DARTMOOR LOCAL PLAN
guiding planning applications in Dartmoor National Park

TOPIC PAPER 8

Economy

December 2018

DARTMOOR NATIONAL PARK

Contents

1 Introduction

1.1 Objectives

1.1.1 This Topic Paper is one of ten topic papers which form part of the evidence base that support the emerging Dartmoor National Park Local Plan. These topic papers have been produced in collaboration with Transform Research Ltd. to coordinate and consolidate some of the evidence used in drafting the emerging local plan. All the topic papers are available to view online at http://www.dartmoor.gov.uk/living-and-working/planning/planning-policy/background-evidence

1.1.2 The purpose of this topic paper is to gather evidence and serve as a starting point for developing planning policies related to economic development. Invariably the paper will cover issues which overlap or compete with those in other parts of the evidence base. The Topic Paper's aims are to:

- draw on a wide range of source material including research, guidance and best practice to inform policy development;
- recommend how to balance the National Park Authority's economic duty with the statutory purposes to protect Dartmoor's special qualities and promote their enjoyment and understanding
- review relevant legislation and policy which set the statutory framework for the local plan;
- review the current Dartmoor National Park Authority policy framework and its effectiveness; and
- identify strategic trends and discuss pros and cons of approaches for realising economic opportunities.

1.1.3 The view of the local community, key stakeholders and partner organisations who all have an interest in the future of Dartmoor National Park forms part of the evidence base for the local plan. The Authority has therefore welcomed comments on this Paper.

2 Introduction and summary

2.1 Overview

2.1.1 Following the 2008 recession, the national economy has been through some difficult times with numerous well publicised large business failures and many more small business closures. However, some sectors of the economy have been very resilient and, more recently there have been signs of growth. These improvements have been patchy though and overall progress is slow. Business confidence has remained low, not helped by the ongoing uncertainty over Brexit.

2.1.2 This topic paper examines the state of play of Dartmoor's economy in this context – in terms of where the local economy is now and what the available forecasts and models indicate for the future. These areas are examined both from the perspective of business, covering what the businesses themselves have said and also what the available government statistics tell us – as well as from the perspective of the workforce, in terms of its profile and ability to effectively contribute the required labour resource and skills necessary for future business development and growth.

2.1.3 The various reports and papers on Dartmoor's economy that were reviewed for this study all agree that while the recession has clearly had an impact on growth, the local economy in the National Park has been reasonably resilient based on its diversity, ability to adapt and business longevity. In summary, the key points highlighted by the main economic studies (SQW, Hardisty Jones, SERIO, Cumulus & ITC and DCC) in this respect were:

- Although Dartmoor's local economy has been affected by recession, overall there has been little net change in job numbers.
- There was very low GVA and productivity growth for five years after the 2008 recession, and business numbers also declined slightly in this period.
- Since then there has been a degree of recovery, with GVA, business numbers and numbers of employees all increasing toward pre-recession levels.
- The growth in the number of enterprises has been slower than the regional and national levels. The structure of micro businesses and micro firms is largely typical of Devon.
- Nonetheless, growth projections to 2036 forecasts are optimistic and reflect the positive growth rates experienced in the last few years.
- Sectors with the largest current GVA are tourism (including accommodation, food & beverage and recreation), construction, education and IT services,
- The available GVA projections indicate that the strongest growth is forecast for the construction, professional services and food & beverage sectors.
- Nearly a fifth of the workforce are involved in tourism; either accommodation and/or food & beverage services. Other major sources of jobs are education, construction and wholesale.
- The proportion of economically active residents is similar to national levels, while the rate of unemployment is lower than England overall.
- Amongst the employed residents there is very high instance of self-employed working. Out-commuting is a significant feature of Dartmoor's local economy.
- The age profile of the local population is markedly older than nationally, with a current average age of over 50. Population forecasts indicate that the size of the working age population will decrease markedly in the next 20 years.

2.1.4 Hardisty Jones conclude their 2017 report by stating:

> *"Dartmoor National Park has a relatively stable economy. It has seen a lower growth in population than the rest of the HMA, and economic activity rates are on a par with the rest of Greater Exeter. Economic aspirations are centred on supporting appropriate economic growth rooted in the quality of landscape and place, increasing productivity through the development of National Park productivity network and rural enterprise zone, increasing international tourism, and further developing a strong food and drink offer.*
>
> *"Growth of 1,710 net additional jobs is forecast in Dartmoor over the 25-year period. This equates to approximately 70 jobs per annum. This equates to around 17% growth over the entire period. Forecast growth in Dartmoor National Park will require approximately 5 ha of new employment land in total over the period to 2040."*

2.1.5 While this forecast growth is positive and in line with the projections made in the other reviewed reports, it is important to recognise that they are all based on national and regional forecasts for economic growth. Unfortunately, these wider forecasts do not take into account local issues which will impede growth – which in the case of Dartmoor is the age profile of its resident population. ONS projections indicate that the number of working age people (16-64 years) living on Dartmoor will *decrease* by between 2,000 – 2,500 within the next 20 years.

2.1.6 This issue is of great significance when considering the types of plans and support that should be put in place for businesses and the local economy. The impact of a decrease of between one fifth to one quarter in the size of the workforce will be extensive labour and skills shortages, making it extremely difficult for many local businesses to continue operating at their current levels and preventing others seeking to develop and grow.

2.1.7 Furthermore, such a changed profile in the age of the resident population, with over a third being of retirement age or older, is likely to result in a change in the types of businesses which are in demand – specifically, resulting in an increase in demand for services such as adult social and residential care, either in homes or on a domiciliary basis and corresponding decreases in demand for services commonly sought by younger and middle-aged people.

2.1.8 The following topic paper is divided into four further main sections examining each of these issues in detail. The first two cover Dartmoor's business base and the workforce respectively, while the third explores the tourism sector and associated issues in more depth because of its significance to the local economy. The fourth section summarises the planning issues being faced by Dartmoor in the context of the forecast economic growth and puts forward recommendations for policy for addressing these issues. It also discusses the key issue of future workforce availability.

2.1.9 The first section on **Dartmoor's business base** examines the businesses in terms of their size and sector, before assessing the current estimates of GVA and future forecasts for growth. The businesses' attitudes toward staffing and recruitment, business development and business premises are then explored, before some summary concluding comments on the business base are made.

2.1.10 The second section examines **Dartmoor's labour force** focusing on population numbers and demographic profile, with an assessment of the impact of changes in the profile on the working age population over the next 20 years. The section then describes economic activity rates (including self-employment, part/full time and homeworking), employment by sector, future job forecasts, plus the skills and qualifications and earnings of the workforce.

2.1.11 The third section examines the available data and reports on **Dartmoor's tourism and leisure sector,** assessing its current significance and future projections for its growth and development. The section then explores the key issues being faced by businesses and how these relate to local planning policy.

2.1.12 The fourth section summarises the key issues being faced in growing the economy while minimising the impact on Dartmoor's resources and natural environment, then describes the possible actions and draft recommendations for policy for addressing these issues.

2.1.13 The topic paper continues below with a summary of Dartmoor's current spatial strategy and the key issues arising in relation to economic development in the National Park.

2.2 Dartmoor's Spatial Strategy and Key Issues

2.2.1 The National Planning Policy Framework (NPPF) states that: "the purpose of the planning system is to contribute to the achievement of sustainable development" and "the development plan must include strategic policies to address each local planning authority's priorities for the development and use of land in its area".

2.2.2 The NPPF goes on to make some specific points of relevance to economic development: "Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development". Also "planning policies and decisions should ensure that new development can be integrated effectively with existing businesses and community facilities (such as places of worship, pubs, music venues and sports clubs)". The spatial dimension of a local plan is fundamental to good planning and some policies should not be applied park-wide. For example, business development may be more appropriate where it is best connected with the resources it needs and the market it supplies. The role of the local plan is therefore to avoid development in places where it would cause harm to the National Park, and direct it to places where there are the best opportunities for sustainable living.

2.2.3 Within this context, Dartmoor's current policy and plan has allowed these business developments:

- Within and adjoining Local Centres: new employment sites and the expansion of existing employment sites.
- In Rural Settlements: the expansion of existing employment sites and support for small-scale office, light industrial, service and creative industries.
- In the Open Countryside: small-scale expansion of existing businesses, sustainable tourism & small-scale recreation enterprises, farm diversification, agricultural & forestry development.

2.2.4 The policy is now being reviewed with these statements and questions being asked for each theme:

Economic growth

Economic modelling forecasts growth in accommodation and food services, business services and construction sectors. Declines are forecast in manufacturing. The nature of employment development, its scale, functional design and that it often needs to be built cheaply, means it can conflict with the Special Qualities of Dartmoor. Key questions are:

- Has the current local plan provided opportunities for the economic development desired?
- How do we balance the need for growth with the need to conserve and enhance?

Settlement strategy

Current policy allows:

- Within and adjoining Local Centres: new employment sites and expansion of existing employment sites
- In Rural Settlements: expansion of existing employment sites and support for small-scale office, light industrial, service and creative industries
- In the Open Countryside: small-scale expansion of existing businesses, sustainable tourism & small-scale recreation enterprises, farm diversification, agricultural/forestry development

Where do we want to see new employment development in relation to the settlement strategy: Local Centres, Rural Settlements, and Villages and Hamlets? The key questions (and associated statements) are:

- Has this approach provided enough opportunities through the life of the last local plan?
- Has this approach made it difficult to approve employment development wished for?
- How can the new settlement strategy provide more opportunities?
- There is an opportunity to allow employment development to occur within and adjoining Local Centres and Rural Settlements. In Villages and Hamlets economic development would be the same as it is currently for Rural Settlements.
- What employment opportunities do we want to allow in the open countryside?
  - Rural enterprises with an essential need to be located in the Open Countryside
  - Recreational enterprises which preserve the Special Qualities of the National Park
  - Small-scale expansion of employment sites

Type of provision

Communities are still asking for small, affordable and flexible employment space (e.g. Duchy Square, Princetown). There is hope that improved broadband infrastructure will encourage footloose businesses to locate in Dartmoor. Improved internet infrastructure will also encourage home working. The key questions (and associated statements) are:

- What type of employment development is most likely to attract the businesses we want?
- How can we deliver affordable employment space the market won't deliver?
- Flexibility to allow new build live-work units within settlements and on employment sites might work to attract new start-up businesses

Availability of workforce
The poor availability of labour is a recurring issue for many service and tourism enterprises needing minimum wage workers. There are currently no opportunities for development of new non-rural worker accommodation outside settlements. The key questions (and associated statements) are:

- There is an opportunity for creation of staff accommodation associated with significant service/tourist businesses in the open countryside, such as hotels, hostels and guesthouses.
- What type of businesses would we want to include in a more flexible policy?
- Affordable housing delivery can also help worker availability
- Are there other ways we can support worker availability in our communities?

Barn conversions in the open countryside
The stock of redundant traditional agricultural buildings can provide an important supply of affordable employment space throughout Dartmoor. Permitted Development rights now allow conversion of redundant <u>traditional and modern</u> agricultural buildings to a range of flexible commercial uses, including shops, restaurants, offices, light industrial, hotels or leisure, up to 500m^2. Conversion to holiday lets and residential use requires planning permission and is often the most viable option. The key questions (and associated statements) are:

- How should the local plan respond to the change in Permitted Development rights?
- The local plan can seek to ensure barn conversions are used for employment uses, to ensure the potential employment stock is protected
- The local plan will seek to continue to resist conversion of modern buildings of no heritage or architectural significance on the basis there is no justification for their preservation.

2.2.5 It is also worth noting that the Vision and Settlement Strategy Topic Paper 4 describes a vision for Dartmoor as "an inspirational place where, in 2034"… local communities and businesses prosper and benefit from Dartmoor's human and natural resources..." that has the duty to: "seek to foster the economic and social well-being of local communities within the National Park."

2.2.6 The following sections present the available data and information on local businesses, the profile of the population and the labour force to help inform the discussion around the questions described above. Specifically, the sections aim to address several of the overarching issues by assessing the evidence in terms of:

- Whether the new local plan should continue to focus on expanding existing business sites or give more opportunities for new business to locate in the National Park.
- Where any new employment development should be located in relation to the settlement strategy: Local Centres, Rural Settlements, and Villages and Hamlets?

2.2.7 The final section of the topic paper outlines the resulting conclusions and possible recommendations for planning policy that could be used to address the issues described as much as planning policy is able - it should be acknowledged that the planning system is one of many ways to influence the economy.

3 Dartmoor's Business Base

3.1 Dartmoor Businesses – size and sector profile

3.1.1 ONS data indicates that there were 2,170 VAT and/or PAYE registered businesses operating on Dartmoor in 2016 (that is, not including businesses below the VAT threshold or not registered for PAYE. It is worth emphasising that because of this many micro and sole trader enterprises will not be included in the total – the actual figure is believed to be about one third higher). These 2,170 businesses operated from 2,320 establishments – i.e. some operated from more than one site.

3.1.2 The great majority of the businesses registered were micro with between 0-9 employees (91%) and only 25 had more than 50 employees (1%). (Among this larger group, key businesses include Her Majesty's Prison in Princetown, South Dartmoor Academy in Ashburton and Bovey Castle in North Bovey). 190 (9%) had between 10 and 50 employees. ONS data from 2012 shows that the number of businesses and the number of establishments had increased by 105 (+5%) and 90 (+4%) over this period respectively. Table 2.1 below contains the details.

Table 2.1: Businesses and Establishments in Dartmoor National Park by Size, 2016 (compared with 2012)

Businesses	Dartmoor National Park		Change 2012 - 2016	% Change 2012 - 2016
0-9 employees	1,975	91%	+75	+4%
10-49 employees	170	8%	+25	+17%
50-249 employees	20	1%	+5	+25%
250+ employees	5	*%	0	0%
Total	**2,170**	**100%**	**+105**	**+5%**
Establishments (Local units)				
0-9 employees	2,065	89%	+65	+3%
10-49 employees	230	10%	+25	+12%
50-249 employees	25	1%	+5	+25%
250+ employees	0	0%	-5	-100%
Total	**2,320**	**100%**	**+90**	**+4%**

Source ONS 2016, IDBR

3.1.3 In terms of industrial sector, the ONS data shows that the largest number of businesses were found in agriculture, forestry & fishing (30%), professional, scientific and technical (13%), construction (8%) and accommodation & food services (7%). However, in terms of employment, the largest numbers of jobs were found in accommodation & food services

(18%), education (17%) and agriculture, forestry & fishing (13%). Table 2.2 below contains the details.

Table 2.2: Businesses and Employment in Dartmoor National Park by Sector, 2016

Sector	Nos. of businesses	% of businesses	Nos. of employment	% of employment
Agriculture, forestry & fishing	650	30%	1554	13%
Production	105	5%	690	6%
Construction	180	8%	649	6%
Motor trades	45	2%	149	1%
Wholesale	45	2%	254	2%
Retail	110	5%	753	6%
Transport & storage	35	2%	213	2%
Accommodation & food services	150	7%	2098	18%
Information & communication	90	4%	379	3%
Finance & insurance	25	1%	39	*%
Property	70	3%	226	2%
Professional, scientific & technical	280	13%	578	5%
Business admin & support services	125	6%	811	7%
Public admin & defence	20	1%	30	*%
Education	35	2%	2004	17%
Health	75	3%	778	7%
Arts, entertainment, recreation, et.	125	6%	536	5%
Total	**2,170**	**100%**	**11,741**[1]	**100%**

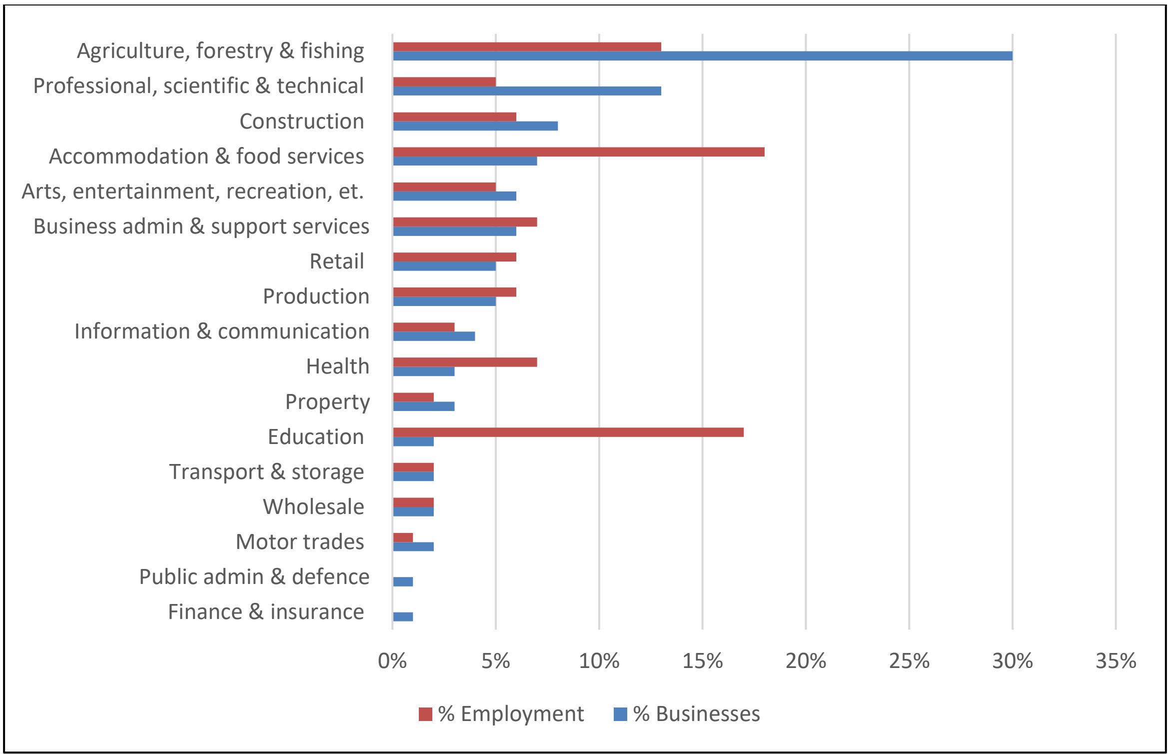
Source ONS 2016, IDBR

3.1.4 Figure 2.1 below illustrates this difference between sectors with a high number of businesses, and those with a high level of employment, highlighting the larger number of jobs found in the accommodation & services and education sectors compared with the "smaller" (in terms of nos. of jobs) businesses in the agriculture, forestry & fishing and the

[1] N.B. 11,741 is the total employment number (i.e. jobs). These jobs are held by 9,741 employees (i.e. some have more than one job).

professional, scientific and technical sectors. It also shows the range and diversity of economic activity across the National Park.

Figure 2.1: Businesses and Employment in Dartmoor National Park by Sector (%), 2016



Source ONS 2016, IDBR

3.1.5 It is also worth noting that the ONS data shows that the increase in the number of businesses on Dartmoor between 2012 and 2016 has resulted in a marked increase in the number of jobs. The 2016 figure of 11,741 jobs represents a c.20% increase on the comparable figure of 9,656 for 2012, following on from an increase of c.8% between 2009 and 2012.

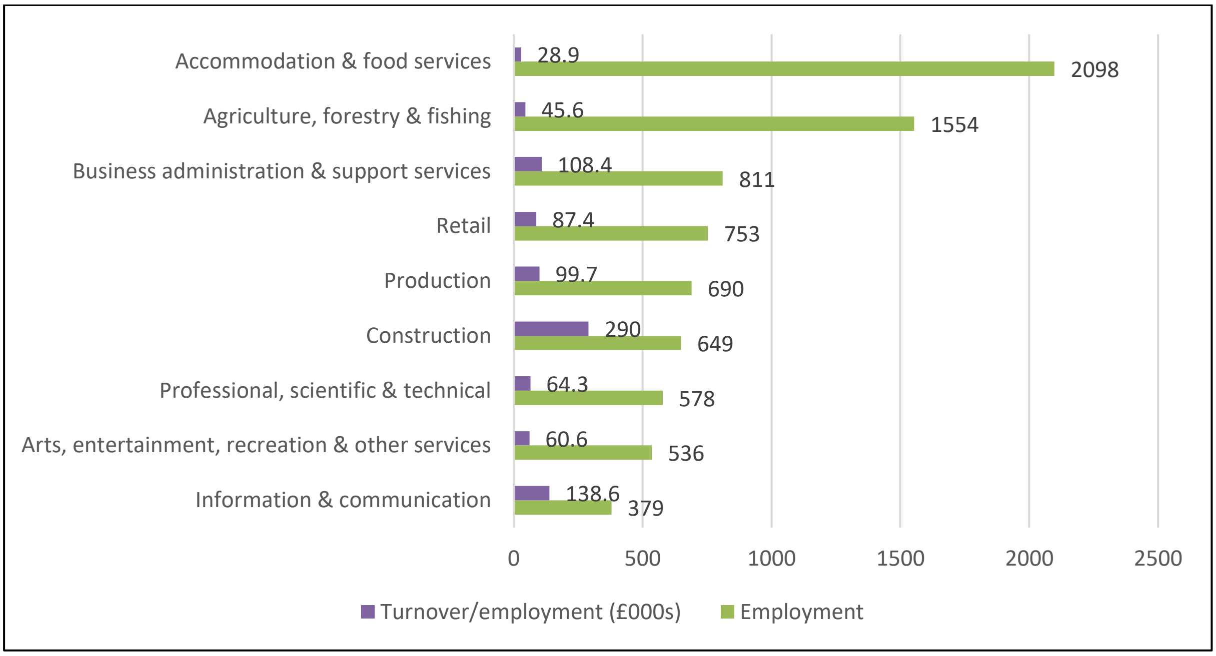
3.1.6 The fact that these increases in jobs are proportionately greater than the increases in number of businesses indicates that the average business size is increasing – however, businesses on the National Park still remain comparatively small on average with just over 5 jobs each. There are though wide variations in average size between sectors. Contrasting sectors include:

- The education sector having an average of over 50 jobs per business (i.e. schools);
- The accommodation, food service and leisure sector averaging 14 jobs per business;
- The retail sector and the business admin and support sector both averaging around 7 jobs per business; while
- The agriculture, forestry and fishing sector and the professional, scientific and technical sector both average around 2 jobs per business.

3.1.7 The Devon County Council (DCC) Local Economic Profile reports that, unfortunately, “there is no data available for business survival rates in Dartmoor, and given the limited spread across Devon districts, the Devon figure of 64% after three years would be applicable, reflecting resilient businesses or lifestyle firms which traditionally employ fewer people and many on a part time basis." Indeed there is evidence that the average length of business survival on Dartmoor is longer than elsewhere.[2]

3.1.8 As well as the wide variations in average number of jobs per business sector noted above, there are also variations in turnover between sectors, and correspondingly variations in average turnover per jobs. Figure 2.2 below illustrates this, showing that several of the sectors with the largest number of jobs, such as accommodation, agriculture, retail, etc. are those with the *lowest* average turnover per head of employee. The three sectors with the highest average turnover, construction, business admin and ICT, only account for c.15% of jobs, yet account for c.40% of all turnover.

Figure 2.2: Employment and Turnover (£000s) by Employment in Dartmoor National Park by Sector, 2016



Source ONS 2016, IDBR

3.1.9 Of course, turnover is directly linked to GVA, the measure of productivity. The finding reported above is, not surprisingly, replicated when we assess the available GVA figures. Unfortunately, these are only available for the largest sectors. Nonetheless, they show that three of the largest sectors in terms of GVA on the National Park – construction, wholesale and ICT only account for c.11% of employment, yet account for double this in terms of all GVA (c.22%). The following section provides full details on the available GVA estimates for all the key business sectors on the National Park.

3.2 Dartmoor Businesses - GVA (Gross Value Added)

3.2.1 Gross Value Added (GVA) represents the total value generated by all the producer units within a particular sector, local area or region. It is used a means of comparing the economic contributions of different sectors, areas or regions to the economy as a whole. However, the data used to calculate GVA is not regularly available for smaller geographic areas, and there are no up-to-date GVA estimates for the National Parks. However, GVA

[2] Devon Renaissance Survey of Dartmoor businesses: 2014: *"As has been found in previous surveys, the proportion of businesses that have been established for more than 10 years was considerably higher than the national average, particularly on Dartmoor."*

can be estimated using different assumptions about GVA per business, per worker or per £1 of output, based on relevant data at the national and county level.

3.2.2 Devon County Council's latest Local Economic Profile for Dartmoor, based on an average GVA per worker employed within the National Park states that:

> *"Total Gross Value Added (GVA) in Dartmoor is estimated at £433m in 2016[3]. It is difficult to chart accurately GVA over time, however there has been growth across the county over the last few years so this is likely to be reflected in Dartmoor. Dartmoor contributes almost 3% to Devon's overall output, though its visitor attraction is a fundamental driver of tourism across the county generating further output in neighbouring areas…Estimated output per head in Dartmoor is £13,140, below the HotSW average at £19,988 and lower than the national averages at £25,601."*

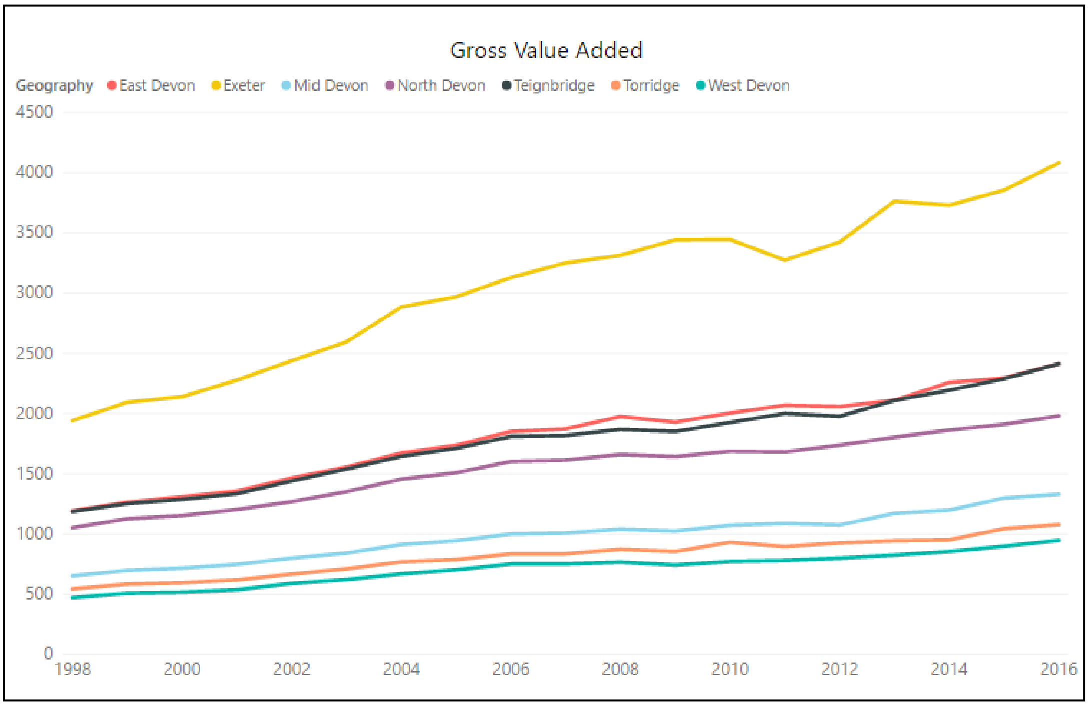
3.2.3 The report *Valuing England's National Parks* calculated that Dartmoor's GVA (based on the same employment calculation method) back in 2012 was £339 million. However, the report's authors have recently issued an update, using a slightly different method showing the 2016 figure as £459 million, a very similar figure to the DCC estimate of £433m.

3.2.4 Figure 2.3 below illustrates the growth in GVA over the 20 years 1997 – 2016 for Devon's districts. Devon's GVA was £16.9 billion in 2016 measured in current prices, of which

[3] This figure was calculated by multiplying the number of jobs on Dartmoor by the average GVA figure/job for Devon

Dartmoor contributes c.3% of the total. Devon's total GVA has increased by 79% since 2001.

Figure 2.3: Total GVA (£m) Devon Districts 1997 - 2016, ONS



Source: DCC Dartmoor Local Economic Profile 2018

3.2.5 It is also worth placing the Dartmoor GVA figure in the context of the four districts of Exeter, East Devon, Teignbridge and Mid Devon which together with Dartmoor make up the Greater Exeter Functional Economic Market Area (FEMA). Hardisty Jones state that:

"Exeter is the most significant economic driver…generating the most GVA of all of the Greater Exeter districts (£3.7 billion of a combined £7.9 billion for Greater Exeter). East Devon and Teignbridge both generate about half the level of Exeter. Mid Devon generates about half of this value, or one-quarter of the Exeter GVA."

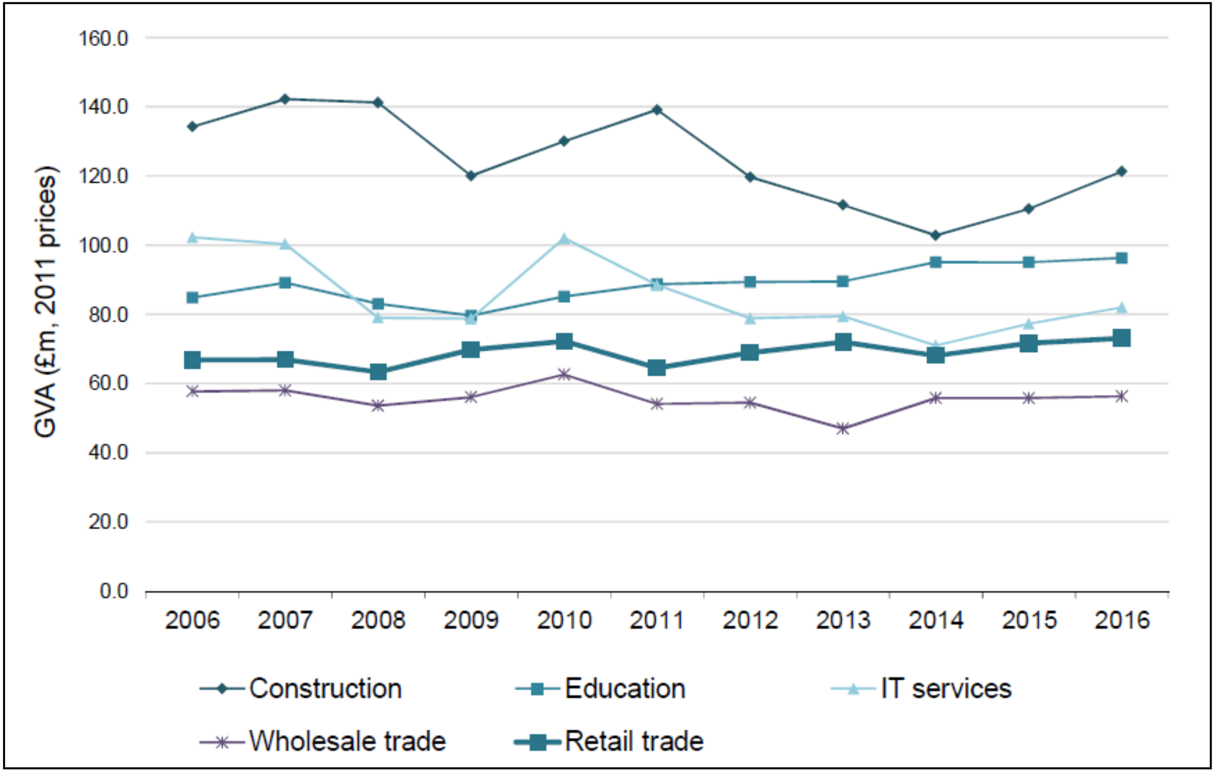
3.2.6 In terms of GVA per hour, DCC's Local Economic Profile for Dartmoor, states that:

"The average productivity in Devon is £26.8 per hour, 17.7% below the national average. Given the higher incidence of lower productive industries in Dartmoor, and the prevalence of lifestyle businesses it is likely that productivity is lower across the national park than it is at the county average."

3.2.7 The SQW report also estimated GVA for Dartmoor using a different approach (modelling downwards to ward level rather, than the DCC and ONS approach of taking an average per employee and multiplying "upwards"), producing a much higher figure. While their figure is likely to be an overestimate, because it does not sufficiently account for the proportion of lower GVA sectors in the Dartmoor economy, they do provide a useful figure showing changes in GVA for the five largest sectors on Dartmoor between 2006 and 2016.

3.2.8 Figure 2.4 below contains the details and shows that education, wholesale and retail have been relatively stable over the period, given the recession. The other sectors have been less stable: although construction remains the largest, it has experienced some very significant fluctuations and the 2016 figure is c.20% lower than a decade before, while IT has followed a similar pattern.

Figure 2.4: Historic GVA of largest five sectors on Dartmoor (2006 – 2016)



Source: SQW LEFM forecasts 2016

3.2.9 In terms of current overall GVA, DCC's Local Economic Profile for Dartmoor, states that: *"Devon's Economy is performing poorly in terms of productivity."* It goes on to note that Devon's GVA is rising more quickly than the national rate and that Exeter's GVA is the biggest of Devon's district-level economies. However, Devon's GVA per head was lower than the national average across all districts – with this being particularly evident for Dartmoor[4] – and data for GVA per filled job and GVA per hour worked suggests that productivity across Devon is low by national standards.

3.2.10 Furthermore, for Dartmoor the profile notes that: "Estimated output per head in Dartmoor is £13,140, below the HotSW average at £19,988 and lower than the national averages at £25,601. However, the large population compared to employment volume results in this low number as outward commuting is a key consideration. The national output gap is increasing in Devon making nearly all residents worse off and less productive".

3.3 Dartmoor Businesses - GVA Forecasts

3.3.1 Turning to forecast economic growth, SQW report that for Dartmoor from 2016 *"over the next 20 years, GVA is projected to increase by 54%".* Based on the Cambridge Economics LEFM model, SQW provide detail on the increases that are forecast for each of the five

[4] DCC note that West Devon had the lowest total GVA in 2016. West Devon has the smallest total population among the eight districts. West Devon is also largely rural and a large proportion of Dartmoor National Park falls within its boundary.

largest industrial sectors on Dartmoor up to 2036, as described below and as illustrated in figure 2.5:

- Construction: increasing from 10% to 13% of total GVA;
- IT services: increasing from 8% to 9% of total GVA;
- Education: increasing from 7% to 8% of total GVA;
- Retail: increasing from 6% to 7% of total GVA; and
- Residential & Social care: increasing from 3% to 6% of total GVA.

Figure 2.5: comparison of top five industries on Dartmoor by GVA output (2016 – 2036)

2016			2036		
Industry	*Number of jobs (000s)*	*% total employment*	*Industry*	*Number of jobs (000s)*	*% total employment*
Construction	3.2	9%	Construction	4.9	12%
Retail trade	2.7	8%	Residential & social	3.2	8%
Residential & social	2.6	7%	Retail trade	3.2	8%
Education	2.6	7%	Education	2.9	7%
Business support services	2.2	6%	Food & beverage services	2.8	7%

Source: LEFM (2016)

Source: SQW LEFM forecasts 2016

3.3.2 SQW also note that:
"Overall the largest sectors (according to GVA output) and their share of Dartmoor's total GVA output is projected to remain fairly similar over the next twenty years, although the actual amount of GVA for each industry will change through time. Construction, Education and IT Services are persistently the top three industries. The most striking element is the presence (of) Residential & Social care in the top five for 2036; this industry is projected to experience 224% growth in GVA over the next twenty years."

3.3.3 It is worth reiterating the point about the residential and social care sector: with approaching one third of Dartmoor's population soon to be of retirement age, it is actually no surprise to find that the sector that will provide them with support and care in their old age is forecast for major growth.

3.3.4 Furthermore, it should be emphasised that in terms of GVA growth, the projections are based on different forecast patterns of growth across sectors – i.e. some sectors may grow in GVA output without a significant workforce increase, whereas other sectors may be more workforce dependent for GVA growth. While businesses in all sectors can grow GVA, the rate at which some can grow is less dependent upon their workforce size than others, because their workforce costs (i.e. wages) are more elastic than others. That is, a key component of the GVA calculation is the multiple of workforce numbers and average wage. As noted, many of the National Park's key forecast growth sectors – construction, accommodation, social care, etc. – are those which are associated with minimum wages and are therefore likely to be mainly dependent upon increases in their workforce for GVA growth.

3.4 Dartmoor Businesses' Attitudes

3.4.1 The Devon Renaissance survey of 365 businesses in South Hams, West Devon and Teignbridge was conducted online in 2014. It collected data on business demographics, developing new ideas, products & services, business planning, current premises and future needs. 82 of the businesses were in Dartmoor National Park and the key issues they highlighted of relevance for this study were;

- ***Staffing and recruitment***
  - Almost half of the businesses trying to recruit additional staff in the past 12 months had experienced difficulties doing so, with the most frequent issue being insufficient applicants for posts, particularly for the *accommodation and food service* sector.
  - Within Dartmoor, all of the *accommodation and food service* businesses who had tried to recruit staff reported that they received insufficient applicants.
  - Various reasons were identified for this, including inadequate public transport, inaccessibility, lack of affordable housing, perception of poor career prospects and difficulties attracting employees away from the urban areas.
  - There was also a notable issue on Dartmoor where 71% of recruiting businesses found it difficult to meet wage demands.
  - The most significant impact of these issues was that they restricted business growth opportunities, particularly for businesses in Teignbridge and for micro-businesses

- ***Business development***
  - Across the area 69% of businesses were interested in either moderate or rapid / substantial growth over the next 3 years – on Dartmoor this figure was lower at c.53%.
  - The main constraints that held businesses back were identified as poor public transport links and inadequate mobile coverage.
  - There were specific wards within the area for whom mobile and broadband coverage remained an issue.
  - Access to finance for capital investment was still an issue for 38% of businesses.
  - This was a further significant issue for the Dartmoor businesses, for 36% of whom distance from market was a significant constraint.

- ***Business premises***
  - Almost one third of businesses were interested in changing their existing premises or building / finding new premises. For the majority, this would enable them to expand.
  - Within Dartmoor National Park, the greatest demand was for industrial premises of all sizes, followed by larger land-based premises. There was also some demand for smaller offices in the area.
  - In selecting new premises, businesses placed a higher importance on features that could have an impact on the profitability of their business such as cost.
  - Other important factors were those that may impact on the practical side of running a business such as access to broadband, the availability of parking and services.

3.4.2 In relation to developing and growing their businesses, the report concluded that while many had been proactive in carrying out improvements to enhance their business in the past three years, such as developing a web presence or making premises changes, one third of businesses had not implemented developments as planned. The main constraints that held them back were identified as poor public transport links, inadequate mobile coverage, access to finance and distance from market. Recruiting new or replacement staff was also an increasingly significant issue for Dartmoor businesses, particularly those operating in accommodation and food services.

3.5 Dartmoor Businesses: Summary concluding comments

3.5.1 The economic reports reviewed for this study identified various main findings about the business base in Dartmoor National Park. These are summarised in the bullet points below followed by discussion of some of the key issues raised in relation to the Spatial Strategy. (These issues and the remaining ones such as workforce availability are elaborated on further in the subsequent sections):

- The local economy of Dartmoor National Park is diverse, supporting a wide range of businesses and employment types;
- However, the importance of the tourism industry; accounting for nearly 20% of jobs (from accommodation, food & beverage services and recreation) should not be underestimated;
- Other large sources of employment include agriculture, forestry & fishing, education, construction and wholesale.
- The majority of businesses are micro with less than 10 employees and the growth in business numbers has been slower than regional and national levels since the recession.
- The last ten years has been affected by recession, and overall, there is little net change in the numbers of people in employment.
- However, employment projections indicate growth over the next twenty years particularly in the construction, business services and food & beverage sector.
- Reflecting their sectoral make-up, Dartmoor businesses have low levels of GVA and productivity and growth in these areas was low for five years after the 2008 recession.
- GVA forecasts to 2036 however are more optimistic particularly in the Construction, Education, IT services and residential & social care sectors.

Economic growth

The forecasts indicate growth in employment in the accommodation and food services, business services and construction sectors with declines in jobs in manufacturing. Employment numbers have been broadly static since the recession and business numbers have declined slightly. These trends broadly reflect regional and national trends for the existing business sectors on Dartmoor, and hence do not indicate that the current local plan has overall either positively or negatively impacted on opportunities for economic development over the period.

Settlement strategy

One of the main questions in relation to current policy is whether employment development should be allowed to occur within and adjoining Local Centres and Rural Settlements. Given projected growth in employment in accommodation and food services, business services and construction ***and crucially*** residential and social care – all services that need to be close to Local Centres and Rural Settlements – the evidence indicates that the Local Plan should provide opportunities for development in these locations.

3.5.2 A second question is what employment opportunities should be allowed in the open countryside. Three possible scenarios were put forward (rural enterprises with an essential need to be located in the Open Countryside, recreational enterprises which preserve the special qualities of the National Park and small-scale expansion of employment sites) which given the diverse nature of the business base and the forecast growth will each need to be allowed.

Type of provision and barn conversions in open countryside
DNPA report that "communities are still asking for small, affordable and flexible employment space." The business attitudes survey and the forecast employment growth endorse this need. The most suitable provision would be that for business services, combined with flats-above shops within settlements and on employment sites, as this would help to attract new start-up businesses, enable expansion and provide accommodation for the workforce. Similarly, allowing the conversion of barns in the open countryside to employment use would help improve the supply of affordable employment space throughout Dartmoor.

4 Dartmoor's Population and Labour Force

4.1 Population and demography

4.1.1 Dartmoor National Park's population, based on 2011 Census data, is 33,596. The eight key Local Centres are Chagford, South Brent, Princetown, Buckfastleigh, Ashburton, Yelverton, Horrabridge and Moretonhampstead though residents are spread across the whole National Park, many in isolated locations. Population growth in the area was lower than that seen in Devon or England over the inter-Census period from 2001 to 2011. Latest ONS estimates put the population at 33,942.

4.1.2 Table 1 below show that the age structure of residents living in the National Park is broadly similar to those in surrounding districts and across Devon. However, the data[5] show that the proportion of people in the 25 - 44 age range in Dartmoor is slightly lower than both the regional and national figures, while the proportions in the 45-65 and 65+ age ranges are higher.

Table 1: Age structure of resident population in Dartmoor National Park

Area	Resident population	Ages 25-44 (% usual pop)	Ages 45-65 (% usual pop)	Age 65 and over
Dartmoor (narrow)	30,984	20%	33%	23%
South Hams	83,140	19%	32%	24%
North Devon	93,667	22%	28%	22%
Devon	746,399	22%	28%	23%
South West	5,288,935	25%	27%	20%
England	53,012,456	28%	25%	16%

Source: SQW report from 2011 Census

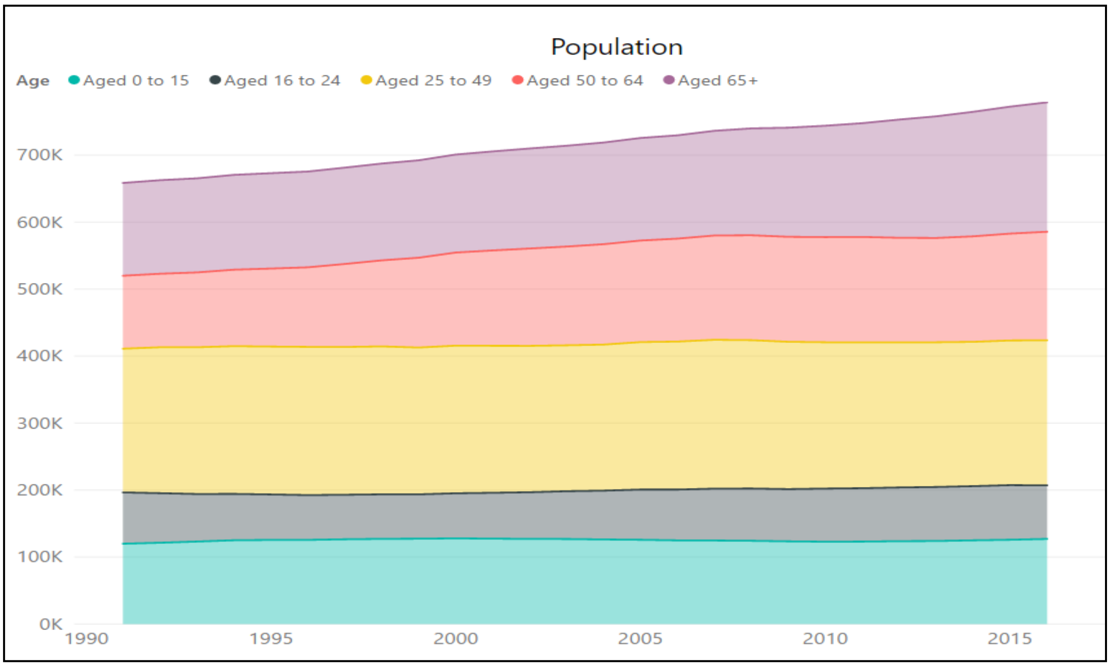
4.1.3 Devon County Council's latest Local Economic Profile contains figure 1 below and states that:

> *"Driven by both internal migration and birth rate the population of Devon is increasing with a predicted age bubble already weighting the population towards the over 65s. The population increased by 15.3% in the twenty years between 1996 and*

[5] N.B. The data is based on a "narrow" geographic definition of Dartmoor - twelve wards that have 40% or more of their residential addresses within the National Park area, which is why the population total is 30,984 rather than 33,596.

2016 with much of this expansion in the over 65 category which increased by 35% over the same period".

Figure 1: Devon Population Growth 1991-2016



Source: DCC Dartmoor Local Economic Profile 2018 from ONS data

4.1.4 Indeed, the over 60s population in Dartmoor grew by 31% between 2001 and 2011 and given the aging picture across the districts which encompass Dartmoor, it is evident that the population living in the National Park is aging. Although this age structure is not unusual for Devon, the local figures for Dartmoor are of particular significance when considering their longer-term impact on the size of the workforce.

4.1.5 This can be seen clearly when looking at the ONS population projections[6] for the three main local authority areas encompassing Dartmoor[7]. Figure 2 below indicates that by 2028, around one third (c.33%) of the resident population will be aged 65+ (compared with only 21% across England). On this basis, it is likely that only around half (c.51%) of the National Park's population will be of working age between 16-64 years, compared with 62% of the resident population across England as a whole.

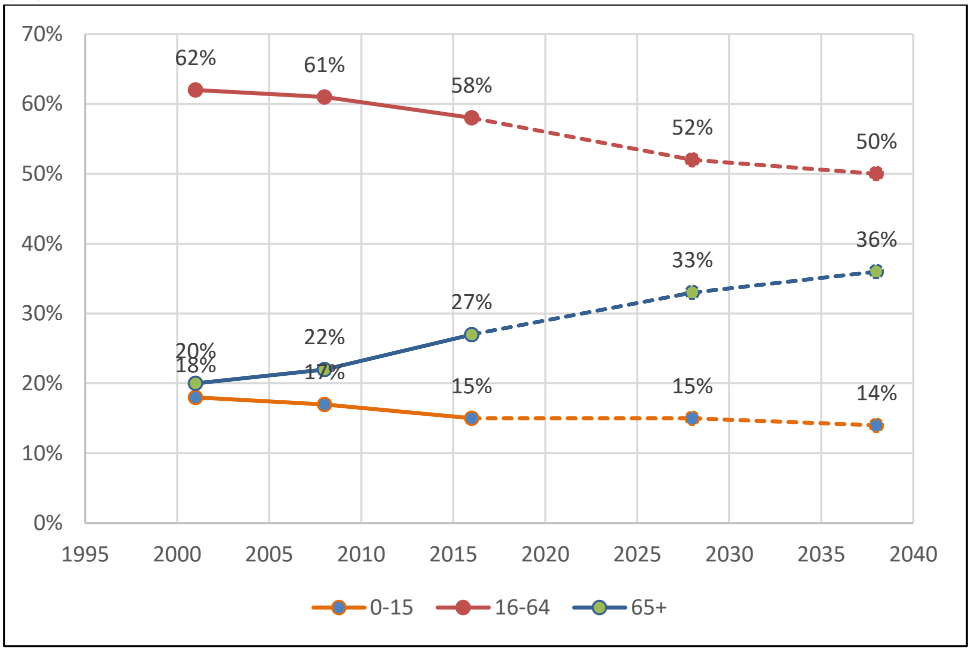
4.1.6 The projections indicate that this aging trend will continue over the following decade with over one third (c.36%) of the resident population being aged 65+ by 2038 (compared with

[6] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/2014basednationalpopulationprojectionstableofcontents

[7] West Devon, Teignbridge and South Hams.

only 24% across England). The proportion of the population of working age (16-64 years) will be at c.50% compared with c.60% across England as a whole.

Figure 2: Forecast Population Profile to 2038 for Dartmoor based on three Local Authorities (%)



Sources: ONS Population 2016 data (2001-2016)/ Transform Research estimates based on ONS population forecasts 2016-2038 for West Devon, Teignbridge and South Hams re-profiled for Dartmoor

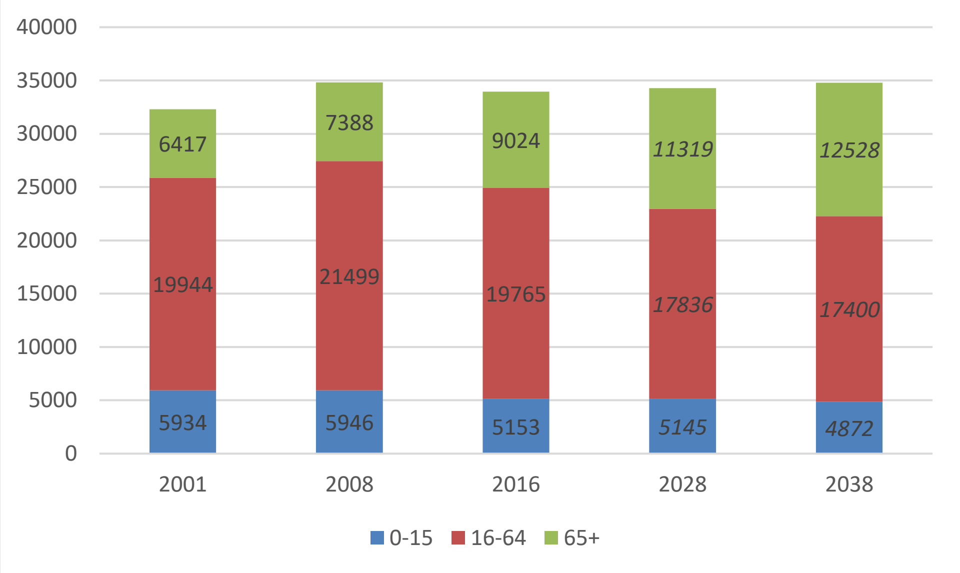
4.1.7 Figure 3 below translates these percentage projections into estimates of the absolute numbers of people in each of the three age bands: 0-15, 16-64 and 65+ living in Dartmoor National Park. The forecast changing demographic profile indicates that, on the basis that the overall resident population within the National Park will increase very slightly (c.860 people or +2.5%) over this time frame, the number of people who are resident in the National Park ***and*** who are of working age could decrease by between c.2,000 to 2,500. The numbers aged 15 and under will also decline by c.1,000. Conversely the number of people living in the National Park aged 65+ will increase markedly by over 3,000 by 2038.

4.1.8 Our estimates are consistent with those made by Edge Analytics in their report *Dartmoor National Park: Demographic Forecasts* (October 2016). Edge produced three scenarios of population projections for the National Park up to 2035 which were:

- Dwelling-led 80+ scenario: 36% population aged 65+ by 2035 (overall pop increase = 1,838)
- SNPP-2014 scenario: 39% population aged 65+ by 2035 (overall pop increase = 756)
- PG Short-term scenario: 40% population aged 65+ by 2035 (overall pop increase = 422)

4.1.9 Edge also produced an Old Age Dependency Ratio = (Population aged 65+ / Population aged 15–64) for each of the three scenarios. These all showed a significant increase between 2015 and 2035 and were 71 (+26), 79.8 (+35) and 85 (+41) respectively – indicating very high levels of dependency.

Figure 3: Forecast Population Profile to 2038 for Dartmoor based on three Local Authorities (nos)



Sources: ONS Population 2016 data (2001-2016)/ Transform Research estimates based on ONS population forecasts 2016-2038 for West Devon, Teignbridge and South Hams re-profiled for Dartmoor

4.1.10 If the forecast demographic changes shown in figure 3 were borne out, our findings indicate this would equate to a decline of over one in five in the size of the current working age population, i.e. between 2,000-2,500 workers depending upon overall population growth. In the context of the predicted forecast growth in business GVA of +54% and employment of +c.1,700 jobs for Dartmoor to 2038 (c.f. section 2.1.1 and 2.2.4 below), this is a highly significant finding. The key points arising from this are:

- *If the total workforce within the Dartmoor National Park area is to remain either at the same size as currently or to grow over this time period, a combination of the following will need to happen:*
  - *The proportion of the working age population living in the National Park who are economically active (either employed or in self-employment) will need to increase from its already high level*[8]*;*
  - *Those who have reached 65 and who both are living and working in the National Park will need to continue working beyond their "natural" retirement age; and/or*
  - *More workers will need to come in from areas outside the National Park, i.e. to commute in from the LA areas that surround it, to replace those who have left it;*
- *If this last process proves to be the main means of "replacement", the current overall pattern of out-commuting from the National Park (see section xx below which indicates a current net out-commute of c.2,000 workers) is likely to be markedly changed and may well be actually reversed unless a significant proportion of the replacement workers can be attracted to live within the National Park; and*
- *Businesses based on Dartmoor will find it increasingly difficult to attract sufficient numbers of employees because of the increased competition for those still of working age living within the National Park and the issues associated with commuting in, such as the lack of*

[8] The percentage of those aged 16-74 who are economically active is 70%, with unemployment at only 2.6%.

public transport, cost of vehicles (relative to wages) and the seasonal nature of many of the jobs for those living outside.

4.1.11 These points are discussed in more detail in the following sections on Dartmoor's workforce, activity rates, sector employment, jobs forecast and business development.

4.2 Economic activity and sector of employment

Economic activity rate

4.2.1 SQW report that "the proportion of Dartmoor's population who are economically active is similar to the county, regional and national figures. Across Dartmoor, economically active residents account for 70% of the population aged between 16 and 74; within this group a high proportion are in employment." Dartmoor's unemployment figure is also below regional and national levels; Dartmoor's unemployment rate is 2.6% while the national figure is 3%.

4.2.2 Of more interest, in terms of productivity, is the proportion of workers in part- or full-time employment and self-employment. Table 2 below shows Dartmoor's employed resident population divided into full-time, part-time and self-employment.

Table 2: Proportion of full-time, part-time and self-employed residents in employment

Area	Residents in employment	Full time (% in employment)	Part time (% in emp)	Self-employed (% in emp)
Dartmoor (narrow)	14,491	45%	24%	31%
South Hams	38,735	49%	24%	27%
North Devon	43,382	52%	25%	23%
Devon	341,115	53%	25%	22%
South West	2,460,131	59%	24%	18%
England	24,143,464	62%	22%	16%

Source: SQW report from 2011 Census

4.2.3 Table 2 shows clearly the very high proportion of Dartmoor's residents who are self-employed – approaching one third, which is almost twice the average for England and 9% higher than the rest of Devon. While the proportion of part-time workers in the National Park is similar to the national and Devon averages, the proportion of full time workers is markedly lower.

Sectors of employment

4.2.4 Several of the previous studies into Dartmoor's economy have examined the sectors of employment in the National Park and what is noticeable is the broad range of industries in which local businesses operate. Based on ONS figures, DCC estimates that there are currently 8,873 people in employment on the National Park, an increase of c.5% since SQW's figure of 8,400 for 2014. (Of course, it should be noted that employment is a measure of people, and a person with more than one job would therefore be counted once in the employment estimates.)

4.2.5 DCC's latest economic profile contains Table 3 below showing the number of employees in each industry sector and reports that:

> *"The IDBR gives total employment in Dartmoor as approximately 8,873. Much of the employment in Dartmoor is concentrated in accommodation and food (1,494), health (1,156), and business administration & support services (1,071). The employment base in these sectors is important for the national park yet*

represents broadly unproductive output areas compared to other industries such as finance & insurance which only employs 32 people in the area."

4.2.6 Table 3 also illustrates that Dartmoor has a high concentration of employment in mining & quarrying[9]. It is one of the features that has traditionally been associated with Dartmoor (albeit now focus in a very small number of large businesses), and employment in construction, accommodation & food, and real estate are also above average.

Table 3: Employment (excluding self-employment) by Sector, IDBR, 2017

Industry	Dartmoor	Percentage
Accommodation & food services (I)	1,494	17%
Health (Q)	1,156	13%
Business administration & support services (N)	1071	12%
Retail (Part G)	962	11%
Education (P)	872	10%
Professional, scientific & technical (M)	585	7%
Construction (F)	505	6%
Arts, entertainment, recreation & other services (R, S, T and U)	455	5%
Public administration & defence (O)	409	5%
Information & communication (J)	393	4%
Manufacturing (C)	341	4%
Mining, quarrying & utilities (B, D and E)	211	2%
Transport & storage (inc postal) (H)	165	2%
Agriculture, forestry & fishing (A)	153	2%
Property (L)	69	1%
Financial & insurance (K)	32	0%
Total	8,873	

Based on employees of businesses operating PAYE and/or above VAT threshold (also excluding self-employed people)[10]
Source: DCC, IDBR 2017

4.2.7 Using slightly different boundaries, the SQW report compares some of the largest employment sectors in Dartmoor to Devon, the South West and England. It states: "*The largest sector in Dartmoor is the accommodation and food service activities and – as a share of total employment – this is eleven percentage points above the national average…*

[9] Due to disclosure reasons, it is not clear exactly how many businesses employ these 200+ people, though it is thought that there are only a handful of businesses in the mining and quarrying sector in the National Park – possibly representing a significant risk to local employment if economic conditions in the sector worsened significantly.

[10] It is very important to note that the totals for employment shown in this table are different from those shown elsewhere in the report. This is because they are based on a) different geographic definitions of "Dartmoor" and b) they only show the number of employees of businesses on the IBDR who are operating PAYE and/or above the VAT threshold. They also do not include self-employed people. These factors impact on some sectors more than others, such as the agriculture, forestry and fishing sector which has a very high proportion of self-employed workers, thereby making its total in the table much lower than would otherwise be anticipated.

The other large employment sectors are similar to the national average as these jobs are necessary to support the local population".

Table 4: Top industrial sectors according to the share of employment jobs

Industrial Category	Dartmoor (narrow definition)	Devon	SW	England
Accommodation and food service	18%	10%	9%	7%
Retail trade	15%	19%	17%	16%
Health and social work activities	12%	15%	14%	13%
Education	9%	9%	9%	9%
Construction	7%	6%	5%	5%

Source: Business Register and Employment Survey (2014)

Homeworkers

4.2.8 The SQW report also explored the data from the 2011 Census further by analysing the number of homeworkers. Although the data is only available at district level (West Devon, Teignbridge, South Hams and Mid Devon being shown as areas overlapping Dartmoor) it reveals some very interesting pointers for Dartmoor as a whole.

4.2.9 Table 5 below contains the data for "homeworkers" and the sub category "self-employed homeworkers" and shows that the proportion of homeworkers is distinctively high in West Devon and Teignbridge. In West Devon the proportion of home-workers is 25 percentage points higher than the national figure. The difference is similarly great between West Devon and England when examining the self-employed home-worker figures.

Table 5: Homeworking figures for local districts partially overlapping Dartmoor National Park

Area	Number of homeworkers	Number of self-employed homeworkers
	% of economically active population	% of economically active population
West Devon	35%	23%
Teignbridge	22%	14%
South Hams	19%	13%
Mid Devon	15%	10%
Devon	15%	9%
South West	12%	7%
England	10%	5%

Source: Census 2011

4.3 Job Forecasts

4.3.1 It is instructive to consider the sector of employment data and forecast population profile changes both described in the sections above, alongside the forecast changes in jobs that have been projected for the National Park. The SQW report details how:

"The Local Economy Forecasting Model (LEFM) is maintained by Cambridge Econometrics and provides modelled historic data and future projections for local economies. National and regional forecasts are used to construct the analysis. The wider definition of Dartmoor National Park is applied in this case by Cambridge Econometrics... The model suggests that over the last ten years (2006-2016), the number of jobs in Dartmoor National Park has been relatively stable overall – although there have been year-on-year fluctuations. However, there has been employment growth if a longer historic timescale is considered. According to the modelled projections, over the next twenty years (2016-2036), the number of jobs on

Dartmoor could increase by 13%."

4.3.2 The report goes onto examine how the sectoral distribution of jobs in the National Park have changed over the last ten years; and the projected employment growth in each up until 2036. It notes that:

"The sectors which contribute the highest number of jobs to the Dartmoor economy…have grown at a steady rate over the last ten years and are set to increase further over the next two decades. Amongst the largest sectors (currently with over 1,000 jobs), construction, food & beverage services and IT services are projected to see the highest growth."

4.3.3 SQW provide some detailed forecast changes in jobs for the top five industries (by number of jobs) on Dartmoor over the next 20 years. This gives a direct comparison of the top five industries in 2016 and 2036. Table 6 below contains the detail which, not surprisingly, very closely follows that forecast for the increases in GVA reported earlier. It is also worth noting that SQW state that over this period, *"the number of jobs in agriculture, forestry and fishing is projected to decline from 1,300 to 1,100"* and that there will also be a decline in manufacturing jobs.

Table 6: Comparison of top five industries (by job numbers) in 2016 and 2036

	2016			**2036**	
Industry	***No. jobs (000s)***	***% total employment***	***Industry***	***No. jobs (000s)***	***% total employment***
Construction	3.2	9%	Construction	4.9	12%
Retail trade	2.7	8%	Retail trade	3.2	8%
Residential & social	2.6	7%	Residential & social	3.2	8%
Education	2.6	7%	Education	2.9	7%
Business support	2.2	6%	Food & beverage	2.8	7%

Source: SQW/LEFM (2016)

4.3.4 In term of these various job forecasts, SQW conclude that:
"The overall message is that the largest sectors (by number of jobs) will remain relatively similar over the next 20 years. While changes between 2016 and 2036 in job numbers for Retail trade, Residential & social and Education are relatively small, Construction is projected to experience much larger increases in employment".

4.3.5 Hardisty Jones examine the SQW (Cambridge Economics) and Experian models of growth in employment for Dartmoor, as well as a hybrid of the two. They state:
"Experian forecast total employment growth of 1,060 jobs across the 25-year period, compared with 2,370 by Cambridge Economics. The differing views of the construction sector account for half of this difference. The remainder is distributed across a range of other sectors. In percentage terms Experian forecast 10% employment growth compared with 24% from CE. The hybrid scenario forecasts growth of 1,710 net additional jobs over the 25-year period. This equates to approximately 70 jobs per annum. This equates to 17% growth over the entire period."

4.3.6 It also important to highlight that in relation to productivity and earnings, this forecast job growth is very much concentrated in sectors of the economy that are associated with comparatively low productivity and low earnings – specifically construction, retail, residential & social care and accommodation, food & beverage. (It is worth noting in respect of this point that housing on Dartmoor is comparatively expensive and affordable housing is in short supply (see section 3.6)).

4.3.7 Furthermore, for the forecast jobs growth to actually be realised, there needs to be, as well as businesses prospering, an available and suitably skilled workforce to fill the roles. The demographic analysis of population profile indicates that this may well not be the case on the basis of a "business as usual" forecast.

4.3.8 Finally, it is important to note that these forecasts were all made pre-Brexit and it is therefore as yet unclear what the implications of that will be on the economy in general or more specifically on these local sectors.

4.4 *Location of employment of working population*

4.4.1 A significant characteristic of the working age population resident on Dartmoor is that there are a greater number of people in employment than there are jobs in the National Park – because their location of employment is elsewhere.

4.4.2 The SQW report identifies that "overall the workplace population for Dartmoor is 12,122 people" and that "this figure is lower than the resident population in employment which is 14,491…The inference is net out-commuting from Dartmoor to workplaces elsewhere…the National Park experiences a net out-flow of just over 2,000 workers." SQW go onto list the top five work destinations in the South-West for Dartmoor National Park residents:

Table 5: Top five work destinations in the South-West for Dartmoor

Destination of work (local districts)	Number of residents
Teignbridge	2,556
West Devon	2,014
Plymouth	1,452
South Hams	1,333
Exeter	1,204

Source: Census 2011

4.4.3 Not surprisingly, SQW found that workers, who were commuting in for employment within the National Park boundary, tend to live in the districts immediately surrounding the National Park. However:

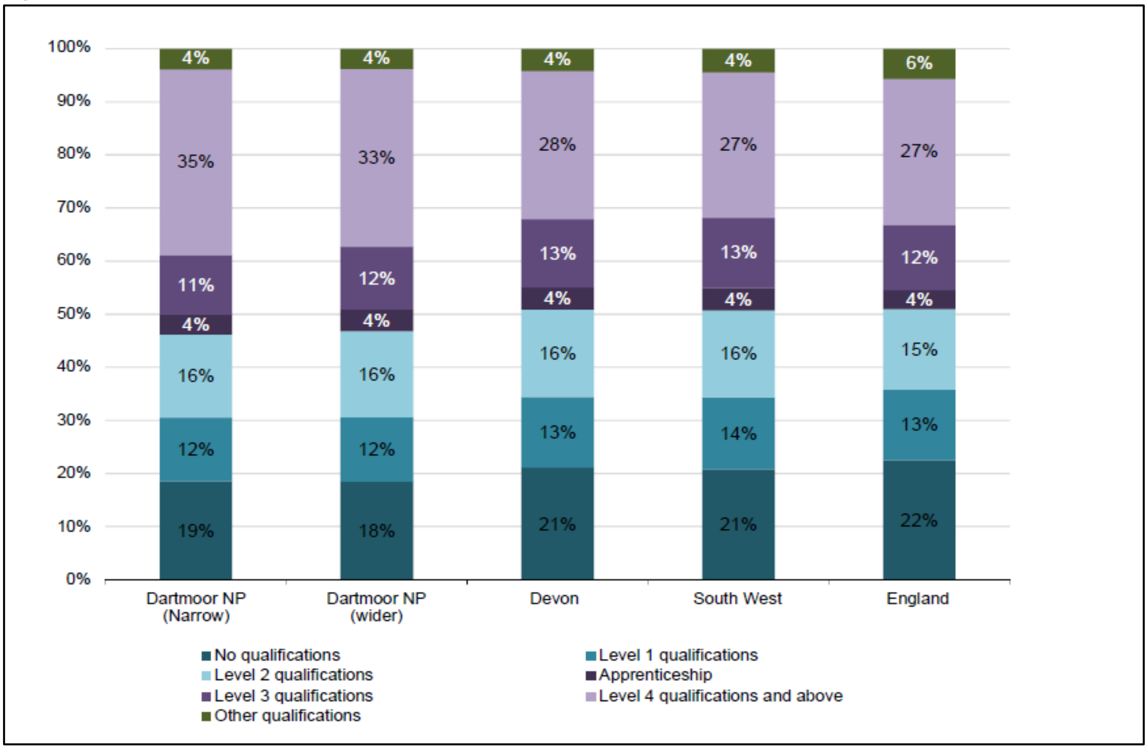
"The average distance travelled to work is varied and a weak relationship exists between the average and the distance from the boundary of the Park. There are some conclusions which can be drawn; residents of the wards closest to the largest settlements (including those inside the National Park) typically have the shortest average travel to work distances."

4.4.4 SQW summarises the overall message as: "commuting is reasonably local to neighbouring districts but that residents are also willing to travel (further) to larger urban areas such as Plymouth and Exeter."

3.5 Qualifications

4.4.5 The SQW report indicates that overall Dartmoor residents are very well qualified: the proportion with qualifications of level 4 and above (this includes Foundation Degree, Degree, Professional Qualifications which are level 4 and above) is eight percentage points higher than England and the South West. Conversely the proportion with no qualifications or qualifications lower than GCSE A*-C (level 1 and under) is less than the regional and national figures. These figures demonstrate that there is a well-qualified local resident base which is summarised in Figure x below:

Figure 4: Qualifications levels for Dartmoor residents



4.4.6 DCC's Local Economic Profile for Dartmoor provides further details and comparisons with surrounding districts: "Devon has a fairly well-educated workforce with 37% of the working age population qualified to NVQ4 equivalent or higher, slightly below the national average of 38%. At lower qualification levels the county performs above the national average with 76.6% of residents being qualified to NVQ2 or higher."

4.4.7 It should also be noted that the forecast growth in jobs on Dartmoor is in sectors such as construction, retail, residential & social care and accommodation, food & beverage. These are sectors, which do not, overall require high level qualifications. There could therefore be a mismatch between the qualifications levels of the available working age population and those required by businesses in these growing sectors[11].

4.5 Earnings and house prices

4.5.1 DCC's Local Economic Profile for Dartmoor states that for weekly earnings:

"On average full-time employees in Devon earn £484 per week. For resident's earnings are higher at £488 per week. In the county and all districts, the average resident does not earn more than the UK average of £550 per week. Given the older demography of residents in the South Hams, Teignbridge and

[11] It should be noted that SERIO's Devon's Sectors research report notes a need to improve the quality of the offer in the Accommodation, Food & Drink sectors in order for them to remain competitive and improve productivity. There is, therefore, an argument that these sectors may need higher skilled/better quality employees to achieve this.

West Devon, and with few employment bases within the national park, it is likely that residents earn more than those who work in Dartmoor."

4.5.2 The Hardisty Jones report contains similar earnings figures for Devon, albeit on annual basis and a household estimate Dartmoor:

> *"Resident's earnings in all the Greater Exeter Districts are below those of the UK. All four Districts are experiencing a similar growth rate in earnings compared to the UK average. East Devon is showing the highest level of residents' earnings (£25,500 p.a.), and all Districts are clustered around the Devon figure (£24,800 p.a.). A similar analysis is not available for Dartmoor National Park, but £33,039 is suggested as an estimate of household income in Dartmoor. This is 1.8% below the South West average."*

4.5.3 As noted, much of the forecast growth in jobs on Dartmoor is in the construction, retail, residential & social care and accommodation, food & beverage sectors. Again, these are sectors in which many workers are paid at lower levels than the average – often around minimum wage or slightly above. It is therefore unlikely that the jobs growth in these areas will either reduce the deficit in average earnings between Dartmoor and elsewhere or lessen the productivity gap.

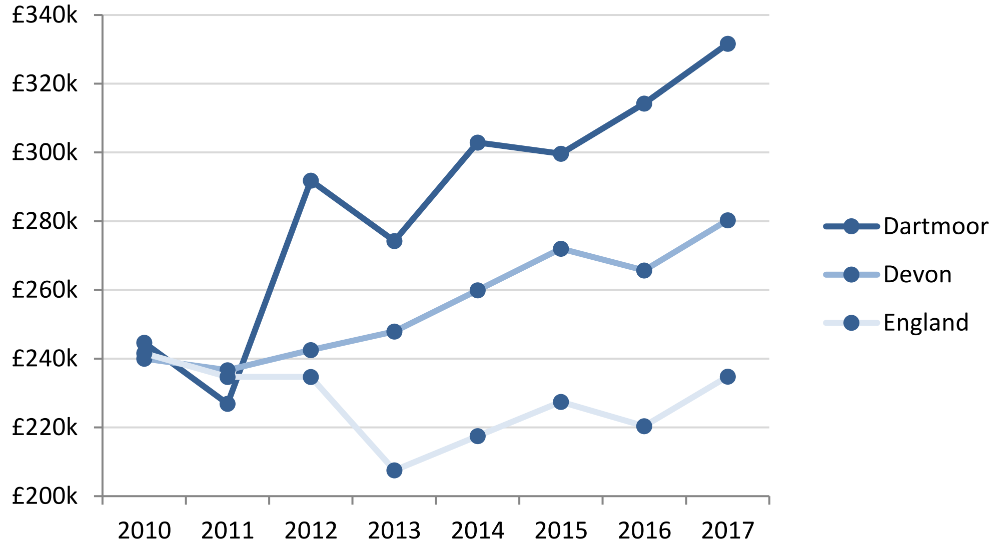
4.5.4 Linked with this, in terms of attracting and sustaining a sufficient working age population are house prices. Land Registry data indicates average house prices in the National Park have continued to increase and in 2017 they reached £331,651, 15% above the Devon average (£280,320) and 29% above the national average (£234,794), see Figure 5.The DCC Local Economic Profile for Dartmoor states that: "*The higher house prices and likely lower average earnings in the national park create an affordability issue … pushing away younger people, raising the average age further."* ONS report[12] that:

> *"Workplace-based housing affordability significantly worsened in England between 2016 and 2017…In 2017, full-time employees in England and Wales could typically expect to spend 9.7 times their median gross annual earnings on*

[12] https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2017

purchasing a newly-built property and 7.6 times their annual earnings on an existing property."

Figure 5: Average House Prices (Source: Land Registry)



4.5.5 Although we do not have comparable Dartmoor level ratio figures, we can create workplace-based and residence-based affordability ratios for the National Park using an average of South Hams', West Devon's, and Teignbridge's 2017 median earnings. These demonstrate the following for Dartmoor National Park:

Median Workplace-based earnings
South Hams: £23,507 West Devon: £20,792 Teignbridge: £21,803
Average median earnings for three districts: £22,034
Median Dartmoor house price: £272,000
Workplace affordability ratio: 12.34

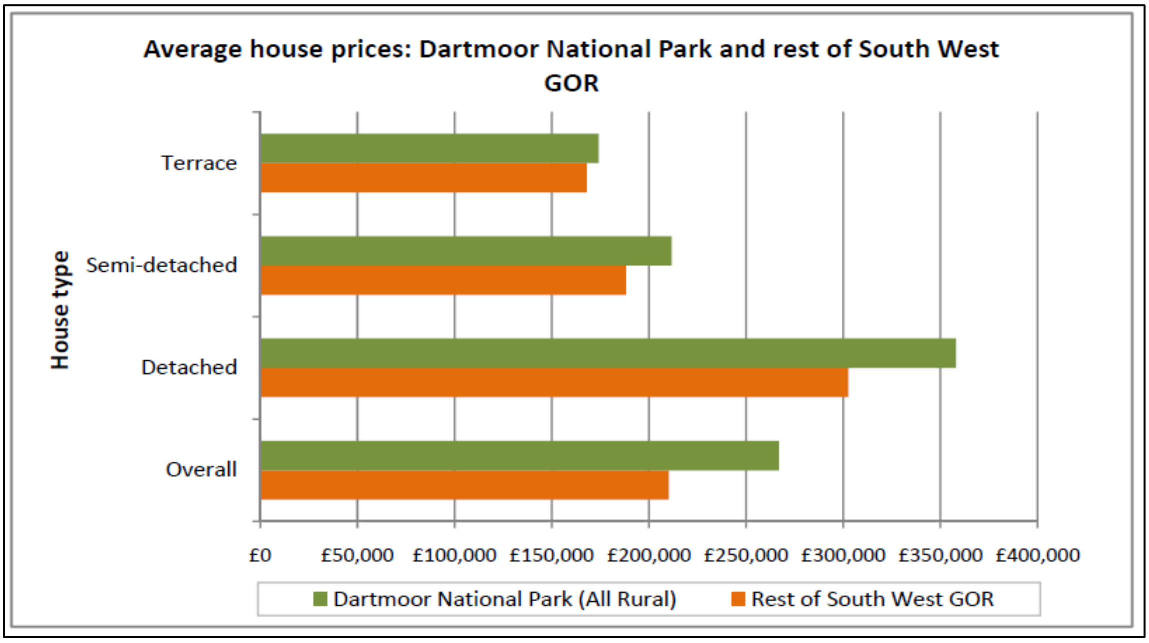
Median Residence-based earnings
South Hams: £27,276 West Devon: £22,757 Teignbridge: £23,401
Average median earnings for three districts: £24,478
Median Dartmoor house price: £272,000
Residence affordability ratio: 11.11

4.5.6 These ratios are very telling in terms of the issues faced by local Dartmoor workers in accessing affordable housing. The house price ratio they face on Dartmoor is 12.34, compared with 10.86 across the rest of Devon and 7.91 across England. This means that on average, full-time workers resident on Dartmoor will need to pay 12.34 times their annual earnings to purchase a home locally. To put this into perspective nationally, comparing 2017 workplace-based earnings, Dartmoor National Park was the 55th most unaffordable of 326 Local Authority areas in England. If London is discounted Dartmoor becomes the 28th most unaffordable of 293 areas. To put this into perspective internationally, the Demographia International Housing Affordability Survey[13] categorises the Devon and Plymouth housing market as severely unaffordable, the most severe category and 253rd most unaffordable area of the 293 studied in the US, Canada, Australia, China, New

[13] 14th Annual Dmograhpic International Housing Affordability Survey 2018, London School of Economics http://demographia.com/dhi.pdf

Zealand, Ireland, Japan, and Singapore. Given Dartmoor's affordability ratio is significantly higher than Devon's the unaffordability issue cannot be understated.

4.5.7 Land Registry data from 2009 illustrates that the price differential exists on Dartmoor for all types of property:



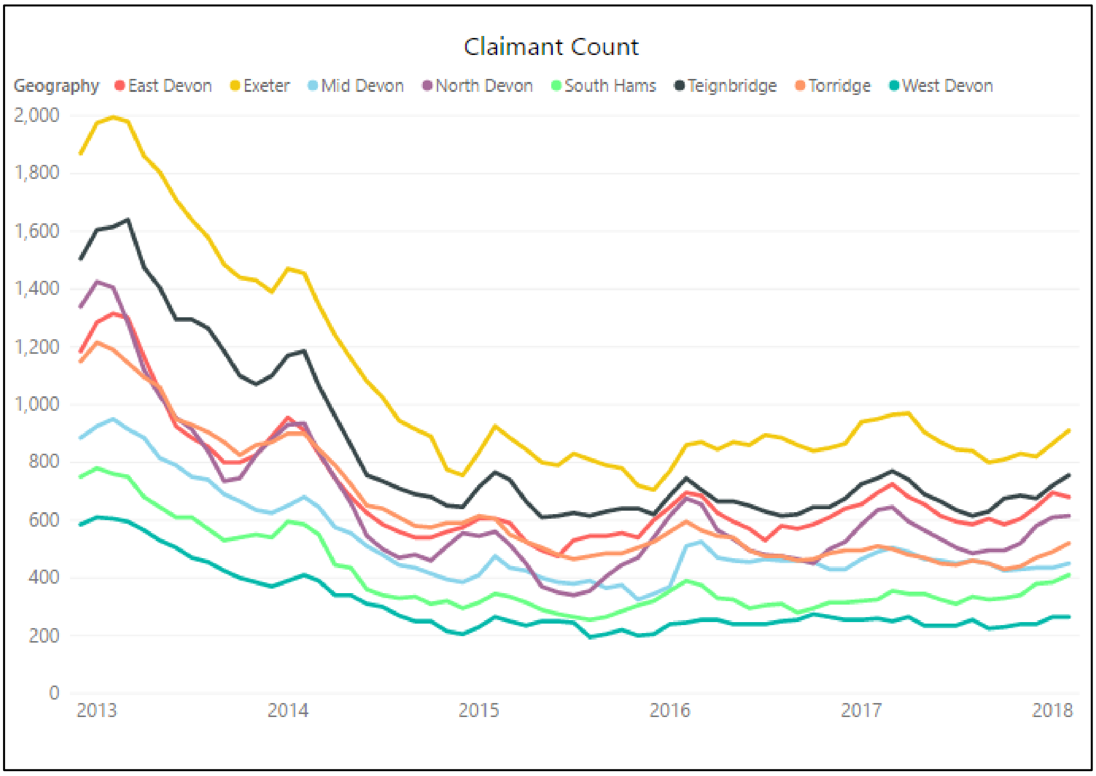
4.6 Unemployment and the claimant count

4.6.1 DCC's Local Economic Profile for Dartmoor tells us that while unemployment data for Dartmoor is not provided by the Labour force Survey:

> *"… taking the three districts of the South Hams, Teignbridge and West Devon which predominantly cover the national park, along with the county unemployment rate gives an estimated* (unemployment rate of) *2.6%±. Claimant*

count calculated using approximate lower super output areas totalled 215 in Dartmoor for February 2018."

4.6.2 The figure of 2.6% is lower than the Devon average of 3% and the national average of 4.2%. The diagram below from DCC illustrates how the claimant count has declined in all Devon's districts since the 2013, albeit with some hiccups along the way.



4.7 Dartmoor's population and labour force: Summary concluding comments

4.7.1 The literature review and data analysis highlighted numerous key findings and associated issues about the resident population and labour force on Dartmoor National Park. These are summarised in the bullet points below followed by discussion of some of the key issues raised in relation to the current Spatial Strategy:

- The resident population of the National Park is significantly older than the general population of England by c.10 years on average;
- This means that within 20 years the number of people of working age and who are resident on Dartmoor will have decreased by around 2,000;
- A higher than average proportion of Dartmoor residents hold qualifications higher than A-Level while the proportion of residents with no qualifications is lower than for England;
- The current economic activity among the working age population is very similar to local and national levels, while the unemployment rate is lower;
- There is a markedly high level of self-employment among the working age population on Dartmoor, compared with both the local and national figures;
- Reflecting the broad business base, the labour force of Dartmoor is employed in a diverse range of occupations and trades;
- However, these businesses primarily operate in “low wage, low qualification” sectors meaning that average wages are low;
- These low wages are a key factor in there being an extremely high house price ratio on Dartmoor, excluding many less well-off residents from home ownership; and
- Out-commuting is a very significant feature of local life with an average of over 2,000 more workers travelling out of Dartmoor each day compared with the number coming in.

Workforce availability

4.7.2 The most striking finding from the analysis of population projections was the anticipated decrease in the size of the working age population resident on Dartmoor. In the context of forecasts for growth in employment in the accommodation & food services, business services and construction sectors this will produce a scenario with acute labour and skills shortages for businesses.

4.7.3 While Dartmoor is not alone in facing this situation, the current age of its resident population means that it is probably a decade in advance of the rest of the country in having to address it urgently. The alternative is to allow the business base (and the numbers of people in employment) to decline.

4.7.4 The high cost of housing and the comparatively low wages on offer on Dartmoor are key elements in the current poor availability of labour for many service and tourism enterprises and this situation will only get worse as the population ages. One way to help would be to identify opportunities for more staff accommodation for larger businesses. This could be linked to any significant new service/tourism developments, such as hotels, hostels and guesthouses. Another alternative includes the sanctioning of the delivery of greater numbers of affordable housing which would help worker availability. (Further ideas for improving workforce availability are discussed in the following section on the Tourism and Leisure Sector).

Commuting

4.7.5 A further point to note about the anticipated decrease in the size of the working age population is that it could result in a reversal of the current “out-commuting” of c.2,000 workers per day. However, this will only happen if a significant proportion of the required number of “replacement” workers cannot be attracted to actually live within the National Park. In other words, businesses based on Dartmoor will find it increasingly difficult to attract sufficient numbers of employees from among the resident population and they will have to attract more and more in from surrounding areas. As noted, if they are unable to do so they will face operating with a workforce of ever decreasing size.

5 Tourism and Recreation

5.1.1 This section examines the tourism and recreation sector on Dartmoor in more depth, because of its significance to both the economy and strategic aims of the National Park. The sector includes three key areas of economic activity: the serving of food and beverages, accommodation provision and sport and recreation, each of which links to one of the statutory purposes of National Parks: *"to promote opportunities for the understanding and enjoyment of the special qualities of the area by the public".*

5.2 Summary background to the tourism and recreation sector

5.2.1 As noted previously, the tourism and recreation sector is in many ways the cornerstone of the local economy, as highlighted by DCC's local profile: *"The economy in Dartmoor is driven by tourism where £144.5m in spend from 2.39m visitors annually is ploughed into restaurants, hotels and activities."* What is equally important to recognise is that "Dartmoor" as an iconic brand is a core driver of tourism across the county, and indeed nationally, generating further outputs in many other areas.

5.2.2 The available economic statistics and tourism sector projections indicate that:

- While accommodation and food service businesses account for c.7% of the total business base, over 2,000 people work in the sector accounting for nearly one in five jobs (18%);
- Visitor numbers on Dartmoor have remained fairly stable overall since 2003, rising from 2.3 million to 2.39 million in 2016.
- The average spend per visit has increased significantly, meaning revenue generated by tourism on Dartmoor has grown from £87.5 million in 2003 to over £144 million in 2016.
- This growth is forecast to continue with the number of jobs in the sector, particularly food & beverage, projected to increase by between 500 and 1,000 over the next 20 years;
- Allowing for expansion of existing tourism businesses and business closures over this time, growth in jobs of this scale will require c.15-30 further new business start-ups;
- The forecast jobs account for over a third of all forecast jobs growth on Dartmoor over the period and are distributed between tourism sub-sectors as shown below:
    - Food & beverage services: + 400-700
    - Accommodation: +100-200
    - Recreation services +50-100

5.2.3 However, the achievement of such growth is associated with various challenges and issues that need to be addressed. Aside from the consideration that all growth in the National Park needs to fit within the existing Spatial Strategy, the other key challenge relates to the resident population.

5.2.4 The continued and increasing reduction in the number of people of working age (16 – 64 years) resident on Dartmoor over the next 20 years means that tourism sector businesses will find it increasingly difficult to recruit new staff, whether it is to replace those who have retired or to fill new positions. Indeed, all of the Dartmoor based accommodation and food service businesses who were interviewed for the Devon Renaissance 2014 business survey who had tried to recruit staff said that they received insufficient applicants for the number of posts they had available.

5.2.5 Furthermore, it is important to highlight that most of the forecast growth in jobs in the Tourism sector will be primarily those in elementary, semi-skilled and skilled occupations.

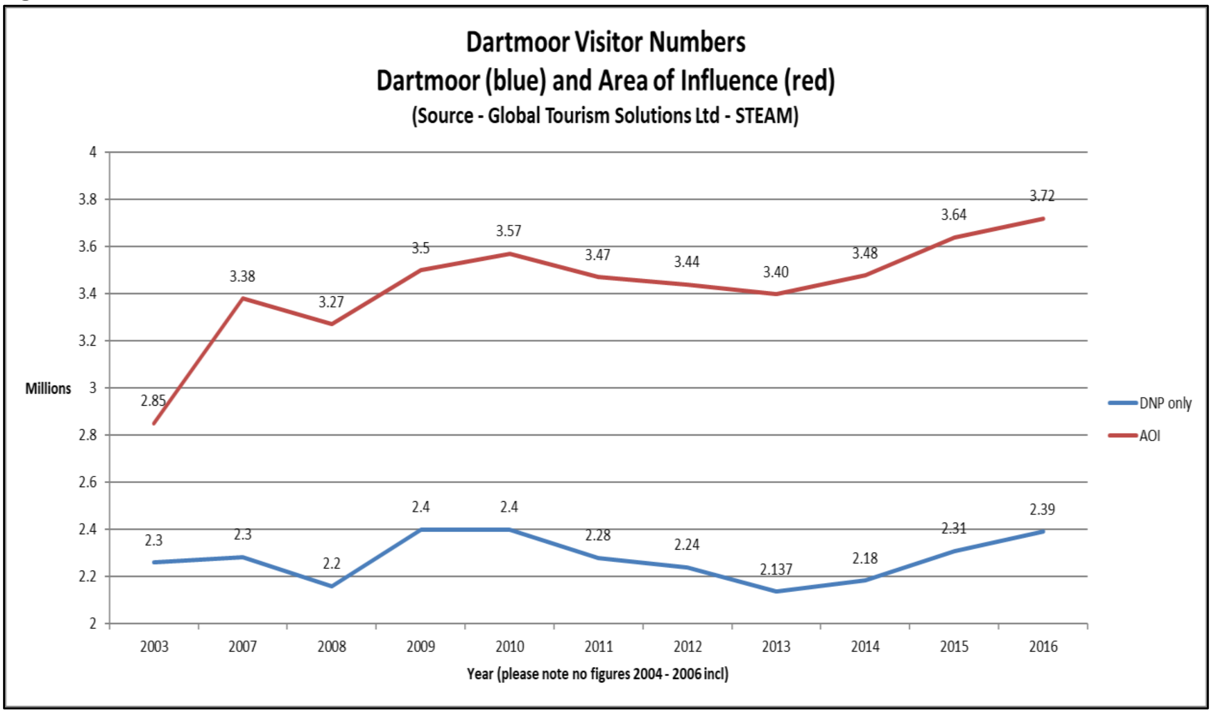
These are generally among the lower paid jobs and the people filling these roles will struggle to afford either the cost of housing on Dartmoor or transport to and from it, if they live elsewhere.

5.2.6 The following sections explore these issues. Firstly, they describe the projected growth of the sector nationally and how the forecasts translate to the sector locally, in terms of jobs, GVA and businesses. They then discuss the key issues arising from growth and make policy recommendations that might be used to ameliorate the pressure on Dartmoor's existing resources and natural environment.

5.3 Visitor numbers and revenue/productivity

5.3.1 DNPA supplied STEAM figures for Dartmoor and its surrounding "area of influence" 2003 – 2016[14]. Figure 6 shows how visitor numbers on Dartmoor have remained fairly stable overall since 2003, rising from 2.3 million to 2.39 million, albeit with some small increases and decreases over the years. Interestingly, visitor numbers in the wider "area of influence" have grown noticeably from 2.85 million to 3.72 million in the same period.

Figure 6: Visitor numbers: Dartmoor and AOI, 2003 - 2016



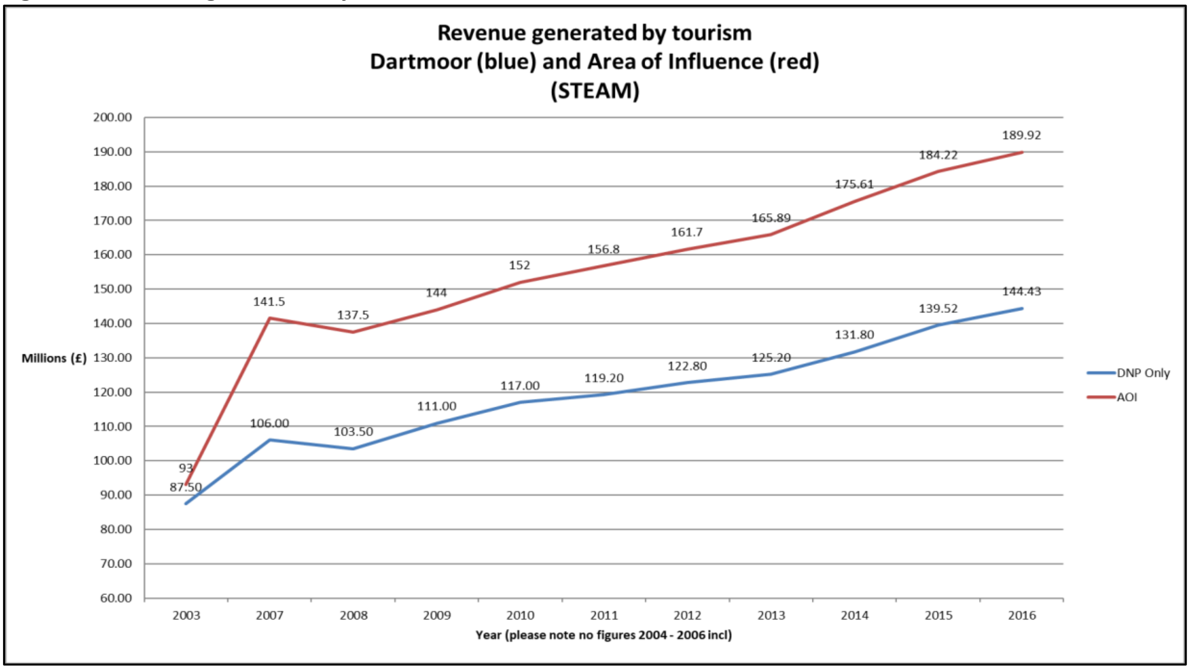
Source: DNPA/Steam

5.3.2 While the number of visitors has remained fairly static, Figure 7 below illustrates how the revenue generated by tourism on Dartmoor has grown markedly from £87.5 million in 2003 to over £144 million in 2016. This indicates a very substantially increased average visitor

[14] *STEAM* is an economic model that quantifies the local impact of ***tourism***, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction ***numbers***, ***tourist*** accommodation beds, occupancy levels, visitor expenditure levels, etc.

spend over the period, which is also reflected in the revenue generated in the wider "area of influence" which has grown on a similarly proportionate basis.

Figure 7: Revenue generated by tourism: Dartmoor and AOI, 2003 - 2016



Source: DNP/Steam

5.3.3 Though average spend has increased, output data indicates that productivity in the sector is lower than average, with GVA per tourism employee standing at £20,000 in 2010 compared to £46,000 across the economy. The highest levels of productivity are in accommodation, while the lowest are in the sports and food & beverages sub-sectors.

5.4 Job forecasts and skills shortages

5.4.1 The SERIO 2013 report *"Dartmoor's Sector Outlooks – Final Report to Dartmoor National Park Authority"* provides some forecasts on the future of tourism and recreation on Dartmoor. It anticipates that two key trends will lead to a long-term increase in tourism nationally that will generate opportunities locally for the sector to grow. These are:

- The impending retirement of many of the relatively wealthy 'baby boomer' generation with high disposable income to eat, drink and go on holiday more; and
- Long-term tourism forecasts predicting that as the world population increases and the global middle class expands, global international arrivals will rise, with the UK as a likely beneficiary.

5.4.2 Further to this, the 8-Point Plan for England's National Parks notes that: "the Government is committed to spreading the benefits of tourism across the country. The unique attractions of National Parks have a vital role to play in making this happen. National Parks are a draw for overseas visitors — 7% of overseas visitors who come to Britain on holiday visit a National Park."[15] The plan contains three ambitions to:

- Promote National Parks as world-class destinations to visitors from overseas and the UK;
- Increase annual visitors from 90m to 100m; and
- Extend the National Parks tourist season.

5.4.3 If these trends and ambitions are borne out, then overall visitor numbers will rise and there are other indicators that many additional tourists would seek out Dartmoor as a destination. Local research has indicated that older visitors are particularly interested in local food and learning about local history and culture – all key to the Dartmoor "offer", though not unique to it[16].

5.4.4 Hardisty Jones report (2017) that forecasts for jobs growth in the accommodation and food services sector on Dartmoor vary between 350 (Experian) and 440 (Cambridge Economics) in the 25 years between 2015 and 2040. They produce a "hybrid" of c.390 jobs more over the period. The SQW *Dartmoor Economic Paper 2016* (pp. 13-14) provides some much higher forecast increases for the 2016 – 2036 period, over c.1,000 jobs, broken between the three tourism sub-sectors:

Table 6 – Employment change in Tourism Sectors (Source: Business Register and Employment Survey)

(00s of jobs)	No. jobs 2016	No. jobs 2036	% change to 2036
Food & beverage services	2.1	2.9 (+0.8)	+38%
Accommodation	1.8	2.0 (+0.2)	+9%
Recreation services	0.6	0.7 (+0.1)	+19%
Totals	4.5	5.6 (+1.1)	+24%

5.4.5 It is evident that however many of these forecast jobs are actually realised, most will be in the elementary, semi-skilled or skilled trade occupations which make up the bulk of employment in the sector. These are all comparatively less well paid than other occupations and consequently their impact on sector productivity will be minimal.

5.4.6 In this context it is concerning that SERIO report that nationally the tourism sector faces a skills shortage, which is the result of various trends including:

- A low number of applicants with the required attitude, motivation or personality.
- Potential applicants being put off by the shift work/ unsociable hours.
- Poor terms and conditions.
- Remote location/ poor public transport (a major problem in Dartmoor).

5.4.7 Of course, it is highly likely that the outcomes of Brexit may further impact on these trends. SERIO also highlight the problems that tourism businesses on Dartmoor will face sustaining their existing workforce in the future:

> *"For tourism generally, there is expected to be a need to replace retirees and people who leave the sector as well as to backfill jobs (where an existing employee is promoted and leaves an unfilled vacancy). Overall the tourism sector is expected to require over a million new recruits to replace leavers (up to) 2020…. This poses particular challenges for Dartmoor, which has experienced continued out migration of young people, and has a limited supply of affordable rental accommodation*

[15] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/509916/national-parks-8-point-plan-for-england-2016-to-2020.pdf

[16] *Sectors Research – Final Report to Devon County Council* SERIO & ECORYS, February 2013

appropriate for those who could fill these positions."

5.4.8 Indeed, the Devon Renaissance 2014 business survey stated that *all* of the accommodation and food service businesses they interviewed on Dartmoor who had tried to recruit staff reported that they had received insufficient applicants (for their available positions). As such, it seems evident that careful consideration needs to be given to the types of support that are available to help with the recruitment and retention of employees in the sector, if the forecast growth in jobs is to be realised.

5.5 Tourist Accommodation

5.5.1 Serviced and non-serviced tourist accommodation businesses make a significant contribution to the tourism economy on Dartmoor. They also provide a diverse range of people with access to Dartmoor, allowing them to understand and enjoy this national asset.

5.5.2 The existing local plan controls the spatial distribution of tourist accommodation by allowing new hotels and guesthouses in local centres and more limited opportunities for holiday lets provided through conversion of existing buildings in Rural Settlements. The existing plan makes clear that the development of new houses for holiday lets amounts to the development of houses which should comply with strategic housing policies. In the open countryside tourist accommodation is limited to conversion of suitable historic buildings which are located close to tourist services and facilities.

5.5.3 This approach has enabled holiday lets to come forward in a range of locations to suit various visitor's needs and remains broadly fit for purpose. During the course of the existing plan there has been evidence of a slowdown in the holiday let market, many applicants have talked of the difficulty of occupying holiday lets and that many lets are no longer viable. A desire to see the holiday let occupancy conditions relaxed, to allow permanent occupation in the winter, was also identified in the Issues Consultation.

5.5.4 The three tier settlement hierarchy allows for a slight change in where new tourist accommodation is permitted. It is recommended that the allowance for new small-scale hotels and guesthouses is extended to Rural Settlements, this will allow slightly more opportunities for development in appropriate locations and supports the town centre first approach in these centres. In Villages and Hamlets it is recommended the existing policy approach is retained.

5.5.5 In view of the recommended approach for conversion of non-residential buildings (see Historic Environment Topic Paper Section 3.8[17]), it is recommended that conversion to holiday lets only occurs where marketing evidence demonstrates that less harmful uses are unviable.

5.5.6 Existing policy restricts opportunities for caravan and motorhome sites to the expansion of existing sites because of their inherent impact on the landscape and other special qualities. In recent years Rangers have identified increasing pressure from vans and motorhomes using laybys and informal parking areas to stay overnight on Dartmoor's open moorland contrary to the National Park's Byelaws. This increase in pressure has exposed a corresponding lack of capacity within existing camping and caravanning sites and the desire to improve opportunities for the creation of new sites. There is therefore some evidence that a more flexible approach may be more appropriate, allowing for the creation of new sites adjacent to larger settlements. With additional opportunity there should be corresponding

[17] http://www.dartmoor.gov.uk/__data/assets/pdf_file/0015/1015620/170515-historic-environment-topic-paper.pdf

controls to ensure development does not harm the National Park's Special Qualities and acknowledgement that where green field sites proposals are unlikely to be appropriate.

5.5.7 Camping pods and other similar structures have a similar impact in terms of landscape character and it is recommended that these structures are allowed in the same way as caravans and motorhomes.

5.5.8 Basic tented campsites can be more appropriate for the National Park and there is an opportunity to allow new businesses to establish more widely, not just associated with farm diversification as restricted by existing policy. However, such a policy needs to guard against potential adverse impacts, such as inappropriate earth and drainage works, isolated structures, and new tracks and footpaths, which can be a feature of modern campsites. Establishment of new campsite businesses can be controlled spatially to some extent through requiring them to be close to tourist services, such as a shop and pub, and any buildings being provided through conversion of existing structures.

5.6 Summary concluding comments for Tourism sector for forward planning

5.6.1 The following section discusses the economic evidence and forecast projections described in the sections above for the tourism and leisure sector in the context of the key themes and questions that were framed in relation to the Spatial Strategy.

Economic growth in the tourism sector

5.6.2 It is important to note firstly that the forecast economic growth for tourism will only be realised if the issues around the availability of the workforce are overcome. If they are not, then the growth will not be achieved. This is discussed fully in the relevant section on "*workforce availability*" below.

5.6.3 Given that caveat, the projections described above highlight that Dartmoor's visitor numbers are forecast to rise in the future, although precise numbers are not available as estimates are only at national and international levels. Nonetheless, the associated economic forecasts predict job increases of up to a third of the current tourism workforce and an associated overall increase in the number of tourism businesses operating on Dartmoor of between c.15 and 25 over the period.

5.6.4 This is based on the current figure of an average of c.14 employees per accommodation and food services business on Dartmoor. The projected jobs growth of 24% implies an increase in this average to c.17 employees per existing business *or* an increase in the number of businesses by c.36 from 150 to 186. If the jobs growth were to be achieved, then the reality would be likely to be somewhere between the two, i.e. an increase in the average number of employees to c.15 employees per existing business *plus* c.15-25 new businesses in the sector.

5.6.5 It is important to recognise that with any increase in visitor numbers, come a potential need for additional infrastructure and/or visitor and recreation management in order to mitigate potential impacts upon the special qualities of the National Park.

5.6.6 The anticipated growth in jobs and businesses is very much focused on the food & beverage services sub-sector of tourism. This covers food & beverage "*serving activities* providing complete meals or drinks fit for immediate consumption, whether in traditional restaurants, self-service or take-away restaurants, whether as permanent or temporary stands with or without seating.[18]"

5.6.7 The forecast growth in the accommodation and recreation sub-sectors of tourism covers: hotels, children's holiday adventure centres, holiday cottages and cabins, youth hostels, mountain refuges, camping grounds, etc. and recreational, amusement and sports activities respectively.

5.6.8 If realised, many of the new jobs will be created by the comparatively small-scale expansion of existing businesses and are unlikely to require many new buildings as they will involve businesses operating at a higher level of capacity (i.e. more workers on a shift) and/or opening longer hours.

5.6.9 However, some of the jobs will undoubtedly need to be based in either new premises or for existing businesses in larger or additional premises. Because of the nature of tourism and the type of service in which most of the growth is forecast (i.e. serving food & beverages to the tourists) this indicates that there will be a need for both extension to existing buildings and new buildings – such as cafes, restaurants, etc. – at tourism hotspots. These may need to be accompanied by the provision of the associated facilities and infrastructure, where it does not already exist, such as car parks, toilets, information boards, pathways, etc.

5.6.10 Similarly, the forecast growth in employment in the accommodation sector will only be achieved overall if some new accommodation sites (be they hotels, hostels, cottages or camp sites) are made available. While these do not need to be located specifically at hotspots, (indeed some will trade on having a quiet location) most will need to be either close to the main attractions and/or settlements or in locations accessible to them.

5.6.11 In contrast the jobs forecast in recreation are much less dependent upon settlements or hotspots as they will focus on the location of the recreational activity itself – be that horse riding, canoeing, rock climbing, trekking, etc. – i.e. most often in the open countryside.

5.6.12 SERIO's sectors report highlights a number of opportunities and limitations for the tourism and leisure sector. It identifies that many of these are not issues which can be appropriately addressed through the strategic planning process, in particular the issue of "*workforce availability*" which is considered below. The report also highlights that improvements to access and accommodation may be essential if the tourism industry on Dartmoor is to sustain higher numbers and potential growth. To achieve these various goals, it will be

[18] http://www.siccodesupport.co.uk/sic-division.php?division=56

necessary for the National Park Authority to work with other partners which cover areas adjacent to the National Park.

Settlement strategy

5.6.13 This discussion leads onto the current settlement policy which allows development:

- Within and adjoining Local Centres: new employment sites and expansion of existing employment sites;
- In Rural Settlements: expansion of existing employment sites and support for small-scale office, light industrial, service and creative industries;
- In the Open Countryside: small-scale expansion of existing businesses, sustainable tourism and small-scale recreation enterprises, farm diversification, agricultural and forestry development.

5.6.14 The key questions posed in the review of the current strategy revolve around where new employment development should be allowed. Specifically, should employment development be allowed within and adjoining Local Centres and Rural Settlements.

5.6.15 As discussed in the business base section, the projected growth in employment will be primarily in those sectors that need to be close to local Centres and Rural Settlements, with this being key for many accommodation and food services enterprises (as well as business services, construction and residential and social care businesses). Consequently, the projections indicate that future development should be allowed in these locations.

5.6.16 A second question posed was what employment opportunities should be allowed in the open countryside. Three scenarios were put forward:

- Rural enterprises with an essential need to be located in the Open Countryside,
- Recreational enterprises which preserve the special qualities of the National Park; and
- Small-scale expansion of employment sites) which given the diverse nature of the business base and the forecast growth will each need to be allowed)

5.6.17 For businesses in the tourism and recreation sector it is evident that for the forecast growth in employment and GVA to be achieved, each of these scenarios should be considered.

5.6.18 At an overarching level, the DLP Employment Land Review (sections 9.0 – 9.38) examines supply and demand before discussing the various options available and describes how the distribution strategy appears to be the best one:

> *"The Distribution Strategy is clearly the most balanced approach by supporting the locations with the strongest employment demand, but allowing suitable level of growth at other Local Centres and Rural Settlements which enables greater opportunities to live and work locally, whilst potentially reducing commuting distances to reasonable levels by providing a network of provision. Importantly, the strategy allows for rural business growth by continuing to provide more small business units in rural areas that have proved to be popular with existing businesses in the National Park (as identified through the consultation exercise)."*

5.6.19 If economic growth on Dartmoor, in terms of the forecast increases in GVA and jobs is to be achieved then this approach is recommended. However, because of the likely decrease in the size of the working age population and the resulting deficit in sufficient numbers of working age people to fill jobs, it is essential that other approaches are also taken to improve the availability of the working age population for the tourism sector, as described below.

5.6.20 The DLP Employment Land Review highlights this problem:

> *"It will therefore be important for DNPA to consider a locally identified housing need figure in light of economic job forecasts. The EDNA forecasts job growth of between 1,060 and 2,390 jobs by 2040 (2015-2040).* ***Supporting this level of economic growth will require appropriate growth in the economically active population of the National Park i.e. sufficient working people to fill jobs.*** *It will be important to consider economic activity rates when determining a housing need figure if economic ambitions are to be realised"*

Availability of tourism workforce

5.6.21 As described above, the forecast economic growth of the Tourism sector will only be realised if the issues around the availability of the workforce are overcome. The poor availability of labour has been a recurring problem for many service and tourism enterprises needing minimum wage workers and this situation is forecast to become significantly worse as Dartmoor's working age population decreases markedly in size over the next 20 years.

5.6.22 Within the current spatial strategy and plan there are currently no opportunities for the development of new non-rural worker accommodation outside settlements. This could be reconsidered by using a combination of the available policy levers and a range of other (non-planning) approaches:

- Creating staff accommodation associated with significant service/tourist businesses in the open countryside, such as hotels, hostels and guesthouses.
- Food & beverage and recreational tourism businesses should be included in the policy – because of the overall shortage of workers and the interchangeability of many of the roles.
- The provision of more affordable housing in local centres, rural settlements and villages and hamlets would also be necessary.
- Other ways of supporting worker availability in Dartmoor communities are available, though these are beyond the remit of planning policy:
    - Subsidised transport from population centres (Plymouth, Exeter, etc.) to & within Dartmoor
    - Support for potential workers with training and career development costs, to incentivise working on Dartmoor.
    - Support for employers with recruitment and retention costs though pooling and sharing facilities, both within and across sectors.

5.6.23 Further non-planning policy approaches that could be utilised to help with workforce availability for tourism business include (it is worth noting that several of these have used by People 1st the tourism and hospitality sector skills council):

- Growing and linking the chef's academy and training at Ashburton cookery school to specific jobs and new starts based on Dartmoor food products;
- Linking Dartmoor tourism businesses to provide a clear career progression chain on Dartmoor (possibly small to large);
- Linking Dartmoor tourism businesses when they advertise jobs – being recruited by "Dartmoor" rather X B&B or Y café;
- Targeting staff from other relevant sectors, with the same interpersonal skills as tourism, such as retail and aviation (hostess, etc);
- Focusing on women – activity rates are lower among women and female returners. Running dedicated recruitment campaigns for female chefs and managers, and specific development programmes tailored for women returners.
- Further strengthening retention strategies:
    - Strong, supportive induction period (26% leave in first 12 weeks);
    - Regular (quarterly) performance appraisals;
    - Improving packages and benefits (pay more!);
    - Good communication and engagement;
    - Reward good performance; and
    - Career progression maps, inc. transfers to other businesses, training, etc..

Conversion of redundant traditional buildings in the open countryside

5.6.24 A further question posed by the review of the spatial strategy was whether the stock of redundant traditional agricultural buildings could be used to supply affordable employment space throughout Dartmoor. It was suggested that conversion to holiday lets and residential is often the most viable option. As noted in the business base section, allowing the conversion of barns in the open countryside to employment use for tourism and leisure businesses could improve the supply of affordable employment space for the sector. Therefore a corresponding requirement to ensure low impact uses to be investigated before allowing residential uses is recommended. As discussed in the Historic Environment Topic Paper, this approach is consistent with ensuring proposals have the least impact on an asset's heritage significance, as employment uses can usually be open plan and adapted to protect plan form and significant features.

6 Overarching themes, settlement strategy and recommendations

6.1.1 This section of the topic paper summarises the overarching themes that have emerged from the economic assessment and review of the available analyses described in the previous sections. These are addressed in relation to their impact on future economic development on Dartmoor, both in terms of how they might affect it and how they can be supported or ameliorated as appropriate.

6.1.2 The section also contains more detailed assessments of some of the specific issues being faced by the current settlement strategy and discusses the potential economic impact of various policy options. It then concludes with a summary of policy recommendations for consideration.

6.2 Summary of overarching economic themes

Current economic situation

6.2.1 While the 2008 recession impacted on growth, the local economy in the National Park has been reasonably resilient based on its diversity, ability to adapt and business longevity. The key points are:

- 2,170 VAT and/or PAYE registered businesses were operating on Dartmoor in 2016 (N.B. Because of the registration issue, many micro and sole trader enterprises are not included in the total).
- This total had increased by 5% since 2012 - a slower rate than the regional and national levels. The structure of micro businesses and micro firms is largely typical of Devon.
- Sectors with the largest current GVA are tourism (including accommodation, food & beverage and recreation), construction, education and IT services,
- Nearly a fifth of the 11,741 jobs on Dartmoor are in tourism; either accommodation and/or food & beverage services. Other major sources of jobs are education, construction and wholesale.
- The proportion of economically active residents is similar to national levels, while the rate of unemployment is lower than compared to England.
- Amongst the employed residents there is very high instance of self-employed working. Out-commuting is a significant feature of Dartmoor's local economy.

6.2.2 DCC sum up the current situation as: **"**The economy in Dartmoor is driven by tourism with £134.5m in spend from 2.25m visitors annually... Agriculture forms another key aspect of the economy and lifestyle on Dartmoor with farms safeguarding much of the landscape..." It is also important to highlight that the main sectors in Dartmoor's economy are currently "low wage, low productivity", heavily dependent upon having a large and flexible workforce available.

Forecast economic growth

6.2.3 The available economic models indicate growth in employment over the next 20 years in the accommodation and food services, business services and construction sectors on Dartmoor, with declines in jobs in manufacturing. These forecast trends broadly reflect regional and national trends for the existing business sectors on Dartmoor – that is, overall there is not forecast to be any significant change in the structure of the economy over the forecast period. The forecasts for each of the five largest industrial sectors by GVA on Dartmoor up to 2036 are:

- Construction: increasing from 10% to 13% of total GVA;
- IT services: increasing from 8% to 9% of total GVA;
- Education: increasing from 7% to 8% of total GVA;
- Retail: increasing from 6% to 7% of total GVA; and
- Residential & Social care: increasing from 3% to 6% of total GVA.

6.2.4 While overall these forecasts indicate that the sectors which are already the largest for GVA are those in which growth will occur, they also show the increasing importance of residential & social care: with one third of Dartmoor's population soon to be of retirement age, this is to be expected.

Workforce availability

6.2.5 The most striking finding from the analysis of population projections was the anticipated *decrease* in the size of the working age population resident on Dartmoor. In the context of the forecasts for growth in employment in the accommodation & food services, business services and construction sectors this could result in acute labour and skills shortages for local businesses.

6.2.6 While Dartmoor is not alone in facing this situation, the current age of its resident population means that it is probably a decade in advance of the rest of the country in having to address it urgently. The alternative is to allow the business base (and the numbers of people in employment) to decline. The high cost of housing and the comparatively low wages on offer on Dartmoor are key elements in the current poor availability of labour for many service and tourism enterprises and this situation will only get worse as the population ages further.

6.2.7 If economic growth on Dartmoor, in terms of the forecast increases in both GVA and jobs is to be achieved then it is essential that a range of approaches are taken to improve the availability of the working age population. Economic forecasts are based on national projections, which do not take account of local circumstances, particularly those relating to workforce availability in Dartmoor's case. The DLP Employment Land Review highlights this problem:

> *"It will therefore be important for DNPA to consider a locally identified housing need figure in light of economic job forecasts. The EDNA forecasts job growth of between 1,060 and 2,390 jobs by 2040 (2015-2040).* ***Supporting this level of economic growth will require appropriate growth in the economically active population of the National Park i.e. sufficient working people to fill jobs.*** *It will be important to consider economic activity rates when determining a housing need figure if economic ambitions are to be realised"*

Implications of growth in tourism and other growth sectors

6.2.8 Dartmoor's visitor numbers are forecast to rise in the future, although precise numbers are not available as estimates are only at national and international levels. Nonetheless, the associated projections predict job increases of up to a third of the current workforce and an associated overall increase in the number of tourism businesses operating on Dartmoor of c.15-25 over the period.

6.2.9 In this light, it is clear the increased visitor numbers are likely to be of sufficient significance to impact on traffic, car parking and, unless they are appropriately managed, the special qualities of the National Park. They will also require the provision of the necessary infrastructure, facilities and associated development for the effective management of visitors and recreational activity at the various key tourism ‘hotspots’.

6.2.10 Crucially, for the forecast economic growth of the tourism sector to be realised the issues around the availability of the workforce must be overcome. The poor availability of labour has been a recurring problem for many service and tourism enterprises needing minimum wage workers and this situation is forecast to become significantly worse as Dartmoor’s working age population decreases markedly in size over the next 20 years.

6.2.11 Opportunities for the development of new staff accommodation for larger businesses outside settlements will need to be considered to house workers by means of such avenues as creating staff accommodation associated with significant service/tourist businesses; and the provision of more affordable housing in local centres, rural settlements and villages and hamlets. Other means of supporting worker availability in Dartmoor communities should be considered as well, though it is acknowledged that many of these are beyond the remit of planning policy.

6.2.12 It is worth emphasising that, as well as the tourism sector, many of the other sectors that are forecast for growth, such as social and residential care, construction and retail all face similar workforce recruitment issues. In particular the existing recruitment and retention issues being faced by the adult social and residential care sector highlight the challenges that will be faced on a wider scale across the National Park’s growth sectors. These challenges include:

- Nationally, 275,000 more workers are needed in Adult Social Care by 2025;
- Which equates to an 18% increase in the workforce by 2025; and
- That there are 90,000 vacancies across the Adult Social Care sector at any one time.
- Across England, the turnover rate for Care Workers from all sectors (private, LA and voluntary) and all service types (domiciliary and residential) was 32.4% in 2016.
- The comparable figure for Care Workers in Devon was 41.2% in 2016.
- Low pay (there is strong evidence that pay plays a key role in effective retention of carers);
- An aging workforce and the use of zero hours contracts.

6.2.13 Helping to address these challenges through the settlement strategy will be crucial to assisting this sector and others central to the growth of the National Park’s economy with continued workforce availability.

6.3 Settlement strategy

6.3.1 This sub-section addresses the issues relating to the settlement strategy which have <u>not</u> been covered earlier in the paper – namely: the protection of town centres and shops, agricultural and forestry development; farm diversification; horse-related development, signs and advertisements and arts and culture. (The other issues around location, type and workforce availability have each been discussed in previous sections).

6.3.2 One of the main questions for the current settlement strategy is whether employment development should be allowed to occur within and adjoining Local Centres and Rural Settlements. Given the projected growth in employment in accommodation and food services, business services and construction as well as residential & social care – all services that need to be close to Local Centres and Rural Settlements – the evidence indicates that future development should be allowed in these locations.

6.3.3 In terms of what employment opportunities should be considered for the open countryside, Three possible scenarios were put forward:

- rural enterprises with an essential need to be located in the Open Countryside
- recreational enterprises which preserve the special qualities of the National Park
- small-scale expansion of employment sites) which given the diverse nature of the business base and the forecast growth will each need to be considered.

6.4 Protection of Town Centres

6.4.1 Although the National Park's towns and villages are relatively small they support some vibrant shopping centres which provide a range of shops and services. These centres create a social hub, support the needs of residents and workers, reduce residents' and workers' need to travel, and vastly improve settlement sustainability. They also provide an attraction for tourists and visitors and thereby make an important economic contribution which needs to be supported.

6.4.2 The potential for town centre development is generally constrained, with all centres containing significant numbers of listed buildings and an already tightly packed street-scene. Larger-scale redevelopment opportunities within town centres are limited, although edge of town centre redevelopment opportunities do exist at Ashburton (Chuley Road) and Buckfastleigh (Devonia) subject to land availability.

6.4.3 Current Local Plan Policy DMD19 protects Class A1, A2 and A4 uses in the main shopping areas of Local Centres, which are described in the Settlement Policies section. Outside the Local Centres current Policy DMD19 protects the loss of the last general store, public house or post office in any classified settlement. This policy approach is primarily based on shops, services and pubs being important community services and facilities worthy of protection in their own right. There is an opportunity in the new local plan for a policy to also recognise their economic contribution, particularly to tourism. Where the viability of community services is threatened, the local plan could also be more supportive of diversification opportunities, particularly retail and café uses.

6.4.4 None of the National Park's town or village centres are of sufficient size to warrant a Retail Study. All the National Park's classified settlements are significantly smaller than the centres which have undergone retail assessment in the associated District Authority areas.

6.4.5 With regards to town centre development, NPPF (2018) paragraph 86 states that Local Planning Authorities (LPAs) should require applications for main town centre uses (such as retail, leisure, entertainment, large scale office, arts, cultural and tourism uses) to be located in town centres rather than outside town centres. It requires a sequential approach is taken when considering appropriate locations. Paragraph 89 also states that when assessing applications for retail, leisure and office development (not small scale rural development) outside of town centres and not in accordance with an up-to-date local plan LPAs should require an impact assessment if the development is over a locally set floorspace threshold (a default of 2,500 sq ms is used if there is no locally set threshold).

6.4.6 Dartmoor's current local plan relies upon NPPF wording for taking a sequential approach to town centre development and the application of a floorspace threshold for impact assessments. There is an opportunity in the next local plan to strengthen this approach by reflecting the national approach in local policy. The National Park's town centres could be further supported and protected by setting a locally appropriate threshold for requiring a Sequential Test. Proposals for main town centre uses exceeding this threshold would be required to be located in town centres, then in edge of centre locations and only if suitable sites are not available, out of town sites. There is no threshold within the NPPF as to what size of site can be subjected to the Sequential Test, but it does say that it should not be applied to applications for small-scale rural offices or other small-scale rural development.

6.4.7 Permitted development rights in the Town and Country Planning (General Permitted Development) (England) Order 2015 have been considered as a benchmark for setting this threshold. In particular Part R was reviewed which grants permitted development rights to allow the conversion of agricultural buildings to flexible commercial uses. Part R was chosen as the majority of agricultural buildings will be located in the open countryside and in out-of-town locations.

6.4.8 Part R is divided into two types, schemes below $150m^2$ and those between 150-$500m^2$. Proposals below $150m^2$ can take place without any need for prior notification subject to the conditions of Part R. Schemes between 150 and $500m^2$, however, require an assessment of highways, noise, contamination and flood risk of a site by the Local Planning Authority.

6.4.9 Given the unrestricted allowance of $150m^2$ it is considered that this represents an appropriate threshold set by National Government where any impact arising from a rural development would be non-material. It is also considered that this would account for a relatively modest rural enterprise to establish themselves without the requirement for a sequential test, such as a farm shop or small scale office. A threshold of $150m^2$ therefore seems an appropriate size of development, above which a Sequential Test will be required.

6.4.10 Where development comes forward in an out of centre location local planning authorities can require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is set by the NPPF as 2,500 square metres). The threshold limits ensure that development which is likely to have an impact on the small-scale businesses in most of the National Park’s settlements is appropriately located where there is a demonstrated need, and where the impact on nearby town centres would be acceptable.

6.4.11 The varying size and nature of Dartmoor’s Town Centres is that a single threshold cannot accurately measure the likelihood of a development having a significant adverse impact. For example, an office development may have no impact on a Local Centre, but would on a Rural Settlement, whilst a large retail or tourism attraction may significantly impact on both. For this reason it is recommended that a flexible approach to requiring an impact assessment is taken, but that it is emphasised that they could be required on development only marginally larger than the $150m^2$ threshold for Sequential Test.

6.5 Protection of shops and other active uses

6.5.1 National research into the retail sector over the last decade has shown that many town centres in England have become increasingly vulnerable and struggled to maintain a healthy, vital and viable environment. This has resulted in rising vacancy levels on many high streets and a series of on-going challenges for centres to face:

- A clear move towards smaller convenience stores for food retailers and a move towards larger stores for non-food retailers.
- The growth of out-of-centre retail development, the continued rise of online shopping, changes in consumer habits and the loss of key retailers to out-of-centre locations.
- Matters such as Brexit and other global uncertainties have further contributed to

uncertainty and particularly impacted on consumer spending.

6.5.2 Deloitte[19] state in their retail trends report that:
"2017 was tough, but there are signs that 2018 could be a better year for consumers as inflation is set to reduce and wages may start to rise. Less of a squeeze on consumers should be good news for retailers, but rising costs will continue to exert pressure on margins and force retailers to focus on cost reduction and operational efficiency even as demand starts to pick up".
"2018 could see a further acceleration in store closures as retailers finally get to grips with transforming their real estate portfolios, to be fit for a market where online continues to outperform the rest of the market. The store still has a key role to play, but there will be fewer of them."

6.5.3 While many of the settlements on Dartmoor comprise numerous independent retailers reflecting the local traditional retailing nature of the centres and are to an extent "immune" from some of the trends described above, some of them are in evidence. Given the continued growth in online shopping and the proximity of major retail centres such as Plymouth and Exeter, the current position could easily be destabilised in the future. It is also worth noting that consultation has identified a growing trend of shops and services providing for the needs of visitors rather than those of residents.

6.5.4 The planning system has limited tools at its disposal to hold back the threat of changing consumer demands and dwindling profitability, it cannot control the businesses which occupy units, what they sell or when they open. This is left to the market. There is growing thought alongside this that it should also be for the market to decide how high streets can solve these issues. Evidence suggests that people are still interested in visiting high streets but the purpose of their visits have changed from our traditional understanding of the high street's role. People are more likely to visit to have an experience, do shopping research but perhaps not buy, or go for a meal or coffee[20]. All of these activities can contribute to the vitality of high streets and can be worked into business models, indeed the success of our highstreets in the future is largely down to business' ability to capture people's changing tastes and demands.To support this shift there needs to be corresponding flexibility in planning policy to allow it to happen. Enabling planning policies which allow flexibility can encourage the high street to evolve and sustain vibrant and viable uses.

6.5.5 It's also important to understand that the viability and vitality of a high street is to a large extent dependent on what development and uses surround it. Our high streets are essentially secondary uses to business, housing, and community uses. It follows that the more primary uses there are around a high street, the more footfall will be generated and

[19] https://www2.deloitte.com/uk/en/pages/consumer-business/articles/retail-trends.html
[20] Future of the High Street (2017) Future Spaces Foundation http://www.futurespacesfoundation.org/wp-content/uploads/2015/03/The-Future-High-Street-FSF.pdf

the better chances there are for businesses to capture the passing trade. This further supports the Town Centre Sequential Test approach discussed above.

6.5.6 In conclusion the traditional role of the high street is changing and looks likely to continue to change. It is recommended that Dartmoor's planning policies respond and facilitate positive change by:

- Within the Local Centres, which contain Dartmoor's main shopping areas, allowing businesses flexibility to change use within a range of 'active' Class A uses, providing they do not adversely affect neighbouring uses
- requiring marketing evidence for change of use outside Class A uses, but encourage other appropriate town centre uses, such as office (Class B1a) or institutional (Class D) uses, before allowing residential conversion
- issuing planning decisions which allow change of use to a range of acceptable Class A uses to give clarity to prospective tenants
- continuing to protect the last shop, general store and pub in all Classified Settlements to ensure core services are not eroded

6.5.7 Furthermore, it is known that investment in the public realm and façade maintenance on high streets, together with support for street markets and other community uses serve as significant attractors and footfall generators both for local residents and visitors. Albeit not directly under the control of planning, where possible support for these should be continued.

6.6 Agricultural and forestry development[21]

6.6.1 ONS business data illustrates the significance of the agriculture and forestry sector to the economy of Dartmoor – accounting for nearly a third of all businesses in the National Park – the largest number of businesses in anyone single sector (30%). It is also one of the largest in terms of employment accounting for nearly one in seven employees (13%). The IDBR 2016 data indicates that there were 650 business enterprises in agriculture and forestry on Dartmoor, employing 1554 people. This meant that each business averaged just over 2 employees, lower than the average business size of 5 on Dartmoor.

6.6.2 The economic significance of the sector is much greater than these basic figures suggest however. Firstly, the sector is, of course absolutely essential to the appearance and "image" of the National Park, making it such an internationally renowned attraction for visitors. As such it is apparent that the tourism sector is dependent upon the image of Dartmoor to sustain its appeal for visitors. Secondly, many other local sectors, such as food and drink directly, together with other sectors indirectly depend upon it for their existence. Thirdly, the sector is, of course, central to the increasing use of/interest in natural capital/ecosystem services approaches to assessing the full extent of economic and social benefits accruing from the environment.

6.6.3 Indeed, agriculture and forestry are the two most extensive rural land uses in Dartmoor and together they make the biggest contribution to ensuring the National Park's landscape is maintained and have the most to offer in conserving and enhancing its natural environment.

6.6.4 Up to the 1980s the government encouraged increased production and the construction of new buildings. Mechanisation during this time and the need to produce more with less labour led to the creation of large farm units with larger buildings. More recently food surpluses and growing concern about the conservation of the natural environment and rural landscape have resulted in the Government encouraging farmers to limit output. In Environmentally Sensitive Areas, such as Dartmoor National Park, grant schemes have

[21] Agriculture and forestry are discussed extensively in DNPA's Natural Environment Topic Paper, and much of this section is drawn from that paper.

sought to incentivise sustainable land management practices. Farm diversification has also been encouraged through relaxation of planning policy.

6.6.5 Despite the changes in policy there has been a continuing trend towards agricultural mechanisation and increasing scales of production. As a result, larger buildings with wider roof spans which are industrial in appearance and scale are more prevalent. The problems these trends present are:

- New large-scale agricultural buildings can have a significant impact on the character of the rural landscape and visual quality of existing farmsteads by:
  - Being poorly sited without regard for existing development or valuable landscape features
  - Inappropriate design and use of materials
- Finding an appropriate alternative use for historic buildings which become redundant due to modern practices

6.6.6 The current Local Plan has witnessed the following trends in the UK agricultural land market:

- Steadily increasing agricultural and forestry land values;
- A high proportion of farmers selling off land for reasons of retirement and debt; and
- A decreasing proportion of farmer buyers and consistently high proportion of non-farmer buyers.

6.6.7 The UK forestry land market has witnessed:

- Strong historic upwards trend in forestry land values although uncertainties about the availability of woodland grants has led to a recent check on growth; and
- A high proportion of non-forestry buyers purchasing mixed woodland for amenity purposes.

6.6.8 Local and national market trends indicate the use of agricultural and forestry land for traditional commercial purposes is in decline. This continuing trend will likely affect the type of development coming forward over the next plan period with greater demand for domestic, recreational and amenity development.

6.6.9 From an economic perspective, it is evident that for a range of reasons, including an aging workforce, changes in consumer habits and tastes, the uncertainty over Brexit and wage pressures, mean that many Dartmoor businesses (both from the agriculture and forestry sector as well as tourism and leisure) are likely to be struggling over the next 20 years. A broad range of support, not just through planning policy, will be needed to help them.

6.7 Agricultural diversification

6.7.1 The viability of the agricultural industry will continue to be a prominent issue throughout the next plan period and the demand for agricultural diversification schemes will likely be sustained. Diversification offers enterprises an important way for farm businesses to add resilience by introducing other businesses which can support the principal farm business.

6.7.2 There is an opportunity to clarify what is considered a farm eligible for farm diversification as this has created uncertainty over the course of the current local plan. The intention of this is to ensure that a farm benefitting from any policy on diversification is active and contributing to the management of the National Park’s landscape and biodiversity. There are various criteria which could be used for this purpose, but the most established are used by the active farmer certificate for assessing the eligibility of a farm for farm based payments[22]. The criteria include:

- the farmer's total agricultural receipts were at least 40% of their total receipts in their most recent financial year (normally no more than 3 years before the year they are applying)
- the value of the farmer's BPS claim was equivalent to at least 5% of their total non-agricultural receipts in their most recent financial year (normally no more than 3 years before the year they are applying)

6.7.3 The second criteria is not considered appropriate for the purposes of a planning policy and it is recommended that it is replaced by a criteria ensuring the farm supports at least one full time agricultural worker. Policy should make it clear that these tests should be checked where there is uncertainty about the status of the farm, and not be used to burden agricultural applicants who are clearly working active farms.

6.7.4 Current policies allow for the construction of new buildings for diversification and this has not created any issues over the last plan period. It is therefore recommended that this is retained, but with an additional criterion to ensure historic farmsteads are respected.

6.8 Additional accommodation on active farms

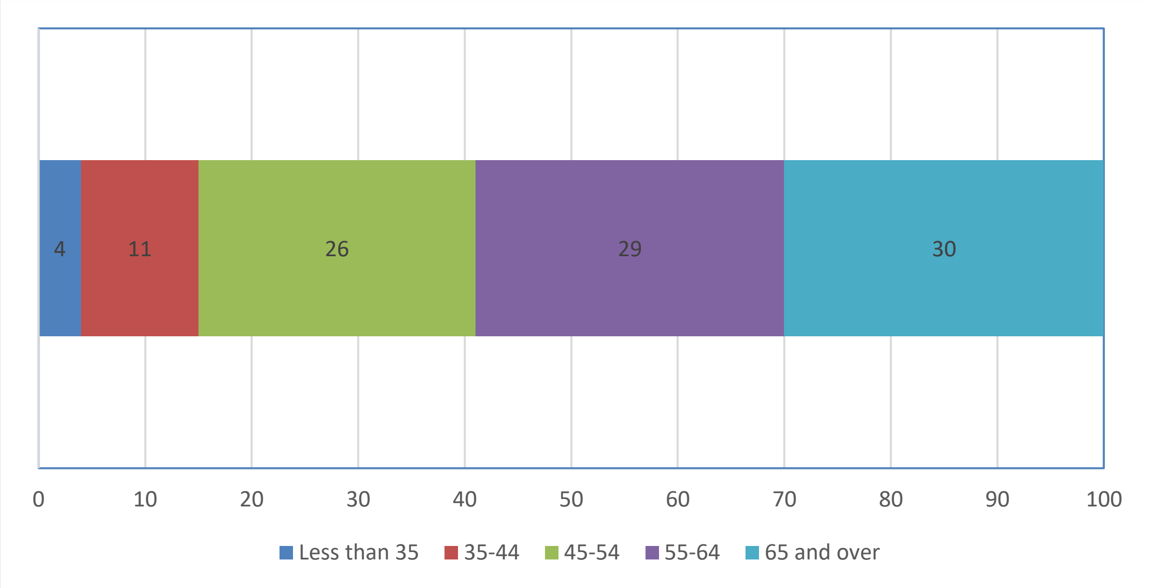
6.8.1 It is worth noting that the decline in the working age population on Dartmoor may well disproportionately affect the farming sector, because it is known that the average age of farmers exceeds that of the rest of the working age population. While it is also recognised that farmers often work to a much greater age than the rest of the working population, it seems evident that within the next 20 years their numbers will decline substantially.

6.8.2 The national Farm Structure Survey 2013 cited in the *Agricultural Labour in the UK* paper found that 30% of farm managers were aged 65 or over and nearly 60% were aged 55 or older. Indeed, 85% were aged over 44. Figure 8 illustrates the spread of farm managers' ages nationally, although it is worth remembering that the average age of the population on

[22] https://www.gov.uk/government/publications/active-farmer-certificate

Dartmoor suggests that the National Park's farmers may be considerably more mature than this profile:

Figure 8: Age of Farm Managers for the UK (%)



Source: Farm Structure Survey 2013

6.8.1 Consequently, it seems likely that the issue of workforce availability for the sector will continue to be an issue. The local plan can respond to this by allowing farms to create additional residential accommodation for elderly retiring farmers (thereby allowing younger farmers to take on the enterprise), part-time rural workers or to support the farms' overall income. Specifically, this could be achieved by allowing opportunities in the local plan for:

- new houses, extensions or annexes on existing farmsteads
- conversion of suitable redundant historic buildings for rented accommodation

6.8.2 Opportunities for the creation of any new accommodation on farms needs to be carefully balanced against the impact new accommodation can have on:

- the value of the business and its viability as a going concern
- the risk of any accommodation being sold separately from the business and farm land
- the impact of the development on the farmstead's heritage significance and other National Park special qualities
- the risk of new occupants objecting to the existing farm business on environmental health grounds.

6.8.3 The risk new accommodation poses to the value of the business and its viability as a going concern is a significant issue in the National Park because of the high value of open market housing in the open countryside. Therefore ensuring new accommodation is proportionate to the need, limited in size and remains tied to the business business is essential to realising the long term benefits which are the intention of this policy. Evidence presented in the Housing Topic Paper demonstrates that the risk of new accommodation being sold separately from the business and farm land is considerable. In particular it highlights that removal of agricultural ties was sought on 15% of all rural workers dwellings approved over the last 40 years. This justifies controlling new accommodation through anti-severance obligations. These obligations are discussed in further detail in the housing topic paper, alongside rural workers' dwellings, including recommended measures to ensure they are not overly restrictive or onerous.

6.8.4 Bearing in mind the need for new opportunities needs to be balanced and proportionate it is recommended that the following opportunities be made available through the policies of the local plan:

- Allowing residential conversion of suitable redundant historic buildings in accordance with the recommended approach discussed in the Historic Environment topic paper where it is needed for farm diversification and the enterprise is an active and meets the tests discussed above. However the need for residential conversions to demonstrate they are not viable for lower impact uses should be completed via business planning, rather than marketing evidence which could inadvertently encourage severance. The additional accommodation should be restricted to occupation by local people and, to prevent the accommodation being sold separately it should be tied to the farm holding via an anti-severance obligation.
- Where there are no opportunities for conversion of a redundant historic building a modest portion of new residential accommodation could be allowed through the creation of an annex associated with the existing dwelling. The size of the annex can be limited to $40m^2$: the equivalent of a studio for national residential space standards. This type of accommodation would have limited impact on overall farm value compared with an additional house. To ensure the accommodation can be used for retiring farmers it should not need to be justified by need for a worker, but the business should meet the financial policy tests for a rural worker's dwelling and the accommodation should be subjected to an agricultural occupancy condition (which allows occupation by retired farmers) and tied to the farm holding via an anti-severance obligation. This accommodation could then also contribute to the availability of rural worker accommodation in the area more widely.

6.8.5 These two recommended approaches create opportunities for the creation of a proportionate amount of accommodation which has a limited impact on overall farm value and is protected against severance. It should therefore not create such a large incentive that they become short term business prospects, but allow for accommodation to be created where it is needed. The proposed approach should benefit the long-term viability and vitality of the agricultural economy on Dartmoor by creating accommodation that a variety of rural workers can benefit from or which can be used to support farm businesses through diversification. In so doing these opportunities can assist agriculture in its role conserving and enhancing the National Park's landscape and biodiversity.

6.8.6 The policy does have the potential to bring people who are not connected to the farmstead on to working farms. This could create amenity issues if there are noise, pollution, air quality and other amenity concerns. Dartmoor's policy on residential amenity will ensure these risks are considered, in consultation with Environmental Health, at the application stage.

6.9 Economic perspective on recommendations for policy contained in the Natural Environment Topic Paper

6.9.1 In addition to this topic paper, there are other topic papers on a range of key Local Plan issues, some of which have implications/cross reference to the economic issues that have been discussed here. The Natural Environment Topic Paper (Topic Paper 1) and covers agriculture and forestry extensively. The recommendations in the Natural Environment Topic Paper relevant to the economy are considered here.

6.9.2 The recommendations state that *"supporting the agricultural and forestry industries will continue to be a priority over the next plan period, but it is of equal importance to ensure any development is compatible with the National Park's purposes and statutory duties."* Given the vital significance of the environment and landscape to Dartmoor's economy, both directly through the agriculture and forestry sectors alongside tourism and food and drink industries, as well as indirectly through a wide range of other associated sectors, this continued support is essential.

6.9.3 Notwithstanding concerns over the workforce, it is clear that the recommendations in the Natural Environment Topic Paper about *"achieving high-quality agricultural and forestry development", "new development not to be isolated so as to be consistent with the prevailing traditional development pattern across Dartmoor"* and requiring *"development to respect the valued attributes of the landscape character types identified in the Landscape Character Assessment*" are important elements of a balanced policy for maintaining and sustaining a landscape that both attracts visitors while also giving local businesses the opportunity to thrive.

6.9.4 From an economic perspective, it is evident that for a range of reasons, including an aging workforce, changes in consumer habits and tastes, the uncertainty over Brexit and wage pressures, mean that many Dartmoor businesses (both from the agriculture and forestry sector as well as tourism and leisure) are likely to be struggling over the next 20 years. A much broader range of support, beyond planning policy, will be needed to help them.

6.10 Horse-related development[23]

6.10.1 The keeping and riding of horses on Dartmoor brings pleasure to many and can also make an economic contribution through direct employment, providing opportunities for agricultural diversification and stimulating tourism. However, poor quality equestrian development and inappropriate land management practices can result in a significant adverse impact on the special qualities of the National Park.

6.10.2 An increasing amount of land in the National Park is used for equestrian purposes, in the form of grazing, stabling, paddocks and other enclosures, such as manéges and sand schools. Planning permission for a change of use to equine is necessary where

[23] Much of this section is drawn from DNPA's Natural Environment Topic Paper 1

supplementary feeding, stabling, or recreational riding is taking place on the land, a change of use is not necessary where horses are only turned out for grazing.

6.10.3 The potential adverse impacts of equestrian development on Dartmoor include:

- Construction of new stables, buildings, etc. in isolated locations away from existing development contributing to sprawl of development into the open countryside;
- Poor siting of equestrian buildings and structures so they are visually prominent, do not relate well to landscape features or involve excavation of sloping ground;
- Poor land management practices leading to poaching (where the pasture is broken into wet muddy patches by the action of the horse's feet) of land and damage of valued habitats;
- Use of fencing and horse tape to subdivide fields leading to loss of traditional field patterns and erosion of the area's landscape pattern;
- The use of permanent building materials (e.g. concrete block, concrete foundations etc.) which can have greater visual impact and make removing the building difficult;
- Poor siting of muck heaps leading to contamination of water courses and causing a nuisance to neighbouring residents or users of public rights of way;
- Creation of additional field accesses which can have an undesirable urbanising effect and involve loss of hedgerows of biodiversity value
- Inappropriate external lighting on isolated buildings in the open-countryside which can impact on dark-night skies

6.10.4 The Natural Environment topic paper contains a set of policy recommendations, based on the existing approach and the issues raised above. In summary these are:

- The existing criteria-based policy remains valid and any new policy should continue to help ensure equestrian development is appropriate.
- A particular issue which has arisen on Dartmoor relating to poaching as a result of keeping horses on too little land and subdivision of fields should be addressed by a guideline acreage of 2.5 acres for a typical horse grazing on Dartmoor.
- Equestrian development should continue to be tightly clustered with existing development to avoid unnecessary sprawl and detrimental landscape character impacts.
- Applications for equestrian development which impact on priority habitats should be accompanied by an ecological assessment and only approved where it is demonstrated the development will conserve and enhance those habitats identified.
- The policy would be further enhanced by stating that conditions requiring the following will be considered when granting planning permission for equestrian development:
  - Muck heaps sited so they do not discharge to or pollute a water body
  - Equestrian paraphernalia, including jumps, field shelters, horse tape or structures to further subdivide fields should not be sited on the land without prior written approval
  - No external lighting should be installed
  - Any approved structures should be removed from the land upon redundancy

6.10.5 In the light of the issues described above and the policy recommendations made, it is interesting to note that the British Horse Society[24] and the Women's Fitness and Health

[24] http://www.bhs.org.uk/our-charity/press-centre/equestrian-statistics

Institute (part of Sport England) – there are over eight women for every single man taking part in Equestrian activities – most recent reports say that Equestrianism:

- Is one of just seven sports that has more female than male participants – almost nine times as many women as men take part in equestrian activities at least once a week
- Female participation rates have stayed reasonably constant over the past three years, although overall participation rates have declined;
- There has been a decline in regular riders, from 1.6 million in 2011 to 1.3 million in 2015;
- Equestrian loses around half its participants between the ages of 16 and 22, with the largest drop at age 18; and
- "Latent" demand is 0.42% among women – that is the percentage of women who would like to do (more) horse riding each week, compared with 8.35% for swimming and 1.93% cycling.

6.10.6 Although these figures do not paint an overly positive picture for future horse related business developments, it is important to note that they are based on national averages. The BHS also highlights that horse related activities in the South West in general and specifically in Devon are more popular than elsewhere, and furthermore, quite a noticeable proportion of equestrian activity is related to tourism – which is forecast to grow over the next 20 years. Consequently, it seems sensible to assume that applications for horse related development on Dartmoor will increase and the proposed policy recommendations for managing them will be necessary.

6.11 Signs and advertisements

6.11.1 The Dartmoor Local Plan Topic Paper 7: Transport sets out a detailed discussion of signs and advertisements. It states that "the entire National Park is designated as an Area of Special Control for Advertisements because it is considered its scenic, historical, architectural and cultural are so significant that a stricter degree of advertisement control is justified in order to conserve visual amenity. The designation imposes stricter limits on the permitted height and size of advertisements which are deemed to have consent." The designation allows the Authority to give express consent for a range of notices, signs and advertisements.

6.11.2 However, the proliferation of signage is an on-going issue in the National Park, particularly on A and B roads (county roads). Advance signage can have a significant impact on the National Park's rural and tranquil character, both in isolation and cumulatively. The increased pressure for signage is identified as a force for change in the 2017 Landscape Character Assessment. When lit advance signs can also contribute to light pollution.

6.11.3 The Authority's existing policy DMD36 in combination with guidance in the Design Guide have proven adequate for determination of applications for express advertisement consent for on-site advertisements.

6.11.4 The Authority's approach to advance signs only allows advance signage for businesses with direct access onto a county road or tourist businesses without direct access onto the route network. Applying this policy has been problematic as it favours certain businesses, either tourist businesses or those close to county roads, without justification.

6.11.5 With permitted development rights being extended to redundant modern and traditional agricultural buildings allowing change of use to various commercial uses, it is likely that isolated businesses could become more prevalent over the next plan period. Alongside this it is reasonable to assume the demand for advance signage will also increase. Advance signage in the form of brown tourist signs can be applied for via the Highway Authority and have significantly less harm than a bespoke sign.

6.11.6 The transport Topic Paper then recommends that: “In view of the significant harm advance signage can cause to the rural character and tranquillity of the National Park it is recommended that Local Plan policy considers supporting only high quality on-site signage for businesses which cannot easily be seen from the route network. In such an approach off-site advance signage would only be supported where they are essential for the needs of highway safety.”

6.11.7 It is difficult to gauge the possible economic impact of this approach without knowing the specifics of the business types that might be affected. Clearly some businesses are much more dependent upon “passing” customers, who might not notice a business without more advance or more conspicuous signage, than others. This particularly true of business in the tourism and leisure sector such as shops, visitor attractions and recreation facilities.

6.11.8 However, if the businesses affected are primarily those that customers would only visit if they were aware of it in advance or those that serve the business sector, rather tourists or the public on outings, such as business services, IT services, accommodation, residential care homes, etc. then the impact would be likely to be minimal.

6.12 Arts and culture

6.12.1 The South West Productivity Commission highlighted in 2016 the economic issues rural areas face because of the greater proportion of their businesses that operate in *“low productivity, low wage sectors*”, such as agriculture, forestry and fishing, food and drink, tourism, etc. As highlighted in section 2, this is a particular problem in the Dartmoor economy, not least because these sectors are both interlinked through strong local supply chains and intrinsic to the location.

6.12.2 The Commission continues by noting that “given their significance, the productivity challenges facing these sectors must be tackled if rural productivity is to improve. However, the economic structure of rural areas is changing. Improved connectivity combined with an outstanding natural environment and quality of life are creating an environment where knowledge-based businesses can grow and thrive and we are seeing the emergence of high productivity sectors and clusters, such as the creative industries.”

6.12.3 The arts and culture sector has also been identified as an opportunity that the Dartmoor Local Plan could help develop for similar reasons. While there is little available evidence of its economic value, because of its current small scale, there is no doubt that the beauty and remoteness of Dartmoor would be appealing to many in the sector while also offering a “natural” home for it. The Productivity Commission felt that this was the case for all rural parts of the region and made two recommendations of note to help develop the sector:

- South West LEPs should work with the private sector to build/upgrade a network of ‘high quality collaboration space’. EAFRD and other available funding should be used to upgrade the existing network of rural workhubs, including provision of ultra-fast broadband. This could include hubs to support emerging sectors such as the creative and digital sectors or indeed facilities that support collaboration in sectors such as fishing or food processing;
- South West LEPs should proactively seek out ‘relocation’ opportunities from organisations operating in over-crowded parts of the UK (e.g. central London) and Government should relocate agencies or back-office functions to the rural areas of the South West in order to help rebalance the economy.

6.12.4 While these recommendations do not directly relate to planning policy on Dartmoor, it is clear that appropriate policy levers could be used to assist in the processes for both. It is in this manner that the Local Plan may best be able to help arts and culture develop on Dartmoor.

7 Bibliography and data reviewed

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DNPA's chart of revenue generated by tourism in DNP and Area of influence (AOI) plus associated tourism data for each area alone

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Please note that the documents and data sources that are listed and referenced above are those which have been cited on numerous occasions throughout this report as appropriate. These sources have provided the bulk of the secondary evidence that was reviewed and from which the conclusions in the report were drawn. Several other reports and data sources were also used, albeit on only one occasion – where there was the case, a footnote is given that contains a link or a reference to the original source.