

# **Hawkshead Squares**

Wider Economic Benefits

February 2017



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# Executive summary

## Introduction

This report provides an evidence base which will support future funding bids made by Hawkshead Parish Council and partners for their Hawkshead Square Improvement Scheme (the Scheme).

Often, funding applications for regeneration projects based on tourism and the public realm are excluded because necessary employment and Gross Value Added (GVA) impacts are either not properly considered, or are too low compared to supporting other industries and activities.

This report is not a review or analysis of the Scheme itself. This report aims to provide context to the proposal as favoured locally. This report provides support for applications where the objectives of funding are to demonstrate economic impact.

## Enhancing Hawkshead

Hawkshead is a picturesque village with a rich history, including connections with Wordsworth and Beatrix Potter. The Visitor Economy Action Plan for Cumbria identifies the Hawkshead Squares Improvement Scheme as a priority for the village.

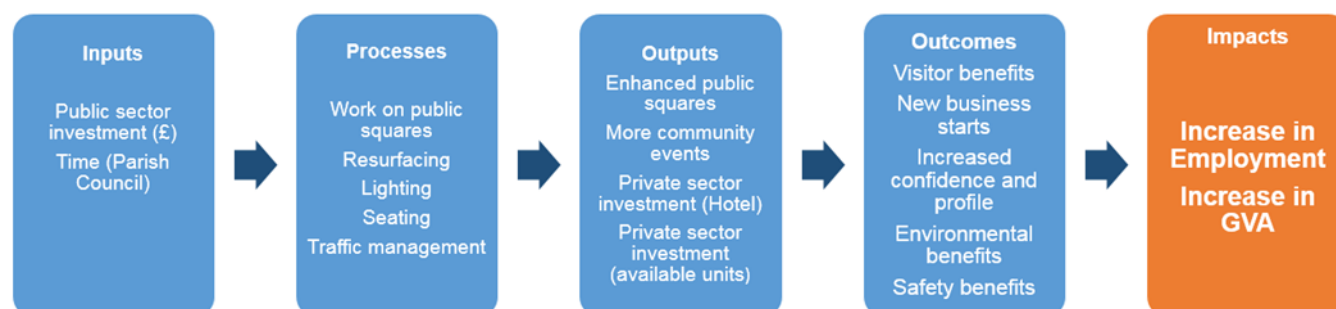
Previous bids to fund a proposed Hawkshead Squares Improvement Scheme have failed even though good quality public realm is critical to the competitiveness and attractiveness of an area. Investment in public realm can enhance an areas image, whilst attracting visitors, encourage investment and increase land and property values.

There are several issues related to public realm and highways in Hawkshead, including:

- Poor sense of arrival from B5285 to Main Street (north) and from Main Street (south).
- Wide junctions to the north and south encourage through traffic.
- Uneven and poorly maintained footways.
- Resurfacing of pavement/cobbles does not fit in with village theme.
- Chaotic parking in the vicinity of the Co-op due to very limited space, heavy use and no in/out route.

Through the research, a clear logic model supporting the economic case for the public realm enhancements emerged. The logic model sets out how the enhancements to the public realm in Hawkshead will encourage the local community and the Parish Council to host more public events in the village, and in turn, provide encouragement for investment and economic benefits:

## Logic model



Contrary to feedback from funders on previous bids, the research presented here provides strong economic justification for supporting the village squares project. Such support will help maintain the viability of the village, is complementary to tourism strategies and also fits the National Park's objectives to support vibrant communities and present a world class experience to visitors.

Our research highlighted strong support among business owners for a village squares project, in association with complementary public realm and traffic measures.

## Economic impact

The core objective of the commission was to enable Hawkshead Parish Council to demonstrate the economic return on any Hawkshead Squares investment by the public sector. Based on the Logic Model, research revealed enhanced economic activity is anticipated to derive from three sources, these being:

- An uplift in tourism to the village that increases tourism related spend and generates employment and productivity (GVA) benefits.
- The occupation of available employment sites (retail and food establishments) in the village.
- The development of a proposed hotel for which planning permission has been granted.

Using established, proven methodologies and assumptions which are supported by evidence and guidance, which are detailed in our report<sup>1</sup>, Mott MacDonald believes the economic impact of investment in the scheme to be as follows:

## Economic benefits of Hawkshead Squares

	Employment impacts	GVA impacts pa
<b>Visitor Uplift (Based on 4 additional events per year)</b>		
Net Calculated benefits (non-attributed)	10	£233,900
<b>Attributed Net Benefits</b>	<b>5</b>	<b>£125,700</b>
<b>Retail Units</b>		
Net Calculated benefits (non-attributed)	11	£1,400,000
<b>Attributed Net Benefits</b>	<b>3</b>	<b>£180,000</b>
<b>Hotel Investment</b>		
Net Calculated benefits (non-attributed)	31	£1,000,000
<b>Attributed Net Benefits</b>	<b>15</b>	<b>£500,000</b>

It is wise not to aggregate these impacts. Any one of these impacts however means that for a relatively small outlay of £700,000 - £1,000,000 the return on that investment would be in a realistic timeframe. The report finds that, despite these benefits – either individually or as a whole - it may be that the project has to be developed in stages.

The report notes that the overall economic benefits can be realised, but only if Hawkshead Parish Council and partners are supported by agencies with greater expertise in the five case business case model and process.

The funding of capacity building for the Parish Council should therefore also be seen as a precursor to the successful completion of the Hawkshead Squares project.

<sup>1</sup> For example the application of attribution is a major reason for the differences in GVA when employment impacts are similar.

# 1 Introduction

In November 2016, Mott MacDonald was appointed by Hawkshead Parish Council to provide support for the Hawkshead Square Improvement Scheme (the scheme) which local stakeholders see as a project which is fundamental to ensuring the viability and sustainability of the village.

## 1.1 Introduction

This report is designed to provide an evidence base to support future funding bids made by Hawkshead Parish Council and partners for the Hawkshead Square Improvement Scheme.

Increasingly, the five case business case approach is required to secure funding for schemes such as this. Often, funding applications for regeneration projects based on tourism and the public realm are excluded because necessary employment and GVA impacts are either not properly considered, or are too low compared to supporting other industries and activities.

This report supports the scheme by giving due consideration to these impacts, contextualising them relative to the village itself.

## 1.2 Hawkshead Square

Hawkshead is a picturesque village with a rich history, including connections with Wordsworth and Beatrix Potter. The Visitor Economy Action Plan for Cumbria identifies the Hawkshead Squares Improvement Scheme ('the scheme') as a priority for the village. Such investment is seen as essential in making the village an essential visitor destination of choice.

**Figure 1: Hawkshead's village square**



Source: Mott MacDonald (November 2016)

A key feature of public realm and landscape architecture is its ability to deliver a range of social, environmental and economic benefits. At the same time good quality public realm is critical to the competitiveness and attractiveness of a place. Investment in the public realm generates 'economic benefit streams' that translate into 'economic impact' through enhancing a location's image. In doing so it attracts more visitors, encouraging investment and new business formation in available property.

Making the logic behind public realm investment, and a thread linking a series of outcomes and – crucially – then to job and GVA generation (as demanded by funders) in Hawkshead is the basis of this project.

### 1.3 About this report

This report is not a review or analysis of the Scheme itself. The scheme has been prepared by the Parish Council following lengthy consultation with local residents, businesses and other stakeholders. Nor is this report guidance on how to prepare a specific bid or business case in support of funding.

This report aims to provide context to the proposal as favoured locally. In assessing the potential wider economic benefits of the scheme, this report provides support for applications where the objectives of funding are to demonstrate economic impact.

The key elements of this report are as follows:

1. A high level review of the economic benefits which could flow from completion of the scheme based on:
  - a. A TEAM<sup>2</sup>-based (see Section 5.4 for a more thorough discussion) impact study of the additional impacts generated through occupation of available retail and other units.
  - b. The attraction of additional tourists and visitors to events hosted in the refurbished village square.
2. Identification of a range of complementary interventions.
3. A review of funding opportunities and possible funding streams along with a small number of consultations with funding organisations to identify opportunities for the Parish Council and partner organisations to prepare bids for funding.

### 1.4 Methodology

**Evidence review** – A number of relevant planning and strategy documents were reviewed in understanding the economic context and challenges facing the area, as well as the proposed plans and anticipated impacts as a result of the interventions.

**Fieldwork** – This consisted of three visits to the village: Firstly a walking tour which formed part of an inception meeting. Secondly a transport and public realm survey and, finally, a business survey and identification of available sites. All fieldwork took place in November and December 2016 during the day. An additional evening workshop was held in December for local stakeholders.

**Economic modelling** – The study team used the inputs collected from the evidence review and the site visit to model high level estimates of the number of net additional jobs and related GVA as a result of the additional occupation of available sites. Further, the link between the scheme

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<sup>2</sup> TEAM is Mott MacDonald's proprietary Transparent Economic Assessment Model

and a proposed hotel investment is identified. To this has been added the increase in the value of local tourism which may be anticipated as a result of investment in the scheme.

This exercise is based on a number of assumptions set out later in the document. Estimations of the proportion of this economic impact attributable to the associated public realm and complementary improvements are also considered.

## 1.5 Document structure

The remainder of this document is structured as follows:

- Section 2 – provides the study context.
- Section 3 – provides a short review of the economic and policy dynamics which can be used to support future bids.
- Section 4 – reports of the findings of the consultation exercise which supported the writing of this report.
- Section 5 – shows our estimates of the potential economic impact of the renewal of Hawkshead's public realm through the squares project
- Section 6 introduces and summarises the public realm evidence contained in the Appendix
- Section 7 reviews previous bid activity and outlines potential funding sources and strategies
- Section 8 is a brief summary and conclusion.

## 2 Study context: Hawkshead village and the scheme

### 2.1 Hawkshead village

Hawkshead was an ancient 'town' owned by monks until the Dissolution of the Monasteries in the 1500s. Wool then became an important trade for the area, creating a flourishing market town. Many of the buildings in the village date back to the 17th Century.

In the 18th and 19th centuries, Hawkshead continued to be an important local village. Poet William Wordsworth was educated at Hawkshead Grammar School, whilst Beatrix Potter lived nearby, marrying William Heelis, a local solicitor, in the early 20th century. His office was in Hawkshead and today this building is the Beatrix Potter Gallery, housing many of her original illustrations and drawings.

The Gallery is owned by the National Trust, along with several more historic buildings in the village. The village sits in the Lake District National Park and is close to well-known Lake District attractions such as Ambleside, Grizedale Forest, Coniston and Windermere itself.

Hawkshead is described in the Hawkshead Conservation Area Appraisal and Management Plan produced by The Conservation Studio in 2010 as 'a small historic town of exceptional character with few parallels in the UK'. It has a historic core largely untouched by 20th century development and an intense concentration of listed buildings within a very small area.

There are no fewer than thirty-eight buildings of architectural or historic interest in Hawkshead, many dating from the 17th and 18th centuries. The church is even older, with parts of the St Michael and All Angels Church which overlooks the whole area dating back to the 12th Century.

Given this history and location, the village sees itself as having a strong visitor offer. Local partners are however finding it difficult to attract the necessary funding to improve and expand tourism in Hawkshead.

A key reason is that, with many major government initiatives such as Regional and Local Growth Fund being so focused on jobs and GVA growth, the case for public funding has proved difficult to make.

### 2.2 Hawkshead Squares Improvement Scheme

The scheme was developed by the Parish Council in partnership with the County Council, South Lakeland District Council (SLDC) and Lake District National Park Authority (LDNPA).

The stated aim of the scheme is to "improve to the heritage value, aesthetics and functionality of the village and so help secure the economic future of the village."

The main elements of the scheme are:

- Resolution of the conflict between pedestrians and visitors with new traffic regulation orders and restricted parking arrangements.
- More space for pedestrian use and the removal of existing traffic management measures which are unsightly and incongruous.
- Reinstate vernacular paved surfaces using high quality locally sourced stone.



- Similarly provide street furniture, signage, lighting and interpretation of the village's traditions.
- Future proof the streetscape from further damage from delivery vehicles and reverse the decline of the historic core caused by poor maintenance and insensitive repairs.

The project will also provide opportunities for local people and visitors to better understand the drivers behind the evolution of the settlement and its landscape setting.

Thus the scheme aims to better present Hawkshead's strong sense of history to the tourist, providing a focus for not only visitor activity but also community use. In doing so the aim is to ensure the village becomes a noteworthy tourist destination and so strengthen the local economy through the visitor economy.

## 2.3 Evidence of the value of public realm

Despite identifying public realm as a public good, investments in the public realm have grown in prominence in some areas of the UK over recent years, recognising the positive benefits that such investments can deliver<sup>3</sup>. While it has often been difficult to effectively and reliably quantify the monetised benefits of investments in the public realm of an area<sup>4</sup>, several studies have emerged in recent years which look at the relationship between this investment and increases in economic activity.

The examples below highlight these linkages.

### 2.3.1 Maidstone public realm evaluation

Mott MacDonald was commissioned in 2015 to evaluate the impacts of the first two stages of a public realm improvement scheme throughout the town centre. The aims of the scheme were to open up the high street are to facilitate town centre events and to increase permeability and accessibility for pedestrians throughout the central retail areas.

A benchmarking exercise was undertaken based on footfall and average spend data to understand the level of trade in Maidstone town centre, and the attribution of the public realm scheme on the overall performance of the town's retail market. This was modelled as a conservative estimate – and suggested a turnover increase of £1.6m per annum resulting from the High Street improvements.

### 2.3.2 Pillgwenlly Regeneration Project, Newport, South Wales

Between 2013 and 2015 Mott MacDonald evaluated the project which had a primary focus on streetscape improvements and public realm enhancements in Pillgwenlly. Through quantitative and qualitative research Mott Macdonald were able to identify the benefits that had accrued from the project's interventions and concluded that the public realm works had enhanced the area through investor confidence, through residents' feelings of safety and willingness to visit the area from outside.

It was also clear from this work that ongoing maintenance of public realm was important to preserve economic benefits and also that extending the public realm, and its benefits, were important strategic considerations in regeneration activity.

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<sup>3</sup> 'Designing for the Public Realm', <http://bit.ly/2gE03ml>

<sup>4</sup> 'Valuation of Townscapes and Pedestrianisation' (2011), <http://bit.ly/2hrmmZ3>

### 2.3.3 Evaluation of Blackburn Town Centre Renaissance Programme

The public realm improvements were instrumental in retaining key retailers in the town centre and attracting other retailers and cafes/restaurants that weren't present previously. While the public realm enhancements were only one factor in the town centre's renaissance they contributed to place competitiveness (especially with Burnley and Preston) and assisted in stemming leakage of residents' disposable income leakage to regional centres like Manchester.

## 2.4 Summary of case studies

What these examples highlight are the following:

- Public realm is an important stimulus to strengthening local economies.
- Investor confidence can be enhanced through investment in public realm.
- Public realm needs to be maintained to ensure benefits are sustained.
- Investment in public realm not only attracts visitors from outside, but also retains expenditure from local residents.
- Finally, the benefits of public realm investment can be quantified.



## 3 Economic & policy context

### 3.1 Introduction

This section reviews some key policy strategies and research which support the concept of renewing the Hawkshead Square. These are presented in summary form – more detail can be found by referring to the documents. The aim is to provide the client with (i) a stronger evidence base and (ii) a greater understanding of how the project ‘fits’ with national, LEP and local policy priorities.

Using and quoting this evidence in applications will strengthen business case-based bids and proposals – as well as strengthen the case for raising the profile of the project strategically.

Note that several of these documents are, or getting near, due a ‘refresh’ – the versions cited here provide a routemap through the maze of overlapping strategies, but ensuring the latest available documents are being used is crucial.

### 3.2 The local economic context

#### 3.2.1 Economic Profile of South Lakeland, SLDC (2014)

Hawkshead village forms part of South Lakeland District Council. With a population of just 1,727 residents according to the ONS mid-year population estimates (2015), it is difficult to make any meaningful observations about the economic status of either the village or its residents<sup>5</sup>. However we can say the following, based on this statistical review of the wider district:

##### 3.2.1.1 Population

Population numbers in South Lakeland is showing recent signs of decline from a recent peak in 2007 – and this seems to be a long term decline.

With just 58.7% of the population being of working age (16-64), South Lakeland’s working age population is well below both the North West (63.6%) and Great Britain (63.8%) benchmarks. It is also below the Cumbria LEP average (61.4%).

##### 3.2.1.2 Employment & unemployment

Though unemployment in South Lakeland is low, so too are wages. Gross annual income by residence in SLDC was £24,221 (2013), this is slightly lower than the North West average of £24,561 in 2013, and considerably lower than the Great Britain average of £27,332.

Wages were particularly hit by the recession: Between 2008 and 2011 South Lakeland saw a gradual decrease in average weekly pay by residence from £452.80 to £436.60. Since then the district has seen an increase, but the average weekly wage remains below the regional average.

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<sup>5</sup> Consultations with SLDC would suggest Hawkshead would be underperforming against district benchmarks. There is no way of confirming this through government statistics.

In 2013, South Lakeland had the second lowest average annual income by workplace (£21,834) compared to the six Cumbrian districts, and was also lower than the North West (£24,401) and Great Britain (£27,312) averages.

Across the economy employment in South Lakeland has remained relatively flat – there has been no evidence of job growth in any of the broad sectors identified in the report. This includes those sectors related to tourism.

#### 3.2.1.3 Tourism related sectors

In the sector labelled *accommodation and food services* the pattern of employment has been highly volatile: Between 2008 and 2010 there was significant decrease in the number of accommodation and food services jobs from 8,800 in 2008 to 6,900 in 2010. The number of employees in these sectors then increased again to 9,000 in 2011 before falling back to 8,600 in 2012.

This volatility is also reflected in the composition of local businesses – Between 2009 and 2013 there has been a 4.9% decrease in the number of VAT/PAYE based enterprises in South Lakeland. There has been no significant increases in the number of businesses in tourism related activities: In *accommodation & food services* for example, there was a 5% decline in the number of businesses. In *arts, entertainment, recreation and other services* the decline has been 4.2%.

Hawkshead has also been, traditionally, a home for businesses which are now referred to as business services – accountants, solicitors and so on. Many of these sectors have also declined, and some – finance and insurance for example – significantly (in this case by 20%).

#### 3.2.1.4 Housing costs

Finally, despite the above problems with the local economy, in 2013 the average (median) house price in South Lakeland was £196,326. This was the highest in Cumbria and also greater than the national average.

Therefore the average house price in South Lakeland in 2013 was 7.6 times greater than the average household income. This is the highest ratio in Cumbria and higher than the national average (5.9).

### 3.3 Key policy & strategy documents

#### 3.3.1 Local Enterprise Partnership's Strategic Economic Plan (SEP)

Cumbria LEP provides a strategic lead in all activities contributing to the growth and vibrancy of the county's economy. The Cumbria SEP for 2014-2024 recognises Cumbria's potential to become one of the fastest growing economies in the UK.

Cumbria LEP's 'Four Pronged Attack' sets out how the county's economy can deliver jobs, business growth, improved skills, new infrastructure, housing and a range of other economic benefits up until 2024. Among the LEPs stated ambitions are the following:

- Create 15,000 additional full-time equivalent jobs.
- Boost Cumbria's economy by £600m more than current predictions through targeted investment in key projects.
- Increase the county's GVA growth by 0.6 percentage points above current forecasts.
- Increase visitor expenditure by over £500m.

On tourism, the SEP states that “The Lake District National Park attracts millions of visitors each year and is widely recognised as one of the most scenic areas of England. The landscape has iconic status due to its association with famous artists and poets including William Wordsworth and Beatrix Potter.” (p10)

The accompanying Strategic Investment Plan: Delivering the Four Pronged Attack identifies the following aims and objectives to which the Hawkshead Squares initiative is aligned (p12):

- There will be more overnight and longer visitor stays, which will help to increase visitor expenditure
- Cumbria will have a more developed year-round visitor market helping to support new jobs.
- [There will be] attractive town and village centres and [we] will have continued to enhance and manage our environmental infrastructure and landscapes which include three Areas of Outstanding Natural Beauty.

### **3.3.2 Cumbria Economic and Skills Audit: Phase 3 identification of future skills needs and delivery plan - Final report for Cumbria Vision, January 2010**

This is a large scale piece of research commissioned by Cumbria Vision and its partners to help establish a single set of clear and deliverable economic priorities for Cumbria.

Its key findings of relevance to Hawkshead Square are:

1. The recession provided a boost to the tourism industry in Cumbria and the regional tourism-related employment levels seen in 2008 are not forecast to be achieved again until 2028.
2. Over this period there will also be both geographical and sectoral employment shifts towards hotels and restaurants, and towards Eden District, and away from South Lakeland where the region's tourism economy was the largest at the time the report was written.
3. In South Lakeland, the forecast is for more rapid employment growth in tourism between 2018-2028
4. Much of the increased employment is driven by greater demand for business tourism arising from the new nuclear power stations and the National Nuclear Laboratory. The county is also very well positioned to take advantage of increases in green tourism.
5. Additional activity in the tourism sector will also be beneficial to the food and drink sector, particularly through the significance of restaurants to both sectors.

### **3.3.3 VisitEngland: A Strategic Framework for Tourism 2010-2020, and Rural Tourism Action Plan**

The national framework is based on the following vision:

*“To maximise tourism’s contribution to the economy, employment and quality of life in England.”*

As part of the mechanism to achieve this vision, VisitEngland’s the *Rural Tourism Action Plan* set out the following vision:

*“To maximise the potential of the rural tourism offer, which will bring substantial benefits to local economies and communities and contribute to 5% growth, year on year, in the England tourism market by 2020.”*

The key objectives and actions of the action plan, to which Hawkshead Square clearly aligns are as follows:

1. To diversify and modernise rural tourism products to generate business opportunities suited to local environments and communities and to develop a year round visitor offer.
  - a. Develop existing and new visitor activities and experiences that are less weather dependent, appeal to visitors throughout the year and reflect and support the local area
  - b. Develop traditional and new low impact and low carbon products and experiences in rural areas suited to local environments and communities.
  - c. Identify underutilised or redundant rural assets and support and facilitate owners to realise their tourism potential.
2. To increase consumer awareness, understanding and enjoyment of the products and experiences available in rural areas.
3. To encourage rural communities and economies to benefit from the value of rural tourism by taking ownership for the development, management, protection and conservation of rural assets and locations.
  - a. Increase local community ownership, support for and use of their rural tourism assets.

### **3.3.4 Destination Management Plan, 2014-2016, Cumbria Tourism**

Through a comprehensive consultation programme, this document sets out at a strategic level the aspirations, spending programmes and key actions of all the stakeholders with a responsibility or interest in the visitor economy. The document identifies a number of significant tourism related developments in Cumbria including:

- The accelerated roll out of superfast broadband.
- A Cultural Tourism marketing initiative.
- The strengthening of food and drink festivals.
- The opening of new and extended attractions and facilities.
- New hotel developments completing and opening.

The various investment projects and plans for developing the visitor economy across Cumbria over the next 2-3 years have been identified by destination partners under the following themes:

- Accommodation
- Visitor attractions
- Heritage, landscape, public realm and transport
- Marketing and events

In terms of Hawkshead itself, key projects are as follows:

1. A new apartment hotel on the edge of the village
2. Hawkshead Squares Improvement Scheme – identified as “A project to protect and interpret remaining historic features and enhance these spaces by prioritising people over vehicles and building on the strong vernacular building style still evident.”. This is under the Heritage et al. heading.

### **3.3.5 The Tourism Strategy for Cumbria 2008-18, Making The Dream a Reality:**

This was produced by the now-defunct Regional Development Agency, but is still frequently cited in more recent strategy and action planning documents. It identifies the following priorities for the tourism sector in Cumbria which are relevant to Hawkshead:

### **Landscape – natural and built environments**

- Towns and villages “deserve” to be of the highest standard embracing top quality design which is in sympathy with the best of what has gone before.
- Keep local materials and features which will give distinctiveness.

### **Visitor experiences**

- Based on outdoor adventure, heritage and culture, food & drink and events

### **Accommodation, public realm and customer service**

- The quality of public realm – streets, public buildings, parks, car parks, public toilets – should all reflect and live up to the quality of the natural environment.

#### **3.3.6 The Vision for the Lake District National Park 2006-2030**

In 2006 partners from across the region came together to agree an over arching vision for the National Park which forms the basis for the Park’s approach to environmental management, economic development and sustainability.

The vision includes:

“A place where its prosperous economy, world class visitor experiences and vibrant communities come together to sustain the spectacular landscape, its wildlife and cultural heritage.”

The four key elements of this Vision are:

1. A prosperous economy – Businesses will locate in the National Park because they value the quality of opportunity, environment and lifestyle it offers – many will draw on a strong connection to the landscape. Entrepreneurial spirit will be nurtured across all sectors and traditional industries maintained to ensure a diverse economy.
2. World class visitor experiences – High quality and unique experiences for visitors within a stunning and globally significant landscape. Experiences that compete with the best in the international market.
3. Vibrant communities – People successfully living, working and relaxing...where distinctive local character is maintained and celebrated.
4. A spectacular landscape, its wildlife and cultural heritage – A landscape which provides an irreplaceable source of inspiration, whose benefits to people and wildlife are valued and improved. A landscape whose natural and cultural resources are assets to be managed and used wisely for future generations.

#### **3.3.7 Working in Partnership: A Management Plan for the Lake District, May 2010**

Section 66 of the 1995 Act and Section 3 of the 1988 Act (as amended) requires Authorities to produce a National Park Management Plan or a Broads Management Plan for their area and to review it at least every five years. The 2010-2015 Plan is the most recent published on the LDNP website.

The Management Plan includes management arrangements and short term actions that seek to deliver the agreed 2030 vision for the Lake District. The plan combines social, economic and environmental aspirations and seeks to develop policies and actions across 16 themes encompassing these aspirations. Of particular relevance to this project are the following aspirations:

6. To create vibrant, active, inclusive and open minded communities with a strong sense of local history.
9. To improve the quality of the built environment.
14. To retain existing jobs and create new employment opportunities.
15. To improve access to jobs.
16. To diversify and strengthen the local economy.

### 3.3.8 A Place to Enjoy - The Hawkshead Pedestrian Survey

Published in January 2010, this report prepared by South Lakes Development Trust for Hawkshead Parish Council was undertaken to evaluate the quality of the street environment through direct community engagement. Hawkshead Parish Council commissioned the survey in response to increasing concern about the deterioration of the public realm, especially paved surfaces, in the village.

The key recommendations of the report include the following:

- Agree a palette of appropriate paving materials for the village.
- Create a Restricted Parking Zone throughout the village centre, without reducing the current parking capacity.
- Redesign the northern and southern Main Street approaches into the village to reflect the dominance of pedestrians, without restricting necessary vehicle access.
- The central spaces in the heart of the village should also reflect the dominant use by pedestrians, using the principles of Shared Space.
- Identify a network of suitable sites for public seating in the heart of the village.
- Improve the crossings to the recreation ground.
- Encourage retailers to leave one or two low energy lights on in windows during the evenings, to subtly increase levels of illumination.
- Consider improving visitor welcome and orientation at the main car park.
- Develop a network of information signage for key elements of the village centre.
- Recognise and celebrate retailers' efforts to keep the streets clean.
- Consider hosting cobble-laying workshops and providing bursary placements to sustain and develop the local skills-base.

Achieving the ambitions set out in this Pedestrian Survey report, and commenting on the economic benefits from which the village would benefit is the basis of this current commission.

## 3.4 Summary

The Hawkshead project resonates with a broad range of policy and strategy objectives at the Cumbria and South Lakeland level. It would contribute to place making and competitiveness for Hawkshead and the wider Cumbria tourism area.

## 4 Consultation findings

### 4.1 Introduction

To inform the economic impact analysis, a comprehensive programme of consultations was carried out with a total of 18 businesses across Hawkshead. These consultations set out to discover how local businesses view the proposals to enhance the public realm in Hawkshead and how these proposals could impact their businesses<sup>6</sup>.

Specific questions were asked about their staffing levels and whether they employ additional staff for the peak times during the year, that the businesses themselves indicated to the project team. While the conversations with businesses covered a wide range of subjects, the following summary will cover the principal themes that are of most relevance and that attracted particular focus among the consultees.

### 4.2 Observations on the public realm in Hawkshead

- The most common observation about the state of the public realm in Hawkshead was that the paving on the roads and in the squares is patchy and unattractive.
- This was widely attributed to the propensity for tarmac to be used to repair paving in the square, replacing paving stones and cobbles with tarmac was a commonly raised complaint among consultees.
- Damage to the paving stones was attributed to the high levels of traffic, particularly the regular delivery vehicles serving local shops that were widely reported by consultees to have been the primary cause of damage to the paving stones and cobbles.
- Consultees agreed that the current condition of the public realm in Hawkshead was unacceptable and that the poor condition of the public realm, principally the paving was damaging visitors' perception of the village.
- Concerns about the accessibility of areas of the public realm were also raised, with several consultees suggesting that surfaces in the public squares and adjoining streets should be levelled out to assist wheelchair users and those with limited mobility to better access local businesses.
- The need to act to enhance the public realm in the village was agreed by the vast majority of consultees, this principally focussed on the paving, cobbles and general cleanliness.

### 4.3 Public realm and economic impacts

- Several consultees noted the example of when the building that now houses the shop "Peter Rabbit and Friends" on the larger of the two squares, was derelict, other businesses suffered: Visitors were deterred by the empty shops that damaged the appearance of the village. Business was said to improve for nearby shops once the "Peter Rabbit and Friends" shop opened.
- One consultee spoke about how nearby businesses noted a significant increase in business when one pub placed seating outside, encouraging greater use of one of the squares.

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<sup>6</sup> In addition, a number of estate agents with an interest in Hawkshead village were interviewed by telephone



#### 4.4 The potential of public realm enhancements

- Tourism is a major driver of the Hawkshead economy with many business owners and managers stating that tourists made up approximately 80% of their customers throughout the year.
- Consultees largely agreed that an enhanced public realm could enable the village to host more public events, utilising the squares as centres for these events.
- This is inspired by the success of the 2016 Christmas Fayre which consultees said attracted around 3,000 additional visitors to the village over the weekend it was held in early December.
- Local businesses agreed that public events such as the Christmas Fayre significantly increase the number of customers their businesses receive and have a significant impact on profits.
- Some businesses indicated a three-fold increase in income during the Christmas Fayre, compared to weeks without a Christmas Fayre, with some claiming a four-fold increase in income during this period.
- Many hoteliers and proprietors of holiday cottage rental and camping businesses reported operating at full capacity during the Christmas Fayre weekend, with all of their available rooms let to visitors.

#### 4.5 Other opportunities to maximise the impact of the public realm

- The regular Hawkshead Show, held during the summer was also said to be highly successful. One business owner claimed 5% of their total business during the peak summer months came from this show alone.
- Other events such as fell running and cycling events have also attracted large numbers of people to Hawkshead. As many as 5,000 additional visitors have come to the village during the fell running event.
- There was high levels of support among businesses for the village to host additional events that utilise the village's public spaces, to build on the success of the Christmas Fayre and the Hawkshead Show to attract more visitors.
- Suggestions from consultees included a literature festival to build on the literary heritage of the village such as its connections to William Wordsworth and Beatrix Potter. Other ideas included beer and food festivals, farmers markets and suitable live music events.
- Being an additional venue for other, larger events centred on nearby Ambleside and Windermere was also considered a possibility.

#### 4.6 Parking

Parking was raised as a concern by many consultees, there are two key issues:

- Parking charges and free parking allowances at the LDNPA carpark which are seen as having a negative impact on the volume of visitors into the village.
- Parking elsewhere in the village, especially in the squares themselves.

It was notable that:

- There was no consensus on any optimal parking structure.
- It tended to be older lifestyle businesses with a more traditional retail offer where parking was considered a bigger issue.



There was a common view however that in order to maximise the benefits of rejuvenating the public squares and streets, a suitable parking system, sympathetic to the public realm enhancements was required.

- Amongst businesses there was a wish to open a dialogue with LDNPA on a more sympathetic and flexible approach to parking charges.

#### 4.7 Summary

Businesses were enthusiastic about the potential for reinvigorating the visitor offer through enhancements to the public realm and investment in squares.

Several businesses, especially those more longer established were concerned that any investment would have to go hand-in-hand with improvements to traffic flow through the village.

Given current parking charges, an emphasis need to be placed on ensuring the offer was sufficient to ensure visitors wanted to stay in the village as a destination point.

Finally, conversations with property agents pointed out that, despite competitive pricing, it was difficult to let available commercial property, with units on the market for several years. Agents agreed that a stimulus was needed to attract interest in the village.

## 5 Economic impact assessment

### 5.1 Introduction

This section provides a high level assessment of the potential economic impacts that could emerge from enhanced economic activity in Hawkshead following the improvements to the public squares. Research revealed enhanced economic activity is anticipated to derive from three sources, these being:

- An uplift in tourism to the village that increases tourism related spend and generates employment and productivity (GVA) benefits.
- The occupation of available employment sites (retail and food establishments) in the village.
- The development of a proposed hotel.

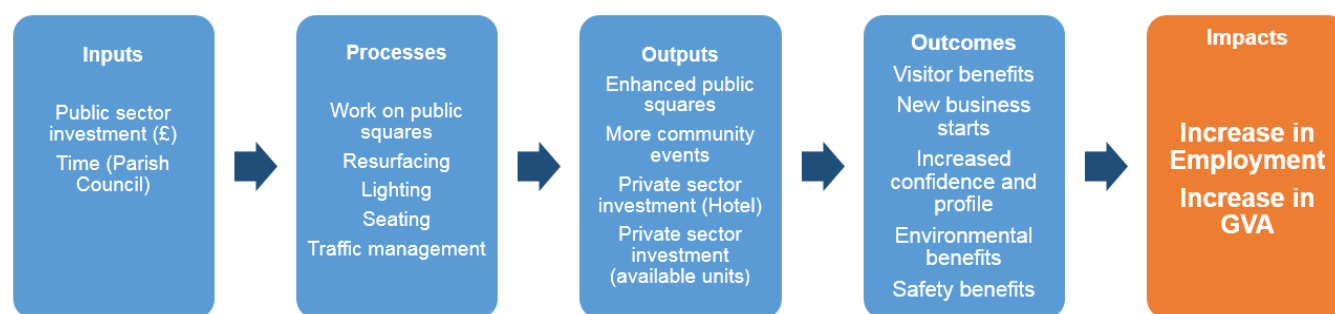
The assessment of the occupation of available sites and the hotel development have been assessed using Mott MacDonald's proprietary Transparent Economic Assessment Model (TEAM) to appraise the likely employment and productivity that can be generated for the local economy by the development of these sites.

This section will set out the logic behind these economic impacts, clearly explain the methodology for identifying and measuring those impacts and provide a high level assessment of the impacts, primarily using Mott MacDonald's TEAM model.

### 5.2 Logic model

The processes that lead from improving the public squares to delivering employment and productivity benefits to Hawkshead are set out below in a high level logic model. This model sets out the logic behind enhancing the squares in Hawkshead as a precursor to GVA and job generation.

**Figure 2: Logic model**



Source: Mott MacDonald

### 5.3 Tourism impact

The logic model above sets out how the enhancements to the public realm in Hawkshead will encourage the local community and the Parish Council to host more public events in the village. This will potentially attract more visitors, each of whom will spend money in Hawkshead, supporting local businesses and enabling them to employ additional staff and generating

additional GVA. In addition there is renewed interest in the village as a place to locate new businesses. Business premises, which consultations with market agents revealed can be on the market for several years with little interest, then also become fully utilised, adding to the economy.

The enthusiasm among local business owners to host more public events in the improved village squares was confirmed by many consultees. It is apparent that there is a significant level of support for hosting more public events in the town among many local businesses.

### 5.3.1 Methodology

In order to assess the potential impact of increased visitor numbers on Hawkshead, a simple model has been created that applies data from VisitEngland, research on tourism in the UK and the Office of National Statistics (ONS) to forecast the likely economic value of visitors to South Lakeland.

As Hawkshead is a relatively small village, this analysis uses data from the South Lakeland District level and is based on the reasonable assumption that tourism patterns and expenditure in Hawkshead reflect visitors and their expenditure in the rest of South Lakeland.

VisitEngland's three year averages of visitors to South Lakeland between 2013 and 2015 found that an average of 8.14m people visited the district each year, spending on average £518m per year<sup>7</sup>. Of this, approximately four out of five trips were days visits and one out of five were overnight visits. However two thirds of visitor expenditure was accounted for by those numerically fewer overnight visitors.

### 5.3.2 Economic modelling

The VisitEngland figures are used to model the value of overnight and day visitors to generate monetary values for additional visitors attracted to the village. Overnight visitors were found to be lower in volume but higher in value to the local economy. Attracting more overnight visitors will be a major factor in delivering significant economic benefits to Hawkshead as a result of enhancing the public squares.

The predicted change to the number of visitors is based on the findings of extensive consultations with the local businesses in Hawkshead and data from consultees about previous successful public events. These consultations, especially those with hoteliers, found that during weekends in which a public event was being held in the town, such as Bonfire Night (5<sup>th</sup> November) or the Christmas Fayre (2<sup>nd</sup>-3<sup>rd</sup> December), available hotels, lodges and other accommodation were fully occupied<sup>8</sup>. A number of businesses in the hotel and accommodation sector shared with us their patterns of trading and lets.

This data enabled us to model impact based on the number of visitors, and their spend, to Hawkshead on a standard weekend, compared to the uplift in numbers recorded on a weekend in which an event such as the Christmas Fayre was held<sup>9</sup>. The apparent impact of hosting major public events in Hawkshead is the difference between these two figures.

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<sup>7</sup> The alternative economic measure of tourism in Cumbria is derived using the STEAM model. This model indicates 16.9m visitors and £0.86bn of direct expenditure (2015). Visit England data offers comparability and fits with HCA and HM Treasury guidance on impact assessment. It is accepted that the calculated impacts presented here using Visit England data will be more conservative than that derived from STEAM.

<sup>8</sup> Consultations and use of information on Tripadvisor.com enabled us to make a reliable estimate of the number of bed spaces in the village

<sup>9</sup> As a technical point, we have used VisitBritain's tourism-specific multiplier (which is 1.8) – see Tourism: jobs and growth – The Economic Contribution of the Tourism Economy in the UK, VisitBritain, November 2013, p4

We have then monetised this uplift in visitors using VisitEngland data and used this data to generate employment and GVA impacts.

### 5.3.3 Results

The above process shows that if an additional four public events were to be hosted in Hawkshead, a total of 10 net additional FTE jobs would be created, generating £234,000 of net additional GVA per annum. Were the number of events to rise to eight additional events per year, the impacts rise correspondingly:

**Table 1: Tourism impact model - Results<sup>10</sup>**

	Additional Day Visitors	Additional Overnight Visitors	Total Change
<b>Four additional events</b>			
Change in visits	3,680	920	4,600
Number of additional visits to support one additional job	2,040	248	--
Direct jobs	1.80	3.72	5.52
Indirect and induced jobs	1.44	2.97	4.42
Total Jobs (FTEs)	4	7	10
GVA impact	£116,962	£116,962	<b>£233,923</b>
<b>Eight additional events</b>			
Change in visits	7,360	1,840	9,200
Number of additional visits to support one additional job	2,040	248	--
Direct jobs	3.61	7.43	11.04
Indirect and induced jobs	2.89	5.95	8.83
Total Jobs (FTEs)	7	14	20
GVA impact	£204,683	£409,366	<b>£614,049</b>

Source: Mott MacDonald, figures may not sum due to rounding

<sup>10</sup> Assumptions used to model tourism impacts:

GVA per worker (ONS,2014) for north west England using an unweighted average of four most relevant economic sectors: wholesale and retail, accommodation and food service activities, arts, entertainment and recreation and other service activities to generate figure of £29,240 GVA per worker.

Visitor numbers, type and spend from Visit England three year average data (2013-2015) based on South Lakeland District. It has been assumed that tourism in Hawkshead is in line with that of South Lakeland district of which it is a part. Visit England data also showed a ratio of 1 overnight visitors to every 4 day visitors, this was used to model the number of anticipated additional day visitors.

Additional spend in visitor economy required to support one FTE= £54,000, this figure is from research by Deloitte & Oxford Economics and is based on a national level. Source: Deloitte & Oxford Economics: Economic contribution of the tourism economy in the UK, November 2013

As has been pointed out, this estimate is based on Visit England data which provides nationwide figures. Use of this data is also compatible with the choice of economic multiplier. These figures will be more conservative than any estimate based on alternative data sources.

### 5.3.3.1 Attribution

As the consultations found, the willingness to host additional public events in Hawkshead by local businesses and residents is irrevocably linked to the enhancement proposals being delivered. Without the enhancements, a more formalised programme of events cannot be organised.

Other factors will determine the economic impact of the project, most notably the capacity of residents to organise a series of events in the village. There is also the possible impact on domestic tourism of issues such as the process of leaving the European Union and international terrorism. All of these affect the level of attribution.

Consultations reported a clear correlation between events and hotel bookings - this means that a relatively high level of attribution can be claimed for the impact from increasing overnight visitors. It is assumed from the evidence collected that overnight visitors are more likely to be attracted by events being hosted in the village as many events will require an overnight stay. Accordingly, a higher level of attribution (50%) has been applied to overnight visitors.

For day visitors, events may be more coincidental with their visit and so attribution is set at a lower level. Accordingly, 20% of the impacts of day visitors have been attributed to the enhancement of the squares.

**Table 2: Attribution of tourism impacts (based on four additional events per year)**

	Day visitors	Overnight visitors	Total
<b>Employment</b>			
Total net jobs	4	7	10
Attribution (%)	20%	50%	--
Net jobs attributable to public realm enhancement	1	4	<b>5</b>
<b>GVA</b>			
Total net direct, indirect and induced GVA	£116,962	£204,341	£321,303
Attribution (%)	20%	50%	--
Net jobs attributable to public realm enhancement £m, pa	£23,392	£102,341	<b>£125,733</b>

Source: Mott MacDonald, figures may not sum due to rounding

This means that a total of 5 full time equivalent (FTE) jobs and £126,000 of net additional GVA per annum is directly attributable to the tourism benefits from the public realm developments.

## 5.4 Occupation of available sites

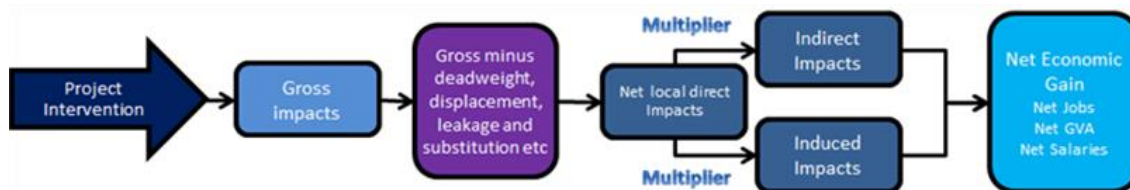
The greater the number of visitors to Hawkshead, the more viable it becomes to open new businesses in the village. There are a number of units in the village presently on the market. Sustainable businesses occupying the available units leads to increased employment and GVA benefits from this employment.

Mott MacDonald's TEAM model has been applied to these sites to estimate the size of these economic benefits through a robust forecast of the number of gross and net jobs and GVA benefits.

## 5.5 TEAM methodology

TEAM is the proprietary model developed by Mott MacDonald used in addition to traditional appraisal methods and techniques. It supports business case development and scheme appraisal by examining the wider economic impacts of infrastructure and employment land developments. These relate to jobs, salaries and GVA benefits, arising from land-use change, calculated in-line with HM Treasury Green Book principles of additionality. Mott MacDonald's TEAM operates as follows:

**Figure 3: TEAM methodology**



Source: Mott MacDonald

The potential economic benefits of the available units in Hawkshead becoming fully occupied have been calculated through the following steps:

- Inputting of key site details into TEAM including the size and likely land use of each unit presently on the market. Other key assumptions have been reviewed on a site by site basis to accommodate specific working assumptions including the development footprint.
- Calculation of direct economic impacts through feeding the proposed uses by size through TEAM to calculate:
  - Direct effects of the sites in terms of employment and economic output (measured by GVA) of these units.
  - Indirect and induced effects of the units being occupied from those businesses supported further down the supply chains of these businesses. TEAM similarly models employment and activity supported by the incomes of those directly or indirectly employed (through consumption multiplier effects).
- The economic impacts have been presented at both a gross and net level throughout the analysis. The net position adjusts the gross impacts for additionality and deadweight by integrating a level of knowledge on the local economy and data applicable within the development areas.

## 5.6 The available units

Consultations with local residents, businesses and representatives of local bodies identified four premises that are currently either unoccupied or for sale, trading below their capacity.

These sites are:

- Minstrel's Gallery – a tea room in a 15<sup>th</sup> Century building, approximately 58m<sup>2</sup> of employment space with separate living areas in the building. Minstrel's Gallery is located adjacent to the larger of the two main squares in Hawkshead. This property is currently in operation and has been put up for sale by local property agents Hackney & Leigh.
- Hawkshead Post Office – a centrally located, two story property totalling approximately 161m<sup>2</sup> of employment floorspace. The Post Office is currently in use and has been made available for rent through local agents Matthews Benjamin.
- Buttercups café is an available property located above the Main Street premises, a former café with approximately 60m<sup>2</sup> of employment land available, currently on the market with Hyde Harrington estate agents, and;
- Main Street premises- a centrally located and currently unoccupied site that has formerly housed an outdoor clothing shop. These premises contain approximately 155m<sup>2</sup> of internal floorspace over two floors and is currently on the market through Hackney & Leigh.

It is important to note that there have been recent examples of retail units being converted into housing units – were this to take place this would both reduce the current economic activity in the village but also reduce the capacity of the village to grow and benefit from investment.

**Figure 4: Minstrel's Gallery**



Source: Hackney & Leigh

**Figure 5: Post Office**



Source: Matthews Benjamin



**Figure 6: Buttercups**



Source: Mott MacDonald

**Figure 7: Main street premises**



Source: Mott MacDonald

## 5.7 Assumptions

The economic impacts and assumptions developed (particularly around additionality) have been assessed using a combination of best practice guidelines, latest employment densities published by the Homes & Communities Agency (HCA) and relevant economic data such as GVA.

Calculated impacts are adjusted for additionality. Hence our TEAM model provides estimates of the potential net additional impact which these developments can bring to South Lakeland (the target area). It is useful to think of additionality in the following terms:

*'the success of government intervention in terms of increasing output or employment in a target area is usually assessed in terms of its 'additionality'. This is its net, rather than its gross, impact after making allowances for what would have happened in the absence of the intervention. Additionality can also be referred to as a 'supply side' or 'structural' impact, which operates by altering the productive capacity of the economy'*  
(Source: The Green Book, HM Treasury, p.52).

The level of additionality for the site has been adjusted using the following assumptions to determine the net additional impacts:

**Table 3: Summary of assumptions used**

Effect	Level	Justification
Displacement	25%	This is in line with HCA Additionality Guide 2014 <sup>11</sup> which advises 25% as a standard level of displacement. In the absence of any evidence (for example particular occupiers by sector) to suggest a different level of displacement is required and the small population and limited catchment area around Hawkshead, the project team is satisfied that 25% represents a likely level to apply to these units.
Leakage	25%	Leakage has been set as 25%. This is based on Travel to Work (TTW) data from the 2011 UK census, which shows that 25% of jobs in South Lakeland are held by people who live outside the district– this is equivalent to leakage of 25%. This is both based on evidence and

<sup>11</sup> HCA, Additionality Guide, 2014



Effect	Level	Justification
		reflects a reasonable assumption that some of the additional employment will go to people who live outside the district.
Deadweight	25%	A medium figure of 25% for deadweight has been selected, in line with guidance from the HCA Additionality Guide. This represents the possibility that these units will become occupied for the long term without any intervention. The chance of this cannot be ignored as the anticipated occupation of these units is as a result of increased patronage of the village through enhancing the public squares. As the public realm in the village is already highly regarded, it is distinctly possible that these units will be occupied anyway.
Composite multiplier	1.29	<p>A composite multiplier of 1.29 has been applied, in accordance with HCA's Additionality Guide 2014. This incorporates the likely knock-on multiplier effects within the economy from:</p> <ul style="list-style-type: none"> <li>• Supply linkages due to purchases made as a result of the intervention and further purchases associated with linked firms along the supply chain (indirect effects). and,</li> <li>• Income or induced effects associated with local expenditure as a result of those who derive incomes from the direct and supply linkage impacts of the intervention.</li> </ul> <p>The multiplier models the indirect and induced economic impacts. This composite multiplier includes a supply linkage multiplier relating to purchases made as a result of the intervention<sup>12</sup> and a consumption multiplier based on the expenditure of those whose incomes derive from the direct and supply linkage impacts of the intervention<sup>13</sup>.</p>
GVA per worker (2014 prices)	£29,467	GVA figures have been calculated based on applying GVA per worker data for each land use at a North West England regional level. This is our chosen basis for an estimate of potential gross GVA impacts. All four units are considered either A1 or A3 land uses, which has the same GVA per worker figure.
Land use of Main Street premises	A3 Café or Restaurant	In the absence of any evidence to the contrary, it has been assumed that the vacant unit on Main Street, referred to as the Main Street premises will be used as a restaurant or café. Alternative uses for this unit would return different results.
Gross Internal Area to Gross External Area	GIA +5%	To convert the Gross Internal Area (GIA) data (supplied by the client) into Gross External Area (GEA) we have followed HCA guidance which is specific to B8 land use calculations. This is based on the ratio between GIA and GEA.
Occupancy rate	100%	An occupancy rate of 100% reflects the assumption that any business seeking to occupy any unit would occupy the entire unit. These units are each small so are unlikely to be underutilised once occupied.
Employment density	A3: 18m <sup>2</sup> of NIA/FTE A1: 40m <sup>2</sup> of NIA/FTE	<p>This is the assumption that one full-time equivalent (FTE) job is generated for every 18m<sup>2</sup> of C3 employment space, in Net Internal Area.</p> <p>This is the corresponding assumption regarding A1 land uses, that assumes that one FTE job is generated for every 40m<sup>2</sup> of A1 employment space, in Net Internal Area.</p> <p>These assumptions are based on the HCA Employment Density Guide 2015.</p>

Source: Mott MacDonald

## 5.8 Results

The results of TEAM modelling for these four available units has found a total of 11 net jobs and £1.4m of GVA per annum can be generated by the occupation of these sites. This includes direct jobs and multiplier jobs such as from the supply chains serving the businesses set up in these units. Tables 2 and 3 below set out the full results.

<sup>12</sup> HCA, *Additionality Guide*, 2014, p. 33

<sup>13</sup> HCA, *Additionality Guide*, 2014, p.33

**Table 4: Employment**

Employment	Minstrel's Gallery	Post Office	Butter cups	Main Street available unit	Total
Gross direct jobs	6	4	3	7	20
Less deadweight, leakage, displacement and substitution	3	2	2	4	12
Net direct jobs	2	2	1	3	8
Multiplier jobs	1	0	0	1	2
Total net jobs	3	2	2	4	11

Source: Mott MacDonald

**Table 5: GVA**

GVA, £m, per annum	Minstrel's Gallery	Post Office	Butter cups	Main Street available unit	Total
Gross direct GVA	£0.3	£0.1	£0.1	£0.2	£2.4
Less deadweight, leakage, displacement and substitution	£0.2	£0.1	£0.1	£0.1	£1.4
Net direct impacts	£0.1	£0.1	£0.0	£0.1	£1.0
Multiplier impacts	£0.0	£0.0	£0.0	£0.0	£0.4
Total net direct, indirect and induced GVA	£0.2	£0.1	£0.1	£0.1	£1.4

Source: Mott MacDonald

#### 5.8.1.1 Attribution

The primary question to be asked of these results is to *what extent the impacts reported are as a direct result of the enhancements to the public squares in Hawkshead?*

As recorded in the logic model, the enhanced public realm will enable and encourage the local community and the Parish Council to host more public events, utilising the squares. These events will attract more visitors to the village whose additional spending will make extant businesses more profitable and new businesses more viable. This will encourage businesses to occupy the currently available premises in the village which will generate employment and productivity growth, measured in GVA.

The public realm enhancements to the squares are evidently linked to the employment and GVA figures forecast above. It is important to note however, that there are a range of other, extraneous factors that could also be significant in leading to the realisation of the above forecasts. These factors include the overall level of tourism in the Lake District, the capacity of the local community to organise and host additional public events, and the factors which influence the decision to start a business in the village.

Consultations with property agents saw a correlation between the visitor offer and levels of interest in the type of property offered here. Given that the duration of vacancy and the time these units have been on the market has been considerable (several years), confidence is low. Therefore stimulating the tourist market in Hawkshead must be considered a significant element in realising the economic potential of these properties. Attribution can therefore be set at a high level

However some of the businesses are continuing to trade in lieu of a sale, so the economic difference will be somewhat lower than if the units were not trading. Consultation showed these

units are not trading at their maximum capacity i.e. presently trading with minimal additional employment. Nevertheless a lower level of attribution should be applied to these units.

Accordingly, the proportion of the above impacts attributed to the public realm enhancements is set for each unit as follows.

**Table 6: Impacts attributed to public realm enhancements**

	Minstrel's Gallery	Post Office	Buttercups available unit	Main Street available unit	Total
<b>Employment</b>					
Total net jobs	2	2	2	5	11
Attribution (%)	15%	15%	50%	50%	---
Net jobs attributable to public realm enhancement	0	0	1	2	<b>3</b>
<b>GVA</b>					
Total net direct, indirect and induced GVA £000s, pa	£100	£100	£100	£200	£500
Attribution (%)	15%	15%	50%	50%	---
Net GVA attributable to public realm enhancement £000, pa	£15	£15	£50	£100	<b>£180</b>

Source: Mott MacDonald

This means that a total of 3 full time equivalent (FTE) jobs and £180,000 of net additional GVA per annum is directly attributable to the public realm developments for these four available premises.

This demonstrates the longer term impact of enhancing economic activity within Hawkshead, therefore making businesses in the village more viable.

Attracting new businesses can also have the unquantifiable benefit of improving the appearance of the village, this could lead to future benefits associated with the enhanced attractiveness of the village, which in turn attracts additional visitors and businesses in the future.

## 5.9 Proposed hotel development

The development of a 28 bed hotel to be built on the Croft holiday homes site adjacent to the B5285 in Hawkshead has been proposed. The developers have informed us the hotel is expected to generate 57 gross jobs. This is also the figure in their planning application, which was approved in February 2008.

The developers of the hotel explained that, now they have secured planning permission and as owners of the land on which the development will sit, they need to see the public sector show confidence in the future of the village before they move the proposal to conclusion.

Thus the decision to invest in and develop the hotel as envisaged, is dependent on the Hawkshead Squares Project and the leverage of public funds to enhance the public realm within the village. The project represents a public sector commitment to renew the village and recognise its value as a centre for sustainable tourism.

Accordingly, a high degree of attribution can be applied to this hotel development as the development is largely dependent on the delivery of the Hawkshead squares project.

### 5.9.1 Methodology

Mott MacDonald's TEAM has been used to assess the potential economic impact of this hotel development (see methodology section in Section 5.5).

### 5.9.2 Assumptions used

As with the retail units in the village presented above, a series of economic and land use assumptions have been applied to the assessment of the hotel development. These assumptions are listed below.

**Table 7: Economic impact of the hotel proposal: assumptions**

Effect	Level	Justification
Displacement	25%	This is in line with HCA Additionality Guide 2014 <sup>14</sup> which advises 25% as a standard level of displacement. In the absence of any evidence to suggest a different level of displacement is required and the small population and limited catchment area around Hawkshead, the project team is satisfied that 25% represents a likely level to apply to this hotel.
Leakage	25%	Leakage has been set as 25%. This is based on Travel to Work (TTW) data from the 2011 UK census, which shows that 25% of jobs in South Lakeland are held by people who live outside the district– this is equivalent to leakage of 25%. This is both based on evidence and reflects a reasonable assumption that some of the additional employment will go to people who live outside the district.
Deadweight	25%	A medium figure of 25% for deadweight has been selected, in line with guidance from the HCA Additionality Guide. This represents the possibility that these units will become occupied for the long term without any intervention. The chance of this cannot be ignored as the anticipated increase in employment is as a result of increased patronage of the village through enhancing the public squares.
Composite multiplier	1.29	<p>A composite multiplier of 1.29 has been applied, in accordance with HCA's Additionality Guide 2014. This incorporates the likely knock-on multiplier effects within the economy from:</p> <ul style="list-style-type: none"> <li>• Supply linkages due to purchases made as a result of the intervention and further purchases associated with linked firms along the supply chain (indirect effects). and,</li> <li>• Income or induced effects associated with local expenditure as a result of those who derive incomes from the direct and supply linkage impacts of the intervention.</li> </ul> <p>This multiplier models the indirect and induced economic impacts. This composite multiplier includes a supply linkage multiplier relating to purchases made as a result of the intervention<sup>15</sup> and a consumption multiplier based on the expenditure of those whose incomes derive from the direct and supply linkage impacts of the intervention<sup>16</sup>.</p>
GVA per worker (2014 prices)	£29,467	GVA figures have been calculated based on applying GVA per worker data for each land use at a North West England regional level. This is our chosen basis for an estimate of potential gross GVA impacts. This is the GVA per worker for an "upscale" hotel, which the hotel has been rated as based on discussions with the developers.
Occupancy rate	75%	There is no standard guidance for selecting an occupancy rate and practitioners are encouraged to decide a rate based on experience and best practice methodologies. Consultations with the developers of the hotel highlighted that some of the floorspace will host a restaurant and a spa, although the proposed sizes of these are not yet known, it is wise to factor into this analysis that not all the floorspace will be used as a hotel.

<sup>14</sup> HCA, Additionality Guide, 2014

<sup>15</sup> HCA, Additionality Guide, 2014, p. 33

<sup>16</sup> HCA, Additionality Guide, 2014, p.33

Effect	Level	Justification
Employment density	2 FTEs per bed	Based on the HCA Employment Density Guide 2015, this is the assumption that one full-time equivalent (FTE) job is generated for every bed in the hotel. The hotel being developed is considered to be in the “upscale” hotel category of the HCA guidance, based on discussions with developers.

Source: Mott MacDonald

### 5.9.3 Results

The TEAM analysis of the proposed hotel development found that a total of 31 net additional jobs would be created by the development and a total of £1m pa of net additional GVA would be added to the South Lakeland economy as a result of these jobs as set out below.

**Table 8: Employment impacts**

	Jobs
Gross direct jobs	57
Less deadweight, leakage, displacement and substitution	33
Net direct jobs	24
Multiplier jobs	7
<b>Total net jobs</b>	<b>31</b>

Source: Mott MacDonald

**Table 9: GVA impacts**

	GVA, £m, per annum
Gross direct GVA	£1.7
Less deadweight, leakage, displacement and substitution	£1.0
Net direct impacts	£0.7
Multiplier impacts	£0.3
<b>Total net direct, indirect and induced GVA</b>	<b>£1.0</b>

Source: Mott MacDonald

#### 5.9.3.1 Attribution

There are multiple factors that could influence the above impacts, a degree of attribution to the Hawkshead squares project must be made. These factors include business-led factors such as interest rates, economic conditions and the strength of the tourism economy.

It is important to note that plans have been submitted, land assembled and approval granted. A clear message has come back from developers: The hotel proposition is largely dependant on the public realm enhancements being delivered.

Thus in our judgement, based on experience elsewhere a high level of attribution can be applied. Accordingly, 50% of the economic impacts of the proposed hotel development have been attributed to the squares project.

**Table 10: Proposed hotel development attribution**

<b>Employment</b>	
<b>Total net jobs</b>	<b>31</b>
Attribution (%)	50%
<b>Net jobs attributable to public realm enhancement</b>	<b>15</b>
<b>GVA</b>	
Total net direct, indirect and induced GVA £000s, pa	1,000
Attribution (%)	50%
<b>Net GVA attributable to public realm enhancement £000, pa</b>	<b>500</b>

Source: Mott MacDonald

Therefore the attributable impact is 15 net additional jobs and £500,000 of net additional GVA per annum.

## 5.10 Summary

This high level economic impact assessment of the Hawkshead Square proposals has combined three primary strands:

- The impacts of the occupation of available sites in Hawkshead as a result of enhanced economic activity.
- The impacts associated with increased visitor spend from increasing the number of visitors to the village, primarily through hosting additional public events in Hawkshead.
- The impact of developing the proposed hotel in the village.

At this level of analysis however we can say that, by using the techniques described above, the economic benefits of the Hawkshead Squares project can be summarised as follows:

**Table 11: Summary of impacts**

	<b>Employment impacts</b>	<b>GVA impacts pa</b>
<b>Visitor Uplift</b> (Based on 4 additional events)		
Net Calculated benefits (non-attributed)	10	£233,900
<b>Attributed Net Benefits</b>	<b>5</b>	<b>£125,700</b>
<b>Retail Units</b>		
Net Calculated benefits (non-attributed)	11	£1,400,000
<b>Attributed Net Benefits</b>	<b>3</b>	<b>£180,000</b>
<b>Hotel Investment</b>		
Net Calculated benefits (non-attributed)	31	£1,000,000
<b>Attributed Net Benefits</b>	<b>15</b>	<b>£500,000</b>

Source: Mott MacDonald

Each of these impacts have been assessed separately. The temptation is to aggregate the jobs and GVA across these three strands. This is technically incorrect - there is a risk of “double counting”, and a greater understanding of how the hotel development would impact on the existing tourist-capacity within the village would require more careful attention.

Equally, we cannot assume the overall benefit is less than the aggregate presented: Investment in either the exiting units or proposed hotel, could strengthen the visitor economy and lead to further agglomeration as new businesses open up in the village to take advantage of the increased visitor numbers. These new businesses may themselves be able to generate more GVA per head or per square metre of floorspace.

What these figures clearly show however is that the expected return on public investment is significant, especially in the context of a small village. The village's historic and cultural assets provide weight and support for these estimates, the squares project presents these in the best possible light.

## 6 Public realm enhancements

### 6.1 The assessment of public realm enhancements

A full assessment of the public realm in Hawkshead and a benchmarking exercise has been carried out as part of this study. The full assessment is available in Appendix 1. This study established the need to address public realm and traffic issues within Hawkshead as well as proposing solutions to fully address the issues raised.

These solutions are in line with and supported by the findings of consultations with local businesses and are evidenced using examples from comparator areas where similar public realm enhancements have led to tangible economic benefits.

### 6.2 Summary of findings

This assessment of the public realm in Hawkshead identified two principal issues affecting the public realm of the village. These are:

- The low quality and damaged pavements, pathways and roads as well as a shortage of public seating, and;
- Traffic management that causes vehicles to enter streets that are not suitable, leading them to turn around in the small square and creating congestion and risk of accidents with pedestrians.

Each of these findings are fully supported both by consultations undertaken by the study team and those carried out for the Pedestrian Survey in 2011 by the South Lakes Development Trust.

Proposals are then made for:

- Resurfacing of roads and pavements in and around the squares to enhance the appearance of the village, this work should be undertaken in a manner that preserves and complements the character of the village which is so core to its appeal;
- Provide public seating to extend pedestrian dwell times in the village and to increase the accessibility of the village for the elderly or those with limited mobility by providing them with suitable opportunities to rest; and,
- Redesigned traffic management measures to create a greater sense of arrival into Hawkshead and to reduce through movements and vehicular congestion to support the use of Hawkshead Squares as functional civic spaces.

For a full assessment of the public realm requirements in Hawkshead, refer to Appendix 1. This appendix is best seen as providing justification in public realm investment and demonstrating how modest investments can produce dramatic visual & practical enhancements to places.



## 7 Potential funding sources

### 7.1 Introduction

The Hawkshead Square Improvement Scheme was estimated to cost less than £1m at the time this report was commissioned. The assessment of wider economic benefits demonstrated the potential for economic benefits in the form of employment growth and GVA impacts from increased tourist spending, the occupation of available premises in the village and the development of the proposed hotel.

These impacts cannot be combined due to the risk of double counting but it is apparent from the analysis that employment and GVA will be generated as a direct result of these public realm works. These benefits are significant given the size of the village.

In order to deliver these works, it is necessary to assess the sources from which it can receive funding. This section sets out the funding context for the scheme and an indicative funding strategy, based on an initial desk based review of potential funding sources and initial consultations with several potential funders.

### 7.2 Funding context

Securing capital funding for a scheme of the scope and scale proposed represents a significant challenge within the context of a general tightening of public sector budgets - particularly at a local level - and an increasing focus and prioritisation of projects that can deliver significant and sustainable economic growth. The rural location of the scheme presents a further challenge in terms of the potential scale of impact and its alignment with different funders' objectives and priorities.

The Parish Council has developed the proposals for Hawkshead Square over a number of years and has made a number of unsuccessful applications for capital funding - most notably the Heritage Lottery Fund (HLF) Townscape Heritage Initiative (THI) in 2013/14 and the Rural Payments Agency (RPA) managed European Agriculture Fund for Rural Development Programme (EAFRD) in 2014/15.

The HLF application was made on behalf of the Parish Council by the Lake District National Park Authority (LDNPA), who led the development of initial scheme designs. Feedback at the time indicated that - given the focus on public realm improvements rather than on improvements to heritage buildings/assets - the scheme was ineligible for THI funding.

Consultations with HLF North West indicate that this is likely to remain the case although this does not prevent an application being made. We have not seen any feedback on the unsuccessful EAFRD application. We understand also that discussions have taken place with relevant local authorities (Cumbria County/SLDC/LDNPA) but that no significant capital funding opportunities have been identified.

Opportunities to align County Council highways maintenance budgets with other external funding have also been discussed with the Parish Council. It is our understanding that no commitments have been made by the County Council in this respect and that this would be subject to an agreed scheme with the necessary highways consents being in place.

Nevertheless, this remains an opportunity for small scale funding support but it does highlight the need for the scheme designs and cost plan to account for ongoing maintenance/adoption requirements which themselves would need to be agreed with the County Council.

From our initial review of funding sources, it seems unlikely that the Parish Council will be able to secure the capital funding required to deliver the scheme from one source in one go. As the table of funding sources set out below indicates, there may be multiple sources of small-scale 'community-based' funding available but it could take considerable time to assemble these – assuming that they could be 'banked' over an extended period.

We are also mindful of the limited capacity of the Parish Council to not only develop a scheme to a level necessary to secure funding but also to procure funding from multiple sources over time.

### 7.3 Suggested approach

Given the funding context and challenges outlined above, the Parish Council could consider adopting a phased approach to delivering the preferred scheme. Whilst design and cost planning for the project remain indicative only at this stage and will need to be developed further, nevertheless there appears to be the potential to break the scheme down into discrete phases.

The EAFRD funding application identified a series of work packages; tourism signage, northern and southern approaches and north and south central squares. The first three of these were estimated to cost in the range of £35-45,000 each (the north and south central squares together were estimated to cost in excess of £450,000) and one of these elements could form the basis of a first funding application, supported by the assessment of wider economic benefits set out in this report.

The advantage of this approach is that it enables the Parish Council (as scheme promoter) to take advantage of some initial impending funding opportunities (see below), raise the profile of the project with funders and if successful to make a start on the scheme - building some much needed momentum and confidence in the project as one that is realisable. In turn this could help to generate not only community confidence in the scheme but also help the Parish Council to engage more directly with the respective local authorities and other funding bodies in securing funding.

Given the design status of the project these initial capital funding opportunities may be a little too soon for the Parish Council to be in a position to present a robust case for funding, but submitting applications will act as a signal of intent and form the basis for responding to other opportunities as they arise.

It may be that the Parish Council could seek to secure capacity funding in the interim, either to support the preparation of these initial bids or to further develop the scheme proposals – essentially developing 'oven-ready' propositions that can be targeted at multiple funding sources and supported by our assessment of wider economic benefits.

Whatever funding opportunities may arise (including for example annual underspend in local authority capital budgets) the scheme will need to be presented in a way that reflects the primary objectives and priorities of individual funders – for example in terms of the improved movement and connectivity, sustainable transport, promoting tourism, supporting heritage, encouraging private sector investment, supporting community cohesion and capacity building etc.

## 7.4 Initial capital funding opportunities

Two initial capital funding opportunities have been identified during the period of this study

- New Homes Bonus: Locally Important Projects (LIP)
- Cumbria Tourism Growth Plan (via the European Agriculture Fund for Rural Development)
- Further details of each of these in terms of scope, eligibility, and timing are set out below together with our initial thoughts on potential next steps.

### 7.4.1 LIP programme

The funding for LIP is derived from the New Homes Bonus (NHB) scheme, in which the government matches the council tax raised for new homes built in the local authority district. 40% of the income from the NHB is invested for LIP funding, with the remaining 60% allocated to fund housing projects.

Applications for funding from LIP are invited from parish and town councils or from community organisations only. Projects that will be considered for funding under this programme must be solely for public benefit and not for private gain. Applications are assessed on how the project meets the needs of the local community the project is targeting.

The projects ideally take the form of delivering required infrastructure to benefit the community but it is considered vital that the proposals align with the stated priorities of SLDC, Cumbria LEP and the local community in the area the project is to be delivered. It is vital that the application fully evidences the need for this intervention, with the explanation for this need rooted in addressing the issues that affect the local community.

Successful projects must also demonstrate value for money, with fully costed plans for delivery and the relevant permissions already in place. This is required in order to justify the amount of funding being requested and it must be made clear that resources have been made available for the future maintenance of the project to ensure longevity.

Funding will only be considered for projects that have not already had funding allocated to them or have begun construction, the purpose of this fund is to enable new projects to be delivered, rather than to bolster existing funding sources.

Notwithstanding this, it is important to note that this fund is not designed to be the sole funding source for a project. While this fund can be the sole funding source for a project, this will only be acceptable if effort has been made to secure funding from other sources. Match funding is not compulsory however. Applications must provide a clear timetable as well as a full strategy for monitoring and evaluating the way the funding is used.

Arguably the most important consideration when applying for this funding is to be clear in explaining and evidencing the particular issues that affect the community and how the proposed intervention will address this issue.

LIP is run annually and the closing date for applications in 2017 is 12 noon, Monday 13<sup>th</sup> February. It is anticipated that LIP funding will also be made available in 2018 but no further details in terms of dates have been made available.

Previous examples of projects successfully funded under LIP include:

- The Cartmel Township Initiative - £60,000 was granted to fund a series of traffic calming measures in Cartmel;
- £9,000 allocated to fund improvements to a footpath in Kendal Town Centre; and,

- £20,000 was provided to improve Lightburn Park in Ulverston.

The Hawkshead Squares scheme is in a reasonably strong position to apply for funding from LIP as it is entirely focussed on delivering community benefit. The primary impact of the scheme will be to enhance the village itself, improving the visual appearance and legibility of Hawkshead and making it a more pleasant place to be. It will enable the Parish Council and local businesses to host more public events in the square that will attract and involve local residents, cultivating the community spirit of the area.

In addition to the economic benefits that the increased visitor numbers attending these events will generate, social benefits of more people interacting and creating a greater sense of place will strengthen the local community.

The scheme also sets out to enhance and restore the historic character of the village. Local consultation for this commission highlighted significant concerns regarding the condition and quality of the public realm as it currently stands. The poor quality paving generated a significant grievance for many residents who feel the paving cheapens the appearance of the village and undermines its character. This project can restore the historic aesthetics of the village and enable residents of Hawkshead to take advantage of the special characteristics of the centre and host public events that attracts visitors and cultivate the strong community cohesion.

One of the main challenges at this point in applying for LIP funding is the requirement for fully costed plans for delivery and the relevant permissions to be already in place. This is currently not the case and the extent to which these can be secured prior to the deadline for the current round of LIP funding is likely to be limited.

This should not discourage an application however as it may be possible to secure a conditional grant offer subject to the provision of further detail and with a clear timetable to achieving the necessary consents. In any event an application in this round will set down a marker for future rounds of LIP funding or indeed any underspend in the current round.

#### **7.4.2 Cumbria Tourism Growth Plan (EAFRD)**

Cumbria LEP is currently developing a Cumbria Tourism Growth Plan and has indicated that a call of proposals will be made in support of this in early 2017 under the European Agriculture Fund for Rural Development (EAFRD) – Sub measure 7.5: Improving and increasing visitor attractions and infrastructure.

It is our understanding that the LEP is looking to invest this funding in tourism infrastructure projects seeking up to £250,000. The total funding pot is understood to be £1.3m. EAFRD is a fund provided by the European Union as part of the Common Agricultural Policy (CAP). Whilst no details of the call for proposals are currently available, sub-measure 7.5 of the EAFRD is intended to support investments in the public use in recreational infrastructure, tourist information and small scale tourism infrastructure within rural settings.

It is aimed at funding small businesses, local communities, and farmers to provide infrastructure to support rural tourism and to aid the growth of events, festivals, and attractions. The most recent cycle of EAFRD funding had a particular focus on supporting projects in the LDNP area as well as other key locations such as around Hadrian's Wall.

Eligibility for this funding is based on the group applying for funding and the ability to demonstrate that the proposed scheme meets the objectives of the LEP and supports the Cumbria SEP. The proportion of the total project costs that the EAFRD can be used to cover depends on the nature of the project itself. Projects that have no income associated with them can apply for funding of 100% of the scheme.

To be successful, it must fully demonstrate, through a full business case, how the proposals will work towards achieving the SEP objectives for rural job creation and deliver wider benefits to the local economy. The most recent cycle of EAFRD funding required a minimum of one full time equivalent (FTE) job to be created for every £25,000 of funding allocated and it may be likely that any subsequent cycles of this funding will require a similar or indeed higher targets.

EAFRD is particularly relevant to the Hawkshead Squares scheme as the proposals align with the objectives of the fund and with this report can demonstrate how it will help create jobs and provide wider economic benefits to the local economy. Since the application is likely to be led by the Parish Council it could potentially receive 100% funding.

However, it is important to recognise the challenges of securing funding from what is expected to be a highly competitive funding pot in Cumbria – particularly when it comes to demonstrated strategic impact/potential scale of benefits. As with LIP funding a further challenge at this point will be the level of project detail available to support an application – albeit that the date for the call for proposals has not yet been confirmed and could extend to the end of Q1 2017.

Again this should not discourage an application as this too will set down a marker for future rounds of LEP related funding, including for example underspend on the Local Growth Fund (LGF) or other sources should they become available.

## 7.5 Other potential funding sources.

The table below outlines some of the potential funding sources for the scheme both in terms of capital funding and capacity funding for the Parish Council. It should be noted that this list is not exhaustive, rather it is an indication of the range of funding opportunities available. We have not at this stage for example looked in detail at funding that may be available through charities and foundations or considered opportunities for securing donations from individuals or corporate organisations.

Therefore, this should be considered as a starting point for developing a more comprehensive and prioritised matrix of funding opportunities – although we recognise that this will require further capacity to put in place.

**Table 12: Potential funding sources**

Funding stream	Type of projects they support	What projects are eligible for funding	How to apply for funding	Any barriers to applying	Maximum funds available
Local Important Projects	Infrastructure such as additional or extending social facilities, improvements to paths, walkways and local environment	Projects must address community needs identified in local community plans, produce good value for money & show that they are possible to deliver	Online - deadline for 2017 is 13th February	LIP prefers not to be sole funder of any project. Equality and sustainability must be clearly considered as part of application	Range between £1,000 and £60,000 based on previous funding rounds
Community Development Fund	Projects that demonstrate lasting community benefit to the wider community such as play areas,	Must demonstrate lasting community benefit	Online - Deadline passed - potential for future funding cycle - use of Local Area	Funding determined by geographic area based on population	£1,500

Funding stream	Type of projects they support	What projects are eligible for funding	How to apply for funding	Any barriers to applying	Maximum funds available
	community facilities etc.		Support Team is advised		
Local Member Scheme (LMS) Grants	Community projects - relatively small scale	Must demonstrate lasting community benefit	Application will have to be through local member of Cumbria County Council - as with all applications - use of Local Area Support Team is advised	Each member of Cumbria CC given £10,000 to spend on local schemes	£10,000
Member Locality Budgets Scheme	Community projects - small scale	Must demonstrate lasting community benefit	Application will have to be through local member of Cumbria CC	Each member of Cumbria CC given £1,000 to spend on local schemes, this severely limits the access to funding sufficient for this scheme.	£1,000
Cumbria Community Grants (CCG)	Community projects - small scale - different grants support different projects	Must demonstrate lasting community benefit	Use of Local Area Support Team is required - completed applications submitted to this team.	Most funding streams in CCG are for specific areas and very specific projects such as education support etc. these funds will be unlikely to support this project due to its size and objectives.	Varying amounts - most limited to £1,000
Townscape Heritage Grant from Heritage Lottery Fund	Regenerate deprived towns - by improving built environment	Need to show economic benefit, upskilling locals, education on local heritage, reduce environmental impacts, enhance area as place to visit, etc.	Multi-stage application process	Will need to demonstrate deprivation. Partners must make contribution to the funding (you must contribute at least 5% at development phase and 5% at delivery phase. If ask is less than £1m, if over £1m then it is 10% at both these phases)	£100,000-£2,000,000
Big Lottery Fund	Capital build projects supported by BLF funding	Need to show community benefit, community involvement etc. Would help to have a skills element or to develop the narrative on the community benefit of enhancing the squares.	Full application requires extensive evidence of need and M & E processes.	A great deal of competition for funding, albeit with a large amount of funding to be given out.	Not stated

Funding stream	Type of projects they support	What projects are eligible for funding	How to apply for funding	Any barriers to applying	Maximum funds available
Historic England	Grants for repairing and maintaining historic environments	Need to meet at least one of the criteria - such as being in a conservation area, Hawkshead is a conservation area	Online - funding cycle is year-round	Need to clearly demonstrate the historical importance of Hawkshead and the damage to the view of the village caused by the paving, the narrative about Hawkshead being very traditional and largely untouched by the 20th and 21st centuries is made by LDNP. There may be a slight issue in securing funding as a public square or area is not stated as a type of project this will fund but the argument could be made. Absolutely necessary to show the historic importance of improving the squares.	Not stated
Historic England	Regional Capacity Building Programme	Important to show the need to act and to focus on the historical value of the squares	Online-through regional offices - North West office is in Manchester	No particular barriers but need to focus on historical value of the squares - William Wordsworth, Beatrix Potter etc.	Not stated

Source: Mott MacDonald

## 7.6 Summary

The Parish Council is committed to bringing forward the delivery of the Hawkshead Square Improvement Scheme and has invested considerable time in a voluntary capacity to develop the proposals.

Capacity, including technical support for scheme design/cost planning and the preparation of robust funding applications, is clearly an issue that needs to be addressed in the short term if they are to be in a position to make credible applications and improve their chances of securing capital funding.

A phased approach to delivering the project may be the most appropriate way forward at this stage, with a focus on a relatively small scale element, costing up to say £40-50,000. This is likely to increase the prospects of securing funding from local sources and to get the scheme up and running. Otherwise there is a risk that community support for the scheme may be eroded over time and the commitment of volunteer time may become more difficult to secure.

There is no doubt that schemes of this nature can be funded and there are two initial funding opportunities (LIP and EAFRD) which should be pursued, recognising that both of these sources will present particular challenges in terms of the level of project detail currently available and the likely strong competition for increasingly scarce public sector funds.

Nevertheless it is important that the Parish Council sets down a marker with potential funders in terms of its commitment to seeing the scheme delivered and the fact that it can be demonstrated that it will deliver wider economic benefits, as well as heritage, environmental and a range of community benefits.



## 8 Conclusions

### 8.1 Conclusions

This report has established four principals relating to the proposed Hawkshead Squares project. These are:

- Hawkshead does require enhancements to its public realm.
- Public realm enhancements can deliver positive economic impacts.
- The economic impact for Hawkshead could produce a range of employment and GVA benefits.
- The intervention to enhance the public realm can be funded through a range of sources.

Consultations with local businesses in Hawkshead found strong support for the project and to enhance the public realm. In particular, concern over the poor quality pavements and road surfaces was raised by many consultees. Parking, both in the village and on the LDNPA car park is also a concern, and this needs to be resolved for the sake of confidence in future initiatives.

Many businesses believe that enhancing the public realm would enable and encourage the village to host more public events, such as the highly successful Christmas Fayre. Hosting additional events will attract additional visitors, especially overnight visitors whose average spend is significantly higher than day visitors. These additional visitors who generate income within the Hawkshead visitor economy can generate additional tourism jobs and GVA.

The additional spend will make businesses in Hawkshead more successful and encourage new businesses to take up the available units in the village, generating further employment and GVA.

Finally, consultations with local developers found that proposals to develop a 28 bed hotel with a spa and restaurant are at least partially dependent on the delivery of the Hawkshead Squares scheme. The delivery of this scheme is viewed by developers as the public sector demonstrating the importance of the sustainability of Hawkshead village. The development of the hotel will also generate significant levels of employment and GVA.

While Hawkshead will benefit from these economic impacts, only a certain proportion of the impact can be directly attributed to the squares scheme. Accordingly, different levels of attribution to the scheme have been applied to each of the impacts. It should be emphasised that by using national datasets a more conservative estimate of impact has been derived.

**Table 13: Summary of economic impacts**

	Employment impacts	GVA impacts pa
<b>Visitor Uplift (Based on 4 additional events)</b>		
Net Calculated benefits (non-attributed)	10	£233,900
Attributed Net Benefits	<b>5</b>	<b>£125,700</b>
<b>Retail Units</b>		
Net Calculated benefits (non-attributed)	11	£1,400,000
Attributed Net Benefits	<b>3</b>	<b>£180,000</b>
<b>Hotel Investment</b>		
Net Calculated benefits (non-attributed)	31	£1,000,000
Attributed Net Benefits	<b>15</b>	<b>£500,000</b>

Source: Mott MacDonald

This report also set out to provide evidence for delivering public realm enhancements as a way to develop an area and to deliver economic benefits. Appendix A makes this case more fully, demonstrating the impact of resurfacing roads, pavements and the squares and providing public seating. This public realm investment is a way to support the village, enabling and encouraging residents and businesses to host additional public events that will deliver economic benefits.

Finally, this report addressed how this scheme could receive funding. Through analysis of a wide range of potential options, it is the recommendation of this report that the scheme should be phased.

This phasing of the scheme should seek to break down the whole scheme into smaller elements that are ordered logically and that the local community has the capacity to deliver. This report provides the evidence base to support applications which are increasingly made through the five case business case approach<sup>17</sup>.

### **Capacity building for the Hawkshead Parish Council is also essential to ensure funding opportunities are maximised.**

This report has set out how public realm enhancements can deliver economic benefits, the need to address the public realm in Hawkshead and how Hawkshead specifically can benefit from this scheme.

Hawkshead has shown itself to be a popular tourist destination, attracting thousands of visitors for public events such as the Christmas Fayre. The 2016 Christmas Fayre was particularly successful, according to consultees who said that accommodation was full and business increased significantly as a result of the fayre.

If Hawkshead can be enabled to host additional public events, by providing high quality public realm enhancements that are both strong enough to withstand the wear and tear that has led to the damage to the current public realm and complementary to Hawkshead's distinctive character, the impacts of the Christmas Fayre can be replicated throughout the year.

This can support the creation of employment and GVA benefits to the village, increasing confidence and enhancing the overall experience of visitors that can support the continued success of Hawkshead as a visitor destination in the coming years.

<sup>17</sup> For a basic guide to this Business Case approach see <http://bit.ly/1MVOn5w>.

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## A. Public realm appraisal and benchmarking

### 8.2 Baseline conditions

This section reviews the quality of the existing public realm in Hawkshead, and sets out potential public realm improvements within the village core. Good quality public realm is critical to the competitiveness and attractiveness of an area. Investment in public realm can enhance an area's image, whilst attracting visitors, encouraging investment and increasing land and property values. The Visitor Economy Action Plan for Cumbria identifies the Hawkshead Squares Improvement Scheme as a priority for the village to make the village a 'must-see' destination.

There are several issues related to public realm and highways in Hawkshead, including:

- Poor sense of arrival from B5285 to Main Street (north) and from Main Street (south) - At each gateway, there is a lack of prominent signage, giving no indication of arrival at Hawkshead. This poor sense of arrival, coupled with the wide junctions present at the northern and southern gateway encourages through traffic.
- Wide junctions to the north and south encourage through traffic
- Uneven and poorly maintained footways
- Resurfacing of pavement/cobbles does not fit in current with village theme
- Chaotic parking in the vicinity of the Co-op (Figure 8) due to very limited space, heavy use and no in/out route).
- No village through route signage insufficient leading to vehicles having to do U-turns in the village, particularly an issue for larger vehicles.
- Road Markings - The extensive use of double yellow lines detracts from the village character but form a traffic management function. However, it is the general view from residents that the waiting restrictions are not enforced. In addition, painted parking bays over surface treatments at King's Arms Square – also provide an eye sore
- Lack of public seating in the village - Residents believe the introduction of additional public seating would be beneficial, providing a place for people with limited mobility to rest, as well as increasing dwell time of visitors

***“This project can have a positive impact on how people perceive the area and revive the passion for the village.”***

*Source: Mott MacDonald - Public Consultation (December 2016)*





King's Arms Square: Could this become a wider used civic space?



Poor sense of arrival from northern access: no welcoming signage



Potential for public realm improvements



Example of vehicle accessing very narrow highway

*"The main problem for pedestrians in the village is, of course, vehicular traffic... the village has become a car park... people have become accustomed to parking anywhere they want without challenge."*

Source: Pedestrian Survey, 2011 – South Lakes Development Trust



Uneven/poorly maintained footpath



Poor sense of arrival from southern access and signage is usually ignored, encouraging through traffic



Resurfaced pavement not fitting in with current theme



Shared space is the norm in the village, but quality of public realm could be improved



**Figure 8: : Illegal Parking Outside the Co-op, Hawkshead**



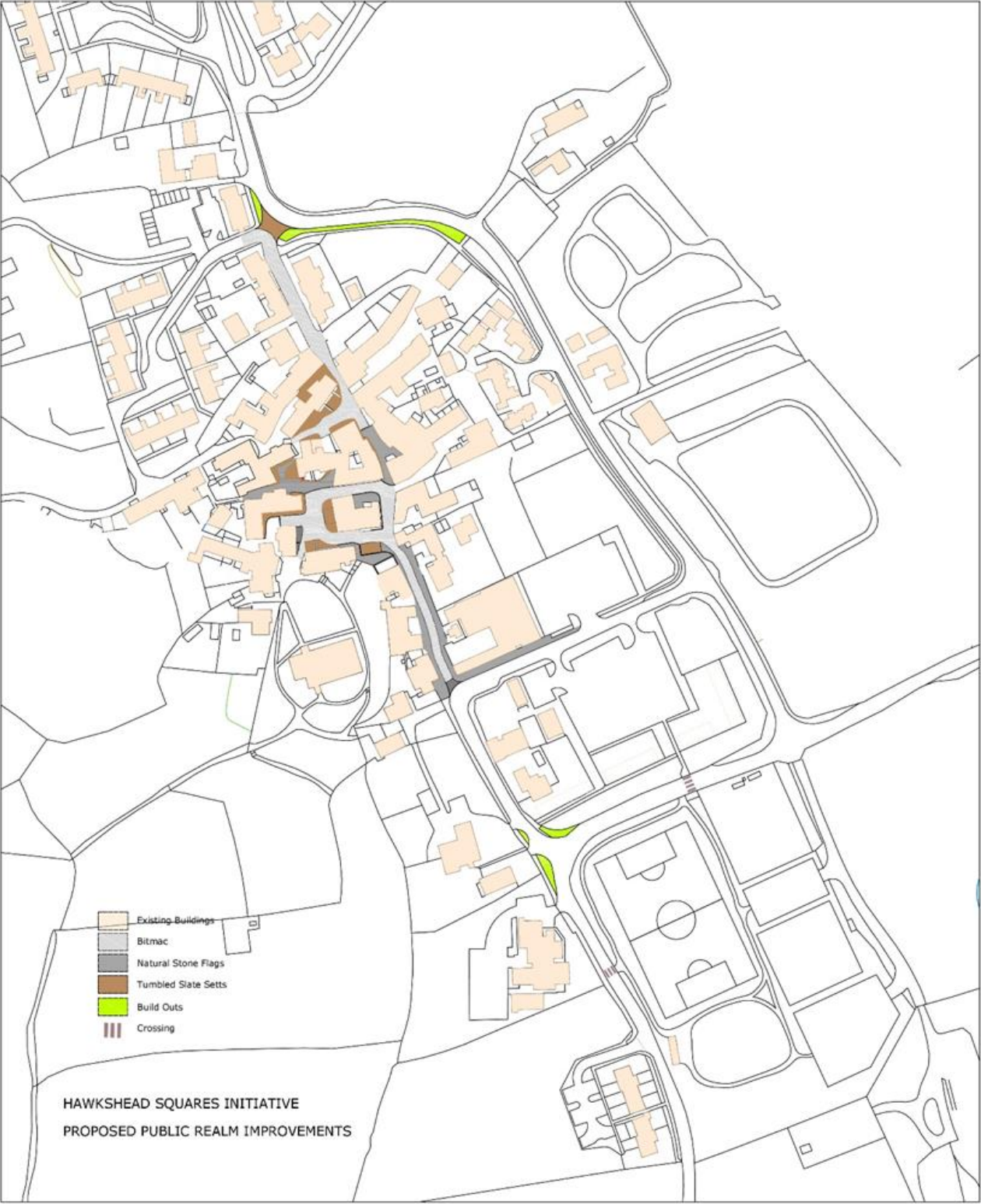
Source: Google

### 8.3 Proposed public realm improvements

Figure 9 shows the proposed public realm improvements for Hawkshead (provided by the LDNPA). Improvements include:

- The resurfacing of footways and highways in the village centre with bitmac, natural stone flags and tumbled slate setts to remove the visual impact of spot resurfacing.
- Resurfacing of the northern gateway with tumbled slate setts and natural stone flags at the southern gateway to provide a sense of arrival at the village.
- Kerb build outs at both gateways, helping to narrow the highway and make drivers more aware they are entering a different environment and making them question whether full vehicle access is available in the village.
- Restoration of historic features to extend lifespan of these features.
- Street signs and information plaques to improve the visitor experience.
- Street furniture e.g. seating and bollards.
- Soft landscaping.
- Lighting.
- Accommodation works for the above i.e. drainage, re-wiring.

**Figure 9: Proposed public realm improvements**



Source: Mott MacDonald



## 8.4 Urban structure & traffic management

### 8.4.1 Urban structure

Hawkshead is only accessible from a northern and southern gateway (Figure 10). Space is predominantly shared within the centre of the village but dominated by vehicular presence. Pedestrian movement is primarily north-south, with opportunities to circulate around the squares to the west of the village core. The two squares (King's Arms Square and Red Lion Square) are home to a handful of businesses which contribute to the local economy.

King's Arms Square is home to a number of parking bays, resulting in vehicles dominating the area (which is perceived as an eyesore). The square has the potential to become a vibrant civic space, creating a greater sense of community and attracting visitors.

### 8.4.2 Traffic management

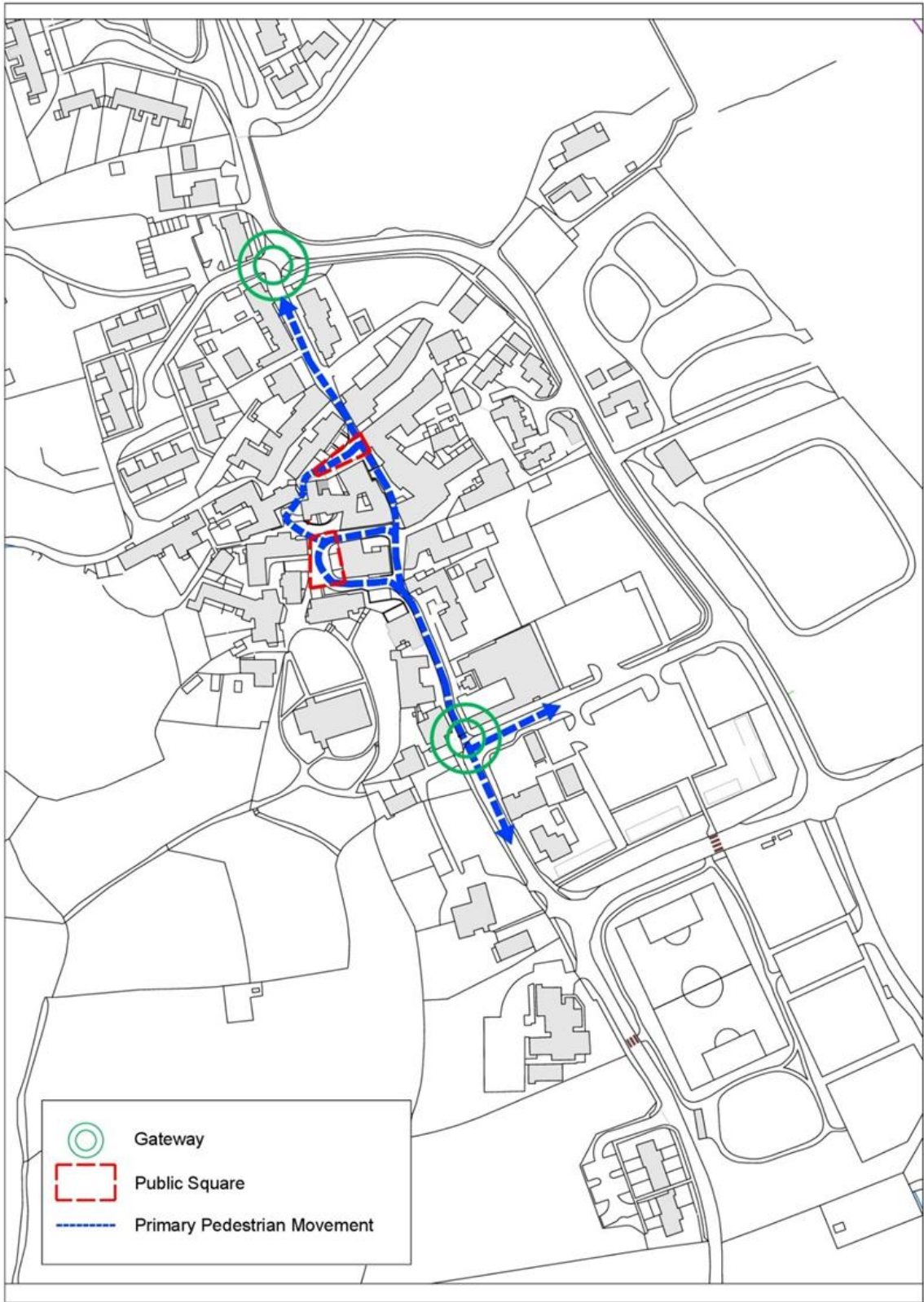
From the northern and southern gateways, signage is provided stating 20mph and access only. The B5285 bypasses the village to the east and provides further links to the A591, A6 and M6 on a wider scale.

The area west of the Red Lion is a residential parking zone (Figure 11). From the northern gateway, vehicles can access the village up until the area south of the Co-op on Main Street. This area of the street (between the back of the Co-op and Flag Street) is fully pedestrianised.

A small contracted car park is located to the south of the village. Adjacent to this is the coach and public car parks (Figure 12). In addition, there are a number of parking bays distributed throughout the village.

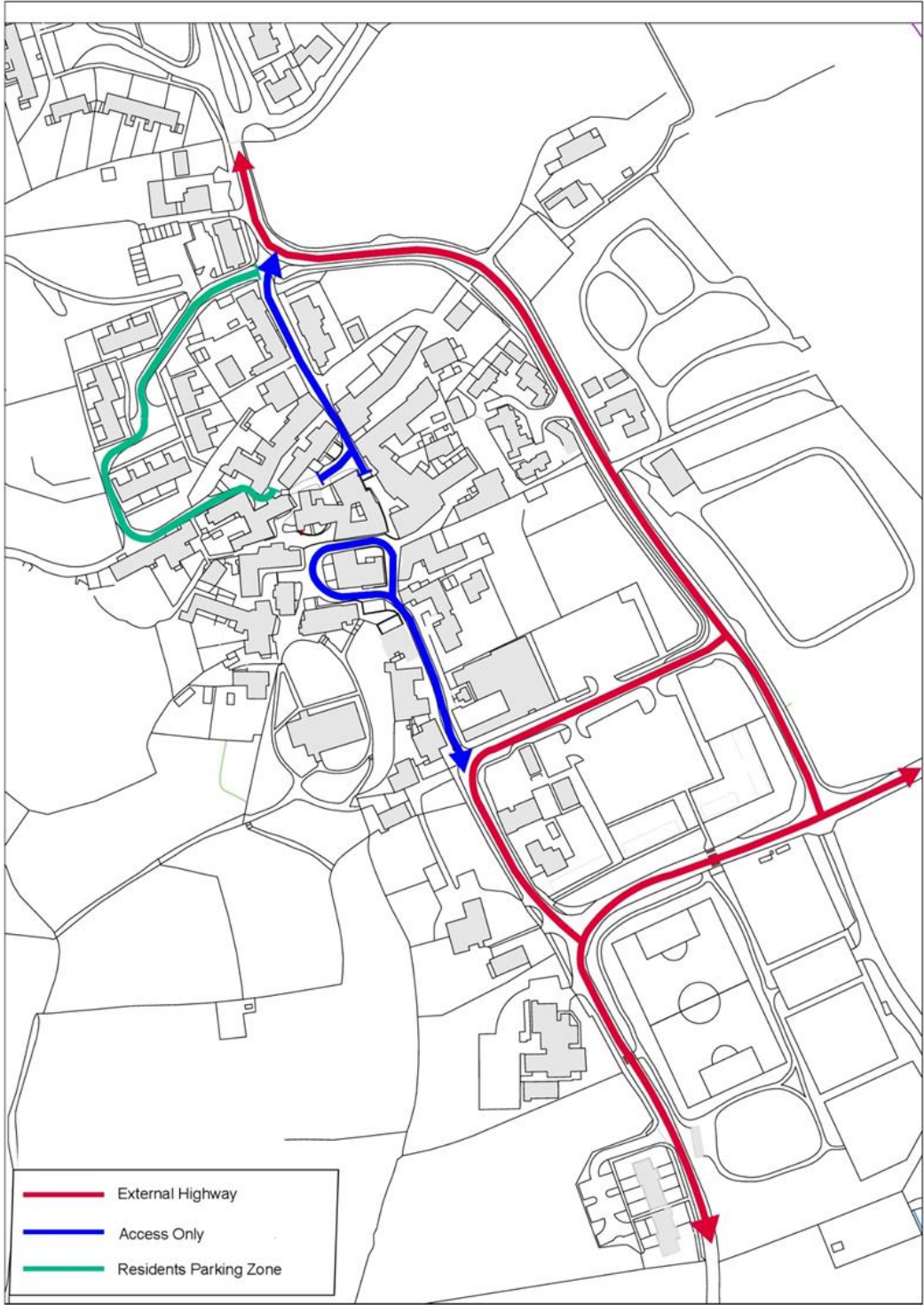
A pay on exit visitor car park is located to the south-east of the village, it has approximately 350 spaces and is operated by the LDNPA. A coach park is also located within this car park.

Figure 10: Urban structure



Source: Mott MacDonald

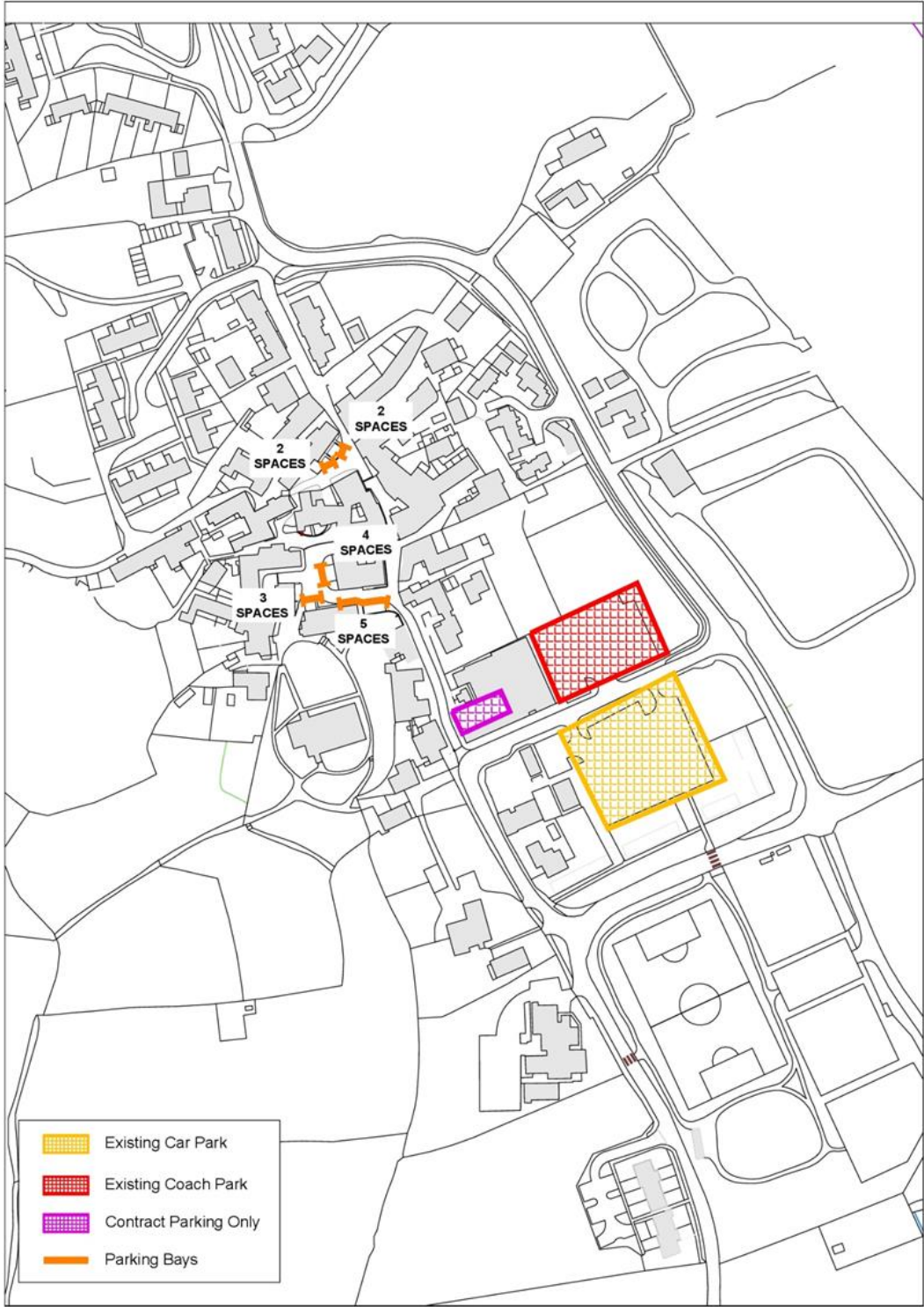
Figure 11: Traffic management



Source: Mott MacDonald



Figure 12: Parking provision



Source: Mott MacDonald

## 8.5 Benchmark schemes

This section provides examples of how public realm improvements could transform Hawkshead, helping to increase the attractiveness of the village and in-turn increase economic investment and secure jobs.

Examples include gateways, street and square improvements, taking inspiration from non-urban areas, along with European villages that have maintained their historic character.

**Figure 13: Cumbria In Bloom awards received by Hawkshead**



Source: Mott MacDonald



**Figure 14: The Queen's Head**



Source: Walker Ground Manor

### 8.5.1 Benchmark: gateways

Inspiration from benchmark schemes can help Hawkshead unlock its full potential.

**Figure 15: Hayfield, Derbyshire before public realm enhancements**



Source: Google

**Figure 16: Hayfield, Derbyshire after public realm enhancements**



Source: Google

Figures 15 and 16 illustrate gateway improvements in Hayfield, Derbyshire. The implementation of natural stone flags (something proposed for Hawkshead) provides a sense of welcoming, and indicates that this location is a place in its own right, differentiating it from the highway. It also improves the quality of space and provides opportunity for civic uses at the cenotaph (e.g. memorial or Remembrance Day).

**Figure 17: Northern gateway, Hawkshead**



Source: Google

**Figure 18: Cobbles indicate arrival in Locronan, France**



Source: Google

***“Hawkshead is looking a bit shabby and tired, it needs tidying up.”***

***“Replacing damaged flags with tarmac ruins the look of the village.”***

*Mott MacDonald - Public Consultation (December 2016)*

Locronan (Figure 18) is a small village in the region of Brittany, France. With a population of 800, the Granite City has preserved some beautiful Renaissance mansions and its magnificent church from the 15<sup>th</sup> century. Highways and footways in Locronan fit the village theme.



**Figure 19: Welcome signage, Clay Cross, Derbyshire**



Source: claycrosscommunity.net

**Figure 20: Wide junction at the southern gateway of Hawkshead could benefit from the introduction of kerb build-outs**



Source: Google

Hawkshead could benefit from the introduction of distinctive welcoming signage

**Figure 21: Example of prominent signage and kerb build-outs**



Source: [www.trafficchoices.co.uk](http://www.trafficchoices.co.uk)



**Figure 22: Matlock, Derbyshire, before**



Source: Google

**Figure 23: Matlock, Derbyshire, after**



Source: Google

Images 22 and 23 above show the introduction of kerb build-outs in Matlock, Derbyshire. The build outs are complemented with public realm improvements, such as greenery and new pavement, and give the area a completely different feel. These improvements have a major part to play in relation to adding to the character, attractiveness and success of an area. As well as these benefits generated by public realm enhancements, build-outs can help to combat the problem of through traffic caused by the wide junctions at each gateway, enhance safety and improve pedestrian experience.

### 8.5.2 Benchmark: squares

The King's Arms Square in Hawkshead (Figure 24) is currently dominated by vehicular movements and parking.

The abundance of vehicles can impair the character and charm of Hawkshead. This could potentially have a negative impact on tourists who are visiting the village for the first time.

**Figure 24: Hawkshead**



Source: Mott MacDonald

The picturesque village of Hallstatt in Austria (Figure 25) is truly unique with a rich history. With Hallstatt being a very popular tourist attraction, there are aspects of the village that Hawkshead could adopt. This includes the abundance of public seating available in the village square. Other public realm around the village that would complement the character of Hawkshead includes strategic planting and monuments.

**Figure 25: Hallsatt, Austria**



Source: Google

Cartmel (Figure 26), situated 14 miles south of Hawkshead, provides a suitable village for comparison. Public seating, available in the village square, would help to increase dwell time and is something Hawkshead can look to introduce.



**Figure 26: Public seating in the village square, Cartmel, Cumbria**



Source: [Lakeland-cottage-company.co.uk](http://Lakeland-cottage-company.co.uk)

### 8.5.3 Benchmark: streets

Figure 27 shows Main Street in Hawkshead. The street has more of a 'formal' feel, though, functions more as a shared space and pedestrians are often seen walking on the highway. The painted yellow lines detract from the historic feel the village tries to maintain, but forms a traffic management function.

**Figure 27: Main Street, Hawkshead**



Source: Mott MacDonald

Figures 28 and 29 depict the 'before and after' public realm improvements at Shaw's Road, Altrincham, Trafford. The area has been completely revamped, and what look to be derelict buildings (before) have been renovated into businesses. Public realm improvements can generate investment from business, attract visitors, create more jobs for locals, benefit the local economies and help an area to unlock its full potential.

**Figure 28: Altrincham, Trafford, before**



Source: Google

**Figure 29: Altrincham, Trafford, after**



Source: Google

## 8.6 Wider issues

In addition to public realm issues, the following issues have been raised via public consultation related to the economic success of the village:

- Bus accessibility – Only 1 bus route serves the village outside of the summer period when 2 services operate. The 505 route is a circular service that runs between Kendal and Coniston. The route operates a limited service during the day time only Monday to Saturday. No evening or Sunday services are available. The lack of public transport means that the majority of visitor trips to the village are by car, increasing vehicle congestion within the village and limits accessibility of the village for those that don't have access to a car.
- Coach visitors dwell time – It is understood that due to the lack of parking in nearby Sawrey that travel companies prefer to park their coaches in Hawkshead and transfer tourists by mini-bus to Sawrey. The turn-around from mini-bus to coach at Hawkshead does not leave any time for tourists to visit the village.
- Cost of car parking – Visitor car parking within Hawkshead costs £3 for the first 2 hours, then 40 pence for every 20 minutes thereafter up to a maximum of £8 for the day. A consultation exercise undertaken within the village revealed a large proportion of locals and tourists consider these costs to be excessive, especially for short visits and reduce the number of visits to the village.

## 8.7 Summary

A number of public realm and accessibility issues have been identified in Hawkshead. There is clear potential for the improvement of public realm to preserve and complement the character of the village. The proposed measures will create a greater sense of arrival to the village and aim to reduce through movements and vehicular congestion in the village to aid the use of Hawkshead Squares as functional civic spaces. This measure combined with the additional proposed measures including resurfacing, planting and seating will create a tidier, more aesthetically pleasing village to be enjoyed by locals and tourists.

The benefits of investing in public realm have been demonstrated in this report. The benchmarking exercise above demonstrates how other villages/areas have maintained their historic feel and increased their attractiveness by implementing simple public realm measures.

