Northumberland National Park Authority

Local Plan 2017 – 2037

Business Needs Survey 2016

Report of Findings

Executive Summary

In September 2016, approximately 285 surveys were sent to businesses within and surrounding the National Park. 38 responses were received, giving a response rate of approximately 13%.

This relatively low response rate needed to be taken into account when analysing the results which became particularly apparent with regards to the type of responding businesses. 50% appeared to be within the food services and accommodation category and only around 25% agricultural or horticultural. Based on past knowledge (the previous Business Needs Survey in 2006 reported that 48% were farming businesses) it is estimated that this is not a true reflection of the economic sectors across the National Park.

Fewer businesses had been bought or taken over in the last twelve years (33%) than in earlier years (66%). Nevertheless responding businesses appeared relatively confident in projecting job growth over the short and long term. Business confidence in terms of projected turnover also appeared positive on a whole with the majority of responding businesses (97%) predicting this to remain relatively stable or increase. The general forecast is of an increase in economic activity over the plan period presenting the need for suitably flexible employment policies that supports this growth. There is however an element of uncertainty around the future of agricultural businesses in particular, with unknown implications of Great Britain leaving the European Union.

Micro-businesses (those which employ less than 10 employees) continue to dominate the economy of the National Park (82%[1]). This is a trend that is likely to continue with major development in the National Park expected to remain infrequent.

In general, most employees of the responding businesses lived either on the business site (13%) or up to 10 miles away (34%). Private car was also the most common method of commuting to work (61%), followed by walking (21%) with few employees using public transport. Continued trends of home working in the National Park could reduce the need to travel. Nevertheless the emerging approach that continues to ensure new development is led towards established settlements, together with support for more tourism development, would likely increase the use of the public transport network and contribute to its continued provision. Walking and cycling to work may also see an increase.

Further infrastructure needs of businesses highlighted included the need for better telecommunications with 29% of responding businesses very dissatisfied with the availability of broadband. This could affect a range of business activity, perhaps notably recruitment and networking. However it is anticipated that National Park residents and businesses will begin to see an improvement in broadband and mobile coverage in forthcoming years.

More than half (54%) of the businesses that responded said that they had difficulties in recruiting qualified staff, with reasons given relating to a lack of sufficiently keen

[1] This figure is only approximate given that some responding businesses were located outside of the National Park

and qualified candidates locally and the lack of public transport facilities raised once again. Shortages of skills and recruitment barriers could be addressed through the local plan by delivering more affordable housing for working age people. 81% of responding business agreed this was needed. Further studies, including a forthcoming Economic Futures and Employment Demand Study as well as the Strategic Housing Market Assessment for the National Park will explore housing and employment needs in more detail. However an initial indication is that the delivery affordable local needs housing in suitable locations could contribute to boosting the level of economic activity, with a particular focus on rural workers' housing potentially required.

It is known that working from home is becoming increasingly popular and this was demonstrated through the 52% of business premises that were either part of/attached to the home or a separate building on the residential property. For existing home-based businesses and new businesses being set up from home, a variety of development needs may come about such as the need to extend the home, convert existing buildings for example barns, or provide new buildings on the property. Emerging planning policy could also support the provision of new live-work units (74% of responding businesses agreed this type of development was needed).

Traditional farming premises and a variety of visitor accommodation was also reported but given the low survey response rate could not be considered accurate proportions of premises types in the National Park. Nonetheless it could be predicted that a potential increase in farm diversification may result in more proposals for barn conversions into holiday lets / camping lodges / pods etc. Although a wider National Park objective is to increase tourism in the National Park, planning policy needs to ensure only the most sustainable proposals are permitted. Policy could also safeguard against the loss of visitor accommodation.

This survey is just one part of the evidence base being prepared by the National Park Authority to support the new Local Plan 2017 – 2037. It is intended to inform the Economic Futures and Employment Demand Study which will provide an objective assessment of the levels of economic development needs in Northumberland National Park over the plan period.

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1. Introduction

1.1. Northumberland National Park Authority is currently reviewing its Local Plan with the aim of producing and adopting a new Local Plan by March 2019. The new Local Plan will contain planning policies guiding future development and the determination of planning applications for a twenty year period from 2017 to 2037 in accordance with national policy.

1.2. Paragraph 17 of the National Planning Policy Framework (NPPF) states that *'every effort should be made to objectively identify and then meet housing, business and other development needs of an area, and respond positively to wider opportunities for growth'*.

1.3. Paragraph 160 of the NPPF also states that local planning authorities should have "a clear understanding of business needs within the economic markets operating in and across their area" and to achieve this should "prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market".

1.4. This business needs survey is just one part of the evidence base being prepared by the National Park Authority to support the review of the Local Plan. It will supplement the forthcoming Economic Futures and Employment Demand Study that will provide an objective assessment of the levels of economic needs within the National Park.

1.5. NPPF Paragraph 14 recognises that Local Plans may not always be able to meet objectively assessed needs, for instance if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole. The Framework also recognises that, in exceptional circumstances, development should be restricted. Footnote 9 of paragraph 14 sets out examples which include National Parks.

1.6. The main purpose of this survey is to inform and supplement the evidence base for the emerging National Park Local Plan, in order to provide;

- An indication of the current employment land situation i.e. tenure/business premises;
- An indication of future employment land needs in Northumberland National Park over the plan period;
- An indication of the needs of employees within the National Park, particularly in relation to housing; and
- An indication of the levels of confidence within the local economy and identify areas where support and engagement could be targeted.

1.7. In September 2016, the survey was sent to all businesses (including farmers) on the National Park Authority's Local Plan consultee database. Respondents had the choice of returning the hard-copy questionnaire or completing an online version. In total approximately 285 surveys were sent out. 38 responses were received giving a response rate of approximately 13%. 16 (42%) of these responses were received online. Although the survey was targeted specifically at businesses operating within Northumberland National Park, 41% of surveys received were submitted by businesses based in the surrounding locality.

2. Key findings

Business sector / type

2.1. The survey revealed that half of businesses were in the food services and accommodation sector. On the face of it, this would appear to be inconsistent with Census data and previous surveys which have established that the farming, forestry and tourism sectors dominate the economy of the National Park (the 2006 Business Needs Survey reported 48% farms). However, this is likely a result of the small sample size and the relatively low response rate from the agricultural/horticultural sectors accounting for just over 25% of businesses that responded. Therefore the analysis in this report should be viewed as an indicator of current and potential future trends based on the sample responses which have been received and analysed. Further work is required in order to fully determine the future economic trends for the National Park.

Figure 1 - Business sectors in Northumberland National Park (as identified by responses received)

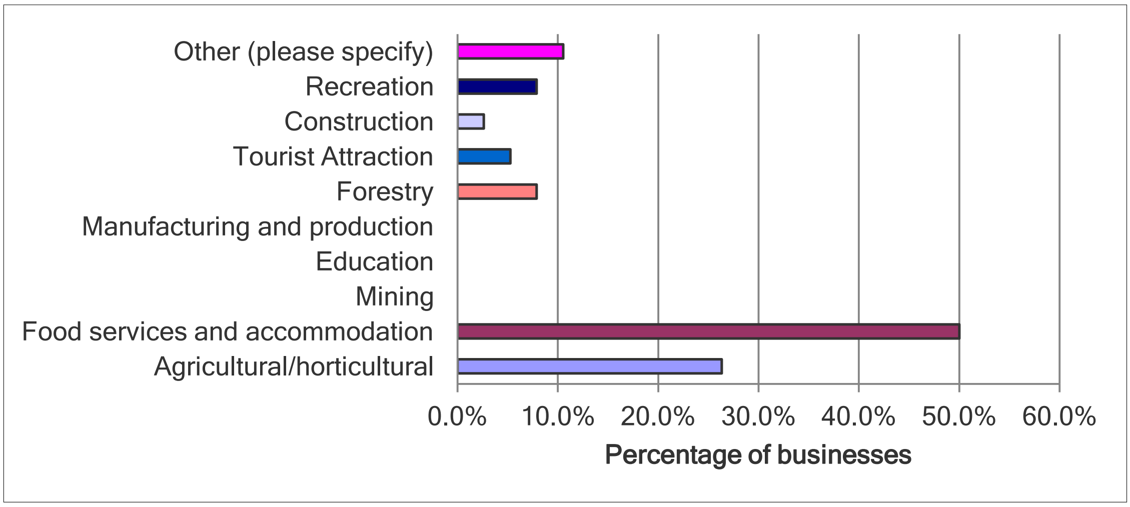
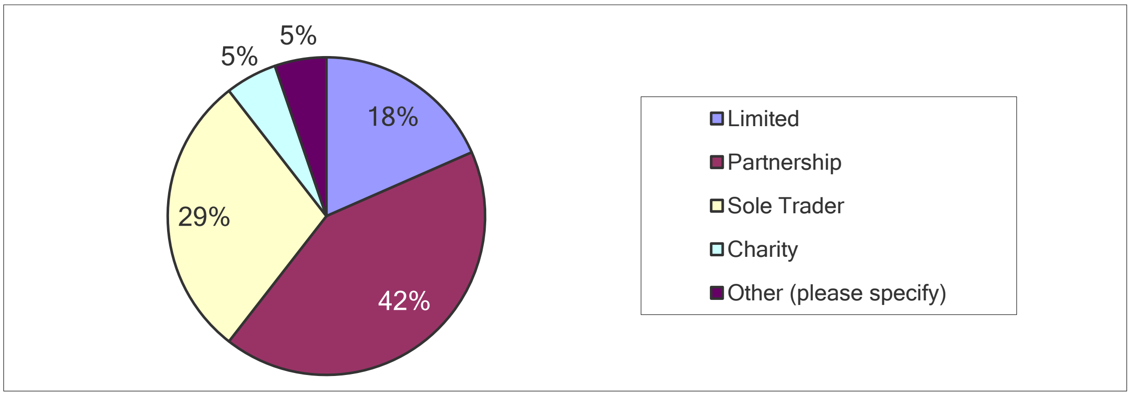


Figure 2 - Type of businesses that responded to the survey



The majority of businesses that responded (42%) identified themselves as being a Partnership. This corresponds to the rate of partnerships identified by research undertaken by the Centre for the Rural Economy in 2009 (43%), which at the time recognised this as being significantly higher than the 16%

North East average[2]. Further, 29% of responding businesses identified as being a sole trader. Furthermore, 18% were a limited company, significantly lower than the regional rate of limited companies (60%, as reported in 2009). The remainder of businesses were charities (5%) or another option (5%, including a 'private individual' and a 'Community Post Office').

Business Formation

2.2. Of the respondents who submitted the survey on behalf of a business, 53% were owners of the business, 24% said they were a partner and 12% were a Manager (including an Operations Manager, General Manager and an Estates Manager). The remaining 12% included 2 Co-Directors, an Assistant and a Sub postmistress.

2.3. 55% of respondents had founded the business themselves and 21% had taken over or bought the business. 11% said that they run the business on behalf of the owner and 8% were family-run businesses. Among those who had taken over or bought the business, the majority (66%) had done so more than twelve years ago (prior to 2005), see figure 3. This apparent low rate of business purchasing in recent years could be an indication of low confidence in the local economy. However, further work to analyse business start-ups and survival rates across the National Park is necessary given the small sample size that responded to this question (32%).

Figure 3 - Date of business founding / takeover

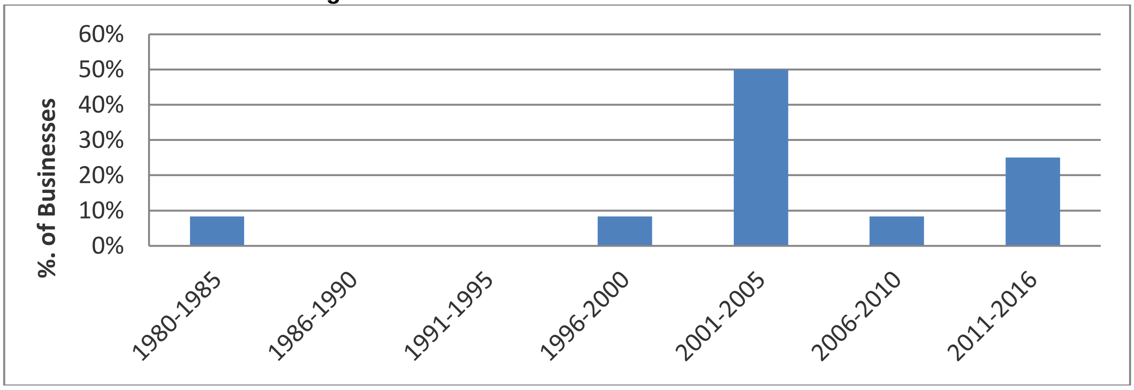
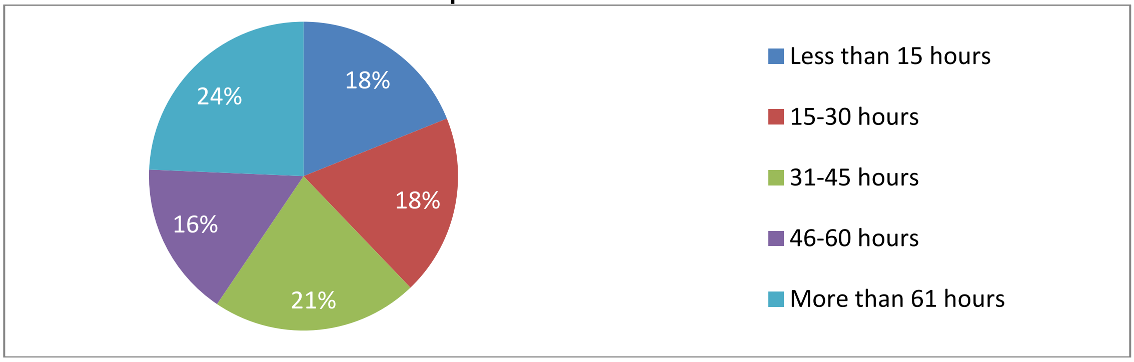


Figure 4 - Estimated number of hours worked per week in the business



2 Centre for Rural Economy, Newcastle University (2009), *Rural Businesses in the North East of England: Final Survey Results*

2.4. 40% of respondents said that they worked over 46 hours a week, with around a quarter of these (24%) working in excess of 61 hours a week in the business. Both of these figures are lower than reported through the 2006 NNP Business Needs Survey (57% worked over 46 hours a week, 29% more than 61 hours). They are also lower than average working hours reported across the North East (CRE, 2009).

2.5. The survey also revealed an increase in the number of respondents who work less than 15 hours (18% up from 14% in 2006) and an increase of those working between 15 and 30 hours (18% up from 0% in 2006). The general trend therefore is that business founders / owners / managers generally work fewer hours in a week than they did ten years ago. Although this could indicate economic downturn, there may be a number of alternative reasons for this, such as increased work delegation or the adoption of more efficient ways of working.

2.6. The survey results in relation to number of hours worked, together with signs of fewer business start ups in recent years, provides merely an initial indication of potential decline in economic activity across the National Park. This could suggest that a more flexible employment development policy approach is required which could provide for an increase and a wider range of business premises. Nevertheless, further understanding of specific employment needs is required to ensure policy supports the types of development needed in the most suitable locations.

Business confidence

2.7. One of the key aims of the Business Needs Survey was to determine how strong business confidence appeared looking forward. This was explored through business turnover forecasts as well projections of additional employee recruitment based on information received from responding businesses.

2.8. In the past year 21% of businesses that responded to the survey said that the number of employees had changed from the previous year. 16% of responding businesses saw an increase in the number of employees over the past year whereas no businesses reported a decline in the number of staff. The remaining 5% of businesses that said employee numbers had changed did not specify the whether this had increased or decreased from the previous year.

2.9. The Office for National Statistics provides data relating to the total count of employees in England's National Parks. Although this data is not provided at an individual business level, nor has it provided year on year analysis, it concludes that employee numbers across the whole of Northumberland National Park have increased from 420 in 2012 to 505 in 2016. On a whole, recent trends demonstrate that there has been a slight increase in employment across the National Park indicating recovery from a period of economic decline between 2009 and 2012[3].

2.10. Looking forward to how employee numbers may change in the coming year, 29% of businesses predicted change. 15% anticipated job growth for the

[3] Northumberland National Park State of the Park Report (2015)

forthcoming year whereas 6% of respondents expect a decline in staff numbers. 3% claimed that job numbers regularly fluctuated but did not specify in which direction this may be.

2.11. There was however greater anticipation of job growth over next 5 – 10 years. 48% of businesses projected change in the number of employees with 21% of these predicting that this would increase and only 5% who said that job numbers would decrease. The remaining 11% did not specify how these numbers may change.

2.12. As shown in figure 5 below, businesses generally projected that their turnover would remain in the same range this year as that reported for last year. In contrast, an analysis of the overall picture across responding businesses within and around the National Park (see table 1) indicates a somewhat more promising projection for the coming year. However this analysis should be treated with an element of caution, given that the level of turnover for one business may be considered more successful than for another.

Figure 5 - Projected change in business turnover from last year to this year (by individual response)

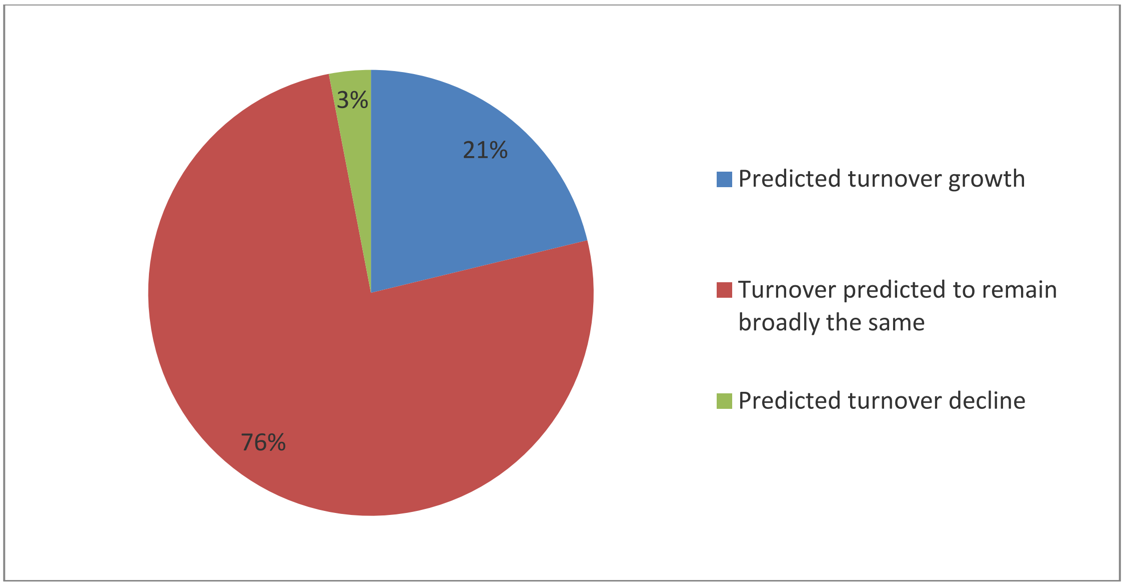
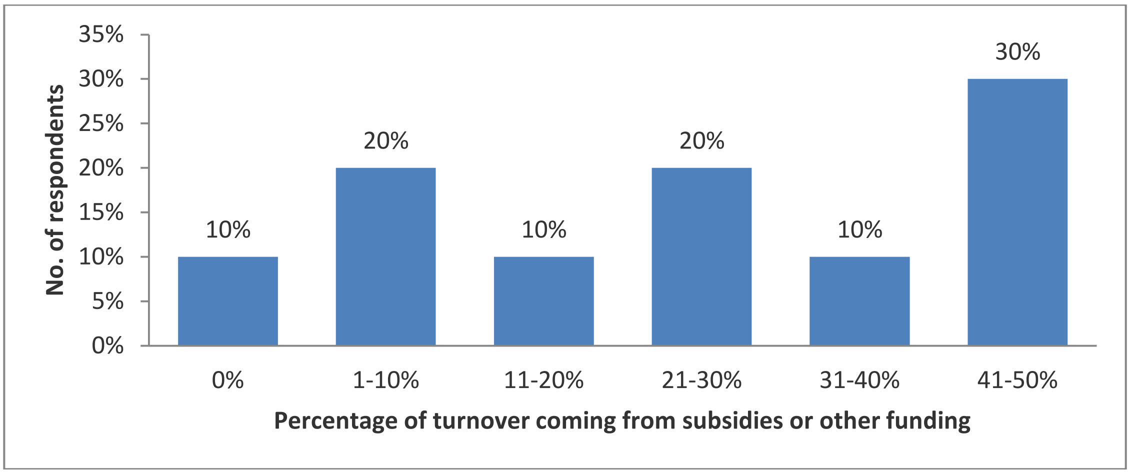


Table 1 - Overall projected changes in business turnover from last year to this year

	Last year (%)	This year (%)	Increase/ decrease in % of businesses that projected a turnover within this range
Less than £9,999	12	6	Decrease
£10k-£39,999	29	28	Decrease
£40k-£69,999	6	13	Increase
£70k-£99,999	15	7	Decrease
£100k-£249,999	24	22	Decrease
£250k-£499,999	9	16	Increase
£500k-£999,999	0	3	Increase
£1m or more	6	6	No change

Figure 6 - Farming business turnovers - percentage coming from subsidies / other funding



2.13. Of the agricultural businesses that responded, the majority (90%) stated that a proportion of their turnover come from subsidies or other funding. As illustrated by figure 8, 30% of these businesses said that this amounted to half, or nearly half, of the business' total income. 10% stated that 31-40% of its turnover that came from subsidies with a further 20% of businesses stating that this was between 21-30%. The remaining 20% stated that the proportion of turnover from subsidies or other funding amounted to between 1-10%.

2.14. Perhaps the most significant implication for planning policy in the National Park is the potential impact upon farming practices should government support for agriculture be remodelled in the future, particularly in light of Brexit. Although the significance of EU payments is recognised across the UK, the exact effects of Brexit are as yet only speculation. An increase in farm diversification could be predicted which, if experienced on a large scale across the National Park, may have implications for land management and the wider economy. A balance would need to be struck which enables farmers to explore new income streams but ensures that agriculture does not become a lesser concern and any development required as a result of farm diversification does not have an adverse impact on biodiversity or the landscape. Alternatively, increased agricultural support could lead to an increased emphasis on environmental protection with a potential focus on new ways of farming and fewer opportunities for diversification. More agriculture related development could be expected.

2.15. With businesses generally predicting a relative level of business stability in terms of job growth and turnover, this could indicate that the extant planning policies are in the main not considered to be overly restrictive. It may be that existing employment policy requires only minor amendment with slightly more flexibility having the potential to stimulate future business growth.

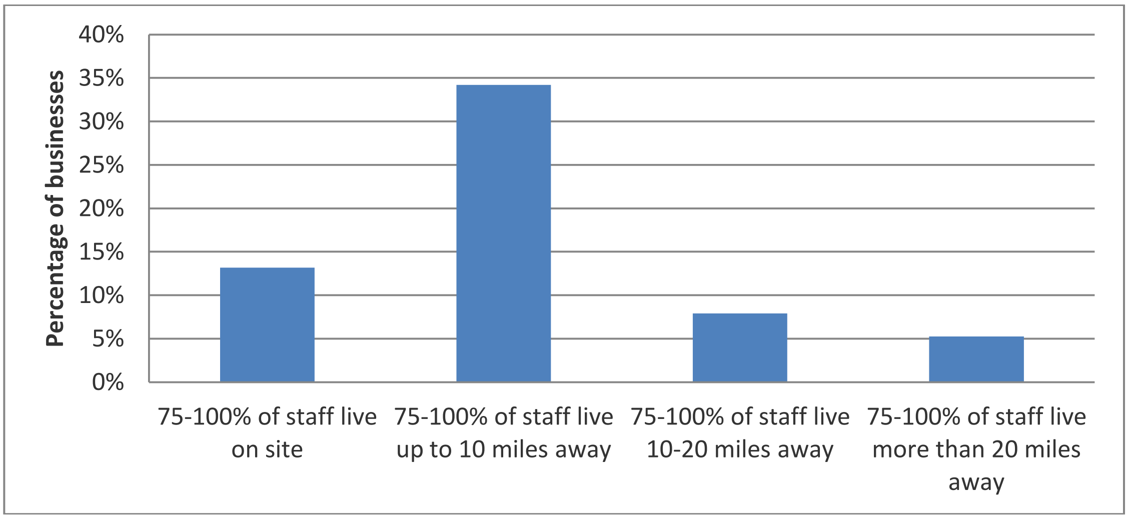
Business Employee Trends

2.16. The majority (82%) of businesses that responded had fewer than 10 employees, in keeping with past trends that showed high rates of micro businesses operating within the National Park. Approximately 18% of responding businesses employed 10 or more people with one business (outside of the National Park) employing over 50 people. Approximately 41% of responding businesses stated that they did not employ any full time staff, with almost 50% stating that they employed 5 or fewer full time employees.

2.17. National Planning Policy recognises that National Parks are particular areas in which development should be restricted[4]. Nevertheless, promoting economic growth has become an increasing national priority, including recognition of how sustaining a strong rural economy can contribute to meeting this objective. This could suggest that the extant policy 14 of the NNPA Core Strategy (2009) remains appropriate in its approach in supporting the creation of new businesses and the expansion of existing businesses that do not negatively impact upon the National Park's special qualities. This would likely see a continued large proportion of small-scale businesses in the Park and few proposals for major development can be expected.

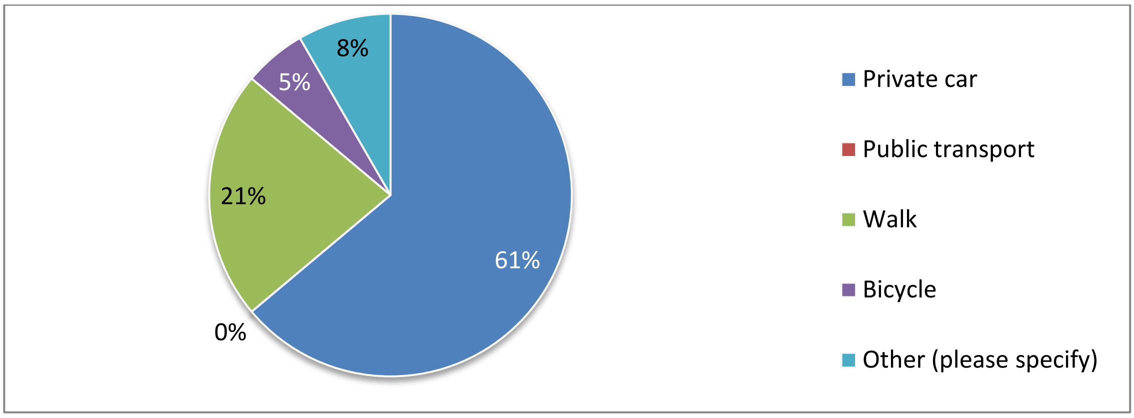
2.18. In terms of the distances that employees travelled to work, 13% of respondents said that at least three quarters of their staff lived on site with 34% having the majority or all of employees living up to 10 miles away (see figure 7). In 8% of businesses, 75-100% of staff lived between 10 and 20 miles away from the premises and only 5% had most or all staff who lived more than 20 miles away.

Figure 7 - Distance employees live from the work premises



[4] National Planning Policy Framework (2012), Paragraph 14.

Figure 8 - Means taken by staff to travel to work



2.19. Travelling by private car was the most common method of transport used by the majority of staff employed by responding businesses (61%) with walking being the second most common (21%). The other 13% of travel methods indicated included using a business vehicle; a quad bike; and a mixture of private car, walk and bicycle. Public transport was not used by any employees of the respondent businesses.

2.20. Consequently the data indicated a trend of high usage of the private car and little or no use of public transport. This reinforces the importance of promoting sustainable rural transport as identified by the Northumberland National Park Management Plan (2016-2021) objective 4.2.3 which aims to enable an integrated transport system to provide an attractive alternative to the private car.

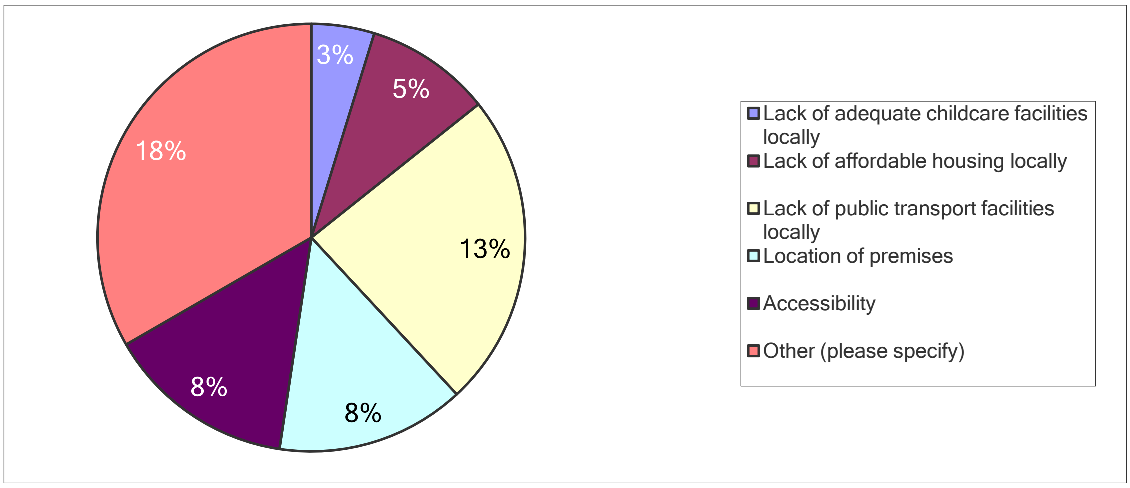
2.21. Local Plan policies will be a key mechanism in ensuring that future development within the National Park positively promotes sustainable transport. However with an anticipated windfall approach to development as opposed to planned development through land allocations, it will be difficult to identify the exact infrastructure needs that may come about. It may be that new development is only permitted where there is adequate infrastructure capacity i.e. employment land use is focused to key settlements with established public transport links. Increased usage of such infrastructure may in turn improve viability and provide more certainty around its future provision. Walking and cycling as means of commuting is limited to those who live close enough, however the existing quality and capacity of green infrastructure across the Park could contribute to increasing its use for travelling to work.

Recruitment

2.22. The most popular method used to recruit staff was by word of mouth with 71% of respondents using this means. Only a small number used methods of newspapers (8%), student placements (3%), recruitment agencies (3%), other publications (3%) and the job centre (3%). 24% of businesses stated another way that is used to recruit staff, of which most of these included social media or local advertising. A further way in which 3% of businesses recruited staff was through online adverts. No businesses recruited directly through schools or colleges.

2.23. A large reliance on word of mouth and a smaller number of companies using online recruitment methods could be a demonstration of how businesses are potentially disadvantaged as a result of insufficient broadband connectivity.

Figure 9 - Most significant factors thought to be influencing the difficulty in recruiting suitably qualified staff locally



2.24. More than half (54%) of the businesses that responded said that they had difficulties in recruiting qualified staff locally with 13% citing the lack of public transport facilities locally as a reason for this (see figure 11), further restating the need to address this particular deficiency through the Local Plan review.

2.25. 18% of responding businesses listed another reason to the options provided and these mostly related to a lack of sufficiently keen and qualified candidates locally. Location of premises was thought to be problematic for 8% of respondents when recruiting. An equal proportion (8%) also stated accessibility as a factor affecting recruitment. 5% of respondents thought that a lack of affordable housing locally made it more difficult to recruit and, 3% cited a lack of adequate childcare facilities locally as a recruitment barrier.

Table 2 - Skills lacked among responding businesses

Identified skill shortage	(%) of respondents
Computer / IT skills	8%
Marketing	3%
Catering	5%
Agricultural / mechanical	5%
Lack of training in general	5%

2.26. 32% of respondents said that their business had a shortage of skills, more specifically listed in table 2. Confidence among some of the businesses anticipating staff growth in coming years (see paragraphs 2.10 and 2.11) could indicate that skills shortages be addressed through recruitment. Nevertheless, if the identified barriers of recruiting qualified staff locally are not addressed, this could create a need for increased investment in the current workforce, such as through training, or the employment of apprentices.

2.27. The results in relation to recruitment barriers and shortage of skills reiterate the importance of objective 4.3.1 of the Management Plan which aims to draw more working age people to live and work in the National Park. In local planning policy terms it is imperative that a joined up approach to the provision of housing and employment development is adopted.

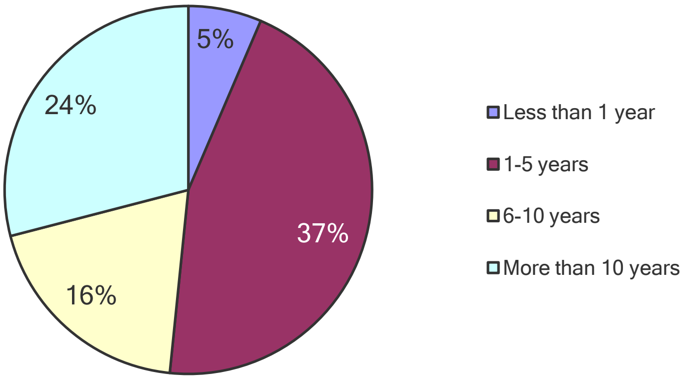
2.28. With the highest proportion of households in the National Park wishing to move in the next five years being single adults[5] (also an indication that many of these are concealed households) emerging policy should ensure that options to remain living within the Park are available. The potential of rural workers' housing or live/work units could be explored. It follows then that the current figure of employed residents of the National Park working within the National Park itself (54.6%[6]) could see an increase.

2.29. Further studies, including the forthcoming Economic Futures and Employment Demand Study and a Strategic Housing Market Assessment (SHMA) will offer more detailed analysis of these residential and economic needs and how they relate to one another.

2.30. As shown in figure 13, 37% of the businesses that responded indicated that, on average, employees worked for the company for between 1 and 5 years. For the remainder, the majority of these businesses had employees who stayed on average for more than 10 years (24%). For 16%, employees stayed with the organisation, on average, between 6 and 10 years. Only 5% of said that members of staff generally leave within a year of commencing their employment.

2.31. Although the average length of time that employees work for a business does not necessarily reflect the success or growth of the company, the small proportion of staff reported to have left within the first year of employment demonstrates that on the whole conditions are stable enough to retain staff. If the general projection of job growth among businesses is realised, this presents a long term need for housing and community services to support potentially larger work forces. Further evidence is required to establish these exact needs.

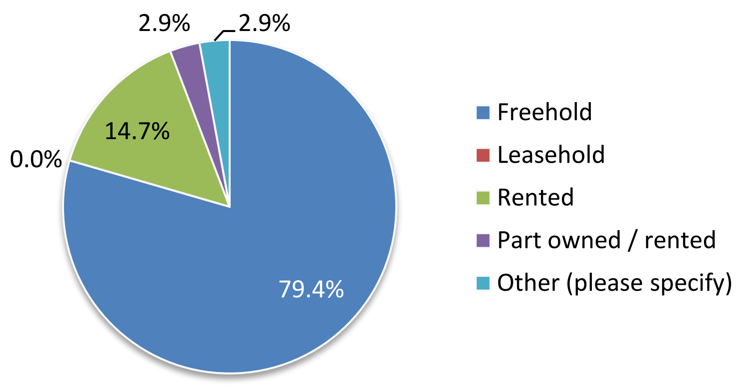
Figure 10 - Average length of time that members of staff work for the business



[5] NNPA Housing Needs Survey (2016)
[6] NNPA Housing Needs Survey (2016)

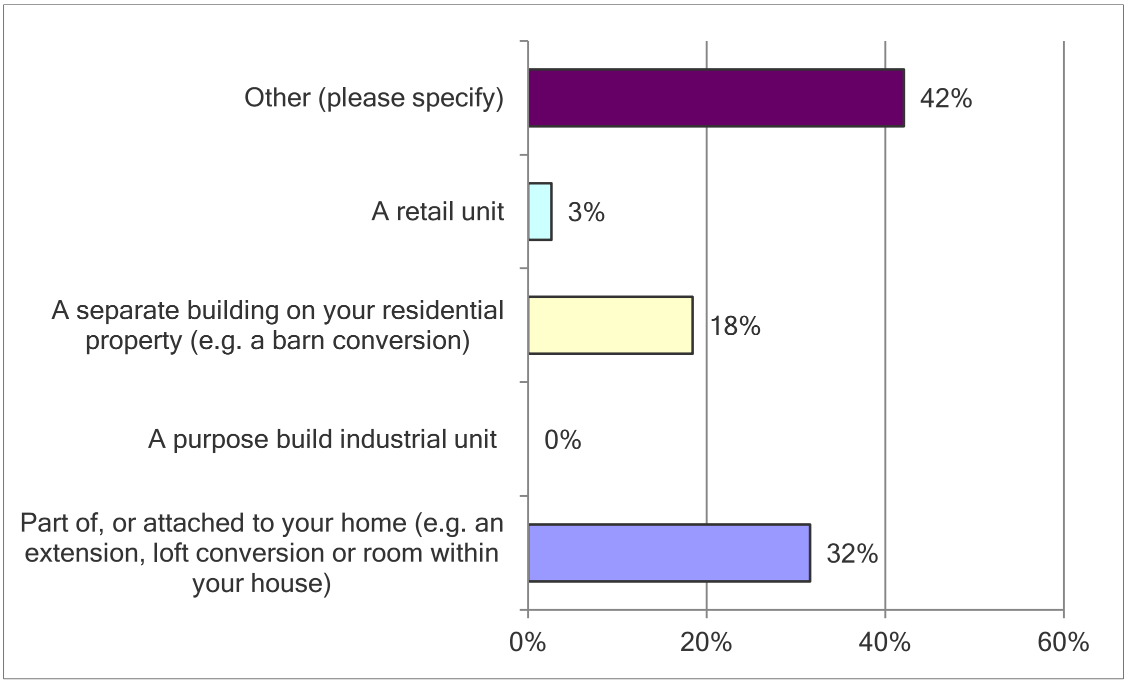
Business Premises

Figure 11 - Premises ownership



2.32. Most respondents indicated that their business premises were freehold (79%) with 15% being rented and a small minority of part owned/rented business accommodation. This is an encouraging trend with business owners who own their premises generally being better placed to obtain finances indicating that these businesses could have the most potential to expand as appropriate in the future.

Figure 12 - Types of business premises



2.33. Largely replicating the 2006 survey findings, a large proportion of businesses within the National Park did not fit into the standard business premises categories. 42% opted for 'other' (43% in 2006) within which farms/farmhouses were a common selection (16%), as was also the case ten years ago. This also fits with the analysis of business types and other emerging evidence which indicates that agriculture remains a key employment sector of the National Park.

2.34. As discussed in paragraph 2.14 there is an element of uncertainty around the future of farming and land management practices across the Park. The potential for increasing proposals of farm diversification may bring about a variety of different premises needs. The challenge will be in providing sufficient flexibility in ensuring farming businesses can thrive, while avoiding any adverse impact on the character of the landscape. Visitor accommodation, including a holiday let, cottage, lodges, caravans and pods were also listed under 'other'. While not necessarily the premises out of which a business runs, proposals for various types of holiday accommodation could see an increase in coming years as a potential result of farm diversification. Although a wider National Park objective is to increase tourism in the National Park, emerging planning policy needs to ensure that associated development is in the most sustainable locations and does not adversely impact upon the special qualities. Policy could also make it more difficult to permit the loss of visitor accommodation, in which case marketing evidence may be required.

2.35. 33% of respondents said that their business premises was part of or attached to the home (a slight increase from 29% in 2006). Premises in the form of separate building on the residential property made up for 19% of businesses, the same as reported in 2006. This could be a reflection of the continued importance of home-based working in the National Park demonstrating how types of employment have diversified. The remaining 3% of respondents (outside of the National Park boundary) identified their business premises as being retail units.

2.36. The most common three reasons for businesses having been located in the area were 'Lifestyle change' (26%), 'Availability of suitable premises' (24%) and 'No choice, e.g. inherited/longstanding family' (21%). 16% saw the move as a business opportunity. 3% of businesses said that the attractive local environment was a factor and 5% gave other reasons, including the availability of farm facilities and the need to be in the Dark Sky Park area.

2.37. Although reasons given for why existing businesses have been located in the National Park provide an insight into what has been attractive about the area in commercial terms, this is only historic experience. Therefore it is necessary to explore how the new Local Plan might change this situation, for example enhancing existing / creating new opportunities for businesses.

2.38. Figure 14 highlights the facilities in the local area with which businesses were most and least satisfied. On average, businesses were most dissatisfied with 'public transport, infrastructure and services' (29%) and 'availability of broadband' (also 29%). This corresponds to other emerging evidence in the Infrastructure Plan as well as conclusions drawn from previous consultation on the National Park Management Plan.

2.39. To address these issues Northumberland County Council has begun to roll out super-fast broadband under the iNorthumberland scheme however ongoing work is required to ensure the standard of service is adequate even for the most remote properties in the National Park. The government-backed Mobile Infrastructure Project and an accord between the Mobile Operators Association and National Parks England (signed in 2014) will see significant mobile reception improvements over the coming years.

2.40. Availability of suitable premises, quality of premises and the quality of businesses' current accommodation were regarded relatively favourably. This broadly suggests that there may not be a significant need for alterations of existing employment premises throughout the National Park. Opinions on the availability of suitably qualified employees were also fairly positive with 29% slightly satisfied but a further 32% neither satisfied nor dissatisfied.

Figure 13 - Business satisfaction of the local area

	1 – very satisfied	**2**	**3**	**4**	**5 – very dis-satisfied**
Public transport, infrastructure and services	8%	11%	29%	13%	29%
Availability of suitable premises	34%	16%	13%	8%	8%
Quality of premises	34%	18%	16%	3%	5%
Quality of current accommodation	45%	16%	5%	11%	8%
Availability of suitably qualified employees	5%	29%	32%	8%	8%
Availability of broadband	18%	16%	16%	11%	29%

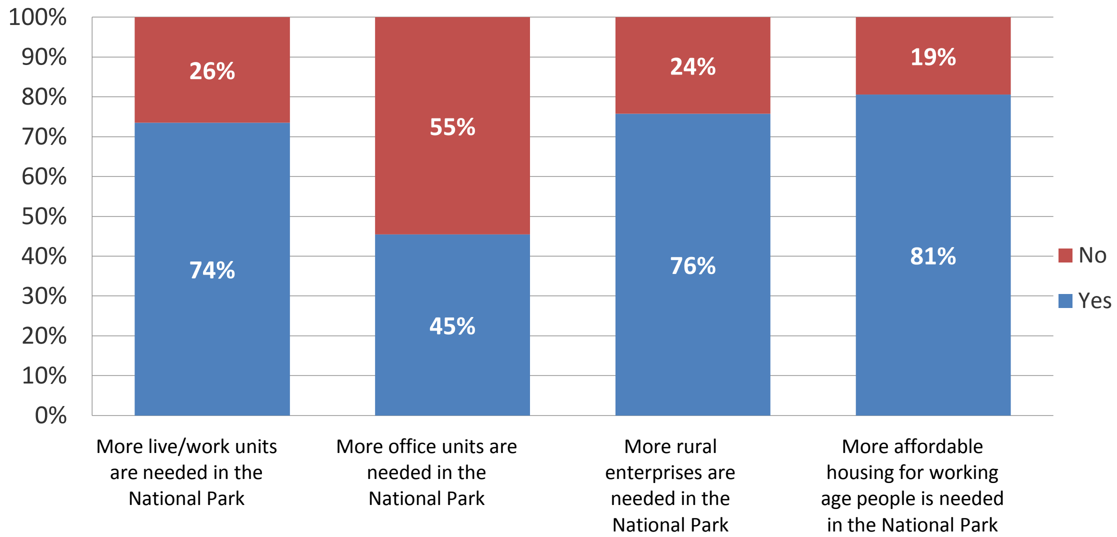
2.41. Only 3% of responding businesses had relocated their business in the past, whereas 6% considered that their business could be relocated in the future. Reasons given for this included 'poor internet connectivity' and 'stifling policies of the NNPA/DEFRA'. One respondent had plans to expand the business on the existing site rather than to relocate. These comments restate the importance of adopting development policies that are suitably flexible in supporting sustainable economic growth while avoiding outcomes that would prejudice the purposes or adversely affect the special qualities for which the National Park was first designated.

2.42. When asked what the most important factors were in looking for suitable accommodation for the business, 26% of businesses responded with all of these suggestions relating to infrastructure provision. 8% of responding businesses made mention to the availability of public transport. Factors of 'broadband'; 'location'; 'affordable housing'; and 'local amenities (restaurants, cafes, shops, public toilets etc.)' were considered most important by equal proportions of respondents (5%) respectively. Other factors considered important were 'available land'; 'available planning to build'; and 'proximity to schools', each selected by 3% of businesses respectively.

2.43. These findings broadly confirm the reasons given for why some businesses found it difficult to recruit suitably qualified staff locally, with issues of limited public transport and broadband connectivity raised once again. The Infrastructure Plan will explore in further detail how these issues may be addressed through emerging planning policies. As explored through the National Park Infrastructure Plan and drawn upon earlier in paragraph 2.21, the spatial strategy could require that all new development including housing and mixed use schemes is focused to the locations with existing infrastructure capacity. The National Park Authority will also explore the most appropriate approach to requiring developers to provide infrastructure (or a financial contribution) where development gives rise to its need.

2.44. The survey revealed that a significant majority of respondents (81%) agreed that more affordable housing for working age people was needed in the National Park. 76% of respondents agreed that more rural enterprises were needed with 74% stating that more live/work units were needed in the Park. Conversely, less than half of respondents (45%) agreed that more office units were needed in the National Park.

Figure 14 - Thoughts of businesses - development needs across the National Park



2.45. The above figures are not an overall reflection of the demand for particular types of business premises. However, this information provides a valuable indication of the ways in which the Local Plan could support businesses that wished to expand and/or diversify as well as new business start ups.

2.46. A potential increase of live/work type business premises in preference to the traditional office unit relates to earlier findings which demonstrate trends of increased home-working. The resultant impact could be inherent in higher demand for conversions / change of use / extensions as well as new mixed use development.

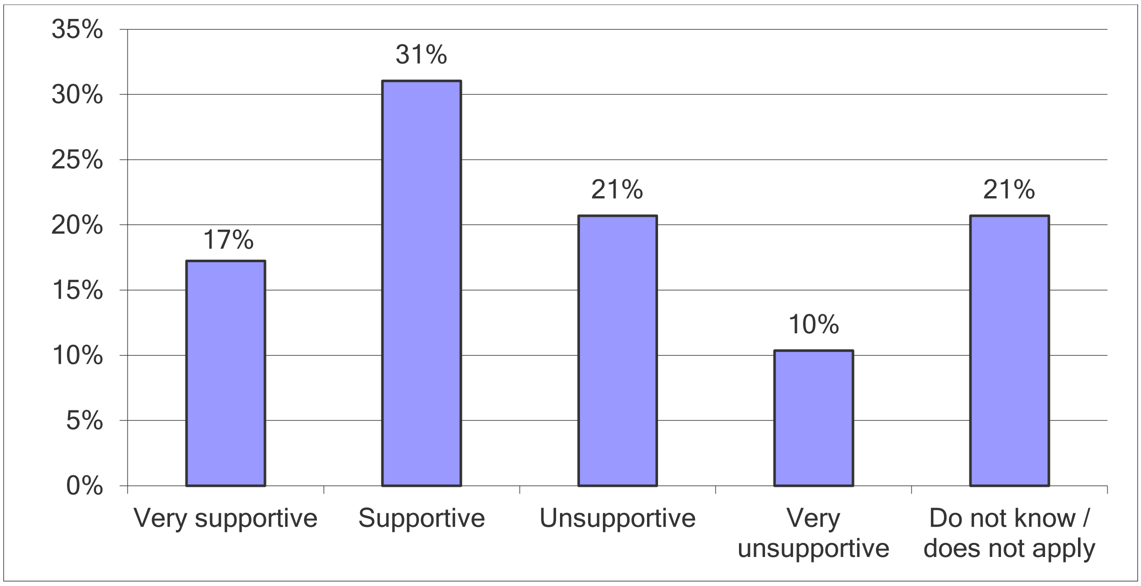
2.47. The general support for rural enterprise hubs indicates that many respondents recognised how such premises are, in the main, more affordable and flexible, and therefore can be more suitable for micro-businesses. Premises such as these accommodate multiple businesses enabling opportunities for networking. There are already a number of established enterprise hubs across the county including in the National Park's gateway settlements. In the National Park however, spatial requirements of the premises for example parking and meeting rooms, as well as a requirement for good quality telecommunications would need particular consideration. This indicates that the Park's local centres would likely be the most suitable locations.

2.48. Further, the general recognition by respondents of the need for affordable housing for working age people reflects findings from the Housing Needs Survey, returned by approximately 17% of National Park residents in September 2016. This indicated that 59% of respondents thought that affordable housing was particularly needed in the National Park, with 83% saying they would be in favour of a small development of affordable homes. The majority of these residents said that, crucially, affordable housing would need to meet a local need.

2.49. As set out in paragraph 2.27, it is vital that the emerging planning policies for housing and employment are closely linked in order to meet the wider National Park objective of increasing the number of young adults and people of working age living in the Park. It is likely therefore that the current approach which requires all new housing to meet a local need remains an appropriate means of controlling housing affordability. Core Strategy policy 11 which requires all new housing schemes of more than 0.1ha / 2 dwelling units to provide 50% affordable units on site may also appear to remain appropriate however past delivery rates suggest a need to assess the viability of this policy. A more focused approach to providing for rural workers' housing may also be necessary.

Businesses and the National Park Authority

Figure 15 - Supportiveness of the Authority towards the needs of businesses



2.50. 48% of respondents considered the National Park Authority to be supportive of their business needs and, of these, 17% thought the Authority was very supportive with reasons given including:

- Providing advice around planning; farm management; and tourism
- Helping to secure planning permission
- Help with securing grant funding

- The authority’s role in improving the availability of broadband
- Good help entering new schemes
- Supporting plans for development and expansion of the business
- Good management team led by an excellent CEO

2.51. Of the respondents who said that the Authority was not supportive of their business needs (31%), reasons given included:

- Planning too restrictive
- Need more help with infrastructure, in particular internet connectivity and public transport and public toilets
- Problems with public access and gates being left open
- Authority does not seem to support businesses willing to take a risk and support economic growth (in relation to planning)

2.52. 21% of responding businesses said that they had had no experience of dealing with the National Park Authority.

2.53. It is encouraging that the majority of businesses found the National Park Authority to be supportive of their needs and many of the reasons given relate to how this involvement had been in a planning context. Nevertheless, planning policy was considered a restriction for some businesses. Where this was found to be the case, it is anticipated that Local Plan review consultation exercises will extract some of the more specific issues that will enable future development policies to better support the growth of local businesses.

2.54. Issues relating to infrastructure shortfalls, particularly the provision of public transport and broadband, have been further highlighted. There is therefore a clear indication that this should be one of the key priorities for the Local Plan in ensuring the sustainability of the National Park’s communities.

2.55. Some of the comments related to areas of the authority’s work outside of planning but nonetheless provide a useful guidance of how the authority can better engage with businesses.

Overall Conclusions

2.56. Although the survey results implied an overall picture of fewer hours worked now compared to ten years ago (among business owners and managers), as well as a lower rate of business take over/buying over the last twelve years, this provided only an initial perception of a decline in economic activity. It could be concluded that employment policies should be more flexible to boost the number of newly establishing businesses and potentially increase the range and amount of economic activity within the National Park.

2.57. Nevertheless responding businesses appear at present relatively confident in projecting job growth over the short and long term. The majority of businesses (97%) also projected the turnover of their business to remain relatively stable or increase further indicating a positive level of business confidence. Although planning policy is not the only attributable factor, it could be concluded that current economic policies remain broadly fit for purpose for existing businesses looking to expand.

2.58. It is predicted that micro-business will continue to be the predominant source of employment within the National Park and as a result it is unlikely that a large amount of major development will come about. Nevertheless policy must maintain a balance between supporting appropriate levels of business growth and ensuring that the special qualities of the National Park are protected and or enhanced.

2.59. Given the large area and sparse population of Northumberland National Park, it is promising that nearly half (47%) of responding businesses reported that most or all of their employees lived either on site (13%) or up to ten miles away (34%) from the workplace. Although further work is required to analyse whether this is a true reflection of people both living and working within the National Park, transport implications of distances travelled to work have been explored.

2.60. An apparent increase in the level of home working would indicate a lower need for travelling to work however the local plan will still need to respond to commuting trends including the high dependence on the private car (61%) and low usage of the public transport system. Given the low National Park population, infrastructure such as public transport has been under threat in recent years and its continued provision can only be ensured if it is viable for providers to do so. This provides further justification for a spatial strategy that focuses new development (both residential and economic) in local centres which have existing infrastructure capacity. A potential growth in tourism across the National Park could also be crucial to maintaining the viability of key bus routes. Green infrastructure also has particular capacity in terms of increasing the level of cycling and walking to work.

2.61. An indication of the importance of home working was also demonstrated by a substantial proportion (52%) of business premises being part of/attached to the home or a separate building on the residential property. For existing home-based businesses and new businesses setting up at home, a variety of development needs may come about such as the need to extend the home, convert existing buildings for example barns, or provide new buildings on the property. Traditional farming premises and a variety of visitor accommodation was also reported but given the low survey response rate could not be considered accurate proportions of premises types in the National Park.

2.62. Businesses were generally concerned about the limited availability of broadband and mobile phone coverage which as well as the day to day running of the business may be affecting recruitment. Limited public transport also made it more difficult to recruit staff locally and approximately 18% of responding businesses thought that there was a lack of suitably qualified and keen candidates. This could be addressed in delivering the wider National Park objective to increase the working age population, emphasising the need to ensure housing is affordable and meets local needs (81% of responding businesses agreed that more affordable housing for working age people is needed). A potentially more focused approach to supporting the provision of rural workers' housing could be adopted. It will also be vital to safeguard community facilities and services.

2.63. Employment land and premises requirements will be explored in more detail in the Economic Futures study. Nevertheless initial indications are that there would be support for potentially more live-work units as opposed to traditional office units. The provision of rural enterprise hubs could also be explored but this type of premises could be a more intensive use of land and any such development would need to be suitably located and serviced.

3. Appendices

Appendix 1 – Copy of Business Needs Survey response form

Business Needs Survey 2016

Data Protection and Freedom of Information
This information is collected by Northumberland National Park Authority as data controller in accordance with the data protection principles in the Data Protection Act 1998. The purpose for collecting this data is to establish an up to date account of business needs in the National Park which will support the approach to reviewing policies regarding economic development within the Local Plan. The data will not be used for any other purpose.

The above purpose may require public disclosure of data received by NNPA through this form, in accordance with the Freedom of Information Act 2000. If so, your personal data will not be shared.

Business Details

Trading name

Your name

What is your role in the business? (e.g. owner, manager, partner etc.)

Business Address

Postcode

Telephone	Email
Website address	

1. Which sector best describe your business?

Agricultural/horticultural	☐	Forestry	☐
Food services and accommodation	☐	Tourist attraction	☐
Mining	☐	Construction	☐
Education	☐	Recreation	☐
Manufacturing and production	☐	Other (please give details) ______	

2. What type of business are you?

Limited ☐ Partnership ☐ Sole Trader ☐ Charity ☐

Other (please give details) ______

3. How did you come to be involved in the business?

I founded it	☐	I manage the business on behalf of the owner	☐
Family-run business	☐	I took over / bought the business	☐
		If so, when? ______	

4. Please estimate the number of hours you work **per week** in the business. (please tick one box)

Less than 15 hours ☐ 15 – 30 hours ☐

31 – 45 hours ☐ 46 – 60 hours ☐

More than 61 hours ☐

5. Please give details of your business turnover

	Last year	Projected this year
Less than £9,999		
£10k - £39,999		
£40k - £69,999		
£70k - £99,999		
£100k - £249,999		
£250k - £499,999		
£500k - £999,999		
£1m or more		

6. If you are a farm business, please indicate what percentage of this turnover comes from subsidies and other funding schemes (e.g. Single Farm Payment, Environmental Stewardship schemes, etc.)

____

Employees

7. How many employees does the business have?

Full time ☐ Part time ☐ Casual / occasional ☐

8. Have these numbers changed in the last year?

Yes ☐ No ☐
If yes, please give details ____

9. Do you think these numbers will change in the next 12 months?

Yes ☐ No ☐
If yes, please give details ____

10. Do you think these numbers will change in the next 5 – 10 years?

Yes ☐ No ☐
If yes, please give details ____

11. What proportion of your staff live;

On site ☐ Less than 5 miles away ☐ 5-10 miles away ☐

10 – 20 miles away ☐ More than 20 miles away ☐

12. How do your employees travel to work?

Private car ☐ Walk ☐

Public transport ☐ Bicycle ☐

Other (please specify) ______________________________

13. How do you recruit staff? (please tick all that apply)

Student Placement ☐ Newspapers ☐ Recruitment Agency ☐

Word of mouth ☐ Other publications ☐ School / College ☐

Job Centre ☐ Other (please give details) ______________________________

14. Do you have difficulties in recruiting suitably qualified staff locally?

Yes ☐ No ☐

If yes, what do you think are the most significant factors influencing this?

Lack of adequate childcare facilities locally ☐ Lack of affordable housing locally ☐

Lack of public transport facilities locally ☐ Location of premises ☐

Accessibility ☐

Other (please give details) ______________________________

15. Does your company have any skills shortages?

Yes ☐ No ☐

If yes, please give details of what these are ______________________________

____

16. On average, how many years do staff stay with your organisation?

Less than 1 year ☐ 1 – 5 years ☐

6 – 10 years ☐ More than 10 years ☐

Accommodation and location

17. Is your business premises:

Freehold ☐ Leasehold ☐ Rented ☐ Part owned / rented ☐

Other (please give details) ______________________________

18. Is your business premises:

Part of, or attached to your home (e.g. an extension, loft conversion or room within your house) ☐ A purpose build industrial unit ☐

A separate building on your residential property (e.g. a barn conversion) ☐ A retail unit ☐

Other (please give details) ______________________________

19. Why did you locate your business in this area?

No choice (e.g. inherited/longstanding family business) ☐ Availability of staff ☐

Proximity to local physical resources (i.e. forest) ☐ Accessibility ☐

Availability of suitable premises	☐	Business opportunity	☐
Attractive to local environment	☐	Lifestyle change	☐

Other (please give details) ____

20. On a scale of 1-5 please indicate your satisfaction with the following in relation to your business.
(1 being very satisfied, 5 being very dissatisfied)

Public transport infrastructure and services	1	2	3	4	5
Availability of suitable premises	1	2	3	4	5
Quality of premises	1	2	3	4	5
Quality of current accommodation	1	2	3	4	5
Availability of suitable qualified employees	1	2	3	4	5
Availability of broadband	1	2	3	4	5

21. Has your business relocated at any point?

Yes ☐ No ☐
If yes, please explain why this was ________________________________

22. Are you considering relocating your business in the future?

Yes ☐ No ☐
If yes, please indicate why ____

23. What are/would be the most important factors to you when looking for alternative accommodation?
(e.g. proximity to settlements, availability of infrastructure etc.)

____
____
____

Your business and Northumberland National Park

24. How supportive have you found Northumberland National Park Authority towards the needs for your business?

Very supportive	☐	Unsupportive	☐
Supportive	☐	Very Unsupportive	☐

If you answered ‘very supportive’ or ‘supportive’, please explain how

____

If you answered ‘very unsupportive’ or ‘unsupportive’, please explain how you would like to see the Authority help businesses

____

25. Please indicate whether you agree or disagree with the following statements:

More live/work units are needed in the National Park	Yes ☐	No ☐
More office units and buildings are needed in the National Park	Yes ☐	No ☐
More rural enterprise hubs are needed in the National Park	Yes ☐	No ☐
More affordable housing for working age people is needed in the National Park	Yes ☐	No ☐