

# **Cairngorms National Park Economic Action Plan 2019-2022**

## **Consultation Draft**

## I. Introduction

The Cairngorms National Park covers 8% of mainland Scotland and is home to around 18,000 people who live in towns, villages and dispersed rural communities. The Cairngorms area is also the UK's most important place for wildlife and the conservation of nature – the National Park's outstanding natural and cultural heritage attracts around 1.8 million visitors each year, underpinning many jobs and making the area a very significant driver in the economy of the north of Scotland.

There is increasing interest in Scotland in the concept of Natural Capital which aims to highlight and utilise the connections between natural resources and economic development. If ever there was a place where the connections between these two things are both obvious and important then it must be in the Cairngorms National Park.

Our Vision for the Park is set out in the National Park Partnership Plan:

*“An outstanding National Park, enjoyed and valued by everyone, where nature and people thrive together”*

“Thrive” comes from an old Norse word meaning to flourish and prosper and is therefore is entirely appropriate for the basis of our approach to managing the economy sustainably.

This Action Plan is not a Park Authority plan but a plan for all the relevant people and organisations in the area to ensure that we work well together and focus our efforts on the most appropriate activity in the years ahead.

## 2. Strategic Context

### National Context

The National Performance Framework and Economic Strategy set out the Government's vision for sustainable and inclusive economic growth:

*Scotland is to be a leader in the technological and social innovations of the future. There are plans to harness that innovation to boost productivity and business competitiveness, improve lives for the better across all of Scotland, and to export our solutions, goods and services to the rest of the world. Competitive, innovative businesses focused on best practice, leadership and management are vital to delivering this vision. They support sustainable jobs, incomes and our quality of life. The Government is committed to work in partnership with business to deliver the kind of economy that we want.*

In October 2018 Scotland's Economic Action Plan was launched highlighting, amongst other things, the importance of the rural economy, where 20% of Scottish population live, and making commitments:

- To support the development of a diverse and healthy rural economy through the growth of traditional and non-traditional sectors
- To invest in our infrastructure to deliver housing, improved access to services and connectivity enabling improved sustainable and inclusive economic growth
- To deliver a rural skills action plan to ensure that rural enterprises have access to a highly-skilled workforce

Meanwhile in September 2018 the National Council of Rural Advisers recommended in their final report that "a vibrant, sustainable and inclusive rural economy can only be achieved by recognising its strategic importance – and effectively mainstreaming it within all policy and decision-making processes." The Council further recommended the establishment of a Rural Economic Framework, aligned to the National Performance Framework to enable a new approach and delivery model for rural policy, development support and investment.

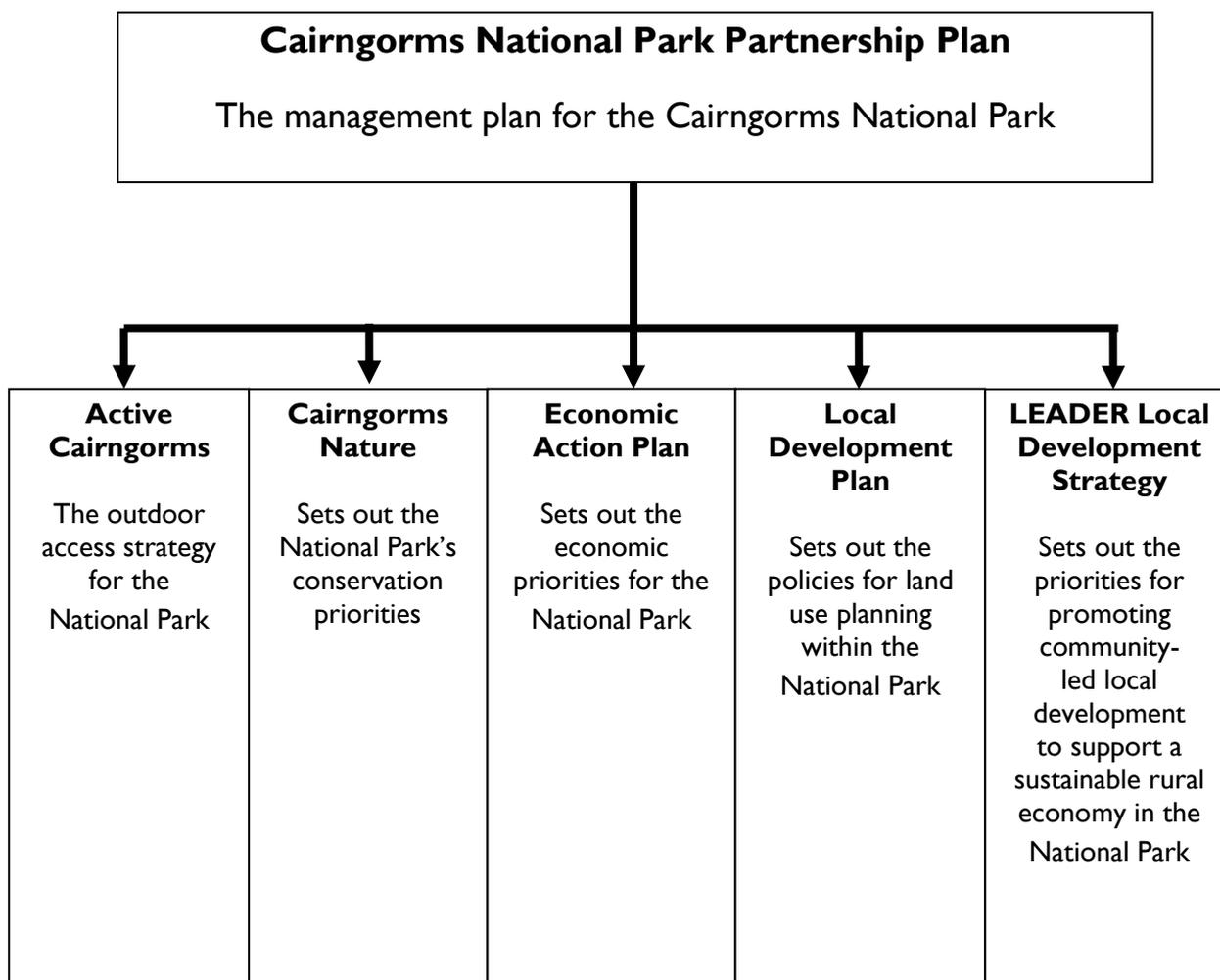
### The Cairngorms context

The National Park was designated in September 2003 and has four aims;

1. To conserve and enhance the natural and cultural heritage of the area
2. To promote sustainable use of the natural resources of the area
3. To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public
4. To promote sustainable economic and social development of the area's communities

The National Parks (Scotland) Act 2000, sets out CNPA’s purpose as ensuring that these four aims are collectively delivered in a coordinated way. If there is conflict between the first aim and any of the others then CNPA must give greater weight to the first aim.

These aims, and this integrated approach to delivery, are encapsulated in the National Park Partnership Plan which is the overarching management plan for the Park and in its subsidiary plans and strategies.



Within the Cairngorms there are several other key plans and initiatives that are already in place and which are taking forwards work streams that are relevant to the economy including:

- The various Local Outcome Improvement Plans associated in the Community Planning processes taking place in each local authority area
- The City Region Deals in place (e.g. in Inverness and Highland; in Aberdeen and Aberdeenshire) and in development (e.g. in Moray)

- Highland and Island Regional Talent Attraction Strategy which aims to increase the number of working age people living and working in region and reverse the forecast decline in population.



The National Park is also covered by the various Economic Strategies which have been developed around the five local authority boundaries, each of which is supported by a range of economic partnerships and forums.

At organisational level, Highlands and Island Enterprise (HIE), Scottish Enterprise (SE) and Skills Development Scotland (SDS) all have operating plans to deliver the Scottish Government's economic priorities and Scotland's Economic Strategy in their areas. And each of the local authorities have specific economic development functions and powers.

The delivery of all these plans and strategies is dependent on the work undertaken by the businesses, land managers, communities, charities and the public sector – all working well together in mutual support.

### 3. The Economic Strategy for the Park

The strategy for managing the economy the Park is effectively set out within the National Park Partnership Plan. The key elements are reprinted here.

#### **THE RURAL DEVELOPMENT CHALLENGES**

*Delivering housing that meets the needs of communities:*

- *Increasing the supply of affordable housing, and ensuring that it remains affordable in the long-term.*
- *Helping to reduce the proportion of second homes by making sure that when new housing is built more of it is accessible to and targeted at people working in the National Park.*
- *Securing an appropriate level of public funding and making the most effective use of it to deliver affordable housing and infrastructure to meet local needs.*
- *Helping communities make the most of the right to buy land in order to secure local housing solutions.*
- *Meeting the bulk of housing needs by the existing larger sites in the Local Development Plan and, in the future, enabling communities to grow in a more small-scale 'organic' way.*

*Strengthening and diversifying the economy:*

- *Strengthening the tourism sector – a sustainable approach – visitors staying longer and spending more*
- *Encouraging start-ups and business diversification*
- *Improving access to housing for workers*
- *Improving digital communications – especially in remoter areas*

The Plan then identifies nine Priorities for 2017-2022, across three Long-term Outcomes for Conservation, Visitor Experience and Rural Development, each of which plays a role in the supporting the economy of the National Park. The Long-term Outcome for Rural Development is:

*“A sustainable economy supporting thriving businesses and communities”.*

Many of the nine priorities are important to the economy but the Agendas for Action for the two most significant priorities are reprinted below.

#### **ECONOMIC DEVELOPMENT**

**Partners will deliver the current Economic Strategy for the Park to 2018 and then review, focussing on action plans for key business sectors:**

- a) Developing sector-specific plans to tackle investment, enhance skills through stronger links with higher and further education, improve long-term resilience and increase average wages, as well as building business on the natural capital of the National Park;*
- b) Supporting Cairngorms Community Broadband to deliver superfast broadband in the hardest to reach parts of the Park;*
- c) Continuing to improve physical infrastructure, including access to affordable housing and digital connectivity;*
- d) Maximising the opportunities for businesses, communities and visitors from the A9 dualling project;*

- e) *Review implications and options for the farming sector as changes in long-term support become clearer;*
- f) *Using the next Local Development Plan (LDP) to identify new sites for business use and expansion and the delivery of the LDP to target investment that opens up those sites to business.”*

## **HOUSING**

### **Partners will respond to the unique housing challenges and pressures within the Park by developing a special approach that is based on:**

- a) *Reducing the proportion of second homes in new developments by ensuring the new housing development is targeted at meeting local needs as far as possible;*
- b) *Maximising the proportion of new housing that is affordable in perpetuity;*
- c) *Identifying sites in the next Local Development Plan where the affordable housing contribution will be more than the normal national maximum of 25% because of acute affordability pressures and the shortage of supply;*
- d) *Using the next Local Development Plan to manage the nature of new open market housing so it is better targeted towards local needs (eg by seeking a greater mix of house types and sizes, with an emphasis towards smaller homes in new developments);*
- e) *Applying flexible planning policies to promote majority affordable housing developments and encourage the use of innovative delivery models to maximise the number of affordable homes that are built;*
- f) *Targeting public sector funding towards the National Park and to sites with the greatest potential for delivering affordable housing;*
- g) *Supporting communities to deliver community-led housing solutions, including by making the most of powers to buy land and taking a more pro-active role in management where appropriate;*
- h) *Promoting high standards of sustainable design and energy efficiency in new homes to ensure they are affordable in terms of lifetime running costs.*

In addition, each long term outcome in the NPPP has a comprehensive policy framework that provides continuity over the long-term. For example, one of the five rural development policies is:

### **Policy 3.1 Grow the economy of the Cairngorms National Park by strengthening existing business sectors, supporting business start-ups and diversification, and increasing the number of workers employed in the Park through:**

- a) *maintaining the population of the National Park and maintaining or growing the proportion of the working age population;*
- b) *supporting the diversification of existing land-based businesses*
- c) *encouraging growth of business sectors that draw on the special qualities of the Park such as sustainable tourism and food and drink;*
- d) *broadening the economic base of the Park into sectors such as creative industries, renewable energy, and making stronger links with higher and further education;*
- e) *increased provision for business land where there is an identified need and demand; and to support the use of land for small business particularly within settlements*
- f) *slowing outward migration of young people; to encourage their return; and the inward migration of workers to the Park to meet business and community needs;*

- g) provision of a housing land supply that supports migration of young people and workers to the park and maintains vibrant communities*
- h) reducing the proportion of vacant and second homes to support community vibrancy by ensuring that new housing development best meets local needs*
- i) maximising the proportion of new housing development that is affordable in perpetuity.*

**Capital Investment Priorities for the Park listed in the National Park Partnership Plan**

<b>Private and third sector</b>	<b>Public sector</b>
<ul style="list-style-type: none"> <li>• further development at Macdonald Aviemore Resort;</li> <li>• completion of the major refurbishment of the Fife Arms Hotel, Braemar;</li> <li>• delivery of key housing sites identified in the Local Development Plan;</li> <li>• improvements to Highland mainline railway stations;</li> <li>• Strathspey Steam Railway extension to Grantown-on-Spey;</li> <li>• enhancing facilities at Cairngorm Mountain;</li> <li>• Highland Wildlife Park enhancements.</li> </ul>	<ul style="list-style-type: none"> <li>• enhancement of visitor facilities at Glenmore;</li> <li>• completion of Speyside Way and Deeside Way extensions;</li> <li>• active travel improvements in Aviemore;</li> <li>• Aviemore hospital;</li> <li>• A9 dualling – especially ensuring that the investment benefits local communities and visitors;</li> <li>• Highland Folk Museum enhancements;</li> <li>• Tomintoul and Glenlivet Landscape Partnership;</li> <li>• The Mountains and The People project;</li> <li>• restoration of degraded peatland through the Peatland ACTION Project.</li> </ul>

**Current targets & indicators in the National Park Partnership Plan 2017 -2022**

<b>Theme</b>	<b>Targets</b>	<b>Indicators</b>
Affordable Housing	Deliver 200 new affordable houses by 2022	Number of completions
Community enterprise	Increase number reinvesting surplus profit into community projects	Number of enterprises – baseline is 4 in 2017
Relevance of National Park to businesses	Maintain or improve business perceptions of the NP's influence in customer attraction and profitability	Number of businesses reporting through the Cairngorms Business Barometer
Digital connectivity	More than 30% uptake of high speed broadband through Cairngorms Community Broadband Project 1.	1. Note that the Cairngorms Community Broadband project has been suspended and the Scottish Government's R100 Project now leads development of broadband in rural areas.

#### 4. Review of changes in strategic context

In reviewing the context, it is important to consider what strategic factors may have changed since the Economic Strategy was first developed in 2015?

##### **Data**

It continues to be challenging to access socio-economic data at the National Park level. Data is frequently collected at spatial levels that cannot be disclosed due to data protection requirements. The collection and analysis also overlaps with other geographic areas with different economic characteristics. A good evidence base was collated for the consultation on the LDP Main Issues Report and is available at <http://cairngorms.co.uk/authority/publication/434/>. These evidence reports are currently being updated to support the consultation on the LDP and this Action Plan.

##### **Brexit**

Depending on what happens with Brexit there are likely to be significant implications for the rural economy. There are already signs of impacts on the labour market which appear likely to continue under most Brexit scenarios. The Federation of Small Businesses estimates that 41% of Highlands and Businesses employ EU citizens compared to an average of 25% across Scotland. EU funding has supported business, communities and infrastructure projects in recent decades and, although there is likely to be some replacement, there is no clarity on future funding schemes. The CNPA is undertaking work on looking at the scale of EU funding support for agriculture in the National Park.

##### **Infrastructure Improvements - Digital Connectivity, A9 upgrades**

Since 2015, the availability of broadband services and mobile internet on 3G and 4G networks across the National Park has improved significantly, especially in the main settlements. Looking ahead, the Scottish Government's R100 project should significantly extend superfast broadband coverage to properties that have not yet been connected. Most communities in the National Park, and much of the transport network, is now covered by either 3G or 4G mobile data services. The A9 dualling programme has started, with draft orders for all remaining sections to be published in 2018. The Alvie to Dalraddy section was completed in 2017.

##### **Regional Partnerships & Enterprise Review**

The city/region growth deals have provided a funding element to long-term economic development in the local authority areas overlapping the National Park. The deals are leading to stronger marketing of the regions as places for business and investment ([www.investaberdeen.co.uk](http://www.investaberdeen.co.uk), [www.enterprisinghighlands.co.uk](http://www.enterprisinghighlands.co.uk)). The National Park supports the marketability of the wider regions and will benefit from growth in those regions. The Enterprise Review concluded that HIE should continue to provide its broad range of rural support across the Highlands & Islands. Scottish Enterprise now has a new spatial focus on South Scotland.

##### **Investment**

There are increasingly positive signs that the Park is seen as good place to invest. Significant private sector investment is under way in Braemar with the new Fife Arms due to open in

December 2018; the renovation of the Invercauld Hotel is planned in the year ahead. In Strathspey, significant new tourism facilities have been developed at Grantown East and a significant new distillery is planned nearby. The Park has also been successful in attracting very significant new investment from charitable bodies. For example, there are four significant projects underway funded by Heritage Lottery Fund (Mountains and the People, Capercaillie, Tomintoul/Glenlivet Landscape Partnership and the Badenoch Great Place Scheme area) bringing millions of pounds of investment into remote rural areas. And recently the Cairngorms Connect project has seen a multimillion pound investment in nature conservation and rewilding on four estates in the west of the Park. Meanwhile both the CBP and CNPA have been successful in drawing down new sources of public funding for the SnowRoads project (from Scottish Enterprise) and for the Rural Tourism Infrastructure Fund (from VisitScotland).

Other visitor attractions across the National Park have identified investment opportunities for future growth. The Highland Wildlife Park near Kincaig is considering opportunities to improve its visitor infrastructure and wildlife conservation facilities. The Landmark centre at Carrbridge is exploring opportunities to expand and restructure.

### **Ski Centres**

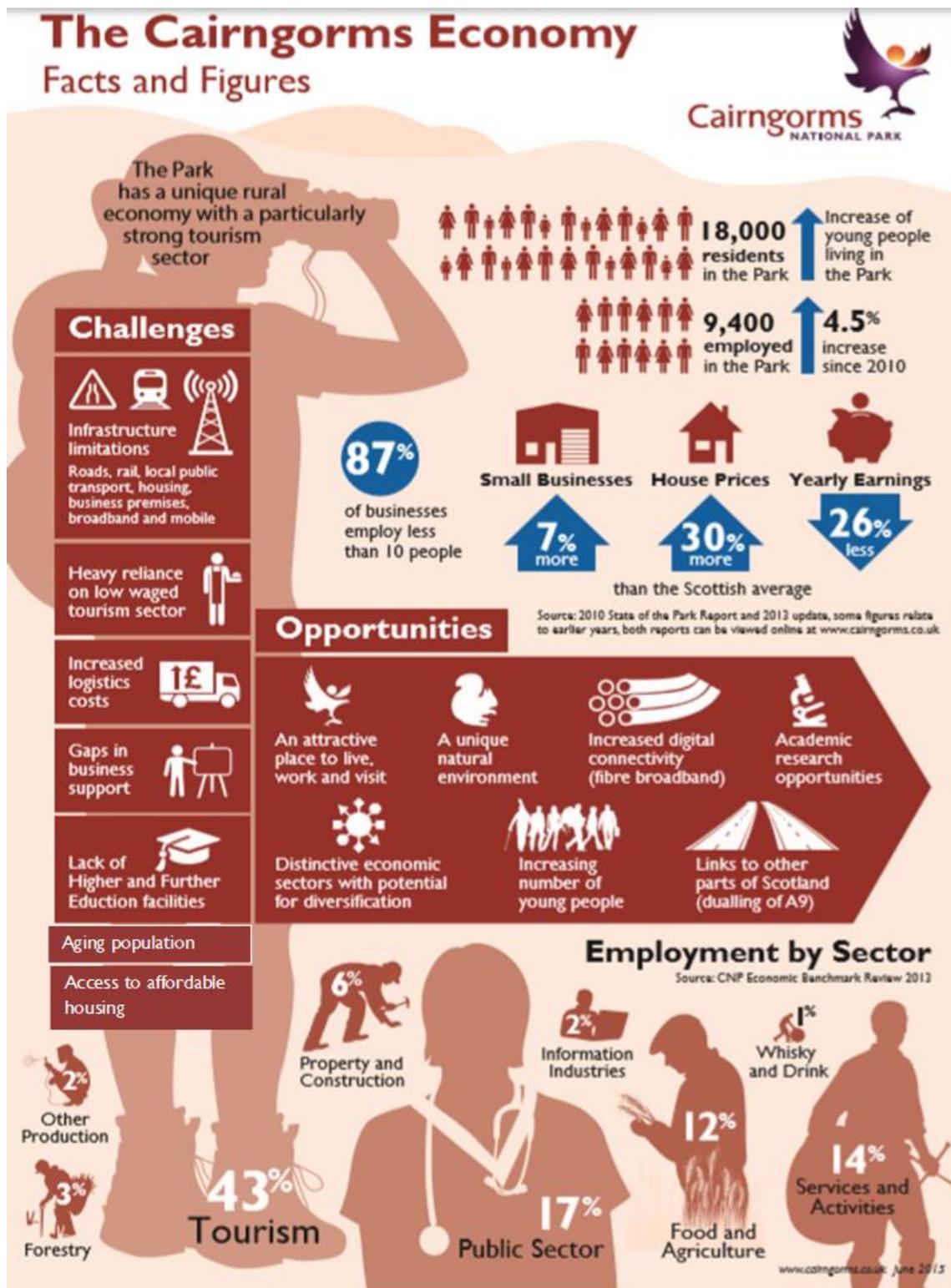
A significant review of uplift facilities at Cairngorm Mountain by HIE has identified a programme of recommendations for uplift improvements and other facilities estimated at £27m. However, the closure of the funicular railway at Cairngorm Mountain for ground investigations during autumn 2018 has created considerable uncertainty about the the facility and also highlighted the importance of Cairngorm Mountain to the winter economy of Badenoch and Strathspey. A programme of snow making will commence to ensure continued access to existing lifts this winter. At Glenshee and the Lecht infrastructure improvements to improve the offering for visitors by investing in snow-making have also taken place.

## **What has not changed significantly since 2015?**

### **A. *Economic Trends, Challenges and Opportunities***

- There has been no significant change in employment sectors, especially in the dominance of the tourism sector. The tourism sector still has a reputation for low wages and seasonal and/or insecure work.
- No significant change in the relatively high importance of small businesses.
- Unemployment remains low. Wages have not grown significantly.
- House prices have risen steadily and remain higher than the national average.
- More housing is being bought as second and holiday accommodation.
- More second homes are being converted to holiday letting businesses.

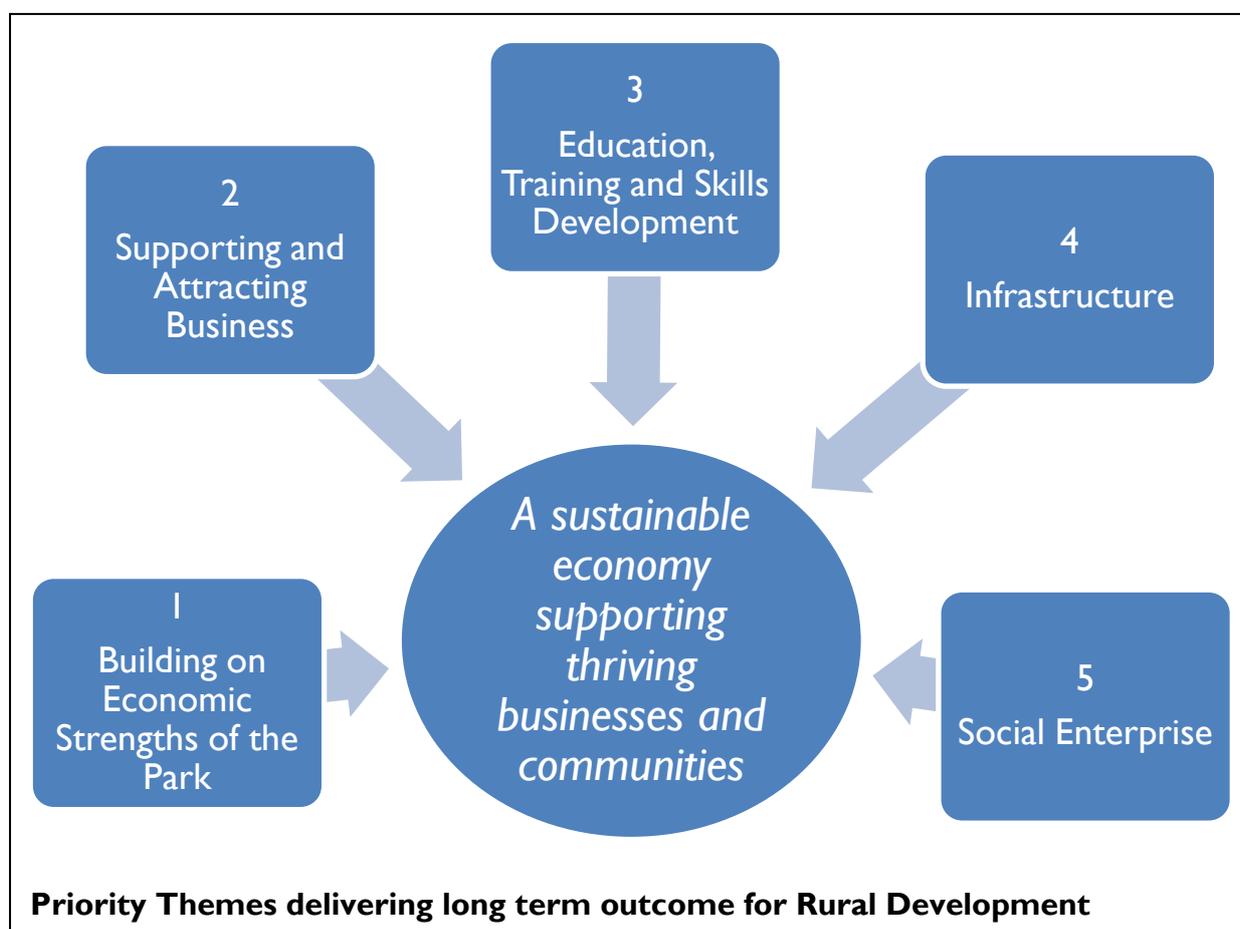
There is a longer-term trend that is an issue across Scotland and that is the need to ensure that we maintain or enhance working age population. This is linked to the ageing population especially in rural areas and the need to look at the solutions for this issue within the National Park area



Consultation question 1: Are there other significant new economic trends, challenges, opportunities or data sources that we should be taking into account in developing this Action Plan?

## 5. The Economic Action Plan

The Economic Action Plan is intended to focus partners' work in the National Park on five priority themes that will together deliver the economic strategy of the National Park Partnership Plan. In practical terms this is about using the tools that are available to partners ensure that there are rewarding jobs in sustainable businesses that draw on and respect the National Park's special qualities, opportunities to access decent housing in the right places, connected by digital and physical infrastructure, supporting healthy and vibrant communities. This will ensure the National Park is an attractive and accessible place for young and working age people to move to and to stay within, supporting a long term and sustainable population for the National Park.



Priority Themes	Actions
<p><b>1</b> <b>Building on Economic Strengths of the Park</b></p>	<ul style="list-style-type: none"> <li>• Tourism: Implement Tourism Action Plan through Cairngorms Tourism Partnership with annual review to CNPA Board</li> <li>• Wages: Investigate and promote adoption of a Cairngorms National Park living wage scheme</li> <li>• Forestry: Implement economic aspects of Cairngorms Forest Strategy</li> <li>• Cairngorm Mountain: work through Response Group to address current challenges and look at future opportunities</li> </ul>
<p><b>2</b> <b>Supporting and Attracting Business</b></p>	<ul style="list-style-type: none"> <li>• Housing: promote community-led approach to delivery in communities</li> <li>• Housing: Pilot and encourage business-led housing projects for employees</li> <li>• Promote work/lifestyle benefits through <a href="http://www.enterprisinghighlands.co.uk">www.enterprisinghighlands.co.uk</a> &amp; <a href="http://www.investaberdeen.co.uk">www.investaberdeen.co.uk</a></li> <li>• Talent Attraction – Work with CoHI Talent Attraction Group to look at long term solutions to ensure maintenance or increase in working age population. Link to housing.</li> </ul>
<p><b>3</b> <b>Education, Training and Skills Development</b></p>	<ul style="list-style-type: none"> <li>• Skills Development Scotland Regional</li> <li>• Circular economy: Use Zero Waste Scotland Fund to promote the circular economy of the National Park</li> <li>• Further projects on women’s participation in land management to build on Women in Wellies event</li> </ul>
<p><b>4</b> <b>Infrastructure</b></p>	<ul style="list-style-type: none"> <li>• Housing: Enhanced attention to driving delivery of housing sites through LDP Delivery Programme</li> <li>• Housing: Work with LA’s to ensure that Strategic Housing Investment Programmes and Local Housing Strategies reflect National Park needs.</li> <li>• Digital: stimulate and communicate the roll-out of SG R100 project</li> <li>• Roads: maximise potential from A9 Dualling project</li> <li>• Roads/Cycling: develop project between Aviemore and Carrbridge to provide of active travel route</li> <li>• Active travel: develop Active Aviemore project to deliver safe active travel routes in Aviemore for residents and visitors</li> <li>• Train: Highland Mainline Community Partnership</li> <li>• Capital projects: assist Strathspey Steam railway extend to Grantown</li> <li>• Rural Tourism Infrastructure: Deliver two funded projects and press for more investment</li> <li>• SNH ERDF Fund: Promote new facilities in Badenoch area</li> </ul>
<p><b>5</b> <b>Social Enterprise</b></p>	<ul style="list-style-type: none"> <li>• Investigate follow-on project from current Social Enterprise Academy training project</li> <li>• Developing a Social enterprise in Schools project</li> </ul>
<p>Consultation question 2: Are these the most important actions to deliver the economic strategy set out in the National Park Partnership Plan?</p>	

## 6. Delivery and monitoring

It is proposed that the arrangements for delivery should include:

- Continuation of Economic Action Plan Steering Group comprising CNPA (chair), CBP, HIE, Scottish Enterprise and local authorities.
- Direct working with the Youth Council, once established, on specific projects and initiatives that address the concerns of young people
- Continued support for the Cairngorms Business Partnership to undertake specific projects and initiatives
- Enhanced communications about the many economic success stories in the Park
- Annual review of delivery activity associated with the Action Plan by the CNPA Board with relevant partners

Consultation question 3: Are these delivery and monitoring arrangements appropriate for the Action Plan?