Rural Enterprise **Exmoor**
Research Report

Published June 2020

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

EXMOOR NATIONAL PARK

West Somerset Opportunity Area

heart of the south west local enterprise partnership

Somerset West and Taunton

northdevon COUNCIL

Rural Enterprise Exmoor

The Rural Enterprise Exmoor initiative has been set up by Exmoor National Park Authority, in conjunction with relevant partners. It aims to build a better understanding of the rural economy of Exmoor, in order to support sustainable economic development in harmony with Exmoor's designation as a National Park.

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This report has been compiled by Wavehill – an independent economic and social research company.

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Executive summary

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. Sixty-four 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 2025.[1] 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.

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.

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

SWOT Analysis

<table>
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<td>
Strengths

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

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Weaknesses

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)

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Opportunities

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

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Threats

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

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1 Introduction

As well as the primary functions of ‘conserving and enhancing the natural beauty, wildlife and heritage of the National Park’ and ‘promoting opportunities for the understanding and enjoyment of the special qualities of the National Park by the public’, Exmoor National Park Authority (ENPA) have a duty to foster social and economic wellbeing whilst delivering it’s National Park Purposes. Local authority partners have an explicit economic development remit which also covers the Exmoor National Park area. To support this, current information on the scale and shape of economic activity inside the National Park is necessary to inform decision making.

The Rural Enterprise Exmoor initiative has been developed by ENPA and partners in the local district councils, North Devon and Somerset West and Taunton, as well as Somerset County Council and the West Somerset Opportunity Area, and Heart of the South West Local Enterprise Partnership (LEP). The initiative seeks to review current business activities across Exmoor National Park, and surrounding areas, and understand the challenges and opportunities faced by the businesses operating there.

Rural Enterprise Exmoor commissioned Wavehill to complete a research study reflecting the views of Exmoor based businesses to provide an evidence base to support local economic strategies.

Available national databases are known to underestimate the volume of businesses operating in the UK, particularly in rural areas where organisation size is often smaller, operate multiple business ventures and cash economies can exist more easily. In order to establish a more accurate estimate of local economic activity in Exmoor National Park, a better understanding of the number of businesses operating in the area is needed, alongside their sector and total employment.

Further to determining an estimate of economic activity in Exmoor, it was also important the research project provide evidence and understanding of the needs of businesses operating from the National Park and surrounds. This was completed using a thorough survey of over 300 resident or proximate businesses, providing a depth of evidence greater than existing research had provided before.

The evidence from this study is presented in this report, outlining where opportunities and challenges for the community of Exmoor businesses that comprise part of the local economy may be. The research can be used to help guide future decision making from policy makers, help secure funding for future projects and help businesses understand the potential of the market in which they operate. ENPA also plan to use the evidence presented in this report to develop a revised strategic plan to grow the local economy in harmony with Exmoor’s status as a National Park. This strategic plan would sit alongside the Exmoor Local Plan as well as those of the other partner authorities and the Heart of the South West Local Enterprise Partnership.

2 Methodology

The project began with a review of the available national database information, utilising Inter-Departmental Business Register (IDBR) and Companies House data. National databases, such as the IDBR, are based on VAT and Pay As You Earn (PAYE) registered businesses. This presents a number of challenges in rural areas such as Exmoor, where businesses are often sole traders or typically at the smaller end of micro (1-9 employees) and do not have sufficient turnover (£85,000) to meet the VAT threshold. As such, national databases show approximately 800 businesses as operating within the Exmoor National Park geography.

To provide a more accurate audit of the number, sector and size of businesses operating on Exmoor, as well as additional contacts for inclusion within the business survey, web scraping and data gathering was completed by the Wavehill research team in the autumn of 2019. Commercially held data was purchased from Experian to provide contact details and additional contact information not found within the Companies House lists. Web scraping and research involved searching using online maps, business directories and adverts in local parish and community magazines to identify additional businesses. The results of this audit of Exmoor based businesses were then cleaned and mapped to identify the business location.

A survey for the Exmoor businesses was developed in two parts; a short initial survey designed to capture key business information such as sector and number of employees (also adding more data for the business audit), and a longer, more in-depth, survey, tackling the challenges and opportunities, and reasons why, facing each businesses.

The survey was launched at a well-attended business workshop event in Wheddon Cross in late October 2019, where talks from the Heart of the South West LEP, ENPA and some successful local businesses were given. With over 100 delegates in attendance, the workshop event really helped to launch the Rural Enterprise Exmoor initiative as a recognised brand and was likely a contributor to the level of engagement with the subsequent survey. The survey was made live online shortly after the workshop session.

The workshop event also provided an opportunity to capture some initial thoughts on the research project from the assembled businesses, who through a post-it exercise provided some direction on the kinds of opportunities and challenges facing local businesses.

With the cleaned dataset of businesses from the audit, and contact details from web scraping and Experian, the online survey was supported by a telephone survey conducted by Wavehill's research team, which commenced in early November. Online surveying was disseminated through Exmoor National Park's website, and that of the partners as well as specially developed social media accounts for the initiative. This helped to generate traction and served to further the recognition of the Rural Enterprise Exmoor brand, which may be useful in future engagement in the National Park area.

The survey achieved its target of 250 respondents to the long survey in early January 2020. Initial data analysis was provided to the Rural Enterprise Exmoor steering group at the end of January and this was also shared with ENPA members on the 4th of February 2020.

2.1 Focus Groups

Focus groups with 19 self-selecting businesses who had completed the survey were carried out on the 27th of February 2020. The events were promoted on social media through the dedicated Rural Enterprise Exmoor pages and through a direct mail shot to those who responded to the survey and confirmed they would be willing to take part. These two sessions, held at Wheddon Cross and Lynmouth, were used to help test some of the emergent themes from the findings, and provide some insight and detail into key points for the Rural Enterprise Exmoor group.

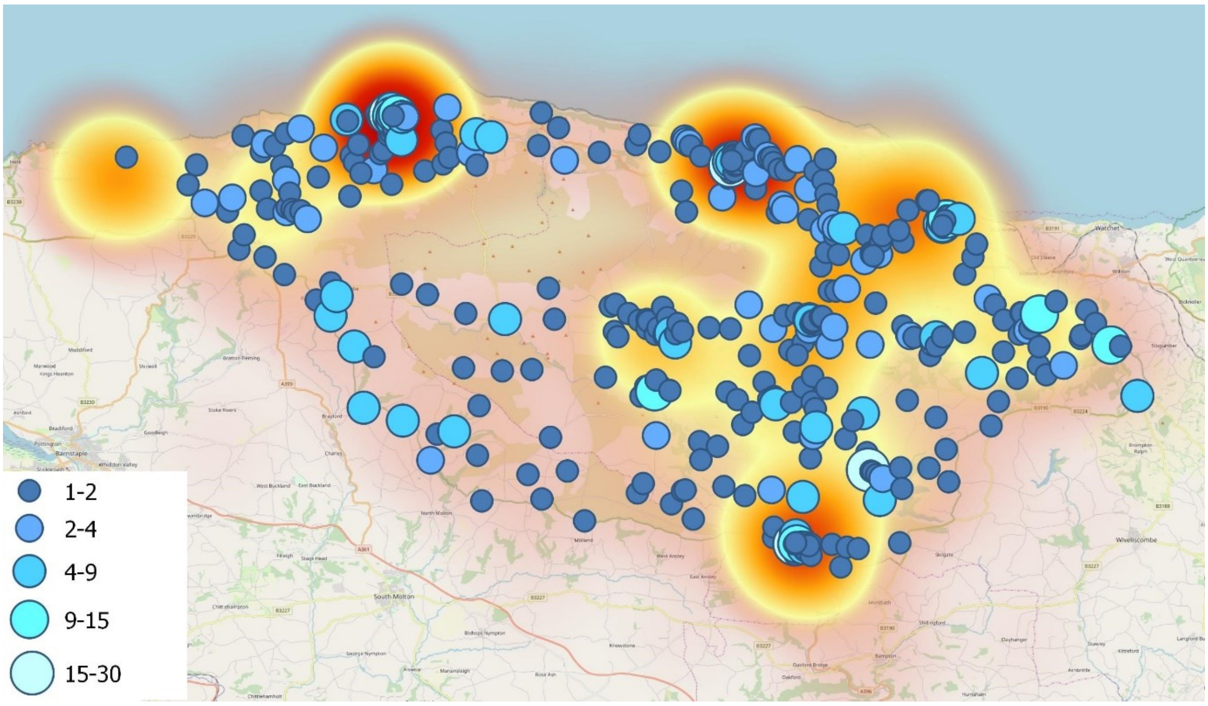
- **Business support**: What support did the businesses use? What were the challenges with accessing support? What support would they like if it was available?
- **Diversification of agriculture**: What are farming businesses doing to diversify? How do they see the future of the sector?
- **Planning**: How are businesses challenged by planning? Have they ever sought planning permission? Did the outcome directly affect their business? Do businesses feel the perception of planning is tougher in the National Park than elsewhere in the UK?
- **National Park designation**: What challenges do businesses face because of the designation of the National Park? What opportunities do businesses face because of the designation of the National Park?
- **Industry and market barriers**: Do businesses face any challenges in their industry or market? Does the National Park location help overcome any market challenges or worsen them? What are businesses doing to respond to the challenges of their sector or market?
- **Ambitions and lifestyle**: How would business owners define lifestyle businesses and commercially focused businesses? Can there be overlap between lifestyle and commercial businesses?
- **Supportiveness of National Park**: How supportive do businesses think ENPA is? Do they have any experience of this? Should ENPA be supportive of businesses? What could ENPA do to support businesses?

3 Audit Results

The business audit revealed 1,277 businesses operating from Exmoor, and the nearby area. This is almost 60% more businesses than found in the national databases and indicates that such databases may be underestimating businesses based in rural locations. However, this is not an exact science and there are potential data inaccuracies with how matching was carried out (based on company name) and the likelihood that the audit and survey work did not capture all businesses. Further fluctuation in the numbers of recorded businesses is possible.

When these businesses are mapped it clearly shows the geographical spread of businesses across the National Park area, but also the expected clustering around the rural centres and villages of Dulverton, Wheddon Cross, Exford, Dunster, Porlock, Lynton and Combe Martin (see figure 3.1 below).

<u>Figure 3.1: Map of Exmoor businesses by size</u>



4 Workshop Results

Rural Enterprise Exmoor (REE) held a business event and workshop session on the 24th of October 2019. Approximately 100 people attended from local businesses, organisations and public sector representatives. During the event guest speakers addressed the business representatives on opportunities and challenges for doing business on Exmoor, the purpose of the REE project and the objectives of the Heart of the South West Local Enterprise Partnership.

At the end of the session attendees were asked to contribute some initial thoughts on the opportunities, challenges and potential interventions for businesses on Exmoor. Given the numbers attending this was not a structured workshop and representatives were asked to write post-its for each theme.

To summarise the responses, the opportunities were frequently related to the place, environment and wellbeing benefits Exmoor offers. Within this though there was a recognition that the strength of community was a valuable asset with collaboration and mutual support a prominent facet within the Park's economy. There was also a perception that this operational model could extend to creating more of a circular economy linked to other interventions and facilitated by networking and establishing a business database.

There were also identified opportunities in relation to young people, their skills and connecting them to the local area through local schools. Interventions to retain young people were identified and transport and the housing offer was believed to be key to this.

The promotion of Exmoor as a brand more widely was viewed as a key opportunity to help the marketing of products to customers. Celebrating the strengths of the park and its businesses were considered key elements to support this approach.

Planning was widely mentioned as providing a challenge. Some businesses recognised the role planning could play in supporting them, but it was felt it needed to be simplified and less costly to applicants.

Transport was another key challenge, both in getting to Exmoor and moving around the National Park. Suggested interventions included introducing public transport to move visitors between walks and places of business as well as subsidised car hire or sharing schemes.

These findings provided an initial insight into themes that will continue to resonate through the survey outcomes and subsequent focus groups.

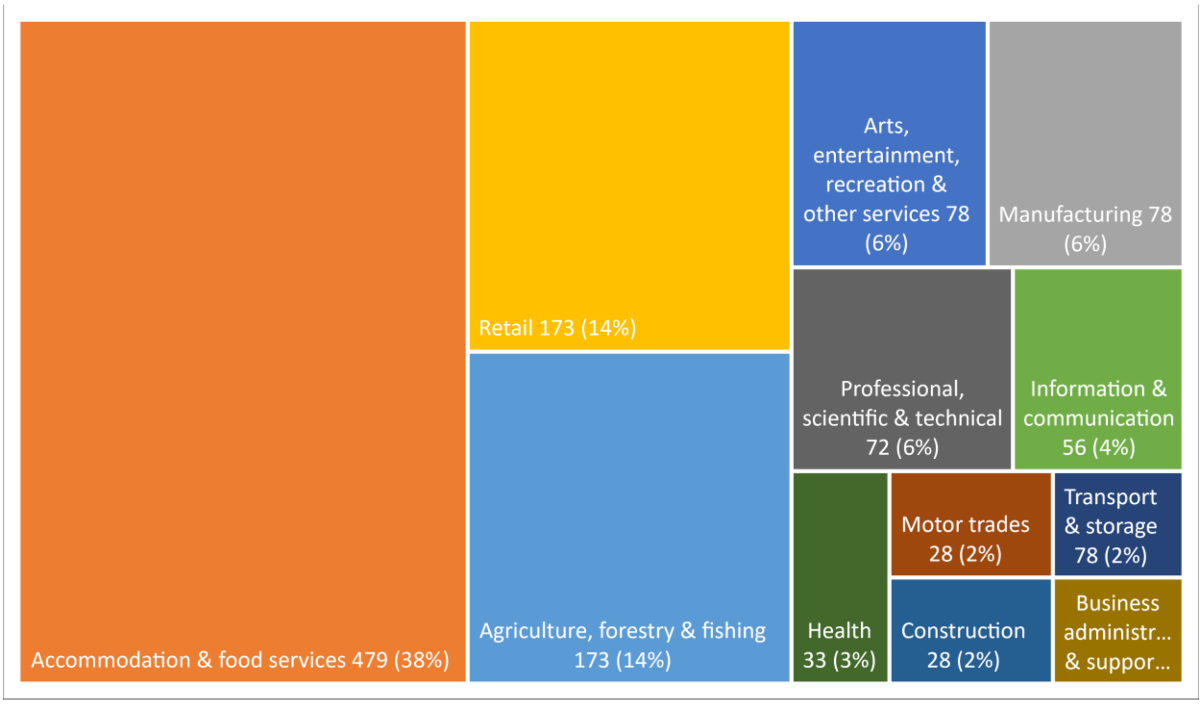
5 The Exmoor Economy

One objective of the research was to estimate the size and scale of the Exmoor economy, due to the inaccuracy of official figures. To do this, sector, turnover and employment data gathered from the survey were analysed and used in an economic modelling exercise. This exercise was underpinned by several assumptions and based on recognised approaches.

An approximation of the sector composition of the Exmoor geography was drawn from the sample in the survey. This assumes that businesses who responded to the survey were reflective of the population, though as the survey achieved a response rate of 24% of the business population, the results can be considered statistically significant to a 95% confidence interval with a 5% margin of error. For example, 86 out of the 229 survey responses came from businesses in the Accommodation and Food Services industry. This equates to 38% of responses and so this value is applied to the 1277 businesses found on Exmoor. It is thus estimated that 479 businesses in the Exmoor economy are in the Accommodation and Food Services industry.

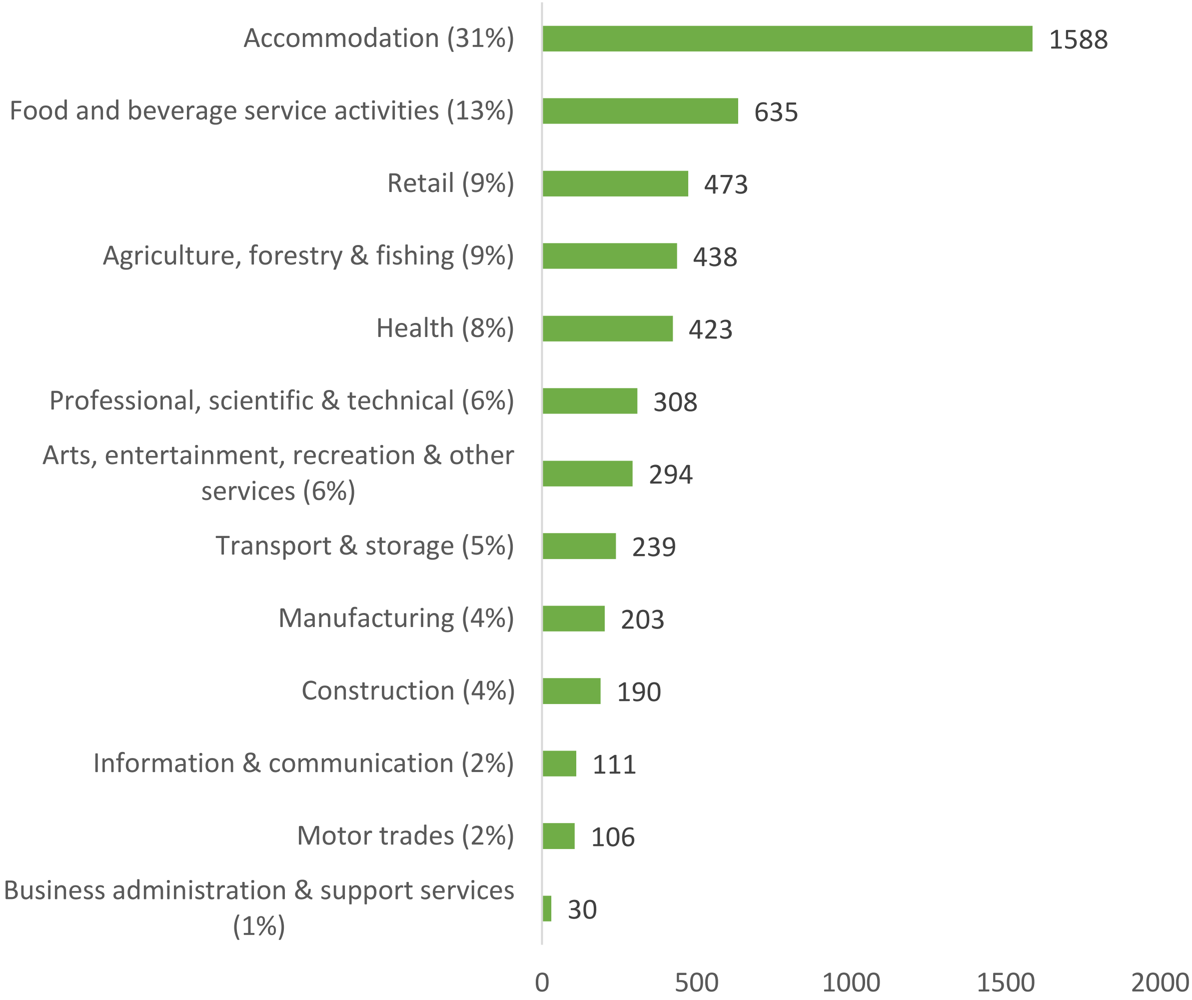
The resulting industry composition of Exmoor is shown in figure 5.1 and shows that the largest sector is Accommodation and Food Services, with Retail, and Agriculture, Forestry and Fishing making up other large portions.

Figure 5.1: The Exmoor Economy by Business Count



Estimated employment per sector has been similarly calculated by using the survey responses to provide an indication of the average employment per sector and then extrapolating out by the estimated total number of businesses in the population (as described above). The total estimated full-time equivalent employment across Exmoor National Park is 5,042. The largest sector by employment is Accommodation and Food Services with an estimated 2,223 jobs (44% of the economy).

Figure 5.2: Estimated Employment in Exmoor by Sector



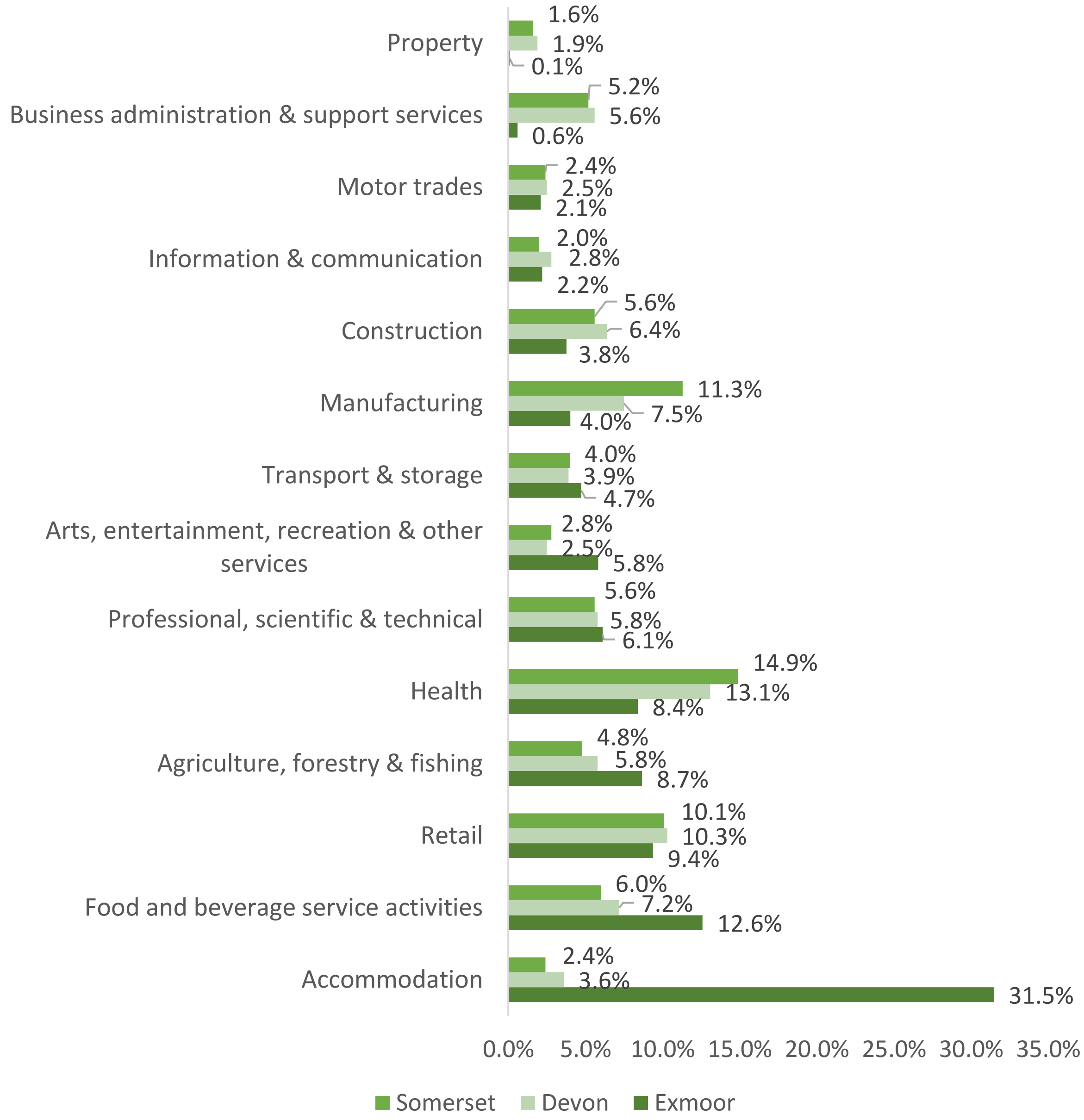
Latest ONS data estimates that there are 10,275 people living on Exmoor of which 5,486 are of working age (16-64).[2] This would suggest that Exmoor has the capacity to provide jobs for most of its residents with a job density of 0.91. This is higher than the UK average of 0.86 and the South West at 0.89, and similar to the rates in Somerset West & Taunton (0.93) though below that of North Devon (1.08). The ONS data also shows residents of Exmoor have an older average age with a median of 57.3 compared to 40 in England. There is a lower than average younger age population with only 10.7% between 16 and 30 years of age, compared to 18.9% in England, and a higher proportion of over 65s on Exmoor at 35.2% compared to 18.3% in England. This imbalance of the population is being continued as trends are for an increasing elderly population.

[2] Population estimates by output areas, electoral, health and other geographies, England and Wales: mid 2018, ONS, 2019

As suggested by the sector results, Exmoor has a far higher proportion of employment in the Accommodation sector than in other areas of the South West (figure 5.3). In Devon, employment in accommodation accounts for 3.6% of all employment and in Somerset it is 2.4%. Other sectors are also proportionally much higher on Exmoor including Food and beverage service activities, Agriculture, forestry and fishing and Arts, entertainment, recreation & other services.

Sectors in Exmoor which are from a lower proportion of total employment are Business administration and support services, likely because of the smaller opportunities for business to business services in the National Park, and Health, and Manufacturing.

<u>Figure 5.3: Employment by Sector in Exmoor compared to Devon and Somerset</u>



Estimated Gross Value Added[3] was calculated by approximating the turnover of each surveyed business using the midpoints from each banding for the latest financial year. These midpoints were then multiplied by a GVA ratio specific to each sector using ONS recognised practice.[4] Following on from being the largest sector by employment and business numbers, Accommodation had the highest estimated GVA (£34.7 million).

Total GVA for the Exmoor economy is estimated to be almost £113m, providing a comparable figure to those estimated in other studies[5]. GVA per capita amounts to £10,997 in Exmoor. For comparison the GVA per capita in Somerset is £20,663 and £22,286 in Devon, while areas with similar deeply rural classifications[6] such as Copeland (£24,210) and even Northumberland (£15,563) are greater than Exmoor.[7] Taking the GVA estimates for other deeply rural National Parks presented in the wider literature would suggest that GVA per capita in Exmoor is similar in Northumberland National Park (£10,282) but lower than North York Moors National Park (£13,603) and the Lake District National Park (£22,146). The GVA per capita in the UK is £28,728. It is suggested that the differential between the comparators and Exmoor is reflective of the older average age, higher number of self-employed individuals and the sectoral profile of the local economy.

[3] Gross Value Added is a summary of the economic output of a given area expressed as a financial figure. It refers to all goods or services produced in an economy, sector or organisation that are in addition to the component and contributory parts that have already been produced elsewhere in the supply chain.

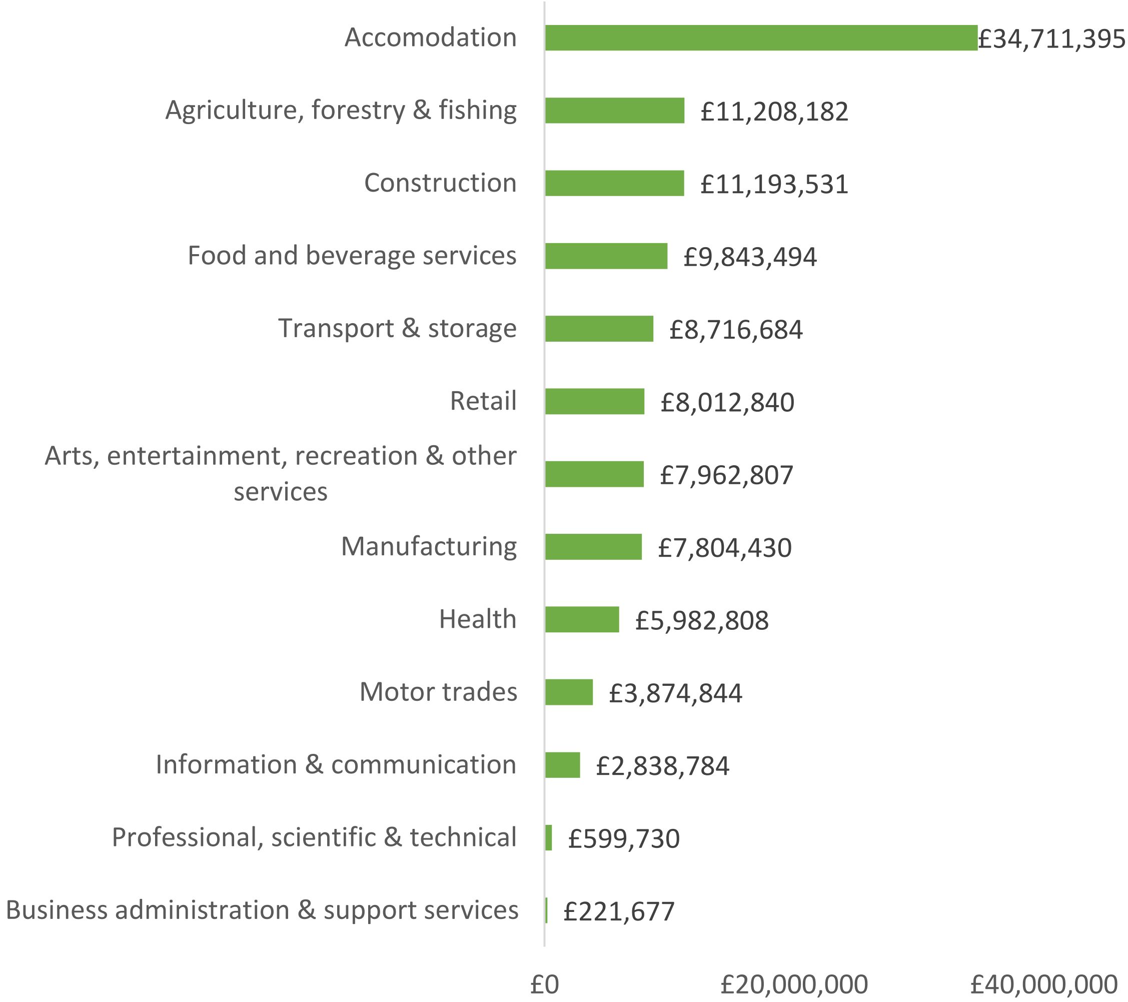
[4] Calculations made using the Turnover GVA Tables for the South West, Annual Business Survey, ONS, 2018

[5] Gross Value Added of England's National Parks – Update, Cumulus Consultants, 2017

[6] Using Rural-Urban Classification map presented in Statistical Digest of Rural England, DEFRA, 2018

[7] Balanced Gross Value Added, ONS, 2019

Figure 5.4: Estimated GVA in Exmoor by Sector

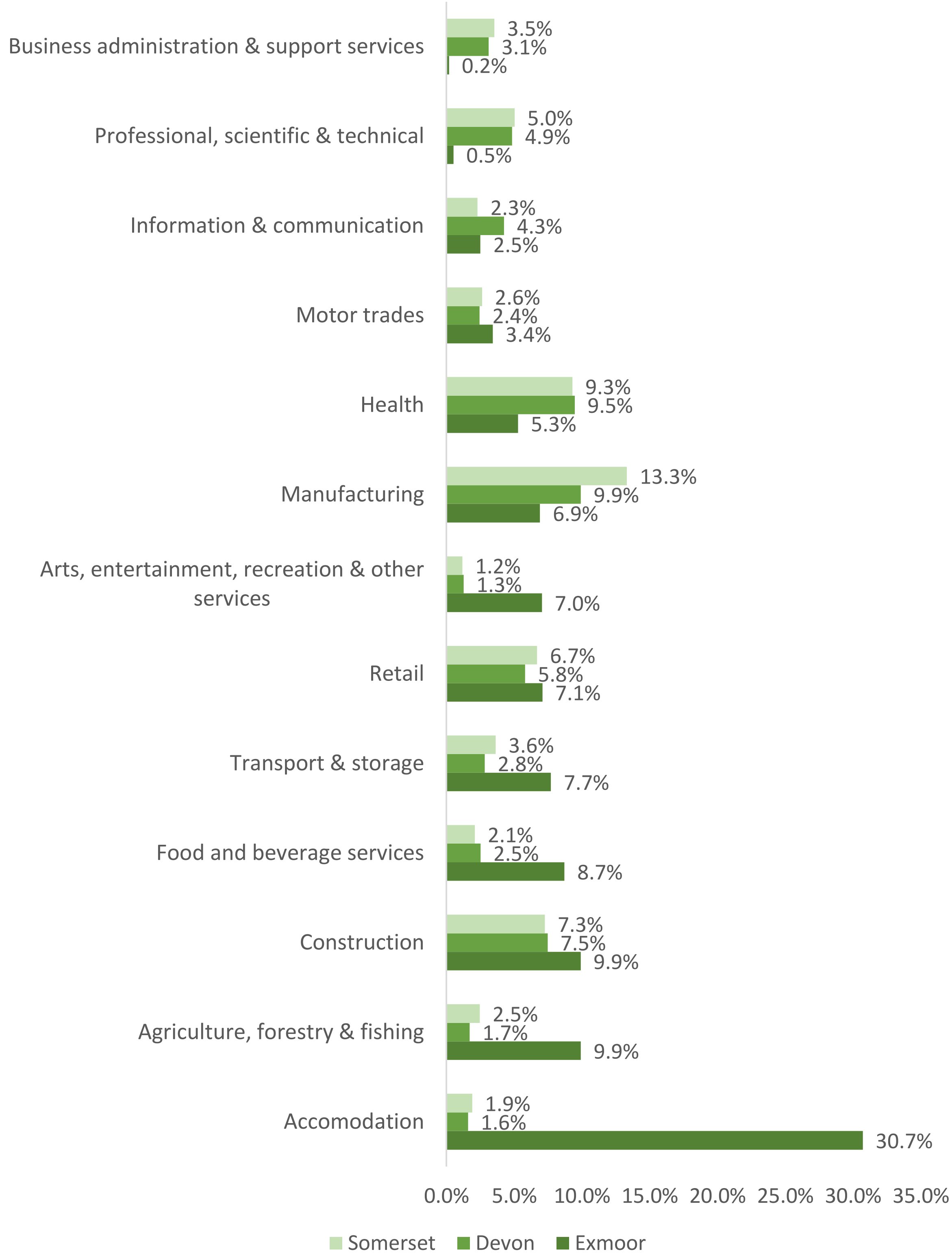


Comparing the proportions of GVA for each sector with other geographies can provide an indicator of the respective importance of different sectors in the local economy. These figures show that Accommodation is not only by far the largest sector by GVA on Exmoor it is also markedly different to the comparators of Devon, Somerset and the South West region (see figure 5.5). There are other comparisons which show the relative positioning of the Exmoor economy including higher proportions of Arts, entertainment, recreation and other services which comprises 7% of output compared to 1.2% in the South West.

Other sectors which are considered more productive such as Professional, scientific and technical and Business administration and support services are also lower than the comparison locations. While comprising 2.5% of all output, Information & communication is similar to the South West level of 2.3%. Lower levels of Health output reflect the lack of urban centres and population size in Exmoor with healthcare related facilities generally being based in towns and cities.

Where Exmoor has higher proportions of GVA output compared to Devon, Somerset and the South West, these are in sectors more typical of rural geographies, such as Construction and Agriculture.

Figure 5.5: GVA by Sector Exmoor compared to Devon and Somerset



There is a large proportion (39.4%) of Accommodation and Food service businesses on Exmoor catering to the tourism market; together, it accounts for the highest proportion of businesses, is the largest estimated employer and has the highest estimated GVA. Typically, however, such an industry does not promote productivity, with the majority of jobs considered lower skilled. Thus, productivity may be low in Exmoor as these businesses represent a large portion of the economy. The next two largest sectors are Retail and Agriculture, Forestry & Fishing (both 13%). Similarly, Retail typically uses lower skilled staff, again with low productivity. As all three of these industries are not usually correlated with highly skilled staff it can be suggested that the skill level of approximately 2,977 of the 4,715 estimated employed are likely to be low or underemployed.

GVA per job provides an indication of the productivity of an area (though not as robustly as GVA per hour) which can be benchmarked against other locations. The GVA per FTE job on Exmoor is £22,406. This is below the regional level of £46,888 for the South West and that of Devon at £41,654 and Somerset at £43,227.[8] GVA per FTE job in Exmoor is also below deeply rural areas such as Northumberland (£38,945) and Copeland (£43,578). This comparatively low GVA per job estimate may be reflective of the sectoral composition of Exmoor; the higher number of lower value and lower skilled industries compared to the region and the UK. It may also reflect some of the challenges of doing business on Exmoor or the lifestyle element which will be explored in Section 6.2.

[8] GVA per filled job, ONS, 2018

6 Survey Results

After cleaning the data from the 250 respondents to the long survey (removing duplicates), 236 businesses based within the National Park area remained for analysis. A further 65 businesses responded to the short survey, taking the total to 301 and making it the largest known business survey completed on Exmoor, achieving a response rate of 24% of the identified business population.

The survey had been purposefully open in its target audience, advertising itself to anyone who considered what they did to be a business endeavour of some kind and operated on or served Exmoor National Park. Consequently, when the results were gathered there were 72 respondents who were in postcode locations based outside of the National Park area. Of these 72 businesses there were 58 whose activity related directly to the National Park, such as accommodation providers, but who were based outside of the National Park boundary.

Therefore 287 businesses remained in the study of which 228 completed the long survey.

6.1 Firmographics

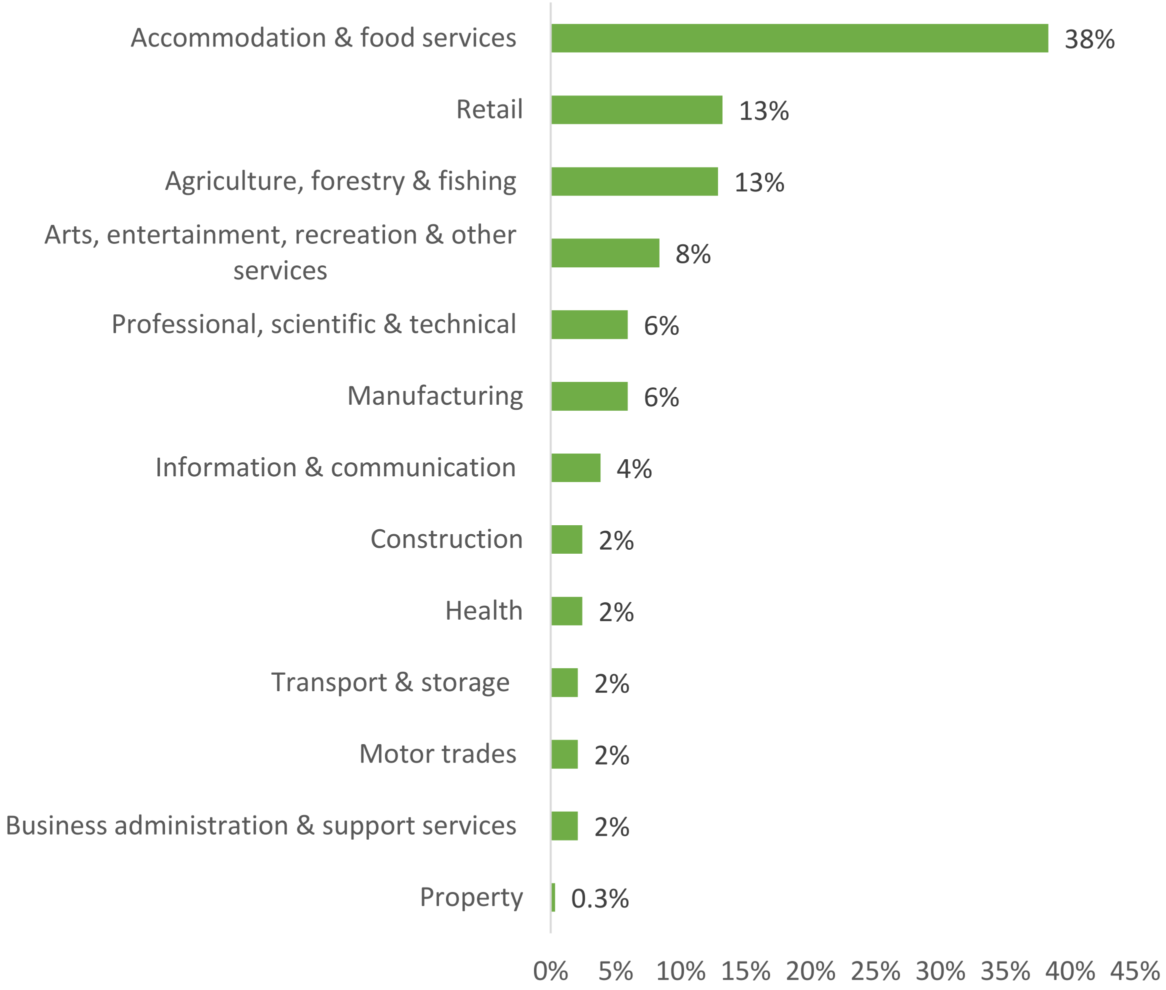
The respondent businesses were fairly evenly spread across the National Park area and represented a range of sectors. Tourism related businesses[9] comprised a large proportion of the respondents at 48%, but this is reflective of the sectors in the National Park itself. Consideration of the effect this has on results should be given, however, and where useful, the results break out those businesses which are in the tourism sector from the other respondent businesses.

6.1.1 Sectors

Accommodation and food services were the most common broad sectoral category amongst respondents (representing 38%). Broken down further, the most common sector in Exmoor is accommodation, accounting for 28% of businesses. Retail accounted for a further 13% of businesses, followed by both Agriculture and Food services accounting for 11%.

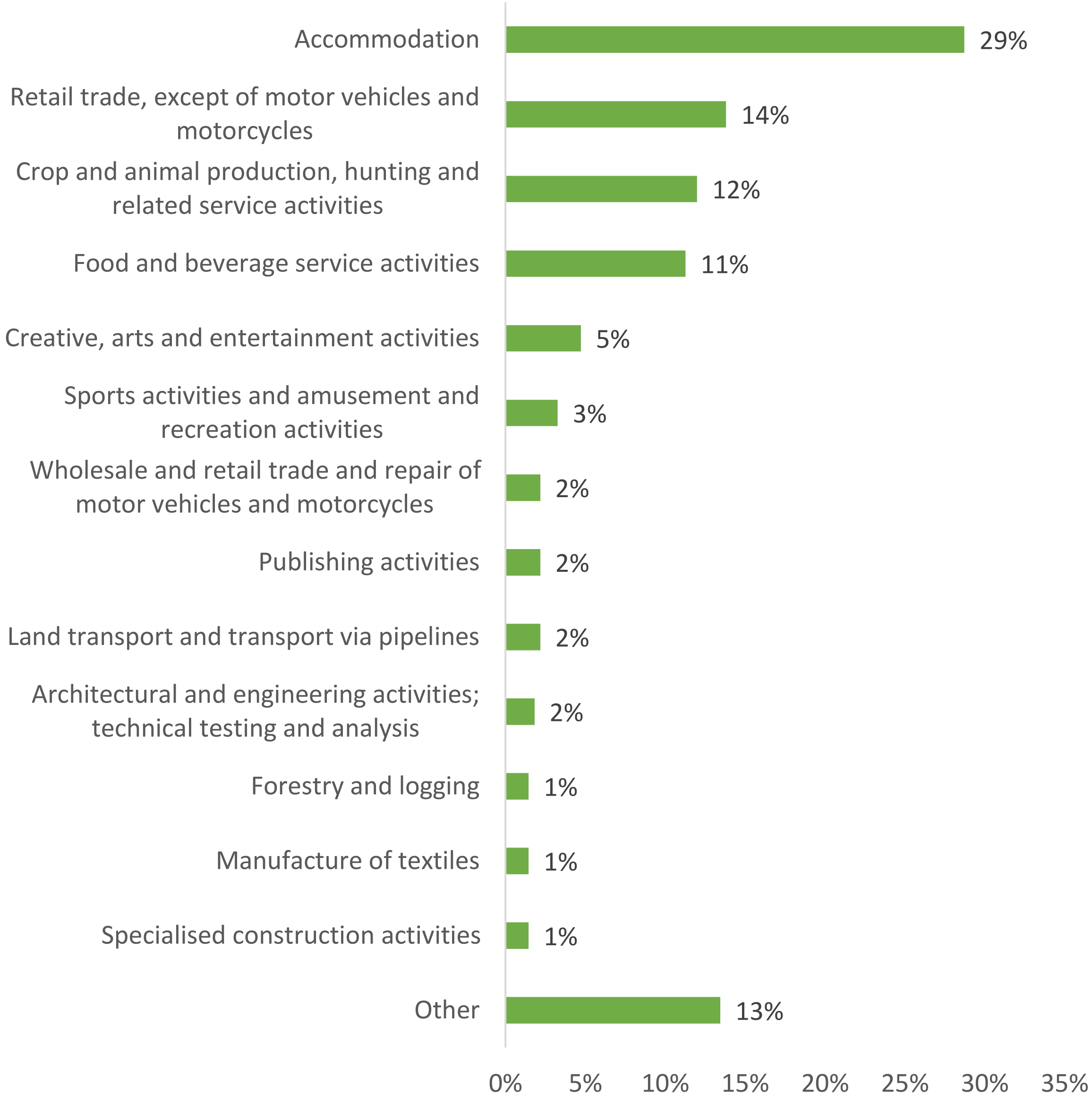
[9] This was defined as all businesses within the Accommodation & Food SIC code, and those within Retail and Arts, Entertainment and Recreation SIC codes that were related to tourism activities such as outdoor adventure organisations and shops that were selling curios and products not for local consumption (removing those such as convenience stores and post offices)

Figure 6.1: Sector of respondent businesses by Broad Industrial Category (BIG)



n=287

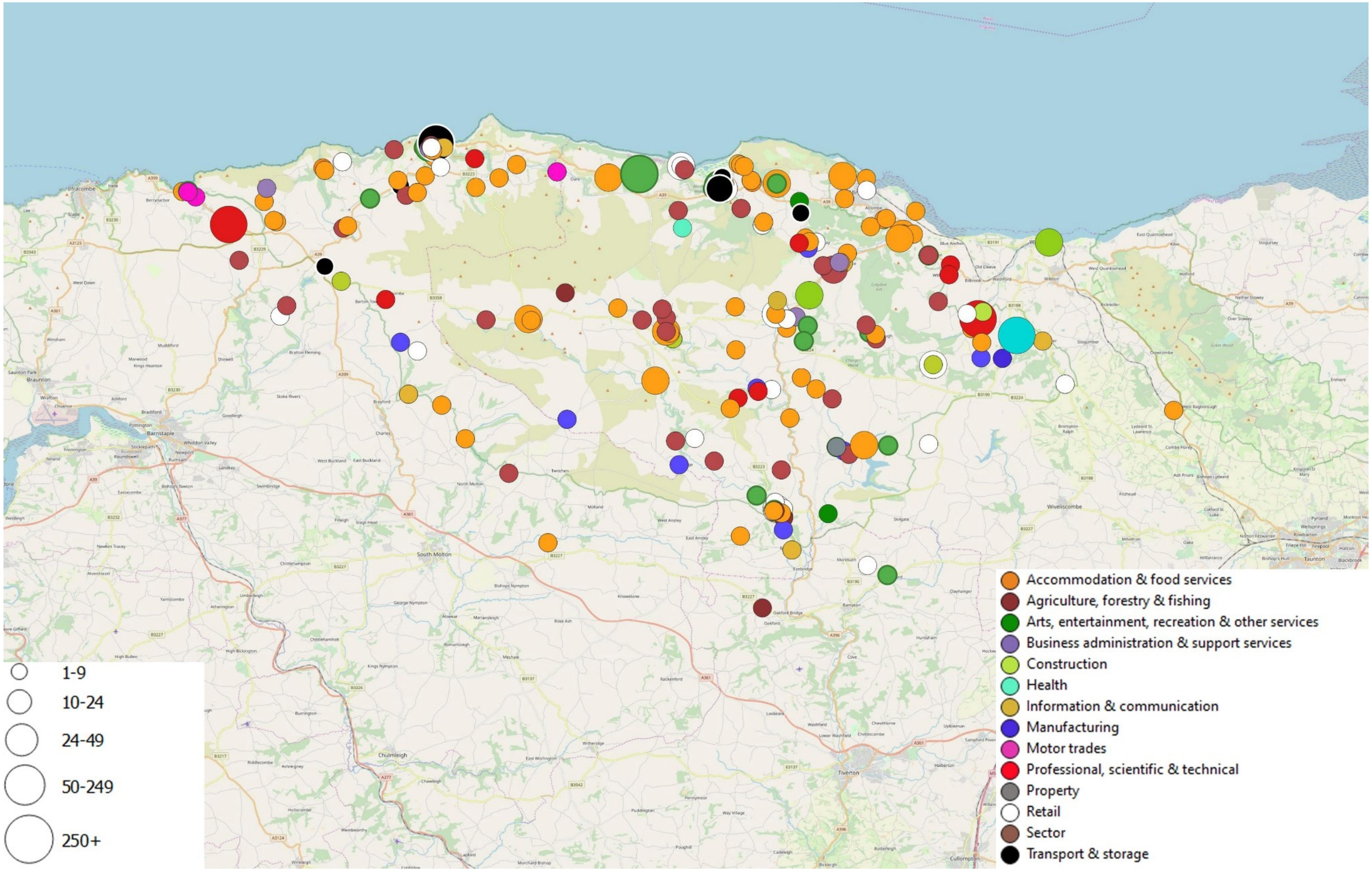
Figure 6.2: Sector of respondent businesses by 2 Digit SIC



n=287

The map below (figure 6.3) shows the geographical spread of business respondents by their industry sector across the National Park on the basis of their postcode. The size (in employment) of respondent businesses determines the size of the dots, with large businesses identified in the Health; Transport & Storage; Arts, entertainment, recreation & other services; and Professional, scientific & technical sectors.

Figure 6.3: Sector of respondent businesses by Broad Industrial Group and employment size

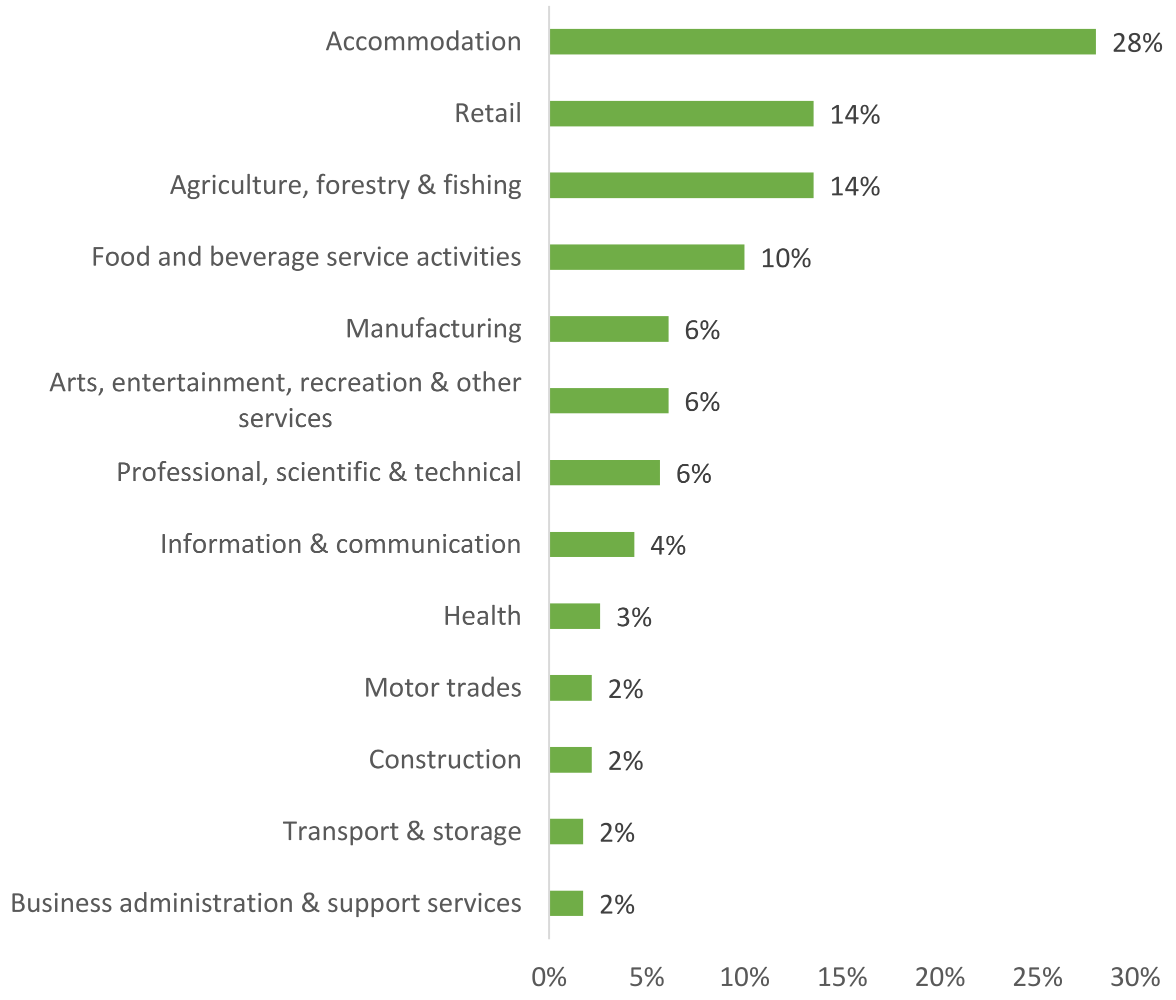


Though the majority of companies were traditional profit seeking organisations, some 3% of respondents were classified as charities, and 2% were social enterprises. Thirty per cent of the businesses were Limited Companies and 1% had been incorporated.

6.1.2 Employment

The mean average number of paid workers among respondents was 3.8 Full Time Equivalents (FTE) per business and modal average 2 FTEs. In addition to the 1,112 FTE workers accounted for by the respondent businesses, 265 people were given as unpaid workers not considered as employees. This reflects the types of business sectors, such as Agriculture and Accommodation, which often draw on family members to support with business activities.

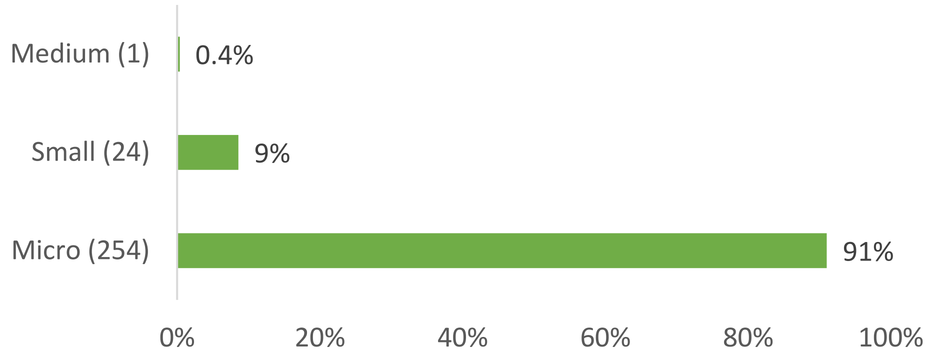
Figure 6.4: Proportion of Employment by Sector



n=279

The vast majority of the respondent businesses employ less than 10 people (micro) while a minority (9%) are small in size and employ between 10 and 49 people. Only one respondent employed over 50 people (medium sized enterprise). The large number of micro businesses on Exmoor is likely to reflect a number of factors, including the rurality of the area, and an older population (who with more experience tend towards self-employment).

Figure 6.5: Size of respondent businesses



n=279

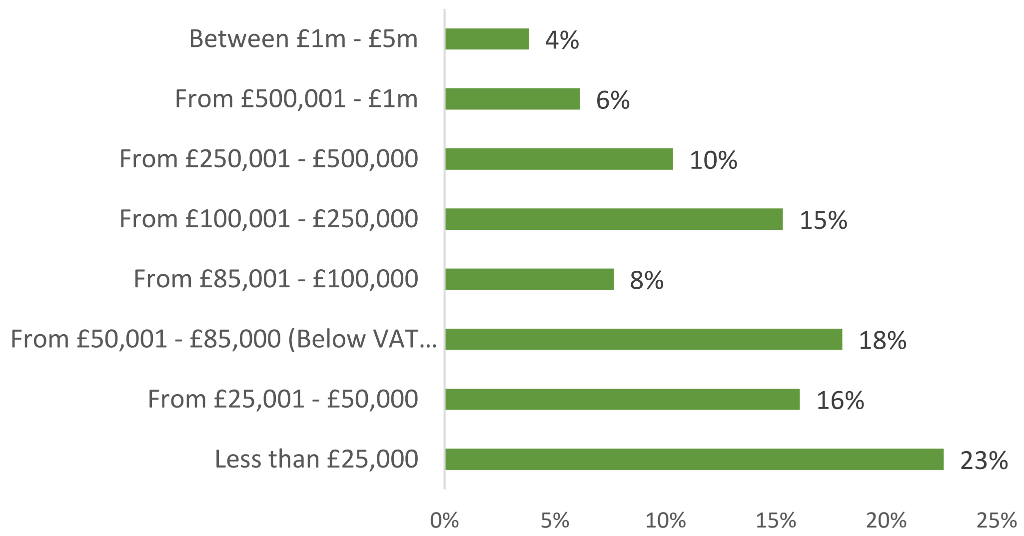
Self-employment accounts for over one-quarter (26.8%) of the respondent businesses, significantly higher than the 15.7% in Devon or 11.7% in Somerset.[10] In the South West, the rate of self-employment is 12.7% and in the UK it is 10.8%.

6.1.3 Turnover

Over half of respondent businesses had a turnover below the VAT threshold of £85,000. Only a small proportion of businesses (3%) have a turnover in excess of £1m.

Compared to the average levels of turnover in the South West and counties of Devon and Somerset, the turnover levels in Exmoor are lower. Figure 6.6 shows that 64% of businesses on Exmoor have a turnover below £100,000 compared to 39% in the South West and 41% in Devon and Somerset. This may reflect the ability of businesses to achieve scale or volume which could be due to a number of factors such as operating seasons, potential customers and the ambition of business owners.

Figure 6.6: Average turnover among Exmoor businesses



n=286

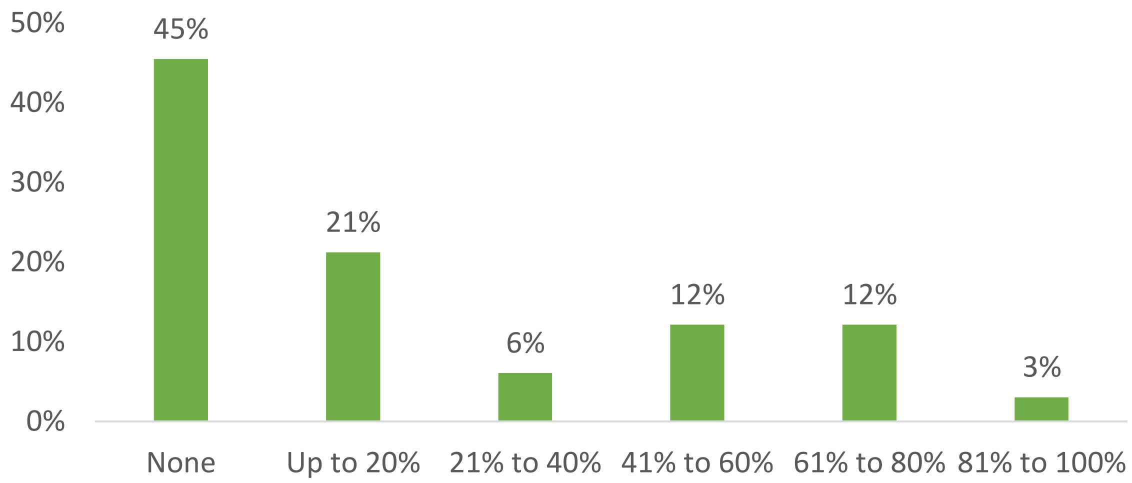
[10] Labour Force Survey, ONS, 2019

Agricultural diversification

While many farms (45%) had not diversified, around one-fifth (21%) reported that up to 20% of their turnover was from diversification. These results are consistent with other literature despite the small sample size in this study.[11] Around 15% of farms had shifted so over 60% of their income now comes through diversified activities. The types of diversification were not directly addressed in the survey, though some of the other responses elude to examples such as direct sale of produce and landscaping services with the anecdotal most frequent response being holiday lets and cottages.

These results in (figure 6.7) must be treated with some caution however, as they are based on a small sample size of 33 respondents reporting themselves to be in the agriculture sector, reducing the extent these results can be generalised.

Figure 6.7: What proportion of agricultural business's turnover comes from diversification?



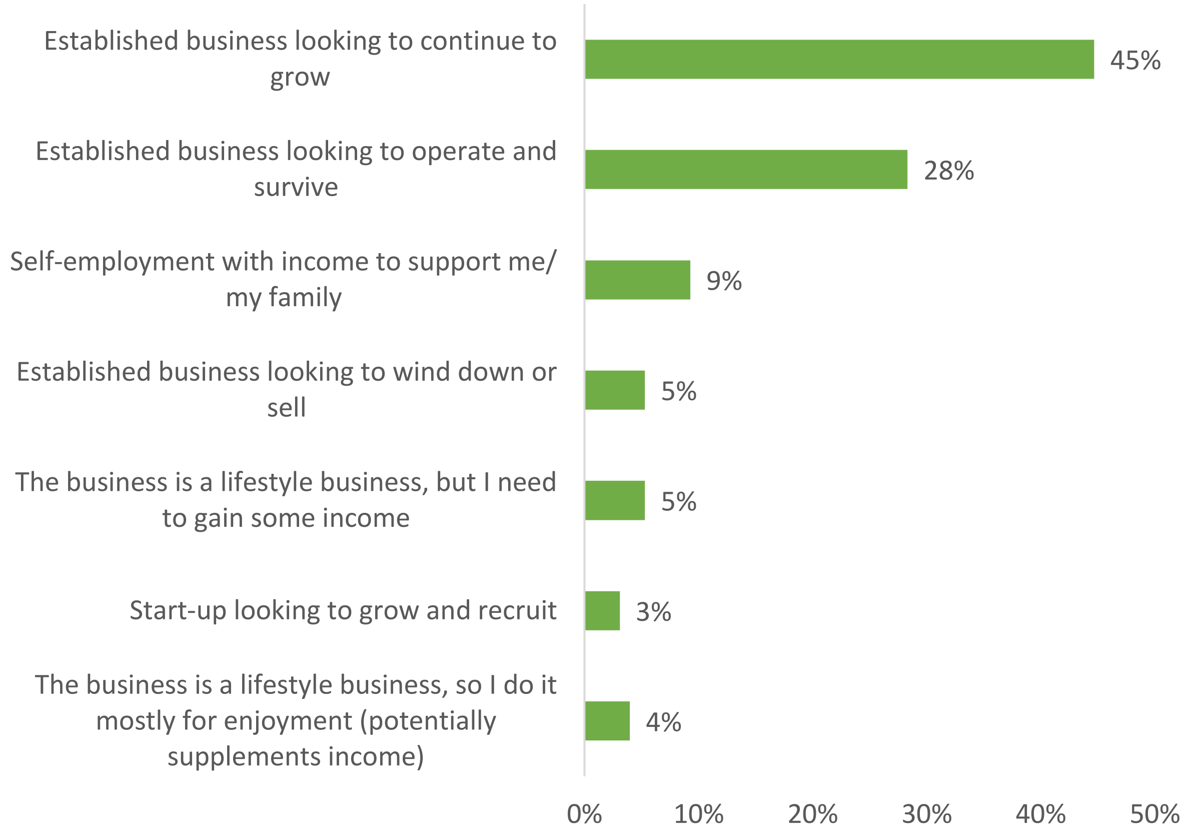
n=33

[11] The State of Farming in Exmoor 2015, Countryside and Community Research Institute

6.2 Business type

The majority of businesses (73%) operating on Exmoor are established and looking to survive or grow. A small number of businesses are start-ups (3%) and 9% are some form of lifestyle business, either for enjoyment or for a supplementary income.

Figure 6.8: What type of businesses exist on Exmoor?



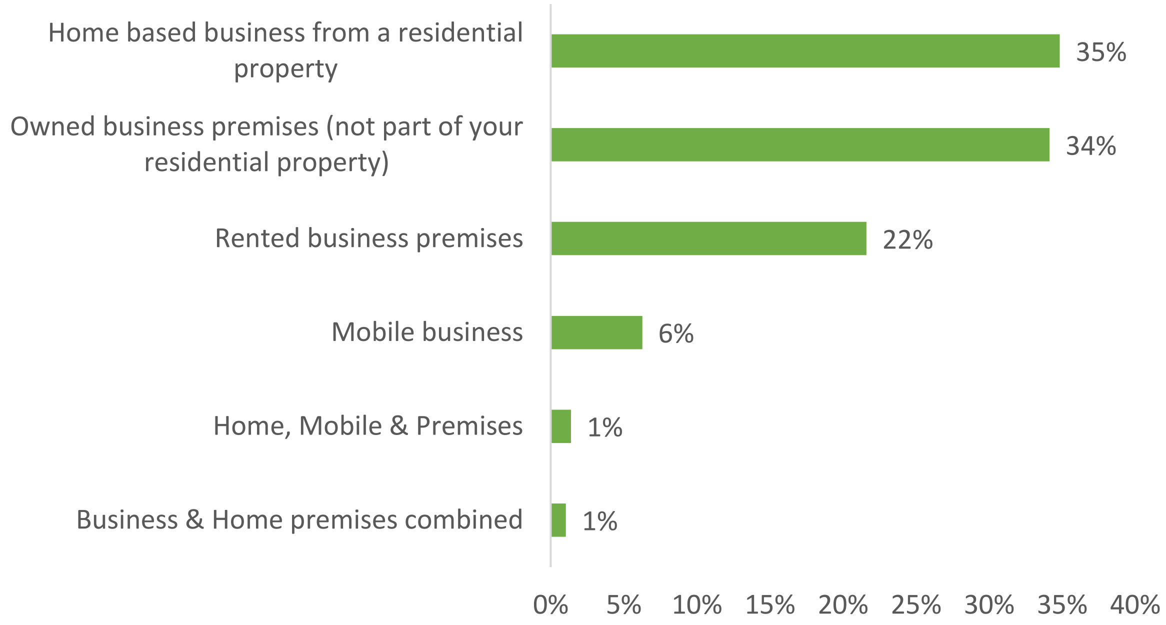
n=226

These responses to the survey raised several further questions about what it meant to be a lifestyle business. This topic was consequently discussed at the focus group sessions where the panel of businesses were asked how they would characterise themselves, and if lifestyle played a part in their business. For many present, their business was a commercial endeavour that they wanted to see grow and succeed but it supported a lifestyle they sought, living on Exmoor. Some were downsizing from life elsewhere in the country, but work was important so considered some continuation of a job or company to be part of their lifestyle. It was also suggested that some businesses were a way of life, such as hill farming. For others they really had developed a hobby into a business. It is clear therefore that though many businesses on Exmoor consider themselves to be commercially focused, lifestyle as a term is subjective and has a broad interpretation, so motivations for many businesses were combined with a lifestyle element.

6.3 Business premises

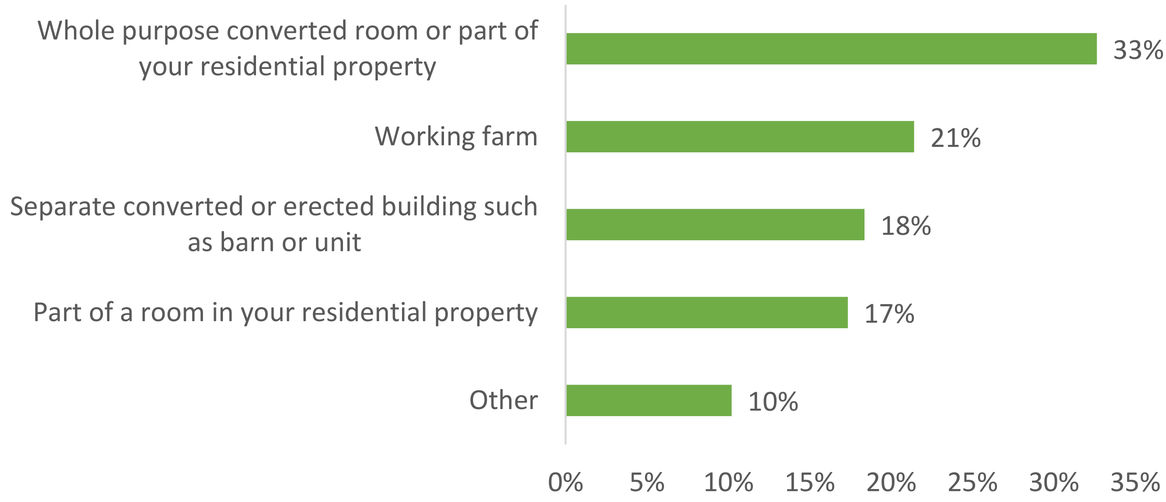
Across respondents, 56% reported the business was based in its own premises, either rented or owned. A further 35% were based in a residential property, one-third of which were in a converted room of the house (home office) and 18% were in a separate converted building.

Figure 6.9: Business premises in Exmoor National Park



n=287

Figure 6.10: Home based business premises in Exmoor National Park



n=98

A high proportion of accommodation businesses (40%) operate from home, reflecting the number of hotels, bed and breakfast establishments and campsites. Ninety per cent of food and beverage service businesses are based from owned or rented accommodation while half of sports sector firms are home based.

6.3.1 Planning

Forty per cent of businesses reported that they face no business restrictions in their premises as shown in figure 6.11. The most common restriction reported was planning permission, at 26%. Several businesses referred to a lack of flexibility in planning processes and others made comments that they had been unable to extend their premises as a result of planning. These quotes illustrate some of the points.

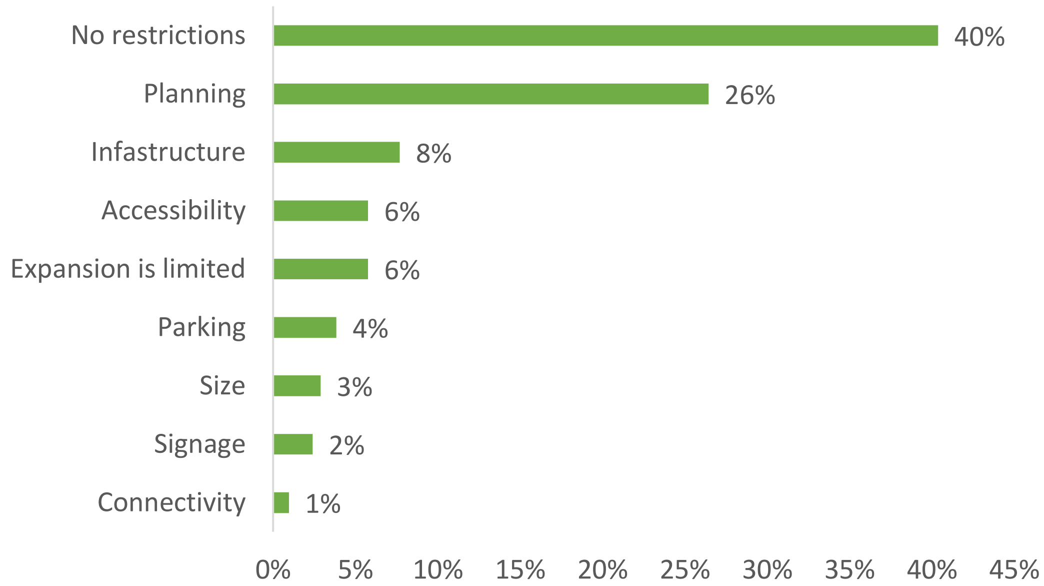
> *'Planning is more restrictive. Can't readily extend the size of buildings or build another house to rent.'*

> *'As our site is on top of a hill overlooking a valley the National Park planning restrictions make it very difficult to improve our facilities or expand. We feel that the restrictions reduce our options as our plans are in keeping and in harmony with the natural environment, but the National Park stops us from developing the business.'*

This second point raises the challenge of planning within the National Park and non-designated areas, as prominent buildings on hilltops outside of a National Park setting may still face restrictions in planning. The difficulty in drawing out planning challenges as a consequence of the National Park designation is thereby made more difficult and potentially perceptive.

Businesses in the Agriculture, forestry and fishing sector most commonly referred to restrictive planning as being an issue with almost a quarter (24%) identifying it as a barrier. A small number reported other issues such as parking, size and potential for expansion.

Figure 6.11: What restrictions in premises do Exmoor businesses face?



The planning theme was discussed further at the focus group sessions. This revealed that though there were some examples where planning had been rejected, for many they had not actually sought planning permission. This tended to confirm that planning difficulties may be a perceived, rather than an actual, barrier.

One survey response echoed this lack of dialogue, saying:

> *'Planning regulations [are a restriction] - we want to put Shepherds Huts on our land, but this is unlikely to be allowed.'*

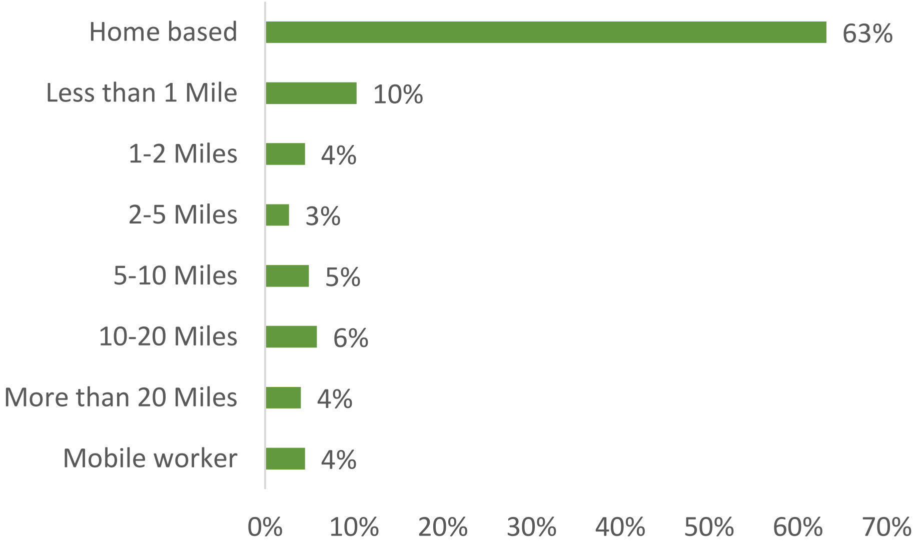
Of those businesses who had applied for planning permission as part of their residential or business property, there were some who had sought advice and guidance, often with successful outcomes. Those who had planning permission rejected were often not aware that the National Park Authority provided pre-planning advice. Others reported to be put off by the length of time planning and appeals could take, and from their own research were unsure whether their proposal would be suitable or not.

This feedback indicated that communication and information issues was potentially responsible for much of the misperception. It was suggested by attending businesses that more available information on the evolution of planning policy and broadcasting of approaches to planning and successful projects may be useful. A closer relationship between the National Park planning officers and the Exmoor community was identified as one means that might help to overcome this.

6.4 Distance travelled to work

Owing to the largest proportion of businesses having their premises at home, nearly two-thirds (63%) of respondents do not travel to work. Around one-fifth (17%) travel 5 miles or less, with 15% travelling more than 5 miles. Mobile workers account for 4% of the businesses on Exmoor.

Figure 6.12: How far do people travel to their place of work?

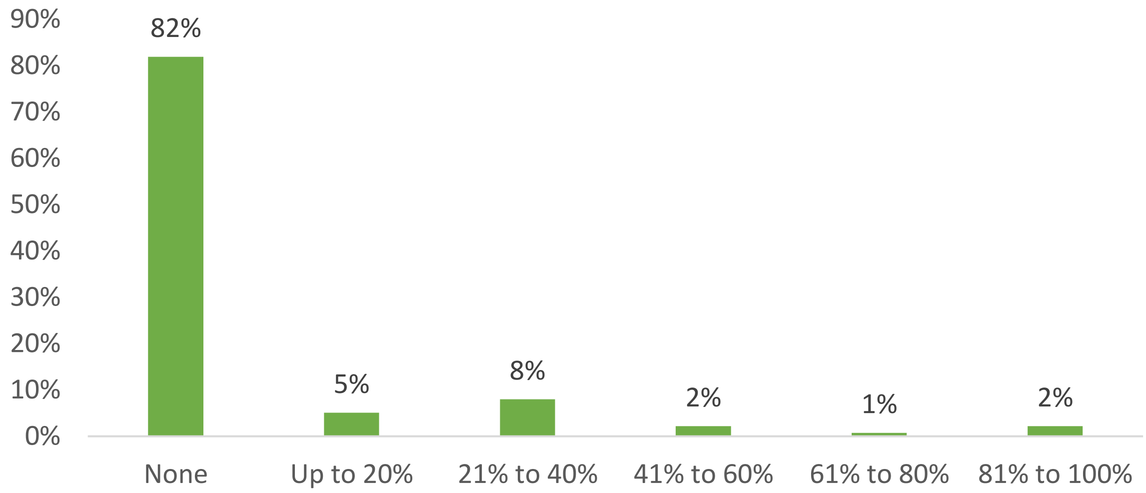


n=223

Poor transport connectivity was reported as a constraint for the majority (61%) of the respondent businesses. Cross tabulating the results with the distances travelled to place of work shows there is no correlation; as many respondents who were home workers identified it as a challenge as did those who travelled over 20 miles. This suggests that the poor transport connectivity issues are related to customers and general societal challenges for the National Park, rather than specifics of business owners commute.

When asked how many members of staff employed by the respondent businesses commuted into Exmoor National Park from outside, 82% said none. Fifteen per cent said up to 60% of their staff commuted into the National Park, and only four businesses (3%) said that over 60% of their staff commuted into the National Park.

Figure 6.13: Employees who commute into Exmoor National Park from outside for work

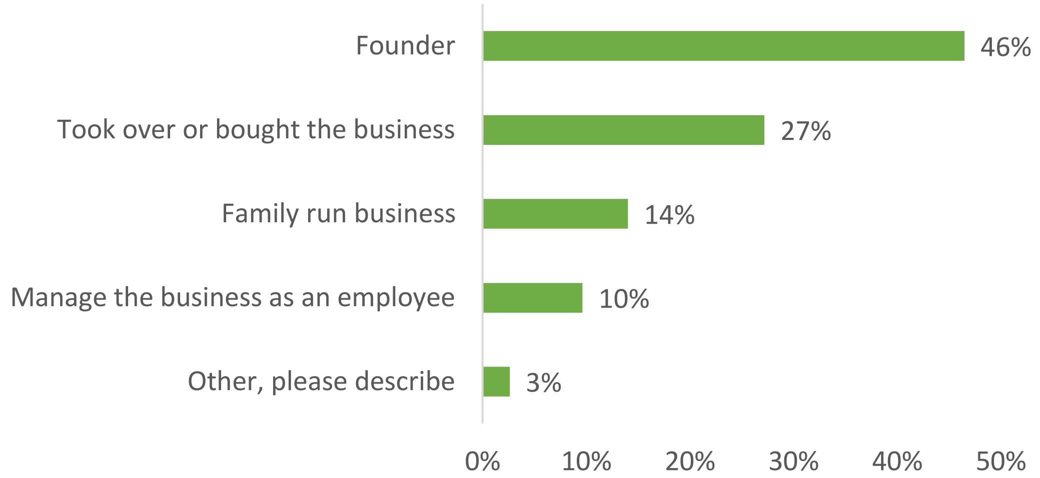


n=138

6.5 Recruitment & Skills

Nearly half of respondents (46%) had founded the business themselves, though a large portion had taken over the business (27%). There were few businesses that were run by employed managers. Some of those that selected 'Other' were tenants or volunteers.

Figure 6.14: How do managers come to be involved in their business?



n=228

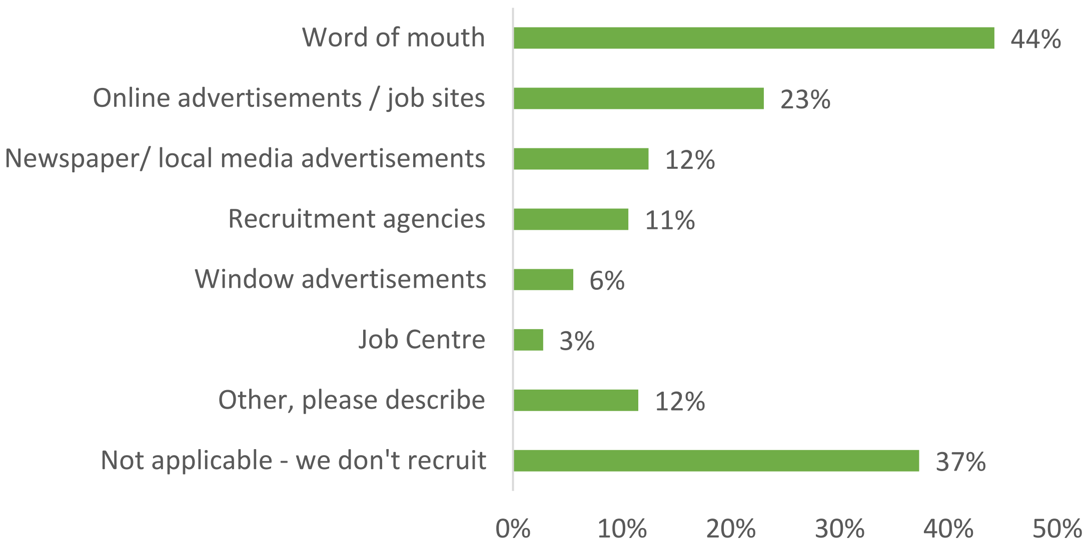
The high proportion of founders is likely a product of the number of self-employed people operating from Exmoor (26.8%) and may reflect the number of people moving to the National Park to start businesses as they get older or relocating their business when they move.

Of the family run businesses, 31% are in Agriculture, with the remainder shared across other sectors present in the National Park.

6.5.1 Recruitment and apprentices

Where businesses do have employees, the most cited method for recruitment was word of mouth (44%). Under a quarter (23%) use jobs sites and online advertisements.

Figure 6.15: How do Exmoor businesses recruit?



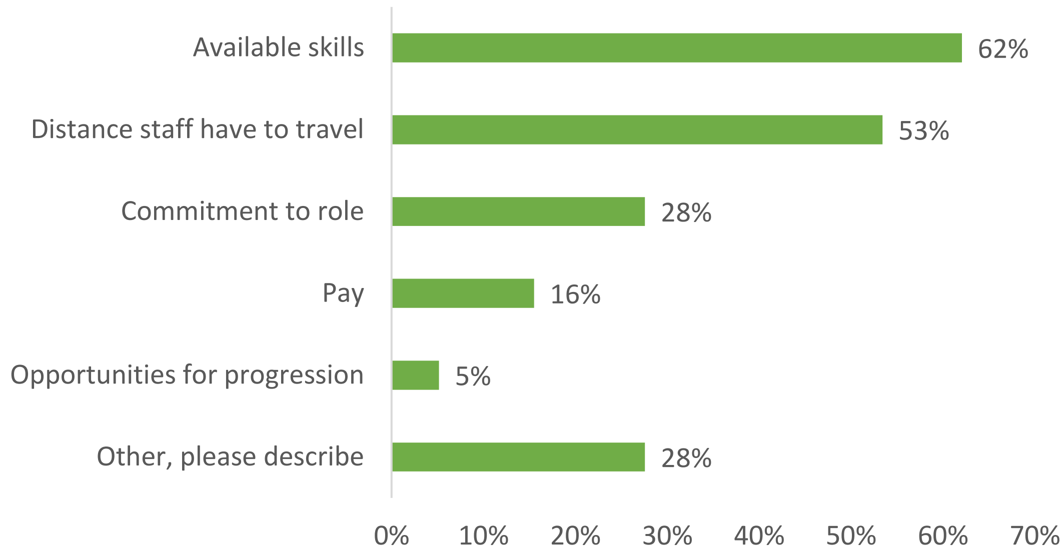
n=217

Over a quarter of businesses in the survey (26%) highlighted 'Availability of labour' as being a barrier to doing business within Exmoor National Park. Availability of labour was more commonly highlighted as a barrier for Small and Medium sized businesses as opposed to Micro's that employed less than 10 people. Businesses that categorised themselves as 'Established and looking to continue to grow' more commonly referred to availability of labour as being an issue with almost 40% of these businesses suggesting this was a barrier.

Sixteen per cent of respondents said they were looking to recruit in the next 12 months and a further 21% said they were considering recruiting. Of these businesses, 64% were looking to recruit someone part-time, while 23% were looking to employ between 1 and 2 people. A small minority (3%) were looking to recruit more than 5 employees.

However, just under half (45%) of the respondents had stated that they faced difficulties when trying to recruit in the last 12 months. Of these businesses, availability of skills was most frequently cited as a barrier to recruitment (62%), closely followed by distance staff have to travel (53%) which is consistent with other findings relating to transport barriers within Exmoor. For nearly half of those that selected 'Other' reasons a lack of people looking for work was described. Several also mentioned the need to provide accommodation to staff which was difficult and stemmed from transport obstacles with a lack of access to a vehicle among young people and limited public transport.

Figure 6.16: What difficulties do Exmoor businesses face in recruitment?



n=58

There were 650 apprenticeship starts in 2019/20 in West Somerset and Taunton and 360 in North Devon (0.7% and 0.6% of the working age population respectively). This is in line with the Devon and Somerset proportions (0.7% each). In the survey, businesses were asked if they had ever considered taking on an apprentice. Thirty-six per cent of respondents said they had, and this represented a range of the sectors surveyed. The remaining 64% said they had not considered an apprentice and in the majority of cases (85%) it was because they were not considered relevant or were not necessary. For 5% of the businesses however, they felt they did not know enough about the apprenticeship offer.

During the focus groups the inability to recruit young people was raised as a challenge for some of the organisations. It was remarked that they were priced out of housing in the area with low prospective earnings, few career opportunities and many had relocated away for education and cultural reasons anyway. This is borne out by the population statistics showing 10.7% of Exmoor National Park residents are between the ages of 16 and 30, compared to 18.9% in England, highlighted in Chapter 5 above. For those that did remain, or had relocated back to the park, transport challenges were then a major obstacle to seeking a job in Exmoor. It was suggested that a ridesharing app could be developed, or a better method of connecting people so they could move around more efficiently rather than making independent journeys between locations, leading to potential environmental benefits.

6.5.2 Training and childcare

When asked about employment support, 91% of respondents said they did have access to the training they need for themselves or their staff. However, over one-third (35%) of respondents stated that they did not have access to the childcare they needed in their area, with many of these reporting it was due to limited availability. Given the lower proportions of young people living on Exmoor, this may be a particularly acute issue. A lack of available childcare provision may be a barrier to young adults and families in employment or running a business and may dissuade such individuals from starting businesses within the Exmoor area.

The nature of dispersed rural communities makes provision of childcare difficult though, especially where the population has an older average age and there may be less sustained demand for such services.

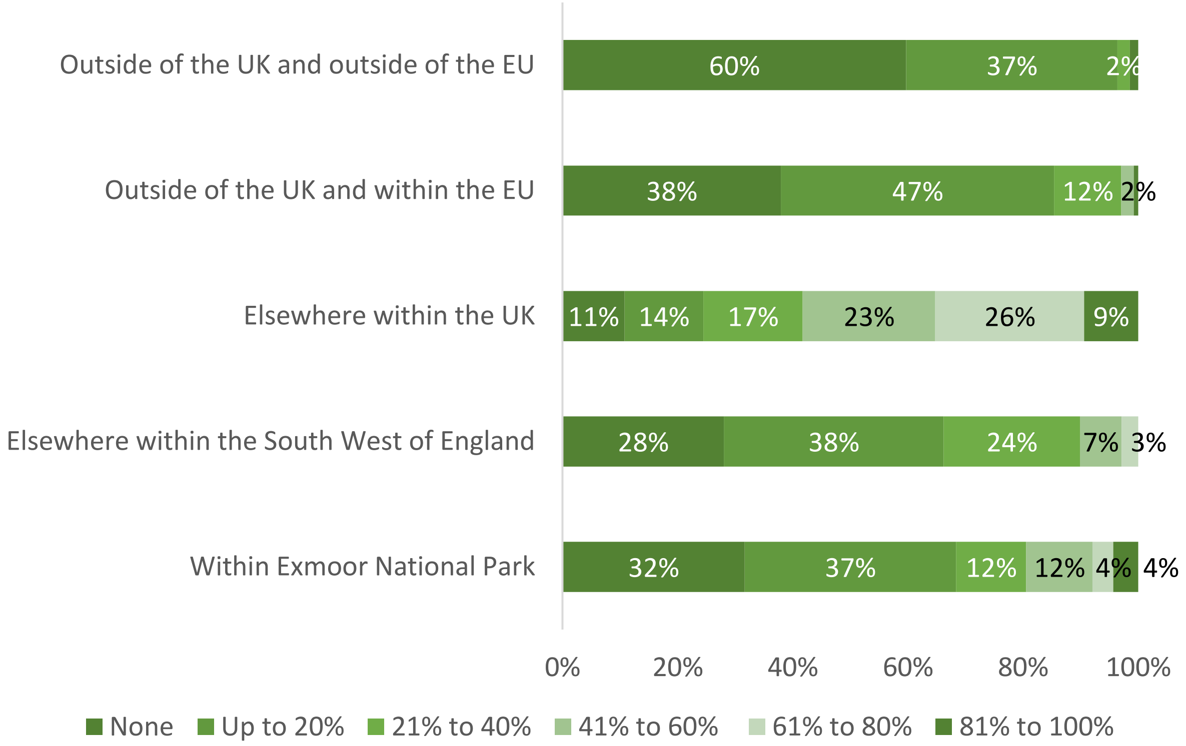
6.6 Customers

Proximity drives much of the customer base for businesses on Exmoor with respondents outside of the tourism sector reporting higher proportions of their customer base within the National Park, the region and the UK. Thirty-two per cent of non-tourism businesses reported that between 60% and 100% of their customers were from the National Park, though this does leave some spread of customer base.

Five per cent of businesses said their customers were entirely within Exmoor National Park though most sectors had local, regional and national customers. For businesses in tourism 47% reported up to 20% of their customers came from outside the UK but within the EU. Twelve per cent reported that between 20% and 40% of their customers came from within the EU. With the potential challenges and implications from Brexit, this poses a risk to many of the accommodation providers on Exmoor. There may be some substitution effects though, as UK tourists remain in the UK rather than head overseas.

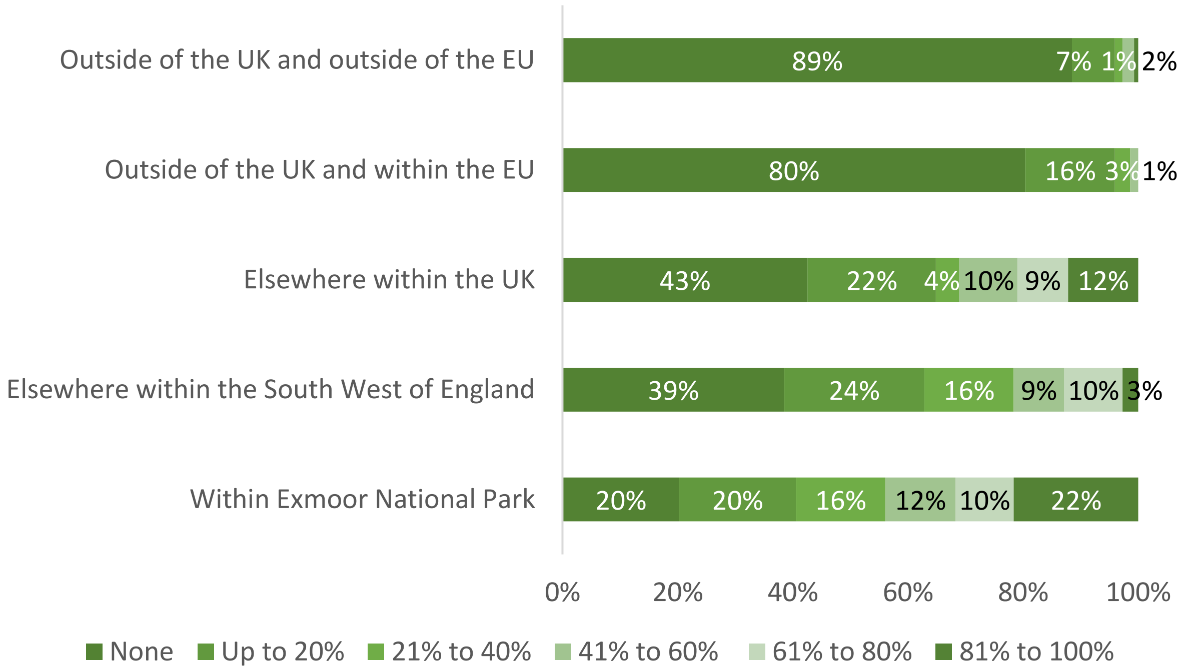
Sixty per cent of tourism related businesses have no customers outside of the EU and 38% have no customers outside the UK (figure 6.17). Nearly 90% of businesses outside of the tourism sector (figure 6.18) have no customers outside of the EU and 80% have no customers outside of the UK.

Figure 6.17: Where are business customers based? (Tourism Sector)



n=139

Figure 6.18: Where are business customers based? (Excluding tourism sector)



n=148

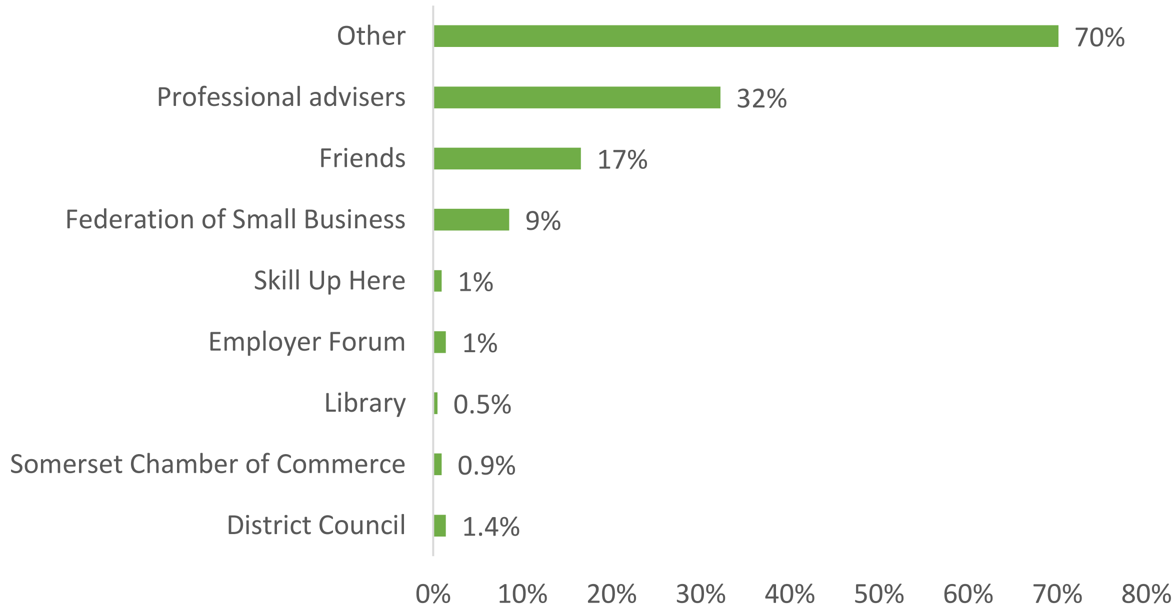
6.7 Suppliers

Most businesses sought suppliers locally in Devon, Somerset and Exmoor (69%), with 62% using suppliers based within the park. Just under half (46%) used suppliers from elsewhere in the UK. A small number of respondents (15%) reported using suppliers outside of the UK. Some sectors used overseas suppliers more than others such as Agriculture, Accommodation, Food and beverage services and Retail. For 11% of Agricultural businesses up to 20% of their supply was from international markets while for Retail this quintile accounted for 24% of businesses.

6.8 Business Support

There are many forms of business support; formal, informal, specific and generalist. Identifying the current support Exmoor based businesses access is important, as too is understanding their needs for further business support. For 70% of the respondents, they sought business support and advice from somewhere other than the options given. Of the given options, the most common place business received advice from was professional advisers (32%) and friends (17%).

Figure 6.19: Where businesses turn to for business advice

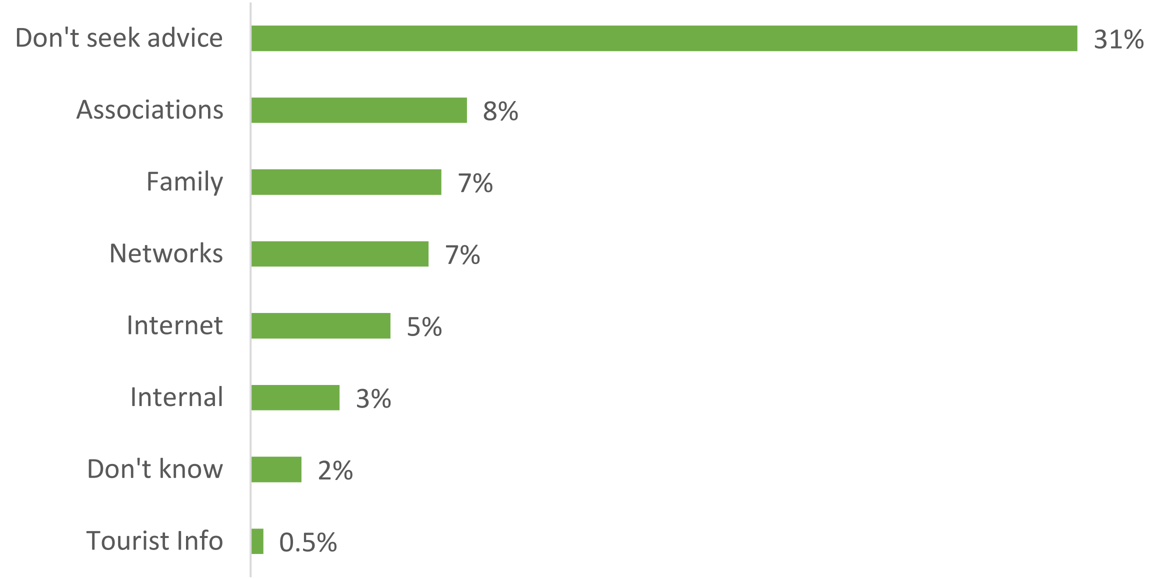


n=211

Some 32% had sought advice from professional advisers and when asked at the focus groups who these were, it was mainly accountants, solicitors and the occasional mentor.

The most common reason for selecting 'Other' was due to the businesses not seeking business advice from anywhere and this equated to almost a third of businesses in the survey (31%). Other frequently cited sources of business advice included family members, individual businesses' networks and the internet.

Figure 6.20: Coded 'Other' sources of advice for Exmoor businesses



n=134

Very few businesses looked to the Chamber of Commerce or Local District Council for their support, though 9% took advice from the Federation of Small Business, likely reflecting the types of business and the good rural engagement the FSB have in the area.

At the focus groups, the main challenges businesses reportedly faced in business support was lacking the knowledge on where to go and what was available. Some reported frustrations at county and administrative boundaries, feeling more closely aligned with one county or district but based in another so not able to receive any of their funded support. While some businesses had accessed business support programmes that were available to them, with Cosmic[12] being cited by several attending businesses, many were not aware of any support they could access and seemed very interested in the digital marketing support described by others.

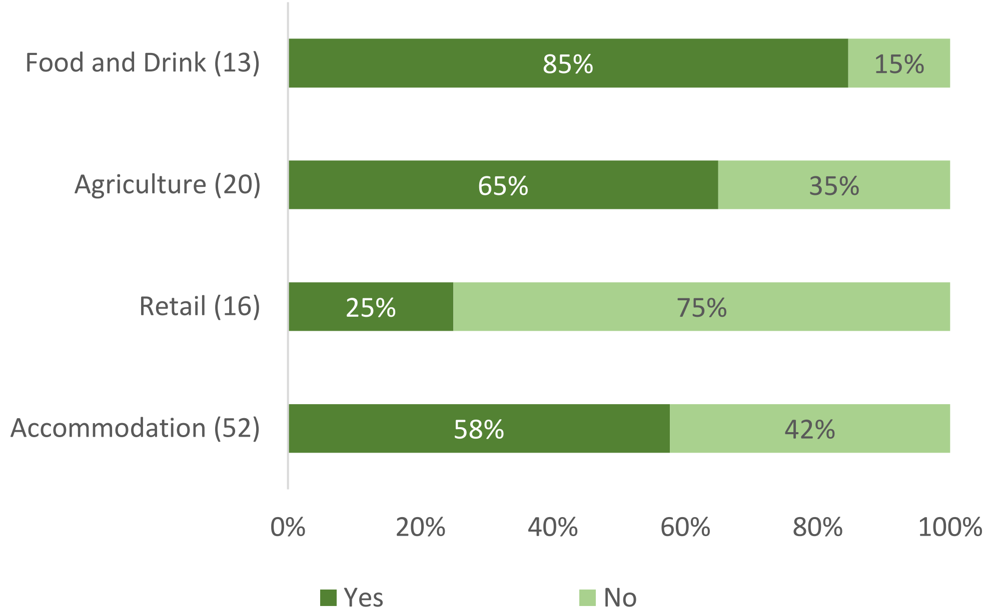
For those who had accessed business support, they were asked how they had become aware of it. Cosmic, it was revealed, had a strong online presence and proactive marketing and may well have a successful model for getting to rural businesses with their outreach sessions.

Some focus group attendees referenced online forums as being good places to get business advice and building on this, others said the Hill Farming Network was a useful forum for discussing and sharing business knowledge. Businesses appeared very keen for a broader (non-sector specific) business forum or network for Exmoor, where they could share and discuss their respective learnings, challenges and opportunities, as well as providing a useful sound board. It was suggested that there was a lot of business experience on Exmoor with many experienced business people present in the community who had relocated to Exmoor and had time to offer their support, if such a forum could be created to bring them together.

[12] Cosmic are a social enterprise who offer a number of community, business and third sector support projects, independently and funded by local authorities, including tech based sessions following the broadband rollout.

The survey asked whether ENPA was supportive of business needs, and results were split almost 50-50 between respondents who said they were and those who said they were not. Results in figure 6.21 reveal how this was spread across the top business sectors.

Figure 6.21: Are Exmoor National Park Authority supportive of business?



n=101

This question was followed by the opportunity for businesses to give a reason for their answer and common responses referred to the general supportiveness of ENPA of businesses. Some responses eluded to the fact that ENPA were committed to supporting businesses and others felt that ENPA's promotion of the area and advertising of events did help them. For many at the focus groups though, the lack of communication about the function of the ENPA or its success stories was an issue, echoing some survey responses.

'I think they try to be, but I'm not sure they know how.'

'I think they could do more though e.g. perhaps could be doing more to promote the area.'

'In recent years they are getting their act together, but it is not clear that the area is promoted enough (e.g. compared to the Lake District etc).'

These findings did reveal the weakness of the question which asked if ENPA are or are not supportive, when it may be that businesses did not think ENPA *should* be supportive of business needs, though the responses above indicate that it should. It was also agreed at the focus groups that ENPA should be supportive of business, however, this mainly looked at indirect support rather than anything formal.

Suggestions from the focus groups were that the ENPA should be more vocal in promoting the National Park and its benefits. Supporting the branding and publicising of the National Park in the media was highlighted in both sessions, with an idea that the National Park should celebrate the businesses it had, and any of their successes. Some of the businesses said they wanted to support the National Park and would like to be more involved; they were just not aware of how they could be. At the Lynmouth focus group this was particularly noticeable and the businesses there seemed to have more affinity with their Local Authority and Town Council than they did with ENPA.

One opportunity for ENPA was a *Made in Exmoor* style accreditation or certification which could apply to farmers and producers as well as retailers and service providers who used Exmoor suppliers.[13] This was then considered for the benefits of re-localising supply chains and the benefits of a circular economy with questions asked on whether the ENPA could be doing more to drive the carbon neutral agenda. Other advantages included more promotion of the dark skies theme and raising awareness among tourism businesses as something they can use as a unique selling point. Planting native trees was also suggested as a way to encourage a traditional habitat that businesses could see as being valuable for helping to bring customers to the National Park, and could be taken forward by ENPA, especially as it would have less commercial risk being publicly funded and it would potentially benefit all.

In instances where the ENPA and partners were already doing these things, it was commented again that more should be done to communicate and publicise them among the local business community. Social media at the National Park was considered a strength among the businesses and it was noted they could usually rely on a retweet, but it could be more consistent. Businesses thought ENPA could do more to help them celebrate local success in the media and push content.

As the face of the National Park, Rangers were identified as a possible way of pushing the engagement from ENPA to the local community and businesses. It was thought that providing a voice to businesses could work both ways, with ENPA helping to promote and lobby for the businesses, and then businesses helping to communicate and support the National Park to the communities and visitors.

There were some comments about the need for specific and practical business support, which returned to the broadly agreed desire for an Exmoor Business Network. Some businesses pressed for this to be led by the ENPA, but it was also suggested that this should be business led and business driven if it was to really be effective.

[13] A *Produced in Exmoor* brand is available as part of the wider Exmoor National Park, as well as initiatives such as *Eat Exmoor* for food and drink produce. It may be that businesses need to be more aware of existing offers rather than reinventing them, as nobody at the focus group sessions mentioned these examples.

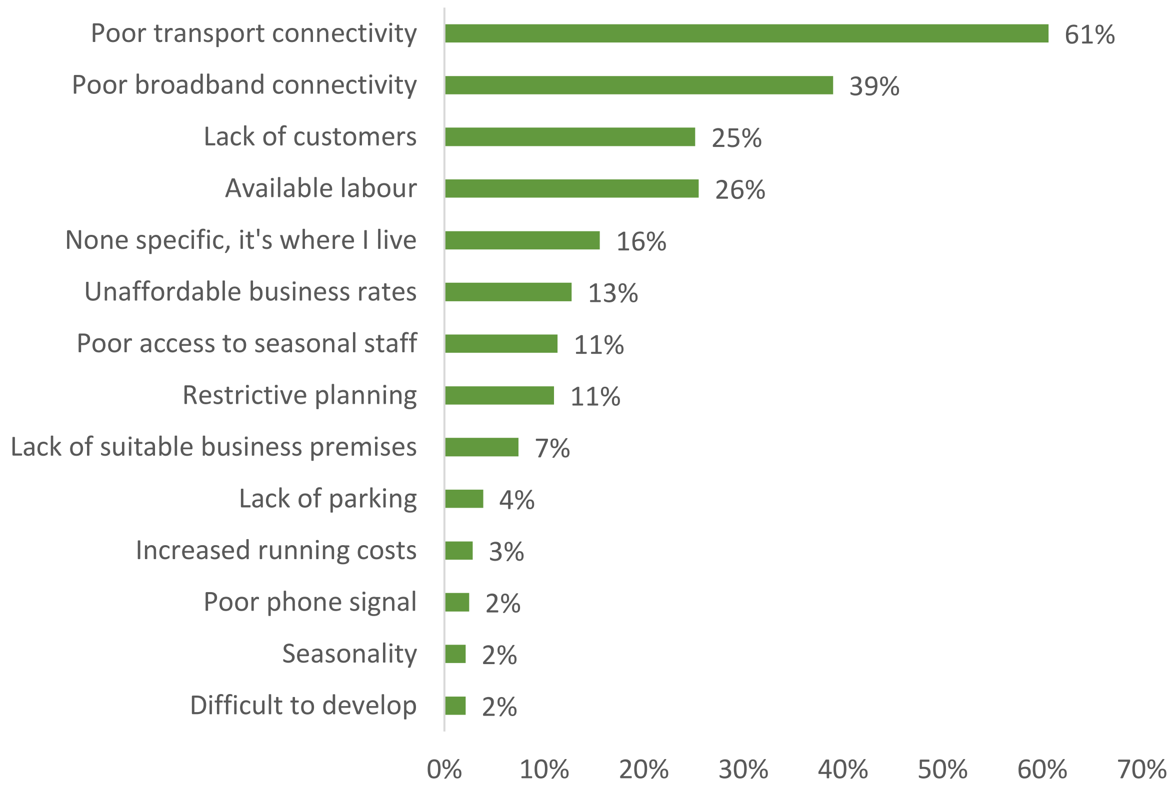
6.8.1 Culture

During the focus groups discussions, it was remarked that ENPA were good at conserving the land and natural beauty of the National Park, but that little thought was given to preserving the culture of the area. It was felt that the heritage of Exmoor went beyond the historic and should also be expanded to include the arts as core parts of a diverse cultural offer and way of life. While local groups did try to retain local songs, poetry, art and stories, with great initiatives such as the Samphire Festival at Porlock, this was often at odds with the authorities who had capped attendance at the festival limiting its potential.

6.9 Challenges of operating from Exmoor National Park

Seventy-four per cent of respondent businesses felt there were challenges affecting the success of their business. Poor transport connectivity was the most frequently cited barrier to doing business on Exmoor (61% of businesses), and poor broadband (39%). Lack of business premises and access to seasonal staff did not appear to be so much of a challenge for most respondents. Additional descriptive responses included ‘poor mobile coverage’, ‘poor parking provision’ and ‘weather!’.

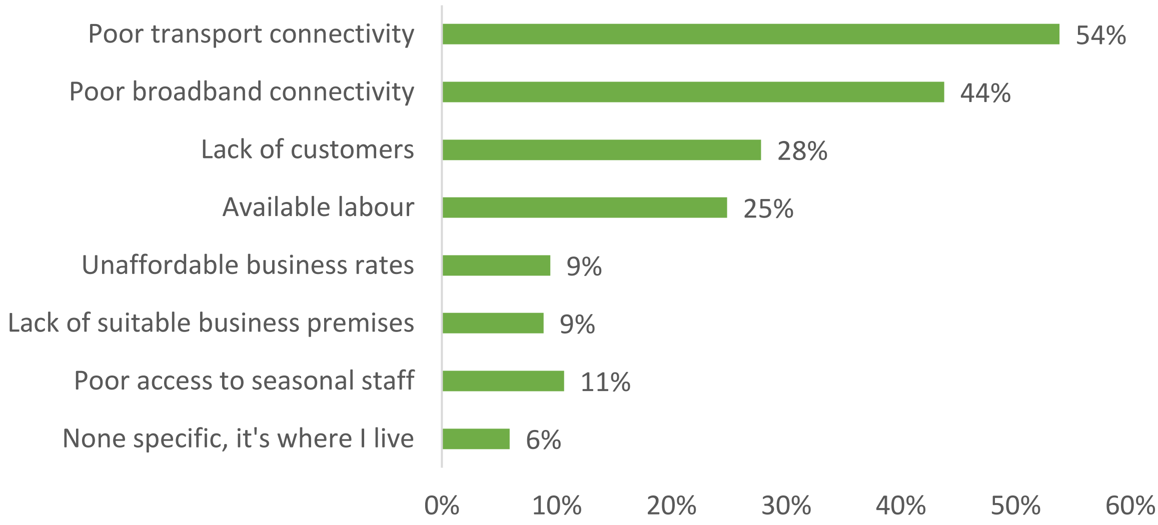
Figure 6.22: What barriers does your company face in doing business within Exmoor NP?



n=282

Respondents were asked which barrier was the most important issue for them, by ranking their top three. Poor transport connectivity was the highest ranked challenge (54%), followed by poor broadband (44%), and lack of customers (28%). Splits by size of business and those in the tourism sector are shown in figures 6.23 and 6.24 below.

Figure 6.23: Most important rated barriers of doing business within Exmoor NP



n=169

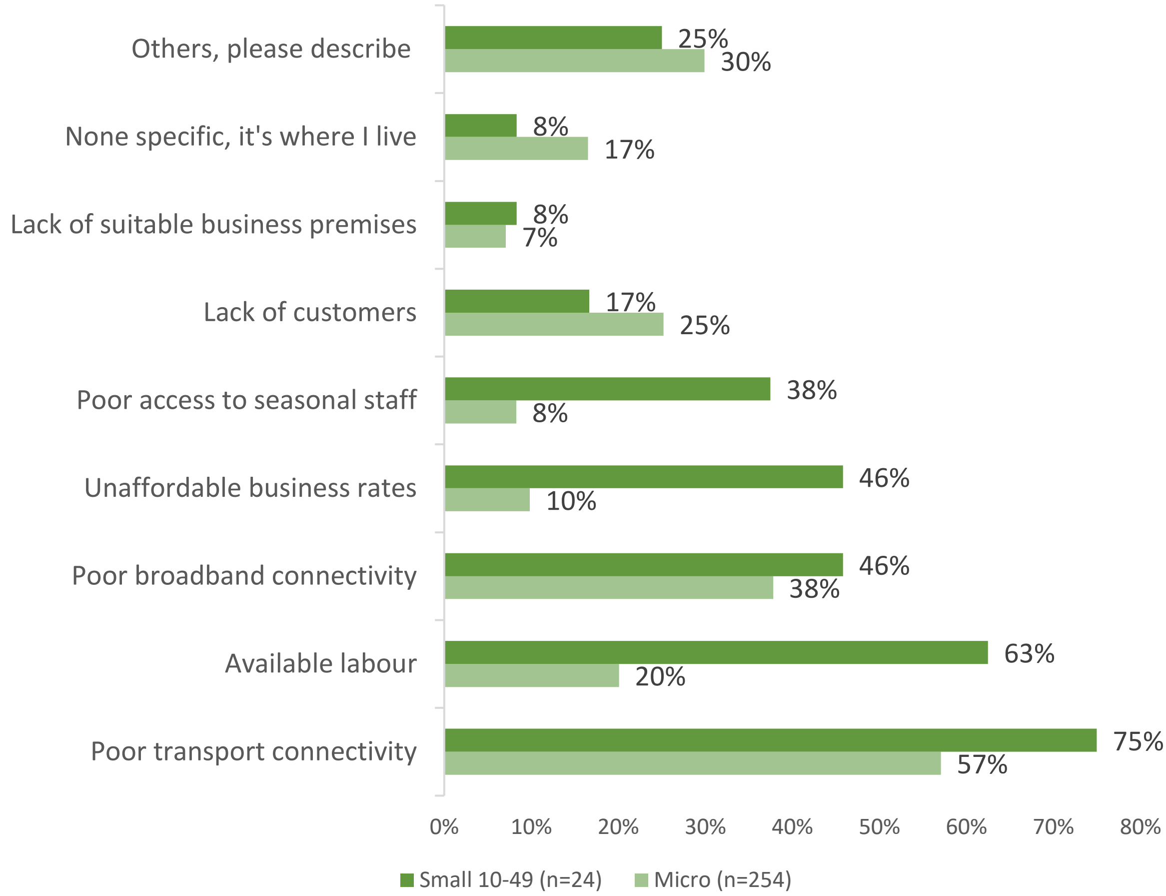
As suggested in Section 6.5 above in response to the difficulties faced in recruiting younger people, ridesharing could be better developed and encouraged to move people around Exmoor. This would not only help people with the right skills reach the right job, but also have potential environmental benefits reducing the number of journeys. There were further suggestions in the focus groups which asked how Exmoor could be better connected to the rail network at Taunton or Tiverton, something that had come up at the workshop as well. Better bus connections were offered as one solution, and another was a sponsored taxi or minibus that could shift groups of visitors from the station to their destination in the National Park.

Broadband was also discussed as a challenge to the businesses who attended the focus groups and it was clear that it greatly dependent on coverage. Those who were yet to be connected to new faster networks from Openreach or Airband reported that poor broadband was a hindrance. For these businesses the challenges posed by broadband were compounded by the lack of communication and information shared about when connection could be expected or what the challenge was in reaching their property. It was suggested that if there was an information repository for businesses in the National Park, the broadband rollout could be better communicated.

Challenges from telecommunication can also come from its intermittency. Anecdotally, Hawkridge (a hamlet on Exmoor) consists of 24 farms and homes, where 11 are also business premises, and in February 2020 they were all left without phones, mobile network and internet for four days. As the economy and business function, including agriculture moves increasingly to rely on online connectivity these kinds of blackouts can be a severe hindrance to businesses.

Variations can be seen between the barriers identified by small businesses and those identified by micro firms, typically around availability of labour and high-quality staff. A lack of customers is shown to be more of a barrier for micro businesses, while business rates identified as a barrier for more small firms.

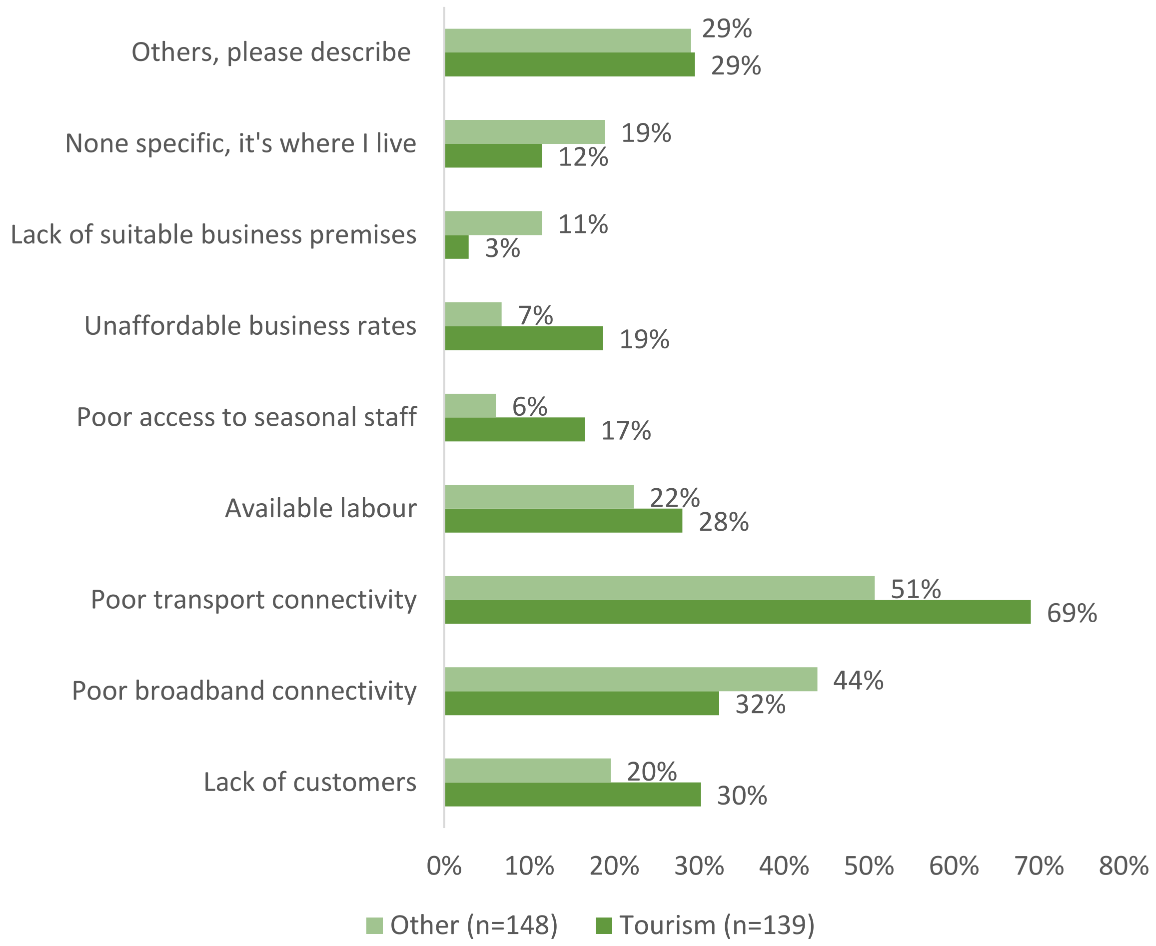
Figure 6.24: Barriers to doing business within Exmoor NP by size of business



n=278

When responses are split between tourism and non-tourism sectors, the outcome is much the same (figure 6.25). Poor transport appears to be a higher priority for tourism businesses, whereas broadband appears to be higher for those outside of the tourism sector.

Figure 6.25: Barriers to doing business within Exmoor NP split by tourism and non-tourism

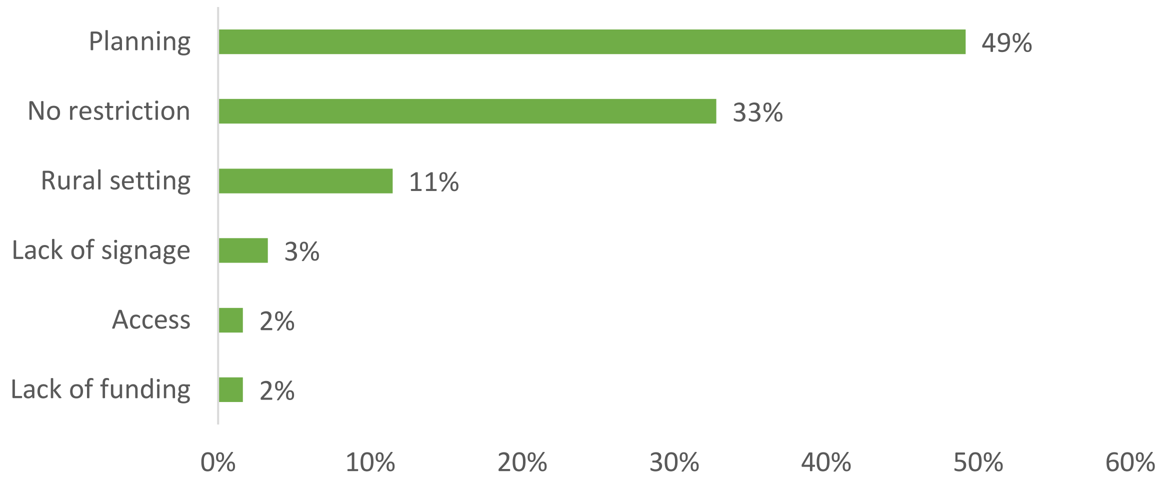


n=287

The respondents were asked to determine whether any challenges of doing business within Exmoor National Park were due to the rural location, the designation as a National Park, or because of their industry. Many of the businesses (57%) reported that to no extent were the challenges they faced due to the National Park designation where 78% felt that to a great or some extent the challenges were due to the location. This reiterates that many of the challenges, such as transport and broadband are common to other rural locations in the UK. While this question was prefaced with an explanator, there may have been some subjectivity in how the respondents interpreted location, and National Park designation, especially for online survey respondents.

Where businesses reported barriers due to the National Park designation, they were asked in what way the designation impacted them. Forty-nine per cent reported planning was a challenge, but 33% said there was actually no restrictions caused by the National Park and a further 11% said it was geographic and rural issues. Discounting these would suggest that a reduced rate of 27% of businesses attribute any tangible challenges to their business because of the National Park designation and the vast majority of these are for planning reasons, which results above show may be a perception rather than reality.

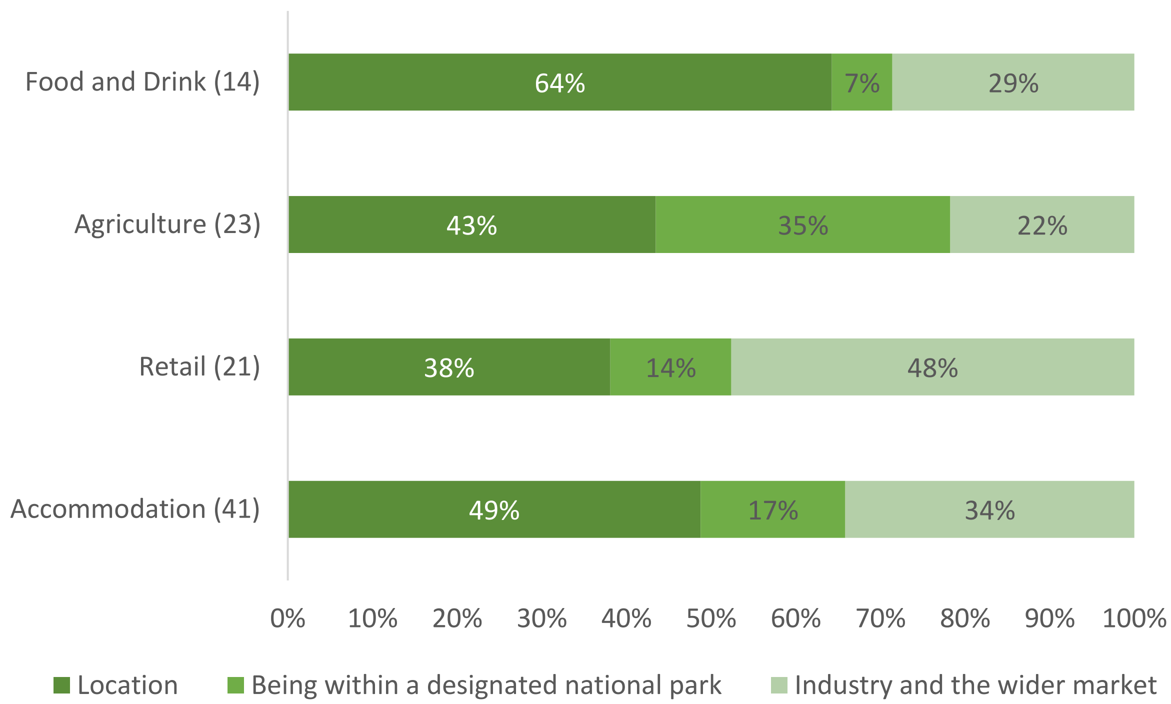
Figure 6.26: Those who stated the National Park designation is a barrier to their business were asked; how does the designation restrict your company?



n=61

Breaking the results down by sector reveals again that most face little challenge due to the National Park designation, but rather to the industry or location. Restaurants and cafes within the Food and beverage service activities sector, for instance, face the majority of their challenges because of the peripherality. For Retail businesses there is a challenge in the wider market and industry. For agriculture businesses (Crop and animal production) there are some reported restrictions caused by the National Park designation, though on investigation 68% of these were down to planning issues.

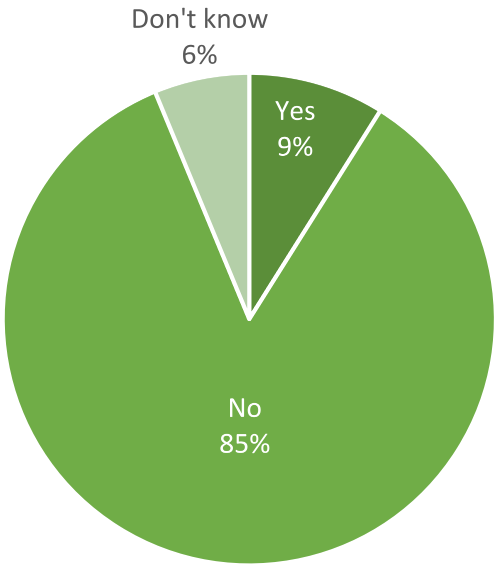
Figure 6.27: To what extent were the challenges businesses faced specific to location, industry, or National Park?



n=99

The survey asked whether or not respondents were considering relocating their businesses away from Exmoor. For the majority (85%) they were not considering any relocation, though 9% said they were considering such a move.

Figure 6.28: Proportion of businesses considering relocating away from Exmoor NP



n=224

The majority of these businesses were from the Retail and Accommodation sectors and this reflects the higher proportion of businesses from these sectors in the survey. Three businesses from the Manufacturing sector and three businesses from the Professional, scientific and technical sector also indicated that they were considering relocating from Exmoor. Over half of the businesses considering relocating (11 out of 19) turned over less that £85,000. However, two of the businesses considering relocating turned over between £1 million and £5 million.

The reasons given for considering relocating were typically to do with location. Six businesses stated reasons for considering relocating around the ability to find suitable premises or access to staff, three businesses referred to planning restrictions and a further three said this was due to issues with transport links and accessibility. Some of the responses below illustrate these points.

'I need better facilities for my dog training business including an indoor barn for training and no restrictions on land use.'

'There are no suitable premises in the immediate area.'

'Limited opportunities, poor education offer and high housing costs for staff.'

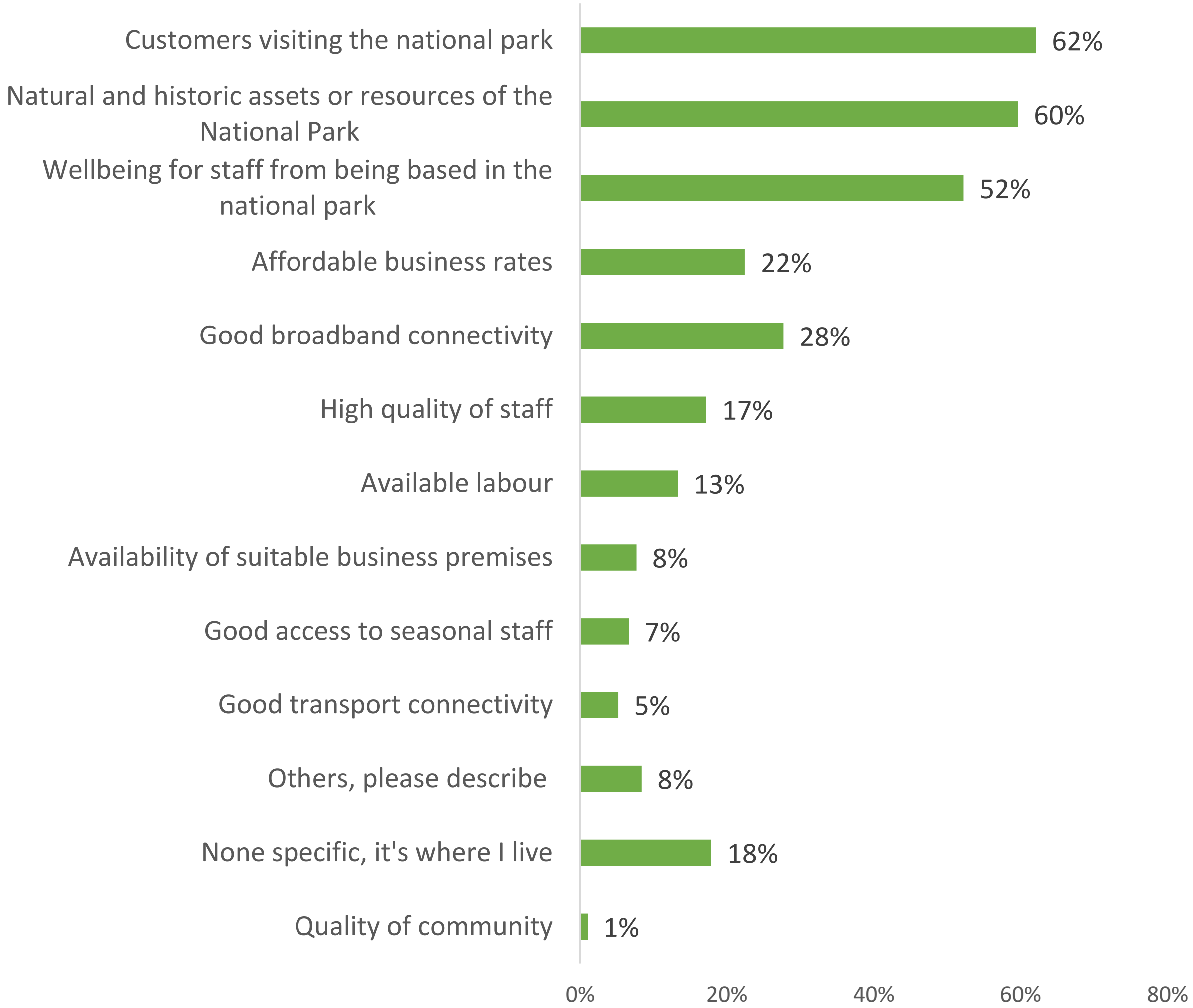
'I am thinking of relocating to a place that has fewer planning and horse related activity restrictions as the National Park restrictions are stopping me from growing my business.'

This last quote highlights a potential communication challenge with planning for equestrian uses, much of it being driven by landscape use, as opposed to building development. The National Park is required to ask more questions than in other planning areas as part of their planning review which may lead to the perceptions identified above that planning is more difficult in the National Park. Development of a site for equestrian use outside of the National Park may face the same planning challenges.

6.10 Benefits of operating from Exmoor National Park

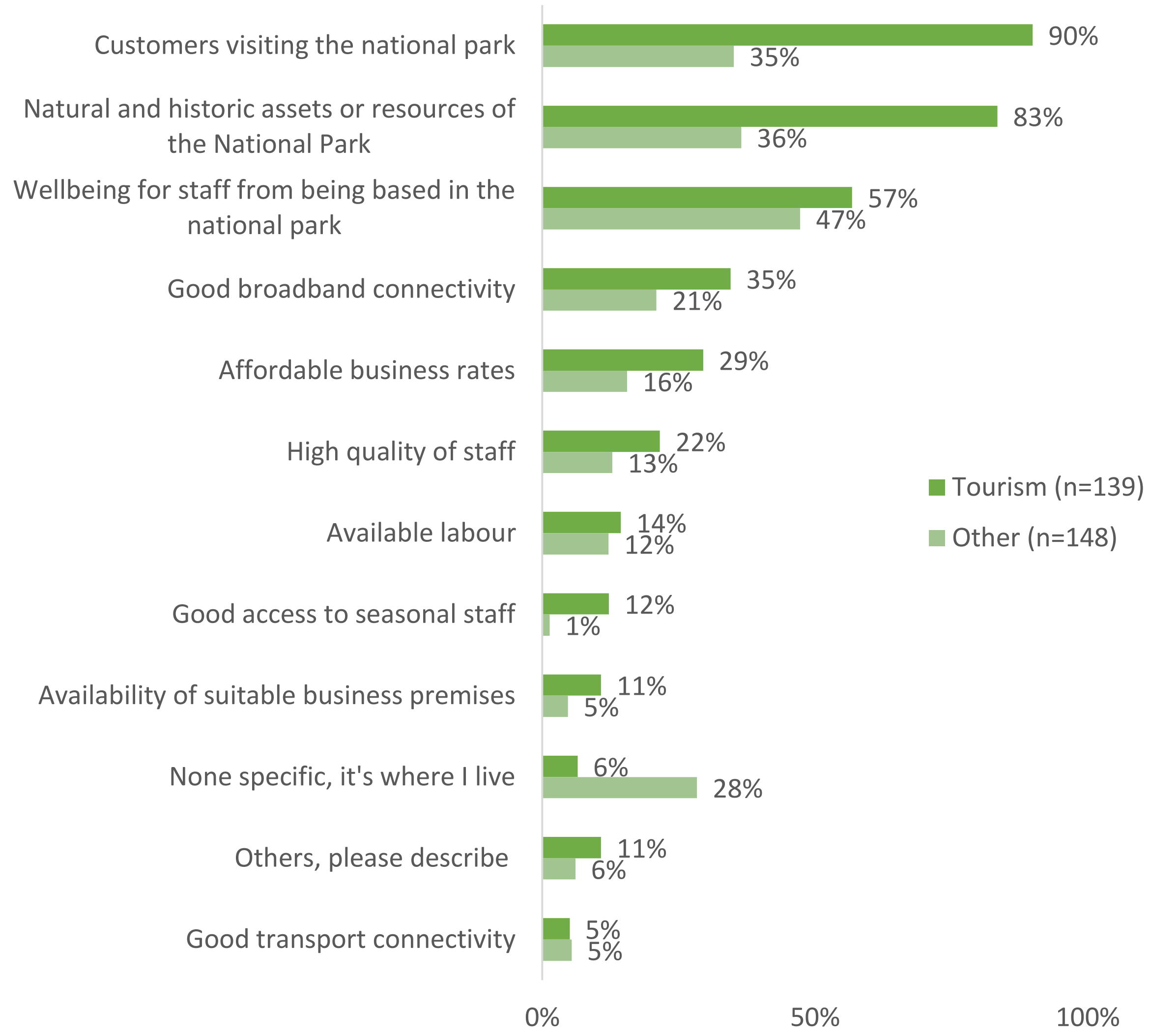
Customers visiting the National Park (62%) and the natural and historic assets of the National Park (60%) were the most frequently cited benefits of doing business on Exmoor by resident enterprises. Over half (52%) also indicated that the wellbeing of their staff was an important benefit. Other examples included ‘good local producers’, ‘ability to use Exmoor in marketing’ and ‘sense of community’.

Figure 6.29: What are the benefits of doing business within Exmoor NP?



When separating respondents by tourism and non-tourism related businesses, the benefits of operating in the National Park shift (see figure 6.30). Ninety per cent of tourism related businesses considered customers visiting the National Park to be a benefit while the figure dropped to 35% for non-tourism businesses. Instead these businesses felt the wellbeing of their staff was one of the main benefits, with 47% of respondents providing this response. For the non-tourism businesses 28% also gave no specific benefits, it was just where they lived and hence where their business was based.

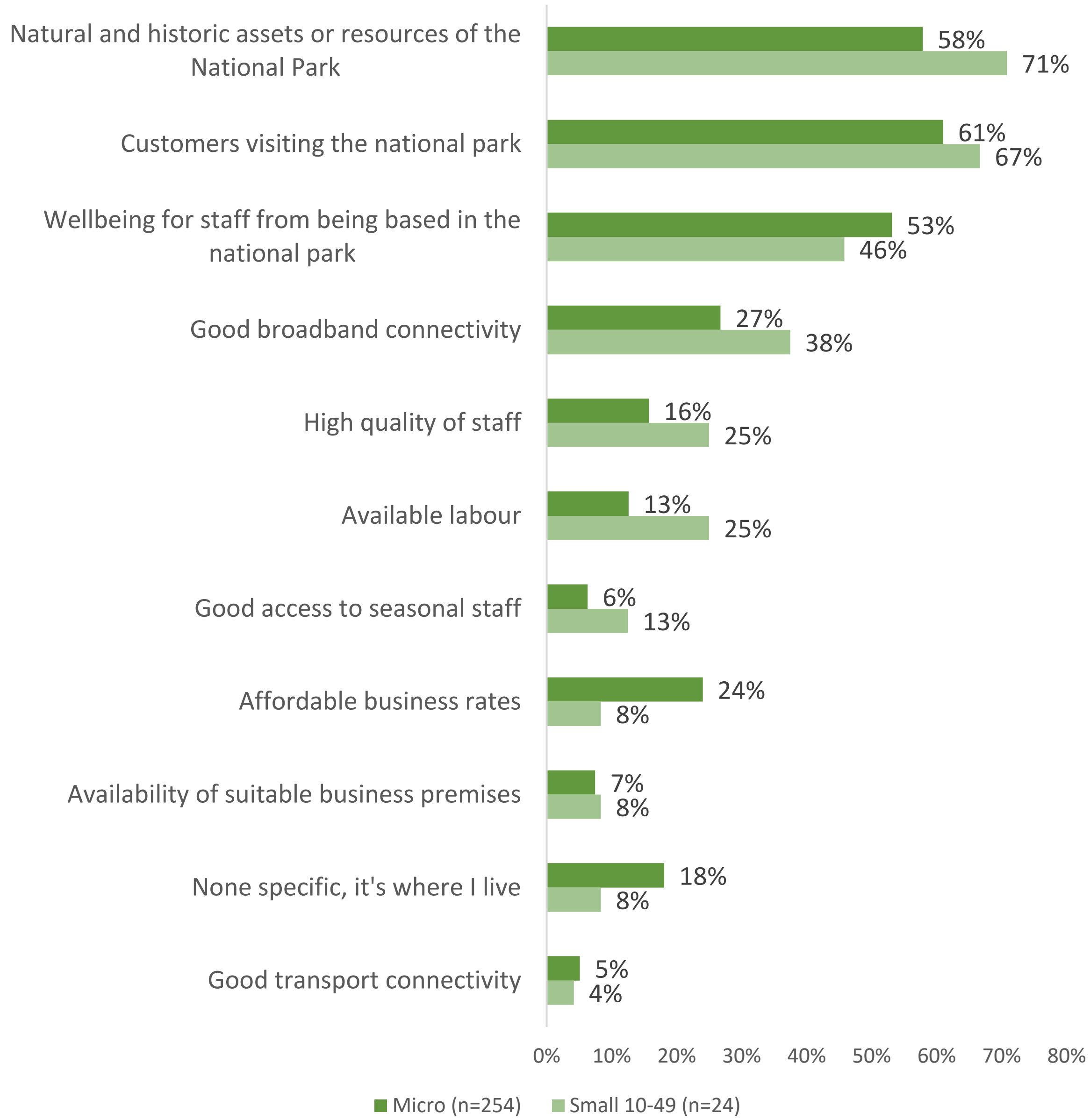
Figure 6.30: What are the benefits of doing business within Exmoor NP? (by tourism and non-tourism)



n=287

When the size of the business is considered, the analysis shows the benefits to business on Exmoor are consistent across both SMEs and Micros, although some variation can be seen. For example, almost a quarter (24%) of micro businesses highlighted 'Affordable business rates' as a benefit to business compared to just 8% of Small and Medium sized firms. Similarly, availability of labour, accessing high quality staff and broadband connectivity were all benefits seen more commonly across Small and Medium sized firms than Micros. A full breakdown for comparison can be seen below in figure 6.31.

Figure 6.31: Benefits to doing business within Exmoor NP split by Small and Micro firms

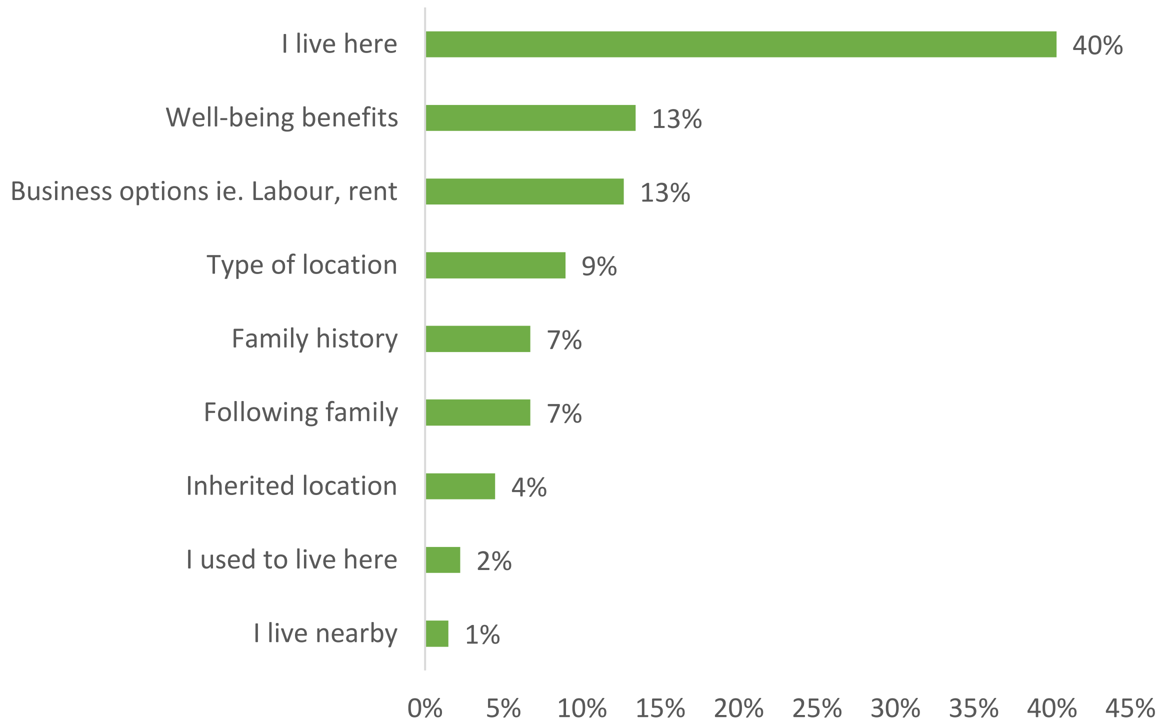


n=278

The benefits of operating a business in the National Park can also be viewed by sector. Ninety per cent of Accommodation and Food businesses reported customers visiting the National Park as a benefit, though this was only a benefit for 9% of businesses in IT. For 41% of Manufacturing businesses ‘Affordable business rates’ were important benefits while for Motor trades 83% reported ‘Wellbeing for staff from being based in the National Park’ was a benefit. For 54% of Arts, entertainment and recreation businesses the ‘Natural and historic assets or resources of the National Park’ were benefits of operating on Exmoor.

The highest proportion of the businesses had come to be located on Exmoor because that was where the owner lived (40%), or where their family currently lived or had lived (16%). Some however had located to Exmoor for the well-being benefits (13%) and a further 13% had business operations on Exmoor for commercial reasons such as labour and rent. For many businesses therefore, the benefits of operating on Exmoor are what the businesses make of them rather than commercial incentives.

Figure 6.32: Why did you choose to locate your business on Exmoor?

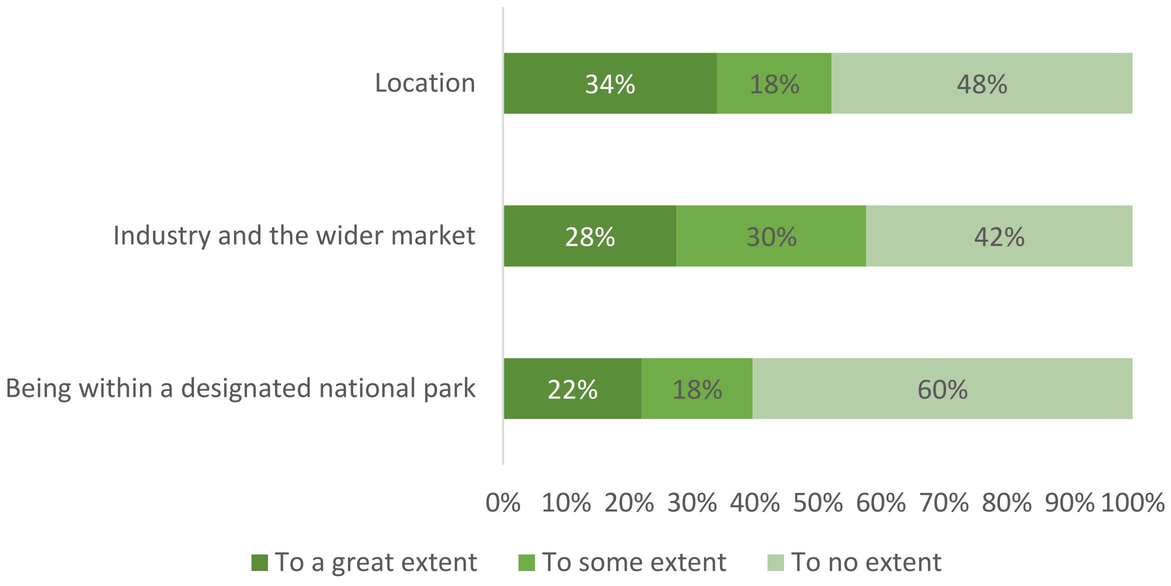


n=134

6.10.1 Opportunities for Exmoor businesses

As above, the survey asked the businesses to distinguish between the opportunities generated by the rural location, their industry and market, and the National Park designation. Results show that for the majority of businesses (60%) being within a designated National Park was to no extent an opportunity, whereas the geography of Exmoor was considered an opportunity to a great extent by 34% of respondents.

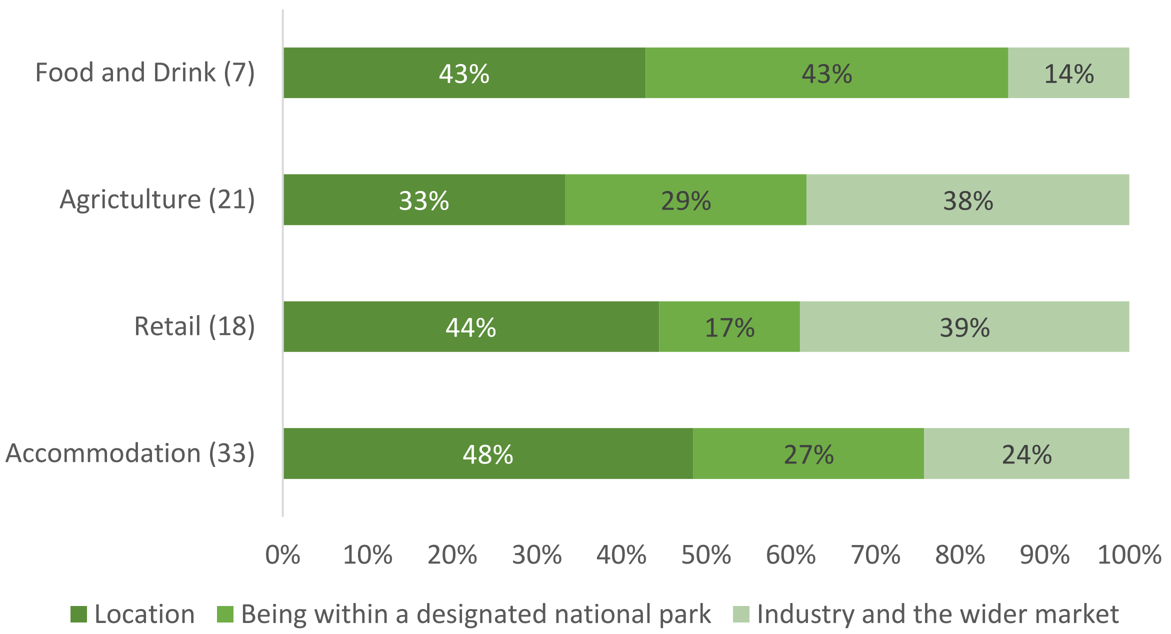
Figure 6.33: To what extent are opportunities for your business specific to location, industry and wider market, or being within a designated National Park?



n=159

Cross tabulating these results by sector shows that for Food and beverage service activities the location, and being within a designated National Park, presented greater opportunities than the market. Retail businesses see a greater proportion of their opportunities in the market and industry and only 17% reported some opportunity in the National Park. Agriculture businesses (Crop and animal production) categorised opportunities from their location, their market and the National Park designation fairly evenly.

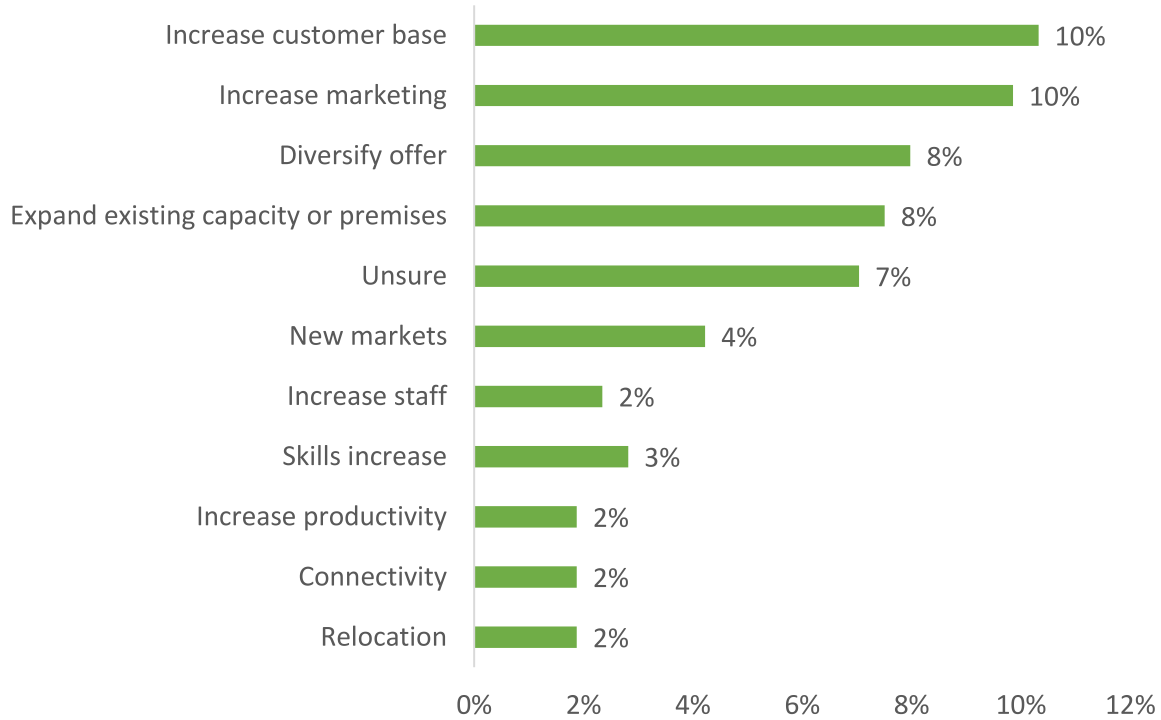
Figure 6.34: Where businesses consider their opportunities to be of great or some extent, in either the location, industry or National Park



n=79

Qualitative survey respondents suggested that 42% of businesses had no growth plans at present, but across those that did, the opportunities were in a range of areas. Increasing the customer base, marketing, a more diversified offer, and expanding capacity or premises were all opportunities for over 7% of the businesses to grow.

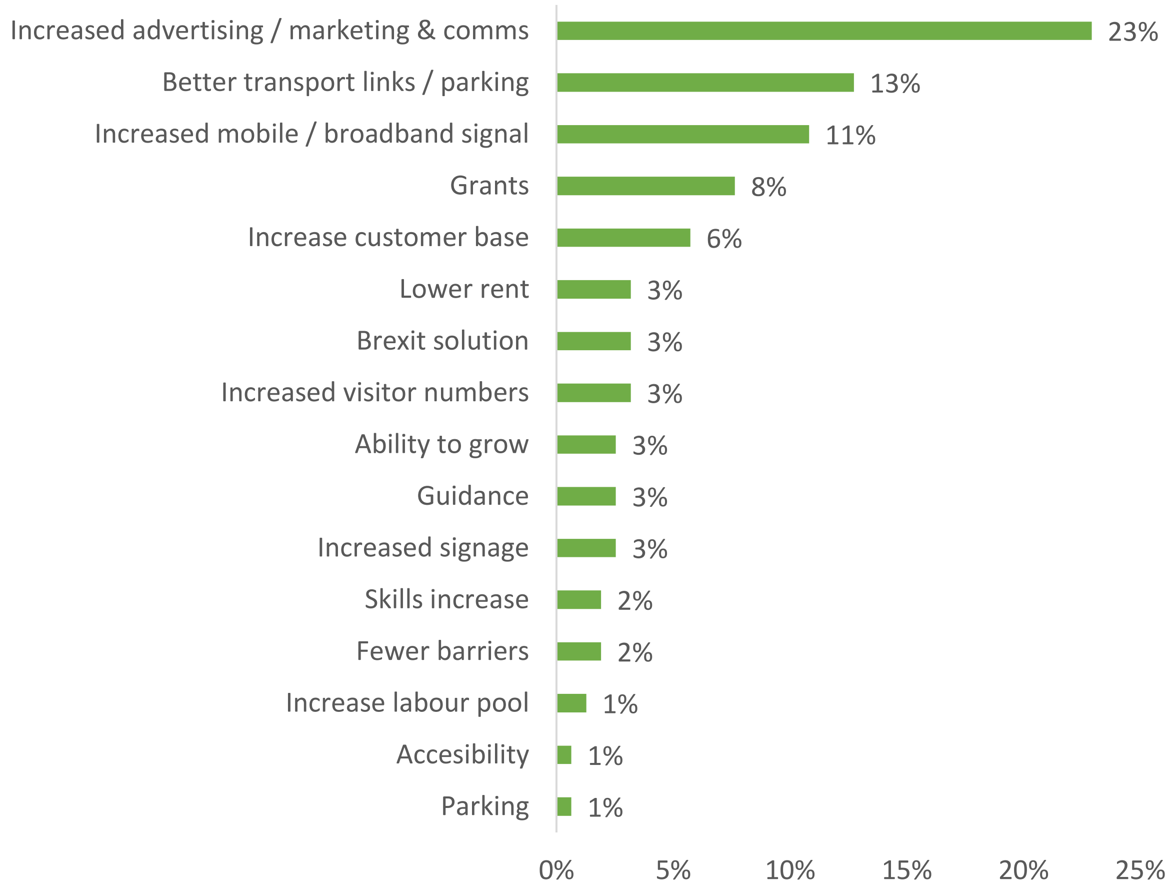
Figure 6.35: Opportunities for growth among Exmoor businesses



n=213

When asked what would help their business to be more successful, respondents had a number of thoughts that were coded from qualitative responses. Some were in response to the challenges they faced, such as better transport links (13%), while others were factors later raised at the focus groups such as increased advertising and marketing (23%). Other issues reflected the need for business support and guidance among some businesses (3%) and a resolution to Brexit.

Figure 6.36: What would help your business to be more successful?



n=157

'Would be helpful to receive advice on market trends.'

'Lynton needs to be marketed better to attract people all year round.'

'The National Park needs to be promoted more to attract more visitors as many are unaware of the fact it's a National Park.'

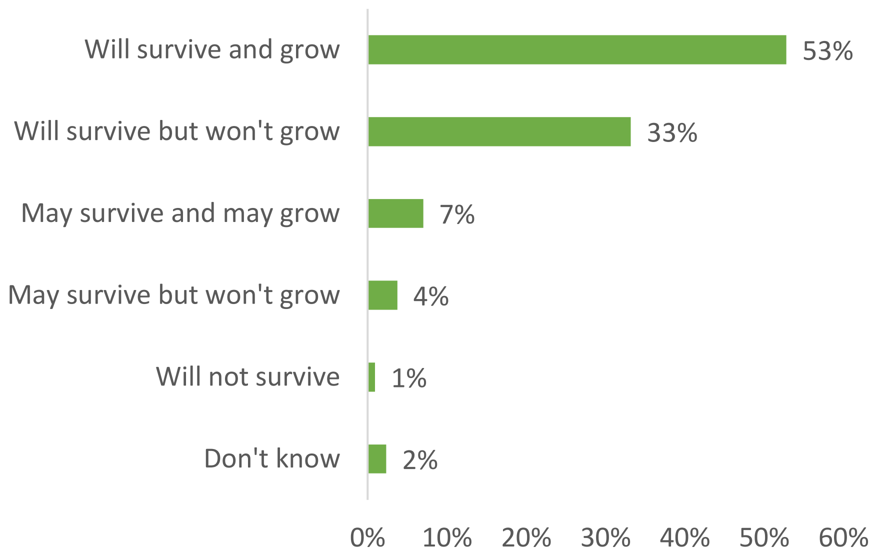
'Training support from local government.'

'I will need help developing links with training providers training and help finding long term funding and developing more income streams e.g. through a membership or providing more services and training ourselves.'

6.11 Future expectations

Optimism among the surveyed businesses was positive for the next 12 months.[14] Fifty-three per cent of respondents reported that they are looking to grow in the next 12 months, compared to 71% of SMEs in the UK.[15] Thirty-three per cent thought they would continue to operate. Approximately 1% of businesses thought they were going to close which, across the National Park, would represent between 10 and 15 businesses. This is a low business death rate compared to the 11.4% in the UK in 2018,[16] even if the number in Exmoor reflects expectations rather than reality.

<u>Figure 6.37: Which of the following most reflects your expected business performance in the next 12 months?</u>



n=214

[14] Note: The survey fieldwork was carried out in the winter of 2019/20, prior to the COVID-19 outbreak in March 2020 where a dramatically different economic outlook is now predicted. This may have an especially big impact for tourism related businesses.
[15] Longitudinal Small Business Survey: SME Employers, Department for Business, Energy & Industrial Strategy, 2018
[16] UK Business Demography, ONS, 2019

7 Conclusions

The survey fieldwork and focus groups have provided a comprehensive insight into the economy of Exmoor and the businesses that operate in the National Park. With over 300 responses and an estimated 1,277 businesses operating on Exmoor, the survey represents a highly reflective view of the challenges, benefits and opportunities of Exmoor businesses.

The results from the survey show the composition of the Exmoor economy with a heavy emphasis on tourism sectors such as Food and Drink and Accommodation. There is also a larger representation of the agricultural sector than in Devon and Somerset, reflective of the rural geography and traditional hill farming in the area. While most businesses are micro in size, and self-employment is much greater than other local or regional economies, there is sufficient employment for much of the working age population in the National Park.

Despite their size in both turnover and employment, most businesses on Exmoor are commercially focused, seeking to grow and develop. Lifestyle is important to many of the business owners operating on Exmoor, but responses at the focus groups show that this is not necessarily at odds with commercial ambitions. For some, the ability to combine living on Exmoor with the advantages to wellbeing that this brings is supported by their desire to operate or start a business. Though businesses have emerged from hobbies, and 9% of respondents classified themselves as a lifestyle business there is little evidence to suggest that such characteristics act as significant checks on the growth or ambition of businesses operating in the National Park.

A high proportion of employment was through word of mouth, but nearly a quarter advertised online and through job sites. Sixteen per cent of businesses were looking to recruit in the next 12 months though a quarter of respondents said that availability of labour was a barrier to doing business in the National Park. Difficulties in the distance to travel and getting people with the right skills were key barriers to recruitment though for existing employees most businesses (91%) reported they had access to the training they needed. Difficulty in recruiting young people was a challenge identified at the focus group sessions with transport seen as the key limiting factor. Availability of childcare was a further hindrance for one-third of businesses and will affect younger families seeking employment or starting businesses within the National Park.

The challenge of transport connectivity was important to many of the businesses surveyed, and one that appeared to affect tourism businesses more than those of other sectors. Transport connectivity was identified as a hindrance because it limits both the movement of people around the National Park and visitors coming to the park. As well as affecting businesses recruitment, reaching potential customers and young people, there were environmental considerations to improving transport connectivity with solutions such as car sharing.

Perhaps feeding from the transport connectivity issue, nearly two-thirds of business owners did not commute to their place of work and over one-third of businesses were home based, with a further 56% operating from their own building. Planning is commonly reported as a challenge and indeed 26% of businesses reported that it was a restriction of their premises. However, when asked what challenges faced their business only 11% of respondents said restrictive planning.

The potential misperception of planning as a barrier was tested further in the focus group sessions which revealed that though some businesses had been obstructed by planning, many only thought it was going be a barrier. Only a few attendees were aware of the services that the Exmoor National Park planners could provide and that approval ratings in the National Park are actually high (90.5% compared to 77.6% across the South West[17]). For some who had gone through the planning process, they had reached successful outcomes and were pleased with the service. One example clearly highlighted the perception issue when it was reported that friends had told a young business owner they would struggle to get planning permission, yet this business had had no engagement with the National Park on planning so far.

Though a perception issue relating to planning clearly exists, the broader challenge may be the disconnect in communication and understanding from ENPA and the park residents. The desire for ENPA to strengthen their communication is a theme that was identified early at the workshop and emerged again in the focus groups, as well as some of the survey results. It was felt by some respondents that there was much to be gained from closer dialogue and engagement between businesses and ENPA, with each able to support the other.

The concern over information failure and communication was also an identified issue when it came to the broadband rollout and the businesses who remained unconnected to the new networks. Though there were some constraints from both the intermittency and lack of broadband as business activity increasingly moves online, many businesses just wanted some clarity on when they might receive a service or what they needed to do to help bring a service to them.

In relation to business support and advice many businesses reported that they did not seek such guidance, but of those that did it was mainly from professional advisors (32%) or friends and family (24%). Where businesses did wish to access support, the main challenge they reportedly faced was a lack of knowledge that such support was available. It was suggested that more online awareness could help push businesses towards applicable support and a National Park business forum could provide a place for this dialogue to take place. Experienced businesspeople who lived within the National Park may also be able to provide useful support or soundboard for other businesses in the area.

Though diverse, the Exmoor economy is dominated by tourism related businesses as well as agriculture and creative and recreation businesses. This presents opportunities for supporting whole sections of the economy but is a risk in the face of changing demand patterns and Brexit, especially for tourism and potentially agriculture.

[17] Planning Application Statistics, Ministry of Housing, Communities and Local Government, 2014-2019

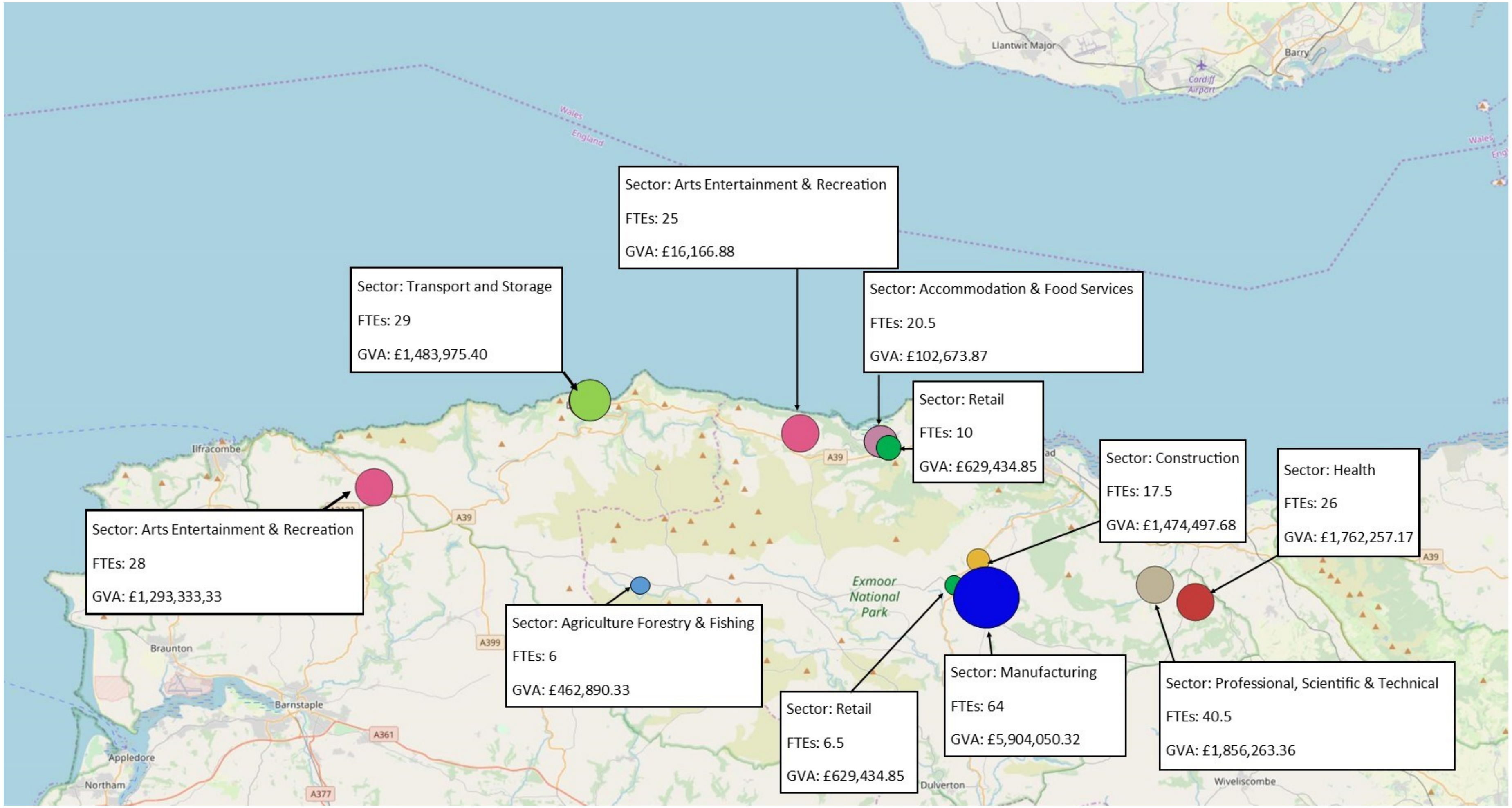
There were reported opportunities in pushing the National Park as a brand and possible accreditation to producers and sellers, which could be supported by the ENPA and local partners. Businesses at the focus groups were keen to push ideas of working together as a collaborative business community that could supply each other, shortening supply chains and moving towards a circular economy. It was observed, however, that the disposition of the businesses towards ENPA at the two focus groups was markedly different. The Wheddon Cross group thought they could work together alongside the National Park to develop a business forum or approach to achieving a closer business community. By contrast, those in Lynmouth felt little association with the National Park and a stronger relationship may need to be built before such a business community could be encouraged.

Engagement of the National Park in support of local businesses using their strong social media presence and the Park Rangers to act as the face of the organisation was suggested as a way of bringing everyone together.

Future expectation was for growth in the next 12 months among 53% of the respondent businesses, though it should be noted that this survey work was conducted before the outbreak of COVID-19. While the growth expectation figures are lower than in the UK, the rate of business failure in the National Park is also expected to be lower than the UK, suggesting a stable business base, rather than a dynamic one.

Appendix 1

Figure A1.1: Callout map of key businesses on Exmoor by estimated GVA size and showing sector and FTE employment



Source: Survey data supplemented by information from Companies House. GVA calculations made from Turnover data using ONS Annual Business Survey tables.

Rural
Enterprise
Exmoor