COGENT STRATEGIES INTERNATIONAL LTD

The Economic and Social Health of the Cairngorms National Park

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Cogent Strategies International Ltd
Killylung House Holywood
DUMFRIES DG2 0RL

Tel 01387 720462

in association with

Rocket Science UK Ltd
2 Melville Street
EDINBURGH EH3 7NS

Tel 0131 226 4949

Report prepared for the Cairngorms National Park Authority,
Highlands and Islands Enterprise and Scottish Enterprise

Cairngorms National Park Authority
14 The Square
Grantown on Spey PH26 3HG

Tel: 01479 873535

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2 Executive Summary

This report was commissioned by the Cairngorms National Park Authority and describes the economic and social baseline of the communities in and around the Cairngorms National Park, based on data available at the beginning of 2010.

An earlier study was carried out in 2002, before designation in 2003, and before the Park's boundaries were known. This study updates and substantially extends that one, and is based on the 'new' boundaries of the Park – the Park as originally designated, plus Highland Perthshire.

The report identifies and analyses local economic trends and compares these with the national picture. In doing so, it seeks to examine the impact that National Park status has had on the region's economy, since its designation. It also identifies opportunities for economic strengthening and seeks to understand barriers to achieving the Park Authority's strategic objectives. Ways of monitoring future performance are also considered.

Table 1 Summary of key indicators

Summary indicators				
Population		16,333 in 2001	17,188 in 2007	
Mean age (years)		42.4 male	45.0 female	
Natural change (2001-2007)		143 births	200 deaths	
Net annual migration (2001 - 2007)		-52 age 16-19	+258 for all other ages	
Gross Value Added* 2006 by cluster (£ million)	115.3	Tourism	40.0	Food chain
	10.8	Forest products	18.8	Whisky and drinks
	4.3	Information & media	71.3	Housing & construction
	15.9	Other products	62.4	Private services
	60.1	Public services	398.8	Total GVA
Employment (2008)	8,950	Employed in the Park	2,000	Estimated self-employed
	161	Unemployed (end 2009, SA)**	11,089	Population aged 16-65
	1,496	In-commuters	1,789	Out-commuters
Household incomes (2006) (£ million)	207.6	Wages and saleries (inc NIC)	48.3	Self-employment
	50	Dividends, private pensions	33.0	State benefits and pensions
	95.6	Housing capital gain	434.5	Total Household resources
Earnings (£ per year)	£18,370	Ave earnings per employee	74%	Scottish average
House prices (£ Dec 2008)	£205,000	Average (mean)	130%	Scottish average
Connections	7,734	A9 Kingussie, vehicles/day	163,320	All train stations in Park passenger journeys in 2008

*Gross value added (GVA) is the difference between output and intermediate consumption for any given sector/ industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. It is an alternative indicator of Gross Domestic Product (GDP) for use at a regional level, and whilst its use at sub-regional level is more limited, it is the best available indicator.

** Seasonally adjusted

People and demographics

The Cairngorms National Park is one of the most sparsely populated parts of the United Kingdom and is currently home to some 17,200 individuals. The Park's population is already on average much older than elsewhere in Scotland, and continued ageing creates both challenges and opportunities for providers of public and private services. Like all of rural Scotland, the area is experiencing large scale out-migration of older teenagers in pursuit of education and of a wider range of opportunities.

However there are also encouraging indicators of the demographic state of the Cairngorms. The overall population of the Park has increased almost 5 per cent since designation, and projections suggest it will reach 20,000 by 2040. Currently more than 250 more people come to the Park than leave each year, with most of these new residents being of working age (ranging from their twenties to their fifties). Few other rural areas can demonstrate an attraction to those in their twenties.

No definitive conclusion can be reached on whether designation in itself has enhanced the demographic pull of the area, or whether the new status simply came at a time when employment opportunities were improving and quality of place was becoming more important for people. Nevertheless, there is some evidence, shown in the report, which suggests that similar areas outwith the National Park designated area have grown more slowly.

Jobs and unemployment

There are a total of 11,500 people economically active in the Park. Of these, 9,000 are employed, around 2,000 are self employed (a very large proportion by national standards), 200 are unemployed and the balance are full time students.

The number of jobs available in the Cairngorms has risen over the past 25 years. Since Park designation, numbers have increased by around 1,000.

Two thirds of all jobs are in private sector services, including retailing and tourism. One in six are employed in the public sector (a smaller share than national averages), whilst goods-producing industries, such as manufacturing, agriculture and construction, also account for one job in six. Over the past ten years most of the expansion in jobs has taken place in tourism related industries, with some in financial and business services. This last category includes call centres.

Most people who live in the Park also work within its boundaries. It is estimated that around 1,800 Park residents work elsewhere, mainly in and around the cities of Inverness and Aberdeen. Remoteness from these large centres of population means that the Cairngorms has not, and is unlikely to become, a dormitory suburb.

About 1,500 jobs in the Park are filled by in-commuters, many of whom come from the Inverness area or from areas just outwith the Park's boundaries.

Despite recent increases due to the recession , unemployment levels in the Park are at an historically low level, and are at a rate much lower than Scottish national averages. Currently around 200 individuals are without work (a rate of 2 per cent), compared to a peak of 1,000 during the late 1980s and 300 at Park designation in 2003.

In the past the Cairngorms has had a highly seasonal employment pattern, thanks largely to the effects of the tourism industry. The amplitude of this seasonality has declined dramatically over the past ten years.

The Park's economy

The structure of the Cairngorms economy is highly unusual, with a distinctive mix of industries contributing to the area's creation of wealth. Compared to elsewhere in the country, whisky production, forest products (specifically sawmilling, harvesting and forest stewardship) and agriculture (notably estates and conservation bodies) are particularly distinctive, and the area includes the most tourism-focused parts of Scotland.

Overall, economic activity in the Park creates value added (GVA) of over £400 million.

A number of clusters of competitive industries in the Park are identified. These are tourism, whisky and drinks, forestry, food and agriculture, publishing and music, other production and manufacturing, home ownership and construction, public administration, health and education, and other services.

The mountains draw tourists, and tourism, including accommodation, catering and visitor attractions, accounts for almost 30 per cent of all value added created in the Park (£115 million). This is a higher proportion than any other part of Scotland. The majority of Scotland's winter sports take place in the Park at three main centres, and this significantly increases the value delivered by tourism-oriented assets.

There are 7,500 homes in the Park, with a combined value of more than £1.5 billion. The wealth created in the home ownership and the construction sector, rapidly expanding until recently at least, accounts for 18 per cent (£71 million) of the Park total GVA.

Lacking large government or local government offices, or major healthcare and postsecondary education facilities, the Park has traditionally had a small public sector. However, the economic importance of public services to the Park has risen considerably in recent years, and they currently account for £60 million of Park GVA (15 per cent of the total).

Land-based industries are an important generator of wealth for the Park, and an important employer of the Park's residents. Food and agriculture provide a living for 900 people, collectively generating £40 million of value added

per annum. The importance of the whisky and drinks cluster is shrinking – now providing employment for around 100 and value added of £20 million – but it is still an important part of local culture and heritage and of the tourism offering.

The forest and forest products cluster is growing in importance and diversity as the plantations mature, and it now contributes £11 million (3 per cent) of the Park's total value added.

Most businesses operating in the Park are small – over two thirds of workplaces in the Park have fewer than five staff, and the number of workplaces in the Park is now over 1,000 – a rise of 13 per cent since designation.

The Cairngorms is also home to a small number of significant manufacturing operations. Their main trade links are usually with organisations outwith the Park and they tend to either be long established organisations which have diversified into new fields or they have located in the area thanks to the high quality natural environment. Together businesses in this production and manufacturing cluster account for £16 million of value added, and a part of this has been tied to offshore oil and is developing other energy businesses.

There is evidence that the region is becoming an attractive base for relatively footloose sophisticated industries. In the study a cluster of creative, media and knowledge based businesses is identified. This contributes an estimated £4 million of value added to the Cairngorms economy each year.

Connectivity

The Cairngorm Mountains are at the geographical heart of the Cairngorms National Park. However, they also form a physical barrier to transport and physical communications between communities within the Park's boundaries. It is a barrier on which any public or private initiatives can have only a minor effect.

The main north-south artery of the Highlands, the A9, and the Highland railway line, run up and down the side of the Park, and join it to major transport nodes such as airports.

The sparsely populated nature of the permanent population, along with the physical challenges of the landscape means that connectivity and access to services can be challenging. Indeed, within the Park's boundaries are found some of the most geographically remote communities found anywhere in Scotland, as measured by the Scottish Index of Multiple Deprivation. Telecommunications meet basic standards, but wireless coverage and the penetration and bandwidth of wired communications are on the agenda for improvement.

The seasonal nature of tourism traffic can place strains on the local infrastructure, but it can also help to improve the viability of services which are then available to both local residents and visitors.

Incomes, wealth and wellbeing

Residents of the Park have a combined spending power of £435 million. 40 per cent of this is from local employees working locally and up to 20 per cent from the capital gain on housing. Self-employment income accounts for an above-average 10 cent of all spending power, with investment income providing over 10 per cent.

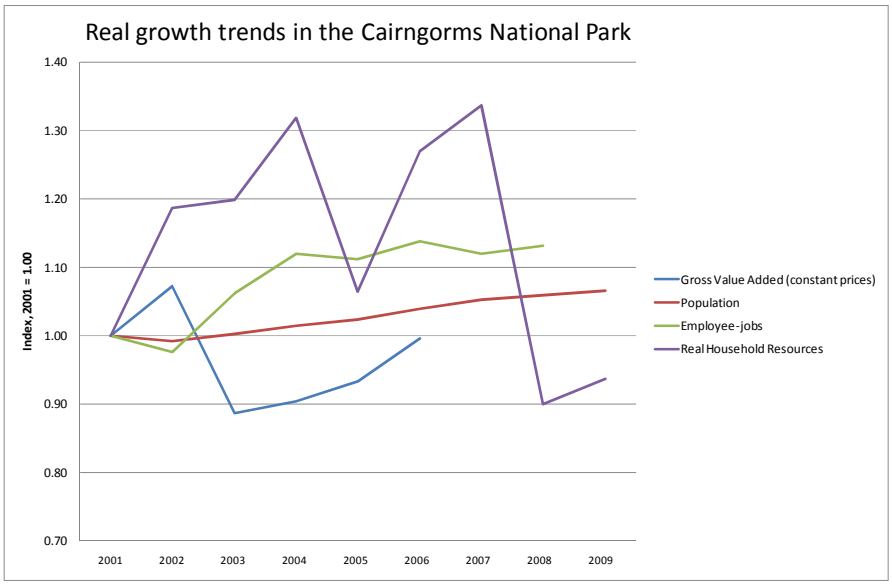
Apart from state pensions, benefit claims are below the national average across the Park, particularly so in Deeside.

In general the Park's residents enjoy a high standard of economic wellbeing with only isolated pockets of deprivation evident. The health of residents is generally good, significantly better than average, and crime is broadly low.

Is the Park healthy from a social and economic point of view? And if so, has its designation as a National Park contributed to that health?

The 'drift' of the key economic indicators for the Park is upwards, as Figure 1 clearly shows.

Figure 1 A community on a rising trend



The economy of the Park is small, and not very diverse, so great stability cannot be expected. The only substantial negative movements in Figure 1 are the reduction in GVA from 2002 to 2003, which was entirely a result of worsening fortunes in the whisky industry, and the falls in household resources in 2005 and 2008, which were due to sluggish house prices. These are both the consequence of international trends, for which the Park can be neither praised nor blamed.

3 Study remit and report structure

Sluggan Bridge

This is a report on a study commissioned by the Cairngorms National Park Authority to:

- Update the economic baseline information for the Park area and, where appropriate, the surrounding area and compare it with the original baseline carried out in 2002.
- Identify and analyse trends in economic activity in and around the Park and explore how they compare with the trends in the Scottish economy as a whole.
- Analyse the impact that National Park status has had on the economy of the Park and the surrounding area.
- Identify opportunities for strengthening the local economy that have yet to be fully exploited and barriers to achieving the strategic objectives of the Park that are directly influenced by the economy.
- Recommend a longer term approach to regularly monitor the Park's economic performance and progress.

The data uncovered during the study and the results of the analysis are presented in this report in twelve chapters and four appendices:

- One chapter offering a review of the people of the Park, including trends in population and migration (Chapter 4).
- Two chapters giving an overview of work in the Park, including employment (Chapter 5) and unemployment (Chapter 6).
- Four chapters presenting an analysis of the economy of the Park, including a sectoral breakdown of gross value added (Chapter 7); a discussion of the 'cluster' structure in which local businesses and other activities interact (Chapter 8); a discussion around connectivity within and from the Park (Chapter 9), some financial evidence on incomes and wealth (Chapter 10), and a discussion of social wellbeing and deprivation (Chapter 11).
- A chapter on how the future socio-economic development of the Park can be tracked, and how it can be influenced (Chapter 12).

Figure 2 The Park's historic and future boundaries

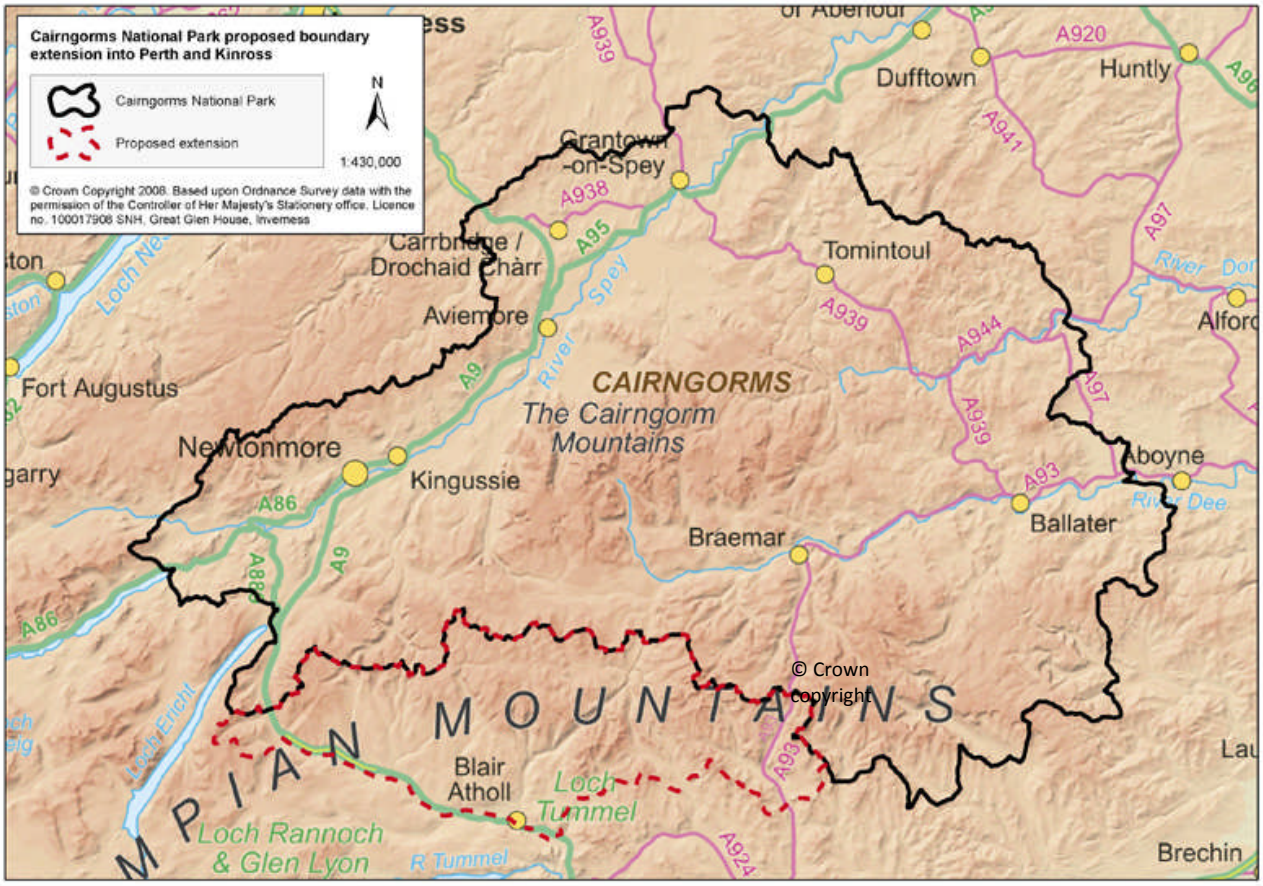


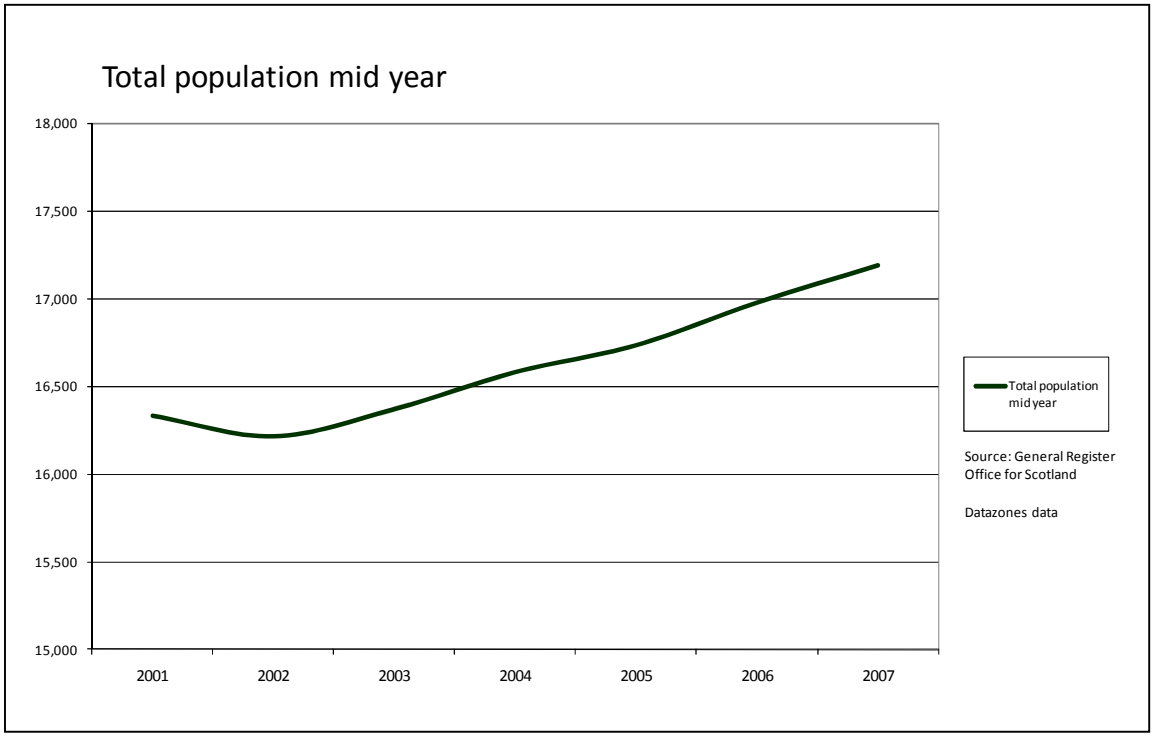
Figure 2 shows the area addressed. In principle, this report reviews the area of the enlarged Park, although for practical reasons data has often had to be analysed on areas which correspond closely but not exactly to this ideal.

The body of the report is followed by appendices setting out details of the administrative geography used for statistical analysis, examining the relevance of the original (2002) baseline study, commenting on the model currently in place for monitoring tourism, and outlining the DREAM® models which have been used to add detail to, update and extend official sources.

4 People in the Cairngorms National Park

From 16,400 at the time of the original Park designation, the total population living within the expected new boundaries of the Cairngorms National Park had risen by 4.9 per cent to 17,200 by 2007 (see Figure 3). In mid 2007 this consisted of 8,850 females and 8,350 males.

Figure 3 A rising population trend



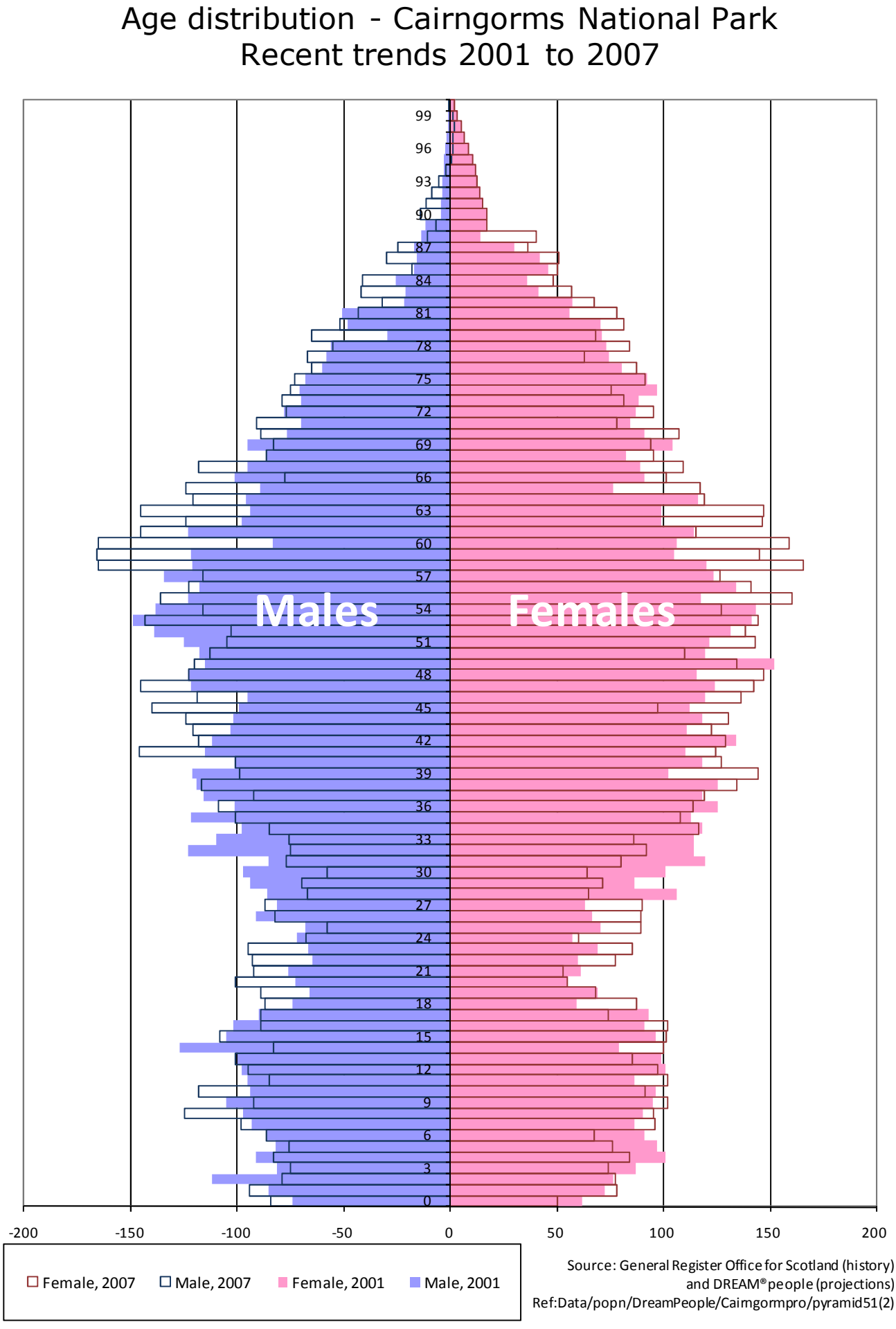
Park people are much older, on average, than the Scottish population as a whole. The mean ages were 45.0 and 42.4 for females and males respectively, about 3.8 years older than Scottish norms. The median age of the females was 47.0 years, and of the males 45.0 years, about 6.0 years older than the Scottish average. Thus not only are people in the Park generally older than the norm, but it contains an important number of the very oldest people.

Like many parts of rural Scotland, the Cairngorms area has traditionally suffered from an out-migration of late teenagers and twenty-year-olds. The result is a population age profile with a very narrow 'waist' of people in their twenties (see Figure 4).

Whilst the Park's population is growing, it is also continuing to get older. Most of the increase in recent years (between 2001 and 2007), has been of people in their sixties. However, there has also been some movement amongst younger age groups. For example, the region is now home to more residents in their forties, suggesting that families with children who are nearing the end of their time at school are being drawn to the region.

In addition, there is evidence in Figure 4 that the size of the 18 to 25 age group has increased over recent years. This inflow of young people appears to consist primarily of many who want to work (especially from the new accession countries of the EU, and especially in the hospitality industries) and may also include some who are relocating to take advantage of the growing leisure and outdoor recreation opportunities.

Figure 4 Population distribution: 2001 - 2007



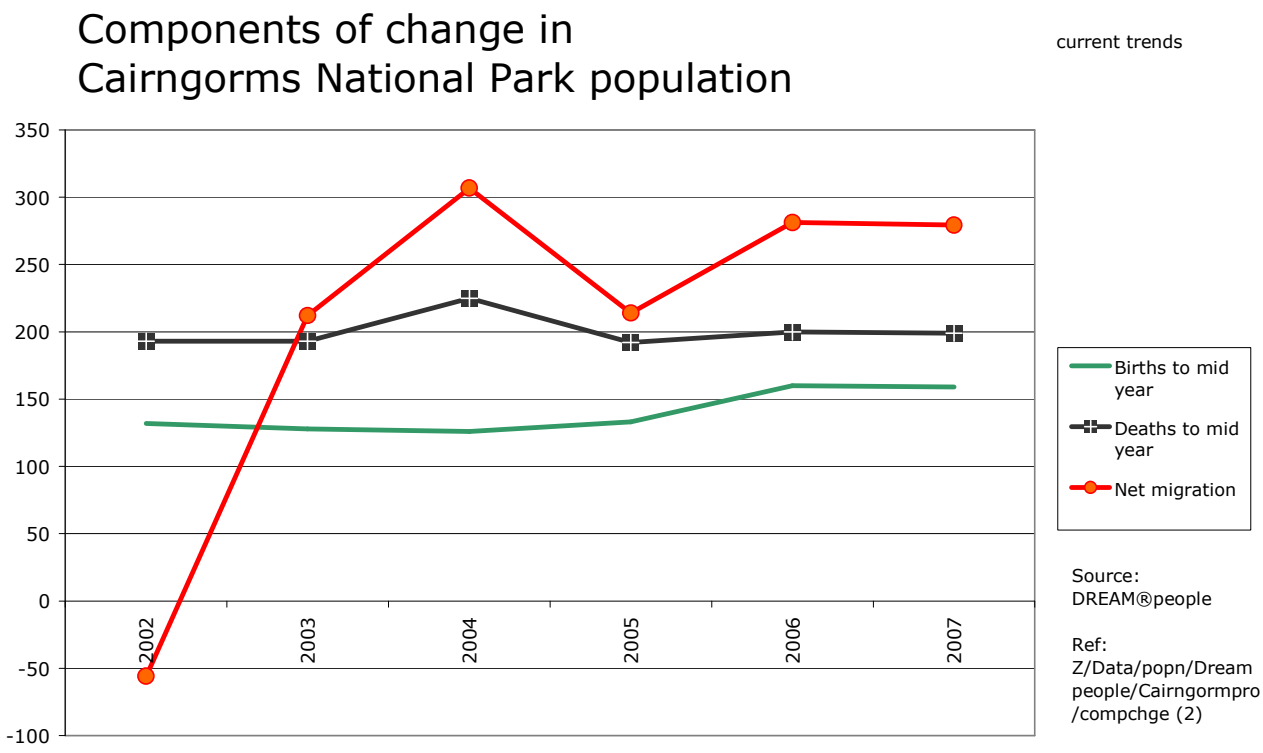
4.1 Births and deaths

Population change comes about as a result of three factors: the birth rate, the death rate, and migration.

The number of deaths in the Park has been relatively steady at between 190 and 225 each year. This death rate is rather low, about 84 per cent, after adjusting for age, compared to the Scottish average.

Birth rates are close to the Scottish average in relation to the population of childbearing age. The number of births has also been stable at between 125 and 160 each year, thus giving a 'natural' rate of population decline of some 65 individuals per year. In the 12 months to June 2002 this was increased by net out-migration, but Figure 5 shows that since designation of the Park there has been a net inflow of between 200 and 310 people each year.

Figure 5 Components of population change



4.2 Migration

One of the most sensitive and revealing barometers of socio-economic health is the pattern of migration. The box presents a quotation from Michael Ignatieff, philosopher and politician, writing about the emigration of his mother's family from Scotland in historic times. The converse is that when people begin to *arrive* in a place, it is a sign that a country has begun to live, because they think that life is *there.* Does that apply to the National Park today?

> A country begins to die when people think life is elsewhere and begin to leave
>
> Michael Ignatieff
> True Patriot Love, 2009

In 2001-2002, before the Park was set up, the Cairngorms area suffered net out-migration, with 56 more people choosing to leave the area than decided to move to the area.

In subsequent years, the direction of net migration has changed and now the Park enjoys annual net in-migration of around 260 people (see Figure 5). Between 2003 and 2007 the Park has attracted 1,000 more residents than it has lost to out-migration.

As we have seen, a net inflow of 65 people is required each year simply to hold the population steady. The fact that the inflow is much higher is a clear sign that, all things considered, people find the Park a desirable place to live.

The Park Authority has the ability to influence migration flows in many ways. Its environmental powers and activities are a strong influence on the desirability and amenity of the area. It can influence the availability of

employment, economic opportunity, and education, and it can directly control aspects of housing supply through its planning policies and decisions.

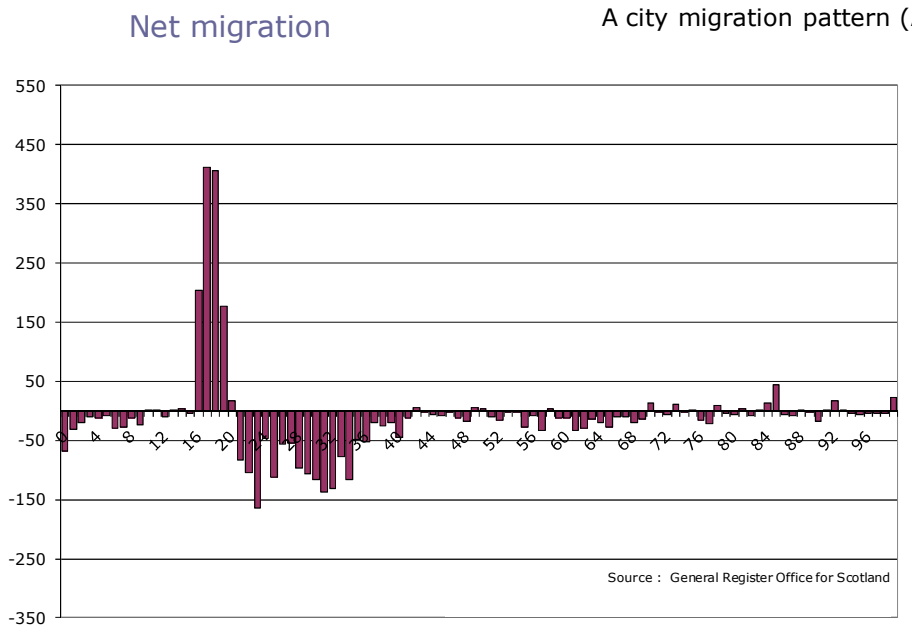
In some ways the patterns of migration into the Cairngorms reflect more general patterns found broadly across Scotland, especially rural Scotland, and some other countries. But in other ways they are highly distinctive, and the patterns of special features merit attention. They can best be examined by looking at the age pattern of migration. To see why the Park is special we need to look first at the age pattern of rural and urban net migration in Scotland.

4.3 Background: Scottish migration patterns broken down by age

The officially-published data on population levels and migration presents it only in broad age groups: however to examine the Park's situation it is necessary to consider it for single-year age cohorts. We have obtained the age distribution of population in single years throughout Scotland by means of a special request to the General Register Office for Scotland, and using a proprietary model[1] we have broken down the year-by-year changes into age-specific migration flows, after taking account of births and deaths. It is helpful to understand how the Park differs from general patterns, so in this section we bring out some key characteristics of Scottish migration patterns.

Across Scotland's council areas, two broad age patterns of migration can be found. In the cities there is out-migration across all age groups except for people in their late teens, who in-migrate in massive numbers (see the example of Aberdeen in Figure 6).

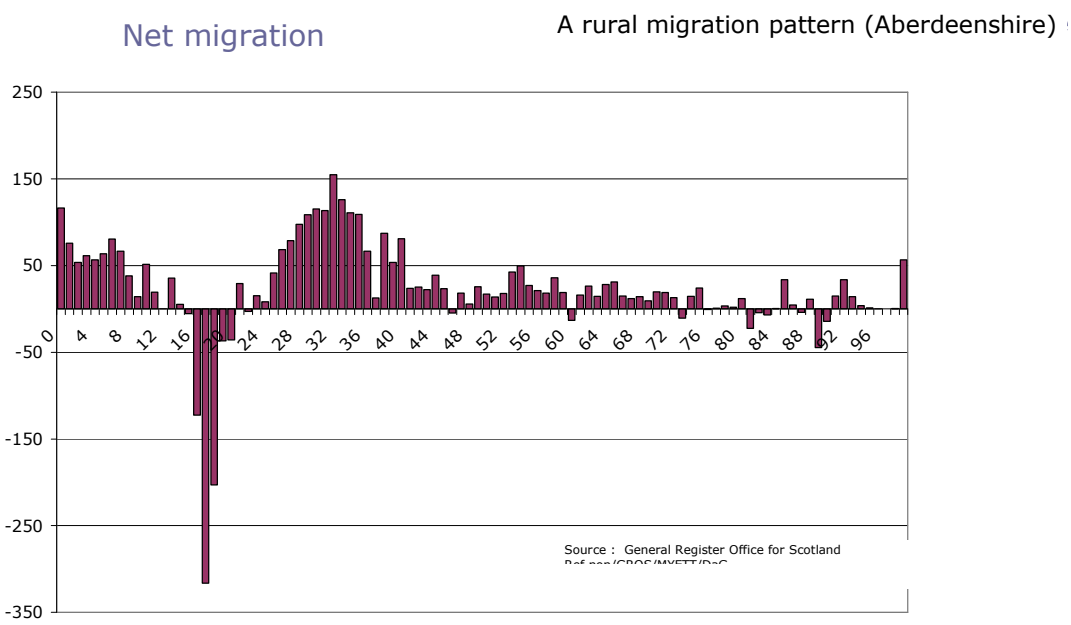
Figure 6 Net migration in the city of Aberdeen



In rural areas, however, the opposite is the case: there is in-migration across all age groups, except that people aged 17 to 20 go to the cities (see the example of Aberdeenshire in Figure 7).

[1] The DREAM®people model. The registered trademark DREAM®, Detailed Regional Economic Accounting Model, is the property of Cogent Strategies International Ltd.

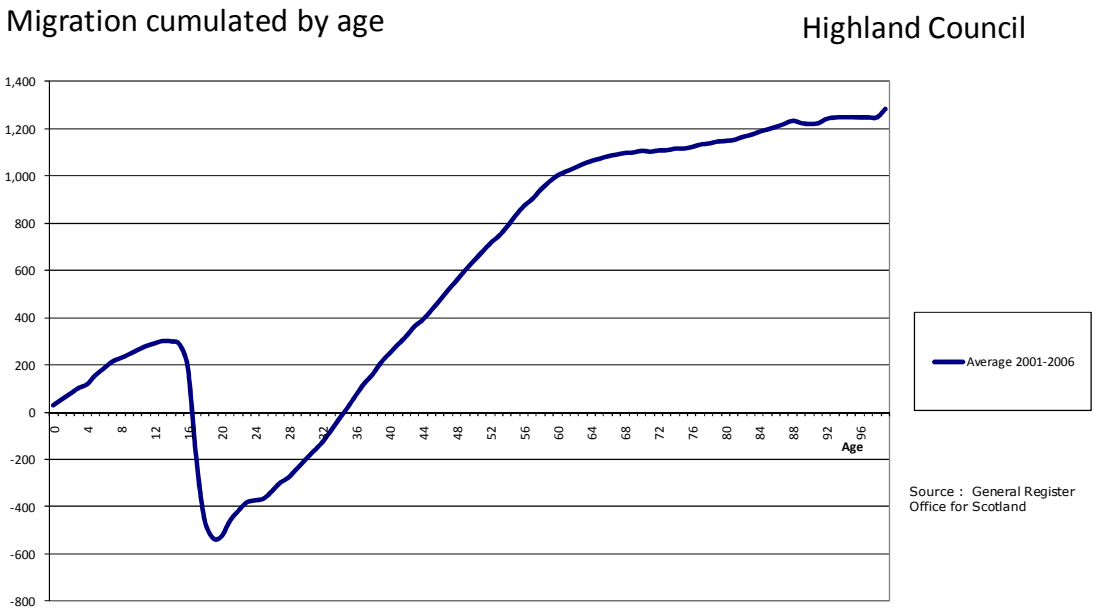
Figure 7 Net migration in Aberdeenshire



This contrasting situation has not always been so stark: the difference has built up over the past twenty years, as the national proportion of young people going to college and university has grown from around 20 per cent to around 50 per cent.

The migration characteristics of an area show up best if net migration is plotted cumulatively by age, starting from zero. This has been done for the Highland Council area in Figure 8. In age ranges where the curve slopes upwards (/) there is net in-migration. In those age ranges where it slopes downwards (\ ) there is net out-migration. The steeper the curve, the higher the rate. Where there is a corner in the curve the rate of net migration changes. Where there is a peak or a valley the net direction of migration changes.

Figure 8 Cumulative net migration in Highland



Such analysis is prepared in the DREAM®people model for all the council areas in Scotland over many years, typically 25. For the years since the 2001 Census it can be prepared for any geography, such as the Park's, which can be described in terms of statistical datazones.

The typical patterns of city and rural migration are clearly shown in Figure 9, for cities, and Figure 10, for rural areas. In effect, the city and country charts are upside-down versions of each other. The cities gain substantial numbers of

teenagers (students) and those in their early 20s, before a gradual drop off into middle age and retirement. By contrast, rural areas lose a significant proportion of their teenagers, who they then pull back through adulthood.

Figure 9 Cumulative net migration in Scotland's cities

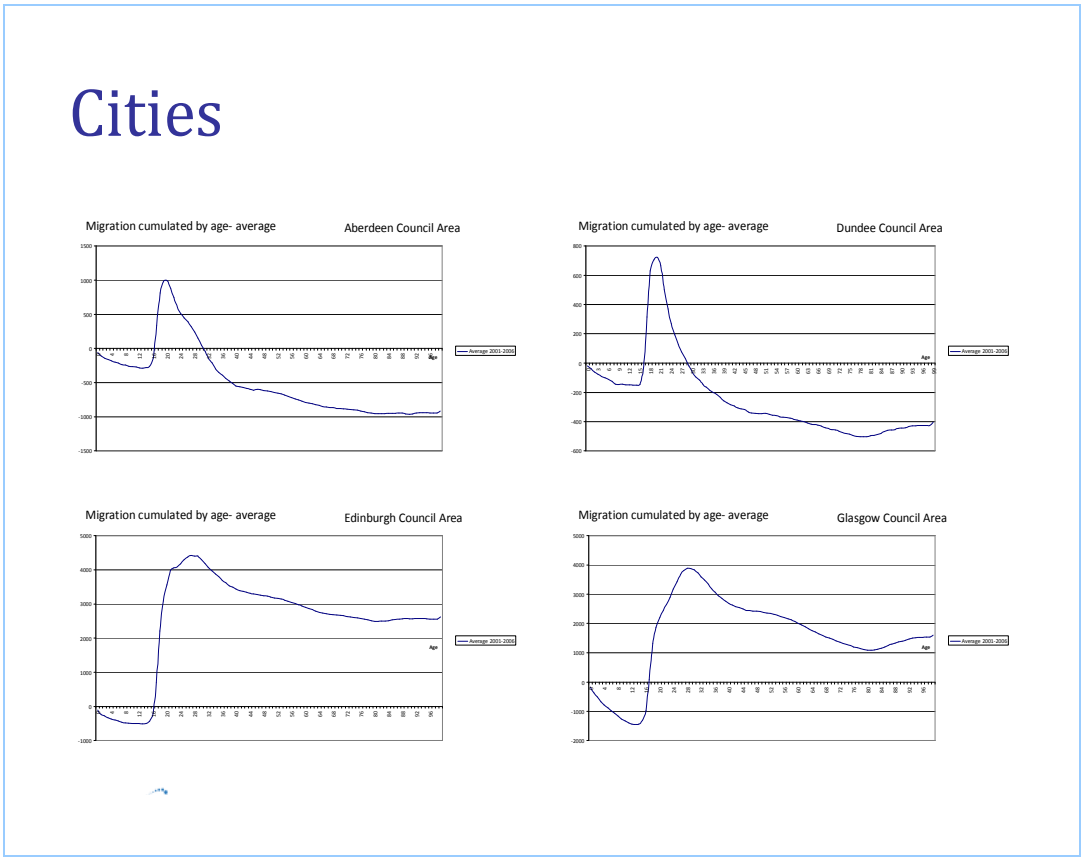
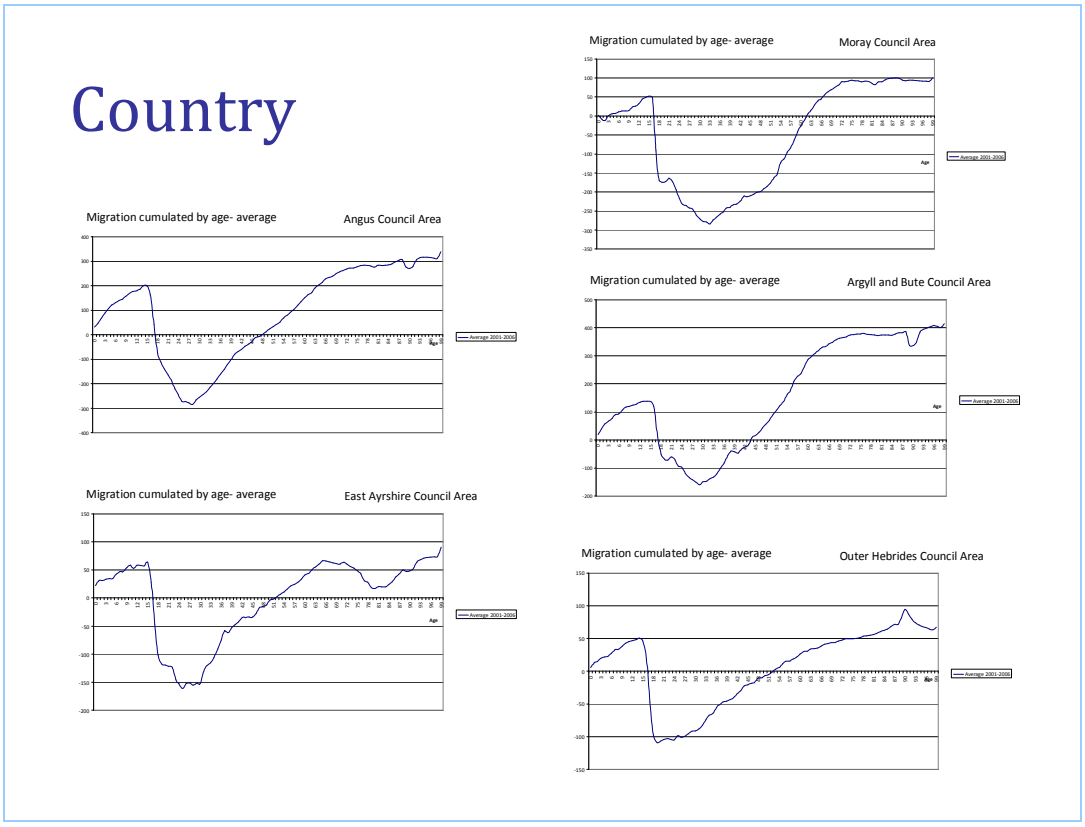


Figure 10 Cumulative net migration in rural Scotland

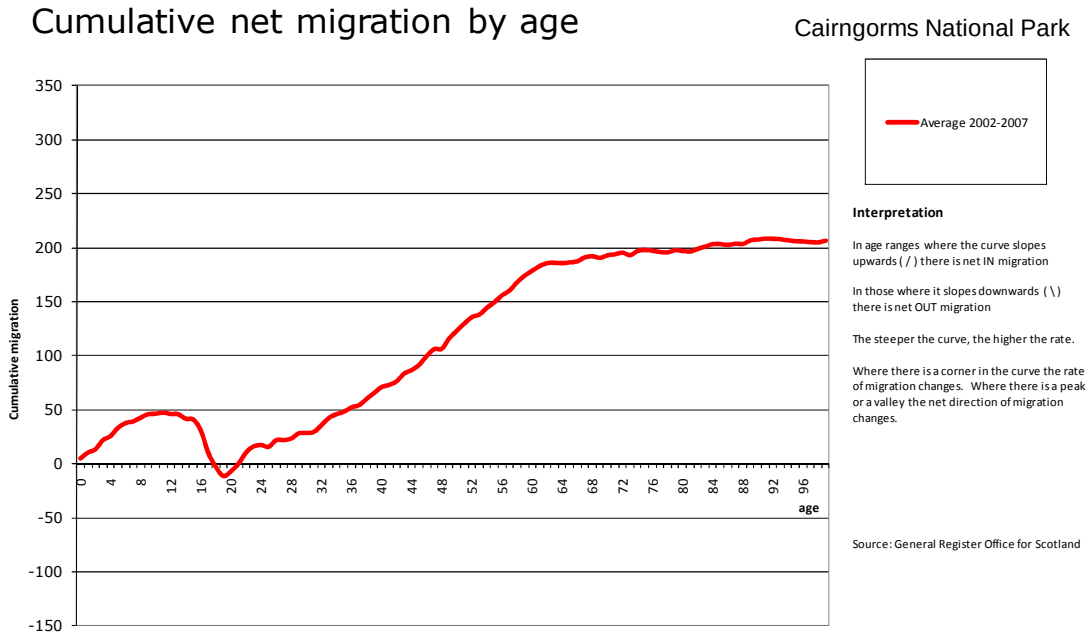


Over the past 20 years there have been no exceptions in Scotland to the rule that cities show net out-migration through the great majority of the human life cycle, and rural areas show net in-migration. Although there are no geographic exceptions, there is one hugely important exception in terms of the life cycle. Amongst 17-20 year olds, the university cities of Edinburgh, Glasgow, Dundee, Aberdeen, St Andrews and Stirling all have net in-migration, whereas everywhere else has out-migration. In the case of Edinburgh, and latterly Glasgow, in-migration around age 20 is enough to offset the out-migration that occurs over the rest of the life cycle.

4.4 The age pattern of Park net migration

The average age pattern of Park migration over the six year period from 2002 to 2007 is presented in Figure 11, and broadly follows the rural stereotype, but with some special features.

Figure 11 Cumulative net migration in the Cairngorms National Park



Child migration is usually related to housing types, general amenity, and school provision, as well as the 'normal' factors including jobs that cause parents to move. Overall, the number of children moving into the Cairngorms is about 80 per cent of the number of parent-age adults moving in, compared with a figure of 50 to 60 per cent found in most other rural areas. This strongly suggests that the Park is seen as an attractive environment by young families.

However, there are suggestive differences amongst children of different age groups. In the National Park area there is substantial in-migration of pre-school children, suggesting that housing and amenity in particular are generally positive. For primary age children there is very little in-migration whilst for secondary school children there is net out-migration, and this accelerates in later secondary school. This pattern is very unusual in Scotland. We can only speculate on possible causes. Could there be issues with the perceptions of secondary schools? This seems unlikely since the area has some of the higher performing secondary schools in Scotland. Could it be related to geographic factors, like relatively long journeys to school, in sometimes wintry conditions? Could it be the result of social norms and income levels that affect the take up of boarding schools? We were not able to find existing evidence on this issue, and a special inquiry would be needed.

Out-migration from the Cairngorms to go to college or university is substantial, and at a rather higher rate than found in most mainland rural areas. This probably reflects the fact that the area's schools are good, allowing a high proportion of youngsters access to higher education, but the area lacks locally-based further education provision.

Adult in-migration begins at the very early age of 20. In other rural areas there is rarely significant in-migration until the late twenties or even thirties. This is almost certainly related to the availability of tourism employment, but we speculate it may also be connected, to an extent, to the presence of activity sports as a lifestyle option favoured by young adults.

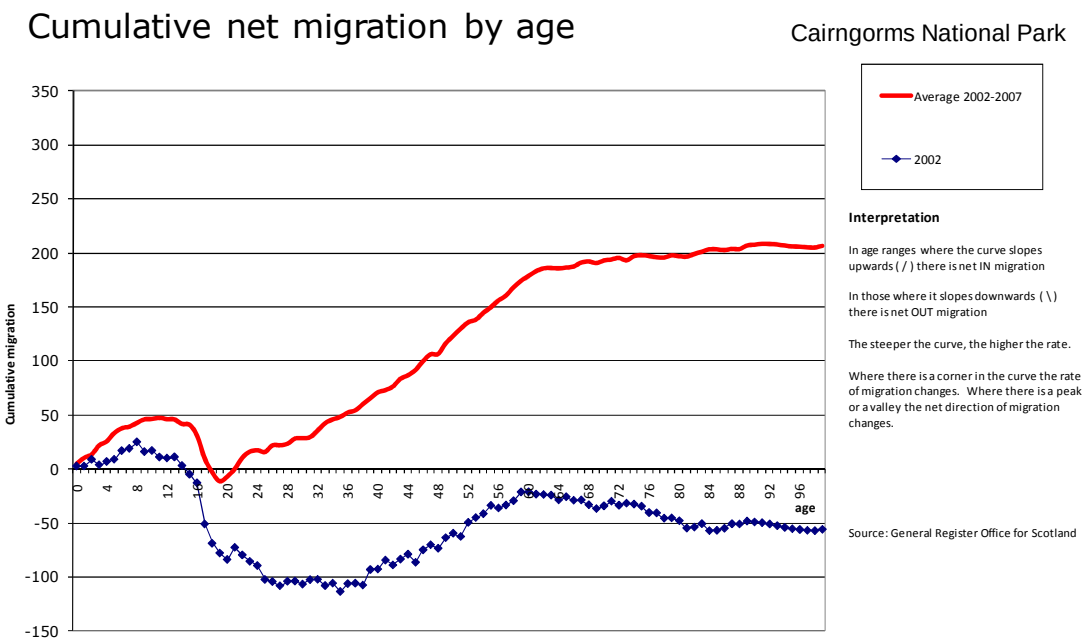
On average, a net figure of almost 200 adults aged from 20 to 60 have moved into the Cairngorms each year. It should be recognised, as discussed in more detail below in sections 5 and 6, that over the period for which we have migration data the number of jobs has increased by about 250 per year, and that unemployment, already low, has fallen by about 30 per year.

After age 60 there is no net migration. As well as property and income issues, this may be influenced by the availability of health services and other amenities locally. The low population density and relatively sparse public transport network may also be factors.

In addition to the overall amount of migration changing from year to year, so does the age-migration pattern. Because there is a distinct 'moving season' it makes sense to look at the individual annual patterns.

In 2002 there was net out-migration of 56, compared with average net in-migration of 206 over the six year period as a whole (see Figure 12)

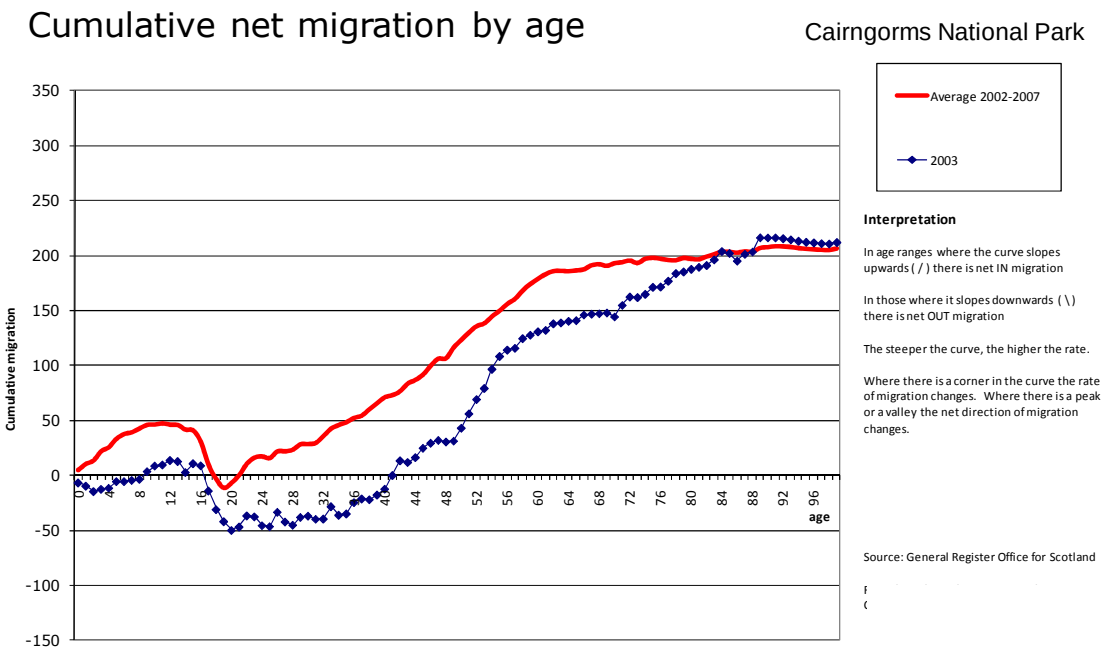
Figure 12 Cumulative net migration in the Cairngorms National Park (2002)



About half of this difference of 262 is due to a generally lower rate of attraction and / or retention through all ages. The other half is caused by the radically different behaviour by young adults. For the 12 months to mid 2002 there was a net out-migration of young adults up to 25 years old. In addition, there was no evidence of a net flow of people either in or out from that age up to the late thirties. Only when individuals were entering their forties did they start to move into the Park in greater numbers.

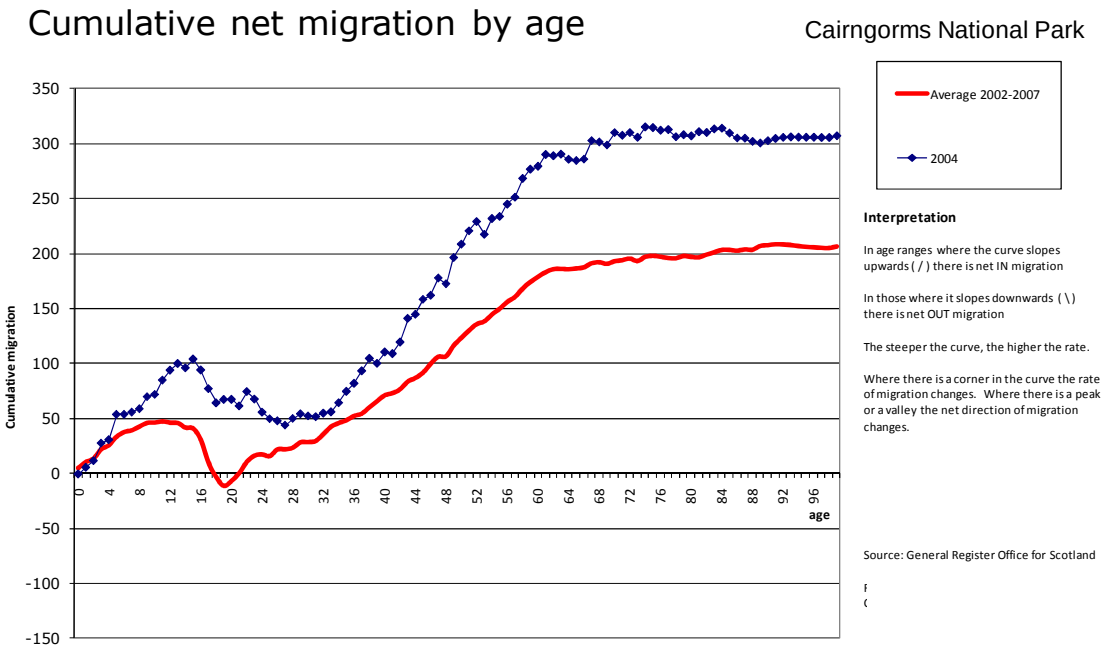
Between mid-2002 and the middle of 2003, as the formal establishment of the Park in September 2003 approached, there was a reduction in the difference between the annual and period averages. As Figure 12 Cumulative net migration in the Cairngorms National Park (2002) shows, children and people in their twenties stayed in balance, and there was a dramatic move in of people in their fifties.

Figure 13 **Cumulative net migration in the Cairngorms National Park (2003)**



By 2004 the general move-in covered people in their thirties and forties, including many parents, bringing net in-migration to 212 overall (see Figure 14). There was, however, still a net loss of people in their twenties.

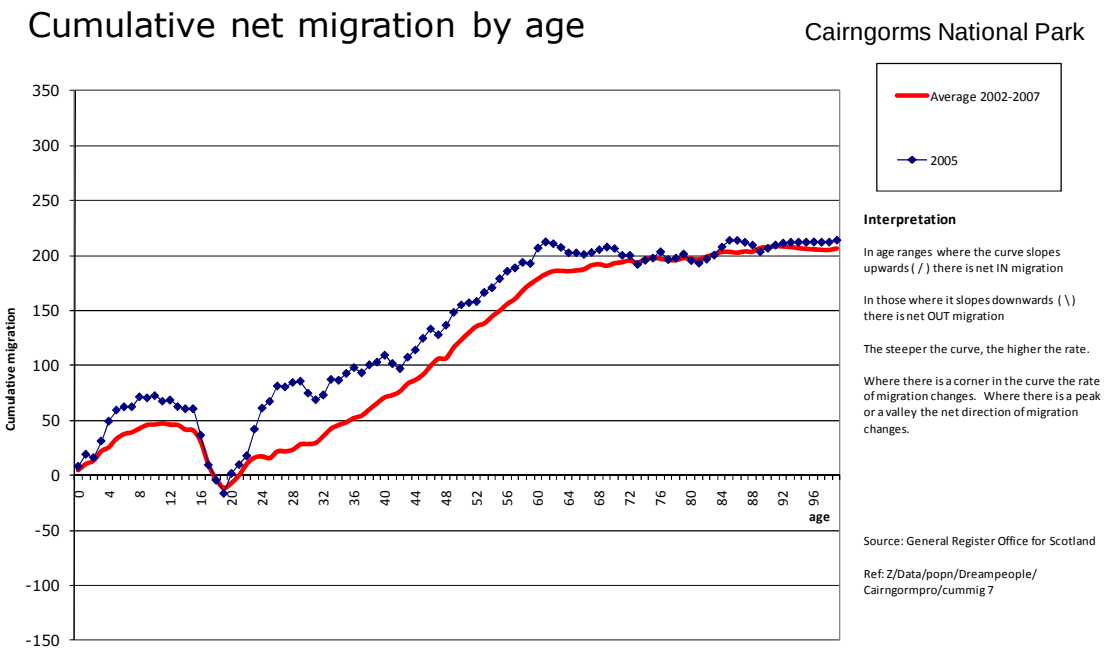
Figure 14 **Cumulative net migration in the Cairngorms National Park (2004)**



In 2005 the 'average' pattern asserted itself, as shown in Figure 15.

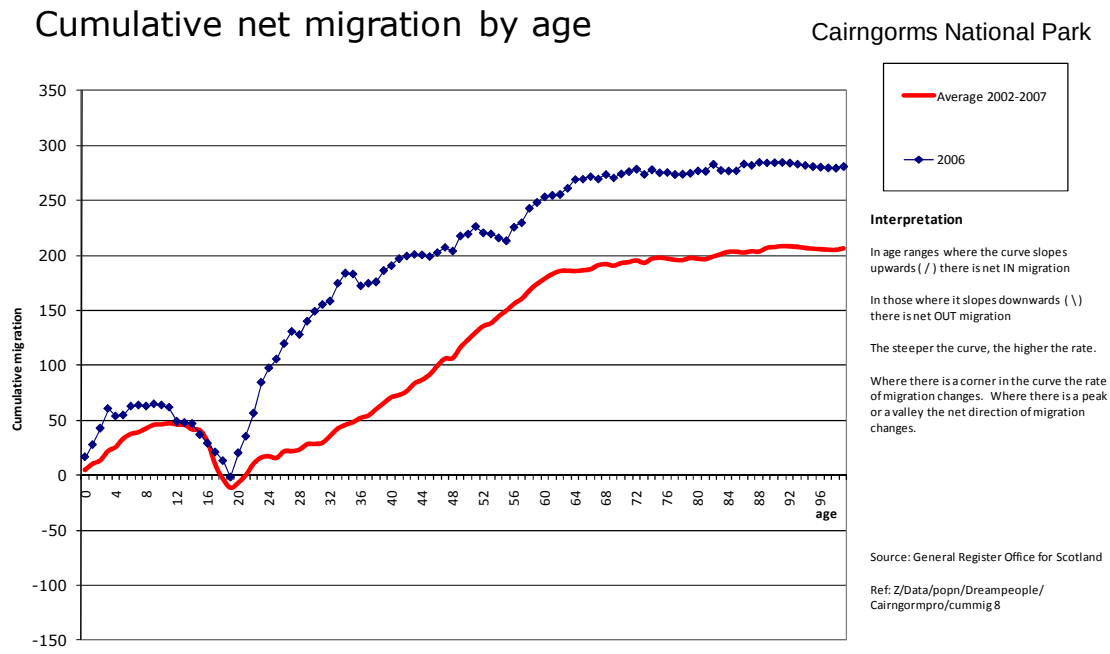
The only significant variation to the pattern was a surge of 80 or so in-migrants aged 20 to 26. It is very likely that these included people from the so-called 'A8' accession countries, such as Poland, Lithuania and the Czech Republic following the introduction of the free movement of workers when these countries entered the European Union.

Figure 15 Cumulative net migration in the Cairngorms National Park (2005)



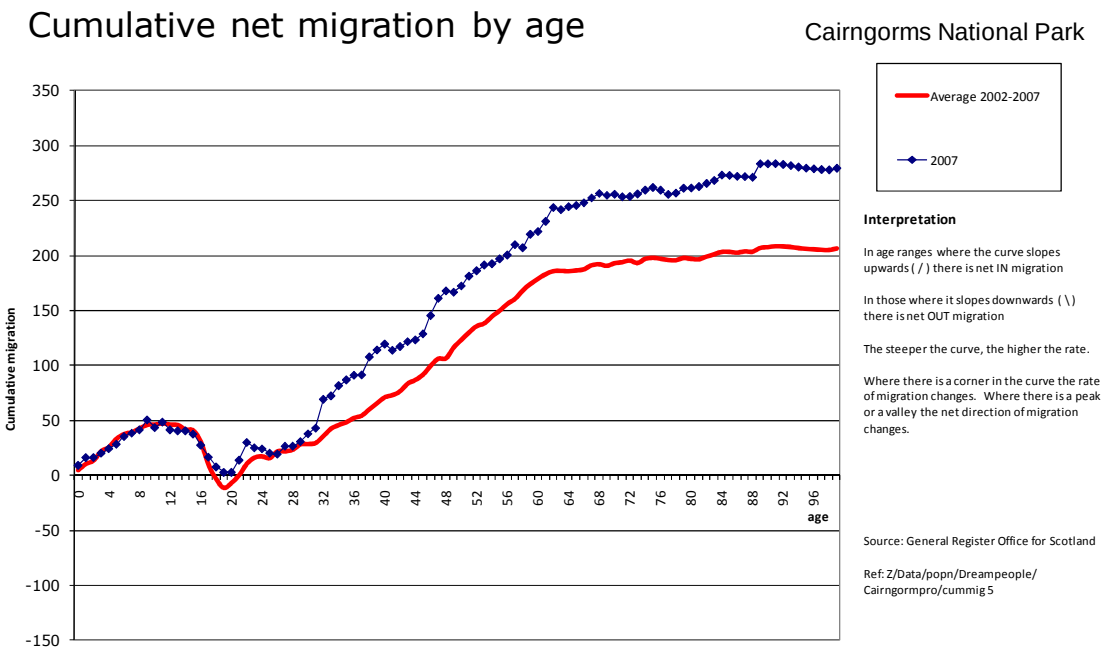
The trend of the in-migration of young foreign workers continued in 2006. Along with more young children than normal, there were 281 net incomers during that year 2006 (see Figure 16). However, the number of secondary age children leaving was particularly large during that time.

Figure 16 Cumulative net migration in the Cairngorms National Park (2006)



In 2007 the number of working age people was more or less normal, with a minor below-average number of people in their twenties and young children. It has been suggested there may have been capacity issues - jobs, housing or school places may have been unusually full after the preceding two boom years for this group.

Figure 17 Cumulative net migration in the Cairngorms National Park (2007)



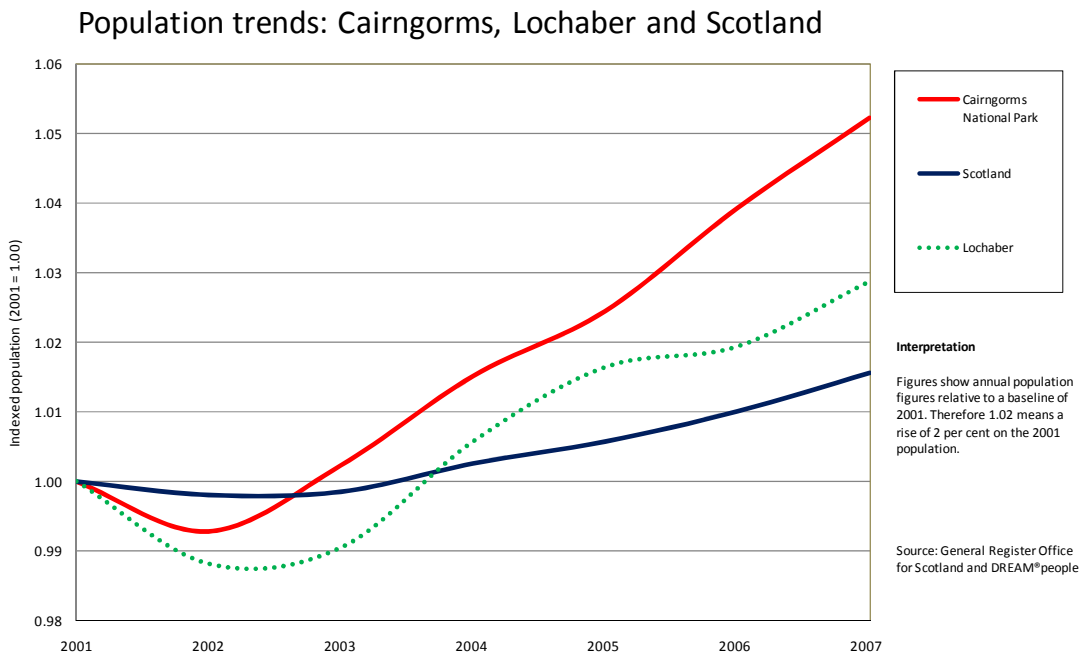
Certainly since the Park was established, many people have moved in. The little evidence we have of migration before the Park suggests that in those days fewer people came to the area.

It is important to avoid the risk of false attribution. Just because something happens after designation does not imply that it was caused by designation. However, there is at least the beginning of a case that the establishment of the Park have coincided with people finding the Cairngorms a better place to live and work. The consequence is that the Cairngorms' population has grown faster than elsewhere. Scotland.

Since designation the Park's population has grown by over 5 per cent (see Figure 18). This is three times the rate for Scotland as a whole (1.7 per cent) and almost double the increase in Lochaber (2.9 per cent), an area which is geographically and economically similar to the Cairngorms, but which does not fall within the boundaries of a National Park[2].

[2] For a selection of indicators throughout this report a comparison has been made between the performance of the Cairngorms and Lochaber – two of Scotland's sparsely populated mountainous areas where both summer and winter tourism is a key driver.

Figure 18 Population growth in the Cairngorms and comparison areas



4.5 Population projections

Formally this baseline study is intended to review the current state of the Park, but the analysis of population trends above leads so directly into projections that it is appropriate to contribute some comments to the development planning process.

The projections outlined below are based on one of the suite of DREAM® models used throughout this report, DREAM®people. This model produces results which differ in detail, but not in principle or dramatically in method, from the official projections of population produced by the General Register Office for Scotland (GROS).

Table 2 shows the results of the projections for the Cairngorms using the two alternative models.

Table 2 Projected population for the Cairngorms National Park

	DREAM®people projections				General Register Office for Scotland projections	
Age ranges / year	**2006**	**2007**	**2031**	**2051**	**2007**	**2031**
0-15	2 877	2 857	2 818	2 762	2 720	3 180
16-59	9 382	9 408	8 989	9 155	9 490	10 430
60+	4 717	4 923	7 780	8 451	3 830	5 380
Total population	**16 976**	**17 188**	**19 587**	**20 368**	**16 040**	**18 990**
Difference from DREAM®people projection					-936	-597

Source: DREAM®people and General Register Office for Scotland

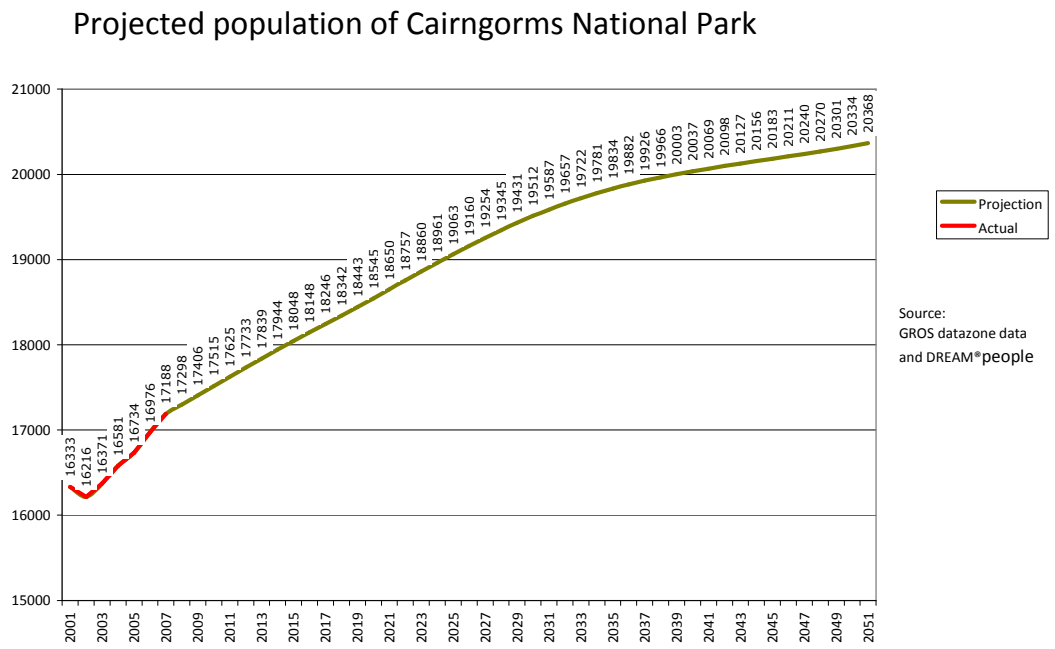
The main differences between the two projections are that the DREAM®people estimates start from 2007 actual figures instead of 2006, they cover a slightly wider area to allow for the probable expansion of the Park, they consider a wider range of future dates, and they look more closely at the structure of migration.

GROS make one simple migration projection, in absolute number terms, and then divides it up between ages. Within DREAM®people a number of different migration projections are made for different groups, usually in terms of rates. The GROS projection is net in-migration of 150 people per year (after 2011), while DREAM®people starts at 168 and rises over 20 years to 186 per year.

With an excess of deaths over births within the Park each year of round 60, if it evolves at the rates established so far this century, the Park's population will grow by about 100 people per year at the outset, but with growth decelerating to around 30 per year in mid-century.

As Figure 19 shows, this will take the total number of inhabitants from current levels of around 17,200 to a near-plateau of around 20,200 by 2045.

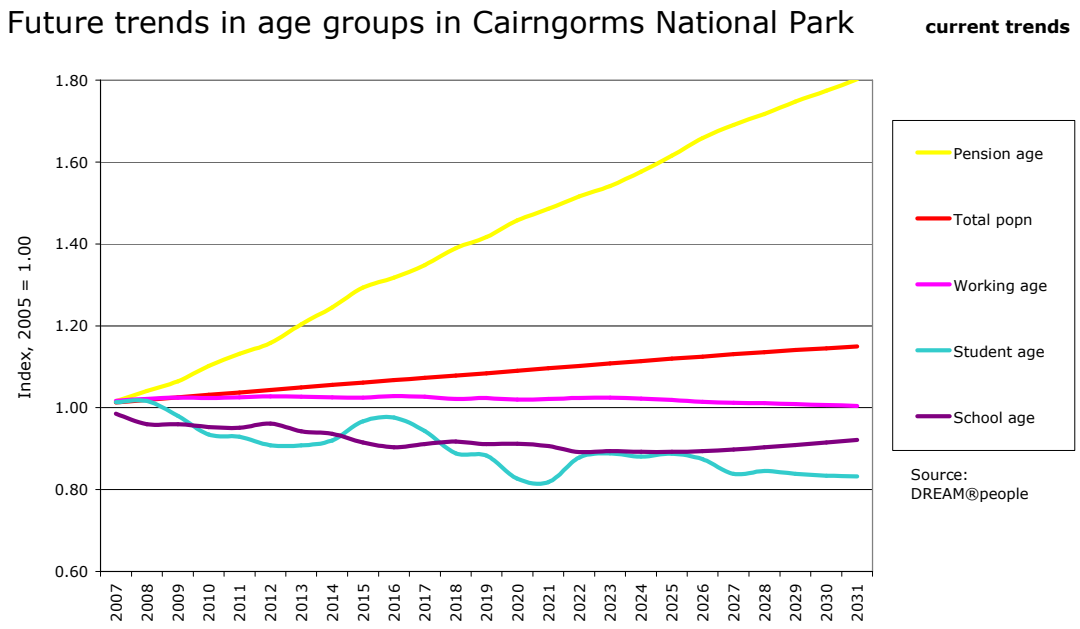
Figure 19 Population of the Cairngorms National Park



It is important to note that this is a projection of recent trends and is far from a considered forecast. Like most current population projections, it contains a significant degree of ageing because older people are surviving longer and younger people are having fewer children.

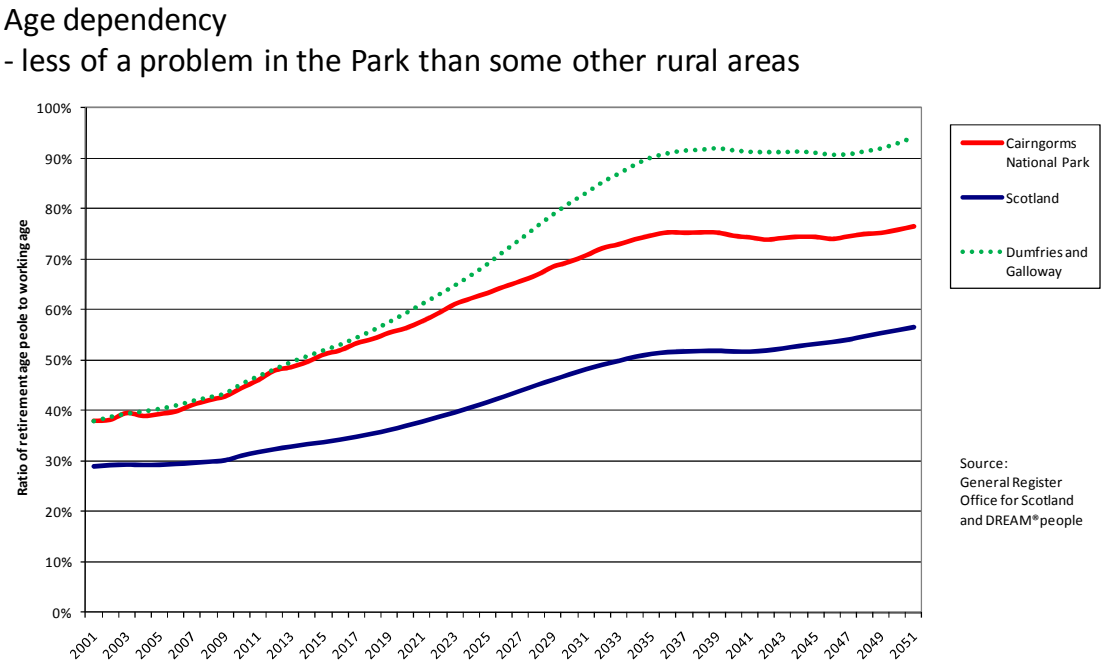
Figure 20 shows the growth of different key age groups, of which the 'pension age' group is by far the fastest. Although the whole world needs to concern itself with the issue of ageing populations (see, for example, The Economist special supplement on 27 June 2009), the issue is not particularly severe in the Cairngorms according to these projections. A chart similar to Figure 20 for Scotland, and on the same structural assumptions, would show the 'Pension age' index rising to 1.57 (i.e. a 57 per cent rise) rather than 1.80 (an increase of 80 per cent), but the working age index only going to 1.00 compared to 1.10. It is noteworthy that 'ageing' is less of an issue in the GROS projections, but this is likely to be because the model GROS uses is relatively inflexible when it comes to the age of migrants.

Figure 20 **Future population trends in the Cairngorms National Park**



The ratio of older people to those of working age is defined as 'age dependency'. Currently the Cairngorms area has a higher degree of age-dependency than Scotland as a whole, at least in statistical terms. The dependency is projected to rise at a slightly faster rate than the national figure. However, compared to at least one other rural area which today is similarly placed to the Park (Dumfries and Galloway) the rate of increase in dependency will be much lower (see Figure 21).

Figure 21 **Age dependency in the Cairngorms National Park**



The difference arises because the net influx of young adults starts really early in the Park, at 21, rather than around 30, which is commonly the case in rural Scotland. Consequently, the 2051 age distribution for the Park, compared with the 2006 one (see Figure 22 overleaf), is much less extreme than some other regions.

The demographic projections lead directly into household projections, but these are considered below in section 8.7 Home ownership and construction.

4.6 Implications of the demographic conditions

The Cairngorms National Park has a unique demographic situation. The population is significantly older than the Scottish average, but this is common in rural areas. What is less common is that the area is projected to retain and in some cases increase the population of young people in the area. The attraction of the area for those in their twenties and thirties is likely to be largely driven by the quality of place and the employment opportunities which exist in tourism-related industries. This position has improved since the designation of the Park.

Although positive, current trends in the Park population do not seem likely to present issues for the Park environment or the development of services to local people which should be considered particularly concerning. Nevertheless some aspects of an ageing and slowly growing population may be harder for public and private services to handle in the Park than they would be in a city or larger town environment.

Figure 22 **Current and future population distribution**