

The Royal Society of Edinburgh: Inquiry into the Future of Scotland's Hill and Island Areas

Aberdeenshire Council's Response

- 1. *What would you perceive to be the main drivers of change and sources of income generation in upland and island areas of Scotland?***
- 1.1 The main drivers of change in upland and island areas include political, social, economic and environmental factors. Devolution has stimulated a new approach to rural policy for example, the administration of agricultural and rural policy in Scotland is devolved to the Scottish Parliament. Land reform, including community purchase and crofting legislation is supporting rural communities, predominately in highland and island areas in Scotland.
- 1.2 Part 1 of the Land Reform Scotland Act is presenting some challenges in the uplands areas particularly in relation to access to the hills by a wider user group i.e. mountain biking and increase equestrian use. Although in many cases the tracks and paths can sustain this wider use, in other places this use may increase the likelihood of path related erosion.
- 1.3 Reform of the EU Common Agricultural Policy (CAP) is stimulating significant change, as support mechanisms move from production based to market orientated focus, with an increasing emphasis on broader rural development.
- 1.4 In relation to the upland areas in Aberdeenshire, the designation of the Cairngorms National Park is a major factor in influencing social, economic and environmental activities within and around the Park. The forthcoming Aberdeen City and Aberdeenshire Structure Plan, in tandem with the Cairngorms National Park Plan and Local Plan will influence future activities, actions and development in upland areas in Aberdeenshire over the next 25 years. Close liaison between those working on these plans will be required to ensure that they are mutually complimentary.
- 1.5 Social and economic drivers include demographic change. Remote rural communities in upland areas in west Aberdeenshire demonstrate decline in resident populations, an increase in seasonal or second homes, reduction in primary industry workforce, for example, estates, farming and forestry and a shortfall in affordable accommodation particularly for rent. Upland towns and villages, particularly in the Cairngorms National Park, are populated by increasing numbers of retired people, and the resident population is aging significantly. The Braemar community sees the village becoming a ghost community in

future as high house prices, low incomes, and incomers with sufficient capital to buy into the housing market force the low wage working population out. Key workers such as teachers, nurses, care workers are difficult to recruit and retain because of the lack of availability and affordability of housing. If these areas are to thrive housing issues will need addressed.

- 1.6 The Conservation (Natural Habitats &c.) Regulations 1994 as amended provide protection for the Natura 2000 international network of Special Areas of Conservation and Special Protection Areas. In addition to internationally important sites there are many national and locally designated sites in upland areas of Aberdeenshire. These sites are of importance for nature conservation and landscape and their management has an impact on land management practices, planning decisions, tourism, recreation etc. The Nature Conservation (Scotland) Act 2004 is a key driver of change as it puts a duty on all public bodies and office holders to further the conservation of biodiversity in carrying out their functions. Upland areas are key strongholds for some of our most threatened priority habitats and species so this legislation should be a key consideration in developing policy in upland areas.
- 1.7 Other European Directives such as the Water Framework Directive will also require a review of some of the practices that are undertaken and to an extent will effect a degree of change. A concern in Aberdeenshire currently is the abstraction of water from the River Dee and the increase in phosphate levels both of which will also impact of the SAC status and the qualifying species.
- 1.8 Income generation in upland areas has been based predominately on primary industries – farming, forestry and also sporting and tourist activities, with associated service provision. In future, income from mainstream agricultural production may decline, if the current downward trend in livestock retained on upland farms continues. Diversified income streams within agriculture are likely to be associated with tourism or sporting activity enterprises. Income through delivery of public goods through environmental management and access provision will become increasingly more important for land managers.
- 1.9 New opportunities and income streams may arise through a suite of appropriate renewable energy developments and greater emphasis on tourist, leisure, cultural heritage, art and craft industries. One of the greatest challenges in income generation and sustainability of rural businesses in upland areas is the effect of seasonality, where a high proportion of annual income is generated in a few months, with a sharp reduction in income, but continuation of fixed costs, in off-season.
- 1.10 Upland Aberdeenshire falls within the Marr Area of Aberdeenshire Council. Marr covers 2,942 sq.km. (1,136 square miles) or 47% of Aberdeenshire's total area but has only 15% of its population. The average population density is 12 persons per sq. km. and lower if the

upland area is considered on its own. The upland areas of Aberdeenshire do not contain large-scale or heavy industries of note and most economic activity is confined to traditional land-based and related work, tourism and small-scale enterprises, including lifestyle businesses, consistent with serving visitors, and the local rural communities of the area. Exceptions may be specialist or niche businesses. An example of these would be Deeside Water at Ballater. However, there are few such businesses.

- 1.11 The public sector is relatively more important, therefore, in the upland area, as an employer and for incomes. The impact of the private sector is correspondingly limited. The effect of the public sector includes the application of national or super-national legislation, policies and support mechanisms. An example can be seen in the continued modernisation for Royal Mail (also influence of internet on habits) and the impact of reduced hours and closures on rural post offices. The underlying business e.g. general store may be put at risk becoming more marginal without valuable Post Office income. These businesses represent an important source of local resource and (flexible part time) employment as well as serving an important social function.
- 1.12 Some rural settlements in upland areas have historically acted as commercial and business centres for the more remote communities. For example, an agricultural mart, banking, retail and machinery sales in Huntly have served the rural hinterland, while maintaining employment in the settlement area, although the scale of some of these services has reduced in recent years, as businesses centralise activities closer to major settlements. Huntly is reinventing itself as a market town to mitigate the negative effects to the town centre of two new supermarkets on its outskirts.
- 1.13 Community Economic Development organisations or social enterprises have developed in the upland areas supported by EU and public sector funding and personnel, and these have delivered a variety of projects, for example Ballater Walking Week, which attracts visitors to the area. In Braemar a community organisation has recently taken over the proposed restoration, management and development of Braemar Castle as a visitor attraction after receiving funding towards the cost of a feasibility study. Marr Area Partnership, a rural partnership for the whole of the Marr area exists to support communities and community organisations to help themselves to develop their plans and projects including advice on funding streams. There are examples of community bus provision, which provides employment, volunteering opportunities, and an essential service to residents who might otherwise be isolated because of lack of transport and income. Today (26th July 2007) Ballater is reported in the Press and Journal to have lost its Scottish Executive grant for its community bus network. Loss of this provision will impact most severely on those who cannot drive or who cannot afford a car and will increase isolation and car use.

- 1.14 There has also been a significant amount of funding and development focus in upland Aberdeenshire through public sector partnerships such as the Upper Deeside Access Trust (UDAT) and the Eastern Cairngorms Access Project, a joint project delivered by UDAT, Aberdeenshire and Angus Councils. UDAT and ECAP have developed the outdoor access infrastructure in Upper Deeside and the Angus Glens but with the need to consider and where possible protect the sensitive nature of the upland environment. Similar work has been carried out by the National Trust for Scotland on Mar Lodge Estate. This infrastructure provides a good base on which to support small tourist based businesses but also serves to help protect fragile areas by directing people onto managed paths.
- 1.15 Traditional land-based activities include agriculture (primarily livestock), forestry & related, and estate management, including sporting interests. However, the financial performance for these activities is generally weak and there are pressures to diversify and create new income streams. The fragility of the upland area has been recognised by successive EU funding programmes e.g. EU Objective 2 Transitional funding. Examples of individual responses of businesses have been seen with tourism and retail developments focused on small developments e.g. Finzean Farm Shop and Tea Room, which combines tourism retail activity with the sale of local produce including estate produced meat and game.
- 1.16 A response to climate change is bringing beneficial effects here as the move towards more sustainable energy is opening up opportunities e.g. biofuel and biomass production, the exploration of small scale local hydro schemes, and wind power schemes. Wind power schemes need to be appropriately designed and sited to meet planning requirements. Large-scale wind farms are unlikely to be seen favourably by the Cairngorms National Park Authority given the visual impact.
- 1.17 Aberdeenshire Council's Scrutiny and Audit Committee commissioned a report – The Bigger Issue: A Report on Climate Change in February 2007 (SAC Report No. 13). This provides an overview of the potential effect of climate change in the Aberdeenshire areas. Professor Bill Slee was involved with this report.
- 1.18 Although tourism is an important sector for upland Aberdeenshire, relying heavily on the landscape and environment, this is less well developed as an industry than in other areas of Scotland e.g. Speyside. The impact of increasing globalisation of the tourism market means that areas like Upper Deeside and Donside must compete against destinations across the world and not just in Scotland or the UK. This has been recognised by the public sector where suitable intervention is helping to mobilise local tourism businesses into forming a Destination Management Organisation for Royal Deeside and the East Cairngorms, and which in turn, will take ownership for the development of the local tourism market. Another example is the

current work of Scottish Enterprise in exploring the potential for a tourism resort development on Royal Deeside. The development of “green tourism” has the potential to create a significant market and promote the pristine environment to visitors.

- 1.19 Partnerships are seen increasingly as a means to influence and manage change. These operate at a number of levels e.g. Area Tourism Partnerships. Locally, the Dee District Salmon Fishery Board and the River Dee Trust have recently merged officer activities and are working with the public sector and fishery owners on a pilot scheme for the integrated management and conservation of all fish species and forms of angling on the River Dee catchments. The proposals cover a range of socio-economic development issues including tourism development and intend to draw in related businesses into future development work.
- 1.20 The creation of the Cairngorms National Park will undoubtedly have a significant impact on the social and economic development of the East Cairngorms and across every range of Park activity. A Park plan has been approved and the public and private sectors have been invited to work in partnership towards the delivery of the development strategy. A Local Plan has been drafted and once adopted will supercede the powers of the current Aberdeenshire Local Plan.
- 1.21 Aberdeenshire has two of Scotland’s ski centres. Glenshee is the largest in Scotland based on uplift capacity and stands on the southern boundary of the Cairngorms National Park (CNP) and The Lecht stands on the border of Aberdeenshire and Moray, but wholly within the CNP. Poor winter seasons have been experienced in recent years, arguably due to climate change, and this has created pressure for change. Glenshee was the subject of a management buy-out three years ago and has dramatically reduced its cost base. The Lecht has invested in new activities and infrastructure. Both are having to consider further diversification into a range of outdoor activities, however, this may create problems in terms of the heritage and conservation aspects of the CNP. It seems probable that the recent poor seasons have led to a decrease in seasonal employment opportunities meanwhile.
- 1.22 The indirect impact of the decline in skiing on other tourism businesses in Aberdeenshire may be limited as day visitors tend to predominate or new opportunities to diversify are taken up. Diversification may be timely as the nature of tourism has been changing away from the more sedentary longer breaks towards shorter and more active breaks based on a range of outdoor activities e.g. walking, mountain biking and water-based sports. New businesses have been created to meet these needs e.g. Cycle Highlands, Running the Highlands and WalkDeeside, and these developments in tourism are reflected in the way VisitScotland now markets the country.

- 1.23 The North east enjoys continued low unemployment and a relatively buoyant economy. The unemployment rate for Aberdeenshire stands just below 1% due in large measure to the strong oil and gas sector and the high price of oil. Whilst the oil & gas businesses are largely concentrated on the coast and close to Aberdeen, there is an indirect effect on upland Aberdeenshire in terms of displacement. Aberdeenshire tends to operate a twin-speed economy heavily influenced by the incomes of the oil & gas sector and the city area. This tends to attract those with better skills and motivation into employment and away from sectors locally where salaries are lower and opportunity less. An example is the tourism sector, which has relied more on attracting its workforce from locations like Eastern Europe, but this tends to create other difficulties e.g. increased competition for private sector rented and other affordable housing and associated social and integration challenges. Further adverse impacts include the high costs of both residential and industrial property and sites, high rents and difficulties in accessing trades people and contractors.
- 1.24 Information from the Aberdeenshire Housing Needs Analysis carried out in 2004/5 showed that mean house prices in the Marr Cairngorms Rural Housing Market Area were higher than in the Marr Central RHA while mean income in the upland areas of Marr was lower with mean incomes reducing as distance increased from Aberdeen. In Braemar in 2005 of the eight houses sold six were sold to incomers while the two sold to locals were as a result of the right to buy. In Marr 908 applicants appeared on the waiting list but only 98 council houses became available for relet. Across Aberdeenshire the Council enabled 108 additional affordable housing units that year. Ballater had 10.1% of its houses occupied as second homes. Fuel poverty continues to be an issue in upland areas. North Marr (Huntly), Donside and Cromar, Strathbogie, and West Marr (Upper Deeside and Aboyne) showed up in the fuel poverty indicators as being the locations identified as having the highest risk of fuel poverty. Rises in fuel costs have made the situation worse.

2. *What are the attributes of social, cultural and economic value in Scotland's hill and island areas?*

- 2.1 The upland areas have been seen traditionally as being relatively remote, disadvantaged areas, where higher incomes and opportunity are less in evidence against the urban areas. They are characterised more by a strong sense of (local) community and cooperation as well as a measure of independence. There is a "can-do" mentality that can be seen in the work of community-based organisations and social enterprises that rely less on the non-financial support of the public sector e.g. in Ballater, Strathdon and Braemar.
- 2.2 Some upland areas are now seen as attractive lifestyle locations and this, linked to modern communications, has attracted those able to do business from home or similar. The prerequisite is being able to access

the internet and affordable broadband. These locations have also attracted those with artistic, sporting, recreational, and cultural interests based on the locality. The National Park badge to upland Aberdeenshire provides an additional pull to those wanting to move to the area to experience a lifestyle change.

- 2.3 However, it is questionable how much of Aberdeenshire is now truly remote and rural. "Semi-rural sprawl" has seen commuters moving further away from the main urban centres and prepared to travel longer distances to their work (hardly a response to sustainability issues). Travel times by car have reduced as road networks have grown and businesses have moved out of the city to locations like Westhill, Banchory and Inverurie. Communities tend to be less self-sufficient in other respects. Residents in Braemar can now travel to Blairgowrie to shop in a major supermarket and to buy petrol with the consequent choice this implies. The impact locally is that shops and local petrol service stations become more marginalised or reliant on visitors.
- 2.4 A significant proportion of the population is above retirement age and this looks likely to grow substantially over the next few years. An ageing population requires specific services and whilst this can open up business opportunities, it can also mean increasing demands, for example on the public sector for health and care services. It means different housing needs than for young families.
- 2.5 There is a continuing shortage of affordable housing (and growth in second homes) especially for single people and young families not enjoying the range of income available in the urban areas. This shortage may be exacerbated by the influx of foreign workers filling employment gaps that would otherwise have held businesses back. These new workers are often well motivated and very much needed by businesses, but do require a measure of integration; suitable accommodation, and other services e.g. schooling.
- 2.6 The standard of education is relatively high in rural and remote areas and the quality of young people produced from the schools is excellent, which makes them an attractive employment target for businesses. Expectations can be high and it is understandable that low status employment struggles for recruitment, including some public sector jobs and tourism employment.
- 2.7 The unemployment rate in Aberdeenshire stands at 0.9% compared to a Scottish rate of 2.6%. In upland Aberdeenshire Upper Deeside and Donside experience rates of 0.9%/0.8% whilst the areas of Strathbogie and Huntly are higher at 1.0%/1.9%. Even so, these are well below the national figure.
- 2.8 While peripherality and rural sparsity can result in economic impacts for communities in rural areas, quality of life, space, community integration and safety often outweigh negative aspects of rural habitation. The

level of interaction between age groups, combined with a supporting and co-operative approach within communities can help to strengthen communities and contribute to community well being. There is a danger however that as the upland towns and villages become places for tourist visitors, lifestyle movers, and middle class retirement tolerance of young people and their culture reduces.

- 2.9 Communities in upland areas often retain strong links with local culture and heritage, for example maintaining links with traditional music, dance and dialect. Take for example, Strathdon, where local primary school pupils regularly undertake projects relating to local history and heritage. Highland Games, which are regular and popular events held in upland communities, not only maintain local culture, but also have a positive economic impact in the small communities and surrounding areas, with service providers benefiting from additional activity.
- 2.10 The upland area of Aberdeenshire contains a wealth of historic and archaeological features particularly in Deeside. This has stimulated a number of community initiatives to capitalise on this rich resource with examples being the Boots to History Project by Ballater Royal Deeside and the Bellabeg project in Strathdon. Both projects have integrated access and cultural history to attract tourists to the area.
- 2.11 The Upper Deeside Access Trust and its funding partners, Aberdeenshire Council, CNPA, SNH and Scottish Enterprise Grampian have also tried to maximise the tourism potential of the area whilst at the same time working to disperse the visitor pressure to protect the more vulnerable areas. Upland paths have been renovated and upgraded to decrease the areas of damage from footfall and consequent erosion but at the same time more sustainable lower land networks have been constructed around key settlements, Braemar, Ballater, Dinnet, Aboyne, and Tarland, to encourage more use of the less vulnerable areas. In Tarland particularly, the tourism benefit to the local community has been considerable. Huntly and Area Tourism Action Group has recognised the tourism benefits of walking in remote, scenic, hilly areas and has carried out a feasibility study on the creation of long and short distance path networks linking the Huntly area into the National Park using existing paths along traditional walking routes. It is holding a seminar in September to explore interest with interested parties including landowners.
- 2.12 There has also been a noticeable increase in associated business development in the Upper Deeside area with two new cycle hire shops and a new hostel opening and a walking holiday business employing new staff.
- 2.13 Natural heritage in Aberdeenshire contributes to social, cultural and economic aspects of upland areas, with the following key attributes: -

- 2.13.1 A functional forest habitat – Aberdeenshire’s upland areas are well forested with approximately 18% tree cover in Deeside and Donside. This contributes to biodiversity, economy, landscape and health and general well being. This woodland area includes many areas of semi-natural woodland in addition to large areas of native species plantation, which are now being managed for low impact silviculture.
- 2.13.2 River catchments – Aberdeenshire’s upland areas are to a large extent focussed around river catchments (Dee, Don and upper Deveron). There is a considerable weight of legislation focussing on the protection and improvement of water quality and also ecological status but wider than this, rivers provide connectivity between communities, opportunities for recreation, economic opportunities e.g. fishing and contribute to health and wellbeing.
- 2.13.3 Biodiversity – Upland areas support many priority habitats and species and the way that these areas are managed is crucial to the long-term survival of such habitats and populations. Red squirrel, for example, has a stronghold in upland Aberdeenshire, and management must ensure that Grey squirrels are not allowed to encroach further if this stronghold is to be maintained.
- 2.13.4 Scale and buffering capacity – To have any success in protecting species against the effects of climate change we need to be planning at the landscape scale to create habitat networks along and to which species can travel. The uplands provide the opportunity for planning on this scale, whether for wetland habitats along watercourses, forest habitat networks or other habitat types.
- 2.13.4 Buffering against climate change – upland areas hold significant carbon sinks in woodland and blanket bog.

3. *How will changes in agriculture, forestry and tourism affect the economies of these areas and what scope is there for alternative sources of income and employment?*

- 3.1 The forestry sector has suffered from depressed prices for many years at a time when major forests are reaching maturity. Although there has been some improvement in prices, it is still experiencing difficulties and the current hiatus in grant support has not helped this situation. There is concern that the competitive nature of the new grant system will lead to a reduction in funding for forestry.
- 3.2 There are several wood fuel projects underway in Aberdeenshire. There is a significant supply of fuel potentially and wood pellet production has been established at a local Deeside sawmill. In turn a local community centre, swimming pool and secondary school has recently been converted to biomass heating. Local businesses are

following this lead and there is growing focus on the supply of biomass systems to domestic users, although the rate of growth is quite low. It is hoped that the increasing market for “secondary” output from Aberdeenshire’s forests will improve viability for the forestry sector overall allowing forests to be properly thinned for quality timber production.

- 3.3 Local sawmills are working with local house builders to increase the proportion of local timber used in building. This is requiring changes in design and use of new techniques (such as glued eye-beams) but progress is being made and these initiatives should be encouraged.
- 3.4 There has been a perception that the national focus on renewable energy has been placed on wind power and to a lesser extent on developing wave power rather than on using available forest and small-scale hydro resources. There are landscape implications for an area increasingly dependent upon tourism where wind power is concerned. The issue can be divisive and this may make biomass a more attractive proposition especially within the CNP. However, wind power offers opportunities for landowners in suitable locations who may act alone or in cooperation to develop small-scale wind turbines. Communities may also benefit from developing community schemes as a social enterprise. This may be a valuable way of both meeting sustainability targets and generating mainstream income for the community.
- 3.5 The potential changes in land use may also affect the historic environment. Owing to a history of low-intensity land use, our upland areas are ‘zones of survival’ as far as the historic environment is concerned. This means that an intensification of forestry or other ‘economic’ activities can have an injurious effect on the historic environment. Historic sites may have the potential to be developed sensitively to provide interpretive tourism opportunities, explaining how the land was worked and how communities lived in the past. Ballater would like to develop a project around the Canadian logging camps set up to provide pit props etc for the war effort.
- 3.6 The biggest changes affecting the agricultural sector are policy driven, moving support away from production to market orientation and broader rural development. While diversification into new enterprises is an opportunity, the stability and profitability of the core business cannot be ignored. Much of the livestock produced in the uplands is sold to low ground finishers. However, there are a small, but growing number of businesses that aim to add value to their produce through direct selling at markets or local retail outlets. There is an opportunity here to build upon a brand, representing the quality aspects of these products. The Council and the CNPA have supported the development of produce markets. This has the added benefit, if sited appropriately of increasing business for local shops.

- 3.7 CAP reform is ongoing. The form, basis and eligibility of future support to less favoured areas have yet to be decided. This potentially will impact on upland farms in Aberdeenshire, where LFA support has made a significant contribution to overall net farm income. If this support is to be more targeted towards less accessible, remote highland and island areas, upland areas in Aberdeenshire may be negatively affected.
- 3.8 The forthcoming Scotland Rural Development Programme 2007-2013 will provide potential for farmers and land managers to access funding on a competitive basis through Rural Development Contracts. LEADER funding for the same period will also contribute to stimulating economic activity in rural areas. The SRDP aims also to address the issue of attracting new entrants to the industry, where the number of part-time farmers is increasing and the age structure demonstrates a high percentage close to retirement age. However, some innovative approaches to release land for new entrants will be required, as the number of farms available for new occupancy is limited, often due to amalgamation and consolidation of existing businesses.
- 3.9 The Scottish Executive has established a challenging target for the growth of Scottish tourism i.e. 50% growth by value by 2015. This has been adopted by the Area Tourism partnership, NESTOUR, which aims to support the private sector towards this goal. The target equates to an annual growth rate of some 4%. Scottish tourism is already experiencing a radical overhaul in order to achieve this target and this will affect most areas of the country. This is needed because of the level of global and not just national competition faced. Upland Aberdeenshire must compete effectively with locations like the English Lake District, other parts of upland Scotland and even New Zealand and US in an increasingly crowded market and in the face of ever more consumer demands and expectations. There are a number of factors which will help upland Aberdeenshire develop a high quality tourism sector. Examples are increasing and effective use of market segmentation, adapting to the changing tourism patterns and using them as opportunities for development, a relentless focus on quality and excellent customer service, use and awareness of local produce, environmental issues, growing disposable incomes and the rapid growth in the over 50s age group. Much of the potential for development lies within the landscape and activity-based tourism. New businesses need to be encouraged; the public sector bodies e.g. local authorities and Scottish Enterprise will support these, as well as existing ones to diversify and change. However, any intervention needs to be short-term with a firm view to achieving self-sufficiency. There are potential gains in arresting rural depopulation, increasing incomes, strengthening communities and enabling growth in related sectors. In doing so, care is needed to ensure that the end result is not a "theme park" constraining other economic activity, or placing undue focus on conservation objectives to the exclusion of all others.

- 3.10 Encouragement of diversity and use of local skills is an area that the public sector could encourage. In Upper Deeside, Glenshee Ltd, the company formed to from the management buy out of the Glenshee Ski Centre have been used to assist in the fabrication and construction of various footbridges for the Upper Deeside Access Trust and Braemar community, providing income generation for the company during the summer months and utilising the skills of their workforce.
- 3.11 Due to the seasonality of much of the employment in upland areas, training a multi-skilled workforce is considered essential for future economic development. Good progress has been made in this aspect through the Cairngorms Land Based Training initiative. But there is much room to develop this concept further, where training is delivered locally, building business and practical skills and gaining qualifications for employees in the land based, tourist and service sectors. There are potential opportunities in Aberdeenshire to develop centres of excellence for training and craftsmanship. A 'Woodschool' type project, for example, could offer training for craftsmen using local timber in producing high quality furniture and other products, or demonstrating innovative building techniques.

4. *What are the impacts of changes to land use and ownership on the landscape, environment and communities of these areas?*

- 4.1 A significant area of upland Aberdeenshire continues in relatively stable ownership although estates have had issues about viability based on existing practices. This has meant that assets are regularly monitored and considered for suitable development, whether as housing, alternative business use or tourism. This is subject to existing planning controls. Mention has been made of the recent transfer of Braemar Castle into community management based on a long-term lease from the local landowner.
- 4.2 The qualities of the local landscape enrich both the experiences of the visitor and the resident. Whilst in many cases land use and landscape/natural heritage interests can work towards the same aims there are many potential areas of conflict in upland areas. Intensive management is not appropriate in upland areas, which are often very fragile in nature. Examples of conflict include intensive stocking of game birds such as pheasant and partridge which can result in serious damage to associated habitat, clearance of developing semi-natural woodland (potentially used by woodland grouse species) from grouse moors is another example of an area of conflict. In many cases these problems can be worked out and there are a number of very effective partnerships working on specific issues. However the economic pressure on estates can lead to decisions that are detrimental to landscape and nature conservation interests.

- 4.3 Comment has been made already about changes to some of the traditional activity-based businesses e.g. ski sector. Centres like Glenshee used to employ over 100 people in a winter season. This figure has been less in recent years but is still significant. An end to skiing in Scotland will remove that economic benefit unless some form of alternative land-based activity can be introduced. The basis of the future therefore, may lie with outdoor activity centres that have a secondary role as a ski centre. This will require negotiation with landowners, communities and statutory bodies with conflicting interests e.g. conservation and habitat issues.
- 4.4 The River Dee and its tributaries is recognised as an important fishery, particularly for its salmon and trout. There has been considerable effort made by all stakeholders to protect and develop the best attributes of the river and this is helping to increase incomes and catch levels (although also subject to catch and release practices). The river attracts fishers globally who appreciate the quality of the environment and the activities on offer. The Rivers Dee and Don are largely fast flowing and dependent on high winter rainfall and snow melt. Climate change is already having an impact in terms of salmon and sea trout runs and will impact further on the quality and type of fishing and those attracted to the area to do so. The prospect of less water in the rivers will alter the nature of angling and the income derived and this will affect both businesses and communities. A recent economic study conducted by the Scottish Executive highlighted the disparity in visitor spend between game and coarse angling. The latter is of relatively less importance in the local upland economy however.
- 4.5 Change in agricultural land management in upland areas has been evident in recent years, with an increase in silage, decrease in hay, reduction in arable cropping and steep reduction in root crops. All these collectively have had a negative impact for nesting and breeding birds. Monoculture is less beneficial for wildlife. To counteract this, agri-environment schemes have offered incentives to create field and water margins, create and maintain species rich grassland and wetland and encourage other actions to increase biodiversity. The support through agri-environment schemes has not only contributed to enhancing land and environmental management, but also made a positive contribution to farm household income. As the new RDCs evolve through SRDP and existing agri-environment commitments expire, there is the risk that if funding becomes highly competitive, support towards enhancing the environment and landscape may be less effective in upland areas than under previous schemes.
- 4.6 Change in upland farming practice is also affecting land management and landscape. In some areas, for example, heather moorland, there has been a reduction in hefted hill sheep flocks. With reduced numbers of people engaged in the industry, combined with a loss of skills associated with hill sheep farming, replacement of hefted flocks, in areas where this is now considered beneficial, can be problematic.

- 4.7 Neglect or the reduction in the intensity of grazing leading to the growth of scrub, can threaten historic landscapes. The expected RDCs offer an opportunity not only to inform landowners of what historic assets they possess, but also how to manage them sustainably. However support and advice from relevant authorities (LAs and Historic Scotland etc.) can only be provided if a proper system of support (i.e. payment for this advice) is introduced.
- 4.8 Where agricultural land does change ownership or management, the net effect of amalgamation or consolidation of farm units, is often a reduction in resident population. Extreme examples of this include upland areas in the Cabrach or rural hinterland west of Huntly, where local population and subsequent service provision has declined. Accessibility to services is paramount if remote rural communities are to be sustainable. However, where practicable and where demand exists, development land for housing, business and light industry to enable communities to grow should be encouraged. Scottish Planning Policy guidance SPP15 – Planning for Rural Development recognises this.
- 4.9 Forest planting and management practice will influence landscape impact. As commercial conifer block planting is harvested and restocked with a more diverse structure and species mix, it is envisaged this will have a positive impact on the visual landscape.
- 4.10 With increased tourism can also come the demand for second homes. This has a significant impact on the availability of affordable housing for the local working population and so the public sector needs to ensure that measures are in place to provide and retain a range of affordable housing.

5. *What are the implications of climate change on agriculture/forestry/communities in Scotland's hill and island areas?*

- 5.1 Upland Aberdeenshire has developed its agricultural enterprises based primarily on livestock. This has been largely dictated by climate and topography and has been underpinned by the production-based support structures provided by government. The latter policies have changed in recent years with movement on issues such as CAP reform, single farm payments, SRDP programme/ modulation and rural stewardship.
- 5.2 This sector faces many serious challenges, not least the move towards more part time activity and an ageing workforce, with declining incomes forcing a move towards alternative forms of employment and activity. Climate change is only one of many challenges for this sector therefore. and opinions vary according to whether drier/sunnier or

wetter conditions will prevail with the warming effect. Farming practice will need to alter to suit the conditions and this will need suitable support measures e.g. training, although the topography will not change.

- 5.3 Whilst arable and horticulture is more restricted in the upland area, it may present an opportunity for new crops or systems to be introduced if in a limited way or for more organic developments. Equally there may be an adverse impact in terms of disease and pests.
- 5.4 Climate change for agriculture may have more impact in a global context than locally in upland areas. For example, with global cereal reserves at an all time low, and increasing demand for both food and fuel, there may in future be resumption in cropping, if economic, in marginal areas where this practice had ceased.
- 5.5 There is growing demand for more local and varied produce within both communities and the tourism sector and the area has seen steady growth in its farmers' market movement. In part, this is a response to the issue of air/road miles as well as a general move towards using and benefiting from more sustainable practices and provenance as well as lifestyle choices. This is likely to continue if given appropriate encouragement nationally and locally e.g. Green Tourism Business Scheme, Eat Scotland and Exclusively Aberdeenshire.
- 5.6 The potential of wind power offers income opportunities to farmers and local communities where land is available in the right locations and infrastructure can be developed adequately. Although outside our upland area, a community on the Banffshire coast is already deriving income from a partial community wind power scheme that is enabling profits to be reinvested locally. However there are issues in terms of sensitive landscapes and habitats that mean a sensible balance needs to be struck. Increasing tourism, assuming there are better conditions to attract tourists, will increase opportunities to derive income for both communities and landowners etc., but will also create pressures e.g. land access requirements.
- 5.7 The potential impact for the forestry sector appears positive with opportunities to develop more sustainable practices that will benefit sector prices and output. Greater attention may be paid to sustainable building practices nationally although the quality of timber is an issue compared to imported materials.
- 5.8 The long-term effects of climate change are not clear however the current modelling suggests warmer, wetter weather. This year has seen high summer rainfall and little in the way of sunshine across Scotland. There is however speculation that climate change may create a more attractive environment in upland Aberdeenshire. Could this reverse the trend for those with lifestyle issues or in retirement who choose currently to move abroad and enjoy a warmer climate? The

surroundings are attractive and a warmer climate may make them even more so especially if Southern Europe becomes increasingly hot. These social groups can create pressures on communities and services e.g. social imbalance, cost and availability of housing, problems of second home ownership and health care; as well as opportunities e.g. high disposable income, new niche business opportunities.

- 5.9 The implications of climate change on habitats and species are of key importance as this will in turn impact on the economics and intrinsic value of these areas. Current scenarios predict that we are likely to see a rapid and severe increase in species extinctions. This may have wide reaching effects on the way we manage upland areas as to maintain species we will need to encourage networks of suitable habitat.
- 5.10 The potential decline of grouse due to the sometimes cooler and often wetter springs when the chicks are most vulnerable will also have an impact of the sporting economy.
- 5.11 The decrease in snowfall and so less opportunity for river levels to be topped up by slow release of snow melt is also potentially going to effect salmon fishing. We have experienced far more extreme low and high flows in river levels in recent years. This is not ideal for a variety of wildlife.
- 5.12 The Council and partners are aware of flooding risks associated with increased sudden rainfall. The tributaries of the River Dee have been known to flood or to back up when the Dee is in spate preventing additional flow from entering the main river and flooding Aboyne as well as Tarland further up the tributary. The “3Dee Vision Project”, part of a European initiative, amongst other things created computer-based models to improve understanding of flood risks in the Tarland catchment and installed an offline flood storage area to reduce the downstream impact of flood events. This work necessitated working with the community and particularly farm managers to find sustainable solutions to a range of problems while compensating those whose land was affected.

6. *What are the regional variations in opportunities and disadvantage and how can these be accounted for in policies and support structures at the Scottish level?*

- 6.1 It is difficult to comment on regional variations as the upland area of Aberdeenshire is limited to just one area being the East Cairngorms and mainly forming part of the CNP. There has been no formal comparison of this area with those in other regions that we are aware of.

- 6.2 However, the basis of policies and support mechanisms should be light touch in nature and aimed to ease and encourage the process of change and development with the longer-term aim being achieving self-sufficient and inclusive communities and businesses and the promotion of sustainability. This sits at the centre of Aberdeenshire Council's economic development strategy. Aberdeenshire Council has established an enviable reputation for its work with community economic development organisations and social enterprises. This work is founded upon community engagement and consultation and follows the principles of partnership evidenced within the Aberdeen city & Shire Economic Forum. In common with other local agencies in the North east we recognise the value of "bottom up" development. Our policy focuses increasingly on assisting communities to establish sustainable commercial income. The upland area has benefited from the support given by various EU funding programmes, although not to the same extent as in other parts of the Highlands.
- 6.3 Various funding programmes have concluded recently e.g. Farm Business Development Scheme, Leader+ and EU Objective 2 Transitional. There have been delays in deciding upon the future direction of support, which creates serious difficulties for organisations that are already struggling to achieve core funding. The short-term impact is already being seen in terms of threats to jobs and reduced work programmes. There needs to be greater urgency in establishing new or replacement programmes. It is equally important, also, that communities be encouraged to reduce dependency upon the public sector with a view to adopting a more commercial approach, the development of community-owned assets and in being enabled to bid for work, including that traditionally undertaken by the public sector.
- 6.4 All businesses suffer greatly from the perceived growth in bureaucracy and whilst much is claimed for its reduction, this is not the reality given the impact of successive layers of government. Small businesses suffer disproportionately as they do not have the resource to cope with the management and development of a business as well as the volume of red tape. Likewise, social enterprises are largely managed by volunteers and have scant resource available to manage this either.
- 6.5 Specific funds such as the Scots Pine Challenge fund have worked well in the past and, in this example, resulted in the creation and linkage of significant areas of Scots pine forest. Such mechanisms may need to be considered in future when the impact of the SRDP is fully understood.
- 6.6 Across Scotland, regional variations exist be they economic, social or environmental, urban, rural, highland, lowland, island and mainland. Regionally, variations exist in terms of accessibility to services, peripherality, cost of living, transport etc. The rural policies and support structures, in order to be effective, require to be nationally set, in relation to priorities, regionally targeted in terms of regional variation

and locally delivered for optimum impact, (ie: devolved devolution). Regionally, there are valuable structures and partnerships that can influence and facilitate local delivery.

- 6.7 The opportunities for rural economies through EU funds are diminishing. The Lowlands and Uplands Programme will include a priority for rural development, although its impact in upland areas in Aberdeenshire may be limited. In the South of Scotland a ring fenced budget will be identified for EU funds, as with the Highlands and Islands Partnership Programme, which has its own budget.
- 6.8 The support structure to be delivered through SRDP is clearly targeted at regional and local level through RDCs and LEADER and this is welcomed. It is important the agencies work collaboratively to ensure best value is delivered to all stakeholders. As future policies are developed, it is important to ensure that a balance is made at national level for both urban and rural regeneration, economic development and sustainability.

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