

The Contribution of Rural Estates to Scotland's Wellbeing Economy

February 2023





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Executive Summary

Rural estates make a substantial contribution to building Scotland's wellbeing economy. They have a significant impact on seven of Scotland's National Outcomes and add substantial value to economic, human, social and (especially) natural capital stocks.

Scotland's 1,125 rural estates cover a combined area of approximately 4.1 million hectares, around 57% of Scotland's rural land. Those familiar with the sector are well aware of the contribution it makes to the Scottish economy and society, but outwith the sector this contribution is not well recognised or widely understood. This report was commissioned to help address this.

To do this it adopted a holistic wellbeing approach that considers the contribution estates make to achieving Scotland's 11 National Outcomes and the value they add to national capital stocks. In so doing it provides a comprehensive assessment of the contribution rural estates make to building a wellbeing economy in Scotland.

1.1 Contribution to National Outcomes

Scotland's 11 National Outcomes are statements of the kind of nation Scotland wants to be. They reflect what a wellbeing economy should deliver.

Rural estates make a significant contribution to at least seven of these outcomes. Their contribution to the environmental, economic and community outcomes is particularly large, but they also make a smaller (but still significant) contribution to the outcomes relating to fair work and business, poverty, health and education.

1.1.1 Stewards of the Natural Environment

Land management is at the heart of rural estate operations. For many estates efforts to protect and enhance Scotland's natural environment are a core part of what they do. Evidence gathered to support this research suggests that four out of five estates and around 12% of estate staff are actively engaged in conservation work.

This activity makes a major contribution to protecting and enhancing Scotland's biodiversity and natural capital, both important indicators of progress toward the national outcome relating to the environment.

It was estimated that visitors make 5.4 million day trips/year to rural estates to enjoy the natural environment. These visits increase levels of physical activity within the population, an important determinant of health outcomes.



Rural estates also play an important role in supporting Scotland's transition to net-zero by enabling the roll out of renewable energy. It was estimated that estates account for 7,540 MW installed renewable energy capacity, 57% of Scotland's total.

Estates account for 57% of Scotland's renewable energy generating capacity and enable 5.4 million visits/year to the natural environment

1.1.2 Engines of Rural Growth

Rural estates generate an estimated £2.4 billion GVA/year for the Scottish economy and support around 56,310 jobs. This makes a significant contribution to Scotland's economic growth, an important indicator of economic progress, but an even more important contribution to Scotland's rural communities.

It is estimated that around 80% of the jobs supported by rural estates are in rural Scotland. This equates to around 1 in 10 of all rural jobs. Rural estates therefore play an important role in driving inclusive growth by ensuring the benefits of economic activity in Scotland are distributed across the country.

Rural estates generate around £2.4 billion GVA support around 1 in 10 rural jobs.

1.1.3 Anchors for Thriving Communities

The jobs supported by rural estates play an important role in sustaining populations in some of Scotland's most fragile rural communities but the contribution estates make to rural communities is much wider than this.

One of the most ways estates support rural life in Scotland is by providing homes for people to live in. Evidence presented in this report shows that rural estates provide homes for around 8,250 private tenants and around 4,700 agricultural tenants across Scotland. These homes underpin many rural communities, enabling people to live in parts of Scotland where housing options would otherwise be limited.

Rural estates also lease land to around 14,000 crofters and farmers. These enterprises form the backbone of many Scottish communities and therefore play an important role in creating the "thriving, resilient communities" envisaged in Scotland's national outcomes.

Rural estates provide homes for nearly 13,000 families and land for around 14,000 rural enterprises



1.2 Contribution to National Capital Stocks

Healthy stocks of human, social, natural and economic capital provide the foundations for a sustainable wellbeing economy. They enable high standards of wellbeing to be maintained for future generations.

Rural estates add significant value to all four stocks of national capital but the contribution they make to the value of Scotland's natural capital is particularly significant, accounting for around **17% of Scotland's natural capital asset base**.

The contribution that rural estates make to Scotland's natural capital asset base arises from estates' agricultural, forestry and renewable energy operations and the contribution they make to Scotland's carbon sequestration potential and nature-based tourism economy. **The total value of the assets underpinning this contribution was estimated to amount to £35.1 billion.**

Rural estates also make an important contribution to Scotland's stock of economic capital, both through their own capital investment and investment leveraged from renewable energy developers. Taken together it was estimated that this investment adds around **£88.7 million/year to Scotland's economic capital asset base**.

The contribution estates make to human capital arises from the educational benefits children experience from participating in school visits and the additional life time earnings of apprentices who work for estates. These contributions were estimated to add **£25.5 million to the value of Scotland's human capital stocks each year**.

Finally, rural estates also make an important contribution to community life by supporting local projects, participating in local development groups, and providing small acts of services for the local community. It was estimated that these activities add **£1.2 million/year to the value of Scotland's social capital stocks**.

1.3 Future Role of Rural Estates

This report shows that rural estates make an important contribution to building a wellbeing economy in Scotland. However, it has also identified areas where there is scope to increase this contribution. These areas are explored in a separate improvement framework that has been produced to complement this research. Its existence is a testament to the sector's commitment to the wellbeing agenda.

Rural estates have huge potential to help drive efforts to establish a wellbeing economy in Scotland and could be key delivery partners for a variety of related policy priorities. Realising these opportunities will require a supportive policy environment; constructive dialogue with policy makers and effective partnerships with public agencies. By articulating the sector's contribution to Scotland's wellbeing economy and highlighting the potential to increase this in the future, it is hoped this report will support efforts to achieve this.



Rural Estates Contribution to Scotland's Wellbeing Economy

Natural Capital



£35.1 billion

Economic Capital



£88.7 million

Human Capital

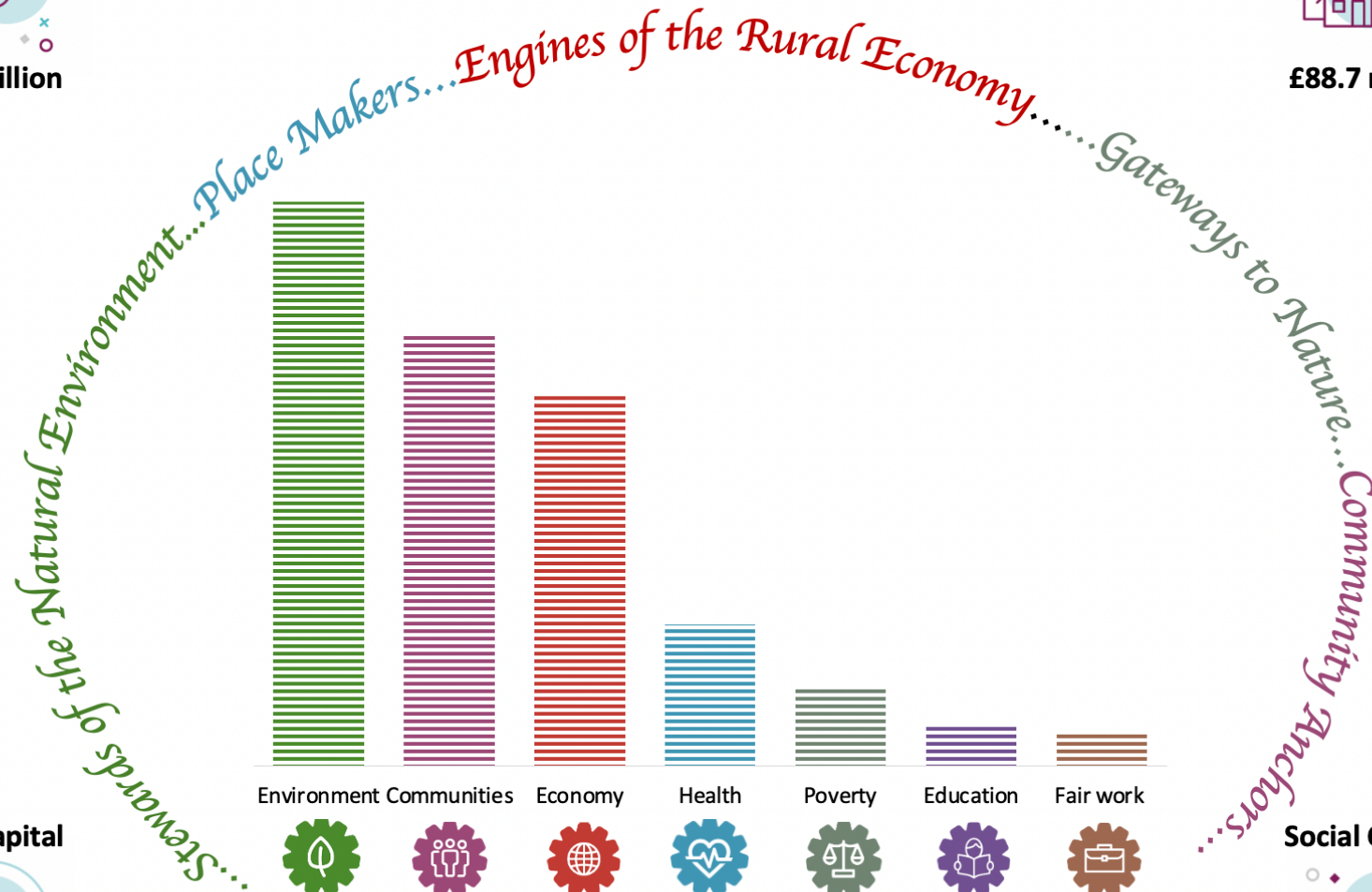


£25.5 million

Social Capital



£1.2 million



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