Economic Futures and Employment Demand Study

Final Report
Northumberland National Park Authority
23 May 2018
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1.0 Introduction

1.1 Northumberland National Park Authority (NNPA) appointed Lichfields, Lambert Smith Hampton (LSH) and Youngs RPS to prepare an Economic Futures and Employment Demand Study for the local authority area. In summary, the study is intended to provide the NNPA with an understanding of:

- The contemporary Northumberland National Park (NNP) economy, key sectors and future growth prospects
- The current stock of employment premises within the NNP in both qualitative and quantitative terms; and
- The anticipated future growth trajectory of the NNP economy and the implications of this with respect to demand for employment premises over the period 2017 to 2037.

1.2 The methodological approach applied in undertaking the study has regard to the National Planning Policy Framework and the Planning Practice Guidance. It also takes into account the Employment Land Reviews: Guidance Note ‘Brown Book’ published by ODPM in 2004.

Scope of the Study

1.3 The purpose of the study is to provide evidence in order to support the emerging Local Plan for the National Park. It is not a policy or strategy document per se, but instead provides an evidence base input to specific planning or economic development policies being developed by the Authority.

1.4 The principal role of the Economic Futures and Employment Demand Study is to provide the NNPA with an understanding of current and potential future requirements for employment space. This draws upon a range of scenarios underpinned by various alternative modelling techniques. For each scenario, the employment space implications are specifically considered for the group of B class sectors outlined below:

- B1 Business (offices, research & development and light industrial);
- B2 General Industrial; and
- B8 Storage and Distribution (wholesale warehouses and distribution centres).

1.5 It should be noted that references to ‘industrial space’ relate to both manufacturing and storage and distribution uses.

1.6 In addition to assessing further B class space needs, the study also considers future projections for growth across a range of non-B class sectors (identified by NNPA officers) taking to account how the overall economy of the area could change in the future. It is important to note that the study does not seek to quantify the employment space implications associated with the anticipated future change within each of these non-B class sectors, however. This is because individually they are – or should be – subject to separate, detailed reviews of future requirements and capacity planning through their own regulatory/statutory bodies (i.e. Health Trusts, Education Authorities, Tourism Boards etc.) and by applying different, sector-specific methodological approaches.

1.7 An important consideration for work of this type is that it is inevitably a point-in-time assessment. The study has, however, drawn upon the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources have not been checked or verified by Lichfields, LSH or Youngs RPS.
**Report Structure**

The remaining sections of this report are structured as follows:

- Economic Baseline (Section 2.0) – a review of current economic conditions and recent trends in the NNP and an assessment of current functional economic relationships;

- Agricultural Sector (Section 3.0) – an overview of the agricultural sector within the NNP, including an analysis of agricultural holdings and recent shifts in the composition of the workforce;

- Understanding Business Needs (Section 4.0) – a summary of key messages identified through consultation with local businesses and economic stakeholders;

- Commercial Market Signals (Section 5.0) – analysis of the current stock of employment premises in the NNP and commercial market linkages with the adjoining Gateway Settlements;

- Qualitative Assessment of Stock (Section 6.0) – an overview of the qualitative and quantitative assessment of premises located within the NNP that are currently within employment use;

- Future Requirements for Employment Space (Section 7.0) – presents a range of alternative estimates of future B class employment space needs, derived by drawing upon a variety of forecasting techniques;

- Non-B Class Uses (Section 8.0) – provides a high level review of the distribution and future growth prospects of a series of non-B class uses identified within the study brief, including retail, tourism, education and health; and

- Summary and Conclusions (Section 9.0) – draws together the key findings from the preceding sections.
2.0 Economic Baseline

2.1 This section identifies and reviews the contemporary Northumberland National Park (NNP) economy. It includes an analysis of the area’s: Functional Economic Market Area (FEMA), demographic profile, employment market profile and labour market profile. Data is drawn from published Office for National Statistics (ONS) unless indicated otherwise, with comparisons made, where appropriate, to county, regional and national averages.

2.2 Where published data is not available at the National Park level specifically, the area included within the NNP has been defined as covering the 13 Output Areas (OAs), or where unavailable, the 15 Local Super Output Areas (LSOAs) as identified by the NNP Authority, which are either wholly or partially (at least 50%) included within the NNP boundary. This geographical definition is broader than the specific NNP boundary and will include some of the Park’s gateway settlements, in the absence of suitable datazones which match the authority’s boundary. Where possible, data specifically relating to the NNP boundaries has therefore been used, drawing upon 2011 National Park Census data, Mid-year population estimates and Inter-Departmental Business Register (IDBR) data for National Parks, as well as bespoke employment figures generated by Experian (2017).

2.3 It is important that the difficulties in measuring the economy of the National Park are recognised. This reflects the boundary of the area, which excludes a number of major ‘gateway’ settlements and the associated resident population. If figures are generated using only those statistical areas where the National Park population accounts for 50% or more of the total population, then areas of the National Park are omitted, leading to under reporting. Conversely, if the National Park is defined as all of those statistical areas within the National Park (i.e. even those that fall below the 50% threshold) then information specific to the National Park economy is absorbed within an analysis of the wider area. This gives rise to over reporting, which means that the statistics may not be representative of the particular characteristics of the National Park alone.

2.4 Further, it should be noted that IDBR data is based upon VAT and/or PAYE registered businesses. The National Park, however, has a high number of low turnover businesses and high instances of self-employment. This leads to further under reporting regarding the scale of the local economy.

Functional Economic Market Area

2.5 This section reviews the NNP’s Functional Economic Market Area (FEMA); its economic geography and relationships to its gateway settlements, the wider County and region, including commuting patterns and accessibility to transport and utilities.

2.6 Planning Practice Guidance (PPG) provides advice on how FEMAs can be defined. It states that commercial property market geographies should be thought of in terms of market requirements for the location of premises and spatial factors used in analysing demand and supply. The PPG goes on to state that since patterns of economic activity vary from place to place, there is no
standard approach to defining a FEMA. However FEMAs can be defined by taking account of factors including travel to work areas and housing market areas.  

More detailed guidance on how to define a FEMA is provided by the Ministry of Housing, Communities & Local Government (MHCLG). This states that examining commuting flows can help to define the FEMA of an economy. These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census, as outlined below.

### Commuting Patterns and TTWAs

The ONS defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas (TTWAs) for local economies. The current criteria for defining TTWAs is that at least 75% of an area’s working population work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500.

In 2015, the ONS used 2011 Census data on home and work addresses to define 228 TTWAs that cover the whole of the UK. The ONS analysis found that the NNP falls within the Berwick, Hexham and Haltwhistle and Morpeth, Ashington and Alnwick TTWAs, which will also be influenced by the settlements located outwith the NNP boundary but aligns with the wider former district local authority boundaries in which the NNP sits (Figure 2.1).

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5 Practice Guidance Reference 2a-012-20140306  
2.10 Examining commuting flows for the NNP OAs specifically demonstrates that 1,032 (55%) of the 1,881 working residents both live and work within the same area. However, as shown Table 2.1, the NNP OAs have an overall net commuting outflow of -105 people, reflecting the modest level of economic activity within the NNP. Whilst 744 people commute into the NNP OAs for work, this is offset by the 849 people who commute outside of the NNP for work, with the strongest inter-relationships evident between Northumberland, Newcastle upon Tyne and North Tyneside.

Table 2.1 Key in bound and out bound commuting flows for the NNP (2011)

<table>
<thead>
<tr>
<th>Worker flow</th>
<th>Number of workers</th>
<th>Key commuting destinations (% of total commuter flow)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live and work in NNP OAs</td>
<td>1,032*</td>
<td>n/a – providing the workplace for 55% of the area’s residents and the residence for 23% of the NNP’s total workforce</td>
</tr>
<tr>
<td>Out-commuting residents</td>
<td>849</td>
<td>Elsewhere in Northumberland (28%) and Newcastle upon Tyne (8%).</td>
</tr>
<tr>
<td>In-commuting workers</td>
<td>744</td>
<td>Elsewhere in Northumberland (58%), North Tyneside (6%) and Newcastle upon Tyne (4%).</td>
</tr>
<tr>
<td>Net commuting flow</td>
<td>-105</td>
<td>n/a</td>
</tr>
</tbody>
</table>


* Note: includes residents who mainly work at or from home, residents who have no fixed place of work, and residents who work on an offshore installation

2.11 As shown in Table 2.1, internal flows within the NNP OAs and elsewhere in the Northumberland local authority area present the most significant travel to work flows for the NNP. Together these areas provide the workplace for 83% of the NNP’s working residents and the residence for 82% of the NNP’s workforce. This is perhaps unsurprising given the extent of the NNP which falls within Northumberland, the natural geography and local road networks.

2.12 Further analysis of this TTWA highlights that the majority of residents commuting out of the NNP OA’s boundaries for work travel to sites in:

- Rothbury (74 workers);
- Bellingham (71 workers); and
- Hexham (38 workers).

2.13 Analysis of commuter inflows to the NNP OAs from elsewhere in Northumberland also demonstrates that key inflows are generated from the areas of:

- Bellingham (97 workers);
- Alnwick (46 workers); and
- The villages of Longframlington, Bolton and Eglingham (16 workers).

2.14 This was also reflected in the NNP’s Business Needs Survey undertaken in 2016, which identified that most employees of the responding businesses lived either on the business site (13%), or up to 10 miles away (34%).

2.15 The 2011 Census data also highlights the importance of home working within the local economy. The data shows that c.632 (61%) of the 1,032 residents who live and work within the NNP OAs work from home, accounting for 34% of the total working resident population compared to an average of 13% in Northumberland, 8% in the North East and 10% in England. The popularity of homeworking is also reflected in the NNP Business Needs Survey, as discussed in Section 4.0.
Relationship with Neighbouring Authorities

2.16 The NNPA shares a boundary with three local authorities: Northumberland County Council; Carlisle City Council; and Scottish Borders Council. Whilst the travel-to-work data shows that the NNPs economic inter-relationships are greatest in relation to Northumberland County Council, it is nevertheless helpful to consider the employment land position and economic priorities of all three. This can help to understand the extent to which could be expected to influence economic growth and the demand for employment space within the NNPs.

Northumberland

2.17 Northumberland County Council's Employment Land Review was published in 2011, although this has been partially updated through a variety of standalone exercises. The 2011 Employment Land Review identified a requirement for between 293ha and 317ha of employment land to 2030. Since then, additional demand analysis has been undertaken – taking account of subdued development activity. The more recent demand analysis resulted in the future land needs of the County being revised down to 150ha.

2.18 In March 2016, the Council published the Employment Sites 2015/16 schedule. This indicates that Northumberland currently has 260.268ha of available employment land, with a further 258.757ha of land held for expansion. The majority of available and expansion land is located within the South East of the County.

2.19 This level of supply clearly exceeds the 150ha of anticipated demand over the Plan period. This is also highlighted via a review of the Northumberland Employment Land Take-up Study 1999-2016. The Take-up Study indicates that 106.02ha of employment land has been developed in for employment uses in Northumberland over a 17 year period, resulting in an average annual take-up rate of 6.2ha. On this basis, the 260.268ha of available employment land identified within the Employment Sites 2015/16 schedule corresponds to 42 years of supply.

2.20 Applying the same data sources and methodological approach at the Delivery Area level indicates that:

- Central Delivery Area: implied supply of 37 years;
- North Delivery Area: implied supply of 44 years;
- South East Delivery Area: implied supply of 41 years; and
- West Delivery Area: implied supply of 161 years.

2.21 It is understood that, in commercial market terms, the NNPs is most closely related to the West and North delivery areas, both of which have more than enough supply to meet projected demand.

Carlisle

2.22 Much of Carlisle’s growth opportunities lie in the strategic M6 corridor and its location between key population centres in Glasgow, Manchester and Newcastle. For example the former MOD site at Longtown is anticipated to accommodate large scale logistics development.

2.23 Carlisle’s 2010 Employment Land Review reported that the District had a surplus of employment land, though it had an imbalance between the locations of supply and demand. Many of the District’s employment sites were considered to no longer meet the needs of modern businesses in terms of quality, size and type of premises.

2.24 The Carlisle District Local Plan, adopted in 2016, seeks to address this by “improving the attractiveness of existing sites, and complementing this offer through the provision of new...
sites, particularly within the strategically important M6 Corridor”. To this end, Policy EC1 of the Plan allocates an additional 45ha of employment land as follows:

- Kingmoor Park/Brunthill (37ha) as a strategic employment location for B1, B2 and B8 uses; and
- Land to the South West of Morton (8ha) for the development of a business park (B1 use).

**Scottish Borders**

2.25 Local Authorities in Scotland are not required to produce an Employment Land Review following the methodological approach outlined within the Planning Practice Guidance. In accordance with Scottish Planning Policy, however, they are required to publish Employment Land Audits, which monitor the supply, take-up and status of employment land.

2.26 The most recent Employment Land Audit for the Scottish Borders was published in 2016. It states that the area’s established employment land supply is in the order of 110.1ha (47.6ha of which is immediately available, with a 47.5ha available within 5 years).

2.27 The Employment Land Audit shows that the take-up of employment land has averaged 1.52ha per annum over a five year period. On this basis, a supply of 110.1ha is sufficient to meet 72 years of future demand.

**Accessibility to transport and utilities**

**Transport**

2.28 As demonstrated in Figure 2.2, the NNP has relatively poor road connectivity, with the A68 representing the only major road network running centrally through the Park from Otterburn to Camptown. The A697 runs to the east and the A69 to the West, providing minor road links into the NNP, but no further major road links are available within the Park.
2.29 No train stations are included within the Park’s boundaries and there is limited bus connectivity provided by Arriva services, Go North East and Stagecoach (with a higher number of services provided in the summer months). This limited public transport connectivity was highlighted within the NNP’s Business Needs Survey as presenting a key challenge in recruiting appropriate staff and in supporting tourism development. More than half (54%) of the businesses that responded said that they had difficulties in recruiting qualified staff local, with 13% citing the lack of public transport options as a reason for this and 8% identifying accessibility as a factor affecting recruitment.

2.30 Business survey respondents indicated that travelling by private car was the most common method of transport used by the majority (61%) of staff, with 21% of staff walking to work and the remaining 13% using a business vehicle/quad bike, or a combination of methods. Public transport was not used by any employees of the respondent businesses.

2.31 High levels of car ownership are observed within the NNP, with 94% of households owning a car, compared to 74% nationally. This is perhaps – in part – reflective of the limited availability of public transport and reinforces the importance of promoting sustainable rural transport as identified by the NNP Management Plan (2016-2021). Objective 4.2.3 of the Management Plan, aims to enable an integrated transport system to provide an attractive alternative to the private car.

\[\text{Source: Lichfields}\]

\[\text{Census (2011)}\]
Digital Infrastructure/Utilities

2.32 As shown in Figure 2.3, the availability of Superfast Broadband is highly limited across the NNP, with the main areas benefitting from this service including those surrounding the A68, A69, and Kielder. This was also raised as a key issue within the Business Needs Survey, with 29% of businesses very dissatisfied with the availability of broadband and a further 11% dissatisfied. This was considered, by respondents, to be affecting local businesses across a range of key functions, including recruitment and networking.

Figure 2.3 Superfast Broadband Map

Source: NNP (2016)

2.33 In order to help address this issue, Northumberland County Council has begun to roll out superfast broadband under the iNorthumberland scheme. As shown in Figure 2.4, the existing and planned services currently only cover the key settlements, with further work required to ensure the standard of service is adequate even for the remote properties in the National Park and key tourism areas. The overall aim of the project is to bring superfast broadband to over 95% of the county by the end of 2018. The government-backed Mobile Infrastructure Project and accord between the Mobile Operators Association and National Parks England also aims to generate significant mobile reception improvements over the coming years.
Demographic profile

Population growth

The population of the NNP is estimated to be in the order of 1,951, representing the lowest density authority area in England, with an average of just 0.02 persons per hectare. Between 2005 and 2015 (latest date available) the number of residents increased by just 13, or 0.7%. This rate of growth is lower than the Northumberland (1.5%) and regional (3.0%) average (2.2%) and significantly lower than the national average (7.8%) over the same period.

The 2015-based Subnational Population projections are not available for the NNP area. Analysis undertaken as part of the NNPA’s 2017 Strategic Housing Market Assessment anticipated that the resident population of the National Park will increase by 12 residents (from 2,029 to 2,041) over the period 2017 to 2037.

2015-based Subnational Population projections for Northumberland as a whole indicate that the County’s population will increase by a further 5,875 residents (or 1.9%) between 2014 and 2037. This rate of growth is significantly lower than the estimated average growth rate for the North East (6.4%) and England (15.4%) over the same period. It should be noted, however, that recent growth within the NNP has been significantly lower than that observed across Northumberland.

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8 Mid-2015 Population Estimates for National Parks in England and Wales
9 NNP, (2016), Management Plan 2016 – 2021
Age profile

2.37 An analysis by age profile demonstrates that the NNP has a lower proportion of children and young working age residents in comparison to the Northumberland, North East and GB average, but a comparable proportion of elderly and very old residents to the Northumberland average.

2.38 Currently, older working age residents make up the largest group of the population, accounting for 38% of the total population in 2015, compared to 30% in Northumberland, 27% in the North East and 26% nationally, as shown in Table 2.2.

Table 2.2 Age profile

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Northumberland National Park</th>
<th>Northumberland</th>
<th>North East</th>
<th>Great Britain</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19 (Children and young adults)</td>
<td>17%</td>
<td>21%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>20-44 (Young Working Age)</td>
<td>26%</td>
<td>29%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>45-64 (Older Working Age)</td>
<td>38%</td>
<td>30%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>65-84 (Elderly)</td>
<td>21%</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>85+ (Very Old)</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: ONS, (2016), Mid-year population estimates

2.39 However, as shown in Table 2.3, the number of older working age residents (45-64 years) in the NNP has remained relatively stable over the past decade, in comparison to a significant growth in the number of elderly and very old residents and a decline in the number of children and young adults and young working age residents.

Table 2.3 Age profile 2005-2015

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2005</th>
<th>2015</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19 (Children and young adults)</td>
<td>403</td>
<td>331</td>
<td>-18%</td>
</tr>
<tr>
<td>20-44 (Young Working Age)</td>
<td>526</td>
<td>509</td>
<td>-3%</td>
</tr>
<tr>
<td>45-64 (Older Working Age)</td>
<td>728</td>
<td>736</td>
<td>1%</td>
</tr>
<tr>
<td>65-84 (Elderly)</td>
<td>252</td>
<td>408</td>
<td>62%</td>
</tr>
<tr>
<td>85+ (Very Old)</td>
<td>29</td>
<td>31</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: ONS, (2016 and 2006), Mid-year population estimates for National Parks

Employment Market Conditions

Employment

2.40 Data from Experian (which draws upon the Inter-Departmental Business Register (IDBR) data as a baseline) indicates that in 2016, there were 460 employee jobs in the NNP, compared to a total of 6,160 identified by the Business Register and Employment Survey (BRES) data. This significant difference reflects the variation in methodological approach, with the IDBR and Experian approach focussing on the statistical areas in which more than 50% of the population is within the NNP, rather than all LSOAs which have some part, however small, in the National Park, as per the BRES data.

2.41 Whilst it is recognised that the IDBR and Experian data may partially under-estimate business activity, it is considered the best match to reflect the profile of the NNP itself, as opposed to the BRES estimations which will also capture the activities of the Park’s gateway settlements.

2.42 An analysis of past trends as identified by Experian, demonstrates that the NNP experienced a decline in employee jobs from 750 in 2006 to the 460 discussed above in 2016. This represents a decline of 290 jobs, or 39%, compared to a decline of 3% across Northumberland and a growth
of 3% in the North East and 9% nationally. This trend of decline is potentially linked to the NPP’s ageing population and low levels of population growth, as identified above, as well as wider macroeconomic factors such as the economic downturn of 2008/09 and sluggish subsequent recovery.

**Sector profile**

2.43 As shown in Figure 2.5, as a proportion of total employment, agriculture, forestry & fishing represents the largest sector in the NPP, accounting for 47% of the total employment, followed by manufacturing (15%), accommodation & food services (9%) and administrative & support services (6%).

2.44 In comparison with the County, regional and national average the NNP also has:

- A higher proportion of employment in the: agriculture, forestry & fishing, manufacturing, accommodation & food services, real estate and civil engineering sectors; and

- A lower proportion of employment in the: administrative & support services, land transport storage & post, professional services, residential care & social work, specialised construction, wholesale and retail, computing & information services, finance, health, education, other private services and public administration sectors.

2.45 In total, non-B class sectors account for the majority of the NNP’s total employment base, including:

- Agriculture, forestry & fishing (47%);
- Accommodation & food services (9%); and
- Recreation, civil engineering, construction of buildings and residential care & social work (2% each).

![Figure 2.5](image_url)  
**Source:** Experian (2017)
2.46 Figure 2.6 provides a summary of employment change by sector over the period 2006-2016. This is shown in proportionate terms, in order to facilitate a comparison with the County, regional and national performance. From this it can be seen that real estate (100%), administrative and support services (50%) and manufacturing (17%) were the only sectors to experience growth in the NNP and all three sectors experienced a higher level of growth than the county, regional and national averages.

Source: Experian (2017)

2.47 In absolute terms, these sectors generated a total of 30 new jobs, including 10 in real estate, 10 in administrative and support services and 10 in manufacturing. All other sectors either experienced no growth or a decline over the same period. In particular:

- Agriculture, Forestry & Fishing and recreation experienced higher levels of decline than the regional and national averages;
- Accommodation & Food Services, Residential Care & Social Work and Land Transport, Storage & Post experienced a decline, during a period of regional and national growth; and
- Computing & Information Services, education, finance, fuel refining, professional services, telecoms and utilities experienced no growth in the NNP, despite strong growth at both the regional and national level.
Business Profile

2.48 Data from the Inter Departmental Business Register (IDBR) indicates that in 2016, there were 170 VAT/PAYE registered local businesses based in the NNP. This represents an increase of 20 businesses (13%) since 2010, compared to 21% regionally and 22% nationally.

2.49 The total number of business births (65) and deaths (65) in the NNP was also equal in 2016, generating no overall growth. An analysis by sector suggests that this was driven by: a decline in the number of manufacturing, transport & storage and information & communication businesses; which was offset by an increase in the number of wholesale & retail and professional, scientific & technical based businesses.

2.50 As shown in Table 2.4, the overall profile of businesses in the NNP is dominated by micro firms with 0-9 employees (97%). However, the proportion of micro firms is significantly higher in the NNP than the Northumberland (89%), regional (87%) and national (89%) average. In addition, the NNP contains no businesses with 50+ employees. In contrast, these medium and large sized firms account for 1.2% of businesses in Northumberland, 2.4% regionally and 2.4% nationally.

<table>
<thead>
<tr>
<th></th>
<th>0-9</th>
<th>10-49</th>
<th>50-249</th>
<th>Large (250+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northumberland National Park</td>
<td>97%</td>
<td>3%</td>
<td>0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Northumberland</td>
<td>89%</td>
<td>10%</td>
<td>1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>North East</td>
<td>87%</td>
<td>10%</td>
<td>2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>England</td>
<td>89%</td>
<td>9%</td>
<td>2%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: ONS (2017) Inter-Departmental Business Register 2016 - Local Units

2.51 Figure 2.7 shows the spatial distribution of businesses within the NNP, which also highlights the dominance of small and micro businesses within the area. The importance of the accommodation and food services and agriculture, forestry and fishing sectors can also be seen. Whilst levels of economic activity in the NNP are modest, the map illustrates that this is supported by larger clusters of activity (in comparative, if not absolute, terms) within gateway settlements such as Wooler, Rothbury, Otterburn, Bellingham, Haydon Bridge, Bardon Mill, Haltwhistle and Hexham. In addition, employment within the gateway settlements is characterised by activity across a broader range of sectors.
Figure 2.7 Distribution of businesses in NNP and surrounding area

Source: IDBR / Lichfields analysis
Labour Market Conditions

Unemployment

2.52 The NNP performs better than the County, regional and national average in terms of its economic activity, economic inactivity and employment rates. As shown in Figure 2.8, in 2011 (latest date available):

- 76.1% of the NNP’s population aged 16-74 were economically active, compared to 67.9% in Northumberland, 66.1% in the North East and 69.7% nationally;
- 23.9% of the NNP’s population aged 16-74 were economically inactive, compared to 32.1% in Northumberland, 33.9% in the North East and 30.0% nationally; and
- 2.1% of the NNP’s population aged 16-74 were unemployed, compared to 4.4% in Northumberland, 5.4% in the North East and 4.4% nationally.

2.53 These indicators suggest the existence of limited capacity to increase the local workforce from the existing population. This represents a potential growth constraint for sectors with a high labour replacement need, or an ageing workforce.

Skills

2.54 The skills base of the resident workforce of the NNP is higher than the County, regional and national average. The area contains a higher proportion of residents with graduate level (NVQ level 4+) qualifications (31%) than the Northumberland (26%), North East (22%) and national (27%) average. The proportion of residents with no qualifications (21%) is also lower than the Northumberland (24%), regional (26%) and national (23%) average.
Occupational profile

The occupational profile of the NNP’s resident population is broadly comparable with the County, regional and national average, although key variations include:

- A higher proportion of managers, directors and senior officials (12%) in the NNP, compared to the County (11%), regional (9%) and national (11%) average;
- A higher proportion of skilled trades (19%) in the NNP, compared to the County (13%), regional (12%) and national (12%) average;
- A lower proportion of associate professional and technical occupations (10%) in the NNP, compared to the County (11%), regional (12%) and national (11%) average;
- A lower proportion of administrative and secretarial occupations (9%) in the NNP, compared to the County (11%), regional (12%) and national (11%) average; and
- A lower proportion of sales and customer service based occupations (6%) in the NN, compared to the County (9%), regional (10%) and national (8%) average.
Gross Value Added (GVA) is a measure of the total value of all goods and services generated by individuals and corporations within a given area. The latest data available at the Northumberland local authority level (lowest geography available) shows that the largest sectors in the NNP (including agriculture, forestry & fishing, manufacturing, accommodation & food services and administrative & support services) accounted for 25.1% of the County’s total GVA.

These sectors on average, generated a GVA per full-time equivalent (FTE) job equivalent to:

- £121,000 for agriculture, forestry & fishing;
- £56,700 for manufacturing;
- £27,350 for accommodation & food services; and
- £28,450 for administrative & support services.

As shown in Figure 2.11, the NNP benefits from relatively low levels of deprivation (as defined by the levels of income, employment, education, health, crime, barriers to housing and services and living environment), with the majority of the Park falling within the 50% least deprived in England. Pockets within the north of the NNP, however, including the settlements of Shotton, Westnewton, Hethpool, Kirknewton, Akled, Langleeford, Greensidehill and Ingram are ranked within the 30% most deprived areas in England.
Figure 2.11  Deprivation

Indices of Multiple Deprivation (IMD), 2015 - IMD Rank % (Shown at LSOA):

MOST DEPRIVED
- Top 20% Ranked within England
- Top 30% Ranked within England
- Top 40% Ranked within England
- Top 50% Ranked within England
- Top 60% Ranked within England
- Top 70% Ranked within England
- Above 70%

LEAST DEPRIVED
Source: Department for Communities and Local Government, Indices of Deprivation 2015

Source: English Indices of Deprivation 2015 / NLP Analysis
Agricultural Sector

This section provides an overview of the agricultural sector within the Northumberland National Park (NNP). It is based upon commentary provided to Lichfields by YoungsRPS – chartered surveyors and property consultants providing a range of services to the agricultural sector including: farm business consultancy; farm and estate management; and farm and estate sales/purchases.

In accordance with the requirements of the Study Brief issued by the NNPA, the section focuses specifically on understanding:

- The nature of agricultural holdings within the National Park;
- Changes in agricultural employment, skills and workforce demographics;
- Levels and trends in rural business activity; and
- Farm diversification and potential opportunities presented by organic/traceable foods.

NNP covers an area of approximately 1,049 sq km (104,900 hectares) and is the least populous National Park in the UK, with approximately two thousand people living within. The agricultural sector alone accounts for 22% of the employment within the Park. It is essential for the sustainability of the Park, its inhabitants and the land within, that the sector and its processes are understood.

Agricultural Holdings within the Northumberland National Park

Data published by the NNPA indicates that more than three quarters of the National Park is farmed at present, with more than 256 farms located within, or partly within the Park boundary.

A more detailed understanding of the size and nature of agricultural holdings can be obtained via an analysis of data published by DEFRA in 2017. This indicates that there were 256 farm holdings in 2009 (including 178 commercial holdings). The total number of holdings remained broadly static from 2007 to 2009 whilst the number of commercial holdings has subsequently increased to 180 in 2016.

Size of Holdings

Farms within the National Park are typically larger than the national average for hill farms, albeit the size does vary considerably across the study area (reflecting differences in terrain). The average farm in the Cheviots, for instance, is four times larger than the average Hadrian’s Wall farm.

Table 3.1 provides an overview of farm holdings by size, published by DEFRA in 2017. From this it can be seen that half of all farm holdings (50%) and over two thirds (71%) of commercial

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farm holdings comprise more than 100ha of land. Farms of less than 5ha account for 26% of all farm holdings but a much lower proportion (4%) of commercial holdings.

Table 3.1 NNPA Farm Holdings by Size

<table>
<thead>
<tr>
<th></th>
<th>All Holdings</th>
<th>Commercial Holdings Only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2009</td>
</tr>
<tr>
<td>&lt;5ha</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
<td>5 to &lt;20ha</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>20ha to &lt;50ha</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>50ha to &lt;100ha</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>100ha+</td>
<td>126</td>
<td>128</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>257</strong></td>
<td><strong>256</strong></td>
</tr>
</tbody>
</table>

Source: DEFRA (2017) / Lichfields analysis

Holdings by Tenure

Table 3.2 provides a summary of farm holdings by tenure. Focussing on commercial holdings (defined by DEFRA as those with significant levels of farming activity), on the basis that more up-to-date figures are available, this shows that the amount of rented farmland fell by 2% (from 51,013ha to 50,046ha) between 2009 and 2016. In contrast, the level of owned farmland increased by 53% over the same period (from 21,028ha to 32,221ha).

Table 3.2 NNPA Farm Holdings: Land Use by Tenure

<table>
<thead>
<tr>
<th></th>
<th>All Holdings</th>
<th>Commercial Holdings Only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2009</td>
</tr>
<tr>
<td>Rented</td>
<td>52,342ha</td>
<td>52,225ha</td>
</tr>
<tr>
<td>Owned</td>
<td>22,812ha</td>
<td>22,356ha</td>
</tr>
</tbody>
</table>

Source: DEFRA (2017) / Lichfields analysis

Lichfields is advised, by YoungsRPS, that a continued shift towards owned farms could have potential consequences for agricultural land use within the NNP.

The personal and business objectives of individuals will shape decisions regarding tenure. There is a small concentration of land ownership in the NNP, with 50% of the farmland owned by four large landowners15 (Northumberland Estates, Ministry of Defence, Lilburn Estates and College Valley Estates). As a consequence, any change of policy by one of the few large landowners will significantly affect the data.

Due to rising costs, owner occupied farmers in some instances may take land ‘back in hand’ as opposed to re-letting in an attempt to spread the costs of their own business, whilst being aware that the costs for new tenants would be reflected in the rent they pay/offer.

Changes in policies regarding subsidies have ensured the availability of the owner occupier to ‘farm’ the land thereby claiming the subsidy and environmental payments associated with it, whilst letting it to a grazier to graze the land. The returns for the landlord utilising this method can be far greater than that of conventional letting to a tenant.

With fewer conventional lettings in the NNP, YoungsRPS advise that there is a risk that local communities could be affected. A decline in the number of traditional family farms could, for

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15 1999 -2000 Farm Survey Data cited within Land Use and Ownership within Northumberland National Park, http://www.dartmoor.gov.uk/_data/assets/pdf_file/0009/148518/landuseandownership.pdf. It is recognised that a more recent Farm Survey is available (NNPA Farm Survey 2012) but this does not include any updated data in relation to land ownership.
instance, give rise to knock-on effect to the local community and essential community services (including local schools). For instance, Harvey D et al. (2011) note that a proportion of the £8.8m spent on costs by NNP is spent with local businesses, whilst a share of the £2.3m profit generated is also spent with local businesses as family living expenses16. The potential of a decline in money earned and spent within the Park does present a threat to the sustainability of local businesses and in turn communities within the Park. The potential may exist, however, to offset this by developing alternative income streams for owned farms (as a result of diversification).

3.14 YoungsRPS advise, based upon anecdotal evidence, that there is a feeling within the agricultural industry that the claiming of subsidies by larger farms and landowners is likely to change post-Brexit. The removal of subsidies from the larger landowners is considered, by YoungsRPS, to be likely to result in more land becoming available to rent.

3.15 Within this context, it is noted that Michael Gove, in a speech at the Oxford Farming Conference (January 2018), laid out a likely direction of travel following Brexit. This included a transition from the current system to a new approach where public money (i.e. subsidies) would be paid for the delivery of public goods. This included a commitment to reducing the largest BPS (direct subsidy) payments in England.

Farm Productivity

3.16 A survey undertaken by Newcastle University suggests that farms in the NNP perform better as business enterprises than those of their peer group of hill farms in Northumberland as a whole17. In general terms, YoungsRPS advise that land types within the Park could be considered to be more productive than the hill farms in and around the North Pennines, which tend to focus to a greater extent on sporting activities in favour of agriculture. YoungsRPS advise that differentials in productivity are likely to reflect a variety of factors. These include, but are not limited to:

• In general terms, the hill farms of the North Pennines are understood to be of poorer quality than those within the Northumberland National Park. This is particularly true for those above 1,000ft, which tend to have a large coverage of heather (making them less productive than the grass hills in large parts of the NNP); and

• The land type for farms in the North Pennines is understood (based upon YoungsRPS’ market intelligence) to range from Grade 3 to Grade 5 – with ‘true’ hill farms being Grade 4 and 5 (the least productive type of land) – whilst land across the NNP is understand, in the main to comprise of Grade 3 and 4.

3.17 One key issue in relation to farm productivity is the reliance on agri-environmental schemes. Approximately 50% of the output of farms in the NNP attributable to environmental schemes and support payments18.

3.18 The profile of being within the National Park and the historic features located on many of the Park’s farms ensured that an entry into Higher Level Stewardship was arguably more readily accepted than on other farms outside of the Park. This is also the case with respect to the replacement scheme of Higher Tier Stewardship (which is more targeted than its predecessor).

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3.19 The productive use of natural capital will be important in shaping future agricultural productivity in the NNP. This is being promoted locally through the Northern Upland Chain Local Nature Partnership, with a focus on:

- Natural Capital Investment Plans – Plans have been produced for peatland and woodland in the area, with further valuation work undertaken in relation to rivers and grasslands. The focus of this work is on valuing positive change (rather than the status quo); and
- High Nature Value Farming – helping local farmers and environmental agencies to collaborate in an effort to secure a more robust economic future for the low intensity, upland farming systems that are particularly valuable for wildlife, the environment and people.

3.20 With respect to High Nature Value Farming, the Northern Upland Chain Local Nature Partnership is working to deliver the following vision:

“Producing locally-distinctive, high quality food in a way that delivers an outstanding range of public benefits, so as to secure the long-term economic viability of High Nature Value farming in the Northern Upland Chain.”

3.21 Figure 3.1 provides an overview of different agricultural land uses within the NNP. The data relates to commercial land holdings only.

![Figure 3.1 Agricultural Land Use in the NNP](source: DEFRA (2017)/ Lichfields analysis)

3.22 The data clearly shows that the amount of land in use for planted crops is limited, with agricultural activity in the area focussed principally on grass and rough grazing. Furthermore, the land in permanent pasture increased between 2009 and 2016, whilst the area of cropping land is approximately the same. Lichfields is advised by YoungsRPS that the low level of cropping land reflects the quality and topography of land within the Park. It is understood (from YoungsRPS) that those arable crops which are planted are likely to be used primarily on-farm – in the form of feedstocks and bedding – rather than for commercial sale. The crop yields and accessibility to markets are considered to limit the opportunities for the commercial selling of crops by farms within the NNP.

3.23 The graph also shows an increase in woodland planting (understood to relate to agricultural woodland rather than forestry). YoungsRPS advise that this is likely to be linked to the
availability of woodland grants and environmental schemes. Such plantings are understood to add to the diversity of the landscape within the Park but have limited immediate monetary value and are not typically commercially driven.

3.24 Looking at how Brexit could impact upon future diversification, Michael Gove in a speech at the Oxford Farming Conference (January 2018) stated that future schemes for agricultural support would be designed to ensure that they are: “accessible to almost any land owner or manager who wishes to enhance the natural environment by planting woodland, providing new habitats, increasing biodiversity, contributing to improved water quality and returning cultivated land to wildflower meadows and other more natural states.”

3.25 This would appear to suggest funding opportunities will remain in place for those farmers looking to diversify into forestry. At the local level, however, it should be noted that any proposals would need to accord with the aims and objectives of the Northumberland National Park Management Plan (2016-2021) and the overall principle of the ‘right tree in the right place’.

3.26 Table 3.3 provides a summary of livestock numbers, by type, within the NNP. As with the agricultural land use data considered above, this appears to highlight a reduced focus on more intensive systems. YoungsRPS advise that this is likely to reflect the land quality and topography of the area, as well as changes in labour requirements, availability and costs.

3.27 It can be seen from the Table that sheep account for 89% of all livestock farmed within the NNP (in 2016) and that numbers have increased from 214,505 in 2009 to 238,005 in 2016. Poultry are the next most popular livestock, accounting for 5% of all livestock in 2016, their numbers having increased significantly from 875 in 2009 to 13,365 in 2016. Cattle are the third most popular livestock, accounting for 5% of livestock in 2016, though cattle numbers have declined from 15,255 in 2009 to 12,570 in 2016.

Table 3.3 Northumberland National Park Livestock Numbers, Commercial Holdings (2009-2016)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep</td>
<td>214,505</td>
<td>238,005</td>
</tr>
<tr>
<td>Cattle</td>
<td>15,255</td>
<td>12,570</td>
</tr>
<tr>
<td>Pigs</td>
<td>510</td>
<td>1,985</td>
</tr>
<tr>
<td>Poultry</td>
<td>875</td>
<td>13,365</td>
</tr>
<tr>
<td>Other Livestock</td>
<td>185</td>
<td>285</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>231,330</strong></td>
<td><strong>266,210</strong></td>
</tr>
</tbody>
</table>

Source: DEFRA (2017) / Lichfields analysis

3.28 YoungsRPS advise that sheep do not require the level of intensive management or forage that cattle do – particularly in the winter months – and that most of the land within the Park is suitable for rearing sheep. The lower costs and capital requirements associated with sheep ensure that numbers can be built up quickly without incurring significant costs. In addition, the marketability of lambs within 5 months of birth (and in quantity) ensures that the returns on sheep are relatively quick.

3.29 In comparison, cattle are more labour intensive and have higher associated costs. Cattle require a degree of winter forage and (often) housing. In addition, livestock stocking restrictions which can form part of agri-environmental schemes are understood (based upon the advice of YoungsRPS) to have caused numbers to reduce.
Changes in Agricultural Employment, Skills and Workforce Demographics

Employment

3.30 It is estimated that 541 people were employed on commercial farm holdings within or partly within the NNP in 2016. This represents an increase of 113 (26%) from the 428 recorded in 2009. Interestingly, this rise in employment over the short-term does not appear to correspond with the longer-term trend of decline observed at the local, regional and national level of the medium to long-term (2006-16) as set out within Section 2.0.

3.31 In addition, it can be seen from Table 3.4 that the structure of the workforce has changed in recent years. In particular, the following shifts can be observed:

- A small reduction (in proportionate terms) of the full-time workforce (down from 52% in 2009 to 49% in 2016) whilst proportion of jobs filled by the part-time workforce declined from 38% in 2009 to 34% in 2016. This was offset by an increase in casual workers (from 8% in 2009 to 15% in 2016). In absolute terms, the total number of casual workers more than doubled – from 36 to 82 over the same period;

- A reduction in the proportion of employees (down from 24% in 2009 to 16% in 2016), with these jobs being replaced by causal workers. Lichfields is advised, by YoungsRPS, that the increased popularity of casual labour is underpinned by two key factors: responding to skills shortages by picking and choosing workers in order to match their skills set with those required for particular tasks; and delivering cost savings by reducing the number of permanent staff employed by farms.

Table 3.4 Labour Supported by Commercial Holdings in NNPA

<table>
<thead>
<tr>
<th></th>
<th>2009 No.</th>
<th>2009 %</th>
<th>2016 No.</th>
<th>2016 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers (Full-Time)</td>
<td>161</td>
<td>38%</td>
<td>215</td>
<td>40%</td>
</tr>
<tr>
<td>Farmers (Part-Time)</td>
<td>121</td>
<td>28%</td>
<td>146</td>
<td>27%</td>
</tr>
<tr>
<td>Employees (Full-Time)</td>
<td>62</td>
<td>14%</td>
<td>51</td>
<td>9%</td>
</tr>
<tr>
<td>Employees (Part-Time)</td>
<td>41</td>
<td>10%</td>
<td>37</td>
<td>7%</td>
</tr>
<tr>
<td>Casual Workers</td>
<td>36</td>
<td>8%</td>
<td>82</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>428</td>
<td>100%</td>
<td>541</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: DEFRA (2017) / Lichfields analysis

Skills

3.32 Over the period 2006-16, agricultural employment contracted within the NNP, mirroring the trends observed at the regional and national level. Lichfields is advised by YoungsRPS that a contributing factor in this contraction was a shortage of skilled workers within the area. Indeed, analysis undertaken by Harvey D, et al surveyed 28 farms within the NNP, with 40% of respondents highlighting a shortage of good staff and contractors for farm related tasks.

3.33 The 2011 Census provides an overview of the qualifications held by workers in the agriculture, energy and water sector. This is summarised in Table 3.5. From this it can be seen that the NNP contains a higher proportion of workers with no qualifications (20%) in comparison to Northumberland (18%), the North East (15%) and England and Wales (17%). The Park also

contains a lower proportion of higher skilled (NVQ3 and NVQ4+) workers (27%) than at Northumberland, regional and national level (32%, 38% and 38% respectively).

Additionally, the skills base of the agriculture, energy and water sector within the NNP compares poorly against the all sector average for the area. The 2011 Census shows that the NNP workforce as a whole (across all sectors) contains:

- 13% of workers with no qualifications (compared to 20% within agriculture, energy and water); and
- 43% of higher skilled (NVQ3 and NVQ4+) workers (compared to 27% within agriculture, energy and water).

| Table 3.5 Workforce Qualifications (Agriculture, Energy & Water) |
|-----------------|-----------------|-----------------|-----------------|
| No Qualifications | NNPA | Northumberland | North East | England & Wales |
| No Qualifications | 20% | 18% | 15% | 17% |
| NVQ1 | 20% | 19% | 17% | 17% |
| NVQ2 | 22% | 21% | 19% | 17% |
| NVQ3 | 12% | 13% | 15% | 14% |
| NVQ4+ | 15% | 19% | 23% | 24% |
| Apprenticeships | 11% | 11% | 11% | 12% |

It should be noted that qualifications data (by sector) at the NNP level is not available from the 2001 Census. As such, it is not possible to assess changes in the skills base of the Park’s agricultural workforce overtime. This analysis is, however, available in relation to Northumberland County. It can be seen from Table 3.6 that the skills base of the sector has improved over the ten year period, as a result of:

- The proportion of workers falling from 32% in 2001 to 18% in 2011; and
- The proportion of workers qualified to NVQ3 and NVQ4+ rising from 17% in 2001 to 32% in 2011.

Despite this wider trend of upskilling, it is understood that skills gaps do persist within agriculture. Previously, agricultural courses were run by the NNP in order to teach young people within the Park skills such as stone walling, with a view to addressing existing skills gaps in the industry. The potential impact of such initiatives is demonstrated by the impact of the ‘Traditional Boundaries Traditional Skills’ (TBTS) and ‘Upland Farming Traineeship’ (UFT) courses. The courses are understood to have resulted in: 93% of participants moving into employment or further education; 74% gaining employment in rural based roles; and 48%
starting their own businesses\textsuperscript{20}. However, the training schemes ended in 2011 due to a lack of funding.

3.38 YoungsRPS advise, however, that further intervention and collaboration is required. There have been significant technological advances in agriculture in recent years. Such technology will be a vital tool as agriculture enters post Brexit. Management of costs will be ever more important as will the need to show traceability in relation to the production of food. The tools for modern farming, as well as the traditional means, need to be fostered for the agricultural sector within the Park to thrive.

**Workforce Demographics**

3.39 No information regarding the age of farm workers is available in relation to the NNP specifically. Analysis published by DEFRA and ONS, however, identifies that – at the national level – agriculture suffers from an ageing workforce. The data (shown in Table 3.7) is based on commercial farm holders only. It shows that the (median) average age of farm holders stood at 59 years in 2013 and that more than one third (34\%) of all holders were over the typical retirement age of 65 years (up from 29\% in 2003). The proportion of holders aged under 35 has remained static over this period (at 3\%), whilst the proportion aged between 35 and 44 has fallen from 15\% in 2003 to 10\% in 2013\textsuperscript{21}.

<table>
<thead>
<tr>
<th>Holders’ Age (Years)</th>
<th>2003</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>35-44</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>45-54</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>55-64</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>65+</td>
<td>29%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: DEFRA / ONS

3.40 YoungsRPS advise that it is important to try and encourage the next generation of farmers into the industry and safeguard skills which have been passed down from generation to generation. In order to do so, they highlight the importance of: initiatives to promote and teach relevant skills to young people (through initiatives such as TBTS and UFT); and promote agriculture as an industry worth going into (by identifying the variety of roles and progression opportunities available).

**Diversification, Organic and Traceable Foods and Forestry**

**Diversification**

3.41 *Diversifying Farming Businesses*, published by DEFRA in 2014, suggests that approximately half of all UK farms use some form of diversified activity in their farming business, bringing in an average of £10,400 of extra revenue per annum (per farm). Other benefits offers from farm diversification include:

- Making better use of a farm’s physical resources and characteristics;
- Finding new uses for farmers’ existing skills; and
- Integrating a farm with – and recycling money within – the rural economy.


\textsuperscript{21} Agriculture in the United Kingdom 2016, DEFRA and ONS
Tenant farmers are able to diversify their farm business in the same way as land owning farmers provided that they have the landowner’s approval. However, a lack of collateral (which impacts upon the ability to access capital) is often a barrier to tenant farmers.

A range of diversification opportunities are available to farming businesses, with the 2014 DEFRA paper categorising these as being related to:

- **Alternative Livestock Markets** i.e. rearing or producing less traditional livestock. This could include: certain species of goat for mohair/cashmere; sheep/goats for their milk and specialist cheese producing potential; birds/fowl (e.g. ducks, quail, geese) for eggs and/or meat; and game (e.g. venison, wild boar etc.);

- **Non-Food Crops**, including: pharmaceutical crops and related products; energy crops (e.g. short rotation coppice and miscanthus; industrial fibre crops such as hemp, flax and cereal straw)

- **Non-Agricultural Activities** which includes a range of potential activities such as:
  
  (a) Tourist accommodation (e.g. holiday lets/bed and breakfast);
  
  (b) Retail outlets and catering (e.g. farm shops and tea rooms);
  
  (c) Rural tourism (e.g. farm attractions);
  
  (d) Converting redundant buildings to other uses (e.g. office premises);
  
  (e) Making and selling non-agricultural products (e.g. cakes and beer);
  
  (f) Training and promotion of rural crafts and arts (e.g. dry stone walling workshops);
  
  (g) Added value products (e.g. smoked food products, cheese and ice cream);
  
  (h) Energy markets (e.g. woodfuel projects).

Given the topography of the NNP and the current representation of different land uses, it is considered likely that alternative livestock and non-agricultural activities are likely to offer greater opportunities for diversification than non-food crops.

At the national level, diversification has increased significantly in recent years. The Farm Business Survey (2016/17) estimates that 52% of all farms in England were engaged in some farm of diversification in 2010/11. This had risen to 64% of all farms by 2016/17. As a consequence, diversification projects were estimated to have generated £620m of farm income in 2016/17 – representing approximately 29% of total farm income.

A 2011 study undertaken by Newcastle University concluded that 13 of 28 farms surveyed within the NNP had diversified their business (46%). This is lower than the 52% recorded at the national level in 2010/11 (see above).

Diversification is becoming increasingly prominent nationally, as well as increasingly productive. Indeed, ONS/DEFRA data indicates that productivity for non-agricultural activities has increased by 20.7% from 2010 to 2016, outperforming productivity growth for both crop (1.0%) and livestock (8.2%) outputs.

YoungsRPS advise that diversification in the NNP generally comprises tourism-related businesses (such as holiday rental properties or Bed and Breakfast accommodation) established in converted farm buildings, whilst consultation with stakeholders also identified funding enquiries for diversification projects linked to glamping’ sites, tea rooms and on-site renewable

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23 Agriculture in the United Kingdom 2016, DEFRA and Office for National Statistics
energy generation. Whilst a little dated, the NNP Farm Survey (2012) appears to corroborate this anecdotal intelligence, demonstrating that between 2002 and 2012:

- Two thirds of all diversification projects were related to B&Bs or holiday cottages; and
- One quarter of all diversification projects were linked to sporting activities.

Similarly, the Newcastle University study discussed above found that two thirds of all those farms that had diversified their business had done so through the provision of holiday cottages and/or Bed and Breakfasts accommodation.

Looking to the future the potential impacts of Brexit in relation to the agricultural sector may result in farms within the NNP (and elsewhere) seeking further diversification opportunities, in order to generate additional revenue streams. This was highlighted by a number of stakeholders (including the CLA, NFU and Northumberland Tourism) during the consultation process.

A House of Commons paper published in January 2017 acknowledges that the greatest potential issue for agriculture of Brexit will be the departure from the Common Agricultural Policy, with EU farm subsidies currently making up approximately 50% to 60% of UK farm income.

The departure of the UK from the Single Market could also impact on farming revenues. A House of Commons paper from January 2017 estimates that should the UK leave the Single Market and fail to agree an alternative trading arrangement with the EU then the application of World Trade Organisation Tariff rules would result in:

- UK sheep farms facing tariffs in excess of 30% when exporting to the EU;
- UK beef farms facing tariffs in excess of 50% when exporting to the EU; and
- UK dairy farms facing tariffs in excess of 35% when exporting to the EU.

The first of these is likely to be particularly relevant to farms in the NNP, given the dominance of sheep farming within the area.

It is noted that, in 2014, around half of visitors to the NNP were day visitors. A further 43% were overnight visitors staying within the North East region, representing a significant increase since 2011 of the proportion of staying visitors and the number staying in or close to NNP. Further farm diversification can, through the delivery of accommodation products, help to increase the number of overnight visitors choosing to stay within the NNP. This offers the opportunity for the Park to capture a larger share of the economic benefits generated by tourists visiting the area.

**Organic and Traceable Foods**

There is at present a national movement to push the traceability of agricultural produce, with Brexit looming Britain’s high welfare standards and in turn the traceable nature of its produce will and should be a major selling point. There is a demand for local produce and the NNP with its extensive farm management should be well placed to capitalise on this. However, YoungsRPS advise that the access for farmers to direct markets is limited and so too is the skill set of farmers to themselves directly market their stock.

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25 Effect of the UK leaving the EU on the rural economy, House of Commons Library (2017)
26 Effect of the UK leaving the EU on the rural economy, House of Commons Library (2017)
3.56 Notwithstanding the above, an opportunity exists for the NNP to assist with this. YoungsRPS considers that direct marketing of the area’s agricultural produce could be improved by utilising the brand of the NNP and the resources available to the authority. If successful, this would help to increase demand for produce from the National Park, which could in turn help to sustain and potentially even create jobs in the area.

3.57 Organic farming is a method of farming that requires farmers to operate to a system based on ecological principles and which imposes strict limitations on the inputs that can be used in order to minimise damage to the environment and wildlife. Emphasis is placed on natural methods of production and pest control.

3.58 All foods sold as organic must originate from growers, processors and importers who are registered with an approved certification body and subject to regular inspection.

3.59 At the national level, it is estimated that 508,000ha of land in the UK was farmed organically in 2016 (approximately 3% of all farmland). This is lower than the 521,000ha recorded in 2015. It can be seen from Figure 3.2 that the area of organic land farmed in the UK peaked in 2008 and has subsequently declined by 30%. Encouragingly, however, the area of land ‘in conversion’ (before an area can be considered as fully organic it must undergo a conversion process) showed a small increase in 2016, the second consecutive increase since 2007.28

Figure 3.2 Area of Land in Conversion and Fully Organic (UK)

Source: DEFRA / ONS

3.60 Lichfields understands, from YoungsRPS, that organic farming is considered to represent a viable option for many farmers within the NNP as in reality their current practices are similar to those which would be required to be defined as being organic. As a consequence, the conversion to organic status may not impinge on their business as much as it would do for more intensive farming operations.

3.61 Organic status affords farmers the opportunity to sell into different markets, although as set out above, YoungsRPS consider that the promotion of NNP products into new target markets would need to be supported by other stakeholders (as well as local farmers). The potential effects of

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28 Agriculture in the United Kingdom 2016, DEFRA and Office for National Statistics
any such initiatives upon more conventional producers within the NNP would, however, need to be considered prior to implementation.

**Forestry**

3.62 There is an increasing demand for timber products with demand outstripping supply in the NPP. The economic benefits which forestry can bring to a local economy can be immediate in terms of employment and local expenditure as a result. It is for the National Park Authority to judge whether such benefits outweigh the requirements for maintaining land use as it currently is, or whether a balance can be achieved. YoungsRPS advise that agriculture is becoming increasingly extensive and sparse with areas of land unmanaged as a result. Selective commercial plantings may be of benefit to both these sparse areas and to the communities within.

3.63 There is the potential for the UK’s departure from the EU to result in increased agricultural diversification, for the reasons outlined elsewhere in this section. This could present opportunities for the forestry sector. Indeed, the Confederation of Forest Industries suggests that a reduction or removal of farm subsidies could reduce agricultural land values, thereby “making afforestation both more attractive (as an alternative land use) and more viable, financially”\(^29\).

3.64 Additionally, Michael Gove’s speech to the Oxford Farming Conference (January 2018) stated that future schemes for agricultural support would be designed to ensure that they are: “accessible to almost any land owner or manager who wishes to enhance the natural environment by planting woodland, providing new habitats, increasing biodiversity, contributing to improved water quality and returning cultivated land to wildflower meadows and other more natural states.

3.65 At the local level, however, it should be noted that any proposals would need to accord with the aims and objectives of the Northumberland National Park Management Plan (2016-2021) and the overall principle of the ‘right tree in the right place’.

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\(^{29}\) Shaping a post-EU future for the UK forestry sector, Confederation of Forest Industries (2016)
4.0 Understanding Business Needs

4.1 Paragraph 160 of the National Planning Policy Framework states that Local Planning Authorities should have “a clear understanding of business needs within the economic markets operating in and across their area.”

4.2 In addition, Paragraph 30 of the Planning Practice Guidance in relation to Housing and Economic Development Needs Assessments identifies the need to ensure that Local Plans are underpinned by an understanding of business needs. It highlights the need to consider market intelligence – gathered through a range of approaches – in determining future requirements for employment space.

4.3 This Economic Futures and Employment Demand Study has drawn upon engagement with local stakeholders and businesses, by harnessing the following methods of consultation:

- Discussions with organisations active in the NNP commercial market;
- Telephone interviews with key business representative groups and economic forums active within the local area; and
- A business survey seeking views on a range of issues, including business premises, business confidence and anticipated future performance and the levels of satisfaction with the National Park as a business location.

4.4 This section of the report provides a summary of the key messages identified through the consultation process. It focuses primarily on items 2 and 3 as listed above. The intelligence garnered through discussions with commercial property agents has been used to inform Sections 5.0 and 6.0 and the key messages identified are reported within these sections.

Business Survey

4.5 A comprehensive business engagement exercise led by the NNPA was undertaken in late 2016 (surveys were issued September 2016) and covered many of the issues that would ordinarily be explored as part of a bespoke employment land needs survey. Mindful of this, as well as the need to ensure that local businesses are not ‘over consulted’, it was agreed with the NNPA that this Economic Futures and Employment Demand Study would draw upon the results of the 2016 survey.

4.6 It is understood that approximately 285 surveys were issued to businesses, with 38 responses received. This translates to a response rate in the order of 13%. Although the survey was targeted specifically at business operating within the National Park, 41% of the responses received were from businesses based in the surrounding area.

Business Background

4.7 Figure 4.1 provides a summary of the sectoral distribution of respondents. This shows that half of all respondents operate in the food services and accommodation sector, with just over half in the agricultural/horticultural sector. This clearly demonstrates the importance of tourism, farming and related sectors to the local economy.

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30 This included discussions with members of LSH staff promoting premises in rural Northumberland, as well as representatives of: The Cheviot Centre; and The Sill
4.8 It is important to recognise, however, that the responses are based upon a relatively small sample size. When compared against the current employment structure of the National Park (Section 2.0) it would appear that the sample contains:

- A disproportionately high number of respondents from the food services and agricultural sector; and
- A disproportionately low number of respondents from the agricultural/horticultural sector.

4.9 Mindful of the above, it is necessary to adopt a degree of caution when seeking to extrapolate views derived from the survey and apply them to the National Park economy as a whole.

Figure 4.1 Business Sector of Respondents


4.10 The survey shows that the National Park economy is characterised by a high proportion of small and micro businesses. The majority of businesses (82%) have fewer than 10 employees, whilst only 1 respondent (located outside of the National Park boundary) indicated that they employ more than 50 people.

4.11 In addition, 50% of responding businesses indicated that they employ 5 or fewer full-time employees. 41% of respondents stated that they do not employ any full-time members of staff. This would appear to suggest that casual and part-time working practices are particularly prevalent within the study area.

**Northumberland National Park as a Business Location**

4.12 As part of the Business Needs Survey, respondents were asked to set out the reasons for their business having been located within the National Park. The most common responses are summarised below and demonstrate the importance of the area’s lifestyle offer. The analysis also highlights the role that the availability of suitable premises plays in attracting businesses. It will be important to ensure that the NNPA continues to explore opportunities to provide accommodation that meets the needs of existing and emerging sectors:

- Lifestyle change (26%);
- Availability of suitable premises (24%);
• No choice (e.g. inherited/longstanding family business) (21%).

4.13

Figure 4.2 provides a summary of business satisfaction in relation to a cross-section of economic development/commercial property market issues. From this it can be seen that levels of business satisfaction were particularly high in relation to: quality of current accommodation; quality of premises; and availability of suitable premises.

4.14

In contrast, responding businesses were particularly dissatisfied with issues related to connectivity and accessibility:

• Public transport, infrastructure and services (29% very dissatisfied and 13% dissatisfied); and
• Availability of broadband (29% very dissatisfied and 11% dissatisfied).

Figure 4.2 Business Satisfaction

![Business Satisfaction Chart]


4.15

As discussed in Section 2.0, however, a number of schemes are currently being rolled out in order to increase mobile phone signal strength and super-fast broadband coverage in the National Park.

4.16

Interestingly, views in relation to the availability of suitably qualified employees were broadly neutral to positive. This appears to conflict somewhat with responses to a specific question within the Business Needs Survey regarding recruitment, with more than half (54%) of businesses indicating that they experienced difficulties in recruiting qualified staff. Key issues identified as driving recruitment difficulties were: a lack of sufficiently keen and qualified candidates based locally; and the lack of public transport accessibility.

4.17

The conflict referenced above could potentially be explained by the fact that the answers presented in Figure 4.2 perhaps relate exclusively to respondents views regarding their existing employees, rather than any challenges in identifying new members of staff.
**Business Growth**

4.18 Participants were asked to indicate whether levels of employment had changed over the previous 12 month period. The responses received were generally positive, with 16% of participants indicating that the number of employees had increased. A further 5% indicated that employment numbers had changed, but did not specify whether this reflected an expansion or contraction of job numbers. No respondents explicitly reported a decline in staff levels over the period.

4.19 This was considered by the Northumberland National Park Authority to broadly reflect trends observed from an analysis of ONS data for the area, which shows an increase in employee numbers from 420 to 505 between 2012 and 2016.

4.20 Looking to the future, respondents were asked to forecast changes in employee numbers in the short (12 months) and medium (5-10 years) term. In the short term, 15% of businesses expected to observe an increase in employee numbers, whilst 6% anticipated a decrease. Responses were more positive over the medium term, with 21% of businesses expecting a growth in employees – and 5% anticipating a contraction – over the next 5-10 years.

**Business Premises**

**Current Premises**

4.21 Information collated via the Business Needs Survey with respect to premises ownership, identifies that the majority of respondents (79%) owned the freehold to their property, whilst 15% of premises were rented. This is perhaps a reflection – at least in part – of the types of premises occupied.

4.22 The premises occupied by a large proportion of participating businesses did not fit into the standard business premises categories. This is understood to be consistent with the findings of a 2006 survey undertaken by the NNPA. Just 3% of respondents classified their premises as a retail unit and none considered their premises to represent a purpose built industrial or office unit.

4.23 42% of respondents classified their premises as ‘other’. When providing further detail, it is understood that many of those premises falling within the ‘other’ classification were farms or farmhouses. The prevalence of home-based working practices amongst respondent businesses was also clear. 32% considered their business premises to be part of, or attached to, the home, whilst a further 18% had premises that comprises of a separate building (e.g. barn conversion) on their residential property.

**Future Premises Needs**

4.24 The Businesses Needs Survey asked respondents for views on the future development needs of the National Park, which are summarised in Figure 4.3.
Overall, the majority of respondents were in agreement that more development of business/economic development premises is required in the area. The survey appears to demonstrate a preference for enterprise hubs (76% of respondents) and live/work units (74% of respondents) rather than traditional office units.

The popularity of live/work units over traditional offices would appear to reflect both the employment structure of the local economy (with a high proportion of businesses operating in the agricultural and tourism/leisure sectors) as well as the prevalence of home-based working within the National Park.

The Business Needs Survey 2016: Report of Findings states that:

"The general support for rural enterprise hubs indicates that many respondents recognised how such premises are, in the main, more affordable and flexible, and therefore can be more suitable for micro-businesses. Premises such as these accommodate multiple businesses enabling opportunities for networking."

The findings summarised above are based upon a relatively small sample and cannot be interpreted as being representative of the future development needs of the local business community as a whole. Nevertheless, the results do appear to suggest that the delivery of more flexible employment spaces (such as enterprise hubs that can meet the needs of a range of B and non-B class sectors and live/work units) is likely to be more successful in facilitating economic growth in the National Park than traditional office or industrial premises.

**Stakeholder Interviews**

Lichfields held one-to-one interviews with a selection of key economic stakeholders and business representative groups including the National Farmers Union (NFU), Northumberland County Council officers (NCC), Northumberland Tourism, Visit Kielder, the Forestry Commission and the Countryside and Landowners Association (CLA). These sessions, which
took the form of structured telephone interviews, were used to explore the opportunities and threats facing the National Park’s economy, as well as any issues related to future employment space needs.

4.30 The feedback can be summarised as follows:

**Role of the National Park, Connectivity and relationship to gateway settlements**

- Consultees considered that the NNP has an important role to play in conserving and protecting the natural environment, tranquillity and dark skies. As part of the wider County, the area’s role in supporting tourism is highly valued, alongside the need to maintain the principles of the National Park.

- Key settlements identified by consultees within the NNP include Stonehaugh, Greenhaugh, Stannersburn, Elsdon, and Falstone, with smaller agricultural and forestry holdings present throughout the more remote areas.

- Numerous gateway settlements surrounding the NNP were also identified as an important source of labour and services for businesses and residents of the NNP, including Bellingham, Otterburn, Rothbury, Haltwhistle, Hexham and Wooler. However, connectivity between these areas was considered to be poor, with few road links and no regular public transport options generating a reliance on car travel.

- These gateway settlements also provide an important source of housing for workers within the NNP, although the perception amongst consultees was that there has been limited development in recent years. In areas such as Rothbury, where new house building has occurred, consultees indicated that these units have typically been high value homes attractive to new residents, with fewer affordable options available for existing local residents.

- The development of additional housing both within and on the outskirts of the NNP was identified by NCC, Northumberland Tourism and Visit Kielder to be essential in supporting the growth of the tourism sector through the attraction and retention of a larger workforce. The NFU and CLA also noted the need for greater flexibility for housebuilding within the Park to enable retiring/new agricultural workers to remain within the local area and to enable the re-use of derelict agricultural buildings for residential or commercial use.

**Key sectors**

- The key sectors of the NNP economy were identified as agriculture, tourism and forestry related businesses. In contrast to the wider County, consultees highlighted that the agricultural businesses within the NNP are dominated by livestock farming, particularly of sheep, due to the topography of the land and its unsuitability for arable farming in a number of areas.

- Tourist businesses are predominantly linked to Hadrian’s Wall, wildlife, landscape and dark skies. The majority of tourism based businesses were considered to be long-established. Recent developments (including The Sill: the UK's National Landscape Discovery Centre located at Once Brewed) were, however, considered to provide an important opportunity for further tourism development.

- The expansion of the forestry industry is largely linked to the growth of Kielder Forest Park, which falls outside of the NNP’s boundaries, but has key links to businesses located within the NNP and its gateway settlements.
**SWOT analysis**

4.31 Key strengths of the NNP identified by stakeholders included:

- The National Park setting itself and the important role of the Park in retaining and preserving the natural and cultural heritage of the area;
- The Park’s Dark skies, wildlife and tranquillity providing a strong local tourism offer;
- Overall attractiveness of the area as a place to live, work and visit; and
- The access to open space for the enjoyment by the public.

1.1 Key weaknesses included:

- A lack of public transport options and physical connectivity limiting the potential labour force;
- Poor mobile and broadband coverage throughout the NNP, creating a number of challenges in terms of home working, attracting new businesses and business marketing; and
- A perceived lack of flexibility in planning policy, resulting in some businesses opting not to expand, or experiencing difficulties in supporting change of use to respond to new business opportunities.

4.32 Key threats included:

- The impact of Brexit particularly for agricultural business based within the NNP due to the dominance of livestock farming in comparison to other rural areas and the uncertainty this presents in terms of selling products within the European market. This uncertainty has led to a noticeable slow-down in business expansion and investment;
- The NFU and Forestry Commission considered that this uncertainty and the potential reduction/removal of Common Agricultural Policy (CAP) payments may result in agricultural businesses seeking alternative land uses including Forestry, if appropriately supported by infrastructure and planning policy as outlined above. This presents an opportunity to meet the UK Government’s wider objectives of the Clean Growth Strategy, which is seeking to establish 130,000ha of new woodland creation as part of the emerging Agriculture Bill; and
- For existing tourist businesses, consultees considered that Brexit also presents a potential opportunity to capture additional UK ‘staycations’, with visitor numbers rising in recent years. The development of new attractions, including The Sill, alongside publicity from TV shows such as Vera, the Borderlands Project, the Tour of Britain cycling event, Poems in the Air and a recent book by Rory Stewart covering the Hadrian’s Wall trail is considered to have supported an increase in tourism numbers in recent years, which is expected to continue moving forwards.

4.33 Opportunities included:

- Recent funding/support enquiries received by the CLA, NFU and Northumberland Tourism for farm diversification opportunities were typically linked to tourism, including options for ‘glamping’ sites, tea rooms, holiday lodges and other accommodation options, as well as on-site renewable energy generation.
- Future opportunities are expected to be supported through funding programmes such as the LEADER programme, Heritage Lottery Fund and Small Grants Fund, amongst others, as well as the necessity for business diversification potentially generated by Brexit funding changes.
A number of consultees noted that diversification opportunities would become increasingly important to supporting businesses within the NNP to enable a response to the changing economic climate. However, it was considered that this would need to be supported by appropriate housing provision, greater flexibility in infrastructure development to support business needs and greater flexibility in supporting the establishment of new forests, change of uses for vacant sites and business development within the NNP. Without this support, it was considered that businesses would not be able to appropriately respond to new opportunities.
5.0 Commercial Market Signals

5.1 This section provides a qualitative overview of the stock of premises within the Northumberland National Park, whilst also giving consideration to the relationship between the study area and the gateway settlements located outwith the National Park boundary. It is underpinned by analysis and commentary provided by LSH.

Methodology

5.2 The approach adopted by LSH to this Study has been defined by the geography of the National Park and the limitations of the usual data sources. Northumberland National Park covers over 1,000 square kilometres, but has a resident population of less than 2,000. Population and employment premises are thinly spread. The upland areas of the Cheviot Hills and the forests of Kielder are watersheds from which the rivers South Tyne, North Tyne, Rede, Coquet and Glen flow east to the North Sea. The population and economic activity are concentrated in these lower lying, more accessible valleys.

5.3 Within the National Park there are no industrial estates or business parks, and previous planning policy documents do not allocate employment sites. Identification of potential employment sites must therefore be derived from the current location of employment premises. External inspections of these premises (by LSH) reveal that whilst some are part of farms and there is potential for a cluster of artist studios at Highgreen Manor, the majority are distant from other employment premises. Currently there is no land identified by the National Park Authority or promoted by the market as sites for the development of employment premises.

5.4 The way in which the market functions within the National Park means that as well as there being no obviously available employment land within the Park, there is, with the exception of the office space within The Sill, no evidence of recent take-up. Delivery of additional employment floorspace has largely been through conversions and changes of use rather than new build. For similar reasons losses of employment land are difficult to identify and quantify. This study therefore uses a somewhat different methodology from most employment land reviews.

5.5 As The Sill incorporates the only new build work workspace that has been developed since 1990, its impact on the employment land and floorspace is worth noting. The Sill is a purpose built visitor centre and youth hostel that replaces an earlier visitor centre and youth hostel. The former buildings were situated on a site of 0.96 ha (2.37 acres). The site of The Sill which includes 180 car parking spaces and large areas of landscaping is around three times the size, 3.08 ha (7.61 acres). This equates to an additional land take of 2.12 hectares, but given the multi-purpose function of The Sill, only a small proportion could be attributed to take-up for employment use.

5.6 The planning application for The Sill states that the redevelopment of this site would increase B1 office floorspace from 25 sq m to 135 sq m. The earlier visitor centre incorporated office space occupied by National Park staff. The Sill, as well as including office space for these staff, provides shared office space for the use of local businesses on a hot-desk or permanent arrangement. This redevelopment has then effectively increased office floorspace in the National Park by 110 sq m.
Overview of Stock

5.7 A key study task is a review of the current stock of employment space in Northumberland National Park, to understand the type of businesses within the Park and how these have changed over time.

5.8 The 2017 Rating List provides a database of commercial premises that can be categorised by type, size and location. The Rating List aims to be comprehensive, but it is not unknown for premises to have been missed off. In the National Park where employment premises are often small scale, not within established employment areas and may only form part of a building, the risk of premises going undetected by the VOA is increased. LSH has inspected all employment premises in the National Park that are identified in the current Rating List and during the course of these external inspections did not identify any obvious omissions other than the Forestry Commission’s repair depot, which is beside their offices at Bellingham.

5.9 In addition to assessing the provision of B class employment premises, LSH has also considered the stock of other commercial premises captured by the Rating List in order to understand their relative importance to the economy of the National Park.

5.10 It is important to note that forestry and farming operations which are crucial sectors in the economy of the National Park are not subject to Business Rates and thus are not included in the Rating List or this analysis. They are however considered in Section 6.0 of this study.

5.11 Our analysis has relied on postcodes to identify whether rating hereditaments are inside or outside the National Park boundary. Sporting Rights (fishing and shooting) are excluded. It should be noted that there is some flexibility in what constitutes a hereditament in the Rating List. Of particular relevance to this Study are: Kennedy Storage at Hexham where individual containers are regarded as separate hereditaments; and the Cheviot Centre at Wooler which is assessed as a single hereditament but provides workspace for a range of organisations.

5.12 To identify short and long term trends in the number and type of premises within the National Park we have compared rating hereditaments in the 2017 List with those in the 2010 and 1990 Rating Lists, (see table below).

<table>
<thead>
<tr>
<th>Description</th>
<th>PSD Code</th>
<th>Number of Hereditaments</th>
<th>Change (1990-2017)</th>
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<td></td>
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<td>2010</td>
</tr>
<tr>
<td>Camping / Caravan site</td>
<td>CC</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Vehicle Workshop / Garage</td>
<td>CG</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Hotel / Guest House / Self-catering</td>
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<td>111</td>
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<tr>
<td>Public House</td>
<td>CL</td>
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</tr>
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</tr>
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<td>2</td>
</tr>
<tr>
<td>Outdoor Pursuit Centre / Retreat</td>
<td>EX</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
Workshop | IF | 5 | 5 | 3 | 2 | 66.7%
Quarry / Civic Amenity Site | IM | 3 | 3 | 6 | -3 | -50.0%
Club House / Community Hall | LC | 16 | 15 | 13 | 3 | 23.1%
Stables | LX | 4 | 4 | 2 | 2 | 100.0%
Cemetery | MC | 1 | 1 | 1 | 0 | 0.0%
Surgery | MH | 1 | 1 | 0 | 0 | 0.0%
Hostel / Bothy | MR | 9 | 9 | 9 | 0 | 0.0%
Communication Station | MT | 16 | 16 | 2 | 14 | 700.0%
Sewage Treatment Works | NW | 8 | 8 | 7 | 1 | 14.3%
Public Convenience | MX | 1 | 1 | 1 | 0 | 0.0%
Training Camp | TX | 1 | 1 | 0 | 1 | N/A
Total | 236 | 232 | 183 | 53 | 29.0%

Source: VOA ratings lists

5.13 Since 2010 the overall number of hereditaments within the National Park has increased only marginally. There are three more premises providing holiday accommodation and one additional community hall. It should be noted that The Sill at Once Brewed has not yet been assessed and as such does not feature in this count. Whether it will comprise one or more hereditaments remains to be seen.

5.14 Since 1990 the number of hereditaments has increased by 53, some 29%. This increase is largely due to additional holiday accommodation particularly self-catering accommodation and guest houses; though over the same period the number of camping and caravan sites has fallen. Within the National Park there has been a 73% increase in premises in the “Hotel / Guest House / Self-catering” category since 1990; this compares with a 118% increase outside the National Park. Lower growth within the National Park may be due to more limited opportunities for changes of use and restrictions on new development.

5.15 Since 1990 there has also been an increase in the number of cafes & restaurants, these are an important part of the visitor offer. Another significant change has been the increase in the number of communication stations from 2 to 16, as mobile phone coverage has been extended, though more remote parts of the Park continue to have limited or no reception.

5.16 Of more relevance to this study have been falls in the number of vehicle workshops / garages and land used for storage. These falls have been largely offset by small increases in workshops, stores and office premises. It should be noted that the Rating List uses the same code for offices and visitor centres, so the increase in the number of offices will be partly linked to improved provision of tourist facilities.

31 Our analysis uses postcode sectors that span the National Park boundary to compare growth either side of the boundary.
Northumberland National Park, covering over 1,000 square kilometres, stretches 70 km from Greenhead in the south to Kirknewton in the north. The resident population of less than 2,000 is thinly spread and so too is the stock of employment premises. Population and economic activity are predominantly situated in lower lying, more accessible valleys.

The boundaries of the Northumberland National Park have been drawn to exclude larger settlements; four towns are situated close to but outside the Park. The largest of these, Haltwhistle, is in the South Tyne valley where the A69 provides a route through the Pennines linking the A1 Newcastle Western Bypass to the M6 on the outskirts of Carlisle. Bellingham is in the valley of the North Tyne, some ten miles downstream from the Kielder Reservoir and on the edge of an extensive area of forest. Rothbury on the River Coquet is on the western edge of the Northumberland plain at the foot of the Simonside Hills. Wooler, on the north eastern corner of Northumberland National Park, is situated on the A697, a single carriageway road that provides an alternative to the A1 for traffic between Tyneside and Edinburgh. Whilst all four of these gateway settlements are service centres for surrounding rural areas, Haltwhistle and Wooler, situated on main roads, have more extensive industrial areas.

The four towns Haltwhistle, Bellingham, Rothbury and Wooler function as service centres for the surrounding rural areas and, to a greater or lesser extent, as visitor “gateways” to the National Park. The A69 and A697 run along the edges of the National Park and provide various points of access; as such the role of Haltwhistle and Wooler as visitor gateways is diminished; visitor centres at Walltown Quarry, The Sill, Housesteads and Ingram provide facilities outside these towns and within the National Park. Bellingham and Rothbury which are on routes into the Park are better situated to be focal points for visitor services to these parts of the National Park.
Park. These two towns are also on access routes to lower lying areas of farmland with greater population density compared to the upland and forested areas of the Park.

Between Bellingham and Rothbury the A68 passes through the National Park, running through Redesdale, over Carters Bar and down towards Jedburgh.\textsuperscript{32} Beside the A68 is Otterburn, noteworthy as the location of a large army training camp. The Otterburn Ranges, which are within the National Park, cover an extensive upland area between Redesdale and Coquetdale. The camp and ranges are however self-contained, employ only a handful of permanent staff and have little impact upon the wider economy of the National Park.

For the purposes of this study, LSH has inspected the principal employment areas within the four gateway settlements to understand the general condition of premises, levels of vacancies, and availability of employment land to meet future requirements. This work is complemented by a review of Northumberland County Council’s Employment Land and Premises Demand Study. Commissioned in 2014, this desk-based research assesses the market for employment land and premises within the County’s eleven main towns and twelve service centres. The Council designated Haltwhistle as a main town and Bellingham, Rothbury and Wooler as service centres. The Newcastle office of ES Group\textsuperscript{33} was appointed to prepare the Study which was completed in July 2015. To inform this study, those chapters of the Northumberland County Council Employment Land and Premises Demand Study relating to these four “gateway” towns are provided at Appendix 1.

Key findings of the 2015 Northumberland County Council Employment Land and Premises Demand Study, as well as LSH’s own comparison of the stock of employment premises in 1990 and 2017 for each of these four towns are set out in the following paragraphs.

\textbf{Haltwhistle}

Haltwhistle, with a population of 3,800, is the largest settlement between Hexham, 15 miles to the east and Carlisle, 22 miles to the west. The town is situated beside the A69, an important Trans Pennine route which is dualled between Tyneside and Hexham, but single carriageway between Hexham and the M6.

Given the modest size of the town, Haltwhistle’s industrial areas are extensive. There are two established industrial areas in the town and a third a mile to the south at Plenmeller. The largest of these is the Hadrian employment area, which is split by the railway. The southern part (known as Hadrian Enterprise Park) has direct access from the A69 bypass, here the former Akzo Nobel paint factory, which closed in 2002, has been subdivided to provide cheap, basic workspace, on flexible lease terms; the buildings are old and of poor quality and high vacancy rates have persisted. To the north of the railway are various storage depots and a terrace of smaller industrial units that is fully occupied. West End Industrial Estate is a well laid out but smaller estate on the western edge of the town; buildings are more modern and provide a range of sizes. Occupancy rates are generally high but some of the smallest units are vacant. At the time of LSH’s inspection a new industrial building was under construction. To the south of the A69 and the river, two businesses occupy large bespoke premises at Plenmeller Works.

The 2015 Northumberland County Council Employment Land and Premises Demand Study identified high vacancy rates amongst smaller industrial units; these have been exacerbated by the subdivision of the paint factory but also affect terraced units at West End. LSH’s inspection

\textsuperscript{32} It is worth noting that north of the A68 the western boundary of Northumberland National Park runs along the Scottish border; but with no Scottish towns situated on the edge of Park there appears to be less recognition and promotion of Northumberland National Park north of the border.

\textsuperscript{33} ES Group has subsequently merged with Lambert Smith Hampton. Tim Knight is the client contact for both studies.
in Autumn 2017 similarly noted high levels of vacancies. Demand for industrial premises is largely from indigenous businesses; the 2015 Northumberland County Council Employment Land and Premises Demand Study identified four local businesses that had short to medium term requirements for industrial space within the town but for whom the space at Hadrian Enterprise Park was unsuitable due to its poor quality. These businesses would like to see the development of new premises but low values undermine the viability of development.

Consultation with agents identified the risks to the town if larger employers were to leave as there is little demand for larger premises. Historically Tynedale Council encouraged businesses to relocate to Haltwhistle rather than expand their operations in more sensitive rural areas.

The market for office premises in Haltwhistle is limited. Professional services gravitate to larger centres such as Hexham, Carlisle and Newcastle. In response to a perceived need for offices in the town, Station Court was developed in the 1990s with funding from the Rural Development Programme. The eventual occupiers (a doctor, vet, dentist and a biotech business) provide local employment but none are in planning use class B1(a), indicating that Haltwhistle’s office market suffers from low demand rather than being held back by lack of supply.

Northumberland County Council had identified 4.9 ha of land to the west of Park Road for future employment development but, with very low levels of take-up of land for development and plots available on serviced industrial estates, the 2015 Northumberland County Council Employment Land and Premises Demand Study concluded that the allocation of this site could not be justified. More recently there have been calls for investment at Hadrian Enterprise Park which is seen as an eyesore that deters tourists from visiting the town but which could, if redeveloped, provide accommodation of a quality for which there is local market demand. Such redevelopment would require public sector funding. The new access road from the A69 bypass has opened up the land to the south of Hadrian Enterprise Park, providing a level serviced site for anyone wanting to develop new business premises, but this estate has seen no development activity for decades.

Figure 5.2 Employment Premises in Haltwhistle

Source: VOA Rating lists
VOA data identifies that between 1990 and 2017 the number of hereditaments in Haltwhistle increased from 59 to 86; to a large extent this rise can be attributed to the separate assessment of 38 containers at Kennedy Storage on Haltwhistle Industrial Estate. If this operation was regarded as a single assessment then the overall number of employment premises would have fallen to 49. There has been a modest increase in the number of offices; this has to a limited extent offset a reduction in the number of vehicle workshops and garages.

In summary Haltwhistle has available industrial land and premises, but much of the vacant premises are of poor quality and new development is undermined by viability issues. Public sector investment in infrastructure, notably the bypass and the new access to Hadrian Enterprise Park whilst welcome has not been matched by private sector investment to improve or replace the building stock and over the longer term the number of rateable industrial hereditaments has declined. There appears to be some indigenous demand for modern industrial space in Haltwhistle that cannot be met by the existing supply because units are too small or of poor quality. There is a preference for premises in the town where there is access to labour and proximity to the A69. LSH advise that employment premises in the countryside which could have an adverse impact on the setting of Hadrian’s Wall should be discouraged. Such developments are also likely to be less attractive to occupiers due to comparatively poor access to the A69.

There is little demand for offices in the town and this is reflected in a low level of office stock. In less remote areas of the Tyne Valley, between Hexham and Newcastle small serviced office provision particularly through conversions of historic buildings have found a ready demand. Shared office space has been provided at The Sill, but it is still too early to understand the scale of market demand for this facility.

Whilst situated on the southern edge of the National Park, the town’s strength is its location beside the A69, an important east-west route linking the A1(M) and M6. Less important is its role as a visitor gateway. Hadrian’s Wall, a UNESCO World Heritage Site, is the predominant visitor attraction at the southern end of the National Park; this is served by a series of visitor centres, museums and accommodation along its 84 mile length. Haltwhistle is thus competing with other settlements and facilities. In the southern part of Northumberland National Park, high numbers of visitors to Hadrian’s Wall ensure that tourism is a dominant part of the economy; recent investment in The Sill is well placed to capture visitor expenditure to the benefit of the local economy.

**Bellingham**

Bellingham with a population of around 1,100 is situated on the north bank of the North Tyne, straddling the Hareshaw Burn tributary. The town is 17 miles north of Hexham and the A69 and four miles west of the A68.

The town has two small employment areas: Foundry Yard Industrial Estate where there is a mix of modern terraced units and older detached premises; and Station Yard, which accommodates a Council depot, office suites (within Station House) a café (in former train carriages) and a heritage centre. Elsewhere in the town are workshops and, on the High Street, vacant upper floors that could accommodate office uses.

Although Foundry Yard Industrial Estate is generally well occupied, the former ambulance station has been vacant for many years. This is a purpose built facility with a glazed front, a design which may have deterred occupiers. Another vacant workshop to the rear of Bellingham Garage is old and lacks any yard space. Agents note that small rural settlements such as Bellingham are primarily dependent on farming, forestry and tourism; and that indigenous demand is typically small scale with few obvious requirements for additional space. The 2015
Northumberland County Council Employment Land and Premises Demand Study identified a local builder with a requirement for a small warehouse suggesting some limited demand for additional small workshops.

Demand for offices, which is infrequent, is from local businesses and requirements for small office suites have typically been satisfied by conversion of buildings or parts of buildings to office use. With a stock of vacant premises including upper floors over shops and a former bank there are further opportunities for provision of office floorspace should demand permit. Some vacant premises may be of poor quality and the viability of their conversion to office space is likely to be undermined by low values.

Within Bellingham there is no shortage of sites available for development, with some small plots available within established employment areas and larger sites such as the former auction mart (available since 2004) which the owner is promoting as a housing site. There has been no development of employment premises in Bellingham since 1999; the market here relies on public sector provision, conversion of existing buildings and occasional bespoke development (e.g. the Forestry Commission’s district office and the Ambulance Station).

Figure 5.3 Employment Premises in Bellingham

VOA data identifies that between 1990 and 2017 the overall number of employment premises in Bellingham hardly changed, but the type of premises did; an increased number of office premises has offset a reduction in vehicle workshops / garages. There have also been modest decreases in the numbers of workshops and stores.

In summary there are available premises and sites to meet demand, but such demand is infrequent. Vacant premises may not match requirements, however, LSH advise that – in such a thin market – speculative development would be both risky and unviable.

The 2015 Northumberland County Council Employment Land and Premises Demand Study recommended that with capacity for future development at Foundry Lane and Station Yard and
with an expectation that additional floorspace would be delivered through conversion of existing buildings rather than new development; these established employment areas will meet anticipated requirements for the foreseeable future. In understanding the implications of this for the National Park, LSH advise that requirements for employment premises in and around Bellingham can be accommodated in this gateway town. Infrequent indigenous demand in other settlements in the North Tyne/Tarset area will be largely accommodated through conversions, extensions, or changes of use of existing premises.

**Rothbury**

Rothbury, with a population of about 1,740, is situated on the River Coquet 13 miles north-west of Morpeth and 11 miles south-west of Alnwick. Road access to the town from the east is via the B6341 or B6344 which both link to the A697. To the west the B6341 joins the A696 to Otterburn. With a riverside setting and historic town centre within an hour's drive of Tyneside, Rothbury is popular with visitors; Cragside, a National Trust property is just to the north and the Simonside Hills just to the south.

5.40 The town has one employment area: Rothbury Industrial Estate which is on the south side of the Coquet. Here, advance workshops developed by the public sector in the 1970s/80s complement some older units. The town centre is on the north side of the river; the Coquetdale Centre incorporates tourist information and a few office suites and there are a handful of other office premises elsewhere in the town centre.

5.41 Rothbury Industrial Estate is generally well occupied; at the time of inspection by LSH one unit of 2,600 sq ft was vacant. The vacancy rate has fallen substantially since 2015 when five vacant industrial units were recorded. Agents note that in Rothbury demand is from indigenous businesses. This demand has historically been satisfied by local authority provision and bespoke units to meet larger or more specific requirements. In rural Northumberland, where there are greater proportions of businesses related to land industries, there is typically a need for some units with extensive yard space. The 2015 Northumberland County Council Employment Land and Premises Demand Study identified a local agricultural engineering business that required larger premises but could find nothing suitable. LSH understands that this requirement remains active.

5.42 In the town centre there are no vacant office premises; where appropriate buildings are available there is competition from shops, cafes, galleries and residential uses. Demand for offices, which is infrequent, is from local businesses and requirements for small office suites have typically been satisfied by conversion of buildings or parts of buildings to office use. An example is the Granary at East Newtown Farm, a mile and a half outside Rothbury and just inside the National Park. This former cart shed has been converted to provide offices for a website design business.

5.43 Rothbury is a small service centre with a limited market for employment premises, which currently has no land available for the development of employment premises. The Industrial Estate has had no capacity for new development (apart from two small extensions) for the past 25 years. The 2015 Northumberland County Council Employment Land and Premises Demand Study notes that a known requirement cannot be accommodated either in an existing building or on an allocated employment site and recommends that Northumberland County Council investigate the potential to create an additional development plateau adjoining Rothbury Industrial Estate and to closely consider proposals for development of bespoke premises on unallocated sites.

5.44 VOA data identifies that between 1990 and 2017 the overall number of employment premises in Rothbury fell from 45 to 34. The number of office premises has not changed, but there has been a reduction in vehicle workshops / garages, a modest decrease in the number of workshops and
a larger reduction in the number of stores. This contraction in the stock now appears to be constraining the market. As sites such as the former Auction Mart field have been taken for housing development there is now no land within the town that is identified for the development of employment premises.

5.46

It is beyond the scope of this study to consider the most appropriate location for additional employment land in Rothbury. Such a study would have to consider a whole range of criteria including those related to physical (e.g. topography, access etc.) policy (e.g. heritage and environmental protection) and financial (viability, funding etc.) considerations to name but a few. Recognising that most potential employment sites around Rothbury are going to have major constraints of one sort or another, LSH consider that a site on the edge of the NNP should not be ruled out of such an assessment. Neither, however, are LSH proposing that sites within the NNP should be preferred.

Figure 5.4 Employment Premises in Rothbury

Source: VOA Rating lists

Wooler

5.47

Wooler, with a population of around 2,000, is situated on a tributary of the Tweed some 15 miles north-west of Alnwick and 16 miles south-west of Berwick. Known as the “Gateway to the Cheviots” Wooler is situated on the edge of the upland areas. The town is served by the A697 which links Morpeth to Coldstream and passes through the east of the town. The B6348 and B6349 provide links from the A697 to the A1 approximately 9 miles to the east.

5.48

The town has two principal employment areas: Wooler Industrial Estate on the north-east side of the town; and Glendale Business Park at Haugh Head which fronts the A697 a mile to the south of the town. Wooler Industrial Estate is in two parts, the older part fronts the A697 and the more modern part fronts the B6525 Berwick Road. The industrial estate is well occupied with just a couple of smaller units currently vacant. Glendale Business Park is a former Council depot that now provides stores and workshops for a range of businesses.
Within Wooler the Cheviot Centre is a community centre within a refurbished stone building. In 2013 the Glendale Trust converted some of the floorspace to provide office facilities for small and start-up businesses and constructed three wooden office pods in the grounds for businesses to rent. Office space within the Cheviot Centre is fully occupied and there are currently nine small businesses based there. Like the office provision at Station Court, Haltwhistle some occupiers are not B-class uses; examples include a private tuition business and two complementary therapy businesses. On Wooler High Street there are vacant commercial premises and at Glendale Business Park office/light industrial units are available.

Agents and developers consulted as part of the 2015 Northumberland County Council Employment Land and Premises Demand Study regard Wooler as a local centre where demand is from indigenous businesses. Industries supporting forestry and farming activities are an important part of the local economy and there is demand for units with yard space. The business survey identified two local businesses wanting to expand and requiring industrial units of 500-1,000 sq m, but these plans were frustrated by a lack of premises of suitable size and specification. Private sector development is not viable and though Northumberland County Council has allocated 2 hectares of land on the north side of Berwick Road for extension of the industrial estate, this site lacks infrastructure and services. The 2015 Study proposed that the Council applied for funding to enable the provision of small serviced plots to enable occupiers to build units for their own occupation and/or the construction of a modest number of advance units.

Occupancy rates at the Cheviot Centre demonstrate demand for small serviced office accommodation. The Glendale Trust has demonstrated its capability in refurbishing premises to provide office, retail and community space, which it is prepared to do for lower levels of return than private sector developers. There are vacant buildings on the High Street and beside the A697 which lend themselves to refurbishment or redevelopment. But in a relatively limited market place the financial return may not adequately compensate for risk and development therefore needs financial subsidy. Landownership can be another barrier to development with owners of some vacant buildings only willing to sell at prices above market values. Derelict buildings on prominent sites at the entrance to the town do affect visitor’s perceptions of the area and may impact on tourism at the northern end of the National Park.

VOA data identifies that between 1990 and 2017 the overall number of employment premises in Wooler fell slightly from 79 to 76. A substantial increase in the number of storage premises reflects the conversion of the former Council depot at Haugh Head into the Glendale Business Centre. Here small lock-up units are used for storage by local tradesmen. The numbers of workshops, warehouses, vehicle workshops / garages have all declined. Whilst this analysis of the Rating Lists suggests that the number of offices has also declined, we note that the Cheviot Centre is classed as a community centre and comprises a single assessment. Within the Cheviot Centre are individual rooms occupied as offices; if these were individually assessed then a modest increase in the number of offices in Wooler would be evident.
Summary

5.53 The analysis of the stock of employment premises in the National Park and gateway towns undertaken by LSH does not highlight any discernible trend towards consolidation or dispersal of employment premises. Though the gateway towns clearly have an important role as service centres for surrounding rural areas, there is no evidence to suggest that changes in the number and type of employment premises in the Park are as a result of a shift of businesses into or away from the gateway settlements.

5.54 The analysis identifies that changes in the stock of employment premises within the National Park has followed similar trends to changes in the gateway towns and are thus more likely to be caused by changes in the wider economy. Although sample sizes are small the analysis appears to reflect the sectoral shift from manufacturing to services with increases in the number of offices in the National Park and gateway settlements and some decline in the number of workshops. There has also been a decline in the number of vehicle workshops / garages, perhaps reflecting some restructuring in this sector; agricultural engineering remains an important sector of the rural economy and with very little industrial development in Wooler, Rothbury and Bellingham over the last 18 years, LSH is aware of expansion plans frustrated by a lack of suitable premises and/or sites.

5.55 Whilst Haltwhistle, Bellingham and Wooler all have employment sites that could be developed and/or redeveloped if funding was available to overcome the barrier of viability, the supply of employment land in Rothbury is constrained. The requirement for additional employment land to support the economy of Rothbury and its hinterland, could, in theory, be met by allocating land within the National Park. In practice, allocating employment land in this location should have regard to the characteristics of sites, their costs of delivery and the needs of businesses, as well as relevant planning policy (including Paragraph 14, footnote 9, of the NPPF). Relatively level topography, proximity to the town, and easy access to the main road would be important.
factors in assessing sites; on balance a suitable new employment allocation for Rothbury seems more likely to be found beyond the National Park boundary than within.

5:56 Whether frustrated requirements provide opportunities for growing the economy of the National Park will depend upon the detailed requirements of the businesses and the extent to which they align with appropriate sites within the National Park. Businesses often prefer to be located close to customers and suppliers and this will often mean locations close to towns rather than in remote countryside.
6.0 Qualitative Assessment of Stock

6.1 The analysis of changes in the stock of employment premises (Section 5.0) found little evidence of competition between the National Park and the gateway towns. Rather, changes in stock seem to reflect national trends of a decline in manufacturing and expansion of the service sector. To further understand the market for employment premises in the National Park, LSH has inspected the 20 premises in employment use. This analysis uses three broad categories of offices, workshops and premises for storage.

**Offices**

6.2 The Rating List identifies eight premises as offices, studios or visitor centres; all within planning use class B1. To this LSH has added The Sill, which includes both office and visitor centre functions. Each site has been externally inspected by LSH, with brief details set out in Table 6.1.

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Size (sq m)</th>
<th>Age</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>PK Catering, Walltown Quarry</td>
<td>Visitor centre and shop on edge of car park beside Hadrian’s Wall some 2 miles north west of Haltwhistle.</td>
<td>20.38</td>
<td>1980s</td>
<td>Reasonable</td>
</tr>
<tr>
<td>The Hive, The Sill, Once Brewed</td>
<td>Shared office space available on a hot desk or permanent basis, within new purpose built visitor centre beside the Military Road, 3 miles north east of Haltwhistle.</td>
<td>64.54</td>
<td>2017</td>
<td>Good</td>
</tr>
<tr>
<td>NNPA Offices, The Sill</td>
<td>Offices for National Park Authority staff within new purpose built visitor centre beside the Military Road, 3 miles north east of Haltwhistle.</td>
<td>68.36</td>
<td>2017</td>
<td>Good</td>
</tr>
</tbody>
</table>

These hereditaments are largely captured by PSD codes: CG, CO, CW & IF.
<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Size (sq m)</th>
<th>Age</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Sill, Once Brewed</td>
<td>New purpose built visitor centre beside the Military Road, 3 miles north east of Haltwhistle. The Sill includes dedicated office space (see above) but also other uses including a youth hostel, café, exhibition space, shop and meeting rooms.</td>
<td>Total GIA: 3,073.68</td>
<td>2017</td>
<td>Good</td>
</tr>
<tr>
<td>Housesteads Information Centre</td>
<td>Purpose built visitor centre, refurbished in 2013. Beside Military Road, 4 miles north west of Haydon Bridge, the building is on the edge of a large car park that serves Housesteads Roman Fort. It incorporates a small shop and café</td>
<td>173.9</td>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>Studio, Highgreen Manor</td>
<td>Artist’s studio within grounds of Victorian listed building. In moorland 5 miles north west of Bellingham.</td>
<td>28.1</td>
<td>C 19th</td>
<td>Poor</td>
</tr>
<tr>
<td>Dovecote, Highgreen Manor</td>
<td>Office within Victorian listed building. In moorland 5 miles north west of Bellingham.</td>
<td>8.6</td>
<td>C 19th</td>
<td>Poor</td>
</tr>
<tr>
<td>Forestry Commission, Eals Burn,</td>
<td>North England Forest District office, purpose built detached office on main road half a mile south of Bellingham.</td>
<td>273.4</td>
<td>1980s</td>
<td>Reasonable</td>
</tr>
<tr>
<td>Property</td>
<td>Description</td>
<td>Size (sq m)</td>
<td>Age</td>
<td>Condition</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>------</td>
<td>-----------</td>
</tr>
<tr>
<td>Granary, East Newtown Farm</td>
<td>Stone cart shed some 1½ miles south west of Rothbury converted to offices in 2003. Occupied by Lazy Grace web design.</td>
<td>198.9</td>
<td>C 19th</td>
<td>Good</td>
</tr>
<tr>
<td>Petersfield, Wooler</td>
<td>Office within residential building, one mile south west of Wooler. Occupied by Sandy Jeffrey livestock agent.</td>
<td>6.1</td>
<td>C 19th</td>
<td>Good</td>
</tr>
<tr>
<td>Studio, Westnewton Farm</td>
<td>Stone farm building used as artist’s studio. In countryside 6 miles west of Wooler.</td>
<td>30</td>
<td>C 19th</td>
<td>Poor</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists

6.3 The limited number of office premises within the National Park features a wide variety of buildings. These include: purpose built visitor centres; converted farm buildings; space ancillary to residential use; and a bespoke office building. The last of these is the Forestry Commission’s office on the outskirts of Bellingham, which serves the North of England generally but is situated for its proximity to Kielder, England’s largest forest. There are few, if any, other office occupiers that require large offices in a relatively remote rural location. For the Forestry Commission, however, Bellingham is convenient for operations and workers spread across the 60,000 hectare Kielder Forest Park. The Bellingham site includes a repair depot as well as offices.

6.4 The three visitor centres are all close to Hadrian’s Wall, testament to the large number of visitors to the southern edge of the Park. There are other information points for visitors to other parts of the National Park, notably display boards within the Valley Cottage Café at Ingram and an information hub within the Coquetdale Centre at Rothbury (outside the National Park).

6.5 The Granary and Petersfield are both close to gateway settlements where there is access to infrastructure and other services; these provide a good or reasonable quality of accommodation. Westnewton Farm and Highgreen Manor are more remote. Both provide affordable studio space of basic specification. Highgreen Manor is a listed building set in the moorland five miles
northwest of Bellingham, where the house, outbuildings and grounds provide workspace for artists.

6.6 Some of these premises could accommodate demand for additional office or studio space through conversion of existing adjoining floorspace. Others have surrounding land that could be developed should demand for additional workspace arise.

6.7 Table 6.2 tracks National Park office and studio hereditaments through a series of Rating Lists from 1990 to the current 2017 List. Premises within the current Rating List are highlighted green; those that have been removed from the List between 1990 and 2017 are highlighted red. Floor area data is available for the 2005, 2010 and 2017 Lists, but not earlier Lists. The Sill is excluded from this analysis as it has not yet been assessed for rates and it is not clear whether it will have a single assessment or be subdivided.

Table 6.2 Office and studio hereditaments

<table>
<thead>
<tr>
<th>Property</th>
<th>Billing Authority Reference</th>
<th>Size (sq m)</th>
<th>Dates in Rating List</th>
</tr>
</thead>
<tbody>
<tr>
<td>PK CATERING, WALLTOWN QUARRY</td>
<td>TYNN0004008430695</td>
<td>20.38</td>
<td>2004 - current</td>
</tr>
<tr>
<td>HOUSESTEADS INFORMATION CENTRE</td>
<td>TYNN0003608540670</td>
<td>173.90</td>
<td>1990 - current</td>
</tr>
<tr>
<td>THE STUDIO, HIGHGREEN, TARSET</td>
<td>TYNN0006003370300</td>
<td>28.10</td>
<td>2001 - current</td>
</tr>
<tr>
<td>THE DOVECOTE, HIGHGREEN, TARSET</td>
<td>TYNN0006003370100</td>
<td>8.60</td>
<td>2001 - current</td>
</tr>
<tr>
<td>EALS BURN, BELLINGHAM</td>
<td>TYNN0005100310011</td>
<td>273.40</td>
<td>2000 - current</td>
</tr>
<tr>
<td>THE GRANARY, NEWTOWN, ROTHBURY</td>
<td>ALNN00050000500301</td>
<td>198.90</td>
<td>2005 - current</td>
</tr>
<tr>
<td>PETERSFIELD, WOOLER</td>
<td>BENN00021029800104</td>
<td>6.10</td>
<td>2014 - current</td>
</tr>
<tr>
<td>STUDIO, WEST NEWTOWN FARM</td>
<td>BENN00015020600407</td>
<td>30.00</td>
<td>2010 - current</td>
</tr>
<tr>
<td>OLD STABLES, HIGHGREEN, TARSET</td>
<td>TYNN0006003370200</td>
<td>74.60</td>
<td>2005 - 2014</td>
</tr>
<tr>
<td>REDESDALE EXPERIMENTAL HUSBANDRY FARM, ROCHESTER</td>
<td>TYNN0005903180100</td>
<td>NK</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>NATIONAL PARKS COMMITTEE, ONCE BREWED</td>
<td>TYNN0004301230030</td>
<td>NK</td>
<td>1990 - 2000</td>
</tr>
<tr>
<td>INFORMATION CENTRE, WALLTOWN QUARRY</td>
<td>TYNN0004008430690</td>
<td>NK</td>
<td>1995 - 1999</td>
</tr>
<tr>
<td>NATIONAL TRUST, HOUSESTEADS</td>
<td>TYNN0003600030260</td>
<td>NK</td>
<td>1990 - 2000</td>
</tr>
<tr>
<td>MIDGY HA, SHARPERTON</td>
<td>ALNN00040001700304</td>
<td>NK</td>
<td>1990 - 1997</td>
</tr>
<tr>
<td>ALLAN PROPERTIES, AKELD</td>
<td>BENN0000100001000A</td>
<td>NK</td>
<td>1995 - 2003</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists

6.8 Although LSH has reduced the scope for duplication by using the unique billing authority reference, earlier rating assessments for the Information Centre at Walltown Quarry and the National Trust offices at Housesteads do appear to relate to buildings that are in the current Rating List. Office or studio use of floorspace has ceased at:

- Offices at the Old Stables, Highgreen Manor following the relocation of Bloodaxe Books.
- Offices at the Redesdale Experimental Husbandry Farm at Rochester,
- National Park offices at Once Brewed, which have been replaced by The Sill
- Offices at Midgy Ha, Sharperton near Rothbury
- Allan Properties, Akeld near Wooler

6.9 These losses have to some extent been offset by office provision elsewhere in the National Park. This analysis identifies that the 2005 Rating List recorded 777.88 sq m of office floorspace.
within the National Park, and the 2017 Rating List 739.38 sq m; this represents a modest fall of 38.5 sq m.\textsuperscript{35}

6.10 As noted at paragraph 5.6, the development of The Sill has resulted in an additional 110 sq m of office floorspace. This new provision effectively offsets the modest fall ensuring an overall increase in office floorspace since 2005. Part of the office provision within The Sill is to accommodate National Park Authority staff, but The Hive represents speculative provision for use by local businesses for which demand is, at this stage, uncertain. The Hive has nine desks that can be used on a hot-desk or permanent basis. Four months on from its opening one individual uses a desk on a hot-desk basis. Another business is proposing to use a desk on a permanent basis from January 2018.

**Workshops**

6.11 From the Rating List LSH has identified seven workshops within the National Park. One further workshop has been identified through LSH’s external inspections - the Forestry Commission repair depot at Bellingham (the VOA does not include the repair depot within the office assessment nor does it appear to be separately listed). Brief details of each are set out in Table 6.3.

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Size (sq m)</th>
<th>Age</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butchery, Cawfields Farm, Haltwhistle</td>
<td>Livestock farm incorporating pork butchery in stone outbuildings.</td>
<td>31.8</td>
<td>C19\textsuperscript{th}</td>
<td>Reasonable</td>
</tr>
<tr>
<td>Garage, Stonehaugh</td>
<td>Vehicle workshop and adjoining hardstanding for trucks. Occupied by R&amp;H Scott timber hauliers.</td>
<td>284.6</td>
<td>1950s</td>
<td>Poor</td>
</tr>
<tr>
<td>Blackaburn, Wark</td>
<td>Vehicle repair workshop in Wark Forest accessed via unmetalled track and adjoining 19\textsuperscript{th} century stone farmhouse and outbuildings.</td>
<td>356.4</td>
<td>Early C20\textsuperscript{th}</td>
<td>Poor</td>
</tr>
</tbody>
</table>

\textsuperscript{35} Detailed comparison of Rating List entries identifies some inconsistencies. The former National Park Offices at Once Brewed do not appear to be included in the 2005 and 2010 Rating Lists. The assessment of office space at Redesdale Experimental Husbandry Farm was deleted in 2007, but no entry can now be found in the 2005 Rating List and thus no floor area information is available.
<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Size (sq m)</th>
<th>Age</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair Depot, Eals Burn, Bellingham</td>
<td>Single storey depot with hardstanding to rear, fronting main road half a mile south of Bellingham. The site also accommodates the Forestry Commission District Office (see above).</td>
<td>c.800</td>
<td>1980s</td>
<td>Reasonable</td>
</tr>
<tr>
<td>Workshop, Reenes Farm, Bellingham</td>
<td>Livestock farm a mile north west of Bellingham incorporating workshop amongst outbuildings.</td>
<td>142.8</td>
<td>1970s</td>
<td>Poor</td>
</tr>
<tr>
<td>Studio, The Rectory, Thorneyburn, Tarset</td>
<td>Stone outbuildings converted to workshop for the manufacture of handmade art pastels by Unison Colour.</td>
<td>293.7</td>
<td>C 19th</td>
<td>Poor</td>
</tr>
<tr>
<td>Garage, Rochester</td>
<td>Detached vehicle repair workshop beside the A68 with large area of hardstanding to front.</td>
<td>139.2</td>
<td>1950s</td>
<td>Poor</td>
</tr>
<tr>
<td>Old Coach House, Hepple</td>
<td>Stone outbuildings used by the Moorland Spirit Company as a gin distillery.</td>
<td>121.7</td>
<td>C 19th</td>
<td>Poor</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists
6.12 Workshops in the National Park, which range in size from 32 to 800 sq m, include converted farm buildings and purpose built vehicle repair workshops. They are generally old and of poor specification. Five of the eight are situated around Bellingham / Tarset / Wark area; none are north of the Coquet. Whilst two are within a mile of Bellingham, others are not particularly close to gateway towns.

6.13 Four are used for repair and maintenance of vehicles and machinery and three of these (Stonehaugh, Blackaburn and Eals Burn) appear to specifically support forestry operations. Two others, a butchery and a distillery, are used for food and drink manufacture. The manufacture of handmade art pastels at Thorneyburn can be seen as complementing the artists' studios at Highgreen Manor three miles to the north.

6.14 Table 6.4 tracks National Park workshop hereditaments through a series of Rating Lists from 1990 to the current 2017 List. Premises within the current Rating List are highlighted green; those that have been removed from the List between 1990 and 2017 are highlighted red. Floor area data is available for the 2005, 2010 and 2017 Lists, but not earlier Lists.

<table>
<thead>
<tr>
<th>Property</th>
<th>Billing Authority Reference</th>
<th>Size (sq m)</th>
<th>Dates in Rating List</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIGS CAN FLY, CAWFIELDS FARM, HALTWISTLE</td>
<td>TYNN0004100430180</td>
<td>31.80</td>
<td>2010 - current</td>
</tr>
<tr>
<td>STONEHAUGH GARAGE, STONEHAUGH</td>
<td>TYNN0006103830200</td>
<td>284.60</td>
<td>1990 - current</td>
</tr>
<tr>
<td>BLACKABURN, WARK</td>
<td>TYNN0006103880200</td>
<td>356.40</td>
<td>1990 - current</td>
</tr>
<tr>
<td>THE WORKSHOP REENES FARM, BELLINGHAM</td>
<td>TYNN0005100580010</td>
<td>142.80</td>
<td>2008 - current</td>
</tr>
<tr>
<td>STUDIO THE RECTORY, THORNEYBURN, TARSET</td>
<td>TYNN0006003490015</td>
<td>293.70</td>
<td>1997 - current</td>
</tr>
<tr>
<td>THE GARAGE, ROCHESTER</td>
<td>TYNN0005903150290</td>
<td>139.20</td>
<td>1990 - current</td>
</tr>
<tr>
<td>OLD COACH HOUSE, WHITEFIELD HALL COTTAGES, HEPPLE</td>
<td>ALNN00040002300101</td>
<td>121.70</td>
<td>2016 - current</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists

6.15 At Cawfields Farm, a butchery has replaced a bakery. At Ashlea Cottage, Stannersburn, workshop use appears to have been intermittent. Low rateable values suggest that those workshops that are no longer in the Rating List were small. The exception was the Stannersburn Motor Co with rateable value of £2,500 in 2003 but this building appears to be situated just outside the National Park.

6.16 This analysis identifies that the 2005 Rating List recorded 1,319.2sq m of workshop floorspace within the National Park and the 2017 Rating List 1,370.2. This represents a modest overall increase of 51.0sq m.
Economic Futures and Employment Demand Study

Stores

6.17 The 2017 Rating List identifies three stores and two plots of land used for storage within the National Park. Some of these premises have been difficult to identify and have not been inspected. Brief details of each are set out below.

Table 6.5 Stores

<table>
<thead>
<tr>
<th>Property</th>
<th>Description</th>
<th>Size (sq m)</th>
<th>Age</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Service Centre, Hareshaw Road, Bellingham</td>
<td>Rough surfaced fenced land. Not inspected.</td>
<td>260.70</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Brownrigg, Bellingham</td>
<td>Dining hall and kitchen of former boarding school now used as a camping and caravan site.</td>
<td>449.50</td>
<td>1950s</td>
<td>Poor</td>
</tr>
<tr>
<td>Former Falstone Mine, Falstone</td>
<td>Coal stacking yard at former mine. Not inspected.</td>
<td>1250</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Brigantium, Rochester</td>
<td>Described as a store in the Rating List. This may refer to the replica roundhouse visitor attraction that was replaced by a pavilion in 2016.</td>
<td>21.70</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Chartners, Harwood Forest</td>
<td>Former farmstead within Harwood Forest accessed via unmetalled track. Thoughto be used as stores for forestry operations. Recent investment in a wind turbine and PV array.</td>
<td>207.00</td>
<td>C19th</td>
<td>Poor</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists

6.18 Table 6.6 tracks National Park storage land and premises through a series of Rating Lists from 1990 to the current 2017 List. Premises within the current Rating List are highlighted green; those that have been removed from the List between 1990 and 2017 are highlighted red. Floor area data is available for the 2005, 2010 and 2017 Lists, but not earlier Lists.
Storage premises include both land and buildings; as such size may refer to site area or floorspace. Some of these storage uses appear to support other important sectors of the National Park’s economy, such as forestry and visitor services; examples are the current stores at Brownrigg campsite and at Brigantium and the former stores at Kielder Dam and at Stonehaugh campsite and holiday cottages. The increase in self-catering accommodation in the National Park could be expected to give rise to requirements for small stores for maintenance and repair purposes.

The analysis of Rating List hereditaments above indicates an overall decline in the number of storage premises. It also shows that storage can be accommodated in a range of existing buildings (such as the dining hall at Brownrigg). Storage premises are rarely purpose built, instead vacant or underused land and premises is used, until a more valuable use is realised. As such the quality of stores tends to be poor. At Chartners, the former farmhouse appears to have been undergoing recent refurbishment, a small wind turbine and solar panels have been installed to provide off-grid power; LSH are not aware if a change of use is proposed.

This analysis identifies that the 2005 Rating List recorded 145.2 sq m of stores within the National Park, and the 2017 Rating List 678.2 sq m; representing an increase of 533.0 sq m. Land and depots for external storage accounted for 2,627.3 sq m in 2015 and 1,510.7 sq m in 2017, a decrease of 1,116.6 sq m. An increase in covered storage has been more than offset by a fall in external storage.

**Summary**

The key findings of the analysis undertaken by LSH are summarised below:

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**Table 6.6 Storage land and premises**

<table>
<thead>
<tr>
<th>Property</th>
<th>Billing Authority Reference</th>
<th>Size (sq m)</th>
<th>Dates in Rating List</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND, GAS SERVICE CENTRE, HARESHAW ROAD, BELLINGHAM</td>
<td>TYNN0005100640660</td>
<td>260.70</td>
<td>1990- current</td>
</tr>
<tr>
<td>VACANT STORES BROWN RIGG, BELLINGHAM</td>
<td>TYNN0005100570122</td>
<td>449.50</td>
<td>2009- current</td>
</tr>
<tr>
<td>LAND, FORMER FALSTONE MINE, FALSTONE</td>
<td>TYNN0005408000800</td>
<td>1250</td>
<td>1990- current</td>
</tr>
<tr>
<td>BRIGANTIUM, ROCHESTER</td>
<td>TYNN0005903150096</td>
<td>21.70</td>
<td>2008- current</td>
</tr>
<tr>
<td>CHARTNERS, HARWOOD FOREST, EWESLEY</td>
<td>ALNN00040000600112</td>
<td>207.00</td>
<td>2007- current</td>
</tr>
<tr>
<td>LAND, BORDER PARK FILLING STATION, BYRNES VILLAGE</td>
<td>TYNN0005903030080</td>
<td>NK</td>
<td>1990 - 2016</td>
</tr>
<tr>
<td>LAND, THE COAL YARD, ELSDON</td>
<td>ALNN0003800100010A</td>
<td>1049.90</td>
<td>1990 - 2011</td>
</tr>
<tr>
<td>STORE, CROZIER COTTAGE, BELLINGHAM</td>
<td>TYNN0005100640170</td>
<td>117.80</td>
<td>1996 - 2007</td>
</tr>
<tr>
<td>STORES, COUNTRYSIDE CHALETS LTD, STONEHAUGH</td>
<td>TYNN0006103950620</td>
<td>NK</td>
<td>1995</td>
</tr>
<tr>
<td>THE STABLES, STONEHAUGH SHIELD, STONEHAUGH</td>
<td>TYNN0006103880160</td>
<td>NK</td>
<td>1995</td>
</tr>
<tr>
<td>STORE, NORTH ABUTMENT KIELDER DAM, FALSTONE</td>
<td>TYNN0005401950085</td>
<td>27.40</td>
<td>1990 - 2005</td>
</tr>
<tr>
<td>STORAGE DEPOT, THE LARKES, ELSDON</td>
<td>ALNN00038000900307</td>
<td>66.70</td>
<td>1990 - 2005</td>
</tr>
<tr>
<td>KIELDER WATER CLUB STORE, WHICKHOPE, FALSTONE</td>
<td>TYNN0005401940071</td>
<td>NK</td>
<td>1990 - 1999</td>
</tr>
</tbody>
</table>

Source: VOA ratings lists

---
• Most premises in the National Park are small reflecting occupier requirements. Requirements will often be from indigenous businesses wanting workspace without having to relocate;

• Premises are typically old but maintenance and refurbishment have prolonged their economic life. New premises are principally tourism related;

• Requirements have been largely accommodated within the existing building stock;

• Small businesses with modest accommodation requirements can be situated in part of a building (e.g. office space at Highgreen Manor and Petersfield) or within outbuildings (e.g. workshops at Thorneyburn and Hepple). Modest extensions of existing premises could support economic growth;

• Tourism, agriculture and forestry are key sectors driving demand for workspace in the National Park. Whilst the agriculture and forestry sectors are not forecast to expand over the plan period, tourism in the Park, which has been increasing, is expected to continue to do so. Growth in tourism could increase demand for additional visitor facilities and accommodation (particularly self-catering if past trends continue). Increased visitor spend could also increase demand for locally produced arts and crafts and food and drink. In the longer term this may strengthen demand for small studios and workshops. Up until now, demand for such in the National Park has been accommodated through conversion of outbuildings. With the viability of upland farming expected to worsen if the UK leaves the EU, farm diversification would be expected to ensure a continuing supply of outbuildings to meet such demand;

• The location of larger premises is determined by access to markets —workshops and depots for forestry machinery and timber haulage situated in or on the edge of forests are unlikely to find alternative occupiers if vacated. Labour supply constraints and access to customers can motivate growing businesses to relocate from the National Park;

• Though IT infrastructure and mobile coverage have improved, the National Park still has relatively poor connectivity and, in remoter areas, little or none. The high cost of such infrastructure means there are cost advantages in encouraging clusters of businesses, either in hubs or in and around established settlements;

• Visitor information and services are important particularly in the south of Northumberland National Park where Hadrian’s Wall UNESCO World Heritage status is a major attraction;

• The National Park attracts creative businesses (a handful of artists and a web design company). There may be opportunities to grow this sector and regard should be had to their particular requirements;

• In gateway settlements the quality of stock is generally reasonable or poor. In Haltwhistle, Bellingham and Wooler unoccupied buildings and sites provide opportunities for accommodating workspace, but public sector support is needed to address barriers to development. In Rothbury the market is constrained by a lack of supply;

• Public sector provision of new office accommodation in gateway settlements has attracted a diverse range of occupiers including medical, complementary therapies, artists & tutors. There is limited representation of professional services even in the gateway towns;

• Hubs such as The Sill can incorporate workspace. Demand for such workspace will be stronger in more accessible locations with larger population catchments; the gateway settlements are hubs providing ancillary services, such as retail, leisure, education and community functions; and

• Demand for the speculative office space within The Sill has so far been modest. The Hive provides an opportunity to test demand for speculative office provision in a relatively
accessible part of the National Park over the longer term. If successful the Hive may serve as a model to inform provision within similar hubs elsewhere in the National Park. The specification and quality of the current stock of employment premises in the National Park varies greatly and meets a range of budgets. Looking forward, additions to this stock are at least as likely to come from conversion or change of use of existing buildings, as they are from new development. New development relies on substantial public sector funding. Opportunities to provide funding to enable the upgrading or conversion of existing stock to ensure that it is fit for purpose should also be considered.
7.0  

**Future Requirements for Employment Space**

7.1  
This section considers future economic growth needs in the NNP, drawing upon several methodologies as set out in the PPG. These methodologies produce a series of alternative scenarios that are used to inform the assessment of the potential scale and type of future economic change in the Park and the employment space requirements that flow from this.

**Methodology**

7.2  
The NPPF requires Local Planning Authorities to “set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth” [paragraph 21]. In evidence base terms, this should be underpinned by a “clear understanding of business needs within the economic markets operating in and across their area” [paragraph 160].

7.3  
In this context, a number of potential economic growth scenarios have been produced to provide a framework for assessing the B class employment space requirements for the NNP over the period 2017 to 2037. These scenarios reflect the guidance contained within the PPG and draw upon the following:

- Forecasts of employment growth in B class sectors (labour demand) derived from Experian economic forecasts produced in October 2017;
- Consideration of past trends in completions/occupation of employment space, based upon analysis undertaken by LSH (in the absence of any data available from the NNPA); and
- Estimates of future growth in the labour supply within the NNP based on the population assumptions underpinning the objectively assessed need for housing in the NNPA. This analysis has been provided by Edge Analytics, who have produced demographic projections which informed the NNPA’s Strategic Housing Market Assessment (SHMA).

7.4  
All of these approaches have some limitations and consideration needs to be given as to how suitable each is to the future circumstances of the NNP. As such, the growth potential and likely demand for B class employment space within the Park should be considered under a range of future scenarios to reflect both lower and higher growth conditions that could arise in the future.

7.5  
It should be noted that the final decision as to the level of need for which the NNPA should plan for is not purely quantitative. Relevant qualitative factors should be considered alongside the modelled scenarios set out within this section. These qualitative aspects are discussed in other sections of this study.

**Forecast Job Growth**

7.6  
Employment growth forecasts for the NNP for the period 2017 to 2037 were obtained from Experian in October 2017\(^36\). The forecasts take into account recent regional and national macroeconomic trends in order to estimate future economic growth at the NNPA level. Because Experian only provides forecast data to 2036, the annual average growth predicated for each sector in the NNP over the period 2031-2036 has been applied to this final year to estimate likely sector employment levels in the NNP in 2037.

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\(^36\) The methodological approach adopted by Experian in estimating future employment growth within the NNP is set out in Appendix 3
It should be noted that there are limitations to the use of economic forecasts of this type. Experian’s national macroeconomic assumptions are taken as a starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sector make-up of an area. For this reason, data at the local level is less reliable than at the national and regional levels.

Similarly, the top-down economic forecasts do not take into account specific issues or opportunities at the local level that could influence future employment change. However, the forecasts are recognised as a valuable input to indicate the broad scale and direction of future employment change for different sectors, which helps to assess the likely future space requirements for a local economy.

Scenario 1. Baseline Labour Demand

The baseline economic forecasts obtained from Experian indicate total employment growth of just 60 jobs in the NNP between 2017 and 2037 (increasing from 460 to 520). The majority of sectors are forecast to remain static (in employment terms) over the period, whilst those forecast to grow or contract are shown in Table 7.1.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Use Class</th>
<th>2017</th>
<th>2037</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Employment Sectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>Non-B Class</td>
<td>20</td>
<td>60</td>
<td>+40</td>
</tr>
<tr>
<td>Administrative &amp; Support Services</td>
<td>Part B Class</td>
<td>30</td>
<td>60</td>
<td>+30</td>
</tr>
<tr>
<td>Other Private Services</td>
<td>Non-B Class</td>
<td>40</td>
<td>60</td>
<td>+20</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>Non-B Class</td>
<td>40</td>
<td>50</td>
<td>+10</td>
</tr>
<tr>
<td>Declining Employment Sectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Transport, Storage &amp; Post</td>
<td>Part B Class</td>
<td>10</td>
<td>0</td>
<td>-10</td>
</tr>
<tr>
<td>Professional Services</td>
<td>B Class</td>
<td>20</td>
<td>10</td>
<td>-10</td>
</tr>
<tr>
<td>Utilities</td>
<td>Part B Class</td>
<td>10</td>
<td>0</td>
<td>-10</td>
</tr>
<tr>
<td>Wholesale</td>
<td>B Class</td>
<td>10</td>
<td>0</td>
<td>-10</td>
</tr>
</tbody>
</table>

Source: Experian (October 2017) / Lichfields analysis

Key Red = Non-B Class, Orange = Part B Class, Green = B Class

Most of the sectors forecast, by Experian, to grow over the period to 2037 are considered unlikely to generate demand for B class employment space (including: recreation; accommodation and food services; and other private services). The one exception to this is the administrative and support services sector, where some (but not all activities) would generally be expected to generate demand for B class employment space.

Those sectors forecast, by Experian, to contract over the period to 2037 comprise those that would typically be expected to occupy B class employment space in full (professional services and wholesale) or in part (land transport, storage and post and utilities).

The overall employment change in the NNP resulting from the Experian forecasts is set out in Table 7.2 and categorised by each of the main B class sectors. The approach adopted by Lichfields includes an allowance for jobs in other non-B sectors that would normally be expected to occupy some office or industrial space, such as construction, vehicle repairs, courier services, and some public administration activities (see Appendix 2). These have been categorised as ‘part B class’ sectors in Table 7.1 above.
Table 7.2 Forecast Change in Total Workforce Jobs and B Class Jobs in the NNP (2017-2037)

<table>
<thead>
<tr>
<th>Use</th>
<th>2017</th>
<th>2037</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)*</td>
<td>25</td>
<td>20</td>
<td>-5</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)**</td>
<td>20</td>
<td>15</td>
<td>-5</td>
</tr>
<tr>
<td>Distribution (B8)**</td>
<td>10</td>
<td>0</td>
<td>-10</td>
</tr>
<tr>
<td>Total B Class Jobs</td>
<td>55</td>
<td>35</td>
<td>-20</td>
</tr>
<tr>
<td>Total Jobs (All Sectors)</td>
<td>460</td>
<td>520</td>
<td>+60</td>
</tr>
</tbody>
</table>

Source: Experian (October 2017) / Lichfields
Note: Totals rounded
* Includes some public administration and administrative and support services
** Includes vehicle repairs and some construction activities
*** Includes parts of the transport sector that use industrial land

7.13 This analysis indicates a very modest contraction in employment within the B class sectors in the NNPA in absolute terms, with projected losses of: 5 office jobs; 5 manufacturing jobs; and 10 distribution jobs. It is important, however, to recognise the low base from which the projected declines are anticipated to occur.

7.14 In total, it is projected that there will be 20 fewer people employed within the B class sectors in 2037 than in 2017. This is within the context of a growth of 60 jobs across the NNPA economy as a whole over the same period. It is clear, therefore, that the Experian forecasts expect job growth to be driven by non-B class activities (including: recreation; accommodation and food services; and other private services).

7.15 The forecast contraction in B class jobs within the NNP between 2017 and 2037 is equivalent to an average decline of 1 workforce job per annum. As shown in Figure 7.1, this projected decline represents a minor improvement on historic trends, with average B class job losses of 3 workforce jobs per annum recorded between 2006 and 2016.

7.16 Figure 7.1 highlights a similar position in relation to both office and industrial (manufacturing and distribution) jobs. In both instances, the Experian projections anticipate a nominal annual contraction in jobs (0.25 and 0.75 jobs per annum respectively) which represent a minor improvement on past trends (average declines of 1 and 2 jobs per annum).

Figure 7.1 Historic vs Forecast Annual Change in Workforce Jobs in NNP (2006-2037)

Source: Experian (October 2017) / Lichfields analysis
7.17 These employment forecasts can then be converted into future B class employment floorspace requirements by applying the following standard ratios of jobs to floorspace for different types of B class uses:

- Offices: 1 job per 12.5 sq.m for general office space;
- Manufacturing: 1 job per 43 sq.m as an average for light and general industrial space; and
- Distribution: 1 job per 65 sq.m for general, small scale warehousing space (assumed, on the advice of LSH, to account for 100% of requirements) and 1 job per 74 sq.m for large scale, lower density warehouses (assumed, on the advice of LSH, to account for 0% of requirements).

7.18 These assumptions are based on the latest Homes and Communities Agency (HCA) guidance on job density ratios (published in 2015). This guidance takes account of recent trends in terms of the changing utilisation of employment space, with the key change being the more efficient use of office floorspace due to a higher frequency of flexible working and hot-desking. This has resulted in a reduction in the amount of floorspace per office worker assumed when compared to earlier guidance.

7.19 Where a reduction in employment is forecast to occur (in this instance across all of the B class uses) the associated negative floorspace requirement has been halved. This reflects the fact that whilst there may be ongoing job losses in a particular sector, it does not necessarily and automatically follow that all of the associated existing employment space will be lost. Individual businesses may, for instance, continue to operate from existing premises whilst reducing the size of their workforce.

7.20 The net employment floorspace requirements for the NNP over the period 2017-2037 – which have been derived using the approach described in the preceding paragraphs – are summarised in Table 7.3.

<table>
<thead>
<tr>
<th>Use</th>
<th>Net Floorspace Requirement (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>-40</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-110</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-360</td>
</tr>
<tr>
<td>Total B Class Floorspace</td>
<td>-510</td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

Table 7.3 Net Employment Floorspace Requirements, Baseline Labour Demand Scenario (2017-2037)

Future Labour Supply

7.21 The number of jobs and the associated employment space requirement that would be necessary to match anticipated growth in the resident workforce of the NNP is also a relevant consideration. In contrast to other scenarios considered within this section, this approach emphasises the future supply of labour, rather than the likely demand for labour or development. It identifies the number of jobs that would be required to match the future supply of economically active persons, as well as the amount of new employment space that is likely to be needed in order to accommodate these new B class jobs.

Scenario 2. Labour Supply

7.22 The labour supply scenario has been compiled based upon the population growth assumptions associated with the objectively assessed need for housing in the NNP – as considered within the NNPA’s 2017 Strategic Housing Market Assessment.
The SHMA anticipates (under the SNPP-2014 scenario) that the resident population of the NNP will increase from 2,029 in 2017 to 2,041 in 2037. This represents an increase of 12 residents.

Taking account of changes in the working age population and commuting patterns as assumed by the SHMA consultants – and holding economic activity rates constant\(^{37}\) – it is anticipated that the number of people employed within the NNP will fall by 160 between 2017 and 2037. The analysis assumes a 1:1 relationship when translating the change in economically active residents (adjusting for out-commuting) into a change in jobs.

The share of employment in B class sectors (and the disaggregation to individual B use class) takes account of the structural change in employment (and the relative share of B class jobs to total jobs) projected by Experian within the baseline job growth scenario.

The results of this exercise are summarised in Table 7.4. From this, it can be seen that the analysis suggests that the total number of B class jobs in the NNP will fall by 64 over the period 2017 to 2037. This translates to a decline, on average, of 3 jobs per annum – in alignment with historic trends (2006-2016).

<table>
<thead>
<tr>
<th>Use</th>
<th>2017</th>
<th>2037</th>
<th>Change (2017-2037)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,029</td>
<td>2,041</td>
<td>+12</td>
</tr>
<tr>
<td>Workplace Labour Supply (Workforce Jobs)</td>
<td>947</td>
<td>786</td>
<td>-160</td>
</tr>
<tr>
<td>Office Jobs (B1a/B1b)</td>
<td>50</td>
<td>28</td>
<td>-22</td>
</tr>
<tr>
<td>Manufacturing Jobs (B1c/B2)</td>
<td>41</td>
<td>23</td>
<td>-18</td>
</tr>
<tr>
<td>Distribution Jobs (B8)</td>
<td>23</td>
<td>0</td>
<td>-23</td>
</tr>
<tr>
<td><strong>Total B Class Jobs</strong></td>
<td><strong>114</strong></td>
<td><strong>50</strong></td>
<td><strong>-64</strong></td>
</tr>
</tbody>
</table>

Source: Lichfields analysis (based on NNPA SHMA)

The forecast requirement for employment floorspace from these B class jobs can be estimated by applying the same job density ratios as set out previously. As with the forecast job growth scenario, where a reduction in employment is forecast to occur then the associated negative floorspace requirement has been halved. The net employment floorspace requirements for the NNP from 2017 to 2037 – based on the labour supply scenario and underpinned by the methodological approach described above – are summarised in Table 7.5.

<table>
<thead>
<tr>
<th>Use</th>
<th>Net Floorspace Requirement (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>-140</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-395</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-740</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td><strong>-1,275</strong></td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

This labour supply-based estimate provides a useful benchmark for comparing with the demand-led approaches considered elsewhere. Based upon the SHMA projections, this scenario produces a negative space requirement which is lower than that estimated under the baseline jobs growth and past take-up based scenarios.

\(^{37}\) Economic activity rates were not available from the SHMA consultant and so have been held at current levels by Lichfields
**Past Development Rates**

7.29 Given that they reflect market demand and (typically) development patterns on the ground, in some cases long-term completion rates of B class employment space can offer a good basis for informing future space needs. Data covering a time period of 10 years or more should also help to even out any peaks and troughs in demand – as a result of fluctuations across an economy cycle – and provide a reasonable basis for estimating future trends. Past take-up data is, however, generally accepted to be less helpful in estimating future demand in those locations where land supply has historically constrained development activity.

7.30 Whilst labour demand and labour supply forecasts consider job change in net terms, past trend data takes account of historic patterns of employment space development – including the role that the recycling of sites can play in terms of supporting employment uses in the local economy.

7.31 As set out in Section 5.0, the way in which the market for employment premises functions within the NNP means that there is – with the exception of the office space within The Sill – no evidence of recent employment land take-up. Delivery of additional employment space has largely been through conversions or changes of use in relation to existing premises, rather than through new build. For similar reasons, historic losses of employment land are also difficult to identify and quantify.

7.32 The data availability issues outlined above are compounded by a lack of monitoring data on the issue of take-up and losses held by the NNPA. It should also be noted that they necessitate a departure from Lichfields' standard approach to assessing future demand on the basis of historic patterns of development activity.

**Scenario 3. Past Take-Up**

7.33 As discussed in Section 5.0, The Sill comprises the only new build employment space that has been delivered in the NNP since 1990. In total, the development (which includes a purpose built visitor centre and youth hostel) comprises a site of 3.08ha and replaces an earlier visitor and youth hostel with a development footprint of 0.96ha. This equates to an additional take-up of 2.12ha. However, it is important to note that The Sill is a multi-purpose development and to isolate the change in space which can be attributed to B class employment uses only.

7.34 The planning application for The Sill states that the redevelopment of the site would increase B1 office floorspace from 25sq.m to 135sq.m. This represents a net increase in office floorspace equivalent to 110sq.m. As set out above, this is the only new build employment space that has been delivered over the period 1990 to 2017. As such, past take-up in the NNPA has averaged just 4sq.m per annum over this period. This relates to B1a/B1b office space exclusively, with no new build industrial space (B1c/B2 manufacturing and B8 distribution) recorded during this timeframe.

<table>
<thead>
<tr>
<th>Use</th>
<th>Net Take-Up (1990-2017) (sq.m)</th>
<th>Average Annual Net Take-Up (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>110</td>
<td>4</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td><strong>110</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

Source: LSH / Lichfields analysis

7.35 One view of future growth/space needs in the NNP could be to simply assume that recent net completion rates for new build employment space continue into the future at the long-term
average. As The Sill was a one-off, exceptional major development within the National Park context, however, it is perhaps unlikely that such levels of take-up would be repeated over the Plan period.

7.36

The floorspace requirements associated with this scenario (over the period 2017-2037) are shown in Table 7.7.

Table 7.7 Net Employment Space Requirements (2017-2037) Based on Past Take-Up

<table>
<thead>
<tr>
<th>Use</th>
<th>Average Annual Net Take-Up (sq.m.)</th>
<th>Net Floorspace Requirement (2017-2037) (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>+4</td>
<td>+80</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td>+4</td>
<td>+80</td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

7.37

Using the standard ratios of jobs to floorspace as set out earlier, it is possible to estimate that these forecast changes in employment space could accommodate an additional 6 B class office jobs and a stabilisation of industrial (B1c/B2 manufacturing and B8 distribution) over the period 2017-2037. This represents a more optimistic view of future growth in the NNP when compared to the baseline labour demand and labour supply scenarios.

7.38

Scenario 4. Stock of Floorspace

An alternative approach would be to analyse changes over time in the quantum of employment floorspace captured within the Rating List. This takes account of additions to and removals from the Rating List in order to estimate net changes.

7.39

In contrast with Scenario 3 (which focuses solely on new build premises) the approach also allows for some understanding of the role played by conversions and change of use in meeting demand for employment space within the NNP. Given the way that the local property market is understood to operate (as set out in Section 6.0) it could perhaps be argued, in this particular instance, that this offers a more accurate reflection of historic patterns of demand for space.

7.40

Analysis of the 2005 and 2017 Rating Lists, undertaken by LSH, is provided in Section 6.0. This represents a 12 year time series. It is understood (from LSH) that Rating Lists from before 2005 do not provide floor area data. The results of the LSH analysis (and an estimate of average annual change by use class) are provided in Table 7.8.

Table 7.8 Historic Change in B Class Floorspace Recorded in Rating Lists (2005-2017)

<table>
<thead>
<tr>
<th>Use</th>
<th>Net Change in Recorded Floorspace (2005-2017) (sq.m.)</th>
<th>Average Annual Net Change in Recorded Floorspace (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)*</td>
<td>+72</td>
<td>+6</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)**</td>
<td>+51</td>
<td>+4</td>
</tr>
<tr>
<td>Distribution – Premises (B8)***</td>
<td>+533</td>
<td>+44</td>
</tr>
<tr>
<td>Distribution – Land for External Storage (B8)***</td>
<td>-1,117</td>
<td>-93</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td>-461</td>
<td>-39</td>
</tr>
</tbody>
</table>

Source: LSH / Lichfields analysis

NB: Figures rounded
* Includes a net increase of 110 sq.m at The Sill
** Based upon Rating Lists data for ‘workshops’
*** Based upon Rating Lists data for ‘stores’
The analysis indicates that between 2005 and 2017 the quantum of office and manufacturing space within the NNP increased by 72sq.m and 51sq.m respectively. The amount of distribution space also increased (by 533sq.m.), however, this was offset by a greater contraction (-1,117sq.m) in the space used for external storage.

An alternative view of likely future growth/space needs in the NNP could be to assume a continuation of the shifts in recorded floorspace observed in the local area over the period 2005-2017. The resulting net floorspace requirements over the period 2017-2037 are shown in Table 7.9.

<table>
<thead>
<tr>
<th>Use</th>
<th>Average Annual Net Change in Floorspace (sq.m.)</th>
<th>Net Floorspace Requirement (2017-2037) (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>+6</td>
<td>+120</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>+4</td>
<td>+80</td>
</tr>
<tr>
<td>Distribution – Premises (B8)</td>
<td>+44</td>
<td>+880</td>
</tr>
<tr>
<td>Distribution – Land for External Storage (B8)</td>
<td>-93</td>
<td>-1,860</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td><strong>-39</strong></td>
<td><strong>-780</strong></td>
</tr>
</tbody>
</table>

Source: LSH / Lichfields analysis

Using the standard ratios of jobs to floorspace as set out earlier, it is possible to estimate that these forecast changes in employment space could accommodate: an additional 10 office jobs; an additional 2 manufacturing jobs; and a loss of 15 distribution jobs (if it is assumed that land for external storage supports 1 job for every 65sq.m of space). In total, therefore, a net employment space requirement of -780sq.m could be expected to correspond with a loss of 3 B class jobs in the NNP over the period 2017-2037. This represents a more optimistic view of future employment change in the NNP when compared to the baseline labour demand and labour supply scenarios.

In overall terms, this level of employment changes is more pessimistic than Scenario 3, which is underpinned by historic new build development. In reality, however, the situation is more nuanced than this. Scenario 4 identifies the strongest future need for employment space (and consequently the opportunity to accommodate the highest levels of employment) with respect to offices, manufacturing and distribution premises. This is, however, offset by an anticipated reduction in land for external storage.

**Net Employment Space Requirements**

Drawing together the results from each of the future growth scenarios, the net B class employment floorspace requirements over the period 2017-2037 are summarised in Table 7.10.

For office floorspace the requirements range from a loss of 140sq.m of floorspace (under Scenario 2) to a gain of 120sq.m of floorspace (on the basis of Scenario 4). Scenario 3 also generates a positive requirement of approximately 80sq.m.

Requirements for manufacturing space range from a loss of 395sq.m floorspace (under Scenario 2) to a gain of 80sq.m (on the basis of Scenario 4). A positive requirement is only identified in relation to a single scenario.

Distribution floorspace requirements range from a loss of 980sq.m (under Scenario 4) to no net change in space (under Scenario 3). None of the scenarios considered identify a positive requirement for distribution space. In addition, the lowest (or joint lowest) requirement identified under each of the four scenarios considered relates to the distribution sector.
Table 7.10 Net Employment Floorspace Requirements for the NNP by Scenario, 2017-2037 (sq.m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>-40</td>
<td>-140</td>
<td>+80</td>
<td>+120</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-110</td>
<td>-395</td>
<td>0</td>
<td>+80</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-360</td>
<td>-740</td>
<td>0</td>
<td>-980</td>
</tr>
<tr>
<td>Total B Class Floorspace</td>
<td>-510</td>
<td>-1,275</td>
<td>+80</td>
<td>-780</td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

7.49 In total, across all of the B class uses, the scenarios indicate a requirement ranging from a loss of 1,275sq.m of floorspace to a gain of 80sq.m.

Planning Requirement

7.50 The net employment space requirements presented in the preceding paragraphs represent the minimum recommended quantum of employment floorspace to plan for within the NNP over the study period. The NNPA will, however, need to take a view on the extent to which additional space should be planned for over and above the net requirements.

Flexibility Margin

7.51 It is common practice in undertaking Employment Demand studies and similar exercises to add an allowance, to the net land requirements, as a flexibility margin. This margin is a contingency factor, providing an additional buffer to allow for factors such as: delays in development coming forward; uncertainties in the forecasting process; and to take account of other market factors (including the need for some choice in provision).

7.52 A flexibility margin equivalent to two years of take-up – generally recognised as the average length of time taken for a site to gain planning permission and for development to commence – has been applied in estimating future space needs in the NNP. This approach is widely adopted in Employment Demand studies. In some instances, it may be appropriate to apply a more generous safety margin, however, two years is considered to be sufficient in this instance – having regard to the scale of demand and historic levels of delivery within the study area.

7.53 This is equivalent to 10% of the total study period for the NNPA. Table 7.11 provides an indication of indicative gross floorspace requirements by scenario for the NNP over the period 2017 to 2037 following the application of a 10% buffer or margin. It should be noted that this has only been applied where net floorspace requirements are positive.

---

38 Takes account of losses of historic losses of land for storage, as well as historic growth in distribution premises
39 This is because adding 10% to a negative floorspace figure would further reduce projected need, which is counter-productive in seeking to provide an additional flexibility margin/margin of choice
Table 7.11 Indicative Gross Floorspace Requirements by Scenario (sq.m.) 2017-2037 (Flexibility Margin only)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>-40</td>
<td>-140</td>
<td>+90</td>
<td>+130</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-110</td>
<td>-395</td>
<td>0</td>
<td>+90</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>-360</td>
<td>-740</td>
<td>0</td>
<td>-98040</td>
</tr>
<tr>
<td>Total B Class Floorspace</td>
<td>-510</td>
<td>-1,275</td>
<td>+90</td>
<td>-760</td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

NB: Figures rounded to nearest 5

No additional allowance has been applied where net floorspace requirements are negative

Replacement of Losses

7.54 In addition, the NNPA may wish to make a further allowance for the replacement of losses of existing employment space that may be developed over the Plan period for other (non-B class) uses. Where such an allowance is factored in to future employment space requirements, it seeks to ensure that sufficient space is re-provided to account for employment space that is anticipated to be lost moving forwards. It is intended, therefore, to provide some protection against the erosion of employment space over the Plan period.

7.55 No monitoring data is available from the NNPA regarding historic losses of employment space. Section 6.0, however, provides some details of those premises removed from the Rating Lists over time. Whilst patchy (entries do not always include unit sizes and cannot always be attributed to a particular year) this dataset represents the best available source of information regarding historic losses.

7.56 With respect to offices, Table 6.2 shows that one unit has been lost over the period 2005 to 2017. The unit (Old Stables, Highgreen, Tarset) is understood to have comprised of 74.6sq.m. This corresponds to an average loss of 6sq.m per annum.

7.57 Table 6.4 contains three workshop units (assumed to correspond to B1c/B2 uses) that appear to have been lost over the period 2005 to 201741. In total, the units are understood to have comprised of 116sq.m. This corresponds to an average loss of 10sq.m per annum.

7.58 In addition, it can be seen from Table 6.6 that four losses have been recorded in relation to storage land and premises (assumed to correspond to B8 uses) over the period 2005 to 2017. In total, these four entries account for 1,261.8sq.m of space, which translates to an average loss of 105sq.m per annum.

7.59 It must be acknowledged that not all losses need necessarily be replaced. Some losses will, for instance, reflect an element of restructuring of the local economy. Should NNPA officers wish to include an allowance for the replacement of losses, it is suggested that a replacement rate of 25% of historic trends might be appropriate. This is suggested having regard to the modest scale of demand within the National Park. The resultant adjustments are summarised, by use class, in Table 7.12.

40 Takes account of losses of historic losses of land for storage, as well as historic growth in distribution premises
41 No floorspace data is available from the Rating List prior to 2005.
Table 7.12 Potential Loss Replacement Rate

<table>
<thead>
<tr>
<th></th>
<th>Annual Replacement Rate (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>1.5</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>2.5</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>26.0</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td><strong>30.0</strong></td>
</tr>
</tbody>
</table>

Source: LSH / Lichfields analysis

Table 7.13 provides an illustration of the indicative gross land requirements in the event that the NNPA takes a decision to plan for the replacement of losses at 25% of past trends. The figures also include a two year flexibility margin, as discussed above.

Table 7.13 Indicative Gross Floorspace Requirements by Scenario (sq.m) 2017-2037 (Flexibility Margin and Loss Replacement Allowance)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices (B1a/B1b)</td>
<td>-10</td>
<td>-110</td>
<td>+120</td>
<td>+160</td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-60</td>
<td>-345</td>
<td>+50</td>
<td>+140</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>+160</td>
<td>-220</td>
<td>+520</td>
<td>-460^2</td>
</tr>
<tr>
<td><strong>Total B Class Floorspace</strong></td>
<td><strong>+90</strong></td>
<td><strong>-675</strong></td>
<td><strong>+690</strong></td>
<td><strong>-160</strong></td>
</tr>
</tbody>
</table>

Source: Lichfields analysis

NB: Figures rounded to nearest 5

No flexibility allowance has been applied where net floorspace requirements are negative

Summary

In interpreting the outputs of this section, regard should be had to Planning Practice Guidance which states that local authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. It is also important to recognise that there are inevitable uncertainties and limitations associated with the future growth scenarios that have been considered. For example, there are inherent limitations to the use of local level economic forecasts, particularly during times of economic uncertainty. Economic forecasts are regularly updated and the resulting employment outputs will change over the Plan period.

Four different scenarios – underpinned by alternative methodological approaches – have been considered by Lichfields in considering future employment space needs within the NNP. The Experian baseline scenario (Scenario 1) assumes a positive trajectory of job growth in the study area over the period 2017 to 2037. Despite this trend of overall job growth, B class employment

^2 Takes account of losses of historic losses of land for storage, as well as historic growth in distribution premises
is projected to decline. It is important, however, to recognise that the scale of decline forecast in relation to B class jobs represents an improvement on past performance (2006 to 2016).

7.63 The labour demand scenario (Scenario 2) assumes a contraction in total and B class jobs over the period 2017 to 2037. The scale of change in relation to B class employment is expected to be broadly comparable with past trends (2006 to 2016).

7.64 Scenarios 3 and 4 take, as their starting point, analysis of past development rates rather than forecast levels of employment or demographic change.

7.65 The overall net floorspace requirements that have been derived on the basis of the four future growth scenarios range from -1,275sq.m (under Scenario 2) to +80sq.m (under Scenario 3) over the period 2017 to 2037. Applying a 10% buffer to these net figures – in order to provide an illustration of indicative gross land requirements – increases the top end of this range to +90sq.m.

7.66 Based upon these scenarios, very limited (if any) additional employment space would be required in overall quantitative terms to accommodate B class job growth in the NNP over the period to 2037. Within the overall requirement, however, there is a modest need for some additional office and manufacturing floorspace under some of the scenarios.

7.67 Should NNPA officers take a decision to include an allowance for the replacement of losses, an adjustment equivalent to 25% of past trends would see the range shift to between -675sq.m and +690sq.m.
8.0 Non B-Class Uses

8.1 In addition to B Class employment, this assessment also included a high level review of non-B class employment generating uses, including:

- Retail;
- Tourism;
- Sports facilities/activities;
- Commercial leisure;
- Health;
- Residential and social care;
- Education;
- Transport;
- Public administration;
- Agriculture, Forestry and Fishing; and
- Mining.

8.2 Whilst not falling within B class uses, the above categories do generate jobs and (potentially) demand for employment space. As a consequence, and to ensure that B class growth is not constrained due to employment premises being taken up by non-B class employment uses, this review provides an overview of the potential future demand for employment space from non-B class sectors.

8.3 It should be recognised, however, that this review is designed to provide a high level estimate only. Indeed, many of the uses considered within the following paragraphs are likely to be the subject of a detailed review of future requirements and capacity planning through their own regulatory/statutory bodies (i.e. Health Trusts/Local Education Authorities/tourism boards etc.).

Distribution

8.4 Figure 8.1 shows the spatial distribution of non-B class businesses within the NNP. This highlights a north-south split within the NNP. The northern parts of the National Park appear to be characterised by lower numbers of non-B class businesses and employment and with a very clear focus on the agricultural sector. In contrast, the southern parts of the National Park include a greater number of non-B class businesses and jobs across a broader range of activities, including: forestry; agriculture; tourism (accommodation); and tourism (food and beverage).

8.5 The map also illustrates that a greater number and concentration of non-B class employment opportunities are provided within the gateway settlements located outwith the NNP boundary. The provision of education, health, residential and social care and retail facilities appears to be focussed very much within the gateway settlements, rather than within the National Park.
Growth Forecasts

As outlined in Table 7.2, it is estimated (based upon data from Experian) that non-B class jobs currently account for approximately 400 jobs in the NNP, representing almost 90% of all employment. By 2037, data from Experian (considered to present the best fit for the NNP boundary as outlined in Section 2.0) indicates that employment in the non-B class sectors is forecast to increase by 70 jobs by 2037, or 20%.
8.7 Figure 8.2 considers the size of the main non-B class sectors (based upon their 2017 employment level) as well as the respective growth rates forecast to 2037.

Figure 8.2 Current Job Numbers and Projected Growth Rates of Non-B Class Sectors in the NNP

Source: Experian / Lichfields analysis

8.8 As demonstrated above and in Table 8.1, the fastest growing non-B class sectors within the NNP over the period from 2017 to 2037 are anticipated to be: recreation, other private services and accommodation & food services. There is no forecast growth in the remaining non-B class sectors, although existing job numbers are expected to remain stable.

Table 8.1 Job Forecasts for Non-B Class Sectors in the NNP (2017-2037)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2017 Jobs</th>
<th>Estimated Job Change (2017-2037)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Other Private Services</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td>Retail</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Construction of Buildings</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Residential Care &amp; Social Work</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Air &amp; Water Transport</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Mining</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health</td>
<td>-</td>
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</tr>
</tbody>
</table>

Source: Experian / Lichfields analysis
**Sector Drivers**

**Retail**

8.9 Data from the 2017 Rating List indicates that there are just 3 shops/post offices located within the NNP, representing a decline of 2 from the 5 registered in 1990. Whilst these facilities provide services to sustain the local population's basic needs and are important to those without access to a car, many residents travel to the gateway settlements of Rothbury, Haltwhistle, Bellingham and Wooler, or shop online for a wider variety of shops and services.

8.10 The NNP’s Draft Infrastructure Plan (2016) indicates that the National Park is well served by online supermarket delivery, with all Local Centres having access to at least one supermarket delivery service. However, the nearest large supermarkets and comparison shops are located outside the NNP boundary.

8.11 The NNP’s limited retail offer has resulted in low levels of tourism spend within the local area. The National Park visitors survey (2014) highlighted those visitors who purchased goods within the NNP spent on average £2.40 per person, with 79% of visitors spending nothing.

8.12 Perhaps unsurprisingly, the 2014 visitors survey also indicates that only 1% of people visited the park with the main reason for visiting being to shop. However, the NNP non-visitors report (2009) highlights that 34% of visitors went shopping on their last trip; and when later asked to comment on the activities that would motivate them to visit the Park again, 12% of respondents made reference to shopping.

8.13 There is clearly some potential, therefore, for higher numbers of visitors to the National Park to support the retention of community services and facilities and to support new retail opportunities within the NNP, particularly linked to the tourism market. The recent development at The Sill which includes a visitor shop provides a key example of this type of development, providing opportunities to capture higher levels of visitor spend, alongside a wider offer including visitor activities and food and drink uses. Any proposals would, however, need to be assessed in the context of the potential impact on retail provision in gateway settlements.

**Tourism**

8.14 The tourism industry plays a significant part in the NNP economy, with 9% of the employed population working in accommodation and food services and a further 4% working in recreation.

8.15 In terms of premises, the 2017 Rating List indicates that there are 114 hotels/guest houses/self-catering accommodation units within the NNP, representing an increase of 54 since 2011. This increase is largely due to additional holiday accommodation, particularly self-catering and guest houses. However, this rate of increase (73%) is lower than the 118% increase experienced outside of the Park, potentially due to change of use restrictions and the availability of premises within the NNP’s boundaries. The number of camping and caravan sites within the NNP has also declined over this period, falling from 20 in 1990 to 13 in 2017 (-35%).

8.16 Supporting activities including outdoor pursuit centres/retreats have declined from 4 to 3 between 1990 and 2017, although cafes and restaurants have increased from 1 to 5 over the same

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*English Heritage Shop at Housesteads Roman Fort and Museum, Haydon Bridge; The Old School, Falstone; and Holly Tree Cottage, Holystone*

*NNP Core Strategy (2009)*
time period. These facilities now represent an important part of the visitor offer, helping to extend visitor duration and spend.

8.17 The Park’s existing tourism offer comprises sporting activities (walking, cycling, climbing, running and horse-riding etc.), cultural activities (museums, general sightseeing and heritage sites etc.) and environmental activities (such as landscape, wildlife and star gazing). Key attractions include Hadrian’s Wall and the Sycamore Gap, Carvoran Roman Army Museum, Housesteads Roman Fort and Museum and Vindolanda Roman Fort, The Sill, Hareshaw Linn, Greenhaugh, The Pennine Way National Trail and The Cheviots.

8.18 The Sill, which opened in July 2017, also provides a new, distinctive attraction within the NNP, featuring exhibitions, learning and event spaces, a local food café, a world class youth hostel and a shop specialising in local crafts and produce. The North East Local Enterprise Partnership’s Strategic Economic Plan identifies the site as a strategic project for the region, promoting tourism and economic growth.

8.19 The 2015 NNP STEAM report estimates that a total of 1.41m tourists visited the NNP’s attractions for a day trip in 2015, generating an economic impact of £53.81m across a range of sectors. Overnight trips also supported 792,600 visitors, generating an economic impact of £312,480 in 2015.

8.20 The State of the National Park report (2015) estimates that the combined economic impact of tourism in both the NNP and its gateway settlements was even greater, contributing £158m the local economy and supporting 3,113 jobs. However, whilst 84% of the 1.69 million visitors to this area visited the NNP, only 45% of the economic impact was captured within the boundary, demonstrating the importance of the National Park to the local tourism economy and businesses located outside of the boundary.

8.21 Further development within this sector could therefore help to increase higher value overnight stays and retain a higher proportion of the economic impact within the NNP. Consultees suggested that this would need to be accompanied by increased mobile and broadband coverage to support business marketing potential and linked trips for visitors to the NNP to explore other attractions. Consultees also highlighted the importance of tourism development in supporting diversification in response to the impacts of Brexit and the potential reductions in CAP payments for agricultural based businesses, if appropriately supported by wider Policy objectives.

8.22 The NNP CSDP Policy 15 seeks to support sustainable tourism and recreation development, for developments which:

a “Maximise opportunities for visitors to increase their understanding and enjoyment of the special qualities of the National Park whilst not adversely impacting on them;

b Integrate with existing visitor facilities, particularly where they can be accessed by public transport; or

c Reuse buildings to provide: self-catering and / or bunk house / camping barn accommodation.”

8.23 Proposals which accord with this policy could therefore present a key opportunity for further development within the NNP over the plan period, supporting local job creation and visitor spend. However, it is also recognised that this would need to be accompanied by appropriate housing growth to assist with the development of the labour force and to retain and attract working age residents to the local area.
Sports facilities/activities

8.24 Sports facilities form an important element of the tourism offer within the NNP, with existing facilities including:

- **Cycle routes** at: Sandstone Way (120 mile ride between Berwick and Hexham), Hadrian’s Cycleway (174 miles from Ravenglass to Tyneside), the Coast to Coast (140 miles passing through the northern Lake District, the Pennines and County Durham), the Reivers Cycle Route (173 miles, also known as the return Coast to Coast route) and the Pennine Cycleway North (104 miles from the North Pennines to Berwick-upon-Tweed);

- **Walking routes**, including more than 900 km (600 miles) of waymarked footpaths and bridleways, including the Pennine Way and the Hadrian’s Wall Path;

- **Running events**, such as: the High Fells of Coquet Half Marathon, High Fells of Coquet 38 mile ultra-run, High Fell of Hedgehope Half Marathon, High Fells of Thruntohn 10km, High Fells of Thruntohn Half Marathon, Hadrian’s Wall Half Marathon, The Spine Race Ultra Marathon, The Chevy Chase 20 mile run and The Montane Cheviot Goat 55 mile winter ultra-run;

- **Horse-riding** by roads, byways and bridleways and a range of routes including: the Elsdon Horse Rode passing through Elsdon and High Carric; the Copper Snout Horse Ride covering the Cheviot Hills in the Upper Coquet Valley; and the Prendwick Ride, starting at Ingram Bridge and passing through the Breamish Valley. The NNP also included 4 stables in 2017⁵⁵, compared to 2 in 1990; and

- **Fishing**, including salmon, coarse, trout, brown trout, rainbow trout and still-water fishing, with licenses are available from Post Offices, tackle shops or online.

8.25 Whilst the above facilities do not typically require physical buildings and there are no studies suggesting an undersupply, consultees noted that there are no cycle hire facilities/cycle hubs available within the NNP, unlike the nearby Kielder Water. This was considered by stakeholders to present a potential business/development opportunity for the NNP.

8.26 In terms of wider sports facilities available for residents of the NNP, the 2017 Infrastructure Plan identifies no formal public leisure centres, with built facilities comprising village halls or school related facilities. Further detail in relation to the adequacy of provision is contained within the Northumberland County Council PPG17 openspace, sport and recreation assessment (2011), with a summary provided below:

- **Swimming Pools**: there is an unmet demand across the County, particularly in the west, as well as an underutilisation of existing facilities in other areas;

- **Sports Halls**: across Northumberland there is an unmet demand equivalent to 11 badminton courts. However, there is also a possible underutilisation of existing facilities in rural areas; and

- **Health and Fitness**: there are accessibility issues within rural communities in relation to health and fitness facilities.

8.27 Additionally, Northumberland County Council’s PPG17 openspace, sport and recreation assessment indicates that the majority of residents are happy with the current level of accessible open space. The document also identifies the following future space standards to be maintained in relation to outdoor sports facilities:

⁵⁵ 2017 Rating List
• Quantity: to ensure that provision does not fall below the current level of 1.69ha per 1,000 population (it is understood that the County currently has a surplus in the north and west, but a deficiency in the south east);

• Quality: to achieve a minimum standard of 61% (good quality); and

• Accessibility: to provide outdoor sports facilities within 1,200m or 15 minutes travel time of where people live.

8.28 Based upon the current surplus of provision in the north and west, as well as the aspiration to maintain a level of provision equivalent to 1.69ha per 1,000, it is anticipated that the modest level population growth projected within the NNP is unlikely to generate a need for the provision of further outdoor sports facilities over the Plan period.

Commercial leisure

8.29 Commercial leisure businesses within the NNP include:

• **Grouse shooting**: there are a number of estates located across the NNP, particularly in the northern Cheviots that are managed for Grouse shooting. Clay pigeon shooting and rifle ranges are also available in Greenhaugh and on the fringes of the Park at Otterburn, Wooler and Kielder;

• **Geocaching**, with eight ‘caches’ hidden in unique locations across all corners of the National Park, from the south-west corner at Thirlwall Castle to the northerly point of Ad Gefrin near Wooler;

• **Archaeology**: with key cultural heritage sites including Hadrian’s Wall, Carvoran Roman Army Museum, Housesteads Roman Fort and Museum and Vindolanda Roman Fort. Other notable museums outside of the National Park include Chester’s Roman Form and Museum, The Heritage Centre at Bellingham, Hexham Moothall and Gallery, Hexham Old Gaol, the Fenton Centre, Wooler, Mr George’s Museum of Time and Tower Knowe Visitor Centre; and

• **Dark skies attractions**, including twelve Dark Sky Discovery Sites located throughout the National Park, a number of which have 24-hour toilets, places to eat and stay nearby and public events throughout the year.

8.30 Public events also include The Sill’s Christmas Fair, Wreathmaking, Muckle Brewing and Moon Watch events, guided walks from the Cheviot Centre, Wooler extending north from Wooler to Doddington, as well as wider events such as the cycling Tour of Britain.

8.31 Consultees in general commented that these facilities and events provided positive benefits for the NNP, helping to extend the visitor offer and attract new visitors to the area. It was generally considered that the continued promotion and expansion of these events would generate positive benefits for the Park, although concerns were raised as to the environmental effects of managing additional land for activities such as grouse shooting.

8.32 It is possible that some opportunities for growth in the sector will emerge as a result of agricultural diversification initiatives. As set out elsewhere in this report, diversification in agriculture has increased significantly in recent years. Within this context, the Farm Business Survey (2016/17) highlights the popularity of sports and leisure developments. The data estimates that 13% of all farms in England included a diversification projected related to sporting and leisure pursuits.

8.33 Whilst growth in the commercial leisure sector would help to increase the tourism offer and appeal, it is unclear what land and premises requirements would flow from this growth at this stage. This is because there are no established employment densities in the public domain that would allow a given level of employment change to be translated into a corresponding need for
land or space. It is likely that the absence of any such density estimates reflects the diversity of uses, as well as the nature of commercial leisure activity in the NNP. Activity relates more to outdoor pursuits which do not necessarily require the provision of any associated commercial space. In this regard, there are some parallels with heritage attractions and zoos, which the Homes and Communities Agency Employment Density Guide states have staffing requirements which are aligned to their offer and the intensity of management that this requires and, as a consequence do not demonstrate any clear relationship between ‘space’ and employment levels.

Health

8.34 The NNP has only one GP surgery with limited GP and nursing services located at Harbottle. Residents of all other settlements are reliant upon services provided outside of the Park in settlements such as Bellingham, Wooler, Wark, Rothbury and Scotts Gap, which in some cases are up to 12 miles away.

8.35 There are no dental practices which operate in the NNP and all police stations, fire stations (both retained and crewed) and ambulance / non-emergency patient transport which serve the NNP are based outside of its boundary within the gateway settlements of Bellingham, Rothbury and Wooler.

8.36 The closest Accident and Emergency facilities are available at the Cumbria Infirmary in Carlisle, Northumbria Specialist Emergency Care Hospital in Cramlington or the Royal Victoria Infirmary in Newcastle upon Tyne, which in some instances is over 30 miles away.

8.37 Whilst it is acknowledged that the NNP’s ageing population remains a huge long term challenge for future healthcare and social care services, the NNP’s Draft Infrastructure Delivery Plan indicates that future development is likely to be focussed on capacity building through prevention, rehabilitation and resilience, which is promoted through the joint health and wellbeing strategies of partnerships of health-related bodies. The County Council’s IDP (2016) also recognises that there are likely to be fewer opportunities or the need for significant capital investments in built infrastructure/new facilities for health and social care across the county, with a focus on space utilisation, flexibility and efficiency.

8.38 Consultations with NHS England additionally suggest that dental provision is generated on a demand basis, with limited opportunity to sustain/support new facilities in areas of low population density such as the NNP.

8.39 In neighbouring settlements such as Haltwhistle, property market analysis indicates that low demand for B1(a) office space has resulted in re-occupation by a dentist, doctors surgery and a vet. However, it is considered unlikely that health services will generate a demand for employment land within the NNP over the plan period, due to low population densities and the range of facilities available within the Park’s gateway settlements.

Residential and social care

8.40 The Northumberland care services directory highlights that while there are a variety of residential care homes located in Northumberland County, there are none located within the National Park boundary. The closest facilities are available at Kielder (the Kielder Calvert Trust), Harbottle (Wilkinson Park care home), Rothbury (Walby Hill care home and Rothbury House) and Wooler (Cheviot Care Limited and The Old Vicarage).

8.41 Together, these facilities offer a range of services, including dementia care, mental health care, physical and learning disabilities and short-term respite care. A telephone survey of these care homes, undertaken by Lichfields in November 2017, indicates that there is some existing
capacity to accommodate growth, although the number of beds available can vary on a weekly basis.

8.42 Whilst the NNP’s ageing population generates a potential need for additional residential and social care facilities, the existing limited mobile coverage, public transport access and the remoteness of many areas of the NNP presents a clear challenge to providing these services within the NNP’s boundaries. The number of facilities available on the fringes of the NNP also suggests that the relatively low levels of population growth expected in the NNP could be accommodated within existing facilities, or through an expansion of home care services.

**Education**

8.43 The NNP’s Infrastructure Plan (2017) identifies 2 first schools located at Harbottle and Greenhaugh. Together, these first schools offer a net a capacity of around 77 places, 56 (73%) of which were filled in 2015. The viability of these first schools is dependent on County Council funding, which currently includes a basic lump sum and ‘scarcity factor’, helping to protect small rural schools, although it is recognised that this funding formula is reviewed on a yearly basis. The County Council review education services and facilities in the west of the County and proposals are currently subject to public consultation. This includes the possible closure of the first school at Greenhaugh.

8.44 There are no secondary or middle schools, with school buses providing long-distance links to schools located outside of the NNP’s boundaries. However, the NNP’s Infrastructure Plan indicates that the removal of subsidised transport for children of 6th form age has placed significant financial burdens onto the families of young adults living within the NNP.

8.45 Despite these challenges, future demand for school places is unlikely to yield a requirement for any additional primary/secondary school facilities within the National Park over the plan period. The 2014 based population projections estimate a total population growth of just 12 residents at a range of ages, generating minimal additional demand for school places which could be accommodated within the existing facilities.

**Transport**

8.46 Land transport, storage and postal activities account for 10 jobs (2% of employment) in the NNP in 2017, but are forecast by Experian to contract over the period to 2037.

8.47 Existing public transport options are very restricted across the Park, with no train stations and limited bus connectivity provided by Arriva services, Go North East and Stagecoach. Additional services are provided to Hadrian’s Wall in the summer months. This has resulted in higher than average levels of car ownership, with 94% of households owning a car in the NNP, compared to 74% nationally. Consultations with key stakeholders and the NNP’s Business Survey also indicate that this has presented a number of challenges for local businesses in terms of recruiting and maintaining staff.

8.48 The NNP visitor survey (2014) additionally indicates that 88% of visitors used a car/van to visit the Park, with 12% using other methods including walking, cycling, motorbike, motorhome/caravan, bus or train, or a combination of these methods.

8.49 The NNP Management Plan (2016-2021) aims to enable an integrated transport system to provide an attractive alternative to the private car. However, consultees indicated that this

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46 Edge Analytics, (2016), Northumberland National Park Demographic Forecasts
47 Experian (2017) Employment forecasts
48 Census (2011)
could be difficult in the context of public finance reductions and a lack of consistent demand from within the NNP. As a result, it is considered unlikely that the transport sector will generate additional demand for land, or significant employment growth over the plan period.

**Public administration**

8.50 Public administration employment within the NNP is understood to be focussed within the NNP Authority itself, or within Northumberland County Council related employment. In the context of reduced public finance budgets, it is not expected that this sector will generate any significant additional demand for land over the plan period and employment forecasts from Experian anticipate no overall growth, accounting for 10 jobs (2% of employment) in both 2017 and 2037.\(^4\)

**Agriculture, Forestry and Fishing**

8.51 Agriculture, forestry and fishing represents the largest sector in the NNP, accounting for 200 jobs, or 43% of all employment in 2017. No jobs growth is estimated within the sector by 2037, although employment levels are expected to remain stable throughout this period.\(^5\)

8.52 Consultations with local stakeholders, however, indicate that there is currently a degree of uncertainty regarding the future performance of these sectors, dependent upon the final impacts of Brexit. The dominance of sheep farming within the NNP is predicted to be impacted by the departure of the UK from the single market, if an alternative trading arrangement with the European Union is not agreed. It is estimated that the application of World Trade Organisation Tariff rules, for example, would result in UK sheep farms facing tariffs in excess of 30% when exporting to the EU.

8.53 A House of Commons paper\(^6\) published in January 2017 also acknowledges that the greatest potential issue for agriculture will be the departure from the Common Agricultural Policy, which provides a framework of regulation for direct payment to farmers, market support measures and more general rural development programmes. The paper estimates that EU farm subsidies currently make up approximately 50% to 60% of UK farm income. Between 2014 and 2020, the UK is expected to receive: €25.1 billion in direct (Pillar 1) CAP payments; and €2.6 billion in rural development (Pillar 2) funds to finance agri-environmental schemes.

8.54 Consultees indicated that the removal of these payments beyond 2020 would result in greater agricultural diversification, with key opportunities in tourism and forestry. This would require such opportunities to be appropriately supported by policies which allow for the change of use of buildings and land, as well as supporting the infrastructure required.

8.55 The NNP contains 22% of the total woodland in the North East region and is the second most wooded region in England, with Kielder - one of the largest man made forests in Northern Europe – lying on the edge of the National Park. In total, it is estimated that the North East region has contributed 1,075 FTE jobs, a turnover of £201 million and £40 million GVA to the forestry industry.\(^7\) There are two small timber processors within the NNP but the remaining timber grown in the park is transported elsewhere, predominantly to the Egger chip board plant at Hexham and Scotts sawmill at Wooperton, which lie within 5 miles of the Park boundary. The wood based district heating facility at Kielder village is also located close to the Park.

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\(^4\) Experian (2017) Employment forecasts

\(^5\) ibid

\(^6\) Effect of the UK leaving the EU on the rural economy, House of Commons Library (2017)

\(^7\) Cumulus Consultants Ltd, (2013), Valuing England’s National Parks
Key opportunities for the sector include £80 million of funding per annum towards woodland creation and management between 2014 and 2020 through the European Agricultural Fund for Rural Development grant scheme. It is understood that the forestry supply chain and small scale timber processing activities will benefit from support through these grants for machinery, training, buildings, innovation and collaboration, supporting a growth in domestic production. The UK Government is also seeking to establish 130,000 hectares of new woodland creation as part of the emerging Agriculture Bill to support the Clean Growth Strategy.

However, as with the agricultural sector, the future performance of UK forestry is likely to be shaped by the UK’s post-Brexit relationship with the European Union, as well as the detail relating to any domestic policies that are implemented as a result. Consequently, the position is characterised by uncertainty at present.

The Confederation of Forest Industries (Confor) has indicated that it expects an amended programme of support for rural development (including agriculture and forestry) to be introduced by the UK Government, although this is yet to be confirmed. The future availability and quantity of grants for other competing land uses will have a strong influence on forestry activity post-Brexit. In particular, Confor highlights that the financial viability of afforestation proposals has traditionally been impacted by farming subsidies through the Common Agricultural Policy, which distort the value of farmland. The organisation suggests that “should the UK decide to reduce or even remove farm subsidies altogether it is therefore possible that land prices may reduce, making afforestation both more attractive (as an alternative land use) and more viable, financially.”

Clearly, the agriculture, forestry and fishing sector will be influenced by the outcome of Brexit negotiations, generating uncertainty as to the future performance of the sector. As a result, it will be important that the Local Plan provides these businesses with the flexibility to respond to these changes, through change of use and new development linked to diversification opportunities.

### Mining and Minerals

Extraction and mining is estimated to account for no jobs in 2017 and Experian do not forecast any change over the period to 2037. This is likely to represent an underestimate (potentially reflecting the difficulties of compiling and analysing data at the National Park level as discussed in Section 2.0) given the presence of the Harden Quarry at Biddlestone.

The Joint Local Aggregates Assessment for County Durham, Northumberland and Tyne and Wear (2016) states, in relation to crushed rock supply, that within Northumberland:

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53 Shaping a post-EU future for the UK forestry sector, Confederation of Forest Industries (2016)
54 Shaping a post-EU future for the UK forestry sector, Confederation of Forest Industries (2016)
55 Experian (2017) Employment forecasts
“significant reserves are contained within a single quarry in the south and west of Northumberland, five of the current quarries have end dates before 2030 and that the permitted reserves within a number of quarries are likely to be exhausted by 2030. Consideration, therefore, needs to be given to maintaining productive capacity...In addition, it is recognised that Harden Quarry in the Northumberland National Park produces a crushed rock aggregate that is particularly valued for its red colour. The recent granting of planning permission for an extension to the site will provide continuity of supply from this site until 2029. In the longer-term consideration needs to be given through the local plan process as to whether it would be appropriate to allow this site to continue when reserves are exhausted by means of an extension to the site or an extension of time if the reserves are not exhausted by the current end date. A key consideration would be whether the need for the material outweighs the potential adverse effects on the purposes and special qualities of the Northumberland National Park.”

8.62 In relation to the supply of sand and gravel, the Joint Local Aggregates Assessment for County Durham, Northumberland and Tyne and Wear (2016) states that:

“It is recognised that the Northumberland sub-region makes a significant contribution to the supply of land-won sand and gravel in North East England. The analysis has highlighted that permitted reserves are available to maintain supply in the short-term but there is likely to be a shortfall in the medium- to long-term. It is also recognised that a number of the existing quarries have end dates prior to 2030. It is therefore recommended that consideration is given to the identifying and releasing additional reserves to maintain supply over the long-term where environmentally acceptable. This will also be necessary to maintain an appropriate landbank of reserves within Northumberland over the long-term. It is also recommended that, in line with national planning policy, additional provision should be sought outside of the Northumberland National Park.”

8.63 Taking into account the above – as well as the Management Plan’s responsibility to manage, conserve and enhance the distinctive natural and cultural qualities of the National Park – consultees do not consider that this sector presents a viable option for employment growth over the plan period.

Conclusions

8.64 As outlined above, developments in the tourism (including accommodation and food services and more general recreation activities) and forestry industries are considered to present the strongest opportunities for growth in the Non-B Class sectors. Recent trends and emerging issues in relation to the agricultural sector are considered in more detail in Section 3.0.

8.65 Continued and enhanced promotion of tourist facilities within the NNP is considered to be important in supporting the development of the industry and in capturing a higher level of visitor spend within the local area.

8.66 The low level of population growth projected within the NNP over the Plan period is considered unlikely to yield a requirement for new health, education, residential care facilities or transport provision within the NNP. It is acknowledged that the ageing population may increase demand for residential care facilities. However, a number of facilities are located within the gateway settlements. This, coupled with the relatively low levels of overall population growth anticipated in the NNP would perhaps suggest that this could be accommodated within existing facilities, or through an expansion of home care services.
9.0 Summary and Conclusions

Overview of the National Park Economy

9.1 Experian figures, which are underpinned by IDBR data, indicate that there are currently 470 employee jobs in the NNP. It is acknowledged, however, that this data is based upon VAT-registered businesses and is therefore likely to under-record the true level of employment within the local economy. The figures suggest that employment in the National Park declined by 37% between 2006 and 2016 – this is in stark contrast to the growth in jobs recorded at the national and regional level over the same period.

9.2 An analysis of the sectoral breakdown of employment within the National Park identifies that the largest sectors within the local economy are: agriculture, forestry and fishing; manufacturing; accommodation and food services; and administrative and support services.

9.3 Manufacturing and administrative and support services are two of the only sectors within the National Park to experience jobs growth between 2006 and 2016. Agriculture, forestry and fishing and accommodation and food services, however, both declined and underperformed relative to national and regional trends.

9.4 The area’s business base is dominated by micro firms and small businesses. ONS data indicates that there are no businesses operating within the National Park that employ more than 50 members of staff (with 97% employing fewer than 10).

9.5 Connectivity is a key challenge for the local economy at present. Road connectivity and public transport access is relatively poor, with a number of local businesses viewing this as a cause of recruitment difficulties. In addition, business satisfaction in relation to broadband provision is understood to be low, with this impacting upon recruitment and networking activities. It should, however, be noted that work is currently underway to improve broadband provision across the National Park.

Functional Economic Market Area (FEMA)

9.6 A high level assessment of the FEMA within which the NNP is situated has been undertaken as part of this commission, having regard to economic, property market and labour market factors – all of which are influenced by the National Park’s geographical location.

9.7 The NNP shares a boundary with three local authorities, each of which is located within a different region of the UK: Northumberland (North East England); Carlisle (North West England); and The Scottish Borders (Scotland).

9.8 Notwithstanding the above, an analysis of travel-to-work patterns demonstrates that the strongest linkages with Northumberland and, in particular, the settlements of Rothbury, Bellingham, Hexham and Alnwick. This also supported by the travel-to-work catchments defined by ONS, which show the majority of the NNP as being located within the wider Hexham and Blyth and Ashington areas.
Market Overview

9.9 There are no industrial estates or business parks located within the NNP and previous planning policy documents do not allocate any employment sites. As a result of this and the sparsely populated nature of the National Park, employment premises are thinly spread throughout the area.

9.10 Most premises in the National Park are small - reflecting the scale of occupier requirements. Requirements are generally accommodated within the existing building stock (sometimes taking up part of a building or occupying existing, vacant outbuildings). Employment premises are typically old (with the exception of tourism-related development) although maintenance and refurbishment in order to meet occupier needs have served to prolong their economic life.

9.11 Reflecting the above, there has been very little new build activity for B class occupiers within the National Park. Indeed, The Sill represents the only new build employment workspace delivered since 1990.

9.12 An analysis of changes in the Rating Lists over time indicates that the number of hereditaments within the National Park has increase by 53 (29%) since 1990. This has largely been driven by additional holiday accommodation (particularly self-catering accommodation and guest houses) as well as cafes and restaurants.

9.13 In terms of B class employment premises, the Rating Lists show a decline in the number of vehicle workshops/garages and land used for storage since 1990. This has largely been offset, however, by small increases in the number of workshops, stores and office premises.
9.14 In assessing the future need for employment space within the NNP, this study has taken account of four different scenarios based upon a number of alternative methodological approaches. Some are primarily driven by economic or demographic growth projections, others by past rates of development.

9.15 The overall net floorspace requirements generated by the four scenarios range from -1,275sq.m to +80sq.m. Applying a 10% buffer to these net figures – in order to provide an illustration of indicative gross land requirements – increases the top end of this range to +90sq.m. These figures do not make any specific allowance for the replacement of any future losses of employment space. Should NNPA officers take a decision to include an allowance for the replacement of losses, an adjustment equivalent to 25% of past trends would see the range shift to between -675sq.m and +690sq.m.

9.16 Based upon these scenarios, it would appear that very little (if any) additional employment space would be required in overall quantitative terms to accommodate B class job growth in the NNP over the period to 2037.

9.17 Taking this into account – as well as the popularity of home working in the NNP and the fact that office space remains available at The Sill – it is not considered necessary to identify any future employment allocations for the area at present.

9.18 Notwithstanding the above, it should, however, be noted that:

- Within the overall requirements discussed above, there is a modest need for some additional office and manufacturing floorspace under some of the scenarios;

- The majority of respondents to the NNPA Business Needs Survey (2016) indicated that more business/economic development premises were required in the area;

- Initiatives to improve digital connectivity within the National Park could increase the appeal of the area as an employment location (although the impact of this is difficult to quantify at present); and

- The scale of the NNP’s geographical boundaries and the localised nature of demand means that the presence of available space in one location (such as at The Sill) may not necessarily be capable of meeting demand for space elsewhere in the Park.

9.19 As such, the NNPA should consider any future proposals for the delivery of employment space on their planning merits – and within the context of the NPPF requirement to plan positively for growth. It is important to emphasise that the provision of new space need not correspond to the delivery of new buildings, however, but could, instead be achieved through the conversion or refurbishment of existing premises. It is anticipated that upland farms seeking diversification opportunities post-Brexit could represent one source of outbuildings to help meet demand.

9.20 The scale of anticipated future demand, as identified through an assessment of various quantitative forecasting techniques, is not considered to require a planning policy response through the allocation of new site allocations for B class employment use within the NNPA’s Local Plan.

9.21 It is acknowledged, however, that the NNPA may wish to encourage the provision of additional employment floorspace over the Plan period. It is suggested, therefore, that the Council gives
consideration to the inclusion of a criteria-based policy within the Local Plan which would provide the basis for assessing future applications for the delivery of B class space. Such a policy would also provide a degree of certainty to prospective developers regarding the conditions which must be met in order to obtain a planning consent.

**Non-B Class Uses**

9.22 A high level review of the growth potential of a number of non-B class sectors has also been undertaken as part of this study. The work does not, however, seek to quantify the employment space implications associated with anticipated future changes. This is because many of the sectors are – or should be – subject to separate, detailed reviews of future requirements and capacity planning through their own regulatory/statutory bodies through application of sector-specific methodological approaches.

9.23 Notwithstanding the above, the tourism (including accommodation and food services and more general recreation activities) and forestry industries are considered to present the strongest opportunities for growth in the Non-B Class sectors within the NNP over the Plan period. In contrast, the low levels of projected population growth in the National Park are not expected to yield a requirement for new health, education, residential care facilities or transport provision within the area. It is acknowledged that the ageing population may increase demand for residential care facilities. However, a number of facilities are located within the gateway settlements. This, coupled with the relatively low levels of overall population growth anticipated in the NNP would perhaps suggest that this could be accommodated within existing facilities, or through an expansion of home care services.

9.24 The above analysis should not necessarily serve to prohibit non-B class development coming forward over the Plan period and it is suggested that any proposals that do emerge should be assessed by the NNPA on their planning merits. Given the modest demand that is anticipated from both B and non-B class occupiers over the Plan period, the delivery of flexible ‘enterprise hubs’ which could potentially be suitable to occupiers across a range of sectors could prove an attractive model for any future provision. It is noted that the NNPA Business Needs Survey (2016) identified high levels of support for such facilities amongst respondent businesses, recognising their importance in providing affordable and flexible space for a variety of occupiers.