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Report prepared by:
Chris Dalglish*, Angus Dodds**, Debbie MacKay** and Hannah Belford**

*Inherit: the Institute for Heritage & Sustainable Human Development, Albex House, Westpoint Business Park, 1 Marchfield Drive, Paisley, PA3 2RB; www.inherit-institute.org

**Savills, Wemyss House, 8 Wemyss Place, Edinburgh, EH3 6DH

The opinions expressed in this report are those of the authors.

Report commissioned by:
Planning and Architecture Division
Area 2F South
Victoria Quay
Edinburgh
EH6 6QQ

Tel: 0131 244 7528

e-mail: Chief.Planner@gov.scot
web: http://www.gov.scot/Topics/Built-Environment/planning

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Planning and Architecture Division, Directorate for Local Government and Communities, Area 2H (South) Victoria Quay, Edinburgh, EH6 6QQ

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1 Executive Summary

1.1 Purpose and Objectives of the Research

The research was commissioned by the Scottish Government in order to inform preparation of the next version of Scotland’s National Planning Framework, NPF4.

The NPF is the Scottish Government’s spatial plan for Scotland. It sets out Scottish Ministers’ policies and proposals for the development and use of land. NPF4 will consider what Scotland will be in the future, looking ahead to 2050, and how planning policy can best support delivery of this vision. The NPF will have statutory status in decision-making on planning applications, and it must be taken into account in Local Development Plans.

The research explored, from a land use planning perspective, the current challenges and the future opportunities for land use diversification in rural Scotland. It considered how planning policy can support strong and vibrant rural communities and economies in the coming years.

The detailed objectives were:

1. To draw together, from the existing literature base, the different typologies and classifications used to describe Scotland’s rural areas and to consider what is ‘rural’;

2. To describe at a national level the key challenges of relevance to planning in rural Scotland, within the different typologies identified, drawing on existing data sources;

3. To establish what each of the differing types of rural areas are likely to need from the planning system over the lifetime of NPF4 to support positive economic futures;

4. To identify key areas of opportunity for spatial planning and policy to support the diversification of land use in rural areas to 2050;

5. To establish whether there are some types of rural development that enable others to happen, for example by enabling a diverse range of businesses and services that build resilience and promote entrepreneurial activity.

1.2 Methodology

We conducted an extensive literature review and undertook a programme of stakeholder engagement, including an online survey, phone interviews and workshops.

The literature review was in three parts. The first part was a review of the information available on the classification of rural areas, to assess how rural Scotland is currently characterised and the extent to which there is supporting data to inform NPF4. In the
second part of the review, we identified key challenges and anticipated opportunities of
relevance to planning in rural Scotland. This involved considering the anticipated needs
of rural businesses and communities and how these needs are likely to translate into
development on the ground. In the third part of the review, we looked at the wider
literature, to set the research findings for Scotland in a wider UK and international
context.

The online survey generated a total of 267 unique responses. 205 of these were from
individuals and 62 from organisations in the public, private, charitable and community
sectors.

We carried out 27 semi-structured interviews with representatives of rural community
and business interests, landowning and environmental NGOs, relevant professions and
public bodies, all of whom had a strategic insight into the research questions.

In order to test and refine the emerging findings of the research, we ran two ‘regional’
focus group workshops (in Oban and Moffat) and one ‘national’ one (in Edinburgh).
These workshops provided critical feedback on the emerging research findings. The
participants in the Oban and Moffat workshops were mostly representatives of local or
regional community and business organisations. Representatives of several planning
authorities also attended. The participants in the Edinburgh workshop were
representatives of national community, business and environmental associations, the
planning profession and public bodies.

1.3 Conclusions & Recommendations

Objective 1

In order to support place-based approaches to policy, rural typologies should take
account of the particular needs and challenges of different areas, as well as their assets
and opportunities and their functional links to other areas.

There is a substantial body of data available for this purpose in Scotland. The Scottish
Government Urban Rural Classification considers the two key factors of population and
access. It is relevant here because the development of a rural area is influenced by its
population size and profile and by its relative distance from urban centres.

Recommendation 1: The 8-fold Scottish Government Urban Rural Classification
provides a relevant and appropriate basis for characterising rural Scotland for the
purposes of NPF4, and should be used as a starting point for that process. It may be
necessary to modify and adapt the basic rural categories provided by the
Classification to ensure their full relevance to planning.

The research has shown that a more nuanced approach should be taken to the
classification of so-called Remote and Very Remote rural areas, to take account of the
distinct challenges faced by islands and Sparsely Populated Areas.

Recommendation 2: Island and Sparsely Populated Areas should be represented as
distinct types of rural area in the picture of rural Scotland used in the preparation of
NPF4. This will serve to differentiate those types of area from other Remote rural
areas, on the basis of their differing needs, challenges and opportunities, thus supporting the development of place-based policies.

There is a large body of data available for characterising rural areas according to their relative socio-economic performance, wellbeing, deprivation or fragility. This data can provide a more nuanced, complex and place-specific understanding of the needs and challenges, opportunities and assets of different areas.

Recommendation 3: the preparation of Local Development Plans and other sub-national plans and policies should take account of existing data on socio-economic performance and wellbeing, to support the development of place-based policies. The selection of indicators should be determined at local or regional level, allowing for variation in local circumstances, but it would usefully be supported by national guidance relevant to planning contexts.

**Objective 2**

Our research has identified 6 key challenges facing rural areas:

1. **Demographic trends**: The main demographic issue identified by the research is the persistent depopulation of already Sparsely Populated Areas. The challenge is both one of falling population numbers and of changes to the population profile. There are also some concerns over rising and ageing populations in Accessible rural areas, leading to development pressures and pressures on services.

2. **Structural changes to the rural economy**: There are challenges arising from deep structural changes in the rural economy, particularly those associated with the decline of agriculture, fishing and forestry, the closure of several major employers and the rise of a service economy. In terms of the service sector, there are particular concerns around the impacts on rural communities and places associated with a growth in tourism. The economies of rural areas also have a number of positive characteristics, and should be seen as distinct from the economies of cities and towns.

3. **The ‘live-ability’ of rural areas**: This is a matter of the standard and quality of life in rural areas and of the viability of rural communities. Key concerns relate to access to public and other services, the strength of community support networks and social bonds, and the cost of living. The growing and ageing population of Accessible areas is considered to be putting pressure on existing services. The centralisation of services presents particular challenges for Remote rural areas, Sparsely Populated Areas and the islands.

4. **Climate Change and conservation**: Climate change was identified as a general concern, with a range of potential consequences for rural economies, communities and environments. The research has also identified rural areas – and perhaps especially the more remote areas – as having great potential as a resource in addressing climate change. The conservation of nature, landscape and cultural heritage was also identified as a challenge, particularly in Remote, island and Sparsely Populated areas.

5. **The administrative, policy and fiscal environment**: The challenges identified in this category include those arising from the UK’s exit from the European Union. They also include challenges related to the planning system. There is concern over the perceived
'urban’ mindset of planning and of a need for greater understanding in policy of the diverse needs and character of rural areas. Some stakeholders expressed concern at a tendency to seek to protect rural areas from development rather than to support development. There was also concern that more could be done to improve links between planning and the attainment of wider societal goals such as land reform, improving local governance, promoting inclusive growth and environmental enhancement, and responding to climate change.

6. The supply of land for development: The research has identified the limited availability of land as a structural barrier to the development that is needed to address the other major challenges outlined above. This is a question of Scotland’s patterns of land ownership and land tenure, and of the effects of planning, which can affect land values as a result of its role in managing the use and development of land.

Objective 3

Nine broad areas of development were identified as being of particular importance in terms of addressing the challenges outlined above:

1. Housing & Settlement: Recognising that housing plays a fundamental role in the rural economy and in the sustainability of rural communities:

   Recommendation 4: Planning should rely more on fine-grained approaches in rural areas which can identify untapped housing demand, and place less reliance in these areas on traditional measures of need and demand.

   Recommendation 5: Planning should also recognise and develop housing policies suited to rural areas, where housing is perceived as a transformational form of development in relation to the wider rural economy and societal needs.

In order to address the needs of rural communities and economies, there is a need to allow settlements to develop in line with more locally-based diagnoses of where growth is appropriate. Accordingly:

   Recommendation 6: NPF4 should offer explicit encouragement to using place-sensitive approaches to settlement, which determine the development of existing and new settlements in response to the particular challenges, needs and opportunities of different areas.

2. Transport infrastructure is vital to the economic and social sustainability of rural communities, and transport developments can have a transformational effect on rural areas, particularly the more remote areas.

   Recommendation 7: NPF4 should promote the sustainability of living and working in rural areas, recognising the possibilities afforded by new technology and the social and environmental benefits of having people on the land. As part of this, consideration should be given to a national programme of rural transport enhancements which collectively amount to a ‘national development’.
3. **Digital & Telecommunications** connectivity are also fundamental to releasing economic and social potential across rural areas, reducing carbon footprint and increasing safety.

   Recommendation 8: Development of the digital fibre network was designated a national development in NPF3. NPF4 should continue to support its ongoing national roll-out and enhanced telecommunications infrastructure. This can help to achieve the ‘death of distance’ made possible by such developments in remote connectivity.

4. **Renewable Energy** generation, transmission, storage and consumption is a challenge and an opportunity for all rural areas. Particular issues relate to the development of local energy economies, infrastructure for electric vehicles and the ‘repowering’ of existing wind farms as existing lifespan consents expire.

   Recommendation 9: NPF4 should provide a clear steer on planning policy in regard to new waves of renewable energy development, in particular in relation to areas that are identified as having significance in terms of their landscape, biodiversity and/or carbon sequestration values (e.g. National Scenic Areas, ‘Wild land Areas’, peatlands).

5. **Tourism & Recreation** is providing significant economic opportunities for rural areas whilst also putting strain on existing facilities and infrastructure.

   Recommendation 10: In preparing NPF4, consideration should be given to how best to provide guidance to local authorities on supporting and managing the development of tourism facilities and infrastructure, and on balancing the need for tourist accommodation with the need to ensure there is adequate and appropriate housing for rural populations.

6. **Economic & Business Development**: General changes to the rural economy, often associated with the decline in relative importance of the land based industries and the rise of the service sector, are creating challenges and opportunities across all rural areas. Small and micro businesses are more significant in a rural context than larger scale industries.

   Recommendation 11: Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.

7. **Climate Change & Conservation**: Climate change and the conservation and enhancement of the natural and historic environment are key challenges for all rural areas, and also present opportunities for economic and business development and for sustaining rural communities.

   Recommendation 12: NPF4 should promote an approach to planning which links the three goals of conserving the natural and historic environment, responding to the climate emergency and sustaining more resilient rural communities.

8. **Land-based Industries**: Although there has been a general shift in the rural economy away from traditional land-based industries, such industries continue to play an important role, especially in more Remote and Sparsely Populated areas.
Recommendation 13: Land based industries retain an important role in managing Scotland’s environment and in providing a range of benefits for wider society. They also have potential as part of the future diversification of the rural economy. Planning and other policy areas impacting on land-based industries should support their viability wherever possible.

9. Services & Community Facilities: The research identified the ‘live-ability’ of rural areas as a key challenge. This is particularly the case in Remote and Sparsely Populated areas. Opportunities for mixed use developments have the potential to be transformative if planning will provide the flexibility required.

Recommendation 14: Planning should provide a more supportive framework for mixed use developments in rural areas.

Objectives 4 & 5

Diversification is a process and the major opportunities for planning and policy-making may be in helping to create the underlying conditions that allow diversification to happen. To enable this, more flexibility in rural planning may now be appropriate. There is a need to acknowledge the shifting patterns in traditional land-based industry activity and encourage the often small scale of local innovation that is found in rural areas.

Place-based approaches to rural policy begin with the people they affect and are founded in dialogue around the future of rural communities, based on their economic, social and environmental assets and their potential. Such approaches may be quite different from those traditionally favoured by ‘protective’ rural planning policies.

The recently passed Planning (Scotland) Act 2019 provides for an extension of the Local Development Plan review process from 5 to 10 years, and for the production of Local Place Plans. Both of these measures will potentially help to implement place-based planning, but the capacity of both Local Authorities and communities will be critical to their success in helping to promote diversification in rural Scotland.

Recommendation 15: Planning Officers should be enabled to provide support to communities to produce Local Place Plans, as a means of further implementing place-based approaches to planning. Planning officers should also be enabled to support communities to undertake diversification projects as these emerge from such place-based processes. Local Place Plans could evolve into Masterplan Consent Areas to assist in this process. Accepting that resources will differ across Local Authorities, the LPP process could be standardised potentially through the Place Standard Tool.

Recommendation 16: Rural planning should be more permissive where there is a need for diversification, as part of a proactive process that is plan-led and that identifies key types and examples of development that will support diversification and meet the needs of rural communities and businesses.
2 Introduction: Context, Purpose & Objectives of the Research

2.1 Introduction

This research was commissioned by the Building Standards Division of the Scottish Government on behalf of the Planning & Architecture Division in order to inform preparation of the next version of Scotland’s National Planning Framework, NPF4 (see Section 2.2).

The research was undertaken between January and July 2019 by Debbie Mackay, Angus Dodds and Hannah Belford of Savills’ Scottish planning team and by Dr Chris Dalglish of Inherit, a charity with expertise in research, heritage and rural development.

The project was overseen by a steering group comprised of officials from the Scottish Government’s Planning & Architecture and Rural Economy & Communities Divisions.

2.2 Context & Purpose of the Research

The purpose of the research was to explore, from a land use planning perspective, the current challenges and the future opportunities for land use diversification in rural Scotland, and to consider how planning policy can support strong and vibrant rural communities and economies in the coming years.

The evidence provided by the research will inform the preparation of the next version of the National Planning Framework (NPF4), which is now underway following the passing of the Planning (Scotland) Act 2019. The NPF is the Scottish Government’s spatial plan for Scotland. NPF4 will consider what Scotland will be in the future, looking ahead to 2050, and how planning policy can best support delivery of this vision.

The Planning (Scotland) Act 2019\(^1\), passed by the Scottish Parliament in June 2019, amends the Town and Country Planning (Scotland) Act 1997\(^2\). It introduces a purpose of planning, defined as being “to manage the development and use of land in the long term public interest”. It provides that the NPF is a spatial plan for Scotland that sets out the Scottish Ministers’ policies and proposals for the development and use of land, thus incorporating Scottish Planning Policy. The new NPF will also be part of the development plan, having statutory status in decision making on planning applications, and it must be taken into account in Local Development Plans. The planning system as a whole therefore works towards delivering the vision shared by the National Planning Framework and Scottish Planning Policy.

The NPF must contain a strategy for Scotland’s spatial development and a statement of what the Scottish Ministers consider to be priorities for that development. It must contain targets for the use of land in different areas of Scotland for housing, as well as

an assessment of the likely impact of each proposed national development on achieving national greenhouse gas emissions reduction targets. NPF must also contain a statement about how the Scottish Ministers consider that development will contribute to a range of outcomes, namely:

- meeting the housing needs of people living in Scotland including, in particular, the housing needs for older people and disabled people;
- improving the health and wellbeing of people living in Scotland;
- increasing the population of rural areas of Scotland;
- improving equality and eliminating discrimination;
- meeting any targets relating to the reduction of emissions of greenhouse gases, and;
- securing positive effects for biodiversity.

This research was commissioned to complement and build upon other work including a desktop study undertaken by Planning & Architecture Division and research being undertaken by the James Hutton Institute on the resilience of rural communities and sparsely populated areas.

2.3 Objectives of the Research

The overarching objective of the research was:

To explore how planning policy can support strong and vibrant rural communities and economies in the coming years.

The more detailed objectives of the research were:

1. To draw together, from the existing literature base, the different typologies and classifications used to describe Scotland’s rural areas and to consider what is ‘rural’;

2. To describe at a national level the key challenges of relevance to planning in rural Scotland, within the different typologies identified, drawing on existing data sources;

3. To establish what each of the differing types of rural areas are likely to need from the planning system over the lifetime of NPF4 to support positive economic futures.

This was to include consideration of the anticipated future needs of rural businesses and communities and how these needs are likely to translate to development on the ground for the period to 2050;

4. To identify key areas of opportunity for spatial planning and policy to support the diversification of land use in rural areas to 2050;

5. To establish whether there are some types of rural development that enable others to happen, for example by enabling a diverse range of businesses and services that build resilience and promote entrepreneurial activity.
These objectives can be interpreted with reference to the outcomes to be addressed by NPF4 (see above; these outcomes were not confirmed until late on in the research, with the passing of the Planning (Scotland) Act 2019).

The research objectives can also be interpreted with reference to the approach taken to rural areas in the current NPF and SPP. The vision promoted by NPF3\(^3\) includes a “sustainable, economically active rural area, which attracts investment and supports vibrant, growing communities”. The spatial strategy associated with this vision recognises the diversity of rural Scotland, including by considering the distinct needs of remote rural, island and coastal areas.

SPP\(^4\) takes a differentiated approach to rural planning policy, stating that the planning system should “in all rural and island areas promote a pattern of development that is appropriate to the character of the particular rural area and the challenges it faces”, and it should “encourage rural development that supports prosperous and sustainable communities and businesses whilst protecting and enhancing environmental quality”.

SPP also states that development plans should set out a strategy that “reflects the development pressures, environmental assets, and economic needs of the area, reflecting the overarching aim of supporting diversification and growth of the rural economy”.

This includes promoting “diversification, including, where appropriate, sustainable development linked to tourism and leisure, forestry, farm and croft diversification and aquaculture, nature conservation, and renewable energy developments”. It means “ensuring that the distinctive character of the area, the service function of small towns and natural and cultural heritage are protected and enhanced” and that consideration is given to “the services provided by the natural environment, safeguarding land which is highly suitable for particular uses such as food production or flood management”. It means making provision “for housing … taking account of the different development needs of local communities” and considering “the resource implications of the proposed pattern of development, including facilitating access to local community services and support for public transport”.

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\(^3\) www.gov.scot/publications/national-planning-framework-3/
\(^4\) www.gov.scot/publications/scottish-planning-policy/
3 Methodology

3.1 Introduction
In order to address the research objectives, we undertook an extensive literature review and a programme of stakeholder engagement, which included an online survey, phone interviews and workshops.

3.2 Literature Review
The literature review was in three parts:

a) A review of literature relating to the classification of rural areas;

b) A review of literature relating to the challenges facing rural communities and businesses, the opportunities open to them and how these might translate into development on the ground;

c) A review of the wider literature, to set the research findings for Scotland in the wider UK and international context.

Literature Review A: the Classification of Rural Areas
This aspect of the research involved a systematic review of the current typologies used to describe Scotland’s rural areas. It also involved an initial assessment of these typologies in relation to research objective 1 (“what is ‘rural’”) and in terms of the extent to which they provide supporting data to inform NPF4.

As part of the review, we identified the main typologies currently used to define ‘rural’ in Scotland, produced a summary description of each one and identified similarities and divergences in their approach to describing rural Scotland. We then assessed each typology with respect to research objective 1 and in terms of their relevance to the preparation of NPF4.

The scope of the review included current national typologies and also major regional typologies. Specifically, we reviewed:

- The typology of rural Scotland presented in Scottish Planning Policy;
- the Scottish Government’s Urban Rural Classification;
- the RESAS Classification of the Rural Economy;
- the Scottish Index of Multiple Deprivation;
- the James Hutton Institute’s Index of Socio-Economic Performance for Rural and Small Town Scotland;
- the James Hutton Institute’s identification of Sparsely Populated Areas;
- the James Hutton Institute’s recent research into the measurement of wellbeing at community scale;
- Highlands & Islands Enterprise’s index of Fragile Areas and Employment Action Areas in the Highlands and Islands.
We also undertook a rapid review of Local Development Plans and Strategic Development Plans covering rural areas, in order to establish which typologies have been used in planning contexts.

The results of Literature Review A are presented in Chapter 4.

**Literature Review B: Challenges, Opportunities & Development on the Ground**

Through this review, we identified and described key challenges and anticipated opportunities of relevance to planning in rural Scotland, both in general terms and in relation to different types of rural area. We summarised the findings of previous research with regard to the anticipated needs of rural businesses and communities and how these needs are likely to translate into development on the ground.

The starting point for this review was the results of a recent desk study and stakeholder engagement programme undertaken by the Planning & Architecture Division of Scottish Government. In addition to that, we reviewed:

- The 2018 Scottish Government report *Understanding the Scottish Rural Economy*\(^5\);
- Research undertaken by the James Hutton Institute and Scotland’s Rural College (SRUC) under the Scottish Government-funded *Environment, Agriculture & Food Strategic Research Programme 2016-2021*\(^6\). Specifically, we reviewed the results of work streams on *Demographic Change in Rural Areas*\(^7\) and on *Place-based Policy & its Implications for Policy and Service Delivery*\(^8\);
- SRUC’s *Rural Scotland in Focus* biennial evidence summaries\(^9\);
- Outputs from the National Council of Rural Advisors 2018 ‘rural conversation' consultation\(^10\);
- Research outputs from the recent Planning Review\(^16\), specifically: analyses of written evidence submitted to the review (2016)\(^17\), of responses to the 2017

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\(^5\) Kleinert *et al.* 2018
\(^6\) [www2.gov.scot/Topics/Research/About/EBAR/StrategicResearch/strategicresearch2016-21/srp2016-21](www2.gov.scot/Topics/Research/About/EBAR/StrategicResearch/strategicresearch2016-21/srp2016-21)
\(^7\) [www.hutton.ac.uk/research/projects/demographic-change-remote-areas](www.hutton.ac.uk/research/projects/demographic-change-remote-areas)
\(^8\) [www.sruc.ac.uk/info/120671/our_projects/1806/strategic_research_programme/3](www.sruc.ac.uk/info/120671/our_projects/1806/strategic_research_programme/3)
\(^9\) [www.sruc.ac.uk/info/120428/rural_scotland_in_focus](www.sruc.ac.uk/info/120428/rural_scotland_in_focus)
\(^12\) [www.scottishruralparliament.org.uk/manifesto/](www.scottishruralparliament.org.uk/manifesto/)
\(^16\) [www.gov.scot/policies/planning-architecture/reforming-planning-system/](www.gov.scot/policies/planning-architecture/reforming-planning-system/)
\(^17\) [www.gov.scot/publications/planning-review-analysis/](www.gov.scot/publications/planning-review-analysis/)
consultation on the planning system\textsuperscript{18} and of responses to the 2017 Scottish 
Government position statement on the planning review\textsuperscript{19}.

Where relevant, these sources are cited in the chapters below. The review produced a 
substantial amount of information on the key challenges facing rural communities and 
businesses in Scotland, and the opportunities open to them. The literature was more 
limited in terms of identifying how the needs of rural businesses and communities are 
likely to translate into development on the ground.

\textit{Literature Review C: Placing Scotland in its UK and International Contexts}

The purpose of this review was to set the findings from the literature on Scotland and 
from the survey, interviews and workshops into the wider UK and international contexts.

Literature review C involved a rapid review of sources relating to the classification of 
 rural areas elsewhere in the UK and internationally (with a focus on Europe), the key 
challenges and anticipated opportunities of relevance to planning in those contexts and 
the ways in which the needs of rural communities and businesses are likely to translate 
into development on the ground.

As with literature review B, the starting point here was the desk study and stakeholder 
engagement previously undertaken by the Planning & Architecture Division of Scottish 
Government. In addition, we reviewed:

\begin{itemize}
\item The Prince’s Countryside Fund 2018 report \textit{Recharging Rural: Creating 
sustainable communities to 2030}\textsuperscript{20};
\item Outputs from the James Hutton Institute/SRUC research work streams on 
\textit{Demographic Change in Rural Areas} and on \textit{Place-based Policy and its 
Implications for Policy and Service Delivery} (cited above);
\item The SRUC briefing \textit{Building on the New Rural Paradigm: A View from the UK} 
(2012)\textsuperscript{21} and report \textit{A Better Future for Europe’s Rural Regions} (2017)\textsuperscript{22};
\item OECD outputs, specifically: \textit{The New Rural Paradigm: Policies and Governance} 
Productive Regions for Inclusive Societies} (2016) and \textit{New Rural Policy: Linking 
Up for Growth} (2018)\textsuperscript{23};
\item EU outputs, specifically: \textit{ESPON Typology Compilation: Scientific Platform and 
Tools 2013/3/022, Interim Report} (2009), ‘A revised urban-rural typology’ in the 
\textit{Eurostat Regional Yearbook} (2010), \textit{Regional Typologies: A Compilation} (2011), 
\textit{Shaping New Policies in Specific Types of Territories in Europe: Islands, 
Mountains, Sparsely Populated and Coastal Regions} (2017), \textit{Shrinking Rural}
\end{itemize}

\textsuperscript{18} \url{www.gov.scot/publications/planning-review-analysis-of-consultation-responses-june-2017} 
\textsuperscript{19} \url{www.gov.scot/publications/planning-review-analysis-position-statement-responses} 
\textsuperscript{20} Skerratt 2018a 
\textsuperscript{21} Atterton & Rowe 2012 
\textsuperscript{22} Atterton & Skerratt 2017 
\textsuperscript{23} OECD 2006, 2015, 2016c, 2018

As with literature review B, this review produced a substantial amount of information on the key challenges facing rural communities and businesses and the opportunities open to them, but it was more limited in providing information on how the needs of rural businesses and communities are likely to translate into development on the ground. Literature review C also provided a substantial amount of information on trends in rural policy. Where relevant, this information has been fed in to the chapters below.

3.3 Online Survey

We published the survey with SurveyMonkey. It opened on 18th February 2019 and closed on 22nd March 2019. A copy of the survey questions is included as Annex A.

There were a total of 271 responses to the survey. 206 were from individuals and 65 were submitted on behalf of an organisation. Four of the responses were duplicates and, once these were removed, the total number of unique respondents was 267 (205 individuals and 62 organisations). The list of organisations who participated in the survey is included as Annex B.

For analytical purposes, we classified the survey participants in different ways. In the first instance, we grouped them with reference to the four categories used in analysing responses submitted to the Scottish Government Planning Review in 2016 and 201726. These categories are:

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<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>A</td>
<td>Community &amp; Civil Society</td>
<td>“Respondents who are concerned with the system from a non-developer or planner perspective. For instance, civic groups and community councils, individuals, charities and community developers”</td>
</tr>
<tr>
<td>B</td>
<td>Authorities, Planners &amp; Policy Makers</td>
<td>“Respondents who are concerned with the system from the perspective of operators or shapers of the planning system, its plans and policies. For instance, local authorities … national government bodies and key agencies”</td>
</tr>
<tr>
<td>C</td>
<td>Business &amp; Economy</td>
<td>“Respondents who are concerned with the system from the perspective of its impact and influence on conducting business, but not necessarily regular applicants. These</td>
</tr>
</tbody>
</table>

---

24 Böhme *et al.* 2009; Carbone 2018; Dijkstra & Poelman 2011; ESPON 2017a, 2017b; Eurostat 2010
25 Copus *et al.* 2017; Dubois & Roto 2012; Glæersen *et al.*, 2009; Jungsberg *et al.* 2018; Stjernberg & Penje 2019
26 See Kevin Murray & Associates 2016, 2017
include business bodies like chambers and federations, self-employed, financial institutions, as well as retailers, and some business sectors like energy”

D  Developers, Landowners & Agents “Respondents who are concerned with the system primarily from a development and land value perspective. These included landowners, investors, development surveyors, developers, housing associations and housebuilders”

Using these categories, we classified the participants in our survey as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community &amp; Civil Society</td>
<td>205 individuals</td>
</tr>
<tr>
<td>Business &amp; Economy</td>
<td>10 organisations</td>
</tr>
<tr>
<td>Developers, Landowners &amp; Agents</td>
<td>12 organisations</td>
</tr>
<tr>
<td>Authorities, Planners &amp; Policy Makers</td>
<td>6 organisations</td>
</tr>
</tbody>
</table>

This approach lumps all individuals together, and many of the organisations. To produce a more refined picture of the types of people and organisations who responded, we also classified them according to their answers to Question 2 of the survey (‘What is your/your organisation’s primary sector or area of interest?’).

Based on these answers, we classified the 205 individual participants according to 19 specific categories of interest, grouped into 10 broader sectors:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interest</th>
<th># people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism &amp; recreation</td>
<td>Tourism &amp; hospitality</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Hutting</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Recreation</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>43</td>
</tr>
<tr>
<td>Community</td>
<td>Resident of a rural area</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Community development &amp; wellbeing</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Community representation</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>42</td>
</tr>
<tr>
<td>Planning, development &amp; environment</td>
<td>Planning &amp; the Built Environment</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Rural development &amp; economy</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Environment &amp; Heritage</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>38</td>
</tr>
<tr>
<td>Land-based industry</td>
<td>Crofting</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Farming</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Forestry &amp; Woodlands</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
</tr>
<tr>
<td>Land ownership &amp; management</td>
<td>Land reform &amp; community land ownership</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Land owner/manager</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>10</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Renewable energy</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>24</td>
</tr>
</tbody>
</table>
We classified the 62 organisations as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Interest</th>
<th># orgs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community &amp; Civil Society</td>
<td>Community Development &amp; Wellbeing</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Community Representation</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Environment &amp; Heritage</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Land Reform &amp; Community Land Ownership</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Forestry &amp; Woodlands</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Recreation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Housing</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Rural Development &amp; Economy</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
</tr>
<tr>
<td>Developers, Landowners &amp; Agents</td>
<td>Land ownership &amp; management</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Renewable energy</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
</tr>
<tr>
<td>Business &amp; Economy</td>
<td>Business in general or in a particular sector of business</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Hutting as a commercial enterprise</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Tourism &amp; Hospitality</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td>Authorities, Planners &amp; Policy Makers</td>
<td>Planning &amp; the Built Environment</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Rural Development &amp; Economy</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Environment &amp; Heritage</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Land Reform &amp; Community Land Ownership</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

Different aspects of the survey results are presented in chapters 4-8 below.

### 3.4 Interviews

Interviews were undertaken with people representing rural community and business interests, landowning and environmental NGOs and relevant professions. A number of public sector interviewees were included, to provide strategic insight from public bodies into the issues under investigation. A total of 27 interviews were undertaken and a list of interviewees is included as Annex C.

We selected the interviewees on the basis of a stakeholder analysis, responses to the online survey and consultation with the Scottish Government project steering group.

The interviews were designed to allow us to develop greater insight into the research questions, building on the foundations laid by the literature review and the online survey. Where an interviewee had participated in the online survey, the interview provided an opportunity to discuss their responses in greater depth.

The interviews were mostly conducted over the phone, except where the opportunity presented itself for a face-to-face meeting. Each interview lasted 30-60 minutes. The interviews were semi-structured. We used prompt questions derived from the project research objectives and/or from the survey response of the interviewee (where one had
been submitted). Follow-up questions were then based on the interviewee’s answer to the initial question. We took the approach of allowing each interviewee scope to direct the conversation and to talk about what they felt was important within the overall framework of the research.

The interviews were recorded as written notes, and selected points and quotes are presented in chapters 4-8 below.

3.5 Workshops

We ran two ‘regional’ workshops (in Oban and Moffat) and one ‘national’ workshop (in Edinburgh) as a means of testing and refining the emerging findings from the literature review, survey and interviews. Within the confines of the project, it would not have been possible to run workshops in a sufficient number of different places to provide a truly representative engagement with Scotland’s diverse rural communities and businesses. Our approach, rather, was to run a small number of focus group workshops with invited participants who acted as critical friends while the analysis of the research results was ongoing.

The participants in the Oban and Moffat workshops were mostly representatives of local or regional community and business organisations. Representatives of several planning authorities also attended. The participants in the Edinburgh workshop were representatives of national community, business and environmental associations, the planning profession and public bodies.

During each workshop, we presented participants with information about the research and the emerging findings, and engaged with them in facilitated discussions about these findings.
4 A Picture of Rural Scotland

4.1 Introduction

Purpose of the Chapter

In this chapter, we review a range of typologies that are used to describe rural Scotland. These typologies distinguish between different types of rural area, providing an evidence base for developing policies and targeting policy measures to address the particular needs and challenges of those different types of area.

As Hopkins and Copus have observed:

“Unlike sectoral (agricultural) rural development policy – which targets beneficiaries on the basis that they are farmers, or other primary producers, in a “spatially-blind” way, place-based approaches seek to address the needs of specific rural areas in a holistic way, with beneficiaries identified according to their location. Thus a key precondition for place based rural policies is a definition of rural area, and some understanding of rural diversity, perhaps captured by some kind of typology.”

The typologies available for rural Scotland have been developed in different contexts, and for different purposes, and each paints a different picture as a result. Although there are commonalities between them, they can differ in scale, in the geographical social and economic characteristics they focus upon and in the data upon which they draw.

Scottish Planning Policy currently distinguishes between three main types of rural area: pressurised rural areas that are easily accessible from Scotland’s cities and main towns; remote and fragile rural and island areas lying outwith defined small towns, and; intermediate rural areas, in terms of their accessibility and degree of pressure for development. However, since SPP was published in 2014, there have been significant developments in the classification of rural areas and our purpose in this chapter is to review these developments and to set them in context in order to inform the preparation of NPF4.

A Note on Some Technical Terms

We use a number of technical terms in the chapter.

Typology (and classification)

Typology is “the study or systematic classification of types that have characteristics or traits in common …. [in order to enable] meaningful analysis and comparison”.

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27 Hopkins & Copus 2018c, pp.1-2
28 Scottish Government 2014, pp.21-22, paragraphs 74-78
29 Böhme et al. 2009, p.7
Typologies of rural areas operate at different geographical levels – some are quite localised and deal with small areas, while others relate to much larger regions. In describing the different typologies, we will refer to the following statistical units (listed here in order of size from smallest to largest):

**Output Areas**

The smallest areas used for census data in the UK. For the 2011 census, Scotland was divided into 46,351 OAs, which are mostly an aggregation of a small number of neighbouring postcode areas.

**Data Zones**

DZs are the core geography used for the dissemination of small area statistics in Scotland. They are formed of groups of census OAs, with each DZ having 500-1,000 household residents. In 2011, Scotland was divided into 6,976 DZs (compared with 6,505 DZs in 2001).

**Local Administrative Unit 2 (LAU 2)**

There are currently four levels of EU statistical unit: LAU 1 (the lowest), NUTS 3, NUTS 2 and NUTS 1 (the highest). The LAU 2 level is no longer used, but it formed the basis of some typologies created before 2018. In a number of countries, LAU 2 units represent municipalities; in Scotland, they were based on the single-member wards which were in operation until 2007.

**Nomenclature of Units for Territorial Statistics 3 (NUTS 3)**

Scotland is a single NUTS 1 region, which is subdivided into four NUTS 2 regions and 23 NUTS 3 regions. The Scottish NUTS 3 regions correspond with individual Local Authority areas, or with groupings or subdivisions of Local Authority areas.

**Territorial Level 3 (TL 3)**

The OECD has provided a regional typology that is based on territorial levels that mirror the EU NUTS units (see above). There are 133 TL 3 regions in the UK, and the Scottish TL 3 regions correspond with individual Local Authority areas, or with groupings or subdivisions of Local Authority areas.

### 4.2 Rural Typologies in the rest of the UK, the EU and OECD countries

**Territorial Typologies**

The classification of regions according to their ‘territorial type’ has provided “an analytical and descriptive lens on these types of territories”\(^{30}\) in support of the delivery of EU cohesion policy. This policy aims to promote more balanced development across the EU and to reduce disparities between regions. The 2007 Lisbon Treaty states that “particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions”. Since 2007, the policy debate has moved beyond a

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\(^{30}\) Dijkstra & Poelman 2011, p.1
focus on ‘natural handicaps’ to identifying and strengthening the development potential of such regions\textsuperscript{31}.

Of all the typologies developed in this context, those concerning ‘mountain regions’, ‘island regions’ and ‘sparsely-populated regions’ are the most relevant to Scotland. These three types of region have been mapped across the EU at NUTS 3 level.

Most typologies of mountain areas are based primarily on data for altitude and slope\textsuperscript{32}. The EU-wide, NUTS 3 scale typology\textsuperscript{33} identifies mountain regions on the basis of the percentage of the region’s surface that is covered by mountain areas and/or the percentage of the regional population that lives in mountain areas. In the EU typology, four Scottish NUTS 3 regions are classified as mountain regions: ‘Caithness & Sutherland and Ross & Cromarty’; ‘Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute’; ‘Inverness & Nairn and Moray, Badenoch & Strathspey’, and; ‘Perth & Kinross and Stirling’.

The EU defines ‘island regions’ as NUTS 3 regions entirely covered by islands\textsuperscript{34}. Islands are defined as territories with a minimum surface of 1 km\textsuperscript{2}, a minimum distance between the island and the mainland of 1 km, a resident population of more than 50 inhabitants and no fixed link (e.g. a bridge or tunnel) between the island and the mainland. Island regions are then further classified on the basis of the population of the major island in the region. The Scottish NUTS 3 regions of Na h-Eileanan Siar (Western Isles), Orkney Islands and Shetland Islands are categorised as island regions.

Sparsely-populated areas were first defined when Sweden, Finland and Austria joined the EU in the 1990s\textsuperscript{35}. At EU level, these regions are defined as those with a population density below a certain threshold (at NUTS 3 level, the threshold is less than 12.5 inhabitants per km\textsuperscript{2})\textsuperscript{36}. On this basis, the Scottish NUTS 3 regions of Na h-Eileanan Siar (Western Isles), Orkney Islands, Shetland Islands, ‘Caithness & Sutherland and Ross & Cromarty’ and ‘Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute’ are categorised as sparsely-populated regions.

A different typology of sparsely-populated areas has since been developed for Scotland based on the concept of ‘population potential’ rather than population density (see Section 5.3 below).

**From Territorial Type to Function: Urban Rural Typologies**

Classifying regions by their territorial type has its advantages\textsuperscript{37}. Such regions face common challenges and have similar needs deriving from their geographical specificities – challenges of connectivity and access to services, for example. Territorial
Typologies serve to guide the planning and delivery of development interventions at EU level.

However, these typologies also have their drawbacks. They treat all areas within a class as being the same, when in reality there are significant differences between them. They also represent individual regions as internally homogenous, when they can be internally diverse.

It has been argued that the typology approach is not, in many cases, the right starting point in developing policies and that a ‘functional approach’ is often more appropriate. Functional approaches move beyond consideration of a single variable, such as topography or population density, to consider the interaction of a number of variables and the functional links between one area and another. Functional typologies are perhaps more appropriate to the development of policies and measures that consider not just the challenges faced in different areas, but also their development assets and potential.

A common form of functional typology is the ‘urban rural typology’, examples of which are often based on factors of population and access. Urban rural typologies are the most common kind of classification dealing with rural areas. They represent a tradition of defining rural areas as “not urban”. However, while some examples do still focus simply on delineating rural from urban areas (e.g. by setting a minimum population density for urban areas), others now seek to capture more of the complexity of rural-urban settings and interactions. This enables the identification of rural areas that are functionally connected to urban centres, as a part of a wider ‘urban region’, and that face different policy challenges from rural areas that are more distant from urban settlements. Such enhanced urban rural classifications are important in the present context because access to urban areas is known to be a major factor in the socio-economic performance and development of rural areas and small towns.

**The OECD Regional Typology**

This typology was first developed in the 1990s and extended in 2009. It defines TL3 regions as ‘predominantly urban’, ‘intermediate’ or ‘predominantly rural’ on the basis of population density.

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38 Carbonne 2018, p.9, ESPON 2017a, p.2, 5
39 ESPON 2017a, p.2
40 ESPON 2017a, p.13
41 Böhme et al. 2009, p.15
42 OECD 2015, p.8
43 Böhme et al. 2009, p.15; Hopkins & Copus 2018c, pp.4-5, 7-8; OECD 205, p.8;
44 Hopkins & Copus 2018c, 1, 8-9, 21-22; OECD 2015, pp.10, 24
45 OECD 2015, p.10
46 Hopkins & Copus 2018c, 1
47 See OECD 2015, pp.8-12; Hopkins & Copus 2018c, pp.7-8, 10-11
For Europe, North America and Japan, the typology has been extended by adding an accessibility dimension. This involves further subdividing ‘intermediate’ and ‘predominantly rural’ regions into those lying within a ‘Functional Urban Area’, those ‘close to a city’ and those that are ‘remote’. Accessibility is measured with reference to the road network.

Rural territories within Functional Urban Areas fall within the catchment of an urban settlement, and their development is intimately linked to that urban centre. Rural areas close to cities often enjoy a good industrial mix and more resilient local economies. Regions where at least half of the population lives an hour or more from cities are classified as ‘remote’. In such regions, primary production often plays an important role in the economy.

The EU Urban Rural Typology

The EU’s urban rural typology is based on the OECD Regional Typology. Both typologies categorise regions on the basis of population density and population size. They differ in certain details of method, and in that the OECD typology uses TL3 regions and EU typology uses NUTS 3 regions (while these regional units are of similar scale, they do not coincide in all EU countries).

The EU typology first distinguishes rural from urban areas on the basis of population density and size. The typology then sorts NUTS 3 regions into the three categories of ‘predominantly urban’, ‘intermediate’ and ‘predominantly rural’, on the basis of the share of the population living in rural areas and the size of any urban centres in the region.

The EU typology does not include an accessibility dimension, but this can be added to it to create a more complex typology. Adding this accessibility dimension – based on drive time to urban centres – creates five categories of region: predominantly urban regions; intermediate regions, close to a city; intermediate, remote regions; predominantly rural regions, close to a city, and; predominantly rural, remote regions.

National-level Classifications

Urban rural classifications have been developed at national level by various countries. In these, a population threshold is usually used to distinguish rural and urban areas, although the level at which the threshold is set varies. In Scotland, for example, the urban/rural threshold is 3,000, while in Northern Ireland it is 5,000 and in England and Wales it is 10,000.

Population density is also a consideration in some national typologies. Density measures are used to define settlements and, again, the threshold varies from country to country.

49 See Eurostat 2010; Dijkstra & Peolman 2011, pp.1-2; Hopkins & Copus 2018c, p.7-8
50 Dijkstra & Peolman 2011, pp.1-2
51 Hopkins & Copus 2018c, p.7
52 Hopkins & Copus 2018c, pp.1, 7-8, 11
Other measures that are used in this context include land use or urban infrastructure and services, the relative level of primary sector or land-based employment, commuting patterns or legal status (i.e. where statutes or other regulations designate particular settlements as cities or towns)\textsuperscript{53}.

Taking such additional factors into account and working at the level of ‘small areas’ rather than large regions, makes it possible for urban rural typologies to identify rural areas with particular economic links to urban settlements\textsuperscript{54}.

\textbf{A Place-based Understanding of Rural Areas}

Some kinds of urban rural classification are more suitable than others for use in the development and implementation of place-based policies. In order to address the specific challenges and capitalise on the specific opportunities of a place, it is necessary to identify its particular development patterns and links. This requires an analysis “at the scale of functional geographies” which are more local than the NUTS 3 regions used by some urban rural typologies\textsuperscript{55}. The OECD has observed that some existing definitions of ‘urban’ and ‘rural’ are problematic from a place-based policy point of view\textsuperscript{56}.

As well as working at a less-than-regional scale, place-based approaches require typologies that draw on a wider range of data, including information on ‘quality of life’\textsuperscript{57} and on the specific territorial assets, challenges and socio-economic dynamics of different areas\textsuperscript{58}.

Research recently undertaken by Sarah Skerratt on behalf of the Prince’s Countryside Fund has found that:

“People’s experiences of ‘remote’ and ‘very remote’ rural UK show a layering of geographical and personal factors. This means that map-based labels of remoteness are important but limited, because they hide individual experiences.”\textsuperscript{59}

“Typologies are necessary and useful for defining and targeting the rural population for specific policy and strategy measures. However … typologies do not define reality, but show only certain aspects of reality …. [and it is therefore useful to know] the extent to which physical typologies map onto lived experience.”\textsuperscript{60}

Hopkins and Copus have argued that there are:

“benefits which may be derived from a different sort of territorial typology, which instead of classifying areas according to their degree of rurality, or according to their overall socio-economic performance, seeks to capture differences in the ensemble of

\textsuperscript{53} Hopkins & Copus 2018c, p.9-10
\textsuperscript{54} Hopkins & Copus 2018c, p.11
\textsuperscript{55} ESPON 2017a, p.12
\textsuperscript{56} OECD 2015, p.8
\textsuperscript{57} ESPON 2017a, p.12
\textsuperscript{58} Hopkins & Copus 2018c, pp.1, 22
\textsuperscript{59} Skerratt 2018a, p.8
\textsuperscript{60} Skerratt 2018b, p.18
territorial assets which are likely to determine the nature of local development processes, and their relative successfulness."\textsuperscript{61}

We will return to the question of the suitability of different typologies with respect to a place-based approach to policy in section 4.5 below. First, we will review the main typologies that have been developed for rural Scotland.

4.3 Population and Access Models in Scotland

A number of different typologies have been developed for Scotland that are primarily based on the factors of population and access. These are the rural typology presented in Scottish Planning Policy, the Scottish Government’s Urban Rural Classification and the Sparsely Populated Areas recently identified by the James Hutton Institute.

Scottish Planning Policy

Scottish Planning Policy (2014) recognises that the “character of rural and island areas and the challenges they face vary greatly across the country” and it distinguishes between three main categories of rural area\textsuperscript{62}:

- \textit{pressurised rural areas} that are easily accessible from Scotland's cities and main towns;
- \textit{remote and fragile rural and island areas} lying outwith defined small towns;
- \textit{intermediate rural areas}, in terms of their accessibility and degree of pressure for development.

This echoes the OECD Regional Typology and the EU Urban Rural Typology, both of which categorise regions as being ‘predominantly urban’, ‘intermediate’ or ‘predominantly rural’ and both of which consider both population and access information (see section 4.2 above). It also mirrors the Scottish Government Urban Rural Classification (below), which divides rural Scotland into the three classes of Accessible, Remote and Very Remote.

The SPP rural types are used explicitly in some Local Development Plans (LDP) as a basis for varying policy. For example, policies within the Aberdeenshire LDP are less permissive for pressurised rural areas than for intermediate areas. The Dumfries & Galloway LDP has more permissive policies for remote rural areas. The Western Isles LDP also identifies Remote Areas for particular attention.

Use of the SPP rural typology is absent from or less explicit in many LDPs, although that does not mean that it has not informed the development of policies within the LDP. For example, LDPs for the Local Authority areas containing or close to cities and major towns tend to refer to ‘countryside’, ‘countryside around towns’, ‘hinterland’, ‘green belt’ and ‘coastal zones’ or ‘undeveloped coast’ instead of the SPP rural types. The lack of

\textsuperscript{61} Hopkins & Copus 2018c, p.22
\textsuperscript{62} Scottish Government 2014, pp.21-22, paragraphs 74-78
explicit reference to the SPP types may be due to the perception that all or most of the rural areas covered by an LDP fall within a single SPP type, such as ‘pressurised rural’.

Some of these LDPs identify specific types of rural area to guide the application of policies, such as ‘Rural Investment Areas’ (North Lanarkshire), ‘Rural Villages area’ (Stirling), ‘Rural Protection area’ and ‘Rural Diversification area’ (East Ayrshire), ‘Rural Service Centres’ and ‘Rural Settlement Units’ (Angus) and ‘Investment Area’ (South Ayrshire).

The LDP for Argyll & Bute identifies ‘Key Rural Settlements’, ‘Villages and Minor Settlements’, ‘Countryside Zone’, ‘Rural Opportunity Areas’, ‘Very Sensitive Countryside’ and ‘Greenbelt’, with varying policies on the opportunities for and scales of development in these areas. The Scottish Borders LDP has ‘Dispersed Rural Communities’ and ‘Countryside’, and aims to prevent the build up of development around towns and promote development in some other areas. The Highland LDP distinguishes between ‘hinterland’ and ‘wider countryside’, with high levels of protection given to the ‘hinterland’; this LDP also makes use of the ‘fragile areas’ index developed by Highlands & Islands Enterprise (see below).

The island Local Authorities have a range of policies specific to their island context. The Orkney LDP distinguishes between ‘Mainland and linked Isles Countryside’ and ‘non linked-Isles Countryside’, with a greater degree of development control being placed on the former than on the latter. The Shetland LDP has ‘Open countryside’ and ‘uninhabited islands’ and seeks to resist development on uninhabited islands. The Western Isles LDP distinguishes between ‘Rural Settlements’, areas ‘outwith settlements’, remote areas’, ‘Marine and Shore Environment’ and ‘offshore islands’.

**Scottish Government Urban Rural Classification**

The Urban Rural Classification is the Scottish Government’s main tool for identifying and classifying rural areas. It provides a standard definition of rural areas and is used in a number of different contexts.

There are four nested versions of the Urban Rural Classification, known as the 2-fold, 3-fold, 6-fold and 8-fold versions. In creating the Classification, settlements were defined as groupings of high density postcodes and then different versions of the typology were created as follows:

The 2-fold version draws a simple distinction between Urban and Rural Areas, on the basis of the population size of settlements. Rural Areas are those areas with a population of fewer than 3,000 people.

The 3-fold, 6-fold and 8-fold versions of the Classification distinguish between different areas on the basis of the population size of settlements and of accessibility.

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63 Scottish Government 2018; see also: [www2.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification](http://www2.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification); [http://scotgov.maps.arcgis.com/apps/Cascade/index.html?appid=5995961d1100460e9e756aceda84e63](http://scotgov.maps.arcgis.com/apps/Cascade/index.html?appid=5995961d1100460e9e756aceda84e63); [www2.gov.scot/Publications/2018/03/6040/downloads](http://www2.gov.scot/Publications/2018/03/6040/downloads)
Figure 1: Scottish Government Urban Rural Classification, 8-fold version. Source: www2.gov.scot/Publications/2018/03/6040/downloads
Accessibility is calculated here in terms of ‘drive times’ from the centres of urban areas (settlements with a population of 10,000 or more).

The 3-fold version distinguishes between Accessible Rural Areas, Remote Rural Areas and the Rest of Scotland, where the latter includes all towns (population 3,000-9,999) and urban areas (population 10,000 and above). This version of the Classification is primarily used in the agricultural, fisheries and rural sectors and its purpose is to differentiate between Accessible and Remote Rural Areas.

The 6-fold version is the most widely used version of the Classification. It distinguishes between two categories of urban (‘Large’, ‘Other’) and two categories of town and of rural (‘Accessible’, ‘Remote’). Accessible areas are those within a 30 minute drive time from an Urban Area, and Remote areas are those that are more than 30 minutes away.

The 8-fold classification is similar to the 6-fold, but has the additional category of ‘Very Remote’ for both Small Towns and Rural Areas. The primary purpose of the 8-fold classification is to assist in allocating funding to Very Remote Areas, although it is used for other purposes as well. In the 8-fold version, Accessible areas are those within a 30 minute drive time from a settlement with a population of 10,000 or more, Remote areas have a drive time of between 30 and 60 minutes and Very Remote areas are more than a 60 minute drive time from a settlement with a population of 10,000 or more.

**Sparsely Populated Areas (SPAs) in Scotland**

As discussed in Section 4.2 above, the European Commission has identified ‘sparsely-populated’ regions. The James Hutton Institute has developed an alternative map of Sparsely Populated Areas (SPAs) for Scotland\(^{64}\) on behalf of the Scottish Government, in order to support research into the land use, economic and environmental implications of demographic change.

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\(^{64}\) Copus & Hopkins 2017a; 2017b
Figure 2: Sparsely Populated Areas in Scotland. The coloured areas represent the six sub-regions of the SPA. Image reproduced courtesy of the James Hutton Institute. Source: Hopkins & Copus 2018e, p.5.
Whereas the EU sparsely-populated regions are based on population density, the James Hutton Institute’s work is based on the alternative concept of ‘population potential, which is the number of people living within a certain distance of a given place. This approach “takes account of both low density … and access to adjacent populations. Arguably this better represents the real economic and social implications of sparsity …” Because it considers access, the ‘population potential’ approach moves us away from seeing ‘sparsely-populated’ as a simple geographical type and towards seeing it as a more functionally-based definition of an area.

So, like the Scottish Government Urban Rural Classification, the Scottish SPAs are identified using data on both population and accessibility. However, there are several key differences between the two typologies. Firstly, where the Urban Rural Classification separates rural areas from towns, the SPA includes both rural areas and small towns. Secondly, where the Urban Rural Classification measures accessibility relative to urban areas, the SPA measures accessibility relative to the numbers of people who can be reached (regardless of whether they live in rural areas, towns or urban areas).

The Scottish SPAs were identified using 2011 Census data on the location of people, combined with data on road and ferry networks and average road speeds. A calculation was made of the number of people within 30 minutes travel from each of the 13,814 Census Output Areas in rural areas and small towns in Scotland.

The Scottish SPAs include all those rural areas and small towns where less than 10,000 people can be reached within 30 minutes travel using roads and ferries (the SPAs are therefore areas without access to a population equivalent in size to an urban area, as defined in the Scottish Government Urban Rural Classification.) Almost half of the land area of Scotland (48.7%) has been classified as falling within an SPA. This large area is home to 2.6% of the population.

The rural/small town area with the greatest ‘population potential’ is in North Lanarkshire, where 1,787,883 people can be reached within 30 minutes travel. At the other end of the scale, nine areas – associated with small islands in Orkney, Shetland and Argyll & Bute – have a population potential of less than 100 people within 30 minutes travel.

4.4 Socio-economic Models in Scotland

In 2008, the OECD observed that Scotland's Urban Rural Classification was not capable of reflecting differences in the socio-economic dynamics which may originate within rural areas, “because it places such an emphasis upon accessibility (and by implication centre-periphery growth processes)” Since that time, a number of other typologies and indices have been developed that seek to identify the varying social and economic characteristics of Scotland’s rural areas.

65 Böhme et al. 2009, p.20; Copus & Hopkins 2017a, pp.4-5, 7
66 Copus & Hopkins 2017a, p.4
67 Hopkins & Copus 2018c, p.22
**RESAS Classification of the Rural Economy**

This classification was recently produced by RESAS – the Scottish Government Rural & Environment Science & Analytical Services – as an alternative to the Scottish Government Urban Rural Classification. It classifies Local Authority areas by their degree of rurality, in order to support the analysis of economic data which is frequently only available at Local Authority level.

The RESAS classification replaces the Randall definition of Rural Scottish Local Authorities, which was based solely on population density. The RESAS classification follows research that suggests that a definition of rurality cannot be based on population density and distance to urban settlement alone, and it takes into account nine variables relating to population density, the percentage of the population living in rural areas, age profile, local government employment, Broadband access and access to services. The 8-fold Scottish Government Urban Rural Classification was used as an additional lens to help group Local Authorities into the four broader categories of Larger Cities, Urban with Substantial Rural, Mainly Rural and Islands & Remote Rural.

**Index of Socio-economic Performance (SEP) for Rural and Small Town Scotland**

The RESAS Classification is designed for economic analysis at the regional level, but other typologies have been developed which are based on a finer-grained analysis of a range of social and economic data at Data Zone level.

The SEP Index was created by the James Hutton Institute for Scottish Government, in order to provide an evidence base for the targeting of support to rural small businesses through the 2014-20 LEADER programme.

The Index is an “index of socio-economic performance (SEP), at a micro-geographical level, for rural and small town Scotland”. It is intended to provide an improved understanding of the main dimensions of contemporary geographical variation in socio-economic characteristics, and to move beyond twentieth-century rural and regional development stereotypes.

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68 Kleinert et al. 2018  
Figure 3: The relative socio-economic performance of rural areas in Scotland, as identified by the James Hutton Institute’s Index of Socio-economic Performance (SEP) for Rural and Small Town Scotland (Copus & Hopkins 2015). Image reproduced courtesy of the James Hutton Institute. Source: www.hutton.ac.uk/sites/default/files/files/SEP%20index%20values%20(2011).pdf (image amended from original to show Shetland Islands in true geographical position).
The Index combines 20 indicators, using 2011 Census data, background data from the Scottish Index of Multiple Deprivation and other sources. The indicators relate to:

- population, population change, old age dependency, change in the economically active population;
- income, unemployment and receipt of or dependency on benefits;
- drive time and time by public transport to key services;
- health, disabilities;
- change in number of business sites;
- crime;
- educational attainment and activity, people employed in professional occupations.

The Scottish Government Urban Rural Classification was used to identify all Data Zones falling in rural areas and small towns. For these Data Zones, each of the indicators was scored on a scale of 1-to-10 (higher scores indicating stronger performance). The scores for the different indicators were then combined to derive scores relating to four of the Strategic Objectives from the National Performance Framework: wealthier/fairer, healthier, safer/stronger, and smarter. Finally, the SEP Index for a Data Zone was calculated as a mean of the four Strategic Objective scores.

The 6-fold Urban Rural Classification was used as a ‘filter’ to analyse the four Strategic Objective indices, revealing different patterns (e.g. accessible rural areas tend to have the highest performance, while remote small towns have the lowest average performance).

**Fragile Areas and Employment Action Areas in the Highlands and Islands**

In order to prioritise their work to sustain and develop communities in the Highlands and Islands – targeting support at the areas that most need it – Highlands & Islands Enterprise (HIE) has produced indices of ‘fragile areas’ and ‘employment action areas’70. The index of Fragile Areas has also been used by The Highland Council to inform their Local Development Plan71.

70 Highlands & Islands Enterprise 2014
Figure 4: Fragile Areas and Employment Action Areas in the Highlands & Islands, 2014. Image reproduced courtesy of Highlands & Islands Enterprise. Source: Highlands & Islands Enterprise.

Source: ArC Map produced using Scottish Government/Ordinance Survey boundary data
Notes: 1. Map shows fragile data zones and fragile islands.
2. Due to mapping limitations, it was not possible to map a small number of inhabited islands defined as fragile – Danna, Elean da Mhein, Innis Chonain, Kerrera, Holy Island, Dry (Eilean Tioram) and Inner Holm.
Fragile Areas are identified from four indicators: population change; drive-time to the nearest mid-sized service centre; median household income; and average unemployment rate. Data on these indicators was analysed for all Data Zones within HIE’s area, and each Data Zone was given a score from 0-to-5 (least to most fragile) for each of the indicators. The scores were then combined to identify fragile Data Zones. This initial list was sense-checked with HIE Area Managers and a revised list created.

Employment Action Areas are characterised by a lack of employment opportunities, and they are identified on the basis of: an over-reliance on a single employer or sector; having experienced or at risk of significant job losses resulting from major closures, and; persistent long-term unemployment caused by structural change. Economic, demographic and skills data is examined in relation to these criteria, and HIE Area Managers consulted.

**Scottish Index of Multiple Deprivation**

The Scottish Index of Multiple Deprivation (SIMD)\(^2\) is the Scottish Government's official tool to identify areas of multiple deprivation, where there is greater need for support and intervention. It is designed to identify small-area concentrations of multiple deprivation across the country in a consistent way. The index is generated from an analysis of 38 deprivation indicators that are combined into seven ‘domains’ — income, employment, health, education, crime, housing and access to services.

In calculating the SIMD score for each Data Zone, the individual domains are weighted, with income and employment being given the greatest weight, followed by health and education and then access, crime and housing.

Some additional work has been undertaken in relation to the application of SIMD for rural areas\(^3\). People in rural areas face different challenges to those in urban areas, and experience deprivation differently as a result. Poverty and deprivation are more spatially dispersed in rural areas and there is also generally a greater mix of deprived and less deprived people. For example, 9 out of 10 income-deprived people in rural areas do not live in ‘deprived areas’ identified by SIMD, which is designed to identify concentrations of multiple deprivation. Also, the most significant issues in rural areas are different from those in urban areas; they include, for example, less accessible services, limited Broadband access and quality, limited economic opportunities, a lack of affordable housing and higher fuel costs for heating and transport. The weighting applied in the normal SIMD calculation does not necessarily fully reflect the situation in rural Scotland.

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\(^2\) [http://simd.scot/](http://simd.scot/)

\(^3\) Scottish Government 2011; Thomson 2016; see also [www2.gov.scot/Topics/Statistics/SIMD/FAQRuralIssues](http://www2.gov.scot/Topics/Statistics/SIMD/FAQRuralIssues)
Figure 5: SIMD data for access and housing deprivation in Argyll & Bute. These examples show the potential of SIMD data for producing a relatively nuanced picture of the challenges facing different rural areas. Access is clearly an issue across the whole of Argyll & Bute, while housing deprivation is more acute in some areas than in others. Source: www2.gov.scot/Topics/Statistics/SIMD/analysis/maps
The Scottish Government has developed alternative approaches for the use of SIMD data in rural areas. For example, analysis can be restricted to rural areas alone, excluding urban areas. This means that rural Data Zones are not over-shadowed by urban ones in identifying which areas are most deprived.

Analysis can also be restricted to those domains that are most relevant to rural areas, such as the income, employment and access domains. The income and employment domains are given the largest weightings in the SIMD, because they are considered to be particularly important indicators of deprivation. In addition, because they are based on counts of people, they are proxies for individual deprivation. The access domain is included because it is particularly important in rural areas.

The figures can also be adjusted to reflect rural patterns. For example, unemployment counts can be averaged to take account of the seasonality of much rural employment.

SIMD data can also be combined with other data. As noted above, this was done in producing the Index of Socio-economic Performance (SEP) for Rural and Small Town Scotland, where selected SIMD data was combined with Census and other data.

**Mapping Variations in Wellbeing**

The James Hutton Institute has recently conducted research into the measurement of different forms of wellbeing at Data Zone level\(^{74}\). This has been done to support wider research into the inequalities in socio-economic outcomes in Scotland’s rural areas and small towns, and the effectiveness of policy responses to them.

Twelve dimensions of wellbeing\(^{75}\) were used as a framework for the analysis, i.e.: income and wealth; jobs and earnings; housing; health and health status; education and skills; access to services; safety; environment; civic engagement and governance; life satisfaction; community, and; work and life balance.

In order to identify regional variations in wellbeing, the researchers ranked each of the eight classes in the 8-fold version of the Urban Rural Classification in relation to the 12 wellbeing indicators. This process ordered the 8 classes from the best performing to the worst performing for each indicator. For example, ‘very remote rural areas’ scored best for ‘environment’ and worst for ‘access to services’, whereas ‘large urban areas’ scored worst for environment and best for access to services.

**4.5 Typologies and a Place-Based Approach to Policy in Scotland**

In this chapter, we have reviewed the main typologies used to describe Scotland’s rural areas and set Scottish approaches in context with reference to wider trends in the rest of the UK and internationally. In summary, the main features of each typology in the present context are:

\(^{74}\) Hopkins & Copus 2018a; 2018b
\(^{75}\) OECD 2016a; 2016b
<table>
<thead>
<tr>
<th>Typology/Index</th>
<th>Date</th>
<th>Key Features in the Present Context</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Scottish Planning Policy</em> <em>(Scottish Government)</em></td>
<td>2014</td>
<td>A national-level typology that differentiates 3 types of rural area. Designed for use in the planning context. Relevant to place-based planning because it classifies rural areas with reference to their relationships with urban areas and the resulting development pressures.</td>
</tr>
<tr>
<td><em>Urban Rural Classification</em> <em>(Scottish Government)</em></td>
<td>2016</td>
<td>A national-level typology that differentiates 3 types of rural area. Used as a standard in multiple policy contexts. Relevant to place-based planning because it classifies rural areas with reference to their relationships with urban areas.</td>
</tr>
<tr>
<td><em>Sparsely Populated Areas</em> <em>(James Hutton Inst., for Scot. Gov.)</em></td>
<td>2018</td>
<td>A national-level typology that distinguishes rural areas that are sparsely populated from those that are not. Relevant to place-based planning because it identifies areas that face particular demographic challenges.</td>
</tr>
<tr>
<td><em>RESAS Classification of the Rural Economy</em> <em>(Scottish Government)</em></td>
<td>2018</td>
<td>A classification of Local Authorities by their degree of rurality. Too coarse-grained to be relevant to the development of place-based approaches to planning.</td>
</tr>
<tr>
<td><em>Index of Socio-economic Performance (SEP) for Rural and Small Town Scotland</em> <em>(James Hutton Inst., for Scot. Gov.)</em></td>
<td>2015</td>
<td>A national index that classifies rural areas and small towns by their relative socio-economic performance. The index takes into account diverse factors. It is relevant to place-based planning because it provides a nuanced and place-specific picture of the challenges, assets and opportunities of different areas. Given the fine-grained and complex nature of the data, it is perhaps best used at local or regional level, rather than in production of a national-level picture of rural Scotland.</td>
</tr>
<tr>
<td><em>Fragile Areas and Employment Action Areas in the Highlands and Islands</em> <em>(Highlands &amp; Islands Enterprise)</em></td>
<td>2014</td>
<td>A regional index, covering HIE’s area, that identifies ‘fragile areas’ on the basis of 4 indicators and ‘employment action areas’ on the basis of 3 criteria. The fragile area data has been used in the Highland-wide Local Development Plan. This data is relevant to a place-based approach to planning, but is not available for Scotland as a whole.</td>
</tr>
<tr>
<td><em>Scottish Index of Multiple Deprivation</em> <em>(Scottish Government)</em></td>
<td>2016</td>
<td>The Scottish Government's tool to identify small-area concentrations of multiple deprivation across the country. Uses 38 indicators to take into account a diverse range of issues. The focus on concentrations of deprivation is problematic for rural areas, where deprivation is often experienced differently. However, if used appropriately, SIMD data is valuable for developing place-based approaches to policy for rural areas. Given the fine-grained and complex nature of the data, it is perhaps best used at local or regional level.</td>
</tr>
</tbody>
</table>
Level, rather than in production of a national-level picture of rural Scotland.

**Wellbeing at Community Level**  
(Albert Hutton Inst., for Scot. Gov.)  
2018  
This research by the JHI has explored the mapping of variations in wellbeing at micro-geographical level, using indicators for 12 dimensions of wellbeing. The data and analysis is relevant to place-based planning because it provides a nuanced and place-specific picture of the challenges, assets and opportunities of different areas. Given the fine-grained and complex nature of the information, it is perhaps best used at local or regional level, rather than in production of a national-level picture of rural Scotland.

In concluding the chapter, we will present some initial conclusions about the picture of rural Scotland that could be used to inform preparation of NPF4. We will return to these conclusions later in the report, after having reviewed the evidence for the key challenges facing rural areas and the needs of rural communities and businesses as relevant to planning.

**What is rural? Typologies that Support Place-based Approaches to Policy**

To be capable of supporting a place-based approach to planning, a typology has to take into account the particular needs of different areas and the challenges they face. It should also consider the assets of an area and its functional links to other places, anticipating the opportunities that these links might provide. In the words of one of our interviewees:

“For a nuanced picture of rural Scotland, there is a need to consider a wide variety of data in order to see the strengths and weaknesses of different communities and rural areas.” (Jonathan Hopkins, Research Scientist, James Hutton Institute)

Another interviewee (anonymous) commented that typologies are useful in providing an evidence-based assessment of the needs of a place, but the use of typologies should be ‘fit for purpose’ and different typologies might legitimately be used in different places or contexts. They also commented that it is important to consider opportunities as well as need in characterising rural areas.

These comments are amplified by the results of our online survey. In Section 2 of the survey, participants were asked about their knowledge and use of different typologies (See Annex A for details). 71 participants answered ‘yes’ to the question ‘Are you aware of or have you used any of the … classifications?’ (42 individuals and 29 organisations, together representing 27% of those participating in the survey). 104 participants (39%) answered ‘no’ (84 individuals; 20 organisations). 92 did not answer (34%).

Most of those who answered ‘yes’ expanded on their answers. A number of individual survey participants indicated that they use some of the terms (e.g. ‘remote’) in a colloquial manner when describing where they live or visit. Some individuals said that they had used one of the typologies for a specific purpose, such as: in discussions at the Scottish Rural Parliament and other events; in completing questionnaires; for research purposes; in applying for funding; in planning-related activities (e.g. completing a planning application; objecting to a proposed development; development
management work; producing Environmental Impact Assessment chapters), and; in work for organisations such as the Crofting Commission and Rural Housing Scotland.

Of the organisations who answered ‘yes’, 14 had used the Scottish Government Urban Rural Classification, 10 had used the SPP typology, 5 had used HIE’s Fragile Areas index, 4 had used the SPA typology, 3 had used the RESAS Classification and 2 had used the SEP Index. The uses included responding to consultations, writing briefings, writing or commenting on planning applications, applying for funding, advocating investment in rural areas and/or policy change, informing organisational priorities and decision-making, and undertaking research on rural areas.

167 survey participants (63% of the total; 119 individuals, 48 organisations) answered the question ‘How well do you think the … classifications … describe communities across rural Scotland?’ by selecting an option on a 5-point scale from 1 (‘Not at all well’) to 5 (‘Very well’).

The majority (56%) of the individual participants selected options at the upper end of the scale (i.e. options 4 and 5). Around a third (34%) picked the middle option (3). The minority (11%) selected options at the lower end of the scale. 44% of the organisations that responded selected options at the upper end of the scale. 35% picked the middle option. 21% selected options at the lower end of the scale.

56 participants offered further information on why they feel that current classifications and typologies do not adequately describe communities across rural Scotland. The reasons given include that:

- There are too many classifications and there is a need for a single or simpler system;
- (By contrast) The typologies are too broadly-defined to capture the diversity of rural Scotland. There is insufficient variety of classes/types and a need for use of a wider or different range of variables;
- Current typologies do not represent – or poorly represent – certain types or experiences of ‘rural’ and do not reflect the specific characteristics and circumstances of different rural areas;
- Classifications/typologies do not identify the connections between areas.

Some responses challenged the act of classification per se, or expressed a lack of clarity as to the purpose or details of the various typologies.

The interviews and survey responses evidence a broad level of support for the perceived usefulness of rural typologies in different contexts. They also indicate a desire for typologies that capture the diversity of rural Scotland more effectively and that take account of a broader range of attributes. This reflects the trend in recent years, identified in the literature review, for the development of more nuanced typologies of
rural Scotland – typologies that support a move away from ‘spatially-blind’ policies to policies that are more attuned to the diversity of rural Scotland.76

Our review of existing typologies has indicated that there is a significant amount of data already available and that this data can be and has been used to generate a picture of rural Scotland that captures many of the key challenges and strengths of different types of rural area. As Hopkins & Copus have argued77, there “is a clear need to establish priority areas for indicator selection and data collection: ‘trying to measure everything’ is unhelpful”. The selection of appropriate indicators is a process that requires input from policymakers and a range of stakeholders with relevant experience and expertise across Scotland. Given this, we will confine ourselves here to identifying the factors that previous research has identified as most pertinent to describing the challenges facing and opportunities open to different rural areas.

**The Continuing Relevance of Urban-Rural Interactions**

In this chapter, we have reviewed a number of ‘functional approaches’ to typology that move beyond consideration of a single variable such as topography or population density to consider the interaction of a number of variables and the functional links between one area and another. Functional typologies can distinguish different areas on the basis of the particular challenges they face, and also in terms of their development assets and opportunities78.

In particular, we have reviewed urban rural typologies, which are relevant in the present context because they focus on two of the key challenges in rural Scotland, i.e. population and access to services (see Chapter 6). They are also relevant because a rural area’s relative proximity to or distance from a major town or a city influences the development pressures in the area and the development opportunities that are open to people there. Access to urban areas is known to be a factor in the socio-economic performance and development of rural areas and small towns, with Accessible areas and towns generally performing very well and Remote areas and their small towns facing multiple challenges79.

The 8-fold version of the Scottish Government Urban Rural Classification distinguishes between three types of rural area and small town – Accessible, Remote and Very Remote. This typology is a standard for classifying rural areas and small towns in Scotland and its use as a basis for developing a more nuanced picture of rural Scotland would enable a number of different typologies and sets of data to be brought together within a common framework.

The current version of *Scottish Planning Policy* takes a broadly similar approach and applies it in the specific context of planning. It does this by defining the three rural categories – pressurised, intermediate and remote & fragile – on the basis of their proximity to urban areas and the differing development pressures that they face as a result.

One question that will need to be addressed is whether or not small towns should be included in a typology of ‘rural’ areas in NPF4. As noted above, a number of recent

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76 Hopkins & Copus 2018c, pp.1-2
77 Hopkins & Copus 2018a, p.4; 2018b, pp.1, 64
78 ESPON 2017a, p.13
79 Hopkins & Copus 2018c, pp. 1, 21
typologies bring together both rural areas and small towns, e.g. the Index of Socio-economic Performance, classification of Sparsely Populated Areas and ongoing work to measure wellbeing. In an interview for this project, Jonathan Hopkins – a research scientist at the James Hutton Institute who has been involved in all that work – commented:

“One difficulty in defining rural is what we do with small towns. It’s relatively easy to exclude the big cities from a definition of rural, but small towns and the issues affecting them are not the same as cities … yet they are different from ‘rural’ areas. So where do they sit?”

**A More Nuanced Picture of the Challenges Facing ‘Remote’ Areas**

In Section 4.2 above, we noted general arguments against the use of simple ‘territorial type’ models – such as ‘island’ or ‘mountainous’ regions – in the context of place-based approaches to policy. However, we also noted that territorial typologies can have advantages, such as identifying areas facing common challenges and with common needs, deriving from shared characteristics.

In Section 4.3, in reporting our rapid review of the use of rural typologies in Local Development Plans, we noted that a number of island Local Authorities have policies that recognise specific challenges and needs arising from the island nature of their areas.

As one survey participant put it:

“Island and coastal communities frequently make the case for special consideration and an additional set of considerations which to some extent has been reflected in the Islands legislation” (Angus Hardie, Scottish Community Alliance)

And as one of our interviewees – Suzanne Shearer, Development Planning Sub-Committee Chair, Heads of Planning Scotland – commented:

“An island authority is different from a ‘rural’ authority. You have to recognise that there are big differences in terms of service connections and support networks …. the Islands Bill … is hugely important for island communities in recognising that difference.”

As noted by both of these contributors, the specific circumstances of islands have been recognised by the Islands (Scotland) Act 2018. Given the particular challenges facing island areas, it may be that this particular territorial type should be taken into account in developing a typology of rural areas to support preparation of NPF4.

A second key distinction to be made within remote and very remote rural areas is between those rural areas that are sparsely-populated and those that are not. At European level, EU cohesion policy has targeted sparsely-populated areas in recognition of the particular challenges facing such areas. The James Hutton Institute’s recent work to define and identify Sparsely Populated Areas here in Scotland is part of a wider programme of research that arises from a recognition that some rural areas are facing particular stark and pressing demographic challenges.
The identification of the Scottish SPAs is based on the ‘population potential’ concept and this shifts the perspective for remote areas, providing a different answer to the question ‘remote from what?’ The answer here is not ‘remote from major towns and cities’ but ‘remote from concentrations of people, wherever they may live’. The identification of SPAs allows a more nuanced picture to be drawn of the Remote and Very Remote areas of the Scottish Government Urban Rural Classification, distinguishing between those areas where falling population numbers and a changing population profile are key challenges and those where they are not, or where the demographic challenges take a different form. For example, the entire land mass of the Western Isles, Orkney and Shetland is classified as ‘Very Remote’ in the Urban Rural Classification. However, this does not reflect demographic variation within the three archipelagos – while all three Local Authorities have significant Sparsely Populated Areas, they also have extensive areas that are not sparsely populated, especially around the towns of Stornoway, Kirkwall and Lerwick.

Demographic challenges are particularly significant across large parts of rural Scotland, but their nature and relevance varies, even within Very Remote areas. Inclusion of the recently-defined Sparsely Populated Areas in a typology that informs NPF4 would support a more nuanced policy approach to this problem.

**Capturing Differences in the Ensemble of Territorial Challenges and Assets**

We have seen that place-based approaches require typologies that draw on a relatively wide range of data and that consider the opportunities and assets of an area as well as the challenges it faces. Scotland’s Urban Rural Classification remains a relevant starting point, but it is not capable, on its own, of reflecting differences in the socio-economic dynamics which may originate within rural areas. There is a need in this context to consider other kinds of challenges, beyond questions of demographics and access, and “to capture differences in the ensemble of territorial assets which are likely to determine the nature of local development processes, and their relative successfulness”.

This is a point that was made by a number of our interviewees. For instance, Dr Calum MacLeod, Policy Director of Community Land Scotland, commented:

“The idea that there is one ‘rural’ is not helpful, not sufficiently analytical nor sufficiently nuanced. It doesn’t allow us to identify the levers to make the goal of having communities in particular areas happen.”

As we have seen earlier in this chapter, there are now a range of indices that characterise rural areas of Scotland on the basis of diverse social and economic data. Many of these consider data on population and on access to services, both of which are understood to be significant issues for many rural areas. Income and employment data are also commonly included, as important indicators of socio-economic performance or deprivation.

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80 Hopkins & Copus 2018c, p.22
81 Hopkins & Copus 2018c, p.22
The SEP Index and the James Hutton Institute’s current work on wellbeing include additional indicators relating to health, education and crime/safety. Added to that, the wellbeing work also considers indicators for wealth, housing, environment, civic engagement and governance, life satisfaction, community and work/life balance. It has been noted that there is considerable overlap between the concepts of socio-economic performance and wellbeing\(^{82}\).

There are examples where factors such as these are already being taken into account in planning contexts (e.g. the use of Fragile Areas information in the Highland-wide LDP). Wider use of such data would support the further implementation of a place-based approach to planning.

In considering how best this information might be used, there are a number of issues to consider.

Firstly, while data is readily available at a high resolution for some domains, such as economic activity, health, housing, education and services, the data is poorer for some other domains, such as environmental wellbeing and for perception-based aspects of wellbeing\(^{83}\). There is therefore a need for further work to develop indicators for some domains and to define the issues that are a priority for rural areas in the context; stakeholder expertise should be incorporated in this process\(^{84}\).

Secondly, there are issues of scale – of whether these kinds of indicators should be used in producing a national typology of rural areas for planning purposes, or would be better used to support the production of LDPs and any other local sub-national plans and policies. Because much of the data that has been used in the different indices and typologies is available at the small area level of Data Zones it corresponds, roughly speaking, with the community, small town or small region level\(^{85}\) and is suitable for drawing a fine-grained picture that supports place-based approaches to policy\(^{86}\). The data can of course be aggregated in the analysis of larger areas, and the information can also be used to help understand the functional links between different areas.

It is suggested here that the finer-grained analysis of the different challenges, needs, opportunities and assets of rural areas is best undertaken at the local or regional level. This is in order to allow the scope for variation that is necessary in order to develop more locally-relevant information to support the development of place-based policies.

\(^{82}\) Hopkins & Copus 2018b, p.3  
\(^{83}\) Hopkins & Copus 2018a; 2018b, pp.1, 13-14, 63-4  
\(^{84}\) Hopkins & Copus 2018b, pp.1, 64  
\(^{85}\) Hopkins & Copus 2018b, p.63  
\(^{86}\) Hopkins & Copus 2018c, pp.2-3
5 The Challenges Facing Rural Scotland

5.1 Introduction

In the survey, we asked participants: ‘what will be the main challenges facing rural communities and businesses over the next generation?’ Answers to this question fell into one of two categories: (a) broad social, economic and environmental challenges (e.g. climate change), and; (b) challenges relating to particular types of development (e.g. housing, broadband provision). In this chapter, we will focus on the former – the key societal challenges and needs to which development is a response. In the next chapter, we will return to the matter of particular developments on the ground that might be anticipated in response to the anticipated societal challenges and needs.

The Islands (Scotland) Act 2018\(^{87}\) and the recent Planning (Scotland) Act 2019\(^{88}\) identify a series of outcomes that are to be addressed by the National Islands Plan and the National Planning Framework, respectively.

In the case of the National Islands Plan, the outcomes include increasing population levels. They also include improving and promoting: sustainable economic development; community empowerment; transport services and digital connectivity, and; environmental wellbeing and health and wellbeing. They include reducing fuel poverty and enhancing biosecurity.

The National Planning Framework must now address the outcomes of increasing population levels in rural areas and improving health and wellbeing. It must also address the outcomes of meeting housing needs (in particular the housing needs for older and disabled people), improving equality and eliminating discrimination, meeting greenhouse gas emissions targets and securing positive effects for biodiversity.

Once the comments collated from the survey responses and interviews have been grouped for thematic similarity, they identify 6 key challenges – demographic trends (particularly depopulation), structural changes to the rural economy, the ‘live-ability’ of rural areas (i.e. standard of living, quality of life, wellbeing), climate change and conservation, the administrative, policy and fiscal environment, and the supply of land for development. The charts below indicate the proportion of survey responses relating to each challenge. These challenges are broadly similar to the outcomes identified in the Islands and Planning Acts, with the addition of challenges relating to the administrative, policy and fiscal environment and to the availability of land.

Changes to the rural economy and to the ‘live-ability’ of rural areas were the two most commonly identified challenges in the responses of both individuals and organisations. Demographic changes and challenges relating to the policy environment rank third and fourth for both groups of participants, though in different order. Interestingly, economic, ‘live-ability’, policy and demographic changes account for similar proportions of the responses of organisations (Figure 7), perhaps indicating that these issues are generally seen as equally significant. Challenges relating to climate & conservation and

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87 \(\text{www.legislation.gov.uk/asp/2018/12/enacted}\)
88 \(\text{http://www.legislation.gov.uk/asp/2019/13/contents/enacted}\)
to the supply of land were identified by both groups as significant, if by a smaller number of individuals and groups.

Figure 6: Challenges identified by individuals participating in the online survey. A total of 126 responses were received on this question, with some individuals contributing more than one response (i.e. identifying more than one challenge).

Figure 7: Challenges identified by organisations participating in the online survey. A total of 105 responses were received on this question, with some organisations contributing more than one response (i.e. identifying more than one challenge).

The challenges identified by research interviewees are similar to those identified by the survey, but the relative frequency with which interviewees mentioned these challenges was different. Policy challenges were most frequently highlighted in the interviews, followed by demographic change. Issues of ‘live-ability’, the supply of land, the rural economy and climate & conservation were raised with similar frequency.
Participants at the Moffat and Oban workshops confirmed that depopulation is a key challenge, and also indicated that service provision (which falls under our ‘live-ability’ theme) and the biodiversity crisis are concerns. National-level stakeholders attending the Edinburgh workshop agreed that population change, climate change and the protection and enhancement of biodiversity are key challenges. ‘Live-ability’ issues of health, the cost of living and access to services were also identified as concerns.

The various challenges are discussed one-by-one in sections 5.2-5.7 below. As a general point, it is worth noting that these challenges are interconnected – something that a number of our interviewees wished to emphasise:

“Communities that are flourishing have good connectivity and infrastructure, sustainable population levels and so on (near Inverness, for example). Those who are not are facing multiple inter-linked challenges ….. The key thing is systems thinking – how you make connections at macro level and then turn that into development.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“There are three big challenges that planning is critical to: population – maintaining and growing viable populations in rural areas; responding to climate change and the climate emergency, and; land use change – there is a role for a much more proactive approach to planning in navigating the land use changes that will occur. These challenges are connected.” (Hamish Trench, Chief Executive, Scottish Land Commission)

5.2 Population

A number of interviewees and survey participants identified persistent depopulation as a particularly significant challenge. The survey responses and interviews indicate that this challenge is a concern across all sectors – it was identified by community sector and business organisations, public sector interviewees and environmental and heritage NGOs.

“Depopulation is a key issue. If we want to reverse depopulation, that is a major challenge.” (Amanda Burgauer, Chair, Scottish Rural Action)
“The demographic challenge is quite stark. We are losing young people and people retire into rural areas, so there is an imbalance.” (Ian Cooke, Director, Development Trusts Association Scotland)

“Particular priority should be given to sparsely populated areas. When you have depopulation, how do you address that and why do you address that? There is a public interest argument here – safeguarding existing communities who ‘have a right to be’ and growing communities.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“Just to stand still demographically, the South of Scotland has to bring in around 800 working aged people per year …. The big challenge is the demographic – to keep young people, to bring in young people and to use older people better.” (Prof. Russell Griggs, South of Scotland Economic Partnership)

“perhaps the overriding concern for island and remote rural communities is their economic viability, based on the lack of younger/family residents (and therefore available workforce) in the area” (FSB Scotland)

“In some rural areas we have seen long-term decline and this has become more of a concern. This problem is particularly important because it drives a lot of other things.” (Jonathan Hopkins, Research Scientist, James Hutton Institute)

The survey and interview evidence highlights concern regarding falling population numbers. It also evidences concern over the changing make-up of rural communities, with the loss of young people as they leave for education and work, falling numbers of working age people and too few families with children, and an ageing population profile as a result of these trends and of the in-migration of older people to rural areas.

Research participants expressed concern over the capacity of rural communities to sustain themselves and to develop and grow into the future. They also highlighted other consequences of depopulation such as increasing dependency within communities and difficulties sustaining services, problems with the economic viability of rural areas as the population becomes skewed towards the less economically active and the concentration of the rural population increasingly in accessible areas, with endemic decline in more remote areas.

When asked in the survey if this challenge affects all rural areas, or only certain types of rural area, the majority (65% of those who responded to this question) said it affects all areas. 33% said it affects certain types of rural area, with particular reference to islands, coastal areas, remote areas, “areas hard to reach by road”, sparsely-populated areas, fragile areas, “smaller communities” and “dispersed communities”. 2% were unsure.

Some interviewees and survey participants also pointed to the challenge of population growth in rural areas closer to Scotland’s towns and cities, although this was raised much less frequently than the challenge of depopulation.

“In less remote rural areas you have issues created by commuters living in an area but working elsewhere, perhaps in the nearest city.” (Suzanne Shearer, Development Planning Sub-Committee Chair, Heads of Planning Scotland)
“A lot of rural towns have turned into commuter places. It’s a challenge sustaining high streets.” (Ian Cooke, Director, Development Trusts Association Scotland)

“In semi-rural communities, the way people see community has changed, because of the ease of getting around, travel for leisure for example, or to access services. There has been a widening of the concept of place.” (Alex Downie, Scottish Coalfields Regeneration Trust)

The demographic challenges highlighted by the survey participants and interviewees reflect the findings from the literature review undertaken for this research.

Concern over depopulation was evident in the consultations undertaken in 2018 by the National Council of Rural Advisors (NCRA)89, and in consultations and research undertaken by Highlands & Islands Enterprise (HIE)90.

Recent work by the James Hutton Institute91 has found that almost half (48.7%) of the land area of Scotland is Sparsely Populated, and contains 2.6% of the population. This low population is the result of decades of population decline. In the 1990s and 2000s, for example, the population of the SPAs fell on average by 1.8%. This average masks significant variation – the Highland sub-regions of the SPA saw modest population growth, while all other sub-regions saw falls in population of over 5%; the largest fall (>11%) was in the Western Isles.

These recent changes in population numbers have come after a long period of historic population decline, and at a time when the urban population grew by c.5% and the population of rural areas and small towns outside of the SPA grew by c.9%. The presence of towns and cities – with their concentrations of people, economic activity and services – appears to have had a significant impact on nearby rural areas. For example, while SPAs in the Northern Isles lost over 7% of their population in the 1990s and 2000s, the population of rural areas around the main towns of Lerwick and Kirkwall grew by 12%. The SPA in the Western Isles saw a decline of c.12%, but areas closer to Stornoway saw a smaller loss of less than 0.25%. In population terms, the fastest growing area of rural and small town Scotland has been the south and east Highlands, which is relatively accessible to urban centres such as Aberdeen, Dundee, Perth, Stirling and Inverness.

The age composition of the SPAs has also been changing. The number of children in the SPAs has shrunk by 22%, compared with only 6% in other rural areas and small towns. The working age population in the SPAs has fallen by almost 3% while it has increased by over 8% in other rural areas and small towns. In the SPAs, the population of people aged 65 and over grew (by 23%), if less rapidly than in the rest of rural/small town Scotland (+32%).

In terms of projections for the future, if nothing happens to change current trends then the SPAs will lose c.28% of their combined population by 2046. The population is forecast to decline in all SPA sub-regions across the country. The Western Isles, Argyll

89 The Lines Between 2018a
90 Highlands & Islands Enterprise 2018a; 2018b
91 Copus & Hopkins 2018a; Hopkins & Copus 2018d; Copus 2018a
& Bute, and the Southern Uplands will be the worst affected (losing more than 30%). The least affected area – the Northern Isles – is nonetheless projected to lose almost 20% of its population. In terms of different age groups, the working age population seems likely to shrink most (by 33% by 2046). The numbers of children and older people are forecast to fall by less than 20%, resulting in a higher dependency ratio. It is estimated that net migration levels of 550-1,300 persons per year are needed between now and the 2040s to stabilise the SPA population at current levels.

The key finding from the James Hutton Institute’s research is that:

“The Sparsely Populated Areas (SPA) of Scotland have a demographic legacy which, in the absence of intervention, will result in decades of population decline, and shrinkage of its working age population, on a scale which implies serious challenges for economic development, and consequences for its landscape and ecology which are poorly understood.”

And:

“The key demographic issue for the SPA is not an excess of elderly people, but the relatively small number of children and young people, which in the years to come will translate into a small working age population, which will have serious implications for the workforce and economy. The relatively small cohorts in the child bearing age will, unless counterbalanced by substantial in-migration, lead to a vicious cycle of decline.”

Amongst the potential consequences of this trend and potential responses to it are: impacts on the provision of services to people in the SPAs; changes in land use associated with population shrinkage or resettlement and their effects on the environment and ecology; changing settlement patterns and population redistribution, and; medium-term changes in land-based activities.

“It would seem that the only way to achieve stability at current population levels would be to find a way to stimulate net migration rates which are currently only achieved in the larger cities and towns of the Central Belt …. another very obvious policy implication is that a single rural policy, applied to both the SPA and to more accessible rural areas … is not appropriate. The issues faced by the SPA, in relation to sustaining economic activity, protecting the environment, and maintenance of services, are very different from those of peri-urban areas.”

These trends in Scotland are part of a wider pattern. In the rural parts of Council of Europe states that are performing poorly, many are living in poverty, reliant on small-scale agricultural production and experiencing basic service provision. The population is declining as those who are economically active leave. The OECD has identified ‘population ageing and migration’ and ‘urbanisation’ as ‘mega-trends’ or global shifts.

92 Copus & Hopkins 2018a, p.1
93 Hopkins & Copus 2018d, p.30
94 Copus 2018a, p.11
95 Atterton & Skerratt 2017, p.3
that “are likely to influence how rural areas can succeed in a more complex, dynamic and challenging environment”\textsuperscript{96}.

Many of the ‘predominantly rural’ regions of the EU are experiencing population decline, while many ‘intermediate’ regions are experiencing population growth\textsuperscript{97}. A shrinking population has become “the normal trajectory” for many rural regions of Europe\textsuperscript{98}.

This rural depopulation results “from a complex ‘vicious circle’ of interrelated economic and social factors” such as agricultural becoming less labour intensive, employment growth becoming more focused on the service sector which favours larger urban centres, ‘slow leak’ out-migration from rural to urban regions especially of younger and well-educated workers, divestment and a negative natural population balance\textsuperscript{99}.

The ‘knock-on impacts’ of depopulation include “land abandonment, decreased employment, reduced service provision at a time of increasing demand, and increased social fragmentation as a result of higher levels of poverty and exclusion”, although demographic ageing can also present opportunities, by encouraging innovation in engaging older people in economic and social development for example\textsuperscript{100}.

Currently, rural shrinkage is more prevalent in the EU-13 countries of central and eastern Europe than it is in the EU-15 of western Europe, but this masks variation within these areas\textsuperscript{101}. In the north, the ‘Northern Sparsely Populated Areas’ (NSPA) – taking in parts of Finland, Sweden and Norway – was defined with the accession of Sweden and Finland to the EU in order to recognise “the unique characteristics” of these areas and “that remoteness, extremely low population densities and constraining climatic conditions create special challenges”\textsuperscript{102}. Sparsely populated areas have also been identified in Ireland and Iceland and in a number of southern European countries\textsuperscript{103}.

5.3 The Changing Rural Economy

Some of our interviewees highlighted deep structural changes in the rural economy, particularly those associated with the decline of agriculture and other land-based industries, the closure of several major employers and the rise of a service economy based around tourism:

“The rural economy on the smaller islands is going from a dependency on agriculture to depending on tourism. This is not all bad, but it is quite worrying because the use of the land is becoming more problematic. Crofters and farmers worry about how they can continue production, which has become more expensive and not economic. If we become too dependent on tourism, it’s going to become a problem, and it will be a problem if we no longer have the means to have locally-produced food. There

\textsuperscript{96} OECD 2018, p.5
\textsuperscript{97} Atterton & Skerratt 2017, p.7
\textsuperscript{98} ESPON 2017b, p.2
\textsuperscript{99} ESPON 2017b, p.3
\textsuperscript{100} Atterton & Skerratt 2017, pp.9-10
\textsuperscript{101} ESPON 2017b, p.4
\textsuperscript{102} Gløersen et al. 2009, p.9
\textsuperscript{103} See Dubois & Roto 2012
won’t be enough food security and we’ll be increasingly dependent on imports from outside.” (Camille Dressler, Chair, the Scottish Islands Federation)

“Tourism has a vital role to play in the prosperity of rural Scotland, and in many areas like the Highlands & Islands its reach makes it the only serious economic game in town” (David Richardson, Highlands & Islands Development Manager, Federation of Small Businesses Scotland)

“One area that is really crucial and that is taking off is tourism, along with food and drink tourism …. For Scottish Land & Estates members, it’s an area that has grown and can grow further …. With that comes challenges of management ….” (Gavin Mowat, Policy Advisor – Rural Communities, Scottish Land & Estates)

“the future of agriculture is uncertain and this will impact immediately on the fragility of rural communities unless things like planning can be adaptive.” (Robbie Calvert, Policy & Practice Officer, Royal Town Planning Institute)

“In Scotland, we are losing many of the large-scale industries….The coalfields is one example …. Another example is Longannet power station which, when it closed, meant the loss of around 200 jobs lost, around 1,000 in terms of indirect employment, mostly in rural Fife.” (Alex Downie, Development Manager – Enterprise & Development, the Coalfields Regeneration Trust)

Particular challenges identified by interviewees include an over-dependency on tourism in some areas and a need to diversify the economy; the fact that infrastructure provision (e.g. vehicle parking, toilets) has not kept pace with tourism growth; the impact of tourism on the availability of housing for local residents and for employees in the tourism sector, as domestic properties are put to use as tourist accommodation; difficulties recruiting staff for tourism, leisure and hospitality businesses, and; the pressures of tourism, especially ‘over-tourism’, on the natural environment and cultural heritage.

Individuals who responded to the online survey also highlighted the difficulties in sustaining crofting and farming, and the challenges attendant on a significant growth in tourism.

A wide range of organisations who responded to the survey identified economic challenges as being a central concern, including community-sector organisations, business organisations, heritage and environment NGOs, and public bodies.

“we recognise that there is a need for infrastructure to ensure that rural communities are resilient enough to deal with mass tourism without eroding the very thing that draws people to Scotland.” (Historic Environment Scotland)

“Tourism facilities and infrastructure to support tourists are … a key issue. In other words, how to provide the facilities for increasing numbers of tourists, in a fragile landscape.” (Federation of Small Businesses Scotland)

“Economy – already major reductions in employment in farming and fishing from historical highs, and likely to continue, and possible shift to more intensive practices in some areas, and abandonment in others.” (National Trust for Scotland)
In their survey responses, individuals and organizations also highlighted broader economic challenges such as:

- difficulties accessing employment in some rural areas and, in particular, a lack of jobs for young people and a lack of well-paid work;
- challenges in attracting and retaining staff, both for low-skilled position and for skilled professional jobs;
- limited career, educational and skills-development opportunities;
- occupational segregation and gender inequalities;
- a lack of investment in and support for rural businesses, particularly small businesses;
- challenges brought by the growth of online retailing and being at the end of long supply lines.

Many of the survey participants stated that the issues identified above affected all rural areas but some highlighted the challenges in particular areas, including islands, coastal areas, the Highlands, remote areas, fragile areas and sparsely-populated areas.

The interview and survey responses reflect the wider evidence for change in the Scottish rural economy. The rural economy is often equated with agriculture, forestry and fishing but, while this sector remains important for many areas, it no longer represents the major component of the economy. Recent Scottish Government research\textsuperscript{104} has found that the contribution of agriculture, forestry and fishing to the GVA of Scotland’s Local Authority areas varies from 4\% for ‘islands and remote rural’ Authorities and 3\% for ‘mainly rural’ Authorities to 1\% in ‘urban with substantial rural’ Authorities. These are averages for different classes of Local Authority, and the range for individual Local Authorities is from 1\% to 8\%.

Services have come to dominate: public administration, education and health contributes 21-27\% of GVA to the economies of rural Local Authorities or urban Authorities with substantial rural areas. Distribution, transport, accommodation and food contributes 20-21\%. Manufacturing contributes 8-15\%. Real estate contributes 10-12\%. Construction and Business services both contribute 7-9\%. Mining, quarrying and utilities contributes 4-7\%. Other services and household activities contribute 4\%. Information and communications contributes 2-3\%. Finance contributes 1-3\%.

In terms of employment\textsuperscript{105}, public administration, health and education employ 29-33\% in rural Local Authorities or urban Authorities with substantial rural areas ‘urban with substantial rural’ areas. The distribution, hotels and restaurants sector employs 16-20\%. Banking and finance employ 11-16\%. Transport and communication employ

\textsuperscript{104} Kleinert et al. 2018, pp. 13-18  
\textsuperscript{105} Kleinert et al. 2018, p.31
8-9%. Manufacturing employs 7-9%. Construction employs 7%-8%. Agriculture, forestry and fishing employ 1-8%. Energy and water employ 6%.

The economy of Sparsely Populated Areas is broadly similar to that in rural and small town Scotland more widely. The services sector is the most important part of the economy at 73% of overall employment; the secondary industries account for 17% and the primary industries 10%106. Within the SPA, the service economy has a particular emphasis on accommodation and food services, which employs over 11% of the workforce. This pattern is likely to be linked to a relatively higher dependence on tourism in SPAs. Traditional land-based industries are more important as employers in the SPAs, and particularly in the Northern Isles and in Southern Scotland, although employment in these industries has fallen significantly both in the SPA and in other rural areas and small towns over the last 20 years or so.

Unemployment is lower in rural than in urban Scotland, and employment and activity rates are higher107. Overall, remote rural areas perform better than accessible rural areas, which in turn perform better than urban areas. It is not clear whether this represents a better-performing labour market in remote areas, or the result of out-migration from these areas of those would otherwise be unemployed, or both.

Part time employment and self-employment are more common in rural than in urban areas108. In remote rural areas, 25% of the workforce are self-employed, which compares with 18% in accessible rural areas and 11% for the rest of Scotland. One third of the workforce is working part-time in their main job in remote rural areas, 28% in accessible rural and 26% in the rest of Scotland. Home working is more prevalent in rural areas, with 27% of the workforce being home workers in remote areas, 19% in accessible areas and 10% in the rest of Scotland.

It may be that the higher employment rates in remote areas are being supported by greater employment in agriculture, forestry and fishing, but in lower-paying jobs. The characteristics of farm labour are changing, and there are variations in this. There are large differences in the rate of change in casual and seasonal staff use within and outside of the SPAs, for example, and the slower rate of change in agriculture within the SPAs could be a result of relatively poor access to other employment opportunities109.

Small businesses are relatively more prevalent as employers in rural areas, with 68% of private sector employees in remote areas working for small businesses and 54% in accessible areas, compared to 32% in the rest of Scotland110. This difference was flagged up by respondents to the recent National Council of Rural Advisors' consultation, who asked that consideration be given to the distinctive features of the rural economy such as the prevalence of micro and small businesses, and the seasonal

106 Hopkins & Copus 2018e, pp.1, 7-8, 19
107 Kleinert et al. 2018, pp.4, 26-7
108 Kleinert et al. 2018, pp.4, 33
109 Hopkins & Copus 2018e, p.1
110 Kleinert et al. 2018, p.4
nature of the economy\textsuperscript{111}. This seasonality results in a need for rural businesses to diversify in order to survive\textsuperscript{112}.

Those living in accessible rural areas have the highest average incomes in Scotland, while those living in remote areas have the lowest\textsuperscript{113}. This is partly to be explained by the proximity of accessible areas to urban centres, and to the presence of higher income commuters in accessible areas. Commuting from accessible rural areas has become more common as the structure of the economy has changed and workplaces have increasingly become disconnected from residential locations\textsuperscript{114}. Low incomes in remote areas, combined with additional costs for food, fuel and other goods, can lead to a lower standard of living, with income needing to be between 10% and a third higher in remote areas to achieve the equivalent standard of living\textsuperscript{115}.

There is variation in the economic characteristics of localities within remoter rural areas. For example, median incomes for some Sparsely Populated Areas are lower than for others, with higher median incomes in the Northern Isles and the south and east Highlands, potentially as a result of the presence of the oil and gas industry and of easier access to large cities and tourism\textsuperscript{116}.

Whilst there is higher level of commuting in rural areas in close proximity to urban areas, Sparsely Populated Areas also show net out-commuting, which is strongest in the sparsely populated parts of the Northern and Western Isles (probably as a result of the presence of the central towns of Kirkwall, Lerwick and Stornoway) and in the Southern Uplands and the South and East Highlands (which are relatively accessible to areas with a high volume of employment)\textsuperscript{117}.

It seems, therefore, that those remote and Sparsely Populated Areas that are more distant than other Remote areas and SPAs from cities and major towns, concentrated tourist markets and other economic opportunities have lower median incomes, as well as higher rates of unemployment\textsuperscript{118}.

There is also geographical variation in terms of the gender pay gap, which is 14\% in accessible areas and 17\% in remote areas and in the rest of Scotland. Women working in remote rural areas have the lowest overall annual median income, at £23,941. It is not clear what drives this\textsuperscript{119}. Restricted employment opportunities were listed among the main challenges for women in rural areas during the stakeholder engagement process recently undertaken by the National Council of Rural Advisors\textsuperscript{120}. One of the factors identified in this is a mismatch between the skill sets of many women and the skill sets required for the jobs available in rural areas. A recent study for Highlands & Islands Enterprise also found that gender inequalities in employment and pay affect

\textsuperscript{111} The Lines Between 2018b, p.5  
\textsuperscript{112} The Lines Between 2018a, p.13  
\textsuperscript{113} Hopkins & Copus 2018b, p.27  
\textsuperscript{114} Copus 2018b, pp.1-2  
\textsuperscript{115} Kleinert \textit{et al.} 2018, p.42  
\textsuperscript{116} Hopkins & Copus 2018b, p.26-7  
\textsuperscript{117} Hopkins & Copus 2018e, pp. 10-11  
\textsuperscript{118} Hopkins & Copus 2018b, p.27-32  
\textsuperscript{119} Kleinert \textit{et al.} 2018, p.43  
\textsuperscript{120} The Lines Between 2018c, p.2
most age groups in the region, except amongst 16-24 year olds – the evidence suggests that women become disengaged from the labour market as they get older\textsuperscript{121}. This study also found that women in the Highlands & Islands are more likely to work part-time than men and than women in Scotland as a whole, and they are more likely to be unemployed or economically inactive. The research found that the gender pay gap is greater in the Highlands & Islands than the Scottish average. It linked these patterns to the greater caring and family responsibilities taken on by women, and to structural barriers such as limited childcare provision, poor transport and a lack of access to training.

The above changes in the Scottish rural economy reflect wider trends across western Europe, where “economies … have moved away from exploiting natural resources and manufacturing, towards service activities whose key requirements are human capital and information”\textsuperscript{122}. At European level, it has been recognised that islands, mountainous, sparsely-populated and coastal regions face specific challenges including low levels of economic diversification, small-scale economic activities and limited added value, with natural resources being exported unprocessed\textsuperscript{123}. These factors limit the economic resilience of such areas. Such areas also often have an insufficiently diverse labour market with limited employment opportunities, for women for example (with resulting gender inequalities). Islands, sparsely-populated areas and mountainous areas also face challenges of accessibility, connectivity and the cost of living that, together with a weaker economic base, can lead to emigration and the out-migration of higher skilled and qualified people.

5.4 The ‘Live-ability’ of Rural Areas

“People’s experience of the ‘live-ability’ of a place is important – this means the services that are needed to make a place viable, to maintain community life.” (Jonathan Hopkins, Research Scientist, James Hutton Institute)

This comment from an interviewee sums up another major area of challenge identified by participants in the research.

“There is a double trend of local authorities cutting services and communities resurrecting them. We need to combat the ongoing centralisation of services.” (Jon Hollingdale, Chief Executive, Community Woodlands)

“Having access to essential services is problematic …. Waste and recycling are difficult for islands due to the distance to services for processing this …. There is a problem of social care, particularly for the elderly …. A lot of islands are unhappy about their elderly having to leave for care homes on the mainland. More could be done to allow people to stay at home when elderly or ill …. There is a wide disparity in rural areas around the availability of schools, which are often also ‘connecting places’ within communities ….” (Camille Dressler, Chair, Scottish Islands Federation)

\textsuperscript{121} Ekosgen 2017
\textsuperscript{122} Copus 2018b, p.1
\textsuperscript{123} ESPON 2017a
“There may be a case in trying to … encourage more rural communities to undertake their own service provision …. Rural communities rely on complex but fragile infrastructure. If someone moves away, who comes in to fill that role?” (David Wood, Planning & Policy Manager, PAS)

“The issue of remoteness is vital …. There is a real issue about how people access public services. One of the most striking things that comes up in community surveys is the need for different models of care, a lot of which can be done at community level – children, the elderly, those with special needs and so on. But this is not being enabled, in terms of shifting resources to match aspirations for example …. We need to build a place around what people need.” (Ian Cooke, Director, Development Trusts Association Scotland)

“Cost of living challenges apply [on the islands], and proximity to services can be an issue – although not to say that they don’t happen on the mainland. One issue that may be similar in a lot of remote rural settlements is in recruiting and maintaining a skilled workforce especially in areas such as healthcare and local government. Travel distances to services can be considerable in remote rural locations, access to services are impacted upon by public transport timetables and that includes ferries and planes as well as buses and trains… The cost of living is a contributing factor to rural poverty, fuel poverty is an increased issue in remote and island communities.” (Suzanne Shearer, Development Planning Sub-Committee Chair, Heads of Planning Scotland)

Based on these interview comments, we can define the challenge of the ‘live-ability’ of rural areas in terms of access to a range of public and other services, the strength of community support networks and social bonds, and the cost of living.

Individuals and organisations responding to the survey similarly identified issues around access to services including schools and education, health and social care, shops, banking, post offices and garages/fuel stations. Most survey participants stated that such issues affect all rural areas. However, four organisations consider that they are most relevant in particular types of area, including remote areas, sparsely-populated areas and areas under pressure of urban expansion. One individual highlighted the particular challenges in Sparsely Populated Areas, and another individual highlighted the challenge of accessing services in rural areas under pressure from development, where a rising population puts pressure on existing services.

Some organisations identified negative trends in the provision of services. For example, Strathard Community Council mentioned “Cuts to rural services as austerity forces a continued centralisation of services. Pressure on services as a result of ‘urbanisation’ of areas close to towns and cities.” Two individuals highlighted austerity as a problem in terms of its impacts on rural communities.

Alongside access to services, survey participants highlighted challenges associated with heating, fuel and energy costs and with fuel poverty. Three individuals highlighted these challenges as applying to all rural areas; two individuals consider them to be particularly relevant in island, remote and fragile areas. Two organisations also raised these issues. Other costs of living, including higher delivery charges, were identified by two individual survey participants.
The Strathard Community Trust identified social isolation as a challenge affecting all rural areas. RTPI Scotland flagged up issues relating to community capacity and to mental health and wellbeing, and Historic Environment Scotland also identified health and wellbeing issues as a concern.

Similar issues come through in the literature. Responses to the National Council of Rural Advisors’ national consultation repeatedly noted challenges relating to: the availability of childcare and of healthcare services, including inadequate provision of carers; parity of costs such as fuel/heating costs and delivery costs/charges; declining high street services such as post offices and banks, and; declining resources for community spaces that support recreation and connectedness. Some participants in this consultation considered that access issues are important for tackling exclusion and inequality.

Participants in the workshops run by the NCRA identified access to childcare as one of the main challenges facing women in rural areas and also for older people (who are increasingly performing caring and childcare roles). Older people also experience particular challenges relating to the closure of public and community services, including local libraries and community centres, and high fuel costs. Higher costs of living associated with food, housing, delivery charges, energy and transport, and the closure of banks and post offices, are issues for lower-income households.

More generally, NCRA workshop participants “felt that good quality local services are crucial to the success of rural communities; stressing their ability to attract new residents to the area and help ensure current communities stay. They stressed the importance of ongoing investment to maintain and improve them, something which they felt was currently lacking.” They also “talked of how a vibrant culture in rural communities can help drive business development and employment, as well as the retention of residents.”

The challenge of ensuring that “all the mix of services and life are kept in communities” was discussed at the 2016 Scottish Rural Parliament, as was equal access to support and services for people with disabilities. The manifesto approved by that year’s Rural Parliament highlighted concerns over education, health and social services, higher costs of living and fuel poverty, and also the “pressing and growing need to develop the capacity of some communities who are finding it harder to lead with confidence”.

Participants in a workshop on NPF4/SPP at the 2018 Rural Parliament identified challenges around health and wellbeing, the ability for older people to stay in their community and the provision of community spaces and venues. Uncertainties over service delivery was also identified at a Rural Planning Summit in September 2018.

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124 The Lines Between 2018b, p.17
125 The Lines Between 2018b, p.20
126 The Lines Between 2018c, pp.1-5
127 The Lines Between 2018a, p.10
128 The Lines Between 2018a, p.32
129 Connecting Scotland 2016, p.5-6
130 Scottish Rural Action 2016
131 Summary note of Workshop on Rural Scotland: Planning for 2050 provided by Scottish Government
chaired by Fergus Ewing MSP, Cabinet Secretary for the Rural Economy, and Kevin Stewart MSP, Minister for Local government, Housing and Planning132.

As Currie has recently put it, the evidence is that “Service delivery in rural areas has distinct challenges to urban areas and for at least seventy years, the underlying trend for rural service provision has been one of decline”133.

Employment figures for the service industry indicate that some services are becoming centralised, and this may reflect the impacts of austerity policies and demographic changes134. This comes on top of other challenges to the delivery and maintenance of services in rural areas, including the greater distances travelled in accessing or delivering services, difficult terrain and weather conditions, low population numbers and densities, ageing populations with proportionately more older people who are more likely to develop long-term health conditions and who may be less able to access help from family members due to their rural location, fewer service providers and challenges recruiting and retaining skilled staff135.

The lack of access to services in many rural areas can increase the cost of living and also cause disadvantage by not allowing people to participate fully in society136. In comparison to those living in urban areas, rural communities can have greater responsibility placed on them to address their service challenges themselves, and this can result in inequalities because communities have different capacity to respond.

The severity and nature of the challenges varies from one type of rural area to another. For example, 91% of people in remote rural areas live within a 15 minute drive time to a GP, compared with 99% in accessible rural areas and 100% of the population in the rest of Scotland. 58% of people in remote areas live within a 15 minute drive time to a secondary school, compared with 92% in accessible areas and 100% in the rest of Scotland137.

In remote rural areas of Scotland, the budget required by a household to achieve a minimum acceptable standard of living is typically between a tenth and a third higher than in urban parts of the UK, and it can be higher still for those in remote island locations138. The additional costs relate to travel, heating, and paying for goods and their delivery. The higher costs are greatest for single people and families with dependent children, but they affect others too. These costs are “making it harder for people of different ages, and across a range of backgrounds to live in rural communities in Scotland, thus threatening their sustainability”139.

Compared to other rural areas, Sparsely Populated Areas have experienced a more significant fall in employment in the education, public administration, defence and

132 Summary note of Rural Planning Summit provided by Scottish Government
133 Currie 2017, p.2
134 Hopkins & Copus 2018e
135 Currie 2017, pp.3-4
136 Currie 2017, p.3
137 Kleinert 2018, p.44
138 Highlands & Islands Enterprise 2016, pp.1, 3
139 Highlands & Islands Enterprise 2016, p.2
compulsory social security sectors in recent years\textsuperscript{140}. The challenge of delivering public and private services in Sparsely Populated Areas has intensified in recent years, due to public sector spending constraints and technological developments, which have affected provision arrangements and people’s expectations with regard to services\textsuperscript{141}. Community leaders and service providers have indicated that the three main challenges for service provision are the dispersed and diverse geography of these areas, demographic imbalances and growing financial constraints\textsuperscript{142}. These stakeholders have identified a wide range of services that are relevant, but noted that childcare, primary and secondary education, primary health care and care for the elderly are particularly sensitive to population change\textsuperscript{143}. Islands face additional challenges due to their reliance on air and ferry links and the consequences for the cost, capacity, frequency and reliability of services\textsuperscript{144}.

Analyzing the trends in these key sectors, and of broader stakeholder input, suggests that it is helpful to distinguish SPAs from other rural areas in this context, to identify issues that are masked by broader-brush rural typologies, and it also reveals important variations between the different sub-regions of the Scottish Sparsely Populated Area, suggesting that it is important to recognize heterogeneity within the SPA\textsuperscript{145}.

5.5 Climate Change and Conservation

Climate change was identified as a key challenge by some individuals and some community organizations, businesses and heritage and environment NGOs who responded to the survey. Most of these participants identified climate change as a general concern affecting all rural areas, with potential consequences including changes in land management and impacts on the viability of agriculture, impacts resulting from the increased incidence of extreme weather events such as flooding, and increased resource scarcity and growing social injustice.

Some interviewees – representing the community sector, landed estates and natural and built environment organizations – also raised climate change as a key challenge. Their comments, together with an extensive survey response on this topic from Historic Houses, provide greater insight into concerns regarding the potential impacts of climate change on rural communities, businesses and places in Scotland.

Most interviewees focused on responses to climate change and the changes that those responses will bring about, rather than the direct impacts of climate change itself. One main thread running through the comments is that action must be taken to address climate change, but that this needs to be done in ways that support rather than further undermine the sustainability of communities and businesses.

Euan Leitch, the Director of Built Environment Forum Scotland, emphasized that there is a need to “focus on the right issues” when it comes to addressing climate change, namely ‘carbon issues’ and carbon footprint reduction. He also noted that it is important

\textsuperscript{140} Hopkins & Copus 2018e, pp.1, 12, 28-9
\textsuperscript{141} Wilson & Copus 2018a, p.3
\textsuperscript{142} Wilson & Copus 2018a, p.4
\textsuperscript{143} Wilson & Copus 2018a, pp.12-15; Wilson & Copus 2018b
\textsuperscript{144} Wilson & Copus 2018a, p.5
\textsuperscript{145} Wilson & Copus 2018a, p.8; 2018b, p.32
to consider the link between environmental sustainability and sustaining the population in rural areas:

“For example, if carbon accounting is done on an individual basis, and you have so much to spend, a big part of this could be transport. There is potential for this to discriminate against those in more remote areas, where there might be higher carbon costs for travelling to access services or for delivering services to them. The question is how you would mitigate any prejudices arising from greater carbon costs and that might make living in these areas unsustainable.”

Jon Hollingdale, Chief Executive of the Community Woodlands Association commented:

“The recent Net Zero report suggests that there has to be quite fundamental changes in land use to achieve this goal. This is a challenge for rural communities, especially if not properly resourced.”

Expanding on this, he noted that accounting for carbon costs could be a real challenge for rural communities and that developments of a number of different kinds would be needed in order to address this, including changes to housing, domestic heating, digital connectivity, transport and more general changes to lifestyle.

In their survey response, Historic Houses identified the threat of climate change to the fabric of heritage assets and commented:

“Aside from the general challenges of climate change, there is the more specific challenge of energy efficiency adaptations. While there have been significant steps in the development of technology which can make buildings more energy efficient, the majority of this technology, and the measures proposed to measure carbon usage, have been designed for new-builds. Historic buildings have specific needs which must be taken into account …. sensitive and appropriate [energy efficiency] measures are prohibitively expensive for many owners of listed buildings, who cannot install double glazing and insulation without causing serious harm to the historic fabric.”

Several interviewees raised nature, historic environment and landscape conservation alongside climate change and the sustainability of rural communities, considering these as a trio of key challenges that need to be addressed together:

“There is also the question of balancing the interests of local communities with the historic and natural environment. For instance, there are issues around the insulation of historic buildings and how to manage the balance between conservation and the need to address fuel poverty. There are also tensions around renewables … between landscape issues and the climate emergency.” (Euan Leitch, Director, Built Environment Forum Scotland)

“There is a particular need to ensure that developments are ecologically coherent. They need to meet the three priorities of addressing climate change, biodiversity loss and the needs of rural communities. The role of planning is to balance between these three priorities so that we can make progress on all fronts. Ecological coherence means not just ensuring that development is not environmentally damaging, but that
it brings about positive environmental change .... Often development is seen as in conflict with the environment, but we don't have the luxury for that now .... It is in rural areas that the environmental challenges – and opportunities – will be greatest. Rural communities will be in the vanguard.” (Deborah Long, Chief Officer, Scottish Environment LINK)

The survey responses also evidence concern in relation to conservation issues. Three individuals commented on this, identifying the conservation of Scotland’s natural beauty and amenity as a goal and a challenge, and the need to “keep key habitats from declining further” (anonymous).

Six organisations identified conservation as a challenge in their survey responses. Most identified this as a challenge affecting all rural areas. Some of the survey responses by organisations identify landscape or natural beauty & amenity conservation as a key concern, sometimes in conjunction with tackling climate change and biodiversity loss:

“Protecting valued landscapes from inappropriate development such as housing in Green Belts or wind turbines in Wild Land Areas. Reconciling need to tackle climate change with importance of protecting valued landscapes. Accepting that tourism is the biggest economic driver in rural Scotland, not agriculture, fishing, forestry or field sports. Adjusting to likely decline in subsidies for traditional rural industries. Growth in cross-compliance requirements for subsidies i.e. demonstrating provision of public goods such as landscape enhancement, biodiversity protection and climate change adaptation in addition to food and timber production.” (The Association for the Protection of Rural Scotland (APRS))

RSPB Scotland highlighted the challenge of nature conservation:

“Rural areas of Scotland contain some of our highest quality natural environments. They also contain the most environmentally sensitive areas and development therefore requires careful planning and management .... There are many competing pressures on land use in rural areas … and a balancing-act is required in order to ensure that the natural environment is protected, and to mitigate and adapt to climate change. In order to maintain the quality of Scotland’s rural environment, to ensure not only communities and businesses but also biodiversity thrive, an ecosystem approach should be taken and this should incorporate greater effort for nature conservation following the Lawton principles …. Halting the loss of biodiversity and the degradation of ecosystem services must be central to how Scotland uses and manages land, and how rural communities develop in future.” (RSPB Scotland)

With particular reference to woodlands, Woodland Trust Scotland commented:

“rural businesses such as forestry, food and drink industry, tourism are underpinned by a high quality of the environment. Therefore ... environmental performance is just as, or even more important than economic and social performance .... The Woodland Trust would like to see any further proposed development in NPF4 as having no negative impact on areas of ancient woodland. These areas are irreplaceable and some of the most important for our biodiversity .... As land owners ourselves we ... are increasingly concerned with development proposals which may have negative impacts on some of the sites which we own. Such developments threaten the quality of the environment on which our work depends on. The sites we
own … offer excellent opportunities for the environment, communities, and tourists alike. These opportunities are economic opportunities through employment, social through offering spaces for recreation, public volunteering opportunities, and environmental protection and enhancement. The policy principles concerned with the promotion of rural development currently in the NPF 3 are good and we welcome the inclusion of environmental protection and enhancement as part of rural development. In this respect a net gain for biodiversity system could be implemented in the planning system." (Woodland Trust Scotland)

Historic Houses focused on issues relating to the conservation of historic buildings:

“Historic Houses member properties work hard to ensure their heritage assets are economically viable …. For these important parts of Scotland’s heritage to be successful, they need a planning framework that balances sensible heritage protection with the needs of active conservation (the sensitive management of change) and that is not focused solely on preservation …. generating revenue to cover the repair and maintenance of independently owned listed buildings such as Historic Houses places is an increasingly challenging task …. If the barriers to making rural heritage and tourism businesses successful are not addressed, then there is a real risk in the future that nationally important buildings might be lost.” (Historic Houses)

The issues raised by interviewees and survey participants reflect wider understanding of the challenges of climate change and conservation as they relate to rural areas.

At the European level, for example, it has been recognised that some types of rural area are “particularly exposed to impacts of climate change … having very direct economic and environmental effects (e.g. low altitude ski resorts are shut down … additional risks to agriculture and forestry that are very climate-dependent, ecosystem disturbances such as new pests in forests...”)146.

Also at European level, environmental preservation and protection and the enhancement of cultural and natural heritage have been identified as a particular challenge in mountainous, island and sparsely-populated regions, in response to changes driven by climate change and to the pressures of tourism, especially mass tourism147. The nature of the challenge differs from one type of region to another, and across different parts of Europe.

The OECD have identified ‘climate change and environmental pressures’ as one of six ‘mega trends’ that will influence the development of rural areas148. Noting the UN Paris Agreement goal of limiting temperature increases to 1.5 C above pre-industrial levels, and also anticipated pressures on the local environment and on natural resources in rural areas arising from climate change, population growth and development, they

146 ESPON 2017a, p.6
147 Carbone 2018
148 OECD 2018, pp.6-7
identify a need for more efficient resource use, the reduction of carbon emissions and of waste. They argue that:

“Rural regions will be central to harnessing the major global opportunities and meeting the challenges of the 21st century. Rural areas provide valuable eco-system services (e.g. purification of air and water, biodiversity, groundwater recharge, greenhouse gas mitigation) to mitigate and adapt to climate change. New energy sources will need to be developed to meet our climate challenge, too. Productivity and innovation in food production will be needed ... and raw materials will be needed to enable the next production revolution. Trade in food and agriculture, mining and resources, forestry, and tourism has always driven the prosperity of rural people; with an increasingly interconnected world, these strengths will be the basis for new products and services to generate rural prosperity and well-being.”

5.6 The Administrative, Policy and Fiscal Environment

Participants in the survey raised a range of challenges relating to the current policy, fiscal and administrative environment, or to anticipated changes in that environment.

The issues raised include the UK’s exit from the European Union, which was identified as a challenge affecting all rural areas by organisations in the community, public, private and charitable sectors. Specific concerns include the impact of leaving the EU on agriculture and inshore fisheries, on employment in those sectors, on the availability of labour and on population levels. Concern was expressed about uncertainty over the future of financial support for rural development and agriculture and over future policies in areas for which the EU currently has a remit.

Similar issues have been identified through workshops run by the National Council of Rural Advisors, and through recent research by the James Hutton Institute, which has concluded that “the policy climate has become far more uncertain for all regions after Brexit ... [and] in remote regions of Scotland, leaving the European Union is likely to exacerbate declines in agriculture and land management and lead to further adverse effects on the economy and public goods”.

Twelve individual survey participants raised issues relating to the planning system, with most saying these issues affect all rural areas and some stating that they are particularly relevant for remote areas, areas “designated for urban expansion”, islands, coastal areas and “areas hard to reach by road”.

The specific issues raised by these individuals include the need for greater empowerment of communities, equal rights of appeal for communities and the costs for communities of participating in the planning process. They include a perceived need for greater consistency in policy between different planning authorities, and the desire for greater flexibility in the application of policies in order to support the development of businesses and others. Some survey participants questioned the ‘mindset’ of planning.

149 OECD 2018, p.10
150 The Lines Between 2018a, pp.16, 31
151 Hopkins & Copus 2018e, p.3
policy, arguing that policies have an “urban approach”, see rural areas as places to be protected from development rather than as places where development should be supported, do not sufficiently take into account the needs of rural communities and are also “not keeping up with the new eco sustainable trends”. Housing policies were identified as a particular concern.

Twenty-one organisations identified challenges relating to the current or emerging policy framework and related systems. These organisations include a number of public bodies, businesses, community organisations and associations and environment and heritage NGOs. The challenges they identified include that policy is generally perceived to lack a sufficient rural perspective and is driven by “national agendas” rather than by the needs and distinctive characteristics of Scotland’s diverse rural areas. For example:

“Central to overcoming [the various challenges facing rural areas] is the ability to shape rural development policy which recognises the unique circumstances and sets out an aspirational planning vision for rural Scotland. It is our view that such a vision should include the following sentiment: ‘Rural Scotland should be a diverse place where tradition and innovation coexist. To realise prosperous and thriving rural communities, planning authorities should adopt a flexible approach to enabling appropriate development that encourages more people to live and work there – maintaining a sustainable countryside.’ ‘Scotland’s rural resources have significant and long-term potential as places to live and work. Planning must enable this potential to be realised by working collaboratively across all sectors and delivering the high-quality development that meets the unique requirements of each area.’” (Scottish Land & Estates)

“There needs to be a positive narrative around the contribution that rural Scotland’s communities make to the wellbeing of the nation as a whole.” (Dr Calum MacLeod Policy Director, Community Land Scotland)

“Public policy is still largely responding to, rather than leading, the market forces affecting rural Scotland, and is attempting to do so without a clearly developed rural policy (e.g. Norwegian trend to maintaining populations in less accessible areas, compared to Swedish approach of accepting population concentrations). This is evident in current discussions on post-Brexit agricultural/forestry where there isn’t an over-arching framework to build on.” (The National Trust for Scotland)

“Local Authorities who cover urban and rural areas need to move away from town centre priorities …” (Northern Corridor Community Volunteers)

“It is vital that the rural, and remote fragile areas are seen as an integral part of Planning Policy nationwide, not merely as an aside …” (Sebastian Tombs, Chair, Lismore Community Trust)

The resourcing of planning departments was also raised as a concern, as was the challenge of achieving good community and stakeholder participation in planning processes. Equal rights of appeal were, again, raised as a specific concern.

“We believe that greater engagement with communities on decisions relating to land-use is necessary to generate positive changes for rural communities and businesses.” (Scottish Land Commission)
Specific financial challenges were noted, including non-domestic rates, a potential ‘tourism tax’ and the ways in which grant and subsidy funds are directed towards agriculture but not to other areas of the rural economy.

A number of our interviewees made comments that chime with the survey results, with a focus on the three issues of an insufficient and inaccurate rural emphasis in policy, on participation in planning and on the links between planning and other policy areas.

On the first issue of how ‘rural’ is dealt with in policy, several community sector interviewees commented that rural business is often equated predominantly with farming, which does not reflect the current place of agriculture in the rural economy. Echoing some of the survey responses, they also argued that planning has an urban focus and mindset, treating rural areas as leisure grounds for urban populations, for example. As a result:

“There has been a loss of confidence in the process, and its disconnected from the issues people face …” (Angus Hardie, Director, Scottish Community Alliance)

Public sector interviewees raised similar concerns:

“There is too much of a focus on urban-led policy initiatives. Everything seems to be focused on landscapes not people.” (Prof. Russell Griggs, Chair, South of Scotland Economic Partnership)

“National planning policies look at a more urban land use pattern. In rural areas the quantity of available land can be greater but pressure for development is much less, also a significant percentage of housing is delivered via windfall… these factors all contribute to different issues in securing an effective land supply to those in more urban areas. Perhaps National Planning Policy could acknowledge this reality more.” (Suzanne Shearer, Development Planning Sub-Committee Chair, Heads of Planning Scotland)

“Planning has, over the last 50 years, operated on the basis of a default assumption that its approach to rural areas should be a reactive and protectionist one. This has begun to change with a shift to planning having a more proactive role, but this is an ongoing process.” (Hamish Trench, Chief Executive, Scottish Land Commission)

“Scotland is missing out on the economic and environmental impact that rural Scotland can deliver. A missed opportunity. Its not just about overcoming challenges in rural areas, but about taking opportunities that will deliver benefits, not just for rural areas but for Scotland as a whole…. we have such a divide between rural and urban areas. Its about appreciating what rural has to contribute.” (Alison Milne, co-Chair, National Council of Rural Advisors)

A number of interviewees in the community sector commented on the state of participation in the planning process. Comments included that communities feel remote from the planning system and disenfranchised, with little or no opportunity to contribute to policy making and difficulties participating in particular planning decisions. The highly technical nature of planning is perceived as a barrier to engagement with the system, and differences in the financial resources and rights of appeal of developers and communities were raised as a concern.
“One believes people get into planning to make things better, but communities do not necessarily share that vision of better …. Communities might be ambitious regarding the future of their places and planning seems like an obstruction to realising that vision …. We need to look at things from a human rights point of view and equity. Planning policy is not engaging with the human rights discussion and this is a wasted opportunity.” (Amanda Burgauer, Chair, Scottish Rural Action)

A broad range of interviewees – from the community, public and private sectors and from environmental NGOs – argued that planning should have the purpose of helping to deliver on wider societal goals; it is felt that planning is not performing this role adequately because it is not sufficiently connected to those wider agendas. Land reform, improvements in local governance, inclusive growth, environmental enhancement and responding to climate change were all raised as examples of the wider goals that planning should help to achieve. A number of interviewees emphasised that, because planning concerns the development and use of land, it intersects with many different social, economic and environmental issues:

“The connection between planning policy and land reform is that planning policy is about land use. A helpful definition of land reform is given in the Land Reform Review Group report of 2014, which defines land reform as measures that influence land ownership and use. So, planning policy is land reform policy (potentially) because it influences land use.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“At the moment, planning deals with some types of land use change but not others. Some types of change (e.g. forestry, land management decisions) don’t come under the planning system. In the long-term, we could reconsider the scope of the planning system in terms of the kinds of land use decisions it covers but, in the more immediate term …. there is an opportunity to at least connect with [these wider land use decisions] through development planning (as opposed to development management) …. Planning should be proactive in setting out what should happen. Planning has tended to take a ‘policy approach’ – meaning that the focus has been on defining in general terms what is and is not acceptable – rather than a pro-active approach of setting out what should happen. National policy and the national framework should set out an expectation regarding the pro-active approach to rural planning that then needs to filter down to local/regional level, where this approach makes most sense.” (Hamish Trench, Chief Executive, Scottish Land Commission)

“We are missing an effective land use strategy at national level and also regional land use strategies/plans …. The planning system is one way we can deliver on wider goals, deciding how and where they should be addressed …. We have not been able to persuade planners of the importance of ecological coherence and of ecosystem services. And ecosystem thinking is not just about the natural but about the ‘built’ as well, the different elements of the system that need to function together in social and economic terms for communities.” (Deborah Long, Chief Officer, Scottish Environment LINK)
These comments echo contributions to the recent national consultation run by the National Council of Rural Advisors, which called for more holistic approaches to planning and greater recognition of rural needs in planning policies and processes\textsuperscript{152}.

All of this evidence echoes a point made by the OECD in its 2008 review of rural policy in Scotland – that Scotland’s rural policy was, at that time, organised within a set of sectoral silos, with a particular emphasis on agriculture and the environment, and it was weakly integrated with wider policy\textsuperscript{153}.

### 5.7 Supply of Land

Participants in the research identified the limited availability of land as a structural barrier to the development that is needed to address the other major challenges outlined above.

Land ownership and availability issues were raised in the survey by 4 individuals and by a range of organisations including community organisations and associations, businesses, public bodies and conservation and outdoor recreation charities.

Most of these organisations raised the availability of land as a challenge and they considered that this challenge affects all rural areas in Scotland. Some organisations also raised similar issues as an opportunity (e.g. identifying the opportunities that stem from community ownership of land); most stated that this opportunity is open to all rural areas, although some emphasised that the opportunity is particular important for remote areas.

One survey participant – Andrew Bradford of Kincardine Estate – commented that:

“land reform ... to some [extent] will be achieved by the fragmentation of large estates. This will be a catastrophe as estates are the major providers of affordable rural rented housing, start-up units, and are often major rural investors bringing in capital from outside rural Scotland to support rural jobs.”

However, the comments of the other participants either explicitly advocated land reform or implied support for reform.

The concentration of land ownership in Scotland was identified as a particular challenge and this was linked with a lack of availability of land for particular kinds of development, such as affordable housing, business facilities and woodlands, or for socially and economically sustainable development more generally. Crofting tenure was also identified as creating difficulties in accessing land for development, as was the lack of clear information about who owns the land.

Adding to the survey results, a number of interviewees raised access to land as a particularly important issue. Some focused on questions of ownership. For instance:

“the combination of land and planning often combine to restrict opportunities. The combination of too few land owners having too few housing sites is not healthy for communities.” (Ronnie MacRae, Chief Executive Officer of the Highland Small Communities Housing Trust)

\textsuperscript{152} The Lines Between 2018b, pp.5, 15
\textsuperscript{153} Copus, A. 2018b, p.10; see also Hopkins, J. & Copus, A. 2018e, p.3
“Where you have a landowner controlling a large area of land, they are a de facto planning authority …. Communities can be ‘land-locked’ by a single landlord. The landowner will not release land, for affordable housing for example.” (Ian Cooke, Director, Development Trusts Association Scotland)

“an unwillingness to sell or lease land to new farming entrants is stifling growth of the sector. There is a perception that professional advice to landowners is to sit on land, as to engage into any new leasing arrangements is to open the landowner to unnecessary risk.” (Gemma Cooper, Head of Policy Team, NFU Scotland)

“On Eigg, we can provide land for equity sites, for low-cost, self-build. But this is not possible everywhere. The cost of land, the availability of land is crucial. If the cost of the plot is already high, then the cost of the house will be high. Community owners can also retain ownership, which discourages speculation …. There is often no way of accessing land to increase the housing stock. Land is restricted and tends to be held by one landowner.” (Camille Dressler, Chair, Scottish Islands Federation)

“Land availability is a fundamental issue in all of this. Land is the fundamental resource in enabling or not sustainable outcomes to happen. There is a central issue there in terms of the ownership of land and the use of land is one of monopolies. Landowners acting as de facto planning authorities …. A more diversified pattern of landownership has implications in terms of land use and having a more sustainable use of land.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

In making the above points, Dr MacLeod referred to a recent report by the Scottish Land Commission to Scottish Ministers, on the scale and concentration of land ownership. This report concludes that the “concentration of land ownership has a direct influence on the public interest with potential adverse consequences through the exercise of market and social power and this is amplified by large scale ownership”, and that “there is evidence of the adverse effects of excessively concentrated market and social power being realised and causing significant detriment to the communities affected”154.

In his interview, Dr MacLeod also looked beyond questions of ownership to make a link between the availability of land and planning policy:

“People conflate land reform with land ownership issues alone, but it is about both ownership and use, and these two things are linked. So, we shouldn’t separate planning policy from the rest. The planning system needs to be nested within this broader land reform frame.”

The link between planning and the availability of land was a thread in other interviews too. For example, Jon Hollingdale, Chief Executive of the Community Woodlands Association stated that:

“Communities that want to buy land have to buy out all the additional values that have been placed on land …. Is planning policy a driver of the poor availability of land? Yes, specifically in relation to land for housing. The system is creating

154 Scottish Land Commission 2019, p.2
shortages of housing. Those shortages are welcome for some because they keep house prices high – limiting supply is beneficial to some. Planning helps to drive this because it works on the basis of restricting housing.”

Hamish Trench, Chief Executive of the Scottish Land Commission argued:

“There needs to be a more proactive approach to land allocation in rural areas, moving beyond simply responding to private proposals. We need to move beyond the traditional ‘call for sites’, turning this into a much more pro-active approach, such as we’ve seen recently in the National Parks. NPF/SPP can make land allocation more proactive, guided by the public interest, creating a framework that sets the expectation for the approach to be taken in preparing LDPs …. If planning can become more proactive in identifying opportunities, it can become more of an enabler and not exclusively a regulator” (Hamish Trench, Chief Executive, Scottish Land Commission).
6 Development on the Ground

6.1 Introduction: Survey Results

In responding to Questions 9 and 11, survey participants identified types of development that they anticipate will be important in relation to the challenges facing rural communities and businesses and the opportunities open to them.

The survey responses to Question 9 (‘what will be the main challenges’) identified the following types of development as important:

![Figure 9](image-url) Types of development identified as important by individuals in response to question 9 of the online survey (i.e. ‘what will be the main challenges facing rural communities and businesses over the next generation?’) A total of 83 responses were received on this question.

![Figure 10](image-url) Types of development identified as important by organisations in response to question 9 of the online survey (i.e. ‘what will be the main challenges facing rural communities and businesses over the next generation?’) A total of 53 responses were received on this question.
The survey responses to Question 11 (‘what will be the main opportunities’) identified a wider range of developments types as important:

![Figure 11: Types of development identified as important by individuals in response to question 11 of the online survey (i.e. what will be the main opportunities open to rural communities and businesses over the next generation?) A total of 154 responses were received on this question.](image1)

![Figure 12: Types of development identified as important by organisations in response to question 11 of the online survey (i.e. what will be the main opportunities open to rural communities and businesses over the next generation?) A total of 75 responses were received on this question.](image2)

We also asked survey participants “Over the next 30 years, to what degree will the different types of development listed below be important in helping to support rural communities and businesses?” (Question 13). A list of 13 different types of development was provided and participants were asked to indicate the importance of each on a scale from 1 (not all important) to 5 (very important).

151 of the 267 participants answered this question (57%). This included 104 individuals and 47 organisations.
The 104 individuals who responded to this question scored the 13 types of development as follows:

<table>
<thead>
<tr>
<th>Type of Development</th>
<th># individuals who selected each score on a scale of 1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>A greater amount of affordable housing</td>
<td>3 4 17 17 62</td>
</tr>
<tr>
<td>alternative housing e.g. retiral, adapted, workers, crofts</td>
<td>1 6 19 20 55</td>
</tr>
<tr>
<td>private housing</td>
<td>10 15 43 20 12</td>
</tr>
<tr>
<td><strong>Economic development</strong></td>
<td></td>
</tr>
<tr>
<td>diversification away from traditional farming and land based practices</td>
<td>6 14 18 28 36</td>
</tr>
<tr>
<td>tourism facilities and accommodation</td>
<td>1 13 31 25 34</td>
</tr>
<tr>
<td>retail development</td>
<td>10 30 41 9 11</td>
</tr>
<tr>
<td>industrial development</td>
<td>10 40 31 10 10</td>
</tr>
<tr>
<td>production support facilities e.g. abattoirs or processing plants</td>
<td>6 19 30 23 23</td>
</tr>
<tr>
<td>small business start-up units</td>
<td>2 5 27 31 38</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td>transport infrastructure</td>
<td>1 3 18 20 61</td>
</tr>
<tr>
<td>digital &amp; communications infrastructure</td>
<td>1 1 4 18 79</td>
</tr>
<tr>
<td>renewable energy generation facilities &amp; transmission infrastructure</td>
<td>5 5 19 15 60</td>
</tr>
<tr>
<td>community and health facilities</td>
<td>1 2 11 27 62</td>
</tr>
</tbody>
</table>

The 47 organisations scored the different types of development as follows:

<table>
<thead>
<tr>
<th>Type of Development</th>
<th># organisations who selected each score on a scale of 1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>more affordable housing</td>
<td>0 2 10 8 26</td>
</tr>
<tr>
<td>alternative housing e.g. retiral, adapted, workers, crofts</td>
<td>0 2 11 13 20</td>
</tr>
<tr>
<td>private housing</td>
<td>4 5 20 9 6</td>
</tr>
<tr>
<td><strong>Economic development</strong></td>
<td></td>
</tr>
<tr>
<td>diversification away from traditional farming and land based practices</td>
<td>2 2 10 13 19</td>
</tr>
<tr>
<td>tourism facilities and accommodation</td>
<td>1 2 9 15 19</td>
</tr>
<tr>
<td>retail development</td>
<td>4 12 21 7 1</td>
</tr>
<tr>
<td>industrial development</td>
<td>7 7 18 9 3</td>
</tr>
<tr>
<td>production support facilities e.g. abattoirs or processing plants</td>
<td>5 5 18 10 8</td>
</tr>
<tr>
<td>small business start-up units</td>
<td>0 3 12 18 13</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td>transport infrastructure</td>
<td>0 1 8 8 29</td>
</tr>
<tr>
<td>digital &amp; communications infrastructure</td>
<td>0 0 3 5 38</td>
</tr>
<tr>
<td>renewable energy generation facilities &amp; transmission infrastructure</td>
<td>0 2 15 13 17</td>
</tr>
<tr>
<td>community and health facilities</td>
<td>0 0 6 15 25</td>
</tr>
</tbody>
</table>
Survey participants were similarly asked to score a range of options relating to settlement pattern, on a scale of 1-to-5, in response to the question “Over the next 30 years, to what degree will changes in the pattern of development be important in helping to support rural communities and businesses?” (Question 14).

149 of the 267 participants answered this question (56%). This included 102 individuals and 47 organisations.

The 102 individuals who responded scored the different options as follows:

<table>
<thead>
<tr>
<th>Type of Development</th>
<th># individuals who selected each score on a scale of 1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth of existing settlements</td>
<td>2 15 28 18 35</td>
</tr>
<tr>
<td>Shrinkage of existing settlements</td>
<td>20 23 24 8 18</td>
</tr>
<tr>
<td>No change to existing settlements</td>
<td>17 23 33 9 6</td>
</tr>
<tr>
<td>New settlements</td>
<td>14 26 25 9 3</td>
</tr>
<tr>
<td>Other changes to the pattern of land use</td>
<td>9 12 19 11 44</td>
</tr>
</tbody>
</table>

The 47 organisations who responded scored the different options as follows:

<table>
<thead>
<tr>
<th>Type of Development</th>
<th># individuals who selected each score on a scale of 1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth of existing settlements</td>
<td>0 6 18 6 15</td>
</tr>
<tr>
<td>Shrinkage of existing settlements</td>
<td>8 13 11 5 3</td>
</tr>
<tr>
<td>No change to existing settlements</td>
<td>4 12 14 1 2</td>
</tr>
<tr>
<td>New settlements</td>
<td>5 13 13 8 4</td>
</tr>
<tr>
<td>Other changes to the pattern of land use</td>
<td>0 5 7 7 22</td>
</tr>
</tbody>
</table>

Where participants offered additional information, the ‘other changes to the pattern of land use’ they identified related to the diversification of land use as an explicit aim and to particular types of developments including developments in agriculture (both crofting and farming), forestry and woodlands, hutting, environmental management and enhancement, development for tourism and recreation, housing, small-scale business and industrial development, transport infrastructure, renewable energy, digital connectivity.

As well as asking survey participants to comment on a range of development types that might be relevant, we asked them to give us their views “on whether there are certain types of development that might be particularly important in generating wider positive change for rural communities and businesses” (Question 16).
Once the responses by individuals are grouped for similarity, they identify the following types of development as particularly important:

![Figure 13: Types of development identified by individuals as having the potential to generate wider positive change (Question 16 of the survey). A total of 101 responses were received on this question.](image)

The responses by organisations identify the following types of development as particularly important:

![Figure 14: Types of development identified by organisations as having the potential to generate wider positive change (Question 16 of the survey). A total of 57 responses were received on this question.](image)

Taking all of these results together, we have identified 9 broad areas of development for further discussion: housing and settlement; transport; digital and telecommunications; renewable energy; tourism & recreation (including hutting); economic & business development (including home/remote working, retail and industrial development, small business units); responding to climate change together with conservation and development of the natural and historic environment; land-based industries and aquaculture, and; services and community facilities. The research results for each of these areas of development are summarised below. Then, in Chapter 8, we present conclusions and recommendations relating to the support that each might be afforded by the planning system.
6.2 Housing & Settlement

Housing

As the survey results (summarised in 6.1 above) show, participants consider the provision of adequate housing and appropriate types of housing to be a priority, and both a challenge and an opportunity. This issue was identified as important both by individuals who responded to the survey and by a wide range of organisations from the community, business, charitable and public sectors.

Most of the survey participants who identify this issue consider that housing is a challenge/opportunity for all rural areas, although some consider it to be a particular concern for areas such as islands, Remote rural areas, Sparsely Populated Areas, Fragile Areas, the Highlands & Islands, crofting areas, “areas popular with tourists” and “affluent, elderly rural areas”.

In terms of the issues raised in relation to housing, a number of individuals and organisations identified increased house building in Accessible rural areas as a challenge, when not matched with increased provision of services to accommodate the growing population.

However, most survey participants who referred to housing focused on the lack of appropriate housing, especially in more remote rural areas. Many participants emphasised that the need here is not so much for a simple increase in the amount of housing, but for increased availability of the right kind of housing. In particular, participants highlighted the need for affordable housing, social housing, better quality housing, sustainable housing and adapted or purpose-built housing for elderly residents. They also highlighted the challenges caused by increases in second home ownership and in the use of houses for tourism lets, which is reducing the housing stock available to residents and pushing up house prices.

For many of the individuals and organisations who discussed housing issues, housing is a potentially transformative kind of development because it is central to the wider development prospects of an area.

“The lack of affordable housing provision in rural Scotland inhibits social, economic and community development. Housing is crucial to the retention of young people in rural communities, vital to supporting local services and business development.” (Rural Housing Scotland)

“Availability of affordable housing for economically active population. Providing affordable rented housing for workers is crucial to ensure that rural businesses remain viable …” (Scottish Land & Estates)

“Key one for LLT&TTNPA is affordable housing in all its various forms. This in turn will support skills, employment, business growth but if not delivered the existing businesses are failing and in turn the rural economy. Employers frequently report staff losses due to inability to find a home.” (Loch Lomond and The Trossachs National Park Authority)
Similarly, interviewees identified housing as a key form of development in relation to a range of different challenges facing rural Scotland. One recurrent theme in the interviews is the importance of housing for the sustainability and development of rural businesses:

“Housing is key. Our big challenge is workforce. We don’t have the workforce that we need …. Housing continues to be a major challenge that can hold back succession planning for a farm and prevents new entrants from taking on farms. By extension, it also sometimes keeps elderly farmers working beyond times in their life when this is optimal.” (Gemma Cooper, Head of Policy Team, National Farmers’ Union Scotland)

“The long term sustainability of much of rural Scotland depends on our ability to rebalance populations – to encourage more young people to stay on and to entice skilled young people and young families to move in. We need affordable housing of a good standard to accommodate staff; we need broadband so that younger people and families can engage with the outside world; and we need quality jobs with prospects – ideally jobs offering year-round employment.” (David Richardson, Highlands & Islands Development Manager, FSB Scotland)

“Land for housing is key. Affordable housing, yes, but not just that – housing at the right price, in the right place. The lack of housing is a constraint on business development. If we can address the housing problem, wider development will follow. If we can get people there, people are imaginative about getting a living going. Housing is a pump primer ....” (Hamish Trench, Chief Executive, Scottish Land Commission)

“The economic impact of a lack of housing can be significant. Jobs will create themselves, from the energy of young people staying and moving in. The economic impact of having adequate housing is quite dramatic.” (Amanda Burgauer, Chair, Scottish Rural Action)

“A number of businesses in recent months have … stressed that they are trying to do forward planning but can’t get affordable housing …. Large hotels need to accommodate staff and the restriction on this, restricts the type of people they can actually employ …. you need people and people need somewhere to live; nothing happens without people.” (Derek Logie, Chief Executive, Rural Housing Scotland)

Interviewees also argued that housing is critical for the wider sustainability of rural communities:

“Affordable housing is critical …. An example here is Ulva Ferry, where 2/3 new houses have been built, attracting 2/3 families, putting more kids in the school and meaning there are now more people working locally.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“Access to housing is fundamental. There is a need for school staff, but you can’t recruit without the housing. It’s the same for medical practices, and people end up having to rely on a practice that is far away. This is particularly an issue with an ageing population …. People are willing to move to the countryside, but the houses are not available. There are a lot of houses, but the holiday market takes up many.” (Camille Dressler, Chair, Scottish Islands Federation)
“Affordable housing is also key, and its about how to make land available for housing …. We need change in housing policy – its not about thousands of houses in rural areas but smaller numbers of affordable houses to sustain communities. There is also a need to look at the occupants of houses – what types of people will contribute most?” (Prof. Russell Griggs, Chair, South of Scotland Economic Partnership)

“youth housing is something to look at too. There needs to be provision made for those young people that don’t want to move to big cities to study or work. Anecdotally PAS is aware of rural young people who have moved to the city for a few years and would like to move back ‘home’ but are trapped by a lack of housing options for them there.” (David Wood, Planning and Policy Manager, PAS)

Some survey participants identified means of addressing the housing issues in rural areas. As discussed in Chapter 5, the supply of land – for housing and other forms of development – is seen as a key issue. Survey participants gave examples of community-led housing, and of housing developments brought forward by private estates, e.g.:

“redevelopment of abandoned buildings for conversion into homes … affordable housing development … for example … at Dormont Estate …. Of particular strategic significance in terms of planning and development are the new towns of Tornagrain and Chapelton of Elsick (and the potential for An Camas Mor) …. These new towns have been designed to high specifications with community and opportunity at their heart.” (Scottish Land & Estates)

“There are many examples of community landowners changing their local areas for the better. For example, the West Harris Trust …. [has provided] affordable housing via new build and the release of plots with rural burdens attached.” (Dr Calum MacLeod Policy Director, Community Land Scotland)

Survey participants and interviewees also referred to issues relating to the financing of house building, to the identification of housing needs and to the role of planning policy in relation to housing. This included comment on the higher costs of house building in rural areas and the perception that the statutory process for assessing housing need and demand is under estimating the need and demand in rural areas.

Comments on planning issues included the challenges of building housing on agricultural land or in woodland and forests. For example:

“A number of community woodland groups have acquired woodlands for broader rural development purposes, and that includes affordable housing, which is a (perhaps the) key issue for many rural communities. But community groups struggle to get housing built and getting planning is a big part of that. The planning perspective seems to be one of stopping things from happening, rather than one of enabling things. And woodlands are not usually viewed by planners as appropriate places for housing.” (Jon Hollingdale, Chief Executive, Community Woodlands Association)
The character of housing also attracted comment:

“In more pressurised areas nearer population centres … communities … recognise the need for more housing but perceive a lack of diversity within the housing product offered by house builders. There is a need to supply more than just 4/5 bedroom family housing but also a mixture for different generations and a changing demographic. There is and will continue to be smaller households and therefore they need to be a mixture of housing types for these …. “ (David Wood, Planning and Policy Manager, PAS)

“A lot of existing housing stock is not fit for purpose. The idea of new housing is important for a lot of rural communities. Important in encouraging young people to stay or return.” (Amanda Burgauer, Chair, Scottish Rural Action)

“Housing is also very poor from a climate change perspective – poorly insulated, using unsustainable fuels domestically.” (Jon Hollingdale, Chief Executive, Community Woodlands Association)

And interviewees identified different uses of housing as an issue, with particular concern expressed in relation to second homes and holiday lets:

“SRA has just finished a consultation on housing and what comes out is, for example, around second homes. Communities are not against second homes per se, but there is concern around decreased housing stock.” (Amanda Burgauer, Chair, Scottish Rural Action)

“Affordable housing is a key issue. High demand for second homes/holiday homes is causing a considerable problem for rural areas. It out-prices local folk, and crofters, like other key workers are not getting a chance to get housing.” (Crofting Commission)

“The tourism industry itself has, aside from competition, also been affected by the AirBnB revolution in a practical sense especially in the rural parts of Scotland. It is being hit by the lack of ability to house personnel as properties are lost to short-stay tourism.” (Marc Crothall, Chief Executive Officer, Scottish Tourism Alliance)

“Through the rural housing fund, Community Trusts can give priority to local people in their allocation policies. However, legislation means Housing Associations can’t give preference to local people. This needs to change… If housing associations are building houses to support local businesses, to then not be able to give priority to local people seems crazy.” (Derek Logie, Chief Executive, Rural Housing Scotland)

When housing was discussed by national-level stakeholders at the Edinburgh workshop, there was agreement that housing is important, e.g. for retaining young people in rural areas and accommodating seasonal workers. Some felt that the priority should be to build new houses in or on the edge of existing settlements and also to provide infrastructure for housing.

Participants in the Moffat and Oban workshops emphasised the transformative nature of housing and the difference that building small numbers of houses can make in rural areas. Some argued that the model should not be to create new, large blocks of
housing and that a range of types of housing is needed, as well as the connectivity infrastructure to ensure that residents of new houses can live and work successfully in the local area. The constraints on housing development that were discussed included planning policies, higher building costs in rural areas, the limited availability of land and landscape designations.

**Settlement**

Closely related to the question of housing is the question of settlement – where the existing housing stock is, and where new housing should go.

The responses to question 14 of the online survey (summarised in Section 6.1 above), indicate that neither individual participants nor organisations wish to see existing settlements shrink, although this is not a universal position. The responses also indicate that survey participants feel that change to existing settlements will be important. The growth of existing settlements is supported by the majority of the individuals who responded to the survey, and almost half (47%) of organisations who responded to this option consider it to be important or very important. Individual participants gave a broadly balanced response to the option of ‘new settlements’, while the responses of organisations were more heavily weighted against this option.

The comments of some survey participants and interviewees provide further insight into a range of stakeholder views on new settlements and the growth of settlements:

“Within LL&TTNPA some settlements will need to grow however this is challenging in many cases so the rural area will need to accommodate change. Our Local Development Plan already supports this in some instances. This is a change from previous planning policy and reflects SPP guidance on planning for rural areas.” (Loch Lomond and The Trossachs National Park Authority)

“Growth of existing settlements and creation of new settlements should be primarily but not exclusively focused on the SPAs [Sparsely Populated Areas]” and “We need to promote having people in areas with affordable housing, sympathetically sited, sustainable. There are areas of previously existing settlement that could be redeveloped …. What is the argument for expanding into currently unpopulated areas? To counteract the draw to town and city which brings opportunities, but also challenges from an environmental point of view. Is relentless sub-urbanisation sustainable? If not, how then do we think about rural?” (Dr Calum MacLeod  Policy Director  Community Land Scotland)

“It is important to keep in mind that development does not always mean expansion out-with settlement boundaries. Development, particularly sustainable development, can also mean enhancement of existing infrastructure and facilities within a defined settlement boundary. This is important from our perspective as many rural settlements are surrounded by ancient woodland, which could be a constraint to development.” (Woodland Trust Scotland)

“Some Built Environment Forum Scotland members would have an interest in repopulation if it is about expanding existing settlement. Some organisations are concerned about new settlements. There is certainly the potential for conflict, so here we need the opportunity to consider and balance that …. Achieving repopulation
through new settlements is unlikely to be of interest to volume house builders. Its more likely to be a case of building a few houses. But it could still be contentious.” (Euan Leitch, Director, Built Environment Forum Scotland)

6.3 Transport

Like housing, survey participants considered transport infrastructure and services both to be a challenge for rural areas and an opportunity. This issue was identified as important both by individuals who responded to the survey and by organisations from the community, business, charitable and public sectors.

Most of the survey participants who identify this issue consider that transport is a challenge/opportunity for all rural areas, although some highlighted its particular significance both for areas that are distant from and those that are close to towns and cities, where the transport challenges and opportunities will be different. Specifically, participants referred to islands, Remote rural areas, Sparsely Populated Areas, Fragile Areas, “areas within 30 minutes of urban centres” and “areas designated as hinterland of towns”.

In their responses, individual survey participants commented that transport issues are linked with wider challenges and opportunities, including depopulation (with “expensive and/or poor transport” being a factor in people’s decisions to move away for work), environmental sustainability (“significant investment in infrastructure required to decarbonise and deliver long term sustainability”), the competitiveness of businesses and the opportunities for business development, and the wider development of the economy (e.g. in relation to tourism).

The particular issues highlighted by individuals include the need for improvements to the road infrastructure, particularly as a result of pressures and impacts on that infrastructure from increased tourism and within areas close to urban centres. Better commuter links between rural areas and towns and cities were identified as a need by some. Ferry links and capacity were also identified as a challenge, and the opportunity to open or re-open rural railway lines and stations was mentioned. Better public transport services and more affordable transport were highlighted as a need, amongst elderly people unable to drive for example. The lack of sustainable transport was identified by some participants and the need to improve the electric vehicle charging infrastructure and develop local sustainable transport solutions.

In their survey responses, and in interviews, organisations referred to a range of transport issues. Alongside the need for adequate road and rail infrastructure, the need and potential for enhanced public and community transport provision was a prominent theme:

“You only need two things to start a community: people and transport. We have done a lot of work on what inclusive growth means in rural areas, speaking to many businesses. Top of the list is integrated public transport, to enable access to education and for getting staff to work …. We perhaps need a new mix of public and community transport.” (Prof. Russell Griggs, Chair, South of Scotland Economic Partnership)
“[in] discussions between PAS and communities …. There is also support for improved public transport …. for particular groups (young people/those that work in the care sector/NHS) access to public transport is arguably most important, but may not work within conventional peak demand times.” (David Wood, Planning and Policy Manager, PAS)

“Public transport is needed to attract people to more remote areas, to access healthcare etc. Investment in public transport would transform the way we move around, make it affordable and responsive. Localised, community-led transport services to complement public transport.” (Angus Hardie, Director, Scottish Community Alliance)

“Access to suitable … transport infrastructure is a pre-requisite for rural business success …. [its] absence in some parts of the country harms not only the development of rural businesses … but also makes rural communities less attractive places for families and younger people to settle …” (Historic Houses)

“While communities across Scotland have been affected by altered, reduced, or withdrawn services, rural locations with lower population densities … have suffered most from commercial withdrawal of services and local authority cuts to supported services …. Left either without a bus service altogether or with limited services that do not meet needs, communities are unable to access everyday amenities …. This directly contributes to negative health outcomes, worsened by an increase in feelings of loneliness and social isolation. Poor access to local services also impacts on local businesses, which are unable to access the local workforce and suffer from a fall in custom. The net impact of this is further centralisation of local services … and rural businesses into towns and cities …. In the long term, this causes net migration out of rural communities and further downward spiral. While community solutions in the form of community transport is central to providing accessible transport suited to the needs of the local population, many community transport organisations are underfunded and under-recognised by stakeholders who benefit from their support, and have similarly suffered from cuts to local authority funding. While innovations in transport, such as Mobility as a Service platforms and developments in smart ticketing and multi-modal service, are positive, these developments risk socially and digitally excluding those who live in rural areas …. [and] transport innovations are often geared to improving quality of service rather than availability of service …. “ (Rachael, the Community Transport Association)

The need and opportunity to install the infrastructure for electric vehicles was emphasised by some interviewees:

“Its still necessary to have a car in many rural areas, not least in the Highlands. This has an impact particularly on people with low incomes …. There are business opportunities in developing a better transport infrastructure and in moving to electric transport, e.g. B&B’s could install electric vehicle hook-up points … but this needs to be incentivised and supported.” (David Richardson, Highlands & Islands Development Manager, FSB Scotland)
And walking and cycling routes were also mentioned:

“Connectivity and Transport are areas where there have been some interesting discussions between PAS and communities. Anecdotally, after housing, there is considerable demand for improved walking and cycling routes, to link schools etc with other places. People spend a lot of time in their cars, accordingly the opportunity to move around using active travel is a change and a release. Additionally, improved walking and cycling provision encourages people to stop, and ideally contribute to the local economy. In the existing NPF, long distance routes are featured, but not shorter, local ones – although these may just as important.” (David Wood, Planning and Policy Manager, PAS)

Participants in the Edinburgh workshop confirmed that transport is a key issue to address through development, noting that improvements in transport infrastructure are needed both to respond to existing growth industries (e.g. forestry) and to promote growth in other areas of the economy.

Those attending the Moffat workshop argued that it will be important to re-open train stations as a means of encouraging more and more regular use of rail travel. They commented that the quality of the roads is poor. When transport was discussed at the Oban workshop, attendees conveyed that the main access routes to rural areas do not have the capacity to support the volume of traffic using them. Furthermore, single-lane roads are considered dangerous and not suitable to support large transportation vehicles.

6.4 Digital & Telecommunications

Digital and telecommunications issues were highlighted as key concerns by individuals participating in the survey and by a range of organisations across the sectors.

Most identified these issues as a challenge/opportunity for all rural areas, although some consider that they present particular challenges for areas such as islands, Remote rural areas, Sparsely Populated Areas, crofting areas, “areas remote from the tourist industry or other economic opportunities”, “areas with poor connectivity” and “areas that are recognised as having a high landscape value”.

Survey participants and interviewees identified particular issues with the communications network including gaps in mobile phone coverage and the need for improvements in internet access and, in particular, in access to high-speed broadband connections and the potential benefits/ opportunities enhanced provision could bring;

“With good connectivity, many of the challenges can be overcome and real repopulation can occur” (Strathard Community Council)

“For some time – superfast broadband has had the promise to enable business start up, development and homeworking within rural communities – but service provision has inhibited this. Creation of co-working spaces in rural communities, opportunity to encourage this kind of working and opportunities for information sharing, networking and breaking down potential negative isolation of homeworking. All reliant on the provision of broadband, the provision of housing and change of attitude to rural by planners.” (Rural Housing Scotland)
“If communications are good and electricity infrastructure is available the future is bright. More home working and automated diagnostic tools for health etc etc mean that people can live remotely while being part of the new economy. Working from home … sustainable living, remote on line education … make the future of rural living and working very attractive.” (Jeremy Sainsbury OBE FRICS, Natural Power)

“Better digital infrastructure opens up opportunities for remote working and entrepreneurship for rural economies.” (FSB Scotland)

“its one thing to be able to build houses, but people also need to be able to work …. 3G and 4G is almost considered a human right now and it is necessary for businesses to operate.” (Angus Hardie, Director, Scottish Community Alliance)

“Reliable high speed broadband – probably via 5G if made affordable, could be a game changer for rural areas offering the opportunity for professional people to run businesses in areas that could also provide life style benefits that in turn could greater wider rural community benefits.” (Galloway and Southern Ayrshire UNESCO Biosphere)

“Digital connectivity is also relevant here as a way of reducing carbon footprint in rural areas. It facilitates diversification of what rural business is about …” (Jon Hollingdale, Chief Executive, Community Woodlands Association)

“The days when rural dwellers were content to receive second-grade services have long-since gone. Failure to break down the key remoteness barriers that make rural residents feel that they are unable to participate in the modern world, both encourages people born and raised here to leave, and discourages young people from moving here to set up their own businesses or work for others. Transport and housing are obviously vital, but so too is digital connectivity. People want to stay connected, whether they are residents or visitors on holiday, and failure to provide them with the means to do so is a failure to safeguard rural Scotland’s future.” (David Richardson, Highlands & Islands Development Manager, FSB Scotland)

“Broadband and phone signal is a huge issue in much of rural Scotland. The lack of phone signal is a practical concern given the predominance of lone-working in a dangerous occupation like farming …. Getting Broadband to the rural sector is a huge challenge, but looking forward it may hinder rural development and diversification unless this can be fixed …. Digital communications are an essential way to ensure that residents in rural areas as well as farmers can have an opportunity to diversify their businesses into spheres that will almost certainly rely on internet-based contact with customers. Accordingly improved broadband etc is a transformative change.” (Gemma Cooper, Head of Policy Team, National Farmers’ Union Scotland)

“Internet connectivity has changed things, opening up opportunities. The question is how best to exploit that in rural Scotland. There are two sides to this. Selling and marketing online is important, and then there needs to be the infrastructure to deliver products globally – this is the barrier.” (Alex Downie, Development Manager – Enterprise & Development, the Coalfields Regeneration Trust)
Participants in the Edinburgh, Oban and Moffat workshops also pointed to the transformational nature of good digital and communications networks, including through enabling home working, supporting rural businesses and helping to address the population issues faced in many rural areas.

6.5 Renewable Energy

Energy was identified as an important challenge and opportunity by individuals and organisations taking part in the survey, including a range of community and public sector organisations, landowning interests, renewable energy companies and environment/heritage conservation charities. In the detail of their responses, participants commented both on energy generation and transmission and on energy consumption.

Most consider that energy issues are a challenge/opportunity for all rural areas, although some highlighted the particular importance of these issues for Remote rural areas and “areas where energy resources are strong (e.g. north and west) but also those areas where there are no over-riding planning designation obstacles to development - NSAs, National Parks etc” (anonymous).

Individuals highlighted the need for more small-scale renewable energy generation and commented that this can be a valuable source of income for rural communities which can be used to generate wider benefits, e.g. through community ownership of renewables and through community benefit funds. The need for local storage systems was also identified and for greater access to locally-produced renewable energy. Wind energy, hydro, biomass and hydrogen were all mentioned. Greater access to renewable energy was identified as a need of both businesses and residents in rural areas, and the need to develop the infrastructure to support electric vehicle use and other forms of sustainable transport was noted. Barriers to renewable energy development were identified including problems linking into the grid network and a lack of public financial support.

Organisations in the community, public, private landowning and conservation sectors referred to the development of local energy systems and economies, using energy locally rather than exporting it, and to the opportunity to develop a range of technologies including solar, hydro and wind.

“Renewables have largely been dominated by big corporate interests and landowners. The government has missed a trick in terms of enabling communities to bring forward projects …. Now, particularly in island and remote areas, where there are grid constraints, we need to find ways to match up energy supply and demand, which helps to address climate change. There are big opportunities for remote communities both to produce and to use or store energy. This would help to address fuel poverty. NPF could prioritise this and planning policy could create material consideration for community benefit; right now it is voluntary.” (Angus Hardie, Director, Scottish Community Alliance)

“The infrastructure needs to be much better so communities can access and install energy, local energy generation and consumption, especially pulling people off of oil etc.” (Deborah Long, Chief Officer, Scottish Environment LINK)
“In terms of looking to the future and development on the ground, climate change will be shaping lots of development, for example, district heating and local heat and energy efficiency strategies [LHEES]. Local authorities will need to create LHEES which will include where district heating could be applied depending on demand and supply. This could mean though that you would need to have a certain strategic size of settlement to make that work. The idea behind LHEES is that these would need to marry up with the LDP – that they have taken cognisance of the planned growth of a settlement when they produce their strategy.” (Gavin Mowat, Policy Advisor – Rural Communities, Scottish Land & Estates)

“There will be an increased need for electricity in the future, with more electric cars etc. How are we going to cope with the demand? We need a rural charging plan …. There are opportunities for landowners and businesses in this, providing charging points.” (Alison Milne, co-Chair, National Council of Rural Advisors)

In their survey response, Scottish Renewables – which represents Scotland’s renewable energy industry – highlighted examples of community renewable development:

“Renewable energy schemes, often driven by a local business or community group, can deliver a series of benefits to local communities. Alongside delivering economic benefits (capital investment, investment in supporting infrastructure (roads, harbours etc.) job creation), these schemes can often service the local energy requirements of communities – lessening their dependency on the grid. Communities such as Fintry are leading the charge in using renewables for the benefit of local consumers – by installing their own renewable energy assets and creating local energy tariffs which go alongside them. While that level of involvement may not be suitable across every community, even the simple installation of solar panels on rooftops can help communities generate their own energy supply …. The recent example of renewable energy driving the first 24 hour energy supply to Fair Isle … demonstrates the value this has to locals – bringing them off expensive back-up sources of power and enabling businesses to run more efficiently. Our energy landscape is changing, and … there is a real opportunity for rural communities across Scotland to use renewable energy assets to tap into new business opportunities that will emerge as our energy system transitions to be smarter and lower carbon.”

“Several communities, such as Arrochar, have benefited from installing small-scale hydro schemes to meet local energy needs while across the farming community, technologies from wind to anaerobic digestion have been deployed to help meet the energy usage of the business. The advent of battery storage and electric vehicles will offer rural communities and businesses further opportunities to utilise renewable energy resources, create local energy systems, and reduce their own energy use.”

Scottish Renewables’ Senior Policy Manager, Fabrice Leveque, was interviewed for the research. In relation to onshore wind, he commented that a key issue will be the existing ‘onshore wind fleet’, a quarter of which will have reached the end of its consent lifetime by 2030 and will therefore come back into the planning system. Planning therefore needs to anticipate the repowering of onshore wind – with larger turbines if the replacement wind farms are to be competitive – and “It would be helpful for NPF/SPP to give a clear steer about this. A high level statement would be useful regarding the presumption in relation to existing onshore wind sites.”
He also commented on domestic consumption for heat, saying “the energy system for heat needs to be almost completely decarbonised. We’ve only really just got started with renewable heat to buildings” and “the switch away from oil, coal and LPG funded by the RHI”. Also, “the planning regime is playing catch up in relation to the aspiration to move to electric vehicles. We will need to see the substations and the infrastructure for charging and there is not much evidence of changes being made to enable this.”

Individual renewable energy developers, contributing anonymously to the survey, commented:

“Access to cost effective low carbon heating. Access to economic low carbon travel – EV charging or hydrogen to replace use of fossil fuels. Hence the grid infrastructure will be key …”

“The changing investment environment for onshore wind. Onshore wind is the cheapest form of new low-carbon generation …. [and] often rural areas where wind farms are constructed can otherwise correlate with poor economic conditions. High levels of investment in these places can have transformative effects. However, the investment environment for onshore wind has changed significantly …. It is this changing context that creates a more challenging investment case for onshore wind, which could have subsequent impacts on investment in rural areas …. A supportive planning framework will be key in helping developers minimise costs … so they can continue to invest in rural areas …”

“Locating suitable rural areas for developments. One such area that has the potential to create disputes in the planning system is the use of constraint mapping for highly subjective ‘grey areas’, such as wild land and peatland …. wild land is treated as a designation in the same sense that National Parks and National Scenic Areas are …. This quasi-designation status sterilises wild land areas which are suitable for development and could otherwise benefit Scotland’s rural populations. Instead, for subjective areas, all proposals should be judged on the specific balance between benefits and impacts. Perceived environmental impact can, in many cases, be mitigated through project design or can be better managed through Environmental Impact Assessment and development management processes …”

“the geographies which are suitable for new onshore wind developments are likely to be in remote and rural areas …. With new developments and the repowering of existing developments, there are opportunities for rural communities to provide resources and services … while projects are in construction and benefit from enduring jobs once the site is operational. To ensure the potential benefits are realised, both socio-economic and environmental, developers must be able to find a route to market …. NPF4 can play a key role in ensuring that the planning framework and policies in Scotland are aligned with the Scottish Government’s Energy Strategy and Onshore Wind Policy Statement.”

“Given the important role onshore wind plays in fulfilling Scotland’s ambitious renewable generation and climate change targets, planning policy should actively support extending the life of and repowering existing sites, alongside the development of new sites to help protect existing low-carbon capacity. This could partially be achieved through a presumption in favour of redevelopment at existing
sites and a recognition of the importance of modern turbines in maximizing a site’s resources, alongside other supportive mechanisms.”

On the matter of energy, participants in the Moffat, Oban and Edinburgh workshops advocated a shift to local grids – “local production for local consumption” (Moffat) – as well as support for the introduction of the charging infrastructure for electric vehicles. Moffat workshop participants also called for support to be given to the construction of more passive housing. Participants in the Edinburgh workshop discussed the potential of hydrogen fuel as an alternative to electric.

6.6 Tourism & Recreation

As discussed in Chapter 5, some participants in the research identified tourism as key challenge for rural areas, in its own right and as part of a wider structural shift in the rural economy. Tourism and recreation also came through as key opportunities in the survey responses both from individuals and from organisations in the community and business sectors, as well as conservation and outdoor recreation charities.

Most survey participants identified tourism and recreation as a challenge and opportunity for all rural areas, although some participants highlighted issues in particular areas including along the route of the North Coast 500, in the Highlands more generally and in “areas attractive to tourists”, “picturesque and culturally significant areas” and “more easily accessible areas/those closest to urban areas”.

Several individual survey participants queried the wisdom of continuing to promote tourism in rural areas. Similarly, several interviewees highlighted problems attendant on the expansion of tourism:

“Responding to this challenge [of climate change] has the potential to affect some of rural Scotland’s growth areas, especially tourism. Tourism growth using current technologies and practices is problematic from a climate change perspective.” (Jon Hollingdale, Chief Executive, Community Woodlands Association)

“there needs to be a balance struck between catering for the needs of tourists and locals. There is something uncomfortable about creating a ‘tourist town’, but …. Being able to create community hubs that might provide a shop/internet facilities/banking facilities etc for tourists as well as services for locals would be helpful …. the needs of tourists can still be served even if the priority group is the host community.” (David Wood, Planning and Policy Manager, PAS)

For those survey participants and interviewees who perceive tourism as an opportunity, the focus was on providing better facilities for tourists (such as toilets and places to park and eat), enabling local communities and businesses to derive income from successfully-marketed tourist routes such as the North Coast 500 and promoting development that would grow and serve particular types of tourism.

In terms of the broad approach to developing tourism, interviewee Marc Crothall of the Scottish Tourism Alliance suggested that:

“The idea of enabling greater visitor dispersal through rural areas is an important way to deliver a quality of experience that tourists now expect. It is also one way to help
overcome what some have termed as being ‘overtourism’.... Accordingly easing and enablining access to lesser known areas has the ability to transform rural areas... International tourists are definitely looking to explore more of rural Scotland, and not just the iconic must visit attractions restaurants such as Edinburgh and Stirling Castle.”

Survey participants and interviewees advocated a focus on developing sustainable tourism, eco-tourism, ‘independent’ and ‘off-grid’ tourism that capitalises on the environmental and cultural assets of rural Scotland, and on promoting opportunities for outdoor recreation for rural residents.

“Tourism based on improved access to the countryside, encouraging walking, cycling, etc outwith the 'honeypot' areas .... e.g. the infrastructure around the 7 stanes mountain biking .... Our community has promoted footpath access and the area is now being used by local towns people (Town is 5miles away) and tourists (only free walking leaflets in tourist office). We have not benefitted directly as we have no shop and limited tourist accommodation, but it adds to the facilities in the whole region.” (Jean Muir)

“Tourism that is based upon people in cars is not a balanced industry we also need back packers and people in the off season. Environmental tourists and people on bikes. We also need appropriate accommodation for these different sections of the industry.” (Brendan Burns)

“Wellbeing, adventure (bucket lists), heritage and culture, and food and drink are the key trends to meet expectations of the tourism industry.” (Marc Crothall, Chief Executive Officer, Scottish Tourism Alliance)

“we need more start-ups, and more businesses using tourism as an opportunity to provide a range of services, lumping things together, such as laundry, showers, food, retail, bike hire .... There is opportunity in sporting activities in the islands and on the west coast: yoga retreats, running retreats, kayaking, ‘slow adventure’ and so on .... Festivals and events are important too, not just the big ones but the small ones too. They benefit the local community in terms of infrastructure and also promote culture.” (Camille Dressler, Chair, Scottish Islands Federation)

“Sustainable tourism. Growth in outdoor recreation particularly walking and cycling .... Although these opportunities affect all rural areas they are particularly strong in our most beautiful, wild and scenic landscapes – our National Parks, National Scenic Areas and Wild Land Areas – which is why it is so important to protect these and to designate more of them.” (The Association for the Protection of Rural Scotland (APRS))

“Recreation developments, whether new activities or promoted and managed paths .... With the Aviemore and Vicinity Community Council, Authorities and Agencies we are bringing forward the long standing proposal for a sister community, An Camas Mor, with a view to transforming life for people in Badenoch and Strathspey and enhancing the natural heritage and opportunities for outdoor recreation for all.” (John Grant, Rothiemurchus Estate)
“In Strathard there is an obvious environment which supports cycle tourism, this could be used to act as a centre of excellence for bike tech, bike maintenance, cycle product design etc.” (Strathard Community Council)

“Tourism development in certain parts of rural Scotland is already a great success. Maintaining this and encouraging growth in other areas remains a significant opportunity for many rural areas. Planning policy should help enable that development whether it is diversification into agri-tourism or providing new campervan facilities.” (Scottish Land & Estates)

A number of individual survey responses highlighted a need for improved facilities for motorhomes and caravans:

“need better provision for the growing trend of year round visitors in their camper vans and motorhomes. During the off season many campsites are closed so overnight parking provision in rural areas (villages) would be beneficial. It can also generate income in return for provision of chemical disposal points. A reasonable overnight charge. Plus attracting visitors will mean that money is spent in local shops/bars/community facilities” (Gill Williamson)

“Setting up "Aires" in small towns and villages to service motorhomes. Some have been established in the islands. The "Aire" in Hawick is a good example of a small town encouraging visitors to stop and shop. Motorhomers do not need all facilities of campsites and are used to utilising "Aires" in continental countries.” (Anonymous)

And a number of individuals wish hutting to be promoted:

“Huts for recreational use, build sustainably, in a low impact way, can be an appropriate rural development, giving affordable access to the environment for locals and those from further afield. Where hut users are regular visitors, the local economy benefits from all stages, including construction through to use. Mental and physical health is improved, increasing wellbeing.” (Karen Grant)

“Hutting needs more support – SPP introduced a requirement for LDP policy but several local authorities continue to largely oppose the whole idea. Enormous potential for local production, timber use, fine grain support of local economies, wellbeing benefits and reductions in second home ownership.” (Anonymous)

Participants in the Moffat workshop identified the development of infrastructure including roads and walking and cycling paths as important for supporting the tourism economy. They emphasised the importance of sustainable travel options to get to destinations and then sustainable activities when you arrive. Equestrian tourism was cited as an example that has great potential in the south of Scotland, with a need for facilities for horses and bunk houses for people.

Oban workshop participants emphasised that tourism will grow organically if a pleasant place and vibrant community exists. They argued that tourism does not have to be large-scale, and that tourism industries should collaborate with schools, to increase the likelihood of children wanting to stay in the area and pursue a job in the hospitality and tourism industry. Participants also commented on negative aspects of tourism including
holiday lets and the threats to Fragile Areas. However, they were in agreement that tourism plays a big part in increasing the vibrancy of rural areas.

6.7 Economic & Business Development

Looking beyond the tourism sector, general changes in the rural economy – many associated with the decline in relative importance of land-based industries and the rise of the services sector – have been highlighted by as a key challenge by the research (see Chapter 5).

Economic and business development of different kinds was also identified as an opportunity by survey participants, including individuals and organisations in the community, business, public and charitable sectors. Most of these participants see economic and business development as a significant opportunity for all rural areas; some consider that opportunities in this category are particularly significant for Remote areas, Sparsely Populated Areas, crofting areas, areas with sufficient capacity in terms of skills and structure and areas lacking high speed broadband and good mobile coverage.

When asked to identify the different types of development that will be important in helping to support rural communities and businesses over the next 30 years or so (Question 13), both individuals and organisations identified ‘small business start-up units’ as a priority. The majority ranked ‘retail development’ and ‘industrial development’ as not important, or they gave these options the middle score of 3.

In the detail of their survey responses individuals highlighted the need to diversify away from traditional economic activities. In the answers, there was a particular emphasis on small businesses and also mention of social enterprises alongside private enterprises. Eco-sustainable or green small businesses were highlighted by some participants.

Similarly, interviewees commented that:

“We need a more diverse economy locally. Tourism will be important, but also development of different micro-businesses.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“In Scotland, we are losing many of the large-scale industries, and getting the opportunity to develop a distributed network of smaller producers. Harris Tweed is an example, with a number of different producers across the Western Isles, and products marketed globally.” (Alex Downie, Development Manager – Enterprise & Development, the Coalfields Regeneration Trust)

Individual survey participants also identified opportunities in technology, whether as a means of increasing productivity, as a sector of the economy in its own right or a means of facilitating remote and home working, which might “enable rural communities to prosper in situ” (anonymous). Some individuals identified particular opportunities for business and economic development relating to the landscape, natural and heritage assets of rural areas and to locally-produced food.

Organisations such as the Lismore Community Trust also underlined the potential opportunities for remote working, with the right digital and communications
infrastructure. Small business hubs of different kinds were also highlighted as important by various organisations in their survey responses and in interviews:

“There are many examples of community landowners changing their local areas for the better. For example, the West Harris Trust … has also enabled new micro-business start-ups by providing business units, a cultural hub via its An Talla na Mara centre ….” (Dr Calum MacLeod Policy Director Community Land Scotland)

“Live work interlinked facilities to attract new incoming workers. Strathard Business Hub [is an example]” (Strathard Community Council)

“Proposed work space units could enable budding entrepreneurs, as well as existing businesses on the Island” (Sebastian Tombs, Chair, Lismore Community Trust)

“Small hubs for rural innovation and/or skills development - with linked accommodation …. Support of IT infrastructure for local enterprises” (Ninian Stuart, Falkland Rural Enterprises Ltd)

“Another important thing is support for small business facilities in remote areas in retaining people and making sure these places have the facilities they need – parking, WiFi etc. This could be in the form of small business centres, or 1 or 2 business spaces. Once they have that, it will encourage and empower them to grow and prosper. If they have that, they might become the next employer, then someone else stays in the area…having some space to work is hugely empowering.” (Gavin Mowat, Policy Advisor – Rural Communities, Scottish Land & Estates)

Organisations also highlighted the potential for growth in a range of different business sectors, such as arts, crafts, cultural and creative enterprises, high-tech manufacturing and food and drink. A general comment was that it is important to keep “the value-adding processes in a rural area, providing jobs and income and profit in that area” (Torwoodlee Estate).

Others focused on skills development and employability:

“The Langholm Initiative is generally a great example of development with regards to local skills provision and industry development including helping people back into work and supporting small-scale growth of a once dominant industry (textiles). The work we have done around employability, enterprise and skills development have made a clear and lasting difference to our rural area.” (Jason Railton, Langholm Initiative)

6.8 Climate change and the Natural & Historic Environment

Climate change and the conservation and enhancement of the natural environment, rural landscapes and the historic environment are key challenges facing rural areas (see Chapter 5). A number of survey participants – including individuals and organisations in the business, conservation, outdoor recreation and public sectors – also identified opportunities in these areas.

Virtually all of the participants who identified opportunities relating to climate change and conservation said that these opportunities relate all rural areas.
Individual survey participants highlighted the opportunities for employment in areas driven by climate change mitigation, such as forestry and peatland conservation. There was also mention of the opportunities in moves towards “eco-friendly living” and in delivering public goods such as ecosystem and environmental conservation and enhancement, with support in the form of public funding for farmers.

A number of organisations gave extended survey responses in this area. For example, with a focus on climate change and biodiversity RSPB Scotland said:

“RSPB Scotland has a vision for Scotland’s rural areas where nature is thriving …. At the same time, rural communities are also thriving, and are sustainable places in which to live and work. Rural businesses are viable, low-carbon, innovative and efficient. People from both rural and urban areas enjoy the countryside and have access to nature and spectacular places. In order to achieve this vision, it will be important that policy and legislation facilitates works which provide environmental enhancement and protect nature – biodiversity is in crisis and it is essential that the planning system encourages and allows appropriate development to address this. For example, we welcomed the proposal to introduce permitted development rights for peat restoration and habitat pond creation in recent consultations. Also, to achieve the above vision, it will be important for the economies of rural communities in some areas to diversify, to reduce their dependency … on unsustainable/less sustainable land uses or sectors. Harnessing the opportunities of a more sustainable future will also be important and Scotland is well-placed to provide nature-based solutions to climate change and biodiversity loss, particularly when it comes to how we use land. This puts rural communities with a lot of land-based resource in a good position. It is likely rural communities will grow as internet and mobile connectivity improves, which will attract more businesses to rural areas, and will provide greater flexibility for people to work from home. Scotland has huge potential for renewable energy production. However, achieving the Scottish Government targets for generating electricity from renewable sources without causing environmental harm will require careful planning. RSPB Scotland is strongly in favour of well-designed and located renewable energy schemes and only objects to those that are likely to harm biodiversity and the environment.”

“Development of ‘green infrastructure’ in its widest sense, including land managed for nature in reserves and more widely, will be important in ensuring wider positive change for rural communities and businesses, given its many benefits including in relation to placemaking; improving mental and physical well-being; boosting property values; reducing pollution and mitigating climate change …. Wildlife in Scotland generally relies on land that is being actively managed to some extent, so when working with land managers we aim to ensure the financial viability of land-based businesses whilst also ensuring the land is managed for wildlife or with wildlife in mind. Our reserves also help support local employment and generate significant economic benefit locally.”

Similar points were made by Highlands & Islands Enterprise, who recognised the potential of “Natural capital – if provision of public goods is financially rewarded” and of “Climate change mitigation – peatbog restoration, afforestation, carbon credits”. Scottish Land & Estates noted “Opportunities for increased forestry planting and benefiting financially from delivering other ecosystem services as support schemes change direction post-Brexit” and said that the “climate change agenda could present
opportunities for development of new technologies to be used in a rural context, for example, carbon capture storage or district heating."

Woodland Trust Scotland touched on the opportunity in current circumstances to progress a ‘public goods’ approach to support for rural businesses:

“Land use diversification: Woodland Trust prefers to see Brexit as an opportunity to change the legacy of CAP funding and redirect payments to a system which rewards public goods with public money. This should produce better outcomes for the environment, and at the same time ensure high quality produce and increase in natural capital.”

And they also argued for:

“Implementation of net gain for biodiversity in the planning system: biodiversity net gain is a way to ensure that the biodiversity in an area is in a better state than it was pre-development. This can be a condition of all development and ensure help that development protects and enhances the environment. Such a system is very important as further development is expected across Scotland.”

Ramblers Scotland extended this argument beyond benefits for the environment, to include access and amenity issues, promoting “investment in land uses which tackle climate change and provide public goods (including public access provision)”. Amenity was also raised by the Association for the Protection of Rural Scotland (APRS), alongside landscape conservation:

“Scotland's two National Parks have procured significant environmental, social and economic benefits for their areas …. These benefits should be spread to more of rural Scotland by designating more National Parks, particularly in areas where there is clear local support such as Galloway and the Borders. Scotland's biggest industry is tourism, which is particularly significant in rural areas. Its further successful and sustainable development by local businesses such as self-catering accommodation, cafes, restaurants and visitor attractions is closely linked to the protection of our beautiful rural landscapes and the provision of outdoor recreation opportunities.”

The National Trust for Scotland and Historic Houses pointed to cultural heritage assets alongside natural assets:

“Environment – developments that capitalise on rural areas’ distinctive endowment, natural and cultural assets, without degrading that asset. Inverewe Gardens (as one example) – community of interest investment in local conservation asset with wider benefits for local community Brexit/CAP – changes to agricultural and forestry subsidy policy, while probably limited in terms of employment impact, could have profound social and environmental impacts.” (The National Trust for Scotland)

“The main opportunities for rural communities and businesses from a Historic Houses prospective will be to further develop the diverse ways in which Historic Houses places contribute to and support their local communities. For example, while heritage tourism is fairly well established in Scotland, there is a huge opportunity to support Historic Houses places and others to diversify their business elements, resulting in more opportunities for the local community …. By enabling rural heritage
businesses to diversify and generate more income, we will also be able to secure the future of these nationally important buildings by supporting them to tackle the backlog of repairs they currently face, meaning that future generations will be able to enjoy and connect with these icons of Scottish history .... These opportunities would benefit any rural communities that contain historic house businesses or other heritage assets ....” (Historic Houses)

A number of interviewees made similar or related points. Some commented on the opportunities for development that lie in responding to climate change, and some emphasised that strategic leadership and support is needed for rural communities to be able to take up these opportunities:

“Climate change could be the opportunity that allows people to live and work close by. Although, conversely, a strategic decision on this could mean that everyone should live in cities.” (Derek Logie, Chief Executive, Rural Housing Scotland)

“There are opportunities for rural areas. It is there that the challenges will be greatest and the opportunities will also be greatest. There is a big opportunity to look at how we manage land use and how it relates to climate change, for example with woodland restoration .... There is a need for strategic planning in relation to forestry and woodland and where it goes.” (Deborah Long, Chief Officer, Scottish Environment LINK)

“Climate change is an opportunity for rural development, for example in renewable energy, better food production. Its fine to have targets, to reduce carbon emissions for example, but the question is what can we do on the ground regarding development.” (Alex Downie, Development Manager – Enterprise & Development, the Coalfields Regeneration Trust)

Several interviewees placed conservation of the natural environment in the foreground, but without seeing this as necessarily separate from or in competition with development:

“NPF/SPP needs to be upfront about the relationship between protection of the environment (through protected areas, for example) and development. NPF/SPP should also make a clear statement that rural regeneration encompasses both conservation and population.” (Hamish Trench, Chief Executive, Scottish Land Commission)

“One criterion for strategic developments that should be promoted is that they enhance the national ecological network.” (Deborah Long, Chief Officer, Scottish Environment LINK)

The Crofting Commission emphasised that crofting has a history of delivering sustainable use of the land:

“Crofting’s small-scale and extensive agriculture makes a significant contribution to nature conservation and the environment.”
6.9 Land-based Industries & Aquaculture

The rural economy has seen a general shift away from traditional industries such as farming, fishing and forestry and towards service sectors such as tourism (see Chapter 5). However, land-based industries continue to play an important role in rural areas, and particularly in areas further away from the towns and cities. Added to this, aquaculture has become an important industry in some places.

Some individuals and organisations who participated in the survey identified opportunities in land-based industries or aquaculture. The organisations included a community council, two private estates, the Scottish Salmon Producers Organisations and Highlands & Islands Enterprise. Most of these participants said that these kinds of opportunities are open to all rural areas, although one participant did note that fish farming opportunities are particularly important for the west and north coasts and the islands.

When asked to identify the different types of development that will be important in helping to support rural communities and businesses over the next 30 years or so (Question 13), 62% of individuals and 68% of organisations responding to this question scored diversification away from traditional farming and land based practices at 4 or 5 on the scale (i.e. important/very important). A majority (64%) of the individuals also identified the development of production support facilities e.g. abattoirs or processing plants, as important or very important, although organisations were more neutral on this point, with 38% picking the middle score of 3, 17% scoring it 4 or 5 and 21% scoring it 1 or 2.

Recurrent themes in the survey responses and in the interviews included greater local food and drink production, especially in high quality products and products with provenance and regional distinctiveness. The need was also highlighted for sustainable and ethical food production, operating at a lower intensity and generating high nature value products. Themes also included the opportunities in serving local markets, and the need for greater provision of abattoirs and butchery facilities, which are now at some distance from producers in many rural areas.

The survey responses also identified the opportunities in promoting small-scale agriculture, and particularly crofting and community production. The need to diversify crofts, and to ensure that croft land is productively used, was mentioned. Some participants called for wider availability of crofting tenure and the creation of new crofts, and other noted the potential of community orchards and community growing more generally.

In the interviews, the Crofting Commission noted the trend for diversifying crofts:

“Crofters are diversifying into forestry, tourism, energy schemes. A gradual diversification of croft businesses. It is anticipated that they will be doing a lot of forestry and renewables on the common grazings, given environmental targets.”

But they also raised issues surrounding the development of croft land for housing:

“A lot of developments are on in-bye croft land. There is not a large amount of good arable land and housing is targeted at the good part of crofts, where its easier to
connect to sewage etc. and cheaper to build …. The Crofting Commission is keen to see people working crofts when they get them, but it is lucrative to put housing on a croft. For the planning system ‘a house, is a house, is a house’. The Crofting Commission is more interested in who lives there and what they do there …. A better option for non-croft housing can be common grazings land. More costly to build there perhaps, but its better for the viability of communities and of crofting."

They noted that these issues are not universal – in some crofting areas, such as Shetland and Orkney, there are no common grazings and the crofts are generally larger, making it easier to accommodate new housing on a portion of the croft. They also identified the converse problem in areas designated in the Highland-wide Local Development Plan as being in the hinterland of major settlements, where the restrictions on house building are tighter, and people who want to live on and work a croft can face planning opposition when they want to build a house.

Moving beyond crofting to larger agricultural holdings, Gemma Cooper, head of Policy for the National Farmers’ Union Scotland, noted:

“Farm equipment is going to get bigger and therefore sheds and buildings are also going to get bigger too. Permitted Development Rights were changed in 1992 to support agri sheds that are up to 465sqm. These were considered at the time to be large. They are now considered quite small for their purpose and so really need to be re-considered. Without such re-consideration, this scale of building is not going to serve many agricultural purposes.”

“In addition, providing continued opportunities to preserve and re-use old buildings through conversion allows owners of the buildings to re-use them and diversify business streams and to finance building of new housing which can be essential to farm succession …. Loch Leven’s Larder is a good example of such a site. Here a farm shop has grown incrementally and is now a major employer.”

Forestry was discussed at the Edinburgh workshop as a key area of development. Forestry and woodland were also mentioned by a number of individual survey participants who see opportunities for the diversification of forestry and the creation of more native woodlands, for small-scale forestry in the form of woodland crofts and community woodlands and for adding value to traditional forestry products.

In their survey response, Woodland Trust Scotland stated that the diversification of land use “does not necessarily mean diversification away from traditional land uses, but diversification of land use practices to ensure resilience and environmental stewardship and management in a public money for public goods system. For example farmers can diversify through integration of farming systems with trees, under the umbrella of agroforestry practices.” Woodland Trust Scotland also referred to the creation of new crofts, and especially woodland crofts, and to the potential for adding value by developing sawmills where forests are located. Others, such as Shieldaig Community Council and Ramblers Scotland, also underlined the opportunities in developing forests and woodlands.

In responding to the survey, Highlands & Islands enterprise pointed to aquaculture as an opportunity in some rural areas and the Scottish Salmon Producers Organisation stated that “Continued long term investment and development in fish farming will be
positive for many rural areas, in particular throughout the whole west and north coast and islands of Scotland. The core production that is centred in these remote areas will continue to drive significant opportunity throughout the value chain in the rest of Scotland.”

6.10 Services & Community Facilities

Linking with the challenge of ‘live-ability’ described in Chapter 5, some survey participants identified a need for development that will address problems in access to services and strengthen the social life of rural communities. A small number of individuals and two community organisations also identified services as an area of opportunity. Most of these participants said that the opportunities relates to all rural areas, although one individual highlighted “Rural affluent areas which are showing rapid growth but have a lack of latent services”.

The development of community and health facilities was identified as a priority by both individuals and organisations in response to question 13 of the survey (with 86% of individuals and 85% of organisations ranking this as 4 or 5, i.e. important/very important). The types of development identified by survey participants include community halls and ‘hubs’, community-run workspaces and community-run services such as petrol stations and public toilets. One individual highlighted “A local food hub for Angus to bring together producers, suppliers and consumers” (Norman Lyall), and the Midlothian Federation of Community Councils noted the potential for “Sustainable communities … where the emphasis is on reducing reliance on urban supply chains e.g. through food growing, small business/trader facilities etc”.

Specific types of development were also highlighted by several interviewees in the community sector. For example:

“Highland Small Communities Housing Trust work with businesses to make a case for housing as part of the mix of a sustainable community. Most of our discussions with communities are not about housing in isolation …. Housing can assist in the delivery of other things to make a community resilient, either as a means to allow for home-working or as a catalyst for other development in the community …. Gairloch was a very good example that HSCHT was involved in. There, a new Air Training Corps building with offices and a hall was built and a community hub incorporating tourist information, coffee shop, and study room connected to UHI, was also built. Next door to that is a private shop. The Council and Albyn Housing Association has developed housing as has HSCHT in the village too …. the mixture of development was decided upon by the community … The community knew that they simply had to get people to stop their cars, and that accordingly planning principles [relating to the placing of the commercial elements of the proposals] needed to be set aside to achieve this. You need flexibility in the planning system for this.” (Ronnie MacRae, Chief Executive Officer, Highland Small Communities Housing Trust)

Innovation in health and care provision were highlighted as potentially transformative by some survey participants. They referred to technological developments that allow remote medical diagnosis (if digital connectivity is sufficient) and to the creation of more local sheltered housing and care homes. This more localised health and care provision might be provided by public, community and/or private organisations:
“It is critical that local authorities – almost all urban based – start to decentralise so that there are clusters of services around which business and development can grow. So schools, council services, NHS facilities are critical to keep or bring business and people to an area.” (Helen McDade)

“The primary opportunities are often the same as its challenges: an older population can make way for a new generation of care training and developing a rural care workforce that is among the best in the country but only if, at government and local authority level, the investment exists” (Jason Railton, Langholm Initiative)

Some interviewees also suggested alternative models for service provision:

“For care services, small units with local people trained to deliver services. We could follow the Nuka model [Alaska], training people in remote areas to be the eyes and ears of doctors, so that they can deliver services when the doctors are not there …. The progress of tele-medicine is quite significant. Being able to access doctors and so on from your own home. This is to be encouraged, but without cutting access to seeing a doctor in person when that is needed.” (Camille Dressler, Chair, Scottish Islands Federation)

“There is a need to explore more creative ways of delivering services, such as diagnosis via the internet, distance learning through technology.” (Alex Downie, Development Manager – Enterprise & Development, the Coalfields Regeneration Trust)

“In particular the rise in older people in rural areas has knock-on impacts on issues surrounding connectivity, social structures and need for changing infrastructure. There may be a case in trying … to encourage more rural communities to undertake their own service provision.” (David Wood, Planning and Policy Manager, PAS)

Others sounded a note of caution about the idea of communities taking on the provision of care and other services. For example, Calum MacLeod of Community Land Scotland noted that, in the Western Isles, the local authority is “having conversations with communities about what services communities might take over”, but added that this raises the question “should communities engage in this, on what basis, how will this be resourced?” Ian Cooke of Development Trusts Association Scotland said:

“One of the most striking things that comes up in community surveys is the need for different models of care, a lot of which can be done at community level – children, elderly, special needs etc. But this is not enabled in terms of shifting resources to match the aspirations.”
7 Opportunities to Support Diversification of Land Use

7.1 Introduction

The previous chapter identified 9 broad areas of development, and conclusions and recommendations relevant to planning are presented for each of these areas in Chapter 8. This chapter considers the broader theme of diversification, which is a process that is important to delivery of the kinds of development discussed in Chapter 6 and more generally to addressing the needs of rural communities and businesses.

Diversification is the process of becoming more varied or different. In the context of the diversification of rural areas therefore, this could mean rural areas doing more than ‘traditional’ rural activities (discussed in Section 5.3), and allowing such areas to host different, as yet undefined activities. Using planning as a tool to support this process is challenging, as planning has traditionally evolved as a discipline where certainty and control of activity have been at its core (see Section 5.6). Offering meaningful support to such a dynamic and fluid process as diversification may require quite new conceptualisations of ‘rural’, and different approaches to ‘development management’ on the part of planners.

One of the common themes coming through the research has been the recognition that planning for rural areas needs to reflect differences between rural territories as well as between rural and urban. A further theme is the promotion of place-based approaches to rural policy as a means of ensuring that development strategies begin with the communities and places they will affect. In addressing these themes, this chapter builds on Section 5.6 above by considering the need for new ways of conceptualising and approaching ‘rural’ within planning (and wider) policy, and it also examines ways in which planning in its current form may be able to assist diversification. The chapter also examines the research results relating to place-based approaches as a way to encourage diversification on an ongoing basis. The chapter also reflects on how planning may need to adapt its approach to rural areas in order to support diversification more effectively.

7.2 Planning & Diversification: Scotland in Context

The Scottish Government’s desk based study ascertained that “there is little information available on tools for innovative rural planning policy at national level”\(^\text{155}\). This conclusion is supported by our wider literature review. However, it is a conclusion for planning policy at the national level, and examples of innovations in rural planning exist at other levels.

In terms of future innovation in national-level rural planning policy, the recent Planning (Scotland) Act 2019\(^\text{156}\) contains some key provisions that could be transformative in relation to the process of diversification. Firstly, it states that one of the key outcomes

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for the National Planning Framework (among others) should be increasing the population of rural areas of Scotland. Secondly, it provides for an extension to the statutory review period for Local Development Plans from 5 years to 10 years. Finally, the Act also provides for the preparation of Local Place Plans. These new measures will be returned to in Sections 7.3 and 7.4 below.

Atterton and Skerratt have noted that, irrespective of the structure of the economy of a rural region, supporting entrepreneurship by individuals and communities will help to diversify the local economy\(^\text{157}\). They note that innovation in rural regions may be undertaken by individuals and communities. Such innovation may be small-scale but nevertheless critically important to the future of a business or community group. On the issue of small-scale developments, Gløersen et al.\(^\text{158}\) have argued that the informal economy has increasingly been important to the development of tourism and communities in Sparsely Populated Areas in Scandinavia.

The OECD have recognised that some rural regions now perform in line with urban regions in terms of economic growth\(^\text{159}\). Indeed rural regions make a significant contribution to national prosperity and well-being across OECD countries (Scotland included, see Section 5.3). Rural regions have diversified economies beyond agriculture and other natural resource-based sectors, and there is evidence of innovation and entrepreneurship in the most remote rural regions. As evidence from Scotland shows, such regions can be those where employment levels and innovation are high.

At the same time however, the changing world requires rural Scotland, like all other territories, to adapt and diversify. Writing in 2018 in the context of an impending Brexit, Atterton points out that justification for providing funding to agriculture and rural communities in general will be challenged as competition for resources becomes more apparent\(^\text{160}\). Creating a coherent, coordinated rural policy will therefore be key to: sustaining and diversifying rural economies; strengthening rural communities; ensuring the delivery of high quality services; maintaining and enhancing natural and cultural assets, and; retaining and attracting back young people.

Copus et al.\(^\text{161}\) consider that the remote and Sparsely Populated Areas of Scotland and the Nordic countries are all facing particularly severe demographic challenges. They consider that social innovation is one of the key requirements of successful rural development in such territories, and the importance of this for the success or failure of sustainable neo-endogenous rural development should not be underestimated. They also stress that effective social innovation is reliant on financial and/or advisory support from outside. It is therefore necessary to strike a balance between locally instigated innovation and properly resourced outside support and investment.\(^\text{162}\)

The new measures in the Planning (Scotland) Act 2019, the recognition that small-scale local innovation is a feature of rural communities, and the general need for adaptation

\(^{157}\) Atterton & Skerratt 2017, p.30
\(^{158}\) Gløersen et al. 2009
\(^{159}\) OECD 2016, p.4
\(^{160}\) Atterton, 2018
\(^{161}\) Copus et al. 2017
\(^{162}\) Copus et al. 2017
and ‘social innovation’ are all profoundly important in considering how spatial planning and policy can support rural diversification.

7.3 The Rural Perspective in Practice & Policy

Planning and the challenges of supporting Rural Diversification

Scottish Planning Policy currently promotes the principle that the planning system should “in all rural and island areas, promote a pattern of development that is appropriate to the character of the particular rural area and the challenges it faces”\(^{163}\). Looking critically at how this works in practice however, a number of contributors to this research have questioned whether this is taking place (see Section 5.6).

In relation to Sparsely Populated Areas across Europe, Dubois and Roto have stressed that rural strategies need to focus on ‘soft factors’ and not on structural challenges\(^{164}\). This echoes the importance placed on ‘social innovation’ discussed above. It was also noted during the 2016 Scottish Rural Parliament that social and spatial planning needs to be linked for rural areas\(^{165}\). This was also reflected in our other research results.

“Remember that communities are made up of people and the planning system should work for them rather than stifling any creativity of thought and entrepreneurship.” (Torwoodlee Estate)

“Sustainable development: the increase in popularity and understanding of this term can provide a host of opportunities when equal weight is given to economy, society and the environment in decision making. This should be the purpose of the Scottish planning system.” (Woodland Trust Scotland)

“There is a distinct lack of synergy between planning, economic development, environmental and community needs.” (Alison Milne, Co-chair, National Council of Rural Advisors)

Development on the ground and the use of land are what planning in Scotland was originally designed to deal with in the 1940s, rather than the ‘soft factors’ identified by Dubois and Roto. This legacy may have influenced how diversification has been understood by policy makers and practitioners up to now. Planners may need to think more creatively about what ‘diversification’ means in order to engage with the type of strategies outlined above. Planning’s focus has perhaps understandably been on the clear deliverables of development on the ground rather than on ‘soft factors’ and ‘social innovation’.

A number of our research participants challenged planning’s understanding of rural Scotland (see Section 5.6). Also, as discussed in Section 5.3, agriculture, forestry and farming are no longer such dominant sectors of the rural economy as they once were, although they do remain important industries across rural Scotland. Despite this

\(^{163}\) Scottish Government 2014, p.21, paragraph 75
\(^{164}\) Dubois & Roto 2012
\(^{165}\) Connecting Scotland 2016
structural shift in the economy, some LDPs continue to consider these land based industries as the only ones justifying housing in the countryside.

Accommodation and food Services, and sustainable tourism, are now important to the rural economy and contributors to the research have suggested that planning policy could provide greater support for the development of these sectors. As an example the Scottish Tourism Alliance pointed to the estimated need for 25,000 new homes for tourism staff, while workshop contributors pointed to the need for more accommodation for seasonal workers.

Wider research has arrived at similar conclusions. For example, Atterton and Skerratt have criticised previous approaches to rural policy for relying on the assumption that rural economies equate with the ‘land based industries’, and the assumption that only urban areas can act as “engines of national growth”, with rural areas relying on any multiplier effects from this urban-generated prosperity.

Conversely, the National Council of Rural Advisors has noted that rural and urban centres support and nurture each other in a bilateral way within the wider Scottish economy. Our own research indicates that rural areas can be economically innovative and dynamic (see Section 5.3 in particular). Yet the smaller scale of such economic development means that it has been less prominent as a policy focus.

“…what we end up with is a scale of development that is not appropriate. The government wants to find the big flagship project that ‘sort it all out’. This is partly, at least, to do with the way the planning system works – it almost invites development to ‘go big’ because then the developer can claim big economic impacts (e.g. numbers of jobs) that helps to get permission. And as a result, projects that are never realistically going to be sustainable get through. What we need is more smaller-scale development, sustainable. Maybe creating 2 or 3 jobs, 2 or 3 houses. This takes an approach that facilitates not just regulates – a pro-active process that starts (a) with the beneficiaries and (b) outcomes.” (Jon Hollingdale, Chief Executive, Community Woodlands Association)

“It comes back to the economic argument – in rural communities 2 sustainable jobs can be as important as 20 sustainable jobs.” (Gavin Mowat, Policy Advisor – Rural Communities, Scottish Land & Estates)

“Smaller, sustainable development in all sectors is what our local area needs. Tourism is a rich income but tourism can't be relied on long term. We need to diversify into lots of smaller sectors - continuing traditional crofting and local, sustainable fishing, but increasingly looking at new ways to start new businesses locally.” (Anonymous)

“Digital communications are an essential way to ensure that residents in rural areas as well as farmers can have an opportunity to diversify their businesses into spheres that will almost certainly rely on internet based contact with customers. Accordingly

\[^{166}\text{Atterton & Skerratt 2017, p5}\]
\[^{167}\text{National Council of Rural Advisors 2018}\]
improved broadband etc. is a transformative change” (Gemma Cooper, Head of Policy Team, National Farmers Union)

Recent work on the measurement of wellbeing\(^{168}\) is taking a broader approach to assessment of the condition of rural communities and is helping to highlight the underlying strengths of rural communities that are lost in assessments based on economic data alone. By extension, planners may need to re-conceptualise the value of rural places, and the consequent damage that can be done to them if planning policies are serving to restrict the kinds of new development that are appropriate to the needs of those places, and the opportunities open to them.

Research by Scotland’s Rural College\(^{169}\) has highlighted the perceived failure of planning to take a supportive approach to rural development in the face of landscape concerns, noting the tendency to regard rural landscapes as areas where development should be restricted in principle. As a consequence, rural resources have often received limited mention in planning strategies. This has resulted in innovative proposals not being put forward in the first place in rural areas or, owing to issues of environmental constraints, in delays to the processing of planning decisions.

This criticism, while echoed in some of our own research results, is tempered by voices that advocate a continued controlling role for planning to protect landscape assets.

Scotland’s Rural College has also found that remote rural areas suffer from seasonality and low wages, while accessible rural areas are where the lowest percentage of poor households in the country are situated\(^{170}\). Economic performance varies more across rural areas than it does across intermediate and urban areas. Similarly, ESPON’s work on shaping policy for islands, mountains, sparsely populated and coastal regions has stressed the importance of not making these territories function in the same way as ‘mainstream regions’\(^{171}\). Promoting uniqueness is seen as a way of offering more promising economic development perspectives that can be easier to translate into policy actions. These observations amplify the call that a ‘one size fits all approach’ to rural is not helpful.

The Rural Planning Summit in September 2018 highlighted that rural planning needs to be locally responsive and differentiate its responses to the development challenges of rural areas from the responses found in urban areas. Differentiated responses could be manifested in a number of ways, that may in fact stray beyond the locus of planning itself, such as through: adopting technical standards that are more appropriate to local conditions and risks e.g. different roads requirements; closer agency/private/public sector working; a greater role for community planning; and, an approach to planning that is outcome-focused rather than overly concerned with details. Similar commentary on the perceived prevalence of detail and over-regulation of planning and land use in general has also been provided by the National Council of Rural Advisors\(^{172}\).

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\(^{168}\) Hopkins & Copus 2018b, pp.1-2  
\(^{169}\) SRUC 2014, p70  
\(^{170}\) SRUC. 2014, p.70  
\(^{171}\) ESPON 2017, p.5  
\(^{172}\) National Council of Rural Advisors 2018
At Scotland’s Rural Parliament in November 2018, flexibility was advocated as a means of unlocking diversification. The integration of land management and planning was also seen as a key objective, as was (again) recognition that the diversity of rural Scotland means that one size does not fit all and that urban ‘standards’ are not appropriate in areas where things rarely are standard.

There is wide recognition evidenced here that development opportunities and constraints in rural regions are different to those in urban areas. Rural regions are diverse and strongly shaped by their specific natural environments. Thus their development paths are substantially different from the standard model which focuses on urban areas. Rural regions should perhaps therefore employ different development models adapted to reflect the specific features of having low density of population and different types of economic activity.

Participants in our research commented that a lack of recognition for the differences inherent in rural areas mean that unsupportable burdens are placed on small developers, and that in a more general sense there is ‘over protection’ that works against ‘benign development opportunities’. Yet, participants also stressed that difficulty in meeting standards did not imply underlying fragility or weakness in rural areas, but rather a need to reconsider how processes could be adapted so that they more easily serve rural communities. A common suggestion was that planning should become more of a facilitator in rural areas than a regulator.

“Let people come up with their own ideas for businesses and be flexible enough to support them.” (Anonymous)

“Planners need to become facilitators for the future rather than regulators for the past.” (Anonymous)

“Having an overarching framework is good however this needs to split off into specific frameworks for different areas. (Moffat stakeholder workshop)

“Rural is not weaker, it is just different. A lot of the differences are because of choice, not because rural areas are necessarily weaker.” (Professor Russell Griggs, Chair, South of Scotland Economic Partnership)

Following on this theme, Copus and Hopkins have reported research findings that indicate support for the principle of ‘island-proofing’ national policy, including planning, to ensure that decisions made are applicable to the needs and characteristics of islands, given the differences that they exhibit from mainland contexts. Comments were also received in the consultation on the recent Planning Bill (now the Planning (Scotland) Act 2019) for recognition of ‘difference’ to be extended to non-island rural areas in recognition of their distinctiveness and need for different approaches.

The foregoing paints a picture of planning as a process that may struggle to deliver diversification for the different needs of rural areas. It also points to areas where planning may need to re-conceptualise what rural is, and what the function of planning

173 Copus & Hopkins 2017
174 Murray, 2017
should be in rural areas. The particular perceived deficiencies with planning can be characterised as comprising: a lack of attention to the human components within rural communities; an imbalance between planning’s ability to control and its role in encouraging and supporting development; a misunderstanding of economic activity within rural areas; and, a continuing urban focus that largely perceives ‘protection’ as the key purpose of planning in rural Scotland.

**Planning’s potential to respond positively to diversification**

It may be that the most effective way to encourage diversification is not to seek to deliver diversification itself through planning efforts, but rather to create the conditions where diversification can thrive.

The new *Planning (Scotland) Act 2019* and the various outcomes it introduces in relation to the National Planning Framework represent an important opportunity for planning to re-conceptualise how it supports diversification in rural areas. By focusing the NPF on outcomes such as: increasing the population in rural areas; meeting housing needs; improving health and wellbeing; improving equality and eliminating discrimination; securing positive effects for biodiversity; and, meeting greenhouse gas emissions targets, the 2019 Act enables a renewed focus on the underlying conditions from which successful diversification can emerge.

This point about the importance of underlying conditions is one that came up at our Oban workshop during a discussion about diversification. A workshop contributor noted that tourism itself, while a form of diversification, is not a transformational development. Rather, tourism only thrives where the underlying conditions of the host place in which it is situated are attractive to potential visitors. In this view, the key transformation is in the underlying conditions, and from this, new development flows.

This comment echoes the findings from other aspects of our research, which also suggest that successful diversification comes from ensuring that the conditions are in place to support new and innovative investment decisions. The literature on this issue includes a 2016 OECD report that recognises that, while growth comes from improving connectivity to export markets and matching skills to areas of comparative advantage, improving the provision of essential services is also key. The OECD also note that the policy focus must evolve away from short-term and sectoral support towards helping to build conditions favourable for the long-term growth of low-density economies. While the process of economic diversification is about identifying one or more new and profitable niches for an area, the success of such economic diversification is only likely to take place where underlying conditions encourage people to change and vary what they do. There will be risks relating to any change, and people are less likely to take risks if there is increased uncertainty about their likely chances of success. It follows that if basic infrastructure to support experimentation and future expansion is not available, this could stifle entrepreneurship and prevent those changes being made at source.

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175 OECD 2016
Housing is a good example of this approach to supporting diversification of the rural economy by focusing on the underlying conditions allowing it to take place. As reported in Chapter 6, in the responses to Question 16 of the online survey – on types of development that might be particularly important in generating wider positive change for rural communities and businesses – housing was identified as a priority by both individuals and organisations. In this context, housing is potentially transformational in economic terms because the provision of adequate and appropriate housing helps to retain and attract the people who will deliver diversification of the rural economy. It is, of course, potentially transformational in wider social terms as well.

It is important to stress that a number of Scottish LDPs do already specify depopulation as a key threat to their area’s prosperity, and accordingly contain flexible housing policies that support growth in rural areas that are not only remote from larger population centres, but have the capacity and potential for growth (e.g. Aberdeenshire, Argyll & Bute, Shetland). It is useful to consider that the driver for Aberdeenshire’s strategy of allowing permissive housing policies around identified settlements was based on capacity in local rural schools. This is similar to the approach highlighted in a review of LEADER projects from across the EU that cited ‘place-marketing’ in the North-east of the Netherlands as a means of supporting development in areas where there is room in local rural schools. Clearly, then, attempts are already being made to consider how rural planning policies focused on housing can be used in creative ways to underpin other parts of rural communities’ infrastructure.

There is limited discussion within the research responses or the literature (beyond those already addressed in Chapter 6) of specific forms of diversification that could be better supported by planning. The examples noted in previous chapters that could be supported include further tourism opportunities, the expansion of crofting and extended permitted Development Rights for the diversification and redevelopment of agricultural buildings. While not addressing planning directly, the study of Northern Sparsely Populated Areas in Scandinavia shows that young adults are overrepresented in all municipalities where there are opportunities for higher education \(^{176}\). This illustrates the effects of proactive policies promoting education in rural areas, which of itself is likely to promote further diversification. Education was a topic that was also discussed at the stakeholder workshops.

Scotland’s Rural College has pointed to community landownership as a means to rebuild community capacity, confidence, increase employment, investment, housing and reduce out-migration\(^ {177}\). Sarah Skerratt’s work on behalf of SRUC/the Prince’s Countryside Fund, also looked to land ownership or asset transfer as a means of community empowerment\(^ {178}\). Land ownership was also mentioned by several of our community sector research participants in the context of diversification.

Some of these specific suggestions for diversification of particular aspects of the economy or for changes to asset management or ownership arrangements fall squarely within the remit of planning, while other do not. More generally, diversification can take many forms and it is therefore difficult to anticipate in a prescriptive way. Being overly

\(^{176}\) Stjernberg & Penje 2019
\(^{177}\) SRUC 2016, p60
\(^{178}\) Skerratt 2018, p25
prescriptive about the possible forms of diversification may in fact prove impossible. An alternative approach is to provide greater support for encouraging those underlying conditions that create a platform allowing diversification to take place. This could be a way in which planning in its current form could encourage greater diversification and experimentation within rural communities. One of the six key outcomes the new Planning Act seeks the National Planning Framework to contribute to is to increase the population of rural areas of Scotland. This is considered to be an important development as it will have implications for housing, an area that has been highlighted in the research as having potential to support greater diversification.

Place-based Approaches to Policy & Their Implementation

The section above has shown that planning support for successful diversification in rural areas may be about a process of recognising the value, difference and growth potential of such territories, while being proactive in helping facilitate projects. This could lead to an interesting shift in the practical work of Local Authority planners as they potentially become more community facing in order to try and implement and deliver local planning strategies. This may be more helpful in delivering diversification than setting out a prescriptive list of built developments through planning policy; the list approach being a simple extension of the control and restrict format that has been critiqued through this research.

Skerratt has noted that the adoption of a place-based approach in national policy-making in Scotland offers the opportunity to develop a more positive dialogue around the future of rural communities based on their wider range of economic, social and environmental assets and their often untapped potential. In the potential shift noted above, the role of planners could become one where they are principally engaged in understanding what these assets are and in working with communities and businesses to determine how best they could be developed and used to the community’s benefit. The research supports this view of rural areas as places that provide resources and opportunities both for traditional activities and for more innovative use to support vital new functions. These functions offer a new economic base for a rural region and can provide sources of income and employment.

“A place-based approach to rural development, building on existing assets and evolving within a more diverse pattern of land ownership and changing land use can help to deliver positive change.” (Dr Calum MacLeod, Policy Director, Community Land Scotland)

“We need communities to be much more at the heart of planning. Community-led plans. We need to involve communities and understand what they need. There is a need to listen to the community and then to have a discussion with the community, to strike a balance between what the community says and other priorities and concerns. Sometimes priorities may be greater and sensibly over ride the community view but that view must be sought and regarded.” (Professor Russell Griggs, Chair, South of Scotland Economic Partnership)

Delivering the more holistic approach to diversification that is outlined above could be helped by the two further provisions of the 2019 Planning Act, i.e. the provision to

179 Atterton & Skerratt 2017
extend the statutory review period for Local Development Plans from 5 years to 10 years and the provision for community bodies to be empowered to produce Local Place Plans.

Dealing with the first of these, it is useful to reflect on early work as to its purpose. It was the independent review of the Scottish planning system in May 2016, which was undertaken as a prelude to the Bill being lodged, that first suggested this frequency for LDP reviews. The reason given for this was that:

“Local Development Plans should set out a 20 year vision and focus on place, rather than policy. The preparation process should be streamlined to a 2 year period, leaving the remainder of the time to focus on implementation and work with local areas to build in community led plans.”

This approach – especially the focus on implementation and work with communities – seems to align with the holistic approach to diversification set out above.

The provisions set out in the Planning (Scotland) Act 2019 imply that Local Place Plans and Local Development Plans will be informed by each other, providing an additional mechanism for promoted place-based development.

If the 2019 Act seeks to free up officer time, allowing them to focus on implementation and work with local communities, it is important that there is an understanding of the best way to get the most from this change. This would mean encouraging planners to reconceptualise what rural communities are, and work alongside communities and others to realise diversification opportunities. As noted in the previous section, the Autumn 2018 Rural Planning Summit discussed the need for closer agency/private/public sector working; a greater role for community planning; and, an approach to planning that is outcome focused rather than overly concerned with detail. This was essentially a discussion of place-based approaches to planning.

Atterton and Skerratt, following Barca, define place-based approaches in the following way:

“A place-based policy is a long-term strategy aimed at tackling persistent under-utilisation of potential and reducing persistent social exclusion in specific places through external interventions and multilevel governance. It promotes the supply of integrated goods and services tailored to contexts, and it triggers institutional changes. In a place-based policy, public interventions rely on local knowledge and are verifiable and submitted to scrutiny, while linkages among places are taken into account… this strategy is superior to alternative strategies that do not make explicit and accountable their territorial focus…..”

Place-based initiatives promote the participation of people and communities, and focus on building on local assets. They promote joined-up partnership-working with communities and public, private and third sector organisations working to tackle issues

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180 Beveridge et al 2016
181 Atterton & Skerratt 2017, p.14
together. In the EU, there has been a shift in the last two decades from emphasising the challenges facing rural areas towards a more positive assets-based approach that asks what support is needed to enable rural communities to fulfil their potential.

“Integrated service provision, things around the place principle. Emerging thinking from local place plans is that you maybe need a broader local outcome plan or a community action plan that pulls in outcomes from a number of community engagement exercises not all about planning or land use”. (Robbie Calvert, Policy and Practice Officer, Royal Town Planning Institute)

“Identifying why residents, would-be residents, land owners, businesses, investors, and visitors value each specific area/place, agreeing together what the values are and jointly identifying ways to use these tangible or intangible assets/values to attract appropriate sustainable investment and development (with Advice from specialists). Those values could be related to culture, history, sense of place, nature, views, jobs, health, economy, agriculture, traditions, community cohesion, architecture, safety etc.” (Anonymous)

In addition to positive characterisations of rural Scotland arising from the research of Scotland’s Rural College and in the OECD’s New Rural Policy: Linking up for Growth, Hopkins and Copus’ work on measuring wellbeing at the community scale notes that remoter rural areas perform well in relation to quality of life, safety, life satisfaction, environmental quality and political engagement. Remote rural areas have the second highest household income of any region, and figures for jobs and earnings and education are strong. In remote small towns, a relatively high proportion of housing is low cost therefore offering opportunities for new residents and entrepreneurs. These observations are echoed in their work on mapping disparities.

The James Hutton Institute’s work on Scottish Sparsely Populated Areas is similarly upbeat, suggesting that SPAs have the potential to become new “engines of prosperity”. The OECD’s Rural 3.0 Framework for Rural Development looks ahead and recognises that rural areas will be critical to addressing the challenges of the 21st century, which include developing new energy sources that meet climate challenge, innovation in food production for a growing population, and the provision of natural resources that will enable the next production revolution. ESPON’s paper on Shrinking Rural Regions in Europe points out that these territories in fact offer a natural ‘green’ advantage due to the decreased pressure on the environment, increases in green spaces and decreases in pollution.

“Resource pressures could bring more opportunities for collaboration in many areas such as between local authority and the private sector in bringing forward strategic

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182 Atterton & Skerratt 2017
183 e.g. SRUC 2014
184 OECD 2015
185 Hopkins & Copus 2018a
186 Hopkins & Copus 2018b
187 Wilson and Copus 2018
188 OECD 2018
189 ESPON 2017b
development." (Gavin Mowat, Policy Advisor – Rural Communities, Scottish Land & Estates)

The promotion of local place-based networks to champion rural assets was historically pioneered by the OECD, which through its 2006 *New Rural Paradigm*[^190] positioned rural policy as an investment strategy to promote competitiveness among rural areas. In emphasising the great potential of rural areas, it recognised that successful policies for rural areas require a multi-sectoral approach; no one sector is sufficient to bring about rural development on its own. This approach represented a radical departure from the typical subsidy programmes of the past, aimed at specific sectors (particularly agriculture). It promoted a bottom-up approach in which local engagement is key, contrasting with the top-down strategies that have traditionally been favoured. At its core, the New Rural Paradigm focused on the positive attributes of rural places as contributing to wider societal goals, rather than on the fragility and perceived deficiency of such areas. Andrew Copus’ work on the OECD approach[^191], highlights that it necessitates the promotion of rural business development and diversification. The current perceptions of planning’s focus on ‘land based industries’ discussed in the previous section, seems to align more readily with a vision of rural areas being ‘in need’ rather than having ‘potential’.

Jane Atterton’s various analyses of the OECD approach highlight particularly how it deals with places rather than sectors, recognising that rural places are all different and that accordingly one approach will not work for all[^192]. A place-based approach may, for example, highlight that some areas need specific infrastructure, while some would benefit from strengthened urban-rural linkages, and others should remain important places for agricultural production. This all needs to be reflected in different development strategies which need to extend beyond planning and into any number of different policy areas depending what the particular local assets happen to be. Fundamentally, the OECD approach encourages economic growth across the board, and promotes innovative forms of joint service provision in order to deliver this. These approaches may be quite different from those traditionally favoured in protective planning policies where the potential for increased rural productivity may not lie at the core of the approach toward local development management.

“Diversification – we need more start-ups, and more businesses using tourism as an opportunity to provide a range of services, lumping things together, such as laundry, showers, food, retail, bike hire”. (Camille Dressler, Chair, Scottish Islands Federation)

In 2016, the OECD published *Rural Policy 3.0* which finesses the *New Rural Paradigm* approach and emphasises that policies should focus on enhancing competitive advantages in rural communities, and should draw on integrated investments and the

[^190]: OECD 2006
[^191]: Hopkins and Copus 2018a
[^192]: Atterton and Skerrat 2012, 2017, 2018
delivery of services (rather than subsidies), adapted to the different needs of different rural communities\textsuperscript{193}.

Even where depopulation and shrinkage is accepted, ESPONs work on *Shrinking Rural Regions in Europe*\textsuperscript{194} points to place-based strategies as offering ways of managing such change positively. This would include diversifying the local economy to capitalise on local resources and comparative territorial advantages (e.g. natural capital, local heritage, renewable energy, tourism opportunities). It would include measures to increase resilience and adaptive capacity by downsizing less sustainable components within the local economy, where appropriate. It would include improving environmental sustainability and ensuring access to basic services and infrastructure in order to improve live-ability and the quality of life.

Organisations such as Scottish Rural Action have repeatedly noted that communities should be funded and supported to undertake planning and visioning work for their own local areas\textsuperscript{195}. The workshop report by National Council of Rural Advisors also highlights the value of place-based approaches where local communities devise solutions to the issues they face, offering encouragement and support to local businesses and people\textsuperscript{196}.

The empowerment of people to take decisions for their community is a defining feature of place-based strategies. Dubois and Roto note that improving local entrepreneurial culture will have substantial leverage effects on local economies, and by extension diversification. This aligns with the discussion of ‘social innovation’ in the preceding section\textsuperscript{197}.

“If the local businesses could grow and develop there is also an opportunity for special vocational education and training for rural businesses. This is not the same as training in urban businesses because employees in rural businesses need to be more flexible and multi skilled.” (Anonymous)

“Self-reliance, with ‘local economies’ supporting small enterprises” (Sebastian Tombs, Chair, Lismore Community Trust)

“I believe that what we have achieved at Standingstone is a model which has interesting lessons for other places, and while I don't think we have a ‘cookie cutter’ model I do think we have a lot to say about how to arrest and reverse depopulation.” (Anonymous)

The SRUC report on the *Implications for Rural Areas of the Christie Commission Report on Delivering Public Services* was positive in its evaluation of the readiness of rural Scotland for place-planning techniques\textsuperscript{198}. It considered that rural communities have high levels of capacity to engage with place-based approaches, and that rural areas

\textsuperscript{193} Atterton and Skerratt, 2017
\textsuperscript{194} ESPON, 2017
\textsuperscript{195} Scottish Rural Action, 2015
\textsuperscript{196} NCRA, 2018a
\textsuperscript{197} Dubois & Roto, 2012
\textsuperscript{198} Currie, 2017
may offer ideal sites for the exploration of innovative approaches to joint delivery, the use of digital technology, and public-private-third sector collaboration. Some are already doing this. The report highlighted that rural areas are likely to have stronger social networks and contacts than in urban communities, and thus higher levels of engagement and social capital, which make place-based approaches to planning more appropriate and likely to succeed.

“In our experience, communities are responding to all these challenges in various ways - often turning negative issues into opportunities.” (Development Trusts Association Scotland)

“There needs to be a clear line first for what we are trying to achieve. Perhaps rural communities do need to do more stuff themselves in order to support these places. If there is going to be Local Place Plans, maybe there needs to be business plans too” (Derek Logie, Chief Executive, Rural Housing Scotland).

In terms of implementing place-based approaches in the specific context of planning policy, Atterton and Skerratt’s work provide a starting point in identifying the ways in which general rural policy has adapted from a top-down strategy to address ‘need’, into a bottom-up strategy to capitalise on ‘potential’199. Their study cites the change in language used in the EU Rural Development Programme between 1996 and 2006 as evidence for this. This offers encouragement for supporting a similar shift of focus in planning policy in the coming years.

Elsewhere further encouragement may come from an examination of the OECD review of rural policy in Scotland and England that was undertaken by Atterton and Rowe200. Examination of the English review highlighted that many of the principles of the New Rural Paradigm were in evidence, with policy interventions tilted more towards investment than subsidy. More broadly the review of English practice found positives on the broad-based approach that was seeing rural policy go beyond farming. It is significant that English planning practice includes the creation of Neighbourhood Plans as a means of empowering communities. This can be used as an additional vehicle to the Local Plan to specifically express local development aspirations. It follows that the creation of a system for producing robust Local Place Plans could help Scotland’s rural areas alter their fortunes and undertake positive diversification too.

199 Atterton & Skerratt 2017
200 Atterton & Rowe, 2012
**Challenges**

It is worthwhile reflecting briefly on the obvious challenges to adopting a place-based approach to planning for rural communities.

Firstly it seems instructive to consider planning lawyer Neil Collar’s reflections on the overall evolution of Planning Law in Scotland.

“A criticism frequently made of Statutory Planning is that it has consistently promised far more than it could hope to deliver.” (Collar, 2016)

In her 2018 paper, Atterton sets out a list of suggestions for how a coherent, coordinated rural policy could be formulated in order to (among other things) sustain and diversify rural economies. This list is worth reflection in considering how planning might enable diversification in the future using more place-based approaches.

- Building a more positive narrative about rural Scotland;
- Taking a networked approach to rural development;
- Ensuring an accurate, up-to-date evidence base exists to inform policy;
- Ensuring an integrated approach to rural policy;
- Rethinking the value of rural proofing;
- Taking a place-based approach to policy;
- Strengthening rural communities;
- Recognising the breadth of economic activities and contributions across rural areas
- Placing rural areas at the forefront of future opportunities and challenges
- Acknowledging and strengthening rural-urban linkages.

Given the collegiate approach central to place-based approaches, it is acknowledged that planning would not have to take responsibility for all of these. Nevertheless issues of: resourcing data collection; coordination and ongoing engagement with stakeholders; and, allowing adequate officer time to input to the process across multiple communities, would be very challenging.

Atterton and Skerratt note that underlying this place-based approach is a need for accurate and up-to-date evidence about all aspects of rural areas and the actors within them. They caution that without a full evidence base, appropriate policies cannot be shaped for different places.

The capacity of local people to engage in activities is essential if such an approach is to be taken. While some rural residents might relish the opportunity to engage in community planning, it is likely that some will not – one of the comments received from the Moffat stakeholder workshop, for example, was that communities are suffering from consultation fatigue.

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201 Collar 2016, paragraph 2.19
202 Atterton 2018
203 Atterton & Skerratt 2017
In terms of officer time, and notwithstanding the implementation of a ten year LDP cycle, and a possible shortened 2 year LDP preparation process, the size of Scottish Local Authority areas (some of the largest by area and population in Europe) could make effective officer engagement in this process across many rural communities very challenging unless staff numbers can be increased or officers can be deployed in radically innovative ways.

Finally the place-based approaches here assume a key role for policy planners, given their roles may evolve as a consequence of the change in the frequency of LDPs. This would not directly address issues of development control that are the cause of much documented anxiety in terms of roads standards and delays to decision making on individual applications, for example. One potential resolution for this would be if Local Place Plans, delivered through place-based approaches, were to evolve into Masterplan Consent Areas that have also been included as a new provision in the Planning (Scotland) Act 2019. If they did, then this could provide a solution that would allow developments that diversify local land use to be delivered more quickly as long as they conformed to the requirements of the Masterplan Consent Areas.
8 Conclusions and Recommendations

8.1 Introduction
The overarching aim of the research was to explore how planning policy can support strong and vibrant rural communities and economies in the coming years. This aim was to be met by achieving five more specific objectives, and we have used the five objectives to structure our conclusions and recommendations in this chapter.

The quantity, quality and diversity of the evidence varies in relation to each of the five objectives. For example, there is a large body of literature relating to objective 1 (typologies) and several of our interviewees were able to provide insight into this question, based on their depth of experience and on research undertaken by their organisation. By contrast, the literature is much more limited in relation to the needs of rural communities and businesses and how these are likely to translate into development on the ground (part of objective 3), although this is a topic that was addressed by many of those who participated in the survey, interviews and workshops.

There are also differences in the nature of the evidence provided by different participants. For example, some individual survey participants provided short statements based on their personal experience or opinion, while others responded on behalf of an organisation and presented fuller responses based on their organisation’s research, on the views of their wider membership, or on other sources. We have taken this variability of the evidence into account in framing our conclusions and recommendations, giving more weight to those conclusions based on more substantial and robust evidence.

8.2 Objective one
To draw together, from the existing literature base, the different typologies and classifications used to describe Scotland’s rural areas and to consider what is ‘rural’.

As discussed in Chapter 4, in order to be capable of supporting place-based approaches to policy, typologies should take account of the particular needs and challenges of different areas, as well as their assets and opportunities and their functional links. There is a substantial body of data available for this purpose in Scotland. Given this, the principle question is one of deciding what are the key variables for developing a picture of rural Scotland that is relevant to the preparation of NPF4.

The research has shown that urban rural typologies are a relevant basis for developing a typology for Scotland’s rural areas in this context. This is because such typologies focus on two of the key challenges facing rural areas (i.e. population and access). It is also relevant because the development opportunities and pressures of a rural area are influenced by it’s relative distance from urban centres.

The 8-fold version of the Scottish Government Urban Rural Classification identifies three types of rural area – Accessible, Remote and Very Remote – and it is a standard national-level typology used across a range of policy areas. Using this typology, or a
typology based upon it, allows for the integration of a wide range of different datasets and might also support the integration of planning with other national strategies and policies. It may be necessary to adapt the Urban Rural Classification to make it more fully relevant to planning. In 2014, *Scottish Planning Policy* adopted a typology of rural areas that was similar to the Urban Rural Classification in identifying three main types of rural area, but different in defining these areas on the basis of access and development pressure, rather than access and population size.

The research raised the question of whether to include small towns in a typology of rural areas, or to treat them as a separate category. There are similarities in the challenges faced by and opportunities open to people in small towns and in rural areas. However, there are also differences, not least in the planning context where there may be a need to vary policies for these two types of areas. On balance, we conclude that the current approach of classifying small towns separately from rural areas should be maintained.

The research has shown that a more nuanced approach should be taken to the classification of so-called Remote and Very Remote rural areas. Islands face distinct challenges – something that has been recognised by the *Islands (Scotland) Act 2018* and the planning policies adopted by island Local Authorities. Sparsely Populated Areas also face distinct challenges, driven by trends in their population levels and profiles. In order to respond to these challenges – and to support strong and vibrant communities and economies in Islands and Sparsely Populated Areas – the typology developed to inform NPF4 will need to differentiate these types of area.

In the research, we reviewed the extensive and diverse data that is now available for characterising rural areas according to their relative socio-economic performance, wellbeing, deprivation or fragility. Such data has seen some use in planning context at the Local Authority level (e.g. in the current Highland-wide LDP). It can support place-based approaches to policy by providing a more nuanced, complex and place-specific understanding of the needs, challenges, opportunities and assets of different areas. However, this data is relatively fine-grained and we conclude that the process of analysing and using it to support the development of policy is best done at the local or regional level. Doing so would allow scope for the variation that is needed to support the development and implementation of place-based policies and measures. This would, for example, allow variation in the selection of the key indicators that are used in producing a more refined rural typology, recognising that the nature of the challenges and opportunities varies from one part of Scotland to another.

Based on these conclusions, our recommendations are:

**Recommendation 1:** The 8-fold Scottish Government Urban Rural Classification provides a relevant and appropriate basis for characterising rural Scotland for the purposes of NPF4, and should be used as a starting point for that process. It may be necessary to modify and adapt the basic rural categories provided by the Classification to ensure their full relevance to planning.

**Recommendation 2:** Island and Sparsely Populated Areas should be represented as distinct types of rural area in the picture of rural Scotland used in the preparation of NPF4. This will serve to differentiate those types of area from other Remote rural areas,
on the basis of their differing needs, challenges and opportunities, thus supporting the development of place-based policies.

**Recommendation 3:** the preparation of Local Development Plans and other sub-national plans and policies should take account of existing data on socio-economic performance and wellbeing, to support the development of place-based policies. The selection of indicators should be determined at local or regional level, allowing for variation in local circumstances, but it would usefully be supported by national guidance relevant to planning contexts.

This guidance might, for instance, support the development of a consistent approach to the use of existing national datasets in planning contexts. On the basis of the available research, it might identify the particular kinds of variable that are likely to be most significant in different rural contexts and those that are most relevant to planning.

**8.3 Objective 2**

*To describe at a national level the key challenges of relevance to planning in rural Scotland, within the different typologies identified, drawing on existing data sources.*

The *Islands (Scotland) Act 2018*[^204] and the recent *Planning (Scotland) Act 2019*[^205] identify a series of outcomes that are to be addressed by the *National Islands Plan* and the *National Planning Framework* respectively.

The outcomes to be addressed by the *National Planning Framework* include increasing population levels in rural areas, improving health and wellbeing, meeting housing needs (in particular the housing needs for older and disabled people), improving equality and eliminating discrimination, meeting greenhouse gas emissions targets, and securing positive effects for biodiversity.

The *National Islands Plan* must also address some of these outcomes, as well as additional outcomes such as improving transport services and digital connectivity, promoting sustainable economic development and community empowerment and reducing fuel poverty.

Analysis of our own research results has identified 6 key challenges, which are interconnected (see table below). The first four of these challenges broadly map onto the outcomes identified in the Islands and Planning Acts and have therefore already been identified (by those Acts) for consideration in preparing NPF4. Our findings suggest that consideration should also be given to certain challenges relating to the current policy environment and to the availability of land.

<table>
<thead>
<tr>
<th>Type of Rural Area</th>
<th>Accessible</th>
<th>Remote/Very Remote</th>
<th>Sparsely Populated</th>
<th>Islands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographic change</strong></td>
<td>Change in population levels and the population profile is evident in all types of rural area, but the nature and impact of this change vary. The main demographic issue identified by the research is the persistent depopulation of some rural areas. The challenge is both one of falling population numbers and of an ageing population profile. The potential consequences include impacts on the sustainability of rural communities and the provision of services, changes in land use and land-based activities, effects on the environment and ecology, changing settlement patterns and population redistribution.</td>
<td>There are concerns over rising and ageing populations in Accessible areas, leading to development pressures and pressures on services.</td>
<td>The nature of population change and the challenges it present vary across Remote and Very Remote areas. In some places, the population has grown, while in other it has shrunk.</td>
<td>SPAs account for almost half (48.7%) of Scotland’s land area. The populations of some SPAs have fallen while others have grown modestly. Everywhere, there is concern over the ageing population and the potential for further shrinkage, particularly falling numbers of working age people, resulting in a higher dependency ratio.</td>
</tr>
<tr>
<td><strong>The changing rural economy</strong></td>
<td>There are challenges arising from deep structural changes in the rural economy, particularly associated with the decline of agriculture, fishing and forestry, the closure of major employers and the rise of a service economy. There are particular concerns around the impacts on rural communities and places of growth in tourism. In some rural areas there are low levels of economic diversification, small-scale economic activities and limited added value, with natural resources being exported unprocessed. Some areas also have an insufficiently diverse labour market with limited employment opportunities, e.g. for women (with resulting gender inequalities). The economies of rural areas also have a number of positive characteristics, and are distinct from the economies of the cities and towns.</td>
<td>Part time employment, self-employment and</td>
<td>Part time employment, self-employment and</td>
<td>The economy of SPAs is broadly similar to that in</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>As described for Remote/Very Remote and Sparsely Populated Areas.</td>
</tr>
<tr>
<td><strong>home working</strong></td>
<td><strong>Unemployment</strong></td>
<td><strong>Lowest average incomes</strong></td>
<td><strong>Commuting</strong></td>
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<tr>
<td>are more common in Accessible rural areas than in towns and cities.</td>
<td>lower and smaller businesses are relatively more important as employers.</td>
<td>have the highest average incomes in Scotland.</td>
<td>has become increasingly prevalent in Accessible areas.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>rural Scotland as a whole</strong></th>
<th><strong>SPAs</strong></th>
<th><strong>Tourism and traditional land-based industries</strong></th>
<th><strong>survival</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>have within the Remote and Very Remote parts of Scotland and share their economic features.</td>
<td>particularly dependent on tourism and traditional land-based industries (although employment in the latter sector has fallen in SPAs too).</td>
<td>Incomes in SPAs are generally lower than in other remote areas.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Live-ability’ of rural areas</strong></th>
<th><strong>Growing and ageing population of Accessible areas</strong></th>
<th><strong>Centralisation of services</strong></th>
<th><strong>Household budget required</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The 'live-ability' of rural areas is a matter of the standard and quality of life and the viability of rural communities. There is concern over the loss of public and other services, and the difficulties in accessing services from some rural areas. There is also concern over heating, fuel and energy costs and other costs of living, which can be significantly higher in rural areas. Research participants identified challenges relating to social isolation, health and wellbeing, the provision of community facilities and community resilience.</td>
<td>The growing and ageing population of Accessible areas is considered to be putting pressure on existing services.</td>
<td>The centralisation of services presents particular challenges for Remote areas. Distances to some services (e.g. schools) can be significantly greater compared to Accessible areas. The budget required by a household to achieve a minimum</td>
<td>Compared to other rural areas, SPAs have experienced a more significant fall in employment in the public services. The challenge of delivering public and private services has intensified in SPAs in recent years due to their geography, demographic</td>
</tr>
</tbody>
</table>
Climate Change & conservation

Climate change was identified by the research as a general concern affecting all rural areas, with potential consequences including changes in land management and impacts on the viability of agriculture, impacts resulting from the increased incidence of extreme weather events such as flooding, and increased resource scarcity and growing social injustice. Challenges were also identified in how Scotland responds to Climate Change – i.e. some research participants emphasised that action to address Climate Change needs to be done in ways that support rather than further undermine the sustainability of communities and businesses. The conservation of nature, landscape and cultural heritage was also raised as a challenge. A number of interviewees argued that conservation, Climate Change and the sustainability of rural communities, are a trio of key challenges that should be addressed together.

Some research participants expressed concern over development pressures on the countryside around cities and towns.

The research has identified rural areas – and perhaps especially Remote areas – as having great potential as a resource in addressing Climate Change. The research has also highlighted the potential for Climate Change measures to disproportionately impact upon communities in more remote areas and to create or exacerbate inequalities. The conservation and enhancement of cultural and natural heritage have been identified as a particular challenge in

As described for Remote/Very Remote Areas.
Remote, island and Sparsely Populated areas, in response to changes driven by Climate Change and to the pressures of tourism.

<table>
<thead>
<tr>
<th>The administrative, policy and fiscal environment</th>
<th>Challenges identified by the research include those arising from the UK’s exit from the European Union. They also include challenges related to the planning system, of three main types. 1) Community empowerment and participation in planning policy and decision making. 2) The perceived ‘urban’ mindset of planning, a perceived tendency to seek to protect rural areas from development rather than to support development and a need for greater understanding in policy of the diverse needs and character of rural communities, economies and places, and. 3) The links between planning and the attainment of wider societal goals. Planning concerns the development and use of land, and it therefore intersects with many different social, economic and environmental issues and can play an important role in delivering a broad range of outcomes. However, some research participants consider that planning is not performing this role adequately because it is not sufficiently connected to wider agendas such as land reform, improving local governance, promoting inclusive growth and environmental enhancement, and responding to Climate Change.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The supply of land</td>
<td>The research has identified the limited availability of land as a structural barrier to the development that is needed to address the other major challenges outlined above. This is partly a question of Scotland’s pattern of land ownership, which is highly concentrated, and its particular forms of tenure, such as crofting tenure. It is also a matter of the effects of planning, which can affect land values as a result of its role in managing the use and development of land.</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>The issues identified by the research under this heading are largely general in nature, applying to all types of rural area.</td>
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<tr>
<td></td>
<td>The issues identified by the research under this heading are largely general in nature, applying to all types of rural area.</td>
</tr>
</tbody>
</table>
8.4 Objective 3

To establish what each of the differing types of rural areas are likely to need from the planning system over the lifetime of NPF4 to support positive economic futures.

Research relating to this objective included consideration of the anticipated future needs of rural businesses and communities and how these needs are likely to translate to development on the ground for the period to 2050. Nine broad areas of development were identified in the research as being of particular importance (described in Chapter 6 and discussed in turn below).

The cross-cutting challenge to NPF4 is to create a policy background that enables planning authorities to plan in a nuanced way to help address the needs of rural areas, avoiding an urban-centric way of thinking being applied to rural planning policies.

**Housing and Settlement**

Housing has a fundamental role in relation to the rural economy and in the sustainability of rural communities. The research results indicate that this is widely held to be a transformational form of development because of its centrality to the wider development prospects of an area. Its significance relates to supporting schools and services, providing a local workforce, giving people the opportunity to develop businesses, enabling succession planning on farms and other businesses, releasing business expansion, and retaining and attracting economically active people. Affordable and housing and appropriate types of housing are key. The challenges of providing rural housing are multi-faceted (cost, availability of land in the right place, infrastructure, planning, construction sector skills gaps, availability of finance) and require action across a range of sectors.

As noted below, the Planning Act makes increasing the population of rural Scotland an outcome that should be addressed by NPF4, and this may require a change of thinking on the part of policy makers and planners. To help achieve this, the role of planning must be to move beyond traditional measures of housing need and demand within larger scale Housing Market Areas and rely more on fine-grained approaches which can identify the untapped demand in rural areas. Planning should recognise and develop housing policies suited to those rural areas where housing is perceived as a positive form of development to be encouraged, given its significance to the wider rural economy and societal needs.

Across all rural areas, including Accessible areas, the provision of required housing cannot rely on the same delivery process as in urban areas where larger sites can be developed by larger house-builders. Rural areas are generally less attractive to these firms due to the lower demand in purely numerical terms and the higher costs of construction. The provision of housing is however still essential to keeping rural areas vital.

The management of tourist accommodation will be a key challenge to planning, allowing and supporting the tourism industry which is so vital to rural areas, but also ensuring that property is not lost to tourism, and ensuring that there is a sufficient housing stock for people wishing to live and work locally.
Recommendation 4: Planning should rely more on fine-grained approaches in rural areas which can identify untapped housing demand, and place less reliance in these areas on traditional measures of need and demand.

Recommendation 5: Planning should also recognise and develop housing policies suited to rural areas, where housing is perceived as a transformational form of development in relation to the wider rural economy and societal needs.

The traditional planning approach to patterns of rural settlement is challenged by the research, which suggests the strategy of constraining smaller settlement growth and focusing on large scale centralised expansion of settlements is an incomplete one when it comes to addressing the needs of rural communities and the rural economy. There is a need to allow settlements across the country to develop in line with more locally-based diagnoses of where growth is appropriate.

Local Place Plans may provide a mechanism for making such diagnoses. There is also a need to consider other models of settlement in rural areas such as the “clachan” model of scattered, small-scale settlement that enables people to live in sustainable ways (Dr Calum MacLeod, Policy Director, Community Land Scotland). The inclusion of an NPF outcome for increasing the population of rural areas in the Planning (Scotland) Act 2019 will no doubt challenge conventional planning thought on settlement development in rural areas.

Recommendation 6: NPF4 should offer explicit encouragement to place-sensitive approaches to settlement, which determine the development of existing and new settlements in response to the particular challenges, needs and opportunities of different areas.

Transport

Transport infrastructure is vital to the economic and social sustainability of rural communities and it can have a transformational impact on rural areas. This is particularly the case in Remote, Sparsely Populated and Island communities where all wider physical connection may rely on a very limited number of roads or transportation links.

Planning Authorities frequently only allow the development of new housing in the countryside if the proposed location is accessible by public transport. Planning authorities have traditionally assumed that development in the countryside is inherently unsustainable and this has underpinned UK rural planning policies for decades. However, trends in travel and in home working are challenging this assumption.

Dependence on car transport, when used as a negative sustainability indicator, does not take account of the increasing use of electric and hybrid vehicles. In addition, housing in all rural areas often provides homes for people who are employed locally and are therefore not commuting significant distances. Such housing continues to be essential, or more people will have to travel further to work.

Recommendation 7: NPF4 should promote the sustainability of living and working in rural areas, recognising the possibilities afforded by new technology and the social and environmental benefits of having people on the land. As part of this, consideration
should be given to a national programme of rural transport enhancements which collectively amount to a ‘national development’.

**Digital and telecommunications**

Allied to the discussion of transportation and how limited physical connections may be especially in Remote, Sparsely Populated and Island areas, digital and telecoms connectivity is widely seen to be fundamental to releasing economic and social potential across all rural areas, reducing carbon footprint and increasing safety given that lone working is common.

**Recommendation 8:** Development of the digital fibre network was designated a national development in NPF3. NPF4 should continue to support its ongoing national roll-out and enhanced telecommunications infrastructure. This can help to achieve the ‘death of distance’ made possible by such developments in remote connectivity.

**Renewable Energy**

Renewable energy generation, transmission, storage and consumption is regarded as a challenge and an opportunity for all rural areas with a desire to see local energy economies developing. The increase in electric vehicles is driving a need for more electric charging points and smart ways to provide these. Some other specific challenges will involve the ‘repowering’ of existing wind farms as existing lifespan consents expire and as newer, larger turbine technology develops.

**Recommendation 9:** NPF4 should provide a clear steer on planning policy in regard to new waves of renewable energy development, in particular in relation to areas that are identified as having significance in terms of their landscape, biodiversity and/or carbon sequestration values (e.g. National Scenic Areas, ‘Wild land Areas’, peatlands).

**Tourism and Recreation**

Tourism is providing significant economic opportunities for all rural areas whilst also putting some strain on existing facilities and infrastructure. Dispersing tourism throughout rural areas, to avoid placing too much pressure on a small number of ‘honeypots’, is a significant challenge but it could spread benefits across Scotland if done well. Support for the development of tourism should focus on high standards of customer service as well as sustainable tourism, eco-tourism, independent and off-grid tourism, and on promoting the values, traditions and local authenticity of different rural areas both geographically and in terms of their character (Accessible, Remote, Sparsely Populated and Islands).

**Recommendation 10:** In preparing NPF4, consideration should be given to how best to provide guidance to local authorities on supporting and managing the development of tourism facilities and infrastructure, and on balancing the need for tourist accommodation with the need to ensure there is adequate and appropriate housing for rural populations.
**Economic and Business Development**

General changes to the rural economy, often associated with the decline in relative importance of the land based industries and the rise of the service sector, create challenges and opportunities across all rural areas. Small and micro businesses are regarded as much more significant in a rural context than larger scale industries. This is particularly the case in terms of Remote, Sparsely Populated and Island areas. Distributed networks of smaller producers are seen by many as a more appropriate economic model worthy of support. Small business hubs for rural innovation and skills development are likely to be one of the physical manifestations of this trend.

There may also be a requirement for a more permissive approach allowing for the gradual expansion of home working activities across all rural areas until they reach a size where they can justify the cost of renting specific premises. Live/work interlinked facilities should be catered for by the planning system in order to attract new incoming workers and business facilities that allow people to meet and collaborate.

**Recommendation 11**: Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.

**Climate Change & Conservation**

Climate change and the conservation and enhancement of the natural and historic environment present both challenges and opportunities for rural areas. Opportunities included employment in areas driven by Climate Change mitigation such as forestry and peatland conservation, eco-tourism, eco-friendly living, and delivering public goods such as environmental conservation and enhancement. A key suggestion arising from the research is that conservation, Climate Change and the sustainability of rural communities are a trio of key challenges that should be addressed together.

The potential of natural capital is recognised if the provision and management of public goods is appropriately financially rewarded. The English system of Net Environmental Gain for biodiversity in the planning system was cited by some respondents as a condition that should be placed on all development projects. This approach could also be extended into access and amenity issues. It is considered that this could be particularly important in Accessible rural areas.

The scope for development to capitalise on the quality of Scotland’s environment is highlighted, including through associated products and services. The need for strategic planning in relation to forestry was mentioned.

At present, ‘enabling’ development opportunities through the planning system are used in relation to the historic environment and occasionally tourism development. This typically involves allowing new housing to be developed and sold to cross-subsidise the renovation of historic buildings or the development of tourism/leisure facilities. This concept could be used more widely to deliver more development in the public interest such as affordable housing. This could involve granting consent for affordable housing subsidised by consent for market housing either on the same site or in a separate location where the financial returns would be greater. Where the financial returns are greater, this would result in a larger surplus to be spent on facilitating the affordable
housing project while also increasing the overall local housing stock. Place-based approaches to Planning would help identify these sites.

**Recommendation 12:** NPF4 should promote an approach to planning which links the three goals of conserving of the natural and historic environment, responding to the climate emergency and sustaining more resilient rural communities.

**Land-based industries and aquaculture**

Although there has been a general shift in the rural economy away from such reliance on traditional land-based industries, such industries continue to play an important role, especially in Remote and Sparsely Populated areas. Diversification of land use may mean diversification in land use practices to ensure resilience and environmental stewardship e.g. agro-forestry mixing agriculture with trees. It may also relate to adding value to food closer to where it is produced, including through the development of production support facilities such as abattoirs or processing plants. It may mean developing local food production serving local markets.

At one end of the scale there is a need to cater for larger scale farming operations which are increasingly mechanised. The implications for planning include the need to allow for larger agricultural sheds as farm equipment grows in size. At the other end of the scale, greater scope to diversify crofts came through as a prominent theme in the research.

**Recommendation 13:** Land based industries retain an important role in managing Scotland’s environment and in providing a range of benefits for wider society. They also have potential as part of the future diversification of the rural economy. Planning and other policy areas impacting on land-based industries should support their viability wherever possible.

**Services and community facilities**

The research identified the ‘live-ability’ of rural areas as a key challenge. This was particularly seen as being the case in Remote and Sparsely Populated areas. Opportunities for mixed use developments were cited as having the potential to be transformative if planning will provide the flexibility required. Community facilities, sheltered housing and facilities for the provision of healthcare, albeit potentially using modern remote diagnostic techniques, were all developments on the ground that were identified as having the potential to helping to sustain balanced, mixed communities.

**Recommendation 14:** Planning should provide a more supportive framework for mixed use developments in rural areas.
8.5 Objectives 4 and 5

To identify key areas of opportunity for spatial planning and policy to support the diversification of land use in rural areas to 2050.

To establish whether there are some types of rural development that enable others to happen, for example by enabling a diverse range of businesses and services that build resilience and promote entrepreneurial activity.

Diversification is a process and the major opportunities for planning and policy-making may be in helping to create the underlying conditions that allow diversification to happen. To enable this, more flexibility in rural planning may now be appropriate. There is a need to acknowledge the shifting patterns in traditional land-based industry activity and encourage the often small scale of local innovation that is found in rural areas.

Many contributors noted that the changing face of the rural economy makes it essential that planning works as an enabler, rather than as a regulator of development in rural areas. The land-based industries that much rural planning policy is founded upon, are experiencing significant change which requires a greater emphasis on diversified activities to sit alongside existing practices. However, our research suggests that planning could do more to support this diversification. While there may be good reason for resisting some changes, the macro-economic situation and the threat this could create for all rural life presents a compelling reason why more flexibility is now appropriate.

The research has provided evidence that rural regions in Scotland and elsewhere have shown themselves to be a source of national productivity and growth. However, the smaller scales of economic activity and growth in such areas is perceived to currently put rural areas at a disadvantage when seen through the eyes of policy and decision makers. The need to acknowledge and encourage the often small scale of local innovation in rural areas will be important in allowing entrepreneurship and diversification to take further root in these areas. The research suggests that supporting all scales of entrepreneurship by individuals and communities will help to diversify the local economy.

To provide the required encouragement, the different challenges faced by rural areas could be better addressed through adaptation of some of the technical standards that may have been designed for urban areas, but which have also been applied to rural areas. Adaptation of this kind would not imply underlying fragility or weakness in rural areas, but rather reflect their features of low population density and a smaller scale of economic activity, as well as an increased role for ‘social innovation’. Examples suggested by the research include changes to drainage or road adoption standards, or adaptation of the RTPI accreditation route to help rural planning authorities recruit staff.

Place-based approaches to rural policy were examined as a means of ensuring that development strategies begin with the communities they will affect, and evolve in a bottom-up manner. Confidence in rural Scotland’s ability to adapt and innovate by using place-based approaches came through in the interviews and the workshops and in the literature we reviewed. The literature suggests that place-based approaches present opportunities to develop a more positive dialogue around the future of rural communities based on their economic, social and environmental assets and their often
untapped potential. These approaches may be quite different from those traditionally favoured by ‘protective’ planning policies where the potential for increased rural productivity may not lie at the core of the approach toward local development management. The research shows that improving local entrepreneurial culture from within the community will have substantial leverage effects on local economies, and by extension diversification.

Adopting place-based approaches requires consideration around resourcing. The recently passed Planning (Scotland) Act 2019 provides for an extension of the Local Development Plan review process from 5 to 10 years, and for the production of Local Place Plans. Both of these measures will potentially help to implement place-based planning, but the capacity of both Local Authorities and communities will be critical to their success in helping to promote diversification in rural Scotland. Local Place Plans, if properly resourced, should serve as the key tools to allow longer-term Local Development Plans in rural areas to take account of local needs and assets and to enable officers to support development on the ground that addresses these needs.

The Planning (Scotland) Act 2019 has introduced a new statutory requirement for the National Planning Framework to address outcomes including increasing the population in rural areas and meeting people’s housing needs. Our research indicates that, in helping to achieve these outcomes by enabling developments that are appropriate to the housing and population needs of different areas, planning can play an important role in supporting diversification by helping to create the conditions for diversification to emerge.

**Recommendation 15:** Planning Officers should be enabled to provide support to communities to produce Local Place Plans, as a means of further implementing place-based approaches to planning. Planning officers should also be enabled to support communities to undertake diversification projects as these emerge from such place-based processes. Local Place Plans could evolve into Masterplan Consent Areas to assist in this process. Accepting that resources will differ across Local Authorities, the LPP process could be standardised potentially through the Place Standard Tool.

**Recommendation 16:** Rural planning should be more permissive where there is a need for diversification, as part of a proactive process that is plan-led and that identifies key types and examples of development that will support diversification and meet the needs of rural communities and businesses.
9 References

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www.hutton.ac.uk/sites/default/files/files/RD%203_4_1%20Working%20Paper%203_20O1_2ii%20260218%20-%20published.pdf
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Scottish Government n/d, Rural Research – Consultants Pack


Scottish Rural Agricultural College (SRUC) 2014 Rural Scotland in Focus. www.sruc.ac.uk/download/downloads/id/1959/rural_scotland_in_focus_2014_high_resolution


Annex A  Online Survey

This annex contains the content of the survey as published online:

Introduction

Thank you for taking part in this survey for the project Rural Planning Policy to 2050: Research to Inform NPF 4. The research has been commissioned by the Scottish Government. It is being undertaken by the Scottish rural planning team at Savills and by Inherit, an independent charity and research institute.

The research is being undertaken to provide an evidence base to inform the future preparation of the National Planning Framework (NPF) and Scottish Planning Policy (SPP). NPF is a long-term strategy of the Scottish Government that provides a framework for spatial developments and other strategically important development opportunities in Scotland. SPP is Scottish Government policy on how land use planning matters should be addressed across the country.

The Planning (Scotland) Bill is currently being considered by parliament. It proposes that NPF and SPP are combined and have a statutory status in decision making on planning applications. Preparation of NPF4 will not begin until after the content of the Bill has been agreed by Parliament. At present, it is expected that NPF4 will look ahead to 2050. At this early stage ahead of the review process commencing, to inform the evidence base for NPF4, we are:

- drawing together a national picture of communities across rural Scotland;
- seeking to identify the future needs of rural communities and businesses, as relevant to planning;
- exploring how these future needs are likely to translate into development on the ground over the next 30 years or so;
- looking at future opportunities to support the diversification of land use in rural areas;
- asking whether there are particular types of development that will act as a catalyst and generate wider positive change for rural communities and businesses.

It is important that the research is informed directly by rural communities and businesses, by the organisations that represent them and by others with a particular interest. Your response to this survey will help to achieve that.

There are 17 questions in the survey in four sections: About you; Types of ‘rural’; Future needs of rural communities and businesses; and Supporting positive change for rural communities and businesses.

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206 [https://www.savills.co.uk/services/planning/rural-planning.aspx](https://www.savills.co.uk/services/planning/rural-planning.aspx)

207 [https://www.inherit-institute.org/](https://www.inherit-institute.org/); Inherit is part of charity the York Archaeological Trust
With the exception of the questions in the initial ‘About you’ section of the survey, you can skip a question if it is not relevant to you.

Section 1: About you

To allow us analyse the responses to the survey, please provide some information about you and your organisation. If you wish to answer the questions from both a personal point of view and on behalf of an organisation, please submit two separate responses:

1. Are you taking part in the survey as an individual or on behalf of an organisation?

If you are taking part on behalf of an organisation, please provide the name of the organisation:

2. What is your/your organisation’s primary sector or area of interest?

We may wish to use quotes from the responses to this survey in our research report, which will be published by the Scottish Government. Quotes will be anonymised unless we have your permission to attribute them to you or your organisation by name.

3. Are you happy for any responses you give to be attributed by name to you/your organisation in any publications relating to this research?
   - Yes/no

If ‘yes’, please tell us your name/the name of your organisation as you would like it to appear:

At a later stage in the research, we may wish to contact a number of those taking part in the survey to conduct a short interview over the phone.

4. Are you/your organisation willing for us to contact you for that purpose?
   - Yes/no
Section 2: Types of ‘rural’

There are a number of different classifications or typologies which can help to provide a picture of rural areas in Scotland. Some of the main examples are:

The Scottish Government ‘Urban Rural Classification’. This defines ‘Rural Areas’ as those with less than 3,000 people. It distinguishes between:

- ‘Accessible Rural’ settlements/areas with a population of less than 3,000 and within a 30 minute drive time of an urban area;
- ‘Remote Rural’ settlements/areas with a population of less than 3,000 people and a drive time of over 30 minutes but less than 60 minutes to an urban area;
- ‘Very Remote Rural’ areas with a population of less than 3,000 people and a drive time of over 60 minutes to an urban area.

Scottish Planning Policy broadly distinguishes between 3 categories of rural area:

- pressurised rural areas that are easily accessible from Scotland’s cities and main towns;
- remote and fragile rural and island areas lying outwith defined small towns;
- intermediate rural areas, in terms of their accessibility and degree of pressure for development.

The RESAS classification of local authority areas according to their degree of rurality:

- urban with substantial rural areas;
- mainly rural;
- islands and remote rural.

The James Hutton Institute’s classification of rural areas and small towns according to their varying ‘socio-economic performance’ (SEP). The SEP index classifies areas on a scale of 1 to 10, with higher values indicating better socio-economic performance.

The James Hutton Institute’s classification of Sparsely Populated Areas, which are rural areas and small towns where less than 10,000 people can be reached within 30 minutes travel using roads and ferries.

Highlands & Islands Enterprise’s identification of ‘fragile areas’, which are areas characterised by declining population; under-representation of young people within the population; lack of economic opportunities; below average income levels; problems with transport and other issues reflecting their geographic location.
5. Are you aware of or have you used any of the above classifications?
   • Yes/No

   If ‘yes’, which one(s) were you already aware of, or which one(s) have you used and for what purpose?

6. How well do you think the above classifications of rural areas describe communities across rural Scotland?

   Not at all well
   Very Well

   [In the online survey, participants answered this question by sliding a gauge along a 5-point bar between ‘Not at all well’ and ‘Very Well’.]

7. If you think that current classifications and typologies do not adequately describe communities across rural Scotland, please tell us why:

8. Do you use any other classifications, evidence bases or data sources not listed above to describe communities across rural Scotland?

Section 3: Future needs of rural communities and businesses

We are gathering information on the future needs of rural businesses and communities. Specifically, we are looking to identify those needs that are relevant to the planning system, in that they may result in construction, engineering or mining works or changes in the use of land or buildings.

9. From your point-of-view, what will be the main challenges facing rural communities and businesses over the next generation?
10. Do you believe that the challenges you have identified affect all rural areas, or only certain types of rural area?

- all rural areas
- certain types of rural area only
- unsure

If you selected ‘certain rural areas only’, please indicate which types of area:

11. From your perspective, what will be the main opportunities open to rural communities and businesses over the next generation?

12. Do you believe that the opportunities you have identified affect all rural areas, or only certain types of rural area?

- all rural areas
- certain types of rural area only
- unsure

If you selected ‘certain rural areas only’, please indicate which types of area:

Section 4: Supporting positive change for rural communities and businesses

13. Over the next 30 years, to what degree will the different types of development listed below be important in helping to support rural communities and businesses?

- more affordable housing
- alternative housing e.g. retirement, adapted, workers, crofts
- private housing
- diversification away from traditional farming and land based practices
- tourism facilities and accommodation
- retail development
- transport infrastructure
- industrial development
- production support facilities e.g. abattoirs or processing plants
- small business start-up units
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- digital & communications infrastructure
- renewable energy generation facilities & transmission infrastructure
- community and health facilities

[In the online survey, participants answered by giving each of the 13 options above a number in the range 1 to 5, where 1 was ‘Not at all important’, 3 was ‘Important’ and 5 was ‘Very important’]

14. Over the next 30 years, to what degree will changes in the pattern of development be important in helping to support rural communities and businesses?

- growth of existing settlements
- shrinkage of existing settlements
- no change to existing settlements
- new settlements
- other changes to the pattern of land use (please specify in the box below).

[In the online survey, participants answered by giving each of the 13 options above a number in the range 1 to 5, where 1 was ‘Not at all important’, 3 was ‘Important’ and 5 was ‘Very important’]

15. Do you think that the changes you have identified in answering questions 13 and 14 are needed widely across rural Scotland or only in particular types of rural areas?

- All or many rural areas
- Certain types of rural area only

In the box below:

- If you selected ‘certain types of rural area only’, please indicate which types of area, and/or;
- Please expand on your answers to questions 13 and 14, providing additional information on the nature of the development needed.

16. We would like your views on whether there are certain types of development that might be particularly important in generating wider positive change for rural communities and businesses. Please read the following three questions and answer using the box below.
Are there particular types of development that help to generate wider positive change for rural communities and businesses?

Are there any examples of developments that have changed your community or local area and supported the local economy/community? Could these be implemented elsewhere?

Are there any developments planned/upcoming that you feel will be particularly important in supporting the local economy/community?

17. Do you have any final comments on opportunities to generate positive changes for rural communities and businesses?
62 organisations participated in the online survey and these organisations were classified into groups according to the scheme outlined in Section 3.3 of the report. The organisations are listed below, with names given where permission has been granted by the organisation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Interest</th>
<th>Details</th>
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<tbody>
<tr>
<td>Community &amp; Civil Society</td>
<td>Community Development &amp; Wellbeing</td>
<td>Development Trusts Association Scotland, Scottish Community Alliance, Shieldaig Community Council, the Langholm Initiative, Northern Corridor Community Volunteers, Lismore Community Trust, Thurso Community Development Trust, Strathard Community Trust, 1 other community organisation (anonymous)</td>
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<td>Community Representation</td>
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<td>Midlothan Federation of Community Councils, Strathard Community Council, Muckhart Community Council, 3 other community councils (anonymous)</td>
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<td>Environment &amp; Heritage</td>
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<td>RSPB Scotland, the National Trust for Scotland, the Association for the Protection of Rural Scotland, Galloway &amp; Southern Ayrshire UNESCO Biosphere, Wester Ross UNESCO Biosphere, Gatehead Community Council</td>
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<tr>
<td>Land Reform &amp; Community Land Ownership</td>
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<td>Community Land Scotland, Wanlockhead Community Trust, 1 other community landowner (anonymous)</td>
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<tr>
<td>Transport</td>
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<td>the Community Transport Association, Badenoch and Strathspey Community Transport Co., North Argyll Volunteer Car Scheme</td>
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<tr>
<td>Forestry &amp; Woodlands</td>
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<td>Community Woodlands Association, Woodland Trust Scotland</td>
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<tr>
<td>Recreation</td>
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<td>Ramblers Scotland, Mountaineering Scotland</td>
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<tr>
<td>Housing</td>
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<td>Rural Housing Scotland</td>
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<tr>
<td>Rural Development &amp; Economy</td>
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<td>Coalfields Regeneration Trust</td>
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<td>Developers, Landowners &amp; Agents</td>
<td>Land ownership &amp; management</td>
<td>Scottish Land &amp; Estates, Historic Houses, Towdoodlee &amp; Buckholm Estates, Dormont Estate, Kincardine Estate, Rothiemurchus Estate, Falkland Rural Enterprises Ltd and 1 other private estate (anonymous)</td>
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<td></td>
<td>Renewable energy</td>
<td>Scottish Renewables, Natural Power, 2 renewable energy companies (anonymous)</td>
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<td>Business &amp; Economy</td>
<td>Business in general or in a particular sector of business</td>
<td>Federation of Small Businesses Scotland, Scottish Borders Chamber of Commerce, the Scottish Salmon Producers Organisation, 1 other (anonymous)</td>
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<td>Authorities, Planners &amp; Policy Makers</td>
<td>Planning &amp; the Built Environment</td>
<td>Loch Lomond &amp; the Trossachs National Park Authority; RTPI Scotland; 1 other (anonymous)</td>
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<tr>
<td>Rural Development &amp; Economy</td>
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<td>Environment &amp; Heritage</td>
<td>Historic Environment Scotland</td>
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<td>Land Reform &amp; Community Land Ownership</td>
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# Annex C  List of Interviewees

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organization/Mandate</th>
</tr>
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<tbody>
<tr>
<td>Bill Barron (Chief Executive) &amp; Finlay Beaton (Grazings Manager) – joint interview</td>
<td>Crofting Commission</td>
</tr>
<tr>
<td>Amanda Burgauer</td>
<td>Chair, Scottish Rural Action</td>
</tr>
<tr>
<td>Robbie Calvert</td>
<td>Policy and Practice Officer, Royal Town Planning Institute (RTPI) Scotland</td>
</tr>
<tr>
<td>Ian Cooke</td>
<td>Director, Development Trusts Association Scotland</td>
</tr>
<tr>
<td>Gemma Cooper</td>
<td>Head of Policy Team, National Farmers’ Union Scotland</td>
</tr>
<tr>
<td>Marc Crothall</td>
<td>Chief Executive Officer, Scottish Tourism Alliance</td>
</tr>
<tr>
<td>Alex Downie</td>
<td>Development Manager (Enterprise &amp; Development), Coalfields Regeneration Trust</td>
</tr>
<tr>
<td>Camille Dressler</td>
<td>Chair, Scottish Islands Federation</td>
</tr>
<tr>
<td>Prof. Russell Griggs</td>
<td>Chair, South of Scotland Economic Partnership</td>
</tr>
<tr>
<td>Angus Hardie</td>
<td>Director, Scottish Community Alliance</td>
</tr>
<tr>
<td>Jon Hollingdale</td>
<td>Chief Executive, Community Woodlands Association</td>
</tr>
<tr>
<td>Jonathan Hopkins</td>
<td>Research Scientist, James Hutton Institute</td>
</tr>
<tr>
<td>Zoe Laird (Regional Head of Communities Infrastructure), Sandra Homes (Head of Community Assets), Neil Ross (Head of Community Growth) – group interview</td>
<td>Highlands &amp; Islands Enterprise</td>
</tr>
<tr>
<td>Euan Leitch</td>
<td>Director, Built Environment Forum Scotland</td>
</tr>
<tr>
<td>Fabrice Leveque</td>
<td>Senior Policy Manager, Scottish Renewables</td>
</tr>
</tbody>
</table>
Derek Logie  Chief Executive, Rural Housing Scotland
Deborah Long  Chief Officer, Scottish Environment LINK
Dr Calum MacLeod  Policy Director, Community Land Scotland
Ronnie MacRae  Chief Executive Officer, Highland Small Communities Housing Trust
Alison Milne  co-Chair, National Council of Rural Advisors
Penny Montgomerie  Chief Executive, Scottish Association of Young Farmers Clubs
Gavin Mowat  Policy Advisor (Rural Communities), Scottish Land and Estates
David Richardson  Highlands & Islands Development Manager, FSB Scotland
Suzanne Shearer  Development Planning Sub-Committee Chair, Heads of Planning Scotland
Mike Staples  Dumfries and Galloway Small Communities Housing Trust
Hamish Trench  Chief Executive, Scottish Land Commission
David Wood  Planning and Policy Manager, PAS