



Cairngorms National Park Partnership Plan 2017 – 2022

ISSUES REPORT



June 2016

ECONOMIC DEVELOPMENT (INCLUDING TRANSPORT AND COMMUNICATION INFRASTRUCTURE) ISSUES REPORT

I. POLICY CONTEXT

The National Park is covered in-part by five Local Authority Economic Development Strategies and both Scottish Enterprise Agencies (HIE and SE) which are in turn supported by a range of economic partnerships and forums. In addition there are a number of agency and sector specific plans and strategies, e.g. the National Tourism Strategy.

These Strategies and their associated priorities are relevant to the Cairngorms but are focussed on a much wider area. As such, their focus and priorities do not reflect the distinctive rural economy of the National Park.

The Cairngorms Economic Strategy (CES, 2015) has identified priorities that are specifically relevant to this predominantly rural area and to ensure that partners are working together to address them. The Aim of the CES is taken from Policy Priorities within the National Park Partnership Plan is to:

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.

The first step in developing the CES was to review these existing Plans and Strategies and identify areas of cross-over and priorities specifically relevant to this area. The review of existing plans and strategies and the economic baseline data identified six key priorities for the Strategy:

1. **Building on the strengths of the Park** (Grow key economic sectors: Tourism; Forestry; Agriculture, Food & Drink; and, Renewables & Energy Efficiency)
2. **Supporting and attracting Businesses**
3. **Strengthening education and training as an economic asset**
4. **Attracting Investment**
5. **Infrastructure** (accommodation, transport, connectivity)
6. **Planning for the Future**

Success in being a sustainable economy supporting thriving businesses and communities will mean that:

1. The special qualities of the Park will have stimulated **growth and diversification in the economy** and the Park will be an economic asset to the wider Scottish economy.
2. There will be **fast and reliable IT and telecommunications** as well as **fast, safe transport links from the Park** to other parts of Scotland that meet the needs of residents, visitors and business.
3. There will be **more jobs and a wider range of employment opportunities** for people in the National Park. People will be able to develop their skills from school onwards to meet their own and business needs.

4. Households and businesses will be successfully **adapting to a low carbon economy** – minimising energy use, waste and greenhouse gas emissions, and increasing their environmental sustainability.
5. There will be **thriving and sustainable communities** throughout the Park that are confident to share their ideas, experience and culture in actively shaping their own future and enjoying a sense of ownership of the National Park.
6. The **workforce of the Park will have grown** – young people will find it easier to train and to work in the Park, to return to the Park, and the Park will continue to attract workers.
7. People working in the Park will find it easier to **access housing that meets their needs**.
8. Many people living in the Park and visiting it will save money and maintain their health by **using safe routes to travel** between many communities and places in the Park instead of private car.
9. New development will be as sustainable as possible and **good design** that fits the landscapes and heritage of the Park will be standard. Older buildings and development will be adapting to modern standards of efficiency and design through improvements and renovations.

2. OTHER DRIVERS OF CHANGE

Until recently there hasn't been any sense of a planned and coordinated approach to the economy of the Cairngorms National Park. Inevitably we don't have good information about what is happening currently and or what might happen in the future. However, research undertaken to inform the CES (2015) has given us some insight into the make-up of the local economy.

The Cairngorms National Park is a rural area which faces key challenges around telecommunications provision, transport and affordable housing. Most businesses in the Cairngorms National Park employ less than 10 people: across Scotland as a whole these small-businesses make up nearly 84% of businesses and provide 27% of the private sector jobs but in the Cairngorms National Park (and other rural areas) these figures are significantly higher.

2.1 Business

Small-businesses have significant growth potential and 58% of new jobs in Europe between 2002–2010 were created in small-businesses. This means that they have significant potential for contributing to employment and employment growth.

Due to the high proportion of small-businesses there is also perceived demand for business units and sites which meet the needs of small businesses.



2.2 Employment and Education

There are 9,400 people employed in the Cairngorms National Park (CES, 2015) of which tourism related employment forms the greatest proportion at 43%. The other sectors are set out below:

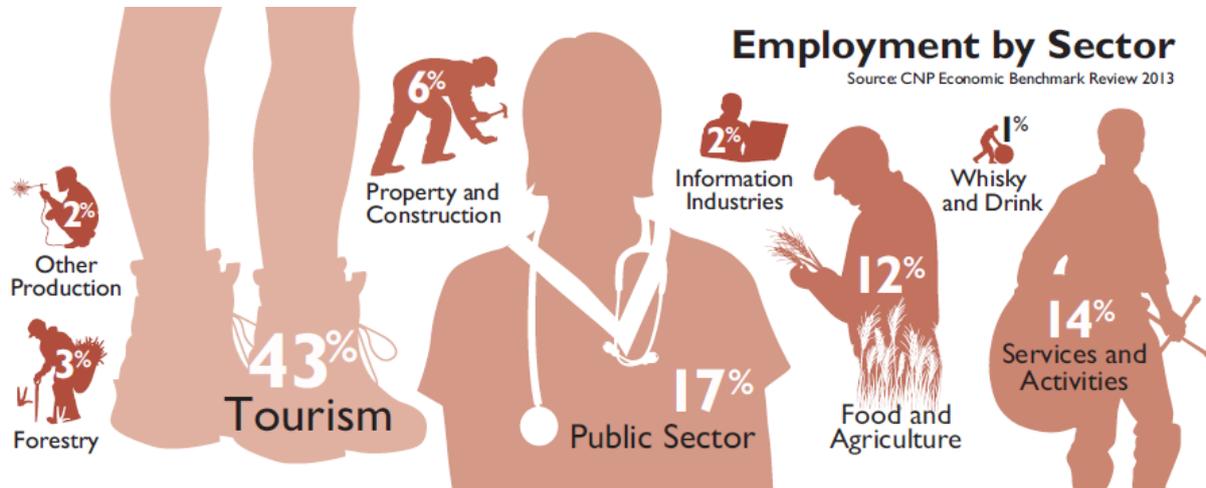


Figure 1 Employment by Sector (Source: The Cairngorms Economic Strategy 2015).

According to the 2010 State of the Park Report and 2013 update, annual earnings in the National Park are 26% lower than the Scottish average. In particular, tourism jobs which form the highest proportion of employment are often associated with low wages and are susceptible to seasonal and global trends.

One of the most important parts of a local economy is the presence and scale of Further and Higher Education facilities. They can attract new kinds of people to the area (e.g. teachers and researchers) and studies elsewhere (for example, on the impact of the Crichton Campus in Dumfries) show that such investments can bring a significant return in terms both of changing young people’s migration patterns and contributing in other ways to the local economy. Currently there is a significant gap in this area in the National Park.

Research has identified that the economy of the Park is growing despite the difficult economic climate. This can be used to promote and attract further investment to the area to help diversify and grow key sectors. The ability to run effective businesses, have a great lifestyle, and live in a very beautiful place should be actively promoted to investors.

2.3 Tourism

Tourism is the main employer in the National Park accounting for 43% of employment in the area. The Aviemore area is the most tourism intensive in Scotland with a strong family and outdoor activity market. Other areas of the Park also have strong offerings more suited to other visitor markets.

The tourism offering is very strong on accommodation, sport, and historic and natural attractions, but the National Park’s offering on food service and retailing is comparatively

much less successful. Cultural tourism, including education, visual arts and entertainment are areas where there is room for growth.

The Cairngorms National Park Visitor Survey 2015 highlighted that visitor satisfaction is rising, with an average visitor score of 8.76/10 in 2014/15 compared with 8.46/10 5 years ago.

In terms of visitor facilities, weak points highlighted in the Cairngorms National Park Visitor Survey 2015 are mobile phone reception, broadband and public transport. Also see the Visitor Infrastructure Evidence report.

In terms of the economic impact of tourism, the STEAM report shows that visitor spending is increasing year on year with the summer months continuing to encounter the highest expenditure. A continuing challenge for the National Park is creating a more year round tourism economy, and the 2014 data shows some improvement in that area with a greater increase in expenditure at off-peak times.

Economic impact of Tourism

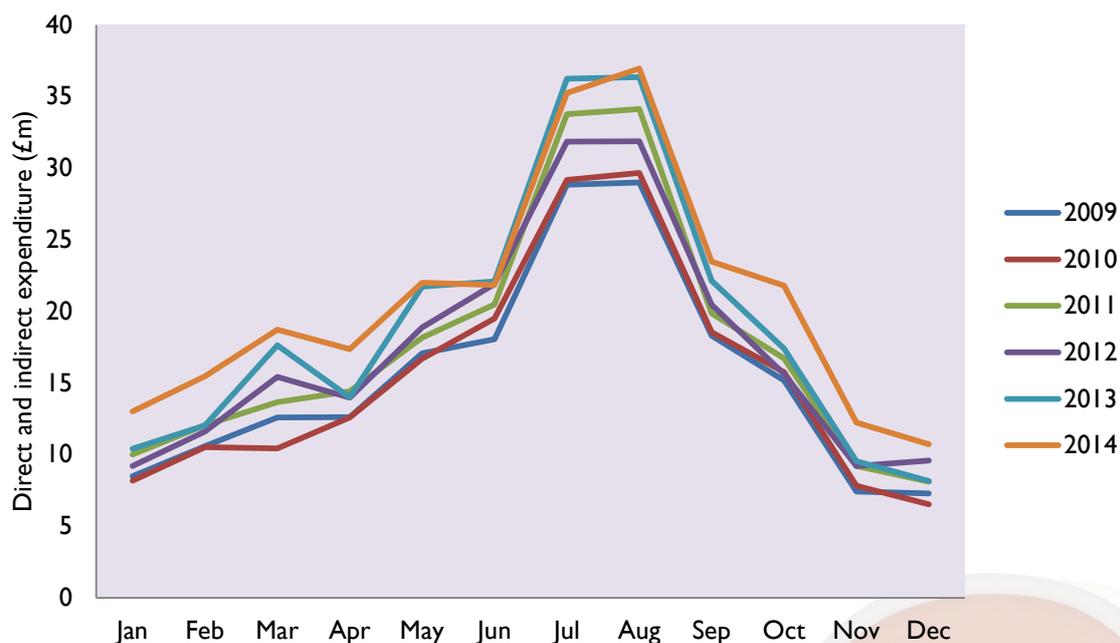


Figure 2 Economic impact of Tourism (Source: STEAM Report 2015).

The Cairngorms Economic Strategy 2015-2018 has identified actions to help enhance the Tourism sector by building on the strengths of the Park which include;

- Establishing a strong public and private sector tourism delivery partnership to ensure collaborative delivery, support and growth in the sector
- Collaborative destination branding, brand development and marketing linking tourism operators, groups, CNPA and Visit Scotland Campaigns
- Business support, networking and skills development
- Customer feedback and 'Make it yours' programme.

The National Park Brand

Results from the 2014/15 Cairngorms Visitor Survey show that over half of local tourism businesses say that being in a National Park is very good for attracting visitors and over 96% of our visitors say they “love it”. Since the Park’s inception, there have been large investments in visitor infrastructure both by the CNPA and partners. And a key part of our investment in tourism is to work with partners to support businesses and the destination as a whole to develop.



The Cairngorms brand was developed to provide a strong identity for the National Park. It represents quality and environmental sustainability and features prominently on entry point signage and visitor information. It represents the Cairngorms National Park as an area by attempting to capture the character of the Park, and is there for everyone to use. Achieving increased and consistent buy-in to brand from businesses across the National Park will help build visitor and customer loyalty and awareness of the National Park as a quality destination, offering very special experiences. Over 200 businesses in the National Park already use the brand, of which 79% say it attracts first time customers.

The brand is available for all businesses, organisations, communities, event organisers, schools working within the Park to use.

Collaborative promotion

An important part of developing business across the National Park and promoting it as a visitor destination is through collaborative marketing with surrounding regional destinations. Partnership working with public and private tourism delivery partnerships, within and outwith the National Park, can help support growth in tourism and benefit the local and regional economy.

2.4 Forestry, Agriculture and Environment

The Scottish Government has set targets for woodland expansion which must be achieved alongside a steady increase in the timber harvest over the next 10 years. 20% of the Cairngorms National Park is covered in woodland or forestry and it is a significant industry in area with a number of related industries e.g. recreation and tourism, logging, joinery, sawmilling, construction etc. Currently 3% of jobs in the National Park are in forest-related and this is likely to increase with the target to expand woodland cover by 5% (5,000ha) within the National Park.

The main features of the Agriculture, Food & Drink sector in the National Park are the significance of meat and meat produce – which is shown in the strength of meat processing, meat wholesaling and butchers. Game and Game management are also key to this sector, particularly in relation to venison. Food retailers, farming, brewing and distilling are also

strong, however, there are opportunities to improve in terms of collaboration, supply chains, and marketing.

The Government is committed to reducing greenhouse gas emissions through policy and action, and fuel prices are likely to rise and to be volatile. Both of these will increase costs to businesses and households unless they adapt by becoming more efficient and using alternative sources of energy. There are opportunities for business and households to adapt well and even to profit from changes. Work to deliver this includes the ambition to move towards a low carbon economy. Being more efficient in using energy and generating renewable energy can both save money and generate income.

2.5 Housing

House prices in the National Park are around 30% higher than the Scottish National Average (CES, 2015) which combined with lower than average wage levels creates significant housing pressures. Whilst this issue is examined separately through the Housing Issues Paper, this affects the availability of housing for locally employed people and subsequent issues/challenges for local employers.

2.6 Infrastructure

Infrastructure is identified as one of the six key priorities in the Economic Strategy and is fundamental in delivering the other priorities. Within the National Park, there is increasing pressure on existing infrastructure including roads, rail, digital, housing and business premises. As a result, there are currently a number of major projects being progressed within the National Park which will impact on the local and wider economy. These include:

- **A9 Dualling** - This £3 billion project involves the upgrade of 80 miles of single carriageway along the A9 between Inverness and Perth by 2025. The project is designed to deliver economic growth through improvements to road safety and journey times as well as better links to pedestrian, cycling and public transport facilities. The project will benefit the economy of the National Park through providing greater access to the many tourism and recreation sites along the route of Scotland's longest trunk road.
- **Superfast Broadband** - Improved connectivity is essential for the delivery of efficient public services. It also contributes to a low carbon environment and having strong, connected communities, particularly in rural areas. Improved digital infrastructure is also vital to Scotland's economy as it will allow businesses to operate effectively and compete globally. Research suggests that high quality superfast broadband provision could add £7.5 billion to the Scottish economy over the next ten years. Significant progress has been made in the National Park. The Digital Scotland Superfast Broadband project has ensured that fibre infrastructure will reach homes and businesses in all the main settlements within the National Park.

- **Community Broadband** – As fibre infrastructure will not reach many of the more rural homes and businesses in the National Park. Community Broadband Scotland has committed to spend £1.3 million to develop a Superfast Broadband solution for these premises. The ‘aggregated’ approach aims to overcome the scale, capacity and sustainability related issues that can be associated with working with a number of smaller, “stand alone” projects.
- **An Camas Mòr** - The settlement of An Camas Mòr (ACM) will be a new sustainable community of up to 1,500 homes as well as economic development opportunities, community facilities and other forms of development. ACM will be developed over time and will act as a focus for growth serving the wider Badenoch and Strathspey area. ACM will be designed to actively encourage the provision of jobs within the community and seek to minimise levels of commuting. It will incorporate space that is designed for or can be easily adapted for employment uses. It will facilitate home working. It will have a strategy for attracting and stimulating a wide range of business opportunities that complement the ethos of the community.

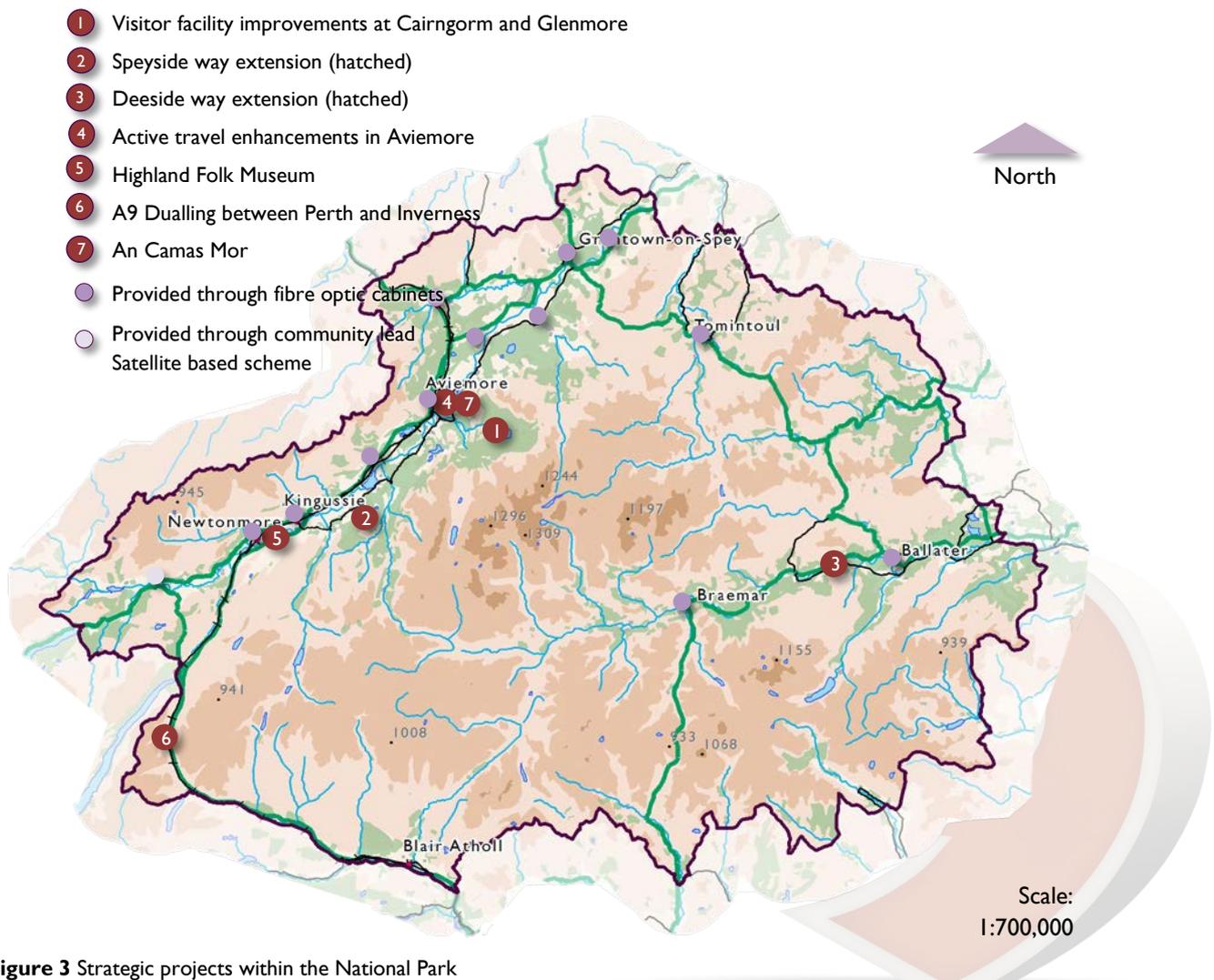


Figure 3 Strategic projects within the National Park

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3. TRENDS AND DATA

- 2014 mid-year estimates indicate that the population of the National Park is around 18,594 (www.nrscotland.gov.uk).
- All the signs are that the economy has grown significantly stronger since 2010 (CES, 2015).
- 87% of businesses in the Park are micro-businesses employing less than 10 people (CES, 2010). There is now a range of evidence from elsewhere in the Highlands and Islands and more widely across the UK to confirm the potential impact of providing a support service for micro-businesses which focused on business growth through recruitment and we describe how this could be implemented in the National Park.
- Employment in the National Park increased by around 4.5% between 2010 and 2013 to around 9,400 jobs (CES, 2015).
- There are very low levels of unemployment in the National Park with only 112 in summer 2013. The trends in the Park have not been dissimilar to those in Scotland as a whole. After the banking crisis of Autumn 2008 there was a large step up, almost a doubling from an underlying level of 90 to a level of 170. This level was maintained for more than four years. However in June and July of 2013 there were significant falls in unemployment, the most marked downward movement in unemployment for sixteen years (Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013).
- There is strong evidence to suggest that average earnings within the National Park are well below the Scottish and British averages. This is mainly due to the importance of the seasonal Tourism sector as well as the relatively light representation of the public sector in the National Park's economy.
- 90% of visitors travel within the National Park by private vehicle (Cairngorms Visitors Survey 2014/15) suggesting that tourism is very dependent on private motoring, a situation which is fragile and constraining.
- More generally the current business support service is fragmented and there appears to be an opportunity to enhance it to ensure that across the Park, small businesses have a clear and coherent support service which achieves the best standards in Scotland
- The Cairngorms Visitors Survey 2014/15 has highlighted that the tourism offering for activities (31% very good) and retailing (29% very good) within the National Park has improved significantly since the previous survey in 2009/10. Food service (35% very good) and accommodation (49% very good) have both seen slight improvements and visitor attractions (38% very good) have remained the same.
- The Cairngorms Visitors Survey 2014/15 also highlighted a trend towards visitors taking part in more active pursuits, especially walking & cycling, rather than passive pursuits such as sightseeing.

4. RELEVANT DATA

- *Increasing jobs* - 9,400 employed in the National Park in 2013, a 4.5% increase in number of jobs since 2010 (CES, 2015)
- *Increasing population* – It is anticipated that over 18,000 people now live in the National Park (based on 2014 mid-year estimates) - an increase of roughly 250 per year between 2010 and 2013. (Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013). Between 2012 and 2037, net migration is projected to be 50 persons a year.
- *Decreasing unemployment* - lower than the Scottish average, only 112 claimants in the Park in September 2013 and decreasing seasonality (Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013)
- *Increasing number of young people* – Between 2001 and 2010 there was less out-migration of young people and more young people moving to the area, very different to other rural areas and this is expected to have continued (Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013)
- 87% of businesses in the Park are *small-businesses* employing 10 people or less (CES, 2015), this is higher than the Scottish average of 81% (Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013).
- 43% employed in the tourism sector in 2013, grown from 30% in 2010 which can be partly attributed in part to 3 cold winters increasing the skier numbers and the weak pound (Full detail contained in the Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013)
- Yearly earnings in the National Park are 26% lower than the Scottish average (CES, 2015)
- Median house prices in the National Park are around 20 to 30% higher than the Scottish Average (CES, 2015; www.sns.gov.uk)

5. WHAT WE WANT TO ACHIEVE

Deliver the Cairngorms National Park Economic Strategy's (2015-2018) priorities for:

- **Tourism:** consolidating and enhancing the strong brand of the National Park throughout the visitor journey; creating a more valuable, resilient year round tourism economy with increased profitability and local prosperity
- **Forestry:** supporting a more valuable and resilient forestry sector with increased profitability and local prosperity
- **Food and Drink:** encouraging a growing food and drink sector locally and with new markets
- **Energy and Renewables:** encouraging businesses to use less energy, reduce costs, and generate income from renewable energy;
- A growing business sector with increasing employment;
- Improving and increasing Further and Higher Education opportunities within the National Park to support key sectors;

- Increased investment in businesses and infrastructure to make better connections to the natural capital (the natural assets and special qualities) of the National Park;
- Improve physical infrastructure and digital connectivity in the National Park to support a growing economy; and
- Developing a better understanding of current and future economic trends and opportunities.

5. MECHANISMS FOR DELIVERY

- Cairngorms Business Partnership – providing business leadership and promoting collaboration
- Cairngorms Economic Forum is led by the Cairngorm Business Partnership to oversee the development of the Economic Strategy. The Economic Strategy identifies priorities to support and develop the National Park's economy.
- Business Support Group is a working group to map Business Support Services within the National Park to support current and future delivery.
- Cairngorms Local Action Group is responsible for running the LEADER funding programme in the National Park
- Cairngorms Tourism Partnership oversees the development and implementation of an Area Tourism Action Plan and ensure alignment with National Strategy.
- Cairngorms Nature Strategy Group provides guidance to and oversee the implementation of the Cairngorms Nature Action Plan and the wider Cairngorms Nature Partnership
- Digital Cairngorms Steering Group is a stakeholder group who co-ordinate and support current and future tele-communications provision in the National Park.
- Cairngorms Community Broadband Project

6. KEY QUESTIONS

- How can the National Park tourism sector be strengthened?
- How can businesses be better connected with the natural environment for economic benefit?
- What more can be done to diversify the National Park's economy beyond tourism?
- Have the right key infrastructure priorities been identified, or are there others that should be included?

7. REFERENCES AND FURTHER INFORMATION

Most of the above information is available at <http://cairngorms.co.uk/live-work/economy/> and more specifically:

- **Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum (2013)** Cairngorms Economic Forum (http://cairngorms.co.uk/wp-content/uploads/2015/07/CEDDS_Final_Report_Benchmark_Review_140228.pdf)

- **Cairngorms Economic Strategy (2015) Cairngorms National Park Authority** (<http://cairngorms.co.uk/caring-future/local-economy/>)
- **Cairngorms Visitors Survey 2014/15** (<http://cairngorms.co.uk/caring-future/local-economy/tourism/>)

