

CAIRNGORMS NATIONAL PARK

ECONOMIC BASELINE REVIEW - COMMISSIONING BRIEF

MARCH 2009

BACKGROUND

1. The Cairngorms National Park was established in 2003 with the following four aims:
 - a) To conserve and enhance the area's natural and cultural heritage
 - b) To promote the sustainable use of the area's natural resources
 - c) To promote understanding and enjoyment of the Park's special qualities
 - d) To promote sustainable economic and social development of local communities
2. The long term success of the Park is dependent on these four aims being achieved collectively and in a co-ordinated way. The Cairngorms National Park Plan was published in 2007 and brings together all those involved in managing the area to set out a shared vision, a framework for management and priorities for action. It has been developed for the National Park as a whole and is implemented through a wide range of partners and stakeholders. The Cairngorms National Park Authority (CNPA) has a statutory function to ensure this collective and co-ordinated approach. It is designed to be an enabling organisation promoting partnership and giving leadership to all those involved in the Park (an approach that is unique amongst National Parks in the UK) and only delivers directly in the limited areas of planning and access. Further background information on the Park and the Park Plan can be found at www.cairngorms.co.uk.
3. The designation of the Park in 2003 brought with it opportunities for economic growth and improved business networks in and around the Park boundary. In response to this, the then Cairngorms Partnership asked Highlands and Islands Enterprise and the Scottish Enterprise Local Enterprise Companies to undertake an economic audit of the Park. This work, conducted by SQW Consultants in 2002/03, assessed economic issues within the Park and formed baseline data. There is now a need to update this baseline economic information to establish trends in economic activity and assess the impact that National Park status and the collective delivery of the four aims thus far has had on the economic health of the area.

CONTEXT

4. The following key factors have influenced the need for a review and will shape the methodology used:
- a) The Park has been established for over 5 years and the Park Plan for 2 years; a measure of progress is now required.
 - b) The business community has made enormous strides with a maturing Cairngorms Chamber of Commerce (CCC) and the development of Destination Management Organisations (DMOs); this work continues apace with a wider business partnership model now being established.
 - c) A Cairngorms National Park Brand has been developed.
 - d) The Scottish Government has made improvements with the availability, consistency and accessibility of small area statistics through the Scottish Neighbourhood Statistics (SNS) website service.
 - e) New research is available¹, including:
 - i) 2005 Park-wide Visitor Survey; a repeat survey is planned for 2009².
 - ii) Annual Park-wide STEAM data.
 - iii) 2007 Scottish Enterprise - Cairngorms/South Deeside Tourism Study.
 - iv) 2007 Highlands & Islands Enterprise - Moray Social and Economic Audit and Atlas.
 - v) 2008 SNH - Economic Impact of Scotland's Natural Environment, including a Cairngorms Case Study.
 - vi) 2008 Highlands & Islands Enterprise - Inner Moray Firth Economic Survey (ongoing).
 - vii) Cairngorms Chamber of Commerce local business surveys.
 - viii) Quarterly Aviemore and the Cairngorms DMO Business Barometer.

OBJECTIVES

5. The project has five objectives:
- a) To update economic baseline data for the Park and, where appropriate, the surrounding area.

¹ All these studies will be made available. This is not a definitive list and other examples include annual Agricultural Census data, VisitScotland business surveys and regular Scottish Government monitoring. Recent studies such as The Royal Society of Edinburgh Committee of Inquiry into the Future of Scotland's Hills and Islands also provide important background context.

² Commencing in April 2009 and running to April 2010 with monthly progress reports.

- b) To identify and analyse trends in economic activity in and around the Park, including outline comparisons with the overall Scottish economy.
- c) To analyse the impact that National Park status has had on the economy of the Park, and the surrounding area.
- d) To identify opportunities for strengthening the local economy that have yet to be fully exploited, and barriers to achieving those Strategic Objectives of the Park Plan that are directly influenced by the economy.
- e) To recommend a longer-term methodology for regular monitoring of economic performance and progress.

OUTPUTS

6. The contract is expected to produce detailed reports that can be used to inform ongoing operational and policy work within the local business community, the CNPA and partner organisations. Where recommendations are sought, the rationale to support them must be clearly articulated. The data used in the analysis should be available for future comparison and, along with the reports, will become the property of the CNPA. The reports should be completed in MS Office compatible format. Ten hard copies should also be produced.
7. An interim written report is required. This should contain an update of economic baseline data and an initial analysis of trends. It should also highlight potential information gaps and will provide an opportunity to review the project and help shape the final stages.
8. A suitable booklet/leaflet summarising the findings of the study should be designed and produced for circulation across the National Park. The project team will also be required to brief the findings of the study in presentations to local businesses and community representatives.

METHODOLOGY

9. **Scope.** The Park cuts across four local authority boundaries and spans both enterprise networks. Data collection across the Park can be challenging but there have been improvements and a number of recent economic studies have covered the entire Park, or sections of the Park, and its immediate surrounding area. Analysis of these existing studies is expected to be a core part of the project, combined with the data now available on the SNS website. Extensive new primary research is not anticipated, although some primary research will be required to address specific issues such as the impact of the National Park on businesses.
10. **Scottish Government Statistics.** The SNS website was recently re-launched and now provides a straightforward means of accessing local statistical information. As part of ongoing development work it will be possible to search the data for key Scottish Government indicators using an agreed best-fit boundary for both National Parks. This should offer opportunities for more efficient longer-term economic monitoring. Other National Park data that is gathered centrally, such as house prices, will also be made available.
11. **Park Boundary.** The SQW Study in 2002/03 used a best-fit boundary based on postcodes for the Park and for a wider surrounding area. The boundary used by SNS is based on different criteria but is a more accurate reflection of the current Park boundary. The SNS Park

boundary should be used as the 'baseline boundary' as it has greater utility for longer-term economic monitoring. Trend analysis must include comparisons with the 2002/03 Economic Baseline Study and will articulate clearly areas where any comparisons are difficult or where the confidence in the data is low. The SNS boundary does not yet include the planned expansion of the Park into Perth & Kinross but analysis should cover this future development.

12. **Wider Halo Effect.** The economic effect of the Park also extends past the statutory boundary and the report should consider the economic effects around the Park. The precise area covered by any 'halo' effect is not specified and the contract seeks an appropriate recommendation for a relevant 'halo' area for analysis and future monitoring, backed with a clear justification and means of measurement. This must be agreed with the client as part of initial scoping work.
13. **The Cairngorms National Park Plan.** The Park Plan articulates a 25 year vision and a series of Strategic Objectives to which all sectors in the Park can actively contribute. Most of these objectives will be influenced by the economic health of the Park (to varying degrees) but analysis should concentrate on those objectives that are directly influenced by the economy, including:
 - a) 5.1.3 Sustainable Use of Resources
 - b) 5.1.4 Integrated Land Management
 - c) 5.2.2 Sustainable Communities
 - d) 5.2.3 Economy and Employment
 - e) 5.2.4 Housing
 - f) 5.2.5 Transport and Communications
 - g) 5.2.6 Waste Management
 - h) 5.3.2 Sustainable Tourism

Further detail is available at:

www.cairngorms.co.uk/parkauthority/publications.

14. **Economic Indicators.** The 2002/03 Economic Baseline Report provides a number of suggested economic indicators and is a useful baseline. However, this list is not exhaustive and recommendations, with a clear means of measurement, are sought for indicators that help address current information gaps and that provide a more accurate economic picture including, where appropriate, linkages to the Scottish Government National Indicators. Indicators should provide a full breakdown by sectors and by geographical sub-areas of the Park. Specific information gaps include:

- a) Local spend and retention of value added in the local economy.
- b) Business start-up, sustainability and growth trends and intentions including:
 - i. Barriers to business growth
 - ii. Appeal of the Park to new business and new staff
 - iii. Access to skilled labour (local and from elsewhere)
 - iv. Barriers to staff recruitment and retention (house prices)
 - v. Infrastructure limitations (transport, processing facilities)
 - vi. Impact of increased legislation and administration
 - vii. Internal business investment (property, management skills and staff skills)
- c) Agricultural economic data.
- d) Sporting estate (fieldsports and game fishing) economic data.
- e) Detailed employment data for the wider tourism sector (such as outdoor activity providers), access and nature conservation and other service providers (such as retail and knowledge based industries).
- f) An assessment of the social economy (such as social enterprises, voluntary organisations).
- g) Local spend and retention of value added in the local economy.
- h) Business start-up, sustainability and growth trends and intentions including:
 - i. Barriers to business growth
 - ii. Appeal of the Park to new business and new staff
 - iii. Access to skilled labour (local and from elsewhere)
 - iv. Barriers to staff recruitment and retention (house prices)
 - v. Infrastructure limitations (transport, processing facilities)
 - vi. Impact of increased legislation and administration
 - vii. Internal business investment (property, management skills and staff skills)
- i) Agricultural economic data.
- j) Sporting estate (fieldsports and game fishing) economic data.
- k) Detailed employment data for the wider tourism sector (such as outdoor activity providers), access and nature conservation and other service providers (such as retail and knowledge based industries).

- l) An assessment of the social economy (such as social enterprises, voluntary organisations).
15. **Long-Term Regular Economic Monitoring.** Recommendations are sought on the most appropriate means of monitoring economic issues in the longer-term, with particular regard to assessing progress with implementing the Park Plan and to support the key business organisations in the Park (DMOs and CCC). This should make maximum use of readily available data such as that provided by SNS. Existing measures of local economic health such as the ACDMO Business Barometer provide some useful indications but other measurable economic barometers may also be suitable. Options for benchmarking against other National Parks or between and across specific industry sectors within the Park should also be explored.

PROJECT MONITORING

16. **Scoping Meeting.** An initial scoping meeting will be held with the successful bidder in order to clarify the detailed requirements of the project.
17. **Progress Reports.** Close liaison with the client and partner organisations is expected throughout the project, including joint working groups, and regular progress updates will be required. The precise frequency and format will be clarified at the scoping meeting.

TIMETABLE

18. The anticipated timetable is:

Date	Deadline for
20 March 2009	Invitation to tender issued
	Comments/queries to: John Thorne, Economic Development Officer, johnthorne@cairngorms.co.uk 01479 870520
14 April 2009 12pm	Receipt of tenders
15 April 2009	Tender scoring completed. A formal interview process may be
17 April 2009	Contract issued
22 June 2009	Interim report delivered
31 July 2009	Draft report delivered
17 August 2009	Final report agreed and delivered

Date	Deadline for
28 August 2009	Summary booklet delivered
16 October 2009	Presentations completed

TENDER SUBMISSIONS

19. Your tender should address the following areas:
- a) Qualifications and experience of the personnel involved including a detailed breakdown of who will work on the various elements of the contract.
 - b) Approach and methodology to be used in carrying out the work.
 - c) Detailed breakdown of costs showing:
 - i. day rate and contribution of each team member
 - ii. travel and expensesCosts associated with primary research should be articulated separately.
 - d) Timetable including key milestones.
 - e) Detailed costs for the design and production of the summary booklet (1000 copies).
20. We require 3 paper copies of the tender submission. Tenders must be received by **14 April at midday** marked for the attention of Alistair Hight, Finance Manager, Cairngorms National Park Authority, 14 The Square, Grantown on Spey, PH26 3HG. Please mark the tenders with the reference "**Economic Review Tender**".

TENDER EVALUATION CRITERIA

21. CNPA will seek the best value for money for the project. Tenders will be evaluated against the following criteria: cost; technical competence and experience; and, methodology.

BUDGET

22. The CNPA is not VAT registered so all figures included in the tender **must be VAT inclusive**. It has been a conscious decision, taken by our Finance Committee, not to disclose the budget available for any tendered work.
23. Payments will be staged throughout the project as follows:

CAIRNGORMS NATIONAL PARK AUTHORITY
Finance Committee Paper 1 Annex 2 20/02/09

Date	Output	Payment
22 June 2009	Interim report delivered	20%
31 July 2009	Draft report delivered	60%
17 August 2009	Final report agreed and delivered	10%
16 October 2009	Presentations completed	10%