# Cairngorms National Park
Local Development Plan 2020
Main Issues Report

Evidence Paper: Rural Development – Part 3 Economic Development

**CONTENTS**



## 1. CONTEXT

The Cairngorms Economic Strategy 2015-2018 sets out the economic priorities for the National Park. Its overall aim 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 new Local Development Plan will play a key role in helping to deliver this aim.

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.

## 2. ECONOMIC ACTIVITY

The National Park has a working age population of approximately 10,909 people (51.9% of total population), based on 2013 mid- year estimates). Those of pensionable age numbered 4,539 (24.6% of total population).

According to the Census, of the economically active (66% of the 16+ population) around 95% were classed as being in employment. This is slightly higher than the Scottish level of 91.9%. Of the economically inactive (around 33.9% of the 16+ population), around 75% were inactive due to retirement. This is much higher than the Scottish level of approximately 60%. There are two reasons for this. Firstly, the National Park has a higher proportion of those over the age of 55 than the national average, and secondly, owing to the absence of a higher education facility within the National Park, there are relatively few full time students residing within its boundary.

Unemployment levels within the National Park are relatively low, with the Census suggesting that in March 2011 only 3.2% of the population aged 16-74 were unemployed (compared to the Scottish average of 4.8%).

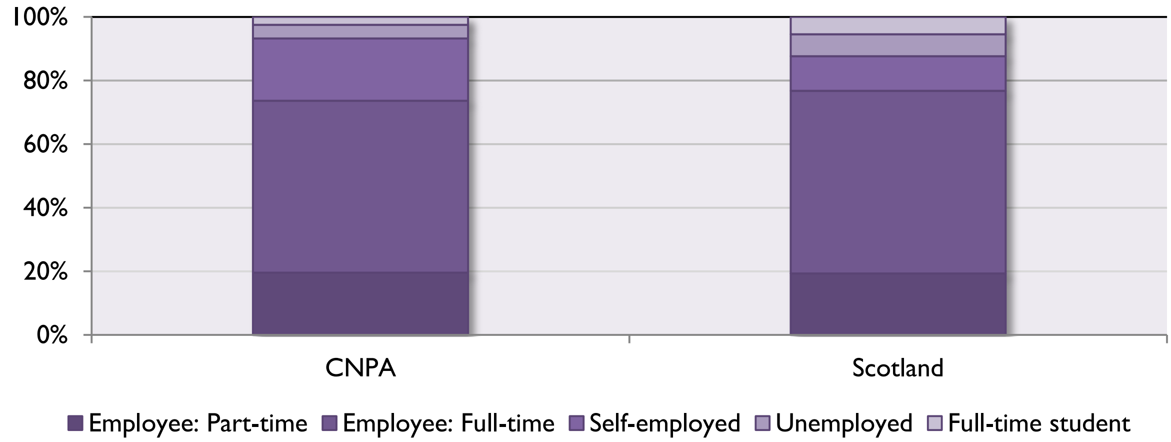



**Figure 1**: Occupations of the economically active population (Census table KS601SC).

Figure 1 compares the occupations of the economically active population in the Cairngorms National Park with Scotland as a whole. It shows that the National Park has a much smaller proportion of full-time students, whilst a much greater proportion of those who are self-employed in comparison to Scotland as a whole. The higher proportion of self-employment is a typical characteristic of a rural area and reflects the high proportion of independent and smaller businesses within the National Park.

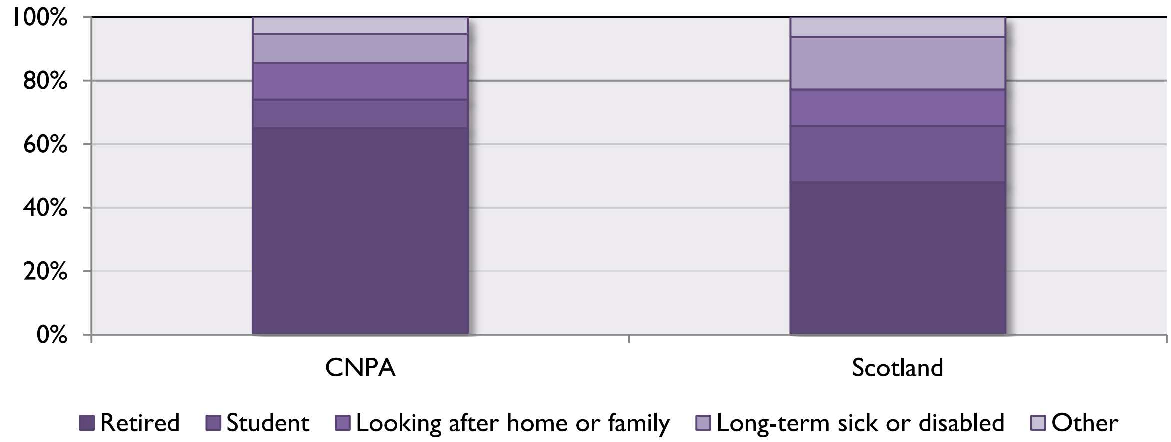



**Figure 2**: Occupations of the economically **in-**active population (Census table KS601SC).

Education

Whilst the number of students within the National Park is lower than the Scottish average, educational achievements are a higher. In terms of qualifications, 2011 data suggests that 76.8% of the 16+ population in the Park had NVQ1 level and above (in comparison to 73.2% for Scotland as a whole) and 30.8% had NVQ4 and above (compared with the Scottish average of 26.1%).

## 3. EMPLOYMENT SECTORS

Figure 3 sets out the proportions of the economically active population who work in different sectors. It shows that certain employment sectors are much more significant within the National Park compared with Scotland as a whole.

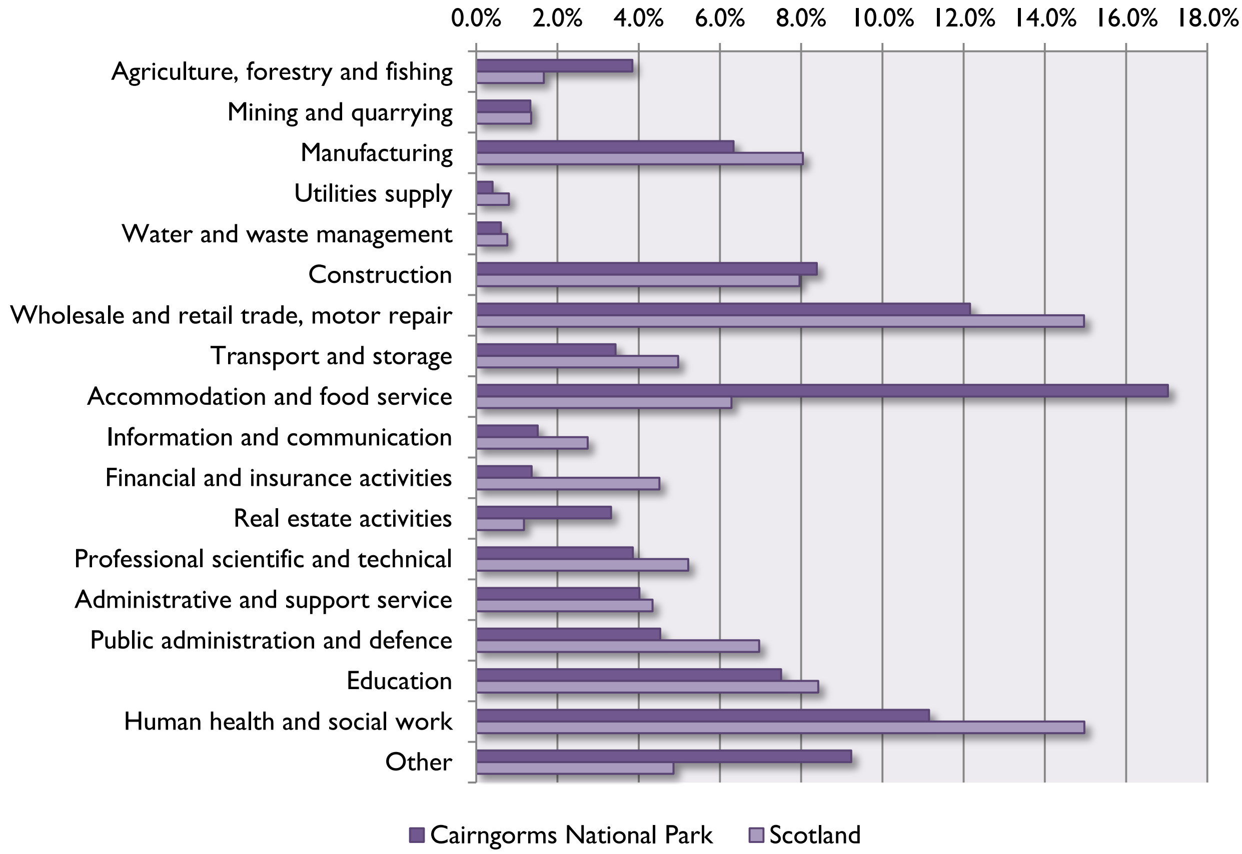



**Figure 3:** Proportion of all people aged 16 to 74 in employment the week before the census by industry (Census table KS605SC). Crown copyright 2013.

Within the National Park, 17% work in Accommodation and food service, compared to just 6.3% of Scotland as a whole. This is largely associated with tourism – providing for visitors staying in the area. The National Park is a popular tourist destination and the provision of accommodation and places to eat and drink are a key component of that.

The National Park also has a strong land based economy which is represented in the higher proportion of people working in agriculture, forestry and fishing related employment (3.8% compared to 1.7% for Scotland). Understanding the characteristics and key business sectors is important in ensuring that the Local Development Plans policies and allocations enable appropriate economic development that supports and enhances local businesses and the National Park's economy.

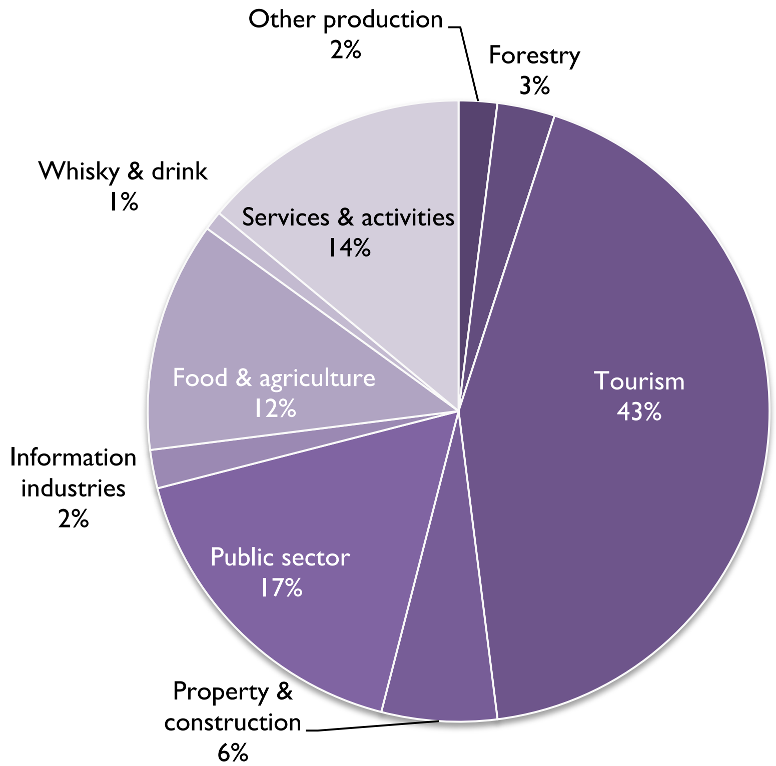



**Figure 4** Employment by sector in the National Park. Source: Cairngorms Economic Strategy 2015

Tourism

As highlighted in Figure 4, tourism is by far the main source of employment in the National Park. This has implications for the Local Development Plan, which will need to include appropriate policies and site allocations to ensure the continued success of this sector. More detail on the implications of tourism for the LDP can be found in the Visitor Experience Evidence Report.

Forestry

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 forest-related and this is likely to increase with the National Park Partnership Plan's target to expand woodland cover of 5% (5,000ha) by 2022 within the National Park.

Food and agriculture

The main features of the food and agriculture 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.

## 4. INCOMES

Due to the low level of unemployment within the National Park, levels of income deprivation are relatively low. However, this masks the fact that there is strong evidence to suggest that average earnings within the National Park are well below the Scottish and British averages (see Strategic Environmental Assessment for more detail on this issue).

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. With the exception of utilities and distilling, the National Park tends to focus on the lower paying industries, notably the hospitality industries and retailing. Using estimates of employee income industry-by-industry, annual earnings levels per head for National Park residents for 2006 were estimated at significantly lower levels than comparative rural areas in Scotland (see Strategic Environmental Assessment for more detail).

Lower wages combined with house prices in the National Park being around 30% higher than the Scottish National Average (CES, 2015) creates significant housing pressures. Whilst the issue of housing affordability is examined in more detail in the Housing Evidence Report, the lack of affordable housing presents significant issues/challenges for local employers in recruiting and retaining staff.

Therefore, there is a need to support the expansion and diversification of the economy to support new and higher paying employment opportunities. Whilst the Local Development Plan cannot influence employment incomes directly, it can ensure there is sufficient land for a range of businesses and ensure that there is a positive approach to new economic development opportunities.

## 5. INFRASTRUCTURE

Infrastructure is identified as one of the six key priorities in the Cairngorms Economic Strategy (2015) and is fundamental in delivering the other priorities and supporting a growing economy. 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:

<u>A9 Dualling and rail improvements</u>
The dualling of the A9 is a significant strategic infrastructure project. The proposal involves the dualling of 80 miles of single carriageway along the A9 between Perth and Inverness – of which 60 miles run through the National Park – by 2025.

The dualling has been 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. Overall it has the potential to benefit the economy of the National Park by improving accessibility for businesses and communities in the area.

Highlands and Islands Enterprise (HIE) are currently working with CNPA and other key partners including Scottish Government, Transport Scotland, Perth and Kinross Council, The Highland Council, and Visit Scotland to develop a strategy to ensure that the economic development potential of the dualled A9 is maximised.

Proposals to upgrade the Highland Main Line are also currently being prepared to improve rail connections between the north of Scotland and the central belt. The long-term goal of this project is to improve journey times and the frequency of services by 2019.

The National Park Partnership Plan identifies a key action of 'Maximising the opportunities for businesses, communities and visitors from the A9 dualling project' (page 70). The Local Development Plan cannot influence the delivery of the A9 dualling. However, it could help to take advantage of the new opportunities for inward investment that the project may bring. This could involve ensuring there is sufficient economic development land in appropriate locations that can benefit from their proximity to the A9.

However, there may also be threats associated with these proposals. Increasing accessibility to the National Park from larger areas of population has the potential to increase commuting as well as demand for second or holiday homes in parts of the National Park. These factors could impact on community vitality and vibrancy, as well as the affordability of housing. Conversely, some areas may become less accessible as the new A9 dual carriageway is likely to have fewer junctions than the current single carriageway, and trains might not stop as often in some locations in the future. There is also a risk that some communities may become effectively more 'by-passed' by the new A9 arrangements, with the possibility of fewer visitors diverting off the main road to make use of local facilities and amenities. The Local Development Plan should also play a role in supporting the vitality and vibrancy of these communities where possible.

<u>Digital infrastructure and connectivity</u>

The importance of digital infrastructure is increasingly acknowledged, with both our economy and our social networks depending heavily on the existence of high-quality digital connectivity. However, the limited access to high speed broadband and mobile communications services presents a challenge in some parts of the National Park. Although the availability of high speed broadband has improved substantially in many of the most populated areas, there are still parts of the Park with poor or no access.

The National Park Partnership Plan sets out a priority action to support the delivery of superfast broadband to the hardest to reach parts of the Park, and the Cairngorms Community Broadband project has been working to help address this.

The Scottish Government has also recently launched the *Reaching 100% Programme* ('R100') to extend 'new generation access' broadband infrastructure to meet their commitment of delivering superfast broadband to 100% of premises in Scotland by 2021(Scottish Government, 2017).

The Local Development Plan can only play a limited role in helping to strengthen digital communications capacity and coverage across the National Park. It currently contains a policy on the siting and design of digital communications equipment, however given the Government's commitment to extend superfast broadband through the R100 programme, it not considered necessary for the Local Development Plan to include any further requirements.

## 6. ECONOMIC DEVELOPMENT LAND

The Local Development Plan supports the delivery of economic development through its economic development policy as highlighted, but also through the allocation of employment or economic development sites. Ensuring there are sufficient employment sites to meet demand and support sustainable economic growth is a requirement of the Scottish Planning Policy. The National Park Partnership Plan (2017-2022) also reinforces that the Local Development Plan should be used 'to identify new sites for business use and expansion and …to target investment that opens those sites to business' (page 70).

The current Local Development Plan contains economic development and tourism allocations with the purpose of protecting existing operations and to encourage new development in particular areas. The Action Plan update (2017) states that currently there is a total employment land supply (comprising economic development and tourism sites) of 140.4Ha however the available supply is 24Ha.

A Study was undertaken to establish the need and demand for commercial development land within the National Park by Ryden in 2011 to help inform the previous Main Issues Report. Whilst the Study was undertaken some time ago, the findings and general conclusions are still considered relevant. The Study acknowledges a lack of information in respect of historic take up figures of employment land, which continues to be the case as there is little formal information available on this other than the recent review through the Action Programme (**Appendix 1**). However the Study identified a limited amount of demand for additional commercial and industrial land from existing business occupiers in the National Park, but concluded that it is difficult to accurately determine demand from employers that might consider locating within the Park if suitable business land was available.

The Study highlighted that 'there is a commonly held view that there is demand particularly for small start-up business accommodation that can be used as office or light industrial accommodation' (2011). It added that an increasing working population and growing number of small businesses (evident from the higher proportion of self-employed in the National Park) is likely to generate increasing demand for small flexible business accommodation. This is mirrored within the Cairngorms Economic Strategy (2015) which highlights that due to 'the high proportion of small businesses there is also demand for business units and sites which meets the needs of small businesses' (page 13). Anecdotal evidence suggests this continues to be the case and there is a need to ensure there is sufficient employment land for both small and large scale businesses.

The 2011 Study recommended that economic development could be best supported through the allocation of some larger sites in more strategic settlements, more limited allocations within intermediate settlements and an appropriate and supportive planning policy for proposals in smaller settlements. It is considered that a supportive and flexible policy approach is the most suitable way for supporting and delivering small scale business units.

Although it presented little empirical information on which to base land requirements, the study suggested that there may be a case to allocate commercial and industrial sites close to good transport links and centres of population to promote inward investment. The dualling of the A9 will result in strategically important infrastructure that has the potential to enhance business development opportunities along the route, which will benefit from improved accessibility and connectivity. The Local Development Plan should utilise opportunities to allocate appropriate additional employment land, particularly where it can benefit from being in close proximity to the A9 or focused in centres of population.

Existing allocations

In addition to identifying new economic development sites, it is also important that the existing employment land supply is protected. Many of the economic development and tourism sites are in productive use however continuing to allocate these will be important to ensure the sites are protected for economic use in the longer term.

In addition, as set out in the Visitor Infrastructure Evidence paper, it will be important to identify and protect strategic development sites both for tourism and economic development. The National Park Partnership Plan (2017) sets out the capital investment priorities within the National Park and it is considered that identifying these within the Local Development Plan will be important in supporting economic growth and enhancing visitor experience.

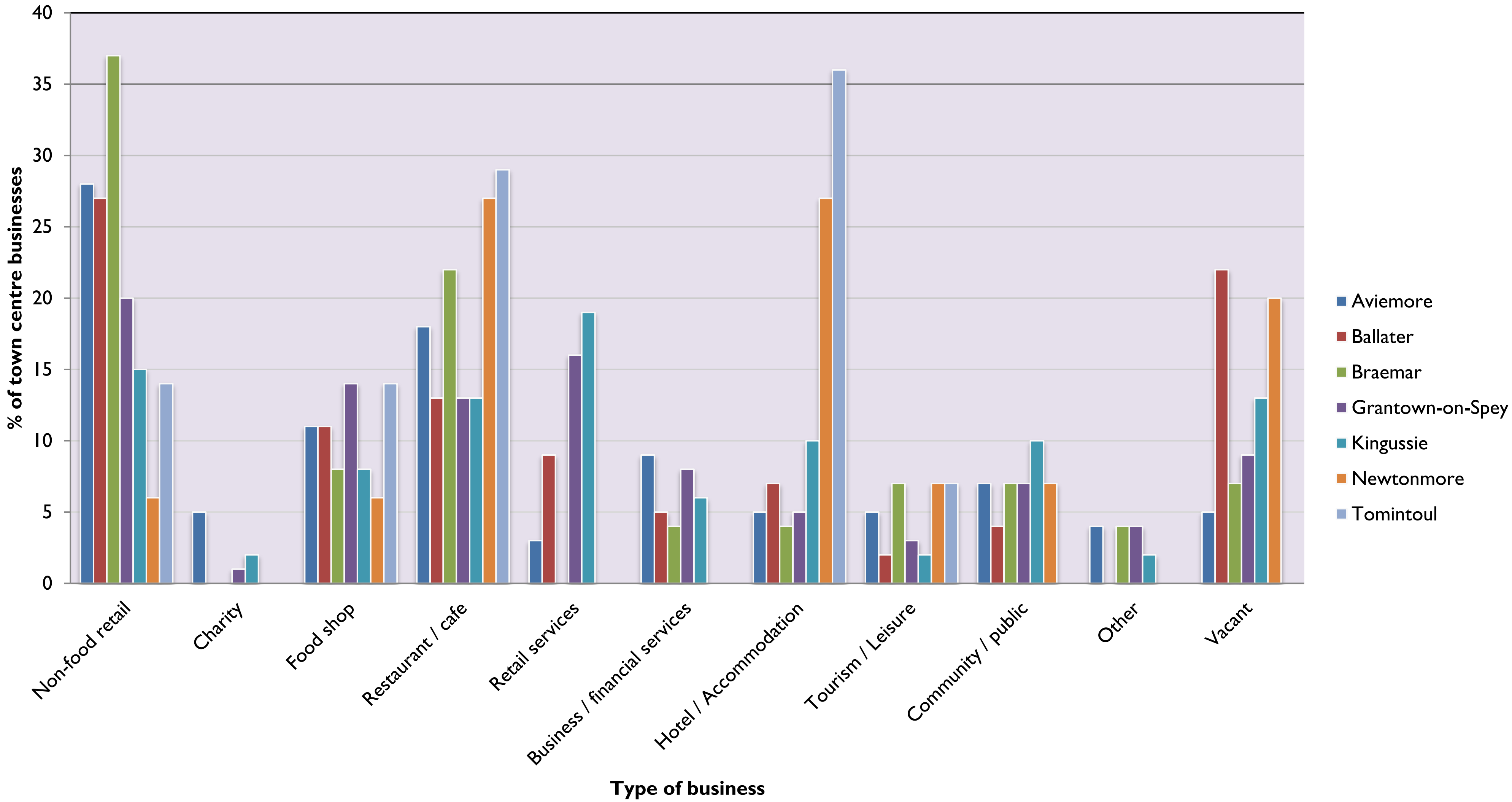
## 7. TOWN CENTRES

Town Centres are an important hub of economic activity and the Local Development Plan plays a key role in guiding development in these areas. Characteristic of a rural area, the National Park has a number of smaller centres within its towns and villages.
Town Centre Health Checks were undertaken every one to two years within the National Park from 2010 to 2015. In 2016, following the completion of a pilot project in Grantown-on-Spey to put into practice the Scottish Government's Town Centre Masterplanning Toolkit, the Health Check methodology was reviewed. This aimed to provide a more in-depth approach for assessing the vitality and viability of the National Park's town centres and the Health Checks now include more information that can be used to monitor change and performance. Health Checks were undertaken in all settlements with an identified 'village core' (in the current Local Development Plan) which were Aviemore, Ballater, Braemar, Grantown-on-Spey, Kingussie, Newtonmore and Tomintoul.

Whilst at this stage it is not possible to demonstrate any changes over time, they will play a part in helping to identify settlement priorities and town centre boundaries. Figure 6 sets out the types of businesses contained within each town centre. It is difficult to directly compare town and village centres due to their varying natures and scales, however further detail about their characteristics are contained in the Town Centre Health Check Report (2016) which is attached in **Appendix 2**.

Given the rural nature of the National Park, settlements are smaller and therefore it is not considered necessary to identify town or village centre boundaries in all of the settlements that currently have them. In these cases, the sequential approach could apply within the settlement boundary. However, conversely, it is important that town centre boundaries are identified in larger settlements such as Aviemore to ensure that retail development and other appropriate business uses are focused within the appropriate locations.

Scottish Planning Policy sets out that planning in town centres should be 'flexible and proactive, enabling a wide range of uses' (Para. 60). Part of this includes the application of a sequential town centre first policy approach for high footfall generating uses including retail, commercial leisure, offices, community and cultural facilities. The approach seeks to support a wider range of businesses and uses within town centres which can enhance the vitality and viability of settlements and the Local Development Plan should seek to reflect this where appropriate.


% of town centre businesses
40
35
30
25
20
15
10
5
0
Non-food retail
Charity
Food shop
Restaurant / cafe
Retail services
Business / financial services
Hotel / Accommodation
Tourism / Leisure
Community / public
Other
Vacant
Type of business
Aviemore
Ballater
Braemar
Grantown-on-Spey
Kingussie
Newtonmore
Tomintoul

## 8. RECOMMENDATIONS

Supporting a year round economy

As set out earlier in the report, visitor spending in the National Park continues to be significantly higher in the summer months than the winter months. The Local Development Plan should ensure a supportive policy approach to enhance opportunities for economic and business development that will contribute to and support a more year-round economy.

Protection of strategically important tourism and economic sites

There are a number of strategically important tourism and economic sites within the National Park as well as some major projects and initiatives that are in progress or proposed. These will be central in sustaining and enhancing the local economy within the National Park as well as improving visitor infrastructure. There is a need to ensure that the Local Development Plan contains appropriate and supportive policy principles for tourism related development as well as identifying key sites and attractions within settlement statements.

Infrastructure

The dualling of the A9 is a major project affecting the National Park and has the potential to provide both significant benefits as well as potential threats. The Local Development should seek to identify settlements that may be affected along the route and seek to maximise the benefits by identifying economic development land in close proximity to the A9 and centres of population.

Employment land

The Local Development Plan needs to ensure the continued protection of existing economic development and tourism sites as well as identifying opportunities for a limited amount of new land. As set out, there is a much higher proportion of self-employed people within the National Park in comparison to Scotland as a whole and there continues to be anecdotal evidence identifying a need for small scale business units. The Local Development Plan should seek to include supportive policy criteria for small scale business development to help meet this need.

Town Centres

The scale of towns and villages within the National Park vary and it is considered that the retail development policy approach should be reviewed to ensure a proportionate and appropriate approach is taken for settlements within the National Park. It is not considered that town or village centres are necessary for all of the settlements that have them. In addition, the retail approach should be broadened to include other businesses.

## 9. REFERENCES / RESOURCES


- Cairngorms National Park Economic Strategy (http://cairngorms.co.uk/working-partnership/national-park-strategies/economic-strategy/)
- Cairngorms National Park Partnership Plan (2017 – 2022) (http://cairngorms.co.uk/working-partnership/national-park-partnership-plan/)
- Scottish Planning Policy 2014 (http://www.gov.scot/Topics/Built-Environment/planning/Policy)
- Cairngorms National Park Local Development Plan 2015 (http://cairngorms.co.uk/park-authority/planning/local-dev-plan/)
- Cairngorms National Park Local Development Plan Action Programme Review 2017 (http://cairngorms.co.uk/wp-content/uploads/2017/07/170704-Action-Programme-Final2.pdf)
- Scottish Government, 2017. Digital Scotland – Reaching 100% Programme Consultation Document (http://www.gov.scot/Resource/0052/00522212.pdf)
- Scottish Tourism Economic Activity Monitor 2016

**APENDIX 1:** Table 6.6 from Action Programme Review 2017: Employment Land Supply

| | Site | Type of development | Current use / status | Total Area (Ha) | Available supply – Estimated (Ha) | Progress |
|---|---|---|---|---|---|---|
| **Aberdeenshire** | | | | | | |
| **Ballater** | ED1: Ballater Business Park | Economic | In operation / existing use | **0.59** | **0** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **2.75** | **0** | |
| **Braemar** | ED1: The Ambulance Station | Economic | | **0.11** | **0.11** | Comprises 2 sites. |
| | ED2: The Mews | Economic | In operation / existing use | **0.30** | **0** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **4.62** | **0** | |
| **TOTAL** | | | | **8.37** | **0.11** | |
| **Highland** | | | | | | |
| **An Camas Mor** | EP: An Camas Mor | Mixed use development | Undeveloped – proposal is for a new settlement which will include a proportion of employment land. | **1.57** | **1.57** | |
| **Aviemore** | ED1: Dalfaber Industrial Estate | Economic | Existing use as industrial estate | **7.06** | **0.5** | |
| | ED2: South of Dalfaber Industrial Estate | Economic | Site currently vacant | **3.53** | **3.53** | Site identified as preferred option for new hospital. |
| | ED3: Myrtlefield Industrial Estate | Economic | In operation / existing use | **1.18** | **0** | |
| | ED4: Supermarket Site | Economic | In operation as Tesco store | **0.52** | **0** | |

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| | Site | Type of development | Current use / status | Total Area (Ha) | Available supply – Estimated (Ha) | Progress |
|---|---|---|---|---|---|---|
| | EP8: Aviemore Highland Resort | Economic | In operation / existing use | **24** | **3.53** | A development brief for the site is being progressed to inform future applications. It will be published for consultation in late summer 2017. |
| **Boat of Garten** | ED1: Steam Railway Station | Economic | In operation / existing use | **2.72** | **0** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **2.30** | **0** | |
| **Carr-bridge** | ED1: Land at Railway Station | Economic | | **2.21** | **2.21** | |
| | ED2: Garage | Economic | In operation / existing use | **0.29** | **0** | |
| | T1: Landmark | Tourism | In operation / existing use | **12.62** | **0** | |
| **Cromdale** | ED1: The Smoke House | Economic | | **0.26** | **0** | |
| **Dalwhinnie** | ED1: Garage | Economic | In operation / existing use | **0.30** | **0.10** | |
| **Dulnain Bridge** | ED1: Garage | Economic | In operation / existing use | **0.14** | **0** | |
| **Glenmore** | T1: The Camp Site | Tourism | In operation/ existing use | **10.41** | **0** | CNPA now working with |

**APENDIX 1:** Table 6.6 from Action Programme Review 2017: Employment Land Supply

| | Site | Type of development | Current use / status | Total Area (Ha) | Available supply – Estimated (Ha) | Progress |
|---|---|---|---|---|---|---|
| | T2: Glenmore Lodge | Tourism | In operation / existing use. Cairngorm and Glenmore Strategy was approved in September 2016. | **6.35** | **0** | two delivery groups to specifically improve public access and visitor experience as outlined in the strategy. |
| **Grantown-on-Spey** | ED1: Woodlands Industrial Estate | Economic | In operation / existing use | **7.46** | **1.94** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **8.56** | **0** | |
| **Inverdruie and Coylumbridge** | T1: Caravan Park | Tourism | Existing Use on part of site | **1.23** | **0** | |
| **Kincraig** | ED1: Baldow Smiddy | Economic | In operation / existing use | **0.29** | **0** | |
| **Kingussie** | ED1: West of Spey Street | Economic | | **1.37** | **0.29** | |
| | ED2: Council Depot | Economic | In operation / existing use | **0.86** | **0** | |
| | ED3: McCormack's Garage | Economic | In operation / existing use | **0.09** | **0** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **2.68** | **0** | |
| | EP1: Land between Ardbroilach Rd and Craig an Darach | Mixed use – including small proportion of employment land. | Planning permission approved. | **2.15** | **2.15** | 2.15Ha is approximate area of employment land which forms part of larger site (Approx18.5 Ha). |

**APENDIX 1:** Table 6.6 from Action Programme Review 2017: Employment Land Supply

| | Site | Type of development | Current use / status | Total Area (Ha) | Available supply – Estimated (Ha) | Progress |
|---|---|---|---|---|---|---|
| **Newtonmore** | ED1: Rear of Cafe | Economic | | **1.32** | **0.73** | |
| | ED2: Industrial Park | Economic | In operation / existing use | **3.97** | **1.19** | |
| **TOTAL** | | | | **105.44** | **17.74** | |
| **Moray** | | | | | | |
| **Tomintoul** | ED1: Garage to north | Economic | In operation / existing use | **0.68** | **0** | |
| | ED2/3: By A939 | Economic | Existing use | **2.46** | **1.55** | |
| | T1: Tomintoul | Tourism | | **1.64** | **1.37** | |
| **TOTAL** | | | | **4.78** | **2.92** | |
| **Perth & Kinross** | | | | | | |
| **Blair Atholl** | ED1: Blair Atholl Business site | Economic | In operation / existing use | **3.51** | **0** | |
| | T1: Caravan Park | Tourism | In operation / existing use | **12.42** | **0** | |
| | EP1: Adjacent to Blair Atholl Hotel | Economic | In operation / existing use | **0.17** | **0** | |
| | EP2: Ranger Base | Tourism | In operation / existing use | **0.37** | **0** | |
| | EP3: Caravan Park | Tourism | Extension to Caravan Park | **5.3** | **3.2** | |
| **TOTAL** | | | | **21.77** | **3.2** | |

| **Total Employment Land Area (Ha)** | **Available Supply Estimated (Ha)** |
|---|---|
| **140.36** | **23.97** |