



Rural Enterprise **Exmoor**

Research Report: Executive summary

June 2020



This research was carried out prior to the COVID-19 pandemic and subsequent lockdown in the UK. It therefore reflects views and the state of the economy before this event.

The Rural Enterprise Exmoor initiative commissioned Wavehill to complete a comprehensive business audit and survey across Exmoor National Park in the autumn of 2019. The research project was to assess the size and demography of the Exmoor economy and provide insight into the key opportunities and challenges that faced businesses operating within the National Park. The evidence presented in this report will help shape interventions and support policies designed to respond to some of key themes that reflect Exmoor National Park, and likely other deeply rural areas across the Heart of the South West.

Exmoor National Park is a unique area of exceptional natural beauty and forms a key tourist destination within the South West of England. The National Park is also a principle upland farming area, supports approximately 1,300 businesses in a multitude of sectors and is home to over 10,000 people. It therefore forms an important part of the economy in the Heart of the South West, and through the National Park Authority and Local Authorities can help support rural development within the region. Overcoming the challenges faced by businesses in Exmoor National Park is important to improving prosperity, both socially and economically.

With other economic development strategies currently being developed and published by local authorities, alongside the Heart of the South West LEP Local Industrial Strategy, having robust business intelligence and up-to-date insight to inform delivery plans is important. This is especially the case in deeply rural areas where interventions may need a different approach to other parts of the region to be effective.

The Research

Wavehill conducted an audit of businesses operating on Exmoor National Park by reviewing commercially held data from Experian and scraping information from online sources and local business directories, to add to data from Companies House. This included a review of advertisements in local parish and community magazines which together would allow for the underestimate of national statistics which do not include businesses below VAT threshold and not incurring PAYE which operate within rural geographies. Indeed, the findings showed that there were 1,277 businesses operating from Exmoor, compared to the circa 800 estimated by national public databases – a 60% increase.

The business audit also captured contact information for as many of these businesses as possible to supplement the details purchased from Experian. These contacts formed the basis of a telephone and online survey, which was rolled out in late October 2019, after a

successful workshop event where some initial themes for the research were captured. These included opportunities in environment and wellbeing, creating circular economies and more promotion of Exmoor as a brand and location.

The survey was divided into two parts; a shorter initial section covering key business information and a second, longer part, to gather detailed information on the challenges and opportunities facing business organisations within Exmoor National Park. The survey returned over 300 responses (an estimated response rate of 24%).

Following the survey fieldwork, two focus group sessions were held with 19 businesses to test some of the emerging findings and discuss themes to provide further richness and detail to support the analysis. These sessions were also used to explore the types of interventions businesses would like to see in place to support them or the local economy.

The Exmoor Economy

The results of the survey were used to estimate the size and shape of the Exmoor economy. The largest sector was estimated to be Accommodation and Food, with 44% of the jobs and 38% of the businesses, accounting for much of the Tourism related industry on which the Exmoor economy is highly dependent. These proportions are far higher than in other areas in the South West. Overall, there are an estimated 5,042 Full Time Equivalent (FTE) jobs across Exmoor National Park.

Most businesses are micro (0-9 employees) in size with the mean average number of paid workers 3.8 per business (modal average is lower still at 2 paid full-time equivalent staff). Self-employment rates are significantly higher on Exmoor National Park at 26.8% than in the South West (12.7%) and UK (10.8%).

The size of businesses also affects average turnover levels which are lower in Exmoor National Park than in Devon, Somerset and the South West. Fifty-nine per cent of businesses on

Exmoor have a turnover below £100,000 compared to 39% in the South West and 41% in each Devon and Somerset.

Output, measured by Gross Value Added, is estimated to be almost £113 million. GVA per capita is consequently low, at an estimated £10,997 compared to £20,663 in Somerset and £22,286 in Devon. Compared with other deeply rural areas in England such as Copeland (in the Lake District, Cumbria) and Northumberland, the Exmoor National Park GVA per capita figures are still between 45% and 70% of their comparators.

Population demographics may be in part responsible for this disparity in GVA per capita. Nearly 11% of residents in Exmoor are between the ages of 16 and 30, compared to 18.9% in England, and over 35% of Exmoor residents are over 65 compared to 18.3% in England. The productivity of the key sectors in Exmoor such as Tourism is also a factor in the low GVA per capita recorded, and there are similar disparities in GVA per job which are half the regional average.

Key Findings

Despite the smaller scale of the businesses operating on Exmoor National Park, 73% are established businesses looking to survive and grow, with 9% some type of lifestyle business. The focus group sessions revealed that being commercially focused did not detract from the lifestyle advantages of operating on Exmoor and many were based in the National Park because of the wellbeing and lifestyle benefits that it brought to them and their staff. Fifty-two per cent of businesses reported wellbeing for staff as a key benefit of doing business within Exmoor National Park.

Sixteen per cent of businesses operating on Exmoor were looking to recruit in the next 12 months though availability of labour was a barrier for over one-quarter of respondents. Forty-five per cent of businesses reported difficulties in recruiting, however, much of this was driven by the availability of skills (62%) and distance staff had to travel (53%). Transport connectivity was the most frequently cited barrier faced by companies doing business within Exmoor National Park (61%).

Thirty-one per cent of Exmoor businesses did not seek business advice and during the focus groups a number of challenges in business support were discussed. Frequently the difficulties were in knowledge and awareness of business support programmes and how they could be accessed. There did seem to be an anecdotal interest in digital business support at the focus group session among those businesses who were not aware of its availability.

A theme that emerged in both the survey and at the focus groups was a desire for the National Park Authority to do more to promote the area, its benefits and businesses. While half of respondents thought the National Park Authority was supportive of businesses and the social media presence of the Exmoor National Park Authority was considered a positive, it was felt there were opportunities to do more. This linked to the opportunities identified, with 23% of respondents suggesting marketing and advertising would help their business to be more successful.

One consideration was the development of a Made in Exmoor style branding that could be used by businesses to demonstrate the provenance of their goods and services. At the focus groups this came back to a discussion of sustainability, local supply chains and the potential of a circular economy. This could also become a platform for the marketing of Exmoor more widely.



A non-sector specific Exmoor Business Network was also identified as one practical way to provide business support needs and draw on the experience of the business professionals within the National Park and be mutually supportive.

Broadband connectivity was raised as a challenge by 39% of businesses, and this rose to 44% of Tourism related businesses. Coverage was a principle driver, with those unconnected to new superfast broadband services adversely affected. While delivery of superfast broadband to these properties would be beneficial, the scope of any solution is beyond the capacity of the local authorities and Exmoor National Park Authority.

Many of these properties represent the last 5% who are targeted by the national government for ultrafast connection by 2025¹. Like the challenge with transport, digital connectivity was recognised by the survey respondents as being a rural challenge as opposed to something specific to the National Park designation. Clear communication of broadband plans is something that would be welcomed, however, though it is recognised that such information is not always forthcoming from sources.

1. Future Telecoms Infrastructure Review, Department of Culture, Media and Sport, July 2018

Planning permission had emerged in the workshop as a challenge of operating a business from Exmoor National Park, though when this was interrogated in the survey and at the focus groups, it appeared that much of this was a perception issue. Businesses were often reporting planning was a challenge, but few had actual experience themselves with planning restricting what they could do. In some examples, the planning team at Exmoor

National Park Authority were praised for their willingness to discuss ideas prior to planning applications (often a fee based service elsewhere) and their collaborative approach to getting planning approvals met (the National Park Authority has one of the highest approval rates in the country). This did indicate however, that information provision and communication of planning processes by Exmoor National Park Authority could be improved.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Natural beauty of the NP was a benefit for 60% of firms • 52% of businesses reported wellbeing and lifestyle as important to their business • Strong job density of 0.91 demonstrating good availability of employment for a remote rural setting • 63% of respondents were home-based, and few employees (18%) travelled into the NP for work, improving sustainability and avoiding transportation barriers • 62% of businesses used suppliers within the NP, shortening supply chains and increasing local multiplier effects • 91% of businesses reported they had access to needed training • 53% of businesses expect to survive and grow in the next 12 months with a further 33% expecting to survive 	<p>Opportunities</p> <ul style="list-style-type: none"> • Desire among firms to engage with business support • Evidence of commitment to an Exmoor Business Network to engage and collaborate • Strong support for a Made in Exmoor brand among businesses • Support for using local supply chains and circular economies • 36% of businesses considered taking on apprentices • NPA is a resource available to support and promote businesses e.g. through NP Rangers or media and social media reach • Further diversification among farmers • Strength and dominance of the tourism industry increases potential impacts of any development activities • Attractiveness of the NP for lifestyle and to do business
<p>Weaknesses</p> <ul style="list-style-type: none"> • 61% of businesses report transport connectivity challenges, which impacts on recruitment and retention (particularly of young people) • 39% of businesses report broadband connectivity challenges • 26% of businesses reported a lack of available labour • 35% of respondents did not have the childcare they needed • Communication of planning, success stories from across the NP • 31% of businesses reported they did not seek business advice • Lack of awareness of business support among managers • Large number of micro size firms and self-employed with low turnover • Low levels of productivity - GVA per capita (£10,997) and per job (£22,406) 	<p>Threats</p> <ul style="list-style-type: none"> • Apparent misperception of difficulties posed by planning which may stifle commercial investment and ambition • Population demographics, inability to retain young people on Exmoor • 62% businesses faced difficulties in recruiting those with the right skills, constraining business growth • Potential failure to preserve local culture as well as landscape • Reliance on tourism industry leaves NP economy exposed • Weaknesses and other threats lead larger businesses to relocate to locations where they face fewer barriers, away from the NP

Commissioned by **Exmoor National Park Authority**, completed independently by **wavehill™** social and economic research



The full research report is available to download from:
www.exmoor-nationalpark.gov.uk/living-and-working/business-and-economy/rural-enterprise-exmoor