

North York Moors National Park Authority

24 June 2013

Valuing England's National Parks

1. Purpose of the Report

- 1.1 To present to Members a summary of the key findings of the 'Valuing England's National Parks' report which was commissioned by National Parks England and the main findings in relation to the North York Moors National Park.

2. Introduction

- 2.1 National Parks England (formerly English National Parks Association) has recently commissioned a report from consultants which presents the latest economic and socio economic data about the National Parks and how they contribute to rural economies. An Executive Summary of the report is attached at **Appendix 1** together with a summary leaflet in **Appendix 2**. This report summarises the key findings of the report and assesses how the findings can be used in developing future policy and projects for the North York Moors. The report is available on the Authority's web site at www.northyorkmoors.org.uk/learning

3. Findings of the Report

- 3.1 In 2006, the 'Prosperity and Protection' report was published by the Campaign for National Parks which explored the economic impact of National Parks in the Yorkshire and Humber region. It examined whether businesses in the Parks and their 'gateway' towns are affected by their rural location and the National Park landscapes. It also looked at how National Park Authorities and other organisations support business activity in the Parks, and at the Parks' value in attracting inward investment.
- 3.2 The study provided robust evidence that businesses in the Parks – the Yorkshire Dales, North York Moors and the Peak District – and in towns nearby benefit both from the quality of the protected landscapes and from the Park designation itself. It suggested that the Parks' businesses generated £1.8 billion in sales annually, supporting over 34,000 jobs and around £576 million of Gross Value Added.
- 3.3 The 'Valuing England's National Parks' report looked at all ten English National Parks and found that there are 22,500 businesses providing around 141,000 jobs which equates to 1.2% of all businesses and 0.6% of total employment in England. It is estimated that the Parks generated between £4.1 and £6.3 billion of Gross Value Added in 2012 (between 0.4% and 0.67% of all GVA generated in England) (GVA represents the total value generated by all producer units in a particular sector, local area, region or country). The number of businesses per head of population is twice the national average, a reflection of the relatively high proportion of small businesses in the National Parks.
- 3.4 The National Park Authorities also have a direct impact on the economy of their areas through employment and expenditure on goods and services and through influencing the challenges and opportunities in their local economies.

By contributing to the conservation and sustainable use of the environment, NPAs also help to support the delivery of ecosystem services that are valued by society and contribute to the nation's wellbeing. These services are more difficult to value but provide economic benefits by underpinning activities such as farming, forestry and tourism and recreation and regulating air quality, climate, soils and water cycles.

3.5 The report concludes that England's National Parks are valued national assets and that economic activity is underpinned by the high quality environment. National Park Authorities are uniquely placed to continue supporting sustainable economic growth in National Parks and a number of key opportunities are identified. These include supporting stronger and more sustainable farming and forestry, promoting sustainable tourism and delivering European and national environment, heritage and regeneration programmes at a local level. The report identifies the following key opportunities for NPAs and partners to address the challenges and realise the economic opportunities facing National Parks:

- Developing and applying the brand;
- Supporting stronger and more sustainable farming and forestry;
- Promoting sustainable tourism;
- Working more closely with businesses;
- Further developing positive development management and community led planning approaches;
- Progressing economic development by closer working with Local Enterprise Partnerships and Local Authorities;
- Developing appropriate infrastructure to support economic growth;
- Creating pathways to employment;
- Promoting a low carbon approach and developing renewable energy;
- Delivering and rewarding the providers of ecosystem services;
- Further partnership working to deliver National Park purposes;
- Leveraging further funding and exploring other income-generating opportunities;
- Delivering European and national environment, heritage and regeneration programmes at local level;
- Raising the profile of National Parks as contributors to economic growth;
- Developing the evidence base relating to the economy and economic growth.

4. Findings for the North York Moors National Park

4.1 For the North York Moors, the report found that there were approximately 1,825 businesses operating from 1,955 establishments in 2012. More than 90% of these businesses have fewer than ten employees which is higher than the other English National Parks and the national average. The North York Moors has a particularly strong concentration of agricultural businesses which comprise 44% of all businesses in the National Park, compared with 24% across all English National Parks.

4.2 Businesses in the North York Moors generated GVA of between £174 million and £276 million in 2012. Businesses in the agriculture, forestry and fishing, wholesale and retail and accommodation and food services are estimated to generate approximately half of all GVA in the North York Moors.

4.3 Visitors to the North York Moors, including a wider "area of influence" of neighbouring towns and villages, spent some £434 million in 2011. This equates to nearly 11% of total spend within England's ten National Parks, indicating that the North York Moors is holding its own in terms of visitor spend.

5. Implications for the North York Moors National Park

- 5.1 The report is based on existing available data from the Office for National Statistics (ONS) and other sources including visits to each Authority to gather local data and case studies. The borders of National Parks overlap administrative and statistical boundaries and information about their economies tends to be based on 'best fit' rather than an exact fit. In addition, the economic influence of the Parks extends beyond their borders into neighbouring towns and villages and some NPAs include a wider economic 'influence area' in collating their statistics. As far as possible the report has compiled the available data in a consistent format but some variations in approach between the National Parks in terms of data collection still remain and these are identified in the report.
- 5.2 The study has not involved any empirical research which would have been useful as a 'reality check' given the reliance on data that for the reasons outlined above is approximate rather than precise. Nevertheless, it is a timely update of the findings of the 'Prosperity and Protection' report given the Governments priority for economic growth. The report emphasises that the landscape designation itself underpins economic activity in the Parks and also that the activities of the National Park Authorities support sustainable economic growth in their areas and they are well placed to continue to do so given sufficient core funding.
- 5.3 The report highlights the importance of the agricultural, forestry and tourism sectors in the North York Moors which has already been identified through the recent work on the new Management Plan which contains specific support for improving the quality of the agricultural sector and for increasing visitor numbers and spend in the North York Moors. Many of the policies and actions in the Management Plan already reflect the main recommendations in the 'Valuing England's National Parks' report, for example the initiatives now underway to support tourism businesses, raise the profile of the Park and encourage more visitors through the 'Moors and More' project.
- 5.4 It is important that the findings of the report are used as evidence in the development of the National Park Authority's policies and programmes and in responding to Government where appropriate. For example, the findings will provide useful evidence when work starts on a new Local Plan. The findings of the report will be disseminated to partners and other organisations working in the National Park when opportunities arise. The report was published with a national press release although press coverage so far has been limited. It is available on the Authority's web site.

6. Financial and Staffing Implications

- 6.1 There are no financial or staffing implications associated with this report.

7. Sustainability Appraisal

- 7.1 There are no sustainability implications arising from this report.

8. Recommendation

8.1 That Members note the findings of the 'Valuing England's National Parks' report.

Contact Officer:
Sarah Housden
Tel No
01439 772700

Background documents to this report

File Ref.

1. Valuing England's National Parks – Final Report for National Parks England by Cumulus Consultants Ltd and ICF GHK 10.5.13

Valuing England's National Parks Final Report for National Parks England

Executive Summary

Introduction

England's ten National Parks¹ are valued national assets. They comprise some of the highest quality landscapes and wildlife habitats in the country and cover more than 9% of the total land area. The National Parks also make important contributions to our economy and society and are also part of our national identity. They are of huge importance to the people who live and work within them, as well as the many millions who visit for recreation and tourism.

The Vision for English National Parks in 2030, produced by the Government and the English National Parks Authorities Association², states that National Parks "will be recognised as fundamental to our prosperity and well-being". The National Park Authorities are already responding to the priority for growth and many examples are presented in this report. However, to realise the vision, there is also a need for robust and consistent evidence about the ways in which National Parks can contribute most to the nations prosperity, and for this evidence to be presented in an accessible format.

This report seeks to present the latest economic and socio-economic data relating to the National Parks, to assess the contribution of National Parks to economic prosperity and well-being, and to identify future opportunities for National Park Authorities to further support sustainable rural economies in partnership with local communities, businesses and local government partners.

The approach taken during the project included: a review of existing literature; the collation of data from public data sources including the Census 2011 and Inter-Departmental Business Register 2012 from the Office for National Statistics; and visits to all National Park Authorities to gather local data, evidence and feedback. A series of case studies were then collated and developed and future opportunities analysed. Methodological issues encountered during the project related to defining the boundaries of the National Park economies, defining the economic impact of National Parks, and variations in data across different National Parks.

National Park Economies Make a Valuable Contribution, Locally and Nationally

England's National Parks cover a total area of more than 1.2 million hectares (9.3% of England's land area) and are relatively sparsely populated with an average population density of 0.3 persons per hectare, although there is considerable variance in both the size and the population density of individual National Parks.

The total population of England's National Parks is 321,000 (0.6% of the England population) and of the working age population 70% is economically active, in line with the national average. The population is older, and population growth over the past ten years has been lower, in the National Parks compared to England, reflecting their rurality. Around half the population of England resides within one hour's travel of a National Park and National Park areas provide benefits to people who live well beyond their boundaries.

1. National Parks and National Park Authorities are taken to include The Broads which has an equivalent status but its own legislation and additional responsibilities as a harbour authority.

¹ 2. Now known as National Parks England. ¹

The National Parks have a higher proportion of self-employed people than the country as a whole (19% compared to 10%), a similar proportion of part-time workers and a lower proportion of full time workers. Unemployment is 2%, lower than the national average. Of the 157,000 employees in the National Parks, there is a high proportion of senior, professional and skilled occupations in the workforce. Average household income is higher than regional averages for most National Parks and average house prices in National Parks also command a significant premium over regional averages.

There are 22,500 businesses located in England's National Parks providing around 141,000 jobs, according to 2012 data; this equates to 1.2% of all businesses and 0.6% of total employment in England. From an analysis of turnover, employment and county-level productivity data, it is estimated that England's National Parks generate £4.1 to 6.3 billion of Gross Value Added (GVA) in 2012 (0.4% to 0.6% of all GVA generated in England). This is comparable to a smaller city such as Plymouth, Coventry, Swindon or Sunderland, or the UK aerospace sector, all of which have a total GVA of between £4 billion and £6 billion.

While the contribution of National Parks to overall employment is in line with their population, the number of businesses per unit of population is twice the national average, a reflection of the number of small businesses in the National Parks. The number and type of businesses and employment varies across individual National Parks.

Key sectors in the National Park economies include the following:

- Farming and forestry. This sector is responsible for managing the vast majority of the National Park area, producing food, timber and other products, and delivering a wide range of public goods and services. Agriculture, forestry and fishing accounts for around 24% of all businesses and nearly 10% of total employment in the National Parks, around 13,500 Full Time Equivalent (FTE) jobs.
- Tourism and recreation. National Parks attract 95 million visitors per annum, with 87 million day trips and 24 million visitor days from staying visitors. Annual visitor expenditure equates to £3.0 billion, which increases to at least £4 billion when the wider "area of influence", which includes neighbouring towns and villages which cater for National Park visitors, is counted. This expenditure is estimated to support some 48,000 FTE jobs, around 34% of total employment in National Parks.
- All other sectors are under-represented compared to the national average but the professional, scientific and technical, construction, wholesale and retail, education and health sectors, in particular, are nevertheless important in terms of business numbers and employment.

National Park Authorities Play an Important Role in Supporting National Park Economies

National Park Authorities (NPAs) play an important role in the National Park economies in a variety of ways. This role links to their statutory purposes - to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park; and to promote opportunities for the understanding and enjoyment of the special qualities of the Parks by the public; and, in the case of the Broads Authority, to protect the interests of navigation – as well as their duty to foster the social and economic wellbeing of their local communities.

NPAs work with their partners (communities, businesses and other organisations) to produce Management Plans for the National Parks. These set out the vision, strategic policies and outcomes for the National Parks (including the economy) and the mechanisms, activities and resources used to achieve these.

NPAs also have a direct impact in terms of employment and expenditure on goods and services. In 2011/12, NPA gross expenditure amounted to £74 million, funded through the National Park Grant of £55 million and their own income; this includes revenue income and project grants / other income successfully leveraged in from a variety of external sources.

NPA employment was an estimated 1,118 FTE jobs in 2011/12. In total, after taking into account multiplier effects arising from employee and supplier expenditure, it is estimated that the NPAs contributed 1,500 FTE jobs and £50 million GVA to the local economy in 2011/12. With reducing NPA budgets and employment, however, it can be expected that this contribution will be lower in future years.

NPAs, through their influence and different activities, also help to address the specific challenges and opportunities in their local economies, thereby contributing to the vision and objectives of the National Parks. Key initiatives undertaken by NPAs include the following.

- Supporting land-based industries such as farming and forestry through: land management advice services; agri-environment scheme advice and support; farm diversification advice and grants; local food and drink initiatives; renewable energy advice and support; woodland advice services; woodland schemes and grants; woodland product initiatives; wood fuel initiatives; branding and marketing initiatives; and training and skills development.
- Promoting sustainable tourism and recreation through: branding, marketing and destination management; sustainable transport initiatives; tourism and recreational infrastructure; initiatives promoting local food and drink to visitors; education and awareness raising activities; and visitor payback/ giving schemes.
- Encouraging diverse and sustainable rural economies through: positive development management advice; employment space provision; economic development activities; environmental economy initiatives; business networking initiatives; initiatives to improve broadband and mobile phone coverage; training and skills development; and renewable energy initiatives.

It is worth noting that a number of studies relating to individual National Parks indicated that over 50% of businesses surveyed felt that their business was directly or indirectly dependent on a high quality landscape and environment, and positively impacted by the National Park designation, with this figure rising for tourism-related businesses. Many businesses in towns and cities located close to, but outside, National Parks stated that they were also dependent on and positively influenced by National Parks. Furthermore, there is no evidence to suggest that businesses in National Parks are suffering from undue planning restrictions compared to elsewhere, with a significant majority of planning applications in National Parks being approved by NPAs (89%, compared to 87% for England as a whole).

By contributing to the conservation and sustainable use of the environment, NPAs also help to enhance the delivery of ecosystem services that are valued by society and contribute to wider well-being. A variety of provisioning, regulating, cultural and supporting services are supported by the high quality ecosystems of National Parks. These services are harder to value but nonetheless provide economic benefits in a number of different ways including: underpinning economic activities such as farming, forestry, extractive industries, tourism and recreation; reducing costs to society by improving our health, sequestering carbon, and purifying our water; enhancing the well-being of people and communities by providing recreational experiences, tranquillity and fine views; and maintaining a liveable environment by regulating climate, air quality, soils and water cycles. NPAs are active in improving water quality, reducing the impacts and costs of floods, and reducing Greenhouse Gas emissions, amongst other initiatives. These help to maintain a healthy environment in which people can live, work and do business.

Finally, NPAs lead and support a range of initiatives and projects designed to address the challenges faced by communities living in National Parks. These include: supporting pathways to employment through volunteering and apprenticeships; providing affordable housing; promoting investment in broadband and mobile communications; and supporting community renewable energy projects. It is estimated that volunteering co-ordinated by NPAs contributes the equivalent of an additional 200 FTE jobs, with a value of over £3 million annually; these figures would be greater if volunteering through partner organisations and the value of the work done by volunteers was also taken into account. Other NPA activities include investing in community facilities, contributing to awareness and education, promoting healthy outdoor recreation, and enhancing social inclusion. These activities help to strengthen local communities and support local economies, as well as benefiting the wider population and economy.

National Parks and their Economies Face a Range of Challenges and Opportunities

The National Parks and their economies face a range of current and future challenges, many of which are common to rural or remote rural areas across the country. The main challenges include:

- The general economic downturn with associated loss of businesses and employment; this is affecting the tourism economy amongst other sectors;
- Lack of diversity of businesses and employment, with high reliance on farming, forestry and tourism, and associated seasonality of economic activity;
- Poor profitability of farming systems, particularly upland grazing livestock systems, together with a reliance on public payments and a limited ability for farm businesses to develop and diversify income;
- Lack of access and distance from markets and passing trade in some National Parks;
- Limited stock and quality of employment premises and developable land;
- Limited road and rail infrastructure, and public transport services;
- Poor broadband provision and mobile phone coverage;
- Low affordability of housing and lack of affordable housing;
- Lack of access to reasonably priced and reliable energy supplies;
- An aging workforce and limited opportunities for young people to find full time employment;
- A shortage of modern and traditional skills;
- Low population density threatening the viability of services and businesses;
- Climate change.

There are however also a number of future economic opportunities for National Parks, these include:

- Increasing demand for food and timber;
- Increasing value attached to authentic locally distinct products and services;
- Emerging markets in the form of Payments for Ecosystem Services;
- Potential to grow visitor numbers and visitor expenditure;
- Building on the growing knowledge economy by improving the communications infrastructure across the National Parks;
- Realising the potential of highly valued landscapes and environments in the National Parks;
- Improving recognition of the value of National Parks amongst all types of business and customers;
- Developing appropriate renewable energy generation;
- Working closely with LEPs and government to support business development and entrepreneurship in National Parks, including opportunities for young people.

National Park Authorities are Uniquely Placed to Continue Supporting Sustainable Economic Growth in the Future

NPAs are uniquely placed to continue supporting sustainable economic growth in National Parks. That is to maintain thriving living landscapes, where natural assets are conserved and enhanced and where people, businesses and communities can prosper, now and in the future.

Working in partnership with a range of other authorities and interest groups, a key part of the role of NPAs is to conserve and enhance the environment of the National Parks in way that also enhance economic development and help sustain local communities, securing mutual benefits for the environment, people and the economy.

NPAs have a good track record of working with businesses, helping them to add value and grow, supporting skills development, investing in infrastructure, and attracting visitors whilst at the same time maintaining a high quality landscape and environment on which many of the businesses depend.

With sufficient core funding and with the support of its partners, the NPAs will be able to continue to do this important work and more, thereby helping to grow the National Park economies in a sustainable way.

The following key opportunities have been identified for NPAs and partners to address the challenges and realise the economic opportunities facing National Parks:

1. Developing and applying the brand;
2. Supporting stronger and more sustainable farming and forestry;
3. Promoting sustainable tourism;
4. Working more closely with businesses;
5. Further developing positive development management and community led planning approaches;
6. Progressing economic development by closer working with Local Enterprise Partnerships and Local Authorities;
7. Developing appropriate infrastructure to support economic growth;
8. Creating pathways to employment;
9. Promoting a low carbon approach and developing renewable energy;
10. Delivering and rewarding the providers of ecosystem services;
11. Further partnership working to deliver National Park purposes;
12. Leveraging further funding and exploring other income-generating opportunities;
13. Delivering European and national environment, heritage and regeneration programmes at local level;
14. Raising the profile of National Parks as contributors to economic growth;
15. Developing the evidence base relating to the economy and economic growth.

The ability of NPAs to undertake these activities with their partners, and thereby contribute to further growth in the National Park economies will continue to depend on the level of core funding made available through the National Park Grant. It will not be possible to deliver on these opportunities if funding reduces to a point where NPAs are restricted to the delivery of essential statutory duties and have no capacity to develop partnerships and projects. Stability is also important to provide NPAs with the certainty and confidence from which to innovate.