



Cairngorms Economic Forum: Economic Development and Diversification Strategy

**Note of workshop held at Cairngorm Hotel, Aviemore
Thursday 17th October 2013**

Introduction

The workshop was designed to bring together local business people with key public sector agencies to reflect together on the main findings presented by Rocket Science and Cogentsi¹ (slides included in the Appendix).

The discussions were structured around three questions:

- What are the most important issues for the economic development of the National Park that you draw from the presentation?
- What are the most important opportunities for development and diversification that you can identify?
- What else needs to happen to ensure that businesses are well supported, the right infrastructure is in place, and appropriate new investment is attracted?

This note of the discussion is structured around these questions.

What are the most important issues for the economic development of the National Park that you draw from the presentation?

The robustness of the economy

- The robustness of the Park economy is significant – and is something to build on
- Low public sector proportion of jobs and GVA – which is now adding to our resilience as public sector faces financial and staff cuts.

¹ Richard Scothorne of Rocket Science and Hervey Gibson of Cogentsi

The Park is strongly connected to other economies

- The Park economy is strongly linked to other economies and we need to be aware of this in terms of promoting positive linkages and being aware of wider trends (ie economies around the Park, the national and international economy)

The significance of attracting educational facilities

- The significance of attracting local education opportunities, particularly in terms of Further and Higher Education – and the need actively to attract activities in this sector to create local educational opportunities for local young people, to attract others who would be attracted by the opportunity and to attract associated staff.

The importance of small businesses

- The significance of micro-businesses (self-employment, sole trader, lifestyle less inclined to recruit – opportunities outside tourism) and the need to put in place support which is specifically designed for this important group.
- The need to ensure that there are incubation spaces – low cost premises for SMEs to grow into in appropriate locations.

Using the cluster maps

- The cluster maps can be used to to inform inward investment promotion – in other words, to identify target areas for investment that will add to and complement existing cluster components.
- Need to develop an understanding of the future supply/demand within the Park clusters and use this to ensure that the right skills, resources and skills are in place to ensure that their full potential for growth is being achieved.

Housing and wages

- We have a low wage economy – which young people leave.
- The significance of housing and current housing shortages and costs (eg in terms of retaining young people and attracting and keeping staff)

Recognising the distinctiveness of the economy (and how it's features change across the Park area) and ensuring appropriate development

- The perception held in communities may be different: they may not see or experience the robustness of the economy or its strengths. It is important to get these messages out – and since the objective is about gaining more sustainable and resilient communities the views and perceptions of communities are important.

- Tourism is very significant and has become more significant since the first Benchmark review.
- The need to ensure that development is appropriate for a National Park
- The importance of benchmarking the Park and its economic strengths, weaknesses and opportunities against other the features of comparable areas (eg Are, Sweden)
- The gap between activity/employment and value in the tourism cluster.
- Need to understand drivers/barriers for inward migration and draw on this to help young people return or move in.
- Need to be aware of geographical differences within the Park with different areas presenting different kinds of issues and opportunities.

What are the most important opportunities for development and diversification that you can identify?

Workshop groups explored the opportunities around the three main clusters

- Tourism cluster
- Food and drink
- Homes and Construction cluster

Tourism cluster

Need for a focus on Quality...

- Development of accommodation – at 4* and 5 * quality level
- Need for training to enhance customer service
- Front line to management and supervisors (cf ScotRail transformation)

...Infrastructure

- Particularly mobile broadband access

...Access

- Rail
- Road (Car/Bike)
- Air (Inverness/Aberdeen)
- ...and joining these up locally

...Developing the food offer as part of the tourism offer

- Better promotion of local produce – currently undersold

Food cluster

- Adding value to top quality raw materials (eg cattle are not finished in the Park)
- Develop a marketing strategy around the high quality food produce of the Park
 - Exploiting the cachet of the Park to develop a Cairngorms food and drink brand (eg Cairngorms Mintcake) – but there was recognition that this was not straightforward:
 - It could cut across Scottish promotional efforts

- There needs to be rigorous quality control (ie needed assurance that all branded food was of high quality)
 - Encourage a provenance strategy and local produce restaurants (or more local produce in existing restaurants)
 - Explore food tourism potential – eg support the development of cook schools – artisan producers, incubation units, food park.
- Opportunity to develop ‘hydroponicum’ for locally grown vegetables?
- Food technology facility gap for testing, research and development (though questions asked about whether there was the ‘critical mass’ locally to do this along the lines of that supported by Scottish Enterprise in the Motherwell Food Park)
- Develop food processing facilities to import business – eg Cairngorm bottling

Homes and Construction Cluster

- Currently a lot of professional skills are being bought in (eg for developing LEADER funded projects) – is there scope to develop a stronger local professional resource?
- Are there opportunities around:
 - ‘Green’ construction
 - Expansion of kit manufacture
 - Extending construction skills project which worked quite well – and may be worth revisiting as construction activity increases.
 - Innovation and sustainability in design
 - Eco-building principles/energy efficiency.
- These opportunities could be supported by:
 - Targeted business support working with local construction sector companies
 - Creating a strong image for Park located businesses as leaders in this field – encouraging through local award schemes and using major opportunities such as An Camus Mor to showcase local technologies, skills and experience.
 - Developing links between construction and energy sector to create and retain high value jobs
 - Dualling of A9 – construction housing designed to leave a long term legacy
 - A construction related skills strategy and local capacity to produce a pipeline of qualified young people to support construction and civil engineering sector
 - Realising the potential of attracting individuals who want to run business from the Park by developing home/office buildings wired for digital economy.

What else needs to happen to ensure that businesses are well supported, the right infrastructure is in place, and appropriate new investment is attracted?

- High speed broadband is most important need (Mobile 3G/4G) – tourists expect and big recent growth in retail has been mobile purchasing not just on line purchasing
- Opportunities for community broadband (building on Laggan experience)
- Improving public transport
- Joining up and making better use of capacity by rail, road, air (access)
- Creating a dedicated inward investment mechanism for the Park
- Creating a high quality comprehensive business support resource for businesses across the Park which can draw on SDS, Business Gateway, SE and Park resources
- Complement this by ensuring a highly responsive regulatory service (ie helping planning, building standards, trading standards, licensing and permits and environmental health staff become part of the business support service by identifying business growth opportunities and issues and ensuring a response.
- Need a land use strategy which responds to the key aspects of the Economic Diversification strategy in terms of supporting appropriate housing development to meet affordable requirements, and business space.
- Aim to develop and implement an award winning sustainable strategy
- PR that promotes the fact that the Park is about more than tourism
- Public-private partnerships to develop space for small businesses (need to understand the black economy)
- LA/Community Agreement on priorities and transfer of assets/responsibility to community management
- Dovetail community planning partners' priorities (eg health and education).



Introduction

Alan Rankin, Cairngorms Business Partnership

Context

Structure of the workshop

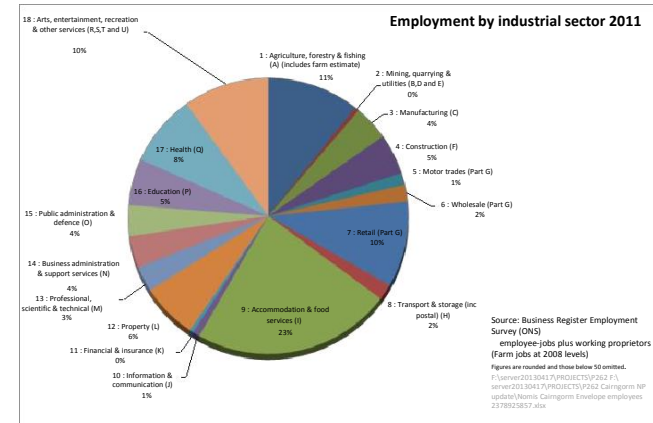
- Background, the economy and its opportunities
- Discussion
 - Key issues about the economy of the Park?
 - Main opportunities for development and diversification?
 - Infrastructure and support?
- Priorities for action
- Next steps

- Building on the strengths of the Park's economy and on previous work
- Consistent with the objectives of the Park
- Consistent with and drawing on relevant strategies of Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, 5 Local Authorities... Tourism Scotland, Food for Life....
- Led by the National Park's businesses....

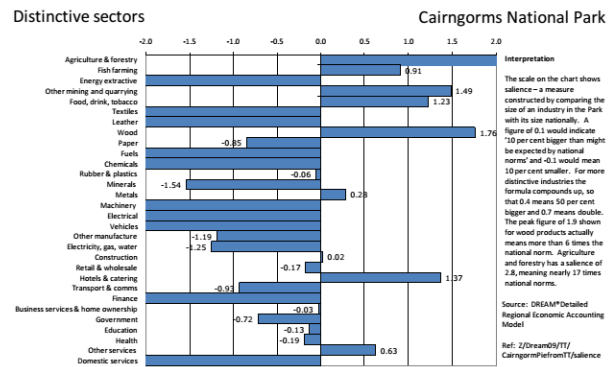
Some features of the Park...

- 9,400 jobs in the Park: increase of 400 jobs or 4.5% since the last Report

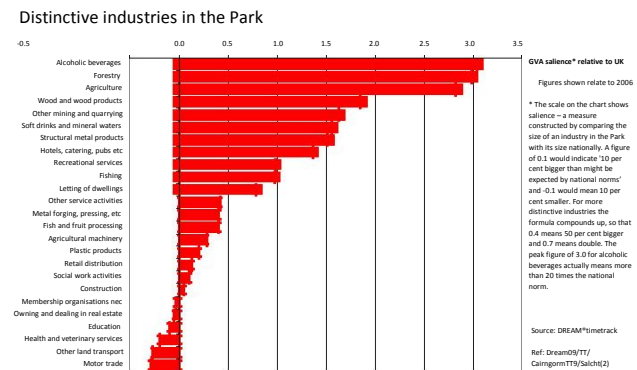
Shape of the economy...



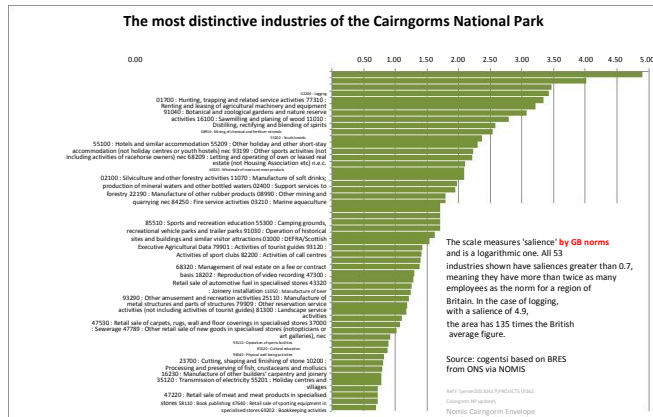
...and what is distinctive?



What is distinctive 2?



What is distinctive 3



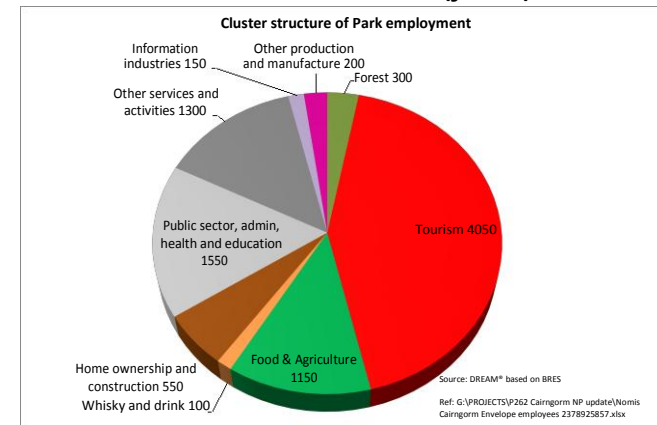
The Park's clusters

- Tourism
- Forestry
- Food and Agriculture
- Home ownership and construction
- Whisky and Drink
- Information and creative (esp. publishing and music)
- Other production and manufacturing
- Public sector: admin, health and education

...and notable weaknesses

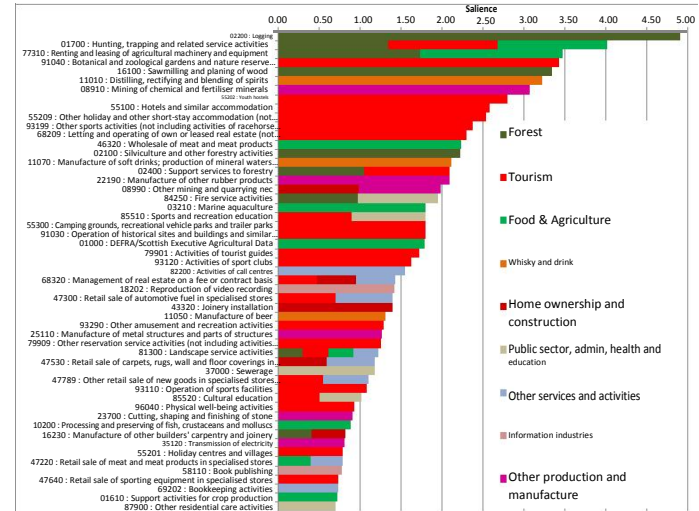
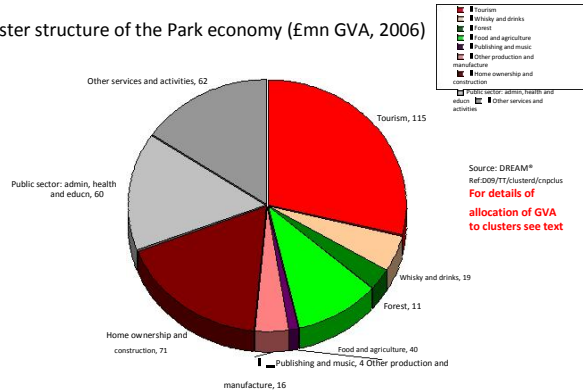
- Education – one of the faster growing parts of the global economy:
 - Local FE/HE presence brings significant return in terms of retaining young people and helping people enhance skills, and attracting new kinds of visitors and employees
- Public transport – particularly significant because of West/East connections and widening access
- Growing significance of broadband – not just about access but speed of competitors

Cluster structure (jobs)



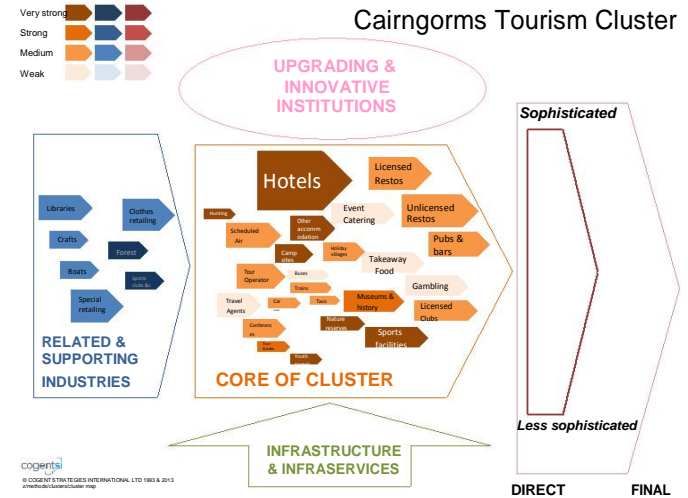
Cluster structure (GVA)

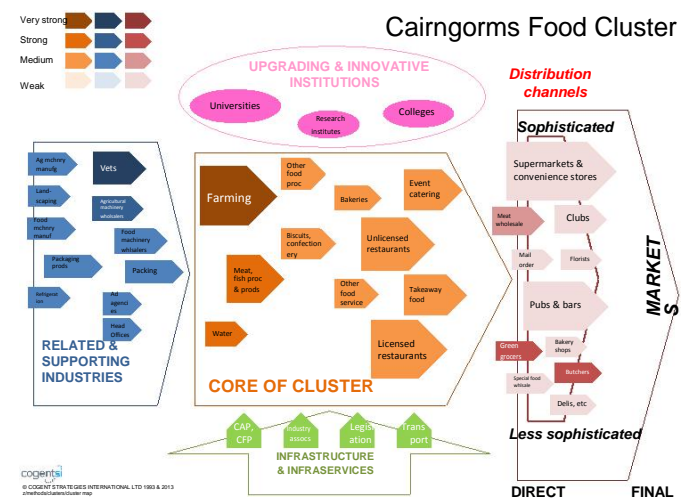
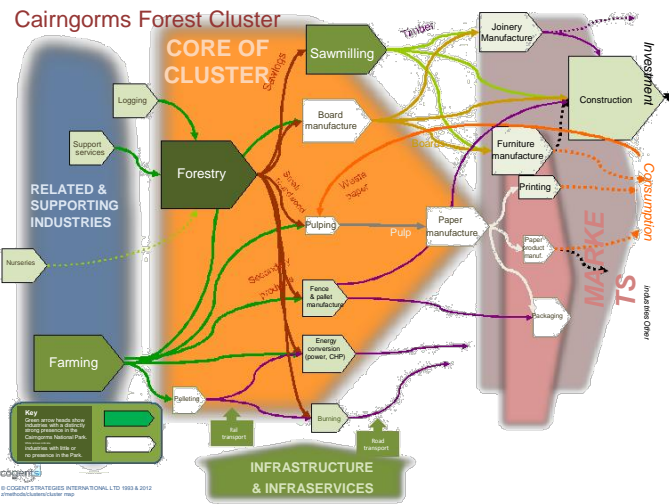
Cluster structure of the Park economy (£mn GVA, 2006)



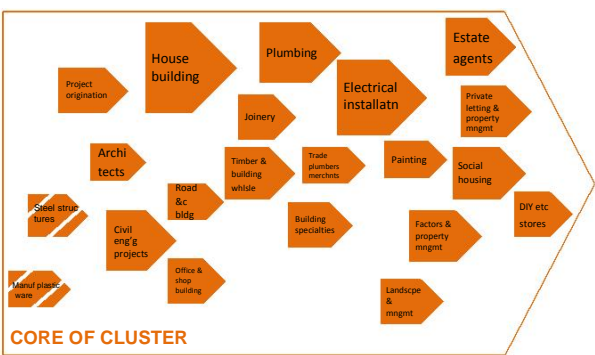
What can you do with clusters?

- Identify gaps/weak **components** and aim to fill them/strengthen them
- Identify weak or non-existent **linkages** and build them
- Create cluster wide **approaches**
- Measure and **benchmark** against other places





Cairngorms Construction Cluster (Core)

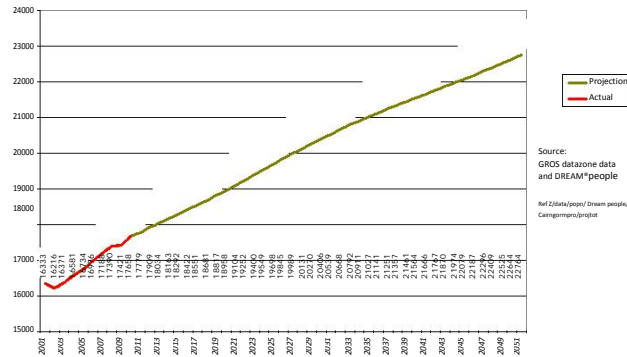


A reminder: How can you use clusters?

- Identify gaps/weak **components** and aim to fill them/strengthen them
- Identify weak or non-existent **linkages** and build them
- Create cluster wide **approaches**
- Measure and **benchmark** against other places

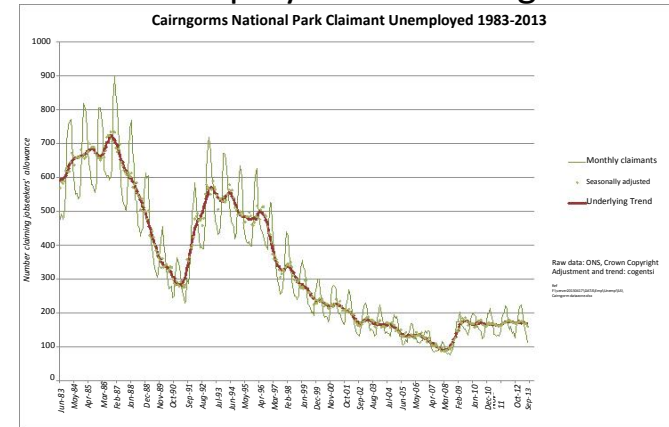
A growing population...

Projected population of Cairngorms National Park



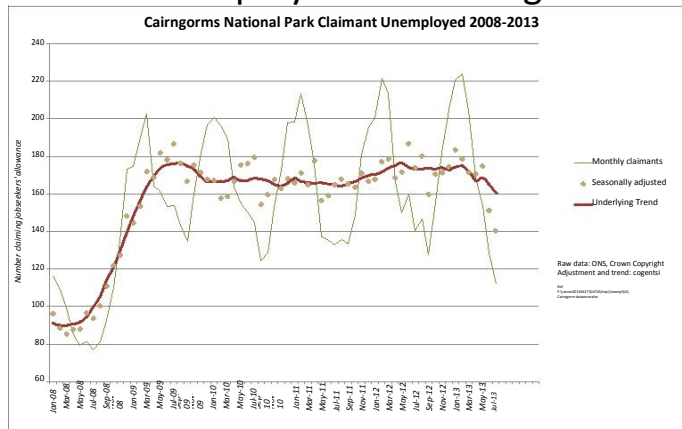
Unemployment is falling...

Cairngorms National Park Claimant Unemployed 1983-2013



Unemployment is falling...

Cairngorms National Park Claimant Unemployed 2008-2013



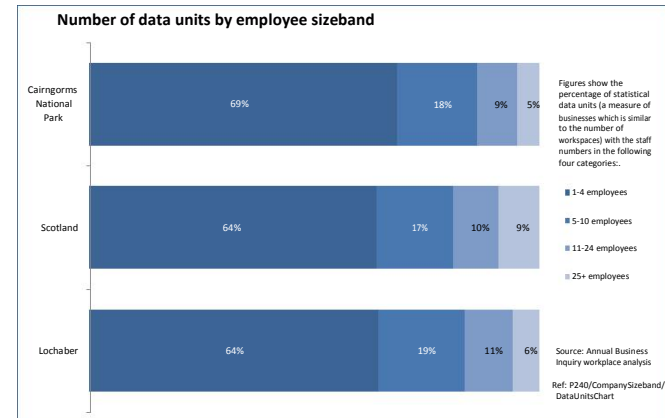
So...?

- A positive story on the economy
- Can use cluster maps to identify diversification opportunities
- What else?
 - Attracting investment?
 - A great place for getting the support small businesses need?
 - Business infrastructure (transport/communications)

Attracting investment

- Responsibility of Scottish Development International...
- ...actively supported by local agencies
- What is the scope to ensure that SDI is:
 - Fully aware of opportunities in the Park?
 - Is actively targeting markets with partners?
- What can local businesses do to support this?

The significance of smaller businesses



Why is this important?

- 87% of businesses in National Park
- A third of private sector jobs in Scotland
- Micro-businesses accounted for nearly 60% of jobs growth in EU 2002 – 2010
- 40% of unemployed who find work go to micro-businesses or self-employment

Micro-businesses and jobs

Business feature	Micro (<10 employees)	Small (10 – 49 employees)	Medium sized (50 – 249 employees)	Large employers (>250)
% employment in non financial business sector in EU	30%	20%	17%	33%
% of total employment growth 2002 - 2010	58%			
% workforce recruited from LTU	26%	14%		9%
% of recruits under 25	9%	15%		17%
% of recruits over 50	22%	16%		18%
% of employees PT	18%			14%
% who use fixed term contracts	50%	75%		87%

What is distinctive about micro-businesses?

- They can usually only grow through recruitment
- They tend to under-recruit
- When the right support is put in place it makes a difference
- Sole Trader Initiative, Recruit Sutherland, Highland Council/BG
- Appropriate to Cairngorms?

Breakout

- *What are the **most important issues** for the economic development of the National Park that you draw from the presentation?*
- *Drawing on the cluster maps, what are the **most important opportunities** for development and diversification?*
- *What else needs to happen to ensure that businesses are **well supported, the right infrastructure** is in place, and appropriate **new investment** is attracted?*

Quick overview

- Build on strengths (clusters and educational resources)
- Target and attract investment which enhances the Park
- Keep/attract young people
- Develop the right infrastructure
- Help start ups and indigenous business grow – and ensure they can get the right skills

Lunch

Discussion

Main areas for action:

Tasks

Timescales

Responsibilities

Structures

Reflections

Kevin Roach, Chair, Cairngorms Business
Partnership

