There is the Kinlochleven Community Trust. There is the Nevis Partnership for Glen Nevis; for example, there are a lot of issues around management of the Ben path and all the stakeholder issues. We sit on the board of the Nevis Partnership, which is another example. We engage with various other groups in our area that might be termed community groups. We go into local schools and colleges to do work. It is a fairly wide range. We are a fairly dominant employer in Fort William and the area, so we try to do as much as we can. We want people to know us as a good employer. We want to encourage apprenticeships and that kind of thing. We go into schools and do work. We encourage schools to visit the plant to see engineering in action and that kind of thing. I would term all of that as community engagement and working with the community.

Q1311 Sir James Paice: As a very large corporate landowner, in Scottish terms, clearly there are some attributes of your business that distinguish you from what we might call the more typical traditional Scottish landowner. Are there attributes of business that mean you operate differently, in your perception, from a traditional Scottish landowner?

David Ian Jones: I do not necessarily fully understand how a traditional Scottish landowner operates to be able to compare it. We are certainly a large global organisation. We have very high standards on health and safety and on environmental and management quality. We have to operate our highland estates business to the same standards as we would operate the smelter. That is not easy because they do not necessarily have the same kinds of quality, safety or environmental systems that you can easily contain within an industrial environment. We have to apply the same high standards, so in that sense we probably are different. There is an extra onus on us to manage the business in a certain way because we are part of a large corporate entity with high standards of operation.

Q1312 Sir James Paice: Clearly your particular part of the business is accountable to the higher echelons of Rio Tinto. Do you see any other form of accountability? I am thinking about the land-based side of the business as opposed to the smelter. As you will appreciate, there is a lot of discussion about the whole land reform agenda, often about absentee

landowners who do not seem to have any accountability, formal or informal, to anybody. How do you see that from your organisation's perspective?

David Ian Jones: We certainly feel accountable for the business we do on our land. We want to be a good steward for the land. We talk about environmental stewardship and land management stewardship. We feel accountability from our core values in how we do business. Yes, we want to operate to very high standards and we want to make sure that we encourage best practice on our land in terms of environmental management and that kind of thing. If that sets us apart from the other landlords—I do not necessarily know how other people manage their land—we certainly take seriously our responsibility and accountability for the stewardship of the land.

Q1313 Sir James Paice: I want to come back to the issue of your farms. You said that you are in the process of taking one back in hand. Presumably the tenant has retired or given up or whatever. Can you explain your reasoning for not re-letting a farm? Why are you taking it in hand? Is that related to land management or is it a pure economic argument?

David Ian Jones: It is not an economic argument. It is really around land management and having control of the land in that area. The way that tenancy works is a little bit different. We effectively own the livestock in that tenancy, and in that particular case we felt it was better for us to take it in hand and manage it. It is close to one of our areas of operation, on a shooting estate. It is easier for the guys that are there to manage it rather than have a neighbour and some of the issues that might come up there. From an efficiency point of view, it is easier for us to manage that.

Q1314 Sir James Paice: Some people would suggest that that was a reduction in an opportunity for somebody to be a farmer.

David Ian Jones: It may well change again in the future. We have not taken a firm decision on it, but at the moment we feel that is the best way to do it.

Q1315 Mike Crockart: I was struck by your use of the argument that it is about good land stewardship. We have heard that argument before, but it came from Scottish Land and Estates as an argument for why landowners needed to maintain their ownership—because they were the ones that were best placed to be good stewards of the land. I am struck by how different your attitude to land reform seems to be from Scottish Land and Estates, and I am trying to tease out why that might be. Is it because the vast majority of the land you own is wild land, and therefore its value is not great and its uses are potentially not that diverse, so it is difficult for you to see the value of holding on to it, whereas some of the other stuff is growing in value exponentially and that then makes for a different attitude towards its ownership?

David Ian Jones: Land management is not our core business. Clearly the ownership model that we have is different from the general landowners in Scotland. If we can have people buying parts of our land that we don't need, or using more productively land that we cannot use, it is all good to us in that sense. It takes away some of the burden of maybe managing that land ourselves, because that is not core to our business. What is core to our business is the water catchment and the use of hydropower. I am sorry to repeat myself, but as long as nothing gets in the way of that we are happy. I guess that sets us apart in

terms of the way we approach our thoughts around land use, land management and land ownership.

Q1316 Mike Crockart: Yes, but you are a business and you have assets. The land is an asset. Is it just the fact that the land as an asset does not have a great deal of value?

David Ian Jones: It is fairly low value, yes; that is absolutely true. We are quite a large landlord, and people are always surprised at just how low the value of the land is; most of it is above the tree line—wild land.

Q1317 Chair: I want to pick up on a couple of points from the answers you gave. You mentioned something about refusals for developments on the land. Can you clarify for us what sort of things you refused, and why?

David Ian Jones: They were in terms of individual approaches for different things. An example might be a guy who wants to ride his trials bike across our land on a regular basis. It does not meet with our needs in terms of the use of the land. One of our main stakeholders is Scottish National Heritage. It would churn up the land and we do not think that is a good use of the land. If somebody is going to use our land but it affects other people more widely, that is the example I would use to show that we cannot necessarily give everybody access.

Q1318 Chair: I understand that. I just got the impression that you had made a number of refusals.

David Ian Jones: Maybe that was my turn of phrase, and I apologise. That was just one I was thinking of, where we cannot necessarily accede to every request.

Q1319 Chair: I understand that. There is nothing that you can call to mind. If you remember something later on, you could perhaps let us know. There is nothing in terms of somebody wanting to build houses, the local authority building a school or somebody wanting to put in a connecting road to something else that would assist the community, or something else like that. You have not refused any of that.

David Ian Jones: Not that I am aware of, no.

Q1320 Chair: Is there anything you have refused because it would have affected the water supply, or your extraction of the water?

David Ian Jones: Not refused, but maybe modified. If I use the example again of Nevis Range ski resort, we had to put some stipulations in place around desanding units which would clean up the water before it went into our intakes, otherwise some of the erosion that might have taken place would have silted up the intakes and caused problems. We had to put some infrastructure in place to allow them to do things in a certain way. There are certainly some modifications or stipulations, but I am not aware of any outright refusals.

Q1321 Chair: When you go back, maybe you could just check.

David Ian Jones: Yes, I have made a note of that.

Q1322 Chair: When you were asked by one of my colleagues about community involvement you listed a number of things. Unless I am mistaken, all of those related to you as an employer—about going into schools and apprenticeships. I understand all of that, but they related to you as the people who operate the smelter. I did not think any of those related to you as the landowner, which is what we want to focus on. It is a question of engagement with the community and being a good neighbour and so on. You mentioned a couple of formal structures that exist and in which you are involved. Is there anything else that you do that we ought to be aware of?

David Ian Jones: The two main ones where we engage formally as the landowner are the Kinlochleven Community Trust, and the Nevis Partnership for that area. They are the ones where we engage formally as a landowner. We talk to other businesses who may want to use our land in different ways, but I am not aware of any other particular engagement in that way.

Q1323 Chair: You were asked about the way in which you treated the land, and you gave us a quite reasonable response about the company's social objectives and wanting to be a good neighbour. All of that is self-driven, as it were. Presumably if that is all true, you are a good lot, so to speak. If you were not doing it in that way and you were a bad lot—there is effectively no control over anything you are doing at the moment—you could be blocking people from developing. You could be behaving badly. You could be not letting people have access, inasmuch as you have some flexibility there. In those circumstances you would not be accountable to anybody for anything unhelpful or unconstructive that you were doing. Is that correct?

David Ian Jones: I guess not. As I say, within the bounds of the law, if it was not self-driven in the way that we were doing it, that is true.

Q1324 Chair: Our issue is that it should not just depend upon you being a good lot, as it were. Maybe there ought to be some constraints upon your freedom of action to make sure that you behave properly. That is what we are struggling with.

David Ian Jones: That is why we are largely in favour of the framework that has been put forward by the Scottish Government in terms of encouraging community engagement and putting things in place that would encourage it, and that might formalise it or structure it in a different way. It will help us in some ways with what we do at the moment, but I guess that for someone who did not want to come to the table it would force them to do that.

Q1325 Chair: As I am sure you appreciate, most of the things that Governments do are for your own good. It would be done just to help you. I will ask my colleagues whether or not there are any other points they want to raise. While they are thinking about that, I will ask you the question that we ask most of our guests. Are there any answers that you had prepared to questions that we have not asked? Are there any points that you think we should have

raised with you that we have not touched on, omission of which would leave us missing something?

David Ian Jones: No, not at all. I hope I have answered your questions as fully as you require. There is nothing else that I particularly wanted or needed to raise. Everything has come up that I had made notes on before the meeting.

Chair: Good. We like to think that we got through everybody's checklist. If my colleagues do not have anything else, I thank you very much for coming along. It has been very helpful.