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# CAIRNGORMS NATIONAL PARK AUTHORITY

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## FOR DECISION

**Title: CAIRNGORMS ECONOMIC DEVELOPMENT AND DIVERSIFICATION STRATEGY**

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### **Purpose**

To present the Final Draft of the Cairngorms Economic Development and Diversification Strategy (CEDDS) for CNPA endorsement, and to agree CNPA contribution to delivery of the Strategy.

### **Recommendations**

**The Board are asked to:**

- i. endorse the Economic Development and Diversification Strategy; and,**
- ii. agree CNPA's contribution to delivery of the Strategy.**

### **Executive Summary**

The Cairngorms Economic Development and Diversification Strategy (CEDDS) has been developed in conjunction with a range of private and public sector partners. The Strategy identifies six Priority Themes to support the diversification and development of the economy of the Cairngorms National Park. An Action Plan is contained within the Strategy to support delivery of these Priority Themes. The Action Plan will be delivered by a range of partners using existing delivery groups where appropriate and overseen by the Cairngorms Economic Forum. CNPA staff and financial resources will be directed to add value to partner activities and to deliver those actions that relate specifically to our organisational priorities as per the current Corporate Plan. These include Tourism, Forestry, Food and Drink, Broadband, and forward planning for the next Local Development Plan. Beyond 2014/15, CNPA financial and staff resource for delivery of the Strategy will be decided through development of the next Corporate Plan.

## CAIRNGORMS ECONOMIC DEVELOPMENT AND DIVERSIFICATION STRATEGY – FOR DECISION

1. The draft Priority Themes for the Cairngorms Economic Development and Diversification Strategy (CEDDS) were presented to the CNPA Board in December 2013 for endorsement prior to public consultation. A consultation exercise was undertaken during March and April 2014 and, with the support of the Cairngorms Economic Forum, a Final Draft of the CEDDS has now been produced and is attached at **Annex 1**. The CNPA Board and other partners are now being asked to endorse the Strategy and to commit to its implementation.

### Strategic Context

2. 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). The proposal for a Strategy arose as a result of feedback from the business community. The purpose of the Strategy is to identify the strategic issues and opportunities that are relevant and important to the economy of the Park and to provide a stimulus to bring partners together to deliver the relevant outcomes in the NPPP.
3. There are five Economic Development Strategies that already cover parts of the Park, each based on the geography of the respective local authorities. In addition, Highlands and Islands Enterprise, Scottish Enterprise and other agencies also have area and sector-specific strategies that affect the area. The main focus of these strategies is not always directly relevant to the National Park – for example, the economic issues addressed in each local authority area are generally centred on the urban and low-ground areas. As such, the areas within the CNP are often not the priority areas for economic support and activity from partner agencies. Each existing Strategy is linked in some way to the Single Outcome Agreements with the Scottish Government and each has distinctive governance structures in place as part of Community Planning Partnerships (e.g. Moray Economic Partnership).
4. Key relevant sections of the NPPP are outlined below and have been reflected in the vision and aim of the CEDDS:
  - 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 Strategy has been developed to reinforce the other key Plans and Strategies for the CNP as outlined in Table 1.

**Table 1 - CNP Plans and Strategies**

CNP Plan/Strategy	Relationship with CEDDS
<b>Cairngorms Nature</b>	<ul style="list-style-type: none"> <li>• CEDDS identifies the natural heritage as <u>the</u> key asset which underpins the economy and attracts people to visit, live and work in the area and one that must be protected, particularly due to its significance to the tourism sector.</li> <li>• The Strategy has been subject to Strategic Environmental Assessment which found that the Strategy will have neutral or slightly positive effects on the environment.</li> <li>• Land management, conservation activities, nature based tourism etc. are key elements of the Park economy and the Strategy identifies opportunities in this area.</li> <li>• Forestry is identified as a key growth sector and links to the aspiration of Cairngorms Nature to increase forest cover.</li> <li>• The Strategy identifies the need to plan for the future to examine potential economic and population growth scenarios in relation to natural heritage of the area.</li> </ul>
<b>Active Cairngorms</b>	<ul style="list-style-type: none"> <li>• The Strategy identifies opportunities in the tourism sector for growing the cycling market, improving visitor infrastructure, and encouraging active travel through improved transport linkages and promotion.</li> </ul>
<b>Sustainable Tourism Strategy (STS)</b>	<ul style="list-style-type: none"> <li>• The Strategy was developed in conjunction with the mid-term review of the STS which sets out the agreed partnership strategy to manage and develop the tourism sector sustainably.</li> <li>• Tourism is the dominant sector of the economy in the Park and the CEDDS identifies opportunities to support both growth and diversification of this sector. This will support delivery of Strategic Objective 1 of the Sustainable Tourism Strategy which is to achieve Tourism Growth.</li> </ul>

CNP Plan/Strategy	Relationship with CEDDS
<b>Local Plan/ Local Development Plan</b>	<ul style="list-style-type: none"> <li>• The Strategy acts as stimulus for investment in projects to support development and delivery of the LDP.</li> <li>• The Strategy provides a stimulus to gather key information about business requirements for staff accommodation and business premises to support development of the next Local Development Plan. It also identifies the need for key infrastructure to support economic growth.</li> </ul>
<b>LEADER Local Development Strategy</b>	<ul style="list-style-type: none"> <li>• The Leader LDS sets out the strategy for community-led development in the Park and will be a key delivery mechanism through provision of funding. Funding for business related activity will be higher priority in the next Leader programme.</li> <li>• The Aim of the CEDDS is reflected directly in the Local Development Strategy as Draft Theme 2; '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.'</li> </ul>

## Preparation of the Strategy

6. The Cairngorms Business Partnership has led the development of the Strategy on behalf of the Cairngorms Economic Forum with project management support and policy advice from CNPA. The process involved baseline research and review of existing strategies, and extensive discussion and consultation with existing groups and forums. Key stages are outlined on page 4 of the Strategy. Reports documenting the research undertaken, workshop discussions, and consultation findings can all be found on the CNPA website.
7. The Draft Strategy was subject to consultation in Spring 2014. The consultation findings were supportive of the proposed themes and outcomes and identified the following as the key priorities; Grow the key sectors of the economy; Business Support; and, Infrastructure. In addition the consultation responses recognised the importance to the economy of:
  - the conservation of the natural assets and environment;
  - broadband provision which was identified as a key priority for all sectors; and,
  - the importance of the land use sector which cuts across a number of sectors.

## Governance and Delivery of the CEDDS

8. The Cairngorms Economic Forum (CEF) will oversee delivery of the Strategy. This in turn will inform wider reporting on delivery of the National Park Partnership Plan. Delivery of the National Park Partnership Plan is overseen by the NPPP Strategic

Delivery Group. This Group is made up of key partners and meets twice a year to report on progress with delivery. Development and delivery of this Economic Development and Diversification Strategy is one of the key areas of work on which they report.

9. Where there are appropriate existing groups and Forums these will be utilised to prioritise and facilitate delivery of key actions and activities. If a project is identified as a priority and there is no existing group to take it forward then the Forum will establish an appropriate working group and agree the lead partner. These Delivery Groups will be short-term groups tasked with specific delivery activities. These groups are outlined in the CEDDS and defined in Appendix 2 of the Strategy.

### **Implications – CNPA contribution to Delivery of the Strategy**

10. CNPA's role in delivering the Strategy will be one of facilitation and of adding value to the activities of others e.g. Enterprise agencies and local authorities, each of which has specific functions for economic development. CNPA staff and financial resources are already place for 2014/15 as summarised in the CNPA Operational Plan. CNPA also provide support for delivery through our grant funding to the Cairngorms Business Partnership. Beyond 2014/15, CNPA financial and staff resource for delivery of the Strategy will be decided through development of the next Corporate Plan.
11. In light of the recent mid-term review of the Sustainable Tourism Strategy (STS) and a number of other key issues, CNPA are reviewing in full our approach to tourism delivery. This review will culminate in a paper to the Board of the CNPA in September which will set out our proposals for a new approach to tourism and how we work with partners to deliver this. As part of these proposals we will consider the role of the current Sustainable Tourism Forum and other existing tourism partnerships and make recommendations as to the most appropriate way to work with partners at a National Park level in the future. The resulting grouping will provide the lead group for delivery of the priorities for tourism delivery in the Strategy and for the time being is referred to as the 'Cairngorms Tourism Partnership'.
12. 2014/15 CNPA Resource to support delivery of the Strategy and Action Plan is outlined in Table 2 below. The Lead Groups identified are defined in Appendix 2 of the Strategy. Current priority areas for CNPA include Tourism, Forestry, Food and Drink, Broadband, and forward planning for the next Local Development Plan.

**Table 2 – CNPA Staff and Financial Resource for delivery 2014/15**

CEDDS Priority Themes & Lead Groups	CNPA Resource	
	Staff	Financial
<b>Priority Theme 1: Building on the strengths of the Park:</b>		
<b>Tourism</b> Cairngorms Tourism Partnership	<i>Facilitation &amp; Delivery:</i> Lead and establish Cairngorms Tourism Partnership and delivery of key projects	Funding support to CBP and part funding to support agreed projects
<b>Forestry</b> Cairngorms Nature Strategy Group	<i>Facilitation &amp; Delivery:</i> Land Management and Economic Development staff involvement in delivery of key activities to support forest expansion through Cairngorms Nature	Funding support for skills development through Land based Business training and Cairngorms Nature projects
<b>Agriculture, Food &amp; Drink</b> Food & Drink Delivery Group	<i>Facilitation &amp; Delivery:</i> Land Management and Economic Development staff involvement in Food & Drink Group and key projects to support product development and collaboration	Funding support for delivery of agreed projects
<b>Energy Efficiency &amp; Renewables</b> Low Carbon Liaison Group	<i>Facilitation only:</i> Rural Development staff support to establish Low Carbon Liaison group to coordinate existing partner activity in the area	None
<b>Priority Theme 2: Supporting and attracting Businesses</b>		
Business Support Group	<i>Facilitation only:</i> Economic Development staff involvement in Business Support Group	None
<b>Priority Theme 3: Strengthening education and training as an economic asset</b>		
Skills & Training Liaison Group	<i>Facilitation only:</i> CNPA staff liaison cross organisation to coordinate existing activity with partners and identify gaps and opportunities	Funding for Land Based Business Training
<b>Priority Theme 4: Attracting Investment</b>		
CLAG / Investment Liaison Group / NPPP Strategic Delivery Group	<i>Facilitation only:</i> Rural Development staff liaison with partners on opportunities for attracting investment	None
<b>Priority Theme 5: Infrastructure (accommodation, transport, connectivity)</b>		
Digital Comms. Steering Group / Housing Delivery Group	<b>Facilitation &amp; Delivery:</b> Economic Development staff lead on Digital Communications Group, Planning & Rural Development Directorate lead on Housing Delivery Group and associated activities	No Broadband budget  Housing budget

CEDDS Priority Themes & Lead Groups	CNPA Resource	
	Staff	Financial
<b>Priority Theme 6: Planning for the Future</b>		
NPPP Strategic Delivery Group	<b>Facilitation &amp; Delivery:</b> Planning & Rural Development Directorate lead on delivery linked to research strategy work	<i>Some budget may be required to support key pieces of research</i>

## Strategic Risk Management

13. The CNPA Strategic Risk register identifies five risks which directly relate to this area of work, and which have been developed in Table 3.

**Table 3 - 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	Broadband has been identified as a key priority for CEDDS and a delivery group already established to co-ordinate the approach to delivery in the Park. Significant public investment is planned though HIE, Scottish Government. Local authorities and Community Broadband Scotland
Pressure for economic growth is difficult to balance against Park's special qualities	Strategic Environmental Assessment of the CEDDS has been undertaken and shows neutral or slightly positive effects on the environment. 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 and recent results from Business Barometer shows that the economy of the CNP is growing and that Business Confidence is high. The CEDDS and CEF will support this trend.
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 though the Strategic Delivery Group will be fundamental in ensuring continued buy-in to delivery.
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.

## Next steps

14. Once endorsed by CNPA and CBP Boards the Strategy will be circulated to CEF partners for endorsement. CNPA will facilitate delivery of activity through key groups and Forums and where appropriate undertake direct delivery of activity. Work is already underway on delivery of a number of activities.

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17<sup>th</sup> June 2014

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