Contribution of the Peak District National Park to the Economy of the East Midlands

A report prepared for *emda*

SQW Consulting

November 2008

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Final Report

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SQWconsulting

Contents

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Executive Summary

Introduction

1. SQW Consulting was commissioned by the East Midlands Development Agency (emda), in 2008, to undertake an assessment of the contribution of the Peak District National Park to the East Midlands economy.

2. Uniquely, the Peak District National Park spans four regional boundaries: within the East Midlands area of the Park, economic development policy is governed by the East Midlands Regional Economic Strategy. Spatial policy across the whole National Park is covered by the Regional Spatial Strategy (RSS8). A complex package of funding streams delivers public sector investment in the Peak District National Park, to enhance and conserve its environment, and to stimulate the rural economy. These include the Rural Action Zone, established by Derby & Derbyshire Economic Partnership to address structural socio-economic challenges, and the Rural Development Programme for England, aimed at enhancing the countryside, rural economy, agriculture and environment.

3. The aims and objectives of the study were to:

- assess the contribution of the Peak District National Park to regional and sub-regional economies
- consider the relationship between the Park and surrounding market town and economic centres
- suggest suitable comparators and indicators against which to benchmark the National Park
- provide a baseline to judge future economic performance against
- make recommendations on how the Peak District can maximise its contribution to the aims and objectives of the Regional Economic Strategy.

Methodological issues

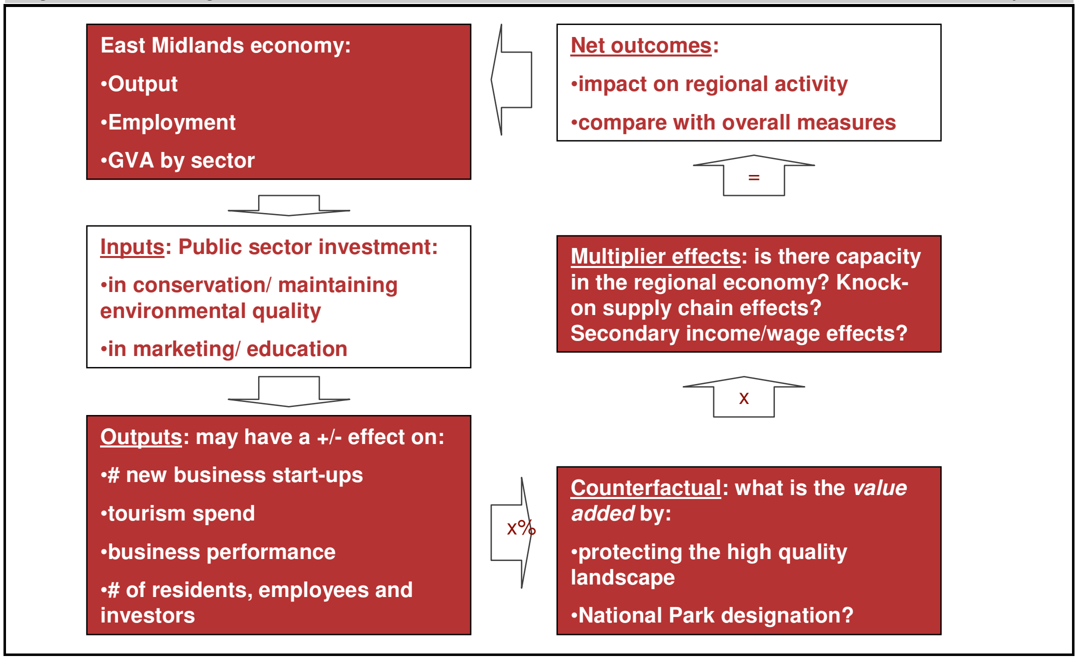
4. Our approach to addressing the study objectives was to develop an economic model to assess the contribution of the Peak District National Park (Figure 1).

5. In subsequent tasks we:

- scanned key strategic documents to provide contextual information on the policy approach to economic development of the Park and surrounding areas, and the funding programmes which feed into investment in the Park and wider rural economy
- produced a baseline of socio-economic performance to provide an overview of key measures

- undertook stakeholder consultations to gather data and qualitative perceptions on the Park's contribution
- surveyed 300 businesses based within the National Park boundary
- assessed the impact of tourism generated by the National Park
- delivered a workshop to develop recommendations for maximising the Park's future economic benefits.

Figure 1 Assessing the contribution of the Peak District National Park to the East Midlands economy



Source: SQW Consulting

Methodological challenges

6. Since the PDNPA boundary is not perfectly coterminous with statistical units, it is important to recognise that the figures produced in this analysis *are best estimates that contain specific limitations.*

7. For example, much of the socio-economic analysis relies on fitting existing datasets to the National Park boundary as closely as possible. Since data is rarely available at the level of the National Park boundary, the analysis uses four proxies for 'the Peak District National Park':

- 'best fit' applying a weighting to local authority data
- 'best fit' with ward level data
- 'best fit' applying a weighting to lower-level super output area (LSOA) data
- 'best fit' with output area (OA) level data.

8. OA level is the best fit of the four, but not always available, so we have had to rely on more imperfect proxies at higher geographical levels for some indicators. These issues are discussed in further detail throughout the main report.

Baseline and profile

Demographics and skills levels

9. The Peak District National Park has a total population of approximately 38,000 people. The population has experienced slight growth over recent years, rising 1.4% since 2001, somewhat slower than the wider East Midlands region and England. The National Park has a relatively elderly population, with 25% of residents above normal working age.

10. Skill levels in the National Park are estimated to be substantially higher than those in the East Midlands region overall and England. In particular, the area has a relatively high proportion of advanced level skills, which are essential for high-skilled, high-wage employment. Moreover, this is matched by a very low proportion of inhabitants with no qualifications compared to East Midlands region overall and England. This combination provides the area with the potential to attract investment and increase productivity.

Business and enterprise

11. The most recent Inter-Departmental Business Register data shows in the region of 2,800 business units within the Peak District National Park. Some three-quarters of these businesses are micro-businesses, employing less than five people.

12. Altogether, businesses in the National Park employed 14,000 people in 2007, according to the IDBR. Eighteen percent of all employees work in production-based industries, the largest employer, and a further 15.4% in hotels and catering.

13. Entrepreneurial activity is a strong attribute for the National Park and VAT registrations data show 45 business registrations per 10,000 inhabitants. This is considerably higher than the national average of 39 registrations per 10,000 inhabitants and the regional average of 35.

Property market and deprivation

14. The prices of property sold in the local authorities which fall wholly or partly in the National Park in the final quarter of 2006 were significantly above the regional and national averages. The average price in these local authorities was just over £227,000; approximately £20,000 above the national average and almost £65,000 above the East Midlands regional average sale price.

15. The Index of Multiple Deprivation suggests that high property prices have created a considerable barrier to home ownership for those on low and even average incomes. It is also evident however that the high level of deprivation in terms of barriers to housing and services is an anomaly when all of the deprivation domains are accounted for. The level of overall deprivation in the National Park is much lower than the East Midlands average.

Baseline summary

16. Table 1 below summarises the key headline socio-economic indicators that together may be taken as a baseline against which to judge the National Park's future economic performance.

Table 1 : Summary of key indicators

Key indicators	Latest value	Date	Source	Geography	Comparator – East Midlands	Date	Source
Economic activity rate	77%	2006/7	Annual Population Survey	Local authority level (weightings applied)	79%	2006/7	Annual Population Survey
Employment (number of jobs) – workplace based	14,000	2007	IDBR	Output area	1,849,000	2006	Annual Business Inquiry
Business units	2,800	2007	IDBR	Output area	308,000	2007	Annual Business Inquiry
Proportion of the working age population with no qualifications	10%	2006/7	Annual Population Survey	Local authority level (weightings applied)	14%	2006/7	Annual Population Survey
Proportion of the working age population qualified to NVQ Level 4+ or equivalent	32%	2006/7	Annual Population Survey	Local authority level (weightings applied)	25%	2006/7	Annual Population Survey

Source: Various.

Impact of quality of landscape and environment on business performance

17. The study included a survey of businesses within the Peak District National Park area. Businesses were asked what impact they felt the quality of the landscape and the environment of this area has on business performance.

18. Although just over one third (35%) of businesses felt that their business performance was not directly affected by the quality of the landscape and environment, more than half of all businesses (56%) felt that the landscape and environment had either a major positive impact (31%) or a minor positive impact (25%).

19. Unsurprisingly, a higher proportion of hotels and catering (89%) and retail (69%) mentioned that the landscape and environment had a positive impact on the business.

20. In line with the findings above, a third (35%) of all businesses mentioned that their business did not depend upon the landscape and environment, whereas one third felt they were directly dependent (32%) and 32% were indirectly dependent.

21. To test the results of the previous questions, by stating the counterfactual, participating businesses were asked if deterioration in the quality of landscape would impact on the performance of their business. More than half (60%) of all businesses will either be seriously (40%) or to some extent be affected by the deterioration in the quality of landscape.

Positive and negative effects of National Park location

22. Nearly half of all respondents felt that there were no negative impacts from locating in a National Park (48%). The aspect that was most prominently mentioned as having a negative impact was 'planning and development restrictions' (33%). Other issues included poor infrastructure and access (7%).

23. The aspects that businesses most frequently mentioned as being a positive result of the NP location were that it attracts visitors and tourists to the area (28%) and the effect on business productivity (25%).

Economic impact and conclusions

24. As might be expected, this positive relationship was especially important for tourism businesses, and retail businesses who benefit from tourism spend. Tourism data, subject to caveats around robustness, suggest that the East Midlands attracts a total of 12.8m visitor days per annum because of the Peak District National Park, resulting in a net additional income to the region from visitor spend of almost £135 million.

25. This spend is captured within the sales of businesses included in the survey. The 40% of businesses (1,120) for whom performance would be seriously affected by a deterioration in the landscape, contribute £408 million of turnover and £155m to regional GVA. This supports around 7,000 jobs in the region. **These figures highlight the economic importance of the National Park's role in maintaining the high quality environment**.

26. The policy implications of these findings were discussed with a range of stakeholders and policymakers. Stakeholders concluded that the study broadly supported the existing approach to economic development in and around the Park in line with the Rural Action Zone and Rural Development Programme. It confirmed the need to recognise that the Park supports a diverse cross section of businesses, that many can benefit from the link to the environment, not just tourism and agricultural businesses, and that there may be a need to provide tailored support and appropriate premises to cultivate desirable, low-impact enterprise, in appropriate locations.

1: Introduction

Introduction

1.1 SQW Consulting was commissioned by the East Midlands Development Agency (emda)[1], in 2008, to undertake an assessment of the contribution of the Peak District National Park to the East Midlands economy.

1.2 Emda is required by Government to produce a Regional Economic Strategy which is underpinned by a credible and robust evidence base. The latest evidence base represents the most comprehensive to date and contains two key outputs:

- a quantitative data report entitled "The East Midlands in 2006" and
- a compendium of policy papers from leading academics.

1.3 However, a gap was identified in the evidence base relating to the potential contribution of the Peak District National Park, a regional asset, to the economy of the region. The rationale for this study was therefore to produce a robust and credible study, based on sound economic analysis, to illustrate the contribution and provide a basis for future thinking.

1.4 The aims and objectives of the study were to:

- assess the contribution of the Peak District National Park to regional and sub-regional economies
- consider the relationship between the Park and surrounding market town and economic centres
- suggest suitable comparators and indicators against which to benchmark the National Park
- provide a baseline to judge future economic performance against
- make recommendations on how the Peak District can maximise its contribution to the aims and objectives of the Regional Economic Strategy.

1.5 A complex package of funding streams delivers public sector investment in the Peak District National Park, to enhance and conserve its environment, and to stimulate the rural economy. This recognises the unique attractiveness of the Park's natural assets, and the opportunity to create sustainable economic growth which complements the environment, demonstrating there is no significant harm. A full description of the policy and funding context to the National Park is contained in Annex B.

[1] A glossary of acronyms is appended at Annex A.

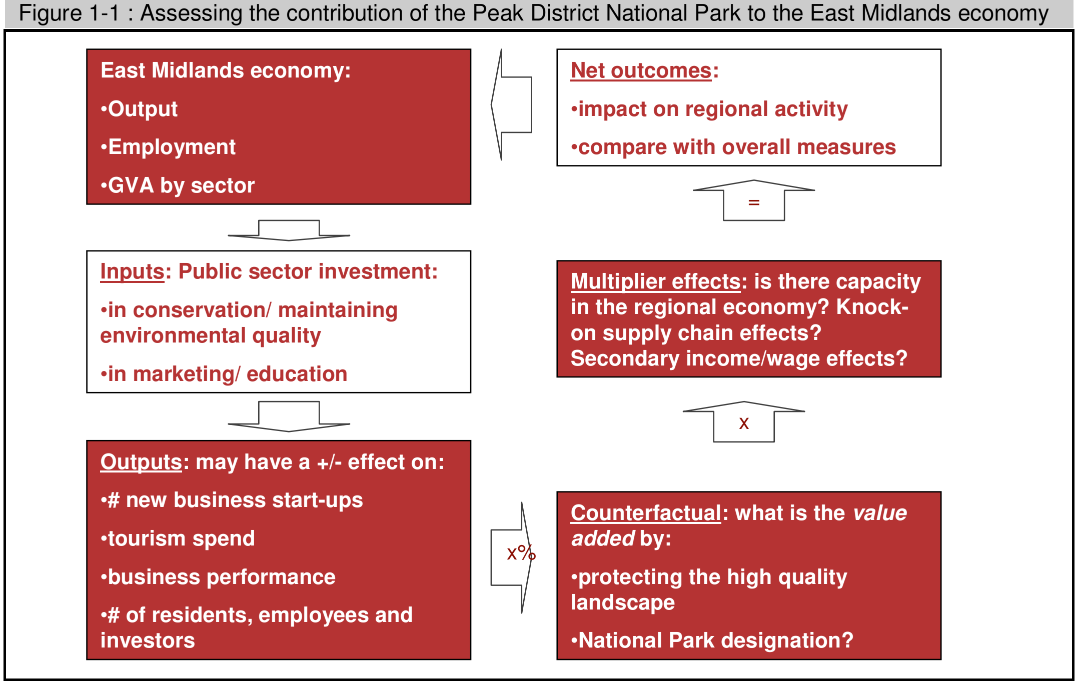
Methodology

1.6 Our approach to addressing the study objectives was to develop an economic model to assess the contribution of the Peak District National Park (Figure 1-1).

1.7 In subsequent tasks we:

- scanned key strategic documents to provide contextual information on the policy approach to economic development of the Park and surrounding areas, and the funding programmes which feed into investment in the Park and wider rural economy
- produced a baseline of socio-economic performance to provide an overview of key measures
- undertook stakeholder consultations to gather data and qualitative perceptions on the Park's contribution
- surveyed 300 businesses based within the National Park boundary
- assessed the impact of tourism generated by the National Park
- delivered a workshop to develop recommendations for maximising the Park's future economic benefits.

Figure 1-1 : Assessing the contribution of the Peak District National Park to the East Midlands economy



Source: SQW Consulting

Report structure

1.8 The remainder of this report is structured as follows:

- **Section 2** contains a summary of the baseline economic data for the Peak District
- **Section 3** reports on the results of the business survey and on qualitative perceptions of stakeholders in relation to the Park's economic contribution
- **Section 4** brings together the findings of the previous tasks to assess the overall economic contribution of the Park, and draws out the implications for policy.

2: Peak District economic baseline

Introduction

2.1 From the viewpoint of HM Treasury, the two main determinants of strong economic performance are high and stable levels of employment, and progressive increases in productivity, driven by enterprise, skills, innovation, investment and competition. In the section below we assess these factors and the wider socio-economic context to the Peak District National Park through an analysis of secondary data indicators.

Methodological issues

2.2 Since the Peak District National Park Authority (PDNPA) boundary is not perfectly coterminous with statistical units, it is important to recognise that the figures produced in this analysis are best estimates that contain specific limitations. The analysis that follows uses four proxies for 'the Peak District National Park'; a full description of spatial definitions and maps is given in Annex C.

2.3 The four proxies used here are:

- 'best fit' with local authority data – as shown in Figure C-1 (in Annex C) this is very imperfect and we have avoided using a local authority level proxy whenever there is better data available at a lower spatial level
- 'best fit' with ward level data – we have only used this for travel to work data
- 'best fit' with lower-level super output area (LSOA) data (see Figure C-2)
- 'best fit' with output area (OA) level data – Output Areas are smaller than LSOAs and therefore represent a better fit with the National Park boundary (see Figure C-3): however this is still an imperfect proxy and it should be recognised that these numbers will still slightly overestimate the numbers within the Park boundary.

2.4 OA level is the best fit of the four, but not always available, so we have had to rely on more imperfect proxies at higher geographical levels for some indicators. These issues are discussed in further detail below.

Resident-based analysis

2.5 For resident-based statistics such as population, we have applied a weighting to each local authority/LSOA based upon the proportion of the population who have been estimated to live within the National Park. Please refer to Annex C for a full description of the spatial areas used and the weightings applied.

2.6 These weightings are based solely on the population of each LA/LSOA that is estimated to be in the National Park. This method assumes that the population characteristics of each LA/LSOA are evenly distributed across the whole spatial area. Therefore by way of illustration, the weighting assumes that unemployment in Derbyshire Dales is evenly distributed across the whole authority, and thus the 35% of Derbyshire Dales that is in the National Park has the same unemployment ratio as the rest of the authority. This assumption is unlikely to hold across the board but represents the 'most sensible' approach to interpreting data.

Workplace-based analysis

2.7 For workplace-based data sourced from the Annual Business Inquiry (ABI), it is important to recognise that ABI only includes confidence levels for local authorities. For smaller areas, modelling is used to produce the ABI estimates. Because of this methodology, estimates of confidence intervals cannot be produced below local authority level.

2.8 This study has benefited from access to data from the Inter-Departmental Business Register (IDBR), supplied to the East Midlands Development Agency by ONS Regional Statisticians in the East Midlands. The IDBR, upon which the Annual Business Inquiry is based, covers businesses in all parts of the economy, missing some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover and without employees) and some non-profit organisations. The Department for Business, Enterprise and Regulatory Reform estimates the total number of businesses in the UK at 4.4 million; of these the IDBR holds records of 2.1 million units representing nearly 99 per cent of UK economic activity.[2]

2.9 The workplace analysis below draws on IDBR data cut at the level of Output Area (OA).

Baseline

Demographic profile of the area

2.10 The Peak District National Park has a total population of approximately 38,000 people. The population has experienced slight growth over recent years, rising 1.4% since 2001, somewhat slower than the wider East Midlands region and England.

Table 2-1 Population change 2001 to 2006

	2001 Population	2006 population	% change 2001-2006
Peak District National Park	38,000	38,000	1.4%
East Midlands Region	4,190,000	4,364,000	4.2%
England	49,450,000	50,763,000	2.7%

Source: ONS, based on best fit with LSOAs.

2.11 This pattern is illustrated in Figure 2-2, overleaf, which shows the low levels of growth or declining population across much of the Park.

2.12 The National Park has a relatively elderly population, with 25% of residents above normal working age.[3] This is considerably higher than the UK and East Midlands averages which are both 19%. At the other end of the age spectrum the National Park also has a slightly smaller

[2] http://www.statistics.gov.uk/idbr/idbr.asp.
[3] Working age population is defined as 16-59 for females, 16-64 for males.

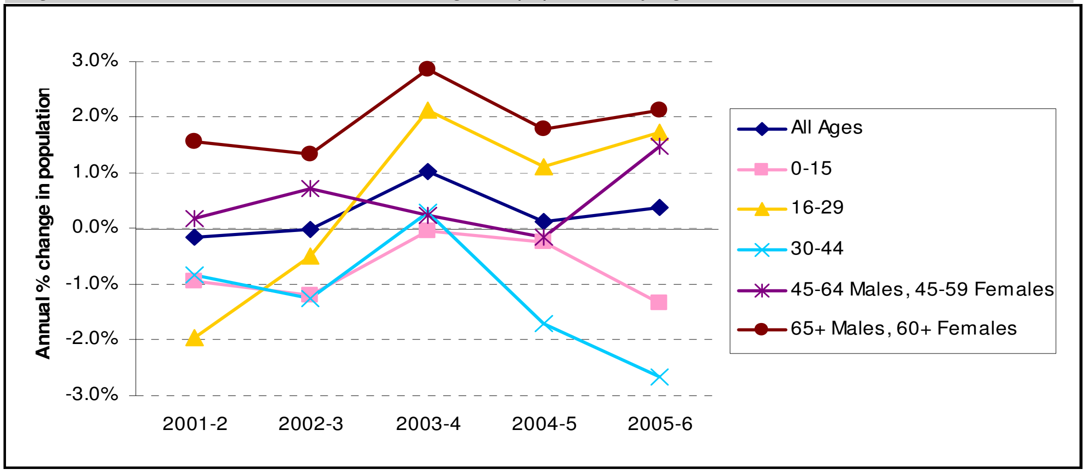
proportion of young people. Seventeen percent of the population are aged 0-15, compared with 19% in both England and the East Midlands region.

2.13 It is evident that those aged above 45 are driving the slender population growth in the National Park. As Figure 2-1 shows, this group has persistently grown over recent years. In addition to this, the numbers of those aged 0-15 and 30-44 have showed a continued decline.

2.14 Overall, 58% of the National Park population are of working age, compared with 62% for both England and the East Midlands region. There is a possibility that this demographic distribution could have a negative effect on the area in terms of potential economic growth.

2.15 Figure 2-3 illustrates that this is a challenge shared by much of the rural North and Midlands. Only in the inner city areas do those of retirement age make up less than 14% of the population.

Figure 2-1 Peak District National Park changes in population by age band, 2001/02 to 2005/06



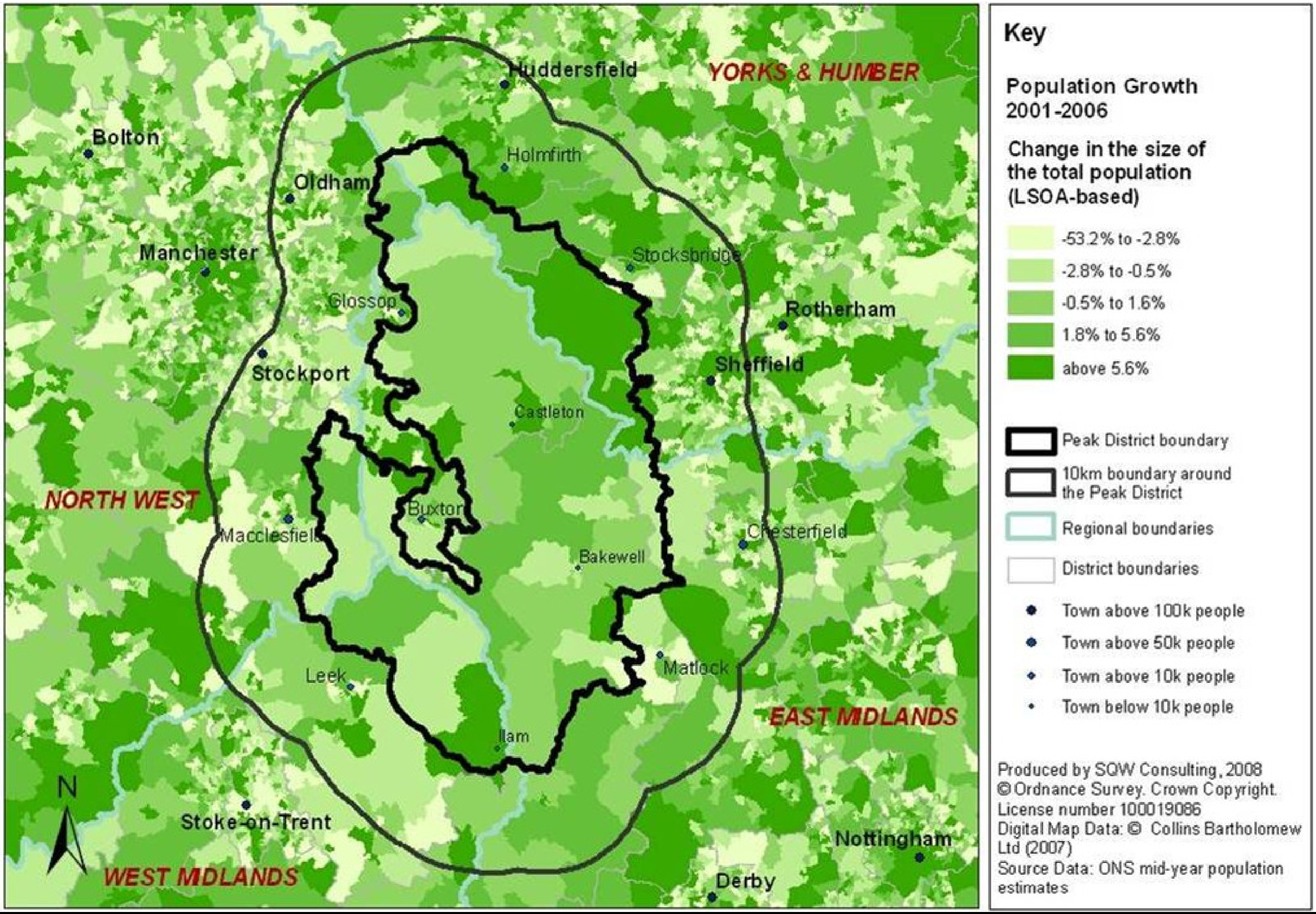
Source: ONS, based on best fit with LSOAs.

2.16 A University of Manchester study developed population projections for the National Park area.[4] The study assumed a continuation of recent patterns of population change, using census migration data and national statistics for births and deaths. The census-based projection suggested that the National Park population may decline by 15% by 2026, with age composition of migration being a key driver of change. The total number of residents moving into the National Park is expected to be similar to the number moving out; however, the out-migration of those in child-bearing age and in-migration of older inhabitants causes population decline as deaths exceed births.

2.17 The study also included an expanded population projection model to factor in assumptions of dwelling completions per annum within the National Park. The results suggested that larger numbers of new dwellings led to smaller declines in population, and with substantial new dwellings population could actually increase. With a rate of zero new dwellings per year the population was projected to decline by approximately 14% between 2001 and 2026; however, with 150 new dwellings per year the population was predicted to increase by 10% over the

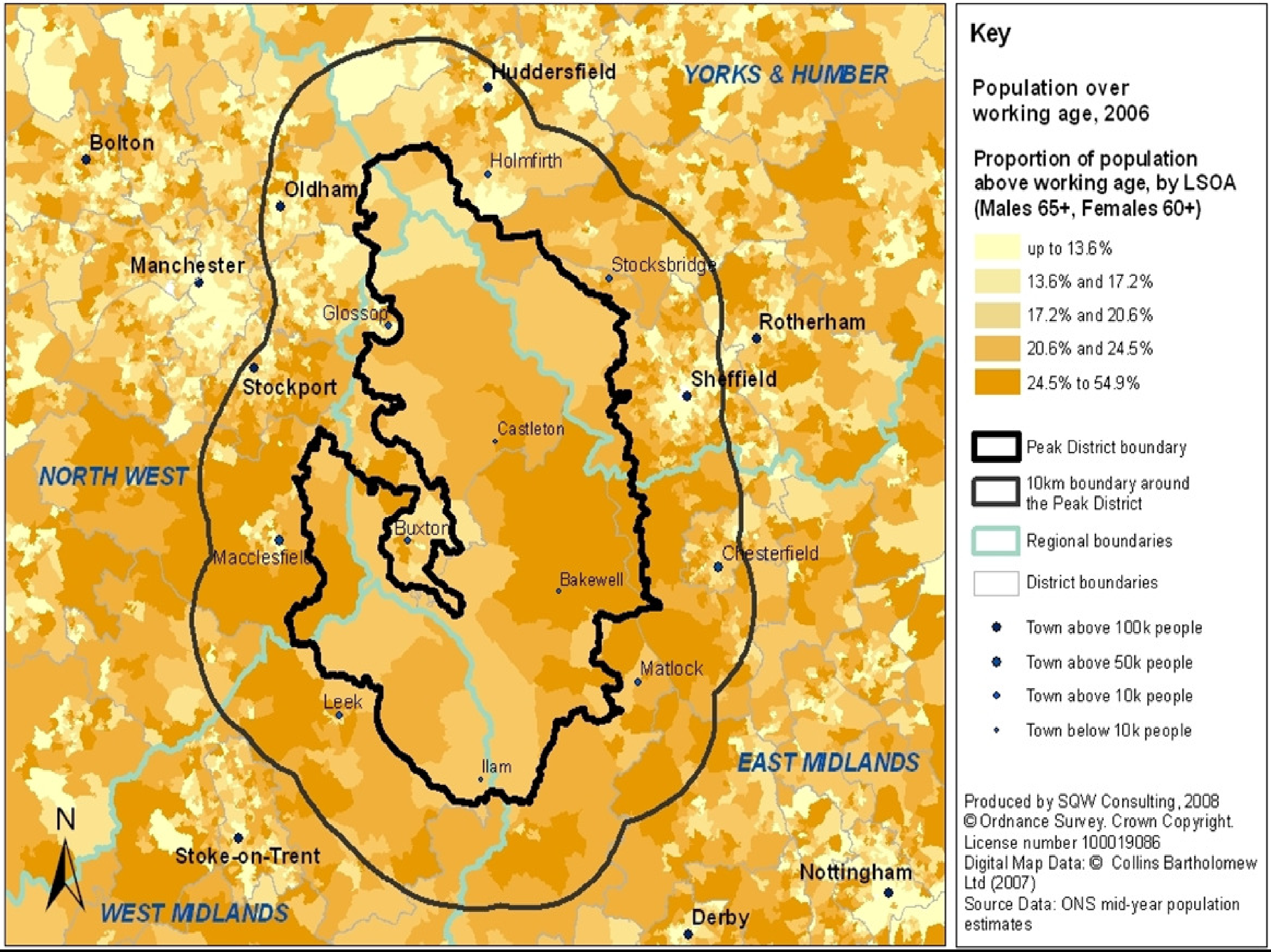
[4] PDNPA (2006) 'Population, household and labour force projections for the Peak District National Park and East Midlands Regional Assembly', University of Manchester. The figures quoted here are for only the areas of Derbyshire Dales, High Peak and Staffordshire Moorlands that are within the National Park boundary.

Figure 2-2 : Population change 2001-6



Source: SQW Consulting NB: Negative indicates a fall in the population of that LSOA during 2001-6.

Figure 2-3 : Proportion of the population over working age, 2006



Source: SQW Consulting

same period. It should be noted that even when the overall population was projected to increase by 10%, the working age population was forecast to decline by 13%.

The labour market

2.18 The most recent data indicate a strong labour market in the Peak District National Park. As Table 2-2 shows the National Park unemployment rate is lower than that of the East Midlands region and England, and the employment rate is broadly comparable. There could be scope for improvement in the proportion of working age population who are economically active. If this could be improved it could assist in bringing further economic prosperity to the area.

Table 2-2 Economic activity, employment and unemployment rates in the Peak District National Park, 2006/7

	Economic activity rate	Employment rate	Unemployment rate
Peak District National Park	77%	75%	4.0%
East Midlands	79%	76%	5.2%
England	80%	74%	5.4%

Source: All data taken from Annual Population Survey (October 2006 to September 2007), apart from unemployment data taken from ONS, Model-based estimates of unemployment for local authorities (October 2006 to September 2007), which is recognised as the most precise local authority level estimates of unemployment. Based on best fit with local authority areas.

2.19 Figure 2-4 illustrates claimant count across the Peak District, showing that, consistent with the overall positive trend, just 0.8% of the National Park's working age population was classified as in receipt of Job Seekers Allowance benefit (May 2006). This was considerably lower than the proportions for East Midlands (2.3%) and England (2.5%).

Skills and Qualifications

2.20 Skill levels in the Peak District National Park are estimated to be substantially higher than those in the East Midlands region overall and England. In particular, the area has a relatively high proportion of advanced level skills, which are essential for high-skilled, high-wage employment. Moreover, this is matched by a very low proportion of inhabitants with no qualifications compared to the East Midlands region overall and England. This combination provides the area with the potential to attract investment and increase the productivity of the existing business stock.

Table 2-3 Working-age qualifications levels of the Peak District National Park, 2006/7

	Peak District National Park	East Midlands	England
No qualifications	10%	14%	14%
Other qualifications	6%	8%	9%
NVQ Level 1	15%	17%	15%
NVQ Level 2	18%	18%	18%
NVQ Level 3	19%	19%	18%
NVQ Level 4+	32%	25%	27%

Source: Annual Population Survey (Oct 2006-Sep 2007), based on 'best fit' with local authority data.

2.21 An alternative view of these findings is shown in Table 2-3. This shows the proportion of the population aged 19-59/64 qualified to at least level 2, 3 or 4, and the results are indexed against the national average. This analysis shows that the PDNP outperforms all regions bar London at Level 4.

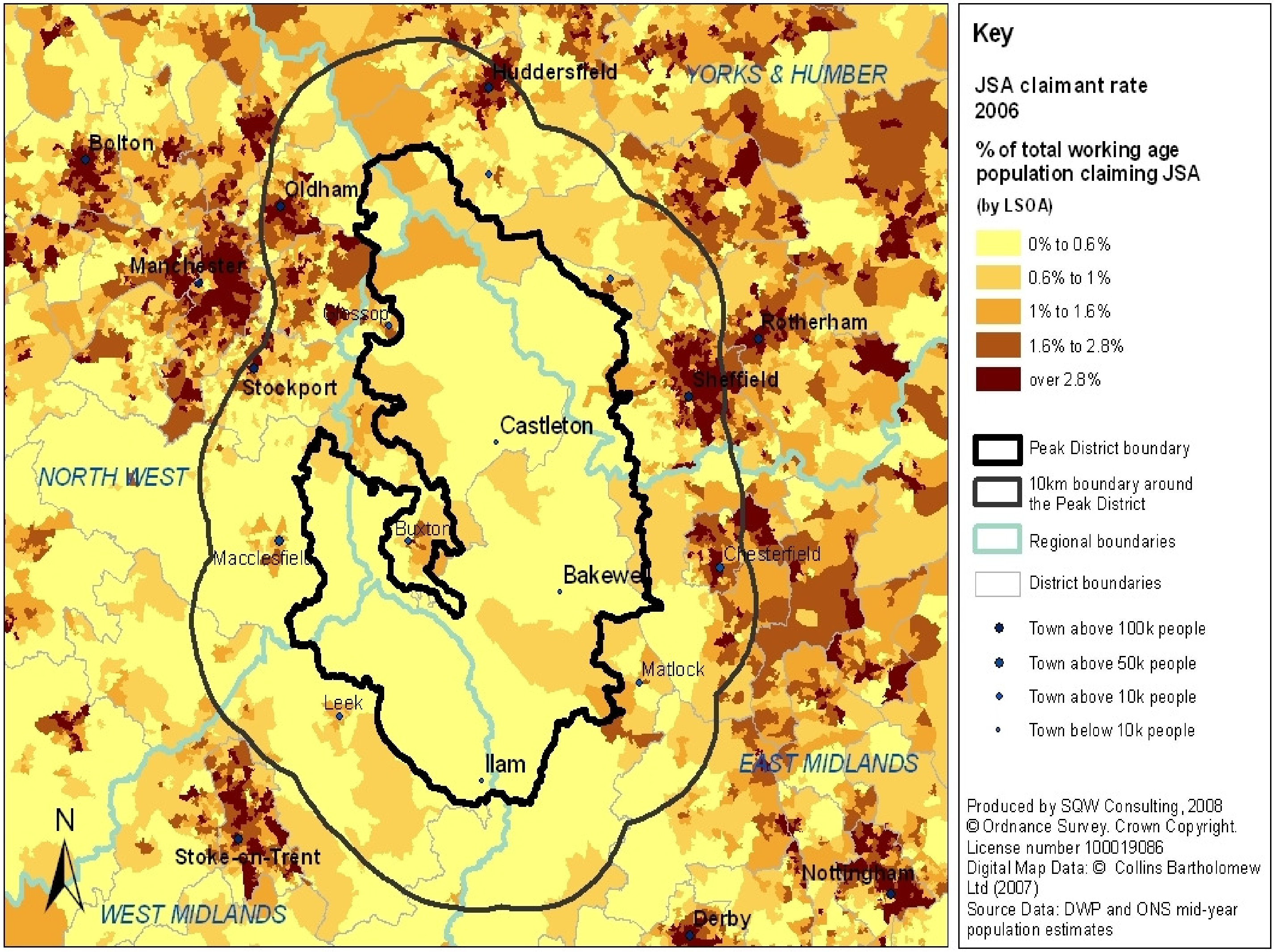
Table 2-4 : Index of skills levels, 2006

	level 4	level 3	level 2
England	100.0	100.0	100.0
North East	84.1	95.2	99.6
North West	91.9	97.3	98.4
Yorkshire & Humberside	83.9	92.6	95.9
East Midlands	91.4	97.1	98.0
West Midlands	88.5	91.7	95.2
East of England	92.0	93.2	97.4
London	126.3	107.3	100.6
South East	112.3	109.3	106.0
South West	100.6	105.1	105.4
PDNP	114.8	111.4	106.9

Source: Annual Population Survey, indexed and provided by ONS Regional Statisticians. The estimates for the PDNP are based on population weighting of the figures for individual local authorities. The population used is the proportion from the 2001 Census that were resident in the PDNP. As these are estimates based on manipulation of sample data, they should be treated as indicative only.

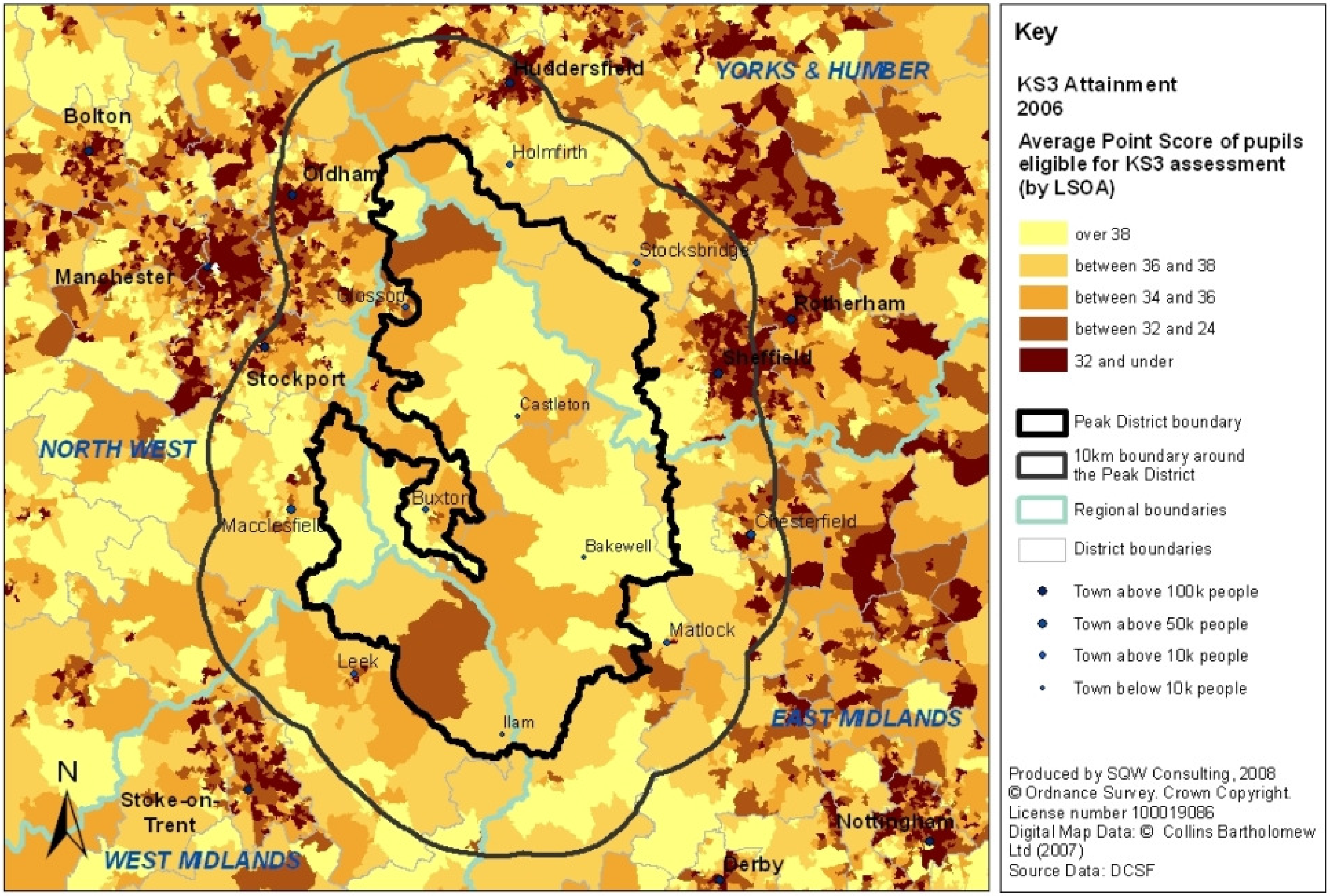
2.22 The pattern of attainment at KS3 is in line with the higher skills of the adult population, as shown in Figure 2-5. This shows a high average point score for pupils within the PDNP LSOAs, compared to surrounding urban areas.

Figure 2-4 Claimant count, 2006



Source: SQW Consulting

Figure 2-5 : KS3 attainment, 2006



Source: SQW Consulting

Business and enterprise

2.23 A business survey undertaken by the Peak District National Park in 2004[5] showed that there were several long established businesses in the area, dating back to the early 1600s. Around one third of businesses were incorporated before 1990. Table 2-5 shows the latest IDBR data for the Peak District National Park Authority and the East Midlands.

Table 2-5 Business units, 2007

	2007 business units
Peak District National Park	2,800
East Midlands	308,000

Source: ONS, Inter Departmental Business Register for output areas wholly or partly within the boundaries of the Peak District National Park. supplied to the East Midlands Development Agency by ONS Regional Statisticians in the East Midlands.

2.24 It should be noted that IDBR results are based on 'best fit' with output areas, therefore these figures will include some businesses outside the Park boundary.

2.25 The National Park supports a high proportion of small businesses. The 2007 IDBR data show that 74.9% of business units employ 0-4 employees, whereas the regional average is 71% of business units.

2.26 Similarly, of the 148 businesses that supplied turnover information to the Peak District National Park's business survey, 31% reported turnover of less than £50k. This is a larger proportion than the regional and national average (both 20%)[6].

Table 2-6 : Local units by number of employees, 2007

		0 to less than 5	5 to less than 10	10 to less than 20	20 to less than 50	50 or more	Total
PDNP	number	2,100	400	200	100	-	2,800
	percentage	74.9	13	7.6	3.5	1.1	100.0
EM	number	218,500	40,600	23,400	16,500	9,100	308,000
	percentage	70.9	13.2	7.6	5.4	2.9	100.0

Source: ONS, Inter Departmental Business Register for output areas wholly or partly within the boundaries of the Peak District National Park. supplied to the East Midlands Development Agency by ONS Regional Statisticians in the East Midlands. NB: These figures will include some businesses outside the Park boundary.

2.27 On the other end of the turnover spectrum, a larger proportion of the National Park area businesses reported a turnover of more than £1m than regionally or nationally. When asked to consider recent trends in turnover, 40% of National Park respondents had increased turnover in the last twelve months. Moreover, only 20% noted a decrease in turnover.

Employment by sector

2.28 Businesses in the Peak District National Park employed 14,000 people in 2007, according to the IDBR. 2007 IDBR data show that 18.0% of all employees work in production-based industries and a further 15.4% in hotels and catering.

[5] Peak District National Park Authority (2004) *Survey of Businesses*
[6] The survey of businesses used ONS (2004) 'UK Business: Activity, size and location' for the regional and national averages.

Table 2-7 Employment by broad industry group, 2007

Sector	Peak District National Park	East Midlands
Production	18.0%	16.8%
Hotels & catering	15.4%	6.3%
Property & business services	11.2%	14.3%
Education	10.3%	9.5%
Retail	9.9%	9.5%
Health	9.9%	11.2%
Public admin & other services (inc. Post & Telecommunications and Finance)	8.7%	16.3%
Agriculture	5.3%	1.1%
Construction	4.1%	4.7%
Wholesale	3.7%	4.4%
Transport	3.0%	3.7%
Motor trades	1.2%	2.2%

Source: ONS, Inter Departmental Business Register for output areas wholly or partly within the boundaries of the Peak District National Park. supplied to the East Midlands Development Agency by ONS Regional Statisticians in the East Midlands. NB: These figures will include some businesses outside the Park boundary.

Start up rates

2.29 Entrepreneurial activity is a strong attribute for the Peak District. VAT registrations data show 142 new businesses start-ups in 2006. This equates to 45 business registrations per 10,000 inhabitants (aged 16+). This proportion is considerably higher than the national average of 39 registrations per 10,000 inhabitants and the regional average of 35 registrations per 10,000 inhabitants.

2.30 Using the UK Standard Industrial Classification of Economic Activities (SIC) it is possible to classify business establishments by the type of economic activity in which they are engaged. As Figure 2-6 shows, the largest proportion of start-ups were involved with real estate, renting and business activities (SIC K), possibly reflecting high numbers of sole trader consultancy-type firms in the area. Following this, there was a significant number of wholesale, retail and repairs (SIC G) start-ups and hotels and restaurants (SIC H) VAT registrations.

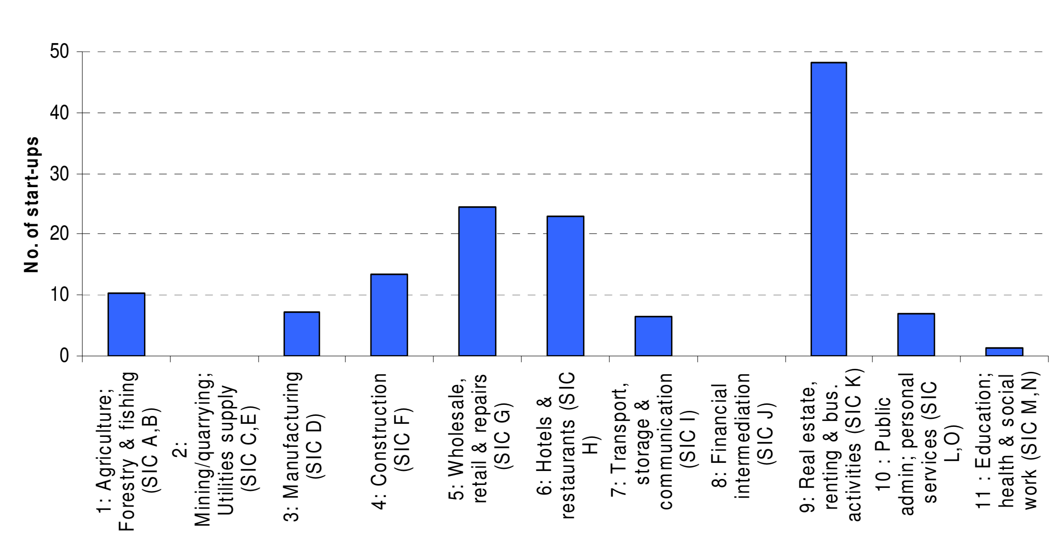
2.31 Looking at net vat registrations and comparing numbers business stock at end year, gives in indication of business growth. Over a ten year period between 1996 and 2006 as Table 2-8 shows, business grew more slowly in the Peak District National Park than the regional and national average.

Table 2-8 : Net change in business stock, 1996-2006, %

Area	Agriculture; Forestry and fishing	Mining and quarrying; utilities	Manufacturing	Construction	Wholesale, retail and repairs	Hotels and restaurants	Transport, communication	Finance	Real Estate, business activities	Public admin; Other	Education; health and social work	Total
England	-8	-1	-7	29	1	32	19	27	59	13	30	21
East Midlands	-9	0	-8	35	1	37	19	88	70	9	34	20
Peak District National Park	-3	0	-8	15	4	29	-10	74	61	16	13	18

Source: ONS VAT registrations. Based on 'best fit' with local authority level data.

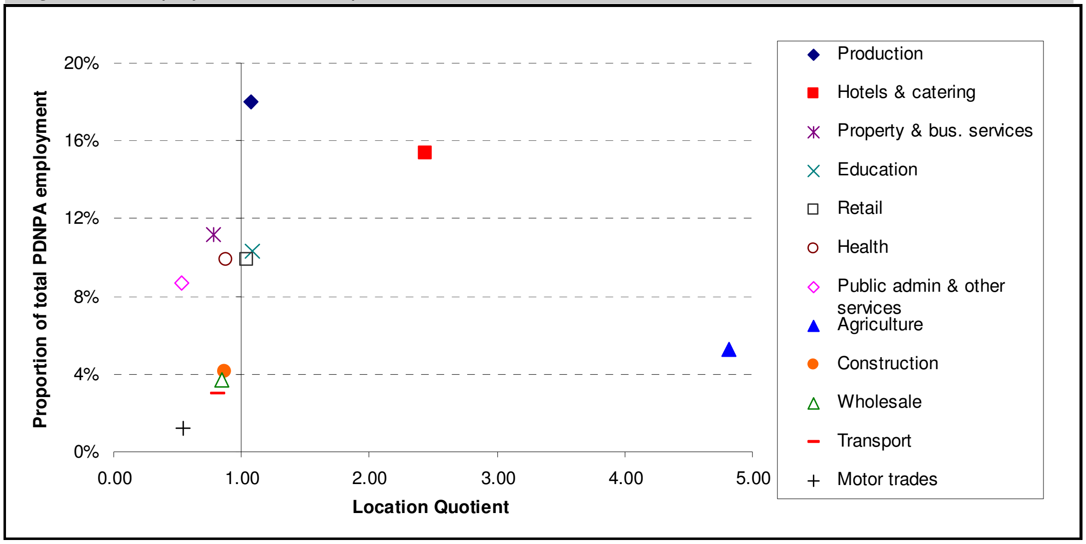
Figure 2-6 Business registrations by sector in Peak District National Park, 2006



Source: VAT Registrations (2006), based on best fit with local authority data.

2.32 Although relatively small with regards to overall employment, the National Park has a distinct over-representation in agricultural employment compared to the East Midlands. Other over-represented employment sectors include hotels and catering. The employment location quotient (LQ) in Figure 2-7 illustrates the National Park's employment distribution compared to the East Midlands. Industrial groups with a LQ greater than one are relatively over-represented whilst those with a LQ less than one are under-represented.

Figure 2-7 Employment location quotient for the Peak District National Park vs. East Midlands, 2007



Source: ONS, Inter Departmental Business Register for output areas wholly or partly within the boundaries of the Peak District National Park. Note: On the x axis a location quotient of >1 signifies a higher concentration of employment compared to the East Midlands average, and <1 a lower concentration. The y axis represents the proportion of total employment in the National Park within each industrial group.

Tourism business

2.33 The Peak District environment attracts people for walking, cycling, climbing, caving, its heritage and water bodies. There are several national trails including the Pennine Way and over 2,500 km of public rights of way. Events based in and around the National Park include agricultural shows, country and game fairs, well dressings, the Buxton Festival and the Gilbert and Sullivan Festival, and frequently use the National Park branding in promotional material.

2.34 The National Park is the single biggest 'product' within the Visit Peak District and Derbyshire sub-regional portfolio. It was an established visitor destination since before designation in 1951 and its value for recreation was one of the main reasons for designation. However, stakeholders believe that the National Park designation itself helps to attracts visitors and makes a wider variety of people aware of the place as a visitor destination. Tourism branding leads on the Peak District itself rather than the National Park *per se*, and branding extends to many firms and destinations outside the Park boundary.[7] Marketing campaigns routinely achieve return on investment ratios of 30:1 or higher.[8]

Volume of visitors to the Peak District

2.35 The most comprehensive data regarding total visitor volume to the Peak District National Park is found in the 2001 Peak District Tourism Employment Study undertaken by Geoff

[7] Buxton, for example, brands itself 'Buxton, the Cultural Capital of the Peak District.'
[8] Consultations; University of Nottingham (2007) Tourism Marketing Evaluation Visit Peak District and Derbyshire Rural Short Breaks 2007 Evaluation Conversion Research.

Broom Associates and the Heart of England Tourism Board. The study uses 1998 Cambridge Model[9] outputs and visitor survey data.[10]

2.36 Table 2-9 shows the estimated total number of visitors to the whole of the Peak District National Park.

Table 2-9: Estimated visitor numbers to the Peak District

	Visitors to the National Park
Estimated number **day visitors** (days)	17,963,000
Estimated number **overnight visitors** (days)	2,520,000
Total number of visitor days	20,483,000

Source: Taken directly from the Cambridge Model outputs cited in the Peak District Employment Study (GBA, 2001, p.6).

Visitor origin and location of stay

2.37 Data on visitor origin and location of stay is included in the 2005 PDNPA visitor survey. Table 2-12 gives the breakdown of visitors to the Peak District. The majority of visitors are day visitors.

Table 2-10: Visitor origin and location of stay in the whole National Park

Indicator	**%**
Day visitors from within the Park and the immediate surrounding area	27.0%
Day visitors from elsewhere in the UK	38.8%
Overnight visitors within the Park	12.3%
Overnight visitors staying elsewhere in surrounding area	21.9%

Source: Derived from figures used in Cambridge Model (GBA, 2001) multiplied by data on origin/location of stay from Peak District National Park Visitor Survey 2005. Following the methodology used in the visitor survey, we have classified visitors from within the Park and immediate surrounding area as those with a Derby (DE), Stockport (SK) or Sheffield (S) postcode. Respondents who had a Nottingham (NG), Derby (DE), Leicester (LE), Lincoln (LN), or Northampton (NN) postcode were classified as visitors from the East Midlands.

Value of tourism

2.38 Data on visitor spend were obtained from a visitor survey carried out by the Peak District National Park Authority in 2005. The survey found that an average day visitor spent £3.30 per day whilst overnight visitors spent £25.72.

2.39 The total number of 'day visitors' includes both day visitors making a trip from home and those from another holiday destination outside the National Park who travel into the Park as day visitors. As in earlier studies (see Annex D), we have re-categorised a proportion of 'day visitors' who are likely to be tourists staying outside the National Park but inside the surrounding region (for example, in Buxton) as 'overnight visitors' for the purpose of counting their full daily expenditure impact in the local area. In line with previous

[9] Cambridge Model data sources for the volume of visitors are : United Kingdom Tourism Survey, International Passenger Survey and United Kingdom Day Visitor Survey, Tourist Board and local survey information
[10] A Scarborough Tourism Economic Activity Monitor (STEAM) model from Global Tourism Solutions was carried out in 2006 and presents recent tourism volume and value estimates at a local authority level for visitors to the Derbyshire local authorities. However, though the Cambridge Model is now slightly dated, it provides a more accurate guide to visitor numbers within the Park boundary.

benchmarks, we have assumed that 25% of 'day visitors' fall into this category. This assumption is made for the purposes of the economic analysis and may vary from site to site.

Table 2-11: Total number of visitor days to the Peak District (post-adjustment)

	Revised number of visitors to the whole of the National Park
Final estimate for number **day visitors** (days)	13,472,000[1]
Final estimate number **overnight visitors** (days)	7,011,000[2]
Total number of visitor days	20,483,000

Source: [1] Total 'day visitor' days in 1998 taken directly from the Cambridge Model outputs cited in the Peak District Employment Study (GBA, 2001), minus 25% for tourists staying elsewhere in the surrounding area [2] Total 'overnight visitor' days in 1998 taken from the Cambridge Model cited in the GBA 2001 study plus 25% of total 'day visitor' days for tourists staying elsewhere in surrounding area.

2.40 The direct impact of visitors can be calculated using spend data for each category of visitor type. Combining these values with visitors numbers results in an estimate that visitors to the National Park contribute almost £225 million in direct spend to the local economy.

Table 2-12: Total tourism expenditure in the whole Peak District National Park

	Volume	Value	Total
Day visitors from within the Park and the immediate surrounding area	5,524,000	£3.30	£18,228,000
Day visitors from elsewhere in the UK	7,949,000	£3.30	£26,230,000
Overnight visitors within the Park	2,520,000	£25.72	£64,814,000
Overnight visitors staying elsewhere in surrounding area	4,491,000	£25.72	£115,502,000
Total	20,483,000		**£224,775,000**

Source: Visitor days in 1998 taken from the Cambridge Model cited in the GBA 2001 study; visitor origin and visitor spend figures taken from the PDNPA 2005 Visitor Survey.

2.41 It should be noted that the Cambridge model report, which provides the estimates of visitor numbers given in Table 2-12 above, differs substantially from the English Leisure Visits Survey (ELVS), which estimated 10.1 million visits to the Peak District National Park in 2005. This arises from differences in methodology: in particular, the figures in ELVS do not capture incidental visits to a National Park where the Park was a minor destination or when the visit was on the way to a destination outside of the National Park.

Productivity

2.42 GVA measures the contribution to the economy of each individual producer, industry or sector. Unfortunately, the lowest spatial level that GVA data are produced, 'NUTS 3'[11], is a mixture of counties, unitary authorities and groups of local authority districts. NUTS 3 areas do not fit neatly with the PDNPA area and we do not have weightings for NUTS 3 areas, so we have not been able to map GVA or GVA growth for the Peak District. Attempting to

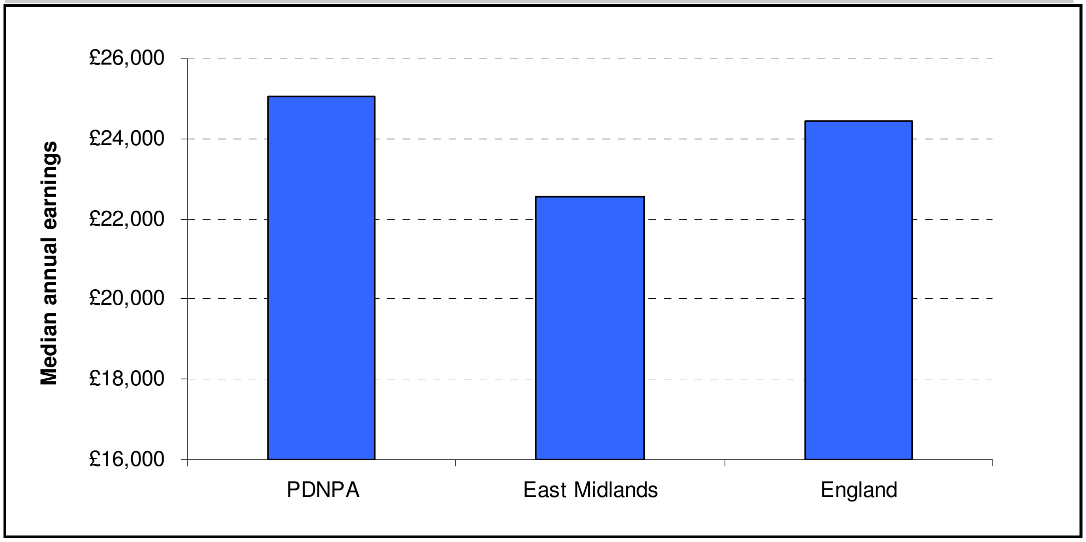
[11] Nomenclature of units for territorial statistics (NUTS) areas were created by Eurostat as a hierarchical classification of spatial units used for statistical production across the European Union. NUTS3 regions are Counties; Unitary Authorities or groups of Local Authority Districts.

determine weights would be inappropriate and would lead to misrepresenting the GVA of the National Park.

Earnings

2.43 Earnings data (Figure 2-8) show healthy residence based earnings in the National Park. The median annual earnings of just over £25,000 is higher than the regional average (£22.5k) and just above the national average (£24.4k). However, workplace-based earnings tend to be lower than residence based earnings.

Figure 2-8 Residence based earnings in the Peak District National Park, 2007



Source: Annual Survey of Hours and Earnings (2007)

Property prices

2.44 Property prices are available at local authority level from Land Registry. The prices of property sold in the local authorities which fall wholly or partly in the Peak District National Park in the final quarter of 2006 were significantly above the regional and national averages. The average price in these local authorities was just over £227,000; approximately £20,000 above the national average and almost £65,000 above the East Midlands regional average sale price.

2.45 The high property prices in and around the National Park can create additional socio-economic challenges. The Index of Multiple Deprivation includes a domain that measures 'Barriers to Housing and Services'. Amongst other factors, this uses data on income and property prices to score areas on the affordability of property. As the index gives each LSOA a score it is possible to rank all LSOAs in the country. As Table 2-13 and Figure 2-9 show, the average rank of LSOAs for the National Park[12] on barriers to housing and services, is considerably more deprived than the East Midlands, or indeed the national average. This suggests that high property prices have created a considerable barrier to home ownership for those on low and even average incomes.

[12] The average rank of PDNPA LSOAs has been calculated to reflect the proportion of each LSOA's population that is in the PDNPA.

Table 2-13 Average deprivation rank of LSOAs in the Peak District National Park, 2007

	Peak District National Park	East Midlands	England
Barriers to Housing and Services	7,418	19,405	16,241
Overall Index of Multiple Deprivation	21,993	17,130	16,241

Source: IMD 2007. Note: LSOAs are ranked from 1 (most deprived) to 32,482 (most deprived)

2.46 It is also evident that the high level of deprivation in terms of barriers to housing and services is an anomaly when all of the deprivation domains are accounted for. The level of overall deprivation in the Peak District National Park is much lower than the East Midlands average.

Travel to work

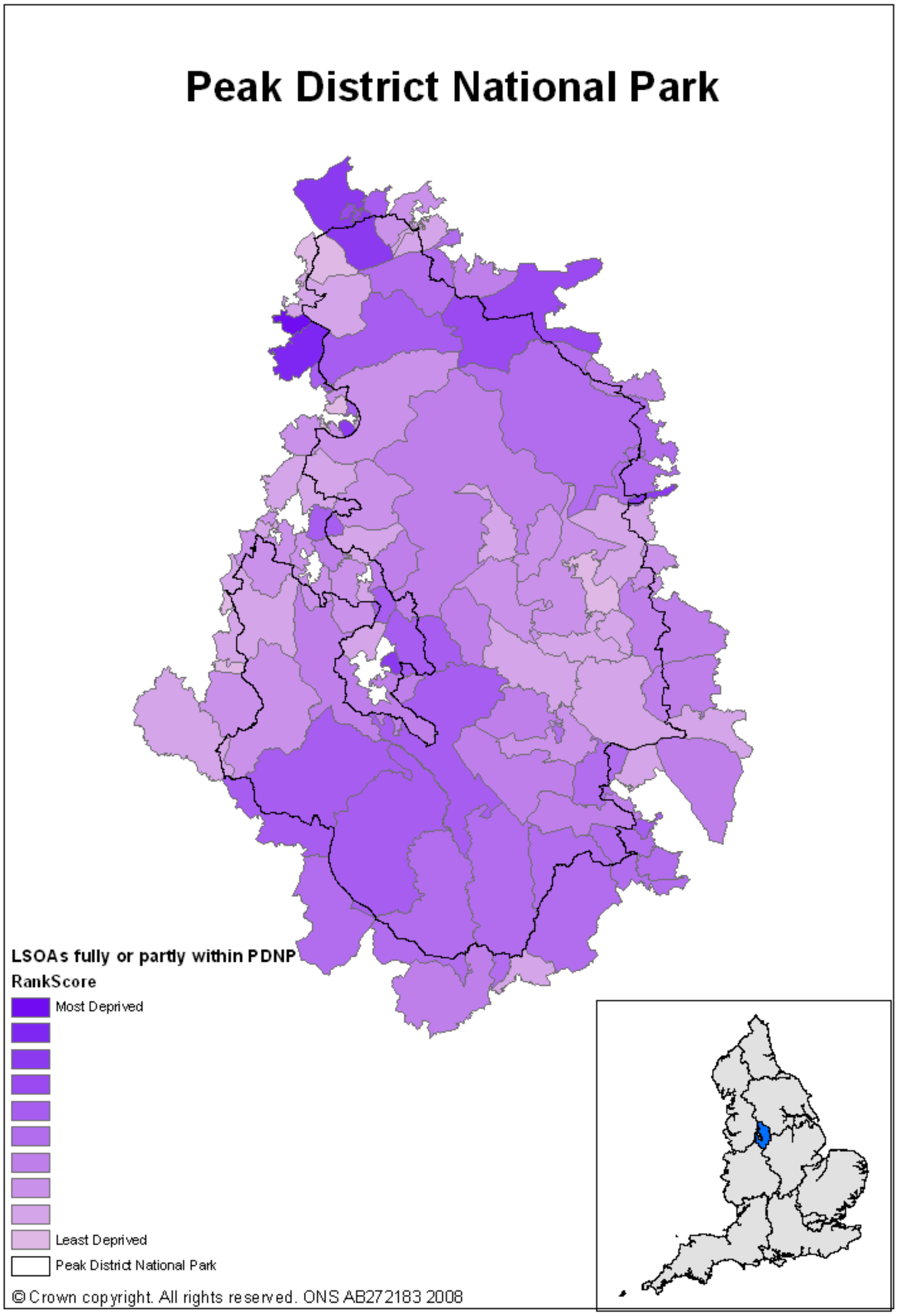
2.47 Interestingly, Figure 2-10 and Figure 2-11 show that a high number of National Park residents both live and work within the Park boundaries – an unusual pattern for National Parks and possibly explained by the high numbers that are self-employed. This is in line with the PDNPA's own annual business survey, which found that 74% of businesses recruit new staff locally, 13% regionally, and 13% nationally.

2.48 Figure 2-10 shows that relatively high numbers commute out to Sheffield and Manchester. Notably, far fewer numbers reach Derby or Nottingham, possibly because of the pattern of settlements and transport infrastructure, as well as the nature of the employment offer.

2.49 Data extracted by DTZ[13] indicated that about 51% of the Park's working population worked in the National Park (comprising 18% who worked at home and 33% who travelled to jobs in the National Park) and about 37% of jobs were occupied by people living outside the National Park.

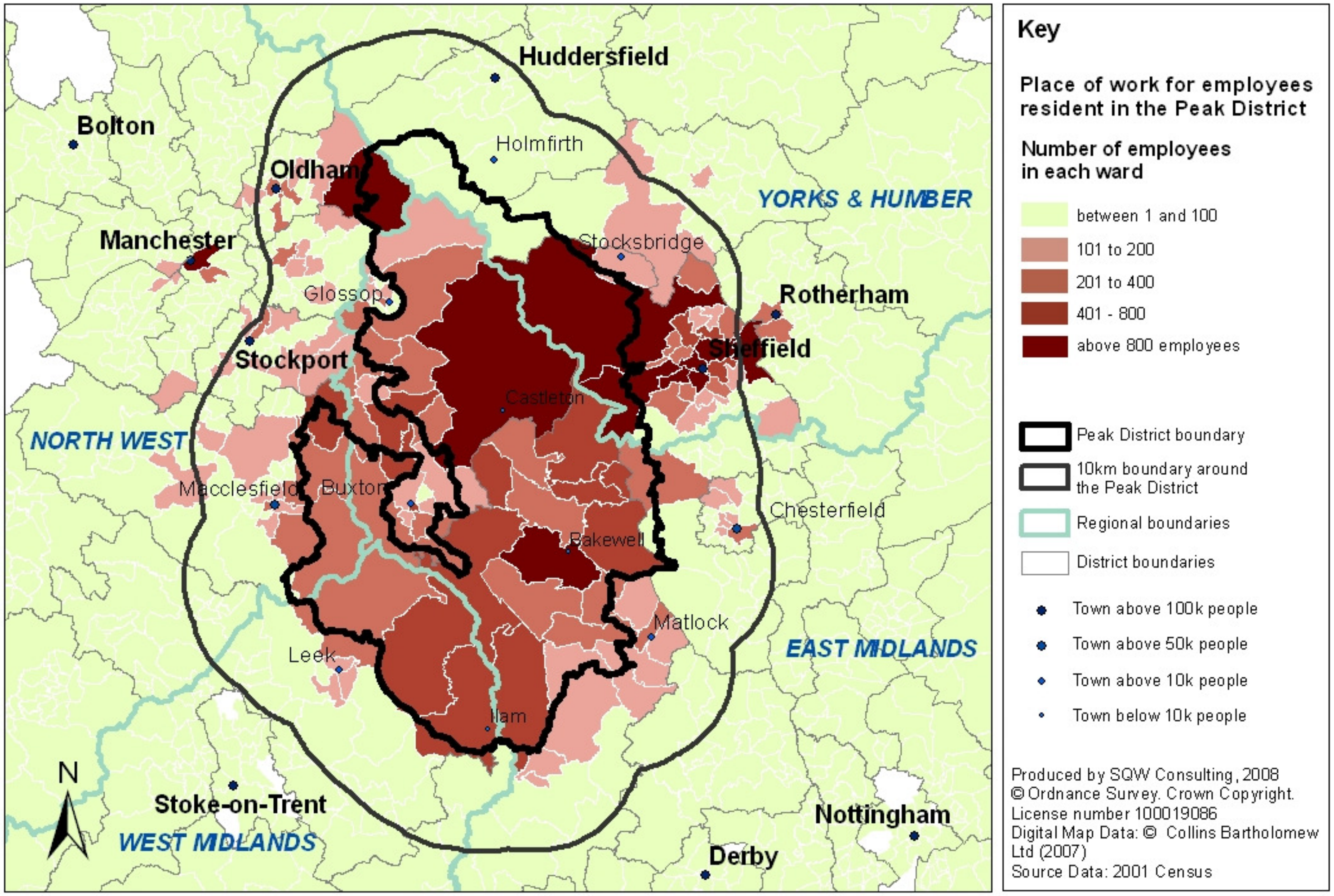
[13] From the 2001 Census, ONS, Crown Copyright, Workplace Tables using wards identified by the Peak District National Park Authority as the best fit.

Figure 2-9 : Index of deprivation: barriers to housing and services, 2007



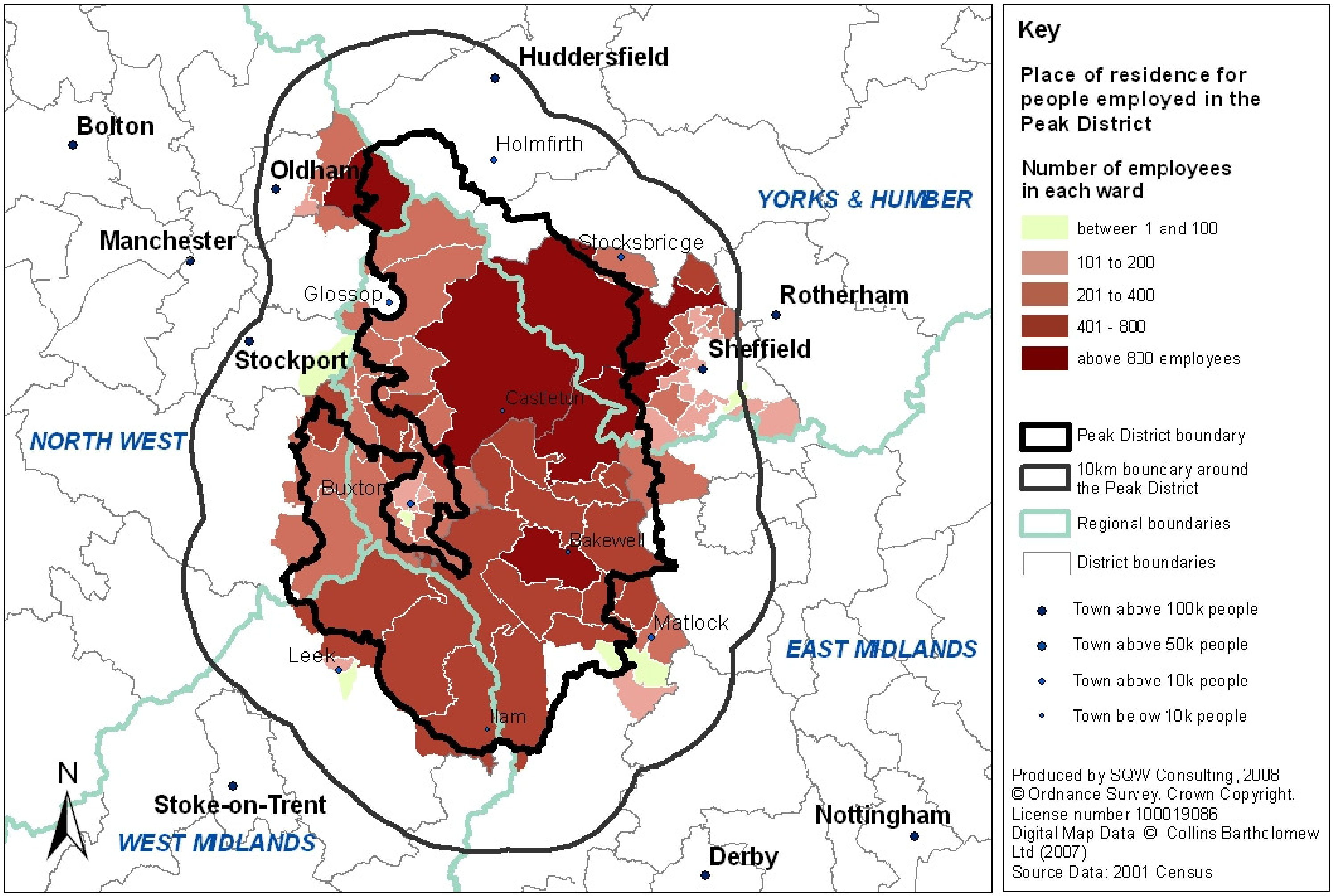
Source: ONS.

Figure 2-10 : Out-commuting travel to work for residents of the Peak District, 2001



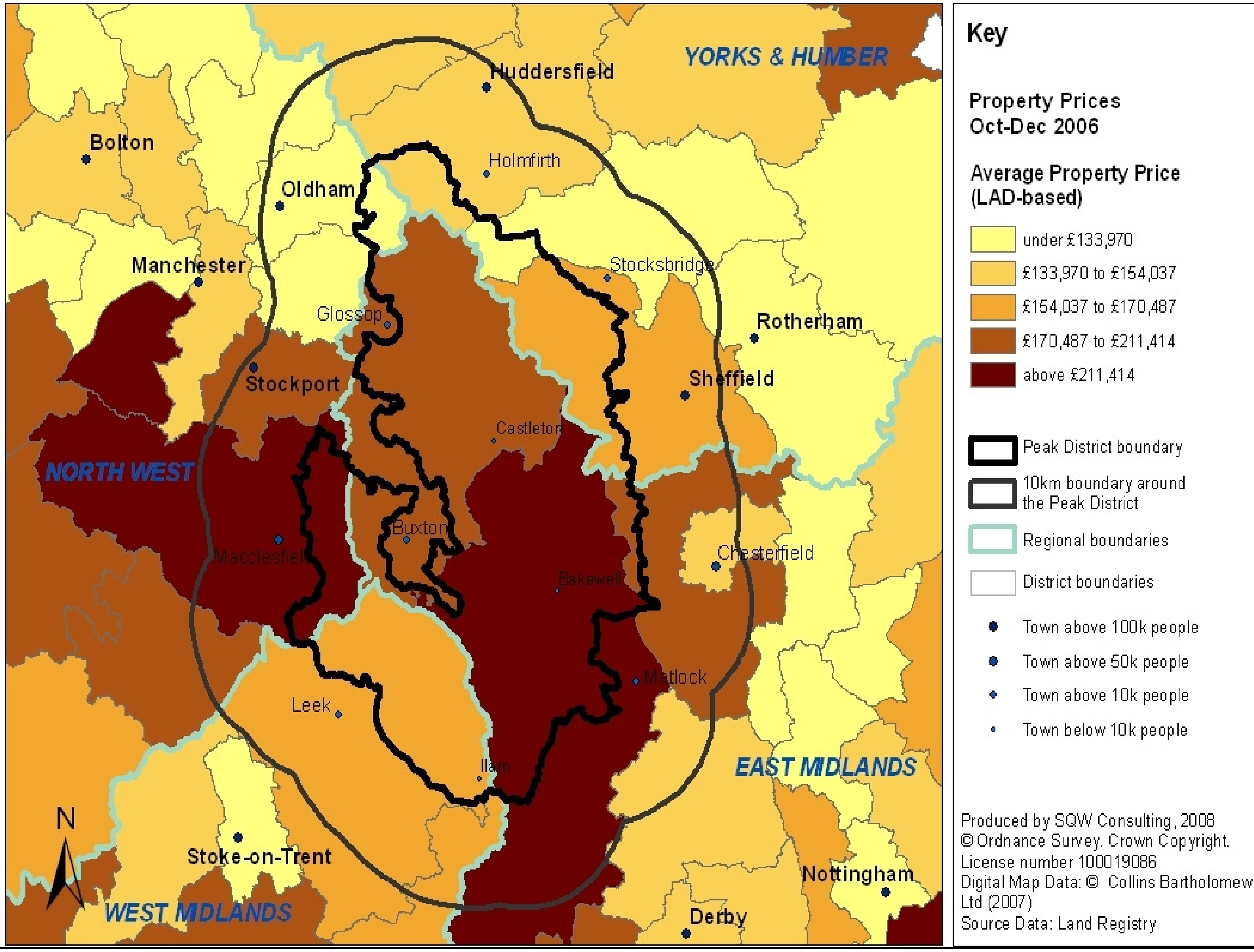
Source: SQW Consulting

Figure 2-11 In-commuting: travel to work for employees in the Peak District, 2001



Source: SQW Consulting

Figure 2-12 : Property prices, 2006



Source: SQW Consulting

Key messages

2.50 The Peak District National Park's population is growing – but growth is driven by high numbers of retirees. The long term indications are that the number of people living in the National Park will remain stable or decline, accompanied by a larger decline in the population of working age.

2.51 Those workers who are resident in the Peak District are less likely to be unemployed than in the region as a whole, and on average, earn more, reflecting comparatively high skills. Many live and work within the Park boundaries, but face higher house prices to do so.

2.52 Subject to caveats around the accuracy of data, it appears there are around than 2,800 businesses within the National Park, employing in the region of 14,000 people. The Park has a higher rate of start-ups and a larger proportion of SMEs than the regional or national average, and has a higher proportion of the population employed in the tourism industry.

Baseline summary

2.53 Table 2-14 below summarises the key headline socio-economic indicators that together may be taken as a baseline against which to judge the National Park's future economic performance.

Table 2-14 : Baseline summary

Key indicators	Latest value	Date	Source	Geography	Comparator – East Midlands	Date	Source
Economic activity rate	77%	2006/7	Annual Population Survey	Local authority level (weightings applied)	79%	2006/7	Annual Population Survey
Employment (number of jobs) – workplace based	14,000	2007	IDBR	Output area	1,849,000	2006	Annual Business Inquiry
Business units	2,800	2007	IDBR	Output area	308,000	2007	Annual Business Inquiry
Proportion of the working age population with no qualifications	10%	2006/7	Annual Population Survey	Local authority level (weightings applied)	14%	2006/7	Annual Population Survey
Proportion of the working age population qualified to NVQ Level 4+ or equivalent	32%	2006/7	Annual Population Survey	Local authority level (weightings applied)	25%	2006/7	Annual Population Survey

Source: Various, see above.

3: Impact on business performance

Introduction

3.1 This section examines the relationship between the Peak District National Park's high quality landscape, and the performance of business in the Park. This is based on the findings of a survey of businesses, contrasted with views of stakeholders and policymakers consulted during one to one qualitative interviews. We then consider the impact of the National Park on its wider hinterland, market towns and other centres of economic activity.

Business survey methodology

3.2 QA Research, a market research firm, were subcontracted to undertake a telephone survey of businesses in the National Park, to explore the inter-relationship between business performance and the environment. A total of 300 surveys with businesses within the Peak District National Park were completed during August and September 2008. This provides findings that have a standard error rate of +/- 5.6%.

3.3 Upon completion of the telephone interviews, the data were inputted into the software package SPSS and subsequently analysed.

3.4 In order to obtain representative data, the results were weighted to reflect the business profile by sector of the Peak District National Park, based on the IDBR data presented in section 2, as shown in Table 3-1. Because of later revisions to the IDBR cut this is a slightly imperfect weighting but sufficiently accurate within the bounds of the research.

Table 3-1 : Business survey respondents and match with Peak District National Park sector profile

	Surveys completed		**Weighted base**		**IDBR**	
Agriculture	59	20%	86	29%	700	24.0%
Production	31	10%	25	8%	200	6.8%
Construction	27	9%	25	8%	200	6.0%
Motor trades	8	3%	7	2%	-	1.8%
Wholesale	12	4%	12	4%	100	3.4%
Retail	34	11%	23	8%	200	7.5%
Tourism, Hotels & catering	53	18%	30	10%	300	10.5%
Transport	8	3%	17	6%	100	3.2%
Property & business services	64	21%	71	24%	600	23.1%
Other	4	1%	4	1%	-	-
Total	300		300			100

Source: QA Research, IDBR. provided by ONS Regional Statisticians based on output area data. Notes: Please note that not all responses add up to 100% due to rounding and multiple response answers.

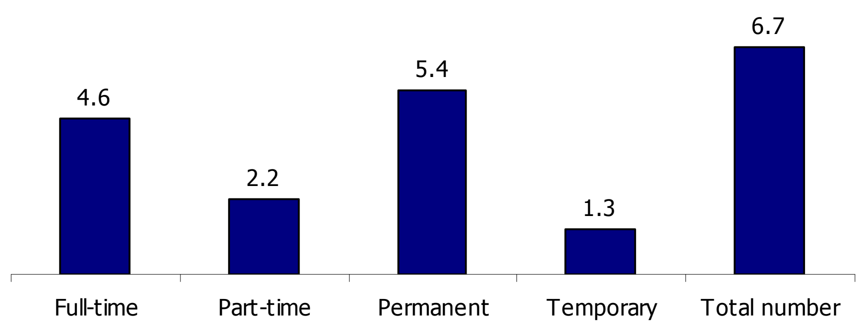
3.5 Table 3-2 shows that slightly fewer micro businesses were interviewed than proportional to the business profile. This should be borne in mind when interpreting results. This is considered in the economic analysis which follows in section 4.

Table 3-2 Business survey sample and match with Peak District National Park employee profile

	Date		0 to less than 5	5 to less than 10	10 to less than 20	20 to less than 50	50 or more	Total
PDNP	2007	number	2,100	400	200	100	-	2,800
		percentage	74.9	13	7.6	3.5	1.1	100.0
East Midlands	2007	number	218,500	40,600	23,400	16,500	9,100	308,000
		percentage	70.9	13.2	7.6	5.4	2.9	100.0
Business survey sample	2008	number	189.0	54.0	32.0	20.0	5.0	300.0
		percentage	63.0	18.0	10.7	6.7	1.7	100.0

Source: IDBR data for Peak District National Park and East Midlands; business survey

Figure 3-1 : Mean average number of each type of employee



Source: QA Research

3.6 One quarter of businesses (25%) regularly employed seasonal workers. Further analysis shows that a higher proportion of hotels and catering businesses (48%) and agricultural businesses employed seasonal workers (45%).

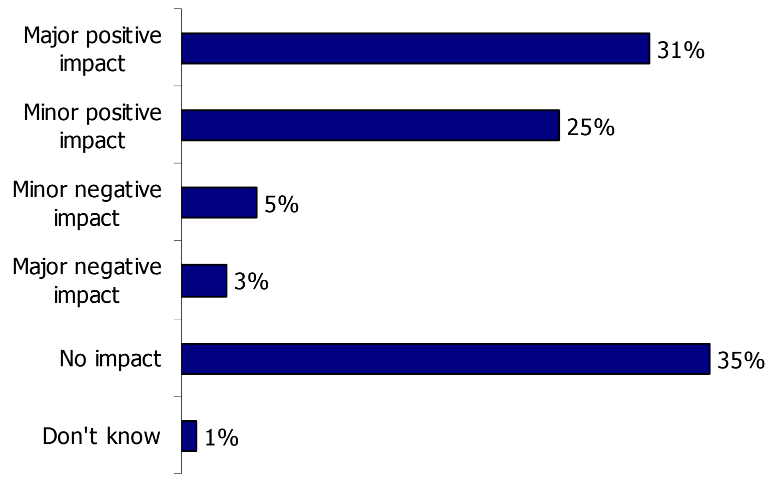
3.7 A copy of the business survey questionnaire can be found in Annex E.

Impact on Performance

Impact of quality of landscape and environment on business performance

3.8 Businesses were asked what impact they felt the quality of the landscape and the environment of this area has on business performance.

Figure 3-2 : Impact of quality of landscape and environment on business performance



Source: QA Research

3.9 Although just over one third (35%) of businesses felt that their business performance was not directly affected by the quality of the landscape and environment, more than half of all businesses (56%) felt that the landscape and environment had either a major positive impact (31%) or a minor positive impact (25%).

3.10 Unsurprisingly, a higher proportion of hotels and catering (89%) and retail (69%) mentioned that the landscape and environment had a positive impact on the business.

3.11 Businesses that stated that these aspects would have no impact on their business were more likely to belong to the motor trade (63%), construction (59%) and wholesale (58%).

Dependency on quality of landscape and environment

3.12 Businesses were also asked how they could categorise the way their business depends on the quality of the landscape and the environment of the area. Dependence was defined as follows:

- direct dependence – business directly uses the landscape/environment as a resource
- indirect dependence – business indirectly benefits from the quality of the environment and landscape (e.g. through attracting tourists)
- no dependency – landscape/environment has no impact on the business.

3.13 In line with the findings above, a third (35%) of all businesses mentioned that their business did not depend upon the landscape and environment, whereas one third felt they were directly dependent (32%) and 32% were indirectly dependent.

3.14 Unsurprisingly, a higher proportion of agricultural businesses mentioned that they are directly dependent on the landscape and environment, whereas only a small proportion of production (which includes minerals) (7%) and retail businesses (6%) were directly dependent.

3.15 Hotel and catering (70%) and retail businesses (69%) were more likely to benefit indirectly from the quality of the environment and landscape (e.g. through attracting tourists).

Table 3-3 : Nature of dependency on the environment

	Direct	Indirect	No dependency	Base
Agriculture	87%	4%	9%	59
Transport	29%	57%	14%	8
Construction	19%	15%	67%	27
Hotels & catering	18%	70%	13%	53
Wholesale	8%	42%	50%	12
Property & business services	5%	33%	63%	64
Production	7%	40%	53%	31
Retail	6%	69%	25%	34
Motor trades	-	25%	75%	8
Other	-	75%	25%	4
Total	**32%**	**32%**	**35%**	**300**

Source: Business survey

Impact of deterioration in the quality of landscape on business performance

3.16 To test the results of the previous questions, by stating the counterfactual, participating businesses were asked if deterioration in the quality of landscape would impact on the performance of their business.

Table 3-4: Impact of deterioration on business performance

	Seriously	To some extent	Not sensitive	Base
Hotels and catering	73%	11%	16%	30
Agriculture	66%	18%	16%	86
Transport	57%	-	43%	17
Retail	33%	39%	28%	23
Motor trades	25%	25%	50%	7
Production	20%	33%	47%	25
Wholesale	17%	33%	50%	12
Property and business services	16%	19%	66%	71
Construction	7%	15%	78%	25
Other	75%	-	25%	4
Total	**40%**	**20%**	**40%**	**300**

Source: QA Research

3.17 As the table above illustrates, more than half (60%) of all businesses will either be seriously (40%) or to some extent be affected by the deterioration in the quality of landscape.

3.18 The business types most strongly affected were hotels and catering (73%), agriculture (66%) and transport (57%). Business services and the construction sector were less sensitive to deterioration.

Negative effects

3.19 Stakeholders consulted felt that there are some negative effects on business performance linked with the National Park location. These included:

- planning and development constraints, especially for traditional manufacturing, quarrying, larger businesses and/or those that are rapidly expanding
- partly linked to development constraints, poor infrastructure and congested roads
- development constraints push up house prices, with limited affordable housing for workers; but depress commercial rental values
- talent-drain as young people leave for elsewhere and first-time buyers cannot afford homes.

3.20 To test these stakeholder perceptions, businesses were asked if the fact that the business was located in a National Park has had any negative effects directly on the business. This was an open question: results were coded and grouped by interviewers.

3.21 Nearly half of all respondents felt that there were no negative impacts from locating in a National Park (48%). The aspect that was most prominently mentioned as having a negative impact was 'planning and development restrictions' (33%). Other issues included:

- poor infrastructure and access (7%)
- volume of traffic in summer affects deliveries (3%)
- problems recruiting skilled staff (3%)
- restricted access to customer markets (2%)
- increased costs (2%).

Figure 3-3: Negative impact of NP locations on business

Source: QA Research

3.22 Additional comments included:

> *"the high cost of land may force us out"*
>
> *"local people are moving away as they are priced out of the housing market, means its hard to find staff"*
>
> *"locals are being priced out of the area and local businesses are being shut down"*
>
> *"not allowed to farm how we want to"*
>
> *"not enough parking"*
>
> *"people walking through the land"*
>
> *"rent and rates are expensive"*
>
> *"transport is a problem."*

Positive effects

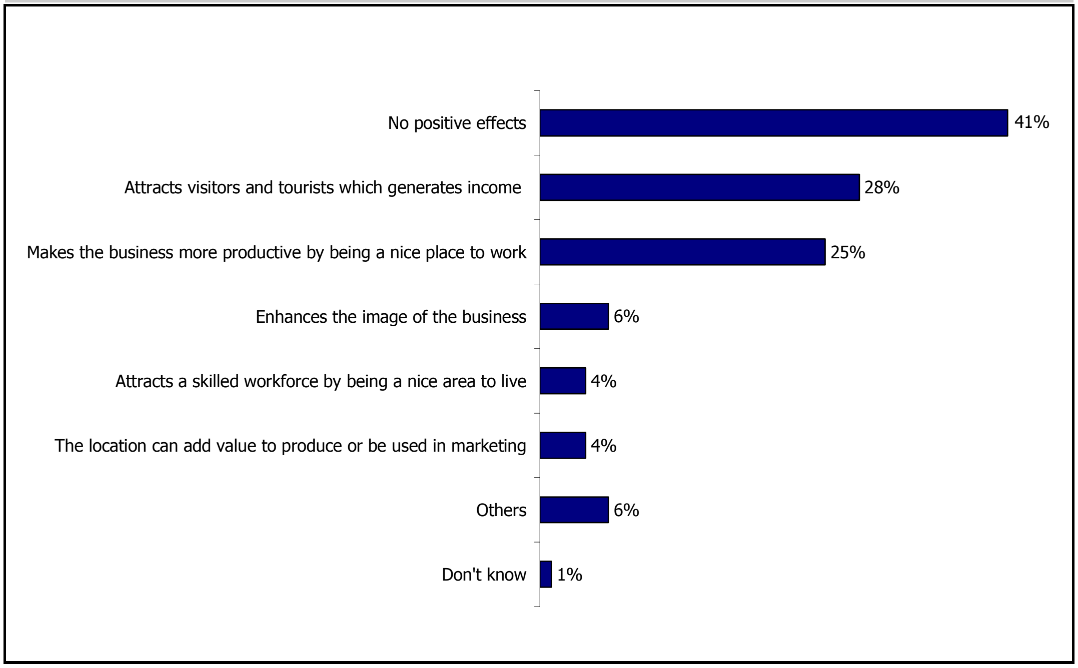
3.23 Stakeholders and policymakers consulted felt that National Park location brings many advantages to business. Examples cited included:

- income from tourism and distinctiveness of tourism and food products offer
- quality of life for employees and home-workers – location and landscape contributes to stress relief

- quality of land.

3.24 These positive effects cited by stakeholders were tested during the business survey. Businesses were asked if being located in a National Park has had any positive impact on the business.

Figure 3-4 : Positive influence on business of being located in a National Park



Source: QA Research

3.25 The aspects that businesses most frequently mentioned as being a positive result of the NP location were that it attracts visitors and tourists to the area (28%) and the effect on business productivity (25%).

3.26 Other comments included:

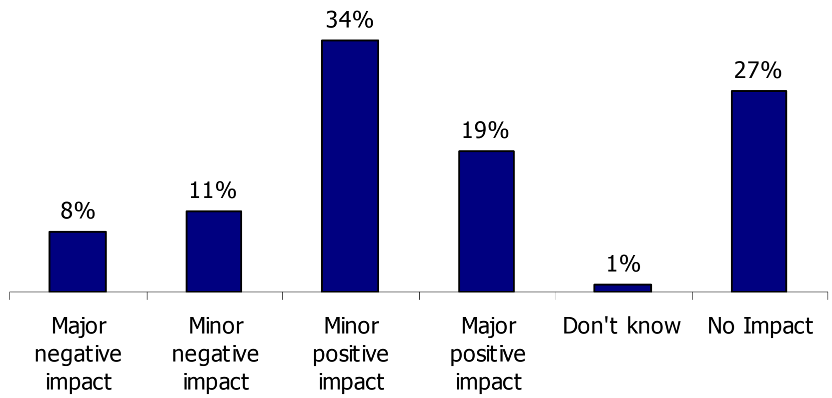
> *"attracts affluent people to the area who have more money to spend on my product"*
>
> *"can do work on the historical buildings"*
>
> *"clients like to come here to meet us"*
>
> *"good character of the area and peaceful to work"*
>
> *"good location, Central England, close to the M1"*
>
> *"healthy working environment"*
>
> *"living in the area is popular"*
>
> *"local produce is available"*
>
> *"no horrible looking buildings"*
>
> *"not many builders can do stonework that is needed in the National Park"*

> *"workers in the area need specialist clothing - which is what we manufacture"*

> *"youngsters behave better in the pleasant environment since it's a youth hostel."*

Overall impact of National Park designation

Figure 3-5 : Overall impact of NP designation on business



Source: QA Research

3.27 Finally, we asked businesses, overall, what the impact the National Park designation had on the business was.

3.28 More than half of all businesses (53%) mentioned that it had a positive impact, whereas only one in five respondents (18%) felt that it affected the business negatively.

3.29 Hotels and catering businesses were most likely to say that the NP designation had a positive overall impact on the business (91%), whereas agricultural businesses were most likely to say that the NP designation has negatively impacted on their businesses (41%).

Impact of the National Park on market towns and other centres

3.30 An earlier survey of businesses in 'gateway' towns near to the three National Parks in Yorkshire and Humber region[14] found that 13% of businesses said they were directly dependent on the quality of landscape and environment and 32% indirectly dependent. This compared to 25% and 40% of respondents based within the National Parks' boundaries.

3.31 49% of respondents in gateway towns felt a deterioration in landscape quality would affect their business performance, compared to 58% of businesses in the National Parks. About the same proportion as in the Parks (28% against 30%) felt the National Park designation was beneficial in attracting visitors and tourists to generate income for local business. And overall, 39% felt designation had a positive impact on business.

3.32 Within the scope of this study, we were not able to undertake a similar survey of market towns. The business survey only included those businesses based within the National Park

[14] See SQW (2005) *Prosperity and Protection*, report to the Council for National Parks.

boundary. However, qualitative evidence from stakeholder consultations and secondary literature strongly suggests that these positive economic effects are likely to spread beyond the Park boundary to the economies of surrounding market towns and economic centres.

3.33 The 'invisibility' of the Park boundary is well recognised, in that tourists and investors alike tend to respond to the Peak District as a brand and a general area rather than a specific bounded geographical area. This helps tourism businesses based outside the Park, including in market towns such as Buxton, benefit from the attraction and the volume of visitors. Buxton in particular is heavily reliant upon the visitor economy. Other types of business such as retail businesses in market towns and along transport corridors will also benefit from visitor spend.

3.34 Stakeholders also recognised that while National Park designation brings benefits to a wide variety of businesses, as outlined in the business survey results above, development in the Park is limited by planning restrictions. This creates a unique relationship between the National Park and surrounding market towns and cities, since businesses who benefit from a positive association with the Park but have a need for significant space or to expand, are more likely to locate in nearby economic centres. This also enables such businesses to take advantage of improved transport links and infrastructure, though the closest market towns lack any large scale sites equivalent to, for example, Sherwood Business Park in Nottingham or Pride Park in Derby.

3.35 Remaining close to the National Park does however allow such businesses to continue any beneficial marketing association with the Peak District, and to benefit from the Park's high skilled labour force and attractiveness to new recruits. Some felt that these economic benefits were likely to be felt as far away as Stoke, Sheffield, Derby and Manchester. The travel to work data presented in section 2 however suggests that Sheffield, Oldham, Manchester and Chesterfield are the main beneficiaries of out-commuting from the Peak District National Park.

Summary

3.36 Overall, the results of the survey show that the high quality environment and landscape of the National Park has a very positive effect on the performance of businesses located there. Over half of all businesses believe landscape quality has a positive effect, and a similar proportion feel that National Park designation itself also brings benefits. 60% of businesses would see their performance suffer – 40% seriously – if the quality of landscape and environment declined – underlining the importance of continued protection.

3.37 Qualitative evidence from stakeholder interviews suggest these economic benefits are likely to extend farther than the Park boundary to include businesses in surrounding market towns and also cities such as Sheffield.

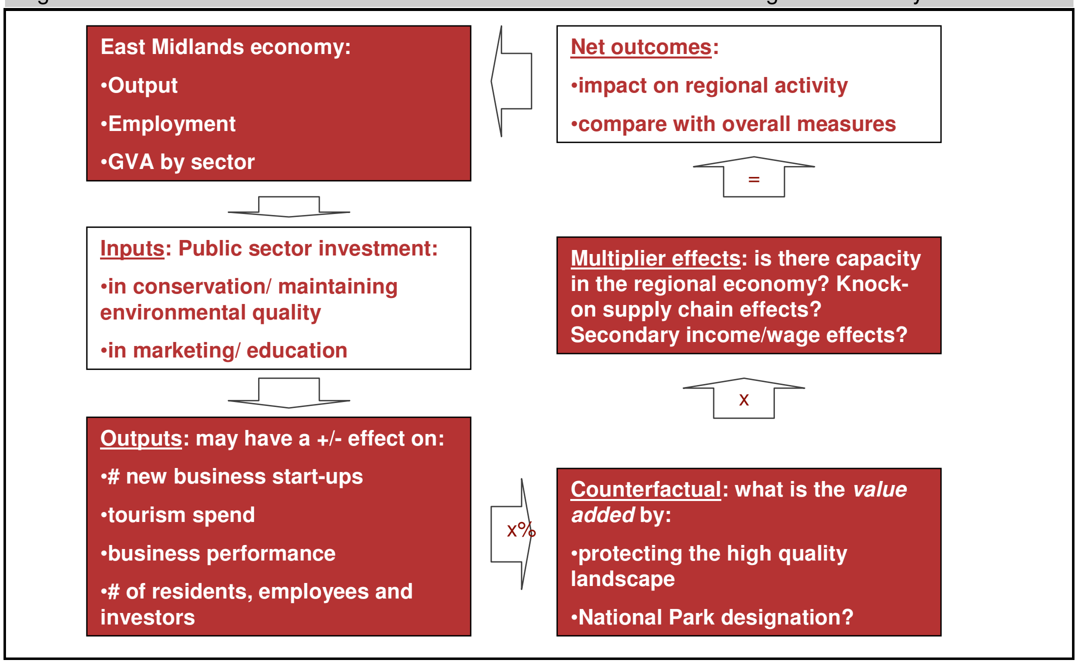
4: Conclusions

Introduction

4.1 This section revisits the economic model for assessing the contribution of the Peak District National Park to the East Midlands economy to assess the scale of the overall contribution, and explores the implications for policy.

Populating the model

Figure 4-1 : Economic contribution of the National Park to East Midlands regional economy



Source: SQW Consulting

Inputs

4.2 Within the Peak District National Park and Rural Action Zone, we estimate that around £6m public sector funds[15] are invested annually to maintain the environment and enhance the rural economy, of which £3.8m is expenditure of the Peak District National Park Authority on its statutory function.[16] Stakeholders feel that this recognises the unique contribution that the Park has to make to the region's natural assets and to its profile and recognition.

[15] This is a broad estimate based on the funding programmes analysed above: a similar figure can be found in Parker, K. (March 2005) *Rural Funding Programmes: A Case Study in the Peak District*, though this information is now somewhat out of date.
[16] Peak District National Park Authority Management Plan 2006-11.

Outputs

4.3 We know that the overall rate of business start-up is higher in the Peak District National Park than regionally or nationally, and this may be partly due to outputs generated by programmes such as the New Environmental Economy,[17] and wider business development programmes implemented by Derby and Derbyshire Economic Partnership and the Rural Action Zone.

4.4 Levels of tourism are also influenced by spend on marketing and on protection of the National Park's environmental assets, and in section 2 we found that the value of tourism to the National Park is in the region of £225m in visitor spend annually.

4.5 Based on the assumption that visits are evenly spread across the National Park, and the fact that 63.5% of the National Park falls within the East Midlands region, an estimated £140 million is spent by Peak District tourists in the East Midlands region. Of this, around £5 million is from day visitors from within the East Midlands, so if we exclude local resident expenditure the net additional economic impact to the East Midlands alone is approximately £135 million.

4.6 The most recent IDBR data (2007) suggest 2,800 business units are located in the National Park, employing 14,000 people.[18] Our survey of National Park businesses found that the average turnover per employee was £56,000. Although only an approximation, applying the average turnover to the total number of businesses suggests a total turnover of £784m.

4.7 The business survey also asked firms to estimate the proportion of their own sales made to tourists. Across the National Park, the average proportion was 16%. This suggests that of the total turnover, £125 million was generated though tourism sales. This is broadly in line with the £135m estimate derived from tourism figures above.

4.8 Although we have tested the validity of our method, we advise caution in interpreting these figures, which should be seen as *estimated* or *indicative*, rather than actual values, as they are dependent on a number of critical assumptions.

Counterfactual

4.9 We have no figures on productivity for National Park businesses, but assuming that productivity is broadly comparable to the East Midlands average, 38% of turnover according to ABI, this yields a contribution to regional GVA of £298m.

4.10 In section 3 of this report, we found that 40% of businesses felt their performance would be seriously affected by deterioration in landscape quality. The average turnover for these businesses was not significantly different to the profile as a whole. We therefore suggest that the performance of 1,120 businesses would be seriously affected by a deterioration in landscape quality and that *£314m of turnover and £119m of regional GVA is dependent upon the high quality landscape and environment that National Park designation protects.*

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[17] The final evaluation of the programme recorded 38 new start-up businesses surviving at programme end, 87.5 new jobs and 1,414 pre-programme jobs sustained. See LUC (2008) *Independent evaluation of the Peak District New Environmental Economy Programme,* final report to the Peak District National Park, July 2008.

[18] Defined following section 3 as Output Areas which fall wholly or partially within the Park: see Annex B for a map.

4.11 These calculations are summarised in Table 4-1 below.

Table 4-1 : Method for calculating the economic contribution of the National Park

		Source
Average turnover per employee	£56,000	Business survey
Number of employees in the National Park	14,000	IDBR data provided by ONS Regional Statisticians
Total turnover of National Park businesses	£784m	Average turnover per employee x number of employees in the National Park
Ratio of GVA to turnover for the East Midlands	38%	Annual Business Inquiry
Total GVA of National Park businesses	£298m	Total turnover of National Park businesses x ratio of GVA to turnover
Proportion of businesses who feel their performance would be 'seriously affected' by a deterioration in landscape quality	40%	Business survey
Turnover 'critically dependent' on the high quality environment and landscape of the National Park	£314m	Total turnover of National Park businesses x proportion of businesses who feel their performance would be 'seriously affected' by a deterioration in landscape quality
GVA 'critically dependent' on the high quality environment and landscape of the National Park	£119m	Turnover 'critically dependent' on the high quality environment and landscape of the National Park x ratio of GVA to turnover

Source: SQW Consulting

Multiplier effects

4.12 While those businesses that are critically dependent on the high quality landscape will also create further knock-on economic effects in the rest of the region, estimating these "multiplier effects" for the region is impossible. Regional multipliers typically range from 1.3 to 1.7[19] depending on the structure of the economy and the likelihood of local linkages. In this case, the effects are likely to be relatively small because of the Park's proximity to major sources of supply outside the region, in Yorkshire and the North West. However, it is important to capture the effect in some way and so we have used the lower multiplier value of 1.3[20] to assess the knock-on effects of this economic contribution in terms of income generated to regional residents, and business accruing to the regional supply chain.

Net outcomes

4.13 After adjustment for the multiplier effects, we estimate that the 40% of businesses (1,120) for whom performance would be seriously affected by a deterioration in the landscape, contribute £408 million of turnover and £155m to regional GVA. This supports around 7,000 jobs in the region. These figures highlight the economic importance of the National Park's role in maintaining the high quality environment.

[19] Taken from English Partnerships (2004) *Additionality Guide: Method Statement, second edition.* In practice, the concentrated nature of local employment and supply means that the multiplier may in fact be higher.
[20] Taken from English Partnerships (2004) *Additionality Guide: Method Statement, second edition.* In practice, the concentrated nature of local employment and supply means that the multiplier may in fact be higher.

Policy implications

4.14 A policy response to the study findings was the topic of a special workshop, held at Losehill Hall in the Peak District National Park on 12th September 2008. This topic was also explored through qualitative stakeholder one to one interviews. A full list of consultees is appended at Annex F.

4.15 The results are summarised below, and organised according to the strategic priorities of the RES: *employment, learning and skills; enterprise and business support; innovation; transport and logistics; energy and resources; environmental protection; land and development; cohesive communities; economic renewal; economic inclusion*.

Employment, learning and skills

4.16 Stakeholders felt that the study showed that there is a need to make the link between business development and employment and skills, in terms of the opportunities and challenges for the future, especially taking account of the changing demographics of the area and low levels of economic activity in the Park.

Enterprise and business support

4.17 The business survey results showed a clear link between dependence on the environment, and the extent to which environment influences business performance. Stakeholders felt that the results supported the RAZ approach to encouraging growth in higher value businesses and the local economy, while encouraging high impact industries to locate away from the Park elsewhere in Derby and Derbyshire.

4.18 Across sectors, stakeholders felt that results pointed to the potential to use the Peak District brand more effectively. It was recognised that work in this area to date has been very successful, and that in addition to tourism firms there are a growing number of small food artisans that effectively use the Peak District as a brand. Some development agencies are also using the Peak District brand to market the wider East Midlands region as a location for inward investment.

4.19 Stakeholders felt that a single product/offer across urban and rural areas may be insufficiently targeted to the needs of rural areas. The experience of NEE showed that rural business support needs to be intensive, and that access to services can be a barrier to entrepreneurship. But, rural dispersion of clients means that it is expensive to provide business support and training. DDEP have subsidised Train2Gain provision in the RAZ area.

4.20 Some stakeholders felt that the Business Link offer may not be enough – NEE focused on ‘pre-pre-start activity’, or very embryonic businesses and found untapped demand for business support at this level.

4.21 There is also a need to ensure that business support across regional boundaries is joined up, given that the Peak District is not coterminous with Business Link regional administrations. This may pose a challenge to the ‘no wrong door’ policy envisaged by the Business Support Simplification Process.

Innovation

4.22 Stakeholders felt that the study's positive findings about the influence of the National Park on business performance meant that the Park could be used to market a competitive inward investment offer for the region – especially for smaller, knowledge-based industries, the creative industries and high value added manufacturing. Since broadband connectivity has improved, the Park may have become more attractive to the creative industries. There has been little attempt in the past at utilising the Park's assets in this way, but it was felt that local authorities would be interested in this approach.

4.23 There are no rural knowledge exchange networks, though there is a manufacturing forum in High Peak, and Buxton has an active business forum. There is yet no Peak District innovation or business centre, though a positive feasibility study was conducted and one may be established in Buxton in the near future.

Transport and logistics

4.24 Stakeholders agreed that, in line with policy, the focus in tourism terms ought to be on increasing the number of overnight stays, as a proportion of the total, and increasing the value of day visits, for example by producing new packages of products.

4.25 At the level of SMEs, stakeholders emphasised the continued focus on improving quality rather than quantity of tourism product, and the need to increase value added. One approach would be to increase the levels of penetration of Visit Peak District and Derbyshire, building on the success of recent campaigns such as the Peak District Visitor Guide.

Energy and resources, environmental protection

4.26 Critically, the study identified that 40% of businesses would experience a negative impact on performance if the quality of the landscape declined. Stakeholders felt this message was an important one in light of the threat to the landscape posed by climate change – it should be recognised that this is also a threat to economic growth.

4.27 Stakeholders also felt that the link between environmental quality and business performance, demonstrated an opportunity to promote pro-environmental behaviour to businesses. This activity might build on the success of the Environmental Quality Mark (EQM) and the RAZ/ LEADER approach to growing greener enterprise.

Land and development

4.28 The current planning framework concentrates employment land allocation in market towns, aligned to the RAZ focus on market towns as the main centres for growth. Stakeholders felt the study's findings in relation to travel to work data – the fact that many residents both live and work within the Peak District National Park boundary – suggested that it may be viable to develop small scale employment sites within the villages. This would also benefit the sustainable transport agenda. Live-work units may be one component of this; there may still be a shortage of grow-on space; and certainly difficulty for businesses seeking to expand existing premises. A recent Employment Land Review[21] reported that:

> *"market views indicated a need to provide more small, flexible managed workspace to meet the needs of business start-ups and small, expanding companies…*
>
> *Public funding or enabling development is likely to be required to unlock some of the sub-region's existing sites."*

4.29 During the workshop discussion, one solution posed by stakeholders was multi-use premises such as using surplus space in village schools as workspace, while maintaining local education, or community-run premises such as post offices and churches.

4.30 The overall feeling from stakeholders was that the results of the business survey and economic analysis confirmed the imperative not to stifle economic development unnecessarily within the Park, where this was compatible with environmental objectives.

Cohesive communities

4.31 One issue raised was in relation to the finding that a high proportion of the 45+ community are economically inactive. It was queried whether more could be done to utilise the skill set of this community or release the social capital, to increase sustainable communities.

4.32 Stakeholders discussed the appropriate response to the declining population of young people. It was felt that this should be a mix of policies designed to retain young people – such as encouraging young entrepreneurship and appropriate career pathways and role models – and an approach which recognises that many young people will want to leave – but encourages them to return with skills and experience later in life.

4.33 The high preponderance of second homes was seen as a threat to cohesive communities. One response suggested was around encouraging second home owners to stay longer and engage more in local community activities.

Economic renewal

4.34 Regional stakeholders felt that the study suggested a need for increased knowledge and understanding of the rural economic contribution and the dynamics of rural economies; and the contribution that environmental quality can make to wellbeing.

Economic inclusion

4.35 Stakeholders suggested that the National Park has a 'two-speed economy' – a high proportion of knowledge workers who are self-employed or commute out to well paid jobs in the cities and towns; and the lower paid and skilled jobs within the Park. Those employees in the latter category often cannot afford to live or buy within the Park, and this section of the workforce is less adaptable to economic change – mining and quarrying jobs for example, cannot easily be absorbed into other sectors.

[21] Nathaniel Lichfield (2008) Peak Sub-region Employment Land Review.

4.36 This links back to the issues of housing and affordability raised earlier, and suggests a need, in line with the RAZ Action Plan, to diversify the local economy, and perhaps assist firms in recruiting locally. Within the Sheffield City-region parts of the Park, a Multi-Area Agreement (MAA) is being led by Transform South Yorkshire with the aim of tackling housing market failure, and in particular the need for affordable housing.

Conclusions

4.37 Of necessity, the policy implications discussed here can only be described as an overview, based on initial reactions to the research findings, and linking back to the overall strategic context. Positively, the findings confirm the appropriateness of the broad approach enshrined in the RES, RSS and RAZ, and underline that economy and environment do not have to be competing objectives when dealing with rural regeneration.

Annex A: Glossary

BAP	Biodiversity Action Plan
BL	Business Link
BSSP	Business Support Simplification Process
DDEP	Derby & Derbyshire Economic Partnership
DPD	Development Plan Document
EQM	Environmental Quality Mark
EU	European Union
GDP	Gross Domestic Product
GVA	Gross Value Added
HMT	Her Majesty's Treasury
IDBR	Inter-departmental Business Register
IMD	Indices of Multiple Deprivation
JSA	Job Seekers' Allowance
KS3	Key Stage 3
LA/ LAD	Local Authority or Local Authority District
LDF	Local Development Framework
LEADER	Liaison Entre Actions de Développement de l'Economie Rurale
LQ	Location Quotient
LSOA	Lower-level Super Output Area
NEE	New Environmental Economy
NUTS	Nomenclature Of Units For Territorial Statistics
MAA	Multi-Area Agreement
OA	Output Area
ONS	Office of National Statistics
PAYE	Pay As You Earn
PDNPA	Peak District National Park Authority
RAZ	Rural Action Zone
RDPE	Rural Development Programme for England
RES	Regional Economic Strategy
RIP	Regional Implementation Plan
RSS	Regional Spatial Strategy
SIC	Standard Industrial Classification
SME	Small or medium sized enterprise
SPD	Supplementary Planning Document
SOA	Super Output Area
STEEP	Social, technological, environmental, economic and political
VAT	Value Added Tax

Annex B: Policy and funding context

Introduction

B.1 This annex sets out the key policy context in relation to the economic development of the East Midlands region and the protection of its natural environmental assets; and the funding programmes which relate to the National Park.

B.2 Uniquely, the Peak District National Park spans four English administrative regions: Yorkshire and the Humber, the North West, the West Midlands and the East Midlands (see Figure B-1). Given the scope of this brief however, the focus of this section is on those aspects of policy and funding which relate to the East Midlands region.

Background

B.3 The Peak District National Park became Britain's first National Park in 1951. The area is well known for its immense variety of features including moorlands, dales, limestone gorges, market towns and stone villages. Renowned as an area of diversity, the Park is split by its geology: the Dark Peak to the north is predominantly moorland and the White Peak to the south is home to the majority of the Park's population.

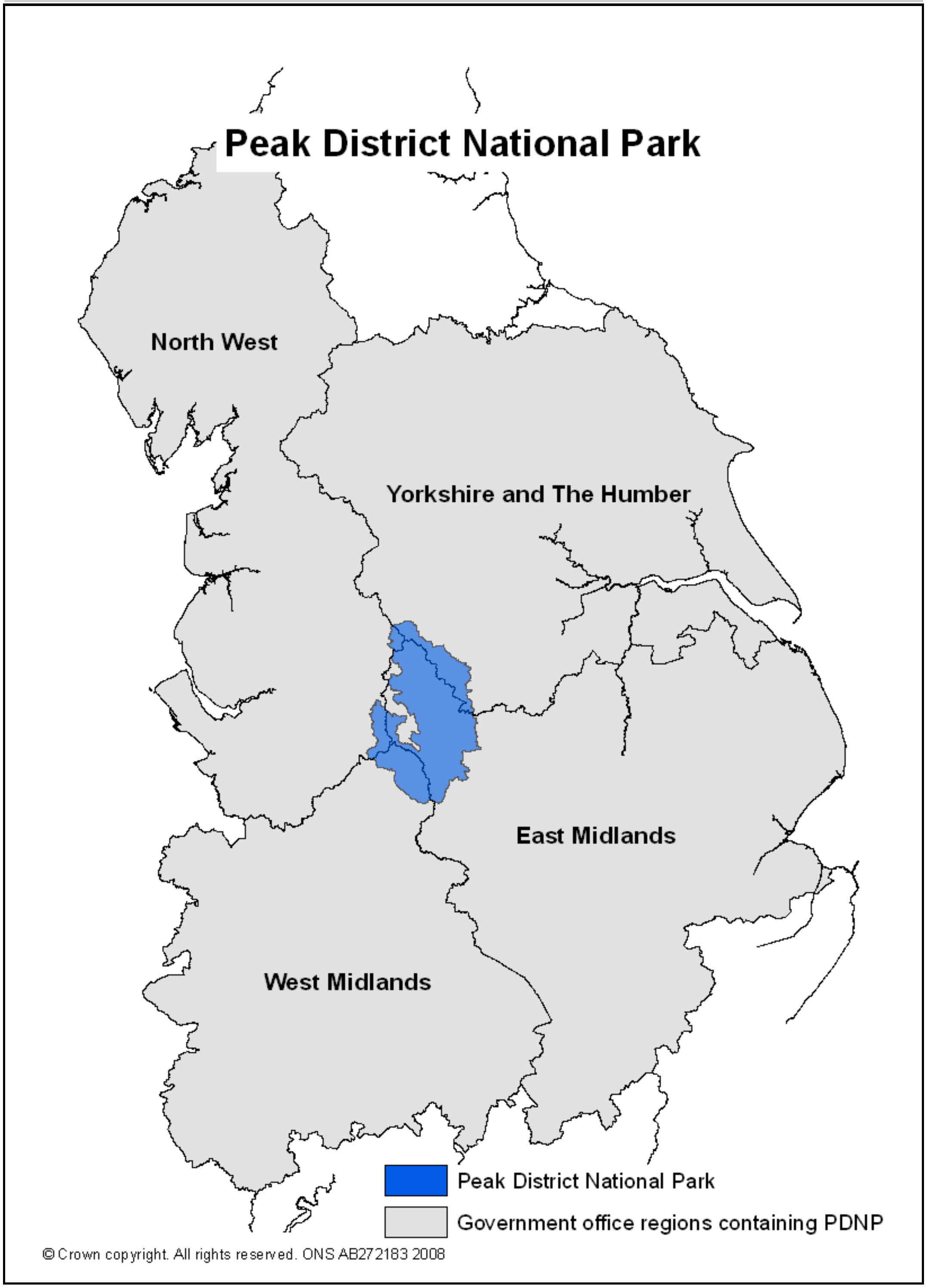
History and Geography

B.4 The Peak District forms the southern end of the Pennines where much of the area is uplands above 300m, with a high point at Kinder Scout of 636m. The Park in its entirety is 1,438 square kilometres in size and covers parts of Derbyshire, Staffordshire, Cheshire, Greater Manchester and South and West Yorkshire.

B.5 The area is primarily rural, with the exception of Bakewell, a market town located in the Peak District National Park. Buxton falls just outside the National Park boundary (see Figure B-2 and Figure B-3); other significant towns in the vicinity include Chapel-en-le-Frith, Macclesfield, Glossop, Oldham, Chesterfield, Matlock and Ashbourne.

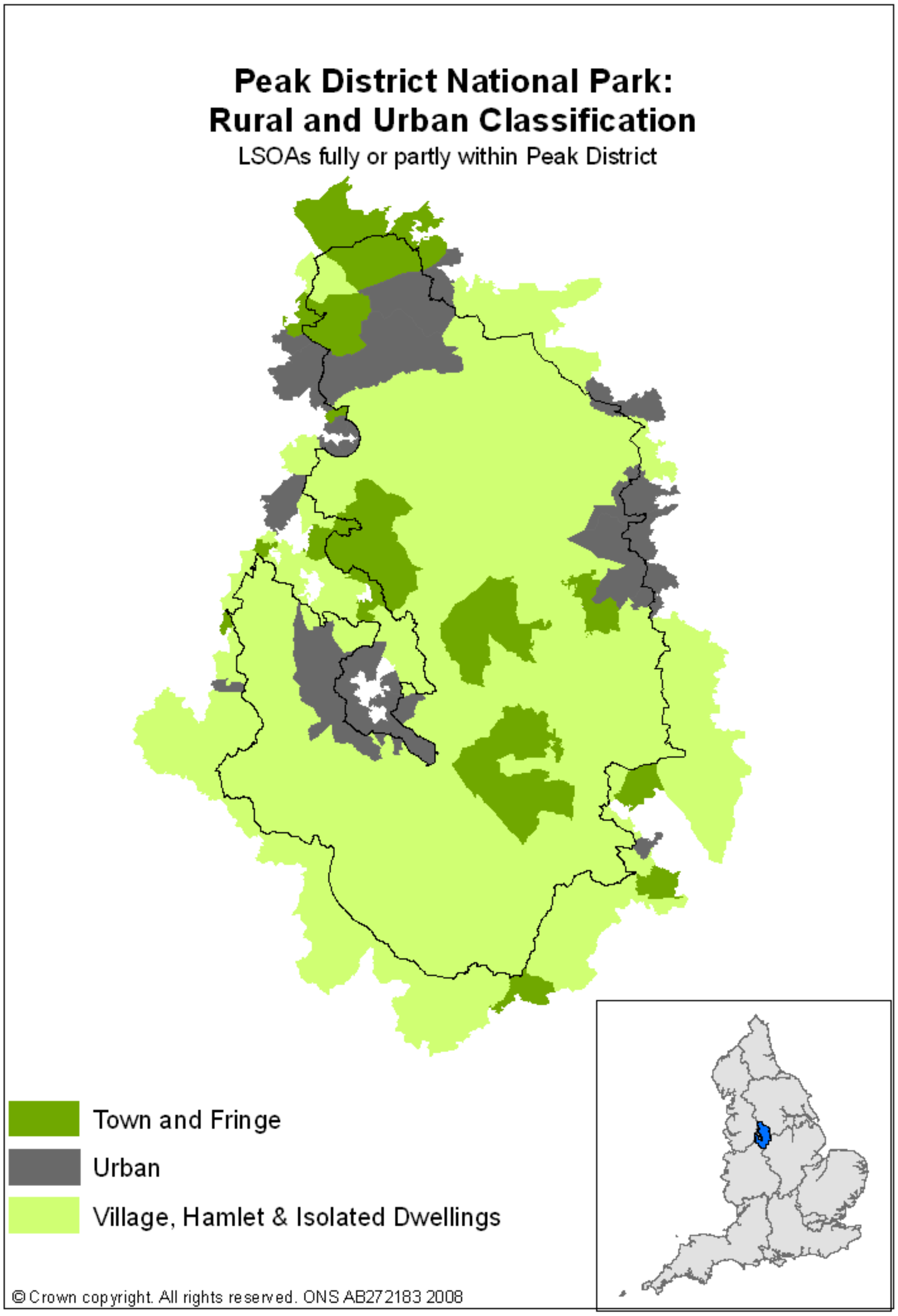
B.6 The Park is also surrounded by five major conurbations, Derby, Huddersfield, Manchester, Sheffield and Stoke-on-Trent. The main roads through the Park experience problems with congestion: they include the A6 Derby to Manchester, the A57 (Snake Pass) between Sheffield and Manchester, the A628 (Woodhead Pass) between Barnsley and Manchester, and the A623 Chesterfield to Chapel-en-le-Frith. However, the area has access to three train lines, internal public transport links and is within travelling distance of three major airports: Manchester, East Midlands and Doncaster Sheffield.

Figure B-1: Peak District National Park location



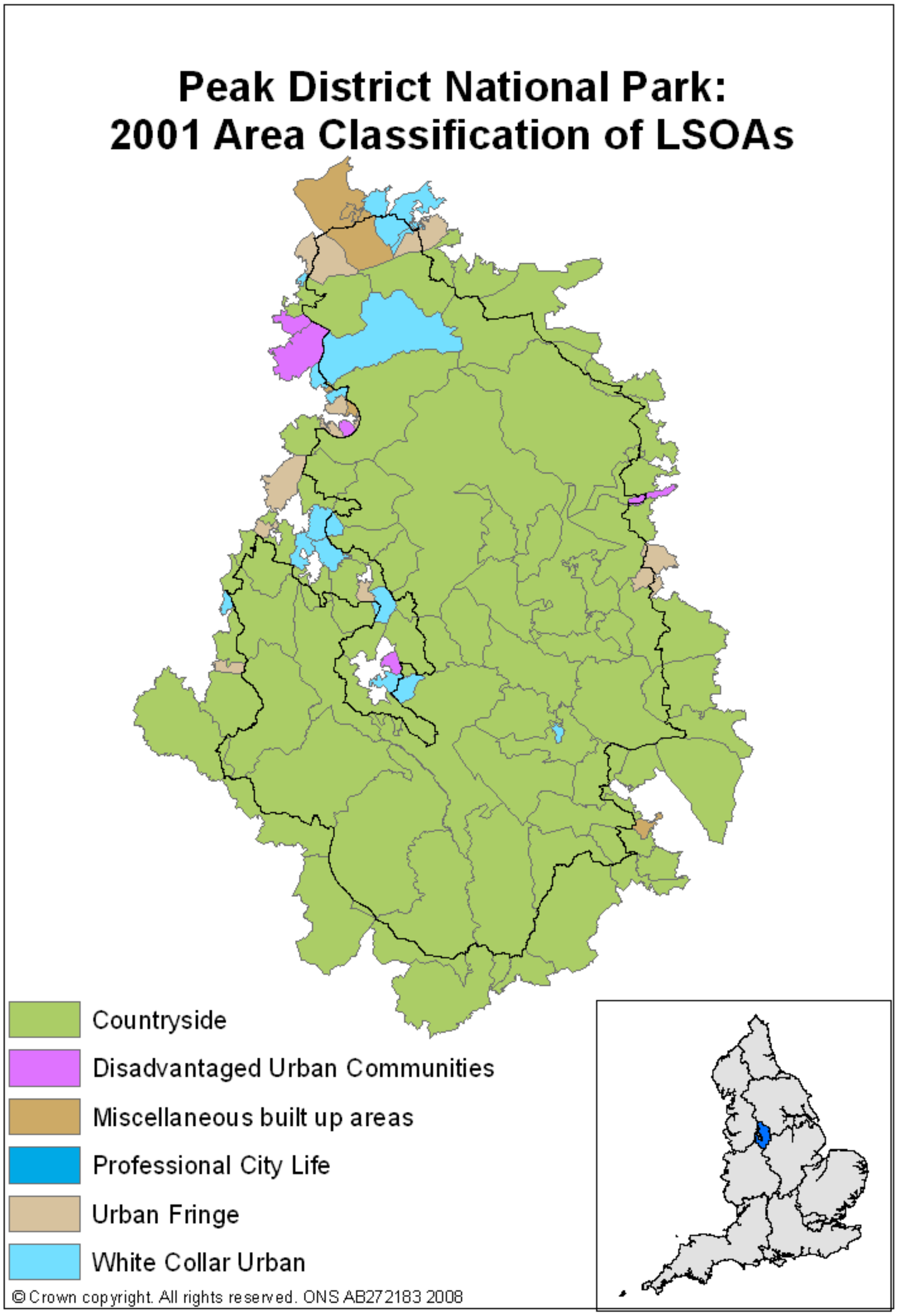
Source: ONS Regional Statisticians in the East Midlands.

Figure B-2 : Peak District National Park character



Source: ONS Regional Statisticians in the East Midlands. NB: This analysis is based upon output area data which is not a perfect fit with the Park boundary. It is therefore influenced by some areas of development outside the Park boundary.

Figure B-3 : Peak District National Park: area classifications



Source: ONS Regional Statisticians in the East Midlands.

Administration

B.7 The Peak District National Park Authority is the statutory body that works with local people, businesses and organisations to:

> *'Conserve and enhance the natural beauty, wildlife and cultural heritage of the Peak District whilst promoting opportunities for the understanding and enjoyment of the Peak District's special qualities.'*[22]

B.8 The National Park Authority produces the National Park Management Plan, which is the overarching plan for the area, and, as the Local Planning Authority, also produces the Local Development Framework (formerly the Development Plan) for the National Park.

B.9 The Peak District National Park Management Plan 2006 - 2011 outlines the priorities for the National Park over the period. It guides the activities of the National Park Authority and partners with a shared vision of *"a viable and thriving Peak District economy that capitalises on its special qualities and promotes a strong sense of identity"*.

B.10 The Peak District National Park Authority works with 12 Constituent Local Authorities and other stakeholders to deliver the Plan's outcomes. The Peak District National Park has one of the most complex regional and local government structures of all National Parks.

B.11 The Plan incorporates a STEEP analysis, a method of planning for the future which analyses the area's social, technological, environmental, economic and political drivers for change. These are highlighted in Table B-1 below.

Table B-1 Drivers for change across the Peak District National Park.

STEEP	The Park's drivers for change
Social	• cohesive communities • engaging communities • affordable homes • healthier lifestyles • opportunities for recreation • sustainable travel
Technological	• improved telecommunications infrastructure • better quality, lower cost technology • incorporating sustainable building techniques and renewable technology into houses and businesses
Environmental	• implementing biodiversity action plans • addressing climate change • understanding air pollution, mineral extraction and the pattern of land use and ownership
Economic	• understanding the farm payment system • delivering the Peak District's Rural Action Zone Plan • developing sustainable tourism
Political	• understanding changes in local government structure and legislation

Source: PDNPA Management Plan 2006-2011

[22] http://www.Peakdistrict-nationalPark.info/faq/index.html

B.12 Table B-2 summarises the Plan's priority objectives and gives some examples of supporting actions. The full list of actions can be found in the Plan (see Annex D for reference).

Table B-2 Peak District National Park Management Plan Priorities

Priority Outcomes	**Example Action**
managing biodiversity	implementing the Biodiversity Action Plan
conserving cultural heritage	delivering the Cultural Heritage Action Plan
addressing climate change	raising understanding and continue monitoring
reducing mineral extraction	continuous control and monitoring
improving public highways	adopting the National Park sustainable transport strategy
making the Park more welcoming	shifting to active recreation provision
raising the number of overnight stays	increasing the quality and quantity of tourism products
understanding the Park's qualities and opportunities	promoting the Park's image and information
creating more opportunities for local people	involving local people in the development of future policy
developing a sustainable economy	supporting micro-business development

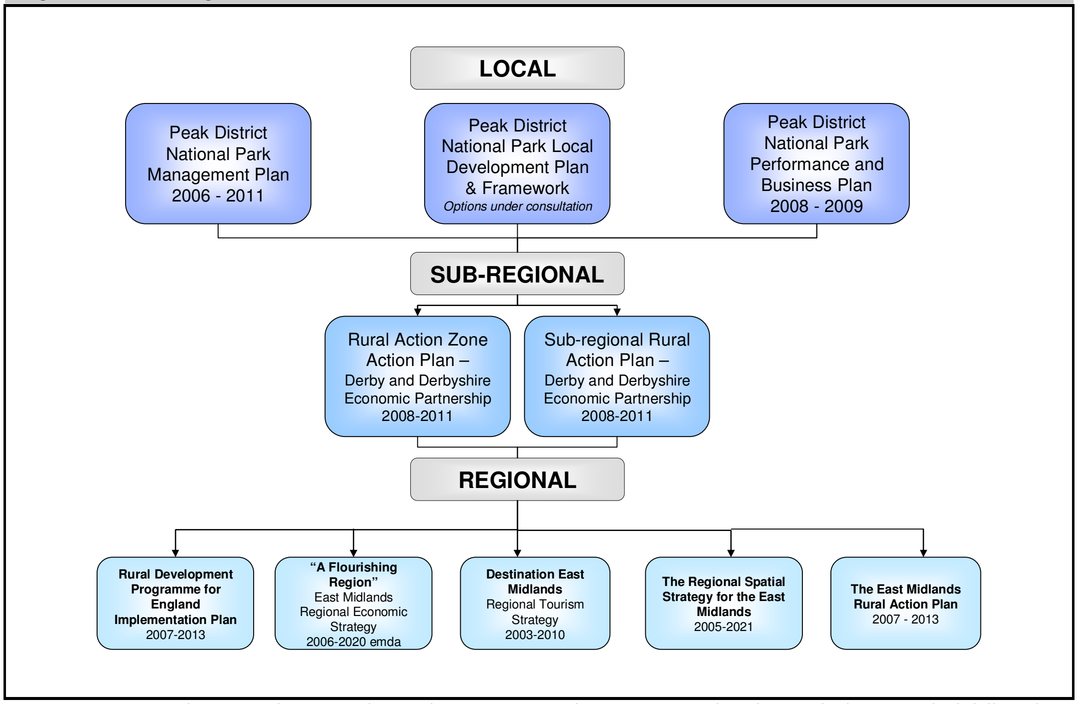
Source: PD NPA Management Plan 2006-2011

B.13 The Peak District National Park Authority's Performance and Business Plan 2008/09 thematically summarises the year's actions for the Authority. Each action is organised and placed in the context of the relevant Management Plan Outcome, with an accompanying description of the authority's current contribution and future priorities.

Policy context

B.14 This sub-section sets out the policy context, defined at regional, sub-regional and local levels. Key strategic documents are summarised in Figure B-4.

Figure B-4 : Strategic framework



Source: SQW Consulting NB: The Regional Spatial Strategy covers the entire National Park not only that area which falls within the East Midlands. At the local level, primacy is given to the National Park Management Plan.

Spatial policy

Regional Spatial Strategy

B.15 The East Midlands Regional Spatial Strategy (RSS8) is the region's spatial policy document. Published by the Government Office for the East Midlands in March 2005, it is the region's 15 year future development strategy. The strategy in its entirety covers the scale and distribution of new housing and priorities for the environment, transport, infrastructure, economic development, agriculture, minerals and waste treatment.

B.16 Although the Peak District National Park spans the four government regions of the West Midlands, Yorkshire and the Humber, North West and East Midlands, planning policy for the whole of the Park is covered by RSS8. RSS8 is, at the time of writing, currently under review.

B.17 The RSS, like the RES, outlines the Peak as a 'sub area' which includes the Peak District National Park and the surrounding Peak District, recognising the area's impact and policy status within the region.

B.18 The RSS's core and proposed actions are summarised below in Table B-3. These are accompanied by four regional priority (cross-cutting) themes: *housing, economy and regeneration, natural and cultural resources,* and *regional transport strategy*. The specific priorities for Peak sub-area include: securing conservation and enhancement across the Peak District National Park, addressing the social and economic needs of the Park's community and providing appropriate business premises and affordable homes.

Table B-3 Objectives and actions proposed in the RSS

Core objectives	Proposed action
To secure the conservation and enhancement of the Peak District National Park	Address social and economic needs of the Park's communities, including providing appropriate business premises and affordable housing. Where practical, routes for long distance traffic should be developed to avoid the National Park. Access to the National Park and across it by public transport and other non car modes should be improved.
To meet needs whilst reducing past levels of in-migration, discouraging additional commuting to and supporting the regeneration of, the nearby conurbations.	Retaining and generating local employment. Make provision for the growth of indigenous firms and attract inward investment, to support their own population and the population of the surrounding rural hinterland.
Manage tourism and visitor pressure in accordance with the principles of sustainable development, respecting the National Park's purpose and priorities.	Plans and strategies covering adjacent areas should consider whether there is potential for further tourism development that could ease pressures on the Park itself.

Source: RSS 8 Government Office for the East Midlands 2005

B.19 Additional specific policies with the potential to influence and impact on the Peak District National Park are also outlined in Table B-4 below.

Table B-4 : Selected policies relevant to the Peak District National Park

Policy number	Policy	Target actions
6	Regional priorities in rural areas	Increase number of bus passenger journeys, increase numbers in employment and improve accessibility to services
10	Spatial priorities for development in the Peak sub area	Specific targets under development
11	Spatial priorities for development outside the Peak District National Park	Specific targets under development
12	Managing tourism and visitors in the Peak sub area	Specific targets under development
24	Regional priorities for rural diversification	Increase in new business start ups and new jobs
25	Regional priorities for tourism	15,000 new jobs in tourism by 2008 ; visitor spending in region to increase by 2% by 2010; tourism to contribute 4.5% of region's GDP by 2010
27	Protecting and enhancing the region's natural and cultural assets	No net loss of natural or cultural assets; 95% of SSSIs in favourable condition by 2010
28	Protecting and enhancing regional biodiversity	To meet Regional Biodiversity Habitat Management and Recreation Targets
29	A regional target for increasing woodland cover	65,000 hectares by 2021
30	Priorities for the management and enhancement of the region's landscape	100% of rural areas covered by Landscape Character Assessments
31	Regional priorities for the historic environment	Number of listed buildings at risk decrease from 2001 levels
33	A regional approach to the water environment	Planning permissions granted contrary to Environment Agency advice, reduced to zero
34	Regional priorities for strategic river corridors	Targets to be developed related to urban waterfront areas and protection and restoration of wildlife habitats along river corridors in both urban and rural areas

Source: RSS8 Government Office for the East Midlands 2005

Peak District National Park – Local Development Framework

B.20 The Peak District National Park Local Development Framework (LDF) is currently under construction. The Local Development Plan, comprising the Structure Plan (1994) and Local Plan (2001) will be replaced by the Local Development Framework as soon as possible, but in the meantime, most of the development policies have been "saved" with the agreement of the government, pending their replacement by the Local Development Framework.

B.21 The Local Development Framework Scheme (January 2007 to December 2009) outlines the documents and the timeframe that they will be produced under as part of the final framework.

B.22 The LDF will contain:

- **Development Plan Documents** (DPDs) with statutory planning status, replacing the existing Structure Plan, Local Plan and Supplementary Planning Guidance but still regarding the National Park Management Plan
- **Supplementary Planning Documents** (SPDs), providing detailed advice on how proposed development should comply with policies outlined in the Development Plan Documents.

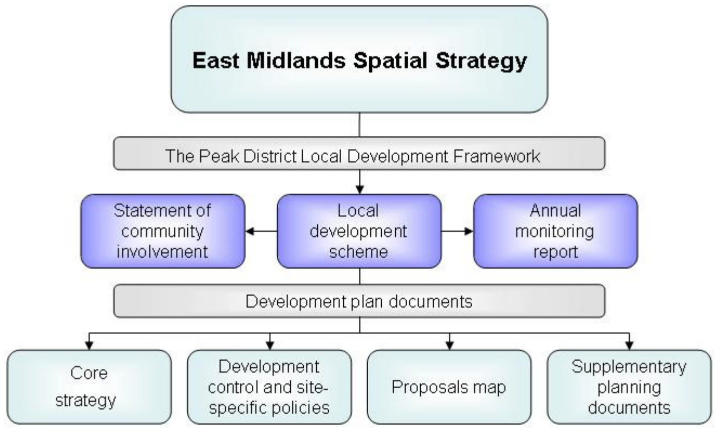
B.23 Once adopted the LDF will provide the new planning policy for the Peak District National Park. Table B-5 below outlines the various development plan documents and their date for adoption. This is illustrated in Figure B-5.

Table B-5 LDF Documents and adoption

Document Type	Document	Date for adoption
Development Plan Document	Core Strategy	December 2009
Development Plan Document	Proposals Map	December 2009
Development Plan Document	Development Control Specific Sites and Policies	2010
Supplementary Planning Document	Building Design Guidance	February 2007
Supplementary Planning Document	Design Guidance Notes	December 2009

Source: PDNP Local Development Scheme 2007. NB: The Local Development Scheme is currently being revised.

Figure B-5: Summary of spatial policy framework:



Source: PDNP LDS 2007

Economic development policy

Regional Economic Strategy

B.24 The East Midlands Regional Economic Strategy '*A Flourishing Region*' is the region's economic vision up to 2020. Published by the East Midlands Development Agency (emda), the vision illustrates how the region will maximise its opportunities to achieve sustainable economic growth.

B.25 The RES has three structural themes: raising productivity, ensuring sustainability and achieving equality.

B.26 The three structural themes are underpinned by ten strategic priorities: employment, learning and skills; enterprise and business support; innovation; transport and logistics; energy and resources; environmental protection; land and development; cohesive communities; economic renewal; and economic inclusion.

B.27 As England's '*third most rural and fourth largest region*[23]' the approach to sub-regional divisions acknowledges the region's varying spatial scales and physical characteristics. The vision also defines set priorities and challenges for each of the sub areas. The Peak sub-area incorporates the part of the Peak District National Park that falls in the East Midlands.

[23] Emda, *A Flourishing Region*, the Regional Economic Strategy for the East Midlands 2006-2020

B.28 The RES highlights that the Peak District area is a predominantly rural area that houses only 3.8% of the region's population, a high proportion of which are pensioners. The Peak's economic activity relies heavily on tourism and primary industries. The area also boasts one of the highest economic activity rates of the region, whilst having a very small business population.

B.29 The Peak sub-area has many existing opportunities including its environmental assets, strong tourism and close proximity to Greater Manchester, Sheffield and Chesterfield. It does however have certain challenges to overcome. These include addressing housing affordability, the lack of connectivity to urban areas in the East Midlands and successfully adapting to farming policy reform.

B.30 Emda delivers its RES actions at the sub-regional level through seven sub-regional partnerships – Derby & Derbyshire Economic Partnership (DDEP) being the sub-regional partnership responsible for the East Midlands part of the National Park.

Destination East Midlands

B.31 Destination East Midlands is the regional tourism strategy for the East Midlands for 2003-2010. The strategy identifies that tourism within the region contributes £5 billion to the economy from over 30,000 businesses and 200,000 employees.

B.32 Destination East Midlands specifically targets tourism within the region by aiming to raise visitor expenditure to 4.5% of the region's GDP in 2010 and increasing visitor value, not volume. This means encouraging people to stay longer and spend more within the region, increasing visitor spend on average by 2% by 2010.

B.33 The overarching aim of the region's tourism strategy is to increase the already significant role that tourism plays in the East Midlands. This is intended to involve the region becoming famous for the quality of its rural destinations, creating top quality wildlife destinations through continued conservation, raising the profile and reputation of the region's major destinations and making tourism an attractive career option. These objectives are to be achieved through building on good practice, responding to the customers, creating financially and environmentally sustainable environments that make the best use of resources and improve the quality of life for all.

B.34 With a limit on available public funding it is necessary to prioritise investment in tourism across the region. Within the strategy's investment framework higher priority will be given to those investments that support iconic brands, create destinations, encourage high value over night stays or protect and improve the region's primary tourism assets. The strategy outlines that its objectives should be achieved through targeted branding and marketing, and improving ease of access to information and destinations.

B.35 A series of special projects is also planned to make major destinations more attractive. 'Perfecting the Peak' relates specifically to the Peak District National Park as a valuable economic and recreational resource for the region. Future objectives for the Park under the regional tourism strategy include raising the Park's profile and status, focusing renewal and investment in the key villages within the Park, and pushing further the sustainable development, heritage, cultural and environmental elements the Park offers.

Funding programmes

B.36 This sub-section reviews the various programmes, schemes and grants available for farmers, businesses and land managers in the area. A new period of European funding began in 2007; the discussion that follows is forward-looking with a focus on the 2007-13 funding period, though it should be recognised that at the time of writing a small number of projects and programmes established under the 2000-2006 period were still completing.

The Peak District Rural Action Zone Action Plan 2008-2011

B.37 The Peak District Rural Action Zone (RAZ) was established by the Derby & Derbyshire Economic Partnership and its local authority partners in 2003. The designation includes the whole of High Peak and Derbyshire Dales districts and a significant part of Staffordshire Moorlands district and one ward in East Staffordshire. The purpose of the RAZ is to stimulate, co-ordinate and deliver cross-boundary rural development programmes to address the particular challenges and opportunities in the area. Programmes delivered in the RAZ include:

- EU Objective 2 funding (aimed at helping those areas facing structural economic challenge) with projects completing in 2008
- LEADER+ (improving the quality of life in rural communities with a particular focus on women and young people), which also ends in 2008
- Single Programme Budget from the Derby & Derbyshire Economic Partnership (£750,000 allocated annually to rural projects).

B.38 In 2005 the RAZ was also designated as one of eight national Rural Delivery Pathfinders. The Pathfinders were established to explore and test new ways of delivering services to rural communities. The focus of the RAZ pathfinder was on developing innovative ways of delivering services and funding to support enterprise amongst rural businesses and communities.

B.39 The RAZ Action Plan is set within the context of the new Sub-regional Rural Action Plan covering the same period and provides a framework for future activity.

B.40 The Plan considers how activities might be developed further to take full advantage of the current funding opportunities available whilst addressing the area's needs and opportunities. Strategic priorities for 2008-2011 include maintaining the emphasis on a high skills, high wage economy leading to economic restructuring through cross regional boundary partnerships. Extensions to the plan also include building on the issues and opportunities for market towns, and extending activities to include opportunities around economic sustainability.

B.41 The RAZ Action Plan and Sub-regional Rural Action Plan both share the aim of '*raising the game*' through the objectives of creating a productive and sustainable rural economy. The RAZ Action Plan focuses specifically on the wider Peak District area and economy.

Sub-regional Rural Action Plan

B.42 Derby & Derbyshire Economic Partnership's Sub-regional Rural Action Plan's overall aim is to extend the delivery of rural actions and good practice in the RAZ to the wider DDEP sub-region.

B.43 The Plan's strategic objectives and priorities for the wider sub-regional rural area mirror many of those in the RAZ, as illustrated in Table B-7.

Table B-7: Strategic objectives and priorities for the rural sub-region

Rural Action Zone Priorities	Sub-regional Rural Action Plan Priorities
attracting the young to stay and work in the area	encouraging young people to stay and work locally
supporting businesses	supporting the land based sector to adapt
growing new knowledge based businesses	developing environmental technologies
growing support for key sectors	developing sustainable tourism
improved infrastructure	developing creative industries
enhancing the role of market towns as economic 'hubs'	supporting the development of social enterprises
supporting rural services	developing business support
supporting local events as part of the tourism product	identifying rural skills gaps
	developing stronger rural-urban links
	assisting key rural services
	exploiting opportunities to link affordable housing with economic development schemes

Source: Peak District Rural Action Zone Action Plan 2008-2011 & the Sub-Regional Rural Action Plan 2008-2011

The Rural Development Programme for England (RDPE)

B.44 The East Midlands Regional Implementation Plan (RIP) outlines the principles and priorities between partners for the delivery of the Rural Development Programme 2007-2013.

B.45 RDPE funding is required to contribute to the following three national policies set by Defra:

- enhancing the environment and countryside
- making agriculture and forestry more competitive and sustainable
- enhancing opportunity in rural areas.

B.46 The RDPE is specifically designed to target:

> *'agriculture, land based businesses and rural communities in alignment with the three priorities above...it is not a rural programme that covers the whole rural development remit.'*[24]

B.47 The RIP will be delivered through four inter-related strands of activity:

[24] The Rural Development Programme for England Implementation Plan 2006

- conserving and enhancing the environment and countryside (delivered through Natural England and the Forestry Commission)
- competitiveness, collaboration and diversification (delivered through emda)
- enhancing opportunity and quality of life in rural areas (predominantly delivered via the bottom up LEADER approach through Local Action Groups in specific geographic areas, including the Peak District)
- overall skills development (delivered through emda).

B.48 The RDPE will support the achievement of the priorities in the Rural Action Plans and will focus where necessary in areas where other resources are not available or applicable.

B.49 Leader, Axis 4 is the delivery mechanism for the Regional Development Programme for England (RDPE). A proposed Local Action Group has been identified, drawing on representation from across the Peak District.[25] The Local Action Group will comprise of 15 members in total from the public, private, voluntary and community sectors.

B.50 This group will consult on the development of the Local Development Strategy with the overarching core aim of:

> *'enhancing rural productivity and improving quality of life in the Peak District through Sustainable Micro-Enterprise Development'.*[26]

B.51 The unifying cross cutting theme of 'growing greener enterprises' also works across the strategy's objectives of assisting the improvement of the land based sectors' economy, enabling new micro-enterprise activity, developing sustainable tourism, protecting the rural heritage, developing rural skills and improving access to key rural services.

Key messages

B.52 A complex package of funding streams delivers public sector investment in the Peak District National Park, to enhance and conserve its environment, and to stimulate the rural economy. This recognises the unique attractiveness of the Park's natural assets, and the opportunity to create sustainable economic growth which complements the environment, demonstrating there is no significant harm.

[25] Raising the Game. Enhancing rural productivity and improving quality of life in the Peak District through Sustainable Micro-Enterprise Development. 2008

[26] Raising the Game. Enhancing rural productivity and improving quality of life in the Peak District through Sustainable Micro-Enterprise Development. 2008

Annex C: Spatial definition of the Peak District National Park

C.1 Table C-1 lists the LSOAs and local authorities that composed the Peak District National Park study area. Along side each spatial area is the weighting that was applied based upon the estimated proportion of the population living within the National Park.

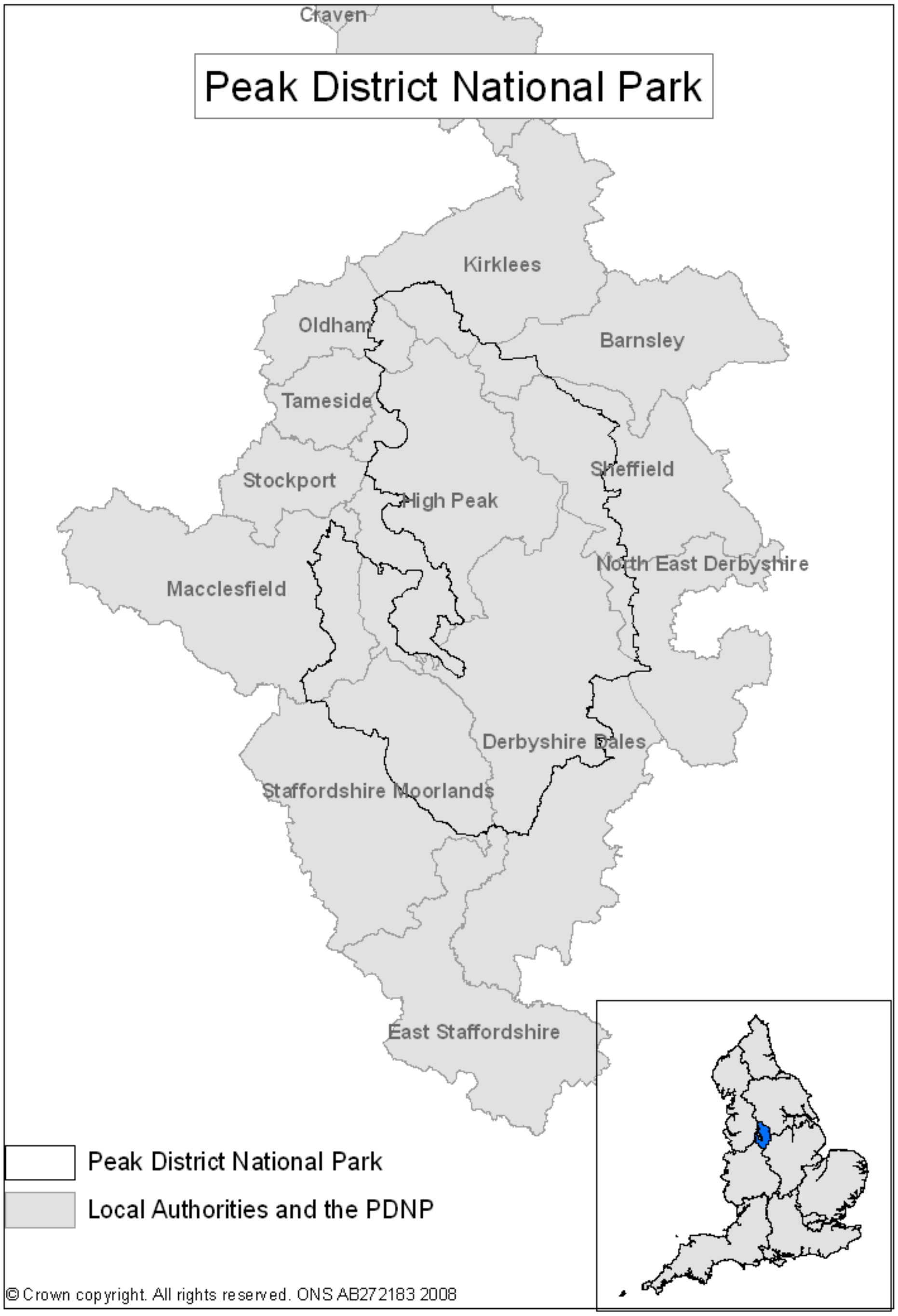
Table C-1 Spatial Areas and weighting used for secondary data analysis of Peak District National Park

PDNP lower super output areas	Weighting	PDNP local authorities	Weighting
E01007926	<0.01	Oldham	<0.01
E01008158	<0.01	Barnsley	<0.01
E01011168	<0.01	Sheffield	<0.01
E01019744	0.01	Kirklees	<0.01
E01011174	0.01	Macclesfield	0.01
E01008147	0.02	Derbyshire Dales	0.36
E01019771	0.02	High Peak	0.07
E01019725	0.02	North East Derbyshire	<0.01
E01005409	0.03	Staffordshire Moorlands	0.04
E01011177	0.03		
E01019770	0.03		
E01011075	0.03		
E01005410	0.03		
E01019714	0.03		
E01019620	0.06		
E01007956	0.06		
E01018586	0.07		
E01019764	0.08		
E01007426	0.09		
E01011182	0.10		
E01019763	0.10		
E01019754	0.11		
E01019713	0.11		
E01008129	0.12		
E01019605	0.12		
E01019718	0.12		

PDNP lower super output areas	Weighting	PDNP local authorities	Weighting
E01019742	0.13		
E01018670	0.16		
E01019712	0.24		
E01019734	0.25		
E01019755	0.25		
E01018669	0.35		
E01008128	0.38		
E01019630	0.45		
E01029797	0.61		
E01029801	0.65		
E01019632	0.71		
E01019611	0.91		
E01029817	0.98		
E01019736	1.00		
E01019599	1.00		
E01019600	1.00		
E01019601	1.00		
E01019602	1.00		
E01019604	1.00		
E01019606	1.00		
E01019613	1.00		
E01019615	1.00		
E01019631	1.00		
E01019735	1.00		
E01019737	1.00		
E01019618	1.00		
E01019614	1.00		
E01019617	1.00		

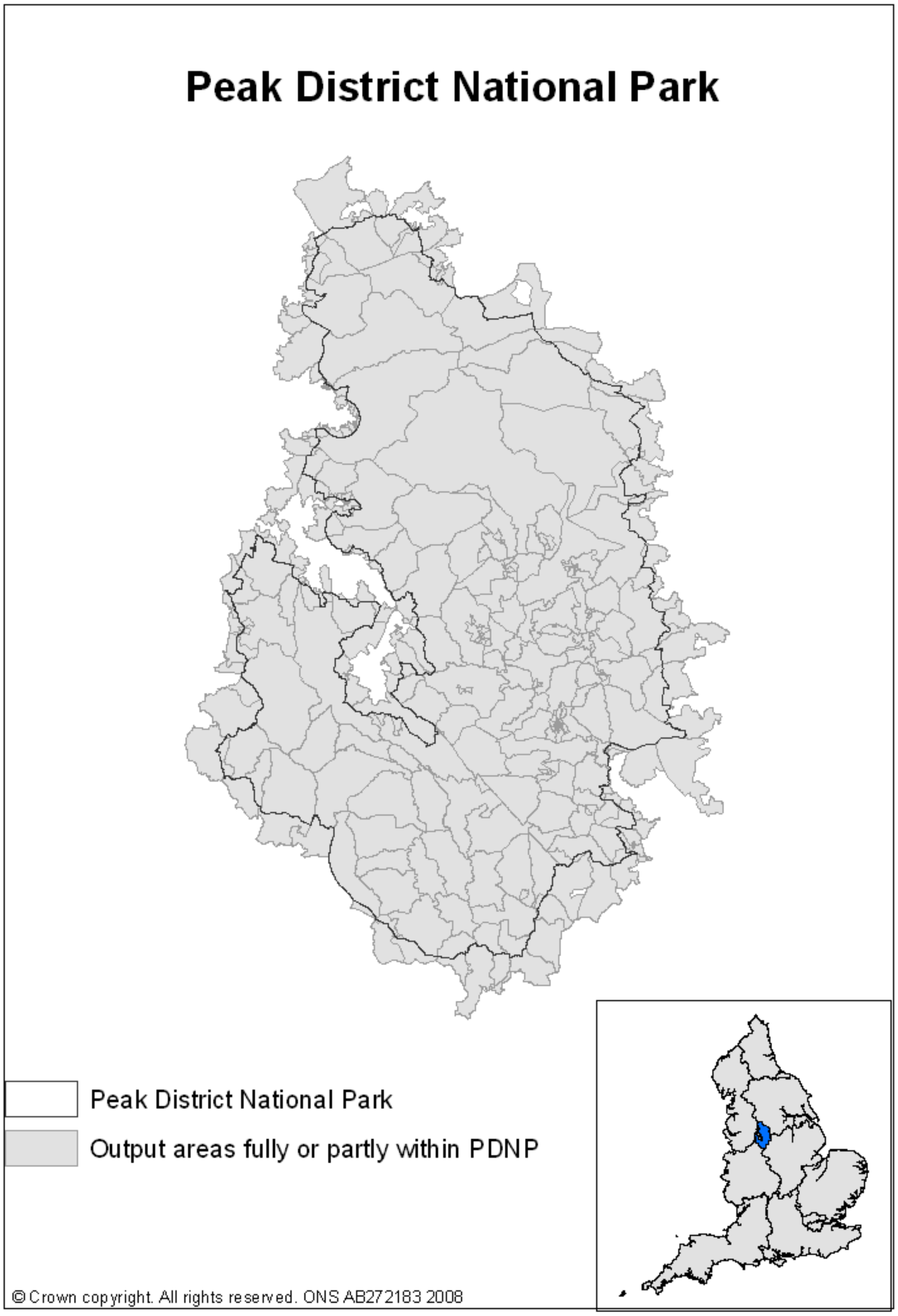
Source: Peak District National Park Authority and ONS

Figure C-1 : Local authority boundaries and the Peak District National Park



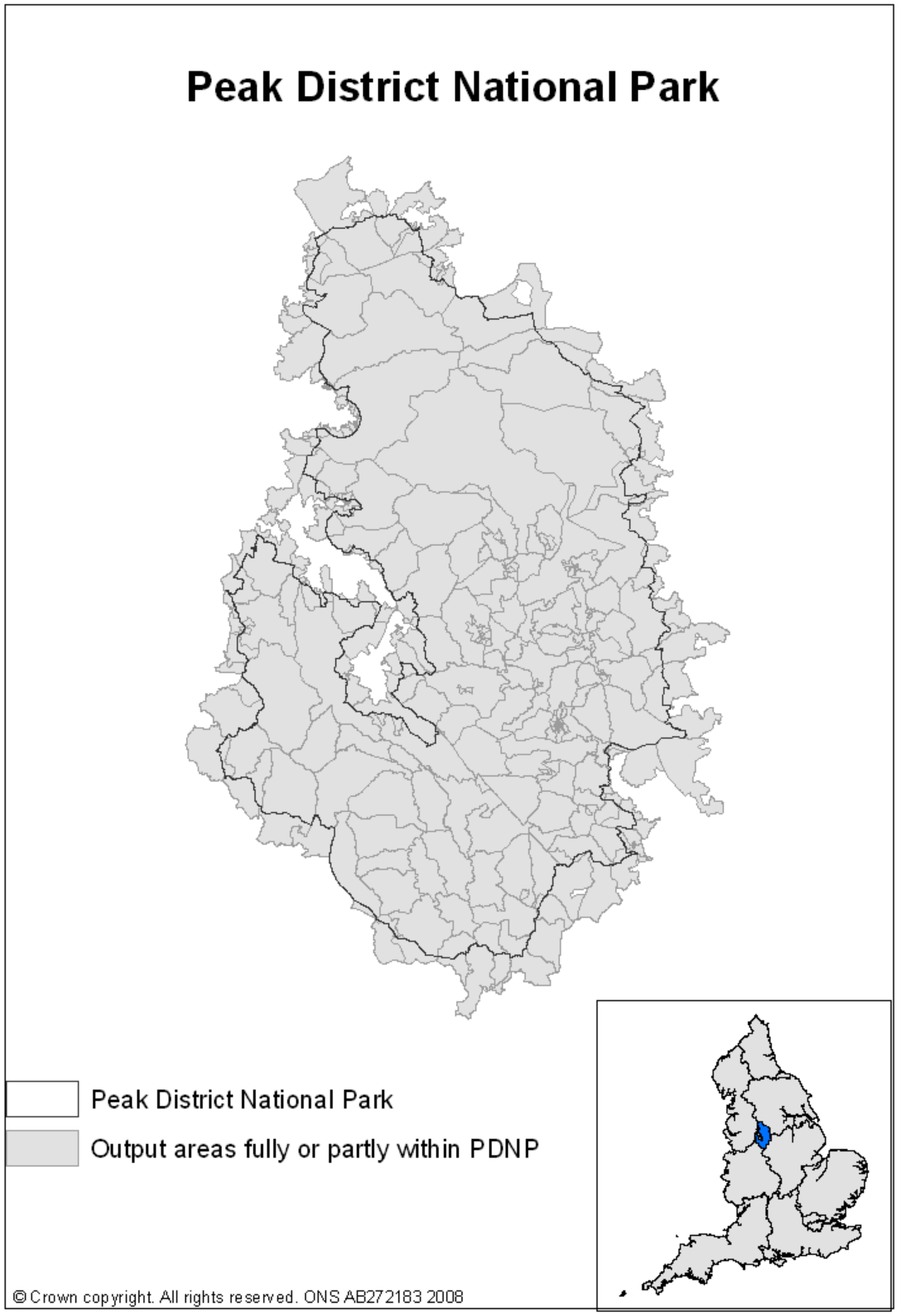
Source: ONS

Figure C-2 : LSOAs wholly or partially within the Peak District National Park



Source: SQW

Figure C-3 : OAs wholly or partially within the Peak District National Park



Source: ONS.

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Annex E: Questionnaire

Emda
Peak District National Park Business Survey

Good morning / afternoon / evening. My name is XXX and I am calling from QA Research on behalf of the East Midlands Regional Development Agency (Emda). We are looking to gain the views of businesses in all regions regarding the impact of the National Park designation to business.

All responses will be treated in the strictest confidence and all responses will be completely anonymous. Questions are optional however your responses will be very valuable in helping us to understand the relationship between the National Park and business.

The interview will take between 10 and 15 minutes. Is now a convenient time to talk?
If yes, continue. Otherwise arrange call back.

Ask if they are the appropriate person to give opinions on their/the business i.e. owner or manager.

PROFILE OF BUSINESS

Q1 Can I confirm your company details?

Role within business:
Brought in from db

Name of company:
Brought in from db

Ward
Brought in from db

Postcode (Matrix to be set up against National Park Area and Ward area)
Brought in from db

Confirmation of National Park designation area: ___________________

Q2 Could you please indicate which of the following industry sectors your organisation falls into?
(Where not obvious from the database.) (Please tick all applicable)

Agriculture
Banks and finance
Business services
Catering (Restaurants, cafés)
Construction
Electricity gas and water supply
Hotels (includes B&B, guest house, self-catering, camping & caravanning)
Hunting, forestry and fishing
Information technology and computing
Manufacturing/Production
Mining and quarrying
Motor trades
Post & telecommunications
Property
Retail
Transport and storage
Wholesale
Other
(please specify)

Q3a How many people, including yourself, are currently employed at this site?
(Please include anyone working 5 or more hours a week and exclude contractors and others not directly employed)
Full time No. _____
Part time No. _____
Permanent No._____
Temporary (including seasonal) No._____
Total No._____
(check that this is the sum of above
Numeric
Check addition

Q3b Do you regularly employ seasonal workers?
Yes/No

IMPACT ON PERFORMANCE

Q4 What impact do you feel the quality of the landscape and the environment of this area has on the performance of your business?
(Tick one response)

Major negative impact
Minor negative impact
Minor positive impact
Major positive impact
Don't know
No impact

Q5 How would you categorise the way your business depends on the quality of the landscape and the environment of the area?
(Prompt and select one option)

Direct dependence - business directly uses the landscape/environment as a resource
Indirect dependence – business indirectly benefits from the quality of the environment and landscape (e.g. through attracting tourists)
No dependency – landscape/environment has no impact on the business

Q6 Would the deterioration in the quality of landscape impact on the performance of your business?
(Tick one option)

Yes, seriously
Yes, to some extent
No, not sensitive

NEGATIVE EFFECTS

Q7 Does the fact that your business is located in a National Park have any negative effects on your business?
(Tick all applicable)

Have problems recruiting skilled staff
Poor infrastructure (roads, facilities, services)
Increased/additional business costs
Planning and development is restricted
Restricted access to customer markets
Other
Don't Know
No negative effects

Q7bOther
(please specify)
Q7cOther
(please specify)
Q7dOther
(please specify)

POSITIVE EFFECTS

Q8 Does the fact that your business is located in a National Park have any positive effects on your business?
(Tick all applicable)

Attracts visitors and tourists which generates income
Enhances the image of the business
The location can add value to produce or be used in marketing
Attracts a skilled workforce by being a nice area to live
Makes the business more productive by being a nice place to work
Other
Don't know
No positive effects

Q8bOther
(please specify)
Q8cOther
(please specify)
Q8dOther
(please specify)
(Go to Q23)

OVERALL

Q9 Overall what impact do you feel the National Park designation has on your business?
(Tick one response only)

Major negative impact
Minor negative impact
Minor positive impact
Major positive impact
Don't know
No Impact

CONCLUSION

Q10 Could we ask what your estimated annual turnover is, at this site? ***(Remind information will be kept completely confidential) If Don't know offer from list***
Numeric

Don't know

(if refused or DK, offer brackets)

£0 to £10,000
Over £10,001 - £25,000
Over £25,001 - £51,000
Over £51k - £100k
Over £101k to £200k
Over £201k - £500k
Over £501k - £1m
Over £1m - £5m
Over £5m+

Q11 Can you estimate the percentage of your turnover that is spent on the following:
(If necessary prompt to provide an estimate. Please ensure percentage total adds up to 100%)
a Bought in goods and services (e.g. raw materials, water, insurance etc)=
b Staff costs (wages and salaries)
c Reinvestment in the business (e.g. repair, replacement, new equipment, staff training etc)
d Other
Don't Know (Do not prompt)
Numeric

Q12 Can you estimate the proportion of your turnover that is made from sales to customers in the following areas:
(Please ensure percentages add up to 100%)
a Within the Peak District National Park area
b Within the East Midlands region
c Within the North West, West Midlands or Yorkshire regions
d Within the rest of the UK
e Overseas
Numeric

Q13 Approximately what percentage of all your suppliers are based within the Peak District National Park?
Numeric

Q14 What proportion of your total turnover do you think is generated by sales to tourists to the area?
(Must be equal to or lower than Q33a)

Q15 Finally have you been happy with the way this interview has been conducted?
Yes
No

Thank-you for taking part.
Close survey.

Annex F: List of consultees

F.1 The consultant team are grateful for the advice, inputs and feedback received from the project Steering Group (Table F-1), individual stakeholders consulted by telephone during the study (Table F-2), and participants in the 12th September policy workshop at Losehill Hall (Table F-3).

Table F-1: Steering group members

Name	Position	Organisation
Jen Beaumont	Regional Statistician	ONS
Craig Bickerton	Principal Economist	Emda
Giles Dann	Peak District RAZ Manager	Derby & Derbyshire Economic Partnership
Noel James	Regional Policy Adviser	Emda
Rhonda Pursglove	Inward Investment Officer	Peak District National Park Authority

Table F-2 : Consultees

Name	Position	Organisation
David Bourque	Head of Marketing	Visit Peak District and Derbyshire
Andy Cooper	Research and Monitoring Manager	Peak District National Park Authority
Giles Dann	Peak District RAZ Manager	Derby & Derbyshire Economic Partnership
Kevin Edwards	Chief Executive	Derby & Derbyshire Economic Partnership
Simon Fussell	Derbyshire Team Leader	East Midlands Business Link
Diana Golding	Chair	Vision Buxton
Alistair Sneddon	Partner	Bagshaws
William Smart	Performance and Evaluation Team Manager	East Midlands Tourism
Richard Tulloch	Head of Rural Communities	Emda
Sylvia Yates	Chief Executive	Sheffield City-region

Table F-3 : Workshop participants

Name	Position	Organisation
Craig Bickerton	Principal Economist	Emda
Karin Bilson	Pathfinder Officer	Derbyshire Dales District Council
Giles Dann	Peak District RAZ Manager	Derby & Derbyshire Economic Partnership
Melanie Fischer	Rural Policy Manager	Emda

Name	Position	Organisation
Clare Filer	Senior Regeneration Officer	Staffordshire Moorlands District Council
Noel James	Regional Policy Adviser	Emda
Ellen Outram	Marketing Executive	Visit Peak District and Derbyshire
Rhonda Pursglove	Inward Investment Officer	Peak District National Park Authority