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Kirklees Rural Economy Review

Kirklees Council

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Contents

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For and on behalf of GVA Grimley Limited

1. Introduction

1.1 GVA has been instructed by Kirklees Council to provide evidence to inform and support the Local Plan's policy approach in relation to the rural economy. This piece of work follows our preparation of the Kirklees Market Strength Assessment report in relation to the Council's potential employment sites, dated November 2015.

1.2 In response to the consultation on the Draft Local Plan in November 2015, a number of comments were made in relation to the draft rural economy policy. The purpose of this report is to respond to these comments and to undertake a fine grained analysis of the rural economy in terms of its scale, role, and contribution to the overall economy of Kirklees, and as a result, to inform the refinement of the policy wording.

1.3 This report includes the following sections:

- Draft Local Plan policy and consultation responses;
- Planning and economic policy context;
- Business base and demographic mapping, travel to work data and analysis;
- Business survey data;
- Commercial market and key stakeholder engagement;
- Summary of findings and policy strategy advice.

2. Draft Local Plan policy and consultation responses

Draft Policy

2.1 In November 2015, the Council consulted on **Draft Local Plan Policy DLP10 – 'Supporting the rural economy'** in the 'Draft Local Plan: Strategy & Policies Document'. This stated:

Proposals to support the rural economy including tourism related development, farm diversification schemes, farm shops, ancillary cafés and tea rooms and other appropriate businesses including live/work units will be supported where;

a. the enterprise is provided through the conversion or re-use of an existing building; and

b. the proposal would not adversely affect the management and viability of any farm holding.

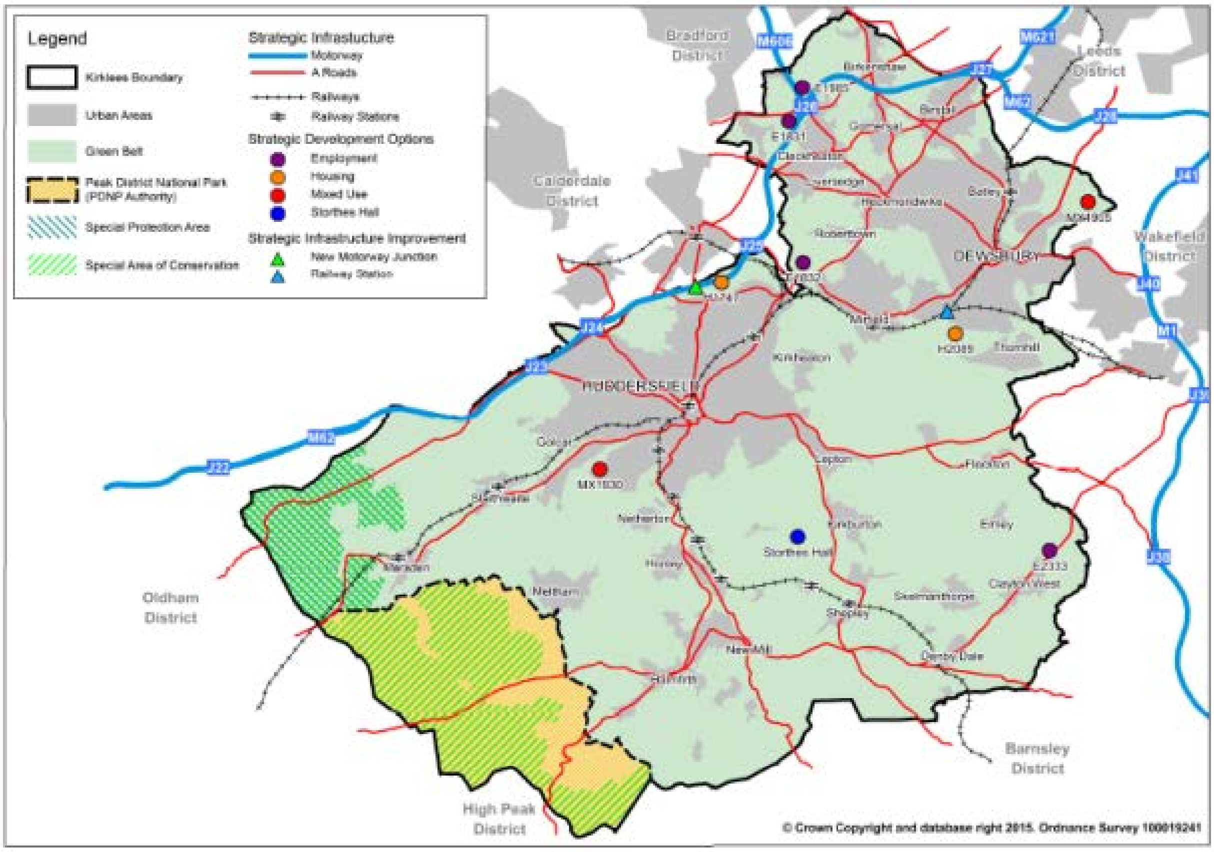
Where new buildings are proposed in the green belt the development proposed must be considered to be acceptable having regard to green belt policy. In all cases where development is proposed in the green belt regard must be had to the relevant policies in this plan.

2.2 The policy justification text relates this policy stance to the green belt, stating the following (paragraph 6.25):

The green belt is a living and working environment supporting innumerable businesses including farms, garden centres and nurseries, riding stables and liveries, industry and offices and a host of other enterprises. Employment in the green belt is important. While national guidance states that the countryside should be protected for its own sake this should not mean that businesses within it cannot thrive. Carefully designed and sited development to support existing businesses, and new businesses that can justify a green belt location, can maintain the economy, provide local jobs and help to support communities.

2.3 This policy supporting text links the rural economy policy to the green belt in Kirklees, which covers the majority of Kirklees outside of the main urban areas. The extent of the green belt is shown on the Key Diagram (Map 1) included in the Draft Strategy & Policies Document. This diagram is replicated in Figure 1 below.

Figure 2.1: Key Diagram, showing the extent of Kirklees Green Belt



2.4 The policy supporting text goes on to focus on agricultural and equestrian businesses, stating (paragraphs 6.26-6.27):

Changing agricultural practises also mean that farms are seeking new ways to maintain their viability and this will often lead to proposals for diversification schemes and tourist related enterprises that have a genuine need for a green belt location, usually because they are ancillary to their host enterprise. The re-use of buildings in the green belt makes use of existing resources and in some cases can enhance the appearance of the area. However, the re-use of isolated buildings for economic purposes is unlikely to be acceptable unless there are clear and demonstrable reasons why an isolated location is required. Only where there is a genuine requirement for a green belt location will new buildings be permitted.

Proposals for equestrian related businesses, such as riding stables or liveries, will be considered where they can be sustainably and appropriately located, and where there is existing good access to roads and bridleways. Care should be taken to ensure that any new or converted buildings are located where no nuisance will be caused by reason of noise, odour or light pollution from security or other lighting needs.

2.5 The final element of the policy justification text relates to the location of farm shops and town centre uses. It states (paragraph 6.28):

Proposals for farm shops and other predominantly town centre based uses should also have regard to national planning policy and Local Plan policies regarding sequential tests and impact assessment.

2.6 In terms of delivery and implementation, the justification (paragraph 6.29) states that the policy will be delivered by developers, but will be assisted by the council through any advice given at pre-application stage and through all other relevant stages of the application process.

2.7 In terms of links with strategic objectives, the text states that the policy will:

- Support the growth and diversification of the economy to increase skill levels and employment opportunities, including the provision of a high quality communication infrastructure;
- Protect and enhance the characteristics of the built, natural and historic environment, and local distinctiveness which contribute to the character of Kirklees.

2.8 Alternative options listed as considered are:

- DLP10 6.4.1 – No policy position on the rural economy and reliance on the NPPF;
- DLP10 6.4.2 – A more specific policy position specifying the types of enterprises that will be considered to be acceptable.

2.9 The supporting evidence for the policy is listed as the Kirklees Economic Strategy.

2.10 In addition to Draft Local Plan Policy DLP10, it is also worth highlighting that the Draft Local Plan also identifies four character areas across the district, including:

- Huddersfield;
- Dewsbury and Mirfield;
- Batley and Spen;
- Kirklees Rural.

2.11 The characteristics of 'Kirklees Rural' are set out in Section 5 of the Draft Strategy & Policies Document. This lists the strengths/opportunities for growth and the challenges to growth in this character area under paragraph 5.9. These are:

Strengths/opportunities for growth:

- Generally high levels of income.
- Low unemployment.
- Canal and centres such as Holmfirth attract tourism.

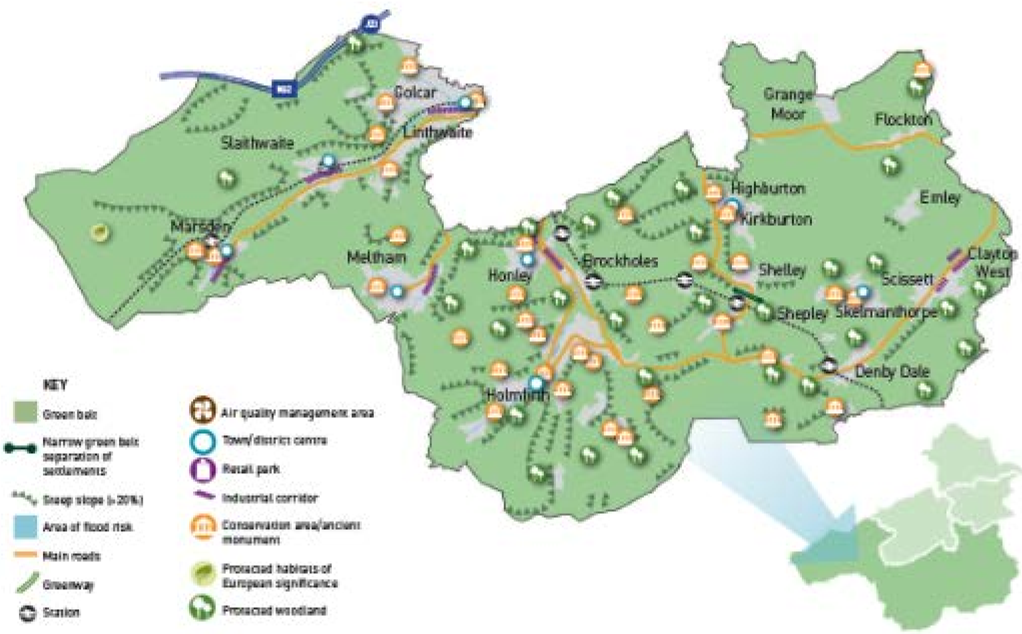
- Rail links to Leeds, Huddersfield and Manchester from the Colne Valley and potential to improve frequency of services in parts of the Holme Valley and Dearne Valley.
- Dearne Valley has relatively good access to M1.
- Attractive landscape character.
- Market strength suggests brownfield opportunities are more viable.
- Gentle slopes in the east provides opportunity to expand settlements.

Challenges to growth

- Expansion of settlements in the upper Colne and Holme Valleys may be constrained by European protected habitats and species.
- Steep valley sides in the Colne Valley and Holme Valley.
- Generally high house prices create problems of affordability for local people.
- Limited opportunities for people to work and shop locally.
- Relatively poor motorway access from the Colne Valley and Holme Valley.
- Limited frequency of rail service.
- Few brownfield opportunities from industrial legacy.
- Loss of employment land to housing.

2.12 Figure 2.2 below replicates Figure 6 of the Draft Strategy & Policies Document which illustrates the extent of the 'Kirklees Rural' character area.

Figure 2.2: Kirklees Rural Character Area



2.13 **It is important to highlight that whilst this character area is referred to as 'Kirklees Rural', it is not referenced in Draft Policy DLP10 as the relevant area to be covered by the rural economy policy. Therefore consideration of the rural economy policy should not be limited to the 'Kirklees Rural' character area**.

Consultation responses

2.14 A number of consultation responses were received in relation to the rural economy policy approach. Organisations / Councillors who responded include:

- Holmfirth Transition Town;
- Holme Valley Vision;
- Holme Valley Parish Council;
- Councillor Patrick;
- Councillor John Taylor;
- Shepley Village Association;
- E RADAR;
- Savile Estates;

2.15 A number of individuals also made comments.

2.16 Three stand alone representation documents were submitted that are of specific relevance to this policy. These include responses from Holme Valley Vision Network; Holme Valley Vision Input: EnviroScience; and E RADAR.

2.17 Comments made in the representations are summarised below.

Sectors

- There is no reference to the potential growth of small scale industry.
- Policy should encourage the growth of community / social enterprises within the local economy.
- DLP10 needs to be expanded – there is much more to the rural economy – Mills are still in operation and many people work from home.
- The Council needs to set out how it will accommodate innovative, sustainable new rural economic development (in light of NPPF paragraph 28).
- The inclusion of a policy supporting the diversification and evolution of the rural economy is positive, however, the policy should not limit this to those uses listed in DLP10 – the Local

Plan should encourage economic development and diversification where it is appropriate to do so, subject to environmental and amenity considerations.

- The green business sector / potential to combat climate change should be acknowledged.
- There are multiple opportunities to further consider the role of the economy in reducing carbon footprint – alternative approaches to agriculture, the introduction of semi-natural forestry, considering opportunities to increase renewable energy generation, increasing eco-tourism, improving sustainable transport choices and promoting recycling of furniture and white goods.
- Holme Valley Vision's databases show there are 900 businesses in the Holme Valley area accounting for over 6,000 employees. A significant proportion (nearly three quarters) are micro or small enterprises. Key sectors include professional services, construction, retail, hotels and restaurants, hairdressing, the motor trade wholesale, primary schools and health & social care; and there is scope for growth given the right levels of support, facilities and encouragement. Some businesses in the area trade nationally or internationally. Self-employment makes an important contribution to the local economy.
- There is a requirement to revitalise the Holme Valley's town centres to ensure that they remain vibrant and viable.

Sites

- The policy should encourage the provision of affordable office / workshop accommodation space for start-ups and SMEs.
- The policy should consider the beneficial use of Council assets (land, buildings etc.) to assist in providing suitable business / community enterprise space and facilities.
- By seeking to restrict rural economic development to the conversion of existing buildings, the policy will seriously stifle the rural economy in Kirklees because such development will be restricted by green belt policy.
- Inappropriate development that reduces the desirability of places to live and work will negatively impact the rural economy.
- The development of mixed use sites with provision of small office units is supported. This may help encourage start-ups and help the self-employed population to expand locally.
- The plan should designate new employment sites within the Holme Valley area to stimulate local business and employment opportunities.
- There is no strategy to encourage any growth for Holmfirth – the lack of industrial / office space, infrastructure and poor transport links are not addressed.

- There is no focus on the service sector – including the creative industries and professional services – a lack of offices and smaller units in the Holme Valley mean that people will commute out of the area.
- In some instances, sites may now be better suited to housing or mixed use so consideration should be given to encouraging business relocations to more appropriate sites.
- In relation to Holme Valley South, the number of employment opportunities will reduce with employment land being given away to housing.
- Anecdotal evidence suggests that in Holme Valley South, businesses have a desire to stay local, but some complain that there is a shortage of employment land for sale with no opportunities to build new factories and expand their companies.
- More existing employment land should be protected as Priority Employment Areas around Holmfirth to avoid the need for development on green belt land.
- The re-use of old buildings whose future is uncertain could make a contribution to the economy.
- Holme Valley South has some successful businesses, including in the textiles, agricultural and retail sectors. Tourism is also very important to the local economy. The textile family of businesses are still here because of the water supply and availability of qualified people. Companies large and small need land to grow their businesses but it is in short supply;

Infrastructure

- E-commerce and home working / working from home are increasingly important – high quality fast broadband and the availability of appropriate office space is key to developing these modes of working;
- There is an absence of any clear policies or strategy to encourage the development of the rural digital economy – the provision of next generation broadband with a commitment to the development of digital hubs and support for training SMEs to maximise the benefits to their business could lead to increased employment opportunities and a reduction in commutes, as well as retaining spending in the local area.
- The Draft Plan fails to recognise or unlock the value of rural working and living, the small office / home enterprises at the heart of Kirklees Rural, and today's teleworking trends which allow commuters to work remotely regularly. Providing fit-for-purpose, affordable, digital infrastructure and schemes to encourage more home/community-based working will encourage increased spending in local shops and businesses across our rural towns and villages, help take traffic off our over-congested roads, and promote health and well-being.

- There are several strategic points across rural Kirklees where Rural Digital Exchanges would work well, including in Holmfirth, Meltham and at the Sovereign Crossroads, Shepley.
- Universal, reliable and competitive superfast broadband availability is essential to enable global competitiveness and to arrest the loss of opportunity for rural digital economies. A successful rural digital economy relies on its ability to build and enhance local e-skills, especially online business strategy and risk management skills.
- Public libraries could make excellent rural digital enterprise and community hubs for digital engagement and inclusion.
- The Draft Plan does not recognise the important strategic position Rural Kirklees holds by being placed right at the heart of the Northern Powerhouse geographical area. There is support for the Council to partner with the private sector to build a local data centre to help drive the rural digital economy. There is also support for rural business start-ups developing FinTech software, data apps and other innovations charging up the rural economy.
- The policy should include reference to the necessary infrastructure to support the growth of the rural economy – including ensuring the road network is adequate, and reference to the opportunities that the digital economy presents to rural areas (digital businesses often do not adversely impact the countryside).
- Improvements to broadband services, collaborative approaches between businesses, the local authority and residents, creative problem solving and innovation are key to grasping opportunities.

Tourism

- The LPA needs to be much more proactive in supporting innovative and economically valuable rural tourism in line with NPPF paragraph 28, which states that planning policies should take a positive approach to sustainable new development, and that 'well designed new buildings' should be supported. This paragraph also states that tourist and visitor facilities should be encouraged in appropriate locations where identified needs are not met by existing facilities in rural service centres.
- Tourism development can put Kirklees on the map (e.g. the Holmfirth vineyard and the Cider Press), bringing visitors and money from outside of the area, providing jobs and income for Kirklees residents.
- The role of the growing tourist economy and the service sector in Holmfirth is not recognised.

- The plan does not say anything about encouraging tourism – the provision of tourist accommodation in Holmfirth creates a significant number of jobs as well as related jobs in other local businesses (shops, pubs, restaurants etc.).
- There should be more low cost camping / caravanning accommodation and an additional larger hotel to fulfil needs – the Local Plan should acknowledge these needs and make more of an effort to publicise Holmfirth and its close links to the Peak District.
- The position of the Holme Valley in relation to the Peak Park and the Sheffield and Manchester City Regions, as well as the Leeds City Region, should be recognised. These are both markets for local businesses and sources of potential visitors to the area.
- Proposals to improve access to land in the Upper River Valley to create more opportunities for sport and informal leisure would increase tourism and associated economic activity (as well as having health and welfare benefits). The River 2015 project has plans to open up the River Holme to create a footpath, cycleway and bridle path from the upper reaches to its junction with the Calder in Huddersfield. Failure to include the countryside and tourism as an economic asset is of great concern.
- There is the potential for development of a local museum and or arts and cultural centre.
- Last of the Summer Wine, a growing programme of events and festivals, the Tour de France etc. are all important / have been important tourist attractions for the Holme Valley.

3. Planning and economic policy context

3.1 In addition to the Draft Local Plan policy position presented in Section 2 above, there are a number of other key planning policy and economic strategy documents that require review to inform this study. These are detailed below.

NPPF (2012)

3.2 Paragraph 28 of the NPPF relates to 'supporting a prosperous rural economy'. It states that planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. It goes on to state that Local Plans should do the following to promote a strong rural economy (GVA emphasis in bold):

- support the sustainable growth and expansion of **all types of business and enterprise** in rural areas, **both through conversion of existing buildings and well designed new buildings**;
- promote the development and diversification of agricultural and other land-based rural businesses;
- **support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors**, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres; and
- promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship.

Leeds City Region Strategic Economic Plan (SEP) (2016)

3.3 The Leeds City Region Local Enterprise Partnership (referred to as 'the Leeds LEP') covers the local authority districts of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. The Leeds LEP aim is to overcome barriers to private sector growth and create more opportunities for businesses to develop and provide jobs.

3.4 The Leeds City Region Strategic Economic Plan (SEP) was agreed with Government in July 2014 with the stated ambition to deliver an additional £5.2 billion in economic output and an extra 62,000 jobs in the Leeds City Region by 2021. It was updated to form the Leeds City Region SEP 2016 – 2036 in May 2016.

3.5 The SEP sets out 4 strategic priorities:

- Growing businesses;
- Skilled people, better jobs;
- Clean energy and environmental resilience; and
- Infrastructure for growth.

3.6 The SEP vision specifically refers to the creation of high quality and connected places, which it states are intrinsic to good growth. It refers to vibrant, regenerated town and city centres sitting alongside a rural hinterland that plays its full and highly significant role in the City Region economy.

3.7 The SEP also recognises that whilst not led by the LEP or the Combined Authority, tourism and the visitor economy can benefit the City Regions economy, including rural areas.

3.8 The SEP states that the opportunity to leverage the assets of each city and town – across urban and rural areas – in order to attract people and investment and to drive growth is huge. Specifically in relation to Kirklees, it states:

Kirklees is one of the largest Local Authority areas In England, and includes the main centre of Huddersfield, sizeable towns such as Dewsbury, Cleckheaton and Holmfirth and extensive semi-rural areas such as in the Colne and Holme Valleys.

It has strong commuting and business connections to Leeds, relationships to neighbouring areas such as Calderdale, Bradford and Wakefield, and important links to Manchester and Sheffield. The Kirklees Economic Strategy takes advantage of this context by positioning the District as the best place to do business in the North of England. Assets of city regional importance include world leading engineering and textile businesses, cutting edge innovation and creative businesses, East-West transport transport connections and easy access to Pennine and Peak District landscapes – although improved North-South road connections to Halifax, Bradford and Sheffield are needed.

3.9 The SEP also recognises the following key assets for improving performance Leeds City Region wide:

- A distinctive mix of urban and rural areas in close proximity, offering a quality of life that is second to none.
- Natural capital in urban and rural areas, including wildlife, woodlands and a beautiful natural environment which attracts businesses, investment, skilled employees and tourism.

3.10 In terms of transport infrastructure, the SEP states that a key principle underlying future transport investments and policies will be ensuring that transport systems serve all communities, including disadvantaged and rural ones.

3.11 In terms of digital infrastructure, the SEP recognises that major digital infrastructure improvements are being delivered but that the LEP want to go further still to ensure no business – in urban or rural areas – faces digital disadvantage that holds back growth and perpetuates exclusion.

Kirklees Economic Strategy (2015)

3.12 The Kirklees Economic Strategy (2015) is the latest document available in which the Council identifies the strategic direction for the Kirklees Economy.

3.13 This document is a key evidence base document that underpins Draft Local Plan Policy DLP10. Whilst it does not specifically include a strategy for the 'rural economy', it covers the whole economy of Kirklees, which it recognises at the outset is a large and diverse area and the required approach varies by place.

3.14 The Strategy recognises the value of the location of Kirklees between Leeds, Manchester and Sheffield. The Strategy identifies the strengths and weaknesses of the Kirklees economy and these are shown in Figure 3.1 below.

Figure 3.1: Strengths and weaknesses of the Kirklees economy (Economic Strategy, p10)

Strengths and opportunities	Weaknesses and threats
• Unique heart of the north location - with ease of access to 3m workforce, 250,000 businesses, a £150bn economy, and 12 universities, plus the attractiveness and affordability to retain businesses and people • TransPennine rail upgrade and new High Speed 2 lines will further enhance access • The University of Huddersfield - impressive statistics on teaching excellence, placements graduate employment, and facilities for business innovation and enterprise – plus its University of the Year 2013 award • Schools that score highly on GCSE attainment and some of England's top performing colleges • Concentration of engineering, manufacturing and design, driven by globally leading businesses in fields such as gears, valves, pumps, turbos, chemical and textiles (with a strong "Made in Huddersfield" reputation) • A national reputation as a low carbon leader • Growing creative and digital businesses with excellent physical support assets • A concentration of leading enterprise activity, buoyed by a strong independent spirit and a relatively young and diverse population • Attractive built and natural environment and distinctive heritage – which adds to our visitor and quality of place offers • Huddersfield is a 'top 100 town' (which is key for retail) and has cultural and heritage attractions ranging from festivals to contemporary classical music to real ale • Next generation digital infrastructure opportunities • An Enterprising Council and partnerships with the University, FE college, businesses and Leeds City Region	• Fewer businesses per capita than England average and higher business closure rates • Gross Value Added per head is low - £14,400 compared to £17,700 in Leeds City Region and £21,000 in England • The low but improving, employment rate is below Leeds City Region average - there would be 11,000 more people in work if Kirklees matched the England average employment rate • Relatively low but improving business exports and take-up of innovation incentives and external support • Polarisation between and within areas – contrast of high skills/high wages for some and low incomes or worklessness for others • Adults skills levels below average overall (but with concentrations of high level skills in certain places and sectors e.g. manufacturing and engineering) • Historically low demand for office space keeping downward pressure on rental and sale values and making commercial development less viable • Some centres perform below average on key indicators and are in need of revitalisation and investment • Lack of a major tourism attraction to draw in footfall and spend, and a limited town centre accommodation offer • Limited and reducing public sector finances, but more to do to enable economic success

3.15 The Economic Strategy identifies five priorities. These are:

1. Precision engineering and innovative manufacturing: strength in depth and excellence

2. Innovation and enterprising businesses: championing creativity, entrepreneurship and resilience

3. Workforce, skills and employment: extending opportunities and powering business success

4. Infrastructure: making it easier for businesses to succeed and for people to access work

5. Quality places: locations of choice for people, business and investment

3.16 The Strategy suggests that the priorities will address three strategic issues, including avoiding a one-size-fits-all approach. Some areas are identified as requiring 'evolutionary improvement' where there is a need to maintain and enhance strong performance where it already exists, in areas such as Holmfirth, Liversedge, Birstall, Denby Dale and South Kirklees. Other areas are identified as requiring 'economic revitalisation' (Huddersfield) and 'transformational economic overhaul' (Dewsbury).

3.17 Six headline initiatives, cross cutting the five priorities are identified. 4 of these may have relevance to the rural economy:

- Consolidate Kirklees as the heart of a growing innovative manufacturing and engineering cluster in Leeds City Region;
- Maximise the impact of a suite of high quality innovation and enterprise assets, including developing a Process Engineering Facility at Kirklees College and the Globe Mill Environmental Technology Centre;
- Action programme to enhance enterprise, skills and opportunities for young people - to maximise their economic contribution and reduce unemployment;
- Develop strategic employment sites to stimulate jobs and growth, with focus on manufacturing and engineering, supported by associated infrastructure improvements.

3.18 In relation to Priority 2, the Strategy identifies that there is a strong spirit of enterprise in the district and that small businesses fuel the economy – embedded in communities they reinforce the 'Kirklees Pound'. However, the Strategy recognises that across Kirklees the number of businesses per capita is lower than the national average, therefore it seeks to ensure that all residents have the support they need to start and embed a business or social enterprise.

3.19 Actions against Priority 2 include: ensuring physical centres are available to help business start-ups; developing a new Kirklees Business Hub; and directing businesses to integrated support.

3.20 In relation to Priority 3, the Strategy recognises that skills and employment levels vary widely across the district, with areas that excel (Holme Valley, Mirfield, Denby Dale, Kirkburton) and others with more than three times their share of deprivation (Dewsbury).

3.21 In relation to Priority 4, the Strategy identifies that a good supply of employment land is critical to long term economic growth. Infrastructure upgrade requirements across the district are identified to include: new strategic employment sites; new high quality office facilities in town centres; public transport and physical improvements (including better connections to/from rural communities by road and by public transport), quality houses; next generation digital connectivity; and maintaining and enhancing exceptional green infrastructure.

3.22 Priority 5 again recognises that Kirklees is a diverse area with each place having a unique set of assets. The Strategy identifies that many rural areas are already performing at or above average for the district and city region. The Strategy seeks to maintain this and recognises that the best way to do so is through locally-led place making and community economic development. This involves building capacity and empowering communities to identify their own ambitions centred on core functions, assets and local needs. The Strategy states that this will generate distinct local definitions of what success looks like and how it can be achieved.

3.23 A strong tourist offer is also identified as a component in a number of places across the district, particularly tourist hubs in South Kirklees and Huddersfield. A strategic approach focused on delivering unique, niche experiences, and building local distinctiveness will be critical. The Strategy states that promotion of tourism should be centred on the Huddersfield and Welcome to Yorkshire brands.

3.24 The Strategy also states that across the district the Council will seek to maximise the cultural offer; setting out a clear strategy on cultural priorities in support of quality of life, investment and tourism.

Summary

3.25 The key conclusions in relation to the rural economy that can be drawn from the policy review in this section of the report are:

- The NPPF states that rural economic growth should be supported by taking a positive approach to sustainable new development – through supporting the growth of all types of business / enterprise, and through the conversion of existing buildings and well designed new buildings; through promoting the development and diversification of agricultural and other land-based rural businesses; through supporting sustainable rural tourism and leisure developments that benefit businesses in rural areas, including where identified needs are not met by existing facilities in rural service centres; and through promoting the retention and development of local services and community facilities in villages.
- In the context of the City Region, the rural hinterland is seen as playing a highly significant role in the City Region economy. The mix of urban and rural areas in close proximity is seen to offer a good quality of life. Natural capital is seen as an important asset in attracting businesses, investment, skilled employees and tourism. The role of transport and digital infrastructure is seen as important to both the urban and rural economies.
- The Kirklees Economic Strategy recognises that Kirklees is a large diverse area that requires a different approach from place to place. Overall, Kirklees is considered to occupy a valuable location between Leeds, Manchester and Sheffield. Engineering and manufacturing, creative and digital businesses and a concentration of leading enterprise activity, as well as an attractive built and natural environment are seen as key strengths of the economy. Well performing parts of the economy (largely the rural areas) are seen as requiring ‘evolutionary improvement’ where there is a need to maintain and enhance strong performance.

- The Kirklees Economic Strategy identifies five priorities, including precision engineering and innovative manufacturing; innovation and enterprising businesses; work force, skills and employment; infrastructure; and quality places. Small businesses embedded in communities are recognised as important but it is also recognised that this number can be grown. New strategic employment sites, better connections to and from rural communities, and next generation digital connectivity, are seen as required infrastructure upgrades. A strong tourist offer is also seen as important, building local distinctiveness.

4. Business base and demographic mapping, travel to work data and analysis

Census Data

4.1 Several datasets have been mapped at Middle Super Output Area (MSOA) level, to demonstrate the geography of Census data within the Kirklees authority. The following section presents each map and summarises the findings, with specific reference to the rural economy.

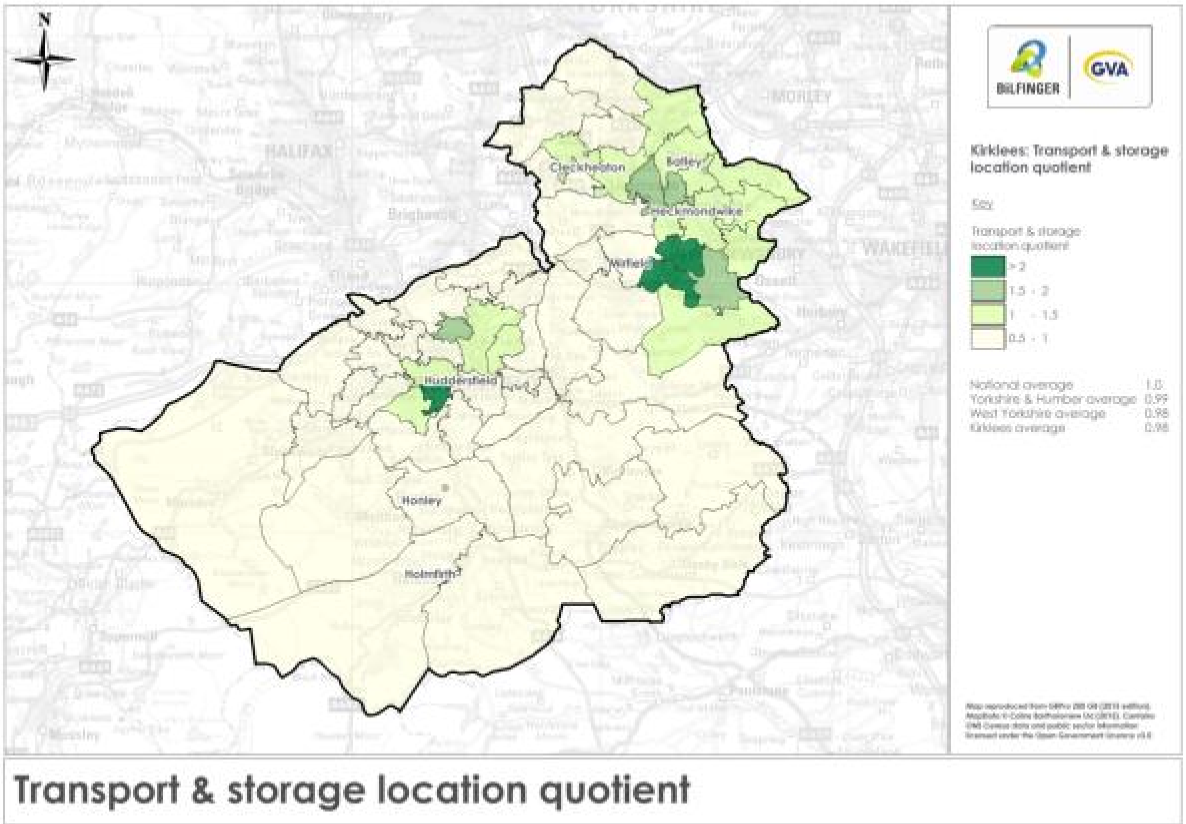
Industries and Occupations

4.2 Data regarding the number of people employed in different industrial sectors has been obtained from the Census (2011). This has been used to calculate a Location Quotient (LQ), which quantifies the concentration of residents working a particular industry compared with the national average. An LQ of 1 means that the national level and area of study have equal concentrations of a specific sector. An LQ of above 1 means that the area of study has a higher concentration of the sector, compared with nationally. An LQ of below 1 means that the area of study has less representation in the sector, compared with nationally.

4.3 LQ maps have been produced for the following sectors: transport and storage; business, professional and financial services; and manufacturing. These are included below in Figures 4.1, 4.2 and 4.3.

4.4 It is important to note that a key limitation of this data is that the data is recorded against the location of residence of the employee, rather than their place of work.

Figure 4.1: Transport & Storage Location Quotient



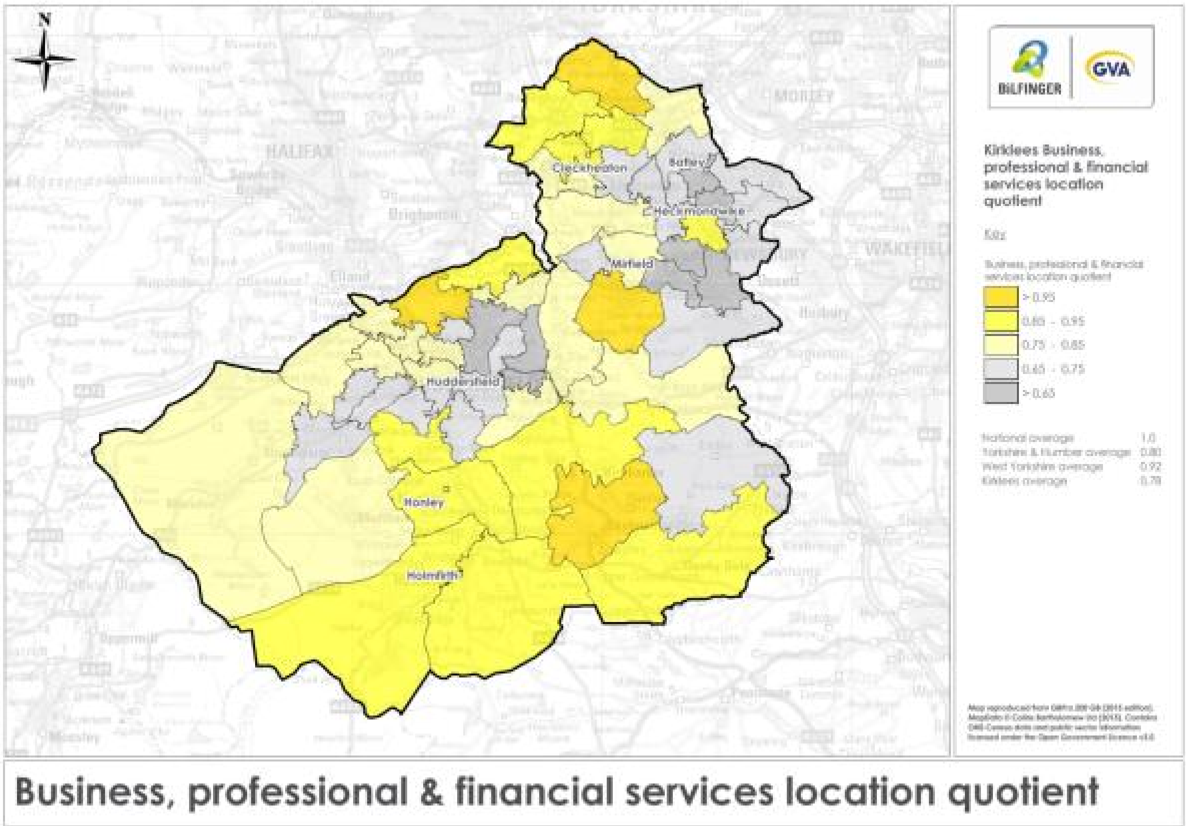
4.5 The above map demonstrates a clear urban/rural split within Kirklees. The Transport & Storage sector is under-represented in the rural areas, compared to the national average. There are significantly more people employed in this sector who live in the urban areas of Huddersfield and to the north-east of the authority.

4.6 The areas around Dewsbury have an LQ of 2, which identifies that the proportion of people employed within the transport and storage industry in this area is double that of the national average.

4.7 This aligns with the geography of this part of Kirklees, which benefits from good access links to the surrounding motorway network (M62, M621, M1) and nearby towns and cities, such as Wakefield, Leeds and Bradford.

4.8 The rural areas have an LQ of less than 1, with fewer employees living in these areas working in the Transport & Storage sector. This is likely to be reflective of the lack of strategic transport infrastructure / connectivity and the associated lack of such businesses in the rural areas.

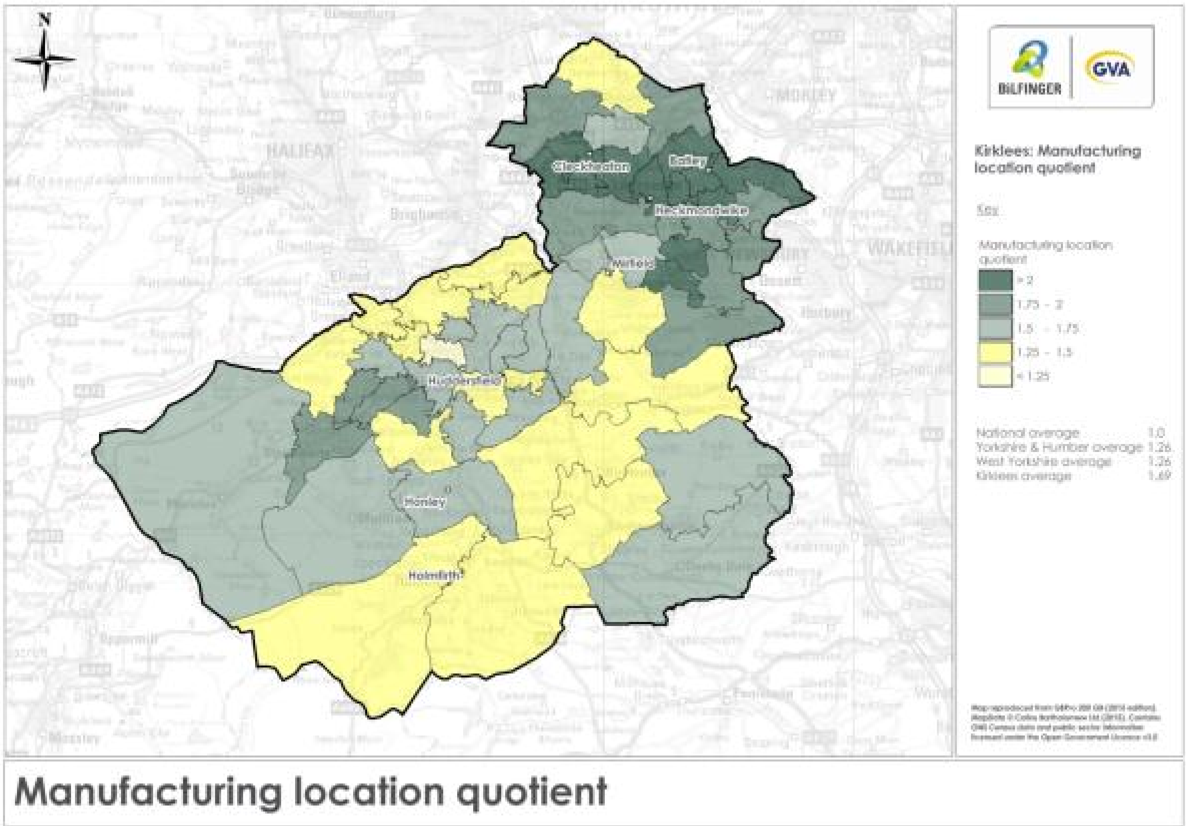
Figure 4.2: Business, Professional and Financial Services Location Quotient



4.9 Across Kirklees, the MSOAs have an LQ of below 1, meaning that the Business, Professional and Financial Services (BPFS) sector is under-represented across the authority, with the strongest under representation of residents who are employed in this sector in the Huddersfield urban area and to the north east of the authority area.

4.10 There are clearer concentrations of residents in this sector in the rural south of Kirklees area (e.g. Holmfirth, Honley, Shepley and Shelley), as well as along the M62 corridor and to the south of Mirfield. It is likely that many of the residents in this sector commute to nearby cities for work, but this could also suggest more people in rural areas living and working in this sector contributing to the rural economy.

Figure 4.3: Manufacturing Location Quotient



4.11 Across Kirklees, the LQ of residents in the Manufacturing sector exceeds 1, which shows that this sector is important to the authority, regardless of the urban or rural nature of the MSOAs. It can also be seen on the map key that the Kirklees average is far higher than the West Yorkshire sub-regional average and the Yorkshire & Humber average.

4.12 Similarly to the Transport & Storage LQ map, the Manufacturing sector also shows an urban/rural split with areas to the north east of Kirklees demonstrating a concentration of residents employed in the Manufacturing sector which is double that of the national average.

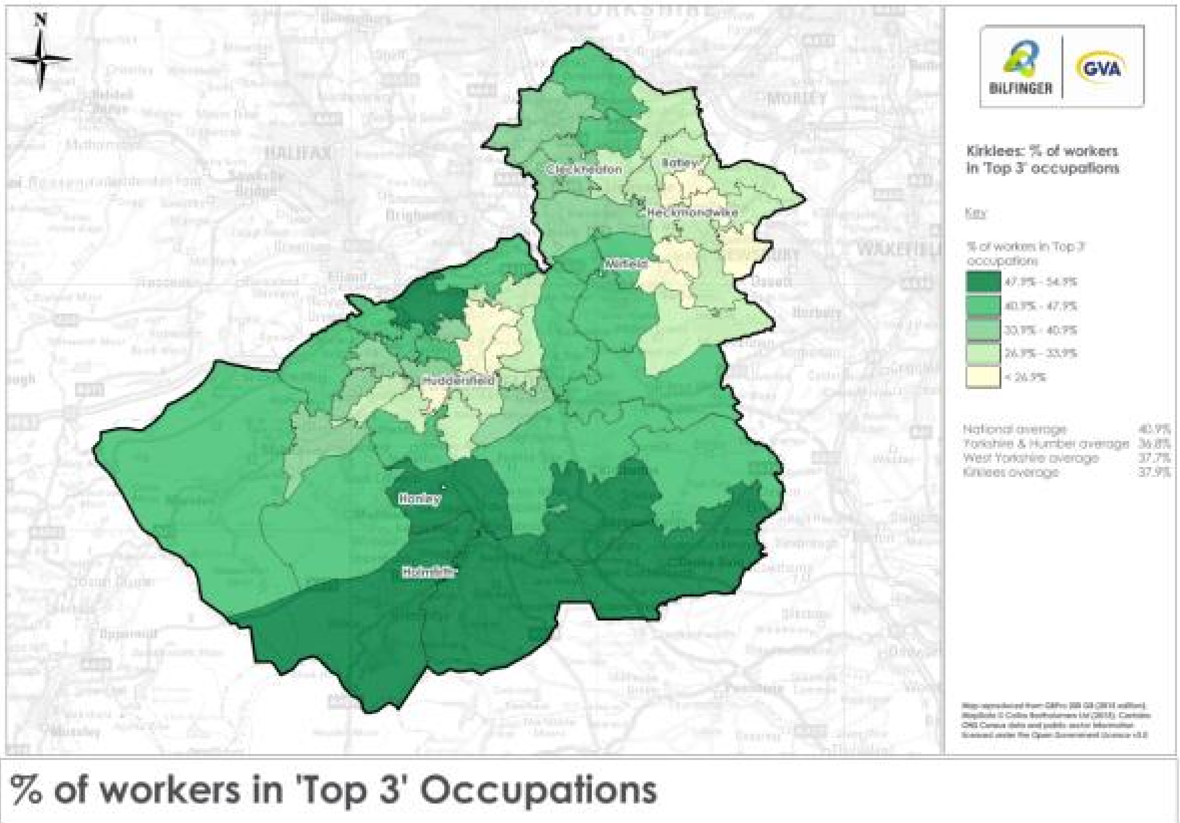
4.13 However, although apparent, the urban/rural split is less well defined in the Manufacturing sector, with rural areas of south-east Kirklees (e.g. Denby Dale) and areas to the west of the authority (e.g. Meltham and Marsden) demonstrating higher concentrations of residents employed in Manufacturing, compared with the national average and compared with more urban places, such as the outskirts of Huddersfield to the north west and south east.

4.14 This is likely to be a result of the historic and continuing importance of manufacturing across the whole of Kirklees.

'Top 3' Occupations

4.15 The 'Top 3' Occupations are defined as Managers, Directors and Senior Officials; Professional Occupations; and Associated Professional and Technical Occupations.

Figure 4.4: Top 3 occupations



4.16 Figure 4.4 shows an urban/rural split and a north/south split in terms of the proportion of people employed in the 'Top 3' occupations. The south of the authority has a higher proportion of people employed in such occupations, from Honley and Shelley down to the southern boundary of Kirklees.

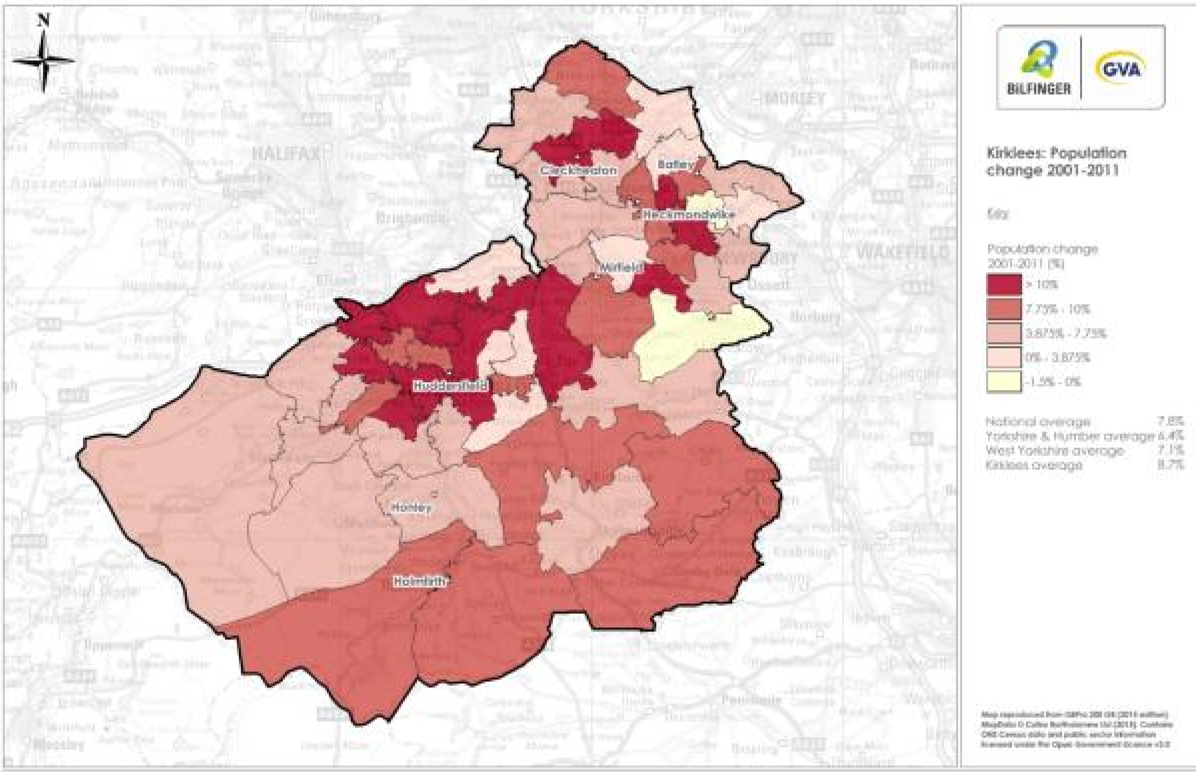
4.17 The remaining rural areas also demonstrate a high proportion of people employed in the 'Top 3' occupations, albeit to a lesser extent. The urban areas surrounding Huddersfield and the MSOAs to the north east of the authority, around Dewsbury, have lower proportions of people employed in such occupations, in some cases half that of the south of the authority.

4.18 As per the BPFS LQ map, it is likely that many of the residents in the 'Top 3' occupations commute to nearby cities for work, but it could also be the case that more people in rural areas in these 'Top 3' occupations are living and working in the rural areas and contributing to the rural economy.

Population

4.19 The population change in percentage terms between the 2001 and 2011 census across Kirklees is mapped at MSOA level in Figure 4.5 below.

Figure 4.5: Population Change 2001-2011



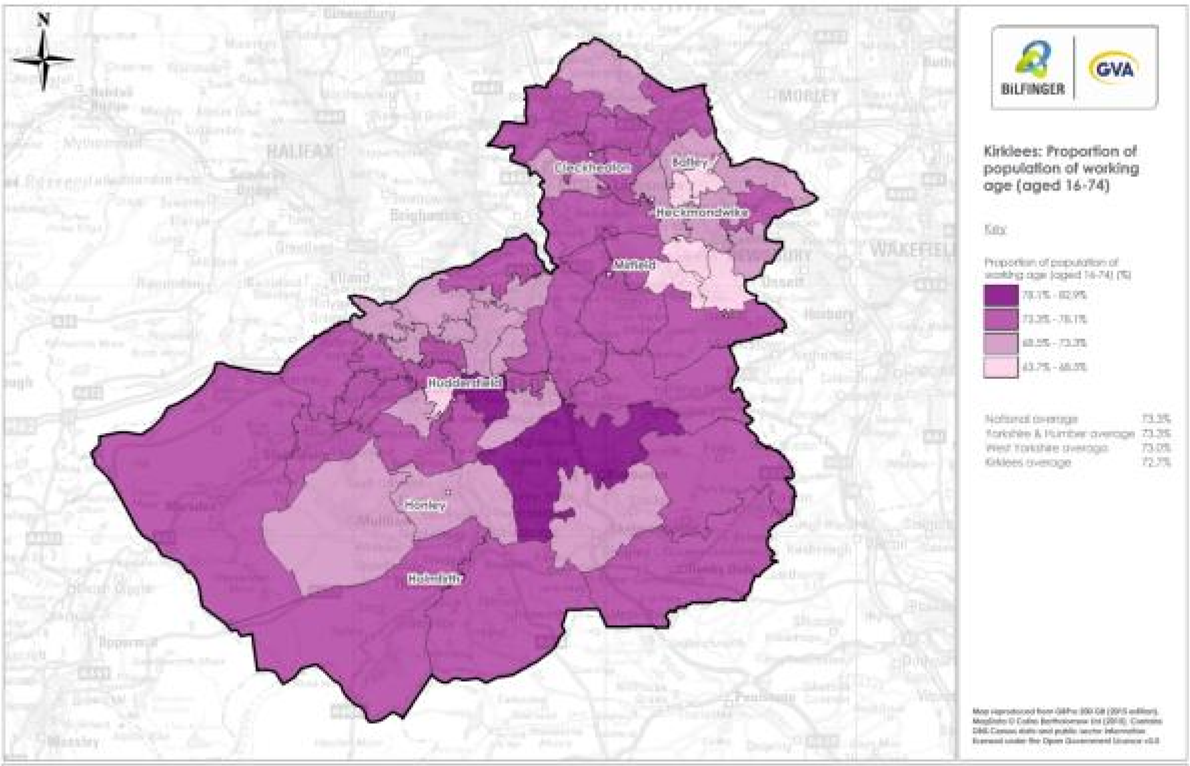
Population change 2001-2011

4.20 The majority of the authority has experienced population growth between the Census years of 2001 and 2011, with the exception of two MSOAs to the north and south of Dewsbury. The Kirklees average is higher than the national, West Yorkshire sub-region and Yorkshire & Humber regional averages.

4.21 The map shows an urban/rural split in that the urban areas have experienced the greatest increase in population. The outskirts of the urban centres have also experienced the highest rates of population growth, such as Cleckheaton and Gomersal.

4.22 The map also demonstrates a north/south difference in Kirklees, with greater population growth in the rural areas to the south / south east of the authority including Holmfirth (with the exception of the area around Shepley), compared with rural areas to the north and west (Meltham, Marsden).

Figure 4.6: Proportion of the population who are working age



Proportion of population of working age (aged 16-74)

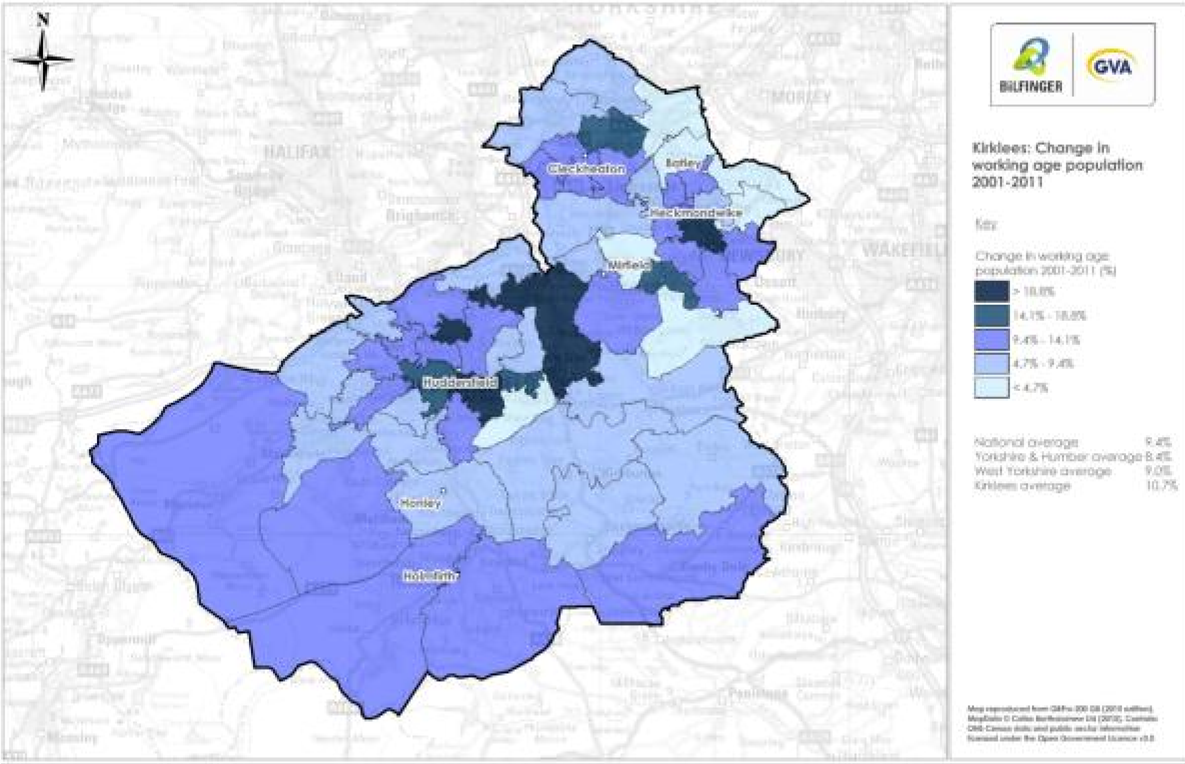
4.23 Working age is defined by the Census (ONS, 2011) as being those aged 16 to 74 years. Figure 4.6 shows the differences in the proportion of the population who are of working age across Kirklees.

4.24 The rural area is relatively consistent with a high proportion of the population (over 70%) aged between 16 and 74 years. There are some areas of the authority which have lower proportions of working age people, such as the urban area surrounding Dewsbury / Batley and central Huddersfield.

4.25 There are pockets of higher proportions of working age people in Huddersfield and the Kirkburton / Highburton / Farnley Tyas area.

4.26 The general trend in Kirklees is that the rural areas contain a higher proportion of working age people, with more young (under 16) and/or elderly (over 74) people in the urban cores.

Figure 4.7: Change in working age population



Change in working age population

4.27 Figure 4.7 shows the percentage change in the numbers of working age people across Kirklees between 2001 and 2011. It shows that across the authority, there has been an increase in the number of working age people over the 2001 – 2011 period, at a higher average rate than the national, West Yorkshire sub-region and Yorkshire & Humber regional averages.

4.28 The areas experiencing a smaller increase are largely located to the east of the authority, on the outskirts of Batley and Mirfield, to the north and south of Dewsbury.

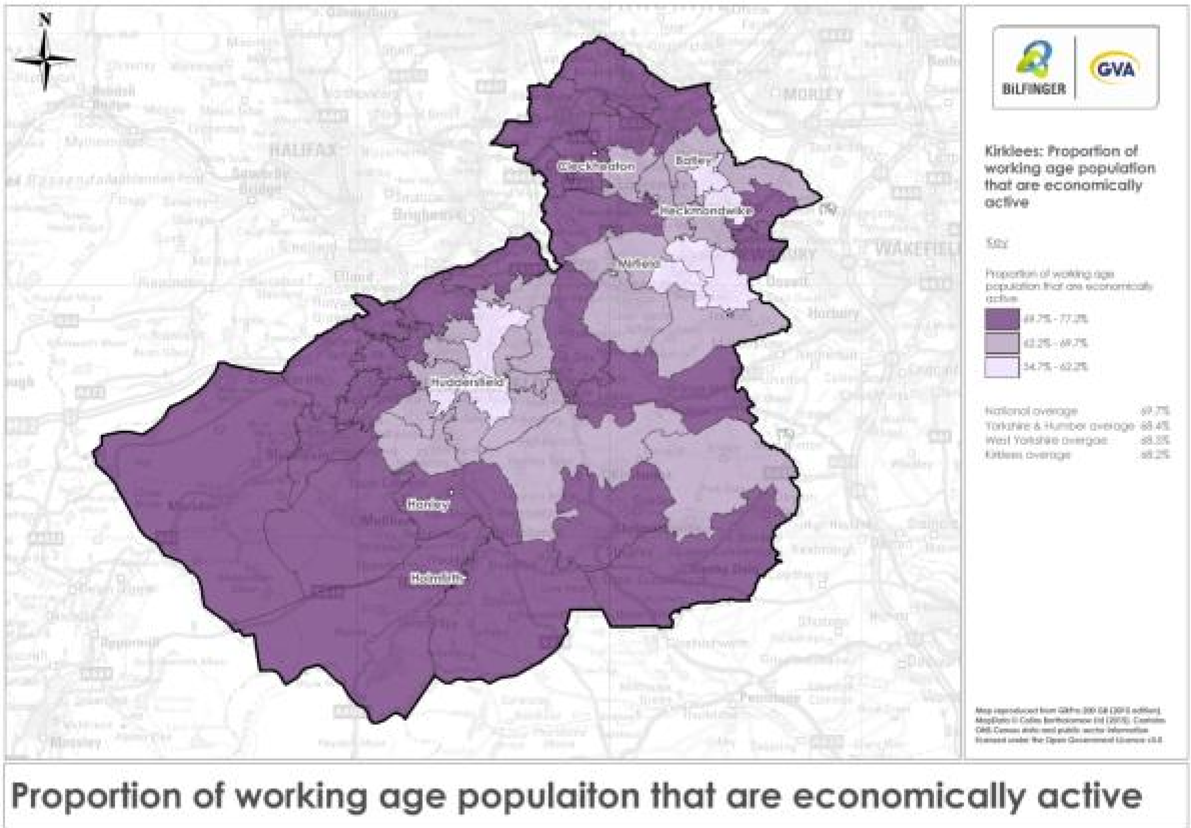
4.29 The areas experiencing the greatest increase in the working age population are located between Huddersfield and Dewsbury in the urban-rural fringe centred on Upper Heaton and Kirkheaton, to the north of Cleckheaton and in central Huddersfield and Dewsbury.

4.30 The map shows a north-south divide within Kirklees, with the southern / western rural areas (around Marsden, Meltham, Holmfirth and Denby Dale) exhibiting a greater increase in the number of working age people, compared to the rural area to the east and north of the authority.

Economic activity

4.31 The economic activity rates taken from the 2011 Census are shown in Figure 4.8 below.

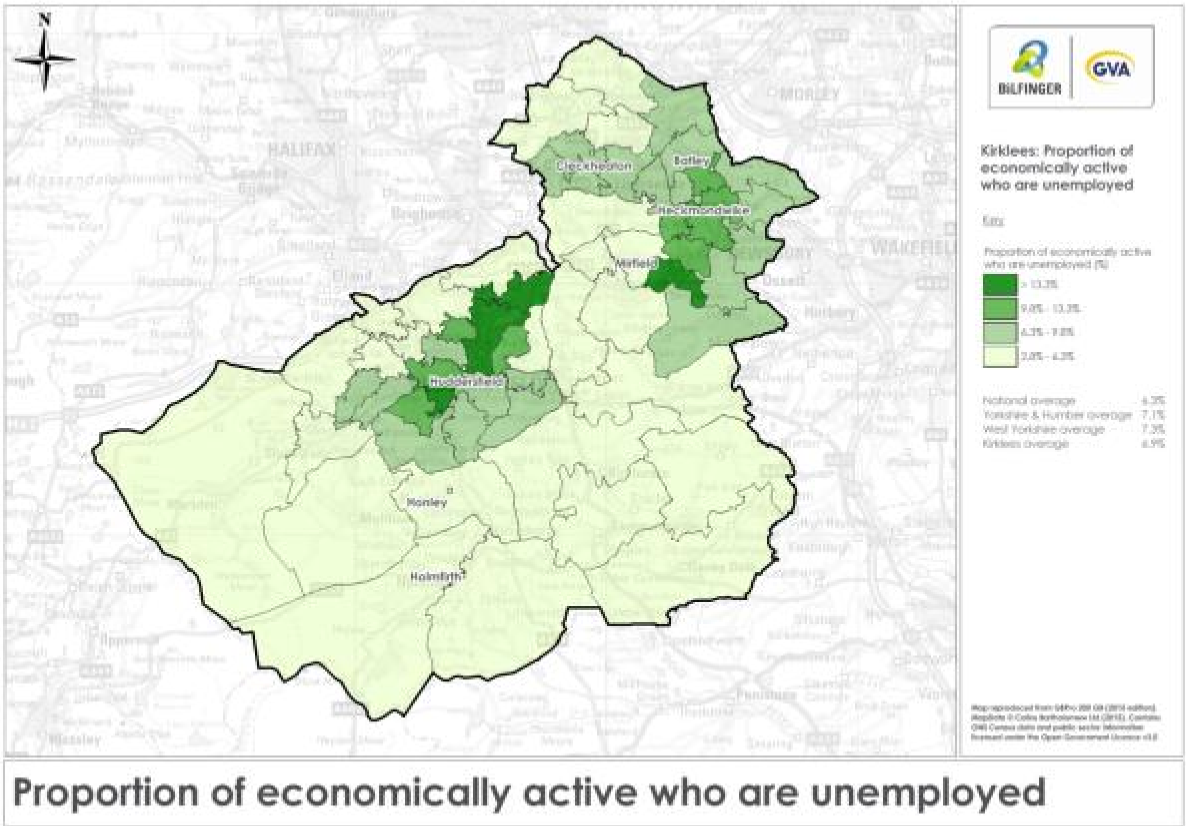
Figure 4.8: Proportion of the working age population who are economically active



4.32 Figure 4.8 shows a clearer urban / rural difference, with the majority of rural areas containing a higher proportion of economically active working age residents. The urban centres of Huddersfield and Dewsbury have the lowest proportions of economically active residents and the surrounding urban-rural fringe shows higher economic activity rates, albeit this remains below the average of the rural areas.

4.33 This trend within the urban-rural fringe stretches south-east from Huddersfield towards the A636 / A637 and includes Highburton, Farnley Tyas, Kirkburton and Emley.

Figure 4.9: Proportion of economically active who are unemployed



4.34 Similarly to the map of economic activity rates, Figure 4.9 shows that the urban areas to the north and east of the District and around Huddersfield / along the Leeds Road corridor experience higher rates of unemployment amongst the economically active.

4.35 The rural area consistently has a much lower proportion of economically active people who are unemployed (lower than the national average).

Figure 4.10: Proportion of employed people who are self-employed

4.36 The 2011 Census provides information regarding the numbers of employed people who are self-employed. With the exception of the rural area surrounding Slaithwaite and Meltham, the rural area of Kirklees consistently has a higher proportion of employed people who are self-employed (greater than the national average).

4.37 Self-employment rates are lowest in the centre and north and south of Huddersfield. The area to the north-west of Dewsbury (including Cleckheaton, Liversedge and Batley) has a higher rate of self-employment compared with Huddersfield, but this remains below the rate within the rural areas.

IDBR Mapping

4.38 Using 2015 data from the ONS Inter-Departmental Business Register (IDBR), the businesses within Kirklees can be mapped to show the geography of different sectors across the authority. The sector definitions are taken from the UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007).

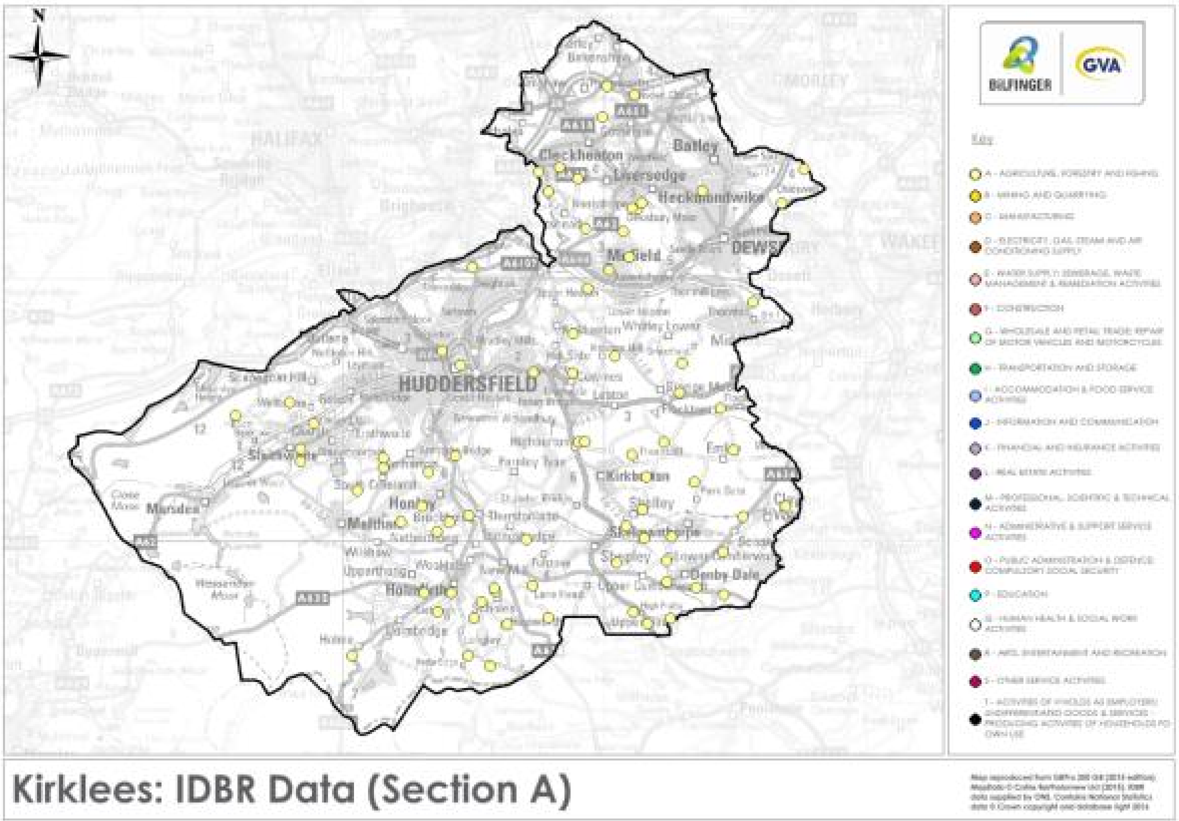
4.39 The IDBR dataset is formed by a combination of several data sources, including the Value Added Tax (VAT) system from HMRC and Pay As You Earn (PAYE) from HMRC (Revenue). Additional inputs include Companies House, Dun and Bradstreet and ONS Business Surveys.

4.40 The points on the maps do not identify each business, they only show the businesses within the stated sectors, and are presented at a scale to avoid the ability to identify specific businesses. Where multiple businesses exist within the same sector and with the same postcode they may be shown by a single point.

4.41 The data does not appear to cover the Peak District National Park area to the south west of Kirklees, as no businesses appear in this part of the mapping.

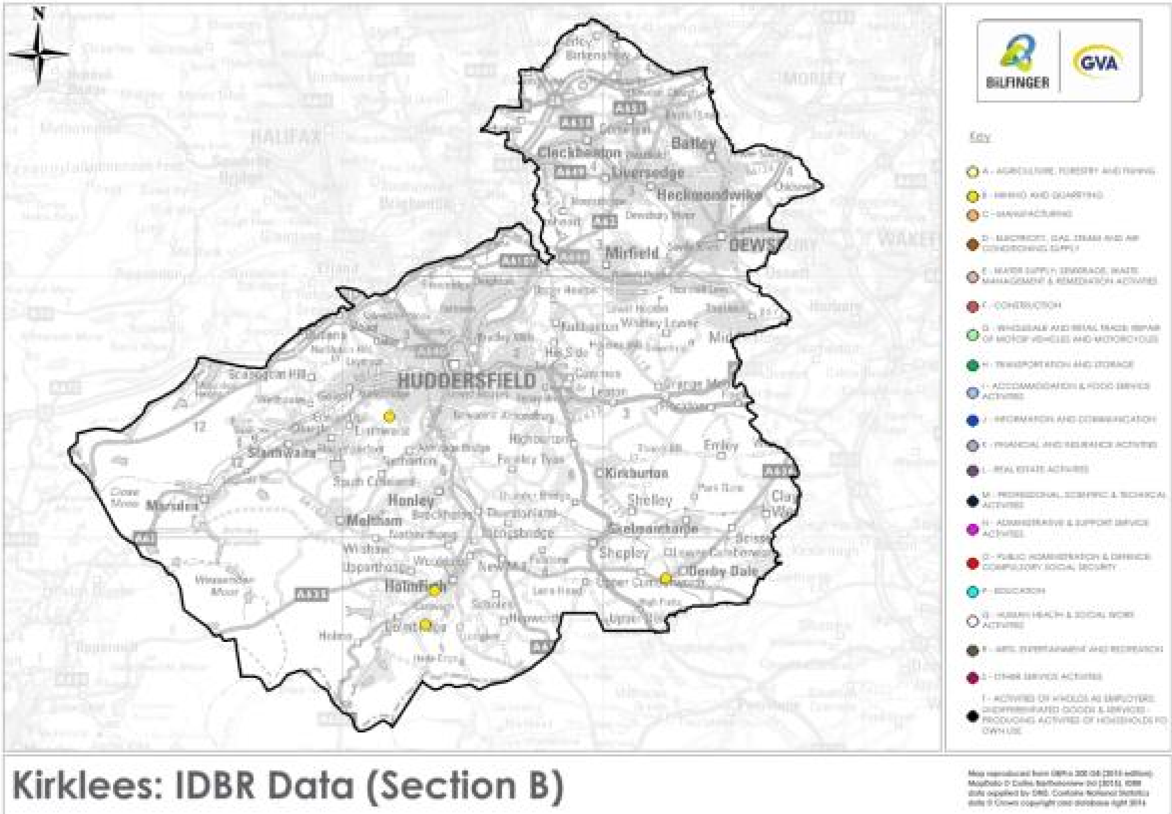
4.42 The following analysis is presented on a sector by sector basis. Sector U (activities of extraterritorial organisations and bodies) has not been mapped as there were no records in the dataset under this heading within Kirklees.

Figure 4.11: IDBR Sector A - Agriculture, Forestry and Fishing



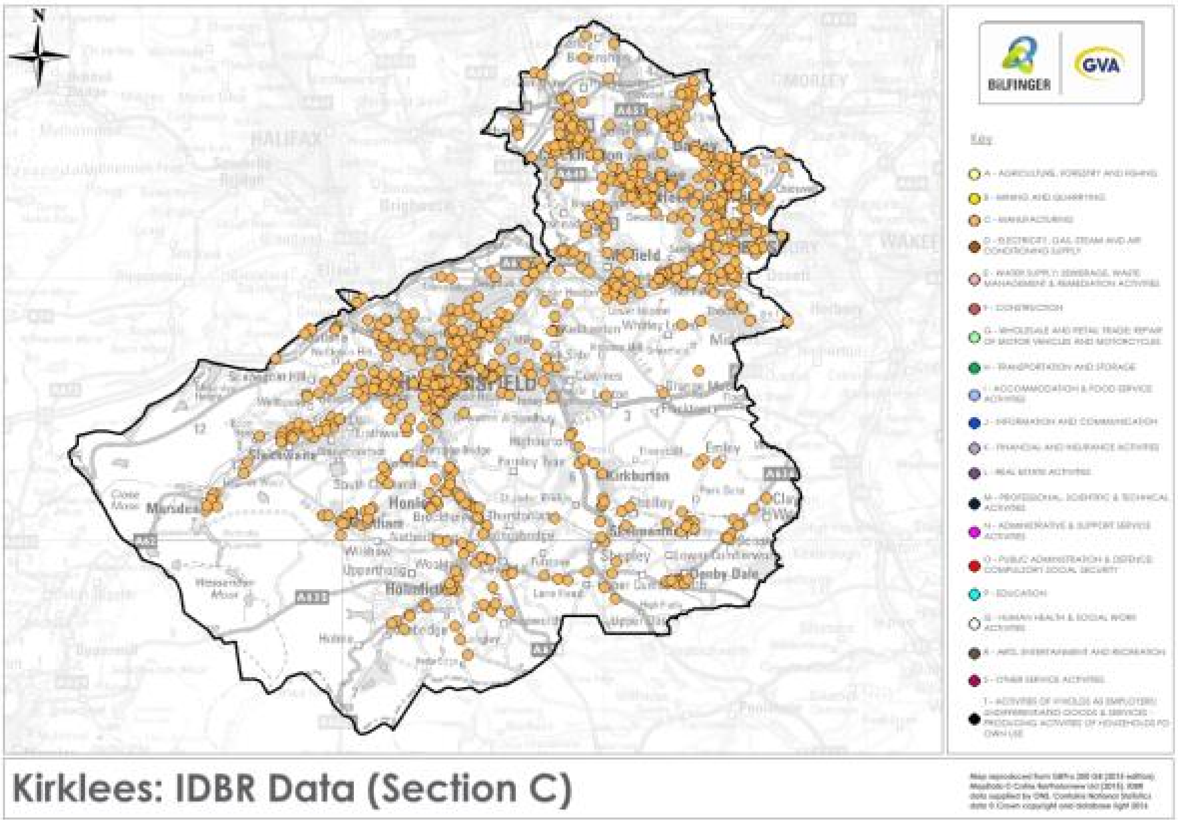
4.43 As to be expected by the nature of this sector, a greater number of businesses are located within the rural area, compared to the urban areas. The Agricultural sector has clear concentrations to the south of the authority, around Holmfirth, Skelmanthorpe and Denby Dale.

Figure 4.12: IDBR Sector B – Mining and Quarrying



4.44 Similarly to the Agriculture, Forestry and Fishing sector, the Mining and Quarrying sector is concentrated in the rural areas, particularly to the south of the authority; albeit there is a significantly lower number of businesses compared to the Agricultural sector.

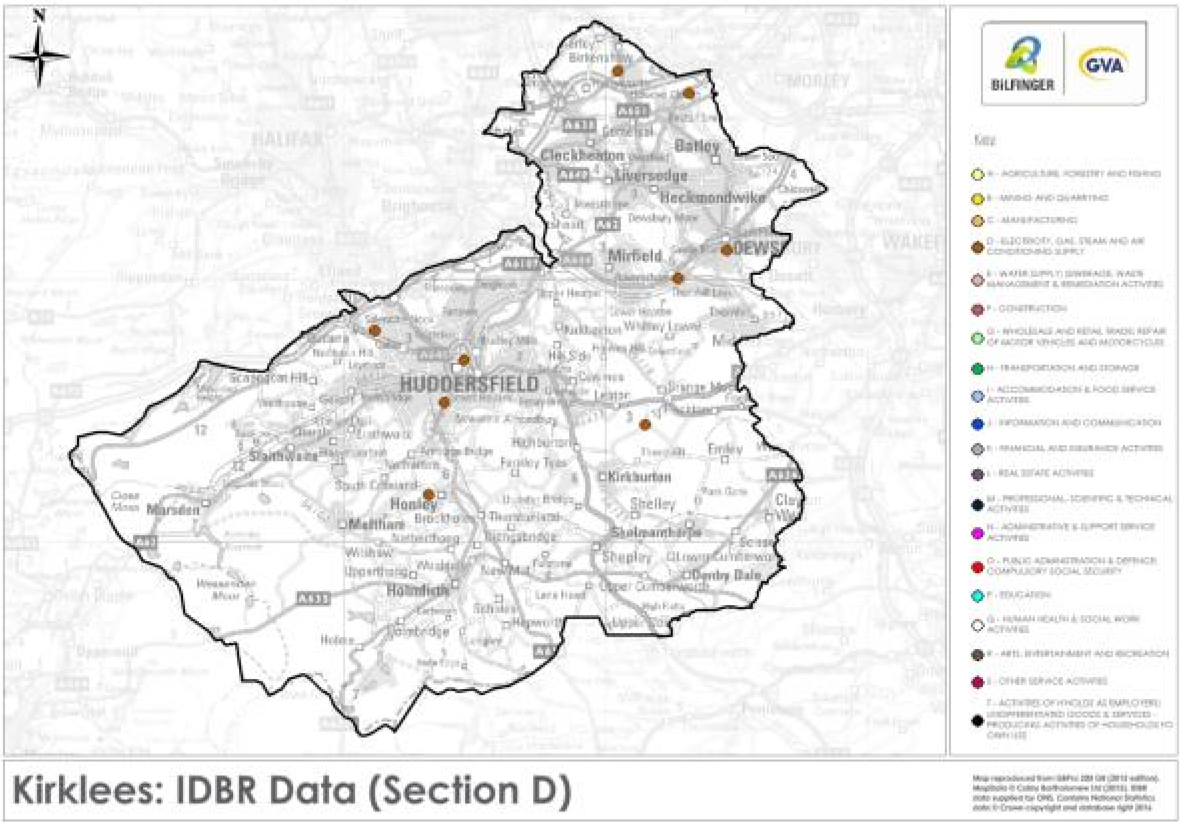
Figure 4.13: IDBR Sector C – Manufacturing



4.45 The IDBR data shows that manufacturing is a very strong sector in Kirklees, with the majority of businesses located in the urban areas of Huddersfield, Dewsbury, Batley, Heckmondwike, Cleckheaton and Birstall. In addition to the urban centres, there are linear patterns of manufacturing businesses located along the main strategic routes leading between the urban centres including the Leeds Road Corridor and the A644 through Mirfield to Dewsbury.

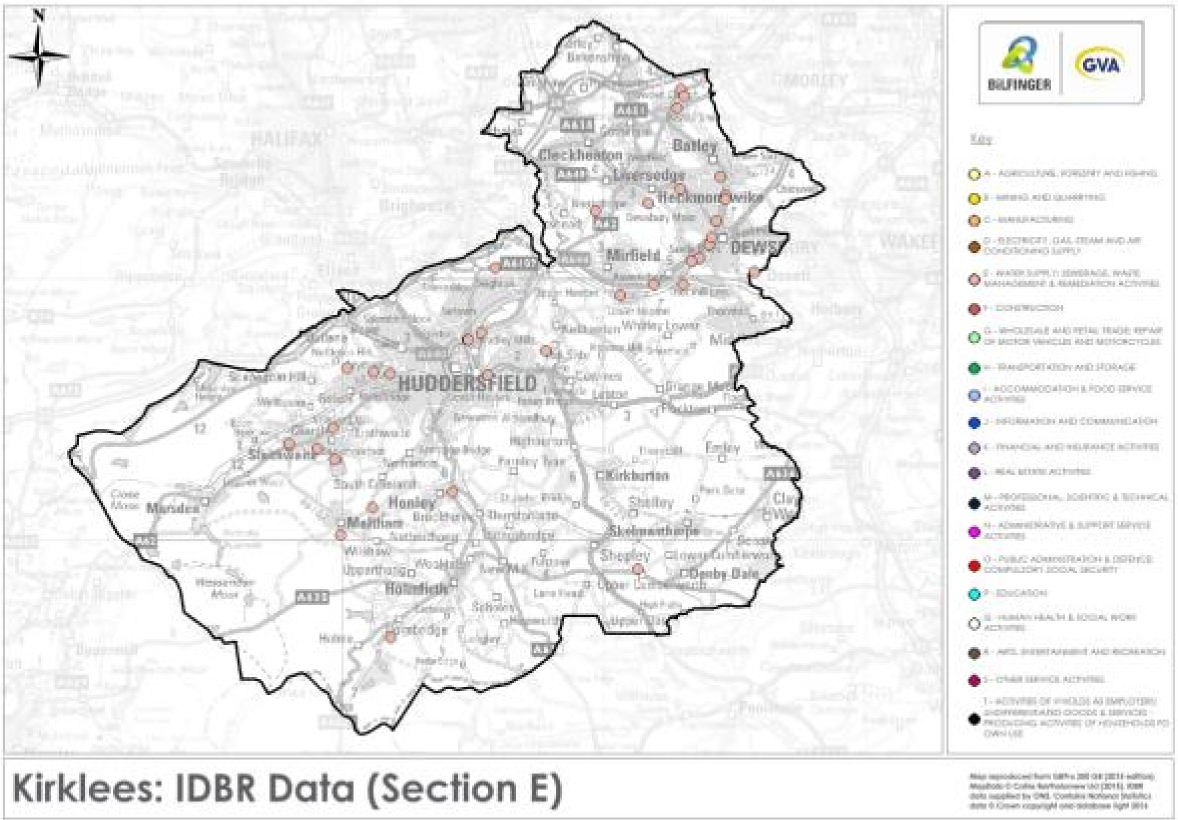
4.46 However, manufacturing businesses are not confined to urban areas and there is also a significant concentration in the rural south / west of the authority. These businesses are focused in the key rural centres and along the key routes, including the A62 from Huddersfield to Slaithwaite and on into Marsden; the A616 / A6024/ B6108 from Huddersfield through to Honley, Meltham and Holmfirth; the A629 / B6116 from Huddersfield through to Shepley, Kirkburton and Skelmanthorpe; and the A635 / A636 through Denby Dale and on to Scissett and Clayton West.

Figure 4.14: IDBR Sector D – Electricity, gas, steam and air conditioning supply



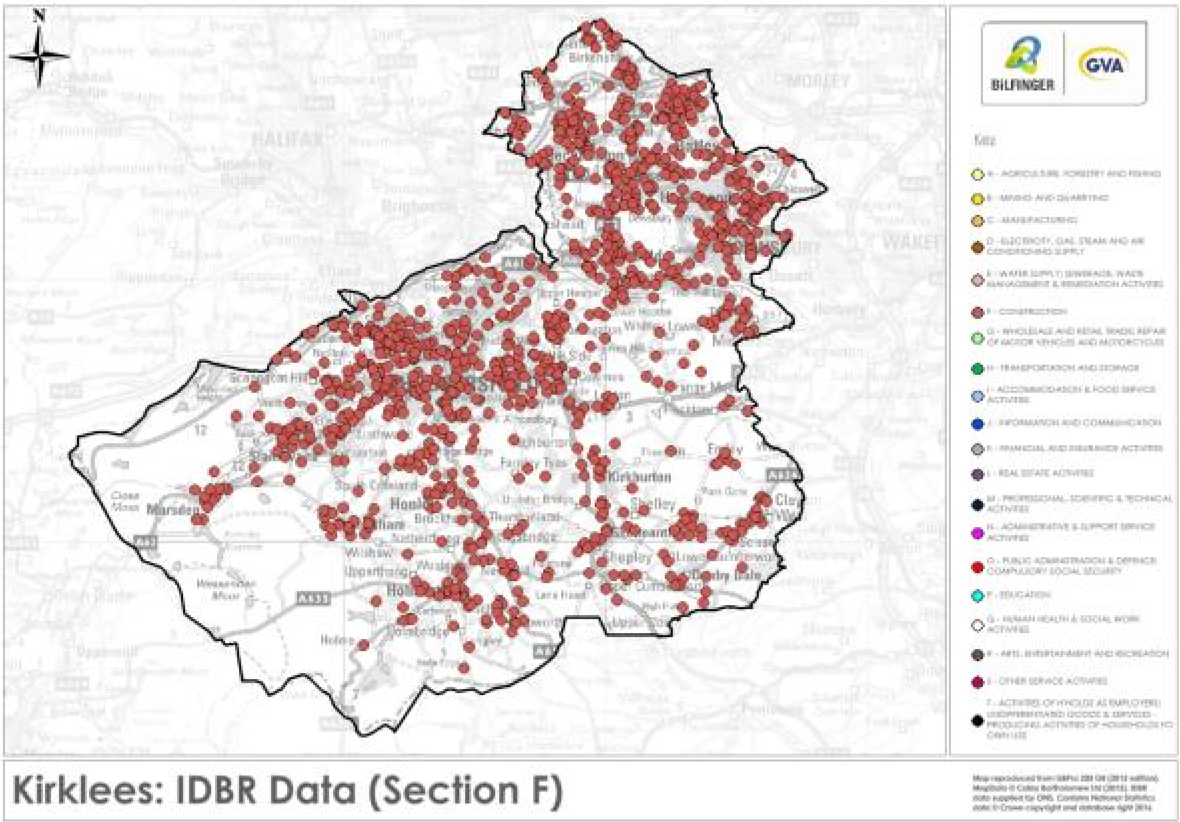
4.47 This sector is apparent in both urban and rural areas with no clear geographical pattern. There are few businesses associated with this sector within the authority.

Figure 4.15: IDBR Sector E – Water supply; sewerage, waste management and remediation activities



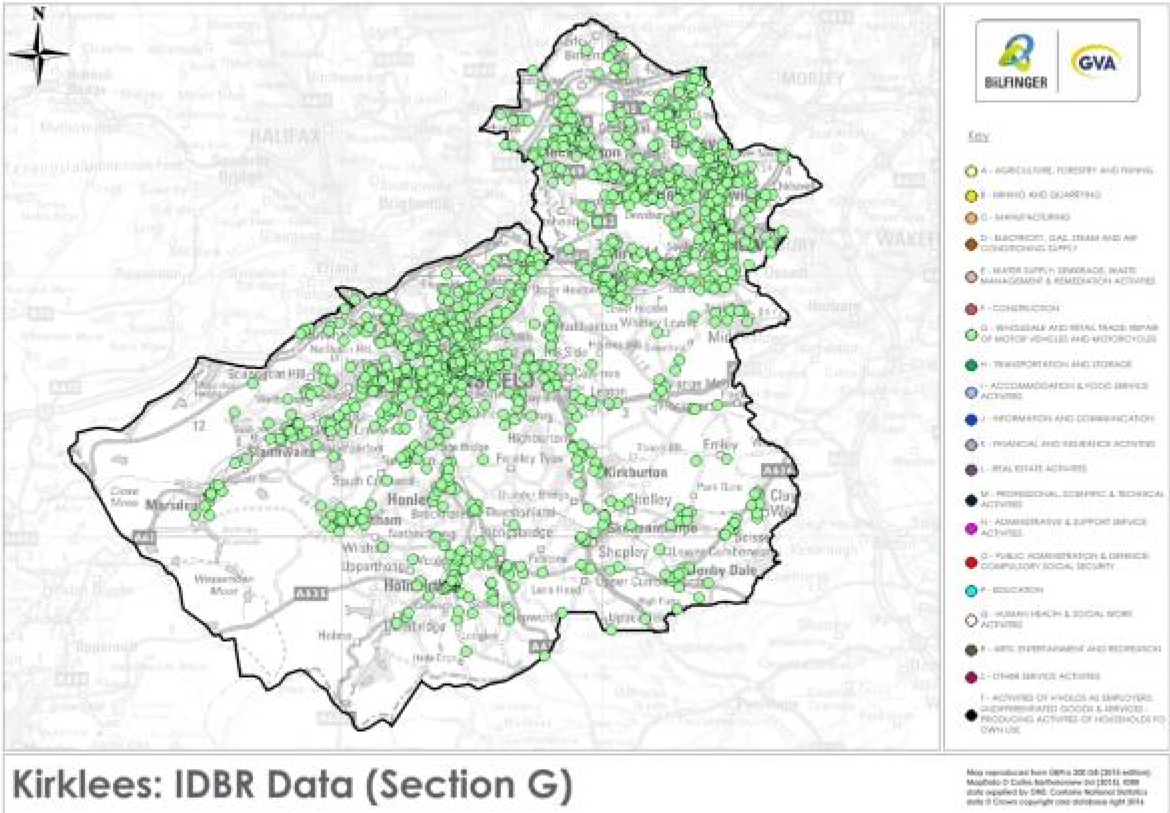
4.48 This sector is concentrated within the urban area and along key transport routes, particularly along the A644, between Mirfield and Batley via Dewsbury, which may be linked to the proximity to the River Calder.

Figure 4.16: IDBR Sector F – Construction



4.49 The construction sector is well represented across Kirklees, in both urban and rural areas following a similar pattern of locations (key transport routes and urban / rural centres) to the manufacturing businesses (Sector C). In addition, there are however also construction related businesses more scattered around the central and eastern rural areas.

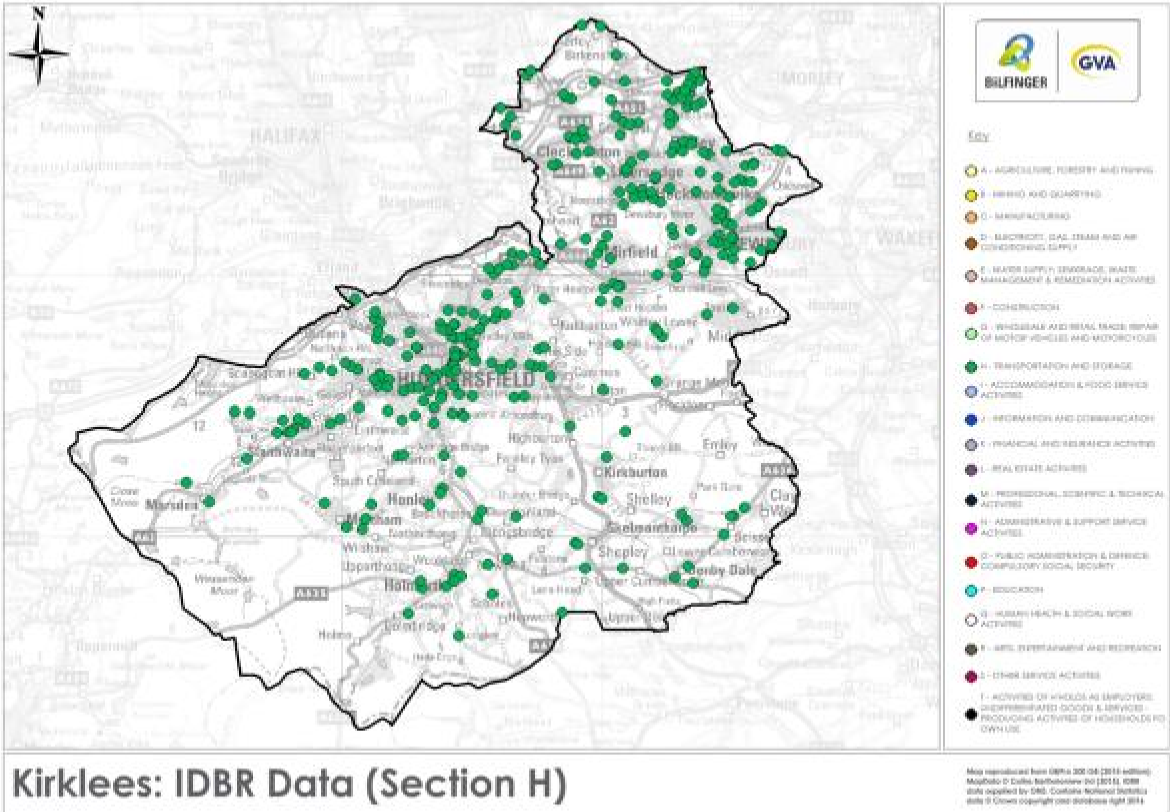
Figure 4.17: IDBR Sector G – Wholesale and retail trade; repair of motor vehicles and motor cycles



4.50 This retail led sector is, as would be expected, concentrated in Huddersfield and the urban areas to the north east of the authority, around Dewsbury.

4.51 Businesses in this sector are also located in the rural service centres to the south, east and west of the authority, but with a concentration around Holmfirth, Honley and Meltham.

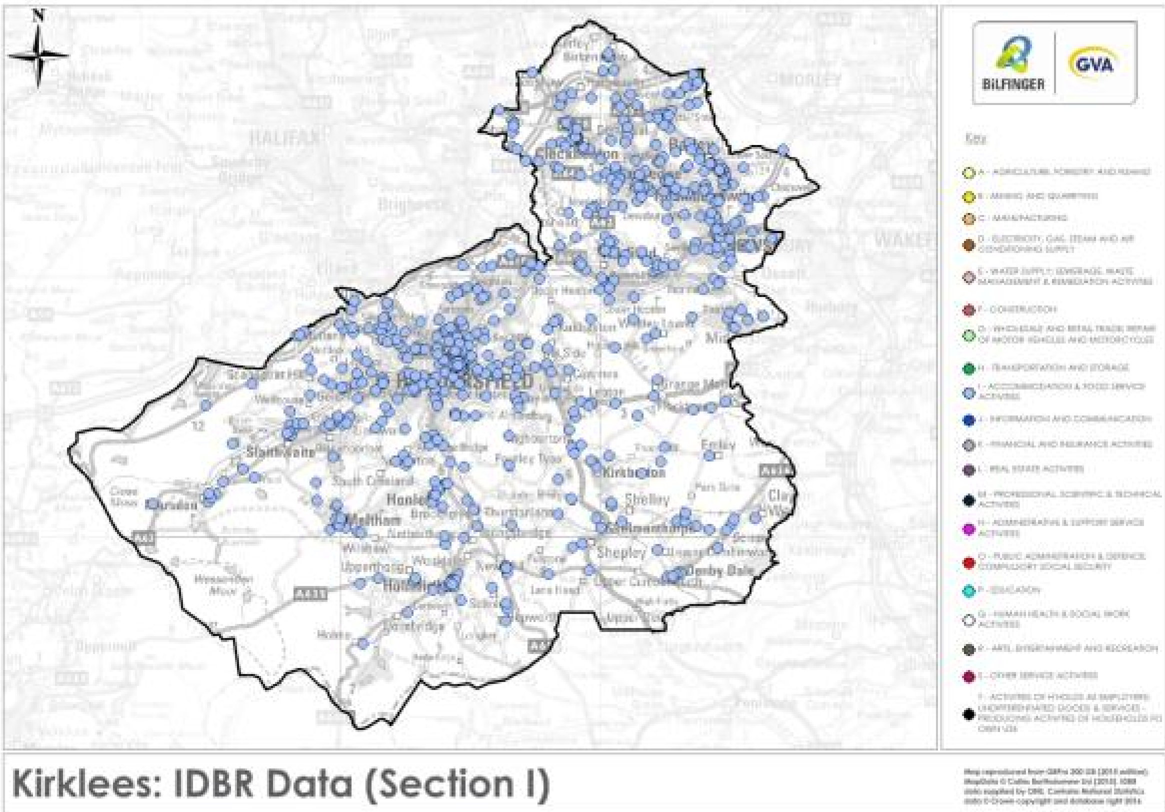
Figure 4.18: IDBR Sector H – Transport and Storage



4.52 As to be expected by the nature of this sector, the transport and storage businesses are clustered in urban centres and close to major transport routes, particularly in the north east of the authority and around Huddersfield, close to motorway junctions.

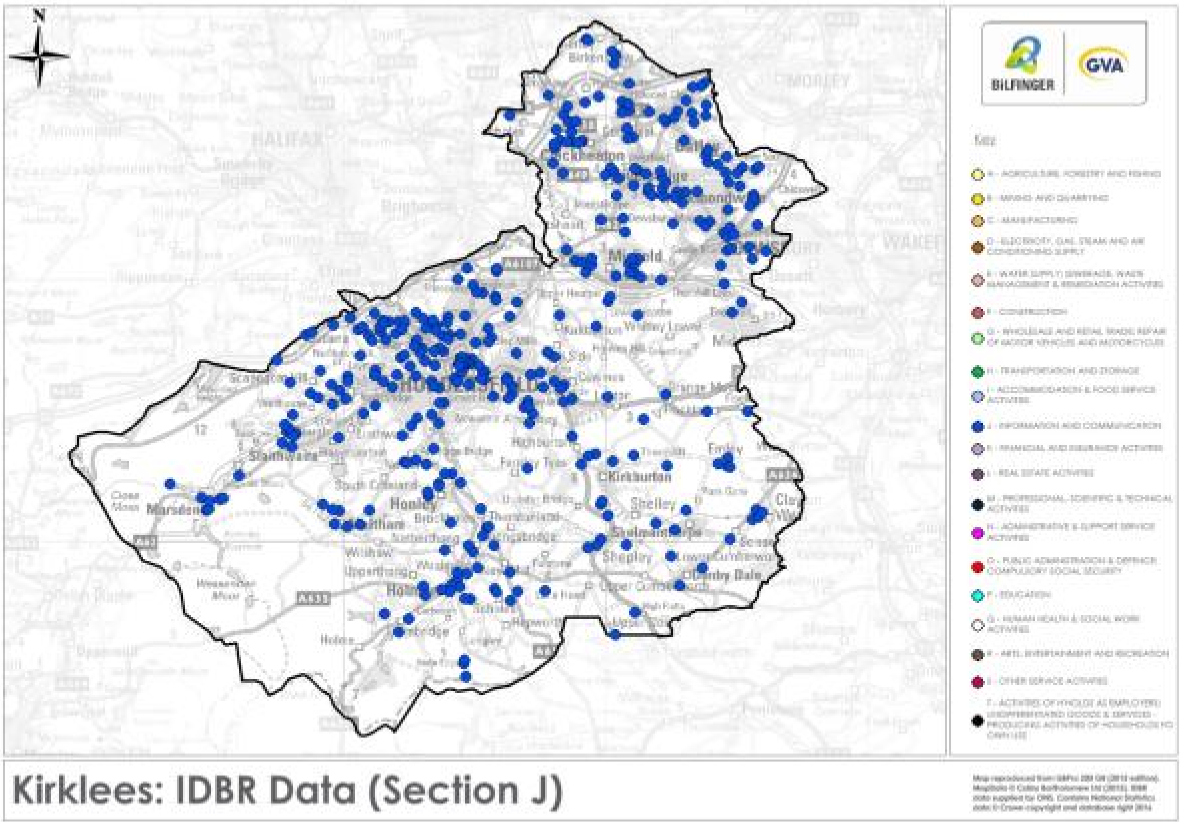
4.53 However, the sector is represented in the rural areas too, with businesses around the south, west and east of the authority. Due to the sector type, these more rurally located businesses are likely to be smaller in scale and to serve the local area.

Figure 4.19: IDBR Sector I – Accommodation and Food Service activities



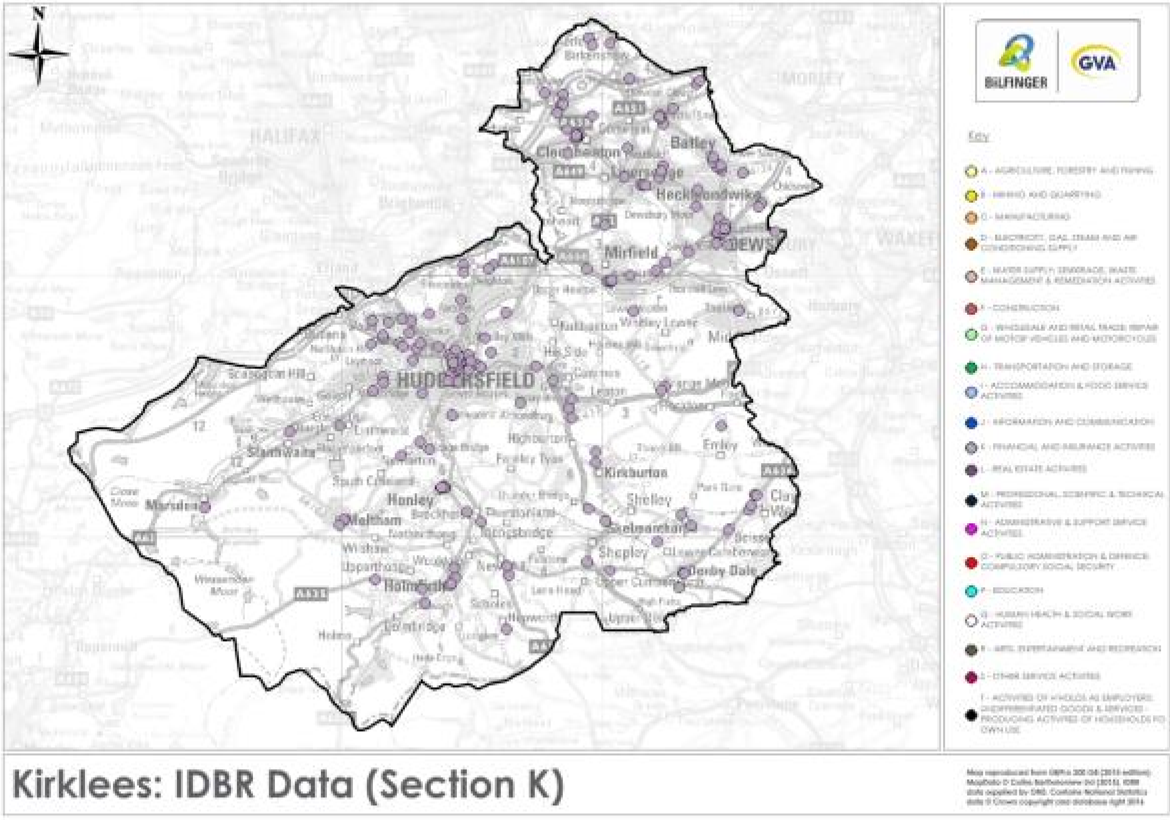
4.54 The accommodation and food services sector is distributed across the authority, including both urban and rural areas, albeit has clear concentrations in Huddersfield and the north east of the authority. The rural south of Kirklees has a stronger representation in this sector, compared with the rural areas to the west of the authority.

Figure 4.20: IDBR Sector J – Information and Communication



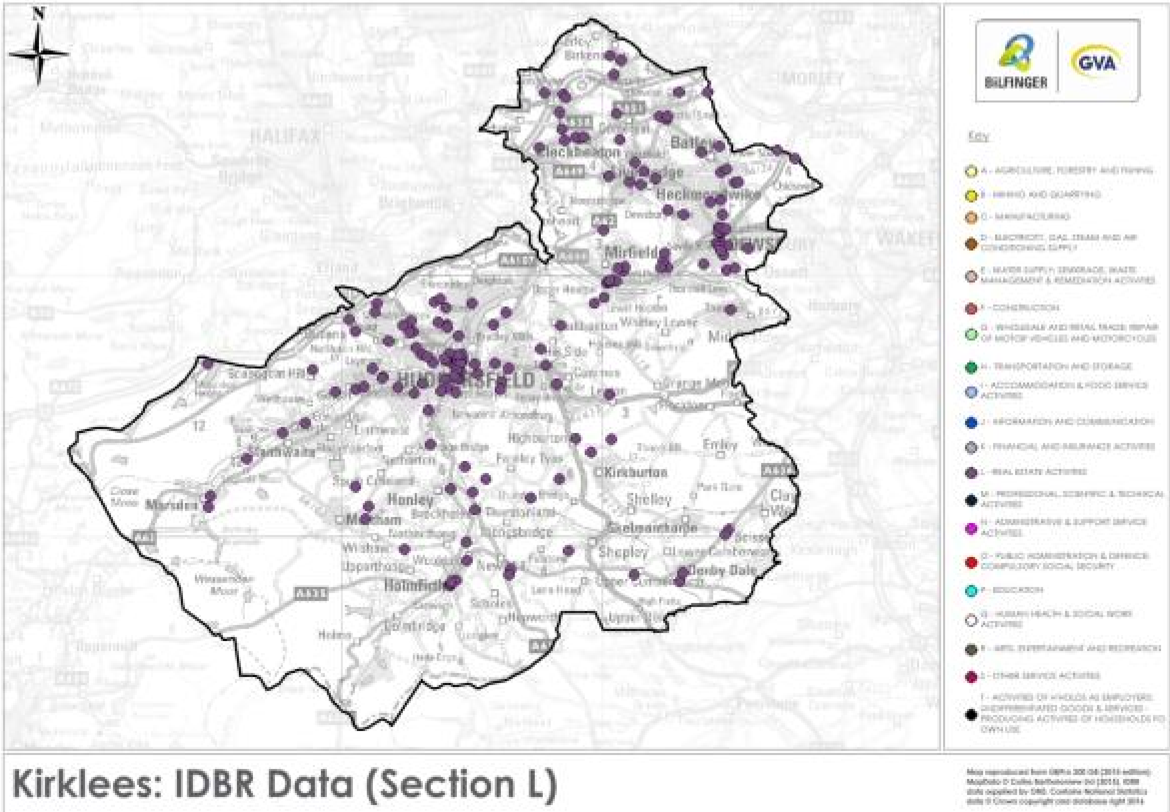
4.55 This map shows that the information and communication sector is comparatively dispersed across Kirklees with less dominant concentrations in the urban areas (Huddersfield and the north east) when compared to other sectors. The rural areas, in particular to the south, have a strong comparative representation.

Figure 4.21: IDBR Sector K – Financial and Insurance activities



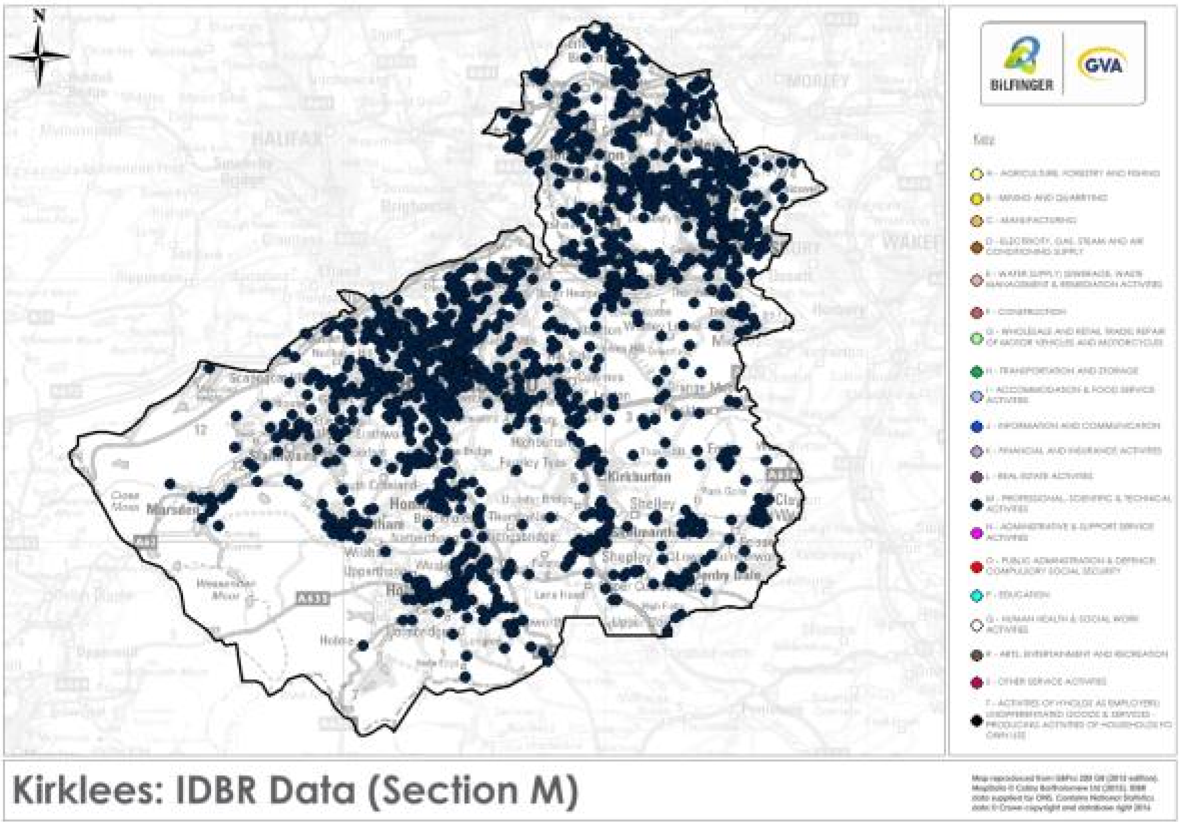
4.56 This map shows a similar picture to that of the information and communication sector, albeit there are fewer businesses within the financial and insurance activities sector in Kirklees overall. There is a dispersement of businesses across the urban and rural areas, albeit with a degree of concentration in Huddersfield and in the north east of the authority.

Figure 4.22: IDBR Sector L – Real Estate activities



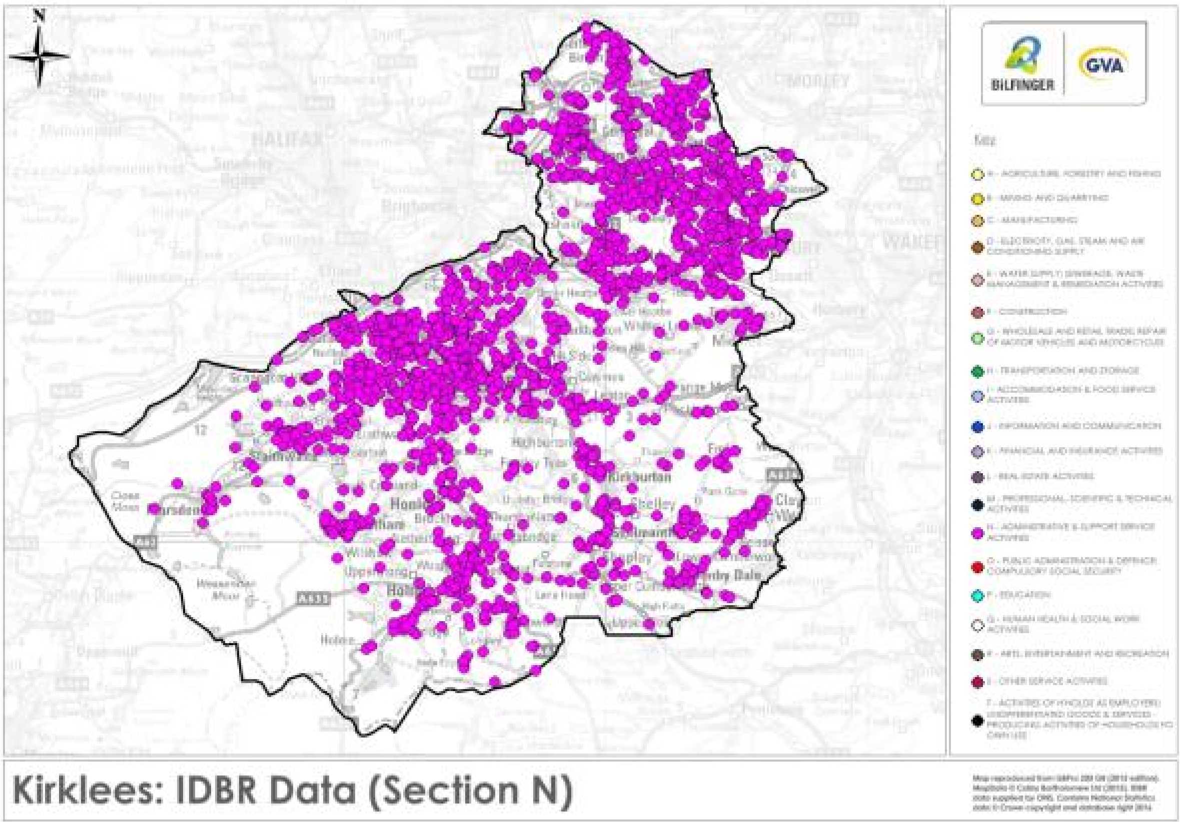
4.57 The real estate sector again has fewer businesses overall across Kirklees. Again this sector is relatively dispersed across urban and rural areas, albeit with a degree of concentration in Huddersfield and in the north east of the authority. There is a limited number of businesses to the rural east.

Figure 4.23: IDBR Sector M – Professional, Scientific and Technical activities



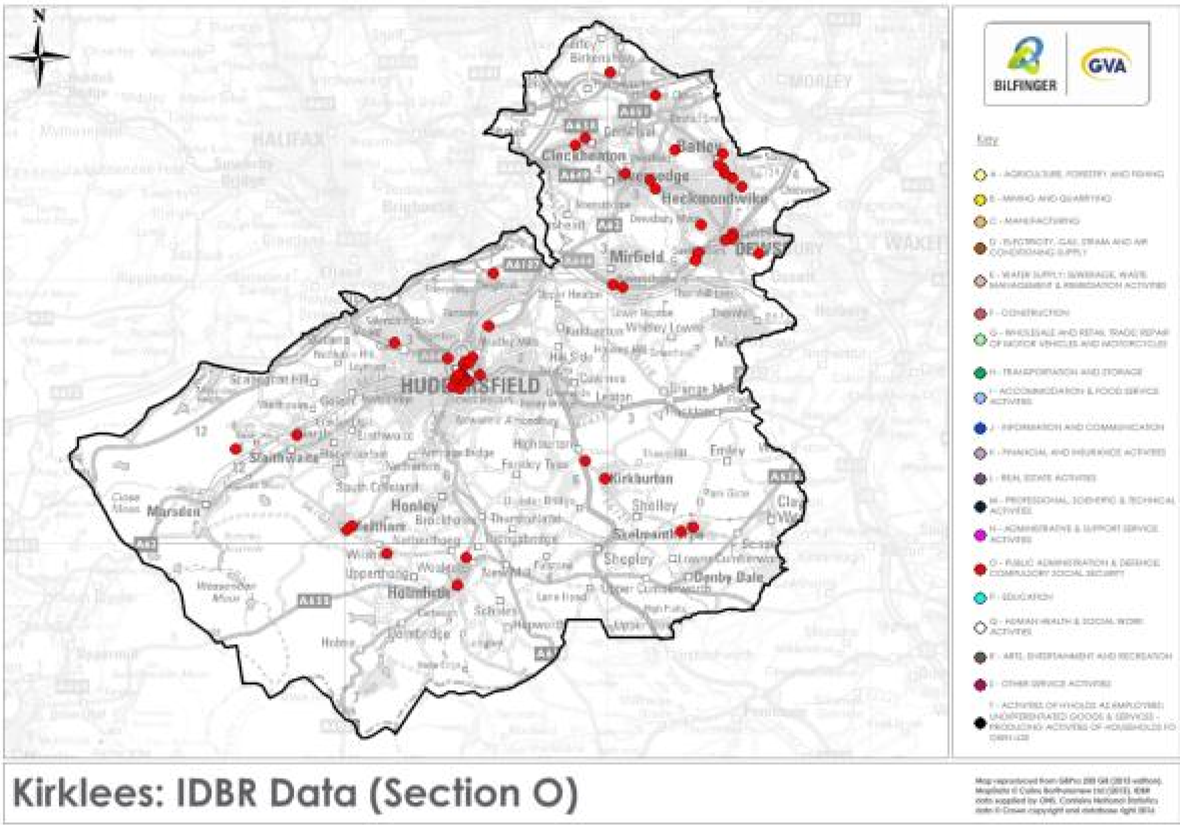
4.58 Businesses in the professional, scientific and technical activities sector are concentrated in the largest numbers in the urban areas in and around Huddersfield and Dewsbury / the wider north east. There is also significant representation in the rural south and west, particularly around Shepley, Skelmanthorpe, Denby Dale, Clayton West, Holmfirth, Honley and Meltham.

Figure 4.24: IDBR Sector N – Administrative and Support Service activities



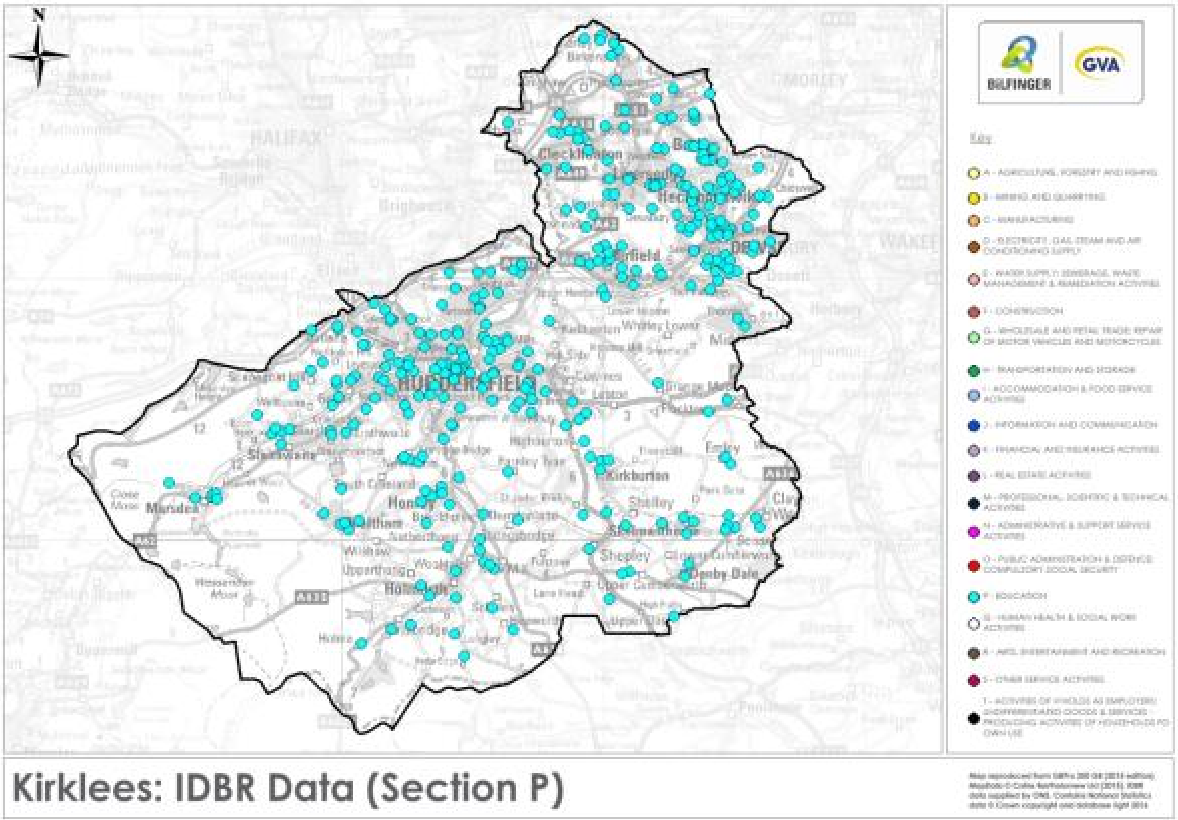
4.59 The administrative and support service sector has a similar geographical spread to the professional, scientific and technical activities sector, albeit there appears to be a greater overall number of businesses within this sector in Kirklees.

Figure 4.25: IDBR Sector O – Public administration and defence; compulsory social security



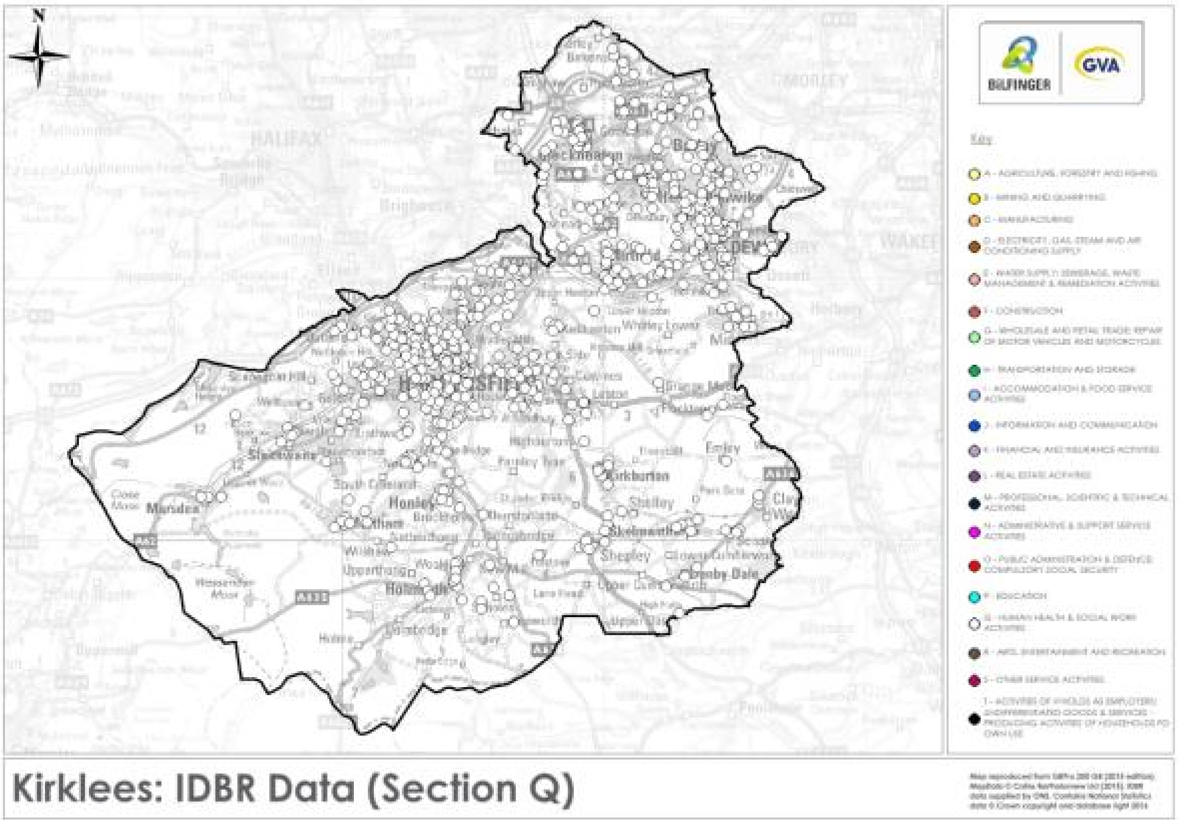
4.60 There are only few businesses within this sector in Kirklees and the majority are located within urban centres, particularly Huddersfield and the urban areas surrounding Dewsbury including Mirfield, Liversedge and Batley. However, there is also a number in rural service centres, for example, in Meltham, Holmfirth and Skelmanthorpe.

Figure 4.26: IDBR Sector P – Education



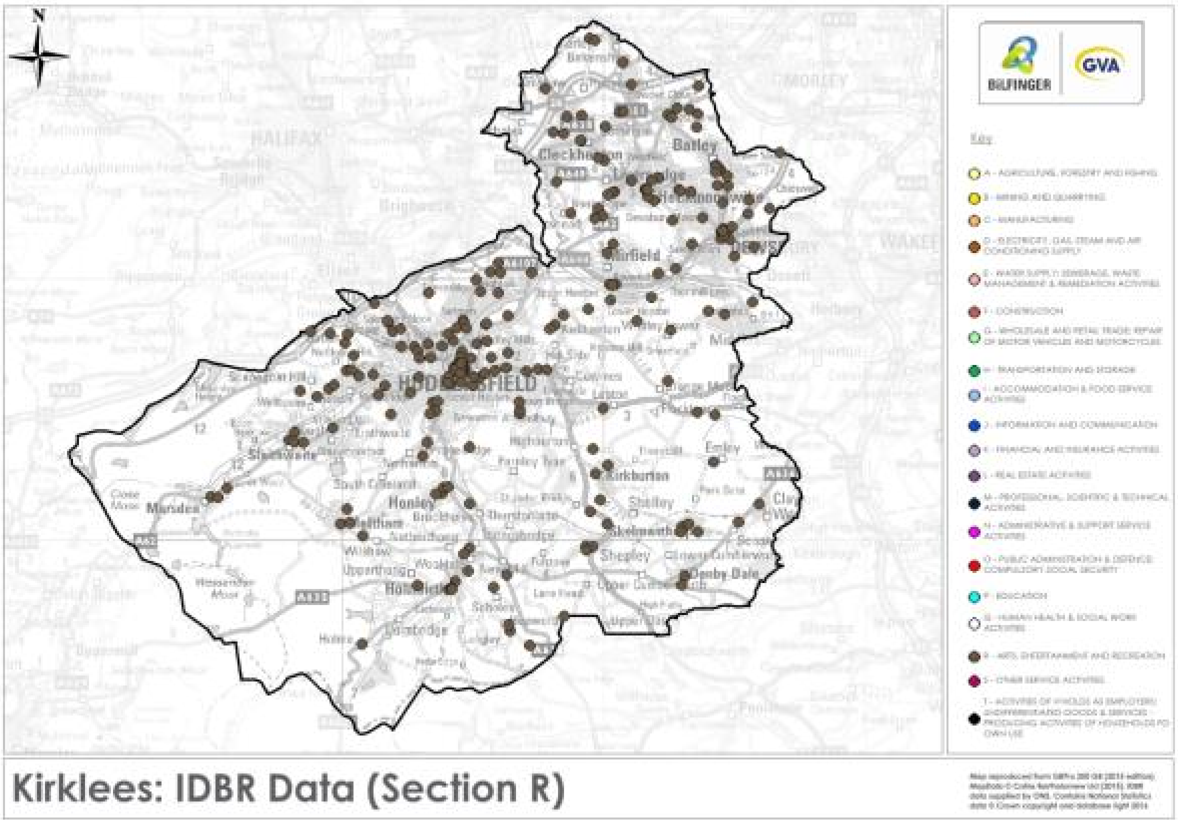
4.61 The dispersion of the education sector extends across the authority and it is assumed that it reflects the spread of schools across the urban and rural areas. As expected with areas of a high population density, the urban areas contain concentrations of this sector. There is also a dispersal across the rural parts of the authority where it is assumed schools are servicing the population of the local village or town.

Figure 4.27: IDBR Sector Q – Human Health and Social Work activities



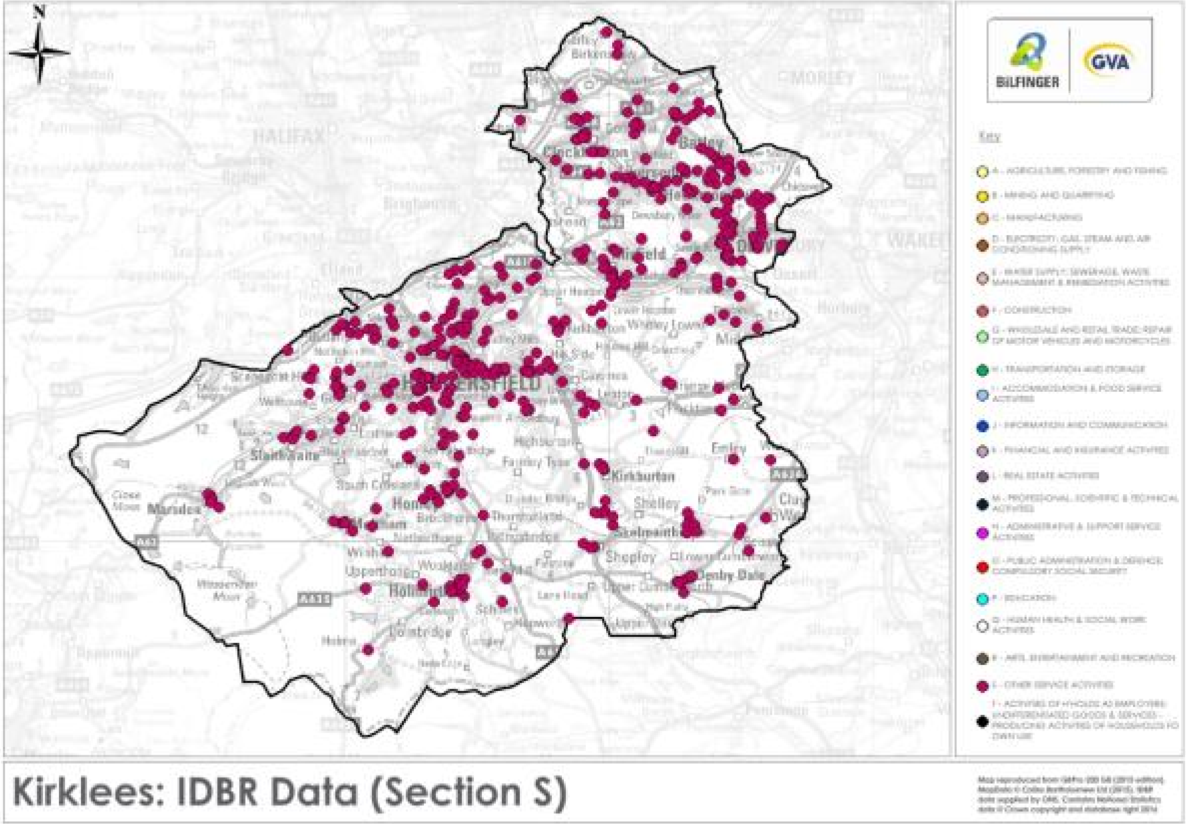
4.62 This sector is dispersed across the authority, albeit there are clear concentrations within the urban centres, particularly Huddersfield and Dewsbury / the north east. The representation within the rural areas is linked to the location of settlements which would be expected when the businesses will be providing services to the rural population.

Figure 4.28: IDBR Sector R – Arts, entertainment and recreation



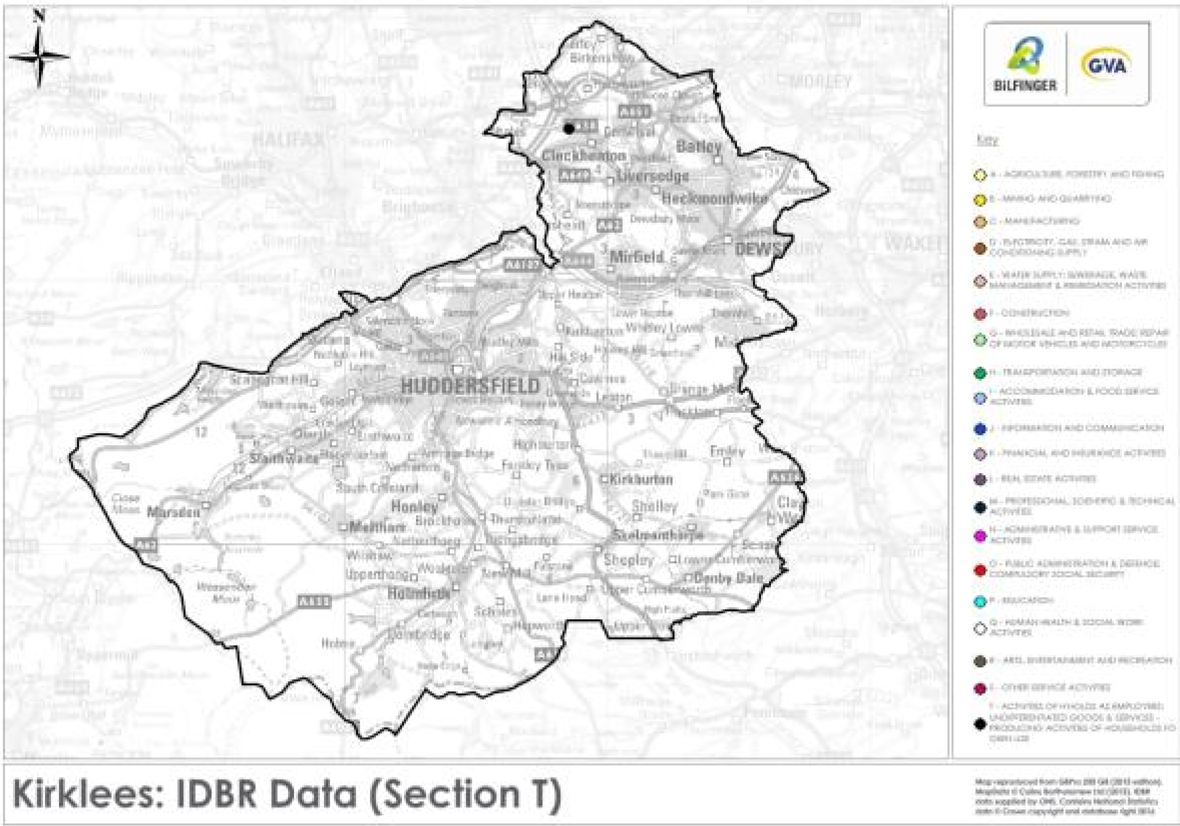
4.63 Despite an urban concentration, principally around Huddersfield, the rural areas are well represented in the arts, entertainment and recreation sector, largely linked to the location of settlements.

Figure 4.29: IDBR Sector S – Other service activities



4.64 The ‘other’ service activities sector is concentrated in the urban areas around Huddersfield and Dewsbury; however, the rural areas are also well represented in this sector, particularly around settlements.

Figure 4.30: IDBR Sector T – Activities of households as employers; undifferentiated goods and services – producing activities of households for own use



4.65 There is only one point present in Kirklees for this sector, located to the north-west of Cleckheaton. Otherwise this sector is not represented in Kirklees.

Property Gazetteer Mapping

4.66 Using 2016 data from the Kirklees Property Gazetteer provided by the Council, it has been possible to map occupied and vacant premises by sector, across the authority. The maps have been produced to show commercial uses (e.g. offices, industrial premises) separately to typical town centre / service uses (retail and leisure premises). The following summarises the main points from both sets of maps.

Retail and Leisure properties

4.67 The location of occupied retail and leisure premises is shown in Figure 4.31. The location of unoccupied retail and leisure premises is shown in Figure 4.32.

Figure 4.31: Occupied retail and leisure premises

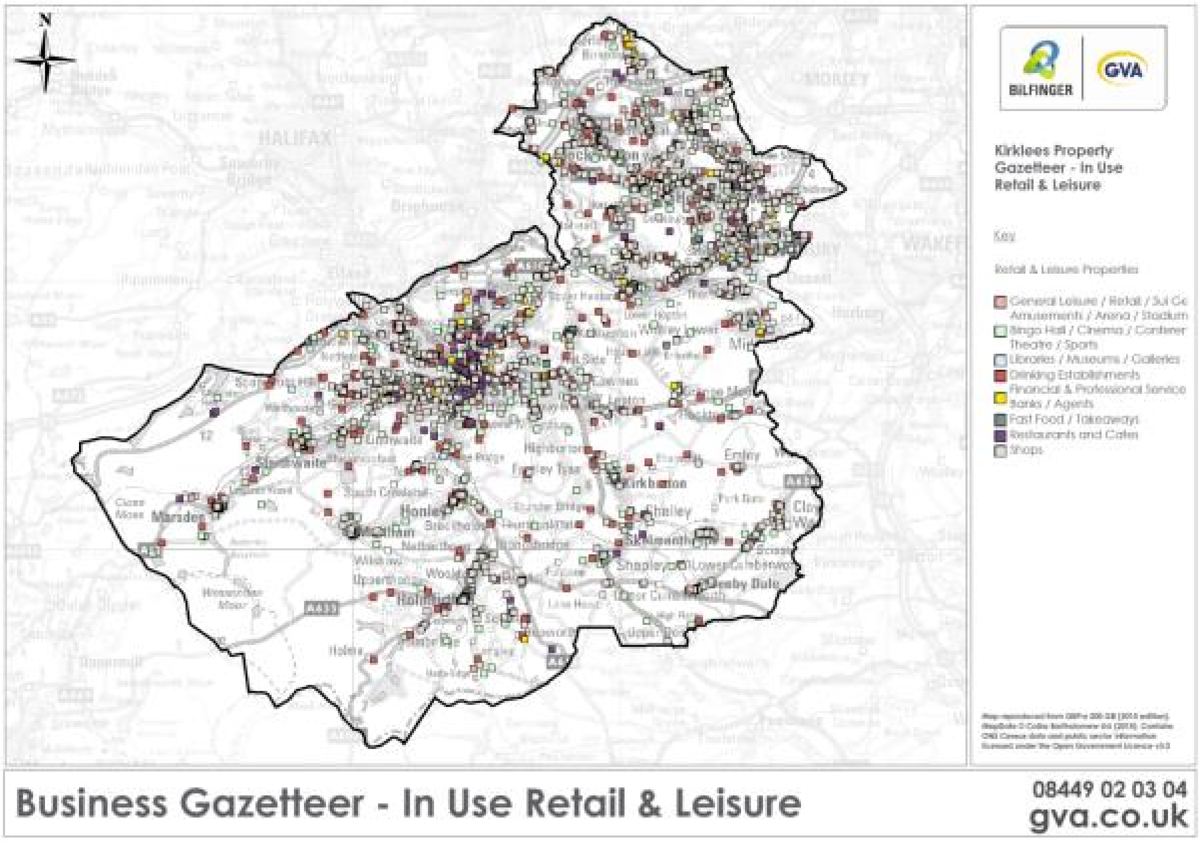
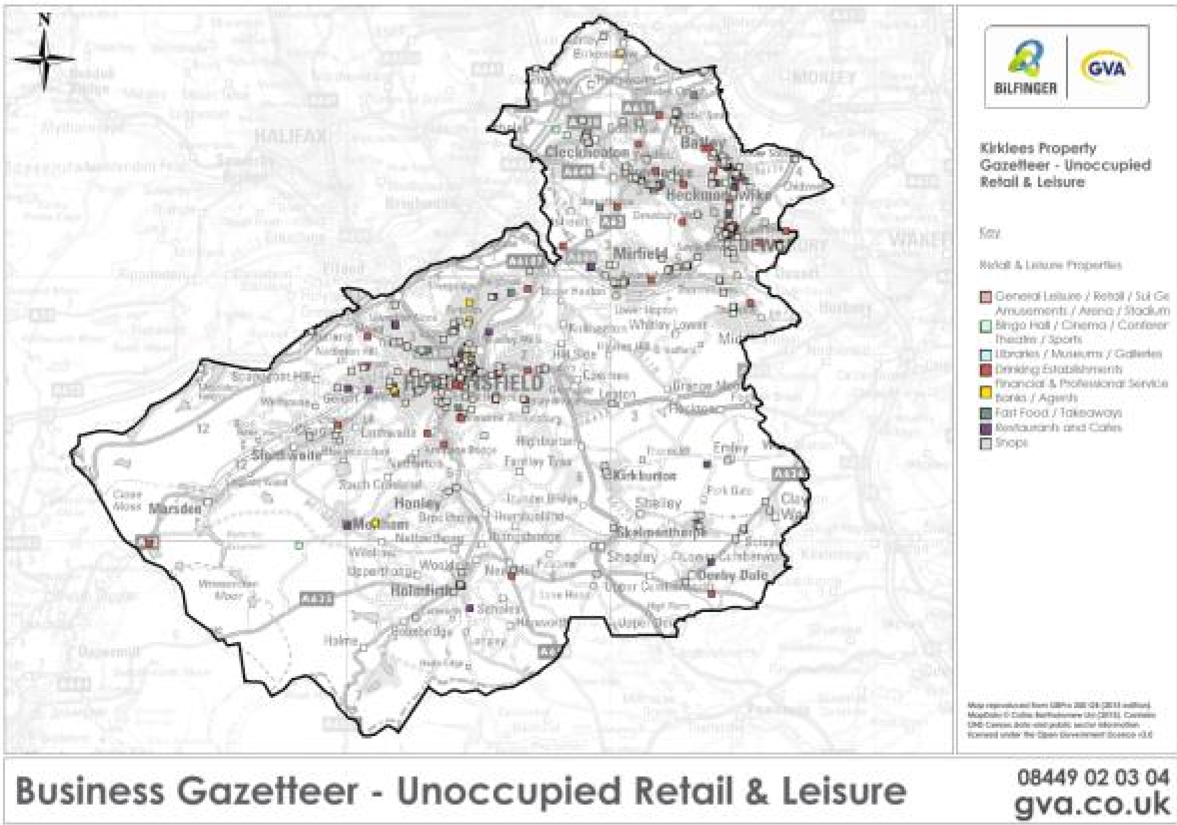


Figure 4.32: Unoccupied retail and leisure premises



4.68 Retail and leisure properties are centred in Huddersfield, Dewsbury and the wider north east of the authority, with fewer properties in the rural areas, albeit there is still a reasonable coverage focused mainly in rural service centres.

4.69 The majority of premises across Kirklees are shops. There is a clear concentration of restaurants and cafes in Huddersfield. Drinking establishments are more diverse and spread across the authority, with a greater number in rural areas not only in the rural service centres but spread more widely.

4.70 Bingo halls / cinemas / conference centres / theatres / sports facilities are also less confined to urban locations, with a reasonable spread across the rural parts of the authority.

4.71 In terms of vacant properties, the majority of unoccupied properties are shops located in Huddersfield centre and along the A652 from Birstall to Dewsbury. There are also higher levels of vacancies of drinking establishments and restaurants and cafes.

4.72 There is a limited number of vacant properties in the rural area, but where there are, it is limited mostly to shops, restaurants / cafes and drinking establishments.

Commercial properties

4.73 The location of occupied commercial premises is shown in Figure 4.33. The location of unoccupied commercial premises is shown in Figure 4.34.

Figure 4.33: Occupied commercial premises

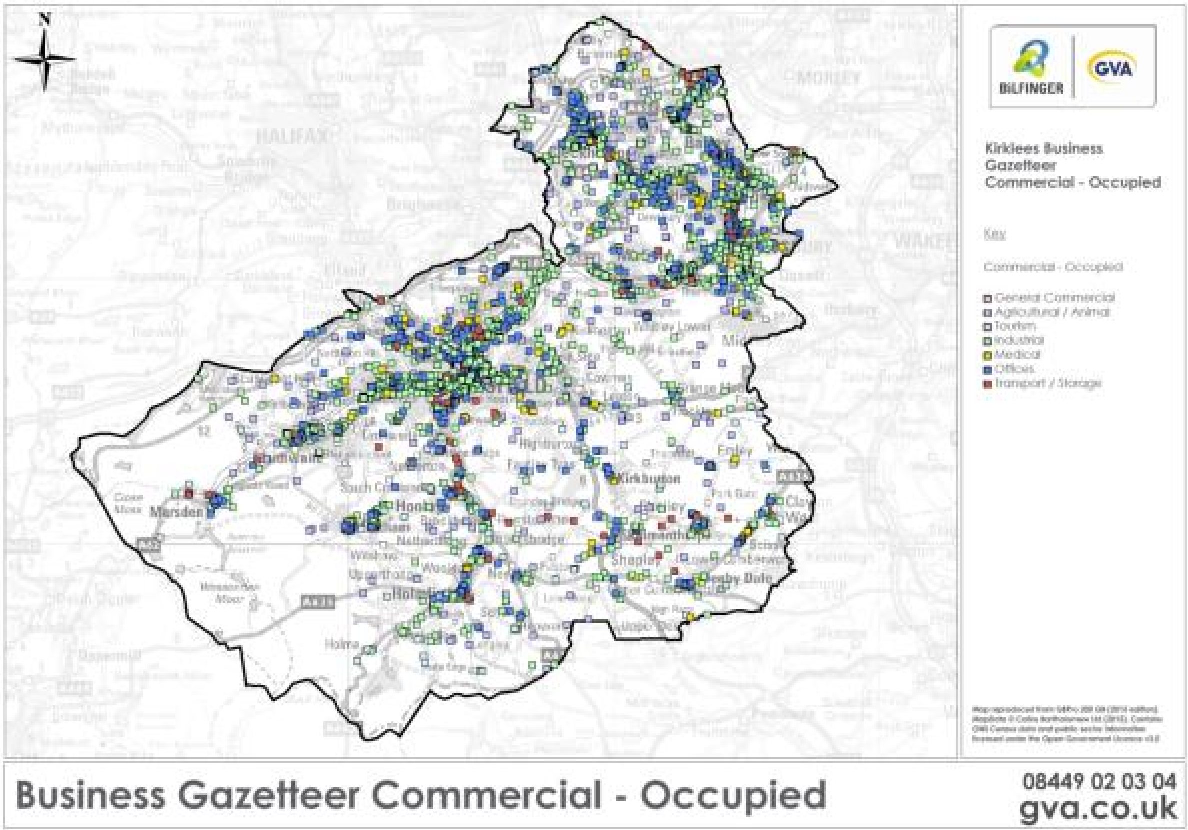
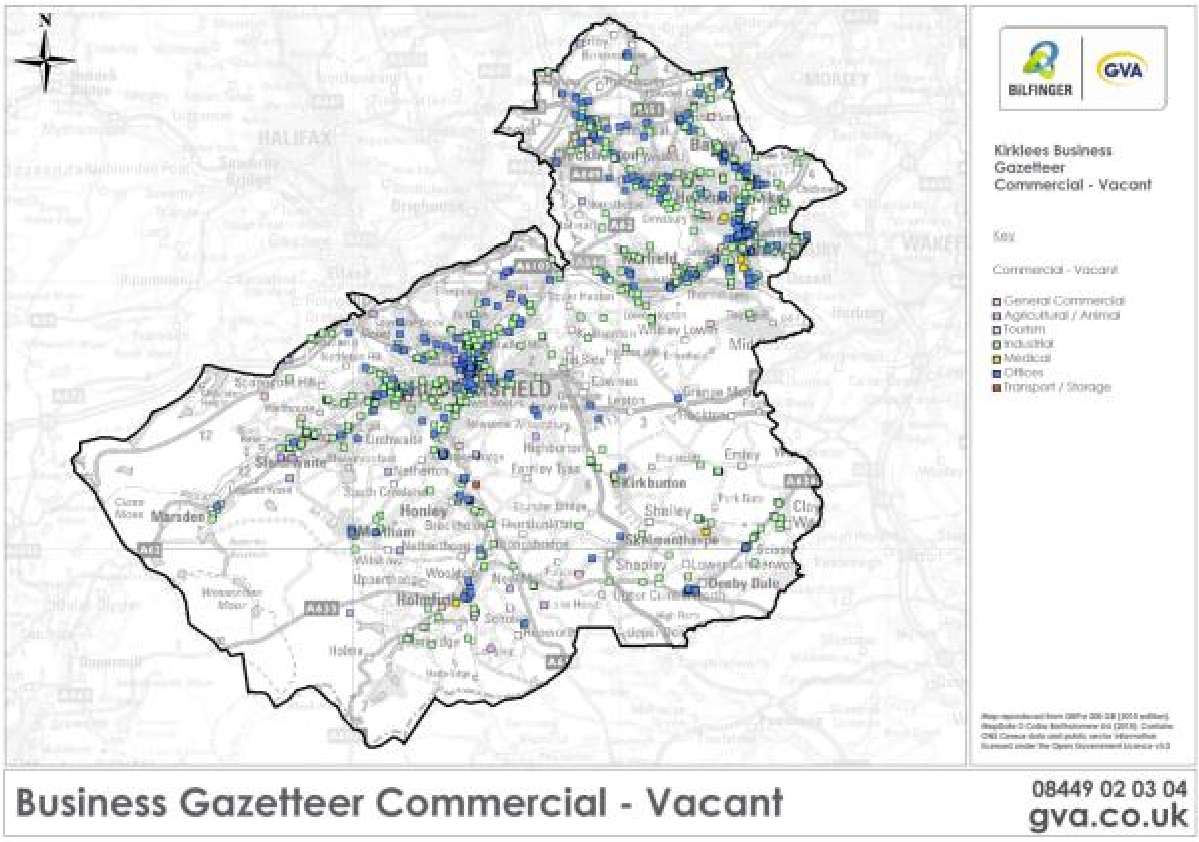


Figure 4.34: Unoccupied commercial premises



4.74 As to be expected by the nature of the sector, the agricultural / animal premises are mainly located in rural areas and are generally dispersed across the authority, with a greater concentration in the north, around the motorway network.

4.75 The tourism sector is dispersed, in the main across the rural areas.

4.76 Industrial premises are concentrated in urban locations but also have a linear pattern, stretching along the arterial routes from urban areas to rural locations (e.g. along the A616, A644, A62, A640, A629). The transport / storage sector is similarly dispersed, also with a concentration around Junction 27 of the M62.

4.77 A similar trend is evident in the office market, albeit this property type is more dispersed with a number of rural office locations across the authority. There is also a concentration around Junction 26 of the M62.

4.78 The medical sector is mostly concentrated in urban areas and rural settlements, with a number of properties located to the south and east of the rural areas.

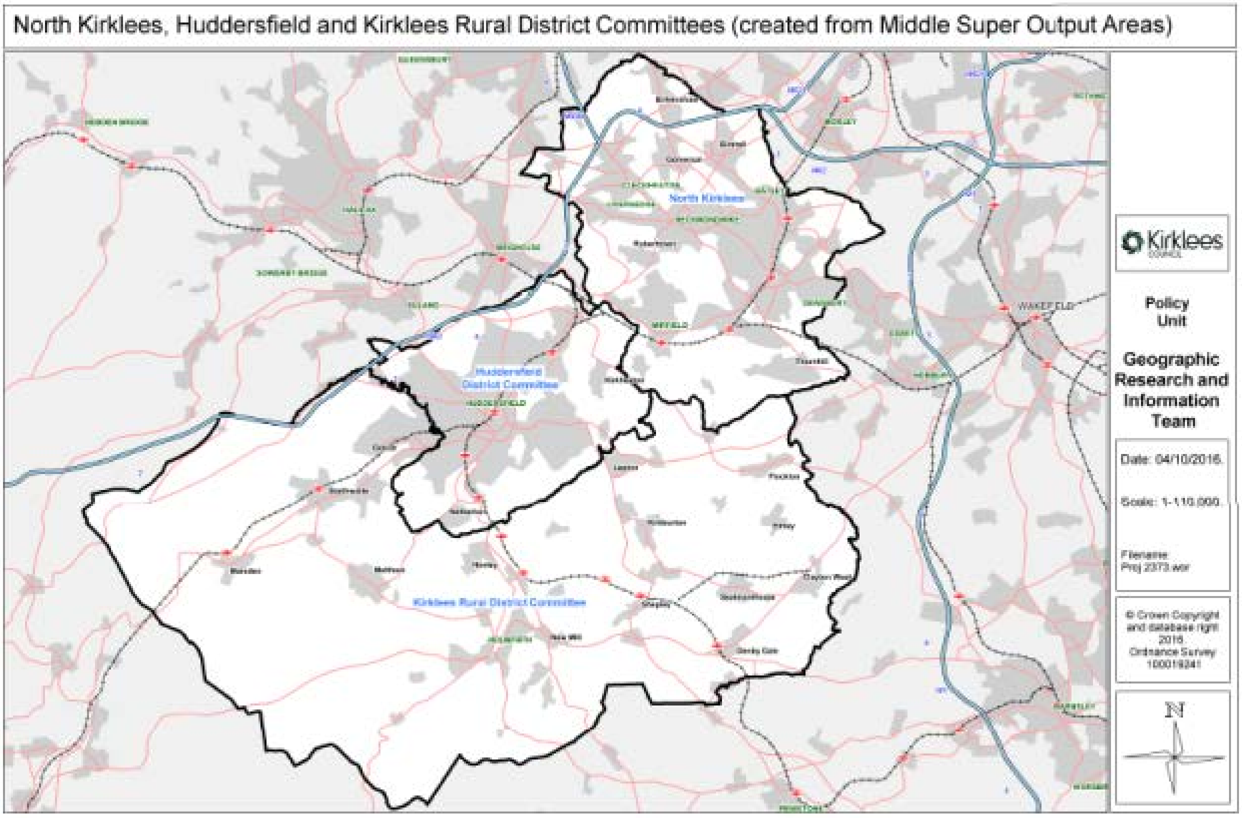
4.79 The majority of vacancies are offices and industrial properties. The urban areas have the highest concentrations of vacant properties with a relatively limited number spread across the rural areas.

Travel to Work patterns

4.80 In addition to the business base and demographic mapping undertaken above, consideration has been given to the travel to work patterns of residents and commuters into, out of and within Kirklees.

4.81 Figure 4.36 and Figure 4.37 show the key Travel to Work flows at District Committee level, which are areas formed from MSOAs. The three District Committee areas are: Huddersfield District Committee, Kirklees Rural District Committee; and North Kirklees, as shown on the map in Figure 4.35.

Figure 4.35: District Committee boundaries



4.82 The tables below provide a summary of total journey to work trips destined for and originating from Kirklees and those taking place within the authority, taken from 2011 Census data provided by the Council.

4.83 Figure 4.36 shows the percentage of people who work in each District Committee in Kirklees and live in other District Committees / authorities (i.e. those that commute into and within Kirklees). Figure 4.37 shows the percentage of people who live in each District Committee in Kirklees and work in other District Committees / authorities (i.e. those that commute out of and within Kirklees).

Figure 4.36: Main Travel to Work flows into and within Kirklees local authority (workplace analysis), 2011

Usual Residence (Local Authority / District Committee)	**Place of Work: Commuters as a percentage of total inward commuters (%)**		
	Huddersfield District Committee	Kirklees Rural District Committee	North Kirklees
Huddersfield District Committee	44%	22%	6%
Kirklees Rural District Committee	27%	55%	4%
North Kirklees	8%	5%	58%
Kirklees total	**79%**	**82%**	**68%**
Calderdale	8%	4%	4%
Leeds	3%	2%	9%
Bradford	2%	1%	6%
Wakefield	2%	3%	8%
Barnsley	1%	3%	1%

4.84 Figure 4.36 above demonstrates that the majority of travel to work flows into the local authority arise from within the Kirklees local authority itself, with containment rates ranging from 68% (North Kirklees) to 82% (Kirklees Rural District Committee area). Outside the authority, there are clear links between Kirklees and Calderdale, Leeds and Wakefield.

4.85 The Huddersfield District Committee area has a high level of containment within the District Committee (44%) and strong links with Kirklees Rural, where more than a quarter of people working in Huddersfield District Committee live. Outside of Kirklees, the most significant flow into Huddersfield District is from Calderdale, which reflects the location of proximity of Huddersfield to Calderdale.

4.86 The Kirklees Rural District Committee area also has a high level of containment, with over half of travel to work flows originating from within the same District Committee area (55%). This is of interest as it shows that the rural area is not simply a residential commuter area which feeds the urban centres. This data shows that there are employment opportunities in the rural areas which people from within the rural area travel to and also which commuters from the urban areas travel to for work (22% of flows are from the Huddersfield District Committee area). Out of the three District Committee areas, the Kirklees Rural area has the highest self-containment rate for flows within the authority (82%). Outside of the authority, the area has links with Calderdale, Wakefield and Barnsley, which are the closest authorities to the rural district.

4.87 Of the three District Committee areas, the North Kirklees area has the highest proportion of travel to work flows which originate from the same sub-area (58%). However, this sub-area has less connection to other sub-areas in Kirklees, with the lowest overall authority wide containment rate of the three areas (68%). The area has stronger links with people commuting from nearby Leeds, Wakefield and Bradford.

Figure 4.37: Main Travel to Work flows out of and within Kirklees local authority (resident analysis), 2011

Place of work (Local Authority / District Committee)	**Usual residence: Commuters as a percentage of total outward commuters (%)**		
	Huddersfield District Committee	Kirklees Rural District Committee	North Kirklees
Huddersfield District Committee	51%	32%	7%
Kirklees Rural District Committee	11%	29%	2%
North Kirklees	7%	5%	49%
Kirklees	**69%**	**66%**	**58%**
Calderdale	10%	6%	4%
Leeds	7%	7%	19%
Bradford	4%	3%	8%
Wakefield	2%	5%	7%
Barnsley	1%	2%	0%

4.88 Similar trends are apparent in the travel to work flows from Kirklees to other authorities (Figure 4.37). Again, the majority of outward travel to work flows remain within Kirklees, with containment rates ranging from 58% to 69%. This is a lower level of self-containment compared with the flows shown in Figure 4.36 (a higher percentage of inward commuters are self-contained when compared to a lower percentage of outward commuters being retained; on balance there is a net outflow of commuters from Kirklees – approximately 55,000 people overall).

4.89 Outside the authority, there are clear links / out-commuting to Kirklees and Calderdale, Leeds and Bradford.

4.90 The Huddersfield District Committee area has the highest level of self-containment within the same District Committee area (51%) and the authority itself (69%), compared with the Kirklees Rural and North Kirklees District Committees. Outside of Kirklees, there are significant flows to Calderdale and Leeds, which reflect the proximity of the former and the pull of the latter as a major economic centre / source of employment.

4.91 The Kirklees Rural District Committee has the lowest level of self-containment (29%), compared with the other District Committees. In fact, the flow of commuters from Kirklees Rural to Huddersfield District Committee is more significant at 32%. This reflects that around a third of the residents of the Rural District commute to nearby town and city centres for employment. Similarly to the Huddersfield District Committee area, the Kirklees Rural Area has strong links to Calderdale and Leeds.

4.92 Similarly to the trends in Figure 4.36, the North Kirklees area has a relatively high level of self-containment (49%) but the majority of the remainder of the flows are to areas outside the authority, especially Leeds (19%), rather than within Kirklees. There are also strong links between North Kirklees and Bradford and Wakefield. This reflects the location of North Kirklees, which is close to key motorway routes and is nearer to these authorities.

Summary

4.93 The key conclusions in relation to the rural economy that can be drawn from the significant amount of data analysed in this section of the report are:

- Fewer employees living in rural areas work in the Transport & Storage sector, likely to be reflective of the lack of strategic transport infrastructure / connectivity and the associated lack of such businesses in rural areas.
- There are more residents in the BPFS sector in the rural south of Kirklees (as well as the M62 corridor and to the south of Mirfield) – these residents are likely to either be commuting to nearby cities or living and working in this sector contributing to the rural economy.
- There are more residents in Kirklees employed in the Manufacturing sector than sub-regionally, regionally or nationally, with some parts of rural Kirklees demonstrating higher concentrations of residents employed in manufacturing alongside the more urban areas.
- The south of the authority and the nearby rural areas have a higher proportion of people employed in the 'Top 3' occupations – these residents are likely to either be commuting to nearby cities or contributing to the rural economy.
- The rural areas to the south / south east of the authority have experienced higher population growth than the rural areas to the north and west of the authority.

- The rural areas contain a higher proportion of working age people compared to the urban cores. Over time, the working age population has increased more in percentage terms within the southern / western rural areas compared to the rural east and north of the authority.
- The majority of the rural areas contain a higher proportion of economically active working age residents. The rural areas have a much lower proportion of economically active people who are unemployed.
- The majority of the rural areas have a higher proportion of employed people who are self-employed.
- In terms of sectors, the following can be concluded:
  - A greater number of agriculture, forestry and fishing, and mining and quarrying businesses, are located in rural areas, with clear concentrations to the south of the authority;
  - There is a significant concentration of manufacturing and construction businesses in the rural south / west of the authority, focused in key rural centres and along the key transport routes. There are also construction businesses more scattered around the central and eastern rural areas;
  - Wholesale and retail trade, and repair of motor vehicle businesses are located in rural service centres to the south, east and west of the authority, with a concentration around Holmfirth, Honley and Meltham;
  - Information and communications; financial and insurance; and real estate businesses are dispersed across Kirklees with strong comparative representation in the south;
  - Professional, scientific and technical services; and administrative and support services businesses have significant representation in the rural south and west;
  - Education, human health and social work activities businesses are dispersed across the rural parts of the authority where it is assumed that they are providing services to the local village or town;
  - Arts, entertainment and recreation; and other services businesses are well represented in rural areas, largely linked to the location of settlements.
- In terms of retail and leisure properties, these are largely located in rural service centres, with drinking establishments spread more widely within rural areas. There is a limited number of vacant retail and leisure properties in rural areas.
- In terms of commercial properties, agricultural / animal premises are mainly located in rural areas. Tourism properties are in the main in rural areas. Industrial and office premises

are found along linear routes to rural locations. The medical sector is located in rural settlements. Commercial property vacancies are limited across rural areas.

- Travel to work data shows that in terms of inward flows, the 'Kirklees Rural' District Committee area has the highest level of self containment from within the authority. 55% of people who work in the Kirklees Rural District travel from the same area. These figures show that there are employment opportunities in the rural areas, and that people travel into the rural areas from more urban parts of the authority. People also travel from Calderdale, Wakefield and Barnsley to the Kirklees Rural District area.
- In terms of outward flows, there is a net outflow of commuters from Kirklees overall. The Kirklees Rural District Committee has the lowest level of self-containment (29%), compared with the other District Committees. This reflects that around a third of the residents of the Rural District commute to nearby town and city centres for employment. The Kirklees Rural Area has strong links to Calderdale and Leeds.
- Overall, 82% of those who work in the Kirklees Rural District, live within Kirklees. 66% of those who live in the Kirklees Rural District work in Kirklees.

5. Business survey data

WYCA business survey data (urban and rural classification) (2015)

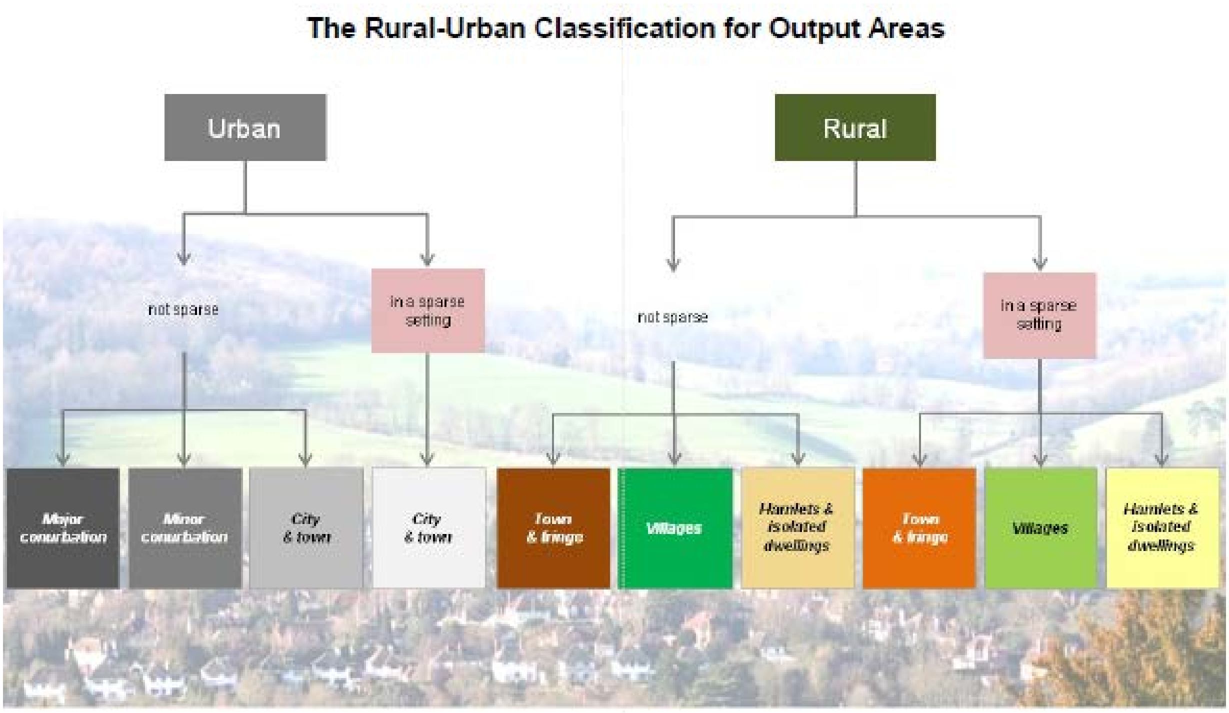
5.1 The Regional Intelligence Unit based at the West Yorkshire Combined Authority (WYCA) conducted wide ranging business surveys in 2015. The responses provided specifically by Kirklees based businesses have been provided to GVA by WYCA to inform this report. The responses to the questions posed (almost 60 in total) are provided broken down under a variety of headings, and some are broken down according to the responses provided by urban and rural businesses.

5.2 The urban - rural split utilised by ONS to break down the survey responses is based on the Rural Urban classification in the 2011 Census. The classification is used to distinguish between urban and rural areas, using output areas as the level of geography for analysis.

5.3 An area is defined as being rural if it consists of settlements below 10,000 resident population or it is 'open countryside'. Urban areas are connected built up areas which have resident populations in excess of 10,000 people.

5.4 The different sub categories to the urban-rural split are shown in Figure 5.1 below.

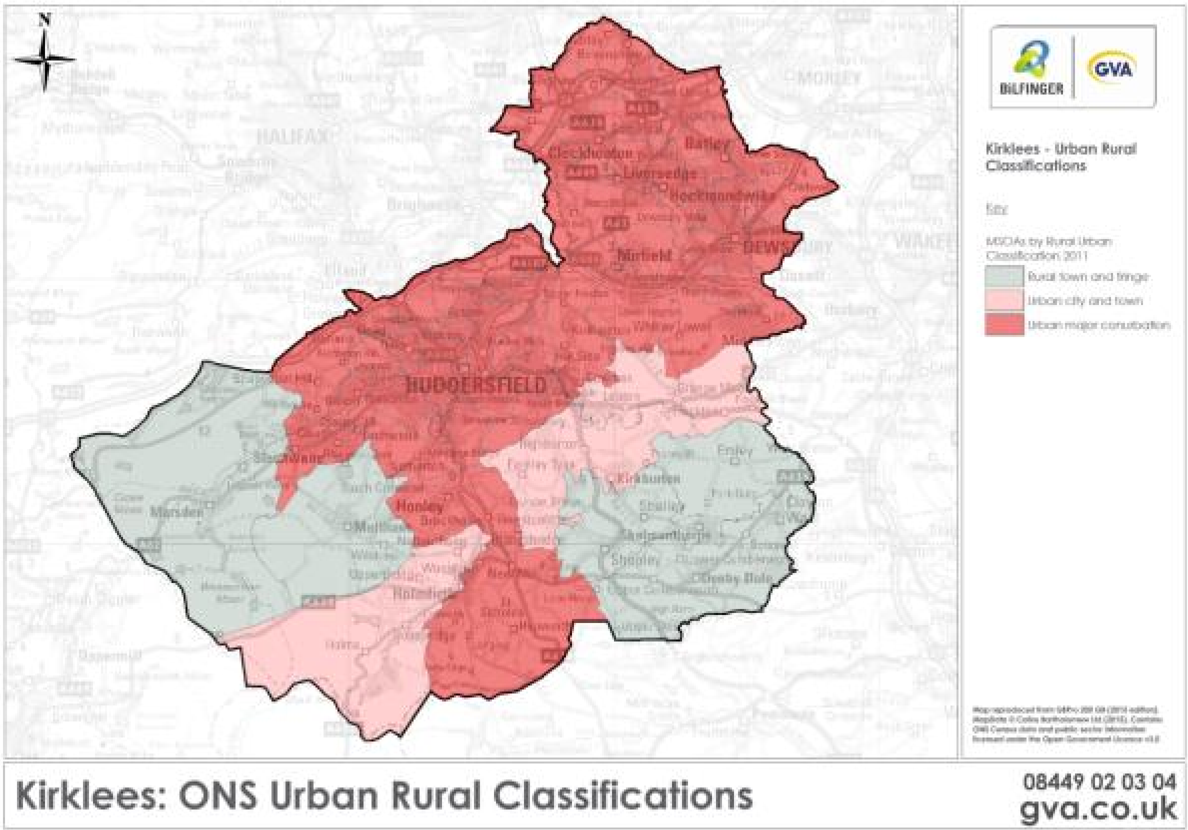
Figure 5.1: ONS urban-rural classification



5.5 The classification of output areas as urban or rural has been aggregated by ONS to be available at MSOA level.

5.6 The resulting classification of the MSOAs within Kirklees is shown in Figure 5.2 below.

Figure 5.2: ONS urban-rural classification



5.7 This map clearly illustrates that the rural classification includes the south east areas around Shelley, Shepley, Skelmanthorpe and Denby Dale, as well as the western areas around Meltham and Marsden.

5.8 The results of a number of key questions in the business surveys are presented below, together with a brief analysis of each. It must be emphasised / understood that the context of these questions is a narrow interpretation of what constitutes the rural economy when compared to other geographical definitions.

Excluding owners and partners, how many paid employees does your business currently employ on the payroll at that site?

Figure 5.3: Number of employees

Answer	Urban	Rural
1 to 9	79%	81%
10 to 49	16%	16%
50 to 249	4%	2%
250+	*% (assumed <1)	1%

5.9 This illustrates that in the rural areas there is a higher percentage of businesses that have a smaller number of employees, supporting the assertion that rural businesses are smaller in scale are people who are self-employed.

What is your main business activity at this establishment?

Figure 5.4: Main business activity by sector

Answer	Urban	Rural
Primary (ABDE)	1%	6%
Manufacturing (C)	9%	11%
Construction (F)	11%	9%
Distribution (G)	24%	17%
Hotels / Catering (I)	7%	5%
Transport / Storage / Comms (HJ)	9%	4%
Financial Intermediation (KLMN)	22%	31%
Public Services (OPQ)	12%	9%
Other Services (RS)	6%	8%

5.10 This data appears to group the SIC code sectors and illustrates that dominant sectors in the identified rural areas relative to the identified urban areas are primary industry, manufacturing, financial intermediation and 'other services'.

Over the next 12 months do you expect the climate in which your business / organisation operates to generally improve, remain stable, or get worse?

Figure 5.5: Business climate

Answer	Urban	Rural
Improve	47%	57%
Remain stable	45%	41%
Get worse	9%	2%

5.11 This illustrates that there is more confidence regarding the business climate in rural based businesses than in urban based businesses.

Over the past 12 months has your business / organisation turnover increased, decreased or remained the same?

Figure 5.6: Recent business turnover

Answer	Urban	Rural
Increased	46%	51%
Remained the same	32%	28%
Decreased	17%	16%
Don't know	5%	5%

5.12 This data shows that businesses classified as being located in rural areas have been more successful at achieving turnover increase in the last 12 months.

Over the next 12 months do you expect your business / organisation turnover to increase, decrease or remain the same?

Figure 5.7: Future business turnover

Answer	Urban	Rural
Increase	54%	57%
Remain the same	34%	36%
Decrease	8%	2%
Don't know	4%	4%

5.13 This data shows that more businesses classified as being located in rural areas anticipate an increase in turnover increase in the next 12 months, although the difference between urban and rural classified businesses is less marked than in Figure 5.6.

What are the expected trends for the next 12 months, with regard to investment in...? : Buildings

Figure 5.8: Investment in buildings

Answer	Urban	Rural
Lower	8%	8%
Same	66%	72%
Higher	22%	16%
Not applicable	1%	1%
Don't Know	3%	2%

5.14 This shows that businesses expect to see higher than past investment on buildings in urban areas when compared to rural areas.

What do you consider to be the main barriers to the growth of your business / organisation in the next three years?

Figure 5.9: Future barriers to growth

Answer	Urban	Rural
Availability of skilled labour	8%	6%
Retention of skilled labour	1%	*% (assumed <1)
Employability skills	2%	1%
Management/leadership skills	*% (assumed <1)	*% (assumed <1)
Labour costs	2%	3%
Market size	4%	7%
Cash flow	7%	6%
Transport infrastructure	2%	1%
Availability of land/premises	4%	5%
IT infrastructure/lack of high speed broadband	1%	2%
Waste disposal costs	*% (assumed <1)	0%
Strength of the pound	1%	2%

Lack of training available locally	1%	3%
Transport costs e.g. fuel etc.	1%	1%
Energy and water costs	1%	*% (assumed <1)
Over regulation/red tape	6%	7%
Appropriate business support	1%	2%
Access to finance	18%	13%
Support for product development/innovation	1%	*% (assumed <1)
Reduction in key markets	2%	0%
Decline in demand for products/services	11%	10%
Economic climate/recession	7%	9%
Business rates/rent	3%	0%
Change in government/elections/political uncertainty	2%	5%
Level of competition	13%	10%
High exchange rates	*% (assumed <1)	1%
High interest/inflation rates	1%	0%
Lack of advertising/marketing	1%	4%
Location	1%	1%
High levels of taxation	1%	2%
Time constraints	1%	3%
Unfavourable weather conditions	1%	*% (assumed <1)
Personal circumstances inc. age, health	1%	*% (assumed <1)
Product/service pricing issues	1%	0%
Market conditions	1%	*% (assumed <1)
High rate of crime/ASB in the area	*% (assumed <1)	0%
Unattractive area inc. level of construction work	1%	0%

5.15 This data illustrates that barriers more commonly identified in rural areas relative to urban areas are labour costs, market size, availability of land/premises, IT infrastructure/lack of high speed broadband, strength of the pound, lack of training available locally, over regulation/red tape, appropriate business support, economic climate/recession, change in government/elections/political uncertainty, lack of advertising/marketing, high levels of taxation and time constraints.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Access to neighbouring cities/markets

Figure 5.10: Access to neighbouring cities / markets

Answer	Urban	Rural
Advantage	47%	42%
Disadvantage	4%	4%
Neutral	47%	51%
Don't know	2%	3%

5.16 This data illustrates that rural businesses see access to neighbouring cities / markets as less of an advantage than urban businesses.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Easy access for employees

Figure 5.10: Easy access for employees

Answer	Urban	Rural
Advantage	71%	58%
Disadvantage	2%	10%
Neutral	25%	31%
Don't know	1%	1%

5.17 This data shows that easy access to employees is seen as far less of an advantage / more of a disadvantage for rural businesses when compared to urban businesses, as one would expect.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Transport connections within your local area

Figure 5.11: Transport connections within the local area

Answer	Urban	Rural
Advantage	62%	49%
Disadvantage	5%	9%
Neutral	33%	40%
Don't know	*% (assumed <1)	2%

5.18 Again, this data shows that transport connections within the local area is seen as far less of an advantage / more of a disadvantage for rural businesses when compared to urban businesses.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Good rail links

Figure 5.12: Good rail links

Answer	Urban	Rural
Advantage	41%	27%
Disadvantage	7%	8%
Neutral	51%	64%
Don't know	1%	2%

5.19 Again, as per Figures 5.10 and 5.11, this data shows that good rail links are seen as far less of an advantage for rural businesses when compared to urban businesses.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Good road/motorway links

Figure 5.13: Good road/motorway links

Answer	Urban	Rural
Advantage	72%	64%
Disadvantage	3%	6%
Neutral	24%	28%
Don't know	*% (assumed <1)	1%

5.20 This data shows that good road/motorway links within the local area are seen as less of an advantage / more of a disadvantage for rural businesses when compared to urban businesses, as would be expected.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : High speed broadband connection

Figure 5.14: High speed broadband connection

Answer	Urban	Rural
Advantage	63%	60%
Disadvantage	9%	12%
Neutral	27%	26%
Don't know	1%	1%

5.21 This data shows that high speed broadband is less of an advantage / more of a disadvantage for rural businesses, although the difference is less marked than for other categories described above (transport connections etc.).

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Availability/cost of appropriate land and/or premises

Figure 5.15: Availability/cost of appropriate land and/or premises

Answer	Urban	Rural
Advantage	35%	34%
Disadvantage	11%	13%
Neutral	50%	50%
Don't know	5%	2%

5.22 As per broadband provision, there is a marginal difference between urban and rural businesses in relation to the advantage / disadvantage of the availability / cost of land / premises – this is seen as more of a disadvantage in rural areas. This implies that where there are challenges they cover all of Kirklees in a similar manner.

For the following list of issues, could you state whether or not you perceive these to be an advantage, disadvantage or neutral to the success of your business / organisation at its current location? : Availability of business support

Figure 5.16: Availability of business support

Answer	Urban	Rural
Advantage	39%	37%
Disadvantage	7%	3%
Neutral	52%	57%
Don't know	3%	3%

5.23 As per Figures 5.14 and 5.15, there is a marginal difference between urban and rural businesses in relation to the advantage business support. However, this is seen as more of a disadvantage in urban areas.

To what degree does your current broadband service/speed meet your needs?

Figure 5.17: Broadband service

Answer	Urban	Rural
Completely meets our needs	24%	15%
Largely meets our needs	20%	18%
Adequately meets our needs	31%	38%
Somewhat meets our needs	11%	8%
Doesn't at all meet our needs	10%	14%
Don't know	5%	7%

5.24 This illustrates that in rural areas, broadband provision is considered less adequate than in urban areas.

Are you likely to consider moving premises within the next five years?

Figure 5.18: Likelihood of moving

Answer	Urban	Rural
Yes	29%	29%
No	67%	71%
Don't know	4%	1%

5.25 This data indicates that those businesses in rural areas are more certain that they will not be considering moving in the next 5 years.

Does the business / organisation just operate from this site or does it have other sites?

Figure 5.19: Number of sites

Answer	Urban	Rural
Single site	77%	81%
Multiple sites	23%	19%

5.26 This data illustrates that a higher proportion of rural businesses operate from a single site than multiple sites when compared to urban areas, albeit there is not a significant difference.

Approximately how long has your business / organisation been in operation for at that site?

Figure 5.20: Length or operation at site

Answer	Urban	Rural
Less than 1 year	4%	3%
At least 1 year but less than 2	6%	4%
At least 2 years but less than 3	6%	4%
At least 3 years but less than 5	10%	11%
At least 5 years but less than 10	19%	26%
10 years or more	56%	51%
Don't know	*% (assumed <1)	0%

5.27 The data shows that a higher proportion of rural businesses have been operational at the current site for 5-10 years, whilst a higher proportion of urban businesses have been operational at the current site for 10 years or more.

Kirklees District Employer Survey (2013)

5.28 The latest Kirklees District Employer Survey was undertaken in 2013, with 1,201 interviews completed as part of the process.

5.29 This survey refers to the Rural Kirklees South which incorporates the more sparsely populated Valleys area that is situated on the edge of the Pennines and has a history of coal mining and mills.

5.30 The 'Location' chapter of the survey looks at findings on a geographical basis, and by picking out the conclusions for 'Kirklees South', patterns relating to the 'Rural South' can be considered. Therefore, the findings in relation to Kirklees South are set out below:

- 25% of employers are based in Kirklees South.
- Kirklees South has the highest proportion of very small employers (76% have between 1 and 4 employees), while the proportion is significantly lower than average within Huddersfield (63%). Just 3% of employers in Kirklees South employ 25 or more staff, compared with 9% in other areas.
- The wholesale/retail sector accounts for 27% of employers in Huddersfield and 26% in Kirklees North, compared with just 9% in Dewsbury and 22% in Kirklees South.

- One in seven employers in Dewsbury (15%) are in the manufacturing sector, compared with one in ten in Kirklees North and Kirklees South and just 7% in Huddersfield.
- Furthermore, the construction sector accounts for just 9% of employers in Huddersfield, compared with 13% in other areas.
- Eight per cent of employers in Kirklees South are within the primary industry sector, compared with 6% in Dewsbury and less than 1% each in Huddersfield and Kirklees North.
- Kirklees South based agricultural employers account for 80% of all agricultural employers in the sample.
- Overall, while employers in Kirklees South are more positive about the attractiveness of the area, they tend to be less likely to cite other benefits.
- One in eight respondents (13%) cited poor transport connections as a concern. This proportion is significantly higher than average in Kirklees South (18%).
- Employers in Dewsbury and Kirklees North are both most likely to be happy with their current broadband (both 82%), while those in Huddersfield and Kirklees South are less likely to be (both 75%).
- Employers in Huddersfield and Kirklees North are most likely to be positive about their mobile connectivity (57% and 58% respectively rating it as good), whilst those in Kirklees South most likely to be dissatisfied (32% rating it as poor).

5.31 Perceived benefits and concerns are detailed further in the tables below (Figure 5.21 and Figure 5.22), extracted from the report. Those circled in red are where there is a significant difference between Kirklees South and the Kirklees average (>5%).

Figure 5.21: Perceived benefits of being located in Kirklees (Table 7.2 of Survey)

	All employers	Huddersfield	Dewsbury	Kirklees North	Kirklees South
Unweighted Bases	*1201*	*442*	*132*	*339*	*288*
Access to transport links	51%	53%	58%	56%	**42%**
Personal/historic reasons	50%	**45%**	48%	48%	**61%**
Quality of premises	49%	50%	44%	49%	48%
Overall attractiveness of the area	49%	48%	**35%**	45%	**62%**
Size of premises	48%	50%	45%	50%	44%
Quality of local environment	47%	44%	36%	45%	**58%**
Availability of suitable land and/or premises	37%	38%	36%	39%	32%
Access to markets	36%	36%	40%	37%	32%
Proximity to suppliers/supply chains	32%	32%	35%	**37%**	**26%**
Proximity to other firms in the same sector	31%	32%	38%	32%	**25%**
Cost of land and/or premises	31%	29%	32%	34%	28%
Cost of labour	27%	27%	34%	28%	**22%**
Access to skilled labour	25%	24%	27%	28%	24%
Proximity to higher education, research or other trade organisations	21%	23%	26%	18%	19%
Financial support/assistance	14%	14%	16%	17%	**10%**
Other	6%	7%	4%	6%	4%
No benefits	2%	3%	5%	1%	2%
Don't know	5%	5%	7%	6%	5%

Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

D1. What are the benefits of being located in Kirklees?

Figure 5.22: Concerns regarding the current location (Table 7.5 of the Survey)

	All employers	Huddersfield	Dewsbury	Kirklees North	Kirklees South
Unweighted bases	*1201*	*442*	*132*	*339*	*288*
Traffic congestion	37%	39%	43%	**42%**	**26%**
Lack of parking	36%	**43%**	39%	**31%**	**29%**
Theft and vandalism to property	29%	30%	**41%**	31%	**19%**
The quality of your local town centre	29%	28%	**49%**	27%	**24%**
Business rates	28%	**31%**	30%	28%	**22%**
Quality of local environment	24%	26%	**35%**	23%	**17%**
Cost of business premises	22%	23%	25%	20%	20%
Cost of Insurance	20%	22%	20%	19%	20%
Staff Safety and security	15%	16%	19%	16%	**10%**
Lack of social facilities/amenities	15%	14%	**24%**	12%	15%
IT Infrastructure/access to broadband	15%	16%	10%	15%	17%
Poor transport connections	13%	11%	9%	11%	**18%**
Poor access to markets/suppliers	11%	11%	14%	9%	10%
Climate change (e.g. risk of flooding)	11%	10%	11%	15%	9%
Lack of available skilled staff	10%	11%	**18%**	10%	**6%**
Poor business premises	8%	8%	12%	9%	5%
Neighbours - complaints	7%	8%	8%	6%	5%
Other	6%	7%	3%	4%	6%
No concerns	17%	14%	11%	17%	**22%**

Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

D3. Could you please tell me which of the following are a concern to you regarding your current location?

5.32 Key areas of difference are:

Perceived benefits:

- Access to transport links (lower % in Kirklees South);
- Personal / historic reasons (higher %);
- Overall attractiveness of the area (higher %);
- Quality of local environment (higher %);
- Availability of suitable land and/or premises (lower %);
- Proximity to suppliers / supply chains (lower %);
- Proximity to other firms in the same sector (lower %);
- Cost of labour (lower %).

Concerns:

- Traffic congestion (lower % concerned in Kirklees South);
- Lack of parking (lower %);
- Theft and vandalism of property (lower %);
- The quality of your local town centre (lower %);
- Business rates (lower %);
- Quality of local environment (lower %);
- Staff safety and security (lower %);
- Poor transport connections (higher %);
- No concerns (higher %).

Summary

5.33 The key conclusions in relation to the rural economy in the South of Kirklees that can be drawn from these business surveys are:

- Businesses in rural areas generally have a smaller number of employees and are more likely to operate from a single site.
- Dominant sectors in rural areas are: primary industry, agriculture, manufacturing, construction, and some services (financial etc.).
- There is more confidence regarding the business climate in rural based businesses.
- Businesses in rural areas generally more positive about the attractiveness of the area, the quality of the local environment and less concerned about traffic congestion, lack of parking, the quality of the local town centre, and business rates. There is also less concern in rural areas in relation to theft, vandalism and staff safety and security.
- Disadvantages identified by rural businesses include poor transport connections, and distance from cities / markets. Rural businesses don't benefit as much from proximity to suppliers and proximity to other firms in the same sector. Labour costs and a lack of training locally are also seen as less beneficial / barriers to growth for rural businesses.
- There is also higher dissatisfaction with the quality of broadband provision and mobile connectivity amongst rural businesses.
- In terms of buildings investment in buildings is expected to be lower in rural areas. Rural businesses also perceive that they don't benefit as much from the availability of suitable land and/or premises, albeit this could be seen as a Kirklees wide issue.

6. Commercial market and key stakeholder engagement

6.1 We have undertaken some engagement with key stakeholders as well as some commercial agents who are active in Kirklees.

Stakeholder engagement

6.2 We held detailed telephone conversations with two officers from the Kirklees Council (Strategic and Investment; and Tourism), as well as with a third party consultant contact who was involved in the preparation of the Economic Strategy on behalf of the Council. Unfortunately, despite our repeated efforts, it has not been possible to speak to contacts identified by the Council at the Mid Yorkshire Chamber of Commerce, The University of Huddersfield Business School, the LEP and the HD8 Network.

6.3 The following sections summarise our findings.

Extent and composition of the Kirklees rural economy

6.4 Generally speaking, there was a range of views on what characterises Kirklees' rural economy.

6.5 One contact in particular felt that Kirklees doesn't actually have much of a rural economy as such, given that the term 'rural economy' largely relates to agriculture – which is not a significant industry in Kirklees any more.

6.6 There has, in the past, been funding available through the EU to support rural businesses. However, many businesses in rural parts of Kirklees have missed out on European funding as they do not qualify as truly 'rural' as they are not agriculture based.

6.7 The contact also stated that there is some very important manufacturing in the rural areas, including a lot of textiles manufacturers. However, they stated that they did not feel that this is necessarily representative of the 'rural economy'.

6.8 Another contact felt that a key feature of the rural economy from a business perspective is the volume of SME and micro businesses. These types of businesses are typically spread across the rural district, especially in Holmfirth, Marsden, Slaithwaite and Denby Dale.

6.9 These business types are becoming increasingly integral to the tourism industry, as they provide accommodation, independent shops, attractions and pubs etc. Additionally, many properties previously used for agriculture purposes are being converted to 'country-style' tourist accommodation.

6.10 The final contact felt that geographically there is an urban/rural divide, with the west and south of Kirklees largely considered to be rural Kirklees, with the north and east comprising the majority of the local centres and urban locations.

6.11 Additionally, this contact suggested that the business make-up of rural Kirklees is focussed around food, tourism, culture and the creative industries.

Rural economic drivers

6.12 Some key drivers for the rural economy were identified to be the attractive nature of Kirklees' rural areas (including the Peak District National Park area), the quality of housing currently available and the entrepreneurial spirit of the local population driving business start-ups.

6.13 From a tourism perspective, the rural economy is very important to Kirklees' overall economic performance. It was stated that domestic leisure tourism saw an increase in value between 2014 to 2015, with the value of overnight tourism growing by 24%. In addition, the volume of day and overnight visits increased to 9.8m per annum.

6.14 Additionally, Holmfirth is still to this day an important driver for the local tourism industry, with its connection to 'Last of the Summer Wine'. Similarly, the filming sector has been known to use Kirklees' rural areas as settings – this inevitably drives a lot of spend in local accommodation facilities, pubs, cafes, shops etc. Furthermore, access to the Peak District National Park is a clear draw for the tourism industry.

6.15 The community culture found in many of Kirklees' rural towns and villages has been found to be a draw for the tourism industry as many visitors look for the 'quaint' village atmosphere for their holidays.

6.16 The rural economy is also seen to achieve excellent educational attainment levels. This inevitably gives the younger generation a greater chance of higher paid employment later in life, which in turn generates a greater level of prosperity for the region (assuming they remain living in / return to live in the local area).

Key businesses operating in rural areas

6.17 Whilst textile manufacturers were once the major employers and businesses operating in the rural areas, trading patterns have evolved as manufacturing has seen a decline. All of the contacts agreed that start-up businesses, micro businesses and SME's are now one of the most prevalent business types in the area.

6.18 From a tourism perspective, businesses such as the Picturedrome in Holmfirth, the Kirklees Light Railway, Holme Valley Camping Site and the Holmfirth Vineyard are some of the key business operators active in Kirklees.

Barriers to growth in the rural economy

6.19 Transport connectivity was a major concern for all stakeholders. It was stated that in terms of commercial property development, many industrial and office developers will seek land to develop close to major transport nodes. Therefore a lack of transport connectivity will directly impact on development delivery.

6.20 Furthermore, a lack of good quality public transport infrastructure can isolate many of the rural towns and villages if residents do not have a car – hence the prevalence of home-working businesses.

6.21 Broadband connectivity is another major barrier to growth, with many rural areas unable to receive both mobile data and good quality, high speed broadband. This impacts on the desirability of the area to employers who will instead look towards purpose built business parks and major local centres.

6.22 In addition, a lack of available mobile data can often impact on tourism, as many visitors like to use their mobile phones to look for attractions, hospitality, directions etc.

6.23 It was also identified that a lack of business premises in the rural town centres, such as Holmfirth, can impact on the performance of SME's and micro-businesses. These businesses often need purpose built meeting premises, office type facilities and innovation centres to achieve their goals and also to grow their businesses.

6.24 In terms of tourism, the lack of a major tourist attraction, such as the Yorkshire Wildlife Park in Doncaster or Lightwater Valley in North Yorkshire, can be a hindrance to the development of the Kirklees tourism industry. Having a feature attraction could be the key to further development of the tourism industry.

6.25 A comment was made that in terms of the need for land to locate such an attraction, as well as land for good quality camp sites is being restricted by green belt policies. However, these policies are protecting the attractive setting which many tourists are currently coming to Kirklees to experience - evidently a predicament in overcoming this obstacle.

How to promote/support Kirklees' rural economy through the Local Plan

6.26 The general consensus for the role of the Local Plan in supporting the rural economy was to facilitate place-shaping of smaller settlements in rural areas.

6.27 Giving these areas business development tools, by investing in important digital and transport infrastructure, could unlock potential for these settlements to become self-sustaining, and allow for greater economic development.

6.28 Furthermore, identifying land for business use in the rural areas, in conjunction with transport and broadband infrastructure improvements, could lead to improved development viability / deliverability – especially given the good location of South Kirklees in relation to Greater Manchester and the Leeds City Region.

Rural economy property needs

6.29 The views on the property needs for Kirklees' rural economy were mixed.

6.30 One contact stated that the scale of businesses in rural areas means that further property investment and development is not necessary, but that focus should be made on infrastructure projects instead.

6.31 Another contact stated that improvements to serviced accommodation of a high standard is needed to cope with demand from the tourism industry. This contact also felt that town centre rental levels are too high to allow micro businesses, such as artists and artisans etc. to sustain themselves in the settings that give them the biggest exposure to clients.

6.32 One contact believed that rural town centre business premises, tourism accommodation of varying types, a wider retail/leisure offer of national and international retailers and good quality housing to support the workforce are the main property needs for the rural areas of Kirklees.

6.33 As stated above, it was also commented that there is a lack of business premises in the rural town centres, such as Holmfirth, which can impact on the performance of SME's and micro-businesses.

Relationships between Kirklees' rural economy and other urban locations/neighbouring authorities

6.34 It was identified that the Kirklees rural area has a strong relationship with Huddersfield, arguably less so with Dewsbury. Additionally, Kirklees is seen as an important part of the wider northern region, and as an attractive proposition to the skilled workforce.

6.35 It was also identified that there is a strong relationship between Huddersfield and the manufacturers in the more rural areas in terms of business supply chains. However, occupiers have historically looked to leave Kirklees when they attempt to grow their business as the availability of land and property is limited.

6.36 One contact mentioned that there is some negative sentiment between the business owners in rural Kirklees and Huddersfield in relation to the 'Visit Huddersfield' campaign. As the main tourist attraction in Kirklees is Holmfirth, not Huddersfield, it was states that promotion should more so aim for at these rural areas.

Commercial agent engagement

6.37 In addition to the key stakeholder engagement, we spoken to three commercial property agents to seek market commentary / a view of the commercial property market performance in the rural economy.

6.38 It is important to note that much of our engagement was limited in quality due to a relative lack of commercial property activity in rural Kirklees. In some cases, contacts spoke more generally about Kirklees as a whole, as opposed to specifically the rural areas.

Types of commercial property

6.39 Out of the main property sectors, industrial was considered to be the only real commercial property type which performs in the rural economy. Good quality office space and national retailers are more commonly found in town centres such as Huddersfield, with little or no activity of these types taking place in the rural areas.

Occupiers, supply and demand

6.40 Broadly speaking, demand in Kirklees is generally for small industrial units, ranging from 500 sq ft to 5,000 sq ft. Occupiers for these types of properties are often local covenants of relatively weak strength, sometimes with stronger tenants in the larger units. With regard to the more rural locations the agents felt that the smaller units are more commonly sought.

Key locations

6.41 The majority of take up of industrial space in Kirklees is in areas such as Cleckheaton and Birstall, but with light demand in the rural areas around Meltham, Honley and Holmfirth.

Limitations to commercial property in the rural economy

6.42 It was stated that limitations to the performance of commercial property in rural Kirklees often stem from infrastructure problems. Most industrial occupiers look to locate themselves near major transport connections such as the A1, M1 and M62 to allow better access for their heavy goods vehicles.

6.43 Additionally, the need for very fast broadband capabilities appears to be a major drawback for Kirklees – especially in the rural areas – and it is deterring commercial occupiers.

Summary

6.44 The following is a summary of the qualitative research undertaken:

- The rural economy in Kirklees is seen in a variety of ways. Geographically speaking, the rural areas are seen to be the west and south of Kirklees. On a business basis, the rural economy is identified as comprising a large proportion of start-ups, micro businesses and SMEs – supporting the tourism industry in particular.
- Some of the main drivers of economic performance in rural Kirklees are the entrepreneurial spirit of the local population, the attractive nature of the District, including its partial location within the Peak District National Park, as well as its already successful tourism industry centred on Holmfirth. High levels of educational attainment are also seen as a key economic driver for rural Kirklees.
- The major barriers to rural economic growth are largely surrounding currently poor transport and broadband infrastructure, as well as mobile data issues (a particular issue for tourism). A lack of business premises in the rural town centres, such as Holmfirth, was also identified as having an impact on the performance of SME's and micro-businesses.
- Whilst the tourism industry is arguably one of the District's biggest successes, a lack of a major attraction is identified as being needed to progress the industry further. This, alongside the fine balance required between green belt policy and development is potentially restricting further tourism growth.
- In terms of property needs, there is an argument to say that until infrastructure issues (transport and broadband) are resolved, the need for traditional commercial property types such as office and industrial units in rural areas will be limited. However low cost space for micro businesses and high quality accommodation to support the tourism industry is needed.

7. Summary of findings and policy strategy advice

7.1 This report includes a detailed review of the 'rural economy' in the context of the consultation responses to the November 2015 Draft Local Plan Policy DLP10 – 'Supporting the rural economy'.

7.2 Our conclusions and recommendations to inform policy revisions are set out below.

Rural geography

7.3 One of the overriding messages from the 2015 consultation responses is that aligning the definition of rural areas with the Green Belt areas within Kirklees is too narrow for the purposes of developing a rural economy policy.

7.4 The findings of this report support this assertion. There is no one definition of the rural economy that has emerged from our review, albeit there is a general consensus that the rural parts of Kirklees are focused to the south and west of the District, which is recognised by the identification of the 'Kirklees Rural' Character Area in the 2015 Draft Local Plan.

7.5 The Leeds City Region SEP characterises Kirklees as sizeable towns such as Dewsbury, Cleckheaton and Holmfirth and extensive semi-rural areas such as in the Colne and Holme Valleys, which suggests that defining undisputed rural areas is not straightforward in Kirklees. Equally, the ONS Rural Urban classification in the 2011 Census is too narrow a definition for the purposes of policy development.

7.6 **It is important to recognise that within rural areas there are undeveloped green field / Green Belt areas, but also key rural service centres and transport routes that link the rural areas / the service centres to the surrounding towns and cities, and that all of these elements are part of the rural geography, and therefore part of the rural economy.**

The rural economy

7.7 Characterising the rural economy to better understand its form and function is also an important part of policy development. This report has shown that the rural economy has the following characteristics:

- A higher proportion of small businesses start-ups, micro businesses and SMEs – more likely to operate from a single site; a higher proportion of self-employed people; and a growing trend for home working;

- Dominant sectors in rural areas are: primary industry, agriculture, manufacturing, construction, and services sectors. Manufacturing, construction and services businesses are focused in key rural centres and along the key transport routes through rural areas.
- As would be expected, retail and leisure properties are largely located in rural service centres, with drinking establishments spread more widely within rural areas.
- In terms of the rural population, there is a higher proportion of people employed in the 'Top 3' occupations; there is a higher proportion of working age people compared to the urban cores; the majority of the rural areas contain a higher proportion of economically active working age residents; and they have a much lower proportion of economically active people who are unemployed.
- Overall, 82% of those who work in the Kirklees Rural District, live within Kirklees. 55% of people who work in the Kirklees Rural District travel from the same area. These figures show that there are employment opportunities in the rural areas, and that people travel into the rural areas from more urban parts of the authority. People also travel from Calderdale, Wakefield and Barnsley to the Kirklees Rural District area.
- 66% of those who live in the Kirklees Rural District work in Kirklees. 29% of people who live in the Kirklees Rural District travel to the same area for work. This is the lowest level of self-containment within Kirklees and reflects that around a third of the residents of the Rural District commute to nearby town and city centres for employment. The Kirklees Rural Area has strong links to Calderdale and Leeds. This reflects the scale of the economically active population and the job roles of those who live in the rural areas – inevitably there is out-commuting to nearby centres.

7.8 **These features of the rural economy should underpin policy development in terms of business types, sector strengths, and the role of the rural population.**

Strengths of the rural economy

7.9 A rural economy policy should recognise and encourage its strengths. This is echoed in the Kirklees Economic Strategy in which well performing parts of the economy (largely the rural areas) are seen as requiring 'evolutionary improvement' where there is a need to maintain and enhance strong performance.

7.10 The strengths identified through the preparation of this report (including drawing on the 2015 consultation responses) include:

- The environment is attractive and close to / within the Peak District National Park;
- There is a strong entrepreneurial spirit and community culture;
- The tourism industry is a key economic driver, in particular in the Holme Valley;

- A strong industrial legacy (based on the textiles industry);
- There is less traffic congestion or pressure for car parking spaces;
- Less concern around safety and security;
- High educational attainment and good quality housing are seen as key economic drivers.

7.11 As set our earlier in this report, in the context of the City Region SEP, the rural hinterland is seen as playing a highly significant role in the City Region economy. The mix of urban and rural areas in close proximity is seen to offer a good quality of life. Natural capital is seen as an important asset in attracting businesses, investment, skilled employees and tourism.

7.12 **A policy position should be adopted that seeks to make the most of these economic strengths.**

Barriers to growth

7.13 It is important that policy is shaped to assist in the removal of barriers to growth in the rural economy. Barriers to growth that have been identified through the preparation of this report, (including drawing on the 2015 consultation responses) are:

- Poor transport connections;
- Distance from cities / markets;
- Less benefit from proximity to suppliers and proximity to other firms in the same sector;
- Labour costs and a lack of training locally;
- Quality of broadband provision and mobile connectivity (supporting both rural businesses and those working from home);
- Availability of suitable land and/or premises, in particular low cost / in the rural town centres to support SMEs and micro-businesses;
- Lack of major tourist attraction and too much focus on Huddersfield as a tourist draw;
- Lack of high quality accommodation and low cost accommodation options (including camping provision) to support the tourism industry.

7.14 These issues are identified as affecting the Kirklees economy in the Kirklees Economic Strategy, and more generally as challenges in the Leeds City Region SEP. Whilst some of these issues are challenging to resolve, and to an extent are intrinsic to the rural location, **a policy position should be adopted that seeks to support the breakdown of these barriers to growth**.

NPPF

7.15 As set out earlier, the NPPF states that rural economic growth should be supported by taking a positive approach to sustainable new development – through supporting the growth of all types of business / enterprise, and through the conversion of existing buildings and well designed new buildings; through promoting the development and diversification of agricultural and other land-based rural businesses; through supporting sustainable rural tourism and leisure developments that benefit businesses in rural areas, including where identified needs are not met by existing facilities in rural service centres; and through promoting the retention and development of local services and community facilities in villages.

7.16 **In the context of the NPPF, Draft Local Plan Policy DLP10 is, as highlighted in the 2015 consultation responses, too narrow. A revised policy should avoid a narrow definition of the rural economy, which, as evidenced by this report, covers a wide range of sectors and business types. It should also consider opportunities for new buildings to be developed to support the rural economy; as well as the important role of the tourism industry, supporting sustainable rural tourism and leisure developments that benefit businesses in rural areas.**