New Forest National Park Authority

Local Economy

Topic Paper

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1. Introduction and Context

1.1. The purpose of this topic paper is to set out the approach relating to the economic policies of the draft Local Plan in recognition of the area being a nationally protected landscape. Consequently, the National Park Authority will pursue its statutory purposes to conserve and enhance the natural beauty, wildlife and cultural heritage of the Park and to promote opportunities for the understanding and enjoyment of the Park's special qualities by the public. While pursuing these purposes, the Authority will seek to foster the economic well-being of local communities.

1.2. Given the variation in the local economy, this paper refers to both traditional employment uses, retail and tourism.

2. National Planning Policy

2.1. National planning policy in the NPPF (December 2024) confirms that National Parks have the highest status of protection in relation to landscape and natural beauty, and conservation of wildlife and cultural heritage are important considerations. It outlines that both of these should be given great weight in planning policies and development management decisions. As well as reflecting these priorities, it states that planning policies should also support suitably located and designed development to facilitate the economic well-being of the area and its communities.

2.2. Indeed, one of the strands of sustainable development, is the economic objective which states "*to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right types is available in the right place and the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure*"

2.3. Chapter 6 'Building a strong, competitive economy', adds further detail in relation to 'supporting a prosperous rural economy', through policies and decisions that enable:

a) the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed, new buildings;

b) the development and diversification of agricultural and other land-based rural businesses;

c) sustainable rural tourism and leisure developments which respect the character of the countryside; and

d) the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship

2.4. Also, given the nature of rural areas, that development is sensitive to its surroundings, utilises previously developed land and be physically related to existing settlement where suitable opportunities exist.

2.5. National policy on retail focusses on larger town centres but there are no towns in the New Forest National Park. However, Chapter 8 'Promoting healthy and safe communities', refers to the creation of strong neighbourhood centres, provision of safe and accessible local shops to promote social interaction. Paragraph 98 refers to *"…provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:*

a) plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;

b) take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community;

c) guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;

d) ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and

e) ensure an integrated approach to considering the location of housing, economic uses and community facilities and services "

3. General Local Economy Evidence

3.1. A variety of data sources exist regarding the local economy, some of which relate specifically to the National Park, while other data relates to the wider New Forest District (70% of which is within the designated National Park).

3.2. Headline indicators from the 2019 State of the Park Report include:

(1) There are over 2,500 businesses within the National Park	☑	Overall increase since 2011
(2) The National Park has an unemployment rate of 0.4% [71]	☑	Unemployment within the National Park continues to be very low

3.3. More recent data from 2021/22 reflects a similar picture and refers to over 2,500 businesses within the National Park. Data sourced from ONS Interdepartmental Business Register, specifically collated for the National Park, reveals the following main employment sectors for 2022, with 2021 data shown in brackets:

Table 1. Total companies, employee numbers and turnover by broad industry group

Broad Industry Group	Number of companies	Total employees	Turnover (£'000s)
Accommodation & food services	190 (140)	3692 (3142)	120,567 (136,488)
Health	115 (70)	2823 (1453)	61,343 (69,741)
Arts, entertainment, recreation & other services	140 (140)	1728 (842)	51,935 (91,688)
Agriculture, forestry & fishing	215 (185)	1598 (1,518)	61,234 (62,737)
Professional, scientific & technical	465 (445)	1508 (988)	100,806 (107,215)
Education	70 (45)	1348 (894)	27,440 (24,427)
Construction	275 (285)	1329 (1,055)	261,949 (273,486)
Retail	170 (130)	1032 (533)	54,899 (44,082)
Business, administration &support	205 (195)	985 (925)	90,728 (126,894)
Production	130 (120)	910 (1361)	* (461,503)
Public administration & defence	20 (15)	667 (*)	* (*)
Information & communication	170 (175)	501 (470)	55,472 (58,943)
Wholesale	75 (75)	537 (520)	*
Property	150 (150)	362 (*)	36,263
Motor Trades	85 (80)	351 (495)	133,842 (134,885)
Transport and storage	55 (50)	319 (618)	333,327 (467,857)
Finance and insurance	55 (40)	121 (91)	* (36,030)

*Source: Inter Departmental Business Register (ONS March 2022) 2021 data presented in (). * Where the count rounds to zero or data deemed to be disclosive, employment or turnover is not stated.*

3.4. The data set out above paints a complex picture with some industrial groups having a substantial turnover when compared to the number of companies in the sector and total employees.

3.5. The following observations are noted when comparing 2022 with 2021 data:

- The number of people employed in retail has significantly increased, whereas the number of companies and amount of turnover is not substantially different, this trend is echoed with education;
- For the agriculture, forestry and fishing sector, the number of companies has increased, yet the total number of employees and turnover remains comparable, similarly for accommodation and food services;

- One of the key changes is shown in the health sector, where both the numbers of companies and employees has almost doubled, while turnover remains comparable.

3.6. These variations are likely to be due to the economy being in a state of flux coming out of the 2020/21 pandemic with companies either emerging or contracting because of the wider changing economic situation. Rural diversification opportunities in terms of conversion of premises and creation of new small businesses may well account for the number of companies being established in both the agriculture, forestry and fishing and accommodation and food sectors.

3.7. Given the number of visitors to the New Forest National Park, it is not surprising that accommodation and food services employ the most people. Traditional rural land-use activities such as farming, forestry and commoning now employ fewer people, even though employment levels in these activities still tend to be above the county, regional and national averages.

3.8. Other data sources, such as the New Forest Economic Profile 2022 which covers both the New Forest District and the majority of the National Park, identify the key employment sectors as distribution, hotels and restaurants, followed by public administration, education and health, and then finance and business services.

3.9. The 2022 Partnership Plan for the period 2022 - 2027 includes the following shared ambition for a living, working forest:



3.10. This ambition recognises that maintaining a high-quality natural environment can also contribute to substantial economic benefits by supporting the growing green economy, which includes sustainable tourism, and helping to attract high value businesses and employees. Local produce and local businesses are also considered vital to the health and well-being of the rural environment and local economy. A particular feature of the New Forest is the presence of traditional commoning as a critical part of land management through employment of ponies, cattle, donkeys, a few sheep and pigs to maintain the Forest's unique landscape. The grazing stock is owned by people known as Commoners who live in and around the Forest and who occupy land to which certain common rights are attached. There are currently approximately 655 Commoners turning

animals out onto the Forest, managed by the Verderers who are charged with regulating commoning on the Forest and its conservation.

3.11. Commissioned jointly with New Forest District Council, the Employment Needs Assessment (Lichfields, 2025) recognises that employment is concentrated within the National Park's larger villages, particularly within Lyndhurst, Brockenhurst, and Beaulieu, as well as in distinct visible business clusters within vicinities such Sway/Hordle/Tiptoe and Ashurst/Netley Marsh. In terms of employment, the dominant sectors are Professional and Other Private Services, Manufacturing, and Administrative and Support Services, and these are distributed across these key employment locations, reflecting a mix of tourism, local services, administration, and specialised production.

3.12. The National Park is surrounded by local employment centres, such as Lymington, Ringwood and Totton, and larger urban areas that provide significant opportunities for employment development. Consequently, net out-commuting by National Park residents occurs to these larger centres and, given their proximity, it is likely that some employment needs will continue to be met beyond the Park's boundaries.

3.13. Analysis of Census 2021 National Park data reveals the following distances travelled to work and modes of travel:

Table 2. Distances New Forest residents' travel to work by percentage

Distance travelled to work	**%**
Less than 2km	4.9%
2km to less than 5km	3.8%
5km to less than 10km	5.1%
10km to less than 20km	5.3%
20km to less than 30km	2.6%
30km to less than 40km	0.8%
40km to less than 60km	0.4%
60km and over	0.8%
Works mainly from home	13.6%
Works mainly at an offshore installation, in no fixed place, or outside the UK	7.4%
Does not apply (not in employment or aged 15 and under)	55.2%

Source: Census 2021

Table 3. New Forest residents' modes of travel to workplace by percentage

Method used to travel to workplace	**%**
Underground, metro, light rail, tram	0.0%
Taxi	0.1%
Motorcycle, scooter or moped	0.2%
Train	0.3%
Bus, minibus or coach	0.4%
Other method of travel to work	0.5%
Bicycle	1.0%
Passenger in a car or van	1.6%
On foot	2.7%
Work mainly at or from home	13.6%
Driving a car or van	24.4%
Not in employment or aged 15 years and under	55.2%
Source: Census 2021	100.0%

3.14. This indicates that people generally commute using a car or van and tend to travel less than 20km to work, either within or beyond the National Park's boundary.

4. Employment Needs

4.1. The purpose of the Employment Needs Assessment (2025) is to consider economic development, as defined by the NPPF, focussing primarily upon the typologies set out in the business use classes outlined below:

- B2 general industrial: typically comprising factory and manufacturing space.
- B8 storage and distribution: warehouses, wholesale and distribution.
- Under the Use Classes Order, "B1 uses" have changed as follows:

  (i) Former Class B1(a) to E(g)(i): office space;

  (ii) Former Class B1(b) to E(g)(ii): research and development space; and

  (iii) Former Class B1(c) to E(g)(iii): light industrial space

4.2. The study analyses current market signals, reviews economic conditions and recent trends and assesses the scale of future demand and growth potential to quantify the amount and type of floorspace needed to be expressed through the Local Plan for the period 2024 - 2043.

4.3. It focuses on locally arising employment needs, rather than wider inward investment or strategic needs but does not provide in-depth assessment of future sectorial requirements, particularly with regard to planning for the growth of the modern economy, as specified in the NPPF. A further consideration is that the National Park does not fit neatly into a functional economic market area.

4.4. The 2021 Economic, Employment and Commercial Needs (including logistics) Study assesses the demand for employment space across the Partnership for South Hampshire's (PfSH) Functional Economic Market Area (FEMA). As part of the analysis, the FEMA boundaries were reviewed regarding commuting patterns, concluding that only the eastern part of the New Forest District, specifically the area from Totton to Fawley, was functionally and economically integrated with South Hampshire. The New Forest National Park is reported to act as a natural barrier, separating this eastern zone from the western part of the district, which is more aligned with the Bournemouth/Christchurch area in terms of employment-related travel.

Existing Employment Land

4.5. Existing employment land within the National Park is apportioned as follows:

Table 4. Existing employment land use classes by percentage

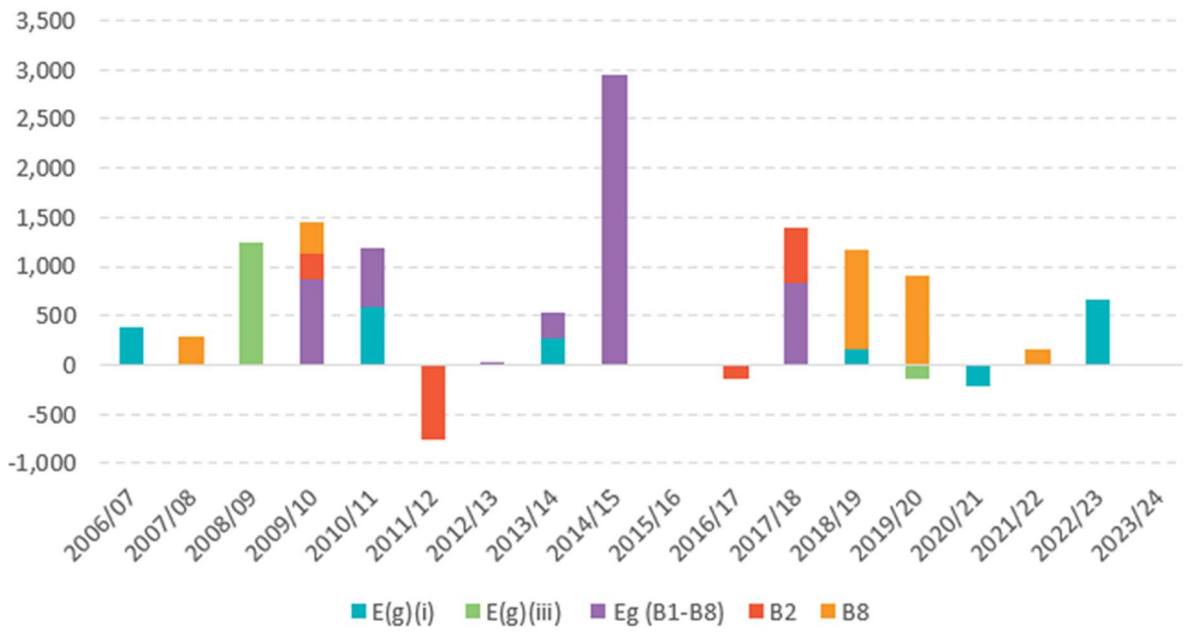
Use class	%
Office E(g) (i)/(ii)	35
Industrial E(g)(iii)/B2	56
Distribution B8	9
Total	100

Source: Figure 2.4 of the Employment Needs Assessment, 2025

4.6. By way of comparison, this equates to roughly 8.9% of the total floorspace within the study area which includes the New Forest District. Floorspace is mainly comprised of industrial (40,630 sq. m) and office space (25,327 sq. m), with minimal distribution uses.

4.7. Over the last five years employment net completions have been limited in comparison to previous years, reflecting the wider economic climate:

Figure 1. Annual employment net completions by use class



Source: Figure 2.8 of the Employment Needs Assessment, 2025

4.8. Demand for office floorspace is limited, with a notable trend being the conversion of agricultural buildings into office spaces rather than new build schemes. When comparing average take-up rates, approximately two years' supply of office floorspace is currently available (see Table 2.3 of the Employment Needs Assessment, 2025).

4.9. The industrial property market is characterised by modest, predominantly small-scale activity but represents a limited but steady demand. The National Park has a vacancy rate of 3.0%, typically with lower rents, and a focus on a more constrained, locally driven industrial market, with between 0.7 and 1.2 years of supply, consistent with a market that is low in activity but stable. Recent monitoring of planning permissions granted, but not implemented, records around 1100sq. m of employment floorspace (B1 - B8), comprising extensions to premises and changes of use, rather than new build.

4.10. Since 2013, Permitted Development Rights (PDR) have enabled conversion from office to residential uses without the need for planning permission. To date, 13 conversions have been completed, collectively delivering 49 new residential units.

4.11. A review of existing stock in terms of quality and ability to meet business needs is undertaken as part of the Employment Needs Assessment. Of the forty sites assessed, 84% were categorised as of average or higher quality, 5 sites fell into the below-average category, and 1 site was classified as low quality. Those sites deemed as above-average and high-performing, share several key characteristics:

- are typically well-located, either within or on the edge of village centres or along main roads;
- offer strong accessibility via road networks and public transport;
- often benefit from good visibility and prominence;
- buildings are generally modern, well-maintained, or recently refurbished, with adequate parking provision;
- most have stable, long-standing occupiers, indicating consistent employment use, with signs of continued investment or growth; and
- tend to present potential for further intensification, expansion, or regeneration in ways that are compatible with their surrounding context.

4.12. With regard to the weaker performing sites, these are typically in poor physical condition with dilapidated buildings, minimal landscaping, and informal parking. Many are in remote rural locations with poor road access and limited connectivity. These sites are also frequently constrained by adjacent residential areas and locations within, or near to, conservation designations.

4.13. Out of the 40 sites surveyed, approximately 30 were found to have potential for some form of redevelopment, refurbishment, or on-site intensification. For many of these sites, future expansion depends on the level of business demand.

Labour Market

4.14. The National Park is characterised by a population that is significantly older and is ageing at a faster rate compared to the averages for Hampshire and the UK. In addition, it has experienced a declining population, driven by an ageing population with a higher number of deaths than births, i.e. negative natural change (New Forest Strategic Housing Market Assessment, 2025). Specifically, the New Forest (district and National Park) has a lower proportion of residents aged 45 and younger and a particularly low number of people aged 20 to 29. The older population profile is more pronounced within the National Park area, as it has a lower proportion of those aged between 20 and 39 years old and a much higher proportion of those aged 40+ than the district. The National Park also has a significantly higher proportion of residents aged 65 and over (33.8%) when compared to the South East (19.7%) and England (18.6%). The proportion of older residents has a consequential impact on the ability of local people to occupy local jobs and therefore there is a need to enable those in younger cohorts to be able to work and live locally.

Future Labour Market

4.15. The Employment Needs Assessment only refers to labour growth in the wider New Forest, with a focus on the Solent Freeport sites within the Waterside sub-area. It is projected that the Freeport could generate approximately 4,000 jobs in Research and Development (R&D) and technology, alongside 700 roles in advanced manufacturing and engineering. Given the New Forest's existing maritime strengths, the Freeport is likely to further boost opportunities in marine manufacturing and technology.

4.16. The study acknowledges that within the National Park there is a predominance of micro-businesses, employing fewer than 9 people, with a focus on services and light industry in key settlements:

Table 5. Number of businesses by size

Size of enterprise	No of enterprises
0-9 micro	2200
10-49 small	325
50-249 medium	50
250+ large	10

Source: ONS 2022 Inter Departmental Business Register

4.17. The Employment Needs Assessment (ENA) explored a variety of scenarios to establish an assessment of future employment space required over the Plan period. The ENA included a bespoke assessment for the National Park and looked at future labour demand to provide a forecast of employment change up to 2043:

Table 6. Employment use change across the Plan period

Use	**Number of Workforce Jobs**		**Change**
	2025	2043	**2025 - 2043**
Office E(g)(i)/(ii)	2,914	3,163	+249
Light Industrial E(g)(iii)	855	859	+4
General Industrial B2	3,073	3,166	+93
Distribution B8	1,011	865	-145
Total Office, Industrial, and Distribution Jobs	7,852	8,053	+201
Total Workforce Jobs	**25,340**	**27,550**	**+2,210**

Source: Figure 5.1 of the New Forest Employment Needs Assessment, 2025

4.18. The ENA found that office-based sectors account for 11.3% of total employment growth, while employment in storage and distribution-related sectors is forecast to decline by 6.6% over the same period. The remaining 90.9% of forecast growth is attributable to employment sectors that do not require large amounts of office or industrial floorspace, such as accommodation and food services, health, agriculture, forestry and fishing. When the workforce data shown set out in Table 6 is converted to employment floorspace, this equates to about an additional 3,070 sq. m over the Plan period.

4.19. In contrast, an alternative approach is to focus on the future supply of labour, rather than demand for labour. This method estimates the number of new jobs needed to match the future supply of working-age residents, reflecting the population forecasts of the Strategic Housing Market Assessment. Unfortunately, only a combined New Forest District and National Park output exists for this scenario, which generates a need for a total of 153,860 sq. m of employment floorspace.

Employment Space

4.20. A further scenario explores commercial property market data in terms of occupied space vs vacant space. The results indicate a low net absorption rate for the National Park, with an average of 210 sq. m per year (annual floorspace change). If this is protected over the Plan period, this generates a need for around 3,870 sq. m of employment floorspace.

4.21. Past development rates, which reflect market demand and actual development patterns, are also analysed to inform future space needs. An analysis of monitoring data on past completions of employment space indicates that over a 10-year period between 2014/15 and 2023/24, average annual net completions for the National Park equate to 680 sq. m per annum, broken down as follows:

Table 7. Employment use class by completions in sq. m

Use Class	Completions (sq. m)
Office E(g)(i)/(ii)	140
Light Industrial E(g)(iii)	-30
General Industrial B2	40
Distribution B8	210
B1-B8	380
Total	**680**

Source: Figure 5.5 of the Employment Needs Assessment, 2025

4.22. Based on this level of development, and projecting forward over the Plan period, demonstrates a need for an additional 12,160 sq. m of employment floorspace:

Table 8. Additional floorspace required by Use Class

Use Class	Annual change (sq. m)	Floorspace Requirement (sq. m)
Office E(g)(i)/(ii)	140	1,090
Light Industrial E(g)(iii)	-30	-240
General Industrial B2	40	760
Distribution B8	210	3,730
E(g), B2-B8	380	6,810
Total	**680**	**12,160**

Fig 5.6 Source: Employment Needs Assessment, 2025

Employment Land Requirements

4.23. In summary, employment requirements for the National Park vary between 4,450 sq. m to 13,550 sq. m under the various scenarios tested. On the basis that the monitoring data is considered to be the most appropriate and accurate source of robust evidence for this specific geography, the Employment Needs Assessment recommends that future employment requirements based on past trends of 13,550 sq. m should be reflected in the Local Plan.

4.24. The ENA breaks this down into:

Table 9. Recommended levels of future employment floorspace by use type

Use Class	Floorspace sq. m
Office	1,220
Industrial	4,760
Mixed use Eg, B2, B8	7,570
Total	**13,550**

Source: Employment Needs Assessment, 2025

4.25. Taking into account existing commitments through extant planning permissions equating to a total of 1,140 sq. m, this leaves a net requirement of 12,410 sq. m:

Table 10. Floorspace required across the Plan period, minus extant planning permissions

Use Class	Requirement to 2043		With planning permission		Shortfall	
	sq. m	ha	sq. m	ha	sq. m	ha
Offices E(g)(i)/(ii)	1,220	0.21	580	0.06	640	0.06
Industrial and distribution E(g)(iii)/B2/B8	4,760	1.19	560	0.06	3,990	0.41
E(g)(B1-B8)	7,570	1.89	-	-	-	-
Total	13,550 sq. m		1,140 sq. m		4,630 sq. m	

Source: Employment Needs Assessment 2025

4.26. With regard to the Local Plan, the Employment Needs Assessment advises that: "*with a limited supply pipeline and statutory development constraints, the proposed policies should primarily focus on maximising opportunities through the redevelopment, refurbishment, and on-site intensification of existing sites. While traditionally relying on windfall development, the Authority has an opportunity to take a more proactive stance in identifying and potentially allocating new employment sites where future activity could be considered compatible with the Park's purposes.*"

4.27. In addition, policies should seek to manage future losses and enable a flexible approach in order to respond to market demand and economic need. The ENA also acknowledges that given the nature of the National Park there are a significant range of rural employment sites, which make an important contribution to meeting local employment needs. These sites typically comprise rural accommodations (e.g. barn conversions) that are well suited to smaller local businesses and start-ups. This suggests that future planning policy should seek to provide a supportive framework for the continued use and potential growth of rural and other small sites, subject to the usual planning factors (for example through a criteria-based approach on redeveloping sites and premises currently in employment use).

5. Retail Needs

5.1. Given the nature of the National Park, retail provision is focused on the larger villages serving the local population. Consequently, there has not been an assessment of future retail needs in terms of quantum of provision. The Local Plan approach is to retain existing provision where possible and to allow for appropriate changes as necessary, in alignment with paragraph 88(d) of the NPPF.

5.2. A key change has been the introduction of the revised Use Classes Order in 2020/21. This combined several use classes, so that planning permission is no longer required for changes between a wider range of uses within the same use class.

5.3. Successive local plans have sought to safeguard the role of local shopping frontages in Ashurst, Brockenhurst, Lyndhurst and Sway, to meet some of the day-to-day retail needs of residents and visitors. This has typically been undertaken by allocating a proportion of the designated shopping/commercial frontages (as shown on the existing local plan policies map) for retention, where possible, for retail uses. The policy approach specifically states that the proportion of retail units within the shopping frontages of Lyndhurst and Brockenhurst should not be reduced to less than 50%, and no fewer than 40% for the frontages in Ashurst and Sway.

5.4. However, changes to the Use Classes Order have broadened the list of activities now categorised under Class E 'Commercial, Business and Service' and Class F1-2 'Local Community Facilities', and deemed to be suitable within a shopping/commercial centre:

Table 11. Use Class Orders relating to shopping/commercial centres

Use Class	Activities
Class E Commercial, Business and Service	Use, or part use, for all or any of the following purposes: a) Shop other than for the sale of hot food b) Food and drink which is mostly consumed on the premises c) the following kinds of services principally to visiting members of the public i. financial services ii. professional services (other than medical services) iii. any other services which it is appropriate to provide in a commercial, business or service locality d) Indoor sport and recreation (not swimming pools, ice rinks or motorised vehicles or firearms)

Use Class	Activities
	e) Medical services not attached to the residence of the practitioner f) Non-residential creche, day centre or nursery g) i) office ii) the research and development of products or processes or iii) any industrial process, (which can be carried out in any residential area without causing detriment to the amenity of the area)
Class F1 Learning and non-residential institutions	Any use not including residential use – a) For the provision of education b) For the display of artwork (not for sale or hire) c) As a museum d) As a public library or public reading room e) As a public hall or exhibition hall f) For, or in connection with, public worship or religious instruction g) As a law court
Class F2 Local community uses	a) A shop of not more than 280 square metres, mostly selling essential goods, including food, where there is no other such facility within 1000 metre radius of the shop's location b) Community halls and meeting places c) Outdoor sport or recreation (not involving motorised vehicles or firearms) d) Swimming pool or ice skating rink

Source: Use Classes Order [1]

5.5. Monitoring of the defined retail frontages during 2025 reveals the following:

Table 12. Percentage of defined retail frontages by defined village

Use Class	Ashurst 40% A1 minimum		Brockenhurst 50% A1 minimum		Lyndhurst 50% A1 minimum		Sway 40% A1 minimum	
	Unit Qty	%	Unit Qty	%	Unit Qty	%	Unit Qty	%
A1	3	23.1	17	56.7	43	53.8	3	25
A2	0	0	2	6.7	7	8.8	2	16.7
A3	6	46.2	6	20	20	25.0	1	8.3
A4	0	0	0	0	2	2.5	0	0
A5	0	0	0	0	1	1.3	0	0
C1	0	0	0	0	1	1.3	0	0
C3	0	0	3	10	0	0	5	41.7

[1] https://www.legislation.gov.uk/uksi/1987/764/contents

Use Class	Ashurst 40% A1 minimum		Brockenhurst 50% A1 minimum		Lyndhurst 50% A1 minimum		Sway 40% A1 minimum	
D1	0	0	0	0	0	0	1	8.3
D2	0	0	0	0	1	1.3	0	0
B1(a)	0	0	2	6.7	0	0	0	0
Sui Generis	4	30.8	0	0	5	6.3	0	0
TOTAL	**13**	**100**	**30**	**100**	**80**	**100**	**12**	**100**
E	9	69	26	87	69	86	7	58
F2	0	0	0	0	1	1	0	0
C1	0	0	0	0	1	1	0	0
C3	0	0	3	10	0	0	5	42
Sui Generis	4	31	1	3	9	11	0	0
TOTAL	**13**	**100**	**30**	**100**	**80**	**100**	**12**	**100**

Source: NFNPA Monitoring 2025

5.6. So, whilst the retail frontages have been retained for the time being, these will be subject to monitoring, the results of which may impact on the policy approach in the future. The evidence set out above already indicates that the previous percentage retention of specifically A1 shops has not been achieved in two of the frontages (Ashurst and Sway).

5.7. The New Forest Partnership Plan 2022 - 2027 includes reference to local produce. The variety of food and other products produced and sold locally continues to increase, giving the opportunity for people to live healthily and sustainably and at the same time support the local economy. Furthermore, local produce and local businesses are vital to the health and well-being of the rural environment and local economy and in turn contribute to delivering the socio-economic duty as required by National Park legislation. Therefore, it is necessary for the Local Plan to include a positive strategy for the retention and protection of existing local shops.

6. Tourism Needs

6.1. Like retail, there is no specific quantitative data available, presented from a planning perspective, regarding the future needs of the tourism industry. Again, the 2022 Partnership Plan references sustainable tourism and the fact that there are over 15 million day visits each year, with the quantity increasing year-on-year. It is estimated that tourism-related activities generate over £528 million annually and provide nearly 20% of all local jobs.

6.2. The 2025 Employment Needs Assessment acknowledges that tourism and hospitality sectors have strong representation within the National Park. Tourism data for the Park is collated by Global Tourism Solutions, which operates the STEAM model[2], provides estimates of the annual value, volume and economic impact of tourism which is broken down into multiple categories for a defined geographic area. Data collated for the period 2012 – 2023, specifically for within the National Park boundary, includes the following headline findings:

Figure 2. Serviced accommodation by capacity and number of establishments

STEAM REPORT FOR 2012-2023 - FINAL THE NEW FOREST NATIONAL PARK - WITHIN THE PARK BOUNDARY						
SERVICED ACCOMMODATION 2023	2023		Change on 2022		Change on 2012	
	Est.	Beds	Est.	Beds	Est.	Beds
Serviced Accommodation Total	72	2,225	-9	-47	-27	-291
+50 room hotels	2	266	0	0	-1	-143
10-50 room hotels	30	1,621	+1	+21	-0	+12
<10 room hotels/others	40	338	-10	-68	-26	-160

Source: Global Tourism Solutions

Figure 3. Non-serviced accommodation by capacity and number of establishments

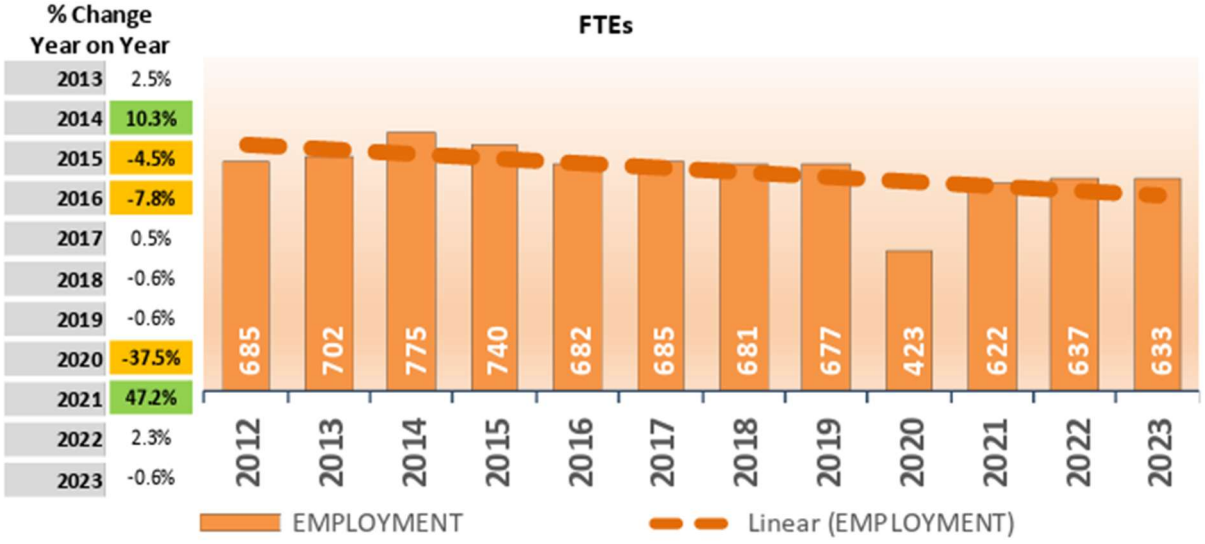
NON-SERVICED ACCOMMODATION 2023	2023		Change on 2022		Change on 2012	
	Est.	Beds	Est.	Beds	Est.	Beds
Non-Serviced Accommodation Total	161	18,052	0	+2,145	+81	+6,415
Self catering	103	649	-17	-93	+40	+297
Static caravans/chalets	0	2,079	0	+72	0	+1,975
Touring caravans/camping	58	15,324	+17	+2,166	+42	+4,179
Youth Hostels	0	0	0	0	-1	-36

Source: Global Tourism Solutions

[2] An economic impact report based on the Scarborough Tourism Economic Activity Monitor (STEAM).

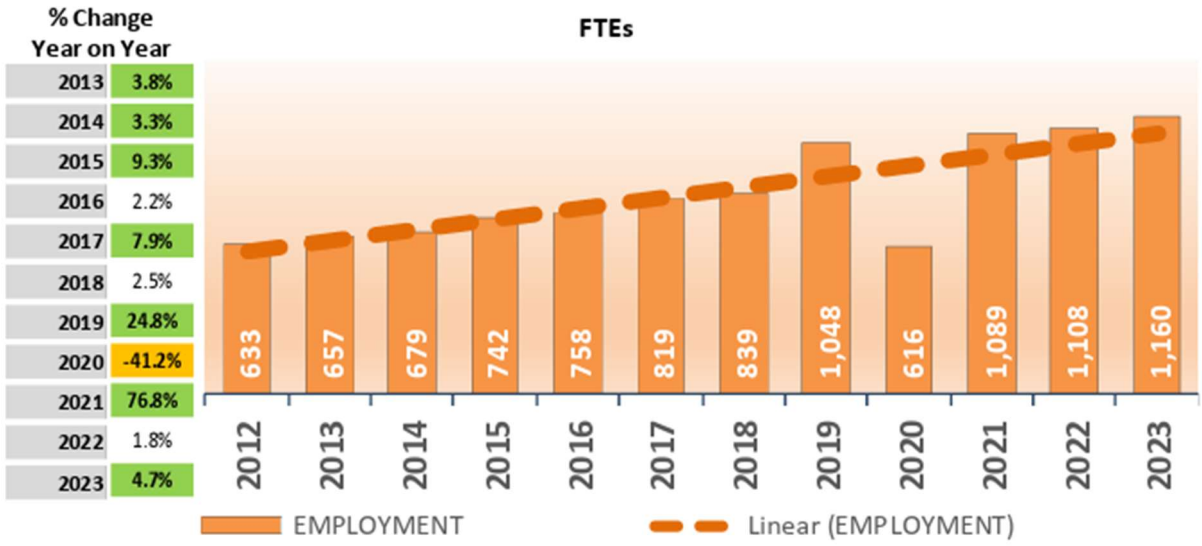
6.3. The data set out above clearly identifies a significant increase in the provision of non-serviced accommodation in terms of general self-catering provision (cottages to rent / Airbnb), static caravans / chalets and touring caravans / camping. By comparison, hotel accommodation has not been subject to such dramatic increases, with both the number of small (fewer than 10 rooms) and large (greater than 50 rooms) establishments declining in numbers, whereas there has been an increase in mid-range 10 to 15-bedroom hotels. The data also indicates that the number of people directly employed in serviced accommodation is in decline, in comparison with the quantity employed in non-service accommodation:

Figure 4. Number of people directly employed in the serviced accommodation sector



Source: Global Tourism Solutions

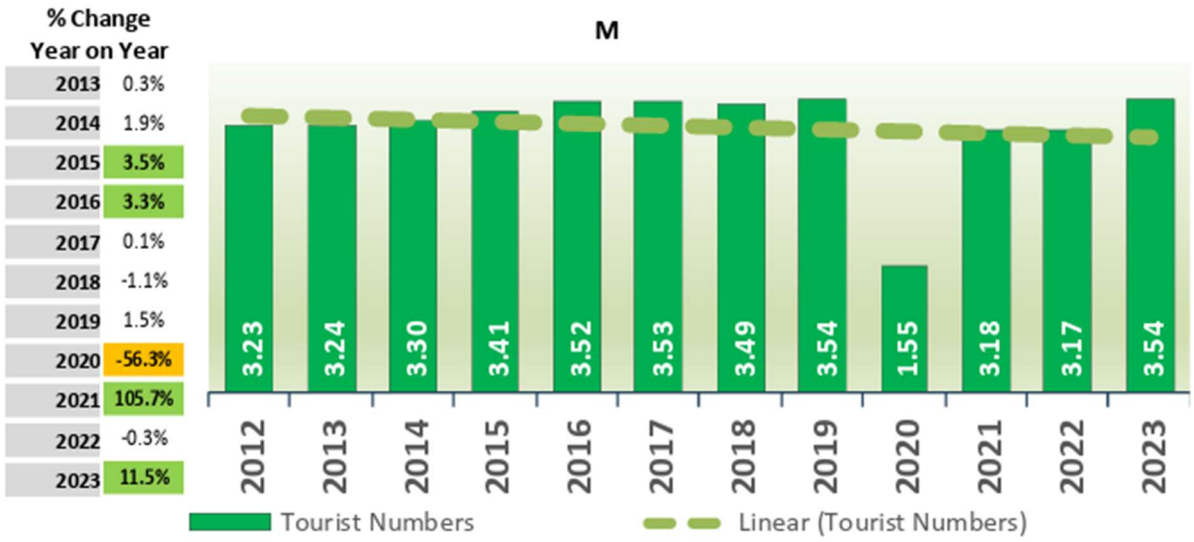
Figure 5. Number of people directly employed in the non-serviced accommodation sector



Source: Global Tourism Solutions

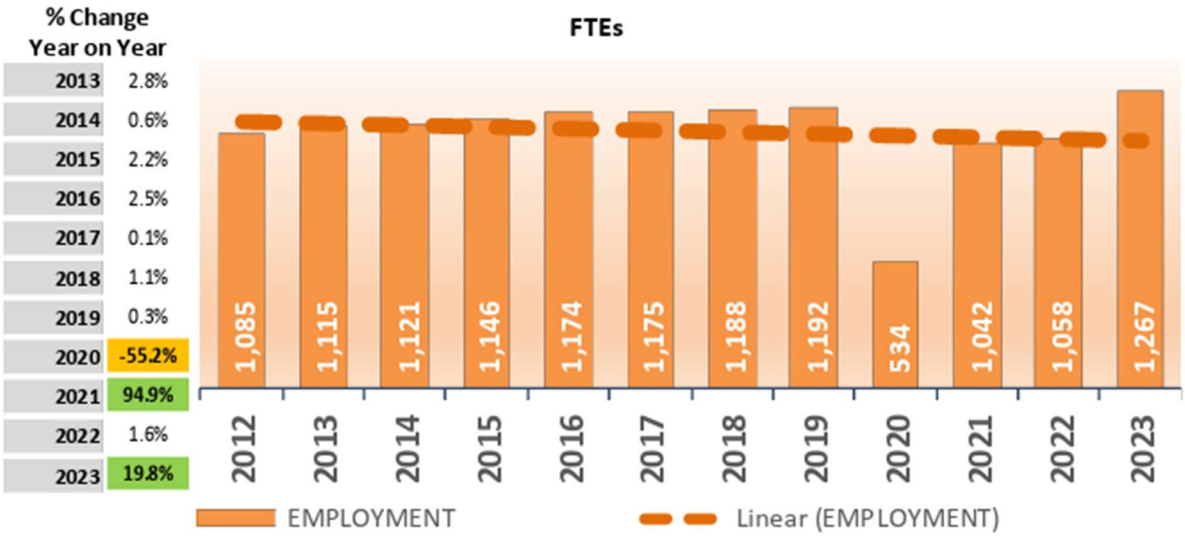
6.4. Day visitor numbers have been increasing in recent years, as have the numbers of those employed to support the day visitor industry:

Figure 6. Visitor numbers by day visits



Source: Global Tourism Solutions

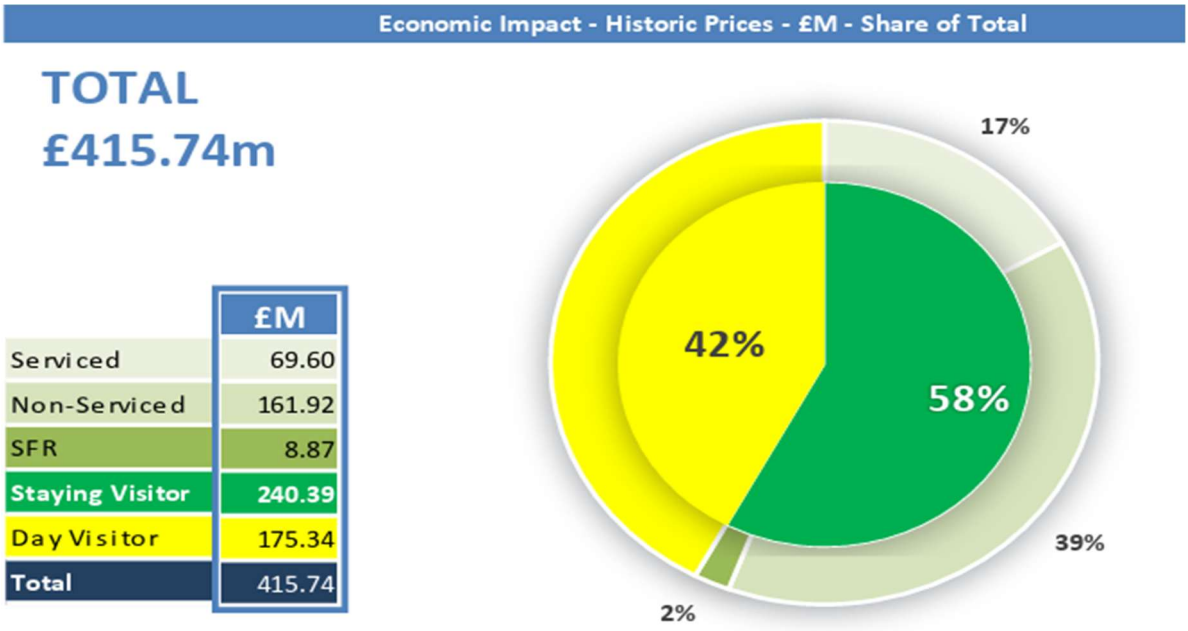
Figure 7. Direct employment numbers supported by day visits



Source: Global Tourism Solutions

6.5. Both day and staying visitors make a significant contribution to the local economy. The chart below indicates that staying visitors contribute more, with those using non-serviced accommodation making the greater contribution:

Figure 8. Breakdown of visitor contribution to the local economy



Source: Global Tourism Solutions

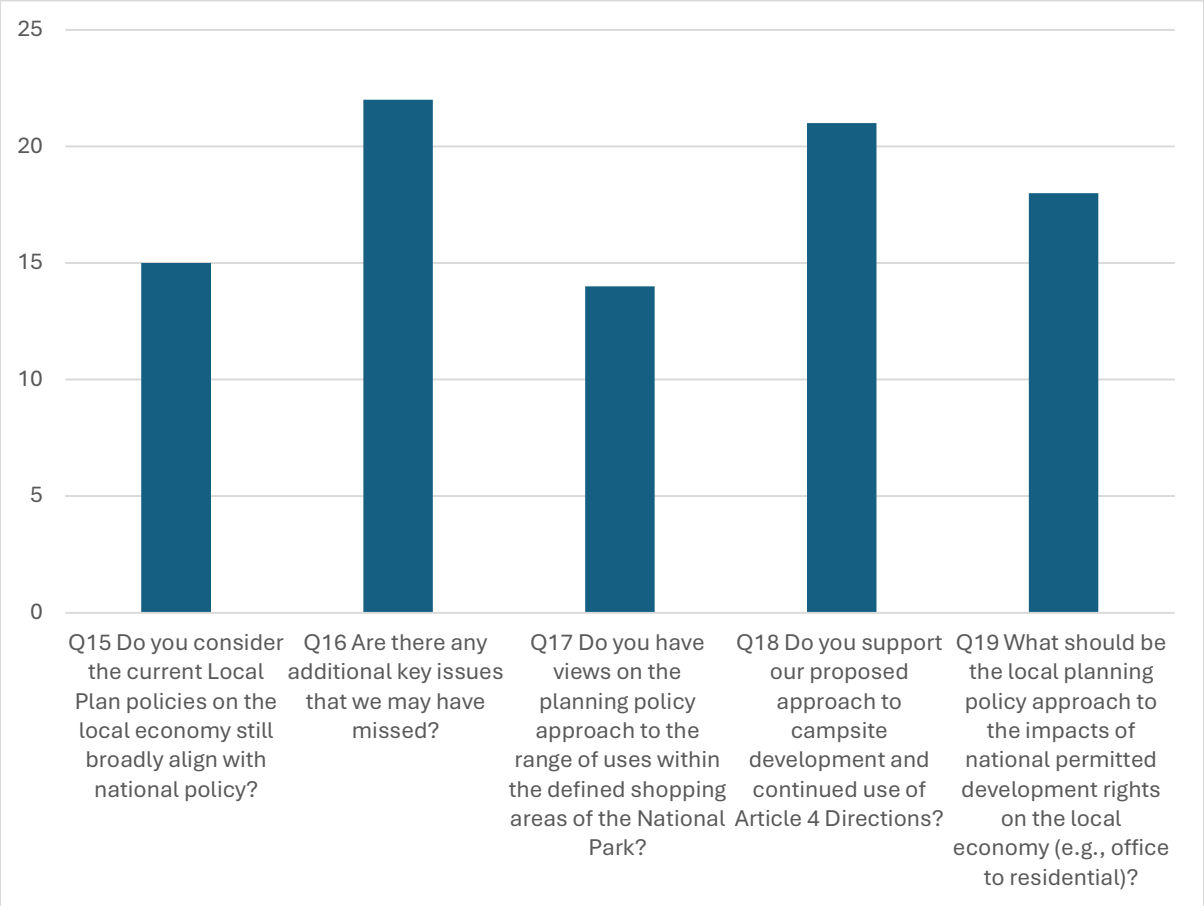
6.6. From a Local Plan perspective, whilst the value of the tourism industry is acknowledged in terms of the wider economy, there is also the need to balance impacts on the protected landscape and the villages within the National Park. To this extent, the Authority introduced an Article 4 Direction in 2022 to limit the amount of 28-day 'pop up' campsites, with a further Article 4 instituted in 2024 in response to the Government's relaxation of permitted development rights for temporary campsites. As a result, the Authority has published guidance explaining the implications of both Article 4 Directions in more detail. The guidance also sets out why temporary camping uses need to address their recreational impacts on designated nature conservation sites and to meet requirements of the Habitat Regulations.

6.7. In addition, the New Forest has several large key tourist attractions such as Beaulieu Motor Museum, Paultons Park (Peppa Pig World) and Exbury Gardens, to name just a few. These typically occupy large areas of land and have a range of associated buildings and infrastructure. This can pose challenges for a positive plan-led response, with the need to ensure that the wider economic benefits of such facilities are not outweighed by the potential adverse impacts.

7. Regulation 18 (Part 1) Consultation

7.1. A public consultation on the *Strategic Direction of Travel* document took place over a 6-week period between February and March 2025. This formed the first stage of the Regulation 18 Local Plan consultations and invited feedback on the scope of the Local Plan Review. Five questions focusing on the local economy were posed, and the response rate to each question is set out in Figure 9 below. Further details can be found within the Consultation Statement for this stage of the Local Plan Review.

Figure 9. Number of detailed comments received in relation to local economy questions



Summary of Representations:

Question 15: *"Do you consider the current Local Plan policies on the local economy still broadly align with national policy?"*

7.2. The plan should recognise that the National Park's economy must remain proportionate to its protected status, focused primarily on local people, workers, visitor support and recreation facilities, while acknowledging that wider economic growth is more appropriately directed outside the National Park.

7.3. It should also make clear reference to opportunities arising from the Solent Freeport designation and the potential to use the area's natural assets to support appropriate business activity. Such opportunities should prioritise climate-friendly goods and services, minimise environmental impacts, and promote green businesses linked to natural capital.

7.4. Commoning, agriculture and the rural landscape should be protected as central to the National Park's character and cultural heritage. Agricultural land should be retained and not lost to inappropriate development or other uses, while policy should support rural diversification, key rural sectors, small and micro businesses, and flexible rural employment where these are compatible with landscape protection and thriving rural communities.

7.5. Tourism policies should be updated to reflect changing visitor habits and expectations, with stronger controls to ensure that tourism development is only supported where it does not add pressure to the National Park, its environment, or local communities.

Question 16: *"Are there any additional key issues that we may have missed?"*

7.6. Key concerns focus on the need to align economic development with sustainability objectives. The Authority should encourage businesses within the green economy, particularly those producing goods and services with minimal climate impact, while ensuring that employment needs are assessed in the context of the local working population, commuting patterns, environmental effects and the effectiveness of public transport.

7.7. There is a strong emphasis on promoting sustainable movement, with walking and cycling into and out of development locations needing greater priority. The land-based economy should also be strengthened, including recognition of the importance of commoning to the New Forest's character, economy and communities.

7.8. Further consideration should be given to a digital skills strategy, apprenticeship schemes and suitable locations for clusters of local businesses, such as small

business parks linked to settlements, to support the wider New Forest economy. The role of large estates should also be recognised through consideration of Whole Estate Plans.

7.9. Additional detail is needed on the implications of the Solent Freeport. Tourism development should be clearly framed as sustainable, with explicit consideration of the effects of short-term holiday lets and second homes, including their potential impacts on life in the Forest.

Question 17: *"Do you have views on the planning policy approach to the range of uses within the defined shopping areas of the National Park?"*

7.10. The key concern is the need to maintain and support local shops and services, as these are essential to resilient communities and enable local people to access everyday facilities by active travel or public transport wherever possible.

7.11. There is concern that existing policies have allowed retail units within defined shopping areas to be lost through conversion to large residential buildings. At the same time, the shortage of affordable housing in the National Park means there may be a case for allowing small amounts of surplus retail space to be used for housing where this would not undermine local shopping provision.

7.12. Overall, there is a need to reassess shopping frontages and strike an appropriate balance between protecting retail uses and allowing enough flexibility for centres to adapt to changing economic conditions.

Question 18: *"Do you support our proposed approach to campsite development and continued use of Article 4 Directions?"*

7.13. The key concern is to ensure that camping provision in the National Park is managed in a way that protects sensitive sites while continuing to support appropriate visitor access. Moving camping pitches away from the most sensitive areas and directing them to less vulnerable locations is seen as an effective approach that should continue, particularly where it helps to control campsite activity and reduce pressure on the forest and its wildlife.

7.14. There is recognition that campsites are needed within the National Park and that tourism remains an important economic driver. However, campsite and holiday park development should be carefully managed so that it supports respectful, unobtrusive enjoyment of the natural environment rather than causing avoidable harm.

7.15. Concern remains about the environmental effects of intensifying existing campsite development, particularly through lodges and permanent built

structures. Such development may increase traffic, light pollution and wider disturbance, and should therefore be assessed carefully to ensure impacts on the landscape, habitats and wildlife are avoided or minimised.

7.16. Future campsite provision should be based on ecologically sound, low-impact design. Sites should promote sustainable access, including cycle routes and public transport, and provide information and engagement that helps visitors understand and respect the natural and local environment.

Question 19: *"What should be the local planning policy approach to the impacts of national permitted development rights on the local economy (e.g., office to residential)?"*

7.17. There is support for a more flexible approach to changes of use within the National Park, recognising the limited scope for new housing development. Permitted development rights can provide useful flexibility by enabling redundant office or business premises to be converted to residential use, where appropriate.

7.18. However, concerns remain about the impacts of short-term lets, such as Airbnb, and the potential loss of employment floorspace through residential conversions. The significance of these impacts depends on the scale and location of losses, particularly in key employment areas and more rural locations with distinct local characteristics.

7.19. Further research is needed to identify the types of losses occurring, where they are taking place, and whether a stronger policy response is justified. This should include consideration of how Article 4 Directions could be used to manage or restrict permitted development rights where necessary, while maintaining appropriate flexibility elsewhere.

8. Regulation 18 (Part 2) Consultation

8.1. The National Park Authority made a decision to publish a full draft Plan as part of the Regulation 18 Part 2 consultation on the draft Local Plan. Held over six weeks, between November and December 2025, over 1,000 representations were received regarding the emerging policy approaches, supporting documents, and format of the Plan itself.

8.2. Further details regarding the consultation responses received – and how they have helped to inform the Regulation 19 Submission draft Local Plan – are available in the Consultation Statement for this stage of the Local Plan Review.

8.3. A total of 27 representations were received for the local economy chapter from a range of statutory consultees, Parish Councils, interest groups, planners and developers, and members of the public. Historic England requested that reference to the historic environment be made throughout the chapter, while other comments related to specific policies. Key remarks are set out below. Where policy references have been changed following feedback from the consultation, the new reference is shown in brackets, e.g., Policy SP53 (now SP55).

Summary of Representations:

Policy SP53 (now SP55) Maintaining and improving business floorspace

8.4. Respondents expressed broad support for the policy's aims to foster a sustainable, low-carbon local economy, particularly through small businesses, locally distinctive higher-value activities, walking and cycling links to local centres, and recognition of opportunities for digital infrastructure at the Solent Freeport Fawley Waterside tax site and land north of Fawley Waterside.

8.5. Strong support was shown for retaining and reusing existing employment sites, allowing appropriate small-scale E(g) and B2 uses, and enabling existing and new businesses to start up, expand and secure their long-term future. However, concerns were raised that the policy does not go far enough in explicitly supporting established local businesses seeking to grow within the New Forest, while also preventing the loss of existing employment land.

8.6. Some respondents questioned whether the Authority should plan for the highest level of economic need within the National Park, given its environmental sensitivity, limited development opportunities and competing housing pressures. They argued that strategic employment needs, including energy, data and marine-related growth, could be accommodated at the former Fawley Power Station site outside the Park, with the National Park's more modest needs met through a dispersed approach focused on rural communities.

8.7. Other concerns related to the potential traffic and parking impacts of increased business floorspace, particularly in rural settlements such as Landford - Nomansland where there are few existing B2 sites. Respondents also sought clarification on how the relevant policy clauses could be applied in areas with limited employment land availability.

Policy DP54 (now DP56) Redevelopment and extension to existing employment buildings

8.8. Concerns were raised that the National Park needs to continue evolving while ensuring that any changes do not harm individual sites through excessive impacts or activity. Support was expressed for the policy direction, but respondents warned that incremental changes of use could lead to a progression from agricultural buildings to workshops, offices and ultimately residential development.

8.9. Respondents welcomed the discouragement of redeveloping employment sites for general warehousing because of limited employment benefits and increased traffic but sought clarification on whether the same approach applies to the conversion of agricultural or horticultural buildings and sites for general storage rental.

8.10. The importance of safeguarding existing employment uses and supporting incremental expansion was highlighted, reflecting the Economic Needs Assessment's conclusion that large-scale employment growth within the National Park was unlikely. Concerns were also raised that employers' ability to retain and attract staff depended on the availability of suitable local housing, consistent with the New Forest Partnership Plan's aim of sustaining a living and working Forest.

8.11. Support was shown for permitting redevelopment or intensification of existing employment buildings for industrial, office, business and low-key storage uses, and for encouraging comprehensive redevelopment where possible. However, concerns were raised that the policy could be difficult to apply in rural villages with limited business development, could generate additional car journeys and encourage inward commuting, given low unemployment in the National Park.

Policy SP55 (now SP57) The land-based economy

8.12. Representations expressed support for commoning and emphasised that its future depends upon its continued viability. Affordable housing for commoners, access to suitable land, support for farming and forestry, new buildings,

diversification, and the reuse of existing farm buildings were identified as essential to commoning's medium- and long-term sustainability.

8.13. Concerns were raised that the policy treats commoning primarily as an economic activity and that the November 2025 Strategic Land Availability Assessment assessed landowner-submitted sites without recognising the social and environmental value of sites used for commoning or back-up grazing in maintaining the traditional landscape of the New Forest. Respondents warned that, without recognition as a distinct planning category, back-up grazing land could be lost.

8.14. A further concern was that low-grade agricultural land could be lost to housing, commercial development, solar farms and other competing uses. It was argued that development proposals should be assessed for their effect on the availability of land needed to support commoning, rather than only for their immediate land-use impacts.

8.15. Comments also stated that environmental initiatives such as woodland creation, Biodiversity Net Gain, Nutrient Neutrality and carbon sequestration schemes were expected require scrutiny where they might remove land from grazing use.

Policy DP56 (now DP58) New agricultural and forestry related development

8.16. Responses were few, but representations demonstrated broad support for the policy's aims. Respondents expressed concerns that buildings would be converted to residential dwellings and suggested that a planning condition requiring removal of structures on cessation of use should be implemented.

Policy DP57 (now DP59) Reuse of farm buildings

8.17. Respondents generally supported the policy's aims, but it was considered that the wording would be strengthened by referring to the heritage significance of the building as part of the Authority's positive strategy for the historic environment.

8.18. The reuse of existing farm buildings was supported as a means of farm diversification, but concerns were raised that the policy as worded might not allow suitable reuse of redundant buildings on redundant sites. Comments also noted that the policy imposes a sequential approach but does not fully acknowledge the importance of tourism and advised that alternative uses should be embedded more clearly.

8.19. Further concerns were raised that new building approved under the policy could later be converted to residential accommodation, and it was considered that planning conditions would be required to prevent this.

Policy DP58 (now DP60) Loss of local retail facilities

8.20. Responses were few but support was demonstrated for the policy's aims, with strong support from some respondents.

8.21. Amendments were requested to the policy wording to prevent significant additional parking requirements from employees of offices serving sub-regional or national markets using a disproportionate amount of local parking to the detriment of nearby retail units and locally-based shop employees.

8.22. One comment suggested that, for clarity, criterion iv) should be reworded.

Policy DP59 (now DP61) Retail development outside of the defined settlement boundaries

8.23. Responses were few but broad support was expressed for the policy's aims.

Policy SP60 (now SP62) Sustainable tourism development

8.24. Respondents generally supported the policy's aims and noted the value of tourism to the local economy but stressed that growth had to be carefully managed to protect the New Forest's ecology, landscape and culture and to improve visitor understanding.

8.25. Concerns focused on transport links and policy alignment, including the need for clearer links to the LTP4, Rural Transport Strategies RT1 and RT2, the Hampshire Countryside Access Plan 2025 – 2035, particularly CAP P2, to support rural active travel, sustainable tourism and countryside access.

8.26. Responses suggested that recreational pressure had not been adequately addressed and that private tourism businesses and Go New Forest lacked the remit, funding or powers to manage visitor behaviour. Clearer policy wording and correction of draft policy numbering was sought.

8.27. Concerns were raised regarding residential dwellings, including annexes, being used as un-serviced holiday lets, which respondents considered to be a poor use of limited housing stock with little employment benefit. How 'Airbnb' type properties fit within the policy was also queried.

8.28. Respondents accepted restrictions on new sites but sought greater flexibility for existing sustainable tourism businesses, long-established holiday parks, campsites and visitor attractions outside of Defined Villages. It was considered that the policy should set out how upgrades and replacement facilities would be assessed where they helped keep visitors on site and reduced pressures on habitats.

8.29. Further representations sought flexibility for reuse, extensions, small-scale new buildings, farm diversification accommodation and low-impact tourism. Some respondents suggested that the policy does not sufficient support major established attractions, and that this reduced certainty for growth, reinvestment and operational development, risking greater administrative burden, weaker

investment confidence, and misalignment with national sustainable development and economic growth objectives.

Policy DP61 (now DP63) Holiday parks and camp sites

8.30. Responses were mixed, with some respondents showing support for the policy's aims with others objecting to the wording on the grounds that it is restrictive, or that additional facilities should not be permitted. Concerns were raised that recreational pressures, visitor behaviour, active travel, countryside access and links to the LTP4, Rural Transport Strategies and the Countryside Access Plan had not been addressed sufficiently.

8.31. Representations sought clearer treatment regarding short-term holiday accommodation and local transport links. It was also considered that the policy had not been flexible enough to support established tourism businesses, farm diversification, low-impact accommodation, small-scale facilities and upgrades to long-established holiday parks and campsites where these could reduce pressure on protected habitats.

8.32. Concerns were raised that large established attractions, such as Paultons Park, had not been sufficiently supported, leading to reduced policy certainty, added administrative burden and constraints on infrastructure improvements, and that these could discourage reinvestment, weaken competitiveness and risk conflict with sustainable development and economic growth objectives.

Policy SP62 (now SP64) Telecommunications and digital infrastructure

8.33. The policy's aims were supported, but it was considered that the wording could be strengthened in relation to 5G telecom masts, which can be intrusive and cause visual harm if not carefully sited and disguised to be as unobtrusive as possible.

8.34. One respondent considered the wording on digital connectivity and broadband to be insufficiently positive, despite improved digital infrastructure being essential to the social and economic well-being of communities and businesses. Reference was made to a government-funded Wessex Internet scheme to install gigabit full-fibre infrastructure in the New Forest, which could support enterprises and help younger people remain in the area.

8.35. Feedback observed that 'substantial harm' has a specific meaning in the National Planning Policy Framework and sets a high threshold, particularly when assessing impacts within the setting of heritage assets. It was suggested that this could be changed to 'unacceptable harm', allowing the decision-maker to determine whether any harm is 'substantial' or 'less than substantial'.

9. How the Local Plan Responds to the Evidence

9.1. Taking into consideration both technical evidence and feedback from the initial 'Direction of Travel' Regulation 18 consultation, the Local Plan policies have been amended in accordance with the following schedule:

Regulation 18 (Part 1) Consultation

2019 Local Plan Policy	Local Plan Review Policy	Policy Amendment
SP3 Major development in the National Park	SP4 Major development in the National Park	The policy is expanded to specifically refer to Whole Estate Plans, as raised through comments to the Reg 18 (part 1) consultation and in recognition of the number of large estates within the Park offering various types of activities. In the context of the benefit of having comprehensive plans identifying constraints and opportunities for such sites.
	New policy SP5 Land to north of Fawley Waterside	In response to the 2025 Employment Needs Assessment which identifies the need for about 13,000 sq. m of new employment floorspace over the Plan period. Strategic site allocation for land to north of Fawley Waterside which lies within the Solent Freeport.
SP42 Business and Employment Development	SP53 Maintaining and improving business floorspace	This policy has been clarified to express the approach for employment land and buildings both within and outside of the defined settlement boundaries. The policy expresses employment uses in terms of the revised Use Classes Order - Class E (g) and B2. Changes also refer to support for the land-based economy and

2019 Local Plan Policy	Local Plan Review Policy	Policy Amendment
		cultural heritage and special qualities of the National Park.
SP43 Existing employment sites DP44 Redevelopment of existing employment sites DP45 extensions to non-residential buildings and uses	DP54 Redevelopment and extension to existing employment buildings	The policy has brought together three similar policies to clarify the policy approach to changes to existing employment buildings with the National Park. The policy covers all changes to existing employment sites, whether expansion or intensification
SP48 Land Based Economy	SP55 Land Based Economy	The policy has been retained with minor edits for clarity.
DP50 Agricultural and forestry buildings	DP56 New Agricultural and forestry buildings	The policy has been retained with minor edits for clarity.
DP40 Change of use from retail in the Defined Villages	DP58 Loss of local retail facilities	Policy updated to reflect the revised Use Classes Order and to remove references to achieving certain percentages of retail representation in the existing defined frontages. No changes are made to the defined retail frontages at this time; this will be subject to monitoring.
DP41 Retail development outside the Defined Villages	DP59 Retail development outside of the defined settlement boundaries	Policy carried forward.
SP46 Sustainable tourism development	SP60 Sustainable tourism development	Policy retained and edited for clarity and includes reference to Whole estate Plans.

2019 Local Plan Policy	Local Plan Review Policy	Policy Amendment
DP47 Extensions to holiday parks and camp sites	DP61 Holiday parks and campsites	Policy carried forward.
	New Policy SP62 Telecommunications and digital infrastructure	New policy to reflect requirements of NPPF not only in respect of the provision of broadband, but to reflect the emerging modern economy sector with regards to digital infrastructure and data centres.

Regulation 18 (Part 2) Consultation

Regulation 18 Part 1 Policy	Regulation 18 Part 2 Policy	Policy Amendment
Policy DP57 Reuse of farm buildings	DP59	Reference to heritage significance has been incorporated into the policy wording.
Policy DP58 Loss of local retail facilities	DP60	Criterion iv) has been removed to improve clarity.
Policy SP60 Sustainable tourism development	SP62	Additional criteria to assess the enlargement and diversification of major tourist attractions has been included, along with wording to reflect promotion of accessing visitor facilities by active travel modes. The policy numbering has been corrected in the latest version of the Plan.
Policy DP61 Holiday parks and camp sites	DP63	The supporting text has been amended to set out additional criteria permitting appropriate alterations and limited extensions to small-scale visitor attractions and accommodation.
Policy SP62 Telecommunications and digital infrastructure	SP64	Criterion d) has been amended to "the equipment does not cause unacceptable harm to the character and appearance of the built environment …"