Assessing the economic performance of rural capitals in Yorkshire and the Humber

Final report

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Contents

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Foreword

Yorkshire Forward commissioned this study to provide an evidence base that will inform decisions on priorities for future investment in the region's rural capitals. The overall purpose of the study was to explore the economic role and contribution of rural capitals, with a view to assessing their ability to contribute to regional performance, and to respond positively to economic drivers and policy changes.

Rhona Pringle – Yorkshire Forward

Executive Summary

Introduction

Study aims

1. The aim of this study, commissioned by Yorkshire Forward in summer 2007, was to assess the economic performance of the 'Rural Capitals' in the Yorkshire & Humber region. The study was led by SQW Consulting; a range of largely-desk analytic approaches were used, drawing also on contributions from Land Use Consultants, Cambridge Econometrics and David Potts. The consultants were steered by, and reported to, a joint team from Yorkshire Forward from the Rural Renaissance Team and the Chief Economist Unit. The broad objectives of the study were to:

- identify the functions of settlements and their impacts in relation to how well they perform in fulfilling the functions
- make forecasts for economic growth amongst the settlements
- inform debates about policy on the basis of the evidence and the ways in which settlements may respond to different drivers; these debates included achieving sustainable rural communities, spatial planning, the environment and investment planning.

Headline economic messages

2. Thirty rural settlements were considered in detail in this study. In 2005, there were around 125,000 employee jobs in these settlements with GVA estimated at around £4,300 million. Tables 1 and 2 set out the headline employment and GVA forecasts for the study settlements. These show that the rate of growth is higher for both employment and GVA in the rural capitals considered in this study compared to the regional average. Shares of regional employment and GVA are therefore expected to marginally increase over the 2005-16 period.

Table 1: Summary of employment forecasts

	2005 share of region	2011 share of region	2016 share of region	2005-11: *% change*	2011-16: *% change*	2005-16: *% change*
Total for settlements linked to city-region	2.6%	2.6%	2.7%	2.3%	1.8%	4.1%
Total for remote/free standing settlements	3.2%	3.2%	3.3%	3.7%	3.3%	7.1%
Total for all 30 study settlements	5.8%	5.9%	6.0%	3.1%	2.6%	5.8%
Y&H total	100%	100%	100%	1.2%	1.2%	2.5%

Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Table 2: Summary of GVA forecasts

	2005 share of region	2011 share of region	2016 share of region	2005-11: *% change*	2011-16: *% change*	2005-16: *% change*
Total for settlements linked to city-region	2.6%	2.6%	2.6%	17.6%	14.1%	34.2%
Total for remote/free standing settlements	3.1%	3.1%	3.2%	18.4%	14.8%	35.9%
Total for all 30 study settlements	5.6%	5.7%	5.8%	18.0%	14.5%	35.1%
Y&H total	100%	100%	100%	16.6%	13.2%	32.0%

Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Settlement functions and contributions

Functions

3. This study showed that rural settlements have a variety of functions. The functions depend on the characteristics of settlements, in particular:

- Close proximity and links to other centres, in particular urban centres, often results in labour providing functions, e.g. Ilkley, Tadcaster, Holmfirth, Penistone and Stocksbridge.
- The landscape in which settlements are located and the desirability of settlements as places to live (i.e. quality of place effects) can result in labour-providing functions (as people choose to live in an attractive place and commute elsewhere to work, e.g. Knaresborough) and one or more of environmental asset and recreation/tourism functions, e.g. Pickering.
- Structural economic change alongside the inter-relationships with major urban centres has shaped the functions of particular settlements, for example the closure of certain industries has resulted in a loss of function (e.g. Hemsworth and Thurnscoe) or a changing function (e.g. from business location to labour provider in the cases of Penistone and Stocksbridge). Such changes can also result in the growth of business specialisation e.g. in transport and distribution in Sherburn in Elmet.
- The size of settlements and, more particularly, the extent of the business base through the presence of significant employers results in strong business locations such as Skipton (with the District Council's and a major building society's headquarters) and Northallerton (with the County Council's headquarters). As a result, these settlements act as a draw for in-commuting from a wide hinterland, with the potential for some local multiplier effects.

4. Some settlements that do not have a dominant function may fulfil a range of functions in a minor way, for example Thirsk provides labour, acts as a business location and has a recreation/tourism element to its economy.

Contributions to functions

5. The analysis showed that across the group of rural settlements there are significant contributions being made to the region:

- As labour providers, rural settlements, on average, have a higher qualifications base, which translates into real and significant potential for contributing to regional GVA. This is corroborated in the profile of those that commute out of rural settlements, which leans heavily towards managers, senior officials, professionals and associate professional occupations. The average income levels in rural settlements are significant in some cases and above the average for the region – indicating the presence of high earners.

- As business locations, the evidence is mixed. Those settlements classified as business locations make important contributions to the wider region as employment centres. In-commuting typically shows a spread, with travelling from a range of cities, towns and other smaller settlements. In terms of scale of contribution, the business locations provide a significant amount of employment – above average when compared to their population. Recent evidence on employment change is more mixed, with Northallerton and Skipton seeing recent growth, but other substantial settlements, such as Malton & Norton and Ripon experiencing employment decline. The evidence is also mixed amongst those settlements not classified as business locations: upward trends and indications of potential entrepreneurship in Stocksbridge, Knaresborough and Holmfirth contrasts with recent decline in other places, such as Thirsk, Withernsea and Stokesley.

- As identified in this report, eight of the 30 settlements were classified as recreation and tourism hubs. These tend to focus on smaller settlements that have built up a recreation/tourism sector that is one of the significant sectors in the local economy. A number of other settlements have a role in relation to recreation and tourism, even if this was not defined as a being the dominant role. The evidence we have considered in looking at the impact and contribution of rural capitals suggests that these settlements as a group, as well as those classified as recreation and tourism hubs, make significant contributions to the recreation and tourism sector of the region as a whole.

- Environmental contributions are difficult to assess in a study such as this, given the range of possible channels of impact and the number of settlements being considered. However, the evidence highlights that the environmental role is often allied with other functions such as in attracting people to live in places (and commute to other centres) and in contributing to the recreation and tourism role.

6. The study categorised the functions of each of the 30 settlements and, on the basis of evidence collected, grouped settlements into six mutually exclusive groups based on three dimensions:

- strength of links with the city-region economies

- size of the local economy

- prosperity.

7. Table 3 shows how settlements map by settlement types and functions. The study has considered 30 settlements across the region in detail, but we would expect that the key messages in terms of opportunities and threats facing settlements could be applied more widely – by being able to place settlements according to their 'type' (as in Table 1) and by considering key factors in relation to local context that may affect them.

Table 3: Categorised settlement types and functions

Settlement Type	**Settlement**	**Function**				
		Labour Provider	**Business Location**	**Environmental Asset**	**Tourist Hub**	**No Dominant Role**
Large, prosperous settlements with strong links into the city-region	Ilkley	✓	✓	✓		
	Knaresborough	✓				
	Ripon	✓	✓			
Smaller, prosperous settlements with strong links into the city-region	Sherburn in Elmet	✓	✓			
	Haworth	✓			✓	
	Hebden Bridge	✓				
	Holmfirth	✓			✓	
	Penistone	✓				
	Pocklington	✓				
	Stocksbridge	✓				
	Stokesley	✓				
	Tadcaster	✓	✓			
Small, less prosperous settlements inside the city-region	Hemsworth					✓
	Thurnscoe					✓
Large, prosperous settlements that are more free-standing	Malton & Norton		✓			
	Northallerton		✓			
	Skipton		✓			
Smaller, prosperous settlements in relatively remote locations	Brigg		✓			
	Bentham			✓		
	Crowle	✓				
	Driffield					✓
	Hawes		✓	✓	✓	
	Pickering			✓	✓	
	Richmond			✓	✓	
	Settle			✓	✓	
	Thirsk					✓
Less prosperous settlements in relatively remote locations	Whitby		✓	✓	✓	
	Filey				✓	
	Hornsea			✓		
	Withernsea					✓

Source: SQW et al

Economic growth and contributions

8. The economic forecasts that have been undertaken for this study need to be treated with caution given the small spatial scale on which we focused. The trajectories assume that sectoral forecasts from the regional econometric model occur uniformly across districts. Whilst we have made some tweaks to this assumption, it is still important to bear this caveat in mind. The trajectories are an important – but imperfect – basis for looking at trends and key findings across the group of rural settlements and for highlighting potential key points of growth/decline within particular settlements.

9. In headline terms, employment and GVA are expected to grow fastest in rural capitals that are more remote/free-standing. Employment and GVA are also expected to grow faster than the regional average in rural capitals within or with strong links to city-regions. There is variation between rural capitals, in particular amongst those within or with strong links to city-regions, where employment growth is negative or negligible in some cases. There are rural capitals in both groups where economic performance is expected to be significant over the 2005-16 period. These are potentially important drivers for the region's rural economy and include Skipton, Northallerton, Malton & Norton, Ilkley, Ripon, Richmond and Holmfirth.

10. Employment growth in rural capitals collectively is slightly higher in sectors that have a relatively low output per worker compared to the regional economy's average. This is an interesting point given the relatively high skill levels of those living in rural capitals and reflects the fact that significant proportions of the highest occupational groups commute out to work. Again, there is variation between different settlements. Sectors in some settlements where employment is expected to grow are particularly high value, as demonstrated through high forecasts for GVA growth (when compared to corresponding employment forecasts).

11. The key implications of the trajectories for policy are to:

- ensure that the conditions are in place to enable the forecast economic growth to be realised
- encourage the development of more higher value activities in rural settlements through appropriate intervention, thereby allowing local economies to benefit more directly from their high skills base
- determine what appropriate interventions should be made (on the grounds of market or other failures or equity arguments) in those areas where economic growth is negative or negligible.

Achieving sustainable rural communities

12. There are a number of threats to rural settlements. In particular, the increased focus on city-regions and the agglomeration economies that are generated in urban centres may diminish the roles of rural settlements as economic centres – except for visitor services. The decline of the high street and traditional retail services poses an additional threat. These potential threats have come through in the evidence basis gathered for this study. A number of settlements

included in this study risk becoming dormitory towns where key services are not economically viable. This conflicts with the desirable aim of being, or becoming, a sustainable community. This is particularly true of settlements that are proximate to city-regions, but also to some more remote settlements. There is also a risk in rural settlements (in particular those that are more remote) that they become increasingly reliant on the visitor economy. Whilst the visitor economy should be promoted and is a key part of these settlements, it would be desirable to encourage other economic activities.

13. In the study we have examined closely the notion of self-containment in relation to employment in rural settlements – the extent to which people live and work in the same settlement. From the perspective of generating sustainable communities, and from a wider environmental perspective, increasing self-containment could be a desirable objective for these settlements. This study suggests aiming to increase the scale of appropriate economic activities in rural settlements. We understand that there will be a scale limit to what is suitable for the settlement itself and from the wider view of regional economic development; we would also suggest that the types of economic activity should not be constrained to the visitor and service economy. Rather it should encompass a broader range of activities that fit with the characteristics of residents, including higher value activities that may retain higher level occupations – encouraging 'staying local' to work and potentially to set up a new business. This would change the patterns of commuting, limiting and eventually reversing the trend for the highest levels of occupation to commute to work in larger, and more distant, towns and cities. It would also help to raise the levels of GVA per worker being generated by economic activities in rural settlements.

Spatial planning and environmental preservation

14. The evidence in this study has informed debates around spatial planning, in particular thinking about the balance to be achieved between housing, population and economic growth and the availability of land to enable this to happen. With the longer-term potential for environmental refugees and further population growth, there are likely to be significant pressures on rural settlements.

15. Environmental concerns, for example the physical environment constraints (e.g. flood zones and topography) as well as the need to preserve heritage and landscape, will need to be considered in response to the forecasts for economic and population growth. This has implications in terms of the need for careful planning and for how the built environment is developed. Smart design, with developments combining relatively high density housing and workplaces that are appropriate to the landscape and heritage will be an important way of resolving conflicting objectives.

Structures and investment planning

16. Engagement between community level structures and local authorities has increasingly been recognised as an essential ingredient for a successful settlement. Going up a level and considering how local authorities fit into the investment planning structures is also important. This study has provided some interesting evidence with respect to how rural settlements fit

with city-regions and the implications that this might have for city-region and sub-regional investment planning.

17. The evidence suggests a need for a degree of flexibility - for example, in responding to districts such as Craven and Harrogate where there are important challenges coming from city-regional involvement, and also issues that are shared with other districts in North Yorkshire (i.e. those associated with rurality). Some flexibility is likely to be required in (and beyond) city-region investment planning, if rural areas are to be treated fairly, and their potential economic contribution realised. If a regional funding vehicle is currently under consideration as a tool to help shape and deliver development interventions, we would suggest that thought be given to how this might be applied to rural policy, taking into account the scale of projects likely to come forward in these areas.

1: Introduction

1.1 In September 2007, SQW Consulting was commissioned by Yorkshire Forward to lead a consortium, which also included Cambridge Econometrics, Land Use Consultants and David Potts Associates, to undertake an assessment of the economic performance of rural capitals in Yorkshire and the Humber. The overall purpose of the study was to explore the economic role and contribution of rural capitals, with a view to assessing their ability to contribute to regional performance, and to respond positively to economic drivers and policy changes. The study was broken down into three phases of work and was to provide:

- economic forecasts of the expected trends in the region's rural capitals
- an update on the roles of rural capitals, building on the *Regional Settlement Study*
- further evidence on the impact of towns, in terms of how well they perform against their functions
- an assessment of how different rural capitals are positioned to deal with policies and drivers – aligned to the framework adopted in the *Market Towns of the Future* report
- an overall synthesis of findings that identifies common strengths/weaknesses and opportunities/threats and makes recommendations for policy intervention.

1.2 This report is the final report and draws together the findings from all three phases of the work. The phase 1 and 2 reports consisted of the following key headlines.

Phase 1 report

1.3 The first report set out and commented on the economic trajectories of the 30 rural settlements under examination[1]. The trajectories were developed on the basis of the regional econometric model forecasts at district level and the economic structures of the 30 settlements within their respective districts, and so were based on the assumption that sectoral growth/decline would be consistent across all of the settlements within their respective districts. With this assumption in mind, the first phase of the work found that:

- employment growth in percentage terms is expected to be above the regional average for 25 of the 30 settlements
- the fastest growth in percentage terms is forecast in the more remote settlements in the study (i.e. those outside the urban hinterland), with employment also forecast to grow significantly in coastal settlements
- there was more variation in the forecasts for the other two groups of settlements (those within the urban hinterland and those with an industrial heritage), with employment forecasts above the regional average in some cases (e.g. Ilkley and

[1] The rationale for selecting settlements was discussed at the inception meeting and through a follow-up note, and was summarised in the phase 1 report.

Sherburn in Elmet), below average in some cases (e.g. Hebden Bridge and Tadcaster) and negative in other cases (e.g. Thurnscoe and Penistone).

1.4 The forecasts have been revised in the final phase of the work in light of other evidence that had been collected and analysed over the course of the study. The revised forecasts are presented in section 3 of this report.

Phase 2 report

1.5 The two main objectives of the phase 2 report were to:

- identify the dominant functions of the 30 settlements in the study, and to comment on any changes or differences in comparison to the 2004 Regional Settlement Study
- provide evidence on how settlements fulfil their roles and to indicate what this potentially means in terms of the impact and contribution they are making to the wider regional economy.

1.6 The possible functions considered were 'labour provider', 'business location', 'environmental asset' and 'recreation/tourism hub'. The key findings from phase 2 are set out in sections 4 and 5 of this report.

Phase 3

1.7 The final phase of this study sought to understand the strengths, weaknesses, opportunities and threats in relation to the study settlements with respect to the economic, policy and other drivers facing them. Some additional analysis was undertaken on 47 other rural settlements to determine how strengths, weaknesses, opportunities and threats might apply to settlements across the region.

1.8 This final report draws the material together from the three phases of work and makes recommendations on the key policy challenges and the options that may be available to Yorkshire Forward and its partners.

Categorising settlements

1.9 In addition to the classification by **function**, the study sought to categorise the settlements in various ways. The initial categorisation used to select study settlements and as a basis for the initial forecasting in phase 1 was based on a broad consideration of settlements using the following categories: coastal settlements; those with an industrial heritage; settlements within an urban hinterland; settlements outside an urban hinterland. Settlements were placed into the best-fit group based on our judgement. Recognising that these were not mutually exclusive, e.g. a settlement could both be outside an urban hinterland and coastal, settlements were re-categorised on the basis of evidence that was gathered in the study. The evidence drawn on in phase 2 of the work enabled us to re-categorise the 30 study settlements into seven mutually exclusive groups as follows:

- large, prosperous settlements with strong links into a city-region/within a city-region

- smaller, prosperous settlements with strong links into a city-region/within a city-region
- large, less prosperous settlements with strong links into a city-region/within a city region
- small, less prosperous settlements with strong links into a city-region/within a city-region
- large, prosperous settlements that are more free-standing or remote
- small, prosperous settlements that are more free-standing or remote
- less prosperous settlements that are more free-standing or remote.

1.10 Clearly, it is also possible to consider more simply those settlements with strong links to city-regions/within a city-region and those settlements that are free-standing/remote.

1.11 This categorisation is used throughout this report to facilitate analysis and discussion. Importantly, we have also undertaken a SWOT[2] analysis on the basis of the seven categories, for the 30 settlements. In reality, one of the seven categories (large, less prosperous settlements with strong links into a city-region/within a city-region) did not apply to the thirty study settlements. This category was important, though, because Yorkshire Forward requested that the SWOT analysis be expanded to encompass an additional 47 settlements and classify these according to the same seven categories listed above.

1.12 Three different dimensions were taken into account in categorising the settlements:

- Geographical linkages: commuting patterns were considered to assess whether a settlement is linked into the major urban economies (city-regions) or whether it is more remote. In practice, we have used the function of "labour provider" as a means of determining whether or not a location is linked into these larger urban economies (with the exception of Crowle and other similar settlements, which provide labour into the smaller urban area of Scunthorpe and other surrounding settlements and are considered to be relatively remote). In addition, we have included Hemsworth and Thurnscoe within the thirty study settlements (as well as a number in the additional analysis) given their proximity to urban economies, even though they are not classified as labour providers. From the first phase of the work, both Pocklington and Ripon become seen as linked into the urban economy (from being remote or free-standing). Skipton remained a free-standing location given the evidence that it is a significant stand alone centre in its own right serving a wider hinterland that includes towns and villages in the Yorkshire Dales and Lancashire. It is also worth noting that Driffield, reasonably proximate to both York and Hull, is not classified as being linked into the urban economies, given the lack of significant commuting into these settlements.
- Prosperity: using a simple measure of whether a settlement is above average using the Indices of Multiple Deprivation ranks on income. Most (59) of the 77 study

[2] Strengths, weaknesses, opportunities, threats

settlements are defined as prosperous on this basis, with the coastal towns, some settlements in the former coalfields and other ex-industrial settlements defined as less prosperous.

- Economy size: looking at whether the economy has more or fewer than 4,000 employee jobs: i.e. the number of people actually working in the settlement according to commuting data from Census 2001.

1.13 Table 1-1 sets out how categories were defined in relation to the three dimensions.

Table 1-1: Application of dimensions in refining categories of settlements

Category	Geographical linkages: into urban economies (1) or centre itself or remote (0)	Prosperity: income above regional average (1) or below (0) - using IMD average income rank	Economy size: over 4,000 jobs (1); fewer than 4,000 (0) – using those ending commuter trips in settlement
Large, prosperous settlements with strong links into a city-region/ within a city region	1	1	1
Smaller, prosperous settlements with strong links into a city-region/ within a city region	1	1	0
Large, less prosperous settlements with strong links into a city region/ within a city region	1	0	1
Small, less prosperous settlements with strong links into a city region/ within a city region	1	0	0
Large, prosperous settlements that are more free-standing or remote	0	1	1
Small, prosperous settlements that are more free-standing or remote	0	1	0
Less prosperous settlements that are more free-standing or remote	0	0	0 or 1

Source: SQW et al

Structure of the rest of this report

1.14 The rest of this report is structured as follows:

- in section 2 we describe the overall methodology for the study
- section 3 sets out the revised economic trajectories – in terms of employment and output forecasts
- section 4 identifies the functions of the 30 study settlements

- section 5 sets out and analyses the key findings in relation to the contributions and impacts of rural capitals in the region
- section 6 discusses the key challenges, drivers and scenarios with respect to rural capitals
- section 7 provides a capability assessment in response to these challenges and sets out some potential structural options with regard to town-level mechanisms and vehicles that may be appropriate at sub/city-regional level
- section 8 provides overall conclusions and implications from the research.

2: Methodology

Selection of settlements

2.1 Here we detail the rationale and list the settlements that have been included in the study. As set out in the Invitation to Tender for the work, the study was to consider 'rural capitals' in Yorkshire and the Humber, defined as principal and local service centres.

Criteria

2.2 It was agreed at the inception meeting that it would be important to ensure a spread of different types of settlement to take account of varying policy context, for example city-regions (hence taking account of settlements within and outside urban hinterlands) and coastal towns. The categories discussed at the inception meeting and used for the preliminary analysis in phase 1 and 2 before further refinement at the end of phase 2 were as follows[3]:

- coastal places
- those with some kind of industrial heritage
- those outside of the urban hinterland including remote settlements
- those within the urban hinterland.

2.3 In addition, the settlements were to include places that have and have not been a part of Yorkshire Forward's Market Towns Initiative and Renaissance Market Towns programmes. Within the settlements considered it was also agreed to be important to have broad coverage spatially and in terms of settlement size. It was noted that there would be issues with robust data for those with a population below 2,500.

2.4 Categories were refined, generating a classification on the basis of Table 1-1 at the end of the phase 2 work.

Settlement list

2.5 Table 2-1 shows the settlement list broken down by the categories above, as based on our initial judgement. It is worth noting that some of those listed are, according to the Defra classification, "urban": these are marked in **bold**. However, they are included due to their role in serving their wider rural hinterland – hence deemed to be rural capitals. There are 11 of these within the list of 30. The selected settlements provided a good spatial spread of across the region – as follows:

- 16 are in North Yorkshire (covering all 7 districts)
- 6 are in the Humber (spanning the East Riding and North Lincolnshire districts)

[3] Note that the categories are not necessarily mutually exclusive (with exception of mutual exclusivity between the last two), and so settlements have been placed using our initial judgements into the most appropriate single category.

- 5 are in West Yorkshire (covering 4 out of 5 districts, i.e. Bradford, Calderdale, Kirklees and Wakefield)
- 3 are in South Yorkshire (covering the Barnsley and Sheffield districts).

Table 2-1: Settlement list, by category and size

Coastal	Industrial heritage	Outside urban hinterland	Inside urban hinterland
Whitby (population 10-25k)	**Stocksbridge** (10-25k)	**Northallerton** (10-25k)	**Ilkley** (10-25k)
Filey (5-10k)	Hemsworth (5-10k)	**Skipton** (10-25k)	**Knaresborough** (10-25k)
Hornsea (5-10k)	Thurnscoe (5-10k)	**Malton & Norton** (10-25k)	**Holmfirth** (10-25k)
Withernsea (5-10k)	Tadcaster (5-10k)	**Ripon** (10-25k)	Hebden Bridge (2.5-5k)
	Sherburn in Elmet (5-10k)	Richmond (5-10k)	Penistone (5-10k)
		Thirsk (5-10k)	Haworth (2.5-5k)
		Pickering (5-10k)	Stokesley[4] (2.5-5k)
		Brigg (5-10k)	
		Driffield (5-10k)	
		Pocklington (5-10k)	
		Bentham (2.5-5k)	
		Settle (2.5-5k)	
		Crowle (2.5-5k)	
		Hawes (1.5-2.5k)	

Notes: Malton and Norton are included as a single settlement given their proximity. Bentham is understood to include Low and High Bentham, as in the Regional Settlement Study of 2004.

2.6 There are 130 settlements in the region with a population of between 2,500 and 25,000. About half of these are larger than 5,000. Our proposed set of 30 settlements includes one-third of those that are larger than 5,000 and one-tenth of those between 2,500 and 5,000. We think that this is a good sample of the settlements in the region, in particular as the 130 total includes a significant number that are within or very close to the South and West Yorkshire urban areas and therefore not necessarily rural, and also given our focus on those places with a population larger than 5,000 – i.e. the rural capitals.

Phase 1 approach

2.7 Initial employment projections were undertaken for the 30 rural settlements using ward-level data from the Annual Business Inquiry (ABI) to identify the economic structure of those parts of each district in the region that are in each of the rural capitals[5]. These shares were then applied to the district-level data and forecasts from the Yorkshire Forward forecasting model

[4] Stokesley is in the urban hinterland of Teesside, which is outside of the region.
[5] Defined in the Invitation to Tender as principal and local service centres for rural areas in Yorkshire and the Humber.

to produce projections of full-time equivalent employment for each of the rural capitals[6]. This means that the forecast trends by industry in each district (from the Yorkshire Forward model) apply equally to wherever that industry is located within the district. This process was applied at the level of sectoral detail available in the Yorkshire Forward forecasting model (30 industries). The definitions of these industries have used the Standard Industrial Classification SIC2003 and can be found in Annex B of this report.

2.8 The overall growth rate of a rural capital in these first estimates therefore depended on the projections for the district where the settlement is located and on its industry mix in 2005, the final year for which we have employment data available from ABI.

2.9 The projections produced in this way provide evidence of the economic trajectories on an 'all things being equal' basis. Rural capitals, however, are only a small part of districts and their projections are influenced by many other factors, and these may not have been entirely captured by the district projections. The economic trajectories of a rural capital, for example, will depend on its role and proximity to one or more regional centres and in particular the commuting flows. Population trends, tourism and business dynamism will also influence the settlements' projections. At such a small spatial scale it is difficult to take account of all factors through an econometric model, and so the 'best fit' approach we have taken represents the second best option.

2.10 The projections were re-examined again in Phase 3 of the project, in the light of local intelligence gathered by the study, and the projection revised accordingly. The revisions in employment forecasts made as a result of evidence on the socio-economic performance of settlements derived from phase 2 of the work, were as follows:

- Among the coastal settlements, Filey, Hornsea and Withernsea were re-considered using regional (rather than their respective district) rates of growth. Their recent decline and lack of dynamism is in contrast to the forecasts from phase 1 of the work that highlighted high levels of growth.
- The trajectories for Tadcaster were reconsidered by applying a combination of regional and district sector forecasts (rather than just district forecasts). This was because of the settlement's strong links with Leeds and York and recent growth in business and financial services.
- The trajectories for Thirsk were reconsidered by applying regional sector forecasts (rather than district forecasts). Recent decline contrasted with the earlier strong growth projections.
- The trajectories for Penistone were reconsidered by applying regional sector forecasts (rather than district forecasts). Reasonably strong socio-economic characteristics (e.g. in terms of occupational groups) meant that some of the forecast decline could be offset by the potential for new business creation or attraction.

[6] For the historical years 2003-05 the actual shares are applied; for the projections over 2006-16 the shares for 2005 are used.

2.11 In addition, output forecasts were derived by applying Gross Value Added (GVA) per head measures at sector level for the appropriate district, in which settlements are located. This assumed therefore that GVA applied uniformly across districts and sectors. This will not be the case in practice and the GVA forecasts are crude estimates. Although these forecasts are not accurate to be used to indicate the absolute scale of contributions and growth for rural capitals, they allow some findings to be drawn, pointing to the overall direction of travel of GVA and lessons relating to encouraging the higher value-end of the economy.

Phase 2 approach

2.12 A broad set of data was collected covering the functions and potential impacts for each rural settlement. These were drawn from a variety of sources, including:

- Census 2001, including travel to work patterns
- Annual Business Inquiry
- Indices of Multiple Deprivation 2004
- Acxiom National Lifestyle Survey
- www.yell.com on amenities such as hotels, cinemas, museums and restaurants
- geographical/environmental areas, covering countryside, parks (including national and forest) and woodlands, nature reserves and other sites of wildlife, rivers, canals, lakes and heritage coast
- air quality data
- published reports such as those prepared by CABE[7] and the Leitch Review[8].

2.13 The data analysis included use of a model developed by Land Use Consultants in analysing commuting patterns. This considers employment self-containment, relative mobility (both in- and out-commuting), destinations and origins of commuting and occupational profiles of those commuting.

2.14 Table 2-2 identifies the main evidence sources that were used to review the functions of settlements and consider impacts. Some of the sources built on those used in the 2004 Regional Settlement Study to provide an element of consistency, although other data sources have been added. The functions considered in this study were set out in the original terms of reference and were as follows:

- labour provider, focussing on how settlements provide labour to rest of the region
- business location, focussing on how settlements act as centres of employment and business

[7] CABE (2007), *"The value of public space"*
[8] HMSO (2007), *"Leitch Review of Skills: Prosperity for all in the global economy – world class skills"*

- environmental asset (not considered in the 2004 Regional Settlement Study), looking at how settlements play a role as assets in their own right (e.g. through heritage and a pleasant living environment) and also as centres proximate to wider features such as the countryside and coast

- recreation/tourism hub, in terms of the concentration of amenities in recreation and tourism and the focus of employment in this sector.

Table 2-2: Key evidence sources

Function	Evidence for classification	Evidence for contributions and impacts
Labour provider	Number of settlement-based jobs* as % of economically active population Indices of Multiple Deprivation – income rank (average % rank) Indices of Multiple Deprivation – employment rank (average % rank) % of households with 1 or more cars or vans Number of people commuting out as % of population	Skills levels of labour in settlements alongside wage returns to skill levels Average income of residents of settlements Destinations of labour commuting out of the settlement Occupations of labour commuting out of the settlement
Business location	Number of settlement-based workplaces* as % of population Number of settlement-based jobs* as % of economically active population Number of people commuting in as % of population Number of people living and working in settlement as % of population Self-employment (base is Y&H average=100) Indices of Multiple Deprivation – employment rank (average % rank)	Occupations of labour commuting into or contained in the settlement Origins of labour commuting into the settlement Types and trends of employment located in the settlement Levels of entrepreneurship
Environmental asset	Number of entries in national monuments database per 1000 population Overall air quality (number of particles) Countryside, parks and woodlands assessment (based on proximity to key characteristics) Rivers, canals, lakes and coast assessment (based on proximity to key characteristics) Nature and wildlife assessment (based on proximity to key characteristics)	Area of green space, wildlife and water-based amenities in proximity to the settlement combined with study on the value of public space Housing affordability
Recreation/ tourism hub	% of settlement-based jobs* that are in the tourism sector % of settlement-based workplaces that are in the tourism sector Number of hotels, restaurants, cinemas and museums per 1000 population	Recent trends in tourism sector Proportion of region's overall tourism sector

Source: SQW et al
** Note that these indicators using settlement-based jobs have excluded the agriculture and fishing sector from the jobs totals as full data on jobs is not available at ward level, and also excludes self-employed people*

2.15 In assessing functions we compared the data used against regional averages and/or against the ranges and averages of the 30 study settlements. We scored each settlement against the indicators used to assess functions on an interval from 0 to 10 (with 0 indicating that the data does not display the function at all, and 10 that it does so to a considerable degree). The calculation of the interval varied between indicators to ensure a spread of scores. This meant, for example:

- taking into consideration outliers in the data when looking at the range and average within the 30 settlements – yet also ensuring that scores cannot be lower than 0 nor higher than 10, i.e. excluding outliers (i.e. those observations that are considerably higher and lower than the general range) from the analysis and re-inserting these at the 0 or 10 extremes as appropriate
- contextualising to the regional average, e.g. for the Indices of Multiple Deprivation we have borne in mind that the regional average ranks are not 50% (as would be the case for national average ranks).

2.16 We weighted the different datasets in order to prioritise the key datasets. This was done on the basis of our own views as to the relative importance of different datasets in relation to the function being assessed. Each settlement then had an overall score out of 10 for each of the four functions, which then enabled us to identify the key functions of the settlements. Table 2-3 sets out the weights that were used by indicator. A settlement was deemed to have a particular function if it had an overall score of 7 or more. We then undertook a 'sense-check' for each settlement, to ensure we were satisfied that functions had been determined appropriately. In doing this, we referred back to significant differences with the 2004 Regional Settlement Study. For three settlements we allocated additional functions on the basis of this 'sense-check': in each case, we upgraded overall scores of '6' to '7', on the basis of the other evidence.

Table 2-3: Intervals and weights used to score functions

Function	Data for classification	Interval	Weight
Labour provider	Number of settlement-based jobs as % of economically active population	0%=10, 194%=0	1
	Indices of Multiple Deprivation – income rank (average % rank)	92%=10, 5%=0	2
	Indices of Multiple Deprivation – employment rank (average % rank)	84%=10, 5%=0	2
	% of households with 1 or more cars or vans	88%=10, 55%=0	1
	Number of people commuting out as % of population	38%=10, 14%=0	4
Business location	Number of settlement-based workplaces as % of population	6.6%=10, 2.2%=0	2
	Number of settlement-based jobs as % of economically active population	194%=10, 0%=0	1
	Number of people commuting in as % of population	34%=10, 4%=0	2.5
	Number of people living and working in settlement as % of population	34%=10, 4%=0	2.5
	Self-employment (base is Y&H average=100)	170=10, 20=0	1
	Indices of Multiple Deprivation – employment rank (average % rank)	84%=10, 5%=0	1
Environmen-tal asset	Number of entries in national monuments database per 1000 population	20=10, 0.1=0	1
	Overall air quality (number of particles)	0.5=10, 1.31=0	3
	Countryside, parks and woodlands assessment (based on proximity to key characteristics)	For these map-based characteristics each settlement was given a score of 0, 1 or 2 based on a visual assessment – reflecting the weight for the overall score out of 10 for this function	
	Rivers, canals, lakes and coast assessment (based on proximity to key characteristics)		
	Nature and wildlife assessment (based on proximity to key characteristics)		
Recreation/ tourism hub	% of settlement-based jobs that are in the tourism sector	15%=10, 3.7%=0	5
	% of settlement-based workplaces that are in the tourism sector	16%=10, 7%=0	3
	Number of hotels, restaurants, cinemas and museums per 1000 population	4.75=10, 0.07=0	2

Source: SQW et al

2.17 In assessing impacts, we used the datasets identified in Table 2-2 to make quantitative and qualitative assessments of the contributions and potential contributions that the settlements make (via their respective key functions) to the region. So, for example, in the case of the function of labour provider, we examined the data on skill levels for the particular settlements and used evidence on the returns to the economy of different skill levels to make an assessment of contribution. In addition, we drew on the contextual data from the occupations of those commuting and their destinations to consider wider contributions to key economic entities in the region.

Phase 3 approach

2.18 The work in phase 3 focussed on analysing further the evidence collected in phase 2, and placing this into a variety of contexts, namely:

- the economic, social and environmental challenges facing rural settlements, the ways in which these may sometimes be in conflict and the implications for debates that will need to be had in developing an Integrated Regional Strategy
- the policy context with respect to spatial policy, in particular city-region investment planning for districts with significant rural issues
- the policy context with respect to town-level mechanisms and the desire to engage local communities in economic development
- the overarching GVA objective that Yorkshire Forward now has.

2.19 We consulted a small number of local stakeholders to get views on these issues, in relation to our study settlements[9].

Caveats on data

2.20 We would make several points regarding the data that has been used in reviewing the functions and impacts of the settlements.

2.21 Many datasets that are used for economic and social research are not collected on the basis of settlements. Instead, there are various administrative and other geographical definitions that are used. For the purpose of this piece of work we have built up definitions of the settlements under consideration using output areas: given the size of output areas, this approach results in a reasonably high level of geographical accuracy. However, not all of the data required for the study are available using output areas. In particular, in some cases we have used data available at ward level (e.g. from the Annual Business Inquiry) and at Lower Level Super Output Area level (e.g. data from the Acxiom National Lifestyle Survey and Indices of Multiple Deprivation). Given that wards and Lower Level Super Output Areas are larger in spatial terms than output areas, there is a degree of approximation in the spatial definitions used for some datasets, e.g. a ward that is used for a particular settlement may include parts of the district that are outside of the settlement.

[9] The local consultees are identified in Annex D.

2.22 Table 2-4 sets out the best-fit definitions of the 30 settlements using 2001 wards. In a number of cases the wards used include minor settlements in the hinterland of the 30 settlements under consideration. These have been identified in the notes. In addition, we also highlight where small parts of settlements might be missed or where the best fit wards include more significant spatial areas. This is the case with Haworth and Hebden Bridge in particular. Whilst of course this reduces the precision of the data used, the assessment is still considered to be robust on the grounds that:

- in most cases the additional/missing areas represent only a very minor part in comparison to the settlement being considered
- where definitions include more significant areas, we need to bear in mind that the links between rural settlements and their immediate rural hinterland are clearly important in economic terms.

2.23 The datasets and approach we have used in classifying functions differs from the 2004 Regional Settlement Study and so inevitably there are differences in the results with respect to functions. In addition, our assessment includes one 'function' not considered in the 2004 Regional Settlement Study - "Environmental asset".

2.24 A range of data has been used for defining functions and assessing impacts. There are no 'correct' datasets for the definition of functions, and so the results in this report contain a subjective element, derived from the priorities we have given to various sources of data.

Additional Settlement Analysis

2.25 As mentioned in section 1, we were asked by Yorkshire Forward to analyse and classify an additional 47 settlements within our SWOT analysis (which is presented in section 7)., The majority of these settlements came from the Renaissance Market Towns Framework with a small number of additional settlements. We defined most of the settlements using the definitions provided in the Regional Settlement Study, with those settlements not listed in this study defined through the use of ArcGIS.

2.26 We categorised these settlements in the same way as the original 30 study settlements by geographical linkages, prosperity and economy size. We then produced a SWOT analysis of all 77 settlements grouped in the following seven categories:

- large, prosperous settlements with strong links into a city-region/within a city-region
- smaller, prosperous settlements with strong links into a city-region/within a city-region
- large, less prosperous settlements with strong links into a city-region/within a city region
- small, less prosperous settlements with strong links into a city-region/within a city-region
- large, prosperous settlements that are more free-standing or remote

- small, prosperous settlements that are more free-standing or remote
- less prosperous settlements that are more free-standing or remote.

Table 2-4: Defining settlements using Census Area Statistics 2003 ward codes

Settlement	District	Ward codes used	Notes
Coastal settlements			
Whitby	Scarborough	36UGGZ, 36UGGX	
Filey	Scarborough	36UGGH	
Hornsea	East Riding of Yorkshire	00FBNW	
Withernsea	East Riding of Yorkshire	00FBPA	(1)
Settlements with an industrial heritage			
Stocksbridge	Sheffield	00CGGE	
Hemsworth	Wakefield	00DBFF	(2)
Thurnscoe	Barnsley	00CCFJ	(3)
Tadcaster	Selby	36UHHG, 36UHHH	
Sherburn in Elmet	Selby	36UHHF	
Settlements outside an urban hinterland			
Northallerton	Hambleton	36UCGN, 36UCHA, 36UCHB, 36UCHC, 36UCHE	
Skipton	Craven	36UBGP, 36UBGQ, 36UBGR, 36UBGS	
Malton and Norton	Ryedale	36UFGP, 36UFGQ, 36UFGR	
Ripon	Harrogate	36UDHM, 36UDHN, 36UDHP	
Richmond	Richmondshire	36UEGZ, 36UEHA, 36UEHB	
Thirsk	Hambleton	36UCHN, 36UCHH	
Pickering	Ryedale	36UFGS, 36UFGT	
Brigg	North Lincolnshire	00FDMY	(1)(4)
Driffield	East Riding of Yorkshire	00FBNL	(1)
Pocklington	East Riding of Yorkshire	00FBNX	(1)
Settle	Craven	36UBGN,36UBGN	(1)
Crowle	North Lincolnshire	00FDMT	(1)
Bentham	Craven	36UBGD	(1)
Hawes	Richmondshire	36UEGM	(1)
Settlements within an urban hinterland			
Ilkley	Bradford	00CXFN	(1)
Knaresborough	Harrogate	36UDGX, 36UDGY, 36UDGZ	
Holmfirth	Kirklees	00CZFS	(5)
Penistone	Barnsley	00CCFS	(1)
Hebden Bridge	Calderdale	00CYFB	(6)
Haworth	Bradford	00CXGF	(7)
Stokesley	Hambleton	36UCHK	(1)

Notes: (1) The ward is larger in land area than the settlement - the additional areas may include parts of other minor settlements.
(2) This definition also includes South Hiendley, Fitzwilliam and Kinsley and part of Ryhill and Havercroft. The definition excludes a small area to the south of the main part of Hemsworth that could be considered to be part of the overall settlement.
(3) This definition includes four output areas that are in the Goldthorpe settlement.
(4) This definition excludes one output area from just to the south of Brigg and two output areas from just to the west of Brigg.
(5) This definition also includes other minor settlements (or parts of settlements) in the south Holme Valley including Scholes, Totties, and small parts of Shepley and Brockholes. The definition also excludes a very small number of output areas on the fringes of Holmfirth.
(6) This is actually the Calder Valley ward and so includes a small part of the east of Todmorden, parts of Walsden and Heptonstall. This definition excludes four output areas from the south-east of Hebden Bridge (including the railway station).
(7) This is the best fit definition fort Haworth with the ward actually the Worth Valley. As a result, this includes Oxenhope, Oakworth, Stanbury and the fringes of Keighley at Bracken Bank.

3: Economic trajectories

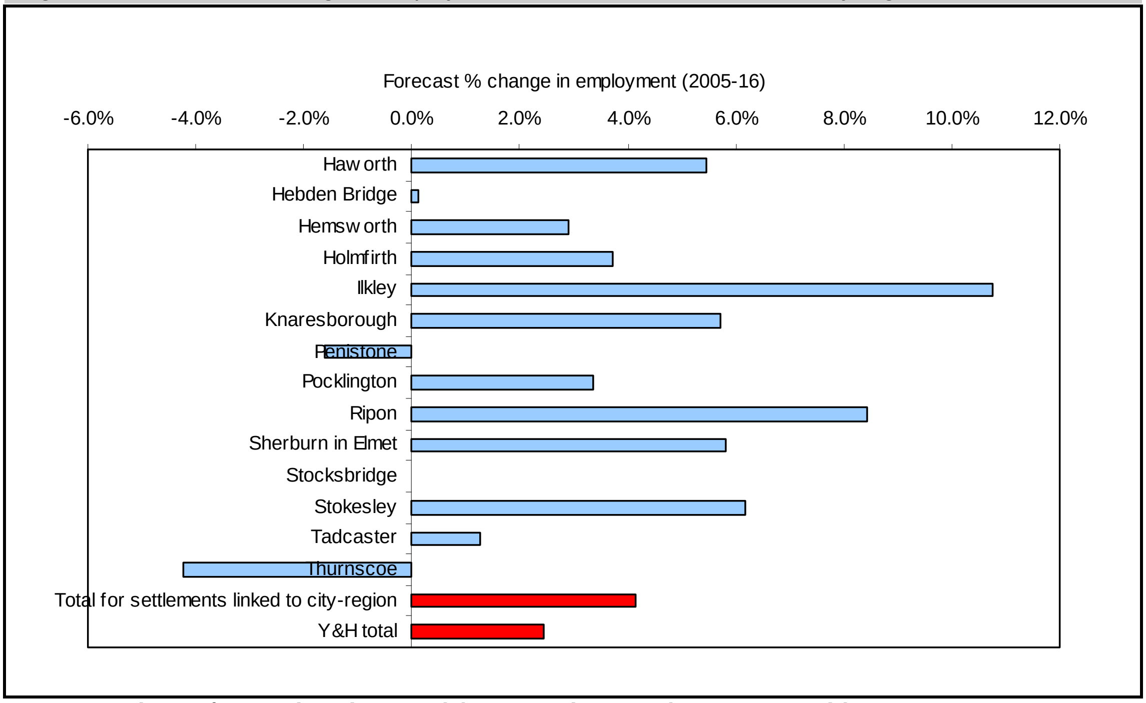
3.1 In phase 1 of this study, we developed employment forecasts on the basis of the district level forecasts of the regional econometric model and the employment structures of the settlements. We have refined these trajectories on the basis of evidence collected in phase 2 and have incorporated GVA forecasts. This section presents these revised forecasts.

Employment forecasts

3.2 Overall employment growth across the 14 settlements that are strongly linked into a city-region is forecast to be at a quicker pace over the 2005-16 period than for the region as a whole. However, there is significant variation within this group of settlements – see Figure 3-1. In percentage terms, the biggest employment growth is expected in Ilkley, Ripon, Stokesley, Sherburn in Elmet, Knaresborough and Haworth. This employment growth occurs across a range of sectors, including construction, service sectors such as retailing and hotels and catering, financial and business sectors as well as specialised sectors in particular settlements (e.g. transport in Sherburn in Elmet).

3.3 At the other end of the spectrum, employment is expected to decline in Thurnscoe and Penistone and change is negligible in Hebden Bridge and Stocksbridge. Employment decreases are the result of the continued decline of traditional manufacturing sectors. The declines are offset in Hebden Bridge and Stocksbridge by corresponding growth in other sectors such as construction, communications, business services and other services – though not in Thurnscoe and Penistone.

Figure 3-1: Forecast % change in employment for settlements linked into a city-region

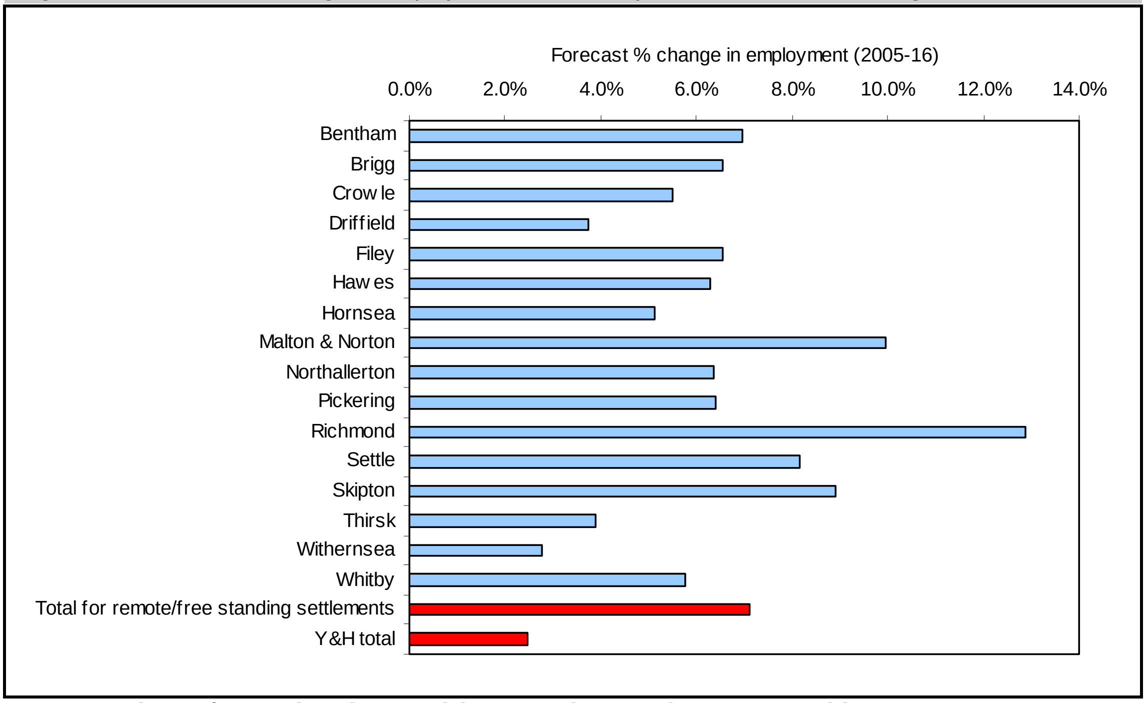


Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

3.4 In settlements that are relatively remote or free-standing, the rate of employment growth is forecast to be above the regional rate in all of the settlements considered. As shown in Figure 3-2, there is still variation in the pace of growth between settlements. The rate of growth is quickest in Richmond, Malton & Norton, Skipton and Settle. The slowest rates of growth are in Withernsea, Thirsk and Driffield.

3.5 Sectorally, there are some common areas of forecast employment growth, in particular construction, health and service sectors such as retailing, other services and hotels and catering. There are also some niche sectors where employment growth is expected, such as banking and insurance in Skipton, communications in Richmond and food, drink and tobacco in Malton & Norton.

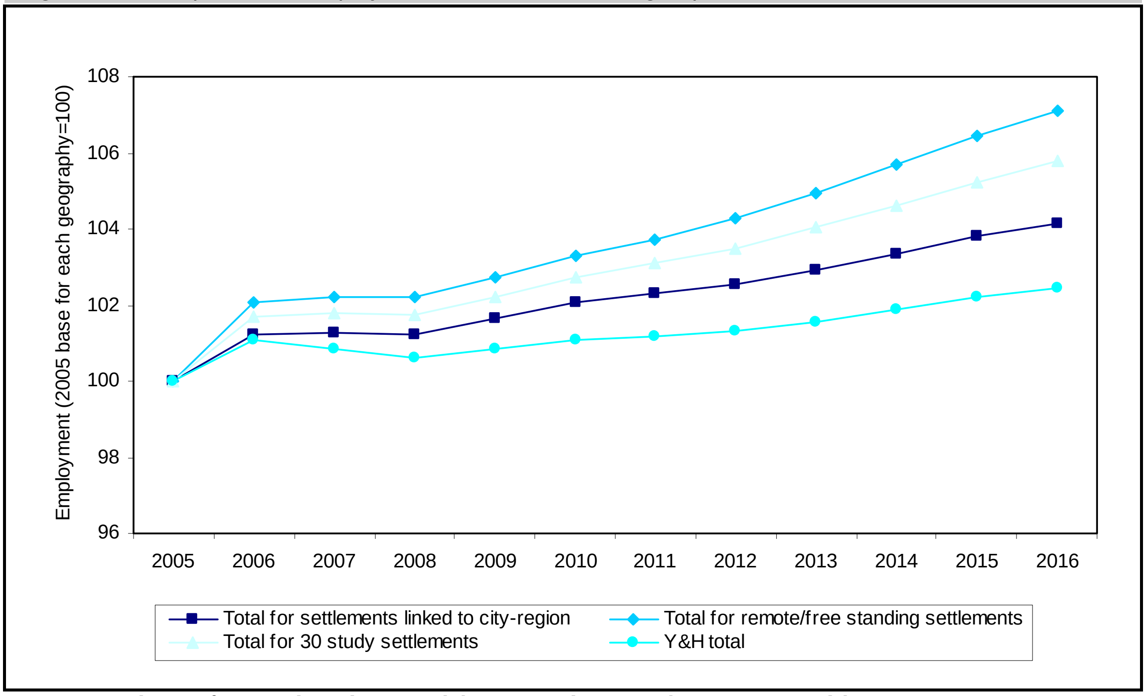
Figure 3-2: Forecast % change in employment for relatively remote and free-standing settlements



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

3.6 Comparing the two main groups of rural capitals and the overall group of study settlements with the regional level forecasts for employment growth shows how rural capitals are expected to outpace the growth of the region in employment terms. This is shown in Figure 3-3. Remote/free-standing settlements are forecast to achieve a seven point increase in the amount of employment from 2005-16 on the base of 100 for 2005. This compares to a four point gain for settlements with links into the city-region and a two point gain for the region as a whole.

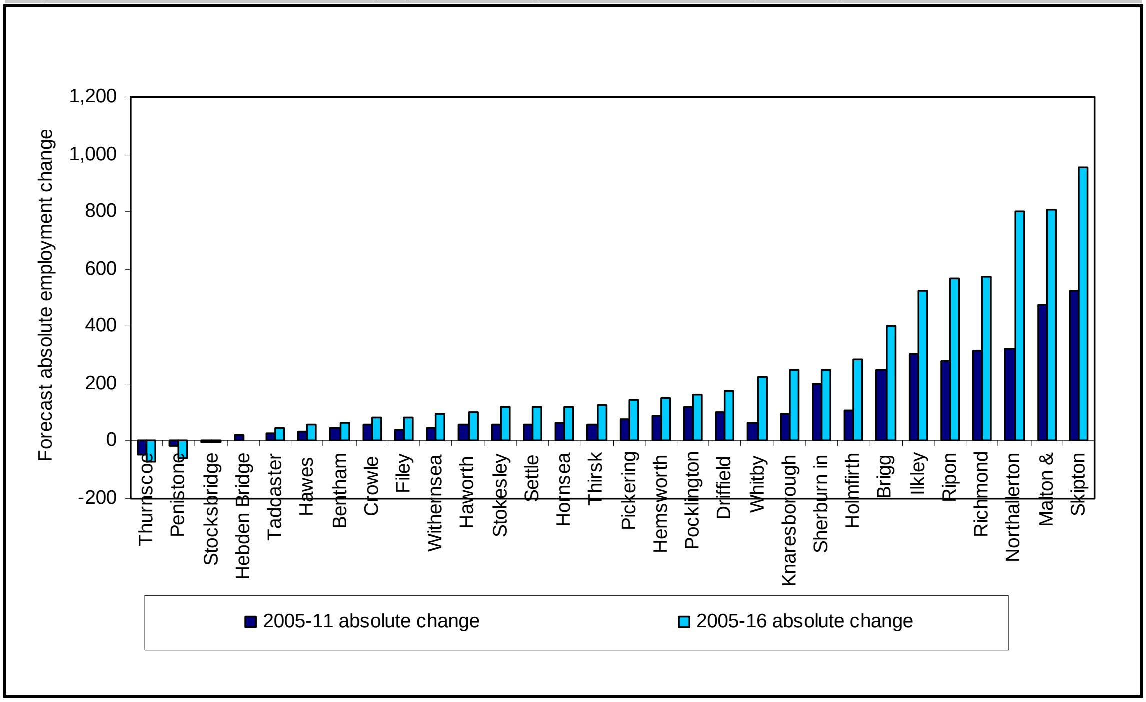
Figure 3-3: Comparison of employment forecasts between groups



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

3.7 In absolute terms, the highest employment increases are forecast in a number of settlements where employment is already quite significant: Skipton; Malton & Norton, Northallerton; and Ripon. In addition, in Richmond (with around 4,500 employee jobs in 2005 according to the Annual Business Inquiry) employment is forecast to increase by nearly 600 employee jobs[10] over the 2005-16 period – see Figure 3-4. This also shows the spread of absolute forecast changes in employment for the other study settlements.

Figure 3-4: Forecast absolute employment change over the 2005-16 period by settlement



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

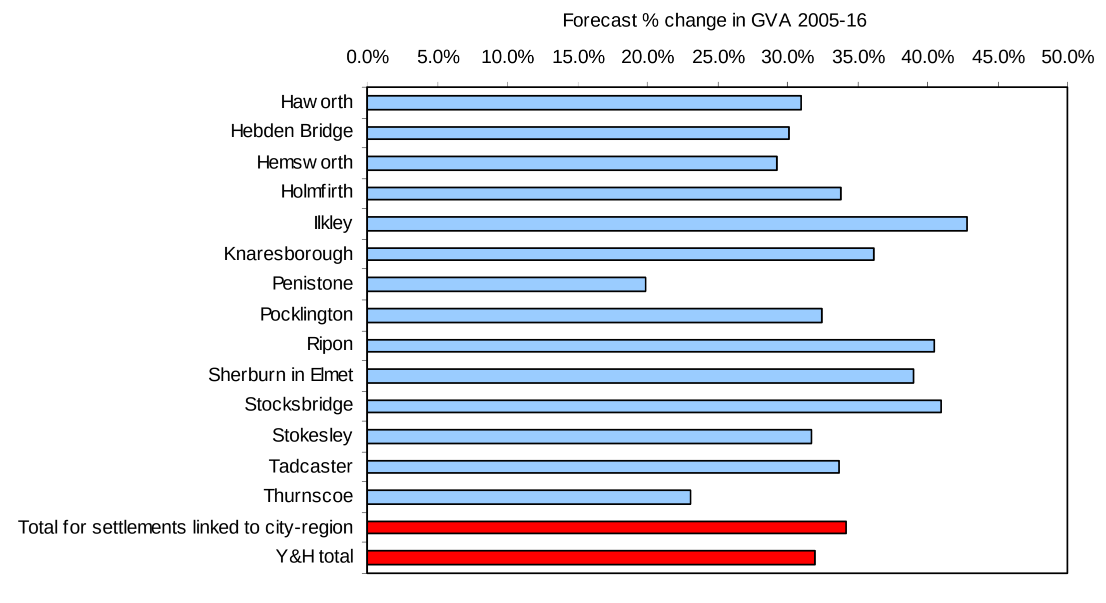
[10] Note that this excludes initiatives taking place in Catterick.

GVA forecasts

3.8 Figure 3-5 and Figure 3-6 show GVA forecasts for, respectively, settlements that are linked into a city-region and those that are more remote/free-standing. In general terms, the pattern across settlements is similar to the pattern of employment forecasts – although the percentage increase is significantly higher as we would expect given productivity improvements. There are, however, some particularly important exceptions. Where there is a concentration of a particularly high value sector(s), GVA growth for a settlement can be much higher than might have been expected on the basis of its employment forecasts. In contrast, where employment growth is forecast in low value sector(s), the GVA growth forecasts for a settlement tend to be lower in comparison to other settlements. Some interesting points are as follows:

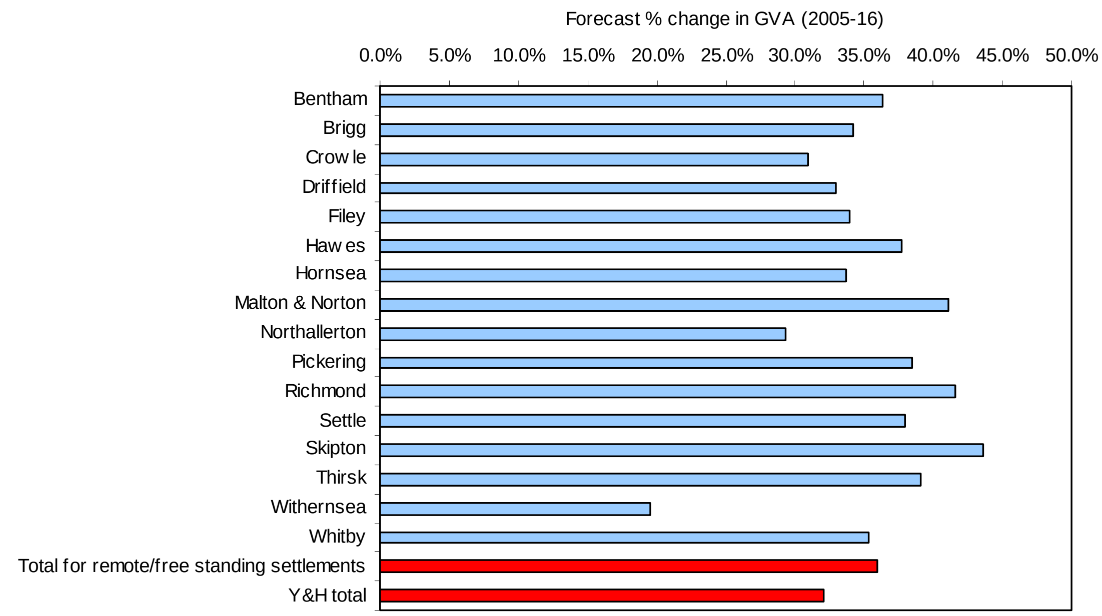
- In Stocksbridge, GVA growth is over 40% from 2005-16, but employment growth is 0% over the same period (see Figure 3-1). This is largely due to the high concentration of employment in communications, which is also expected to grow in employment terms.
- In Tadcaster, GVA growth is quite significant in comparison to very modest levels of employment growth. This is largely due to growth in food and drink, and in business services.
- Relatively large percentage change forecasts in GVA in Holmfirth, Pocklington and Hebden Bridge are partly due to the forecast growth within the business services sector.
- Where employment growth is forecast to occur in sectors with relatively low value added per worker (such as retailing, hotels and catering and other services), GVA growth is expected to be relatively low in comparison to employment growth. This is true in settlements such as Haworth, Filey and Settle.

Figure 3-5: Forecast % change in GVA for settlements linked into a city-region



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

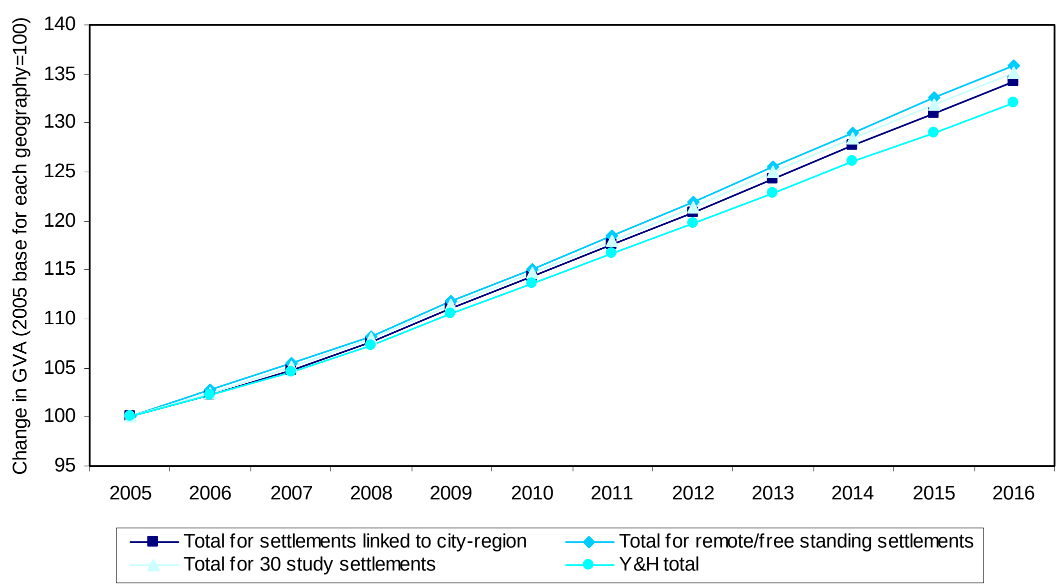
Figure 3-6: Forecast % change in GVA for relatively remote and free-standing settlements



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

3.9 Figure 3-7 compares the settlement groupings shown in Figure 3-3, but for GVA forecasts rather than employment forecasts. This demonstrates that the GVA growth associated with rural capitals is slightly more in line with the trend for the region as a whole. The implication of this is that the net employment change that is expected in rural capitals is, on average, slightly dominated by sectors that are below the regional economy's average for GVA per worker.

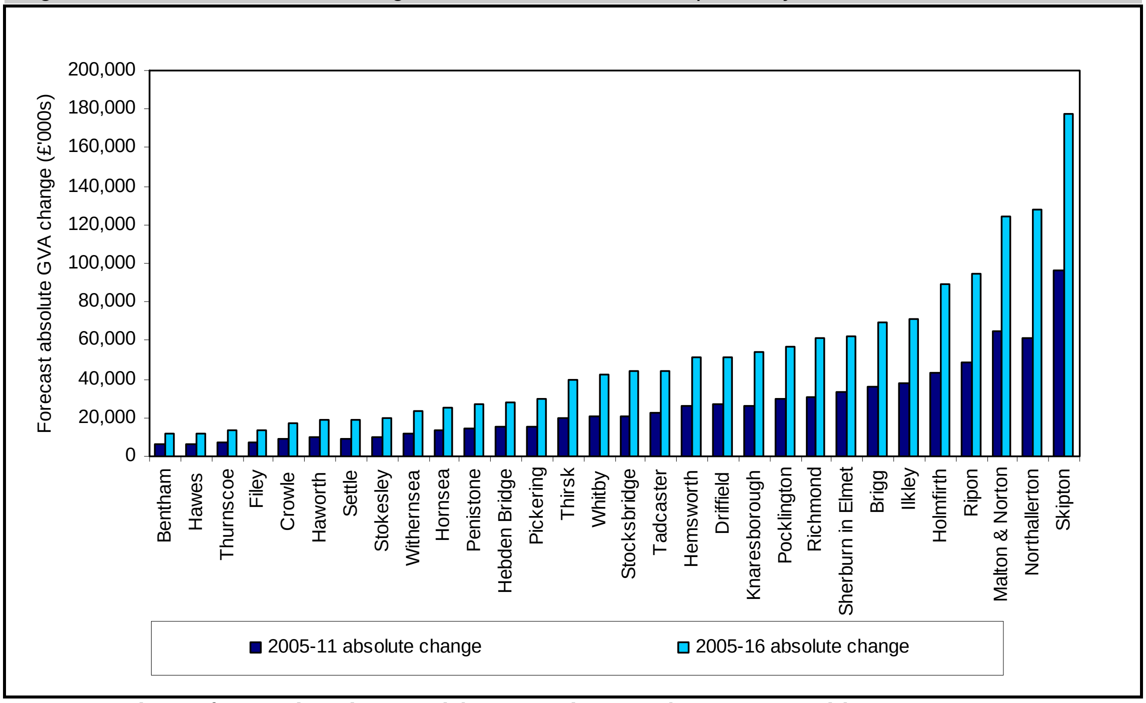
Figure 3-7: Comparison of GVA forecasts between groups



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

3.10 In Figure 3-8 we set out the forecast absolute changes in GVA over the 2005-16 period by settlement. This shows, for example, particularly high growth in Skipton, due to the presence of significant banking and insurance employment. The spread across different settlements further emphasises the point made above in relation to the importance that particular sectors may hold in relation to the GVA measure. This is potentially quite important for Yorkshire Forward given the overarching GVA objective.

Figure 3-8: Forecast absolute change in GVA over the 2005-16 period by settlement



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Implications

3.11 There are some important findings and implications from these economic trajectories:

- In headline terms, employment and GVA are expected to grow fastest in rural capitals that are more remote/free-standing. Employment and GVA are also expected to grow faster than the regional average in rural capitals within or with strong links to city-regions. Given this performance trajectory it is important to ensure that these growth forecasts can be achieved in terms of the labour and capital required to meet them – provided this can be done sustainably.

- There is variation between rural capitals, in particular amongst those within or with strong links to city-regions where employment growth is negative or negligible in some cases. In these settlements, it may well be important to determine whether there are any market failures or equity arguments that indicate a rationale for intervention. There are a number of rural capitals across both groups where economic performance is expected to be significant over the 2005-16 period. These are potentially important drivers for the region's rural economy.

- Just over half of the expected employment growth in the rural capitals considered in this study is in sectors that are relatively low value-added per worker compared to the average for the regional economy. Again, there is variation between different rural settlements. In some, the sectors that are expected to grow (in employment terms) are particularly high value sectors, as shown in their high forecasts for GVA growth (especially in comparison to the corresponding employment forecasts for these settlements). This analysis may have important implications for the types of activities that could be encouraged in rural capitals. Encouragement of higher value activities may help to create a balance of activities in rural capitals and also generate a more significant contribution to regional GVA.

4: Settlement functions

4.1 This section summarises the functions of the 30 study settlements and compares the findings to the 2004 Regional Settlement Study. The report on phase 2 of the study contains further detail on the evidence drawn on: we have restricted this report to the key messages, and discussion of the implications arising.

Overview

4.2 As indicated in Table 2-3 in section 2, the functions have been determined using a variety of indicators. These indicators were then analysed and weighted and each settlement has been allocated a score out of ten for each of the four settlement function types. Where a settlement has been given a score of seven or more out of ten, we have highlighted this as a function for that settlement.

4.3 We have also allowed for a ‘sense check’ and in particular looked in detail at the data of those settlements on the border line between a ‘six’ and ‘seven’. For these settlements we have taken a judgement as to whether that function should be highlighted, and assigned that function.

4.4 Table 4-1 identifies the functions of the 30 settlements, and shows the scores out of ten for each category. As the table above shows, 13 settlements are defined as “Labour Providers”, ten as “Business Locations”, eight as “Environment Assets” and eight as “Recreation and Tourism Hubs”. Five of the 30 settlements have no dominant role. Eleven settlements have two or more functions.

Table 4-1: Settlement Functions

Settlements	Labour Provider	Business Location	Environmental Asset	Tourism Hub	No dominant role
Bentham	6	6	7	4	
Brigg	6	7	3	1	
Crowle	7	4	5	1	
Driffield	5	5	3	2	
Filey	3	3	6	9	
Hawes	5	8	8	10	
Haworth	8	4	5	7	
Hebden Bridge	7	4	5	2	
Hemsworth	4	2	1	6	
Holmfirth	8	4	5	6 (raised to 7)	
Hornsea	4	4	7	6	
Ilkley	7	7	7	6	
Knaresborough	8	5	5	6	
Malton & Norton	4	8	4	4	
Northallerton	4	8	4	2	
Penistone	7	4	5	4	
Pickering	5	6	7	8	
Pocklington	7	5	3	1	
Richmond	6	6	7	9	
Ripon	7	7	5	6	
Settle	5	6	8	7	
Sherburn in Elmet	7	7	2	0	
Skipton	4	8	6	5	
Stocksbridge	6 (raised to 7)	3	4	1	
Stokesley	7	6	5	3	
Tadcaster	8	6 (raised to 7)	2	6	
Thirsk	6	5	4	6	
Thurnscoe	3	2	1	3	
Whitby	2	7	8	10	
Withernsea	2	3	5	6	
TOTAL	**13**	**10**	**8**	**8**	**5**

Source: SQW et al

Discussion

Pattern of functions

4.5 Three settlements are defined as having three functions:

- Hawes: Business Location, Environmental Asset and Tourist Hub.
- Ilkley: Labour Provider, Business Location and Environmental Asset
- Whitby: Business Location, Environmental Asset and Tourist Hub.

4.6 Hawes comes out high on all of the above three functions, partly as a result of its small population size which can affect the data analysis, and also because of its remote geographic location within the Yorkshire Dales National Park.

4.7 Ilkley also has a number of functions, its close proximity to both the Leeds City Region and the Yorkshire Dales National Park make it an attractive place for people to live and commute into Leeds and Bradford. It also makes it an attractive location to set up business and, according to the Acxiom National Lifestyle Survey, Ilkley has a high number of people who are self employed (about one-third more than the regional average.)

4.8 Whitby has a high number of workplaces as a proportion of the population (6.6%, compared to the regional average of 3.6%) and, according to the Acxiom National Lifestyle Survey, has a high number of people who are self employed (55% more than the regional average). Its geographic location, with close proximity to the North York Moors National Park and also to the coast means it operates as an environmental asset and tourist hub.

4.9 Table 4-2 shows how the functions map back to our refined categorisation that is set out in Section 1 of this report. We can clearly see that those settlements with close links into the city-region are important labour providers – as we would expect. Note also, however, the dual role of Ilkley, Ripon, Sherburn in Elmet and Tadcaster as both labour providers and business locations within the Leeds city-region. There is a degree of specialisation in Sherburn in Elmet (in wholesaling and distribution) and Tadcaster (through the existence of three breweries). Settlements such as Haworth and Holmfirth have also specialised in tourism and recreation.

4.10 Other business locations exist in the larger free-standing settlements (Malton & Norton, Northallerton and Skipton) or other relatively remote settlements (Brigg, Hawes and Whitby). Within the more remote settlements, the environment is clearly important, linked with recreation and tourism, in particular in Hawes, Pickering, Richmond, Settle and Whitby.

Table 4-2: Comparison of Settlement Types with Settlement Function

Settlement Type	Settlement	Function				
		Labour Provider	**Business Location**	**Environmental Asset**	**Tourist Hub**	**No Dominant Role**
Large, prosperous settlements with strong links into the city-region	Ilkley	✓	✓	✓		
	Knaresborough	✓				
	Ripon	✓	✓			
Smaller, prosperous settlements with strong links into the city-region	Sherburn in Elmet	✓	✓			
	Haworth	✓			✓	
	Hebden Bridge	✓				
	Holmfirth	✓			✓	
	Penistone	✓				
	Pocklington	✓				
	Stocksbridge	✓				
	Stokesley	✓				
	Tadcaster	✓	✓			
Small, less prosperous settlements inside the city-region	Hemsworth					✓
	Thurnscoe					✓
Large, prosperous settlements that are more free-standing	Malton & Norton		✓			
	Northallerton		✓			
	Skipton		✓			
Smaller, prosperous settlements in relatively remote locations	Brigg		✓			
	Bentham			✓		
	Crowle	✓				
	Driffield					✓
	Hawes		✓	✓	✓	
	Pickering			✓	✓	
	Richmond			✓	✓	
	Settle			✓	✓	
	Thirsk					✓
Less prosperous settlements in relatively remote locations	Whitby		✓	✓	✓	
	Filey				✓	
	Hornsea			✓		
	Withernsea					✓

Source: SQW et al

Comparisons with the Regional Settlement Study 2004

4.11 The Regional Settlement Study conducted in 2004 classifies the functions of 233 settlements in the Yorkshire and Humber region by:

- commuter settlement (comparable with our labour provider)

- employment centre (comparable with our business location)
- tourist centre (comparable with our recreation and tourism hub)

4.12 We can use the functions derived from the Regional Settlement Study to compare and contrast with the functions we have derived from our own study of the 30 settlements, in order to assess if and how settlements have changed in the last three years.

4.13 There are a number of limitations to doing this. Most notably, we have defined our settlements by four function categories and the Regional Settlement Study only defines the settlements by three categories. In addition to the categories listed above we have looked at the environmental asset function, not covered in the Regional Settlement Study. Also, the data and indicators used to define the functions of our settlements are different to those used in the Regional Settlement Study: we have included an assessment of commuter patterns to assess our labour provider functions and business location functions which are not taken into account in the Regional Settlement Study. In addition, for the recreation and tourism hub function we have looked at the percentage of settlement-based jobs and workplaces in the tourism sector, which are not considered in the Regional Settlement Study.

4.14 Table 4-3 compares the functions derived from the Regional Settlement Study and the functions we have derived for the 30 settlements.

4.15 Noteworthy differences include Penistone, Stocksbridge and Stokesley which are listed in the Regional Settlement Study as employment centres, where we have defined their function as labour provider.

4.16 The first phase report, *"Phase 1: Economic Trajectories"*, indicated that Penistone's employment is forecasted to decline from 2005-2016 by 6.3%, largely due to the decline expected in the manufacturing sector. It appears that Penistone is moving towards being a commuter settlement, which could be expected given recent decline of its industry and its geographic location in between three city regions (Sheffield, Leeds and Manchester). As indicated above, the Regional Settlement Study did not include the assessment of commuter patterns from the 2001 Census in deriving functions: Penistone has a high number of people commuting out as a proportion of its population compared with the number commuting in (32% compared with 18%).

4.17 Stocksbridge is also classified in the Regional Settlement Study as an employment centre but classified in our study as a labour provider. According to the 2001 Census 32% of the settlement's population commute out, a small number commute in (12%, as a proportion of its population) and 15% of the population live and work within the settlement. Stocksbridge, like Penistone, may well be undergoing a functional change as it used to be an employment centre providing jobs for many within its steel works. However with the steel closures, Stocksbridge has seen a decline in the number of jobs and no longer has the function of a strong employment centre. The close proximity to Sheffield means it is now an important labour provider for Sheffield, Rotherham, Chapeltown and Barnsley. Physical regeneration plans include space for small businesses, but this is part of a wider residential-led mixed use development.

4.18 Other differences include the change of Crowle, Haworth and Hebden Bridge from a settlement with no dominant role (as indicated in the Regional Settlement Study) to a labour provider (as indicated within our study). This difference is likely to be attributed to use of commuting patterns data within our study which were not considered in the Regional Settlement Study.

Table 4-3: Functions provided in Regional Settlement Study and SQW derived functions

Settlements	**Functions Provided in Regional Settlement Study**				**SQW derived Function**				
	Commuter Settlement	Employ-ment Centre	Tourist Centre	No dominant role	Labour Provider	Business Location	Environ-mental Asset	Tourism Hub	No dominant role
Bentham				✓			✓		
Brigg		✓	✓			✓			
Crowle				✓	✓				
Driffield		✓							✓
Filey		✓	✓					✓	
Hawes	✓	✓	✓			✓	✓	✓	
Haworth				✓	✓			✓	
Hebden Bridge				✓	✓				
Hemsworth				✓					✓
Holmfirth	✓		✓		✓			✓	
Hornsea				✓			✓		
Ilkley	✓	✓	✓		✓	✓	✓		
Knaresborough	✓				✓				
Malton & Norton		✓	✓			✓			
Northallerton		✓				✓			
Penistone		✓			✓				
Pickering		✓	✓				✓	✓	
Pocklington	✓	✓			✓				
Richmond		✓	✓				✓	✓	
Ripon	✓	✓	✓		✓	✓			
Settle		✓	✓				✓	✓	
Sherburn in Elmet		✓			✓	✓			
Skipton		✓	✓			✓			
Stocksbridge		✓			✓				
Stokesley		✓	✓		✓				
Tadcaster		✓	✓		✓	✓			
Thirsk	✓	✓	✓						✓
Thurnscoe				✓					✓
Whitby		✓	✓			✓	✓	✓	
Withernsea				✓					✓

Source: SQW et al; Regional Settlement Study 2004

Settlements with no 'apparent' primary functions

4.19 Five settlements – Driffield, Hemsworth, Thirsk, Thurnscoe and Withernsea – are all listed as having no dominant role. Three of these settlements are also defined within the Regional Settlement Study as having no dominant role. These settlements did not score above seven in any of the categories listed.

4.20 Thirsk and Driffield appear to moving away from their past functions and no longer having a dominant role. The Regional Settlement Study lists Thirsk as a commuter settlement, employment centre and tourism centre, our study showed that Thirsk did score 6 out of ten for both labour provider and tourist hub, not high enough for these to be considered as dominant functions for the settlement. Driffield was listed in the Regional Settlement Study as an employment centre. Although it scored relatively high in the business location category (five out of ten) evidence from the first phase report, *"Phase 1: Economic Trajectories"* suggested that employment from 2005-2016 was expected to increase only slightly, and it is therefore unlikely that the settlement will resume its function as a business location.

4.21 Withernsea and Hemsworth were both classified as having no dominant role in the Regional Settlement Study and also in our study. However, they both scored 6 out of 10 in the tourist hub category, indicating a possible primary function for the future (or perhaps a function in the past).

4.22 Thurnscoe scored extremely low on all four categories providing no indication of any primary role for the settlement. The first phase report, *"Phase 1: Economic Trajectories"* forecasts employment to fall by 4.3% from 2005-2016 indicating that it is certainly unlikely to take on the role of a business location in the future.

5: Contributions and impacts

5.1 This section assesses the contributions and impacts that the rural settlements make to the regional economy by taking each of the four functions in turn. The analysis focuses on those settlements with the particular functions, though aggregate assessments and commentary on other settlements is also included. The discussion considers the nature and scale of the various contributions and any evidence that may exist in relation to particularly 'high' or 'low' performance with respect to each function.

Labour providers

5.2 Thirteen of the 30 settlements were identified as labour providers in section 2. We have assessed how settlements fulfil the role of labour provider in three different ways:

- the spatial contribution of settlements, i.e. where the labour provided goes to
- the characteristics of contribution, i.e. what types of worker are provided
- indications of potential impact, through productivity returns and in terms of household income.

5.3 In looking at these different elements, we see that the rural capitals make important contributions right across the region, in particular supplying labour into the city-regions, but also to other settlements. Those commuting out are concentrated in the higher level occupations. When we consider evidence of impact we see that the productivity returns and the potential residence-based GVA contributions are very significant compared to the regional average.

5.4 In overall terms, 56% of all employed people living in the 30 study settlements commute out of their settlements to work. This rises to 63% for the settlements classified as labour providers. Table 5-1 shows the overall findings on out-commuting.

Table 5-1: Overall key statistics on out-commuting

	Population	Residence-based employment numbers	Residence-based employment as % of population	Number who commute out to work	Out-commuters as % of population	Out-commuters as % of employed people
All 30 settlements	261,387	122,965	47%	68,659	26%	56%
Labour providers	116,680	59,167	51%	37,566	32%	63%

Source: Census 2001 (using output area definitions for the study settlements)

Spatial contribution

5.5 As identified in section 2, those settlements classified as labour providers are often found inside an urban hinterland. Seven of the 13 that have been identified as labour providers were classified as within an urban hinterland in the first phase of the study. In addition, Tadcaster, Sherburn in Elmet and Stocksbridge (classified as 'with an industrial heritage in the first phase of the study) could also be viewed as being within an urban hinterland. This is reflected in the destinations of those out-commuting. Common destinations are the centres of city-regions or the other major centres within the city-regions, for example Leeds, Bradford, Halifax, Huddersfield, Wakefield, Harrogate, York, Sheffield and Barnsley. In addition, Stokesley is a labour provider to Tees Valley city-region in the North East, and Holmfirth and Hebden Bridge to the Greater Manchester Urban Area in the North West. It is also worth highlighting the role of these settlements in providing labour to smaller places within the settlement hierarchy such as Mytholmroyd, Bingley, Honley and Otley.

5.6 The three settlements that are classified as labour providers and were viewed as 'outside an urban hinterland' in the first phase of the study, i.e. Pocklington, Crowle and Ripon, provide some interesting findings, and also serve to highlight that the boundaries of city-regions are in some respects fuzzy. In the cases of both Pocklington and Ripon the settlements clearly serve a dual role both within and outside the city-region. This is emphasised later when we consider Ripon's role also as a business location.

- Pocklington provides labour to both York and Kingston upon Hull, therefore to two city-regions (i.e. the Leeds and Hull and Humber Ports city-regions). This suggests that this settlement is more connected into the urban areas of the region than was initially thought in phase one. The other destinations of commuters include a mixture of places outside of city-regions (e.g. Beverley and Market Weighton) and inside (e.g. Leeds).

- Crowle is a major labour provider to key settlements within the Isle of Axholme and to its nearby major town, Scunthorpe, but not elsewhere in the Hull and Humber Ports city-region to a great extent.

- Ripon plays a mixed role, with commuters travelling to Harrogate in the main, but also Leeds (i.e. to a city-region) and to Boroughbridge. It is worth noting the diversity of destinations of commuters from Ripon, including a mix of places outside city-regions (e.g. Northallerton, Masham and Thirsk) and inside (e.g. York and Teesside).

5.7 Table 5-2 shows the spatial distribution of out-commuting for labour providers and includes the main destinations. Spatial patterns are also shown for four of the settlements in Annex A (Figures A-1 to A-4). This shows that a key role is played in providing labour into major centres within the city-regions (for all four of those settlements for which out-commuting is mapped, Haworth, Knaresborough, Sherburn in Elmet and Tadcaster), but also of importance is providing labour to other more peripheral places, e.g. a particularly broad spread of out-commuting from Knaresborough.

Table 5-2: Spatial distribution of out-commuting for labour providers

Settlement	Total trips starting in settlement	Total trips out of settlement	Trips out as % of total trips starting in settlement	Main destinations (number of trips in brackets – up to 5 with trips 100 or more)
Crowle	1,801	1,251	69%	Scunthorpe (557)
Haworth	2,987	2,203	74%	Keighley (752), Bradford (464), Bingley (117)
Hebden Bridge	4,176	2,784	67%	Halifax (800), Greater Manchester (378), Mytholmroyd (233), Bradford (203), Todmorden (183)
Holmfirth	7,602	5,413	71%	Huddersfield (2402), Leeds (304), Greater Manchester (276), Honley (260), Wakefield (156)
Ilkley	5,984	3,533	59%	Leeds (1117), Bradford (612), Guiseley/Yeadon (192), Keighley (150), Otley (138)
Knaresborough	7,393	4,781	65%	Harrogate (2254), Leeds (492), York (162), Wetherby (115)
Penistone	2,871	2,002	70%	Barnsley (385), Sheffield (336)
Pocklington	3,473	2,050	59%	York (585), Barmby Moor (164), Kingston upon Hull (117)
Ripon	7,621	3,447	45%	Harrogate (832), Leeds (183), Boroughbridge (153)
Sherburn in Elmet	3,075	2,006	65%	Leeds (606), Tadcaster (156), York (135)
Stocksbridge	6,388	4,396	69%	Sheffield (2968), Rotherham (184), Chapeltown (110)
Stokesley	2,062	1,425	69%	Teesside (673)
Tadcaster	3,734	2,275	61%	Leeds (477), Walton (331), York (321), Wetherby (127), Boston Spa (100)
TOTAL	59,167	37,566	63%	

Source: Census 2001 (using output area definitions for the study settlements)

Characteristics of commuters

5.8 Ward-level data from the 2001 Census provides evidence on commuters by their occupational groups[11]. This data can be cut in two ways:

- the proportion of out-commuters within different occupational groups, i.e. for every 100 people who commute out of the settlement, how many are managers, senior officials, professionals and associate professionals
- the proportion of a particular occupational group who commute out, i.e. out of 100 managers, senior officials, professional and associate professionals in a given settlement, how many commute out.

5.9 Table 5-3 summarises the results of both ways of presenting the data. Across all 30 of the study settlements, the most significant group of out-commuters is managers, senior officials, professionals and associate professional/technical occupations. This makes up 43% of those who commute out of their home settlement. This percentage rises to 48%for labour provider settlements. It is also interesting to note from Table 5-3 that 72% of all people who work in

[11] Note that as this is ward-level data, the definitions of the settlements are extended and so the absolute numbers of commuters is higher than using output areas to define settlements.

these occupations in the settlements classified as labour providers, leave their home town to do so. The table shows that there is variation between settlements, with significantly higher proportions of out-commuters among managers, senior officials, professionals and associate professional/technical occupations in Ilkley (70%) and Stokesley (61%), and significantly lower in e.g. Crowle (30%). In Crowle, the most significant group of out-commuters is process, plant, machine operatives and elementary occupations, representing 34% of those who commute out.

Table 5-3: Summary of out-commuting by occupational group

	Total	Managers / Senior Officials, Professional Occupations, and Associate Professional / Technical		Admin / Secretarial and Skilled Trades		Personal Services and Sales / Customer Service		Process / Plant / Machine Operative and Elementary Occupations	
% breakdown of out-commuters by occupation									
		No.	**% of total**	**No.**	**% of total**	**No.**	**% of total**	**No.**	**% of total**
Total for all 30 study settlements	90117	38849	43.1%	20830	23.1%	10963	12.2%	19475	21.6%
Total for labour providers	52182	24913	47.7%	11842	22.7%	6431	12.3%	8996	17.2%
Y&H average	-	-	35.4%	-	24.9%	-	15.6%	-	24.0%
% of occupational groups who commute out by settlement									
		No.	**% of occupat-ional group**	**No.**	**% of occupat-ional group**	**No.**	**% of occupat-ional group**	**No.**	**% of occupat-ional group**
Total for all 30 study settlements	90117	38849	66.1%	20830	53.4%	10963	46.1%	19475	52.5%
Total for labour providers	52182	24913	72.1%	11842	60.3%	6431	56.4%	8996	56.0%

Source: Census 2001 (using ward definitions for the study settlements)

Potential impact

5.10 The potential impact of settlements in providing labour can be considered by looking at the skill levels and hypothetical wage returns that these might generate (as a measure of productivity benefits). Table 5-4 shows the breakdown of qualifications held, on the basis of NVQ equivalent levels for the 16-74 population in each of the 30 study settlements. Using the wage returns in the *Leitch Review of Skills*, we considered the hypothetical average returns per person – assuming that they were in employment. This shows that:

- The average % return across all 30 study settlements is 26% compared to a regional average of 23%.
- The average % return across the settlements classified as labour providers is 30%.

- Across the settlements there is some marked variation, with the highest average returns in Ilkley (44%), Hebden Bridge (40%) and Stokesley (37%) – all labour providers – and the lowest in Thurnscoe (11%), Hemsworth (13%) and Withernsea (15%).

5.11 This suggests that the labour providers are making a significant contribution to the productivity of the region, with a potential workforce that is 5% more productive[12].

5.12 If we look at income levels, as a crude proxy for residence-based GVA, the contribution becomes more pronounced. With average income per head set at a base equivalent to the Yorkshire and Humber average at 100, the average income per head across all 30 of our study settlements is 111, and across the labour providers, 123. The difference between the regional average and the average across the 30 study settlements is equivalent to the difference in GVA/head between the region and the national average. Table 5-4 shows the variation between the settlements considered:

- The highest average income per head (compared to the regional average with a base of 100) is in Stokesley (174), Hebden Bridge (157) and Tadcaster (149).
- The lowest averages are in Thurnscoe (79), Hemsworth (81) and Withernsea (86).

5.13 Of course, this analysis is crude in that it uses income/head as a proxy for residence-based GVA/head, but it does illustrate the contribution of the rural capitals to the region in terms of the people who live there.

[12] This is calculated by comparing the wage returns of labour providers with the regional average: (100+30)/(100+23)*100 = 5%, where 30=the average wage return for labour providers and 23=the average wage return for the region.

Table 5-4: Qualifications breakdown of 16-74 population and potential impact through wage returns and average incomes

Settlements	% of 16 - 74 population with No Quals	% of 16 - 74 population with Level 1	% of 16 - 74 population with Level 2	% of 16 - 74 population with Level 3	% of 16 - 74 population with Level 4/5+	% of 16 - 74 population with quals unknown/ other quals	Average return on basis of qualifications held	Income per head of population (base is Y&H=100)
Return to qualification[13]	-	-	*24-28%*	*15%*	*26%*	*n/a*		
Bentham	28%	17%	21%	6%	20%	8%	27%	91
Brigg	33%	19%	19%	6%	15%	7%	22%	113
Crowle	**34%**	**20%**	**21%**	**5%**	**13%**	**7%**	20%	**97**
Driffield	33%	19%	21%	7%	14%	8%	21%	97
Filey	40%	16%	17%	4%	12%	11%	19%	81
Hawes	37%	19%	18%	4%	16%	6%	21%	139
Haworth	**28%**	**19%**	**19%**	**7%**	**18%**	**9%**	26%	**131**
Hebden Bridge	**21%**	**13%**	**17%**	**7%**	**36%**	**6%**	40%	**157**
Hemsworth	48%	16%	14%	4%	8%	9%	13%	88
Holmfirth	**22%**	**18%**	**19%**	**7%**	**27%**	**8%**	34%	**139**
Hornsea	32%	17%	19%	6%	17%	9%	24%	99
Ilkley	**16%**	**11%**	**20%**	**8%**	**39%**	**5%**	44%	**125**
Knaresborough	**24%**	**15%**	**22%**	**8%**	**23%**	**8%**	31%	**111**
Malton & Norton	36%	18%	19%	6%	14%	7%	21%	101
Northallerton	23%	18%	21%	7%	23%	8%	30%	106

[13] This draws on data used in the analysis to inform the *Leitch Review of Skills*. This refers to percentage returns to qualification levels undertaken by Sianesi (2003), *"Returns to education: A non-technical summary of CEE work and policy discussion"*. We have adopted the ***academic returns*** quoted as these are most readily applied to our data. Incorporation of vocational returns would increase the returns, particularly for Level 4/5 workers.

Settlements	% of 16 - 74 population with No Quals	% of 16 - 74 population with Level 1	% of 16 - 74 population with Level 2	% of 16 - 74 population with Level 3	% of 16 - 74 population with Level 4/5+	% of 16 - 74 population with quals unknown/ other quals	Average return on basis of qualifications held	Income per head of population (base is Y&H=100)
Penistone	**32%**	**19%**	**17%**	**7%**	**17%**	**8%**	23%	**97**
Pickering	32%	17%	19%	6%	16%	9%	23%	105
Pocklington	**27%**	**19%**	**20%**	**7%**	**19%**	**8%**	26%	**125**
Richmond	26%	15%	20%	7%	22%	9%	29%	104
Ripon	**26%**	**18%**	**22%**	**11%**	**17%**	**7%**	27%	**115**
Settle	27%	16%	21%	5%	23%	7%	29%	131
Sherburn in Elmet	**30%**	**20%**	**22%**	**7%**	**14%**	**7%**	22%	**89**
Skipton	29%	18%	19%	7%	20%	7%	27%	113
Stocksbridge	**30%**	**20%**	**20%**	**6%**	**15%**	**9%**	22%	**102**
Stokesley	**23%**	**13%**	**18%**	**7%**	**32%**	**7%**	37%	**174**
Tadcaster	**29%**	**19%**	**21%**	**7%**	**17%**	**7%**	24%	**149**
Thirsk	33%	17%	20%	5%	16%	8%	23%	97
Thurnscoe	52%	17%	14%	3%	6%	7%	11%	75
Whitby	37%	17%	18%	6%	13%	8%	20%	95
Withernsea	42%	18%	18%	5%	9%	9%	15%	86
Total - all 30 settlements	30%	17%	19%	7%	19%	8%	26%	111
Total - labour providers	25%	17%	20%	8%	23%	7%	30%	123
Yorkshire and The Humber	33%	17%	18%	8%	16%	8%	23%	100

Source: Census 2001; Acxiom National Lifestyle Survey; Leitch Review of Skills to apply percentage returns to qualifications
Note: Settlements classified as labour providers marked in bold

Business locations

5.14 Ten of the 30 settlements were identified as business/employment locations in section 2. As with labour providing settlements, we have assessed how settlements fulfil this function in three different ways:

- the spatial impact of the settlements as business locations, i.e. where their labour comes from
- the characteristics and scale of business and employment, i.e. what types of occupations and sectors provide employment in the settlement, and what proportion of the region's employment is provided there
- the dynamism of the settlements as business locations, including recent trends in employment and levels of entrepreneurship.

5.15 The evidence indicates that those settlements classified as business locations make important contributions to the wider region through their roles as employment centres. In-commuting is varied, with travelling from a range of cities, towns and other smaller settlements. In terms of scale of contribution, the business locations provide a significant amount of employment – above average when compared to their population. Recent growth has also been higher than the regional average. However, when the detailed evidence is considered by settlement, the story is more mixed. Northallerton and Skipton are clear drivers for the rural capitals. Other key settlements, such as Malton & Norton and Ripon are important in terms of the scale of employment, but have seen recent employment decline.

5.16 The evidence is also mixed amongst those settlements not classified as business locations, with recent upward trends and indications of potential entrepreneurship in places such as Stocksbridge, Knaresborough and Holmfirth. However, there has been recent decline in other places, such as Thirsk, Withernsea and Stokesley.

Spatial centres

5.17 In contrast to labour providers, many of which were viewed as within an urban hinterland in the first phase of this work, six of the ten that have been classified as business locations are more remote (i.e. were viewed as outside of an urban hinterland in the first phase of the study). In addition, one is a coastal settlement that is also remote (Whitby). The other three are Ilkley (viewed as within an urban hinterland in phase 1), Tadcaster and Sherburn in Elmet (viewed as with an industrial heritage in phase 1 and also proximate to the West Yorkshire urban area). The origins of those who commute into these settlements as business locations are much more mixed. Table 5-5 shows that these settlements act as business locations for a range of smaller places. In addition, some of these settlements also act as employment centres for those residing in larger places, for example, Leeds, York, Harrogate, Bradford and Scunthorpe. Northallerton and Skipton draw commuters from outside of the region – from the North East in the case of the former and the North West in the case of the latter.

5.18 Maps showing in-commuting for four of the settlements identified as business locations are included at Annex A (Figures A-5 to A-8 for Malton & Norton, Northallerton, Sherburn in

Elmet and Skipton). These show how important the settlements are as employment centres across significant geographical areas, and indicate a more scattered pattern of commuting into settlements than for out-commuting from rural capitals – not surprisingly given that out-commuting is focussed on major centres of employment.

Table 5-5: Spatial distribution of in-commuting for business locations

Settlement	Total trips ending in settlement	Total trips into settlement from external settlements	Trips into settlement as % of total trips ending in settlement	Main places of origin for trips (number of trips in brackets – up to 8 with trips 85 or more)
Brigg	3976	2583	65%	Scunthorpe (535), Broughton – N Lincs (261), Hibaldstow (104), Scawby (99), Barnetby (95), Barton-upon-Humber (87)
Hawes	583	161	28%	-
Ilkley	5483	3032	55%	Burley in Wharfedale (315), Otley (246), Guiseley/Yeadon (228), Bradford (225), Addingham (215), Silsden (186), Keighley (160), Leeds (150)
Malton & Norton	8018	4198	52%	York (355), Scarborough (331), Pickering (303), Rillington (177), Eastfield (87)
Northallerton	11691	5974	51%	Darlington (402), Thirsk (395), Teesside (372), Bedale (351), Richmond (151), Leeming (150), Harrogate (132), Catterick Garrison (130)
Ripon	6951	2777	40%	Harrogate (463), Thirsk (99)
Sherburn in Elmet	3493	2424	69%	Leeds (210), Selby (186), Castleford (144), Pontefract (117), Knottingley (116)
Skipton	9138	5452	60%	Keighley (461), Glusburn (453), Barnoldswick (363), Embsay (232), Silsden (220), Burnley/Nelson (201), Steeton (199), Earby (188), Bradford (186), Gargrave (141)
Tadcaster	3613	2154	60%	York (393), Sherburn in Elmet (156), Leeds (126)
Whitby	4369	2032	47%	Wards peripheral to Whitby (726), Sleights (209)
TOTAL	57315	30787	54%	

Source: Census 2001 (using output area definitions for the study settlements)

Characteristics and scale

5.19 Table 5-6 shows the occupational breakdown of people working within the settlements. This shows a spread across different occupational groups, which is very similar to the breakdown of occupations for the region as a whole. The most important group is managers, senior officials, professionals and associate professional/technical occupations. This makes up one-third of the workers across all 30 of the study settlements and a slightly higher proportion (35%) in those settlements classified as business locations.

Table 5-6: Summary of occupational group breakdown for those people physically working in settlements

	Total	Managers / Senior Officials, Professional Occupations, and Associate Professional / Technical		Admin / Secretarial and Skilled Trades		Personal Services and Sales / Customer Service		Process / Plant / Machine Operative and Elementary Occupations	
% breakdown of in-commuters and those remaining in their settlement to work by occupation									
		No.	**% of total**	**No.**	**% of total**	**No.**	**% of total**	**No.**	**% of total**
Total for all 30 study settlements	129703	43428	33.5%	32006	24.7%	21747	16.8%	32522	25.1%
Total for business locations	58699	20743	35.3%	14037	23.9%	9775	16.7%	14144	24.1%
Y&H average	-	-	35.4%	-	24.9%	-	15.6%	-	24.0%

Source: Census 2001 (using ward definitions for the study settlements)

5.20 The scale of the settlements as business locations is shown in Table 5-7. Analysis of the aggregate data indicates that the ten settlements that are classified as business locations make up an important share of the jobs in the region in comparison to their population:

- There are 68,000 jobs in the settlements classified as business locations, 3.0% of the jobs in the region. The population in these settlements is a lower proportion of the region, at 2.2%.
- Overall, there are 123,000 jobs across all the study settlements, 5.5% of the jobs in the region. The 30 settlements make up a higher proportion, 6.5%. of the region's total population.

5.21 This indicates that the business locations at least are important centres of employment in comparison to the population size of the settlements. Across the settlements there are some very important contributions. Northallerton and Skipton have 16,000 and 12,500 people working in them respectively. The ratios of jobs to population in these two settlements are exceptionally high at 91% and 87% respectively. Malton & Norton is also an important contributor in scale terms with 8,000 jobs and a ratio of jobs to population of 68%. At the other end of the spectrum, Hawes is also noted as a business location but on a very different scale with 723 people working within this settlement. The ratio of jobs compared to population is 55% in Hawes, above the regional average of 45%.

Table 5-7: Total jobs in business location settlements in comparison to overall population figures

Settlement	Total jobs	Total population	Ratio of jobs per population
Brigg	6,336	10,425	61%
Hawes	723	1,314	55%
Ilkley	5,330	13,833	39%
Malton & Norton	8,081	11,965	68%
Northallerton	15,987	17,662	91%
Ripon	6,635	15,937	42%
Sherburn in Elmet	3,914	6,219	63%
Skipton	12,425	14,316	87%
Tadcaster	3,615	7,340	49%
Whitby	4,638	9,035	51%
Total for all 30 settlements	123,370	321,940	38%
Total for all business locations	67,684	108,046	63%
Regional figures	2,246,158	4,964,833	45%

Source: Annual Business Inquiry 2005 (using ward level definitions for settlements), population data drawn from Census 2001
Note: The agriculture and fishing sector is excluded from the jobs totals as full data on jobs is not available at ward level

5.22 The overall sectoral breakdowns for all 30 study settlements, those identified as business locations and the region as a whole are shown in Table 5-8. This demonstrates that sectorally, rural capitals follow a very similar pattern to the region as a whole. There is only one sector, which is markedly different to the regional average in terms of the proportion of employment: public administration, health and education. One-third of all jobs in the business location settlements are in this sector compared to 28% in the region as a whole.

Table 5-8: Sectoral breakdown of jobs located in study settlements and contribution to regional totals

	Total jobs in 30 study settlements	% break-down for all 30	Total jobs in business locations	% break-down for business locations	Total jobs in the region	% break-down for region	% contribution to regional total for all 30 study settlements	% contribution to regional total for business locations
Agriculture and fishing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy and water	625	1%	234	0%	11,693	1%	5.3%	2.0%
Manufacturing	16,751	14%	8,198	12%	312,918	14%	5.4%	2.6%
Construction	7,249	6%	3,649	5%	114,765	5%	6.3%	3.2%
Distribution, hotels and restaurants	33,018	27%	17,852	26%	543,683	24%	6.1%	3.3%
Transport and communications	6,115	5%	3,440	5%	134,723	6%	4.5%	2.6%
Banking, finance and insurance	16,173	13%	9,424	14%	386,028	17%	4.2%	2.4%
Public administration, education & health	37,940	31%	22,185	33%	637,075	28%	6.0%	3.5%
Other services	5,499	4%	2,702	4%	105,273	5%	5.2%	2.6%
Total	123,370	100%	67,684	100%	2,246,158	100%	5.5%	3.0%

Source: Annual Business Inquiry 2005 (using ward level definitions for settlements)
Note: The agriculture and fishing sector is excluded from the jobs totals as full data on jobs is not available at ward level

Dynamism

5.23 In terms of recent changes in employment located in the study settlements, we have examined Annual Business Inquiry data for 2003 to 2005[14]. Overall, the business locations have seen growth above the regional average (4.0% compared to 2.9%), though when all 30 settlements are included in the analysis, growth has only been 1.1%. The data show a significant amount of variation across the study settlements (see Table 5-9). The strongest performance in terms of recent growth is in Northallerton with 2,810 more jobs in 2005 than in 2003 – most of these in the public sector. This is followed by:

- Skipton, which saw moderate growth of 7%, representing nearly 800 jobs in a range of sectors, including construction, distribution, hotels and restaurants, public administration and banking, finance and insurance.
- Stocksbridge, which was noted in section 2 as potentially changing its key function to being a labour provider, has seen an increase in jobs, largely due to an increase in the transport and communications sector.

[14] It has not been possible to consider data prior to 2003 because of ward boundary changes.

- Other settlements where the number of jobs grew in this period include Whitby, Richmond, Knaresborough, Tadcaster, Crowle, Hemsworth and Holmfirth.

5.24 Elsewhere, there has been a noticeable decline in the numbers of jobs. This has occurred in key business locations, such as Malton & Norton, Sherburn in Elmet and Ripon as well as other settlements such as Thirsk, Withernsea, Driffield, Haworth, Stokesley and Pickering.

5.25 The other element of dynamism considered here is entrepreneurship. Using the Acxiom National Lifestyle Survey we have been able to collate data on self-employment rates and the potential for starting a new business. In overall terms, self-employment is higher in the 30 study settlements than across the region overall (10.3% of households in the 30 study settlements compared to 9.3% across the region). In terms of thinking about starting a new business there is no real difference between the 30 study settlements and the regional average (4.3% of households in the 30 study settlements compared to 4.2% across the region).

5.26 There is a significant amount of variation across the 30 study settlements in relation to the indicators of entrepreneurial activity. A lower proportion of households are self-employed in Northallerton and Skipton – the two most significant business locations. However, among the other eight business locations, self-employment is above the regional average in every case. Self-employment is highest, however, in Haworth and Crowle, and also noticeably high in Bentham and Holmfirth. None of these settlements are classified as business locations.

5.27 In terms of thinking about starting a new business, the evidence here is even more varied, with potential entrepreneurship highest in Stocksbridge, Knaresborough, Bentham and Whitby. It is lowest in Stokesley, Hemsworth, Richmond and Withernsea – see Table 5-10 for details.

Table 5-9: Changes in number of jobs 2003-05

Settlement	2003-05 % change in employment	2003-05 absolute change (nearest 10)	Main changes in employment by sector (change by at least 100 jobs and 5%)
Bentham	6%	60	-
Brigg	**0%**	**30**	**Increase:** public administration; construction. **Decrease:** manufacturing; transport and communications
Crowle	13%	170	-
Driffield	-8%	-420	**Increase:** public administration. **Decrease:** manufacturing; distribution, hotels and restaurants
Filey	0%	0	-
Hawes	**3%**	**20**	**-**
Haworth	-17%	-380	**Decrease:** manufacturing; distribution, hotels and restaurants
Hebden Bridge	5%	130	-
Hemsworth	7%	140	**Increase:** public administration. **Decrease:** banking, finance and insurance
Holmfirth	3%	140	**Increase:** distribution, hotels and restaurants. **Decrease:** manufacturing
Hornsea	-1%	-20	-
Ilkley	**2%**	**90**	**Decrease:** distribution, hotels and restaurants
Knaresborough	5%	240	**Increase:** manufacturing
Malton & Norton	**-7%**	**-630**	**Decrease:** manufacturing; distribution, hotels and restaurants
Northallerton	**21%**	**2810**	**Increase:** public administration; distribution, hotels and restaurants. **Decrease:** construction
Penistone	-1%	-40	**Decrease:** manufacturing
Pickering	-10%	-260	**Decrease:** distribution, hotels and restaurants
Pocklington	-4%	-180	**Increase:** construction. **Decrease:** distribution, hotels and restaurants
Richmond	9%	280	**Increase:** public administration
Ripon	**-10%**	**-740**	**Decrease:** construction; public administration
Settle	2%	50	-
Sherburn in Elmet	**-10%**	**-420**	**Decrease:** manufacturing
Skipton	**7%**	**780**	**Increase:** construction; distribution, hotels and restaurants; public administration
Stocksbridge	21%	550	**Increase:** transport and communications
Stokesley	-16%	-320	**Increase:** public administration. **Decrease:** distribution, hotels and restaurants
Tadcaster	**6%**	**200**	**Increase:** banking, finance and insurance. **Decrease:** manufacturing; distribution, hotels and restaurants
Thirsk	-17%	-710	**Decrease:** public administration
Thurnscoe	2%	40	**Increase:** banking, finance and insurance
Whitby	**9%**	**370**	**Increase:** public administration
Withernsea	-16%	-600	-
Total for 30 settlements	1.1%	1,370	
Total for business locations	4.0%	2,580	
Region	2.9%	62,970	

Source: Annual Business Inquiry 2005 (using ward level definitions for settlements)
Notes: Business locations in bold; agriculture & fishing is excluded as full data on jobs is not available at ward level

Table 5-10: Indicators of entrepreneurship

Settlement	**Thinking about starting a new business**	**Self-employed**
Yorkshire and the Humber overall	4.2% of households	9.3% of households
Total for 30 study settlements	4.3%	10.3%
Total for business locations	4.1%	10.5%
	Yorkshire and Humber base=100	**Yorkshire and Humber base=100**
Bentham	164	151
Brigg	**79**	**112**
Crowle	68	165
Driffield	36	126
Filey	39	42
Hawes	**147**	**138**
Haworth	129	248
Hebden Bridge	118	126
Hemsworth	7	18
Holmfirth	143	154
Hornsea	118	100
Ilkley	**97**	**132**
Knaresborough	170	110
Malton & Norton	**96**	**117**
Northallerton	**65**	**76**
Penistone	137	108
Pickering	137	73
Pocklington	111	114
Richmond	27	89
Ripon	**47**	**124**
Settle	70	57
Sherburn in Elmet	**105**	**145**
Skipton	**148**	**71**
Stocksbridge	195	92
Stokesley	3	88
Tadcaster	**116**	**129**
Thirsk	78	124
Thurnscoe	139	89
Whitby	**154**	**155**
Withernsea	42	104

Source: Acxiom National Lifestyle Survey
Note: Business locations in bold

Recreation and tourism hubs

5.28 As identified in section 2, eight of the 30 settlements were classified as recreation and tourism hubs. These tended to be smaller settlements that have built up a recreation/tourism sector that is significant to the local economy. A number of other settlements were also noted as having a role in relation to recreation and tourism, even if this was not defined as being particularly significant. The evidence we have considered in looking at the impact and contribution of rural capitals suggests that these settlements as a group, as well as those classified as recreation and tourism hubs, make significant contributions to the recreation and tourism sector of the region as a whole.

5.29 The importance of recreation and tourism to rural capitals is identified in the analysis of Table 5-11. This shows that 7.1% of all recreation/tourism[15] jobs in the region are in the 30 study settlements – this compares to a 5.5% share of jobs from all sectors in the region, suggesting that recreation/tourism sector is particularly prevalent in the rural capitals compared to other sectors. When considering the settlements classified as recreation and tourism hubs, we find that 2.3% of all jobs in the recreation/tourism sector in the region are in these settlements – this compares to a 0.9% share of all jobs.

5.30 It is also interesting to note how the rural capitals have contributed to the recent growth of the recreation/tourism sector in the region from 2003-05 (10,350 jobs representing a 6% growth). Of this increase in 10,350 jobs, 7.7% has occurred in the eight settlements classified as recreation and tourism hubs and 11.5% has occurred in all 30 of the study settlements. This means that more than 1 in 9 of the additional jobs created in the recreation and tourism sector from 2003 to 2005 has been in the 30 study settlements (while these settlements account for only 1 in 18 of all jobs in the region).

5.31 Table 5-11 shows the key data for all 30 of the study settlements. This shows relatively strong changes in the settlements classified as recreation and tourism hubs, with the exception of Haworth, where the sector has declined slightly from 2003 to 2005. This table is also important in demonstrating the wider contribution of other individual settlements to the recreation and tourism sector in the region. For example, some of the larger settlements, such as Skipton, Ripon, Northallerton, Ilkley, Knaresborough and Malton & Norton, have seen growth in the sector or have relatively high proportions of employment in the sector. These have not been classified as recreation and tourism hubs, however, because they have other key functions, and the recreation and tourism sector plays only a small part in the wider local economy.

[15] This sector has been defined using the following 3-digit SIC groups: 551 Hotels; 552 Camping sites and other provision of short-stay accommodation; 553 Restaurants; 554 Bars; 633 Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified; 925 Library, archives, museums and other cultural activities; 926 Sporting activities; 927 Other recreational activities

Table 5-11: Recent changes in recreation/tourism sector and contributions of rural capitals to the region

Settlement	Number of jobs in recreation/ tourism sector (nearest 10)	Total number of jobs (all sectors) (nearest 10)	% of all jobs	Change in number of jobs in recreation/ tourism sector (03-05) (nearest 10)	% change in jobs in recreation/ tourism sector (03-05)
Bentham	100	970	11%	40	75%
Brigg	250	6,350	4%	-30	-10%
Crowle	80	1,460	5%	-30	-25%
Driffield	240	4,620	5%	-100	-28%
Filey	**430**	**1,530**	**28%**	**100**	**29%**
Hawes	**200**	**720**	**28%**	**60**	**45%**
Haworth	**320**	**1,830**	**18%**	**-30**	**-9%**
Hebden Bridge	170	2,500	7%	20	17%
Hemsworth	240	2,240	11%	30	14%
Holmfirth	**550**	**4,340**	**13%**	**180**	**49%**
Hornsea	340	2,330	15%	30	11%
Ilkley	770	5,330	14%	80	11%
Knaresborough	610	4,590	13%	0	0%
Malton & Norton	650	8,100	8%	120	22%
Northallerton	880	15,990	5%	90	12%
Penistone	360	3,680	10%	-70	-17%
Pickering	**360**	**2,340**	**15%**	**70**	**24%**
Pocklington	260	4,480	6%	-30	-9%
Richmond	**480**	**3,360**	**14%**	**80**	**21%**
Ripon	760	6,670	11%	90	13%
Settle	**290**	**2,340**	**12%**	**40**	**16%**
Sherburn in Elmet	150	3,910	4%	40	32%
Skipton	960	12,430	8%	240	33%
Stocksbridge	170	3,110	6%	-100	-37%
Stokesley	170	1,910	9%	0	2%
Tadcaster	360	3,620	10%	-50	-12%
Thirsk	350	3,560	10%	0	1%
Thurnscoe	140	1,930	7%	10	9%
Whitby	**1,400**	**4,650**	**30%**	**290**	**26%**
Withernsea	360	3,190	11%	10	2%
Total (all 30 settlements)	12,400	124,060	10%	1,190	11%
Total for recreation/tourism hubs	4,040	21,100	19%	790	24%
Yorkshire & Humber average	175,610	2,262,400	8%	10,350	6%
Analysis on contribution to overall regional figures	**% of jobs in recreation/ tourism sector**	**% of all jobs**		**% of 03-05 regional growth**	
% contribution for all 30	7.1%	5.5%		11.5%	
% contribution for recreation/tourism hubs	2.3%	0.9%		7.7%	

Source: Annual Business Inquiry
Note: Recreation and tourism hubs in bold

Environmental assets

5.32 The environmental contribution is extremely difficult to assess in a study such as this, given the range of possible channels of impact and the number of settlements being considered. CABE's report on the value of public space[16] identifies a number of ways in which public space can have a positive impact, on for example: property prices; business, in terms of trading and location decisions; health; crime; and through social benefits.

5.33 We have considered potential contributions by looking at some of the perception questions in the Acxiom National Lifestyle Survey. This considers whether:

- the region is a good place to live
- the region is a good place to work
- the region is a good place to do business
- the region is a good place to visit
- people like their neighbourhood.

5.34 This data shows that there is not a significant difference between the views of residents in the study settlements and the region overall in terms of Yorkshire being a "good place to work" or a "good place to do business" – see the ratings in relation to a regional base of 100 in Table 5-12. For some of the settlements identified as environmental assets, however, there are significant differences:

- residents of Hawes and Richmond are much more likely to say that the region is definitely a good place to work and a good place to do business than the region overall
- residents of Ilkley are more likely to say that the region is a good place to do business than the region overall
- residents of Settle are more likely to say that the region is a good place to work than the region overall.

5.35 On whether the region is a "good place to live" or a "good place to visit", residents of the 30 study settlements overall are more likely respond with "definitely" than the region overall. Residents are even more likely to respond in this way when we consider those settlements classified as environmental assets. The only exceptions from within the group of eight settlements classified as environmental assets are Bentham (where residents are slightly less likely to respond with "definitely" for the region as a "good place to live" and "visit") and Hornsea (where residents are slightly less likely to respond with "definitely" for the region as a "good place to visit") - Table 5-12.

5.36 The final aspect we have considered from the Acxiom National Lifestyle Survey is whether residents like their neighbourhood. Table 5-12 shows that across all 30 of the study settlements, residents are slightly more likely to respond with "yes" – by 5% of residents.

[16] CABE (2007), *"The value of public space"*

Across the eight settlements classified as environmental assets, residents are more likely to respond with "yes" than across the region overall by 7% of residents.

5.37 The data we have drawn from the Acxiom National Lifestyle Survey shows that there is some evidence to suggest that residents of rural capitals, and in particular those classified as environmental assets, tend to like their neighbourhood more and believe, to a greater extent, that the region is a good place to both live and visit. It must be noted that this does not necessarily mean a causal link; rather it shows that the evidence suggests that this pattern may exist.

Table 5-12: Perceptions of the region

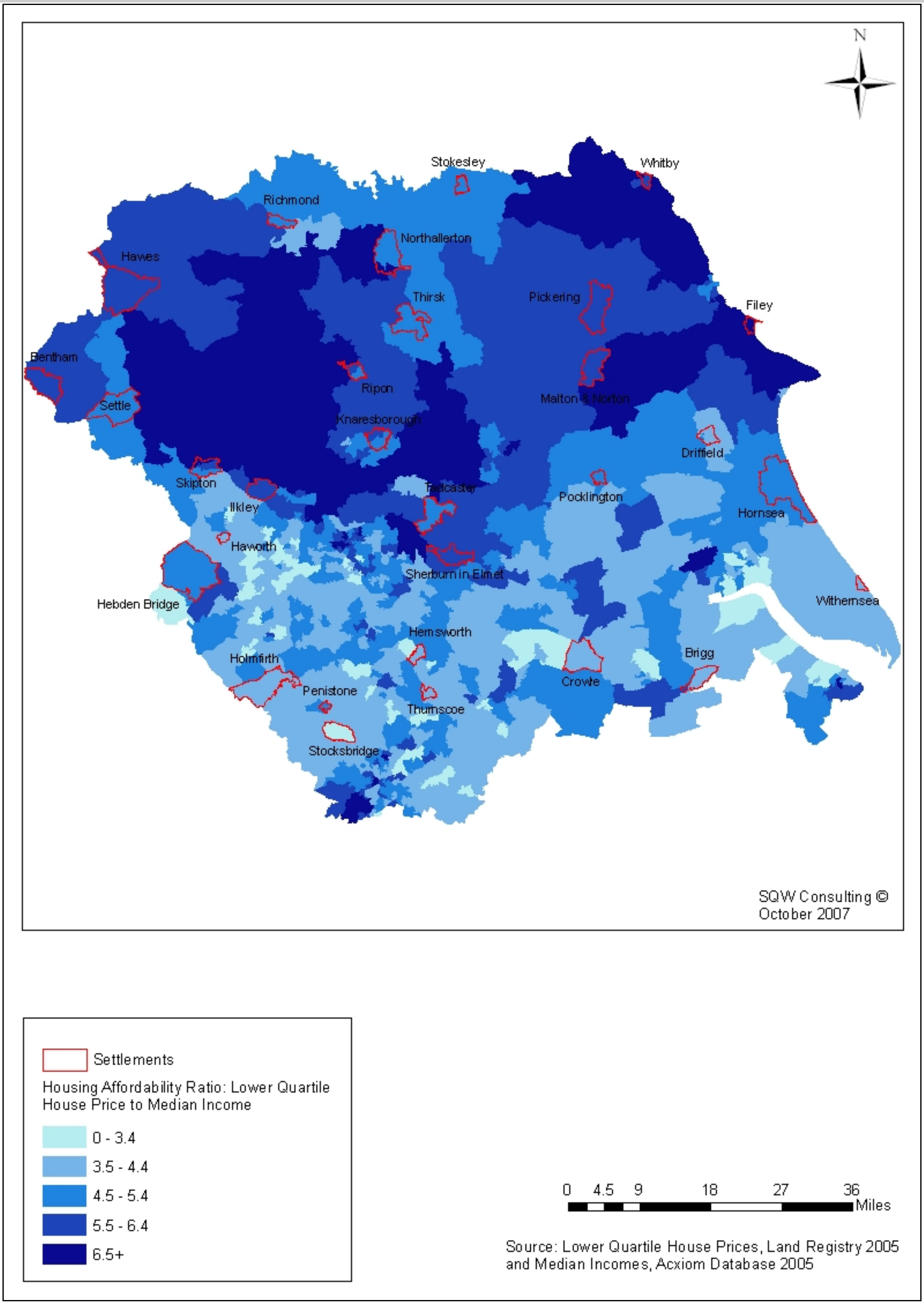
	Yorkshire good place to live: Definitely	Yorkshire good place to work: Definitely	Yorkshire good place to do business: Definitely	Yorkshire good place to visit: Definitely	Like Neighbourhood: Yes
Yorkshire and The Humber	73.5%	51.4%	41.1%	54.4%	89.8%
Settlement	**Comparison to regional average (Y&H base =100)**	**Comparison to regional average (Y&H base =100)**	**Comparison to regional average (Y&H base =100)**	**Comparison to regional average (Y&H base =100)**	**Comparison to regional average (Y&H base =100)**
Bentham	92	96	102	91	103
Hawes	125	134	141	131	109
Hornsea	109	87	93	95	104
Ilkley	103	103	115	110	109
Pickering	108	99	99	119	103
Richmond	120	119	110	125	111
Settle	116	108	95	112	111
Whitby	114	93	92	106	107
Total for all 30 settlements	106	99	101	107	105
Total for environmental assets	110	101	103	110	107

Source: Acxiom National Lifestyle Survey

5.38 In addition, we have considered housing affordability to understand the potential impact through property prices. We have looked at affordability by considering the ratio between the lower quartile house price and median income, in five bands (see Figure 5-1): below 3.4; 3.5 – 4.4; 4.5 – 5.4; 5.5 – 6.4; 6.5 and above.

5.39 This shows that seven of the eight settlements classified as environmental assets are contained within or are proximate to areas with housing affordability ratios in the highest two bands. Only for Hornsea is the ratio below 5.4. Figure 5-1 shows that more widely across North Yorkshire housing affordability is a key issue. This is particularly so around Filey and Malton & Norton, to the west and south-west of Northallerton, surrounding Ripon and in areas around Knaresborough.

Figure 5-1: Housing affordability (lower quartile house price: median income) mapped against the 30 study settlements



5.40 A further element to understand is that the environment will interplay closely with the other functions that we have considered. An attractive environment will attract people to live, who will commute to work elsewhere. It will also attract businesses, as the CABE report suggests that open space and parks can be an important contributing factor to decisions on location. Most obviously the environment may also go hand in hand with recreation and tourism.

5.41 These linkages have been borne out in the classification of functions. Pickering, Richmond and Settle have been classified as environmental assets and recreation and tourism hubs. Both Hawes and Whitby have been classified as recreation and tourism hubs and business locations as well as environmental assets. Ilkley has been classified as a labour provider and business location as well as an environmental asset.

5.42 Bentham and Hornsea have been classified as only environmental assets:

- In the case of Bentham, high scores on indicators showing the stock of monuments in relation to its population, air quality and proximity to countryside, resulted in its function as an environmental asset. It also scores reasonably well as a labour provider and business location, although is not classified as having these functions.
- Hornsea has good air quality and is proximate to areas of wildlife and nature as well as heritage coast. It scores reasonably well as a recreation and tourism hub, although is not classified as having this function.

Summary and next sections

5.43 A significant amount of evidence has been drawn on and discussed in sections 4 and 5. What is clear from the analysis is that rural capitals make important contributions to the region and its economy. There may be a small element of bias stemming from the selection of these 30 settlements for the study – in particular, most of the larger settlements (Northallerton, Skipton and Knaresborough) were included, (although Beverley and Otley were not part of the study). However, we would suggest that the overall effect of this is minor, given that those that have not been part of the study, e.g. Bedale, Howden and Market Weighton, are likely to share some of the characteristics and contributions of those that have been considered, e.g. Thirsk, Brigg and Pocklington. Indeed, this is an important point for Yorkshire Forward and its partners in taking forward the findings and evidence of this study. The commonalities in terms of functions, contributions and challenges, which we will examine in section 6, across the 30 study settlements indicates that the implications for policy intervention would be applicable to those settlements not considered directly by this study. In order for the implications to be aligned effectively, it would simply be necessary to identify the type of settlement using the key categories used in this study.

5.44 The contributions to the region are various and there are some complex factors at work as set out below:

- Settlements that are proximate to urban centres (e.g. Ilkley, Tadcaster, Haworth and Penistone) contribute as labour providers to the region. In addition, there are others that are less proximate, but given effective transport links, also contribute as labour providers to urban centres and also major towns (e.g. Knaresborough, Hebden Bridge and Ripon). From an economic development (in particular city-regional) perspective, these settlements are vital in acting as places that people want to live and so providing housing and living choice to those in high value occupations.

- Larger settlements that are more peripheral from urban centres or adopt a more free-standing role are key business locations – these include. Northallerton, Skipton, Malton & Norton, Whitby and Brigg. In addition, the small settlement of Hawes, given its remoteness, is also a business location.

- Some settlements that are closer to urban centres have also developed a critical mass of employment, and act as satellite business locations within the city-region, e.g. in Ilkley, Tadcaster and Sherburn in Elmet. The last two of these have specialised in particular economic areas, food and drink in the case of Tadcaster and wholesale and distribution in the case of Sherburn in Elmet. Ripon – both with strong links to the city-region and to its rural and wider hinterland – has also developed as a business location.

- Across the region, there are settlements that have their major role as recreation/ tourism hubs, in some cases linked to the environment in which they are located. These include those proximate to urban centres (e.g. Haworth and Holmfirth), those which are more remote (e.g. Pickering, Hawes and Richmond) and coastal settlements. More broadly, recreation and tourism is a very significant sector for the rural capitals and an area in which they make an important contribution to the region overall.

5.45 In the next section of this report we consider these headline findings from the functions and contributions of rural capitals and the challenges that may stem from them. These challenges look in detail at the following issues:

- spatial planning and the need to ensure an appropriate balance between population, housing, economic growth and land availability

- economic functions of settlements

- the sectors that might be appropriate to encourage and support in rural settlements in order to contribute to productivity, employment and GVA objectives

- the land-based sector and the role of rural settlements

- environmental issues, from both the perspectives of preservation and risks

- how a sustainable rural community might be achieved.

6: Drivers, challenges and future scenarios

6.1 This section identifies some of the key drivers and challenges that rural capitals are likely to face in the future, the conflicts between these and the varying scenarios that could result. These drivers and challenges are discussed with signposting to the key issues that Yorkshire Forward, its partners and the settlements will be called on to tackle through new policy formation and the Integrated Regional Strategy.

Spatial planning

6.2 In thinking through spatial planning, there are some important relationships to consider, in particular the relationships between:

- population forecasts and housing allocations – so that housing can meet population growth
- employment forecasts and population/housing forecasts – to consider how labour supply might meet economic growth
- employment forecasts and employment land allocations – so that sufficient development land is allocated to provide for economic growth.

6.3 Table 6-1 sets out the key data that is available. The data is only available on a consistent basis at district level; it is therefore particularly difficult to draw out the challenges with regard to rural capitals within districts where there are a significant number of other settlements (i.e. Barnsley, Bradford, Calderdale, Kirklees, Sheffield and Wakefield). We can make some observations with regard to other districts:

- *Population and housing:* In most cases the balance between population projections and housing appears to be sound. However, in Richmondshire, the East Riding of Yorkshire and, to a lesser extent, Harrogate, population projections significantly outweigh the housing allocations. This indicates pressures in the housing market (with pressure on affordability) unless there are interventions in place to address the balance.
- *Economic growth points and labour supply:* In the East Riding of Yorkshire, North Lincolnshire, Selby and Richmondshire, employment growth forecasts are significantly below population growth projections, indicating that there could be a shortage of employment opportunities. In the districts of Craven, Harrogate and Scarborough there is more of a balance and in Hambleton and Ryedale, employment forecasts are fairly high in comparison to population growth. The ratios of employment forecasts to population forecasts for these districts are as follows (this needs to be considered against the overall ratio between employee jobs and the population, which for the study settlements is 0.47):
    - Selby, -0.03

  - North Lincolnshire, 0.05
  - East Riding, 0.10
  - Richmondshire, 0.26
  - Scarborough, 0.44
  - Harrogate, 0.50
  - Craven, 0.53
  - Hambleton, 0.62
  - Ryedale, 0.63.

- *Employment forecasts and land allocations:* There are significant land allocations in the East Riding of Yorkshire and North Lincolnshire, which are likely to include major one-off sites. The Regional Plan (RSS) provides a useful commentary, indicating a need for land to be available in the East Riding of Yorkshire to aid rural diversification. Within North Yorkshire, the commentary indicates that there appears not to be a shortage of employment land.

6.4 Clearly, the points just made need to be put into context. For example, with respect to employment growth and population growth, commuting patterns need to be considered. In the cases of Craven, Harrogate and Selby, employment opportunities will be available within the wider Leeds city-region. The evidence presented earlier in this report suggests that this would be as expected: people will choose to live in these particular districts and commute elsewhere in the Leeds city-region to work. There are bound to be implications for transport infrastructure and sustainability objectives, and exacerbated issues regarding housing affordability. To an extent the same might be true for commuting from the East Riding of Yorkshire into both the Leeds and Hull and Humber Ports city-regions. However, this would not account for the extent to which population growth outweighs employment growth. We could present a scenario whereby, in the pursuit of agglomeration economies in cities, the significant majority of high value jobs are located in urban centres with people commuting in from the rural capitals in which they choose to live. It is unlikely that this is a desirable scenario.

6.5 While the Regional Plan does not indicate significant issues in relation to land allocation, the local stakeholders consulted for this study identified land availability as the most important constraint to economic growth within study settlements. This was cited in relation to, for example Hebden Bridge, Knaresborough, Ripon and Tadcaster. In the case of Hebden Bridge, this is partly being tackled by retaining allocations as ‘employment’ with an ultimate objective of mixed use sites (given the pressure of residential). In Tadcaster, where the issue is bound up with the attitude of a major landowner, there is thought to be some potential for land release, at least over a longer timescale. In Knaresborough, the significant site of St James’ Retail and Business Park has now all been sold or developed. There is scope for an urban extension, though the planning authority is keen to ensure that this is done carefully.

Table 6-1: Key evidence to inform spatial planning

	District level forecasts & allocations:	**Population projections**		**Housing allocations**			**Employment forecasts**		**Land allocations (ha)**	
District	**Study settlements**	**% change (2005-14)**	**Absolute change (2005-14)**	**Housing alloca-tion 2004-08 p.a**	**Housing alloca-tion 2008-26 p.a.**	**Total 2005-14**	**% employ-ment change (2005-16)**	**Absolute employ-ment change (2005-16)**	**Land alloc-ated (2006)**	**Potential net change in industrial & storage uses (03-21)**
Craven	Bentham, Settle, Skipton	4.9%	2,700	250	180	1,830	6%	1430	10	0
Hambleton	Northallerton, Stokesley, Thirsk	5.0%	4,300	320	260	2,520	7%	2680	30	20
Harrogate	Knaresborough, Ripon	6.3%	9,800	390	390	3,510	7%	4940	30	20
Richmondshire	Hawes, Richmond	14.3%	7,300	200	200	1,800	9%	1870	50	10
Ryedale	Malton & Norton, Pickering	5.5%	2,900	230	170	1,710	8%	1830	10	10
Scarborough	Filey, Whitby	4.1%	4,500	430	560	4,650	5%	1970	20	10
Selby	Sherburn in Elmet, Tadcaster	7.6%	6,000	390	440	3,810	-1%	-230	60	10
East Riding	Driffield, Hornsea, Pocklington, Withernsea	9.8%	32,300	1150	1150	10,350	3%	3310	570	20
North Lincolnshire	Brigg, Crowle	6.4%	10,200	550	750	6,150	1%	570	1120	40
Barnsley	Penistone, Thurnscoe	3.7%	8,300	840	1015	8,610	-1%	-350	130	110
Sheffield	Stocksbridge	1.6%	8,400	1025	1425	11,625	0%	290	380	80
Bradford	Haworth, Ilkley	8.3%	40,400	1560	2700	20,880	4%	7160	170	160
Calderdale	Hebden Bridge	4.9%	9,700	500	670	5,520	3%	2400	150	-20
Kirklees	Holmfirth	5.1%	20,200	1060	1700	13,380	2%	3120	110	130
Wakefield	Hemsworth	4.0%	12,800	1170	1600	13,110	4%	5230	400	20

Source: ONS population projections; Regional Plan housing allocations and land allocations; Employment Forecasts using Yorkshire Forward's Regional Econometric Model

6.6 In certain settlements, a key factor is to ensure land is allocated appropriately. For instance, in Stokesley, if land was released it would be taken by out-movement from the Tees Valley, which is not viewed as desirable, either in the place of origin or destination – hence it will be important to put in place mechanisms to link the release of land with local demand. In the case of Northallerton, as another example, there are infrastructural issues regarding road capacity and flood risk.

6.7 The challenges arising call for joining up between regional objectives as set out in the *Regional Economic Strategy* (e.g. between stronger cities, towns and rural communities and the need to preserve the environment) and spatial planning. The two key issues we have identified here are:

- whether there are appropriate balances between population growth, housing supply, employment growth and land allocated
- the apparent conflict between continued agglomeration of key economic functions, longer commuting journeys from desirable rural locations to higher level employment, and the environmental sustainability and climate change agenda: if this conflict does exist, whether, and in what ways, should public policy intervene – including, the use of the planning system to develop new concepts of spatial balance.

Economic functions

6.8 Having considered the key points in relation to planning, we now consider the economic functions of rural capitals.

6.9 As we saw in section 3 of this report, employment growth across the rural capitals is forecast to outpace the region as a whole, although there is variation with the study settlements. GVA growth rates are also forecast to be higher in rural capitals than across the region – although to a lesser degree than for employment forecasts. This means that output per worker is slightly lower in rural capitals than in the region as a whole.

6.10 As we would expect, there is variation in the forecasts across the study settlements. We now consider the implications by looking at different types of settlement.

Settlements within or with strong links to city-regions

6.11 Amongst those that are business locations or have a significant employment base, Ripon, Ilkley, Knaresborough and Sherburn in Elmet are forecast to grow reasonably significantly in employment and GVA terms. There may be a need for additional land release if these forecasts are to be met. In Tadcaster, also a business location, employment growth is much more modest, which may be a function of the constraints which have operated on the economy to date. If this were to change, growth rates might rise above the current forecast.

6.12 Amongst the other settlements that are within or have strong links into city-regions:

- There is reasonable employment and GVA growth forecast in Holmfirth (which includes a significant hinterland in our forecasts), Pocklington, Hemsworth, Haworth and Stokesley.

- In Hebden Bridge, Stocksbridge, Penistone and Thurnscoe forecasts are for negligible employment growth or decline. GVA is forecast to grow in these settlements over the period, and this is very high in Stocksbridge due to the presence of a significant communications sector.

6.13 The forecasts suggest a possible cause for concern relating to the last set of four settlements. There is a danger that these may become dormitory towns. Penistone and Stocksbridge were previously settlements with a degree of specialisation that has now been lost (in manufacturing and metals respectively); they are now seen as labour providers. In the case of Penistone in particular, new housing has occupied sites released by industrial decline. If there were to be no concerted effort Penistone may lose the rounded economic functions of a market town. Significant growth of the residential function may well put strains on local infrastructure, in particular on medical facilities, transport and schools.

6.14 In Hebden Bridge there is a specific desire to ensure that the town retains an economic function both within the settlement itself, which benefits from having strong leadership, and at the district level. Here, the planning system is being used to ensure mixed-use development.

6.15 It is not just in potentially declining economies that intervention may be required. The specialisation of some settlements, e.g. Haworth (visitor economy) and Tadcaster (food and drink) is a source of actual or potential fragility, and economic diversification may be important in reducing risk – and achievable if physical or other constraints can be lessened. Rural capitals within or close to city-regions could have an economic role in the city-region through very small workspace that attracts more local high value businesses, in line with the socio-economic characteristics of the resident population – e.g. in Ripon, Ilkley, Pocklington and elsewhere.

Free-standing or remote settlements

6.16 As we saw in section 3, all settlements within the more remote or free-standing group of rural capitals are expected to see employment and GVA grow over the 2005-16 period. This growth is significant in certain places, i.e. Skipton, Northallerton, Malton & Norton, and to a degree in Brigg and Whitby – all classified as business locations in section 4 of this report. The growth forecasts are also significant in Richmond, indicating that it may take on a role as a business location.

6.17 Some settlements in this group have a dominant function in relation to recreation and tourism, e.g. Richmond, Settle, Pickering and Hawes. Whilst this sector will continue to be important to these towns, it may also make sense to encourage other economic activities.

6.18 Within this group of settlements are four coastal towns – Whitby, Filey, Hornsea and Withernsea. In our categorisation of settlements, these coastal towns were noted as being ‘less prosperous’. Whitby is the most significant of these places, with a reasonable amount of economic activity, yet was highlighted as ‘declining’ in a recent report by the Communities and Local Government Committee[17]. These towns face a combination of problems, in

[17] Communities and Local Government Committee (2007), *“Coastal Towns: The Government’s Second Response”* p15

particular: *"physical isolation, deprivation levels, the inward migration of older people, the high levels of transience, the outward migration of young people, poor quality housing and the nature of the coastal economy"*[18]. Whitby has opportunities although is currently a fragile economy with seasonal employment and limited job prospects. In terms of developing its economy around the visitor economy, it is seen as needing to reach a tipping point, as 'a place that must be visited'. The others in this group are less buoyant.

6.19 The conclusion of the report by the Communities and Local Government Committee on possible areas for policy intervention appears relevant here:

- physical regeneration, including public realm improvements, can help to act as a catalyst
- a coordinated response linking housing, transport and commercial development
- partnership between the public and private sectors.

Sectors

6.20 The contribution that different settlements and rural capitals as whole make to the region's GVA growth objective will depend on the sectors where employment growth is concentrated. So, for example, amongst the 30 study settlements the 4th highest absolute growth in employment over the 2005-16 period is expected in Richmond. However, in GVA terms, growth in Richmond over the 2005-16 period is 9th highest. This is because the sectors where employment growth is expected to be strongest in Richmond include health, other services and retailing. These sectors are below average in terms of output per worker.

6.21 Figure 6-1 shows a sector analysis covering the 30 rural capitals, plotting forecast employment change against forecast change in GVA. Those sectors below the line are below average for output per worker and those above the line are above average for output per worker. This analysis indicates, therefore, the types of sectors that are most likely to contribute to GVA, productivity and employment objectives. The fourteen sectors that have been labelled in Figure 6-1 would all be important in meeting objectives, but it is worth highlighting that:

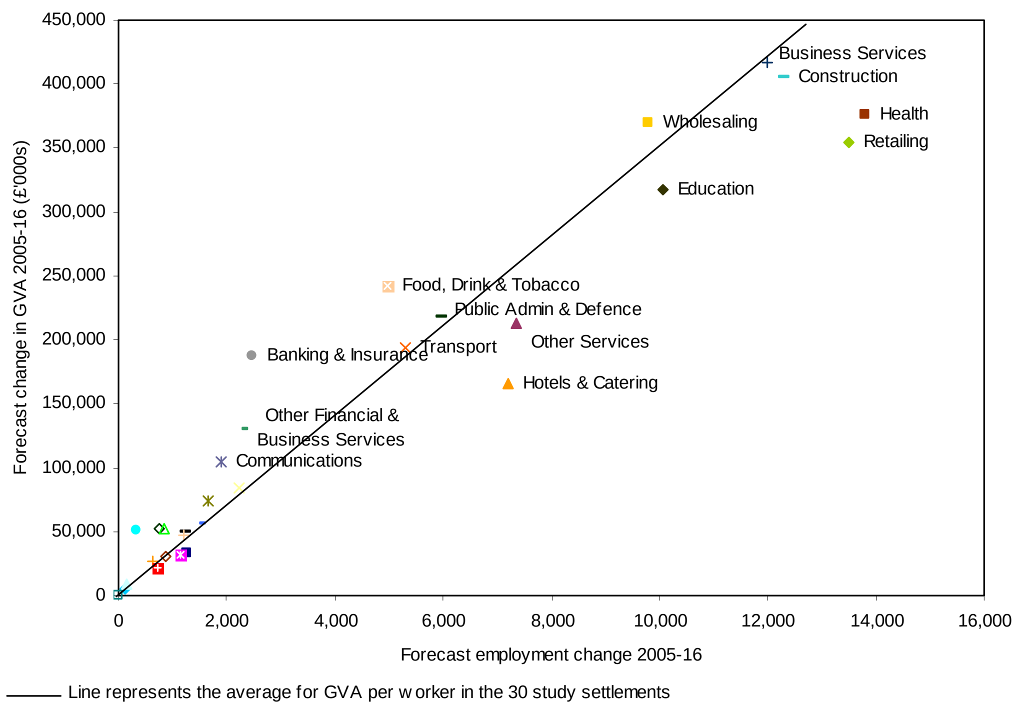
- productivity gains are more likely to be higher from: banking and insurance; communications; other financial and business services; and food, drink and tobacco
- employment growth is forecast to be highest amongst: health; retailing; construction; business services; education; wholesale; other services; and hotels and catering.

6.22 This has implications for the types of sectors that Yorkshire Forward might wish to encourage in rural capitals. From consultations with local stakeholders and from examination of RMT plans, retail (including niche retail offers) and the visitor economy (encompassing hotels and catering and other services) are often cited as key sectors. The encouragement of the development of sectors where there is opportunity (as demonstrated by employment forecasts), but also a greater contribution to GVA might be seen as most desirable. A

[18] Communities and Local Government Committee (2007), *"Coastal Towns: The Government's Second Response"* p3

beneficial indirect effect might be in retaining high value workers in employment in rural capitals rather than in urban centres. The Innovate! Managed Workspace project at Colburn Business Park near Richmond is a good example of promoting high value activity such as hi-tech, digital and professional services.

Figure 6-1: Forecast change in GVA versus forecast change in employment by sector



Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Land-based sector

6.23 Although the land-based economy – farming, forestry and countryside recreation – takes place predominantly outside the rural capitals themselves[19], there are nevertheless important functional and strategic connections between these activities and the market towns. These connections fall into two types:

- **Involvement in the land-based supply chain:** In a few towns, businesses servicing the land-based economy (supplying inputs or processing outputs) are significant employers in their own right or draw significant income to the town. For instance, the large (in regional terms) abattoirs located in Doncaster (Anglo Beef Processors), Pontefract (Dovecote Park) and Malton (Grampian Country Pork) – and the dairy plant in Leeds (Arla Foods) – are closely tied to the livestock farming sector and employ considerable numbers of people. The large livestock markets in Hawes,

[19] Annex B of the Phase 1 report shows that, in most of the selected settlements, employment in agriculture, mining and construction is less than 10% of total employment. Construction is likely to account for most of this, with agriculture typically accounting for less than 3% of employment. In the more remote and sparsely settled parts of the region, employment in farming and forestry accounts for up to a fifth of total employment, particularly in the Yorkshire Wolds and Yorkshire Dales (Defra, 1999. *England Rural Development Plan, Yorkshire and Humberside Chapter*, Figure 1.17)

Skipton, Thirsk, Leyburn and Northallerton draw in large numbers of farmers and livestock dealers during the main livestock marketing periods.

- The traditional role of rural capitals as market towns for agricultural produce is evident in the 16 farmers' markets in the region. The large majority of these take place in rural capitals and half are in towns covered in this study[20]. Many rural capitals are also host to retailers such as butchers and greengrocers who source direct from local farmers. Employment in these activities is, however, relatively minor, but in some cases the distinctive retail offer might help attract visitors and spend.

- **Service centres for rural tourism:** Many of the rural capitals can be seen as centres of tourism services or 'gateways' to the surrounding countryside, where the high quality of the rural landscape is a key draw to visitors. Towns on the edge of, or within, the three National Parks (for instance Pickering, Skipton, Settle and Hawes) and those on the coast (Whitby, Filey, Hornsea and Withernsea) have the strongest role in this respect. In these towns, the tourism and leisure sector is one of the strongest sectors of the economy[21].

6.24 These connections are most evident in the large prosperous settlements that are more free-standing (Malton & Norton, Northallerton, Skipton), the smaller, prosperous settlements in relatively remote locations (Brigg, Bentham, Crowle, Driffield, Hawes, Pickering, Richmond, Settle, Thirsk) and in the less prosperous settlements in relatively remote locations (Whitby, Filey, Hornsea and Withernsea). Towns with strong links into the city-region have weaker connections to the land-based economy.

Drivers for change

6.25 Looking to the future, there are a number of drivers for change in the land-based economy that will provide opportunities for the rural capitals.

6.26 The Common Agricultural Policy (CAP), which, for the last forty years, has had a strong influence on the business decisions of farmers, is set to diminish in importance. Direct support for the production of individual commodities was withdrawn in 2005 and replaced with a 'decoupled' single payment, the future of which is uncertain after 2013. Incentives for land managers to deliver public benefits (environmental protection and enhancement and access for recreation) will continue and it is likely that farmers in the uplands (the Pennines and North York Moors) are likely to continue to receive support in recognition of their environmental and social role in these remote areas.

6.27 The direct influence of these changes to the CAP on the rural capitals is likely to be small. Analysis of farm business figures[22] shows that most farm businesses absorb decoupled CAP payments in the cost of running their businesses (e.g. labour and animals feeds). Payments

[20] The 16 farmers' markets registered with the National Association of Farmers' Markets are Holmfirth, Northallerton, Richmond, Ripon, Settle, Skipton, Stokesley and Hawes (all selected towns in this study) and Kelleythorpe, Grassington, Harrogate, Leyburn, Otley, Pinchinthorpe Hall near Guisborough, South Cave and York (Murton).

[21] Annex B of the Phase 1 report identified that in many towns, particularly those on the coast and those outside the urban hinterland, more than 30% of the workforce in distribution, hotels and catering.

[22] The Farm Business Survey for Yorkshire is conducted by the Rural Business Research Unit at Askham Bryan College, York.

for environmental management tend to be spent within the local countryside economy, compensating for the loss of agricultural production or paying for services such as stonewalling or hedging. However, the indirect role of payments to maintain the high environmental character of the countryside is felt more strongly in those rural capitals that are tourism gateways to their surrounding countryside.

6.28 In contrast, the role of the market in shaping the future of the land-based economy is set to increase. After more than 20 years of falling agricultural commodity prices and rising inputs costs, the last two years have seen substantial increases in the prices of cereals and dairy products. Many commentators are predicting that continuing tight supply of food commodities (due both to the diversion of agricultural land to growing biofuels and to climate induced low yields), coupled with rising demand for cereals and dairy products in countries like China and India and for biofuels in the West, will ensure that many agricultural commodity prices remain strong. This is likely to result in a resurgence of large scale arable and dairying in the most agriculturally productive parts of the region (such as the Vale of York for arable cropping and the Swale Valley between Richmond and Northallerton for dairying). On the other hand, high animal feed prices are a real threat to the pig sector, which is particularly strong in East Yorkshire.

6.29 Government targets for increasing production of renewable energy and renewable transport fuels can be seen as part of this resurgent demand for agricultural commodities. The sector is relatively strong in the region (with valuable experience gained from the failed ARBRE project and new investment in biofuel refining on Teesside). It is likely that increasing areas of land will be given over to growing biomass crops (such as willow short rotation coppice and miscanthus) for energy production in power stations such as Eggborough and Drax and for domestic and industrial heat, as well as the use of conventional arable crops for transport fuels (wheat for bioethanol and oilseed rape for biodiesel). A major unknown in the development of bioenergy will be the role of imported feed stocks (which currently dominate the sector) and technological developments which may extend the range of biological feedstocks.

6.30 Ongoing restrictions on exports of beef and lamb as a result of animal diseases mean that the red meat livestock sectors, which are particularly important in the upland parts of the region, are currently shielded from these benefits. It is likely that the agriculturally marginal upland areas will be the least able to benefit from higher prices.

6.31 A resurgent arable and dairy farming sector will provide opportunities for businesses supplying inputs and processing products. However, the scale and efficiency required of these businesses is likely to favour locations in industrial locations rather than, as traditionally, within market towns. Examples of this include the location of the new Anglo Beef Processors (ABP) abattoir on the edge of Armthorpe, Doncaster, the Arla Foods headquarters and dairy plant in Leeds, the new Greencore bioethanol refining plant on Teesside and – at a more local level – the relocation of the Thirsk livestock market to a new site on the edge of the town.

6.32 Whilst the shorter term demand may be for biomass crops, in the longer term consumer demand for higher value products, differentiated on the basis of their quality, provenance or distinctive means of production (such as organic farming), is expected to carry on growing.

Although continued growth in prices will be dependent on the health of the consumer economy (a downturn in consumer spending is likely to have a significant impact on this sector), consumer interest in the healthiness, freshness and traceability of food, and on the environmental impacts of this production, are likely to continue to increase.

6.33 Here the role of the rural capitals as a centre for value adding and retailing of land-based products seems more assured. Businesses such as Dales Quality Meats in Hawes are taking advantage of these emerging opportunities, selling direct to consumers and the food service sector and also supplying the large multiple retailers. Support, through the planning system and through business advice, for these relatively small and innovative businesses will be important.

6.34 Finally, the developments in the countryside tourism and leisure sector will have important impacts on the rural capitals where this sector is already strong. The last two decades have seen a decline in the number of people, particularly young families, spending their main annual holiday in the UK's coastal and countryside areas, in favour of holidays abroad. At the same time, there has been an increase in the number of people (such as older couples) spending short breaks in these areas, particularly outside the main holiday periods. Evidence on day visits to the countryside is less clear with many indications of a static position or a decline.

6.35 Looking to the future, rising air travel prices – and increased aware of the associated environmental impact – are likely to encourage more holidays to be taken within the UK. An ageing and more affluent population may have more leisure time (but not if people carry on working for longer or have less disposable income during their retirement). These factors point to opportunities to develop the role of rural and coastal tourism gateways, where the towns' connections to the countryside landscape and local foods form a key part of the leisure offer to more discerning visitors and residents.

Implications

6.36 The analysis described above confirms the conclusions reached in the *"Market Towns of the Future"* report[23] about key drivers of change for the rural capitals emerging from the land-based economy. Growing demand high value foods and interest in a high quality natural environment will present opportunities for market towns – particularly those that are freestanding in more remote locations – to build their identities as centres of rural heritage. However, this study suggests that the economic/employment opportunities arising from changes in primary agricultural production, particularly the development of the bioenergy sector and a sustained recovery in cereal and dairy markets will be as relevant to the large urban areas close to centres of population and the transport network as they are to the more remote free-standing market towns.

[23] Yorkshire Forward (2007) *"Market Towns of the Future"*

Environmental

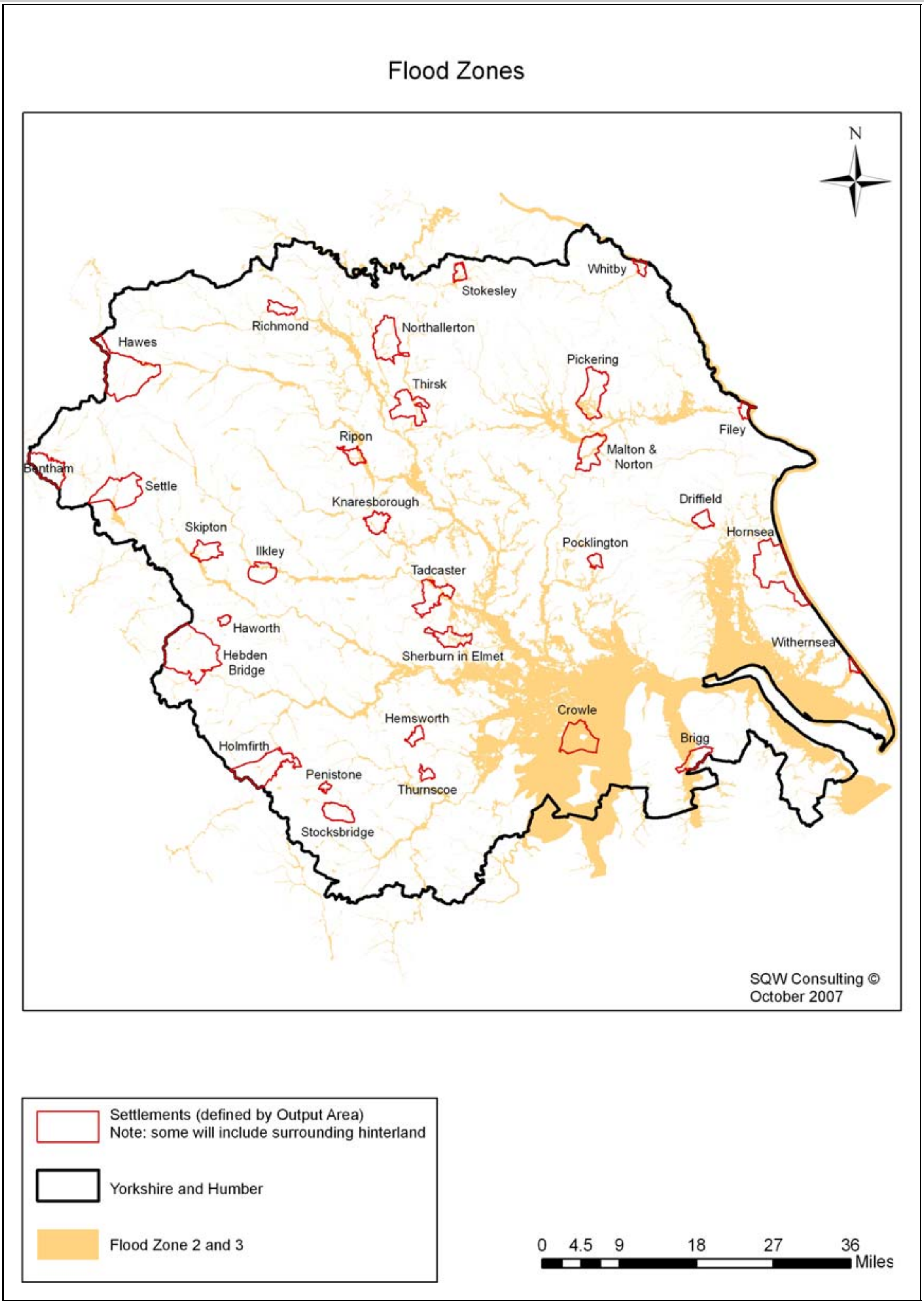
6.37 There are two key elements to consider here, the heritage and landscape environment of settlements and the importance of this to functions and the issues associated with climate change.

6.38 As we have seen in the economic contributions of settlements, the 'environmental asset' of places can be an important factor. It can be combined closely with the recreation and tourism function, for example in the case of Pickering, Richmond and Settle, and also increases the potential the ability of a settlement to attract people to live in the towns. But economic and population growth can also threaten the natural and historic heritage that enables settlements to provide a distinctive offer to visitors and residents (and also diminish the strength of the wider regional offer). This indicates the need for careful consideration of proposed new development specifically taking into account the local environment – both landscape and heritage. This will tend to constrain growth below the 'pure market' potential.

6.39 A similar argument is evident in relation to the second area for discussion, climate change. The extent to which growth can be encouraged is limited in some settlements due to flood risk – this is the case, for example, in Northallerton. With the possibility of more extremes in weather as a result of climate change, this issue may put further constraints on what would be achievable in market terms – and what could otherwise be desirable from the perspectives of meeting demand, enabling a diversified local economy, maintaining a strong service offer and contributing to the regional economy.

6.40 More broadly, the issue of climate change presents an issue for rural capitals in the future. The flood risks are particularly pertinent in a number of the study settlements including: Crowle; Pickering; Malton & Norton; Brigg; Stokesley; Richmond; Tadcaster; Ripon; Sherburn in Elmet; Ilkley; Skipton; Thirsk; the coastal towns. Flood zones are shown in Figure 6-2.

Figure 6-2: Flood Zones



6.41 As set out in the *"Market Towns of the Future"* report, it is not simply the extremes in weather and flood risks that need to be considered. Rural settlements will be impacted upon in other ways, for example through pressures to think more locally and regionally about economic development and in more sustainable ways. This may create opportunities in relation to locally sourced food, biofuels and other products and the lengthening of the growing season may have benefits for agriculture. There may be increased demand for tourism in UK destinations, and so in the rural settlements considered in this study.

6.42 There are also threats and risks to consider, for example the extremes in weather causing disruption to transport infrastructure. There may be an influx of environmental refugees into the UK and into the Yorkshire and Humber region. This will put pressure on settlements in relation to population growth and housing supply.

6.43 The implications for the study settlements are in relation to the extent to which they can respond positively to these drivers:

- The visitor economy will need to be dynamic in being able to capitalise on an increase in the local demand for tourism. In some cases, the visitor economy is reliant on tapping into existing attractions rather than developing new products. This may need to change if settlements are able to draw in new visitors. Higher value creations would also contribute to higher value added for the sector.
- Rural capitals may be key centres for the supply of locally sourced products – as discussed with respect to the land based sector.
- If the demand for long distance travelling (and commuting) diminishes, the role of rural capitals as business locations may increase and so being able to provide such facilities could be important to local economic development.
- The response to exacerbated pressures on housing will be challenging if urban sprawl is to be avoided. Smarter use of land and higher densities, with sensibly designed housing, are increasingly seen as essential in managing competing pressures of housing demand and the need to preserve character, landscape and heritage.

Balancing act – achieving sustainable rural communities

6.44 The challenges in relation to achieving sustainable rural communities have been set out through the discussion around spatial planning, economic functions and the environment. We have highlighted throughout the need to balance economic development priorities and population growth with the requirement to preserve heritage and the landscape, and to recognise the physical constraints of infrastructure and the environment. We turn next to consider the notion of self-containment employment and its role in achieving sustainable rural communities.

Self-containment - employment

6.45 Sustainable communities can be defined, in terms of their employment patterns, as those which provide for the employment needs of the local population, which are not reliant on high flows of long distance inward commuting, and which have a balance of occupations in the workforce.

6.46 The analysis for the phase 2 report for this study[24] showed a wide variation in the levels of provision of employment places relative to the resident workforce. At one extreme, the settlement of Hawes provides employment equivalent to 73% of its working population while at the other extreme the figure for Thurnscoe is one third of this at 23%. Although there is considerable variation within the types of rural capital, those settlements that are close to urban centres show considerably lower levels of employment self-containment than the coastal and the larger more remote settlements. Smaller settlements that are in relatively remote locations exhibit a very wide range of self-containment, with Bentham, Hawes, Pickering and Settle providing employment equivalent to more than 50% of their working population, while Brigg, Crowle, Pocklington, Richmond and Thirsk provide employment for less than 50%.

6.47 Two factors are at play here:

- First, proximity to the urban economies and other major employment centres clearly has an influence on the demand for housing amongst people working in these larger urban areas. The rural capitals in the urban hinterlands are clearly operating to some degree as dormitory towns in a way that some of the more remotely rural capitals are not. For instance, almost half of the trips to work from Holmfirth are to workplaces in Huddersfield whereas only 25% of the trips to work into Holmfirth come from homes in Huddersfield.

- Secondly, the historical development of the rural capitals as employment centres is also important. The settlements that are close to large urban centres now provide low levels of employment for their own populations, whereas the coastal settlements and the larger settlements outside the urban hinterlands (such as Northallerton and Malton & Norton) have relatively well-developed roles as business locations. These larger towns in more remote rural areas are demonstrating a function typically associated with market towns. For instance, Northallerton draws for its workforce on a wide range of local settlements such as Bedale, Leeming, Catterick and Brompton-on-Swale, as well as larger towns and urban areas like Thirsk, Teesside and Richmond.

6.48 Figure 6-3 explores this typology further. We have depicted the settlements using the labour providing and business location functions that we have considered in sections 4 and 5. The chart shows the levels of employment self-containment graphed in relation to the size of the settlements (measured as the resident workforce) and divides the settlements into four quadrants, as follows:

- The bottom left quadrant: Settlements with a resident workforce of fewer than 5,000, providing employment for fewer than half of these people. This includes all of the smaller labour providers and a number of those with neither function. Those to the right of the quadrant (i.e. with higher self-containment are the more remote settlements with neither function, e.g. Thirsk, Richmond and Filey). In addition, this quadrant includes a smaller settlement that has a business location role (i.e. Brigg)

[24] This analysis is derived from the origin and destination travel to work data provided by the Office for National Statistics, based on the 2001 Population Census.

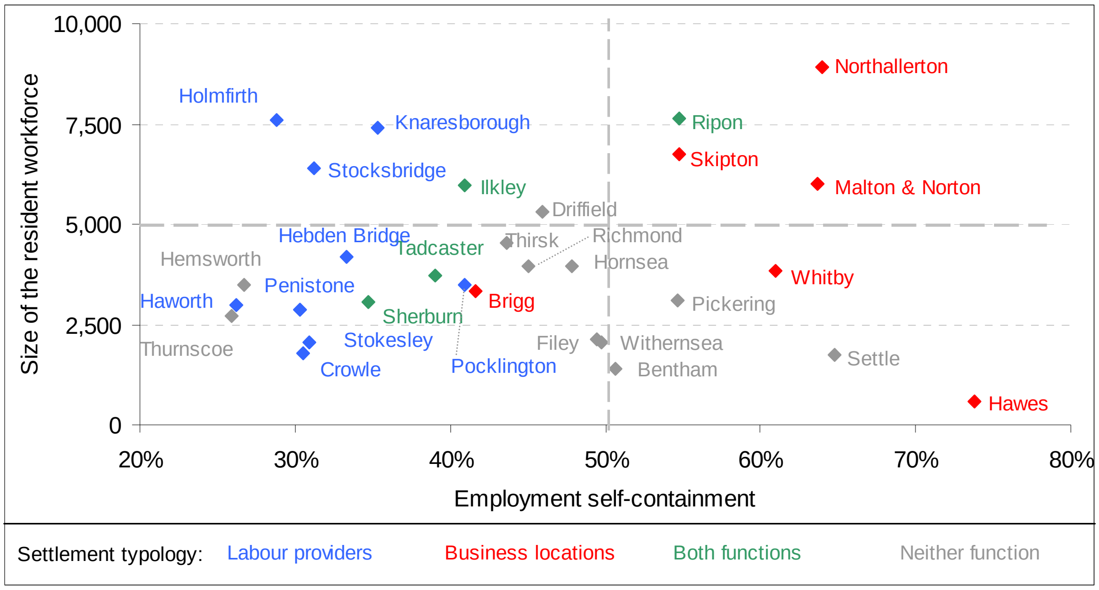
and those with both business location and labour providing roles (i.e. Tadcaster and Sherburn in Elmet).

- The top left quadrant: Settlements with a resident workforce of more than 5,000, providing employment for fewer than half of these people. This includes all of the larger labour providers as well as Ilkley (a labour provider and a business location) and Driffield (with neither function).

- The bottom right quadrant: Settlements with a resident workforce of fewer than 5,000, providing employment for more than half of these people. This includes the smaller locations of Whitby and Hawes as well as three remote settlements with neither function (i.e. Pickering, Bentham and Settle).

- The top right quadrant: Settlements with a resident workforce of more than 5,000, providing employment for more than half of these people. The four towns in this quadrant are all business locations, with Ripon also a labour provider.

Figure 6-3: Chart showing settlement functions in terms of their resident workforce size and levels of self-containment



Source: SQW et al - drawing on data from Census 2001

6.49 What is clearly apparent from Figure 6-3 is that moving from left to right across the chart, is to move from labour providers through those with both labour providing and business location functions to business locations. Those with neither function either occur at the far left of the chart (if they are proximate to urban economies) or towards the right (if they are more remote). Self-containment is clearly a characteristic that applies to more remote settlements, but also those settlements that, despite their perceived stronger links into urban economies (either by geography in the case of Skipton, or out-commuting in the case of Ripon), retain their own character by having a business location function.

Self-containment as a means of achieving sustainable communities

6.50 Higher self-containment will contribute to sustainable communities in rural areas. This is because the actual presence of people working in a place will mean that certain services can be economically provided, e.g. post offices and banks. It also means that other businesses will be more viable, such as those in retail, catering and other services. Of course, the relationship between higher self-containment and a prospering local retail sector is not straightforward. It will have much to do with local attitudes. For example, whilst self-containment is relatively low in Hebden Bridge, the independent retail sector is thriving.

6.51 Self-containment can have wider benefits in terms of reduced pressures on transport infrastructure and environmental benefits from reduced travel. The trade-off, of course, may be in terms of reduced agglomeration economies elsewhere in the region, i.e. in cities. On the flip-side, however, increased self-containment may in fact relieve agglomeration diseconomies such as congestion, which does have an adverse effect on productivity. Increasing self-containment would be consistent with a number of the objectives of the current *Regional Economic Strategy*, in particular encouraging people to start a business (especially if locally within rural areas), securing a diverse rural economy and in contributing to climate change objectives.

6.52 Encouraging more self-containment is likely to be difficult to justify in economic terms, especially as this may act against the *Regional Economic Strategy* priority to boost the role of cities. A case may be made in relation to the benefits associated with the relief of agglomeration diseconomies or because the pursuit of sustainability objectives becomes more important. However, higher self-containment is likely to be a beneficial side effect of other policies that could be justified on economic grounds, i.e. the encouragement of the growth of higher value sectors in rural settlements. Growing high value sectors also fits with the *Regional Economic Strategy* objective to grow business and employment in knowledge based clusters. This would require pro-active use of the planning system, designing policies and seeking to ensure appropriate development responses, in order to ensure that employment or mixed use space is provided in rural capitals. As we have discussed in this section, reasonably high quality workspace, targeted at higher value businesses, could be a serious possibility given the socio-economic characteristics of many of those in rural capitals and the objectives in relation to productivity and overall GVA. Public-led initiatives may be required that go beyond positive use of the planning system: in many locations, given likely commercial return taking into account risk and uncertainty, it is unlikely that the private sector, unassisted, would provide such space. Public funding – in some form – is likely to be needed to fill the gap.

7: Capabilities and structures

7.1 This section examines the capabilities that exist at settlement level and the strengths, weaknesses, opportunities and threats. We also draw out some spatial policy findings in relation to city-region and sub-regional investment planning.

Overall SWOT assessment

7.2 The SWOT analysis has been carried out on 77 settlements in the Yorkshire and Humber region; the 30 study settlements and an additional 47 settlements provided by Yorkshire Forward.

7.3 In Table 7-1 we have drawn up a SWOT assessment on the basis of settlement category types, i.e.:

- large, prosperous settlements with strong links into a city-region/within a city-region
- smaller, prosperous settlements with strong links into a city-region/within a city-region
- large, less prosperous settlements with strong links into a city-region/within a city region
- small, less prosperous settlements with strong links into a city-region/within a city-region
- large, prosperous settlements that are more free-standing or remote
- small, prosperous settlements that are more free-standing or remote
- less prosperous settlements that are more free-standing or remote.

7.4 Whilst there are clearly differences within the categories, it is interesting to note that the SWOT assessment does, by and large, apply to the groups of settlements set out. This has interesting implications for Yorkshire Forward, in that policies can be thought through with regard to particular groups of settlements.

7.5 We have not been able to fit a consideration of town level structures into the SWOT assessment. These vary, not by the categories of settlements on the basis of an economic assessment, but with factors such as town culture and history, and the responsiveness of district/borough council to such structures.

7.6 Figure 7-1 and Figure 7-2 chart the settlements geographically and enable us to see clearly which categories they fit into and how they compare in terms of Economy Size and Prosperity with the other settlements.

7.7 The classifications within Figure 7-1 and Figure 7-2 have highlighted some interesting points in relation to specific examples where it is important to take account of local context:

- There are distinctions within the Calder Valley settlements. Todmorden and Walsden are classified as free standing/remote settlements given the nature and location of commuting patterns. Both are also less prosperous (being below average on this indicator), but with Todmorden having an economy that is fairly significant in size. This contrasts with Hebden Bridge and Mytholmroyd, which are smaller economies than Todmorden, more prosperous and with stronger links into city-regions.
- Wath-upon-Dearne and Mexborough are other interesting examples, which again have relatively large economies in terms of employment but are classified as less prosperous. The area around these two settlements have received much public funding in recent years and there have been a number of employment creating developments including light industrial and commercial office parks which will have contributed to their economy sizes. However, the low prosperity figures suggest that the benefits of these developments do not necessarily reach local residents.
- Goole and Immingham, again follow the same classification as relatively large, yet less prosperous settlements. Both settlements are linked with the Hull and Humber Ports city-region but also have relatively large economies.

Table 7-1: SWOT assessment by settlement category

Category	Settlements	Strengths	Weaknesses	Opportunities	Threats
Large, prosperous settlements with strong links into the city-region/ within the city region	Ilkley; Knaresborough; Ripon; Otley; Wetherby; Beverley; Elloughton/Brough; Throapham/Dinnington/N&S Anston;	• Prosperity and skills • Relatively strong local economy • Attractive landscape	• Pressures for residential growth at expense of economy functions	• Forecast growth in employment and GVA • Scope for developing higher value sectors given skills & proximity to cities	• Some risk of becoming dormitory settlements • Pressures on infrastructure from residential growth
Smaller, prosperous settlements with strong links into the city-region/ within the city region	Sherburn in Elmet; Haworth; Hebden Bridge; Holmfirth; Penistone; Pocklington; Stocksbridge; Stokesley; Tadcaster; Steeteon with Eastburn; Skelmanthorpe/Scisset/Clayton West; Wales/Kiveton; Market Weighton; Boroughbridge; Slaithwaite; Bolton–upon-Dearne; Silsden; Boston Spa; Bawtry; Gilberdyke; Marsden; Great Ayton; Tickhill; Oakworth; Denby Dale	• Prosperity and skills • In some cases, significant employment base locally • Attractive landscape	• Specialisation meaning reliance on particular sector(s) • Land shortages or pressures for residential use over economic use	• Some forecast growth in employment and GVA • Some scope for developing high value sectors given skills & proximity to cities	• High risk of becoming dormitory settlements with corresponding loss of economic function • Pressures on infrastructure from residential growth
Larger, less prosperous settlements with strong links into the city region/ within the city region	Wath-upon-Dearne, Immingham, Mexborough; Goole	• Proximity to urban centres and growth points	• Poor socio-economic characteristics	• Expansion of port related activities • Ongoing regeneration	• Ongoing decline of high street • Future reduction in public sector support
Small, less prosperous settlements with strong links into the city region/ within the city region	Hemsworth; Thurnscoe; Hatfield; Askern; Goldthorpe; Conisbrough	• Close-knit community • Proximity to urban centres and growth points	• Poor socio-economic characteristics	• Land availability with limited pressures on it for residential use	• Lack of investment resulting in declining settlements

Category	Settlements	Strengths	Weaknesses	Opportunities	Threats
Large, prosperous settlements that are more free-standing or remote	Malton & Norton; Northallerton; Skipton; Catterick Garrison	• Prosperity and skills • Strong local economy • Attractive landscape	• Land shortages and/or infrastructure constraints	• Forecast growth in employment and GVA • Skills base exists for high value business	• Focus on cities by the market means difficulties in attracting high value business • Population growth • Housing affordability • Loss of environment/ heritage
Small, prosperous settlements that are more free-standing or remote	Brigg; Bentham; Crowle; Driffield; Hawes; Pickering; Richmond; Settle; Thirsk; Brigg; Driffield; Kirton in Lyndsey; Epworth; Easingwold; Kirbymoorside; Leyburn; Helmsley; Grassington/Threshfield; Snaith;	• Prosperity and skills • In most cases a reasonable employment base • Attractive landscape	• Some reliance on service sector & visitor economy • Isolation and poor links	• Forecast growth in employment • Long-term potential of local visitor economy • Skills base exists for high value business	• Focus on cities by the market means difficulties in attracting high value business • Population growth • Housing affordability • Loss of environment/ heritage
Less prosperous settlements that are more free-standing or remote	Coastal: Whitby, Filey, Withernsea, Hornsea, Hunmanby	• Attractive landscape	• Poor socio-economic characteristics • Aged population • Fragile economy reliant on visitor economy • Isolation and poor links	• Forecast growth in employment • Long-term potential of local visitor economy	• Continued reliance on visitor economy at expense of attracting other types of business • Continued in-migration of older people and out-migration of the young
	Large: Todmorden	• Attractive landscape	• Poor socio-economic characteristics	• Significant economy on which to build • Reasonable communications to urban centres	• Improvement in infrastructure could contribute to it becoming a dormitory settlement
	Small: Moorends, Walsden	• Attractive landscape	• Poor socio-economic characteristics	• Links to larger rural settlements	• Lack of investment

Source: SQW et al

Figure 7-1 : City-region linked settlements

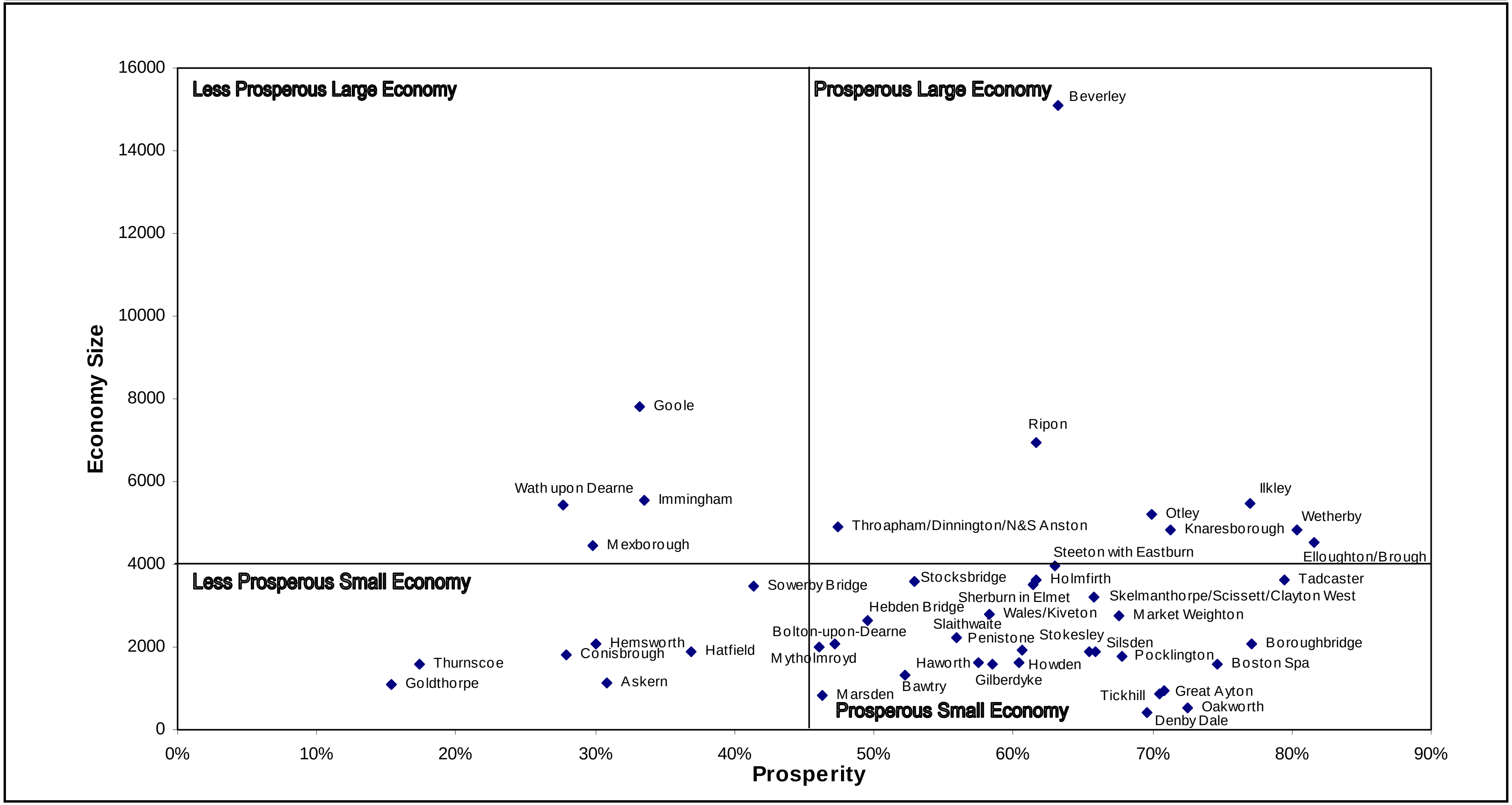
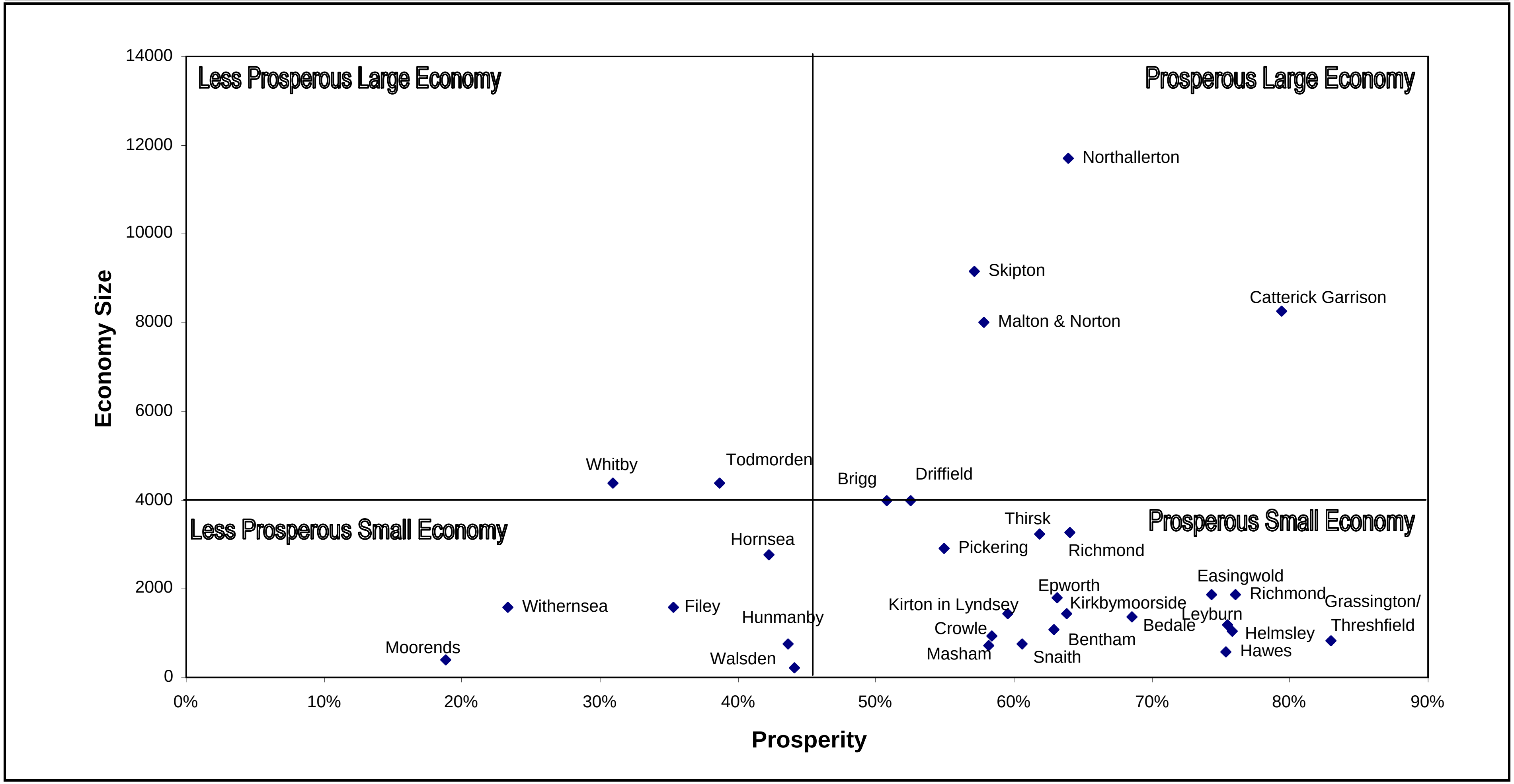


Figure 7-2: Remote and free standing settlements



City-region and sub-regional policy

7.8 Finally in this section, we draw together some of the findings from this study in relation to city-regional and sub-regional policy. The indications from Yorkshire Forward and the structures being set up at city-region level strongly suggest that city-region investment planning is going to be a key part of economic development in the region. The issue here is that the city-region is an economic concept, which can have more than one spatial representation – the scale and form of economic relationships and market areas rarely coincides with administrative boundaries.

7.9 Examples of this complexity identified in this study – and in many cases alluded to earlier – include the following.

- Skipton functions more of a free-standing settlement than one that is dominated by links into the Leeds city-region. It acts as a business location to a much greater extent that as a labour provider. The links into the Leeds city-region are certainly there, with people commuting out, and others commuting in to work. The presence of a significant business and financial sector is in line with the Leeds city-region. However, as well as these links, the settlement serves a much wider hinterland into the Yorkshire Dales and over the border into east and central Lancashire. Moving further north-west into the Craven district, the links into the Leeds city-region are much diminished, i.e. in the cases of Settle and Bentham.
- For Ripon, the relationships cut both ways, with strong links established both southwards into the Leeds city-region and also within its own hinterland within North Yorkshire. This is interesting given the previous thinking that Ripon was actually more related to the Tees Valley city-region than the Leeds one. The thinking of Harrogate district since changed with recognition that Ripon and its hinterland was within the Leeds city-region. On the basis of the evidence collected in this study, we would agree, but we would also argue that the spatial function of the settlement is not ‘black or white’. Ripon clearly serves a hinterland which, at least in part, does not have strong links into the Leeds city-region.
- Pocklington, in the East Riding of Yorkshire, has similarly complex relationships, with strong links into York (and so the Leeds city-region), but also into/from places such as Market Weighton. This again indicates that the spatial function cannot be reduced to drawing a black line on a map.
- In the cases of Sherburn in Elmet and Tadcaster (both within the district of Selby), the evidence seems to be more clear-cut. There is some inter-relationship between the two and also particularly strong relationships both out of and into the settlements from Leeds and York. This indicates that the two settlements are strongly linked into the Leeds city-region.
- This study has also highlighted the widespread nature of the Leeds city-region. Settlements such as Holmfirth and Hebden Bridge do not play strongly into Leeds itself, but do have strong links with other major towns and cities closer by, such as Bradford, Huddersfield and Halifax.

- The district of Barnsley is currently in both the Leeds and Sheffield city-regions. Two settlements within this district are considered in this study – Penistone and Thurnscoe. In the case of Penistone, commuting patterns are concentrated within South Yorkshire, in particular to/from Barnsley, Sheffield, villages surrounding Penistone and Stocksbridge. There are some commuters towards the Leeds city-region, to Huddersfield in particular and also Leeds itself and Wakefield. In the case of Thurnscoe, the destinations or sources of commuters are focussed on Dearne, Wath upon Dearne, Barnsley, Doncaster and Sheffield. Again, there are smaller numbers travelling to Leeds and South Kirkby/South Elmsall. On the basis of commuting patterns at least, the rural settlements within Barnsley have much stronger links towards the Sheffield as opposed the Leeds city-region.

- With regard to the Hull and Humber Ports city-region, we have not found particularly strong links from rural settlements in the wider hinterland of North Lincolnshire and the East Riding of Yorkshire. This indicates that settlements such as Hornsea, Driffield, Brigg and Crowle do not play significantly into this city-region. This of course, may change over time as the Hull and Humber Ports as an economic entity gains in its pulling power.

- There are some settlements where the links are to city-regions outside the region, in particular from Stokesley into the Tees Valley (and to a lesser extent from Northallerton, Richmond, Ripon, Thirsk and Whitby) and from Hebden Bridge and Holmfirth into the Manchester city-region (and to a lesser extent from Penistone and Skipton).

7.10 As well as providing some interesting evidence on the linkages between rural settlements and city-regions, there are some important implications for the design of investment planning and so the ways in which interventions will be formed. This debate is perhaps most pointed in the North Yorkshire districts of Craven, Harrogate and Selby. Currently, these three districts have ‘a foot in both camps’, i.e. in both the Leeds city-region and the North Yorkshire sub-region. If a choice had to be made, the economic argument (in funding terms at least) might be to join in with the Leeds city-region. In some respects, the evidence base indicates that this would be appropriate. However, our analysis, particularly in the cases of Craven and Harrogate, suggests that the debate is not clear-cut.

7.11 The evidence here suggests that Skipton itself is more free-standing serving a wider hinterland, although the argument in relation to strong links into the Leeds city-region could be made. However, elsewhere within Craven, Settle and Bentham have very limited links south-eastwards towards the Leeds city-region and in functional terms (as environmental assets and recreation/tourism hubs) face challenges that are much more common with the more remote settlements elsewhere in North Yorkshire (e.g. Pickering).

7.12 Within Harrogate District, Knaresborough does have clear links into both York and Leeds, but the evidence with respect to Ripon is more mixed. Whilst it has strong links into the Leeds city-region (partly through Harrogate, but also into, for example, Leeds itself, York and Bradford), its role is much more diverse in spatial terms both to its hinterland (including Masham and Boroughbridge) and more widely. Again this indicates challenges that are similar to settlements elsewhere in North Yorkshire (e.g. Malton & Norton). Outside of

Ripon, but still within the Harrogate district, settlements such as Masham, Pateley Bridge and Boroughbridge would also share challenges with other more remote settlements.

7.13 The implications of this analysis suggest that a degree of 'fuzziness' between city-region and sub-regional investment planning would be beneficial in ensuring varying challenges of particular districts can be met effectively.

Next section

7.14 This section has considered the capabilities of settlements and structures that can be adopted. This discussion and the debates made in section 6 are now taken forward into the final section, which makes conclusions and sets out some potential implications for Yorkshire Forward and its partners.

8: Conclusions and recommendations

Moving forward with rural capitals

Rural capitals?

8.1 The brief for this study was to consider ‘rural capitals’, which we have understood to mean principal and local service centres. The evidence indicates that there are varying degrees of rural capitals and an argument to suggest that some of those included in the study are not actually rural capitals. In setting up the study and choosing settlements, it was noted that some of those selected were actually classified as ‘urban’ according to the Defra/ONS official definition. We are content that where these apply (for example in the cases of Knaresborough, Skipton and Stocksbridge), the settlements are serving a wider rural hinterland and are applicable in the context of Yorkshire Forward’s rural policy. This is an important point with respect to other settlements, such as Thurnscoe, where, although there is a set of issues that are normally recognised as being ‘urban’ ones, the settlement itself is in a rural hinterland of the region.

8.2 The degree of rural capital status is in relation to the extent that they are principal and local service centres. On the basis of the evidence collated here, it would seem that Northallerton, Malton & Norton, Skipton, Ripon, Knaresborough and Ilkley are among the most significant rural capitals. At the other end of the spectrum, on the basis of current characteristics and functions, Hemsworth, Thurnscoe and Withernsea are not rural capitals. In addition, Filey and Hornsea could be seen to be ‘failing’ places.

Economic forecasts

8.3 In 2005, there were around 125,000 employee jobs in the 30 study settlements with GVA estimated to be around £4,300 million. Tables 8-1 and 8-2 set out the headline employment and GVA forecasts for the study settlements. These show that the rate of growth is higher for both employment and GVA in the rural capitals considered in this study compared to the regional average. Shares of regional employment and GVA are therefore expected to marginally increase over the 2005-16 period. Within the 30 study settlements, the rate of growth of both employment and GVA is forecast to be highest amongst the group of settlements that are more remote or free-standing.

Table 8-1: Summary of employment forecasts

	2005 share of region	**2011 share of region**	**2016 share of region**	**2005-11: *% change***	**2011-16: *% change***	**2005-16: *% change***
Total for settlements linked to city-region	2.6%	2.6%	2.7%	2.3%	1.8%	4.1%
Total for remote/free standing settlements	3.2%	3.2%	3.3%	3.7%	3.3%	7.1%
Total for all 30 study settlements	5.8%	5.9%	6.0%	3.1%	2.6%	5.8%
Y&H total	100%	100%	100%	1.2%	1.2%	2.5%

Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Table 8-2: Summary of GVA forecasts

	2005 share of region	**2011 share of region**	**2016 share of region**	**2005-11: *% change***	**2011-16: *%* change**	**2005-16: *% change***
Total for settlements linked to city-region	2.6%	2.6%	2.6%	17.6%	14.1%	34.2%
Total for remote/free standing settlements	3.1%	3.1%	3.2%	18.4%	14.8%	35.9%
Total for all 30 study settlements	5.6%	5.7%	5.8%	18.0%	14.5%	35.1%
Y&H total	100%	100%	100%	16.6%	13.2%	32.0%

Source: Based on CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Opportunities and threats

8.4 The economic trajectories for rural settlements indicate reasonably strong employment growth and GVA growth in most cases. The analysis indicates, however, that employment growth is forecast to be dominated by those sectors that are slightly below average in terms of output per head. If rural settlements are to be able to contribute to regional objectives around productivity and GVA most effectively, then it would be appropriate to encourage development in higher value sectors such as financial and business services, communications, and high value food and drink. This has an added benefit in some cases of reducing the reliance of the economy on the service sector, and in particular the visitor economy. Moreover, many of the rural settlements have a skills and occupational mix that would lend itself to expansion of higher value sectors of the economy. Currently, the residents of rural capitals in the highest occupational groups are disproportionately represented among out-commuters.

8.5 We are not suggesting that the visitor economy should be forgotten. On the contrary, this sector also presents opportunities for growth in rural settlements, but this should be seen as part of the wider economic growth potential. With regard to the visitor economy, the longer term potential of increased demand for local tourism presents an opportunity for many rural settlements, including the coastal towns. Capitalising effectively on this may require more creative thinking with respect to new visitor attractions and ways in which higher spend can be generated.

8.6 There are some exceptions to the growth forecasts, in particular settlements where employment forecasts are negative. These tend to be in those places where industry has moved out, for example in Hebden Bridge, Penistone, Stocksbridge and Thurnscoe. The threats here vary depending on the socio-economic characteristics of places. In the cases of Hebden Bridge, Penistone and Stocksbridge the risk is that these settlements become dormitory towns with a loss of economic function and pressures on local infrastructure through population growth. This risk could be applicable to most of the settlements within the group that has strong links into city-regions. In Hebden Bridge and Stocksbridge, there is some encouragement of mixed use development via the planning system on former employment sites, which will go someway to retaining economic functions. In Penistone, however, the recent and continued house building suggests a greater risk, despite a will within the community to retain traditional market town functions.

8.7 The case of Thurnscoe is different given a lack of prosperity and weaker socio-economic characteristics. There are potential opportunities as there is less pressure on existing land from residential uses. Bringing forward economic uses, however, is certainly going to require some form of public assistance. The findings here are also likely to relate to other settlements in the former coalfields.

8.8 More broadly, there are other threats to rural settlements. The increased focus on city-regions and the agglomeration economies that are generated in urban centres may diminish the roles of rural settlements as economic centres – except for visitor services. The decline of the high street and traditional retail services in the longer term poses an additional threat. The key here, in our view, is to aim to increase appropriate levels of self-containment employment within rural settlements. By ‘appropriate’, we understand that there will be a scale limit to what is desirable from both the perspective of the settlement itself and from the wider view of regional economic development; we would also suggest that the types of economic activity should not be constrained to the visitor and service economy, rather should encompass a broader range of activities that fit with the characteristics of residents.

8.9 In developing rural settlements, both in response to economic functions and population growth, increased weight will need to be given in future to ‘defensive’ environmental concerns, for example the physical environment constraints (e.g. flood zones and topography) as well as the need to preserve heritage and landscape.

Applying the findings to other rural settlements

8.10 This study has considered in detail 30 rural settlements in Yorkshire and the Humber. The classification of functions and the contributions of settlements relate specifically to those where the evidence has been gathered. The SWOT analysis undertaken in section 7 was undertaken on this basis and then extended to include other settlements from across the region. The key findings with respect to the implications for opportunities, threats and potential assistance should be applicable to settlements within the immediate group of 30 assessed in detail, as well as to the other settlements where additional analysis has been undertaken. A discussion on this is set out in section 7 where we synthesised findings through the SWOT analysis, identified particular examples where local context is key and illustrated the spectrum of settlements with the aid of charts.

Spatial investment planning

8.11 This study has provided some interesting evidence with respect to how rural settlements fit with city-regions. There are some important points stemming from this evidence, in particular:

- the complexity associated with settlements in terms of how they fit in part with city-regions, but also have a role to wider non-city-region hinterland
- the 'fuzziness' that this creates within districts on the borders of city-regions, for example in the cases of Craven and Harrogate
- the links into city-regions within a different region – in the cases of Holmfirth, Hebden Bridge and Stokesley
- the weaker links into the Hull and Humber Ports city-region from proximate settlements, perhaps reflecting the weaker pull of this city-region.

8.12 This does have implications for spatial investment planning. From one perspective, it suggests a need for flexibility for districts such as Craven and Harrogate where there are important city-regional challenges and challenges that are shared with other districts in North Yorkshire. From another perspective, it indicates a potential need for flexibility within city-region investment planning so that the issues that occur in rural areas can be addressed.

Justifying intervention

8.13 Any use of public funding must be based on a solid rationale, through the existence of market or other failures. These other failures could include coordination and institutional failures and equity arguments. We have drawn a number of implications in this study, which suggest that there may be a need for intervention. Here we set out, in broad terms, the rationales for intervention:

- Encouraging economic activities in rural settlements (applies to many of the settlements considered in this study): in the current economic climate, if left to the market, most development land would be used for residential purposes as this will produce higher values and returns; in some cases the planning system may allow this. Working through the planning system is important in generating mixed uses within rural settlements, and protecting, or encouraging the emergence of, what would widely be seen as more balanced communities. There would be benefits to rural settlements in having a range of economic activities, not least in providing alternatives to commuting, with external benefits associated with the environment and relieving agglomeration diseconomies, e.g. congestion and pressures on infrastructure. There are further benefits to rural settlements through the presence of more people within places during weekday daytime hours, which make other services more viable.
- Development of workspace (applies to many of the settlements considered in this study): in many rural settlements it is unlikely that the private sector would provide workspace – including space that is focussed towards higher value activities – due to

risks as a result of relative isolation or small size of the potential market (in the case for many rural settlements), the latter point being exacerbated in less prosperous settlements or those without a critical mass of economic activities such as Thurnscoe and Hemsworth. It would, therefore, be appropriate to provide public funding to make up the 'gap' or to test and demonstrate the potential of particular markets.

- New attractions: in relation to the visitor economy, new attractions can have public or club good characteristics[25], which would mean that the private sector under-provides. There may be a case for providing some public funds towards new attractions. There may be external benefits to the wider visitor economy in doing this.
- Coastal settlements: these have a range of challenges to contend with, in particular an aged population, a fragile and seasonal economy and relative isolation. There are clearly equity arguments for intervention and also a rationale based on the risk and uncertainty that would prevent private sector investment.
- Conservation and environmental issues: these are relevant to obtaining a balance of economic and housing development that recognises a need to preserve the environment and heritage. The clear rationale for intervention here exists due to the external benefits through the environmental contributions of settlements.

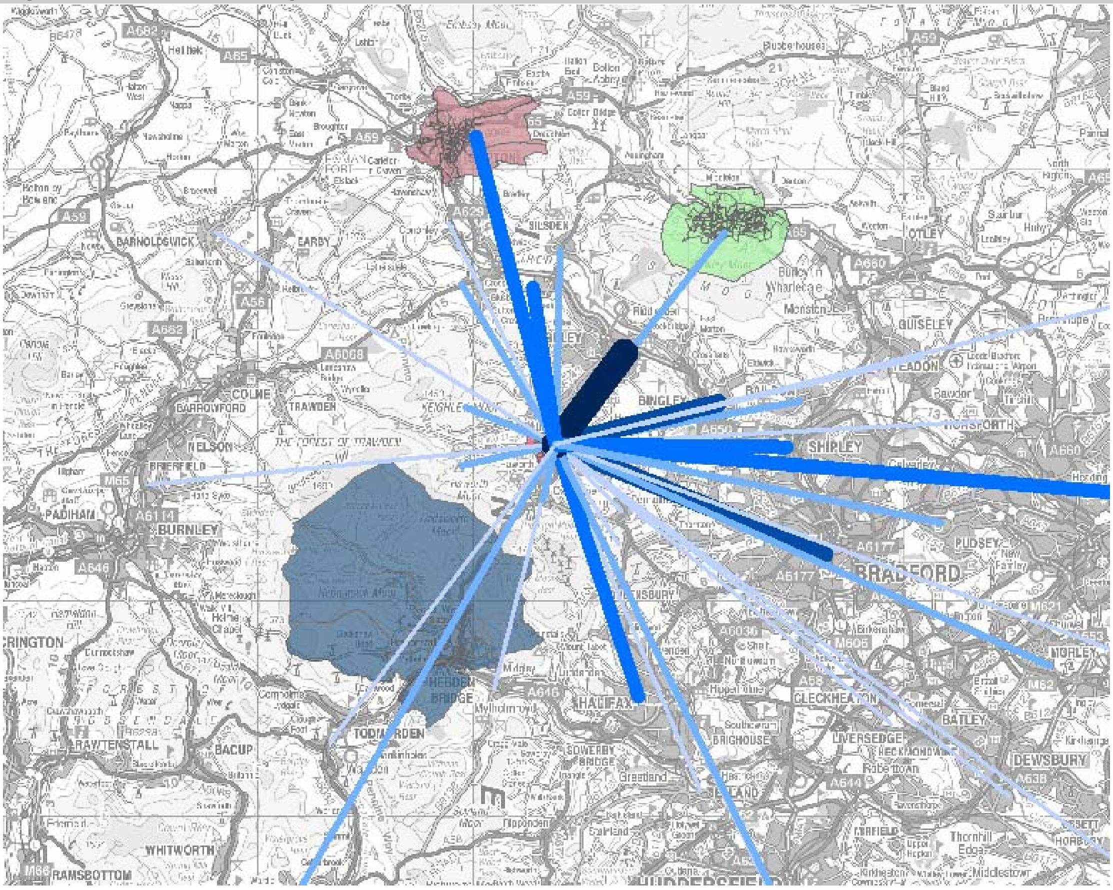
[25] A public good has the following key characteristics: one consumer's use of the good is unlikely to prevent another from using it; a supplier cannot prevent those who have not paid for the good from using it. An example of a public good is a lighthouse where private provision will lead to under-supply.
A club good has the following key characteristics: one consumer's use of the good is unlikely to prevent another from using it; a supplier can prevent those who have not paid for the good from using it. An example of a club good is a museum where private provision will lead to under-supply or under-consumption.

Annex A: Maps

Commuting maps

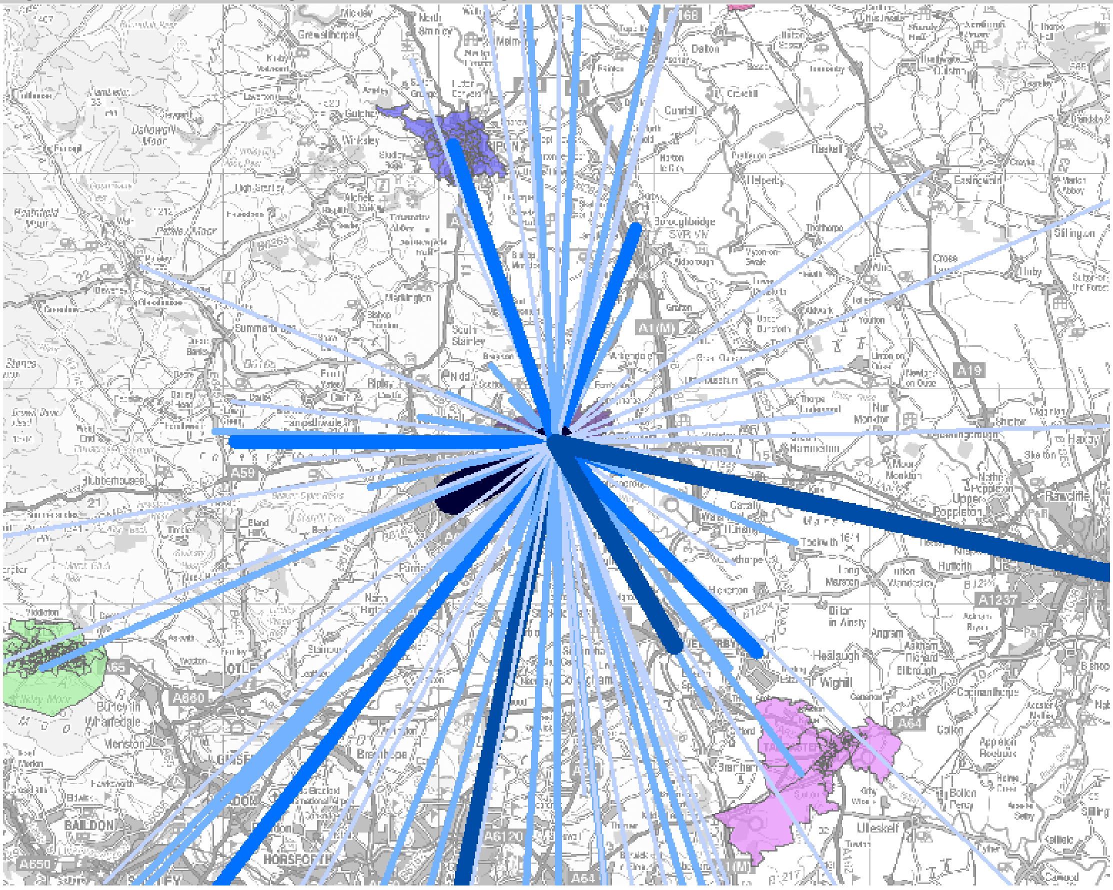
A.1 Note that broader and darker lines indicate higher number of commuters. The maps show the main commuting links; others leave the edge of the maps. The coloured areas within the maps are other study settlements. The full dataset on commuting patterns for all 30 study settlements has been provided separately to this report.

Figure A-1 : Out-commuting from Haworth



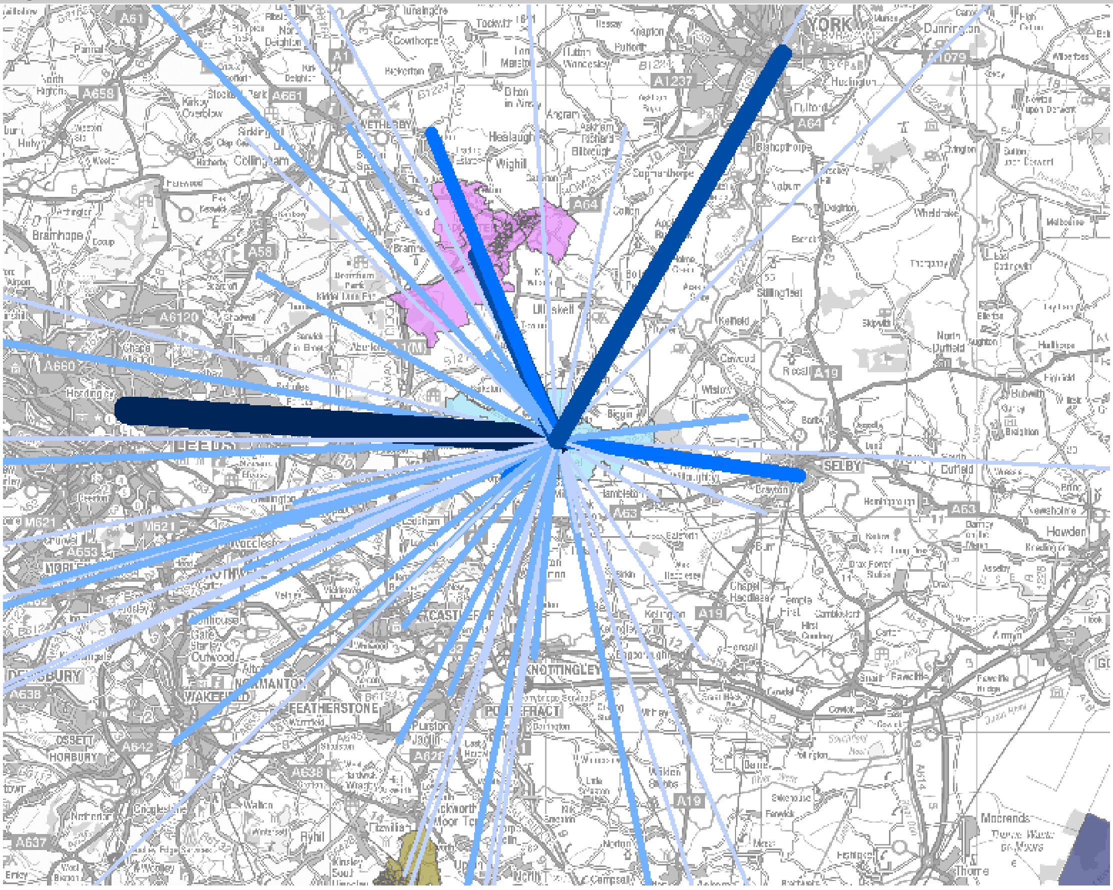
Source: Census 2001

Figure A-2 : Out-commuting from Knaresborough



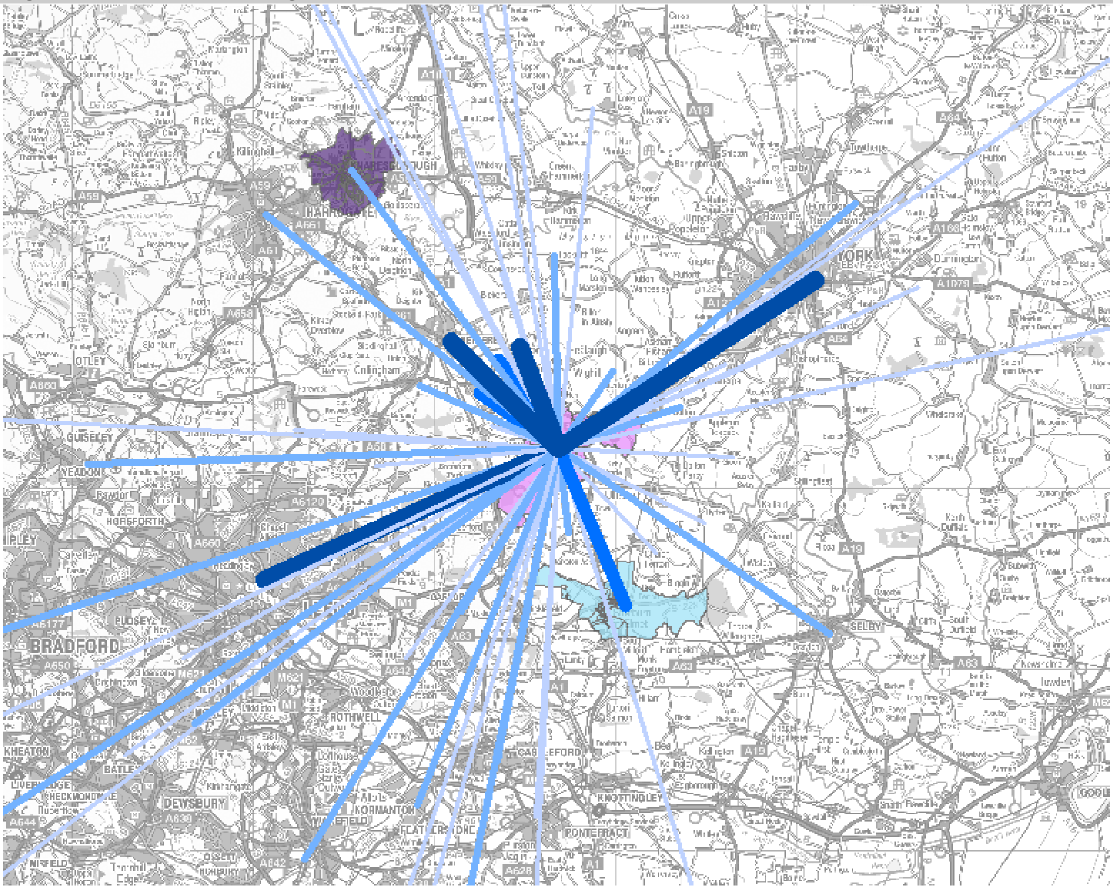
Source: Census 2001

Figure A-3 : Out-commuting from Sherburn in Elmet



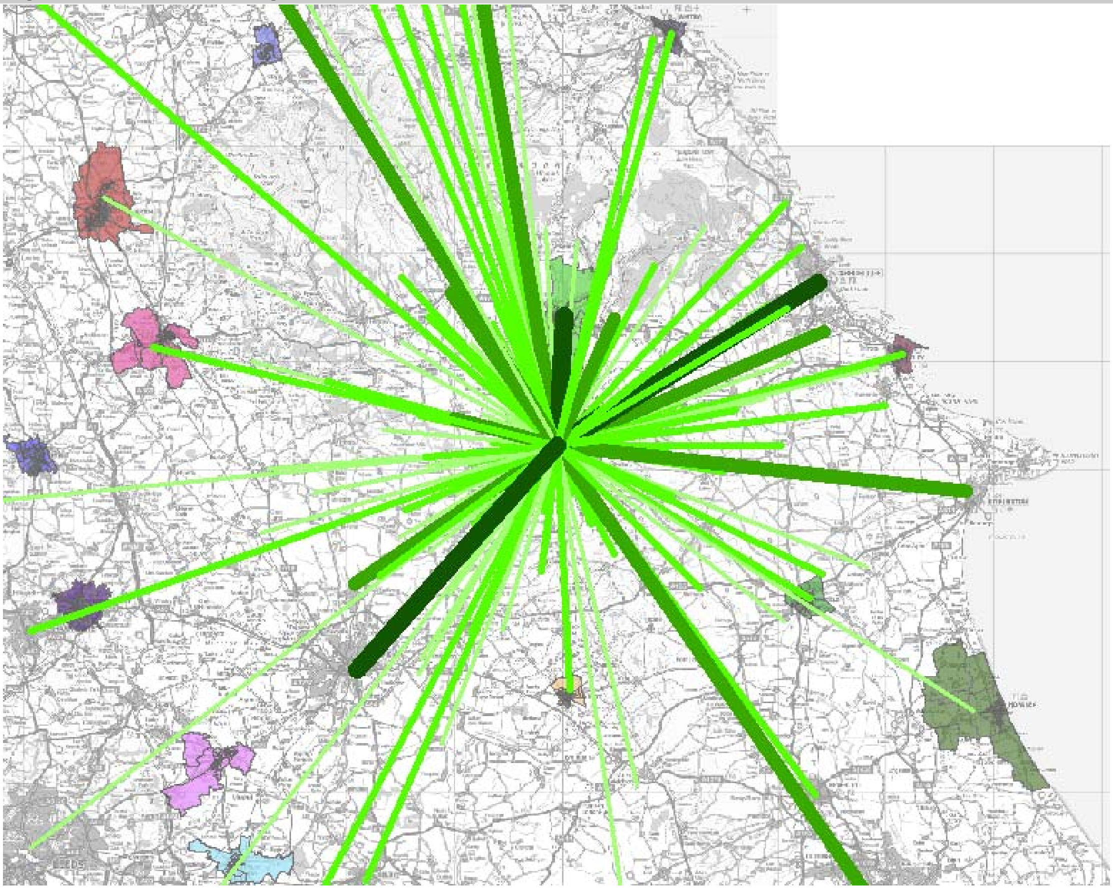
Source: Census 2001

Figure A-4 : Out-commuting from Tadcaster



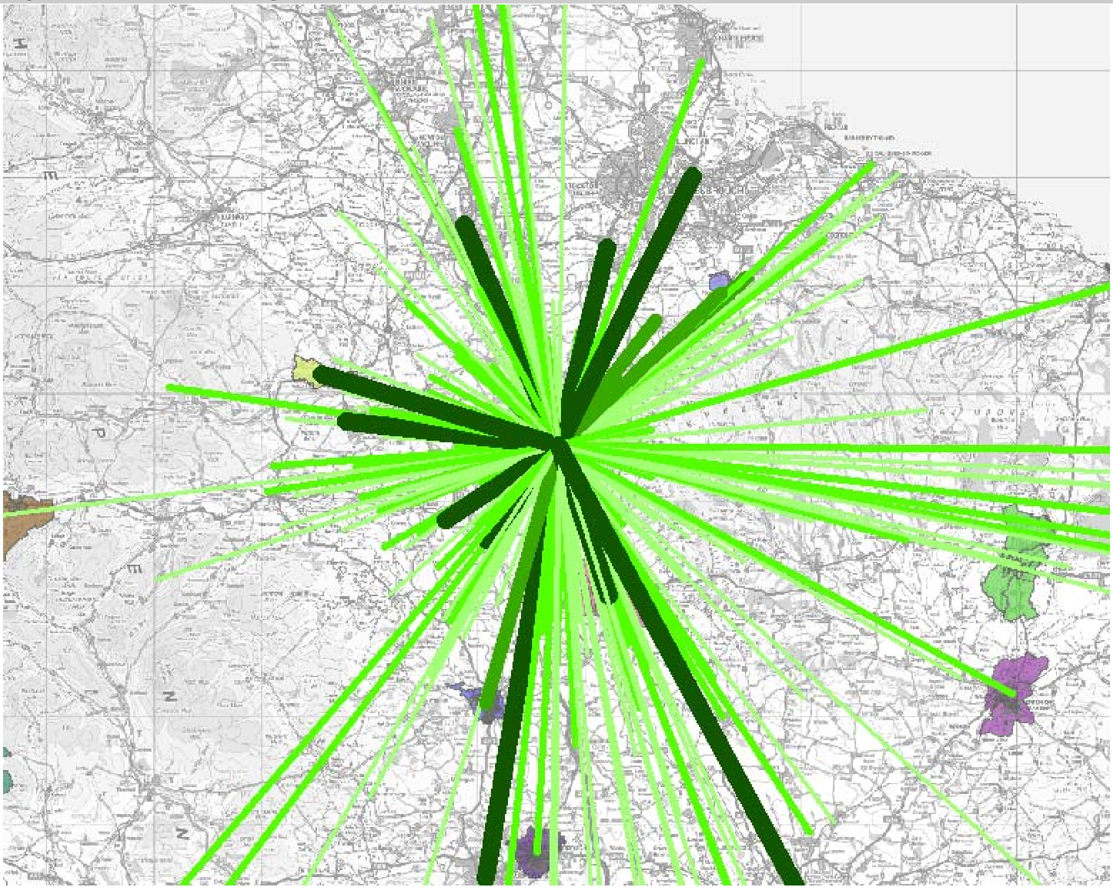
Source: Census 2001

Figure A-5 : In-commuting to Malton & Norton



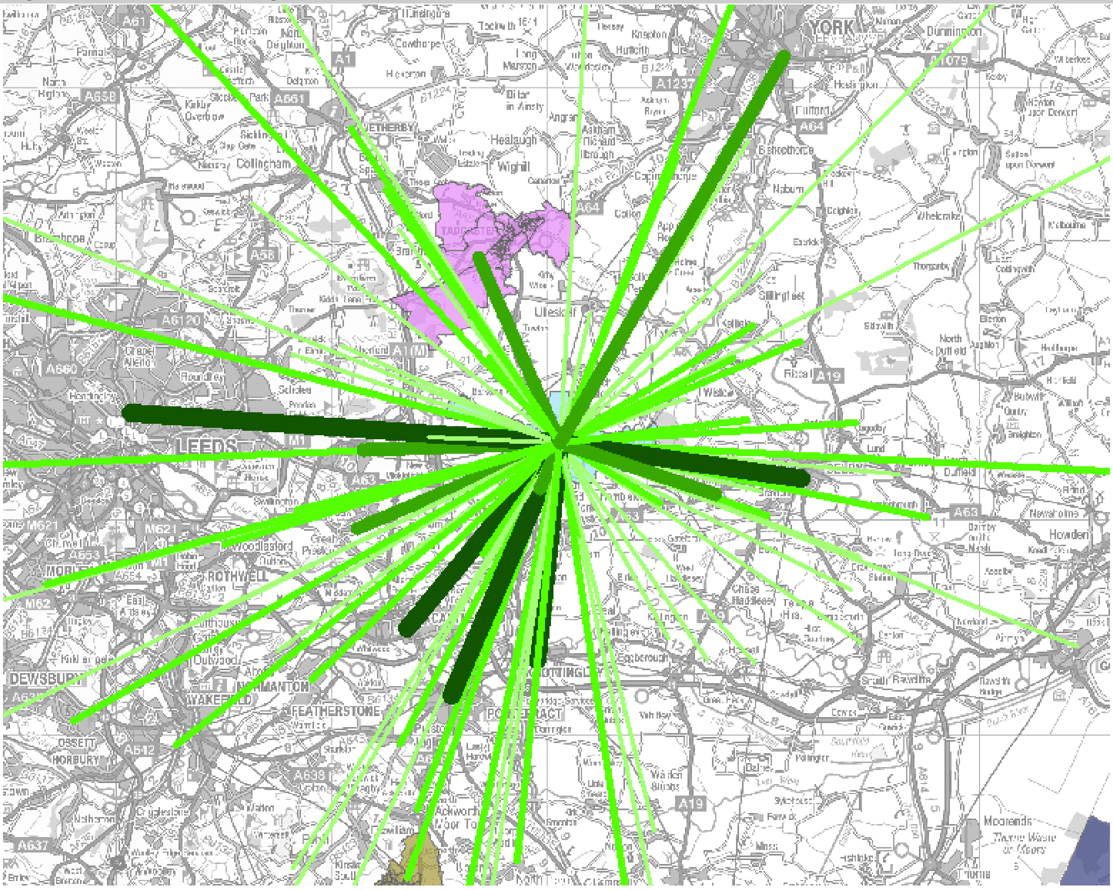
Source: Census 2001

Figure A-6 : In-commuting to Northallerton



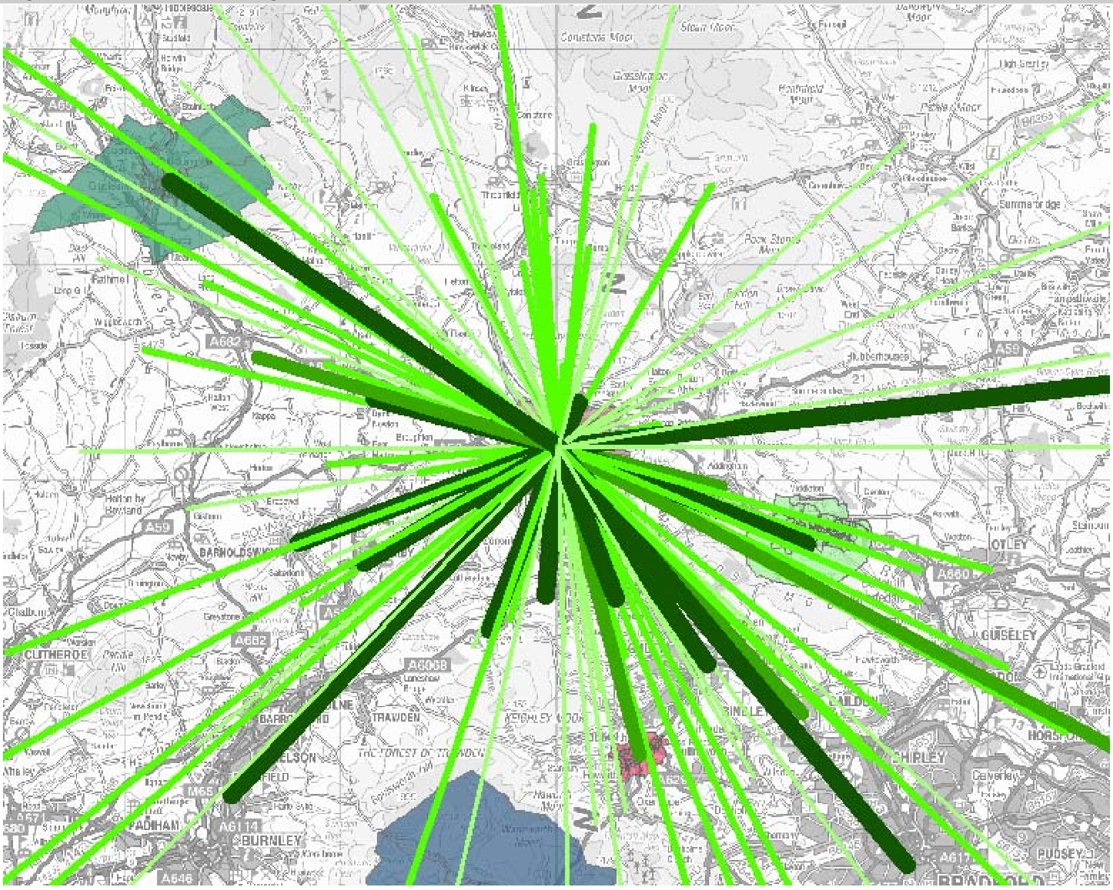
Source: Census 2001

Figure A-7 : In-commuting to Sherburn in Elmet



Source: Census 2001

Figure A-8 : In-commuting to Skipton



Source: Census 2001

Annex B: Industry definitions

Table B-1 : Industry definitions using 30 sector model

	YF model industries	2003 SIC
1	Agriculture, Forestry and Fishing	01, 02, 05
2	Oil and Gas Extraction	11
3	Other Mining	10, 12, 13, 14
4	Gas, Electricity and Water	40, 41
5	Fuel Refining	23
6	Chemicals	24
7	Minerals	26
8	Metals	27, 28
9	Machinery and Equipment	29
10	Electrical and Optical Equipment	30, 31, 32, 33,
11	Transport Equipment	34, 35
12	Food, Drink and Tobacco	15,16
13	Textiles and Clothing	17, 18, 19
14	Wood and Wood Products	20
15	Paper, Printing and Publishing	21, 22
16	Rubber and Plastics	25
17	Other Manufacturing NEC	36, 37
18	Construction	45
19	Retailing	52
20	Wholesaling	50, 51
21	Hotels and Catering	55
22	Transport	60, 61, 62, 63
23	Communications	64
24	Banking and Insurance	65, 66, 67
25	Business Services	72, 74
26	Other Financial and Business Services	70, 71, 73
27	Public Admin and Defence	75
28	Education	80
29	Health	85
30	Other Services	90, 91, 92, 93

Table B-2 : Definitions of aggregate sectors

	Aggregate sectors	**2003 SIC**	**YF model industries**
1	Agriculture, Forestry and Fishing	01, 02, 05	1
2	Mining and Utilities	10, 11, 12, 13, 14, 40, 41	2 - 4
3	Metals, Minerals and Chemicals	23, 24, 26, 27, 28	5 - 8
4	Engineering	29, 30, 31, 32, 33, 34, 35	9 - 11
5	Other Manufacturing	15, 16, 17, 18, 19, 20, 21, 22, 25, 36, 37	12 - 17
6	Construction	45	18
7	Distribution, Hotels and Catering	50, 51, 52, 55	19 - 21
8	Transport and Communications	60, 61, 62, 63, 64	22 - 23
9	Financial and Business Services	65, 66, 67, 70, 71, 72, 73, 74	24 - 26
10	Other (mainly public) Services	75, 80, 85, 90, 91, 92, 93, 95	27 - 30

Annex C: Data tables for forecasting

Current employment shares by settlement and broad sector

Table C-1 : Employment shares for settlements within or with strong links to city-regions

	Agriculture, Mining and Construction, %	Manuf-acturing, %	Distribution, Hotels and Catering, %	Transport and Comms., %	Financial & Business Services, %	Other Services, %	Total Employ-ment, '000s	Population, '000s
Penistone	8.8	40.2	13.3	5	12.9	19.8	3.6	11.3
Thurnscoe	4.2	23.6	18.6	0.8	14.8	38	1.7	10.5
Barnsley	***12.2***	***18.9***	***17.9***	***7***	***12***	***32***	***70.2***	***218.1***
Ilkley	13	5.4	32.3	4	20.5	24.8	4.9	13.8
Haworth	19	18.4	23.3	7.2	10.2	22	1.8	15.5
Bradford	***8.3***	***17.8***	***22***	***5.6***	***16.6***	***29.6***	***178.3***	***467.7***
Hebden Bridge	10.1	33.3	17.6	5	12.1	21.9	2.6	11.6
Calderdale	***9.4***	***21.3***	***18.7***	***4.4***	***23.1***	***23.1***	***82.1***	***192.4***
Pocklington	13.9	21.7	21	3.9	16.7	22.9	4.8	15.1
East Riding	***15.9***	***13.8***	***19.7***	***5.9***	***11***	***33.7***	***118.4***	***314.1***
Stokesley	33.8	2.3	22.8	0.7	11.1	29.3	1.9	5.5
Hambleton	***20***	***9.4***	***21.2***	***5.9***	***9.1***	***34.4***	***38***	***84.1***
Knaresborough	7.9	19	26.2	2.7	13.3	30.9	4.3	15
Ripon	11	5	45.1	3.5	10.2	25.2	6.8	15.9
Harrogate	***10.7***	***8.4***	***28.5***	***4.7***	***20.6***	***27.1***	***67.7***	***151.3***
Holmfirth	12.8	12.2	19	2.8	21.9	31.3	7.7	17.2
Kirklees	***9.7***	***22.3***	***21.3***	***5.4***	***15.1***	***26.3***	***146.2***	***388.6***
Sherburn in Elmet	6.5	22.2	11.8	45.5	5.2	8.8	4.3	6.2
Tadcaster	2.5	30	23	4.4	24.3	15.8	3.5	7.3
Selby	***22.5***	***20.6***	***18.3***	***9.9***	***11.3***	***17.4***	***31.9***	***76.5***
Stockbridge	7.3	24.6	12.8	21.3	15	19	2.9	13.7
Sheffield	***7.3***	***13.6***	***19.7***	***6***	***21.1***	***32.3***	***233.8***	***513.2***
Hemsworth	9.2	18.5	20.1	5.1	6.5	40.5	5.1	14
Wakefield	***11.6***	***14.5***	***24.5***	***8.8***	***12.9***	***27.7***	***137.6***	***315.2***
Yorkshire and the Humber	**10.8**	**15.3**	**20.8**	**7**	**17.2**	**28.9**	**2137**	**4965**
Total UK	**10.3**	**12.7**	**20.6**	**6.7**	**20.9**	**28.8**	**25419**	**59111**

Notes: Full-time equivalent employment shares by aggregate sector in 2005. Total employment in 2005 and population in 2001.
Source: Annual Business Inquiry, Yorkshire Forward Regional Econometric model, Census 2001

Table C-2 : Employment shares for free-standing or relatively remote settlements

	Agriculture, Mining and Construction, %	Manuf-acturing, %	Distribution, Hotels and Catering, %	Transport and Comms., %	Financial & Business Services, %	Other Services, %	Total Employ-ment, '000s	Population, '000s
Bentham	16.6	15.5	28	5.1	15.2	19.6	0.9	3.6
Settle	8.2	17.9	33.2	4.5	11.6	24.6	1.4	5.5
Skipton	9.6	10.4	26.3	1.3	32.4	19.9	10.7	14.3
Craven	**13.8**	**13.8**	**26.2**	**4**	**22.6**	**19.6**	**23.2**	**53.6**
Driffield	10.3	12.1	28.3	9.1	13.1	27.2	4.7	13.1
Hornsea	10.3	7.6	30	4.8	11.7	35.6	2.4	9.7
Withernsea	28.9	5.7	24.6	3.6	5.8	31.4	3.4	14.5
East Riding	**15.9**	**13.8**	**19.7**	**5.9**	**11**	**33.7**	**118.4**	**314.1**
Northallerton	9.5	4.9	20.8	2.3	5.2	57.4	12.6	17.7
Thirsk	10.8	7.2	34.3	2.2	16.2	29.3	3.2	9.3
Hambleton	**20**	**9.4**	**21.2**	**5.9**	**9.1**	**34.4**	**38**	**84.1**
Brigg	17.1	11.5	15.8	11.3	9.3	35.1	6.2	10.4
Crowle	27.1	7.4	17	13.2	13.3	22	1.4	7.2
North Lincolnshire	**15.1**	**20.6**	**19.2**	**10.9**	**11.2**	**23**	**68.5**	**152.8**
Hawes	6	24.3	47.9	3.4	5.7	12.7	0.9	1.3
Richmond	20.2	4.3	26.4	4.1	12.4	32.7	4.4	8.2
Richmondshire	**21.8**	**6.3**	**27.6**	**4.3**	**10.4**	**29.6**	**20.8**	**47**
Malton and Norton	8.9	31.1	21.6	1.7	8	28.6	8.1	12
Pickering	11.6	13.5	35.8	2.2	11.7	25.3	2.3	6.8
Ryedale	**19.3**	**19.1**	**21.1**	**4.1**	**12.6**	**23.8**	**24.5**	**50.9**
Filey	5.4	5.7	35.2	3.4	7.3	43.1	1.3	6.5
Whitby	3.5	5.2	39	5	8.6	38.7	3.8	9
Scarborough	**9.7**	**14.1**	**31.4**	**3.6**	**8.5**	**32.9**	**36.6**	**106.2**
Yorkshire and the Humber	**10.8**	**15.3**	**20.8**	**7**	**17.2**	**28.9**	**2137**	**4965**
Total UK	**10.3**	**12.7**	**20.6**	**6.7**	**20.9**	**28.8**	**25419**	**59111**

Notes: Full-time equivalent employment shares by aggregate sector in 2005. Total employment in 2005 and population in 2001.
Source: Annual Business Inquiry, Yorkshire Forward Regional Econometric model, Census 2001

Employment forecasts by settlement

Table C-3 : Employment forecasts for settlements within or with strong links to city-regions

	2005-11 absolute change	2011-16 absolute change	2005-16 absolute change	2005-11 % change	2011-16 % change	2005-16 % change
Haworth	60	39	99	3.3%	2.1%	5.5%
Hebden Bridge	23	-20	3	0.9%	-0.8%	0.1%
Hemsworth	88	61	148	1.7%	1.2%	2.9%
Holmfirth	105	183	287	1.4%	2.3%	3.7%
Ilkley	305	219	523	6.3%	4.2%	10.7%
Knaresborough	94	152	246	2.2%	3.5%	5.7%
Penistone	-13	-46	-58	-0.4%	-1.3%	-1.6%
Pocklington	118	42	160	2.5%	0.9%	3.4%
Ripon	281	288	570	4.2%	4.1%	8.4%
Sherburn in Elmet	197	52	249	4.6%	1.2%	5.8%
Stocksbridge	-5	4	-1	-0.2%	0.2%	0.0%
Stokesley	58	59	117	3.0%	3.0%	6.2%
Tadcaster	28	17	45	0.8%	0.5%	1.3%
Thurnscoe	-45	-25	-70	-2.7%	-1.5%	-4.2%
Total for settlements linked to city-region	***1,292***	***1,025***	***2,317***	***2.3%***	***1.8%***	***4.1%***
Y&H total	25,500	26,930	52,430	1.2%	1.2%	2.5%

Source: CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Table C-4 : Employment forecasts for free-standing settlements and those in relatively remote locations

	2005-11 absolute change	2011-16 absolute change	2005-16 absolute change	2005-11 % change	2011-16 % change	2005-16 % change
Bentham	44	17	61	5.0%	1.9%	7.0%
Brigg	248	156	404	4.0%	2.4%	6.5%
Crowle	57	23	80	3.9%	1.5%	5.5%
Driffield	103	72	176	2.2%	1.5%	3.8%
Filey	41	44	85	3.2%	3.3%	6.5%
Hawes	33	23	56	3.7%	2.5%	6.3%
Hornsea	62	60	122	2.6%	2.5%	5.1%
Malton & Norton	473	333	805	5.9%	3.9%	10.0%
Northallerton	325	479	804	2.6%	3.7%	6.4%
Pickering	77	69	146	3.4%	2.9%	6.4%
Richmond	315	257	572	7.1%	5.4%	12.9%
Settle	58	60	118	4.0%	4.0%	8.2%
Skipton	525	430	955	4.9%	3.8%	8.9%
Thirsk	56	67	123	1.8%	2.1%	3.9%
Withernsea	46	47	93	1.4%	1.4%	2.8%
Whitby	65	156	221	1.7%	4.0%	5.8%
Total for remote/free standing settlements	***2,528***	***2,294***	***4,822***	***3.7%***	***3.3%***	***7.1%***
Y&H total	25,500	26,930	52,430	1.2%	1.2%	2.5%

Source: CE forecasts derived using Yorkshire Forward's Regional Econometric Model

GVA forecasts by settlement

Table C-5 : GVA forecasts for settlements within or with strong links to city-regions

	2005-11 absolute change ('000s)	2011-16 absolute change ('000s)	2005-16 absolute change ('000s)	2005-11 % change	2011-16 % change	2005-16 % change
Haworth	9,574	9,101	18,675	15.9%	13.0%	31.0%
Hebden Bridge	15,142	12,556	27,698	16.5%	11.7%	30.2%
Hemsworth	26,461	24,574	51,034	15.1%	12.2%	29.2%
Holmfirth	43,101	45,670	88,770	16.4%	14.9%	33.8%
Ilkley	37,612	33,286	70,898	22.8%	16.4%	42.9%
Knaresborough	26,208	27,727	53,935	17.6%	15.8%	36.1%
Penistone	14,481	12,134	26,615	10.8%	8.2%	19.8%
Pocklington	30,108	26,318	56,426	17.3%	12.9%	32.4%
Ripon	48,492	45,944	94,436	20.8%	16.3%	40.5%
Sherburn in Elmet	33,767	28,743	62,510	21.1%	14.8%	39.0%
Stocksbridge	21,110	22,855	43,965	19.7%	17.8%	41.0%
Stokesley	9,850	9,625	19,476	16.0%	13.5%	31.7%
Tadcaster	22,890	21,393	44,283	17.4%	13.9%	33.7%
Thurnscoe	6,885	6,599	13,484	11.8%	10.1%	23.1%
Total for settlements linked to city-region	***345,681***	***326,524***	***672,205***	***17.6%***	***14.1%***	***34.2%***
Y&H total	12,746,389	11,786,693	24,533,082	16.6%	13.2%	32.0%

Source: CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Table C-6 : GVA forecasts for free-standing settlements and those in relatively remote locations

	2005-11 absolute change ('000s)	2011-16 absolute change ('000s)	2005-16 absolute change ('000s)	2005-11 % change	2011-16 % change	2005-16 % change
Bentham	6,159	5,349	11,508	19.4%	14.1%	36.3%
Brigg	35,839	33,935	69,774	17.6%	14.2%	34.3%
Crowle	8,609	8,059	16,669	16.0%	12.9%	30.9%
Driffield	27,269	24,340	51,609	17.4%	13.3%	33.0%
Filey	7,019	6,922	13,941	17.1%	14.4%	33.9%
Hawes	6,234	5,357	11,591	20.3%	14.5%	37.7%
Hornsea	13,432	12,071	25,502	17.7%	13.5%	33.7%
Malton & Norton	64,608	60,091	124,699	21.3%	16.3%	41.1%
Northallerton	60,813	67,482	128,295	13.9%	13.5%	29.3%
Pickering	15,331	14,237	29,567	19.9%	15.4%	38.4%
Richmond	30,446	30,591	61,037	20.7%	17.2%	41.5%
Settle	9,443	9,367	18,810	19.0%	15.9%	37.9%
Skipton	96,472	80,660	177,133	23.8%	16.1%	43.7%
Thirsk	20,190	19,707	39,897	19.8%	16.1%	39.2%
Withernsea	11,404	12,256	23,660	9.4%	9.2%	19.5%
Whitby	20,510	21,852	42,362	17.1%	15.6%	35.4%
Total for remote/free standing settlements	***433,777***	***412,276***	***846,053***	***18.4%***	***14.8%***	***35.9%***
Y&H total	12,746,389	11,786,693	24,533,082	16.6%	13.2%	32.0%

Source: CE forecasts derived using Yorkshire Forward's Regional Econometric Model

Annex D: Local consultees

D.1 The local stakeholders who were consulted as part of the study were:

- Steve Hawkins, Barnsley Development Agency
- Adrian Rose, Calderdale Council
- David Smurthwaite, Craven District Council
- Mick Jewitt, Hambleton District Council
- Kathryn Daly, Harrogate Borough Council
- Ray Williamson, Scarborough Borough Council
- Eileen Scothern, Selby District Council