
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: CAIRNGORMS ECONOMIC DIVERSIFICATION AND DEVELOPMENT STRATEGY: DRAFT FOR CONSULTATION

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Purpose

To present an overview of the key themes in the Draft Cairngorms Economic Diversification and Development Strategy (CEDDS) to enable discussion on the issues and implications for CNPA prior to circulating the DRAFT Strategy for wider consultation.

Strategic Context

1. The National Park Partnership Plan (NPPP) identifies the need for an Economic Forum and Economic Diversification and Development Strategy for the Cairngorms National Park (CNP). This was included as a result of feedback from the business community. The aim of the Cairngorms Economic Diversification and Development Strategy (CEDDS) and Cairngorms Economic Forum (CEF) is to identify the strategic issues and opportunities that are relevant and important to the economy of the Park and to bring partners and the private sector together to deliver the outcomes in the NPPP. The Strategy will also help to inform development of a longer term business plan CBP and future partner funding opportunities. The CBP is leading the development of the Strategy on behalf of the CEF. CNPA and Highlands and Islands Enterprise (HIE) are providing support to manage the process.

Recommendations

2. **The Board are asked to endorse the key themes for the Economic Diversification and Development Strategy for consultation.**

Strategic Policy Considerations

3. Five Local Authority Economic Development Strategies already cover the Park. In addition HIE, SE and other agencies and sectors also have area and sector-specific strategies. The main focus of these strategies is not always relevant to the CNP which accounts for only the most rural part of each area. As such, the areas within the CNP are often at the ‘tail-end’ of economic support and activity from partner agencies. Each Local Authority also has a Single Outcome Agreement (SOA) all of which have actions in relation to economic development and some with specific governance structures (e.g. Moray Economic Partnership). The CEDDS and CEF can be used to bring partners together to help focus activity, delivery, and support within the CNP. A review of the strategies outlined above and the NPPP has been used as the basis for developing the CEDDS. The relationship between key plans and strategies is outlined in Annex I.

4. Key relevant sections of the NPPP are outlined below:
 - a) **Long term outcome 1** - A sustainable economy supporting thriving businesses and communities
 - b) **5 year outcome** - The economy of the Park will have grown and diversified, drawing on the Park’s special qualities
 - c) **Policy priority 1.1** - Grow the economy of the Park by strengthening existing business sectors, supporting business start-ups and diversification, and increasing the number of workers employed in the Park
 - d) **Work programme 1** - Supporting Businesses (Economic Forum and Economic Diversification and Development Strategy)

5. The CEDDS is also influenced, and will be influenced by, other key plans and strategies for the CNP as outlined in Table I below.

Table I - CNP Plans and Strategies

CNP Plan/Strategy	Relationship with CEDDS
Cairngorms Nature	The CEDDS identifies the natural heritage as the key asset which attracts people to live and work in the area and one that must be protected, particularly due to its significance to the tourism sector. Land management, conservation activities, nature based tourism etc. are a key element of the Park economy. The CEDDS Action Plan identifies opportunities in this area. It also identifies the need to plan for the future to examine potential economic and population growth scenarios in relation to natural heritage of the area. The CEDDS is also subject to Strategic Environmental Assessment.

CNP Plan/Strategy	Relationship with CEDDS
Active Cairngorms	The CEDDS identifies opportunities relating to tourism and infrastructure both of which will have implications for development of the Active Cairngorms Strategy.
Sustainable Tourism Strategy (STS)	Tourism is the dominant sector of the economy in the Park. The STS sets out our agreed partnership strategy to manage and develop this sector sustainably. The mid-term review of the STS is being carried out in conjunction with development of the CEDDS. The partnership discussions about the review have informed the sector development plan for tourism within the CEDDS.
Local Plan/ Local Development Plan	The Local Plan and Local Development Plan (in prep) sets out the spatial framework for development in the Park and a suite of policies to encourage the right type of development in appropriate places. CEDDS will help secure investment to ensure delivery of the development aspirations and will to inform delivery of the LDP. The Action Plan will provide for key information to inform the development of future LDPs.
LEADER Local Development Strategy	The Leader LDS sets out the strategy for community-led development and will be a key delivery mechanism for the CEDDS in terms of funding. The two Strategies are being developed in conjunction to ensure cohesion.
Capital Investment Plan	The Cairngorms Capital Investment Plan is being developed concurrently with the CEDDS. This Plan will be a key delivery element of the CEDDS Action Plan to help attract and target investment.

Local Authority Economic Strategies & Single Outcome Agreements

6. A review of each of the Local Authority Economic Strategies has been undertaken and common themes and issues identified. Each of the Local Authority Single Outcome Agreements has also been reviewed to identify economic related activities. The CEDDS will promote some area specific actions which recognise the diverse geographic areas within the Cairngorms National Park. The following common outcomes have been identified within each of the five SOAs and relate directly to the emerging themes in the CEDDS.
- a) Business support and advice
 - b) Investment
 - c) Low carbon/renewables
 - d) Tourism

- e) Education and skills
- f) Infrastructure including housing, business sites, broadband, mobile and transport

Governance and Delivery of the CEDDS

7. The NPPP identified the need for an Economic Forum and Economic Diversification and Development Strategy for the Cairngorms National Park. Delivery of the National Park Partnership Plan (NPPP) is overseen by the National Park Plan Partnership which is accountable to Scottish Ministers. The NPPP Strategic Delivery Group brings together the significant delivery partners to monitor and report on delivery to the CNPA Board and full partnership. The CEF will oversee and advise on the development and delivery of the CEDDS. It is recognised that the governance and delivery arrangements for CEDDS and other strategies in the Park require further work which will be undertaken in parallel to the finalisation of the strategy.

Strategic Risk Management

8. The CNPA Strategic Risk register identifies five risks which directly relate to this area of work, and which have been developed in Table 2 below.

Table 2 - Strategic Risk

Strategic Risk	Risk management
The roll-out of Broadband and telecom technologies does not develop within the NP as quickly or as fully as we would like	Infrastructure to support businesses is a vital component and economic driver within the CEDDS and CEF and it is essential to ensure this issue remains high on the agenda of partners within the CNP.
Pressure for economic growth is difficult to balance against Park's special qualities	Strategic Environmental Assessment of the CEDDS is being undertaken to ensure that economic development and diversification proposals are appropriate to the CNP. Planning process and Natura regulations provide mechanism to manage specific proposals.
Economy of the Park slows down and NPA not seen to be seriously addressing a key national policy	A review of the economic baseline shows that the economy of the CNP is not slowing down but is in fact growing. The CEDDS and CEF will support this trend.

Strategic Risk	Risk management
Partner commitment to the NPPP is reduced as a result of capacity pressures (e.g. their reduced budget and staffing) and uncertainty due to overlap with Single outcome agreements and other strategies	Partner commitment to outcomes is vital to the delivery of CEDDS. The private sector lead of CEF and the monitoring/reporting through the Strategic Delivery Group will be fundamental in ensuring continued buy-in to delivery. Further work is required on Governance arrangements.
Pressure for economic growth makes it difficult to give due regard to other NP priorities	The CEDDS will help to inform delivery of the current LDP and will provide information to support development of future Plans. This will enable informed decision making on key issues.

Implications

9. CNPA has committed to developing and delivering the CEDDS through the NPPP and CNPA Corporate Plan (Programme 6). CNPA's role in delivering the Strategy will require both a financial commitment and staff resources.
10. The CEDDS cuts across a number of areas of work at CNPA including economic development, tourism, land management, low carbon, training and skills, and infrastructure. It is likely that the process of drawing up the Strategy and Action Plan will inform future priorities in these areas and will influence priorities in the next CNPA Corporate Plan. It is anticipated that the Strategy will directly impact on the work plans of the Rural Development Team as well as inform the direction of those working in planning land management, housing, and visitor services. It is not anticipated that any additional CNPA staff resource will be required.
11. Many of the themes within the CEDDS relate to existing lines within the CNPA Corporate Plan and associated budget lines. The CEDDS will influence the priorities for activity and spend within CNPA Corporate Plan Programme 6 'Supporting Sustainable Business'. A key area of longer term financial support will be in supporting the CEF. This is a small financial commitment for meetings and administration but is significant to the future of the Forum.

Success Measures

12. The endorsement of the Strategy and Action Plan by partners and their commitment of resources to wars its implementation will be a key measure of success. Indicators of success will be set out in the Strategy.

Next steps

13. The draft Strategy will be finalised and issued for consultation, starting in January, led by the Cairngorms Business Partnership. The results of the economic survey work will be publicised at this time to draw attention to the progress made over the last few years and to the success of the Park as a place to do business. The final strategy will be brought back the Board for approval in March 2014.

Supporting Information

14. Table 4 below provides an overview of the key themes, outcomes and examples of activities within the CEDDS and Action Plan. The CEDDS and Action Plan will include a summary of the economic baseline information and will recognise and cater for the key differences in different geographic areas within the Park.

Table 4 - Outcomes and proposed activities within the DRAFT CEDDS

Economic Driver	Proposed Outcome	Examples of types of activity <i>(area specific where appropriate)</i>
1. Building on the strengths of the Park (economic sectors)	Gaps and weaknesses in key economic sectors are identified and opportunities to fill and strengthen these promoted and supported as part of a sector- wide approach	<ul style="list-style-type: none"> • Opportunities in the main sectors of tourism, forestry, construction and food & drink • Opportunities in other appropriate sectors e.g. renewables, conservation etc. • Building local markets
2. Supporting and attracting Micro-businesses	New and existing businesses have access to high quality, face to face business advice and support that is delivered consistently across the National Park and actively promoted	<ul style="list-style-type: none"> • Business support and advice services • Initiatives focussed on growth of micro-businesses • Activities to support sustainability of small businesses in town/village centres
3. Strengthening education and training as an economic asset	Further and Higher Education opportunities are available within the National Park which attract young people to train in the area	<ul style="list-style-type: none"> • Opportunities for higher and further education programmes and venues identified • Practical skills development opportunities

Economic Driver	Proposed Outcome	Examples of types of activity <i>(area specific where appropriate)</i>
4. Connecting employer needs and local skills	Skills development opportunities that meet employer needs are available locally and are pro-actively promoted to businesses and skills/education providers	<ul style="list-style-type: none"> • Audit of skills needs and gaps • Initiatives to link employers with skills and training providers
5. Attracting Investment	The Park is an attractive place for business and industry to invest and opportunities are actively promoted to potential investors	<ul style="list-style-type: none"> • Venture Capital Fund • Capital Investment Strategy • Future development opportunities in key sectors
6. Infrastructure (accommodation, sites, transport, connectivity)	Improvements to infrastructure ensure that the CNP is a place where new and existing businesses can thrive	<ul style="list-style-type: none"> • Telecommunications improvements • Housing for workers • A9 dualling - short and long-term implications • Transport links • Business accommodation and sites • Improvements to town and village centres • Cairngorm/Glenmore opportunities
7. Planning for the Future	Short, medium and long term impacts of potential economic scenarios identified to help inform future strategy	Horizon-scanning undertaken to assess 5, 10 and 25 year implications of a range of economic scenarios including e.g. future population growth, housing policies, A9 dualling, conservation etc.