SELECT COMMITTEE ON THE RURAL ECONOMY

COLLATED WRITTEN EVIDENCE VOLUME

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The ACRE Network is made up of 38 county based rural charities and their national association: ACRE. Our shared mission is to build the capacity of local communities in order to meet the needs of those most disadvantaged by their rurality.

This is our response to the questions set by the Committee in its general call for evidence. We have summarised our evidence by first suggesting a number of practical actions that could be taken by Government, many of which would impact on more than one of the challenges identified by the Committee. These actions are numbered and cross-referenced with the questions asked by the Committee.

Following this we have structured our evidence in line with the questions raised by the Committee.

ACRE is very grateful to have been given the opportunity by the Committee to give oral evidence during the initial stages of its work and to have been asked for further information in support of our evidence. The request for further information mainly concerned practical experience from across our network that could be applied more widely without the requirement for either legislation or additional public expenditure. We have been asked to supply this further information by 5th October and will do so separately.

1. **Summary of proposed actions**

2. **Action 1. (Ref. Q1 and Qs4 to 7)**
   Government should articulate a high level rural policy objective to be implemented across all of Whitehall. This should place the same weight on protecting rural people from discrimination as is currently placed on protection of people affected by the characteristics enshrined in equality legislation. The key objective will be to **ensure that nobody should be unreasonably disadvantaged by where they live.**

3. **Action 2 (Ref. Q3 and 13)**
   DEFRA is currently carrying out a review of designated areas: National Parks and Areas of Outstanding Natural Beauty. This review needs to be explicitly widened to **require an appraisal of the impact on non-designated rural areas that may arise from any changes to the current purposes, duties or regulations governing designated areas.** There is a real risk of unintended consequences for the community and economy of all rural areas if further emphasis is placed on the landscape quality of just these designated areas.

4. **Action 3 (Ref. Qs1, 2, 3 and 15)**
   As the process of leaving the EU continues, a target should be set to ensure that **at least 20% of the Shared Prosperity Fund is allocated to supporting rural communities and the rural economy.** This would reflect the share of the population living in rural areas. The ACRE Network stands ready to work with the LEP network to
ensure that this enables community led solutions to meet the needs of rural people, especially when these are beyond the reach of market initiatives.

5. **Action 4 (Ref. Q5, 6 and 7)**
   Every home Department that is charged with delivering services, either directly or through local delivery organisations, must be required to allocate funds to a rural joint commissioning initiative. These funds will be pooled and used to initiate local, co-designed services where joint delivery will enable commissioners to achieve non-cashable savings though improved quality and accessibility.

6. **Action 5 (Ref. Q4)**
   Every Whitehall Department and rural Unitary and County Council must be required annually to report on how travel / access cost have been included in unit costing of their main services and how these costs have been minimised through joint commissioning and co-design with local communities.

7. **Action 6 (Ref. Qs4, 6 and 7)**
   The Treasury should carry out a review of the Green Book (used for appraising the business case for all Government expenditure) with a view to ensuring that transport access costs for rural users and the additional value of joint commissioning of services in rural areas is fully included in its assessment of business cases.

8. **Action 7 (Ref. Qs5, 6 and 7)**
   The home Civil Service should be required to develop a specific accredited rural strand in civil service training / continuing professional development designed to ensure that all of Government understands how to lighten regulatory burdens whenever delivery tends to be through volunteers and community organisations.

9. **Action 8 (Ref. Qs5, 6 and 7)**
   The Office of Government Commerce should be asked to develop guidance for all Whitehall Departments and local Government over the limitations of reliance on market solutions in rural areas and how to replace these with planned and co-designed approaches.

10. **Action 9 (Ref. Qs4 and 9)**
    The Commission for Social Mobility should be asked to provide guidance to all Whitehall Departments on how to use: 1. a ‘rural share of disadvantage’ methodology, 2. the access to services domain of the Index of Multiple Deprivation (IMD) and 3. the Social Mobility Index to overcome the urban bias of the IMD and Joint Strategic Needs Assessments (JSNA).

11. **Action 10 (Ref. Q15)**
    The Ministry of Housing, Communities and Local Government (MHCLG) together with the Department for Business, Energy and Industrial Strategy (BEIS) should require all LEPs with rural areas to have a specified Board member with responsibility for the rural economy, including the non-land based rural economy.

12. **Action 11 (Ref. Qs12 and 13)**
    The definition of affordability in housing as 80% of market values is
very unhelpful in rural areas and could be replaced in favour of a definition that has a relationship to local wages.

Local Planning Authorities (LPAs) should be encouraged to require an on-site affordable housing contribution in communities of less than 3,000 from sites of 10 or fewer houses.

LPAs should be required to set a delivery target for affordable housing in their rural areas

13. Action 12 (Ref. Q12)
   The support of Community Land Trusts is very welcome and they should now be permitted to provide affordable rented housing on the same basis as registered providers.

14. Action 13 (Ref. Q13)
   Both MHCLG and the Planning Inspectorate must commit themselves to backing the policies and allocations of Neighbourhood Plans for at least five years after these policies have been ‘made’.

15. Action 14 (Ref. Q15)
   MHCLG and BEIS should amend the current tasking of LEPs to ensure greater weight is applied to smaller economic development schemes and require industrial strategies to allocate resources in proportion to the rural/urban populations of LEP areas.

16. Action 15 (Ref. Qs 5, 6 and 7)
   A VAT refund scheme should be put in place by HM Treasury to reduce the burden on charity trustees. At present, local charities must fundraise an additional 20% in order to carry out essential maintenance and improvement work on community owned buildings where local services are delivered.

17. General issues

18. Q. 1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

19. The ACRE Network is made up of 38 county based rural charities and their national association: ACRE; our shared mission is to build the capacity of local communities in order to meet the needs of those most disadvantaged by their rurality.

20. The term ‘economy’ is generally taken to mean both the production and consumption of goods and services, and the supply of money. For many, the term ‘rural economy’ is instinctively narrowed to just consideration of land based businesses and the economic activity that flows directly from them. This definition of ‘the economy’ must be widened if rural areas are to be properly understood. This will enable action be taken both to derive benefit for them from a market economy and also to mitigate against its shortcomings for those at risk of disadvantage.

21. This is particularly important at the current time because:
22. Q. 2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

23. Following discussion with the Committee on 17th July ACRE will be submitting further details of local projects and services. In particular these will cover:

   • Development of internet access and skills (17/7 Q39)
   • Support for community amenities and the economic benefits of investment in these (17/7 Q40)

24. We welcome the Committee’s intent to seek good practice and notable success stories from a grass roots level. There is, however, a small note of caution needed. Current Government philosophy is to meet the needs of rural people and communities by ‘mainstreaming’ this into the way in which all services are designed. However, it is often the case that exemplars of good practice in rural areas have resulted from exceptional and one-off project funding that cannot easily be replicated across all rural communities. If specific examples are to be used to demonstrate good practice, then it is important to understand how they came about and how it can be made possible for all rural communities to be engaged in the same way.

25. Q. 3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

26. On current trends the future for rural communities and the rural economy could vary widely in different areas and regions. The key trends are:
• demographic,
• public policy over environmentally protected areas (NPs, AONBs, etc.),
• regulation/subsidy of digital connectivity,
• agricultural subsidy and
• social housing.

27. Depending on the nature of rural areas, including the quality of its agricultural land and proximity to urban centres, the impact of these trends could vary widely across the country.

28. In the light of the UK’s exit from the EU CAP it may be tempting to seek growth in rural areas by exploiting the attractiveness of some designated rural areas whilst loosening the planning framework for others. This could easily result in a polarisation by which only certain designated rural areas are considered ‘true countryside’. The effect will be a small number of attractive areas where house prices will escalate beyond the reach of all but the most wealthy and tourism will be a major employer, albeit of in-migrating labour. Remaining rural areas could easily become the subject of an increasingly laissez-faire planning system and, depending on the ultimate outcome of Brexit discussions, a land based economy that must respond mainly to the demands of the market, whatever that might entail.

29. The alternative is a form of growth that is longer term in nature and recognises the value of all rural areas from an environmental, community and economic perspective. This approach would lead to intervention in the housing market to enable young people to make the choice to remain living in all rural areas whatever their designation. This alternative would seek to ensure that rural young people have planned access to a wide range of excellent education and training. Intervention would result in subsidy and regulation working hand-in-hand to bring equity of access to the digital economy for all rural areas. The planning system would ensure there are development opportunities in all rural areas for entrepreneurship and enterprise beyond just the land based economy. The priority for Government intervention in the economy would be through encouragement and support for social enterprise and civil action in order to bring economic activity and services to areas where the market will not always reach.

30. Infrastructure and services

31. Q.4. How can access to transport be improved in rural areas?

32. Questions 4, 5, 6, and 7 are all very closely interrelated. We are, therefore, making some observations about rural transport here but making a single set of comments about digital and other services. Increasingly we believe that access through physical transport and access via digital services will need to be viewed together, whilst also being clear about when one, or the other, is the correct solution to a particular access issue.
33. There is an initial, underlying, principle that must be established when it comes to transport access to essential services. The total cost of providing a public service must include the cost of the user/beneficiary of the service getting to access it. If this principle is not accepted, and understood, then there will be an inevitable temptation for delivery organisations, in whatever sector - public, private or voluntary - to reap any savings from centralisation for themselves whilst passing the opportunity cost of gaining access to the service on to the user/beneficiary. The impact will be greatest on those least able to afford it.

34. If the cost of reaching a service, for the whole population being served, is included, then this will create a positive incentive to find novel and partnership based ways of delivering services in the most local way possible to rural populations. The end result will be better services.

35. We have been asked by the Committee to provide examples of local schemes such as Village Agents, Good Neighbour schemes, joint commissioning etc.. Often the centralisation of services means that one of the most pressing local needs that Good Neighbour schemes address is that of transport and many have, in effect, become voluntary car schemes. We will endeavour to highlight some examples where this is the case and of lessons to be learned.

36. We are making some comments in response to Q.9 about ways in which disadvantage can be tackled in rural areas. However there are direct links to transport and access when it comes both to measuring and targeting disadvantage. Government agencies frequently use the Index of Multiple Deprivation (IMD) or the Joint Strategic Needs Assessment (JSNA) to identify people and communities at risk of disadvantage. Within the group of measurements used for the IMD the one coving access to essential services tends to carry very little weight in comparison to many other indicators of disadvantage.

37. This in-built bias in the IMD creates an under-estimation of the kind of transport access disadvantage and loneliness that people in rural areas experience. Placing greater weight on the access to services domain, using another methodology (such as one that looks at the rural share of disadvantage in terms of absolute numbers) or using the social mobility index would result in greater priority being given to the cost of transport to services for rural people.

38. **Qs.5, 6 and 7. Rural services**

39. Questions 5, 6 and 7. encompass equitable access to the essentials of life in a modern and civilised society. It would be inconceivable for an urban community not to have access to these essential services and other amenities, and yet for many rural communities this is exactly what is happening, resulting in loneliness and isolation for many rural dwellers. It is important to understand why this is so:

- First, an unhelpful belief has emerged that the public goods that are most important in rural policy are those that relate to environmental protection, biodiversity, ecosystem services and food security.
• Second, the concept of purchaser/provider separation in much of the public sector has led to a procurement system that devalues community provision and places competition, centralisation and low unit cost provision ahead of almost everything. Whilst this commercial logic may be inevitable in the private sector, it need not be so in the public and voluntary sectors.

• Third, it has become accepted that large scale public and private sector organisations (such as the banks or NHS Trusts) can define viability and profitability in terms not of whole systems but over individual units of delivery (such as individual bank branches or health centres).

• Finally, living in rural areas has come to be seen as purely a lifestyle choice for which those making that choice should pay. This view is wholly incompatible with the concept of sustainable communities or a sustainable countryside.

40. The answers, therefore, to the question: 'What can be done... ' have to be broken down into steps that address these challenges and work through their interconnections.

41. Rural people and communities accept that there is a cost to living in rural areas and that some services must be centralised in order for them to exist at all. However, nobody should be unreasonably disadvantaged by where they live especially over the essentials of modern life when these could reasonably be made available in an economic way. This must be an ‘article of faith’ in a modern, civilised society.

42. Rural people also accept that social action and voluntary effort are the best way of balancing the equation that will make services that are unviable in the market, deliverable through the ‘social economy’. But this needs support, back up, training and greater sensitivity in regulation and legislation. A case in point is the amount of money that the charities that run community buildings in rural areas have to raise to pay VAT on improvement works. In urban areas similar services will be provided in buildings owned and run by the public sector.

43. The smaller population and dispersed nature of rural populations mean that often there will not be a big enough market to drive provision or quality through market competition. In these cases Government intervention should be focused on those communities that are furthest from market provision and on planning adequate provision rather than relying on market mechanisms.

44. The delivery pattern of public services such as healthcare, social care, education, digital access etc in rural areas cannot be left to either internal or external markets. All experience suggests that whether it is adult social care, post 16 education, or provision of broadband, the market will always deliver first to areas of concentrated population. Planning of services alongside rural communities is essential if delivery is going to be effective, efficient and, above all, equitable.

45. Delivery of key services in urban areas is often characterised by large, single service, operations that can achieve economies of scale in provision. The opposite is true in rural areas. Given that the
commissioner / provider split is unlikely to change, one way forward would be to provide strong incentives for commissioners of public service to use their resources jointly through co-design with rural communities in order to get the best impact from all of their budgets. Examples include GP surgeries, lunch clubs and childcare all provided within the same community building.

46. Following discussion with the Committee on 17th July ACRE will be submitting further information on the implementation of Community Rights legislation, Village Agents programmes and joint service commissioning (Q41 and Q46)

47. **Business, employment, skills and demography**

48. **Q.8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

49. Others will have more direct knowledge to contribute in this area. However, we are concerned that the long term health of rural communities and the rural economy will require:

- equity of access to the same quality of digital services as urban areas,
- better planning of post-16 education to ensure that rural young people have the same opportunities as those growing up in urban areas,
- much greater awareness within all departments of Government of the growth of home based businesses and the factors that can either constrain or encourage this sector,
- provision of housing that can be afforded by by those occupying new jobs that may be created and that is designed to accommodate those working in the rural economy eg parking adequate for home based businesses,
- the emphasis for any Government grant intervention clearly to be on overcoming rural market failure through civil action and social enterprise, not on simply giving grants to businesses since both deadweight and displacement are almost impossible to avoid.

50. In addition to the structural issues highlighted above there is also scope to learn from the operation of LEADER over the last few years, in terms of both what does, and does not, work. Emphasis needs to be placed on supporting social and community enterprise in order to achieve an impact that may not be commercially viable in areas of dispersed population. There is scope to reduce significantly expenditure on administrative processes and instead invest in high quality technical and other support to applicants. The ACRE Network’s 100% coverage of rural England presents a very real opportunity to achieve this at scale through an allocation of the UK Shared Prosperity Fund.
Q.9. How can deprivation and inequality in rural areas be tackled?

The question, correctly, asks how deprivation and inequality can be tackled, or perhaps prevented. There should be no special pleading for those in rural areas since deprivation and inequality also exist in equal or greater measure in urban areas. The underlying issues of poor education, expensive housing, limited access to training and entry level jobs, lifestyles that lead to poor health and declining mental health are prevalent in both urban and rural populations.

However, the most important principle is to ensure that Government or other initiatives intended to alleviate deprivation and inequality throughout the population are not solely designed with the urban population and context in mind.

Tackling these issues in rural areas, however, requires a different approach to how support is provided. Often the numbers of people in any given community will be small, but also the individuals concerned will be the subject of a number of chronic factors that create disadvantage. Isolation, unhealthy lifestyles, family breakdown and mental health issues frequently happen together but are addressed by separate interventions. If available resources are to be used effectively it is essential that service providers operate both in partnership with each other and alongside local social action. None can afford to go it alone and none will be effective if they try.

Q.10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

It is hard to imagine any time or place in western human history when responding to the lure of the big city for some young people has not formed a rite of passage. This is no less true today and the effect is additionally fuelled by a rose tinted urban glow transmitted through popular culture.

Nonetheless, young people can often feel driven away from their rural community by a lack of affordable housing, absence of local jobs and a need to move away prematurely in order to access quality post-16 education. It is often not spoken about openly, but in some areas the balance of the population is now so heavily weighted towards older people that young people simply feel a rural village is not the place for them, or even that they are not welcome.

Given this context it is probably best for public policy to focus on the factors that remove the choice from those young people who would otherwise like to remain part of their rural community and also on initiatives that might lower the age at which others are able to return. These are covered in our responses to questions about affordable housing, skills and inequality. In addition young families will only be able to remain in rural areas if childcare and other support is available.
59. **Q.11.** What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

60. There are two questions to be addressed here. We have referred frequently to the ways in which procurement of public services need to change in order to be more sensitive to the needs of rural areas. These apply strongly to healthcare and adult social care. Planning and delivery of these services through co-design with local communities will also help to address social isolation and loneliness in rural areas. We have been asked to submit additional information in this area (17/7, Q43).

61. We will also provide further examples of how incoming retired residents can support the local rural economy. (17/7, Q43)

62. **Rural housing and planning**

63. **Q.12.** How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

64. The Committee will, no doubt, receive many representations over affordable housing and will also have looked at the many policy reviews carried out in recent years. The key points from the perspective of rural communities have to be:

   • affordable housing must mean genuinely affordable in the context of locally earned incomes: 80% of market rents and sale prices is not affordable,
   • Planning policy and funding must enable a range of both community based and larger scale providers to deliver truly affordable housing,
   • land for genuinely affordable housing will not become available from local landowners if there is any question of the affordable housing failing to remain available for local people in perpetuity,
   • land for genuinely affordable housing will not come forward if landowners can hope that sites identified will, in due course, become available for open market housing,
   • the principles of sustainability must not be confused with a desire to locate most development in ‘key settlements’. We have been asked by the Committee to submit more detailed views on ‘sustainable communities’ (17/7, Q38)

65. **Q.13.** How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?
66. Whilst the revised NPPF has responded to some rural concerns it has not been adequately ‘rural proofed’. Most significantly, it would have been helpful if it had:
   • allowed LPAs to seek an on-site affordable housing contribution in their rural communities (parishes <3,000 people) from sites of 10 dwellings or less,
   • required LPAs to set a delivery target for housing, including affordable housing, for their rural areas,
   • widened the requirement for affordable rented housing so it could be provided by registered providers and other legally constituted bodies, such as Community Land Trusts, to provide affordable rented housing
   • stronger protections for policies and allocations in adopted Neighbourhood Plans for at least 5 years after they have ‘been made’.

67. We have been asked to submit further views on the implementation of Community Rights and will expand on this at the same time (17/7, Q41).

68. Government policy, devolution and local Government

69. Q.14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

70. We have been asked by the Committee to submit further views, including good practice in places around the country and in Government organisations, on rural proofing (17/7, Q35)

71. Q.15. What is being done in local Government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

72. The experience of our network across all of rural England has been that very few of the LEP network have actively engaged with the rural economy. There seem to be a number of reasons for this:
   • LEPs have sought Board members who are able to give up a significant amount of time and also have a high level experience in large businesses. This has tended to result in membership being heavily weighted towards major urban business. Once this governance pattern is set it can be hard to overcome it.
   • LEPs are tasked by Government to intervene over large scale economic development and transport initiatives. The bulk of their intervention is also large scale capital investment. This tends to result in major initiatives either in or near major centres of population.
• Although they have not had direct control over LEADER and EAFRD funds in their areas, it has been possible for LEPs to reassure themselves that they do not need to invest their resources in rural areas because there are other schemes, over which they can assert some influence, that will do so in their place.

• Having sought high profile Board members there may be some inevitability about needing to invest in high profile initiatives in order to keep them engaged. It is hard to judge how much influence equally high profile political actors have in the decision making of LEPs and if this tends towards large scale and urban projects.

Jeremy Leggett
ACRE Policy Advisor

10 September 2018
The ACRE Network is made up of 38 county based rural charities and their national association: ACRE. Our shared mission is to build the capacity of local communities in order to meet the needs of those most disadvantaged by their rurality.

ACRE is very grateful to have been given the opportunity by the Committee to reflect further on issues that have arisen since giving oral evidence in July 2018. These follow, and mainly concern: an England Rural Strategy, the Agriculture Bill and other legislation that may be needed in the light of Brexit, the rural voice within Government and the UK Shared Prosperity Fund.

1. **An England Rural Strategy and Whitehall responsibility for rural affairs**

2. In his evidence to the Committee on 22nd January 2019 the Secretary of State said that he would need to be convinced that an England Rural Strategy would both add value and also avoid a situation in which rural communities and the rural economy are treated as separate to the national ‘mainstream’. We fully agree with this assessment. With tongue, perhaps, partially in cheek, he also sought the Committee’s recommendation for a joint junior ministerial appointment with the Treasury.

3. The added value that we will come from having a rural strategy that engages all departments of government will be derived from enabling people living in rural areas to take up life opportunities that are straightforward for people in urban places but often inaccessible for those in rural areas. A well-integrated strategy will also be able to avoid the danger of resources being wasted by public sector organisations through stronger partnerships between both them and rural communities. This will help ‘economies of scope’ to be found between organisations that serve rural locations where it is not possible to find the economies of scale that may be available in major settlements. In this latter case, further value will be derived by public service organisation working closely together alongside rural communities, who can often bring their own assets to bear on local needs. Without such a cross-Government strategy value is lost due to individual services taking decisions in isolation whereas by working together greater efficiency could be achieved.

4. One of the defining characteristics of rural areas is that dispersed populations and longer travel distances do not make an enticing market for commercial service providers. Broadband is a good example, and the Secretary of State’s commitment to using public investment to reach those furthest from market provision first is very welcome. This same philosophy is needed across all government services and with the full backing of both the Cabinet Office and the Treasury. It requires changes in approaches to procurement, amendments to the Green Book and joint
working across Departments to avoid duplication or unnecessary expense. All of this requires a commitment to an England Rural Strategy. We fully agree with the Secretary of State, a joint junior ministerial appointment between the Treasury and DEFRA to deal with Rural Affairs would be an ideal way to lead this initiative.

5. **The Agriculture Bill and rural communities’ legislation**

6. Since giving our original evidence to the Committee the Agriculture Bill has started its passage through Parliament. We understand DEFRA’s position that this is purely an Agriculture Bill, dealing solely with the land based industries and related downstream businesses. It contains limited reference to wider rural development and only then in the context of an essential transfer of legislation required in the context of Brexit. We sympathise, therefore, with the Committee’s anxiety that the Bill has not been properly rural proofed. From our perspective it is more accurate to say it has not having been ‘rural community proofed’.

7. A little more has now also become known about the intended Environment Bill. The Secretary of State reported to the Committee that this will provide the context for an England land use strategy, filling the gap left by Regional Spatial Strategies. If this is the case, it will bring the Environment Bill very close, in policy terms, to the National Planning Policy Framework. If the current approach remains throughout the remaining passage of the Agriculture Bill, we would urge the Committee to press that the Environment Bill fully encompasses wider socio-economic issues for rural areas – including re-instatement, in updated form, of the ‘rural communities’ provisions of the Natural Environment and Rural Communities Act 2006.

8. If DEFRA, as seems likely, is unwilling to give either the Environment Bill or the Agriculture Bill this wider scope, then we would hope to see a Rural Communities Bill coming forward in due course and containing the following provisions:

   1. those parts of the NERC 2006 Act that provided for what is currently referred to as ‘rural proofing’; the organisational context, however, need not be the same. Something with more ‘teeth’ than the Commission for Rural Communities is required,
   2. a requirement on all parts of government, central and local, not to discriminate in the provision of public services against anyone as a result of their rural location and, by so doing, to ensure that nobody is unreasonably disadvantaged by where they live,
   3. a powerful set of mechanisms, equivalent in force to current equalities legislation, to ensure adherence to 2. (above) is strictly monitored and,
   4. make the above provisions duties on the Government so that rural areas and rural communities are not, again, placed in the position of falling behind in Government thinking about
social development, social mobility, economic development and infrastructure.

9. **The rural voice within Government**

10. Throughout its evidence sessions the Committee has received many opinions about the relative strength of both the rural voice within government and the quality of rural proofing in departments other than DEFRA. We have tried to address this at a structural level in the section above.

11. However, there is a further perspective to this issue. Rural areas are very different and the people and communities who live within them are as varied as exist through the UK. If Government does not take an active role in ensuring that it hears from all parts of the rural community then it will tend only to hear from those whose voices are loud or whose pockets are deep. This will mean that the very people about whom the Social Mobility Commission has raised concerns and the Prime Minister has referred to as having been ‘left behind’ will continue not to have their interests heard. The consequences of this will continue to be felt across all of Government and civil society.

12. The Secretary of State has referred to DEFRA as an ‘economy Department’. This is correct for agriculture and is also an enlightened way of thinking about the nations’ reliance on the natural capital of its rural areas to underpin the whole economy. For these reasons we support this view of the role of these parts of DEFRA.

13. However, in its Rural Affairs role, DEFRA is acting as advisor and rural conscience to departments, such as the Department of Health and Social Care, that are not primarily economic Departments. The issues that have arisen over the Rural Affairs role of DEFRA in this Committee’s deliberations, the concerns raised by the NERC Committee and the recommendations of the review carried out by Lord Cameron into rural proofing should be seen in this light.

14. This is another strong reason for the Rural Affairs role in DEFRA to be carried out by a joint junior ministerial appointment with either the Treasury or Cabinet Office. This would draw a clear line between the ‘economic department’ and the ‘community/social department’ and enable the latter to deal properly with rural issues where market economics struggle to meet community needs.

15. **LEPs and the UK Shared Prosperity Fund**

16. In our general evidence to the Committee we reflected on the limited engagement with the rural economy that we had witnessed from Local Enterprise Partnerships. We suggested that the reasons for this have been:
   - LEPs have sought Board members who are able to give up a significant amount of time and also have a high-level experience in large businesses. This has tended to result in membership being
heavily weighted towards major urban business. Once this governance pattern is set it can be hard to overcome it.

- LEPs are tasked by Government to intervene over large scale economic development and transport initiatives. The bulk of their intervention is also large-scale capital investment. This tends to result in major initiatives either in or near major centres of population.
- Although they have not had direct control over LEADER and EAFRD funds in their areas, it has been possible for LEPs to reassure themselves that they do not need to invest their resources in rural areas because there are other schemes, over which they can assert some influence, that will do so in their place.
- Having sought high profile Board members there may be some inevitability about needing to invest in high profile initiatives in order to keep them engaged. It is hard to judge how much influence equally high-profile political actors have in the decision making of LEPs and if this tends towards large scale and urban projects.

17. We can see no reason to change this view and little has happened in the discussion preparing the way for the UK Shared Prosperity Fund to move the generality of LEPs closer to the needs of the rural economy or rural communities.

18. In relation to the UKSPF:
- Whatever decision-making delegation is created for the UKSPF, expenditure must, averaged over the years, match the relative populations in urban and rural areas. The Secretary of State has said that the devolved administrations should take a similar approach to this, so clearly it is also correct for England. In England this will mean between 18% and 20% of the fund. This might form the economic investment element of a national Rural Strategy and provide a framework for local LEPs.
- Any successor to LEADER or the Rural Growth Fund that is put in place must focus on community led regeneration and especially overcoming, through community and social enterprise solutions, market failure. Crude job creation within the private sector as a headline target is not appropriate in the rural context due to significant problems in avoiding displacement and deadweight.
- Support for the whole rural community and economy must be the principle target, not just the land-based or environment sectors.
- If LEPs are a main conduit for UKSPF then they must be required to have properly consulted rural communities on a rural strategy, not just the land-based sector. As a result their allocation of UKSPF must be spent in proportion to their rural and urban populations.
- LEPs may need help in understanding the interrelationship between healthy rural communities and prospering rural economies, as the dynamics are often different from urban areas. A framework or guidance for how to set their local rural economic objectives in rural areas may help to ensure that resources are used most effectively in rural areas. The ACRE Network would be well placed to assist
DEFRA, BEIS or MHCLG in providing this guidance and assisting with its implementation.

Jeremy Leggett
ACRE Policy Advisor

January 2019
The ACRE Network is made up of 38 county based rural charities and their national association: ACRE. Our shared mission is to build the capacity of local communities in order to meet the needs of those most disadvantaged by their rurality.

ACRE is very grateful to have been given the opportunity by the Committee to give oral evidence during the initial stages of the Committee’s work. As a result we were asked for further information in support of our answers to some of the Committee’s questions. The request for further information mainly concerned practical experience from across our network that could be applied more widely without the requirement for either legislation or additional public expenditure. The bulk of the examples we have collected come from the network’s activities in 2017.

1. **Further information about ACRE’s views on rural proofing and perceptions of how well it functions (Q35, The Chairman, top of p6)**

2. ACRE contributed to the House of Lords’ NERC inquiry in 2017 and we have reproduced some sections of our evidence here. Whilst it is very encouraging to see substantial ministerial commitment to raising rural issues with other departments, our overall views of the current shortcomings of rural proofing remain largely unchanged.

3. There sometimes appears to be a belief that failure to ‘rural-proof’ is an oversight and the simple application of a checklist carried out towards the end of a policy design process will overcome it. Alternatively, it is believed that reminding senior officials or Ministers of the need to think about rural areas will result in the application of a little more thought, and the problem will be solved. There are good reasons to think that neither of these are true, especially if the main emphasis is placed on processes within Whitehall rather than engagement of rural people and communities in delivery. These beliefs may also give some clues to the perception in many rural communities of being ‘left behind’.

4. In the experience of the ACRE Network, failure to ‘rural-proof’ often results from designers of both policy and delivery having little understanding of anything other than an urban context, a desire to target resources in a way that is easy to communicate and justify, an unwillingness to co-design services with communities or an over-reliance on standardised unit costs of service delivery. Genuine rural proofing requires policy makers to accept some underlying pre-conditions:

   - Nobody should be unreasonably disadvantaged by where they live.
   - Delivery of almost all public goods to dispersed populations will cost more to achieve than delivery to concentrated populations and this should be factored in to service costs.
• Decisions about how to make best use of resources must be made as close to rural people as possible and services should be integrated together at the local level in order to achieve ‘economies of scope’ in rural areas. Commissioning services in narrow silos may achieve good value for money in urban areas but does not do so when population numbers are small and dispersed.

• Ownership of delivery must, wherever possible, be vested in local communities if it is to be sustained over time and supported by community involvement.

5. In our network’s experience, these pre-conditions can be very difficult to achieve, especially if they seem to run counter to specific and narrowly designed programmes. There is also no effective sanction on departments that will help to shift the ‘culture’ of Whitehall Departments to one that fully encompasses rural proofing. Even where this is attempted, it often seems to come after a policy decision has been made and thus is hard to overturn.

6. At national level, despite efforts that have been made to find examples, it is hard to see any evidence of rural proofing filtering down to real changes in policy or approach to delivery. A recent area of active policy making by Government – the Industrial Strategy – shows some signs of ‘agriculture proofing’ but not of wider ‘rural proofing’.

7. All the evidence from our network suggests that at local level there are few attempts being made to ‘rural-proof’ mainstream, locally designed, programmes. Where there is evidence of this taking place, it is mostly in places where rural is the mainstream e.g. Cornwall or Northumberland. However, for most of rural England, and for most public services, rural areas are administered as adjunct populations to larger urban areas. ACRE Network members advocate for rural areas but, as local voluntary organisations, it has become increasingly hard to ‘cut into’ the policy thought process when the end result is inevitably a competitive public procurement exercise. The requirements of the procurement process seek to weed out any input from organisations with specific expertise that might subsequently be used to bid for delivery of a commissioned service. ACRE Network members and their rural knowledge often fall into this category as they must fund their operations through service delivery. Alternatively procurement can be carried out on such a strategic scale that engaging communities as part of service delivery becomes barely possible.

8. We are very aware that the Committee is keen to identify actions that can be taken without the need for primary legislation or additional resources. Our four key initiatives suggested to the NERC Committee remain important. These need to be taken at national Government level if rural communities are to be properly represented in the policy, planning and delivery of public services and also services provided by the market. In summary these are:

• Rural Policy - Policy towards rural communities needs to be formed, and subsequently communicated to all Departments, at sufficiently
senior a level in Government that Departments cannot ignore it in the face of budgetary pressures. Although there is no direct equivalence, rural communities must be accorded the same level of respect and understanding as other sections of the population who are protected from discrimination that may result from a number of defined 'protected characteristics'.

- **Market regulation** - The UK is a mixed market economy where public goods are often delivered through market mechanisms. It is essential that the statutory mechanisms put in place to regulate and ensure quality in the market for the benefit of the whole population (e.g. Ofcom, Ofgem, CQC etc.) are given a particular role in offsetting market abuse or market failure in respect of rural communities. Rural broadband is an important example, but far from being the only one. It is also important that this role of the regulators is, in turn, policed. To be effective this must relate closely to where oversight of these regulators is placed within Government.

- **Commissioning and practical intervention** - Rural proofing of individual policies alone is insufficient. A mechanism for comprehensively developing and pump priming local community led voluntary / social enterprise solutions to public service delivery in areas of low population is required and would be entirely consistent with the provisions of the Social Value Act. We have outlined how this might be created in our main evidence to the Committee. (Para 5.)

- **Understanding the rural dimension** - Officials within central and Local government need to have an understanding of rural communities positively included in their core training and competencies. The ACRE Network can both assist with this and help form a long term and positive partnership between Government and rural communities. In this way the positive energy that can be found in many rural communities to find solutions to local, rural, issues of service delivery can be built on and factored into the formation of Government policy.

9. **A list of points on what ACRE thinks makes a community sustainable (Q38, Earl of Caithness, top of p11)**

10. It would be possible to fill many pages with the details of what make communities ‘sustainable’. Indeed the word itself has come to mean whatever its users, like HumptyDumpty, want it to mean. For this reason we will raise here just some of the factors that make communities sustainable from the perspective of people who are most at risk of disadvantage from living in rural areas. This means we are focusing on the social and community aspects of sustainability and leaving others to highlight environmental and business aspects. Community aspects of sustainability are just as important as CO2 reduction, ‘ecosystems services’ and promotion of biodiversity. Unfortunately, at a local level sustainability has often come to mean just these, and the resulting action can be equally narrow.

11. For rural communities to be genuinely sustainable then the economics of achieving a range of goods, both public and commercial,
must be understood. In particular this means understanding the lack of economies of scale and the potential for economies of scope in rural communities. If the needs of those at risk of disadvantage are to be met (a community cannot be considered sustainable if they are not) then social capital, voluntarism and informal community activity must be understood and supported in public policy towards rural communities.

12. A community will not be sustainable if the people living there do not enjoy an equality of access to opportunity both within their community and in relation to wider society. It is both socially and economically unsustainable for a significant part of the population to be unable to make a full contribution to community life or to meet their own economic and social needs. This deficit might arise from limited access to education, carer support, employment opportunities, decent housing, transport or many other opportunities that are taken for granted in urban areas. The immediate symptom of this form of ‘unsustainability’ will be a seriously unbalanced population skewed towards older residents with greater financial assets. In recent years the reporting that many people living in rural and coastal areas feel ‘left behind’ is a symptom of a growing inequality in these areas and thus a failure of sustainability.

13. Finally, sustainability needs a focus on subsidiarity in control and decision-making. This is not just about saying that ‘local people know best’; it is an argument for achieving the best use of resources by integrating them together at the most local level in rural areas and thereby making their use more sustainable. This has to include the potential power of social enterprise in rural areas to achieve locally appropriate integration of a range of public, private and community services. A large scale, top down, approach cannot achieve local integration and efficiency. This can be found if control is ceded to local communities and is more likely to be intrinsically sustainable if it has the commitment of local people.

14. **Further details in relation to the benefits of greater connectivity, and development of internet skills (Q39, The Chairman, p12-13)**

15. The ACRE network’s main focus is on building the capacity of communities and helping communities to meet the needs of those who are most disadvantaged by their rurality. Others will, no doubt give evidence on the purely economic benefits of ensuring equity of access to digital connectivity between urban and rural communities. For communities and those at risk of disadvantage the benefits of ensuring equity of access and development of skills include:

- Equity of access to services that Government is making ‘digital by default’ such as the processes involved in Universal Credit. In these areas the benefits will only be derived if the cost of access for those at risk of disadvantage is confronted as well as technical availability.
• Development of those aspects of ‘telemedicine’ that will enable vulnerable people in rural areas to benefit more conveniently from access to centralised medical resources, but without further reducing human contact with health and care services.

• There may be scope to mitigate some of the lack of choice in post 16 education for some young people, especially where the opportunities to study some subjects that are only available in larger and urban located institutions. Again, the cost of access needs to be tackled as well as its technical availability.

• Public and community based transport may be able to benefit from better universal connectivity and better mobile data coverage in rural areas by enabling better information about the operation of services and also enabling more sophisticated demand responsive services.

• Social enterprise, community businesses and other community led initiatives to promote economic activity where market provision does not exist can all benefit from better connectivity. This can be through use of this technology to support mutual buying schemes such as oil buying or simply by making some of these activities more viable by achieving wider economies of scale across a larger rural area. Difficulties accessing online information or regulation (eg the Charity Commission, banking) cause frustration to charity trustees and volunteers, creating compliance issues.

• Perhaps the most important point is that ‘digital’ is an area of innovation and enterprise, within the community as well as the economy. It is not possible to know, with any certainty, exactly what benefits will accrue to rural communities if they have universal, high quality, access to the new digital 4th industrial revolution. We can be certain, however, that these benefits will not occur if rural areas fail to get this access.

16. There are many examples of good practice in raising digital and internet skills from across our network:

• Cornwall RCC continued delivery of digital skills and inclusion classes, in partnership with Cornwall Council (Digital Outreach Team), Isles of Scilly Council, Age UK and Pub is the Hub. In total 150 training sessions on basic digital skills were provided to 350 students, many taking place in village halls.

• Gloucestershire Rural Community Council delivered one-to-one training sessions to 25 people who were isolated or who had been victims of fraud, they recruited a network of 10 volunteers to support older people with IT skills and launched a computer club in the Forest of Dean, which provided a six week course for (up to) 20 digitally excluded people.

• Community Action Nottinghamshire supported IT training for those aged over 55 who had no such knowledge or only a basic knowledge level. The 5 tutors delivered 11 such courses, operating out of a range of local community venues. In all, some 65 learners accessed this
training, growing their ability and confidence to use either desk top IT or a tablet.

- Surrey Community Action worked with Surrey Police and Surrey Trading Standards to promote online safety, particularly around scam awareness. This included community buildings where elderly trustees had been targeted: four were helped to report rogue traders.

- Community First Yorkshire upgraded and used an App, called Tap Into, which was designed to help those (mostly older people) being taught basic IT skills or who have previously rejected IT. The App provides an easy-to-use front-end format, scrolling messages and information received through different software on a single tablet touchscreen.

17. **Good practice examples of ACRE’s support for community amenities (Q40, Jeremy Leggett, p13)**

18. A major element of the ACRE Network’s work has been helping rural communities to retain and develop local amenities. If community action is going to help sustain local facilities and services it is important that support is available to these initiatives, such as that provided by the ACRE Network. Without this support initiatives will be sporadic, dependent on a small number of active people and tend not to sustain beyond the original instigators.

19. The following list is just a small sample of the projects and services that are currently being worked on and supported within our Network:

- Community Action Northumberland took over the management of the West Northumberland Community Buildings Consortium to safeguard its future and maintaining support for 63 village hall members across west Northumberland.

- Community First in Herefordshire and Worcestershire. The village hall groups at Poolbrook and at Yarkhill have reduced their carbon footprint by installing air source heat pumps (alongside other measures such as new windows). Poolbrook village hall reports that its heating is now three or four times more efficient as a result of these measures, which has transformed the building.

- Surrey Community Action. Assistance to four community building groups, which enabled them to submit applications to the Carbon Trust Green Business Fund.

- Devon Communities Together. The community at Hatherleigh has been assisted with their plans to purchase a redundant bank building and turn that into a family-friendly entrepreneurs’ hub, shop and cafe.

- Dorset Community Action. Provided direct support to around 250 organisations in 2017, some 40 of these were community building groups, whilst others were social and youth clubs (37), sports, arts and leisure groups (71) and rural service groups (9). All those seen are offered a free organisational health check. Advice frequently sought by these organisations was about governance, trustee recruitment, funding/bid writing, communications and project sustainability.
Rural Community Council of Essex. Two new halls were opened – one in Chignals and Mashbury and one in Peldon & Wigborough – after receiving detailed advice from the ACRE Network member. Energy switching advice to halls provided in partnership with Utility Aid resulted in a (collective) saving of £39,000 or 18% on their bills.

Community First (Oxfordshire), under the title ‘Attracting unusual suspects’, they sought to tackle the twin challenges of existing volunteer fatigue and recruiting already busy people. Events were attended by 130 people, many of whom went away with actions and ideas to progress in their group or community.

Cheshire Community Action run two community car schemes, which between them served some 250 passengers. Journeys (totalling 30,000 miles in the second half of 2016/17 alone) took passengers to health appointments, on shopping trips and to social activities or visits. They reduced the number missed hospital appointments, helped to address social isolation and gave the volunteer drivers new skills in safety, care and safeguarding.

20. More information on ACRE’s assessment of the benefit of investment in community facilities (Q40, Jeremy Leggett, p13)

21. The last major, ten year, survey of Village Halls carried out by ACRE took place in 2009. At that time the estimated capital value of Village Halls owned by communities in England was £3b. It is likely that this is now closer to £8b. The sheer scale of the invested asset across rural England, coupled with its localised and dispersed ownership, has made it difficult to find a way of both recognising its value and ensuring the asset is protected and developed. £8b worth of community owned assets in a single city or under a single management would immediately draw attention to itself and create a national concern not to let such an asset waste.

22. These community owned buildings not only provide a physical facility from which a wide range of public services and community goods can be delivered, they also make a significant impact on the economy of the local area. This can range from providing facilities to local businesses through to the indirect benefit of enabling childcare to be provided and therefore making it possible for parents to return to work. In summary the economic impact can be categorised as:

- Direct regular employment - by the management committee
- Indirect regular employment - provision of space for community activities at which people earn a living
- Irregular and occasional work - in building trades, catering and similar occupations
- Volunteering – building skills and adult education opportunities.

23. Although it is now nine years old, it is also worth revisiting the findings of the 2009 survey of Village Halls:
• The total value of assets in rural community owned halls is now estimated as over £3 billion. 58% of halls reported being the only multi-purpose meeting place in the community.
• Volunteers contributed 18.5 hours per week on average to running the hall. 75% of halls cost less than £10,000 p.a. to run, 51% cost less than £5,000 p.a.
• 75% of all halls provide a focus for local democratic engagement. 72% support local community group fundraising and 50% provide a venue for activity supporting health needs.
• Hall use has trebled since 1988 but 10% of halls require urgent repairs to keep them in use.
• 46% of halls usually earn sufficient income to make a surplus, 27% of halls receive some financial support from their parish council, and the remainder rely on fundraising effort to survive.
• Only 3% of halls receive regular local authority funding. 46% receive no discretionary rate relief.
• 61% of halls that carried out recent improvements say this led to provision of new services. 78% of improvements cost less than £50,000 with 31% costing less than £10,000.
• 60% are planning major improvements in the next 5 years, 35% will require grant funding of under £20,000 whilst 8% say they will require over £200,000.
• 56% of halls have no reserves policy, 62% have no planned maintenance programme, 89% have no formal business plan. 68% believe they will remain financially viable over the next 5 years.
• 45% of hall committees have sought no advice from the local Village Halls Adviser (the local member of the ACRE network). 83% of those hall committees which sought advice from the Village Halls Adviser rated the advice good or excellent.

24. The key points in the recommendations from the 2009 survey remain valid:

• Retention of volunteers through funding for advisory services so that volunteers can access advice when needed.
• Help volunteers deliver fit for purpose facilities through VAT refund scheme on improvements.
• Help volunteers adapt facilities to new requirements, service delivery etc. through provision of capital grants for improvements
• Tax regimes and regulation to be contained and proportionate (see recommendations in our general evidence

25. We have emphasised the value to communities of Village Halls, however these are not the only means by which investment in rural community facilities can make a real difference to the lives of people living in rural areas. Increasingly communities are looking to find ways in which they can make their own community facilities more economically resilient by
creating an economic return that can retain value in the local area. There are a growing number of examples such as:

• community led housing,
• community shops and pubs
• local community food initiatives,
• local community owned energy schemes and
• locally owned and managed community care services.

26. **More information on how the take-up of community rights might be improved (Q41, The Chairman, p15)**

27. The concept of community rights introduced by the Coalition Government as part of its localism initiative includes a wide range of different rights for local communities, some of which have been widely used and some of which have not. Probably the most widely taken up has been that of Neighbourhood Development Planning and the ACRE Network has worked very closely with local government, Parish Councils and local communities to enable this. Planning and housing are well understood by rural people to be critical issues and it should not, perhaps, have been a surprise that they have embraced this area. We have made some specific recommendations in our general evidence over this part of the community rights initiative.

28. The Right to Bid (Assets of Community value) however, has been little used in rural communities because traditionally communities own their assets i.e. the village hall, the playing field, the sports pavilion, the village green and the Parochial Church Council manages the fabric and activity of the Church. Some communities have purchased their pub, but in many cases it is not necessary and there is no need to use the Community Rights legislation. Where there is a Right to Bid the six-month moratorium is not long enough for a community to raise substantial amounts of funding.

29. Overall, for rural communities, the emphasis is on helping rural communities with the ongoing and complex process of managing and maintaining these assets, services and facilities. In urban areas it may be that the immediate ‘ask’ is the acquisition of these assets in the first place.

30. Lack of engagement by rural communities in other areas of the community rights is more subtle, but there are some common lessons to be learned:

• Communities and community organisations have traditionally valued a good relationship with local government very highly and would prefer to achieve their objectives through partnership and negotiation. The ‘rights’ have tended to be seen as something that only come into play when all else has failed, and generally not even then.

• Local government and its officers tend to believe that when it comes to use of public money and understanding of what constitute both the public good and their own duties and responsibilities, they know best. Some of the community rights, such as the right to challenge, have not tended to fit well with this view, or with their increasingly large scale
approach to procurement. To say that local government has been hostile to some of the community rights is too strong and too sweeping, but it is not far from the truth.

- The rights in many cases sound more substantial than they are. Where the community might have been looking for something as strong as a veto, in practice what the community right delivers is a pause in the implementation of a decision with only limited real prospect of the community’s view being taken into account.

- Operation of the community rights requires a very considerable level of confidence, professional ability, assertiveness and time on the part of a community or a voluntary organisation. It can be hard either for voluntary organisations or volunteers to make this kind of commitment, and all but impossible without professional support.

- Where local government has either duties or powers but their implementation is in constant flux and decline it can be very easy for local communities or voluntary organisations to believe they are taking on initiatives solely as part of a cost saving measure within local government. Rightly or not, they also perceive local government to be maintaining its superstructure, tiers of management and central costs despite passing the costs of service delivery over to others. This is not an environment calculated to motivate voluntary commitment.

31. **Specific examples of addressing the ageing population by the voluntary and community sector (Q43, Jeremy Leggett/Baroness Pitkeathley, p17)**

32. In our oral evidence to the Committee we reflected that it is important not to consider rural areas as homogenous when it comes to the impact of an ageing population. Regional differences are significant. Older people moving into rural areas late in their working life can either be a major benefit through the skills and capability that they bring with them, or can be the source of social issues if they are persistently out bidding local young people for housing.

33. There is a risk of presenting a simplistic picture, however in some rural areas incoming older people so elevate house prices that it is not surprising that there are then fewer people remaining who can afford to live on the wages paid in the care sector.

34. Whilst the whole population make calls on health and care services, an ageing population increase these calls and it is rural areas where the greatest impact of demographic change is being felt. This coincides with a management tendency in the health service to centralise for a wide range of understandable reasons including risk management, professional training and operational requirements that demand an increased clustering of expertise.

35. The result is a ‘downward spiral’ in rural areas where demands on health and care services grow, services become increasingly concentrated in
urban centres and rural house prices make it hard to recruit staff for the few rural services that remain.

36. Conversely, some rural communities where substantial housing development is planned tend to receive the bulk of the housing before there is any increase in capacity to health and care services. Unfortunately, there are also many cases where these increases never occur because they are not planned-in at an early stage.

37. The demand, therefore, on voluntary and community services to step in and provide an ever-increasing amount of care at the preventative end of the spectrum is considerable. ACRE Network members have been supporting local communities to do this since well before the post-war creation of the NHS and County Social Services Departments. There are records of members of the network providing tuberculosis day care in village halls in the 1930 and 40s!

38. The Committee discussed briefly on the 17th July the development by the ACRE Network of ‘Village Agents’ schemes and asked for more details of these. These go by a number of different names locally and are often, but not always, closely aligned with, and provide professional support for, the development of Good Neighbour, Community Link, Social Prescribing and Voluntary Driver schemes.

39. Irrespective of the terminology used, the challenges are similar. Voluntary action can achieve an enormous amount, but, to flourish, it needs to be underpinned. It is essential that it has access to some funds; it needs consistent support if it is to link properly with the more formal caring services and it needs independent, professional back-up to ensure it is not ‘over-used’ by the public sector. These are some examples of the action our network has been taking:

- Humber & Wolds Rural Community Council worked with key statutory and third sector partners to secure funding for a rural social prescribing project. The project places eight Community Link workers at GP practices and the ACRE Network member’s input means that the project contains a strong community and voluntary sector element for rural delivery. It also ensured that rural delivery issues were considered by the Better Care Programme Board (for its 2017-19 programme) and the North Lincolnshire CCG (in a workshop on the NHS Sustainability and Transformation Programme).
- Bedfordshire Rural Communities Charity employs six part-time Village Agents. During 2017/18 the Agents made around 2,500 visits to 830 individual clients, many of whom were new clients. They provided information and advice, and helped clients to access services. Monitoring records show that these Agents delivered positive outcomes on health (429 outcomes), independence (269), making informed choices (257), finance/ economic (203), transport (89) and contributing to their community (86).
Gloucestershire Rural Community Council supported 27 Village and Community Agents who worked across the county during the first half of the year, helping or signposting some 3,500 individuals e.g. to social care assessments, to Fire & Rescue Service ‘Safe and Well’ visits, to ‘Warm and Well’ energy efficiency advice.

Northamptonshire ACRE supported 6 villages that were keen to develop such a scheme in 2017. Around the end of the year two of these schemes went live. The first to launch was the scheme in Moulton, which has 18 volunteers, and the second to launch was the Crick scheme.

Community Impact Bucks (CIB) focuses its schemes on overcoming loneliness. Its Gardening and Befriending Service operated in 29 locations, with 61 volunteers making multiple visits to 167 vulnerable older or disabled people. In Aylesbury Vale its Handy Helpers Service provided 11 volunteers who carried out 269 small maintenance or safety tasks in the homes and gardens of vulnerable people. CIB also oversaw the running of 36 Lunch Clubs, providing regular social contact for older people at venues across the County. This activity included starting up 5 new Lunch Clubs, such as the one at Little Chalfont. In all these clubs provided around 11,000 lunches to more than 900 people.

Community Lincs (Lincolnshire) managed 6 Good Neighbour Schemes and assisted the development of others. They recruited and trained 137 volunteers, grew scheme membership (clients) to 874 and carried out 332 wellbeing surveys. The scheme gave support to 70 groups who offer relevant local activities. An Age Friendly Business Awards scheme was created, with 34 given out to reward good business practices.

40. Any views on who would be best equipped to make use of the potential resources of the UK Shared Prosperity Fund (Q21, Earl of Caithness, p21)

41. We understand that there is still significant consultation and decision making to be completed on the UKSPF and, from the discussion at the Committee on 17th July and elsewhere, it seems likely that the Local Enterprise Partnerships are widely considered to be a possible route for this. We would like to emphasise the points that we made in our general evidence to the Committee:

- The Ministry of Housing, Communities and Local Government (MHCLG) together with the Department for Business, Energy and Industrial Strategy (BEIS) should require all LEPs with rural areas to have a specified Board member with responsibility for the rural economy, including the non-land based rural economy.
- As the process of leaving the EU continues, a target should be set to ensure that at least 20% of the Shared Prosperity Fund is allocated to supporting rural communities and the rural economy. This would reflect the share of the population living in rural areas. The ACRE Network stands ready to work with the LEP network to ensure that this
enables community led solutions to meet the needs of rural people, especially when these are beyond the reach of market initiatives.

- MHCLG and BEIS should amend the current tasking of LEPs to ensure greater weight is applied to smaller economic development schemes and require industrial strategies to allocate resources in proportion to the rural/urban populations of LEP areas.

42. We are convinced that the long term health of rural communities and the rural economy will require a number of actions some of which could usefully be promoted through use of the UKSPF and will require a correct share of this resource:

- equity of access to the same quality of digital services as urban areas,
- better planning of post-16 education to ensure that rural young people have the same opportunities as those growing up in urban areas,
- much greater awareness within all departments of Government of the growth of home based businesses and the factors that can either constrain or encourage this sector,
- provision of housing that can be afforded by those occupying new jobs that may be created and that is designed to accommodate those working in the rural economy e.g. parking adequate for home based businesses,
- the emphasis for any Government grant intervention to be on overcoming rural market failure by supporting civil action and social enterprise. We should not just give grants to businesses since both deadweight and displacement are almost impossible to avoid.
- transport to be properly factored into public service delivery costs as set out in our general evidence to the committee

43. In addition to the structural issues highlighted above there is also scope to learn from the operation of LEADER over the last few years, in terms of both what does, and does not, work. Emphasis needs to be placed on supporting social and community enterprise in order to achieve an impact that may not be commercially viable in areas of dispersed population. There is scope to reduce significantly expenditure on administrative processes and instead invest in high quality technical and other support to applicants.

44. The Committee could usefully draw on the ‘grassroots’ community development action research project carried out by DCLG and reported in 2017, the link to the document is here https://cles.org.uk/wp-content/uploads/2017/10/ced_report_2017.pdf This demonstrates the effectiveness of a bottom up approach and is entirely consistent with recent research carried out by the RSA and recommendations from the Princes Countryside Fund in their recent Recharging Rural report, http://www.princescountrysidefund.org.uk/downloads/research/recharging-rural-execsummary-final-(1).pdf
We would like to believe that the LEP network can change significantly to take greater account of rural areas and their enterprising communities. If, however, Government wishes to keep LEPs closely focused on large scale economic and infrastructure development, the ACRE Network’s 100% coverage of rural England presents a very real opportunity to achieve support for rural communities through a parallel strand of the UKSPF. Our specific expertise in supporting rural communities, social enterprises and community businesses, and our strong connections in local areas could make this a much more effective approach.

Jeremy Leggett
ACRE Policy Advisor

5 October 2018
Addington Fund – Written evidence (REC0173)

The word unique is often over or incorrectly used but we can safely say that it does apply to the Addington Fund in that there is no other charity or organisation which covers the same charitable remit as us. The fund was established in 2001 to alleviate rural suffering during and following the foot and mouth outbreak and as a direct result we still to this day operate a farming disaster relief programme through our Trustees Discretionary Fund and are prepared for what nature can throw at us. However our work in disaster relief uncovered other underlying problems in the rural community and farming generally which are still very prevalent today. This is what we deal with on a day to day basis. There are four key areas:-

1. The Lack of a Clear Retirement Plan for many tenant farmers or highly borrowed farmers — Many farmers have no exit plans for when tenancies (often three generation) or Farm Business Tenancies (generally 5 or 10 years) come to an end. Staying put in their farmhouse until the money runs out can be their best or only option. Often big detached house can mask the financial plight beneath.

2. The lack of Affordable Homes for rural families and young single people.

3. The Lack of Opportunity for Young Entrants into farming or to start up agricultural service businesses. In helping farmers retire this can give opportunities to new entrants and in our experience they often take farms to newer heights when given the opportunity. Fresh and innovative thinking increases production levels, financial output and profitability. If we can help them with affordable housing nearby this can often give the option of allowing the retiring farmer to retire in his own home with dignity or in one of our strategically sited houses nearby.

4. Disaster Relief on a case by case business through our Trustees Discretionary Fund

All of these problems still very much exist today.

As a result of this Addington has morphed to become a very effective sustainable housing charity to alleviate rural hardship, to keep the countryside vibrant and sustainable for those engaged in rural activities whilst still maintaining its core disaster relief programme when called upon. As such we could provide a good medium for the UK Governments to deliver vital support, administer policy using the Addington Fund as an off the radar mechanism of meeting Government policy.

The Addington Solution

For a number of years the Addington Fund has offered a solution by providing a limited number on a case by case basis:-
1. Strategic Housing — a house that is chosen by the farmer who wishes to retire in his chosen locality. Giving him or her a retirement home which upon death is generally sold. Rents are typically charged at 80% of the going rate.

2. Affordable Housing — often donated by benefactors or at cheaper rates we use these houses to keep rural agriculturists in their chosen location at subsidised rent to stop them re being priced out by local commuters.

3. Flat/Workshops — we have a few flats above workshops which we let out favourably again at very favourable rates to rural dwellers to help them start their own rural based businesses. Examples include shearsers, spray contractors, rural photographers, flower arrangers, welders......

4. Disaster Relief Grants on a case by case basis as mentioned above to those in need.

The Future

With our strategic housing programme for the first time in recent years The Addington Fund has enough cases in the pipeline which means demand will probably outstrip supply. Our affordable housing programme has always been limited by budget and availability of our houses. We do not go out of the way to advertise our services and get more than enough by referral. Our supporters help us grow organically every year but this will never keep up with demand.

We know that many farmers both tenants on FBT and even owners would retire if they were given the opportunity or if it was enabled. To do this the programmed exit would need to involve, satisfactory alternative housing or the opportunity to stay in existing accommodation, a dignified exit and of course an element of financial security. To us the real spin off of this for every farm that is vacated it gives a new entrant an opportunity to farm. Our own knowledge of farming indicates that in many cases that first generation farmers or effective first generation farmers (ones who don't go straight into the farm and perhaps pursue another career first) very often make better farmers and are more productive, profitable because they are prepared to do things differently and analyse and weigh up risk better. Of course this is a win, win scenario for the UK exports as we produce better produce and sell more.

Farming Help

Farming Help is the umbrella organisation for the four main farming charities which ensures all the four charities involved have a clear remit in areas they cover, do not step on each other's toes and work together to cut costs and reduce duplication and ensure higher charitable pay-outs. Summary of the charities involved:

<table>
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<th>Charity</th>
<th>Remit</th>
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Addington Fund – Written evidence (REC0173)

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<tr>
<th>Addington Fund</th>
<th>Strategic and affordable rural Housing and Disaster Relief to those in need</th>
<th>Sustainable charity</th>
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<tbody>
<tr>
<td>Farmers Community Network</td>
<td>Farm visits and social work</td>
<td>Do not give out money just offer free time and an ear to listen</td>
</tr>
<tr>
<td>RABI and RSABI</td>
<td>Grants to farmers to help pay bills and nursing homes for retired farmers</td>
<td>Monthly grants or emergency funding</td>
</tr>
<tr>
<td>Forage Aid</td>
<td>Forage from farm to farm, areas of plenty to areas of shortage</td>
<td>Have applied to become part of Farming Help</td>
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**Other issues**

If the same principle was applied to other areas of farming think of the savings that could be made with regard to farm regulation look at the cross over between RPA, AHDB, Red Tractor, trading standards, EA, HSE and welfare visits to name a few? All these are in themselves causes for stress and covered several times by different organisations.

As a personal point despite our reputation as a great trading country my own global experiences of agricultural exports tell me otherwise and we tend to go for shorter term view rather than longer term gain and are very much commodity producers rather than producers of quality particularly in the arable sector and I believe this hinders our ability to sell on a global level. Greater investment in dockside facilities and independent supervision of exports would enhance our ability to sell quality on a world platform.

**Summary**

1. Many farmers do not have a clear retirement exit plan and are forced by financial constraints to defer plans and often farming inefficiently with environmental, welfare and economic issues coming to the fore as a result.
2. Lack of affordable and strategic rural houses available for farmers who wish to retire.
3. Young entrants are being denied the opportunity to farm as older farmers cannot afford to retire.
4. Need for a clear financed exit strategy particularly for tenant farmers.
5. Landlords and Government need to get involved help facilitate this. Do tenants need more protection?
7. Need to reduce bureaucracy and duplication on efficient farmers to allow them to be more productive.
8. Concentrate on quality when exporting and look for premium markets.
Age UK believes that all older people – whether they live in the countryside or in towns, should be able to thrive, access essential services and live active lives. Rural areas saw a 37 per cent increase in their 65+ population between 2001 and 2015. In 2016, the average age was 5.5 years older than that in urban areas, an increase from 3.4 years in 2013\(^1\).

We are therefore pleased that the committee is looking into the rural economy and that many of the questions set out in this call for evidence recognise issues that are of importance to older people. Age UK already makes policy recommendations on the themes of care, transport, housing, digital inclusion and essential services, and we welcome the opportunity to consider these issues through a rural lens. Whilst our comments refer in the main to older people living rurally, we believe our recommendations would benefit people of all ages.

**Key points and recommendations**

**On general issues and good practice in the rural economy**

- Rural areas do not benefit from a market economy that relies on choice and competition to drive quality and efficiency, because the geographical, infrastructural and financial challenges unique to rurality are preventing or discouraging providers from serving these areas well. The leads to gaps in provision and less choice for those living rurally. Effective regulation and legislation is vital to ensure that people in rural areas, particularly those with multiple vulnerabilities, are not exploited in or excluded by market forces.
- We must recognise the strengths of the voluntary community sector as an additional resource in the rural economy that builds resilience in

\(^1\) *Statistical Digest of Rural England*, Defra, Nov 2017
communities, but it cannot and should not replace what has traditionally been the role of the statutory sector.

- Whilst this submission offers two examples of good practice involving the voluntary community sector, local organisations are not immune to funding cuts and in many areas are having to scale back or close their services. Sustained investment is required if our role in the rural economy is to be increasingly about providing long-term reliable services and less about delivering one off or short-term projects.

On infrastructure and services

- People living rurally should be able to reach key services, friends and family at reasonable cost, in reasonable time and with reasonable ease. Reliable public and community transport in rural areas is essential for people to live active and independent lives.
- Those living in areas with poor digital connectivity are not just being denied the benefits that digital inclusion can bring, they risk serious disadvantage as local services such as bank branches close. Internet access should be treated as a utility service, to ensure that nobody is digitally excluded due to cost or location.
- Care services in rural areas are at great risk unless the ‘rural premium’; the extra cost of delivering care compared with urban areas (due to increased travel and the cost of finding and maintaining a workforce\(^2\)) is taken into account.
- When deciding public spending priorities, local and national government should take account of the social value of maintaining the infrastructure in rural areas that is often important in preventing loneliness, such as safe, accessible places to meet, local transport and shops.

On business, employment, skills and demography

- The pace of ageing in rural areas can bring challenges in some dimensions; however, it is important to remember that older people make valuable contributions to the economy through volunteering, employment and informal care provision.
- Vibrant local economies meeting the needs of all ages are also essential, as older people are heavily reliant on local services such as care, which need high-skilled workers.

On rural housing and planning

- There continues to be a lack of affordable and appropriate housing for older people living rurally (which also affects employees in the service industries on which they rely, such as care). All new homes in rural areas should be built to the Lifetime Homes standards of accessibility so they serve the needs of people of all ages.

On government policy, devolution and local government

\(^2\)Later Life in Rural England, Age UK, 2013
Strategies from all levels of government, across all departments, should more explicitly address the rural dimension as a crosscutting issue, particularly when considering access to essential services, delivery of health and care services, housing and transport provision, and fibre and mobile broadband coverage.

1. What do you understand by the ‘rural economy’? How has it changed over recent years and what has been the impact of these changes?

1.1 We think that the defining features of the ‘rural economy’ are low population densities, larger distances between centres of activity, and difficult or more extreme landscapes and environments to navigate. It is challenging to provide these areas with the infrastructure and service provision needed, and fewer providers are able or willing to serve them. This means the usual market mechanisms we rely on to drive an efficient and well-functioning economy such as choice and competition may not be possible in rural areas, which can be disadvantaged or ‘left behind’ as a result.

1.2 Policies to constrain public spending have devastated key statutory and community services in rural areas that older people rely on; services that were already more expensive and harder to maintain than their urban equivalents.

1.3 We are also concerned about increasing devolved responsibilities that do not come with extra government funding. This can lead to inconsistency in services across rural county councils because poor areas cannot raise as much revenue as richer areas.

2. Could you give examples of notable success stories/good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 The voluntary community sector can benefit the rural economy by building resilience in communities. Local organisations, including those in the Age UK network, are often well placed to work alongside stretched public services because they are physically rooted in (and have intimate knowledge of) the communities they serve.

2.2 The following examples demonstrate successful collaborative, multi-agency working, where the voluntary community sector can free up the capacity of health and social care professionals and act as local ‘eyes and ears’ in the first instance for onwards referrals and interventions.

Example of joined up models of care in rural areas

2.3 The provision of health and social care can be expensive and disjointed in rural areas, particularly where services involve a high degree of travel. It is crucial that the resource and capacity health and social care professionals do have is spent appropriately, making best use of their skills and expertise. Increasingly, the voluntary community sector is responding to this need by
offering preventative ‘social prescribing services’ alongside health and social care interventions. These connect patients to additional sources of practical and emotional support, coordinate interventions and provide a more holistic service, which has been shown to improve patient outcomes and reduce demand on key health and social care services.

An ‘eye and ears’ presence in rural communities

2.4 Local Age UKs North Craven and North Yorkshire (where 32 per cent of the rural population are older people) adopted a Village Outreach Scheme, whereby village-based voluntary ‘agents’ support isolated older people by providing information and advice and linking them into local services. Coming from the communities themselves, the volunteers are often well placed to offer a first point of contact or initial ‘peer support’, which can dovetail with extended support from more specialised services.

2.5 Whilst the strengths of the voluntary community sector, shown in these examples, should be recognised as an additional resource in the rural economy, we must not confuse this with an assumption that it therefore could, or should, replace what has traditionally been the role of the statutory sector. Their successes are often context specific and will not necessarily be scalable or transferable to other rural localities if individuals with similar skills and commitment are not present. Local organisations should be encouraged to develop services suited to their own populations’ need in symbiosis with public services, but they will require secure and sustained investment to do so.

3. How can access to transport be improved in rural areas?

Key issues

3.1 People living rurally should still be able to reach key services, friends and family at reasonable cost, in reasonable time and with reasonable ease. Transport is vital to leading an active and independent life. Reliable public or community transport is essential, particularly for those without access to a car. One in three older households in rural areas have no access to a vehicle and in rural villages, hamlets and isolated dwellings, less than half the households (49 per cent) live within 13 minutes’ walk of a regular (hourly) bus. Funding for bus services has been cut by 33 per cent since 2010, and in the last year over 500 routes were reduced or completely withdrawn.

3.2 Recently Age UK has been campaigning on behalf of the 1.45 million older people who have ‘Painful Journeys’ to get to hospital appointments due to the lack of integrated hospital-provided transport and public transport services, which is exacerbated in rural areas in particular due to the distance and cost involved in travelling. As the NHS increasingly reconfigures services to improve health outcomes, it is vital that local authorities and communities are involved in

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4 Later Life in Rural England, Age UK, 2013
7 https://www.ageuk.org.uk/our-impact/campaigning/painful-journeys/
these discussions from the very beginning rather than at consultation stage when it is often too late. Older people, particularly in rural areas, are jeopardising their health by making long and painful journeys to receive the healthcare they need or not going at all, as they simply cannot face the journey.

**Recommendations for improvements to rural transport**

- The Department for Transport and Department of Health and Social Care should issue guidance to local authorities and NHS organisations on collaborating to improve public transport to healthcare.
- Following their recent commitment in the Inclusive Transport Strategy, the Department for Transport must deliver tangible changes to the way disabled and older people in rural areas travel to hospital and primary healthcare.
- NHS England and NHS Improvement must carry out a wider review of the way hospital-provided transport operates.
- Public transport services in rural areas should be protected. Where they have been withdrawn, local authorities should ensure that appropriate alternatives are in place, particularly to vital services such as GP surgeries and hospitals, and that people are aware of how to access these options in their area, for example community buses and dial-a-ride services.
- Where these alternatives cannot meet the needs of older people who do not have access to private transport either, local authorities in rural areas should provide financial support towards community transport or taxis. Currently the availability of concessionary or subsidised schemes such as Taxicards varies widely.

4. **What barriers are created by poor digital connectivity? How can connectivity be improved across the board?**

**Key issues**

4.1 Age UK has long been aspirational and positive about the benefits that digital inclusion can bring to those who are able to use the internet and want to be online. These benefits include accessing practical help (e.g. applying for some benefits, online shopping and finding information), staying socially connected (e.g. through social media and free video calls) and maintaining hobbies and interests. Being able to carry out these activities online can be very important for older internet users in rural areas if they do not have the shops and services they need nearby, especially if they do not have access to a car.

4.2 The Government delivered its commitment to reach 95 per cent of homes and businesses in the UK with superfast broadband (24Mbps or faster) and is now bringing in a Universal Service Obligation (USO) to give everyone the legal right to request high-speed broadband connection (10Mbps or faster) by 2020, which will go some way to improving access. However, this right will be subject to a ‘reasonable cost threshold’, which means some of the more isolated, rural homes could continue to lack a good connection. Ofcom has reported that 1.1 million premises (4%) do not have broadband connections that meet the minimum level proposed by the USO, rising to 17 per cent of premises in rural areas.
4.3 ‘Digital connectivity’ must be improved not only in terms of fibre and mobile broadband coverage but through the ability of those in rural areas to make use of that coverage. Currently 4.5 million people in the UK have never used the internet, and 12.6 million people do not have basic digital skills\(^8\). Increased internet provision will only benefit rural areas if it is accompanied by programmes that promote and support digital take up.

4.4 Having emphasised the need for good digital connectivity it is also important that those who are not online are not disadvantaged. Public and private sector organisations providing essential services need to ensure these are still easily accessible. For example, rural local authorities should still provide offline ways to claim support such as Housing Benefit or the Blue Badge scheme, and not expect people to undertake long journeys to council offices to get help with online applications.

**Recommendations for improving connectivity across the board**

- Internet access should be treated as a utility service. The government must recognise the significant cost of getting and staying online for some people, and ensure that nobody is digitally excluded on cost grounds.
- The government should continue to work with consumer organisations to ensure there is appropriate assisted digital support to access government and local council services.
- People in rural areas should be supported to get online, stay online and extend their digital capability. This will require significant investment and ongoing support; government must provide grant funding for programmes to promote digital take up. Savings created by moving services online are a possible source of funding.

5. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

**Key issues**

5.1 The choice and competition between providers of essential private sector services such as local shops and banking is often more limited in rural areas for reasons outlined in our response to question 1, and this can lead to poorer outcomes for rural consumers. It is especially hard for those who are older, on a low income, digitally excluded and who have poor physical or mental health to maintain access to these services.

5.2 Age UK is particularly concerned about access to banking and the closure of 2,868 branches between 2015 and 2018\(^9\), many of these in rural areas\(^10\). We expect the UK wide programme of branch closures to continue targeting poorer areas where the economic value of transactions is deemed too low to be

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\(^8\) *Digital Skills Crisis*, House of Commons, Science and Technology Committee second report of session, 2016


\(^10\) *Rural post office use*, Citizens Advice, November 2017
profitable in remaining open\textsuperscript{11}. The impact on poor \textit{rural} communities is exacerbated when customers have to travel significantly further at considerable expense to reach their nearest branch (assuming there is even appropriate public transport to do so) and cannot access online banking due to poor or non-existent mobile and fibre broadband. Banks are withdrawing their services before putting in place alternative solutions that are truly accessible for rural customers as well as those living in urban areas.

5.3 People in rural areas continue to be major users of the Post Office\textsuperscript{12}, which offers limited but essential banking services, and Government investment has improved the sustainability of post offices so that over half remain in rural locations\textsuperscript{13}. Research from Citizen’s Advice found the more rural a community, the more vital local post offices are for withdrawing cash, buying retail goods and accessing community services\textsuperscript{14}.

5.4 Maintaining access to cash will be increasingly important across rural areas in light of bank branch closures and planned reductions in the free-to-use ATM network. 2.7 million people already rely on cash, a figure that is rising, and this payment method still dominates sectors that are particularly prevalent in rural communities such as local shops and pubs\textsuperscript{15}.

\begin{itemize}
\item Banking is an essential service, like water, power and communications. If access in rural areas remains a problem, a Universal Service Obligation should be placed on banks to provide core-banking services required by rural communities.
\item Banks should not close the ‘last bank in town’ if there is not a suitable alternative available that is properly designed and has the year-round capacity to handle demand.
\item Banks should consider sharing branches in rural locations and other areas where the viability of their networks is at risk.
\item Government should ensure that all consumers, and the businesses and organisations on which they depend, have convenient, safe and affordable ways to receive, store and make payments.
\item The government should maintain its investment in the Post Office network, which has improved the sustainability and widespread provision of post offices in rural areas.
\end{itemize}

6. \textbf{What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?}

\begin{itemize}
\item \textit{Social isolation and loneliness}
\end{itemize}

\begin{flushleft}
\textsuperscript{11} \textit{Bank Branch Closures}, House of Commons Briefing Paper, 2018
\textsuperscript{12} \textit{Consumer use of post offices}, Citizens Advice, July 2017
\textsuperscript{13} \textit{Rural post office use}, Citizens Advice, November 2017
\textsuperscript{14} \textit{Rural post office use}, Citizens Advice, November 2017
\textsuperscript{15} \textit{Cash use in the UK}, Cash Services 2018
\end{flushleft}
6.1 Over a million (1.4 million) older people across England suffer persistent chronic loneliness\textsuperscript{16} and 12 per cent feel cut off from society\textsuperscript{17}. Loneliness is not the same as social isolation, but social isolation is a risk factor for becoming lonely. The experience of loneliness is very personal and solutions should be tailored to the individual. For some older people, taking part in social activities and being able to maintain relationships that promote their health and independence can help them become less lonely. Yet older people living in rural areas face more obstacles in accessing services and social activities, being geographically isolated with limited or no access to public transport. As such, they may have greater difficulties in dealing with their loneliness than those in urban environments.

\textit{Recommendations}

- When commissioning services local authorities should look for opportunities to prevent or manage loneliness and social isolation, particularly at life stages that are likely to increase loneliness, such as bereavement, having to stop driving, or moving to a new home or residential care.
- Voluntary sector organisations and public services in rural areas should develop strategic partnerships to identify and reach out to isolated or lonely older people. This should include finding appropriate ways to share information to identify people who may be at risk of becoming lonely. Researchers at Age UK have developed a unique ‘loneliness risk index’ based on a new set new of indicators which can help to target services to areas of need.
- When deciding public spending priorities, local and national government should take account of the social value of maintaining the infrastructure in rural areas that is often important in preventing isolation, such as safe, accessible places to meet, local transport and shops. They should recognise the role of different types of services in responding to the subjective experience of loneliness.

\textit{Social care provision}

6.2 Rural areas can face difficulties providing social care services to the same standard and level of cost as urban areas, particularly where services involve a high degree of travel. The number of people with social care needs living in rural areas is predicted to reach 930,000 by 2029, requiring an additional £2.7bn per year if these needs are to be met through publically funded social care.\textsuperscript{18} Depression, stroke, falls and dementia are projected to grow by up to 60 per cent in rural areas, compared with up to 42 per cent in urban areas\textsuperscript{19}.

6.3 The Clinical Commissioning Group in rural Somerset, with support from The Richmond Group of health charities, has responded to some of the pressures by

\textsuperscript{16} Later Life in the United Kingdom Factsheet, Age UK 2017
\textsuperscript{17} Later Life in the United Kingdom Factsheet, Age UK 2017
\textsuperscript{18} Later Life in Rural England, Age UK, 2013
\textsuperscript{19} Later Life in Rural England, Age UK, 2013
forging stronger links between healthcare services and the voluntary community sector to address gaps in provision\textsuperscript{20}.

6.4 However, the fact remains that the care workforce is low-paid and care providers face significant challenges in recruitment in rural areas with limited affordable housing. Even not being able to afford to run a car may rule someone out of applying for care work. For older people who are struggling on at home, any family support may be very far away; for older people who need residential care, their choices may be severely limited, and if their needs are high (for example they have dementia) there may be no suitable home within many miles. All this creates a perfect storm for care: the lack of money in the system means that care providers cannot recruit, potential employees cannot afford to work in care, and family members may not be able to provide the support they would want to give, meaning that older people in rural areas who need care may be very vulnerable indeed.

**Recommendations**

- On the wider funding climate, we are concerned about the implications for rural areas on the planned introduction of 75 per cent business rate retention, as this may lead to councils with predominantly agricultural economies being further reliant on government grants if they cannot raise sufficient funds through local business rates.
- Care services in rural areas are at great risk unless the ‘rural premium’; the extra cost of delivering care compared with urban areas (due to increased travel and the cost of finding and maintaining a local care workforce\textsuperscript{21}) is taken into account.
- Plans to increase the number of people using a personal care or integrated budget need to take into account the fact that older people in rural areas may have very limited choice of care provider.
- Workforce integration, recruitment and retention is crucial, as alongside the difficulties of providing home visits, the number of district nurses fell by a quarter between 2012 and 2017.
- Vibrant local economies, attracting a balance of age groups, are essential for care providers and the older people they rely on. It is vital to ensure that there is affordable housing for care workers.

**Opportunities for older people**

6.5 Older people make valuable contributions to the rural economy through volunteering, employment and providing informal care. There can be strong community spirit in rural communities, at the heart of which are older volunteers. Over 30 per cent of people aged 65+ in rural areas volunteer at least once a year compared to 20 per cent of older people in urban areas.\textsuperscript{22} Retired people moving into rural communities bring with them skills and expertise from their working life that continue to benefit the rural economy, and retirement is an increasingly nonlinear experience – and some older people may take up employment again once living in rural areas. Older people often take on caring

\textsuperscript{20} https://richmondgroupofcharities.org.uk/news/somerset-%E2%80%98social-prescribing%E2%80%99-gets-financial-boost
\textsuperscript{21} Later Life in Rural England, Age UK, 2013
\textsuperscript{22} Rural Ageing Research: Summary report of findings, DEFRA, 2013
responsibilities in later life, contributing £11.4 billion worth of care a year\textsuperscript{23}, much of which will be provided in rural areas contributing to the rural economy.

**Recommendations**

- Communities should work with local government, across the generations, to develop age-friendly neighbourhoods and foster informal structures that enable older people to still participate in, and contribute to, society. Previous research on age-friendly communities is being extended this year to include neighbourhood planning in rural areas\textsuperscript{24}, which hopes to develop a resource for rural communities to draw on in promoting healthy ageing.

- Strategies aimed at promoting the mental and physical health of rural communities should include measures to promote the health and wellbeing of their older carers, who should receive financial support in recognition of their role.

- Reliable and affordable public transport in rural areas must be maintained so that older people can continue to support the rural economy through volunteering and work.

**7. What are the challenges associated with rural housing and how can these be addressed?**

**Key issues**

7.1 Due to the high number of solid-wall and off-mains gas properties in rural areas, household energy bills are on average 27 per cent higher than in urban areas\textsuperscript{25}. Nearly 14 per cent of rural households were in fuel poverty in 2017 compared to 10.8 per cent in urban areas\textsuperscript{26}.

7.2 Those living in rural or isolated areas may also be at particular risk in the event of floods or other weather crises. An estimated 1.8 million people in the UK are living in areas at significant risk of river, surface water or coastal flooding\textsuperscript{27}. In November 2016, the Environment, Food and Rural Affairs Committee called for greater safeguards for local communities and improvements to flood insurance coverage\textsuperscript{28}.

7.3 There continues to be a lack of affordable and appropriate housing for older people living rurally. The APPG on Housing and Care for Older People conducted a ‘Rural HAPPI inquiry’ into the challenges faced by older people in rural settings when it comes to accessing housing and home care and support\textsuperscript{29}. The report published this year found that older people’s housing in rural areas is neglected.

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\textsuperscript{23} Age UK Chief Economist report Spring 2014  
\textsuperscript{25} Later Life in Rural England, Age UK, 2013  
\textsuperscript{26} Annual Fuel Poverty Statistics, BEIS 2017  
\textsuperscript{27} UK Climate Change Risk Assessment Committee on Climate Change, 2017  
\textsuperscript{28} Future Flood Prevention, Environment, Food and Rural Affairs Committee, 2016  
\textsuperscript{29} The Rural HAPPI Inquiry, APPG on housing and care for older people, April 2018  
and included some encouraging ‘rural proofing’ recommendations\(^{30}\) for DEFRA and the MHCLG, for example that all new homes in rural areas be built to the Lifetime Homes standards of accessibility so they serve the needs of people of all ages.

**Recommendations**

- Rural local authorities should understand levels of fuel poverty in their areas and develop plans to tackle excess winter deaths.
- Health authorities should recognise the link between cold homes, poor health and pressure on health systems, and design preventative strategies.
- The government should consider the recommendations set out in the Rural HAPPI inquiry and take steps to increase the quality, supply and range of age-friendly housing.

**8. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

8.1 The government has issued guidance on how public sector bodies can ‘rural proof’ their policies\(^{31}\), with a focus on broadband and mobile coverage and protecting the Post Office network. We are pleased to see an increasing focus on ‘rural vulnerability’ and ‘rural wellbeing’ from some alliances, councils and ministers who are considering strategies for rural health, care and community needs under these umbrella terms.\(^{32}\) However, this attention on the rural economy and these welcome initiatives could be undermined by the pressure on public spending, particularly in local government.

8.2 Age UK would like to see all levels of government more explicitly consider and address the rural dimensions to each department’s portfolio. This is particularly important when developing strategies or consulting on policy around access to essential services, delivery of health and care services, housing and transport provision, and digital infrastructure.

10 September 2018

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\(^{30}\) The Rural HAPPI Inquiry, APPG on housing and care for older people, April 2018  

\(^{31}\) Department for Environment and Rural Affairs rural-proofing-guidance.pdf March 2017

\(^{32}\) Rural Vulnerability Parliamentary Day hosted by Rural England, January 2018 / Policy roundtables with Lord Gardiner (Parliamentary Under Secretary of State for Rural Affairs and Biosecurity, and Rural Ambassador) on Wellbeing, Isolation and Vulnerability, November 2017 and July 2018
**Arch Commercial Enterprises – Written evidence (REC0114)**

*General issues*

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

As stated by Lord Curry of Kirkharle, the sectoral composition of the rural economy broadly mirrors the breakdown of urban and national economies. Agriculture makes only a relatively small contribution to the overall GVA or employment of the total region. However, it is still a hugely significant actor in the local economy. The NE rural economy has a high proportion of micro businesses, and about one third of rural businesses are run from home. The NE rural economy has a high proportion of micro businesses, and about one third of rural businesses are run from home.

The rural economy is diverse, and has benefited from Rural Growth Network grants (in addition to those of LEADER and the Rural Development Programme for England). These grants, since 2016, have helped to encourage growth in the rural economy – specifically, “to stimulate faster and more widespread growth, employment and economic activity in rural areas” and to encourage: “knowledge transfer, mentoring, training and skills development to enable businesses to grow and capitalise on new opportunities”.

The North East RGN fund has helped to change the rural economy by supporting the creation of hubs and shared workspaces – these rural development networks have allowed people not only to receive advice and information, but also to share local learning and experiences, to develop creative ways to solve local problems and needs, and to identify sources of support.

Rural development networks allow people not only to receive advice and information, but also to share local learning and experiences, to develop creative ways to solve local problems and needs, and to identify sources of support. The most pervasive change affecting rural economies is that most jobs are now in the service sector. Since 1997, the decline in agriculture has continued with fewer people now working in agriculture, which contributes merely 0.55% of national output.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

In terms of the RGN initiative, from early 2013 to 2016 over 60 different projects were delivered through five pilot-level programmes and around 9,000 end beneficiaries were supported. By the end of September 2015, some £11.1m (of
the original £14.1m identified in delivery plans) had been spent. Total spend including match funding was £35.3m.

Over the period to September 2015, the RGN Pilot initiative helped to create or safeguard over 2,200 jobs across the five pilots. It also helped to create over 700 businesses. The cost per gross job created was £19,400, slightly higher than a recent estimate for the LEADER programme, but lower than a similar figure for European Regional Development Fund (ERDF) support.

Survey evidence indicates that the RGN Pilot Initiative achieved a range of benefits. For example, the support helped to build skills and capacity in the areas of enterprise and business growth. Around 70% of businesses surveyed became more confident about growing their business and 60% reported better access to business support. 70% of start-ups reported an improvement in their business skills, and half of all businesses surveyed improved their networking with other firms. Most beneficiaries reported that they would not have been able to achieve these benefits to the same scale or at the same rate without RGN intervention.

Based on the feedback from beneficiaries, the net economic impact of the RGN Pilot Initiative in terms of Gross Value Added (GVA) was estimated to be around £16.5m, with a further £56.6m expected.

Within the North East RGN Pilot, demand for business support was high, which was important since the aim was to engage with a wider (and more rural) pool of businesses. There was strong demand for grants provided through the programme. There was also reasonably high demand in terms of hub occupancy. The level of interest in the Pilot from hub managers was higher than expected. The hub commissioning process generated interest from public, private and third sector organisations (National Park, Northumberland College etc).

From the current call of North East RGN applications, there are 29 projects approved or committed, with 21 completed. The grants have helped to support a range of businesses in diverse sectors, including enterprise centres, large strategic tourism sites (such as The Sill) and smaller businesses involved in wholesale and manufacturing. £5.5m has been committed in grant funding to date, with over £15m of leverage secured.

3 How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Recent changes to the rural economy have included the emphasis of promoting new technologies and applications to sustain and grow existing resources. Large farm holdings in Northumberland represents a large base of potential clients for agri-tech services, and this will have an impact on a number of sectors, particularly farming and forestry. R&D facilities in North East universities sill allow this technology to grow through commercial research partnerships.

Rural areas play important roles as both incubators and catalysts of growth and future rural policy should recognise their interdependencies with wider regions and cities. Although farming is extremely important, both for rural communities
and in ensuring national food security, the rural economy is varied and reaches far beyond traditional land management industries.

The first RBGF call issued in November 2015 for £300k grant in 2016/17 generated 95 enquiries for support which converted into 23 Stage 1 applications. Applications came from all priority sector areas with a good spread across the RGN area. In total grant funding requested totalled £899,126.20 creating an estimated 116.25 new jobs. The average grant/job was £7734.42 significantly less that the £25k/job on which the RBGF targets were predicated.

In addition, other rural funding programmes are either oversubscribed or have been delayed and demonstrate high levels of demand. The RGN grant programme was shaped to complement these rural grant programmes and fill any gaps in provision.

**Infrastructure and services**

4. How can access to transport be improved in rural areas?

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Rural businesses have a good record of innovation and include many knowledge-intensive businesses associated with growth. However, remoteness can impede innovation if there is a relative absence of networks which extend beyond the immediate locality.

It should be noted that the RGN pilot’s activity had limited impact on ICT and transport infrastructure due to the scale of funding available.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

Rural development in the UK has largely depended upon the EU rural development programme component of the Common Agricultural Policy, mirroring the rural priorities of the EU as a whole. But rural communities do not function in isolation and Brexit may offer an opportunity to look anew at the nuances of British rural-urban interactions and reconsider such an approach.

At present the vast majority of bespoke support is provided as a consequence of EU rural development policy. Post-Brexit policymaking will need to consider how policies designed to drive economic and social sustainability and growth can be made relevant and applicable to rural businesses and communities.
Key findings from the RGN Pilot evaluation demonstrate that, in effecting economic growth in rural areas, a ‘lack of critical mass’ was identified as the fundamental challenge to be addressed through the RGN Pilot Initiative.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

It is possible to envisage rural areas as sources of the future, as places of innovation and themselves engines of social renewal and economic growth. In England recently, there have been suggestions that this is indeed the case. It has been found, for example, that innovation is greater in rural areas than in urban, that productivity is growing faster, and around 2 million people are using broadband to work from home in rural England.

Such findings encouraged the Commission for Rural Communities (CRC) to claim the untapped economic potential of rural areas might be worth an extra £347bn pa to the national economy, if policies supported rural economic development. The CRE report echoing CRC’s findings, pointed out that rural areas of England contribute £237bn pa or 19% of Gross Value Added to the national economy.

Predominantly rural areas in England contribute at least £237 billion a year directly to the economy and rural areas across the UK have the potential to contribute even more. However, national and local policymaking may all too often hit rural communities inappropriately or leave them behind.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

In Winter 2011/12, local authorities and Local Enterprise Partnerships across England were invited to bid to become RGN Pilots. The initiative relied on
£12.5m of DEFRA funding together with £1.6m from the Government Equalities Office. The North East LEP developed bespoke objectives to reflect local conditions (although informed by the overarching national objectives). It identified a package of locally tailored interventions in response, and then – over the next three years – it oversaw their delivery and implementation.

The LEP is also delivering the ground-breaking North East Growth Hub. It simply and efficiently brings together all the available business support information into one digital platform to ensure businesses have all they need to create competitive advantage.

Businesses can use it as a reference point and also as an online community to support each other, answering questions, giving advice and helping each other out.

10 September 2018
Argyll and Bute Council - Written evidence (REC0098)

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 On the 23rd February 2018, the Scottish Government published a document ‘Understanding the Scottish Rural Economy’ see: https://www.gov.scot/Publications/2018/02/3310. In particular the report focuses on a revised classification for the rural economy developed by the Rural & Environment Science & Analytical Services (RESAS) section of the Scottish Government. The classifications are now as follows: ‘Urban with Substantial Rural’ e.g. Stirling; ‘Mainly Rural’ e.g. Highland and ‘Islands and Remote Rural’ e.g. Argyll and Bute.

1.2 At present in Scotland, the working age population is rising in urban areas and declining in rural areas. As a result, most labour and capital collects in urban areas, a situation which tends to attract even more labour and capital. Whether within a rural or urban context employment prospects is a significant deciding factor in the retention or attraction of people residing within an area. Notwithstanding this there are other factors which can have a material impact, for example, local authorities such as Argyll and Bute that cover rural, remote rural and island communities are affected by issues such as transport, digital connectivity and the availability of housing in terms of a mix of type and tenure.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 There are a number of positive success stories with regard to rural businesses all supported by Argyll and Bute Council’s Business Gateway (all have agreed for case studies to be published), such as:

- Food from Argyll Café, Oban, see: www.foodfromargyllatthepier.com
- Wild Thyme Spirits, Colonsay, see: www.wildthymespirits.com
- Ross of Mull Bunkhouse, see: www.rossofmullbunkhouse.co.uk
- Asgard Scotland, Dunoon, see: www.asgard.scot
- Lussa Gin, Jura, see: www.lussagin.com

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Investment in key issues facing rural, remote rural and island communities such as a lack of integrated transport, mixed coverage of digital/mobile connectivity and housing infrastructure (mix of
tenure and size) is required to address barriers to future economic growth. Activity should be focused on growth sectors for rural areas such as Argyll and Bute e.g. tourism, marine industries and food and drink production.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

4.1 It is critical that the refreshed Strategic Transport Project Review includes significant investment in key rural transport arteries to address issues such as long journey times via trunk road, capacity constraints on some ferries, insufficient rail connectivity and potential opportunities for expanded air connections.

4.2 The Scottish Parliament Rural Economy and Connectivity Committee is currently undertaking a public consultation/call for evidence with a closing date on 12 noon on Friday, 28th September 2018 on the Transport (Scotland) Bill introduced by the Cabinet Secretary for Finance and Constitution, Derek Mackay, MSP, on 8th June 2018. [http://www.parliament.scot/parliamentarybusiness/Bills/108683.aspx](http://www.parliament.scot/parliamentarybusiness/Bills/108683.aspx)

The Bill covers a wide range of different transport topics (pertinent for rural areas too), including:

- Part 1 - low emission zones
- Part 2 - bus services
- Part 3 - smart ticketing and other ticketing arrangements
- Part 4 - prohibition of pavement and double parking
- Part 5 - road works
- Part 6 – (miscellaneous and general) Regional Transport Partnerships: finance and The British Waterways Board.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1 Scotland has some of the most challenging locations anywhere in Europe for providing telecoms infrastructure. The Scottish Government’s £600m R100 programme has made a commitment to ensure that superfast broadband is available to all premises (every home and business) by 2021. For areas such as Argyll and Bute bringing accessible fibre to the area’s remote rural and island communities will require additional measures.

5.2 Business growth can be hampered if unable to access superfast broadband (speeds greater than 30Mbps) and/or with limited mobile connectivity. Good digital connectivity also supports the tourism industry where visitor experiences can be accessed online once in a rural location.
6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1 Recognition that such services are more expensive for the public and private sector to maintain and deliver in rural areas. Fiscal incentives should be considered for industries to relocate to or remain in operation in a rural economy.

6.2 Access to financial services including rural banking facilities are important for smaller “cash-use” businesses that require a cash drop facility, rather than an online banking service.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1 Stemming depopulation in rural areas is key to maintaining such services. Encourage (fiscal and monetary incentives) community ownership and creation of social enterprises to retain rural amenities.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

8.1 It is important for rural areas to have a comprehensive offer of business development incentives, an offer that gives rural areas equal opportunities to urban areas to attract capital and labour. The offer can include incentives for greater investment, employment, innovation, training, and productivity. These incentives should be bespoke to rural areas and can be developed by changing policies, regulations, planning or direct business support:

- support for local authorities to undertake audits of empty premises to match growing businesses with private owners;
- improved collaboration between enterprise agencies, local authorities, the Scottish Government and UK Government is crucial to avoid duplication of work and maximise available resources;
- improved reduction of fuel duty in rural (including mainland) areas to address the higher cost of fuel in rural areas as opposed to urban areas;
- recognition that delivering services in rural areas is often more expensive due to large geographies and dispersed populations and make additional funding available to account for this;
- increased investment in transport, digital and housing infrastructure to address barriers to growth such as high journey times, infrequent public transport, lack of housing choice in certain areas, lack of resilience; high delivery/ freight charges;
- relocation of some government agencies to rural areas;
- ensure opportunities for skills and training in rural areas address local skills gaps and employment opportunities and are expanded to
support in-migration of young people;
• streamlined planning and licensing processes for key sectors e.g. aquaculture and tourism;
• continued access to “on the ground” support services – e.g. Business Gateway, Environmental Health and Building Standards to help support small and new start-up businesses identify and overcome issues related to red tape;
• access to financial services including rural banking facilities for smaller “cash-use” businesses that require a cash drop facility, rather than an online banking service;
• access to a greater range of sources of community led local development funding – e.g. LEADER; and
• a “rural” universal credit – to provide additional support to job seekers living in rural areas.

9. How can deprivation and inequality in rural areas be tackled?

9.1 There are compelling business reasons for relocating central government and national agency jobs out with cities and pressured urban locations. Potential efficiency savings could be made in terms of the costs of property compared with city centre locations. This would have the effect of bringing employment opportunities for skilled and unskilled workers into these eight areas with incentives for relocating families to rural areas along with the jobs.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 Build on projects and initiatives such as Developing the Young Workforce (DYW) Argyll to raise awareness of local economic opportunities and create pathways that will encourage young people to remain in, return to, or relocate to Argyll. In particular there is a requirement to lead and drive the change in employers’ engagement with schools and colleges coupled with the need to challenge and support employers to recruit more young people into the workforce.

10.2 All parents and carers of young people also need to be supported and guided throughout the key development stages of a young person’s education journey, in a holistic and personalised way, with a recognition that there are training and career opportunities for young people in rural areas, including starting their own business.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 Focus should be given to the contribution ‘the active elderly’ make to local communities. Encourage more initiatives such as business mentoring programmes where retired individuals can share their experience and expertise with individual businesses or through visits/talks to primary and secondary schools and with tertiary education
establishments. Build on positive collaborative activities such as day care centres being run in parallel with pre-school provision where the very young interact with older people; this also enables the sharing of resources and costs.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 The lack of choice with regard to all types and tenure of housing in certain rural areas is an issue. This can be exacerbated in some areas due to second homes/holiday accommodation affecting the ability to attract and retain working age people.

12.2 There are examples in South West England of new policies restricting the purchase of second homes in areas of significant housing pressure. Where this is tied into fragile populations or where the lack of suitable housing options is inhibiting business growth, this could offer a significant lever to ensure available housing is utilised to best effect. This approach first used in St Ives in Cornwall has been backed by a High Court ruling as “lawful” in terms of the Localism Act 2011 and is predicated on local referenda in communities to seek support for the approach. A similar legal basis may be included in the forthcoming Local Democracy Bill in Scotland and would appear to be in line with Scottish Government policy. There needs however to be careful consideration of the economic/social impacts of enacting legislation that impacts on second home ownership.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 This is a devolved issue.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 Scotland has a Cabinet Secretary for the Rural Economy, Fergus Ewing, MSP. There are a number of bodies focusing on rural issues and feeding collective issues/concerns to the Minister, such as:

• Scottish Local Authorities Economic Development (SLAED) Rural Affairs Group
http://www.slaed.org.uk/rural.html (content currently being updated).

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

15.1 Argyll and Bute Council has made extensive investments in our sense of place to improve the attractiveness as an area to live, invest, work and visit. The council also supports the growth of small businesses and has identified key barriers to economic growth such as transport connectivity, digital connectivity, a lack of affordable housing to support economic growth and the need for additional skills in key growth industries.

15.2 The council is current preparing a Rural Growth Deal which is intended to provide opportunities for economic growth that would benefit life in Argyll, Scotland and the UK. Scotland and the UK need rural areas, which create wealth in areas such as food production and tourism. This deal can only be delivered in partnership with industry/private sector, key agencies such as Highlands and Islands Enterprise, Scottish Enterprise, Skills Development Scotland, and a plethora of community groups and stakeholders.

*10 September 2018*
This response to the call for evidence is from Arts Council England. The Arts Council is the national development agency for the arts, museums and libraries in England. Our mission is: Great art and culture for everyone. We work to achieve this through advocacy, partnership, development and investment.

We are committed to realising our mission across the country, taking full account of the differing aspirations and needs of individuals and communities. As part of our remit, we recognise the strength of the arts and culture in England’s rural areas and communities; the richness and diversity of rural England is reflected in its cultural life.

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Access to cultural opportunity is a key part of the lives of people and communities in rural England, and the relationship between the cultural sector and the rural economy is an important consideration for policy makers.

The contribution of the cultural sector to the economy is increasing. Culture is a part of the creative industries sector (the GVA of which has grown from £63.4 billion in 2010 to £91.8 billion in 2016). The UK cultural sector employed 131,000 people in 2015, and in 2017 it contributed £8.5 billion GVA to GDP. Culture also supports other parts of the creative industries through providing entry routes and career opportunities and ensuring the creative element which underpins innovation.

Many rural destinations rely upon the cultural offer as a fundamental of their tourist economy. Putting culture at the heart of local destination offers provides significant benefits. It can help rebrand a destination and market to new and more visitors, it can extend the season and support the night time economy. Crucially, unlike some growth in tourism, basing a destination’s offer on culture supports good jobs, as evidence indicates that jobs in the cultural sector attract higher pay and have higher skill levels than in the economy as a whole.

The provision of cultural opportunity also brings social benefits. The government has recognised the potential of culture to help build strong and sustainable communities. The recent Integrated Communities Green Paper emphasised culture’s role in providing opportunities for people of different backgrounds to

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33 [https://www.artscouncil.org.uk/great-art-and-culture-everyone](https://www.artscouncil.org.uk/great-art-and-culture-everyone)
engage positively with each other, and to provide a safe space to explore
difference and conflict37.

Engaging with culture can help tackle loneliness, promote inclusion and has been
demonstrated to promote wellbeing. Certain cultural opportunities can help
deliver health outcomes, and this has increasingly been recognised by the NHS
through direct commissions, for example, around mental health and social
prescribing38.

The place of culture within the national economy is reflected within the rural
economy and in its potential to contribute socially to successful rural
communities.
To indicate how it will help achieve this, the Arts Council has published a Rural
Position Statement39, setting out how it will work with communities in rural
England, and a Data and Evidence Review of Arts and Culture and Rural
Communities40. Both documents are currently being revised ahead of publication
in Autumn 2018.

These documents will provide insights into the cultural sector in rural England,
and its relationship to the broader rural economy. Some initial findings from this
work are outlined below.

- There are many leading artists and cultural organisations based in rural
  areas and their work and connections with local communities underpin a
  high and healthy level of engagement with the arts and culture.
- According to the Active Lives survey, those in rural areas are typically
  more likely to engage in cultural activity than those in urban areas. Rural
  residents demonstrated higher engagement levels when it came to
  spending time doing a creative activity, attending an arts event or
  attending a museum or gallery than their urban equivalents, although
  library engagement was greater among urban residents. These patterns
  were apparent among both individual and repeat instances of engagement
  or participation41.
- Rural areas often demonstrate positive, community-based participation in
  the arts and culture, with strong traditions of self-help and cultural
  volunteering and activism.
- The culture sector makes a contribution to rural communities in a variety
  of ways – as libraries operating as welcoming and safe spaces where
  communities can come together and as hubs of the rural digital
  infrastructure, and festivals and outdoor arts, administered through
  organisations such as National Portfolio Organisation (NPO) the National
  Rural Touring Forum (NRTF) to ensure that touring meets the aspirations
  and ambitions of rural communities, are key parts of this infrastructure.
- Partnerships are important to the delivery of cultural opportunity in rural
  areas. The Arts Council maintains partnerships to this end with the

38 https://knowhownonprofit.org/funding/commissioning/cultural-commissioning/resources-
developed-by-the-cultural-commissioning-programme/case-studies
39 https://www.artscouncil.org.uk/community-and-place/rural-positioning
41 https://www.artscouncil.org.uk/participating-and-attending/active-lives-survey
National Trust, the Forestry Commission and the Canal and Rivers Trust, as well as with local government and other public sector organisations.

The cultural economy of England is complex and the provision of cultural opportunity has traditionally relied upon public policy interventions through grant funding from both the Arts Council and local authorities, which has included revenue funding and capital investment into organisations – either charitable or directly provided by local government – and also investment into project activity that has built capacity to change the pattern of provision in line with stated public priorities, or to underpin growth.

The nature of the cultural economy varies by place, and the recent Arts Council Data and Evidence Review has identified key features of this economy as it relates to rural areas. This will be published later this year, but there are a number of findings to highlight now.

- There are demographic and socio-economic changes which will affect the provision and take up of cultural opportunities. Rural areas are often more adversely affected by some of these changes than elsewhere, whether that be in terms of an ageing population, a scarcity of available employment opportunities or in a more fundamental lack of social mobility, as a consequence of lower attainment levels and educational progression. And, while participation in the arts and culture is historically higher among rural residents, cuts to local government investment, and particularly cultural spend, have been felt more acutely in these rural areas.

- Reductions in local government support for culture have had an impact in rural areas. Data from the Ministry of Housing, Communities and Local Government (MHCLG), for example, highlights that collective funding for arts development and support, museums and galleries, theatre and public entertainment and library services in predominantly rural areas fell by 33 per cent between 2010/11 and 2016/17, compared to around 25 per cent in other areas. The Arts Council, central and local government will need to consider these trends as policy is developed to take account of rural areas.

The Arts Council has a vital role in supporting rural cultural opportunity, but we recognise that we must continue to work in partnership with local government to fully realise this role in the context of place. In rural areas the decline in local government funding in particular, and the absence of alternative place leadership (e.g. from the higher and further education, corporate and third sectors) presents a specific challenge that will need to be considered into the longer term. At the same time as recognising such challenges it is important to recognise that culture can play a key role helping develop rural places which are prosperous, integrated and with an equitable provision of these opportunities to people from all backgrounds and in all places.

For instance, how can culture support growth in the creative industries in rural areas, a sector which is made up of microbusinesses and SMEs? How can culture make a difference to the tourism offer of rural areas? How can this help both diversify and grow the cultural sector in rural communities? Given low levels of

social mobility in rural areas, how could we ensure that these economic and employment opportunities are equitably realised? Given the increase in the number and proportion of older people in rural areas, how can the provision of cultural opportunity help reduce loneliness and promote inclusion? How can we ensure that the potential for culture to contribute to health and wellbeing is realised in rural areas, especially given their ageing populations? How can we build the capacity of the cultural sector to provide these opportunities, given reductions in public support and the lack of available partnerships? What alternative business models and partnerships might provide that capacity? What is the relationship between the cultural sector in urban areas, and the cultural sector in rural areas – as well as people and places in rural areas – and how should these relationships be nurtured?

Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The Arts Council recognises its role in the rural economy through the realisation of its mission – achieving great art and culture for everyone – no matter where they live, and seeks to develop a strategic overview of its relationship to place, which then informs both policy and delivery. However, at the core of ensuring that places benefit from culture – and that culture contributes to growth – is the need to provide equitable access to cultural opportunities.

The Arts Council has developed a number of programmes which have helped meet this need in rural areas.

- Over the first six years of the Strategic Touring Programme the Arts Council awarded £62.3m to 289 projects. Around two-fifths of projects across this period included rural performances, while the proportion of total performances taking place in rural areas increased from 11.1 per cent in years 1-3 of the programme to 18.1 per cent in years 4-6. An evaluation of the programme conducted in 2015 highlighted its impact on improving access to art and influencing established touring practices. The programme has often been highlighted as a success by members of the Arts Council’s Rural Stakeholder Group.

- The Creative People and Places programme (CPP) is designed to promote cultural opportunity in areas of the country where it is low (in the bottom 20% of local authority area for cultural engagement in England), and offers Arts Council National Lottery Investment to locally based, bottom-up partnerships to develop cultural opportunity in conjunction with the local community. This has been a transformative programme, both for the places and for the Arts Council. Seven of the twenty one CPP partnerships are based in rural local authorities, including projects in Fenland and Forest Heath and East Durham. The programme to date has demonstrated significant success. Between 2013 and 2016, 1.45m visits were made to Creative People and Places events, with 91% of visits made by those with typically low or medium levels of engagement with arts and culture (compared to 77% within the population as a whole). The consortium application process has also helped to foster relationships with communities which will stand these areas in good stead following the conclusion of funded activity. We would recommend that these
partnerships offer an opportunity to examine good practice in promoting cultural opportunity in rural areas, and in doing so in innovative ways that meet the reality of building capacity at the local level in rural England.

Other Arts Council funding programmes have supported good practice in realising culture’s contribution to economic opportunity in rural areas.

- The Cultural Destinations programme invested in partnerships between the culture and tourism sectors (represented by destination organisations) to put culture at the heart of local destination. In Cornwall, the Cornwall365 project sought to draw on culture’s potential to provide a round the year offer for the Cornish visitor economy. Lakes Culture in Cumbria sought to better market and grow the local cultural offer to the same end and to diversify the visitor profile and to increase spend. Cultural Destinations, in particular, has demonstrated a significant impact on the areas involved; an evaluation of the programme highlighted its role in positioning arts and culture as prominent part of the visitor offer in the chosen areas, its impact on income generation and the breadth of people being given the opportunity to experience arts and culture in their local area. The programme was developed in partnership with Visit England, and the second round provided match funding for the Discover England Fund.

- The Creative Local Growth Fund has made available Arts Council investment as match funding for European Structural and Investment Funds, to support ambitions for growth in local areas. The programme included investments in rural LEP areas including Dorset, New Anglia, and Cornwall, as well as support for activity in the rural parts of the North East LEP and the West of England LEP. Activity supported included business development support for creative SMEs, assistance in R&D and commercialising product, skills development.

Given that the government retains ambition to growth the creative and cultural sectors, to maximise their contribution to growth, and to ensure the benefits of that growth are shared equitably, the development of the UK Shared Prosperity Fund and other growth programmes should take account of the experience and learning that has come from Creative People and Places, Cultural Destinations and the Creative Local Growth Fund – and ensure that this includes the specific experiences of the investments made into rural areas. Government should also take into account learning from programmes such as the Great Place scheme (with HLF) which have also seen investment into rural areas, with four of the 16 investments targeted at such places.

It is important not to forget the cultural value created in rural areas of investment into cultural opportunity by the Arts Council and other public bodies. Investment in arts and culture can help people in rural areas connect with and engage with life in those places on their own terms. The following examples demonstrate this, and are excellent examples of how arts and culture create cultural value for people on the basis of addressing life in rural places.

• **Activate, And Now and Dorset Area of Outstanding Natural Beauty (AONB) – Life Cycles and Landscapes** Following a successful partnership with Dorset Area of Outstanding Natural Beauty (AONB), in 2015 National Portfolio Organisation Activate worked with And Now to develop a piece of work that would deepen existing lines of enquiry into the landscape and bring other AONBs together to work with artists in a way they hadn’t previously. The result of this partnership was the Life Cycles and Landscapes project. The project aims to develop strategic relationships between the custodians of landscapes and the outdoor arts sector through professional development, advocacy and skills sharing, and to produce artworks that inspire audiences to access and see the landscape in a new light. The Wayfaring commissions, which will be performed as part of Inside Out Dorset 2018, will take place at a series of locations within AONBs and will see And Now create a series of artworks inviting audiences to move through, investigate and contribute, before culminating in a final celebration of the project.

• **Kent Downs Area of Natural Beauty (AONB) – The Ash Project** The Ash Project is a cultural response to the loss of the most common tree in the Kent Downs, the Ash. In 2012, when Ash dieback was first discovered in England, the Kent Downs was one of the first areas affected by the rapid spread of the fungal disease. This project asks how we might mark and celebrate Ash trees before they are lost, combining a commission by artists Ackroyd & Harvey with a range of walks, talk and workshops. The project has been funded by the Heritage Lottery Fund, Arts Council England and Kent County Council, and has active partnerships with groups in the conservation and scientific research communities, including Imperial College London, Forestry Commission and Turner Contemporary.

Rural communities, like all places in England, are presented with the challenges and opportunities of a diverse society. The Arts Council considers it important to invest in activity that supports diversity in the cultural sector – both in terms of its workforce as well as the audiences it draws from the communities it serves.

• **The Rural Diversity Network (RDN)** is a good example of an initiative that successfully helps cultural organisations operate in this context. Set up by Cornwall Museums Partnership in 2017, the Rural Diversity Network (RDN) for arts, museums and culture is part of its Arts Council supported Change Makers programme. It was set up to raise awareness of geographic exclusion and to balance cultural policy that is currently heavily centred on the visible diversity of big cities. Through online awareness raising and events such as Rethinking Diversity in Rural Regions, in January 2017, and Unlock the Rock, co-organised with Tate St Ives in March 2018, the network aims to provide a voice, another view and campaigning for equity of cultural opportunity based on Defra’s guidance of rural proofing. RDN currently has 55 members from across the UK and internationally. Any member can use the umbrella of RDN to start new collaboration, create their own campaigns and events that promote rural diversity.

Arts Council future considerations:
As part of the revision of the Rural Position Statement in 2018, the Arts Council has identified three key aspects for its work in rural areas between 2018-20: investment and development; further research and evidence; and partnerships.

Investment and development
We are keenly aware of the potential for delivering an impact through our NPOs and National Lottery Project Grants for the Arts and Culture investment and will continue to consider the distribution of funding to rural areas within the decision-making process. Similarly, the impact of Strategic Funds has been previously identified and we will to continue to develop and evaluate these programmes on an ongoing basis.
It is also clear that digital technologies and creative media are transforming how art and culture is produced and consumed. They are making a major contribution to culture in rural areas and there is potential to do more. However, there are still some rural areas without superfast broadband; ‘the final, hard-to-reach five per cent’. We will consider how our investment can make a difference in this regard: from looking at extending audiences geographically, particularly in places of low engagement and rural areas where broadband infrastructure can be lacking, to exploring how we could invest in digital equipment in community spaces and libraries to widen access to an increasing number of ‘live’ arts events and cultural films.

Further research and evidence
There are a number of areas which would benefit from further research and consideration within Arts Council’s cross cutting themes and objectives:

➢ Philanthropy.
  Do rural areas have less success in achieving philanthropic and donated income?
➢ Market towns and place making in rural areas.
  How important are market and coastal towns as hubs for cultural development and smaller-scale creative clusters which impact on the surrounding rural hinterlands?
  What might the work with Cities, in particular, the City Compacts, look like in rural areas?
➢ The creative economy.
  Are there features, weaknesses and growth spots around the development of the creative industries in rural areas?
  What can we learn from partnership with rural LEPs and research funded through AHRC and in partnership with Higher Education?
  How are changes to and/or the cessation of EU funding opportunities likely to impact on rural economies?
➢ The social value of culture, specifically in relation to demographic change.
  Engaging with culture brings a range of values, from health and wellbeing to cohesion, safer communities and learning opportunities. As approximately 50 per cent of those living in rural areas are over the age of 45, the challenges of an ageing population are acutely felt in the countryside. What are the barriers to participation being faced by ageing populations? Does this need further study and specific partnerships?

Partnerships
We will continue to foster and maintain strong relationships with organisations working in and with rural areas, as previously noted. There will be a continued commitment to rural proofing and rural balancing within our policy development, in line with Defra’s guidance. We will also continue to engage with key rural stakeholders on a regular basis, and plan to review and refresh membership to our Rural Stakeholder Group to reflect a greater emphasis on a diversity of voices and newly-formed partnerships. Finally, we will work to raise awareness in rural areas of the opportunities presented by Arts Council investment. While we do not consider the need for rurally-specific programmes of investment, there is recognition that better use can be made of networks and partnerships to raise awareness of opportunities available to rural organisations and artists.

2. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

Culture has a role to play in growth and in ensuring that the benefits of that growth are realised in all parts of the country. In rural areas, culture can contribute to growth in the creative industries and in tourism. There are a number of opportunities that policy makers should consider in the coming years.

- **Tourism** will be of increasing importance to the economy of rural areas, but the attraction of the cultural sector for visitors to rural areas remains below that of urban areas. In 2014 Visit Britain found that only 9% of holidays to rural areas included cultural activities compared to 15% in urban areas\(^44\). The experience of the Cultural Destinations programme demonstrates that the potential for culture to contribute to growth in the visitor economy of rural areas. Visit Britain, Defra, DCMS and the tourism sector should consider this potential, both in the development of a sector deal for tourism, and in the development of future tourism policy.

- **Digital innovation** offers huge growth potential for the cultural sector, and is already radically changing how culture is produced and consumed, and the government has recognised this, and provided a framework for the future with [Culture is Digital](https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/England-documents/dom_rural_t.pdf). Innovations such as NT Live mean that world class cultural product can be experienced wherever you are, and this technology also offers cultural creatives in rural areas to bring their product to audiences in other places. Digital innovation can also support cultural education opportunities. [Connect: Resound](https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/England-documents/dom_rural_t.pdf) is a digital music education project bringing together music teachers, orchestras and music ensembles with children from schools in rural areas across England to transform access to music education. Following a successful pilot the North Yorkshire music education hub NYMAZ has rolled the programme out in rural locations elsewhere in England.

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• Libraries have demonstrated their potential to contribute to local economic growth in places where support for growth can be lacking. The public library network has provided the essential links and reach into communities to enable the British Library’s Business and IP Centre to operate in communities across the UK through a national network. This has included library services in rural locations such as Devon, Norfolk and Northamptonshire. This potential to provide tailored local services, appropriate to communities served, is often unique to libraries, and their role in supporting growth in rural areas cannot be underestimated. **Infrastructure and services**

3. **How can access to transport be improved in rural areas?**

4. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

*Research conducted by Rural England and Scotland’s Rural College (SRUC)* in 2018 suggested that rural businesses have, by and large, adopted digital technology as an integral part of their operations but have been constrained by various factors, such as difficulty in accessing digital connectivity support, appropriate training or being able to recruit employees with appropriate skills. While support issues were reasonably common across all business sizes, recruitment was a more prevalent issue among organisations with ten or more members of staff.

Their key recommendations to the public and private sectors include:

- **Simpler signposting to digital support and information:**
  Help businesses to find digital or IT support, by creating local directories of those who offer such services.
  Help businesses to find appropriate local guidance and support about their digital needs (e.g. connectivity, training, e-commerce), by ensuring it is on a single portal.

- **Better access to support, including digital enterprise hubs:**
  Create more digital enterprise hubs in rural towns which businesses can use or visit for better connectivity, start-up workspace, hot-desk space and digital training.
  Encourage more small businesses to export, by promoting the opportunities afforded by e-commerce, including the option of using third party e-commerce websites.

- **Smarter digital training and skills development:**
  Help businesses to recruit to meet their digital needs, by local collaboration between employees and education providers, and by improving retraining opportunities.
  Raise the level of digital skills within SMEs, by making short training courses and online tools more readily available to small business owners.
  Encourage rural businesses to set aside resources for digital training for their employees, in order to improve productivity.

- **Faster business adoption of digital connectivity:**
  Raise superfast broadband take-up by rural businesses, by reinforcing efforts to promote the business benefits.
  Encourage businesses already using superfast broadband to champion it to their peers, providing real world examples of the benefits.
Stronger rural targeting by existing policies and strategies:
Ensure that rural businesses benefit fully from the Economic, Digital and Industrial Strategies as they are implemented across the UK. Examples of how this could be achieved include: having rural representatives sit on the Productivity Council and Digital Skills Taskforce; testing the Digital Catapult Centre model in a rural location; and designing the National Productivity Investment Fund so it targets rural areas.

Make support for digital growth a key objective within future (post-Brexit) rural business support programmes. There should be a dedicated rural strand within the Government’s proposed Shared Prosperity Fund, capable of supporting digital skills and growth. This would recycle existing public funding.

Encourage larger, technology-driven businesses to adopt policies promoting digital take-up in rural areas, by sharing their good practice and giving practical support to smaller businesses.

5. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

The Arts Council has and aspires to set up Local Cultural Education Partnerships in places where they are most needed to improve the alignment of cultural education opportunities. This will increase the opportunities for children and young people to benefit from cultural engagement, and will support their pathway into careers in the growing cultural and creative sectors. Local authorities, schools, further and higher education, bridge organisations and music education hubs should collaborate in rural areas through these structures to find ways to sustain cultural education.

Local authorities are decreasingly providing cultural sector development capacity – and this is a particular challenge in rural areas. Councils, cultural organisations and other partners should consider innovative approaches to providing the capacity to support rural cultural development. A successful example of this approach is Create Gloucestershire.

In 2011, faced with budget cuts, Gloucestershire County Council was looking for options to maintain the county’s arts and culture offer while reducing its financial contribution. A group of local arts and culture leaders set up Create Gloucestershire (CG) and discussed options to oversee arts and cultural provision using start-up funding from the council (namely the arts development budget, which had previously been used to fund key arts providers and a small team, reduced by 30 per cent).

This was agreed, with the funding in place for three years, after which CG would need to be self-sustaining. CG began to design and deliver a programme of capacity building, leadership training, evaluation, fundraising and business development. It brings together individuals and organisations to share expertise and resources, engage with commissioners and diversify income streams. Membership is open to anyone in the sector, creating a pool from which partnerships can come together and bid for funding. During the initial period, CG established alternative sources of income (which still include significant county council resources, but not from an arts and culture budget). As an independent organisation, it is able to raise charitable funds and income from alternative sources. At a district level, it is supporting emerging cultural strategies for
Gloucester, Forest of Dean, Stroud and Cheltenham councils, which do still
provide funding for arts and culture.

CG’s approach to arts and cultural development is grassroots-up and
underpinned by collaboration. It has been successful in growing investment,
especially from non-arts sources. Secured funding is distributed across its
members to pilot and test new ways of thinking about, planning and delivering
arts and culture. This has led to new projects in libraries, GP surgeries, schools,
day care settings and housing estates.

6. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

   *Pub is the Hub* is a not-for-profit organisation which offers an interesting example of how important rural amenities like the public house can be supported and maintained. It offers specialist advise on rural services diversification and community ownership of pubs to enable them to provide viable, local services at the heart of the community. They work with pub owners, licensees, breweries and the private sector and depend on donations and grants to support their largely voluntary organisation. More than 500 pubs have been involved in with the organisation since 2001.

   Pubs involved in the scheme provide vital services to local communities, including spaces for shops selling basic groceries, function rooms, free internet access and providing Post Office services, among others. As a result, the pubs taking part benefit from strengthened business models and greater support from the community and are often saved from closure. Example case studies can be found [here](#).

**Business, employment, skills and demography**

7. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

8. **How can deprivation and inequality in rural areas be tackled?**

   Practice from the cultural sector, provides good practice that can be shared and supported by national agencies such as the Arts Council and local government. The Creative People and Places programme in particular provides a wealth of practice from rural areas which can be transferrable, as a source of advocacy, and as an inspiration. Within the programme participants there is significant sharing – between rural areas and in a two way dialogue between rural and urban areas.

9. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

   Providing opportunities for young people to have a rich cultural life can be an important way to encourage them to stay or return to their communities. Local
Cultural Education Partnerships will increase the number and quality of cultural opportunities available to young people in rural areas.

Music Education Hubs provide a universal music education offer over the whole country, which means the young people in rural areas have the same opportunities as those in urban areas.

Providing creative opportunities for early career artists in rural areas can help them develop their careers in rural areas. The Arts Council, in partnership with Channel 4, has supported Random Acts, the broadcasters short film strand dedicated to the arts. The Midlands Centre for Random Acts is the Rural Media Company, based in Hereford, demonstrating that these opportunities are open to young people from rural areas.

It is also important to recognise the varied nature of a career in the cultural sector, which is often characterised by portfolio careers, micro businesses and sole traders, and a range of clients and partners. Such careers may span living and working in both rural and urban areas, and rather than seeing a rural or an urban cultural career as mutually exclusive, it may be more appropriate to think of the positive opportunities for exchange and development that can come from interaction the two over an individual’s career. This may be more rewarding and productive, as well as reflecting the reality of what life is like for young people looking to pursue a career in the cultural and creative industries.

10. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older, retired population to help support the rural economy?**

There is a growing body of evidence to support the benefits that the arts and culture can have on the lives of older people.

The Arts Council sought to directly address this through the Celebrating Age programme, devised and funded alongside the Baring Foundation. The programme was designed to support cultural spaces and other organisations working collaboratively, in partnership or as a consortium, to support arts and cultural spaces to be open, positive and welcoming places for older people.

This could be achieved through: empowering older people to help shape what’s on offer or lead quality activities; embedding proven approaches to engaging older people as visitors, audiences, or participants in creative processes (e.g. ambassadors or buddyng schemes); testing and applying new ways to engage older people; commissioning older artists or art that has particular relevance for older people; or showcasing or curating and celebrating art created by and with older people.

The programme also sought to take arts and culture into places where older people would find it easier to engage, such as residential care settings, sheltered accommodation, libraries or social or community settings.
While all successful projects aim to demonstrate the impact that the arts and culture can have on the lives of older people, some of the projects with a particular relevance to rural communities include:

- **Rural Arts North Yorkshire, Art On Your Doorstep**: Based in a Thirsk and a wider rural catchment area within Hambleton local authority, this project uses innovative ways of increasing participation among those aged 75 or over and hopes to help develop a model for embedding arts and culture in clinical healthcare plans.

- **Wiltshire Music, Celebrating Age in Wiltshire**: Based in six local areas across Wiltshire, this project works alongside arts and community organisations to offer arts, culture and heritage activity for older people with the aim of delivering high quality events for those who may feel vulnerable or isolated from their community.

- **Farnham Maltings, My Shout**: Based in Farnham, Surrey, and the surrounding area, this project aims to challenge stereotypes about what it means to grow old in England by facilitating four separate artistic creations. These include a dance performance facilitated by Matthew Bourne’s company new Adventures; theatre workshops in collaboration with Farnham Maltings; a sculpture project to be displayed outside Farnham Maltings; and a short film created in collaboration with Me ‘n’ u Arts.

- **Arts Alive, Creative Conversations**: Based across Shropshire, Creative Conversations is an innovative cross artform project for older people to be delivered in a variety of spaces and settings. It is managed in partnership between MediaActive, Qube, Wem Town Hall, Shropshire Council and Age UK.

The Arts Council has also commissioned a number of research projects within related fields through its [research grants programme](#). Although not yet delivered, currently ongoing research includes those related to both rural issues and social impact more generally:

- **National Rural Touring Forum**: A two-year research project with Coventry University which seeks to investigate the individual and community benefits of rural touring arts, a relatively under-researched area. It will provide a national, evidence-based, assessment of the rural geography of arts participation and impact. The project will have a longitudinal focus examining the cumulative impact of rural touring activities through time. A range of both ‘soft’ and ‘hard’ impacts will be investigated, including sense of community, place identity, confidence, well-being, social isolation and direct and indirect economic impacts.

- **Libraries Unlimited**: Libraries Unlimited, the University of Exeter Business School, Real Ideas Organisation (RIO) CIC and the Open Data Institute Devon will work together to enhance understanding of the social value of libraries. The two year project will investigate the social value libraries create and how they do so, how libraries connect social value to financial value and how library leaders best respond to the challenge of needing to work in more 'socially enterprising’ ways.

- **Essex County Council, Art Development Unit**: In partnership with Anglia Ruskin University, this two-year research project will explore the role of arts and culture within care settings in developing and maintaining social
or caring relationships between older people, older people and care staff and care staff and the wider community. The project will involve three in-depth case studies in care homes as well as a survey of all care homes and day care settings in Essex. Findings will provide new evidence for commissioners of the impact and benefits of arts participation and incentives to invest in culture.

**Rural housing and planning**

11. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

12. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

**Government policy, devolution and local government**

Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

The Arts Council considers that it has an appropriate and robust approach to considering its role in supporting culture in rural areas. This means we have adopted an evolving position regarding cultural opportunity in rural areas. While no approach is perfect, and limitations on resource necessitate difficult decisions, the Arts Council believes that national organisations like itself need to take account of rural communities. Within the Arts Council this approach has developed over 15 years.

- In 2004 we reviewed our approach to rural proofing, establishing a national rural working group and publishing *Arts in Rural England*, in which we committed to respond to the needs of rural areas, supporting artists, improving access for audiences, building partnerships for growth and campaigning alongside rural organisations for recognition of their work.
- In 2007 we reviewed this approach and incorporated rural-proofing into our policy-making, investment and delivery, rather than defining it as a separate activity.
- In July 2013 we held a rural-proofing event, facilitated by the Department for Environment, Food and Rural Affairs (Defra). This looked at how the Arts Council operated in and understood rural communities and led to a number of actions that have since been adopted, including a Rural Evidence Review and Position Statement published in November 2013.
- A Rural Stakeholders Group has continued to meet bi-annually as a forum for consultation, advice, guidance and partnership, while a new iteration of the Evidence Review and Position Statement was undertaken in 2018.
This developing strategic framework has impacted upon our investment decisions. Without this developing and evidence based approach we would not be able to make informed decisions about the provision of cultural opportunity in rural England. The framework relies upon engagement with national policy makers in Defra, with rural stakeholders and a consideration of data and evidence. We consider this crucial to being able to operate as a national agency while still working with local partners and taking account of the particular needs of rural areas.

13. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

A number of local authorities have supported culture’s contribution the rural economy. The Arts Council recognises local government as its most important strategic and delivery partner, and acknowledges that is this partnership which enables the cultural sector to make a contribution to developing places, including rural communities.

A vital contribution made by local authorities to enabling culture’s contribution, is to have a strategic vision, engage partners in its delivery and provide investable propositions which can be supported by the Arts Council and other funders. A good example of this is provided by Cornwall Council. In 2016 the Council published its second Culture White Paper, setting out its ambition for culture, and how it would be realised. This gave a context for Arts Council investment such as Creative Local Growth Fund and also Cultural Destinations. It also set out how the Council’s ambitions align with the LEP45.

A number of LEPs support culture’s contribution to the rural economy. Investments made under the Creative Local Growth Fund had to align with the ambitions of the LEPs in those places, and in Cornwall, D2N2 and in Cumbria LEPs have supported the Cultural Destinations programme. In Cumbria the LEP has published a Rural Visitor and Economic Growth Plan46, which sets out a vision which includes culture as and provides a framework within which to realise investment from Cultural Destinations investment.

In the New Anglia LEP area the Arts Council has invested in growth through culture from both Cultural Destinations and the Creative Local Growth Fund. This reflects in part the commitment of the LEP and both Suffolk and Norfolk County Councils to grow the creative economy for the benefit of local people, including those in rural areas. The LEP has published a comprehensive strategy, Culture Drives Growth47, addressing culture’s role in growth, and did so in partnership with the Arts Council.

For culture to contribute to local growth, local government needs to provide place leadership and vision, and along with LEPs express this in clear strategic

approaches which can form the basis of partnerships with the Arts Council and other funders and development agencies, in order to identify effective interventions and to deliver them effectively.

10 September 2018
Company Manager
Enterprise South West Shropshire

I have run a rural social enterprise for 22 years, initially funded by Michael Heseltine’s “Rural Challenge” project (1996-1999)
We now employ 11 staff and provide a drop-in IT Center, public library, equipment hire and small rural theatre. We support many rural micro businesses and we manage the tenancies of 7 offices and 7 workshops. We also work closely with numerous local organisations and public bodies to help them deliver their services.

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

_The rural economy is best defined by its difference from urban economy._
_Perhaps it can be divided into Land-based, Tourism, Local Services, Manufacturing and Teleworking categories._
_Another very interesting way to define rural economies are those that recycle wealth (eg grocery store or motor mechanic) and those that attract external wealth (eg teleworking or ecommerce). The latter being vital to sustainability._
_Our rural economy is typically very small or micro business – employing from 0 -10 people with many sole traders who are not registered and therefore very difficult to enumerate._
_The change over the years has been toward greater innovation and diversity made possible by improving internet connection and more reliable parcel deliveries._
_The big difference between rural and urban economies is the hugely tight coupling between communities and their economy. In a rural setting, everyone knows who runs which business and how that business links to other businesses and how it relates to the community. If a business fails then the knock-on effect can be significant._

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

_Local success stories don’t allow us to generalize reasons. But unique services, products and foods, e-commerce, farm diversification are examples. More specifically farms that add value by making ice cream, butchering or other forms of adding value. Many of these need a more focused and expert marketing strategy to bring them to distant markets._
_Studies are useful but consultants must understand the way that the rural economies relate to their communities._
EXAMPLE 1: We have a number of business workshop units which we let to businesses. We recently helped a new business by allowing the individual in at 50% rent for the first 6 months, by which time he realized that it was a going concern and could afford the rent. He is a very competent, precise welder who also makes beautiful welded animals from pheasants to deer.

EXAMPLE 2: Another local business that we helped start was a small general retail business that stocks plants, garden tools, general hardware and small gifts. The diversity being the formula for success. The woman that runs this was earning a very small income from dog-walking; we took her onto a small program called “Back to Work” where we did a small amount of general business training, a handful of hours of individual internet training and a short but relevant work placement. This program was funded with £5k and we put all 3 of the participants back into the workplace.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

We are worried by the withdrawal of many strands of low-level support from our Council; this is continuing and will probably bankrupt our small social enterprise which was set up purely to provide basic services to our very rural community. These include business support, a drop-in IT support centre, a low cost equipment hire service, a small theatre and the public Library. We employ 10 people (that’s a big employer), mainly part time and our services are dependent on £60k of service level agreements where we provide essential facilities to a 200 sq mile very very rural corner of SHROPSHIRE.

Infrastructure and services.

4. How can access to transport be improved in rural areas?

The “Wheels to Work” program which loaned mopeds to young people was a good start. BUT so many rural councils have tried to solve this issue and nothing seems to work for long. HOWEVER, this does underline the importance of providing facilities and employment locally. Councils have a role here but diminishing funds will see them withdraw rather than engage!

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

If businesses are uploading large files this can be a problem where bandwidth is poor because the speed in that direction is still quite poor. Download speeds are much improved.
Generally digital connectivity has improved but we know that there are NOT SPOTS all over our county and this is an issue that needs to be addressed as a matter of urgency. We have local businesses who must come to us to carry out some of their most basic of communication functions – this does not help to sustain them.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Rural outreach via GP surgeries and community hubs such as ours. Retailers need to bank cash – we did communicate with the Coop Bank to suggest that they should be pioneering ways to facilitate deposits of cash without the need for a bank. Mobile banks are a notion. More radically – can we go to cashless, contactless micro payment systems that don’t cost the retailer too much. Currently card payment services are too costly for this.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Rural towns must attract visitors who need to be encouraged to spend money; this is difficult so we need to understand how this can be improved. One important feature of small rural towns and villages are solo shops; those that are total one-off gift, antique, hardware, grocery, café, restaurant run by the owner and having no affiliation to a chain or brand. There is little opportunity to provide grant funding, business support via Shire Hall or the Local Enterprise Partnership. Low business rates are also determinants in the longevity of these operations. Most grant funding is too onerous in terms of the percentage contribution that the owner must make and the paperwork that needs to be completed and retained. Most current grants are only made to business to business operations – these are few in rural settings as most businesses make provision for both other business and individuals.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Many rural areas exist in a low wage economy – a study into how this might be reversed would be useful. Currently there is a vicious cycle where business attempts to be competitive by comparing their pricing strategies to their urban competitors and then reduce further because low-waged customers would not be able to afford these costs. The business then make less turnover and necessarily pays employees less.

9. How can deprivation and inequality in rural areas be tackled?
We must use the word INEQUITY here; Councils do not provide equitable services. They must continue to invest in the rural services that already exist and not kill them off. We work in ‘partnership’ with the Council but sometimes they forget this.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Small and large tech companies can thrive anywhere if we have connectivity and reasonable transport links. Digitally this has improved thanks to the Council but we do have significant NOT SPOTS. The transport issue is complicated but one way to improve the quality of rural roads – the last winter has done massive damage to rural roads which are often cleared of snow by non-specialist equipment which often adds to the damage.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Encourage young people to either stay and work or return from university and work in the area – many migrate away toward better salaries and better job security. Setting up Tech Hubs to actively support fledgling businesses is important.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Expensive housing in a low wage economy is a constant problem. Research the issues that impact this and look for NEW solutions.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules? Government policy, devolution and local government

I don’t have a valuable view on this.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

We should pay careful attention to this matter. A new realisation about EQUITY needs to abound at local and national level. We do not want a migration away from rural areas to the cities. Equity is not the same as equality – rural councils with small populations cannot afford to provide services away from their larger centres of population
15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

See previous answers – as local government revenues become smaller these matters will become worse.
I don’t feel that our LEP pays much attention to the seriously rural parts of our county. Representation that understands the specific needs in rural economies needs to be widened.
Our council has been very supportive of our work in providing business support, community enablement and regeneration partnership working but the next round of cuts may well see us having to close all our services.

19 August 2018
1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the House of Lords Select Committee on the Rural Economy. ACS represents local shops and petrol forecourts trading in rural areas, including Co-op, McColls, BP and thousands of independent retailers, many of which trade under brands such as Spar, Nisa and Costcutter. Further information about ACS is available at Annex A.

2. There are over 19,000 rural convenience stores in mainland UK, providing a core grocery offer and expanding range of services including bill payment services (54%), free to use ATMs (44%), recycling services (40%) and local grocery delivery (20%) in communities across the country. Rural convenience stores provide more than 143,000 jobs and 57% are trading in isolated locations with no other retail or service businesses close by.

3. Rural convenience stores are increasingly dynamic and responding to changing consumer needs to shop little and often, investing £315 million over the past year and making a valuable contribution to the rural economy. Convenience stores are valued by local communities, ranked by consumers and councillors as the service with the second most positive impact locally, behind only Post Offices which 32% of rural shops host within their business.

4. We believe this Inquiry should consider how to support rural business infrastructure and retain access to services within the rural economy. The business rates system should incentivise investment from rural shops, the Access to Banking Standard must ensure branch closures and alternative banking provisions are communicated effectively, while changes to ATM interchange fees should not disproportionately restrict access to cash for rural consumers.

5. We have responded to the consultation questions below. For more information, please contact Steve Dowling, ACS Public Affairs Executive.

**What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

6. Reliable broadband connections and mobile coverage have become essential infrastructure for rural shops. Poor connectivity can act as a barrier to improving productivity and delivering growth in the wider rural economy. Rural shops require digital access to process online banking and wholesaler services and to facilitate the in-store provision of card payments.

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ACS Rural Shop Report 2018
ACS Rural Shop Report 2018
ACS Rural Shop Report 2018
ACS Rural Shop Report 2018
ACS Rural Shop Report 2018
payments, ATM transactions and post office services. HMRC’s Making Tax Digital reforms to require digital record keeping and online tax reporting, initially for VAT from 2019, will further enhance the need for reliable internet connections for rural businesses.

7. The rural economy has benefitted from successful Government investments in digital, for example the Government’s existing rollout of superfast broadband delivered £12.28 benefit for businesses for every £1 invested by the Government and local authorities. However, 31% of convenience retailers still find that their local broadband services and mobile coverage is making it difficult or causing delays to completing tasks in the business, disproportionately impacting retailers in rural locations.

8. We therefore support the Universal Service Obligation (USO) for broadband and Ofcom’s ongoing responsibility to implement the policy by 2020. The USO should ensure retailers can perform the core business functions outlined above without delays. We welcome the Government commitment to review the USO’s specification as consumer and business needs change, which should be considered alongside a need to expand mobile data networks to limit the restrictive effect of mobile broadband use on bandwidth for broadband connections.

9. Rural shops can be frustrated by inconsistent mobile coverage. The Government’s updated 5G Strategy indicates a renewed political focus on mobile coverage and we would support a realised ambition for 95% geographic mobile coverage across the UK by 2022. The recent Future Telecoms Infrastructure Review has delivered on the Industrial Strategy commitment to consider how to strengthen investment in digital infrastructure and longer-term funding for strengthening rural connectivity should be addressed through the upcoming Autumn Budget.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

10. Convenience stores provide a range of essential services, often consolidating services which have previously been delivered by individual businesses but are no longer commercially viable as standalone businesses, for example Post Offices, off licences and banks.

11. ACS’ Community Barometer, a survey looking at what consumers and councillors think about the services available in their area, demonstrates the value attributed to convenience stores retaining access to these local services. The research finds that convenience stores are ranked as having

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52 Need for speed drives £9 billion superfast broadband boost DCMS. 20 August 2018.
53 ACS Voice of Local Shops Survey: February 2018
54 Next Generation Mobile Technologies: An Update to the 5G Strategy for the UK DCMS. December 2017.
the second most positive impact on their local area, behind only Post Offices which 32% of rural convenience stores host within their business.\textsuperscript{56}

\textbf{Business Rates}

12. ACS’ Community Barometer also finds retailers view business rates as the number one policy priority for their area.\textsuperscript{57} and one-in-three convenience stores saw an increased rateable value from the 2017 revaluation.\textsuperscript{58} The business rates system should encourage the retention of essential services through rural shops to benefit the rural economy.

13. The Local Government Finance Bill contained a commitment that rural businesses should be offered the best rate relief available for their business. After the failure of the Bill, local authorities have been provided temporary funding to top up 50% mandatory Rural Rate Relief so rural shops are not disadvantaged compared to stores receiving Small Business Relief. The Government should find Parliamentary time to permanently ensure rural retailers receive the best rate relief available.

14. The eligibility threshold for rural forecourts to receive Rural Rate Relief needs to be revised to reflect the higher business rates bills they attract. Unlike rural shops, business rates for rural forecourts are based on turnover, which means their rateable values are significantly higher. The £12,500 rateable value threshold for petrol forecourts needs to be increased to support the provision of rural forecourts and effective transport infrastructure.

15. The Localism Act provided local authorities with powers to issue Discretionary Rate Relief. These powers are not being used effectively to support services through rural shops, despite use of Discretionary Relief being 50% funded by central government. Greater funding streams must be found to ensure better use of Discretionary Rate Relief from financially-challenged local authorities to support the rural economy, which has only been used by 39 out of 326 local authorities.\textsuperscript{59}

\textbf{ATMs}

16. Bank branch closures and associated ATM closures have increased the role that rural shops play in providing local access to cash, with 55% hosting an ATM.\textsuperscript{60} However, convenience retailers are concerned that the increasing cost of hosting ATMs, from reductions to interchange fees and increases in business rates, could force them to either move more ATMs onto a charging model or remove ATMs altogether.

17. Every time a consumer uses an ATM an interchange fee is paid from their card issuer (bank/building society) to the provider of the ATM they are

\textsuperscript{56} ACS Rural Shop Report 2018  
\textsuperscript{57} ACS Community Barometer 2017  
\textsuperscript{58} ACS Voice of Local Shops Survey: November 2016  
\textsuperscript{59} Devolution will not solve business rates burden groups warn Treasury Telegraph. 24 October.  
\textsuperscript{60} ACS Rural Shop Report 2018
using. The contract a retailer has with an ATM provider to host an ATM determines their share of this revenue after servicing costs, cash replenishment, business rates and other costs are subtracted.

18. LINK, the ATM network body, reduced ATM interchange fees from 25p to 23.75p on 1st July 2018 and will implement a further reduction to 22.5p on 1st January 2019. Although a scheduled interchange fee reduction for 2020 has been postponed, further reductions to interchange fees from 2021 are expected.

19. Future cuts to interchange fees could reduce the commercial viability of ATMs for retailers and undermine national coverage of the network, particularly in rural areas. Interchange fees were set by an independent KPMG cost study until these cuts were announced and we would welcome an independent review into how interchange is set to ensure communities continue to gain access to cash and basic banking services.

20. LINK has stated that cuts to interchange fees will not harm rural areas due to plans to extend its Financial Inclusion Programme, which will increase subsidies for isolated ATMs in low-income areas, and exempt FTU ATMs further than 1km from the next FTU ATM from interchange fee reductions. The Payment Systems Regulator modelled the impact of cuts in interchange fees earlier in the year, finding that ‘rural ATMs are more likely to be at risk and geographically isolated than their share of the national network would imply’ with 57% of FTU ATMs that would be at risk of closure based in rural areas. LINK must be held to account on its implementation of changes to the Financial Inclusion Programme, including how it will calculate travel distance between ATMs and how many ATMs the Programme will financially support. LINK’s monthly reports to the Regulator must be publicly available, demonstrating how coverage is changing in rural areas and how LINK is acting to rectify ATM deserts.

21. ATMs have been liable for business rates since 2013, with the average convenience retailer billed £4,000 on average for hosting an ATM, separately to rates payable for the shop. Business rates liability for ATMs is currently subject to a legal case at the Court of Appeal. Regardless of the legal outcome FTU ATMs should be exempted from business rates bills in recognition of their role as an essential service in rural areas by facilitating access to cash and encouraging consumer spending.

Banking

22. Banking services are essential for rural shops, which continue to be dominated by small basket spends and cash payments, accounting for 73% of all transactions. Access to banking services for small and rural

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61 LINK update to Interchange rate implementation LINK. 16 July 2018.
63 £300m of business rates refunds held until “cash tax” decision reached Retail Gazette. 21 May
64 Around 40,000 ATMs could be closed down as the authorities fight to slap them with crippling business rates Daily Mail. 5 July 2018.
businesses is becoming more difficult as banks reduce their branch networks. Which? research indicates that 16% of the banking network closed between 2015 and 2017\textsuperscript{65}. These branch closures are causing retailers to travel further to deposit cash, lowering productivity and adding to costs for keeping cash on the business premises between deposits through increased insurance premiums and costs for drop safe facilities.

23. The Post Office now offers business banking services to deposit cash, especially valuable where local banking provisions have declined. Post Office branches allow 'walk in' cash deposits of up to £2,000 per transaction, covering 90% of business transactions\textsuperscript{19}. For sums above that figure, Post Office and the relevant bank work with the business customer to arrange specific services up to an agreed sum. However, some retailers still have to submit multiple deposit forms or travel long distances to larger Post Office branches to deposit larger sums of cash. This process can be costly and time consuming for rural shops.

24. The Access to Banking Protocol has been independently reviewed by Professor Griggs and resulted in the new Access to Banking Standard, an industry-wide agreement to minimise the impact of branch closures. The Standard must ensure that banks communicate at the earliest opportunity when a local branch is closing, are transparent about the reasons for the closure and support their business customers to find alternative provision.

**Post Offices**

25. We welcome provisions in the Post Office funding settlement to provide £160 million to support rural Post Offices and the essential services they provide to rural communities and businesses\textsuperscript{66}. The allocation of this funding needs to be clearly communicated to rural retailers, so they understand how the funding can support their business.

26. The future of the Post Office network will be determined by relationships with the businesses that host them. We welcome that the Post Office has recognised that the network must continue to be an attractive proposition for retailers in future\textsuperscript{67}. The Post Office should continue to work with retailers to understand the increased cost pressures they are facing from employing and training staff to operate branches, changes in the ever-competitive retail environment and evolving consumer needs.

**8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

27. Over the last year, there has been growth in the breadth and depth of service provision amongst rural shops. For example, more rural-based retailers are offering home grocery deliveries and recycling services. Measures to incentivise investment from rural shops and remove barriers...  

\textsuperscript{65} Mapped: the 482 bank branches closing in 2017 Which? 7 April 2017  
\textsuperscript{19} House of Commons Scottish Affairs Committee. 17 January 2018.  
\textsuperscript{66} Government pledges to secure the future of the Post Office  
\textsuperscript{67} Post Office Annual Report 2016/17 Operational and Financial Risks pg 34
Association of Convenience Stores (ACS) – Written evidence (REC0150)

to setting up community shops would grow service provisions in the rural economy.

**Incentivising Investment**

28. Over the last year, rural convenience stores have invested £315 million in their businesses. Incentivising investment through the business rates system would deliver greater investment from the sector, strengthening the rural economy and service provisions within local shops.

29. The current business rates system discourages business investment by penalising ratepayers that invest in their business. For example, if a convenience retailer extends their premises or adds an air conditioning unit, pallet racking or CCTV cameras their business rates bills increase. This deterrent should be reversed by providing time limited exemptions for internal property developments and expansions. This would follow the Scottish Government’s ‘Growth Accelerator’, delaying increases in business rates bills for 12 months to allow businesses to recoup their investments.

**Community Shops**

30. The community shop sector has experienced consistent growth within the rural economy in recent years, growing from 240 shops in 2010 to 348 in 2016. Community-owned shops, most commonly legally established as community benefit societies, are providing essential services to 1,400 remote rural communities often following closures of local shops with 59% offering postal services.

31. The community shop sector is a valuable economic contributor to the rural economy, providing over 1,100 paid jobs and generating a combined turnover of £54 million. Community shops are also important community actors, providing almost 10,000 volunteer opportunities and donating £125,000 to community projects. The Plunkett Foundation supports community businesses to set up and thrive, offering advice and working closely with rural communities. The Inquiry should consider views from the Plunkett Foundation about how policy could support the development of community shops.

**Employment**

32. Rural shops are valuable employers in the rural economy, employing 143,000 people into stable employment with opportunities for progression. ACS’ Colleague Survey finds that 49% of colleagues walk to

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68 ACS Rural Shop Report 2018
69 Response to the Barclay Review report Scottish Government. 12 September 2017
70 ACS Rural Shop Report 2018
71 ACS Rural Shop Report 2018
72 ACS Rural Shop Report 2018
73 ACS Rural Shop Report 2018
74 ACS Rural Shop Report 2018
work and 32% have been working in their job for more than five years. Job security is very important to staff working in convenience stores, and three fifths think they will still be working for their current employer in five years’ time, almost a quarter (24%) of which think they will be in a more senior role.

33. Convenience stores employ local people and members have not reported difficulties hiring staff in rural locations. Forthcoming employment challenges for rural retailers are not expected to result from difficult retail locations or skills shortages, but from increased competition for workers across sectors.

34. Convenience stores in the rural economy will experience little direct impact from any labour market tightening resulting from the UK’s exit from the European Union. Only 2% of colleagues are non-UK EU nationals and the settled status agreement has provided useful clarification for employers to inform recruitment strategies. The main impact of Brexit on employment in the sector may come further up the supply chain in the wholesale sector where more non-UK EU nationals are based. Retailers expect there will be more competition amongst employers for a smaller pool of staff once we leave the EU, specifically across sectors with low entry requirements such as retail, hospitality and social care.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

35. The planning system is an important regulatory tool for ensuring the correct provision of housing and commercial uses in communities across the country. Planning trends for rural shops include shops increasingly taking food service operations into their business and expanding into other service provisions that can require planning permission, for example click and collect lockers.

36. We support a plan-led planning system and welcome the revised National Planning Policy Framework adopting the ‘agent of change’ principle. This will ensure that existing rural shops do not have to change their business practices, for example delivery times or opening hours, due to new residential developments. However, we are concerned by recent changes to permitted development rights which could undermine retail provision in rural areas and restrict new retail developments to meet consumer demand elsewhere.

37. Changes from retail to residential should be considered alongside a coherent plan to ensure local services are located effectively to best meet local needs. In rural locations, properties can be more valuable as residential premises than commercial uses despite often being the last service offer in a village. For these reasons changes of use from retail to

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75 ACS Colleague Survey 2018
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residential should only be approved following proper consideration of; the potential impact on the economic health of the retail centre, the need to maintain an adequate provision of essential local services, and the potential impact on the local character of the area. These three safeguards should work to ensure retail to residential conversions can support the effective allocation of retail and housing provisions in conjunction with the Local Plan.

38. Permitted development rights for changes of use within the A1-4 Use Class are valuable for reducing hurdles in the planning system. Although we support the best opportunity being given to retain existing A1-4 services, this should not come at the expense of new service provisions where local demand is not met. Legislation passed in the Neighbourhood Planning Act 2017 to remove permitted development rights for the change of use of A4 drinking establishments does not encourage rural areas to adapt to changing consumer demands. This undermines the flexibility increasingly needed by local high streets and shopping parades to retain footfall. The requirement for planning permission to convert from a pub to a shop is therefore an unnecessary burden in the planning system.
Annex A

ABOUT ACS

The Association of Convenience Stores (ACS) lobbies on behalf of around 50,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS’ membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.

WHO WE REPRESENT

ACS represents 23,397 independent retailers, polling them quarterly to hear their views and experiences so they can feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

ACS represents 14,659 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

ACS represents 12,843 stores that are owned by multiple and co-operative retailers. These businesses include the Co-operative, regional co-operative societies, McColls, Conviviality Retail and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR

In 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.

There are 45,918 convenience stores in mainland UK. 76% of stores are operated by independent retailers, 24% are unaffiliated or as part of a symbol group.

The convenience sector provides flexible employment for around 370,000 people.

20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

72% of business owners are first time investors in the sector.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.

Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

Between August 2016 and May 2017, the convenience sector invested over £858m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

- ACS Voice of Local Shops Survey: Regular quarterly survey of over 1200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS’ policy work.

- ACS Investment Tracker: Regular quarterly survey of over 1200 independent and symbol retailers which is combined with responses from multiple forecourt retailers representing over 3,000 stores.

- ACS Local Shop Report: Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 stores. The Local Shop Report also draws on data from HK, IGD, Nielsen and William Reed.

- Bespoke Polling on Policy Issues: ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit www.acs.org.uk

10 September 2018
Axbridge Chamber of Commerce – Written evidence (REC0064)

Introduction

The email with the link to the document seeking evidence on the rural economy was received by Axbridge Town Council. Fortunately the town clerk forwarded it to me as Chairman of the Axbridge Chamber of Commerce. I received it just as the August bank holiday started and the deadline for response is 10th September. Those of our members who are involved in the tourist industry were too busy to respond and many of those in other industries were on holiday. The time given was not long enough for me to consult our full membership. Furthermore, it would have been better if the original email had been sent to the Somerset Chamber of Commerce as well as local government addressees. The Somerset Chamber would then have forwarded it to the various town Chambers of Commerce in Somerset. This would have given a better view of the rural economy from those who are doing it rather than those who are watching it.

The responses to the questions are as follows:

General issues

1. What do you understand by the ”rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The major industries in rural Somerset are agriculture, tourism and media (it is quite surprising how many film and TV companies are located in this area). However, with more use of the internet many of our Chamber members are operating IT, marketing and other businesses from home. We also have small, specialist businesses such as a designer and manufacturer of LED lighting systems and other specialist service businesses operating from home, in clients’ business premises or homes, or village halls, or small industrial units. The mix is very diverse.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Thatcher’s cider located in nearby Sandford (North Somerset) has grown from a local cider producer to national and now global coverage. Petruth Paddocks camping site in Cheddar (Sedgemoor, Somerset) is very successful in spite of local government trying to close it down. Rural businesses need the support of District and County Councils, not hindrance from them.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
Tourism probably offers the greatest scope for growth in rural Somerset. The internet offers huge potential for promoting this and other industries but fibre optic coverage is poor as is mobile telephone coverage. Tourism needs an ingress of customers to survive and they must be able to access the tourism areas easily. This links with the quest to build more houses without the proper infrastructure to support (see below).

Infrastructure and services

4. How can access to transport be improved in rural areas?

Public transport in Somerset is generally poor. Bristol airport is currently undertaking a joint study with North Somerset Council into public transport which will probably result in the airport becoming a transport hub. This will make air passengers less dependent on private cars to get to the airport and improve the provision of public transport generally within a 20 mile radius of the airport.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Provision of fibre optic cable connection is very poor in this area and the connection via copper cables varies from poor to unworkable. This is a hindrance to business development.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Stop closing them.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Reduce business rates, improve sign posting and car parking. However, it should be noted that you cannot promote amenities which are not there. Ways should be found for these amenities to open or re-open.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

The planning system in Sedgemoor District does not help new businesses to start or existing businesses to expand; we have seen a number of instances of this in our Axbridge Chamber of Commerce membership. We have a severe labour and skills shortage in this area because of the construction of the new Hinkley Point nuclear power station. Preparing young people for the workplace could be improved with better connections between schools and businesses. Schools are not training students for the work environment; they are putting too much emphasis on examination passes.
9. How can deprivation and inequality in rural areas be tackled?

Increase commerce and business activity.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Increase commerce and business activity. Increase apprenticeships and provide a networking facility to enable young people to be aware of what employment is available.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Challenges: lack of public transport and closure of post offices, shops, banks, and other amenities in rural areas.
Opportunities: there is a need for improved local networking facilities and, possibly, the provision of a community hub where retired people can offer their services.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Conduct a proper survey of housing needs in each community, keep it up-dated and strive to fulfil it. At present the inclusion of a number of affordable homes is being used to justify the approval of planning permission for a development but there is often no proven need for the affordable homes. Where affordable homes are included in a development there should be a mix of housing. The separation of the affordable homes into one area results in social stigmatism and the creation of ghettos.

Natural landscapes and population in those areas needs to be considered more carefully and we need to have more pro-active approached on transport and infrastructure before development takes place. Planning in rural areas needs to be commensurate with the locality and its local needs based on a sound long term local needs policy.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

The removal of Planning Policy Guidance (PPG) regulations has caused considerable problems. My own specialist area is aviation and I know that the removal of PPG24 has resulted in residential property development being approved in inappropriate locations near airports and a failure to specify appropriate sound insulation where development could be approved. The
Department for Transport (DfT) and the Civil Aviation Authority (CAA) are in the process of modernising the structure of our airspace and conducting research into legislation on the impact of noise. The Independent Commission on Civil Aviation Noise (ICCAN) is being established but we are not sure how that will fit into the system. The Department for Housing, Communities and Local Government (DHCLG) will be involved because of the impact on the grant of planning permission to proposed development in the vicinity of airfields. However, DHCLG have shown no interest in the development of aviation policy and how it will affect planning policy. I know about this because I am Chairman of Bristol Airport Consultancy Committee and on the United Kingdom Airport Consultative Committees working party but I am sure there are similar planning problems created in other areas with the removal of other PPGs.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Government at all levels should be more aware of the needs of rural economies and be prepared to act on the real needs rather than their perceived needs. Councillors should listen to communities and councils should listen to councillors.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

We are in the Sedgemoor District of Somerset and departments such as Planning and Highways hinder rather than assist small businesses but bend over backwards to help large businesses such as EDF at Hinkley Point. The appropriate bodies need to network and be aware of what each can offer to the other. As stated in the introduction, the document being responded to was sent to the Town Council but it should have been sent to the Town Council and the Chamber of Commerce. I have just received another email with details of grant support for local businesses which was sent to the Town Council but would be more appropriate for the Chamber of Commerce. Somerset Chamber of Commerce would, I am sure, be delighted to forward such documents to town Chambers and it should be noted that local government bodies do not run the businesses which are the essence and core of the local rural economy.

**Conclusions**

- Government at all levels should listen to businesses through contacts with Chambers of Commerce and other Trade and Professional bodies.
- Government at all levels should aim to assist rather than hinder business development.
- Schools should prepare students for the workplace rather than put so much emphasis on passing examinations.
Barry Hamblin  
Chairman  
Axbridge Chamber of Commerce  

6 September 2018
Barlocco Farms – Written evidence (REC0011)

General

If your committee confines itself just to the questions as you have laid them out below then its findings will have little impact. The increasing complexity created solely by bad governance (of every hue) needs to be reversed. Simplification needs to be the watchword. It helps no one. No one understands it. It is a major dis-incentive to trading or setting up a new business. Rural businesses are little different to any other in that respect. Complexity may have increased government empires and seeming control but that is not the purpose of government. Government is about facilitating and regulating trade so that no one becomes too powerful or has too large an empire within the state. The law is or should be a guide to fairness and keeping the public safe. Whilst it must recognise enterprise it should not allow exploitation either of society, individuals or the natural world on which we rely for our existence.

I appreciate that where we are now, was difficult to comprehend ten years ago and certainly not the almost 50 years that I have been involved in rural affairs. To second guess where the rural economy will be in another 10 years is extremely difficult but not impossible and some of the pointers are already becoming apparent. Most successful new inventions take 15 years to make their mark.

To have an impact you will need to consider the rural environment as a part of the whole. That means taxation, population densities, land tenure, food security, and all the other issues that a post BREXIT world will bring. The rural economy is not a separate entity. It is closely intertwined with everything else. It is the lungs and power house that allows cities to exist.

At last we have the opportunity to plan our own future without relying on the dead hand of Brussels! We need knowledgeable people to take long term decisions in the wider public interest. Are those people available in government? There are very few left even in the rural environment but none that I have come across in government.

At the moment what I see is Government being swayed by the factions with the loudest voice not those with the specialist and detailed knowledge of agriculture and forestry and the natural world. Basically the empty drums that make the loudest noise

As you read this essay you will see my opinion that knowledge of the countryside is sadly lacking from most of the population as a whole and our legislators are no exception.

What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

(a) What is the rural economy
In its strictest sense the rural economy relates only to those businesses that are mainly or wholly dependent on land or inland water. A not exclusive list would include: agriculture, forestry, horticulture, livestock marts, most tractor dealerships, some blacksmiths, agricultural suppliers, field sporting businesses (shooting, fishing, hunting etc)

That in my view is too narrow a definition. It blurs quickly into the wider economy as many rural based businesses have had to expand into the urban environment to survive. There are many rural businesses that have added extras to their businesses to serve those in the urban environment; bed and breakfast; caravan parks; leisure centres; farm shops etc.

Remember always that ever increasing mechanisation has meant an increasing blurring of the line between rural and non-rural. Similarly, as people have left rural work and moved to the towns and urban employment so rural businesses have become ever less reliant on their rural trade.

Remember also that food production is not valued by the population or our legislators. “Who needs farmers when we can get food from the supermarkets” John Prescott.

I would not include such businesses as mining or quarrying or those factories that choose to locate into the countryside. They are essentially factories based in rural areas but not part of the rural economy. Their work force may however swell the size of local villages well beyond their original status.

There are plenty of grey areas. Are you a lumper or splitter? Where do you put the market towns? Urban or rural? What is a village? My definition is one of less than 1000 inhabitants and where most people are known to each other.

(b) Changes

The biggest change over the past 50 years to the rural economy has been the demise of the small rural business; ever increasing farm size and a corresponding reduction in their numbers and labour force. Many fewer individual entities. (a reduction of say 70%) When I started farming almost 50 years ago it was possible to make a living on 100a today you need almost 2000. In the 1960’s and 70’s the profitability of rural businesses was 10 to 15% of turnover. Today there are very few making more that 1or 2% The hill farms have essentially disappeared. It used to be possible to pay a stockman from 50 sucker cows and a shepherd from 150 ewes. Most local dairies were under 70 milkers. Today those numbers are probably around 300 suckler cows, well over 1000 ewes and say 250 milking cows. In my parish we now have almost 7000 dairy cows in just 7 herds!

The farms that have suffered most are those that are essentially smallish tenanted farms where there was insufficient capital available to modernise the infrastructure. Many of these have ceased to exist. The landlord / tenant acts since 1947/8 plus a ludicrous tax system have done this sector no favours. Owners will only put a property on the market to rent if they have certainty that the government will not commit legalised robbery as they did in 1947 / 48.
banks will not lend to tenants because they do not own property. They are caught between a rock and hard place

The capital requirement to start a farm has risen exponentially over the last 50 years. Driven by the revolution in mechanisation (in the early 70s that largest tractor was a 60HP Fordson Major. Today I could hardly buy a 60HP tractor. They are now commonly 200+HP. When I started farming it took us 3 to 4 weeks for each cut of silage plus we made a lot of hay. In those days we had to have all our own machinery and machinery as there were not enough dry days to rely on contractors. Today silage takes about 1½ days and it is all contract work. The machines are too expensive for any but the largest farms and are capable of doing many 1000’s of acres per season. This farm employed 4 full time and several casuals. Today I employ the equivalent of 1 full time man everything else is contracted.

The impact of these changes is illustrated by the following figures. In the early 1970’s I paid a man £15 per week. I got £15 for each lamb that I sold. So I had to sell 52 lambs p.a. to pay his wage. Today I pay that same man £400+ per week but I only get around £75 for each lamb. i.e. I have to sell almost 6 lambs a week (300 lambs p.a.) to pay his wage. This is all from the same acreage of ground.

The profitability of agriculture has been driven down since 1945 by cheap food policies both by UK government & the EU. That has been made possible by the mechanisation revolution, the availability of cheap capital from the banks, and working out how to do things with less labour. (Essentially how to replace people with machines). Also plant and animal breeding has allowed cropping to achieve greater tonnages per unit area. Livestock production especially the non-grazing livestock has become ever more mechanised. These increases may have reduced unit production costs but they have been at the expense of food security. This is now almost extinct. We have no food security in the UK. Increased production has not kept pace with the increase in population. We are now producing maybe 50% of the country’s requirements and even that is totally dependent on importing huge quantities of fertilisers and spray chemicals and other imported essentials such as tractors and the like.

There is one other aspect that should be borne in mind; “Quantitive easing.” This somewhat abstruse concept of artificially increasing the money supply has had a major effect on rural businesses. What it has done is to artificially increased the value of land and other capital goods (especially non-depreciating ones) far beyond their earning capacity. The consequence is that land values have risen since 2009 at rates not justified by their earning capacity. Now that QE has come to an end it is quite possible that there will be slow reversal of this effect but that will put many into negative equity. This is needed if the rate land transfers and changes in ownership are to become healthy again.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

This depends on what you mean by successes. Do you mean ever larger farming enterprises dependant on large volumes of inputs from other parts of the world
and other farms. Do you mean anyone trading successfully however unsustainable that enterprise may be in the longer term. Do you mean caravan parks and B&B's. Do you think that “Organic Farming” is a successful concept? This question is too loosely worded.

I regard success in the rural environment to be one where the enterprise is not only financially successful but is sustainable, improves the natural environment and restores at least some of the biodiversity that has been lost. To achieve this the only ones that I can think of are the well-run sporting estates. Most agricultural and forestry enterprises seek to simplify nature in order to produce one product. Blanket forestry may be economical but is it really either sustainable or desirable?

Remember that to start a new enterprise at least 6 different things need to come together; the idea; the know-how to put that idea into practice; access to capital (spare cash); government rules that enable the creation of that enterprise; and a suitable playing field where there is room for that enterprise.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes? Infrastructure and services

Opportunities for Growth in the rural economy

The first thing to help the rural economy to grow is to increase profitability on farms. Especially for those producing the staple undifferentiated products. (Cereals, meat, etc) This does not necessarily mean increasing prices but it does mean reducing the burden of overheads thus allowing smaller units to operate economically. Farmers are very good at spending their money but they have to make it first.

There will undoubtedly be opportunities for all sorts of technical food production which currently do not exist. The use of yeasts and other novel foods. The use of maggots to produce protein meal for chickens and fish. Composting of wastes and the like. This country is particularly short of protein production.

Opportunities to cultivate every motorway verge and roundabout should become part of government policy along with the urban farming of every flat roof and indeed many walls! Government needs to understand that Food production is shortly going to become a premium activity as opposed to the poor relation to development. As world food supplies tighten so imports will become ever more expensive or indeed impossible to obtain as ever more countries stop exporting. (This has already started)

Government needs to start to understand food chains and to create the environment where food chains can be rebuilt from the bottom up. That means far less emphasis on top end iconic predators and much more on invertebrates, insects and the like. (Pollinators if you will)

They should create opportunities to increase farm supplier businesses. Tractor production to biological products. There is a huge range here. Far too many farm inputs are currently made elsewhere in the world.
The technical aspects of food production will undoubtedly be driven by technological change (robotics) which will mean fewer people being required. Arising from that will be that there will be even fewer people with the required levels of knowledge and skills. Many of these skills are not really taught in a classroom but from being brought up with them and from experience. What is important is a good general level of education (especially the sciences) from which to hang ones understanding of the natural world.

Dairy cattle are used to being handled. Beef stock and sheep much less so. If robots take over so that stock no longer has daily human contact then they will become “wild” and ever more dangerous to humans. This already has consequences for visitors to the countryside with the unwary being mauled by cattle. This could get to the point where humans will need to be kept out of fields. (See also my concerns about re-wilding)

**Threats to Growth in the rural economy**

There are essentially there are 3 threats.

The first is Phosphate. Plant fertilisers all contain N P & K. Nitrogen is extracted from oil or gas using the Haber Bosch process and is unlikely to be a barrier to future agricultural production. Phosphate comes from mined rocks. Known reserves world wide are in the order of 30 years only. Nothing lives without Phosphate. (It is a fundamental of cell energy in the Krebs cycle in all animals and plants. Ptoassium This too comes from mined rocks. The known worldwide reserves are greater than that of Phosphate but for instance the mine under the North Sea goes out almost 60 miles. Whilst very important for plant growth it does not have the same immediate effect as Phosphate.

The 2nd is water for agriculture. Far more of a limiting factor in the East of the country but 2018 is a good example of the part that water plays in crop and animal production.

The 3rd is government. Government job is to facilitate and regulate trade. At the moment it does it’s best to control but not to facilitate. Government needs to understand the difference. For the past 40 years (especially since the turn of the century) it has been trying to control; telling folk what they can and cannot do. That is a disaster which has led to some very bad decision making from the those who are actually doing the work. It has stifled enterprise and thinks that enterprise councils are a correct way to spend other people’s hard earned money.

Some examples:
Subsidy schemes such as the SFP only distort trade. Prices of inputs go up to meet the subsidy. E.g. the price of fertiliser, sprays and feeds have risen to meet the subsidised price set by government. Lots of other examples.

Grass is not considered to be a crop. Why? If you grow crops you must grow more than one sort but grass is not included
Forestry grants are remarkably little to do with planting trees and more to enable the FC to control forestry.
Infrastructure and Services

4. How can access to transport be improved in rural areas?

At the moment in the Northern ½ of the UK the road infrastructure is really not too bad. I’m sure there are bridges that could be strengthened and the like. Uphold of the public roads used by forestry vehicles can become somewhat fragile but overall road transport is OK. Rail should be used a great deal more as should coastal shipping. Bulky items such as fertiliser are at the moment taken from the main ports by road. Much of the primary distribution should be by coastal water and only the final stretch by road. I’m not enough of an expert on railways to know whether they could cope with much more freight.

Thought should be given to moving Livestock transport not only to markets but also to abattoirs from road to rail and again coastal shipping.

Human transport in rural areas is a problem. Buses are really not the answer. They can never be sufficient in either frequency or routes. Encouragement of mobile shops and services might be a better way. Also better and easier to use individual vehicles such as motorised bikes might be a way forward.

5. What barriers to growth are created by poor digital connections

The present farce that is high speed fibre optic broadband will not improve until BT has their monopoly removed. My farm has a download speed of 2MPS and the more remote cottages can’t get broadband at all! That is unacceptable. The new poles have been in place for over 5 years – UNUSED. BT is a dysfunctional company and should be broken up. Local areas should be encouraged to look after themselves. We have plenty of folk round here who have the knowledge to install and run a local HSBB.

We have local engineering companies based on farms where the broadband speed is no better.

At the moment this is a major drawback to rural living which is getting worse not better. It is in everyone’s interest to get on with this not in the next 5 years but NOW.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

This is not really my area of expertise. In this area of S.W. Scotland the education provision is not hampered by the rural nature of the area but by the ineptitude of the Scottish Government. Over all there is a huge need for more rural knowledge to be given to everyone including those in the urban areas. I find it difficult to find young people with the required 3Rs and an attitude that they want to get on with their work.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?
The problems of rural areas are that there are not enough people to keep local amenities going. The problem is mainly the overheads for them are the same as those in the urban environment with say 20% less turnover over which to spread those costs. If you really want to help rural shops, and other business and amenities in the environment of the small village then make sure that their overhead costs are reduced to a minimum.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? See my answer to question 7 How might labour and skills shortages be overcome?

There is a major problem at the moment. There would be no dairy industry in the UK without immigrants. The problems start in schools where agricultural work is seen as menial, badly paid work. The reality is entirely different but that is the non-rural perception even in so called rural schools where the teacher has no rural background.

To maintain rural skills and knowledge government should enable “Countryside Learning centres” all over the country. These should become a mandatory part of the curriculum so that every child knows where and how their food is produced and how and why the ‘so called’ sporting elements of country living are so important to the health of the countryside. This should not be just one day on a farm. That is useless. They need to lift a chicken and find an egg; dig up a potato; milk a cow; see a carcase cut up. It should introduce life and death as normal concepts. Every child should understand about death. Most have never seen death and so are totally unprepared. That is poor education! This should be about practical learning. How high is that tree? How many loaves of breads come from that field? How does a water ram work? Renewable energy and it’s place in the countryside. The effect of the geography and geology on soil types and land use. This could be combined with learning practical skills such as hedge laying, walling fencing and the like. I should perhaps say here that I am in the relatively early stages of trying to bring such a project into being. We are at the feasibility study stage but government could greatly help by making it known that they were in favour of such a move in education.

Another problem in rural areas is that a trained a man in rural skills is in high demand elsewhere in the economy. He/she can be poached by someone in some other industry more profitable offering higher wages. Finding skilled men is hampered at the moment by finding suitable people to do the training; the high costs of that training and the poor quality of most of the training courses; Lack of affordable rural housing; A one day training course on say rodent control will cost £300 per person! Why? It may well be run by someone who has himself little experience of rodent control or is a failed rodent controller. Many of the courses are much more expensive than that and many are little more than an excuse to have endless cups of coffee.

9. How can deprivation and inequality in rural areas be tackled?
What do you mean.? Deprived of what? Access to the internet? Travel to the nearest railway station? Lack of money? What do you mean by inequality? Do you want everyone to have exactly the same sized dwelling and the same sized...
plot of land? What are you try to get at here? The abject poverty to which I think you refer does not seem to be a problem in this part of the country. Deprivation to me is a feature of areas of urban social housing that seems to stem from other problems not tackled in the person’s formative years. That is not to say that there are not individuals struggling to survive in the countryside but that most of those ill fitted to the rural environment seem to graduate to the urban one.

We have a Hippy community just down the road here. It contains some very talented people. That they do not earn very much money does not seem to be of much concern to them. They certainly appear to live very contented lives. Not in a way that I would choose but I respect their choice as just different to mine. They produce much of their own food and are no problem to anyone.

This area and Scotland in general does not seem to suffer from travelling communities and some of the problems that they can cause in the same way as in England.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

The problem for rural areas is that there is simply not enough employment. The workforce is shrinking extremely fast. This is partly mechanisation but also very low profitability even in the larger units. They can’t afford any spare labour. To encourage people to stay how about encouraging estate workers. Those who will maintain the fabric of the land on which they live and improve the natural habitat. Say one per 500 acres.

Remember that at least 80% of the production comes from 20% of the farms. How are you going to persuade those on relatively unprofitable farms to remain.

Whilst I’m loathe to say it there might be a case for limiting the amount of land that can be owned by any one person. The old-fashioned ducal landlords are rapidly being replaced by the large scale merchant farmer who farms all the land he either owns or rents with very large kit and the minimum number of people. Many of these new large landowners have no real interest in the countryside. They are only interested in the productive acres. They do not employ estate workers, gardeners and foresters the way that many of the older estates did.

Future Government policy is everything here.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

The 1st thing is to reform the tax system so that it is fit for purpose. At the moment a farmer who wants to retire can of course just sell up. However the farm, which is IHT exempt, once sold, will no longer form part of his estate. Now he will be handing over cash on which he will now pay IHT at 40%. i.e. he has devalued his estate by 40% at a stroke. If he wants to hand it over to someone else (such as a relative) during his life then he will create an immediate charge
to CGT. Now while that charge can be deferred it sets the CGT in stone and is a millstone around the neck of the new farmer if and when he wants to sell. Whereas if he goes on farming until he dies by forming a partnership and remains the “so called” active farmer until his death then no such charge arises. He can then hand on his business tax free.

The present tax system is completely absurd with taxes on taxes and obligations on obligations. Endless different rates and starting points. The anomalies outlined here are only the worst of the problems. There are plenty of others. The taxation treatment of Forestry is just as bad with large numbers of wealthy people only owning forests to mitigate tax or as a part of tax planning.

The present Taxes ALL need to be scrapped and replaced by a single universal tax at a single rate by a Transaction Tax. Such a tax should be levied at a rate (5% or less) where it was not in anyone’s interests to try and avoid it and indeed there could easily be draconian penalties for anyone who did. It should apply to every transaction without exception. It would replace all other taxes, raise more money than all the others put together and take half or less of the civil servants to collect it. It would tax everyone,- including the multi-national companies fairly and regardless of domicile or residence. Apply to any transaction within UK jurisdiction. If it was adjudged to unfairly imping on the poor then everyone could get a rebate on say the first £12k of income. As this tax would apply to wage payments just as much as purchase payments the effective tax rate would be double the headline rate.

To help people to hand over their farms in an orderly manner. Stop the likes of Mr Dyson from buying 1000’s of acres just to avoid IHT. What is needed here is a policy free from agendas that is good for the countryside good for our society and maintains stability in all its forms. These aims are not mutually exclusive.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

I have really no idea how you create so called “affordable” housing. It used to be that buildings with an agricultural tie was a way of providing worker accommodation. Today with so many fewer farm workers, such a restriction is hardly applicable. Perhaps the first thing is to decide who needs these houses and what they should be used for. There are also are 2nd homes and farm dwelling houses used as holiday accommodation. How should these be treated?

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

I have no recent experience of the new rules. The ones in Scotland are not the same as those in England and Wales. Have the local authorities in England Wales sufficient resources to actually carry out these new policies?

Government policy, devolution and local government
14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

No why should they when the rural population amounts to less than 2% of the total. The other main problem is a profound ignorance within government (of all hues) and the civil service about anything concerning the rural environment. The officials have very little understanding about any of the natural processes that go to make up the rural world.

My main recommendation is a re-education program for all those involved both in the home office and the Department of Agriculture or whatever it is called these days. (DEFRA?) See my 2nd paragraph in answer to question 8.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Get rid of the enterprise partnerships. Governments job is to facilitate and regulate trade. To ensure, as far as possible, that there is an even playing field. It is not government’s job to be trading. They are not equipped and have no understanding of trading. They find it difficult enough to run themselves! These partnerships have never made a decent decision in their lives. It is just a way of spending other people’s money with no responsibility for the results.

The only things on which government should be spending money are in those areas that are non-commercial but are of benefit to the community at large. E.g. footpaths, possibly drystone walls, Heritage sites, and the like. If taxation was properly fixed so that people ended up with more than just pocket money from their own earnings then government help to start a business would only be needed in very few instances.

There are many other points that I might wish to make but 8 pages is enough for now. If you are interested then do please ask and I can expand on many of them. All errors, omissions, grammar and spelling mistakes are mine. If you are determined to reform a broken system as I am then please ask.

16 August 2018
As a rural resident living in social housing for more than 40 years, I would like to add my views to the following questions.

9. How can deprivation and inequality in rural areas be tackled?

Deprivation in rural communities is widening and this is largely due to the inequalities between its residents. This in my opinion, appears to be for several reasons;

Over the last 40 years the rural face has changed beyond recognition for some, this can be for several reasons.

Lost of local businesses, due to the larger cheaper shops that have an all-in-one greater selection and offer a £1.00 or free delivery. However the free deliveries which are offered to the towns, do not deliver into rural areas and therefore discriminate against the deprivation areas in the rural areas.

Most new local shops are more expensive and aimed at higher class, affluent clients.

The houses that have recently been built in our community have not affordable and therefore have only encourages even more affluent residents, again however this has lead to 90% of these new residents not integrating into the local community (as it has nothing they need). Therefore not only do they not support the local business to grow and flourish, overall it has lead to the diminished community spirit and unity that was once heart of the village and I am sure that this is mirrored in most villages up and down the country.

Childcare facilities only cover school hours, which is excellent for the affluent parents where one one parent works and the other can collect the child at the end of the school day. Nevertheless for those of us who have to work and run a house, there is not suitable provisions for childcare and yet in town the parents have 07:00-18:00hrs childcare option.

After school or extra curriculum activities for both adults and children are plentiful for the affluent in the countryside and are offered free or cheaply to those living in deprivation in the towns. And yet those living in social housing in the countryside, again appear to have been forgotten.

With services such a sexual health are fighting an uphill battle with teenagers that are in small country towns, who do not have full daily access to sexual health services, which again those who live in the larger towns do!

It appears to be a common misconception is that, all rural residents are affluent and therefore have the means to be self-sufficient and do not require any additional support services for teenagers; working parents or elderly.
Therefore those who live in social housing in rural Britain appear to have been forgotten and yet if we/I lived in a town I would not only have more choices, but also opportunities for my children and myself.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Offer them the same opportunities as those in towns, such as access to college course, universities course. Which would need to be fit for purpose and relevant to the leaning needs of the residents, such as agricultural and equestrian etc.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Actually build real affordable houses, that come with a minimal term of residency before sale, otherwise the houses will be brought up and sold for profit due the appeal of rural lifestyle.

Nevertheless I believe that this is not the way forward for rural communities, as it do not encourage to rural community to grow, it merely provides those with money, the cheaper option to living in London with easy access to the capital!

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

As previously stated, the recent houses have only supplied the village with more residents, with 90% of these people NOT contributing to the local economy. Therefore failure to address the in-balance will eventually lead to the demise of the village community as we once knew it.

What I would say, is that those of us who remain in rural communities, are very proud of what we have and have achieved. Furthermore that those who have wanted to develop the amenities within the village, have done so with great success and it is these business and people who need the continued community support.

31 July 2018
Boxley Parish Council’s submissions is that the rural economy was held back by;

- Poor/inadequate highway infrastructure.
- Poor/inadequate public transport.
- Slow broadband speeds.

Development on agricultural land reduced local employment opportunities and adversely impacted on the country’s ability to grow enough food.

7 September 2018
I write in response to the published article in Arts Professional: “

Littoral Arts Trust’s Ian Hunter has submitted a piece of evidence to the committee on the “overlooked” plight of the new creative rural economies.

The submission claims the creative rural sector currently contributes £2bn to the national economy without specific "strategic government, public, arts lottery or private sector investment support”.

By comparison, it notes the wider creative industries are predicted to generate £90bn GVA for the national economy by 2024. Hunter warns of a general urban bias in arts funding, citing major government investment in urban cultural infrastructure programmes such as the UK Cities of Culture initiative and capital projects such as the Tate Modern extension, the Hepworth Wakefield and the Factory Manchester.

"Many in the creative rural sector would also argue that an equivalent, albeit more modest, Arts Lottery award (i.e. £20m over five years) would also greatly help to regenerate many of Britain’s struggling rural areas and marginal communities (e.g. The Uplands), stimulate the vital rural tourism sector, and also create new arts, media and cultural employment and skills.”

I apologise that I am not responding to the original submission in full as I do not have it to refer to but I would like to support the principle of this argument.

I am a theatre writer and director based in rural North Yorkshire and our company mandate is to put theatre at the heart of rural life. We are in our 20th year of touring and present somewhere in the region of 120-150 performances a year at non theatre spaces nationally such as village halls, churches, aircraft hangars etc. We are without any core funding from any source and survive as a successful arts business with occasional Arts Council project support (distribution of funds from the National Lottery). We have a thriving youth theatre (25+ students from 6-12 years old) and also support adult actors in developing confidence and skills through their own performance projects. Our turnover is somewhere between £90,000-£130,000 per annum depending on project sizes during the year.

We have found over the last decade of our theatre on your doorstep project that there are clear benefits to our arts projects that stretch far beyond our own creative expression.

- Volunteering and social inclusion, leading to greater community cohesion, including across generations
- Diverse mental health benefits for older people participating in events locally where they do not have to travel and have easy access if needed (due to infirmity, age or disability)
- Support of local community venues and local businesses who draw an additional income from supporting one off events
- A sense of place and belonging, ownership of a cultural event that binds local people together

Since the closure of Yorkshire Forward some years ago there is no dedicated business support that rural businesses like ours can access for free, and the proportion of dedicated arts funding to urban centres far outweighs the tiny amount of support for rural areas.

I speak from the perspective of an arts business, as that is our passion, but many other rural businesses across a vast number of sectors struggle in the same way. We are seeing a return to successful, well-run, passionate ‘cottage industry’ businesses that are keeping rural areas alive and building strong communities. And it is a financial uphill struggle. ANY proportional support that can come from government that resets the balance away from London-centric and urban spending cannot come too soon for us and the communities we serve on a regular basis.

Yours sincerely,
Kate Bramley- Artistic Director
Badapple Theatre Company Ltd

29 September 2018
British Sugar – Written evidence (REC0204)

Introduction

British Sugar is part of AB Sugar - a business segment of Associated British Foods plc (ABF). ABF is a diversified food, ingredients and retail group with 2017 sales of £15.4 billion and 130,000 employees in 50 countries. AB Sugar produces cane and beet sugar, plus a wide range of associated products, in 9 countries worldwide. This includes in 5 least developed countries (LDC) and African, Caribbean and Pacific Group of States (ACP) developing countries.

British Sugar manufactures sugar from sugar beet grown in Britain – predominantly across East Anglia and the East Midlands. The home-grown sugar industry is one of the most efficient in Europe, making an economic contribution of over £700 million/year and supporting 9,500 jobs throughout the economy, many of which are in rural areas. We operate four factories, in Wissington, Bury St Edmunds, Newark and Cantley.

We work in close partnership with over 3,000 farmers who grow and supply the crop, NFU Sugar, and 7,000 other businesses from across the country, many of which are rurally based SMEs. The British beet sugar industry is consequently highly integrated. Nevertheless, we are operating our business at a challenging time. EU and world sugar prices have fallen faster and more significantly than expected and we need to continue to make our operations as productive as possible and focus on how we can drive further efficiencies in our business.

We welcome the opportunity to submit evidence to this inquiry – one which is of particular interest to us as a business based in predominantly rural locations and aware of many of the opportunities and challenges facing the rural economy. Our submission responds to a number of the key themes covered in the recent evidence sessions.

Impact of Government policies on the rural economy

1.1. Sustainable farming - we welcome the Committee’s focus on the UK’s environmental obligations through its commitment to sustainable farming. There does not need to be a trade-off between high quality, high yield farming and delivering environmental benefits. The farming of sugar beet contributes to the sustainability of the UK’s arable farm sector, sugar beet is a good rotational ‘break crop’ in arable farming, and our growers benefit from it being in the rotation (in terms of soil health for example).

Sustainability and our impact on the environment is hugely important to us as a business. Our growers, along with our British Sugar agronomists, regularly review on field processes to ensure practices are as efficient and sustainable as possible.
We urge the Government to recognise the benefits that can be delivered by certain crop types in the arable rotation, such as sugar beet, and ensure policies do not adversely affect an industry which supports a significant number of jobs in rural areas while contributing to sustainability.

1.2. Pesticides and neonicotinoids - at British Sugar we are acutely aware that bees play a crucial role in food production in the UK. However, we were deeply disappointed by the recent decision reached by the European Commission to introduce further restrictions on neonicotinoids for non-flowering crops such as sugar beet, which was supported by the UK Government. We do not believe that the evidence supported a change in policy and are concerned that the ban will result in significant impacts on sugar beet yields in the UK, exacerbated by our maritime climate that enables significant aphid pressure on the crop.

Following DEFRA’s decision in October 2018 to reject our emergency authorisation (EA) application to use the neonicotinoid seed treatment on the 2019 crop in the event of a threshold of risk to the crop being reached, we have been working as a matter of urgency with our 3,000 growers to mitigate risk to the sugar beet crop. At the same time, 13 national governments across Europe have granted their industries EAs, and they will be able to use the treatment on this year’s crop.

We are currently in conversation with the HSE regarding applying for an EA to use Biscaya, a foliar spray which could be used twice during the growing season. The British Beet Research Organisation (BBRO) was granted authorisation to use Biscaya on sugar beet in 2015 and 2016 to treat against leaf miners and the treatment is currently available for use on a range of other crops. Without access to some form of mitigation, we risk decades of innovation and progress in yield growth being lost, to the detriment of the rural economy.

1.3. EU Emissions Trading System (ETS) - the uncertainty of the UK’s future membership of the EU Emissions Trading System is of major importance to British Sugar. As one of the biggest participants of the scheme, we believe it is vital that UK installations are able to remain in a system which ensures flexibility to trade permits. Without continued access to the scheme, our industry would face substantial further costs, at a time when we are already facing significant business challenges in other areas, as outlined above. The UK carbon price, however it is set after Brexit, whether it be by tax or a trading scheme, needs to be comparable to that in neighbouring markets, i.e. the EU. If not, there is likely to be market distortion, and it could risk undermining domestic industries, including our own.

We have long argued that continued membership of the EU ETS is the simplest way to retain a carbon trading scheme which will continue to meet greenhouse gas emission targets. However, this now looks increasingly unlikely, and we would therefore urge the Government after Brexit to move to our own emissions trading scheme rather than a carbon tax – a scheme that can mirror the EU ETS as closely as possible.
1.4. **Energy** - our energy production is highly efficient with Combined Heat and Power (CHP) at our factories, two of which export energy back to the grid. We have invested in an anaerobic digestion plant at our Bury St Edmunds factory. We use 99% of the waste outputs from the sugar making process and turn them into a wide range of coproducts, from topsoil to bioethanol. We believe we’re an excellent example of the Circular Economy in action.

Given our energy mix, we have been keen for the Government to progress an energy policy that recognises the efficiency and value of industrial energy production both large and small – from flexibility to greater decentralisation.

1.5. **Innovation and agri-tech** - innovation is vital for ensuring that we remain productive, efficient and competitive in a challenging market. Together with our growers, each year we invest £2m in the British Beet Research Organisation. Through continued investment we have delivered a 25% increase in yields in the last ten years, more than any other UK broadacre arable crop.

We want to see a sustainable, future-proofed agricultural economy driven by data, analytics and techniques like GPS, satellite and drone imagery. This will enable our growers to maximise the value of precision agriculture – resulting in higher yields, less waste and greater benefits for the environment. We urge the Government to provide consistent support for innovation through, for example, R&D tax cuts.

*Challenges for small businesses, farming and agricultural sectors in accessing necessary skills*

2.1. **Skills Gap** - as a major employer in the East of England, British Sugar is a key contributor to the rural economy. Navigating the skills gap is a major challenge for the rural economy. We’re keen to play our role in encouraging young people to consider a career in the agricultural sector – through presentations at colleges where we talk to young people about our industry and exhibiting at local school and country fairs. Key to attracting more young people into careers in farming and agriculture is the promotion of the industry as a modern, forward-looking, highly technologically advanced industry which provides opportunities to tackle the challenge of food production while working with advanced technology to address challenges on farm.

We believe that more targeted Government action is required to assist in the promotion of agriculture and food and beverage manufacturing as viable and attractive career paths for young people, so that we can access the necessary skills in our workforce. Influencing school-aged children is essential, so schemes which promote the industry in schools are important. We would also support moves to encourage greater diversity into the industry.
2.2. Apprenticeships - in 2017 we invested £1.5 million in our graduate and apprenticeship programmes and we are proud that 80% of our apprentices stay with us for more than ten years. We recruit our apprentices predominantly from towns and villages local to our 4 factories.

Given the challenge in attracting sufficiently skilled (in STEM areas) workers in the rural areas in which we operate, our apprenticeship and graduate schemes are hugely important to us to ensure we can recruit and train employees to meet our requirements. To continue to attract and train a skilled workforce, British Sugar supports the Apprenticeship Levy, but we are calling for the Government to broaden the scope of what can be claimed, and to allow greater flexibility in the programme, which would provide greater incentives for running and expanding schemes within individual businesses.

Impact of Brexit on farm profitability and the importance of EU funding to the rural economy

3.1. Maintaining reciprocal tariffs - British Sugar supplies around 50% of the UK market for sugar. The rest is served by imported beet sugar (25%) and imported cane sugar, which is refined in the UK (25%). As the UK Government looks to develop its trade policy and future trading relationship after Brexit, it is important that the UK’s domestic sugar industry is not undermined.

To deliver our vision of a fair, level playing field, we’re asking for the UK Government to ensure reciprocity of tariffs and standards on sugar with the EU 27 post-Brexit.

To allow us to compete on an equal footing, there should be no unilateral reduction of tariffs. The world sugar market is highly distorted with the six major sugar producing and exporting countries benefiting from state support. Independent research by Flint in partnership with the European Centre for International Political Economy (ECIPE) concludes that the top six world producers have subsidised their sugar industries, with an average subsidisation rate of €110 per tonne. Therefore before making any changes or concessions to the existing trade arrangements we would ask the Government to consider their effects on the UK sugar market structure and make sure inadvertent damage is not caused.

It is crucial that the UK maintains duty and quota free access for Least Developed Countries (LDCs) and African Caribbean and Pacific countries (ACP) to the UK. Many of these countries use tariff free access to the UK market to drive positive development outcomes.

18 February 2019

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78 Flint and The European Centre for International Political Economy (ECIPE), 2018: UK sugar trade in the global market after Brexit [link]
Broadland District Council and South Norfolk Council – Written evidence (REC0072)

Broadland District Council (BDC) and South Norfolk Council (SNC) are District Councils which form part of the Greater Norwich area; one of the fastest growing parts of the country which is establishing itself as a leader in science, technology, financial services and manufacturing. The districts are both diverse and are home to both urban and rural locations.

The districts cover over 500 square miles and are jointly home to over 250,000 people and over 10,000 businesses. At both authorities, we pride ourselves on our innovative approaches and new ways of working, pro-growth agenda, efficient and effective collaboration with public and private sector partners both locally and regionally.

As predominately rural councils, we have recently agreed to establish a joint officer team to ensure that the opportunities for growth and prosperity are achieved through a bigger geography when compared with urban authorities. As councils, we are committed to ensuring that our geographic location is well placed to support the growth aspirations and opportunities from our residents, students and businesses. Going forward, we will support our business and residents to thrive, while tackling deprivation and inequality in our area.

Key points

- It must be recognised that there is a strong inter-relationship between urban and rural areas and both have a part to play in the growth potential of the regions and the national economy as a whole.
- The rural economy in the future, will continue to utilise technological advances to deliver digital transformation within rural areas
- There needs to be a focus on improving transport within rural areas to reduce the impact of social isolation and deprivation.
- Digital connectivity remains a key issue in rural areas and there needs to be a refocus on improving connectivity for our residents.
- Attracting and encouraging younger people to stay or return to rural areas is key to ensuring that local economies continue to thrive – increased focus needs to be given to more attractive career opportunities, connectiveness and a greater range of housing provision.

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The rural economy is traditionally regarded as agriculture, forestry and rural affairs. In recent years that definition has changed as farm diversification and the digital economy has emerged. We now understand the rural economy to be business activity that occurs primarily outside of a built-up area. There is however, an interrelationship between predominantly rural based enterprises and
predominantly urban based enterprises. The impact of these changes has been a slow move from a very labour intensive low GVA economy, to a more sector-based growth economy with the emphasis on development, improving skills and inward investment to achieve a high GVA.

The UK voted to leave the EU in 2016, the National Living Wage was also introduced in 2016, and technology has advanced rapidly which is affecting every aspect of how we live and work. All of these changes will have major implications for the rural economy although the full impacts are yet to be seen.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

We have included a number of success stories of good practice throughout our response.

In terms of replicating these, a good method may be developing a series of tried and tested delivery models that could be rolled out to a network of rural areas.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The rural economy in the future, will continue to utilise technological advances to deliver digital transformation within rural areas. This may level the playing field for service based industries regardless of their location. Alongside this, advancements in technology may see a move away from lowly paid agricultural workers, with less reliance on imported plant based goods due to advancements in gene editing, urban farming and agri-tech.

Access to people in terms of both high level and lower level skills, is becoming a challenge, both now and in the future. Post-Brexit, there will be a particular challenge around ensuring we have the right skills in the right places. This is prevalent around high-EU worker sectors such as health and social care and rural farming, both of which have already seen challenges with recruitment.

*Infrastructure and services*

4. **How can access to transport be improved in rural areas?**

The provision of public transport within the rural areas remains an area of concern. Although some services continue to link rural areas to urban areas, declining transport budgets are resulting in difficulties for residents to access their education/work choices, medical appointments and cultural/social activities, both into urban areas and between rural areas which in turn, are limiting economic opportunities while contributing to reduced quality of life from e.g. deteriorating mental health issues as a result of isolation. Young people from rural areas often experience difficulties getting to Further Education colleges or sixth forms which can dampen younger people’s aspirations and curtail their opportunities.
Better financial investment - To improve transport issues, alternative financial models for investing in rural transport infrastructure needs to be addressed. For example, one rural barrier would be removed if those travelling to post-16 education or training were entitled to subsidised bus fares.

Community Transport Schemes – There is currently a belief that community transport provision is simply linked to the support of the older population. A question here needs to be raised on whether or not this should be the case when, in rural locations, a wider range of demographics also struggle with access to key services (potentially increasing social isolation). To improve this, more emphasis could be given to making community transport accessible to all ages.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Clearly growth in rural areas can be severely held back by businesses unable to work in the digital arena. Connectivity is, and will be key to the rural economy of the future. Both Councils have taken a Can-Do approach to rural broadband ‘not spots’ which forms part of our commitment to inclusive growth and equitable connectivity for all residents. This has been underpinned by our financial commitment to supporting Better Broadband for Norfolk and support in building user awareness. In addition to this, South Norfolk Council has recognised that an unacceptably high number of our residents were not included in BDUK and allocated an additional £162,000 of its core budget on a contract to provide a minimum 10 Mbps wireless broadband to our ‘not spots’.

To better enable rural districts to do this:
- Coverage data should be in the public domain as without this rural councils need to regenerate postcode lists that already exist.
- Telecoms companies should not be allowed to charge the same tariff for people getting less than 1 Mbps as those getting a good service with 15 Mbps. Slow internet speeds make simple day to day activities such working remotely, running a business from home and completing school homework more difficult to complete. Residents getting super slow speeds should pay less than those who get a reasonable service as this would encourage telecoms companies to address the digitally disadvantaged.
- Broadband should be viewed as a utility and should be treated as such by the Law Society. At present, house builders do not need to provide Broadband.
- Ensuring that residents are provided with additional support to take full advantage of faster broadband speeds etc. e.g. Broadland District Council run a ‘Older Peoples Partnership’ which aims to raise the profile of older people within the district, but also equip them with key skills that they may need for the future.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Digital connectivity
A key issue of services such as healthcare/education/banking is the rurality and sparsity of the populations of which they serve in rural localities. To improve and maintain these services, improvements and funding should be made available to
enhance the digital connectivity and application of new technologies (such as Artificial Intelligence (AI)) to underpin rural services. Healthcare provision in rural communities remains costly due to the geography. Remote monitoring/recording solutions for many basic health conditions could enable valuable resources to be better utilised elsewhere. Education in small groups via the internet, could again make a significant contribution to saving the costs of rural school provision. The possibility for a range of banking facilities to be made available through post offices or even corner shops will enable the smallest rural centres to maintain a service for residents, whilst the major part of the service is delivered online.

Skills

Within the area, there are key issues with skill shortages and labour market, particularly in healthcare. In the Norfolk and Waveney area, there were 7% of vacancies across the all staff groups in the NHS in March. The Norfolk and Waveney STP reports that ‘Recruiting to key posts, especially adult, mental health and LD nurses, A&E doctors and GPs is especially challenging.’ We also have a need to replenish the local workforce in our area, as we have ‘over 20% of GPs and over 23% of nurses aged 55 and over – representing a retirement risk in the medium term (2-5 years).’ The challenge remains on how to attract the workforce required to support the expected growth and demographic needs of our residents.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

In our experience, utilising the voluntary sector and encouraging residents to volunteer to support local amenities has proved successful. This not only improves social wellbeing and a sense of place, but also encourages communities to become more self-sufficient. South Norfolk Council has already made innovative use of its New Homes Bonus via it’s market Towns Initiative. This supported not only the towns themselves but also the rural hinterlands which form the major part of our district. Working with town teams, the initiative supported and seed funded many local projects, groups and events that encouraged residents to use their local businesses to try and ensure their sustainability.

Both Councils support the Pub is the Hub initiative which is based upon the principle that the pub should be the centre or hub of community life and can also provide essential services beyond the usual drinks, food or entertainment. It seeks to encourage communities, licensees, pub owners, breweries and the private sector to work together to match community priority needs with additional services which can be provided by the local pub and a good licensee.

Both South Norfolk and Broadland Councils offer their businesses additional support through a business rates relief scheme (see question 8 for more information).

Business, employment, skills and demography

8. How can rural industries and investment be supported? How might labour and skills shortages be overcome?
Overcoming Labour and Skill Shortages

Labour and skill shortages could be addressed through ensuring that partners at a local level, work closer together to both attract younger and more skilled people into non-metropolitan areas, particularly areas of a rural locality. Delivery of skills at a local level has been proven to deliver better outcomes for residents and at a reduced cost. Central government needs to ensure local government has the right powers and resources to provide the right skills and training to cover any short-term shortages, as well as longer-term skills issues facing the region while enabling greater levels of productivity. Alongside this, local authorities have the opportunity to work more collaboratively with their educational institutions and universities to address skill challenges.

Policy Initiatives & Pilots

New policy initiatives that emanate from the Industrial Strategy should ensure they take account of rural economic needs, opportunities and circumstances. To support rural business to thrive and for new industries and investment to develop, rural based pilots and rural specialists should sit on groups that are tasked with taking forward parts of the Industrial Strategy document. An example of a pilot is The Cambridge Norwich Tech corridor. A public-private partnership set up to drive clean, efficient, technology-based economic activity across a wide geography encompassing the counties of Norfolk, Suffolk and Cambridgeshire. The initiative joins up the strengths and assets in the Corridor to promote and drive investment in to the region while supporting indigenous growth and retention of local talent by creating a cross-sector ecosystem of businesses in rural areas between two urban cities to drive collaboration, technology convergence and strong regional supply chains. The Cambridge Norwich Tech Corridor has the potential to be home to an additional 26,000 additional jobs, 46,000 people and create value of an additional £2.75bn to regional economy.

Business rates relief

Both South Norfolk and Broadland Councils offer their businesses additional support through a business rates growth discount scheme to incentivise new businesses to locate in our areas and to help them grow. The schemes are aimed at improving growth and productivity and is a pro-active approach in the face of changes to the way business rates are administered in the future.

9. How can deprivation and inequality in rural areas be tackled?

Different rural areas will present different challenges according to the local economy and industries, catchments of urban areas and transport provision. Supporting vulnerable individuals within a more affluent traditionally agricultural area such as South Norfolk and Broadland will require a completely different model to a former mining village in South Wales for example. Therefore, the service provision to support vulnerable people to overcome deprivation needs to be designed around the specific rural infrastructure and data on the individual characteristics of that given area.

In general, good quality planning to deliver growth is a key to tackling deprivation and inequality:

- There needs to be more availability of employment land and provision within rural areas to enable better access to jobs that do not require long commutes and have a range of employment opportunities in sectors where
there are opportunities for apprenticeships and career development. Engineering/manufacturing are two good examples.

- Suitable housing growth that factors in transport links to enable rural people to access services and employment.
- Reduction in public sector commissioning arrangements that allow for zero-hour contracts (particularly within the social care sector)
- Good quality careers advice earlier in schools to enable young people to make informed decisions about future career opportunities to increase aspirations.
- Better childcare provision to enable parents to be able to work. There are too many cases in rural areas where there is either no childcare provision or provision is too far away from the home/work place to make it viable to work. The cost of childcare is prohibitive, not just to parents but childcare providers who may operate with less children that urban providers. There be a case for a rural supplement for childcare providers to enable more local provision to be available.
- Increase levels of specialist and general housing to support the workforce and residents to sustain independent living.
- Encourage increased support for carers.

In our areas, South Norfolk and Broadland have taken a pro-active and leading approach to designing service models specific to our local needs, including the issues of rural deprivation and inequality, with a particular focus on multi-disciplinary initiatives focused on those parts of the system that people will often go to for help (e.g. GP’s, care agencies, Adult Social Care, police etc.). In general, there needs to be non-reliance on urban solutions to solve rural issues. Below are some examples of how Broadland and South Norfolk have worked to reduce the impacts of deprivation and inequality:

**Help Hubs**
Both organisations have roles to play in partnering with other local authorities, volunteer and private sector to establish ‘Help Hubs’. The Help Hubs are partnerships between organisations that support people in Broadland and South Norfolk. In South Norfolk, the Hub offers practical support by using a multi-agency teams who tackle issues of deprivation and inequality amongst other issues, to prevent the escalation of need. The hub ensures that our residents get the right outcome from their request for support, advice and guidance to get residents back on track and get them the right help at the earliest opportunity.

**Community Connectors**
In 2017, South Norfolk received £70,000 from the DCLG, alongside other funding sources, to expand our network of ‘Community Connectors’ across the district and the services that they offer. The Community Connector initiative involves the connectors, working at a grass root level, using local knowledge to help residents access support, using a personalised approach.

They are based in the community and meet residents in informal setting like the school playground, libraries and community groups and are a trusted link to our health and social care services. Community Connectors also work within doctor surgeries and with the voluntary sector to build community capacity on a 1:1 basis, helping the community help itself and identify and tackle issues before they escalate and provide support to those who may suffer from the rural ‘service gap’
Broadland District Council and South Norfolk Council – Written evidence (REC0072)

seen nationally. This initiative works in context with our ‘Early Help Hub’, where there is access to statutory services, voluntary sector partnerships and wider functions to help develop community capacity. This provides the community with a ‘whole package’ approach.

Moving forward, this initiative is looking to work even closer with the NHS to build relationships and the connectedness of services, particularly with a focus on social and mental wellbeing of a person who may also have more physical needs (e.g. connecting a new mother – who may have physical/clinical needs – to social support and networks). In Broadland, good examples of links between healthcare and key services such as leisure are already happening such as the Broadly Active exercise referral scheme.

**Digital Connectivity**
Looking to the future, accessibility to key services is continuously moving online, and in some cases, digital is the only available channel to access some services. For example, the introduction of Universal Credit (UC) requires residents to log in online multiple times in a week; if they fail to do so, they can be penalised.

A key issue within rural areas is the availability and strength of broadband connections – an issue which both South Norfolk and Broadland are prioritising and have invested heavily in as mentioned in Question 5. Alongside this, we have worked to ensure that our residents who are unable to utilise the internet or have issues with transport can still access our service by taking those services to the residents. For example, in South Norfolk, our community connectors, benefits teams and FIRST teams (Financial Independence, Resilience, Skills and Training) complete home visits within rural localities, allowing those who find it difficult to access broadband or travel can still access services.

A key element of ensuring we can effectively tackle inequality and deprivation is to establish more sustainable funding solutions for innovative projects that focus on these specific issues.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

Many young people we have spoken to, would prefer to stay within the local area or return to where their families live, when they themselves start a family. Key barriers to this are skilled employment within the local area and access to affordable housing.

Too many young people have to leave rural areas to find employment, particularly skilled employment with career opportunities. There needs to be more incentive to attract rural employment growth, enabling businesses to start up and expand within rural areas rather than having to move. New housing growth needs to reflect the need of the local community and not on profit with more two/three-bedroom affordable properties available.

Attracting and encouraging younger people to stay or return to rural areas is key to ensuring that local economies continue to thrive and contribute to the national economy as a whole. Moving forward, a focus needs to be given to the range of
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educational opportunities available in rural areas, to ensure that younger people are not lost when they go to urban areas to attend college or university.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

Below are a range of ideas to address the challenges associated with a rural ageing population:

- Support a range of housing to encourage diversity within residential areas, encouraging equal population distributions. This is to avoid volunteer shortages, lack of local care staff and loss of community services.
- Greater use of the social value act in the contracting and commissioning of rural services – looking beyond financial benefit to community benefit before funding.
- Create a consistent and coherent response to investment and resource for services to source appropriate volunteers to meet the rural older populations’ needs.
- Support separate rural and urban policy rather than creating a one-size fits all approach. The needs of the two communities are diverse and this needs to be reflected in local and national policy.
- Measure the impact of services to identify those that meet the needs of the ageing rural population. Resident engagement will reflect the local context for rural service provision and can make sure that services are fit for purpose.
- Increase shared budgets and increase integration and coordination between services to create more efficiencies in supporting rural populations e.g. shared health & social care assessments.

**What opportunities are there for the older retired population to help support the rural economy?**

Many older people chose to continue to contribute to the rural economy either through employment or volunteering. Local Councils can support volunteering and encourage people to connect with their local community. A positive example of this is the South Norfolk Community Connector scheme where older people are able to access non-clinical support to address issues such as positive activities or loneliness. The connector will look for opportunities to access local support to meet their needs of residents rather than the impact of isolation escalating into the need for formalised statutory support.

*Rural housing and planning*

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

To make market sale housing more affordable, it would be necessary to increase the supply greatly, or restrict demand. The former is a potential outcome of the Government’s current approach, but it seems likely that supply will have to exceed demand for several years to impact on prices.
If the government wished to help first time buyers in areas where there is little shared ownership available, it could consider:

- re-introducing DIYSO (do-it-yourself shared ownership), whereby Homes England could fund Registered Providers to acquire homes selected on the open market by already-approved applicants;
- making available for existing homes arrangements similar to Help to Buy (equity loan).

For affordable homes to rent, the Government could re-introduce targets for affordable homes funded by Homes England in rural areas. This would accord with the philosophy of the Social Housing Green Paper, which recognises the role of social housing in promoting social sustainability through ‘thriving and diverse communities’.

What tends to be more problematic than delivering rural housing, is the infrastructure that supports rural development. Concentrations of more urban/suburban development tend to make it easier to focus limited infrastructure resources into particular schools, leisure facilities, transport corridors, green infrastructure etc. Smaller rural communities which receive relatively modest growth in the overall context, but which might be seen as substantial growth in context of the particular village, want to see local infrastructure improved, however this is often not particularly resource-efficient.

The sustainability of rural localities and the changing nature of work means that housing in rural areas may need to be looked at differently. This will ensure that appropriate levels of housing development are delivered to support and sustain economic activity within rural localities including rural based businesses, home based business and those residents who wish to work remotely within rural areas.

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

There is no longer a requirement to include affordable homes on sites of fewer than 11 dwellings. In some cases, this has led to the loss of affordable homes on what was the only site in the village. This is a particular loss in both districts as it is our practice to include a local connection cascade, enforceable in perpetuity, on all affordable homes provided, through negotiation in settlements with a population of less than 3,000. An exemption is available only in certain designated areas, and we suggest that it should be available in all settlements with a population of less than 3,000.

We believe that the National Planning Policy Framework will make it more difficult to acquire sites on which to build affordable homes for local needs under the exceptions policy. Paragraph 71 of the framework says that local planning authorities should support the development of sites suitable for first-time buyers. These are exactly the sites which would have come forward under the traditional exceptions policy (paragraph 77) for mainly rented accommodation. They are likely to be more valuable under paragraph 71, so the effect will be to provide homes for sale (to any first-time buyer) rather than tenures
available to meet identified local needs. Para 77 also allows for market cross-subsidy, which may help boost the attractiveness of traditional exceptions sites. We suggest a review with local authorities and Registered Providers to assess whether there has been more difficulty in obtaining suitable sites, or an increase in land prices, for development under the exceptions policy.

**Government policy, devolution and local government**

**14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Currently, the rural economy is not addressed or focussed on in the same way as urban/city economies.

It must be recognised that there is a strong inter-relationship between urban and rural areas and both have a part to play in the growth potential of the regions and the national economy as a whole. Therefore, it is becoming increasingly important that to accurately assess the economic contribution of an area, and avoid under representation of economic potential, hinterlands are considered in addition to a city’s core. In terms of how to address this, a shift in policy making is required where urban and rural locations are seen as mutually dependent rather than one being more preferred than the other.

**15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

Local Industrial Strategies will provide local areas with the ability and opportunity to refocus economic priorities to align with the demographic impacts of the area (e.g. populations living in rural/urban areas, issues around transport links etc.) and take into account the role that city hinterlands have to play in supporting growth. It will need to be ensured that local industrial strategies have the right amount of resource in order to deliver on their priorities. Districts working in collaboration with each other work at the right scale to understand the local economy and skills gaps which need to be identified to drive growth in the area.
Broads Reed & Sedge Cutters Association - Written evidence (REC0008)

1. The Rural Economy: Obvious change has been the fewer people employed in agriculture today compared to the past. This is mainly because of the tremendous advances in agricultural machinery over the years. There are now more people based in the countryside doing other work thanks to modern communication i.e. broadband. It has brought ‘life’ to some villages but some may say that we have fewer people now who really understand the actual countryside i.e nature, environment etc.

2. Agriculture, for the main part, has been a success. It has kept up with the changes, modernised and, for the main, given us the food we need. Conservation bodies have generally benefitted thanks to increased membership and income from central Government. Perhaps there is a need to rethink whether the actual environment has really benefitted and is the present ‘payments system’ fair.

3. The rural economy has always changed and will continue to do so. Market forces will probably continue to shape agriculture, however, customer concerns with environmental impacts and animal welfare will persuade the supermarkets to force changes on production methods. Brexit could have an impact but may well be an opportunity for positive change. The greatest potential could be a more ‘sustainable approach’ i.e. food production linked to environmental improvement and care. Regardless, technological advances will happen and robots may well further reduce the need for labour in agriculture as has happened in manufacturing.

4. Transport: Rural buses are used widely by those who do not have to pay! Retired persons qualify for free bus passes but students getting to college do not. We need a major rethink especially where bus services are subsidised by County Councils. The system needs to be fairer. Many retired people have cars and use buses because they are free. Is this fair? (Note: I am 65+ years old)

5. Everyone suffers from poor digital connectivity especially businesses. We need a strong national commitment to improve broadband and mobile phone coverage.

6. Healthcare: We have a more aging population who could benefit by having regular ‘nurse level’ home visits. This could save considerable cost as a long term health care strategy by freeing up visits to GP’s, transport costs etc.
   Education: Many villages have declining school age children owing to house prices now becoming unaffordable for young families. We need to return to local Council owned housing.

   Banking: Online banking continues to grow resulting in branch changes. Are we prepared to pay banking charges to help keep branches open?

7. Shops, pubs & amenities: There does not appear to be any solution to prevent these closures other than people joining together to act i.e. communities purchasing these assets. Perhaps some financial support package could be
considered for communities demonstrating viable long term solutions for these important assets.

8. Rural businesses: Lower business rates, more streamlined planning, good broadband and mobile phone coverage would all help. Labour needs to live near the workplace but housing affordability and availability prevents this. Skills shortage can be eased by addressing high costs of training with grants for training courses.

9. Tackling deprivation & inequality: Short term, work experience placement schemes, training and skills improvement. Long term, improve education. Financial support to move to areas providing work opportunities. Tackle housing and transport issues. Provide communities with a better voice on local Councils / bodies.

10. Young People: Currently deterred by high costs of rural housing, transport and relatively low incomes. Housing is the major problem.

11. Ageing Rural Population: Desperate need for a new approach. We have many elderly people living alone in large properties. The local sheltered housing schemes of the past provided a solution for many. The voluntary sector provides considerable support in rural areas now. Perhaps a partnership scheme may work i.e. links with local district councils. Many elderly people who are physically active do undertake voluntary work locally. Perhaps some more encouragement and thanks may work.

12. Housing Affordability: Community Land Trusts may help BUT immediate solution is to return to building local Council owned properties.

13. In the Broads area, we have seen the slow ‘gentrification’ of the villages since only wealthy people can afford the planning process and conditions. Low income groups have no opportunity to participate. They are too busy making ends meet to have the time, energy and money to participate in the planning process. Changes need to be radical to allow low cost housing options such as mobile home sites or rented council houses. In the short term, every village should be asked to identify suitable sites for a minimum number of mobile homes then later, sites for ‘real’ affordable housing.

14. Government and other public bodies tend to listen to those who are organised and can afford to lobby. Farmers, landowners and the major conservation bodies have a strong voice. Lower income groups are mostly ignored by all levels of government. In the Broads, the Broads Authority does not even bother to answer some of our emails. There is no accountability. The only solution is for these bodies to be accountable to the local population by having elected representation.

15. Local Government ie district and county councils do try their best to offer support but the aid packages are often complex and demanding for those groups who need assistance. It may help if there was a bit more ‘come to people’ instead of the ‘people need to come to the administrators’ approach. Communication needs to improve especially for isolated groups who may well be unaware of these opportunities.
9 August 2018
BSW Timber Group - Written evidence

BSW Timber is a family-run business that was founded in 1848. It now is the UK’s leading sawmiller and ranks in the top 20 sawmillers in Europe. Our headquarters are in the Borders town of Earlston.

We employ over 1,200 people across the UK across seven sawmills. The biggest part of our business is in Scotland, where we employ over 600 people and have four sawmills. Since acquiring Tilhill Forestry in 2015, we also have regional offices providing woodland and land management services, covering all parts of the country.

Being part of and contributing to the local community is an important part of how BSW Timber operates. Wherever we are based, we are committed to providing good jobs in rural areas and training opportunities to young people. We currently employ 28 apprentices ranging from entry level to degree apprenticeships. BSW Timber’s current turnover is over £300 million, and it is responsible for the production of over 30% of the UK’s softwood output. Our sawn timber products are mostly used for construction, pallet, packaging, DIY, fencing, and gardens, while the co-products are also used for paper, panel board and energy markets.

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Farming is nowadays so prominent in the political and public discourse that it often becomes a synonym for the rural economy. However, the rural economy is a much richer, more complex and dynamic reality than this simplified misconception represents.

The rural population has been growing at a faster rate than the urban one since 1995, with many of these newcomers being commuters to the big cities and towns. While this has exacerbated some issues, such as higher house prices and increasing demand on public services, it has also brought more dynamism to rural communities, as shown by the high rate of startup businesses in these areas. As a result, even in rural areas, the service and public sectors are the biggest employers.

The risk is that the link between economic activity in rural areas and natural resources is getting weaker.

This is no doubt due to the fact that farming, in particular, is becoming more and more challenging, while rigid, often inadequate policies, like the extremely heavy bureaucracy for the creation of new woodland, are hindering the growth and potential of the forestry sector. In addition to this, there is also a widespread perception of the countryside as something to be restored to a pre-industrial “golden age” and left unchanged and unspoiled by human intervention, for the occasional visitor to enjoy.
Now even more than in the past, rural areas offer a variety of resources on which businesses and people can thrive, if correctly managed and supported.

Forestry is a perfect example of this. It currently contributes over £2 billion to the UK economy and supports 80,000 jobs across the country. Its potential contribution, however, is much bigger. With the appropriate policies, more commercial woodland cover could be created to power the manufacturing and construction sectors, imports of timber could be reduced (the UK is the second-largest importer in the world, behind China!), and more highly-skilled jobs would be created. Forestry in all its activities is a very technical sector that requires innovation and specialist knowledge, so investment and jobs in R&D, as well as a better provision of education in rural areas, would also follow.

Another benefit that should not be ignored is that a prosperous forestry sector would also help meet carbon targets. While there are at present no clear estimates of the cost of carbon emissions, the economic benefit of carbon sequestration should not be underestimated.

Just like urban areas, the countryside is very varied, with each region having its own advantages and issues. At the same time, the big challenges are common to rural and urban areas across the country: housing, public services, crime, infrastructure, employment and so on. However, it seems that the policy approach to the countryside and the rural economy focuses only on farming subsidies, disregarding all other aspects and activities of rural living and that the policy-making is detached from the reality on the ground, without taking into account all the practicalities of living in the countryside. In this way, many regulations and policies hinder rather than support rural businesses.

The same effort and drive for innovation that goes into solving the issues facing people and businesses in urban areas need to be applied to rural areas. Only a detailed understanding of the strengths and weaknesses of the rural economy and of the different areas will enable rural communities to thrive and be sustainable in the long-term.

Good policies aimed at supporting the rural economy as a whole, not one sector over another, could unlock the full potential of rural areas to contribute to the British economy while working towards the Government’s objective to leave the environment in a better state than we found it.

**2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

BSW Timber is a good example of a successful business rooted in rural communities. Since its foundation in 1848, the company has evolved to fit into ever-changing social and economic conditions. The expansion in Latvia in 2000 and, more recently, in Slovenia are proof of the dynamism that characterizes BSW Timber: in a difficult timber market, where increases in prices and demand are faced with limited supply, the company always looks for new ways to secure its supply and expand its producing capability. The acquisition of Tilhill Forestry in 2015 and of Alvic Plastics in August 2018 highlight the ability of the business
to identify opportunities and take up new challenges, while always remaining committed to its employee base and to the communities in which it operates.

The most recent example of the company’s commitment to a sustainable business model that benefits the local community is an ongoing project near the Boat of Garten sawmill. For the last few months, BSW Timber has been working on a housing project with the Cairngorms National Park Authority and a local architect firm, Roderick James Architects, that provides training and work for local ex-offenders. The project would use land owned by the company and provide high-quality, energy-efficient affordable housing for the growing local population, as well as training and employment opportunities for the local workforce.

Tilhill Forestry’s work is also rooted in the rural community. The company increasingly works with struggling farmers to find the best way in which they can diversify and secure better incomes for themselves or their children. Tilhill land managers regularly advise farmers who hope to establish an additional source of income by planting trees on part of their land. This not only improves the financial viability of the farm but also helps to provide additional funds that can be invested in farm improvements.

BSW Timber and Tilhill Forestry also have a very good record of understanding the challenges and constraints rural businesses face and, wherever possible, try to find the best way to collaborate with suppliers to provide a degree of certainty. This is particularly well showcased by the collaboration between Tilhill Forestry and Maelor Forest Nursery in Wales. Started at a very challenging time of declining demand for the nursery, the close cooperation allowed both businesses to thrive in the long term.

In all these examples, the common element is that BSW Timber and Tilhill Forestry’s work is deeply rooted in local communities. Working together with institutions and other local businesses, understanding the realities and challenges faced by all are essential parts of building a resilient rural economy.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

In the last two or three decades, the rural economy has been radically transformed through demographic and economic change: many “locals” who engaged in traditional activities left, while newcomers move to the countryside but maintain their employment elsewhere. A relatively recent trend, at least in part made possible by the expansion of digital in our lives, is that of establishing microbusinesses, which have become quite popular but rarely grow beyond this stage.

This situation is likely to continue unless politicians at both national and local level design new policies that are specific for rural areas and support a new phase of sustainable expansion of the more traditional rural activities.

Forestry, in particular, has a huge potential to increase its contribution to the economy. With the right policies, commercial woodland creation could be
increased to levels that would support the wider industry. Wood can be used in a huge range of activities: from housebuilding to furniture, to agricultural and industrial buildings, to paper.

The benefit for the economy as a whole would also be considerable: the UK is the second-largest importer of timber in the world and demand for timber for different uses is set to keep rising. This costs the British economy an estimated £11 billion a year. Creating more woodland and supporting the forestry sector with the right policies would help reduce the UK’s dependency on imports. More importantly, growing in the UK the softwood timber that is needed by the domestic forestry, construction and manufacturing sectors would add considerable value to the British economy.

Additionally, creating more commercial woodland cover would increase carbon capture levels, thereby supporting the Government’s commitment to the Paris Agreement on climate change. Carbon capture and carbon storage are a very important part of the current debate about how to reform agricultural and rural policy to reward activities and practices that deliver public goods.

Infrastructure and services

4. How can access to transport be improved in rural areas?

Transport is one of the main challenges in rural areas: the remoteness of some communities and the declining state of some of the roads and railways linking them to bigger centres are one of the reasons causing depopulation.

The situation is not less challenging for businesses. For forestry particularly transport is a big issue: absence or poor state of roads in many cases means that it impossible to get the timber to the sawmills and then the processed products to other businesses in the supply chain. Where there are roads, they soon wear out under the weight of the very heavy timber trucks, worsening the transport conditions for the community.

Businesses are of course very keen to minimize the disruption and ensure that appropriate transport links exist between the resource and the processing plants, but local and national authorities play the main role in this.

BSW Timber and Tilhill Forestry are constantly liaising with the relevant authorities to try to find the best, most cost-efficient solutions for both business and community. Both companies are always looking for innovative ways to solve the transportation problems they face.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Education provision is a fundamental factor to secure the future of the rural economy. In occupations like farming, forestry, fishing, food and drink production the need for a skilled workforce and investment in research and development are becoming more and more prominent. The high standards of food production, environment-friendly practices, and sustainability are central to
these activities and ingrained in the way the public thinks of them. Innovation, knowledge, and skills are fundamental to achieve and maintain these standards.

It is therefore essential that local rural businesses are involved in the provision of secondary education. The recent reform of the apprenticeship system, in which businesses play an active part in designing the apprenticeships relevant to each sector and each specific role, is a step in the right direction. BSW Timber and Tilhill Forestry are making great use of this opportunity to attract young talent.

Tilhill Forestry is about to launch a new Apprenticeship Pathway, designed in collaboration with Coleg Cambria in Wales. The new pathway is the Diploma in Forestry and Woodland Management, currently the only one of its kind and starting with a Level 3 apprenticeships, with the opportunity to progress to a degree-level apprenticeship. The new diploma is expected to improve the hiring prospects of the many land and forest managers across the country who struggle to find adequate employees. Perhaps even more importantly, this new diploma will showcase a clear path of professional progression for many young people in rural communities and attract new talent to the sector and to rural areas.

Businesses need to be more involved in shaping the curriculum in colleges and technical colleges and be given the opportunity to contribute to the career advice schools offer their students. In this way, young people can learn early on in their education what kind of opportunities the local area offers and that, often, university is not the only way to achieve their career goals.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

If rural policy is aimed purely at conservation, then we can only expect a decline in services and the depopulation of rural areas.

A thriving diversified local economy is fundamental for the survival and growth or rural communities. The countryside is home to some of the most beautiful, unique natural treasures, which means that tourism is a very important source of income for rural areas. However, tourism is generally seasonal, and the majority of the employment opportunities linked to it are uncertain and, generally, low skilled with limited career prospects.

Rural policy needs to be designed first and foremost for the benefit of the local communities, with tourism being part of a whole, rather than the main consideration. With this view in mind, the best way to secure the provision of public and private services is to support rural businesses and to create the best conditions for these to thrive.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Recognising the specificity of the rural economy and the uniqueness of each area is essential to guarantee the right kind of support for businesses.
In the last few years, development policy for urban areas has encouraged the creation of enterprise zones that are dedicated to a specific sector and build on local characteristics and the available resources. These zones also enjoy tax rates, services, and planning regulation that are designed ad hoc. The same system should apply to rural areas.

The Forestry Investment Zones (or FIZs) launched in the Government’s 25 Year Environment Plan are an excellent example of the kind of leadership and support authorities can provide. This policy proposes to identify the resources and qualities of a set area and then develop specific measures that can drive investment and attract the relevant businesses to the prospective FIZ. Given the high level of research and development required by the forestry sector and timber in all its applications, FIZs could -in time- also come to include research hubs. A similar process could be applied to other areas of the countryside and other rural economic activities.

In addition to forward-looking policies of this kind, education remains central to the development and long-term success of rural businesses. As explained above, the rural economy increasingly requires a skilled workforce. National and local authorities should provide the education services and skill training framework, while businesses will play their part by supplying good jobs and invest in innovation and training.

9. How can deprivation and inequality in rural areas be tackled?

Once more, a prosperous economy is at the centre of any policy aimed at tackling deprivation and inequality. But a change of mentality is also needed. Very often, in the mind of the wider public as well as of politicians in some cases, the countryside is perceived as the unchanging place of tradition, with limited opportunities for education and career, linked to pockets of poverty. As discussed above, the reality is very different, but it is undeniable that inequality and deprivation in rural areas exist.

The first step that needs to be taken by politicians is to recognize that no area should be written off as too remote or too challenging. Then appropriate policies need to be designed and implemented to support the creation of more employment and training opportunities in these areas by the local businesses, with the forestry investment zones policy being a perfect example of good policy-making.

Rural businesses can and already do play a very important role in reducing inequality and poverty by providing opportunities that would otherwise be nonexistent. And this is particularly true of forestry businesses that are active in some of the most remote areas in the country, providing well-paid jobs. Additionally, most forestry businesses offer apprenticeships and other lifelong training opportunities.

At BSW Timber and Tilhill Forestry, we see apprenticeships and training as the best way to expand the talent pool available to us. Through apprenticeships, we can attract candidates that might not otherwise consider employment in the sector, because they see it as beyond their reach for many reasons, such as that
it isn’t female-friendly or that it requires skills that can only be acquired through an expensive university degree. We are proud to be employing the first female saw doctor apprentice in the UK, as well as several female land and forest managers. We are also proud to offer apprenticeships at all levels, including degree apprenticeships. Our commitment to education and our determination to find new ways to create opportunities for people of all backgrounds are the main drivers behind the creation of the soon-to-be-launched Diploma in Forestry and Woodland Management at the Coleg Cambria.

Even when choosing its partners, BSW Timber looks at ways in which it can help tackle social problems in local communities. On some of our new projects, we work with Roderick James Architects, who employ and provide the necessary training to ex-offenders on many of their sites.

If rural businesses are enabled to expand and offer more opportunities like these through good policymaking, inequality and deprivation will be much reduced in rural areas.

**10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

Contrary to a widespread belief, traditional rural activities like farming and forestry offer very good career opportunities. Rural activities increasingly require specialist knowledge, skilled workforce, research, and innovation. Know-how and knowledge transfer from experienced workers to beginners are also extremely important. Therefore, an appropriate educational offer that is specific to each area and shaped in collaboration with the local business reality plays a fundamental role in retaining young people.

BSW Timber and Tilhill Forestry are constantly looking for new talent and offer a wide variety of roles and careers. Most importantly, professional development is always on offer for all employees in the shape of professional training and apprenticeships for all levels. Offering a clear, attractive career path with opportunities for progression is the best way business can encourage young people to stay or return to their rural areas of origin.

Of course, there are other issues where business can only have a limited effect. The practical reality of living in rural areas can be quite challenging and limiting for young people. For example, small towns and villages in local areas usually do not offer a wide range of entertainment activities or shops and limited public transport services mean that owning a car is essential to get around, a very expensive option for young people. Additionally, local housing can be extremely expensive in the parts of the countryside that are most popular with tourists or owners of second homes. Local authorities should pay particular attention to ensuring a balanced supply of affordable and more expensive housing to give young people the opportunity to remain a part of their community. Adequate coverage of high-speed broadband is also essential to make rural areas appealing to young people: working remotely is becoming increasingly common, while the digital economy presents many opportunities for young people to start their own small business or access online training.
It needs to be repeated that a healthy, thriving rural economy that can cater to all ages and levels of experience is essential: businesses create employment, which in turns attracts people to the area or encourages the locals to stay. Services and retail to provide for the needs of the community will follow.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Forward-looking policy-making is needed to attract and retain young people and families in rural areas. The foundation for this is to ensure optimal conditions for businesses to provide good jobs and create a rural economy that is diversified and sustainable in the long term. High level of employment and the presence of prosperous businesses guarantee a good source of revenue for local authorities to provide basic health and social services in rural communities.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Timber can be the solution to high house prices and low energy efficiency in rural housing. The main focus of the timber construction industry in recent years has been on reducing the costs of both the building process and the maintenance. Innovation and high investment in R&D mean that offsite construction for timber houses is now the norm, with houses being built rapidly and at low cost, without compromising on the quality of the final product.

Timber offsite construction usually enables high levels of thermal efficiency, thereby reducing the risk of fuel poverty and the operational costs of the home. An increase in timber homes would also cause more carbon to be locked and stored, with the clear environmental benefits that this represents.

But more trees are needed to realise the many benefits of an increase in timber buildings. The required level of tree-planting can only be achieved through a policy and regulatory framework that considers all parts of the rural economy and drives integration between farming and forestry.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

The availability of housing and of affordable housing, in particular, is a very serious problem in rural areas, which is impacting a business’ ability to attract talent and prospective employees.

As already stated in this document, so much of the British countryside is a prime spot for tourism and holiday homes. This is, of course, a benefit, bringing additional income and economic activity to rural areas, but it is also a challenge. Just like in urban areas across the country, not enough new housing is being built. In rural areas, the available housing is reduced by outsiders who spend only the holidays in the area or let the property out, this inevitably also causes
the housing prices to increase, very often well above the level the local residents can afford.

BSW Timber is being directly affected by this dynamic. Our sawmills and offices in many areas of the country struggle to find the workforce they need because people cannot move to the area due to the lack of housing or prices that are too high.

We propose that a wider use is made of the rural exception site framework to build more housing in rural areas, with the level of involvement and cooperation of the local community required by the policy to ensure every new development is sustainable. The houses built through the rural exception site policy must be affordable and are exclusively reserved for local people, which would avoid the ups and downs of the second-home market.

If used in the appropriate way and always with the local residents at its heart, this policy would allow local people the opportunity to remain in their community and not be pushed out by rising house prices and rents. Moreover, additional workforce for rural businesses could also move to rural areas knowing there is housing available that they can afford on their wages.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

The largest part of the political debate around the countryside revolves around farming and conservation, in isolation from the realities that people living in rural areas face. The countryside is a living thing, no different from urban areas, and it should not be seen or treated as a recreational park to be preserved in an idealised state for the temporary enjoyment of visitors.

Conservation is, of course, important and BSW Timber fully supports the Government’s commitment to improve the environment and leave it in a better state than we found it. The best way to ensure the long-term future of a vibrant, prosperous countryside is to secure its economic sustainability. Policies should be aimed at finding the most efficient ways to provide the public services that make the countryside accessible to the people who live in it; at creating a business-friendly tax and infrastructure framework to encourage private investment in local communities; and at encouraging innovation and dynamism in the rural economies.

At the moment, policies affecting rural areas have a distinct “urban” outlook: many regulations are based on a theoretical knowledge that disregards the—often very difficult—realities of rural living and the expertise and know-how of people who have been involved in the rural economy all their lives (and sometimes for generations). As a result, farmers, foresters, and all rural businesses are under a lot of pressure to follow rules that make their work harder, in a box-ticking exercise that can cost them a big part of their already stretched money and resources.
Consulting with local communities, businesses and relevant trade bodies (the National Farmers Union and Confor just to name two) and involving them in every step of policy-making is essential. Establishing an open and accessible communication channel between policy- and decision-makers and communities must be the priority moving forward. Good, regular communication is a very effective tool for national authorities to understand the needs of rural areas and to ensure a good degree of flexibility that doesn’t trap people and companies in rigid, unchangeable regulations. It is also important that policy is founded on reliable, good quality data and acknowledges the uniqueness of different areas rather than adopt a one-size-fits-all approach. Each rural area has strengths and weaknesses that make it unique; a response specific to each area is therefore needed.

In addition to means of consulting with local communities, an ad-hoc board or panel could also be established. For example, the Scottish government formed the National Council of Rural Advisers in 2017, composed of people from different backgrounds and with solid experience in all the various sectors of the rural economy. This council is tasked with collecting evidence of the different realities across Scotland and advise the government about actions and policies that can better support the rural economy. To fulfil their obligations, the council meets in all the Scottish regions to collect evidence and holds consulting sessions to engage directly with local communities. In anticipation of further devolution, this panel could perhaps be replicated across the country to work alongside and report to the devolved regions.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

The recent drive towards more devolution is a great opportunity for policy and decision-makers to be closer to the different realities on the ground and, therefore, to have a more accurate idea of what the needs and challenges in rural communities are.

In the 2017 Budget, the British government launched the Borderlands Inclusive Growth Deal, which brings together five local authorities, LEPs, businesses and community organisations in England and Scotland to find solutions to the challenges in the area. This initiative is very significant because the areas involved in it are mostly rural.

For the growth deal to succeed, the board will have to find innovative ways to tackle some of the key issues that are common to all rural areas across the country, such as limited transport links, providing health and education services to populations spread over a large area, the prevalence of farming and forestry in the most remote areas, and decreasing population in the smallest villages, with the deriving loss of local workforce and good management of natural resources.

BSW Timber and Tilhill Forestry are among the major employers in the Borders area and are therefore actively involved in this project, together with many other
local businesses who are just as keen to find ways to secure its long-term success.

There are many other areas across the UK that would benefit from similar growth deals and from this kind of approach that leaves ample room for communities and businesses to be part of the conversation and contribute ideas.

Hamish Macleod
Director of Public Affairs,
BSW Timber Group

10 September 2018
BT Group – Written evidence (REC0206)

The Electronic Communications Code

- EE, part of the BT Group, operates the UK’s biggest and fastest 4G mobile network. We are committed to expanding 4G network and we continue to invest heavily in rural areas – across the UK, we are building and upgrading more than 100 sites to 4G every month as part of our network expansion, with hundreds of new masts deployed this year already in rural and remote locations.

- This has driven significant and rapid increases in 4G coverage. But we recognise that there remains further to go to extend rural networks to wherever people live, work and travel – but this will require deployment economics to change markedly. Not only do remote cells serve very few customers, the costs of deployment to hard-to-reach locations are often significantly greater, mainly due to the challenges of providing power and backhaul.

- A key priority for local and national government must therefore be working with operators to reduce the barriers to roll-out – this includes further reform to planning regulations (building on the welcome recent changes in England and Scotland, in November 2016 and summer 2017 respectively), improved access to public assets on appropriate terms to reflect the shared interest in improving connectivity and using its convening authority to bring together mobile operators and power companies to develop more cost-efficient solutions.

- In this vein, the new Electronic Communications Code, which came into force in December 2017, is a positive step forward. The Government’s clear intention of the new Code was for it to support the roll-out of digital infrastructure, make it easier to upgrade and share equipment, bring down rental levels to be more in line with utilities providers, address ‘ransom’ rent scenarios and to make it easier for operators and landlords to resolve legal disputes.

- It remains early days to assess the impact of the Code but we are positive that it sets out an effective framework to better facilitate the efficient deployment of digital infrastructure. The vast majority of new agreements between operators and landowners will continue to be based on commercial negotiations, underpinned by the new Code. We recognise that the valuation changes (introducing a ‘no scheme’ approach) represent a significant shift to established market practice. We have to take a ‘bottom-up’ approach to valuing sites, based on this methodology, rather than applying an arbitrary discount on previous rental levels – it will take time for new norms to bed down (particularly given the current lack of guidance on valuation methodology available to landowners and their agents) and for tribunal judgements to begin to set precedent. Early cases have helpfully indicated that they are intent on implementing the Government’s objectives for the new legislation, seeing rents reduce and
clarifying operators’ rights, such as access to survey, which have been disputed by some land agents.

- Progress is being made, but we have experienced a slow-down in the completion of new agreements with landlords during the first year of the new Code (with consequences for new infrastructure deployment), as many have been reluctant to engage in negotiations. We are keen to make the new Code a success – working with the CLA and other rural bodies, we are seeking to encourage landlords to engage with operators in reaching new agreements.

- We recognise that operators have an important role in ensuring our communications to landlords are clear and the offers made are fair, in the context of the rights provided under the Code. To support the Code, Ofcom has produced a Code of Practice which sets out the behavioural expectations of both operators and landowners through the life cycle of a site. We are fully committed to following its principles and landowners can expect us to adhere to its guidance.

- We also believe that the Government can play an important role in establishing new market norms and delivering the intended policy objectives of the new Code as quickly as possible. In particular, DCMS should focus on the following:
  o expand the use and effectiveness of the Digital Infrastructure Toolkit for government assets published in July to include property belonging to both central government and other public bodies.
  o ensure that clear guidance is issued to public bodies, in particular local authorities, on the valuation of telecoms agreements under the new Code and the benefits of mobile connectivity.
  o standardise documentation that could be used across all public assets and clarify areas of misalignment, such as providing a valuation methodology to be adopted for all assets as this is a matter which is currently leading to deadlock in negotiations.

**Mast sharing**

- Extensive infrastructure sharing already across the mobile industry. The current structure of the sector of four vertically-integrated network operators, operating from a combined total of c.35,000 macro sites, has been supported by the creation of two joint ventures – between EE and Three (MBNL) and O2 and Vodafone (CTIL) – to achieve better coverage and reduce network deployment capital and operational costs. Additionally, there is significant site sharing between the joint ventures, and the utilisation of wholesale infrastructure providers (such as Arqiva and WIG).

- When looking to deploy new sites, we invariably look at the existing infrastructure available in an area and assess its viability before considering greenfield development. Operators have reciprocal commercial sharing arrangements in place, including template site-sharing licences and umbrella terms which govern site access and occupation, and a well-established process for site-share applications.
• More planning freedom to build larger masts would enable a higher incidence of mast sharing. To facilitate sharing, larger, lattice-type structures with sufficient compound space, tend to be required to enable multiple operators to install their equipment and operate from the site. Too often, when we are looking to deploy new sites, we are restricted by the local planning authority and by potential site providers in terms of the type and size of the infrastructure we will allowed to build – preferring slim line, telegraph pole structures which have very limited sharing and upgrade potential.

• Of course, whilst site sharing on a commercial basis is common-place, infrastructure-level competition has been the main driver of industry investment and improved customer experience, as it creates scope for operators to differentiate in terms of network quality, capacity and coverage. We strongly believe that retaining this strong competition, and supporting it as far as possible, will ensure UK customers continue to benefit from high quality, affordable services. It is therefore important not to take a one-dimensional view of sharing that only sees the potential cost-sharing advantages – there are challenges in terms securing commercial alignment across operators who all have different network strategies, different spectrum holdings and therefore network topology requirements.

• Notwithstanding the above, we recognise that the model of privately-funded network competition that has been (and will continue to be) successful in the vast majority of the country is unlikely to provide the solution for the final few parts of the UK. So, working with the Government and Ofcom, we are keen to develop an effective approach to eliminating enduring mobile ‘total not spots’. Part of this may be suitably constructed coverage obligations attached to the award of 700MHz spectrum – Ofcom currently has proposals out for consultation to which BT will be responding, ahead of an auction expected next year. But further action will need to be taken if coverage is to be available wherever people live, work and travel.

Roaming

• We remain unconvinced that mandated roaming – on a national or more localised scale – would be an effective solution to delivering a high quality experience for customers. First and foremost, it would not address total not spots, as there is no existing coverage on which to roam. And we are also concerned that mandated roaming would significantly dilute the incentive for operators to invest in extending coverage as it would no longer be a feature allowing an operator to differentiate from the competition.

• Furthermore, the technical and customer experience challenges would be difficult and disproportionately expensive to address. Whilst these problems may not sound enormous, they are risky and unpredictable, so would reduce any perceived benefit of roaming:
o Increased dropped and blocked calls – handover between cells may not be seamless and there will be challenges on routing through the core network
o Degraded data experience – customers will not know when they are roaming
o Poor service – we would not have control over the service experienced over a competitor’s network
o Decreased battery life as phones would continually seek the home network.

- We believe that rather than focus on the ostensible attraction of mandated roaming, effort should be directed to increasing momentum around ‘barrier busting’ initiatives to reduce deployment costs and exploring opportunities for public funding to support commercial investment in addressing total not-spots.

Richard Wainer
BT Group
26 February 2019
Bus Users UK – Written evidence (REC0134)

Background

At Bus Users UK, our mission is to bring people and communities together, through socially inclusive transport.

Bus Users is an approved Alternative Dispute Resolution (ADR) Body for bus and coach passengers, and the nominated body for dealing with complaints under the European Passenger Rights Regulation 2013 / (The Rights of Passengers in Bus and Coach Transport (Exemptions and Enforcement) (Amendment) Regulations 2017). Bus Users UK Charitable Trust is a Registered Charity number 1178677 and a Company Limited by Guarantee Registration Number: 04635458

We have worked closely with the Department for Transport to advise on passenger rights, the passenger involvement aspects of the Bus Services Act 2017, the detail of the proposed Accessible Information Regulation and all other matters where input on behalf of passengers is needed.

We deal with complaints from bus passengers and work alongside communities to try to make the case for continuing service provision and subsidy. We also hold regular events in rural and urban settings to enable residents to make local transport providers and policymakers to understand their needs and the impact of poor transport on people at risk of social exclusion.

In recent years, we have seen a clear deterioration in the provision of bus services to rural communities and this has had a damaging effect on people, communities, businesses and opportunities in rural areas.

Bus Users UK therefore welcomes the House of Lords inquiry into a critical issue for rural communities.

We will focus our response on Question 4: how access to transport can be improved in rural areas but it is evident that all the questions interrelate to greater or lesser extent and, while transport is a fundamental requirement in these areas, action on transport alone will not resolve all the issues, which have growing urgency.

In particular, we feel that reliance on better internet connectivity, whilst essential for rural businesses, cannot adequately meet the needs of rural residents. This is because those things which can be accessed online, such as shopping or banking, can also be done in person but some things such as access to health and education which are accessed in person cannot be accessed online.

Without good transport, deprivation and inequality will continue to rise in rural areas, where it is an already intractable but often hidden problem. Therefore, good quality rural transport is pivotal and central to quality of life in rural areas and, as such, must be elevated in importance in government policy direction.
Question 4: How can access to transport be improved in rural areas?

The context

- Improving rural transport brings much wider societal benefits.\(^{79}\)
- In rural areas, a lack of transport opportunity leads to social exclusion.
- Social exclusion is not confined to older people or those with disabilities but all members of the community, and especially younger people because they are isolated from their own peer group expectations as well as educational and employment opportunities.
- The commercial market no longer provides adequate rural transport as shareholder and city region political pressure determines otherwise.
- Local Authorities (LAs), to the extent that they fund rural bus services anyway, have tended to focus their inputs to providing for access to shops and, by extension, to health services rather than journeys to college, work or apprenticeship. The focus on daytime services ignores the work pattern of people in entry-level jobs which often have shifts which cannot be served by such services. There is also a clear need for transport to get all adults and especially younger people to evening events and activities. In that way the needs of young people have been comprehensively ignored, which has led to higher car ownership levels in those who can afford this and greater isolation amongst younger adults.\(^{80}\)
- The only conclusion that can be reached is that LAs have done this because (a) they have tried to keep what was traditionally always there, such as the market day bus, and (b) because older people are seen as politically more important and active than younger ones. It is an outdated approach which does not take account of changes in modern living patterns.

Commercial operations

- Commercial services have declined which appears to be mainly due to cost increases, especially regulatory costs associated with transport policy and labour and environmental legislation. This has been exacerbated in some areas by the activities of unnecessarily over-zealous regulators.
- At the same time, whilst demand has not reduced as much in rural areas in the last decade as in urban areas of England or in Wales and Scotland, operator income has fallen due to reduced levels of concessionary fare reimbursement and BSOG which impact specifically on marginal services, often those in rural areas.
- The other cause of commercial service decline is the pressure on operators to deliver against shareholder expectations, realistic or otherwise. The perceived threat of franchising in city regions has led to cross-subsidy being subtly moved from the historic model of city to rural, increasingly becoming city to marginal city areas. City region costs have risen sharply as well because of worsening congestion, which operators attribute directly to central government policy.
- Reliance on commercial operations alone therefore is insufficient to provide rural residents and businesses with the transport facilities they need. However, there should be a continuing role for their provision of attractive inter-urban routes, into which local feeder routes can be provided. Not only

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\(^{79}\) KPMG for Greener Journeys 2017 report “The True Value of Local Bus Services” which finds “it is clear that investment in local bus markets generates significant benefits to passengers, other road users and the wider community.”

\(^{80}\) Joseph Rowntree Foundation “Young People and Transport in Rural Areas” 2000
does this increase the potential for rural accessibility, it also feeds revenue to the trunk routes making them more sustainable.

Local authority policy and funding

- LA contracted services, designed in accordance with the 1985 Transport Act to act as a safety net for where the commercial market does not provide, have been withdrawn faster than commercial cutbacks due to political decisions to reduce or remove subsidy. This was clearly not the intention of Section 63 of the 1985 Transport Act but the lack of a statutory duty being imposed or any successful legal challenge has led to a focus only on statutory duties being met by Local Authorities and consequent severe cuts to bus services in many, mostly rural areas.

- Many LAs have seen dial-a-bus type operations as a cheaper alternative to providing conventional services. However, few if any such conversions have been sustained for more than a short period of time. Transport Focus research has shown that, whilst operating cost may reduce, so do passenger numbers as the lack of travel flexibility, the non-acceptance of concessionary passes and the need to pre-book turn customers away. Net costs therefore increase, and subsidy per passenger escalates such that it is not a sustainable alternative. There is no case for continued experimentation with this model, as it has failed and the recommendation should be to accept this.

- The Secretary of State has suggested that Uber-style flexible taxi operations could serve rural areas instead of conventional bus routes. It is surprising that it is considered that commercial businesses would move from urban market opportunities to the always less commercially attractive ones in rural areas. Technological innovators in this field say that this is not, and will not, be an option, for a decade or more.

- If commercial services are being cut back for commercial reasons and contracted ones for Local Authority budgeting reasons, then the resulting loss of service is considerable. The outcome is rarely holistically planned to ensure the best supply from minimum input costs because of the artificial division between commercial and contracted operations.

- The losers in all of this are people. Real people who are left without access to basic services. The result is rural depopulation, or, where second homes are a real rural attraction, a greater sense of being driven out. Research into social exclusion clearly points to good bus services as a major factor in improving deprived areas and shows the impact on communities if these are lost: “If we end up with a diminished bus service we’ll have more excluded people, there’s just little doubt about it”.81 This situation is due to the consequences of government policies and it is government policy that must now change if the damage is to be overturned.

Changing government policy – objective

- Tinkering with now outdated legislation is insufficient; policy has to change radically in order to revitalise rural bus services in order to maintain

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81 Joseph Rowntree Foundation “The benefits of providing new public transport in deprived areas” 2008
community links. The same can be argued of more marginal urban operations but these are not the subject of this call for evidence.
  o Services have to be planned holistically and designed to meet the clear needs of rural dwellers, and especially younger adults in order to avoid social exclusion.
  o Services have to be delivered at a fair price to users, and this may well require a reappraisal of what constitutes fair reimbursement to operators for older and disabled people’s travel.

*Changing government policy – regulatory model*

- The regulatory model under which rural bus services operate needs to change if rural social exclusion is to be addressed and avoided. The Traffic Commissioners are currently charged with ensuring safety of passengers and other road users, and that is quite proper. However, they have themselves inferred that this includes fair competition between operators. In rural areas, almost without exception, there is now no competition, so therefore they only regulate safety. Unlike other regulators there is no provision whatsoever for taking into account the views of passengers and the communities served or the potential users of any new services. We believe that this has to be reintroduced into the regulatory model, especially where the market is sufficiently small that free market competition does not deliver adequate and appropriate quality and protection to the consumer as the current model risks isolating entire communities.

*Changing government policy – operating model*

- The operating model also needs reinvigorating. Commercial operators seeking fair returns for investors are understandably less committed to low profit margin rural bus services than are SMEs or other models. It seems that SMEs have largely quit the market because of more onerous regulatory conditions being imposed at the same time as income from concessionary reimbursement is reduced. Community Transport (CT) was seen by government as potentially the answer, but the Department for Transport has introduced new rules which are having a hugely deleterious effect on this valuable alternative delivery model. It does not serve the people and communities if consumers are not served because Community Transport operators cannot meet the same conditions as commercial operators. Our observation is that Traffic Commissioners and DVSA feel that these new rules support fair competition but it is clear that the impact of these changes is catastrophic on communities. It seems to be hard enough to supply small-scale rural services to people who rely upon them without rule changes that seem to be out of proportion to the service offered and result in no service at all being provided to swaths of the rural population. These are foreseeable consequences and are entirely avoidable.
- In reinvigorating the operating model, government should investigate the role of Community Interest Companies (CICs) and Social Enterprises (SEs). In a growing number of cases, these models have rescued other rural facilities such as pubs and shops. There is no intrinsic reason why the same model cannot be adapted to apply to rural bus services, so long as the approach of the regulators takes account of the needs of the people affected and their terms of reference redefined accordingly in legislation.
Changing government policy – role of local authorities

- The role of LAs also needs to be reviewed. Much damage has been done by LAs taking a top-down ‘helicopter’ view of the needs of rural dwellers, usually from an urban base and perspective, rather than a bottom-up approach led by consumers. This has contributed to the mismatch between demand and supply explained earlier, leading to the conclusion that investment in rural transport has come to be seen as an inappropriate use of scarce public resource.
  - LAs should be required to have a current rural bus strategy which is updated and rolled forward at regular intervals and a requirement to deliver in accordance with it.
  - The role of LAs should be to ensure that consumers get a level of service that enables them to meet their reasonable travel needs, recognising that what is reasonable will vary by age group and other demographic and social criteria.
  - LAs should ensure that affordable fare and ticketing arrangements are implemented. Currently, prices tend to be set by distance, but the more rural a community is, generally the lower the income levels tend to be, so distance-based fares become the least affordable.
  - LAs should understand travel patterns, current and desired, in order to ensure appropriate connectivity, for example between bus and bus, and bus and rail with appropriate ticketing alignment.
  - LAs should procure services with minimum standards in mind, but they should cease regarding this as their sole or only duty and consider how services could enhance the quality of lives of the communities they serve.
  - LAs should have placed upon them a requirement that consumers and would-be consumers have access to good quality service information delivered via a variety of media channels, not relying solely on internet-based channels.
  - LAs should have placed upon them a requirement to liaise with local business groups, retail and leisure outlets and places of education, training and employment in order to align service planning with their needs.
  - LAs should have placed upon them a requirement to liaise with local health service providers and clinical commissioning groups to align service planning with their needs.
  - LA planning officers should not recommend new housing schemes unless a proper transport plan is submitted and assessed as feasible.

Conclusion

- This model requires operators to forego a degree of control over their own business affairs, but falls short of franchising which removes it completely. It provides a more stable environment for operators to plan their investments.
- This model recognises that people and communities require access to affordable and accessible public transport in order to have any reasonable quality of life, as the costs of addressing the many problems of social exclusion will hugely outweigh the costs of investment in good public transport.
1. **What do you understand by “the rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

The rural population has declined, farms, village shops and pubs are all disappearing. Many bus services have disappeared. A lot of village schools and churches have closed. The population has decreased with this.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

The Young Farmers Movement has been crucial for many farming families. It is social, educational and run by the members while teaching them life skills. It can also help to keep people in the rural areas.
A large house in a village was converted into a home for the elderly. It is very popular both in the village and surrounding area. They often have a waiting list. Our library is in our church and run by volunteers.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

Farming needs to be on a level playing field. It is a vital industry for the rural areas. There needs to be more help for youngsters to get started in farming. We accept imported foods that we do not allow in this country. eg meat from South America with foot and mouth, from America pumped with hormones. Supermarkets need to pay the producers a fair price for the milk. The only way farming pays is to go really big or diversify. Many farms are disappearing and when we have to import more and more food we will have no control of how it is produced. Farmers need to be able to get the overseas workers for picking fruit and vegetables. Much of this cannot be mechanised and British people are not prepared to do these jobs. The same goes for the hotels and guest houses in the rural areas. Many such businesses are run with overseas workers.

You will not be able to survive in some rural areas unless you have a car and a driving licence.

4. **How can access to transport be improved in rural areas?**

Park and ride is an option. Making it contractual for trains to stop in rural areas and not be allowed to sail by if they are running late. Return the grants to bus companies to enable them to have a viable rural service. Give help to volunteering rural groups who operate a small bus rural service to the community.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
Poor broadband can be a nightmare in rural areas. The businesses can miss out on opportunities if they cannot see courses on offer or are not able to reply. They may not be able to pay bills, order items required, or pick up when clients want to make a booking / answer a query / buy an item. The businesses with quicker answers will get the trade.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Some patients have offered to pay for tablets they require and the NHS does not allow this. People need to be more responsible for their actions and look after themselves. The obesity, alcohol, drug problems are growing and costing the NHS a fortune. This begins at home and parents need to give children discipline, sitting up at the table for family home cooked meals. Talk about each others day, problems etc. Parents can teach children how to cook, help them with homework etc and teach good life skills. Communication is so important.

Teachers have a difficult job and need to be able to conduct discipline in schools. Parents need to support the teachers. There needs to be more schools catering for disadvantaged children and disabled children. If there is one disruptive child in a class it can alter the learning experience for the remaining pupils.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Businesses need to pay bills on time, by law. Large businesses can withstand people not paying bills soon but a small business will quickly go under if the money is not coming in.

Schools need to help direct pupils into careers that suit them. There are not suitable jobs available for all the university students and apprenticeship are a good way of earning, learning and obtaining a useful well needed trade. Colleges should be offering courses in trade skills.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

They need to have good broadband. Local councils need to be able to fund playgroups for children during holidays. A locally very successful group had funding removed after 3 years! Trains need to stop in villages. Our trains will not stop if they are running late to make up time!! This is not the fault of the rural population! The council removed the grant for buses and so many services were cut. This encourages car use with all the accompanying emissions. The remote areas in Scotland get more money than the equivalent areas in England. There needs to be good local schools so children do not spend hours travelling.
11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to support the rural economy?

There needs to be sheltered housing in areas with an ageing population. Most people do not want to go into a home. It gives some independence. It would be good company for each other and the more able ones could help others. Community events can easily be organised, making it very social. The present carers never have enough time and spend most of the day travelling!

Day and evening classes attended by the elderly is done for pleasure and to be social. They do not want to be bothered with all the red tape required of them, filling in progress forms every week etc. The teachers also find it arduous with all the rules and regulations. Thus many courses have been removed. The organisers recognise this but the powers that be will not listen and remove the funding. So a popular enjoyable course disappears!!

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Because of the ageing population some larger houses are occupied by an elderly person or couple. They need to be able to move into a small more manageable property locally where they know members of communities and have lived for many years.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

I think some people in the public sector receiving a good fixed salary every month do not realise the difficulties in running a business and the differences and difficulties in living in some of the rural areas. Recently ‘Local’ was supposed to be recognised as the community there knew of the problems and advantages of the area but this does not seem to be happening in practice.

Parish Councils can be very important in a community giving them a voice to larger organisations. Parish Councillors are not paid and serve the community to the best of their ability. In the more rural areas they are non-political but some local councils and city councils can be very political and some of the members are there for money or their own benefit and not the community they should be serving.

I know of a couple in the rural area who wanted to convert a property to accommodate disabled children with carers facilities and struggled for a long time getting planning permission!!

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?
Local Government needs to be non-political and work for the good of the community. A lot of services are being cut eg cleaning gullies, road repairs, removing weeds. This is exacerbating the situation in relation to flooding and costing the country a fortune in repairs and cleaning up.

They are cutting back with grants towards the community to fulfil their duties and handing down some of their responsibilities, so parish councils have to increase the precept. eg public toilets, footway lighting. There will be a point where the toilets will not exist and much of the lighting will disappear, especially with smaller Parish Councils. They also take the lowest tender when pricing contracts without checking the relevant necessary insurances and documents required. Small businesses with all the correct documents are overlooked. Thus the companies employed can easily afford to cut corners and pay fines when they are taken to court.

The broadband is many rural areas is weak and breaks up a lot making it very difficult for a business to operate efficiently especially when completing a long or complicated return document. When a mast for a signal is erected it should be compulsory for all the operators to be able to use it.

Prevention is better than cure. We recently had a meeting with several relevant bodies about a river eating away the embankment under a very well used road. No-one wants to do anything about it. The worst case scenario is if a loaded fuel tanker or farm slurry tank falls into the river and spills their load when the road collapses!!

27 August 2018
£2 billion (GVA) p.a. - Unlocking the full economic potential of Britain’s creative and digital rural economies - the CaDRE R&D initiative.

"The [creative] rural sector is ideally placed to re-invent itself for the digital age, by opening up new world markets to locally based businesses and providing fresh opportunities for jobs growth and inward investment. The New Creative Rural Economies report and seminar (CaDRE initiative) clearly point to all of these opportunities and many other creative challenges that are ahead - the future is rural."

Lord David Puttnam, international digital advocate, House of Lords (4th April 2017)

1. Executive summary
One important sector of the rural economy debate that often gets overlooked is that of the emerging new creative rural economies. This is potentially also a major rural success story whereby the creative rural sector alone is currently estimated to be contributing around £2 billion (GVA) p.a. to the national economy. This is all the more remarkable an achievement given that there has, as yet, been no strategic government, public, Arts Lottery or private sector investment support targeted specifically to support the creative rural economy sector. Which might partly explain why the importance of the creative rural economy’s contributions to the national economy seem, so far, to have been ignored by the mainstream creative industries (CI) and the lead arts funding and rural and cultural policy agencies; DCMS, DEFRA, Arts Council, BEIS, CIF, CIC, etc.. This report to the House of Lords Rural Economy Committee will try to explain the background to the origins of the creative rural economy initiative, also something of its on-going difficulties in securing recognition and fair access to arts lottery funding support, and will conclude with some practical and constructive proposals that might help overcome the current hiatus.

2. Background - leading the field? The pioneering work of the Rural Cultural Forum
This submission has been compiled by Dr Ian Hunter on behalf of the Creative and Digital Rural Economy R&D initiative - CaDRE, which is an informal coalition of rural NGOs, Universities and rural arts and media organisations. The creative rural economy proposal had its origins following the FMD outbreak in 2001 and was initially intended as a contribution by the arts and cultural sector to the cross sectoral response advocated by the New Rural Strategy (2002), and led by (then) Sir Donald Curry. This later gave rise to the creation of the Rural Cultural Forum RCF (2005 - 2015), <www.ruralculture.org.uk> which organised the first international Creative Rural Economy conference at Lancaster University in September 2006. This was heralded at the time by the world's leading expert on the creative industries, and author of the influential 'Creative Class' publication (2004 ) Richard Florida. Who stated;

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82 They include, WiRE (women in rural enterprise), ACRE (observer), University of Cumbria, Cybermoor Alston, Rural Media Company Hereford, the Littoral Arts Trust.
"What you are doing [in England] is very important.. the knowledge industries and creative rural economy and environmental sustainability will be the likely key drivers in determining the next major breakthrough areas and challenges for the creative industries. We need to.. [document and analyse] the new patterns of creativity and cultural employment across the urban-rural spectrum”.

Richard Florida, (May 2006)

3. Is there an urban bias in current creative industries and arts-led regeneration investment?
In this context we would again invoke the precedent of the huge international success of the UK’s urban creative industries (CI) sector, as an example that the creative rural sector might think about following. Aided by billions of government, private sector, and Arts Lottery funding investment the urban CIs are now expected to be generating close to £90 billion (GVA) p.a. for the national economy by 2024. Secondly, the powerful and influential urban professional arts, digital media, and cultural sectors were also encouraged, and actively supported by government with additional Arts Lottery funding, to play a leading role in supporting innovative culture-led urban regeneration and related post-Industrial creative economic recovery programmes in our cities.

4. The UK’s 'creative cities' have benefited from billions in new public and arts lottery funding
Numerous prestigious civic art museums and major culture-led urban regeneration initiatives were also developed as part of the government’s new urban cultural infrastructure and creative industries investment programmes. Examples include; the UK Cities of Culture programme, Belfast, Hull (the latter generating c. £220 million new cultural investment)\(^{83}\) etc., promoted by DCMS; the Liverpool and Folkestone international coastal town art biennials, and more recently the £100 million+ Arts Lottery funding awarded by Arts Council England to Manchester for the new Factory Art centre.

5. Growth of the 'creative rural' sector constrained by lack of fair access to Arts Lottery funds
The RCF estimated that the creative and digital rural economy has the potential to generate c. £2 bn (GVA) p.a. to the national economy. However over ten years on from 2006 conference very little appears to have been achieved, and it has proved increasingly difficult for the RCF and its support Arts Trust (Littoral Arts) to access even modest levels of Arts Lottery funding for this important work. These concerns were further highlighted in the Rural Cultural Strategy Independent Study Report (March 2012) produced by Professor John Holden, a leading UK creative industries and cultural policy expert, and funded by the Arts Council.

It is clear that there has been a strong and on-going tendency for arts and cultural policy and funding over the past ten-fifteen years to be overwhelmingly preoccupied with the discourse of urbanism and in primarily serving the needs of the urban creative industries and post-industrial urban regeneration.

Professor John Holden (March 2012)

\(^{83}\) £220 million invested in Hull’s tourism and cultural sectors since the city was named UK City of Culture 2017. Industrial Strategy - Creative Industries Sector Deal 28/3/2018
For example a number of relatively modest Arts Lottery funding bids from the rural sector (c. £22,000) for vital R&D work on promoting the creative rural economy (submitted between 2011 - 2017) were declined by Arts Council England. The Arts Council stated that the levels of Arts Lottery funding awards now available to it were rather limited and that, consequently, "competition for arts funding is fierce". The Arts Council also recently declined to support proposals for the establishment of a strategic arts and cultural investment framework for the creative rural economy sector. Stating that, "...we [Arts Council England] do not see the need for a rural cultural [investment] strategy."

Professor Holden also felt that this situation was unfair and disadvantageous for rural communities:

The present situation is considered unfair and disadvantageous to rural communities with the result that the particular cultural needs, artistic aspirations and creative economic potentials of rural communities are not being fully addressed or supported.

Professor John Holden (Independent Study Report, March 2012)

7. Is the urban bias in mainstream CI policy further disadvantaging the rural creative economy?
Partly in response to effective lobbying on the part of the urban Creative Industries Council (CIC) and Creative Industries Federation (CIF), the government's Industrial Strategy have recently announced a major new Creative Industries Sector deal. Which, in addition to helping the UK's cultural and creative business sector thrive with a major £150 million award, added that a further £20 million is also being earmarked for the establishment of a New [urban] Cultural Development Fund.

8. Creative rural sector suffers from lack of robust statistical evidence and strong political lobby
However, and despite some 10 years of active lobbying on the part of the RCF/Littoral Arts and the creative rural sector, e.g. the major Creative Rural Communities report* published in July 2010, the government's Creative Industries Settlement and the lead national CI advocacy agencies still seem to be unaware, or remain somewhat unconvinced, of the importance of the creative rural sector's expanding contribution to the UK creative economy.

9. CaDRE - a positive and constructive response on the part of the creative rural sector
In response to these concerns and also inspired by the challenges posed by government's post-Brexit Industrial Strategy, the CaDRE - Creative and Digital Rural Economy R&D initiative is currently being developed; (a) to try and help the creative rural sector gain greater recognition by the mainstream CI policy and arts and cultural funding community, and (b) to generate a body of robust and credible economic statistics to back up its claim of contributing c. £2 bn. to the national creative economy.

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84 Statement by Laura Dyer, Executive Director ACE Midlands and the ACE's National Rural Lead, at the ACE Rural Stakeholders meeting, Bloomsbury St. London, 24/07/2018
10. A £20 million ask - in return for £2 billion? Arguments for a strategic investment framework

Citing the precedent of the extra £20 million given the cities recently under the government's Industrial Strategy's CI sector settlement, e.g. the Cultural Development Fund. The creative rural sector feels that it should also now be possible, and reasonable, for it to make the case for £20 million for the establishment of a 5 year (2019 - 2024) national creative and digital rural economy (CaDRE) R&D strategic investment programme.

11. Are the rural creative industries different from urban CIs - if so how can we measure them?

There is also a need to agree what we mean by; (i) the rural creative rural sector and, (ii) the new creative rural industries (creative rural economy). For example are they structured differently from the urban creative sector, or as is probably more likely, could they be complementary to the urban CIs? In this context we have been arguing that the formal 13 (i.e. the classic largely urban-orientated) CIs classifications employed by DCMS and Creative Industries Federation - CIF (listed under) are also active and quantifiable within the creative rural economic sector.

But these 'classic CIs' have not as yet been formally researched or measured in the context of the creative rural sector's current contributions to the national economy. Which could easily measure in the £100s p.a. (GVA) of millions, per CI sector. For example an earlier study of the Heritage (traditional) rural crafts undertaken by the Countryside Agency in 2004 estimated that the rural (traditional) crafts sector was then contributing at around £240 million GVA to the national creative economy. Similarly, the massive expansion and success of rural festivals and open air countryside cultural events (Alex James and Jamie Oliver's Feastsival, etc.) in recent years (e.g. Glastonbury at c. £37 million p.a., the CLA Game Fairs, RASE, WiRE rural innovation events etc.), it is estimated that these events are already contributing well over £500 million p.a. to the national creative economy. But such speculative figures and data will need careful examination and verification, which is partly what the CaDRE initiative aims to achieve.

* Creative Rural Communities report published in July 2010

12. The 'Vertical Axis' of the so-called 'Classic 13' [urban] creative industries 'CI' classifications

In brief, we propose to employ the 13 main urban CI classifications currently set out by DCMS (2016) to identify and quantify a complementary rural creative economies contribution as listed under. But that they have not as yet been fully studied in term of their contributions within the terms of reference of what we are now arguing are the emerging 'New Creative Rural Economies'.

Advertising;

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85 Creative industries: Sector Deal A Sector Deal between government and the creative industries sector. 28/03/2018 https://www.gov.uk/government/publications/creative-industries-sector-deal
Interactive leisure and software;
Music;
Performing arts;
Publishing;
Software and computer services;
Television and radio
Architecture;
Art and antiques market;
Crafts;
Design;
Designer fashion;
Film and video.

13. Widening CI classifications to include rural creativity, rural innovation and cultural capital

There have been efforts recently to expand the 'classic' urban CI definitions to embrace a wider pool of national creative enterprise and rural cultural economic activity. For example, when DCMS proposed eliminating the crafts from the list back in 2016, the Crafts Council and the UK heritage crafts sector (HCA) mobilised in protest and had the proposal rescinded. What we are proposing with CaDRE is not a 'protest' as such about the omission of the significant contributions of the creative rural sector from the above CI list, which we will henceforth describe as 'the vertical [urban] CIs axis, but rather we are proposing is the introduction of a second tier or complementary set of specifically rural CI classifications; i.e. the rural creative economy as a second or 'horizontal axis'.

14. The New Creative Rural Economies - mapping the creative rural sector's 'horizontal' CI axis

In essence the CaDRE project proposes to devote itself to mapping out the scope and measuring the hard economic contributions of the creative rural sector's 'horizontal axis' of CIs. In support of this it has recently published the New Creative Rural Economies report and resource hand book. (Nov. 2017) 87 The New Creative Rural Economies report documents in more detail something of the rationale and arguments for the adoption of a complementary set ('horizontal axis') of new rural CIs. These we are hoping will also form the basis for future dialogue with: DCMS, DEFRA, Arts Council England, CIC - Creative Industries Council, CIF - Creative Industries Federation, NESTA, Creative England, etc., leading to the formal adoption of the creative and digital rural economy as an important part of the national CI (creative Industries) policy discourse and funding strategies.

15. The seven main complementary, 'horizontal' CaDRE R&D project areas proposed for study

1. RIOT - the Rural Internet of things, Big Data, Agri-tech, agri-biotechnology (creative new life forms) and the rapidly expanding digital creative rural economy;

87 The New Creative Rural Economies report and resource handbook, November 2017
2. Measuring the contribution of rural women’s creativity and domestic home based arts and cultural enterprises to the national creative economy;

3. Mobilising the full economic potential of grassroots rural community creativity, promoting grassroots rural innovation, innovative arts-led rural SMEs and the, as yet, untapped considerable economic potential of rural community cultural capital;

4. Farmer creativity and agriculture sector's important and growing contributions to the creative economy and the nation's cultural life;

5. The role of the professional arts, designers, craftspeople and digital media sectors currently located in and/or operating mainly within the rural economic sphere;

6. Culture-led rural tourism - the arts, media and cultural sector are potentially major partners and contributors to the future growth and sustainability of the national rural tourism economy, which is currently valued at £17 bn. p.a. 88

7. The Hyper Rural - proposing new creative and cultural responses (solutions?) to the range of new economic, social, health and environmental problems and challenges now emerging in the countryside; e.g. Zoonose pandemics (Avian Fu), flooding due to climate change in the countryside, the growing rural housing crisis and changing urban - rural demographics.

15. £2 billion p.a. by 2022? Measuring the rural CIs - need for more robust study and verification

One of the main tasks of the CaDRE initiative would be to identify and articulate (in credible CI/DCMS policy terms) what some of these 'horizontal axis' creative rural economies might be. Including the adoption of a formal rural CI research methodology by which to assess and measure their full economic contribution to the national creative economy.

16. Recommendations for a national creative and digital rural economy investment strategy

In support of the development of the above CaDRE - Creative and Digital Rural Economy initiative, the report's main recommendations to the House of Lords Rural Economy Committee are as follows:

1. That the adoption of a dedicated national creative rural economy investment and R&D initiative should be expedited; the intellectual, social, political and economic arguments (i.e. the Government's Industrial strategy) for this are now compelling;

2. A wider and informed open public debate leading to the formulation of a democratic rural cultural mandate is now long overdue. Whereby grassroots rural communities, rural support NGOs, rural artists, farmers and rural policy makers, academics, etc., could have a greater say and a more direct input into setting future arts and cultural funding and creative economy (CI) investment policy priorities for rural areas;

3. Proposals for a national rural cultural strategy, as endorsed in Parliament (via an EDM 252, 17/06/2013) and supported in principle by the lead grassroots rural community, rural NGOs, academic, and art practitioner communities, should also be adopted; without this the vital post-Brexit creative rural economy contribution to the Government’s Industrial Strategy may struggle and, ultimately, could fail;

4. Mainstream (DEFRA) agriculture diversification, animal welfare, agri-tech, sustainable food and farming, rural tourism, environmental sustainability, rural development policy initiatives, etc., could also benefit considerably by having a dedicated rural cultural policy framework and supporting creative rural economy investment strategy in place;

5. A new set of art practices and cultural strategies is also needed that could be deployed more quickly and effectively when in dealing with some of the major economic, public health and environmental crises now emerging in rural areas; e.g. ‘art and pandemics’ as a response to and in preparation for managing possible future Zoonose pandemics; ‘art and the anthropocene’ which could perhaps also help with finding creative solutions to major flooding and climate warming effects in rural areas;

6. The government, if it was so disposed, could also instruct DCMS and the Arts Council to ring-fence £20 million from the approximately c. £700 million p.a. (Grant in Aid – GiA and Arts Lottery) funding that it has available annually to support future development of the nation’s cultural, social and economic well being. This funding should also be earmarked specifically for the implementation of a five year (2019 - 2024) creative rural economy and culture-led rural regeneration investment programme;

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Early Day Motion 252, House of Commons, 17th June 2013
That this House recognises the need for a Government-led rural cultural strategy (RCS), to be delivered in conjunction with the Rural Cultural Forum; notes that rural communities are being denied their cultural voice at present due to the significant disadvantages they face compared to urban areas in terms of access to arts funding; highlights the perception that too great an emphasis is being placed on serving the needs of the urban creative industries by the arts establishment, as identified in the Independent Study Report compiled by John Holden and endorsed by the Rural Cultural Strategy Working Group; considers that these barriers could be overcome by the introduction of a dedicated rural cultural funding strategy which would redress the current imbalance and ensure rural cultural initiatives receive adequate attention and support from decision-makers in the arts world; further notes that a strategic approach to diversifying rural culture of this nature would have positive benefits economically in terms of attracting young people towards rural areas and thereby jobs and services; and calls on the Government to make the implementation of a RCS a reality as soon as possible.
7. An interim creative rural economy advisory panel, and/or rural cultural policy strategy think tank should be set up as matter of some urgency to help coordinate and implement some of the above. This would include representatives from the leading grassroots rural community advocacy organisations and rural NGOs, in partnership with DEFRA, DCMS, ACE, Creative England and the Creative Industries Federation, etc.

8. This pioneering national creative rural economy work could greatly benefit by having the endorsement and support of the House of Lords Rural Economy Committee. Which might also further attract support for the possible establishment of a Creative and Digital Rural Economy APPG in the House of Commons.

Dr Ian Hunter
Littoral Arts Trust

10 September 2018
Summary

The rural economy is highly dependent on agriculture and related businesses. We are particularly concerned with one aspect of agricultural services which has changed significantly in recent years and which is continuing to change, with wide-ranging and unhelpful impacts.

Smaller abattoirs are essential for the marketing of locally produced meat and benefit rural economies in a wide range of ways. However, there has been a substantial decline in this sector over the last decade and this is continuing. This is forcing many producer retailers to take their livestock on longer journeys to get them slaughtered and is already making it uneconomical for producer-retailers in some areas to stay in business. Apart from the problems this causes for individual producers, it is also bad for rural economies as a whole since the sale of locally-produced meat from less intensive production systems has been a significant growth area which helps to support tourism, keeps more money in rural economies, and provides skilled jobs.

This submission has been compiled by the Campaign for Local Abattoirs (CFLA). The CFLA was established by the Sustainable Food Trust and the National Craft Butchers organisation and is supported by a wide range of groups with an interest in rural economies. We outline why local abattoirs are so important, the extent of the developing crisis and what we feel needs to be done to ensure that all farmers who market meat locally have access to slaughtering facilities within economically viable distances. We are currently undertaking a survey of the issues affecting individual smaller abattoirs. We would welcome an opportunity to answer questions from the committee on our findings to date and any other relevant aspects of this issue.

The importance of smaller abattoirs

With only minor exceptions, large slaughterhouses are not willing or able to slaughter animals for individual producer-retailers. This is predominantly due to their design, which is generally based on a continuous chain system. Due to the large number of animals slaughtered in large slaughterhouses, the managers also find it inconvenient and uneconomical to make special arrangements for the relatively small numbers of animals which individual producer-retails need slaughtered on any one occasion. In contrast, smaller abattoirs still use traditional craft methods for evisceration, deskinning and further processing and are ideally suited to this task.

Even where a medium-sized slaughterhouse can be persuaded to provide such a service, they generally do this reluctantly and are not able to keep the offal (liver, kidney, suet, skirt, ox tail, tongue and cheek) separate, so this can be returned to the producer along with the carcase. This has a significant impact since many organic, pasture-fed and others businesses are able to retail offal
from their own animals at premium prices providing they can guarantee its provenance.

Local abattoirs are also important for all farmers, including those supplying the large slaughterhouses used by supermarkets, when it comes to casualty slaughter. Animals which, for example, break a leg may be slaughtered and bled on the farm by a licensed slaughterman following inspection by a veterinary surgeon with the meat entering the food chain providing it is also passed fit by the meat inspector. However, the rules state that the slaughtered animal can only be skinned and eviscerated at a licensed abattoir and that these processes have to be undertaken within 60 minutes of slaughter. With the closure of many small abattoirs and increasing congestion on roads, this is becoming very difficult and sometimes impossible to achieve.

**The significance of farm shops and other outlets for locally produced meat**

Economic pressures on livestock farmers have driven many thousands of beef and sheep farmers out of business over recent decades. With the exception of those that have been able to increase farm size, a high proportion of those that remain have only managed to maintain profitable businesses through innovation, in particular by adding value to their produce by on-farm meat processing, and by adopting high welfare and/or environmental production methods, allowing them to market the meat direct to the public, often at premium prices. Much of this has been made possible by public money in the form of rural development grants and other diversification schemes, to establish on-farm meat processing plants and retailing facilities. In addition, agri-environment schemes, have also supported the transition to less intensive production methods and sometimes stipulate that specific indigenous breeds must be used.

However, all these businesses are totally dependent on the availability of local abattoirs, since they offer the service of slaughtering the animals and returning the carcases or butchered meat to the farmer, instead of simply buying the animals from the farmer and putting it into the wholesale or retail markets themselves. As local abattoirs close, so farmers must travel longer distances with their animals. The cost of increased transport distances rapidly become prohibitive, because the numbers of animals transported on any one day is relatively small and there are empty return journeys involved in both taking the animals to the abattoir and in returning the carcases to the farm of origin.

**The Current Situation**

In 2017 there were just 63 low throughput abattoirs (those slaughtering less than 1,000 LSUs a year) and 49 medium throughput abattoirs (those slaughtering between 1,000 and 5,000 LSUs per year), totalling 112 smaller slaughterhouses, most of which will slaughter animals for local farmers and return the meat to them for further processing and sale. These were responsible for 6.1% of cattle slaughtering and 1.2% of sheep slaughtering, but close to 100% of all slaughtering for producer-retailers. During the previous decade, 33 smaller abattoirs closed – a 34% decline in the smallest abattoirs and a 23% decline in the small abattoirs upon which producer-retailers depend for private kill (i.e. slaughtering livestock for producer-retailers and making the carcases or butchered meat and offal available to them for sale). In the last twelve months, a further six small abattoirs have closed, including Bakers of Nailsea, which had been providing abattoir services to the local community for 120 years.
The importance of cattle and sheep to rural economies

The full significance of the demise of smaller abattoirs can be gauged when it is recognised that in the UK grass covers approximately 50% of improved, and 66% of total, farmland (when rough grazing and common land are included). Due to topography, soil type, biodiversity and other considerations, grass is also often the only suitable land cover in many regions. Grazing animals, particularly cattle and sheep are therefore the mainstay of many farms in many regions of the UK and are also integral to the largely pastoral nature of much of the British countryside, something which is very important in relation to tourism. A further 10,000 hectares of predominantly arable land is used for outdoor pig production.

Questions over the sustainability of ruminant production and red meat consumption

While ruminants have been criticised because of their methane emissions, it needs to be pointed out that ruminants in extensive grazing systems only recycle atmospheric carbon dioxide which has been turned into carbohydrates by the plants they eat, via photosynthesis. Methane does have a significant warming effect, but since it breaks back down to carbon dioxide and water within about a decade, a stable population of ruminants in the UK does not increase the total amount of carbon dioxide or methane in the atmosphere. In contrast, fossil fuels are not only the major source of carbon dioxide, they are also responsible for a third more methane than ruminants. This becomes particularly significant when contrasting locally-produced meat from extensive systems with meat with high food miles from systems using large amounts of fossil fuel energy, which contribute to global warming via greenhouse gas emissions, atmospheric pollution used to transport animals and meat long distances, due to emissions of NO₂ and NO, and emissions of methane associated with fossil fuel extraction, transport and use.

While many studies have questioned the beneficial effects of diets containing red meat, a recent major study which involved over 200,000 people, published in *The Lancet* found that those who consumed red meat lived longer and had a lower incidence of cardiovascular disease, than those who did not, providing their diet was balanced and contained adequate amounts of fruit and vegetables, etc. ⁹⁰

The benefit of local abattoirs for local communities

Local abattoirs help to keep a high proportion of the money from meat production and marketing within a local rural economy, where its economic benefits are four times higher to the community than when the meat is processed and marketed outside the region. ⁹¹

While to those outside the industry the slaughtering of animals may appear like unpleasant work, skilled slaughtermen in smaller abattoirs take a pride in their

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work and in maintaining an artisanal tradition. Local abattoirs are therefore an important source of skilled employment in rural communities.

One major difference between smaller, local abattoirs and the mass-production style abattoirs supplying large-scale markets, is the skills level required by staff. As with any mass-production system, the biggest abattoirs require large numbers of semi- or un-skilled labour to carry out limited, repetitive tasks. Approximately 75% of this workforce is currently recruited from outside the UK. Smaller abattoirs and meat cutting plants have a different style of working, where slaughtering, butchering and meat processing are all carried out by the same staff, which means that all such workers are trained in a wide range of operations. These skilled staff are able to earn higher wages, and their earnings will remain within the local community, as, more often than not, will the profits of the business. This generates profits for other local businesses and benefits the local community as a whole.

Local abattoirs also provide work for local service providers such as electricians, refrigeration engineers, and plumbers.

Many rural economies are in decline, with shortages of jobs for local young people who are forced to move away to find work. Smaller, local abattoirs, along with their associated businesses, are a key bulwark against this decline. Not only do they provide work themselves, but they enable farmers and other small businesses to remain operational.

Local, fully traceable meat and its ancillary processing is an attractive way for new entrants to start in the farming and food industries, as well as being a popular diversification enterprise for existing farmers. However, this is only a viable option if there is a relatively local slaughtering facility which is able and willing to return the meat to the farmer.

Local abattoirs help local independent butchers’ shops and other meat retailers to compete with supermarkets by providing them with a unique selling point of locally produced meat. Similarly, the promotion of local meat in hotels, pubs and restaurants is fully dependant on a reliable supply of local traceable meat.

Consumers concerned about the traceability of meat and especially processed meat products often choose locally produced meat from farm shops, which sell only the meat from animals raised on that farm.

Many smaller-scale producer/retailers offer their customers meat from local breeds of livestock, which is often not of interest to the mass market. In this way they play a vital role in maintaining livestock breed diversity, and a commercial benefit to keeping rare native breeds, which is key to the long-term survival of a substantial genepool of domestic breeds, which may prove invaluable in years to come.

Such opportunities to ‘Eat the View’ are a major support to encouraging tourism, and can enable short supply chains of farmer/local abattoir/local retailer/tourists to benefit all concerned – and with mail order, such relationships can be continued after visitors return home.
At present, the significant benefits of smaller abattoirs, their catalytic effect on the local community and economy, and the extent to which they are a central part of an inter-connected web of economic, environmental, biodiversity, social and cultural benefits, is not recognised or rewarded by government policy. Indeed, regulations and the manner in which they are implemented, have disproportionately negative impacts on the sector. It is important that the positive impacts of smaller abattoirs are more fully understood, and government policy amended in order to reflect the public goods they produce and to offset the negative impacts of inappropriate and burdensome bureaucracy, higher costs, lack of economies of scale and often remote locations.

The impact of small abattoir closures

Local abattoirs have benefits way beyond the immediate supply chain. Traditional livestock farming systems have created many of our much-loved landscapes over hundreds of years. This is particularly true of sheep farming, where rearing animals in partnership with the environment is under threat from several directions. Such production is crucial to maintaining the look of the countryside which attracts large numbers of visitors and avoids some of the environmental pitfalls of other more intensive forms of agriculture. It also remains the heart and economic powerhouse of rural upland communities. It is this combination of factors which makes the story behind fully traceable meat from these areas so attractive to increasing numbers of consumers concerned about the origin of their food. Without the network of smaller abattoirs, such meat supplies become virtually impossible to achieve.

As each local abattoir closes, so the farmers relying on it must make the decision whether it remains economically viable to transport their animals and meat the extra distance to the next nearest abattoir which will reliably return their meat to them. There comes a point when the distance is too far to be viable and the environmental, economic, social, animal welfare, breed survival and consumer choice benefits of that short supply chain are lost. As more small abattoirs close, so the numbers of supply chains which disappear escalate, and the combined impacts become significant.

The Secretary of State for the Environment, Food and Rural Affairs, Michael Gove recognises the importance of sustainably produced, high quality British meat, and the fact that “Livestock farming contributes to the mixed farming methods that provide a specific set of environmental benefits.” We therefore consider it is essential to address the loss of local slaughter facilities.

The loss of smaller local abattoirs also has wider repercussions. Ancillary businesses, particularly those which base their business plan on selling or further processing local meat, are also at threat of loss of their raw materials, and therefore cannot continue to operate.

Local restaurants which highlight local, traceable meat may suffer loss of custom if they can no longer guarantee the origin of their meat. Many types of local food shops differentiate themselves from supermarkets by offering customers traceable meat from local farms. There are many new small charcutier, sausage and other meat product businesses which have recently started to make these
specialist products, with claims of local provenance. With no other local slaughtering facilities, all these businesses are similarly threatened.

Reasons for the closures

The driving factors behind the closure of so many smaller abattoirs over the past decade in particular are complex and need careful examination and analysis.

However, a number of major reasons can be summarised as:

1. Strong downward pressure on profitability from high volume abattoirs supplying mass markets at low margins, especially via supermarkets;
2. Increased costs of waste disposal, due to contraction in the industry and lack of competition. The costs of disposing of abattoir waste, once seen as a valuable bi-product, has risen dramatically in recent years for small abattoirs due in part to mergers and acquisitions in the sector and the development of a monopoly, with competition now entirely lacking in some regions;
3. The strict imposition of regulations on small abattoirs which were predominantly drawn up for large slaughterhouses, and which are based on rules not risk.
4. Especially low prices paid to small abattoirs for hides and skins,
5. Planning hurdles which face those seeking to establish new small abattoirs.
6. The challenge of applying for capital grants for small businesses under both time and financial constraints. The owner is often the principal slaughterman on slaughter days, the butcher during the rest of the week and also the person responsible for all paperwork and liaison with the many agencies with an interest in abattoirs.

Our proposed solutions

A new approach to the regulation of small abattoirs is urgently required and needs to be genuinely based on risk rather than the blanket imposition of regulations, even when they are inappropriate or unnecessary. Without a radical overhaul of the regulations and their implementation there will be no small abattoirs left in many regions of the country, as indeed is the situation in some areas already.

There is an emerging consensus that this is a priority issue. Ideally, this should be approached systemically, rather than in a piece-meal fashion. This is possibly the last chance for the Government to take action that will enable our network of these essential smaller abattoirs, which are the basic infrastructure required for local, traceable meat, to be sustainable in the long term.

Mobile abattoirs

Mobile abattoirs already operate in a number of countries. From both and animal welfare and an environmental perspective they offer significant advantages. However, the high cost of regulation set against the relatively low throughput made the first attempts in the UK in the 1990s uneconomical, and still makes it difficult to develop an economically viable model for the UK to serve regions
where small abattoirs no longer exist. Design work is underway in both the UK and Germany to produce a simplified and less expensive concept which retains all welfare and food safety components. However, as things stand, while mobile abattoirs are permitted under existing EU legislation, it would require changes in legislation to before such simplified units could come into existence.

The recent Sustainable Food Trust report (A Good Life and a Good Death\textsuperscript{92}) concludes by making three major recommendations for government action:

1. **Publicly recognise the importance of maintaining a national network of smaller abattoirs** for the public good they produce, and for the delivery of local, traceable meat, because many farmers have been paid public money to diversify into selling their own meat and to make this a matter of practical policy across all government levels.

2. **Undertake, or set up, an urgent in-depth review with a view to**
   a. Identify and address the underlying problems facing the smaller abattoir sector in the UK
   b. Determine measures which would significantly slow the rate of abattoir closures
   c. Where geographical blackspots exist in the UK, propose how these can best be remedied so that private kill services become available.

3. **On-Farm Slaughter**
   Consider what practical help the Government could provide, in terms of both capital costs and simplified regulations, to facilitate the introduction of new small abattoirs, mobile abattoirs and on-farm small static abattoirs in areas currently without local slaughtering facilities.

\textit{10 September 2018}

Campaign for Real Ale (CAMRA) – Written evidence (REC0069)

1. Executive Summary
   1.1. The beer and pub industry is essential to the functioning of the rural economy and a key feature of rural community life.
   1.2. The beer and pub sector contributes to employability in rural areas; almost two thirds of brewery employees live within five miles of the brewery\(^{93}\) and 42\% of employees in the beer and pub industry are under 25\(^{94}\).
   1.3. Community pubs play a key role in social wellbeing and tackling loneliness in rural communities and therefore strong local planning policies should be in place to protect pubs from closure.
   1.4. CAMRA urges the Government to retain and increase the current pubspecific business rate relief which is essential to the viability of many valued community pubs which make a significant contribution to the rural economy.

2. Introduction
   2.1. CAMRA, the Campaign for Real Ale, is a consumer group with more than 192,000 members that acts as the independent voice for real ale and cider drinkers and pub goers. Our vision is to have quality real ale and cider, and thriving pubs in every community.
   2.2. According to CAMRA research this year, there are 47,155 pubs across Great Britain and many of these are in rural areas. The National Housing Federation in its Rural Life Monitor 2017 noted that pubs are one of the three key pillars of rural community life.
   2.3. However, pubs in rural areas are closing at a much faster rate than those in urban areas and leaving many communities without this key community service. The National Housing Federation Rural Life Monitor found that rural pubs have been closing at a rate of seven per week.
   2.4. The production of beer and cider are also large contributors to and essential factors within the rural economy providing employment opportunities both in production and in agricultural roles, producing the raw ingredients, and preserving traditional methods and ways of life.
   2.5. CAMRA estimates that the large majority of the UK’s 500+ cider producers are small producers, making high quality, high juice content ciders and perries.
   2.6. As part of our submission, CAMRA will only provide comment on questions which we feel relate directly to the role of the beer industry and pubs in the rural economy.

3. Pubs and the Rural Economy

\(^{93}\) http://www.siba.co.uk/SIBAMembersSurvey2017FINAL.pdf
\(^{94}\) http://www.cutbeertax.com/#/jobs?_k=ghzrp5
3.1. Pubs play an essential role in the rural economy; contributing vital services, employment opportunities, demand for local produce, and a space to socialise thereby tackling social isolation.

3.2. The Institute for Public Policy Research found that pubs boost the income of surrounding businesses by around £80,000 a year but also generate up to £120,000 worth of ‘social benefit’ to rural areas.

4. Breweries and the rural economy

4.1. Local brewers are key players in their local communities. 84% of the Society of Independent Brewer’s (SIBA) members regard their relationship with their community as important and their members have raised thousands for local charities, with 82% of members supporting at least one charity over the last 12 months\(^95\).

4.2. As an increasing number of breweries diversify, they also provide a boost for the rural economy. This can include setting up brewery taps, visitor centres, shops, or putting on events - all of these endeavours bring tourism and trade to the local area.

4.2.1. Most breweries run a shop and a tap bar on site, a further one in seven operates a visitor centre; 10% of surveyed breweries have a shop, a tap bar and a visitor centre at the same location.

4.3. Breweries also create skilled jobs in the community – more than a third of employees live in the same town or village as their brewery with a further 30% living within five miles.

5. Question 2: Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

5.1. The beer and pub sector has a profound and wide ranging impact on the rural economy and can provide many notable success stories.

5.2. Pub is the Hub support rural pubs in diversifying their services to become hubs for the local community and provides many examples.

5.2.1. The Grenville Arms in Nanpean, Cornwall has had a marked impact upon the local rural economy - in 2012, the village of Nanpean lacked both a post office and a village shop. The local licensee of the Grenville Arms proposed using the pub as a venue for these vital services and, after seeking advice from relevant contacts, changed the pool room into a shop selling everyday items and local produce. A post office service was then added to the counter of the shop and staff and the licensee offered training by the Post Office. This development has provided local communities with much needed services as well as reducing food miles and providing an avenue for local farms to sell their produce. It has also provided both part-time and full-time employment for local people enabling them to stay living.

\(^95\) http://www.siba.co.uk/about-siba/siba-campaigns/brewers-in-the-community/
and working in the community, as well as offering new training opportunities for staff allowing them to diversify their skills.

5.2.2. The Oyster Inn in Butley, Suffolk had been a focal point for the community since 1617 until it closed in 2012. This left the village of Butley without a pub or a community meeting place - it already lacked a village shop. After five years of being shut, Judi and Andrew Newman stepped forward to reopen the 400 year old pub - they wished to convert the derelict barn to the rear of the pub to provide essential community facilities such as a shop, a community shop, a cinema/meeting room, and a microbrewery. They received a £25,000 grant from The Prince’s Countryside Fund in partnership with People’s Postcode Lottery as well as £3,000 from Pub is the Hub which allowed them to complete this project. The development has had an undeniable impact on the rural economy - the village shop provides a vital service, keeps money within the community, and offers a place to buy and sell local produce. The cinema is now popular with young families, a film club has been established, and the multifunctional room is attracting local businesses for training and meetings which is further contributing to employability and general wellbeing of the village. The micro-brewery is helping to drive the overheads of the pub down by removing the margins of beer bought from other breweries; it also reduces the distance ingredients for beer need to travel and provides demand for local produce. The microbrewery also employs and trains local people in brewing which creates a diverse range of rural jobs in the area. The Oyster Inn employs local people and has created a large number of jobs. It’s also had a positive impact on social wellbeing in the village - it is reducing the carbon footprint with less car use and helping to combat isolation and loneliness by bringing the community together.

5.3 Many rural and community-based breweries have a significant impact on their rural communities and economies - 84% of breweries told SIBA that their local communities were either ‘important’ or ‘extremely important’ to them.

5.2.3. Some of these are highlighted in SIBA’s Brewers in the Community report, which found that 45% of breweries that donated to good causes donated to those in their local villages or towns.

5.2.4. Langham Brewery in Lodsworth, West Sussex raised over £6,000 in the last 5 years for the local community - much of this done through their ‘brewery-in-a-barn’ events which feature live music, comedy, and many more charity events. Langham Brewery are the first corporate partner of the South Downs National Park Trust and are giving 5p for every bottle of South Downs Best Bitter to support the National Park’s ‘Mend our Way’ initiative thereby investing in the local area and encouraging more people to enjoy it in a sustainable way. The brewery also provides employment opportunities for local people and uses local produce in its brewing.
5.3. In order to promote the kind of activity that has been highlighted, CAMRA supports a continuation of funding for the Pub is the Hub scheme, as well as retaining and improving business rate relief for pubs and breweries which will allow these rural pubs and businesses to flourish.

6. **Question 3: How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

6.1. The beer and pub sector is essential to the future of the rural economy; this can be seen via preserving rural pubs or ensuring the community-based breweries are supported.

6.2. It is clear that in rural areas employability and the retention of well-qualified (often young) people poses a problem and the beer and pub sector offers solutions to both of these problems via the creation of jobs and cultivating communities that people enjoy living in.

6.3. Independent breweries mainly employ local people, with two thirds of the staff living within a 5 mile radius of the brewery.

6.4. It is essential that pubs, breweries, and the agriculture necessary for these to thrive are protected.

7. **Question 7: What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1. Pubs are essential rural amenities and CAMRA supports any moves to support and protect these. This need becomes greater as community meeting spaces such as village halls are struggling to survive as pubs offer one of the last places for people to meet and socialise.

7.2. Firstly, CAMRA maintains that strong local planning policies must be in place across the UK to protect pubs from change of use or demolition and ensure that planning permission will always be required in such instances. It is vital that local councils are encouraged to include these policies in their reviews of local plans.

7.3. CAMRA holds that it is essential that current pub-specific business rate relief is both retained and extended to provide pubs with the relief that they require. This ought to be a £5,000 permanent business relief rate for pubs.

1 This view is supported by 53% of those surveyed by YouGov in 2017 who believed that pubs should be given specific tax relief based on their community value.

7.4. CAMRA has supported the introduction and extension of various rate reliefs that could benefit pubs, including Small Business Rate Relief,

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96 https://www.telegraph.co.uk/news/2017/01/02/village-halls-face-bleak-future-ageingvolunteers-dwindle/
Rural Rate Relief and the specific relief for pubs, but believes that these remain insufficient. We have also pushed for a wholesale review of the business rates system to reduce the excessive burden placed on pubs.

7.5. Under current EU rules, it is not possible to apply a differential rate of duty on draught beer, however this could be looked at when the UK leaves the European Union. A lower rate of duty on draught beer could benefit rural community pubs by enabling them to compete on a more level playing field with supermarkets.

7.6. Further to this, CAMRA is calling on the Government to undertake an urgent review of the Pubs Code. This is because two years into its operation, POBs (Pub Owning Businesses) are continuing to exploit gaps in the legislation and operation of the Pubs Code and are not abiding by the spirit of the Code. This is having an impact on the viability of some rural community pubs. Urgent changes are needed to the Pubs Code Regulations to allow delivery of the aims of the Code as embedded in the Small Business, Enterprise and Employment Act 2015. The urgent review must be carried out as soon as is practicably possible and include a full public consultation to allow for the collection of evidence of the workings of the Code so far from TPTs (Tied Pub Tenants) and other key stakeholders (including groups representing TPTs and other industry experts).

8. **Question 10: How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

8.1. In order to encourage young people to stay in or return to rural areas it is vital that there are employment opportunities available for them; with 42% of jobs in the beer industry occupied by people under 25, this industry can be part of the solution.

8.1.1. SIBA’s Beer Report found that one job in brewing supports 21 others in supply and distribution: one in agriculture, one in the supply chain, one in retail and eighteen in pubs’ (SIBA, 2013: 17). SIBA’s members have reported to employ just under 5,000 employees, where approximately 12% are between the ages of 18-25 years (SIBA, 2013).

8.1.2. Furthermore, community pubs provide 350,000 full- or part-time jobs - this is a huge boost to the rural economy where jobs can be hard to come by. The provision of jobs in pubs allows people to stay living in rural areas rather than having to move into urban areas to seek employment opportunities.

8.2. The presence of pubs in rural areas also makes it more likely that young people will remain in their villages as this provides a much-needed space for them to socialise and meet with other young people. This is even more the case where pubs provide multiple functions by pubs that provide multiple functions such as those featuring cinema rooms or other diverse uses.

9. **Question 11: What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision?**
9.1. Pubs play an essential role in combating isolation and loneliness, bringing communities together and supporting personal wellbeing. Whilst loneliness and isolation are not issues solely applying to the rural or ageing population, research has found that half a million older people go at least five or six days a week without seeing or speaking to anyone at all and that there are 1.2 million chronically lonely older people in the UK.

9.2. With the closure of community spaces, pubs play an ever important role in providing a shared environment for people to socialise and for community groups to meet. They are a vital community resource where people can get to know their local community.

9.2.1. The personal and social wellbeing benefits of pub-going are backed up by academic research. The 'Friends on Tap' Report was commissioned by CAMRA from Oxford University. The report found that people who identify as having a 'local' pub have more close friends and feel more engaged with their local community. On average those who had a local pub had 7.2 close friends compared to 6.0 for those who did not have a local pub and didn't regularly visit pubs. The number of social connections and close friends that people have has a large, positive impact on experiences of loneliness - and those in smaller, local pubs were likely to have longer, more engaged conversations.

9.2.2. Hosting events targeting isolation in pubs is likely to get a more diverse range of attendees than those hosted in village halls - the organisation Cotswold Friends found that moving their lunch clubs from village halls to pubs enabled their programme to rapidly expand to 11 clubs and saw attendance by men go from around 10% of all attendees to up to 37%. In 2013, they frequently only had 5 men attending the lunch clubs each month, in 2017 this had increased to 85 men per month. The move to a pub also created a more egalitarian environment with less division between staff and service users as well as being less demanding on volunteer resources. CAMRA would therefore urge the government to explicitly include pubs in loneliness strategies and offer support for pubs wishing to set up their own events to tackle loneliness.

9.2.3. Further to this, hosting loneliness events in pubs has a positive impact on the local rural economy - by giving elderly people the opportunity to socialise and leave their homes, they bring custom to local businesses and as people become familiar with the pub through loneliness-tackling activities, they become more likely to visit independently or may have the confidence to visit other rural businesses either independently or with friends they have made at the events.

9.2.4. The government should be taking action to tackle the closure of viable rural pubs, to protect community facilities, help combat isolation and promote responsible alcohol consumption in a social setting.

9.3. A key challenge posed by an ageing rural population and a barrier to them participating in the rural economy is transport.
9.3.1. As people age, they become less mobile meaning that walking is less viable as a mode of transport and they equally become less likely or able to drive. This means it is more likely that they will become housebound and/or isolated.

9.3.2. If the transport infrastructure, e.g. public buses running rural routes, does not enable the ageing population to get to local community facilities, then whatever activities are being put on to tackle loneliness are largely meaningless.

9.3.3. The need for rural transport to enable the ageing population to engage in the rural economy is even greater in Scotland where the drink driving limit is lower than in other parts of the UK.

9.3.4. It is vital that rural bus routes are funded and run regularly when people wish to use them; funding should also be given to schemes which explicitly provide the ageing population with rural transport such as community buses/taxis.

10. Question 15: What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

10.1. Whilst planning law in England was amended in 2017 to require developers to seek planning permission to either convert or demolish a pub, this is yet to be acknowledged in many local plans.

10.2. Research by CAMRA has found the two thirds of local plans in England have ‘unsatisfactory’ or ‘poor’ protections for pubs. This is despite a wealth of evidence on the social and wellbeing benefits of pubs to the communities they serve.

10.2.1. CAMRA urges the Government to encourage all local councils across the UK to adopt local plans that explicitly protect viable pubs from development in order to safeguard this essential feature of the rural economy.

11. Conclusion

11.1. The beer and pub sector are essential features of the rural economy and this ought to be recognised by the Government at every opportunity.

11.2. Pubs in rural areas are closing at a much faster rate than those in urban areas and leaving many communities without this key community service, CAMRA therefore welcomes tax relief for pubs to ensure that rural pubs can stay open and continue to contribute value to their communities but believes this should be extended to reflect more accurately the significant challenges they face.

11.3. The production of beer and cider are large contributors to the rural economy providing local employment opportunities both in production and in agricultural roles, producing the raw ingredients, and preserving traditional methods and ways of life.

11.4. Thank you for the opportunity to contribute to this consultation.
1. The Campaign to Protect Rural England (CPRE) welcomes the opportunity to submit evidence. We campaign for a sustainable future for the English countryside, a vital but undervalued environmental, economic and social asset to the nation. CPRE aims to promote and enhance the character of the countryside; promote a more sustainable approach to land use; and defend the countryside from damaging development.

Question 1: What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

2. The rural economy could be defined as all economic activity in ‘rural areas’ with the latter then classified following the well-established rural-urban classification system applied in Government statistics.

3. The rural economy mirrors that of urban areas in many respects except for the relative importance of the land-based sector, higher rates of home-working and the prevalence of small or micro businesses.

4. Agriculture, forestry and fishing remains the dominant sector in rural hamlets and rural villages but shares this position with professional, scientific & technical services in all rural areas. The land-based sector still represents over 15% of registered businesses in all rural areas.

5. The importance of this sector is however amplified by the important role it plays in supporting other businesses: it provides essential raw materials for industries, such as food processing, and it maintains the beauty, character and diversity of the countryside upon which recreation, tourism, hotels and catering depend. It also contributes towards creating a high quality environment capable of attracting inward investment and a skilled workforce.

6. In this context, farming is responsible for the management of some 69% of the English countryside and so warrants close attention. CPRE has drawn attention in its work to the continuing loss of farms below 500ha, reasons such losses are occurring and the potential impacts on the rural economy, food sector, access to farming, rural communities and the character and diversity of the countryside. These issues are detailed in CPRE’s Uncertain Harvest: does the loss of farms matter?

7. DEFRA data indicates that the number of commercial farm holdings fell by 21.3% from 2005 to 2015 with the preponderant losses on farms below 20 ha, but farms up to 200ha affected. Professors Winter & Lobley from Exeter University suggest Government data may underestimate the ‘extent and pace of the change’ with fewer small farms, and more larger ones, than data suggests.

8. The impact of these changes and further consolidation of the ownership and management of land on various aspects of the countryside – from economic
diversity and resilience to biodiversity - are poorly understood. This is not least as the issues of the decline in farm numbers has failed to be addressed in national debate, policy or research.

9. Annual DEFRA statistics on farm sizes are not detailed and fail to report drivers of change, let alone impact. We assume this is because of a dominant assumption that farm consolidation drives efficiency, despite DEFRA itself cautioning against such simple relationships.

Question 4: How can access to transport be improved in rural areas?

10. CPRE is deeply concerned that rural communities have suffered a ‘perfect storm’ of cuts to public transport and the erosion of local services in recent years. Too many areas have seen bus services cut, whilst provision of local amenities such as banking, pubs and post offices have declined.

11. The Government’s policy response has been to focus spending on roads through its Roads Investment Strategy programmes with little thought given to rural public transport. This policy is rooted in the mistaken belief that new roads, bypasses and distributor roads will reduce congestion and bring large scale economic benefit.

12. Research produced for CPRE’s End of the Road report found that road schemes induce traffic above background trends, lead to permanent and significant environmental damage and show little evidence of economic benefit to local communities. Our Network of branches across the country anecdotally report new roads and bypasses incentivise out-of-town developments and reduce visits and activity from passing trade, increasing pressure on under-utilised town centres.

13. Transport planning remains largely siloed within government, with decisions taken in an uncoordinated way. Problems of connectivity are rarely assessed objectively, with roads schemes established as the default option. When assessing where to build new homes or infrastructure, there is no serious assessment of the differential modal options to facilitate such development.

14. The starting assumption is that a road must be required. For those unable to afford to own or run a car or those who simply don’t wish to drive, this approach does nothing to improve rural connectivity and increases challenges relating to rural isolation and loneliness.

15. In order to tackle the problem of rural transport deserts, Government should better integrate decision making on transport planning and prioritise investment in walking and cycling as well as public transport such as bus and rural rail.

Question 12: How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?
16. There are many barriers preventing the construction of enough genuinely affordable homes in rural communities. Broadly, these can be divided into five key areas:

- A flawed definition of affordability from central government.
- The high price of land.
- Inadequate funding mechanisms.
- A lack of suitable sites coming forward.
- The failure to properly rural-proof policy.

17. The definition of affordability in the 2018 National Planning Policy Framework (NPPF) is flawed. It comprises a wide variety of tenures, some of which are much more expensive than others. A home for ‘affordable rent’, for example, can be let at up to 80% of the local market rate, making a typical two-bedroom property £1,400 more expensive per year than a comparable home for social rent.

18. Wages in rural areas tend to be lower than in cities, while house prices and private rents are often higher. Rural communities urgently need a new national definition of housing affordability, which links rents to wages and not to the dysfunctional private market.

19. Many of the challenges associated with the delivery of truly affordable rural housing stem from the high price of land. The granting of residential planning permission typically leads to at least a hundredfold increase in the market value of agricultural land, with the majority of the planning gain flowing to the landowner rather than the community.

20. Successful schemes built through the rural exception site policy demonstrate how the use of strict planning rules can help to hold down land values and support the development of truly affordable homes. When building an exception site scheme, housing associations usually pay around £10,000 per plot. The Government should consider reforming councils’ compulsory purchase powers so that local authorities are able to acquire land closer to its existing use value for the development of more genuinely affordable housing schemes.

21. Current funding mechanisms are not helping to build enough truly affordable rural homes. Colleagues in the rural housing sector have highlighted to us that, even where they are able to secure land cheaply through the cooperation of willing landowners, they often struggle to finance affordable housing schemes. Homes England’s Affordable Homes Programme, local authority funding, and cross-subsidy all play a part in funding homes for social rent, ‘affordable rent’ and discounted home ownership, but rural housing associations regularly have to fill funding gaps with money from their own reserves.

22. The Government should build on the measures announced in the 2017 budget and lift the Housing Revenue Account borrowing cap for all rural local authorities, so councils can borrow in order to build more social housing. Homes England should also allocate a proportion of its grant funding to rural areas commensurate with the proportion of the population who live in them.
23. Finding suitable sites for rural housing developments requires a high level of community engagement and a lot of patience. Partnership working is crucial, and we would like to see more support and encouragement for local authorities to work with landowners, housing associations and community land trusts to bring forward and develop rural exception sites.

24. Policies which are designed with urban areas in mind often have unintended consequences in rural areas. Both the sale of council housing under Right to Buy and the exemption of sites of 10 homes or fewer from on-site affordable housing contributions have affected the availability of homes that rural people can afford to live in. We urge the Government to suspend Right to Buy in designated rural areas and allow councils to make on-site affordable housing contributions mandatory on all sites, even those of 10 homes or fewer.

*Question 13: How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?*

25. During the recent consultation on the Government’s new National Planning Policy Framework (NPPF) we called for councils to be encouraged to set their own thresholds for affordable housing contributions and empowered to take contributions on small sites of fewer than 10 homes.

26. Since 2014, local authorities have been unable to take affordable housing contributions on market developments of 10 homes or fewer; or 5 homes or fewer in designated rural areas. Yet the vast majority of developments in rural communities are on small sites. The policy therefore closed off a crucial avenue for affordable housing delivery in rural areas.

27. We raised concerns about the impact of the change in our 2015 Housing Foresight paper, *A Living Countryside*. Since then we have taken every opportunity to urge the Government to reconsider the small sites threshold but, unfortunately, the final draft of the new NPPF retains the policy. We will continue to push for this policy to be changed, so that Section 106 better serves the needs of rural communities.

28. On a more positive note, we are very happy with the changes to the viability assessment process set out in the new Planning Practice Guidance on Viability.

29. In March this year we released our joint *Viable Villages* report with Shelter, demonstrating the damaging impact that viability assessments can have on rural communities. In 2015/16, across the eight rural local authorities surveyed, the use of viability assessments led to a 48% drop in affordable homes delivered.

30. We are very pleased to see the new guidance clarify that viability should be assessed at the plan making stage across the whole plan area using site typologies, rather than expecting overstretched and under-resourced planning authorities to carry out individual assessments for every site. We hope that this will avoid situations where a local authority sets a 'lowest common
denominator’ affordable housing target for all developments because of the anticipated difficulty of delivering a minority of complex sites.

31. The new guidance also states no fewer than four times that ‘under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan’. It is clear that, from now on, it will be the responsibility of the developer to demonstrate what has changed since a local plan was drawn up if they wish to carry out any further viability testing. We hope and anticipate that these changes will have a positive impact on the future delivery of affordable rural homes.

32. We will closely monitor the impact of the Government’s new policy on entry-level exception sites (ELES). We raised strong objections to the draft policy, which we argued would inflate land values and undermine the delivery of rural exception sites. We are pleased with the changes to the final version, which clarifies that ELES should not be built on designated countryside and should comprise only homes for sub-market tenures.

Question 15: What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might co-ordination between bodies be improved?

33. As we show elsewhere in this submission, CPRE has a strong interest in promoting environmentally sustainable economic growth in rural areas, particularly to support farm size diversity and rural affordable housing. Our Rural Economy Policy Guidance Note (June 2014) states: ‘Economic development enables rural areas to prosper and more people to live and work in the countryside. Providing high quality work can help to tackle rural poverty and improve access to services... However, economic growth, social needs and environmental limits must be reconciled not traded off against each other. A high quality rural environment is vital for public well-being and is an integral part of a strong and resilient rural economy.’

34. In order to find out more about the impact on the countryside and regeneration, CPRE branches were surveyed in February and March 2017. A total of 44 survey responses were received from 34 branches, covering 32 (out of the 38) LEPs. The survey is therefore subjective in nature. However, the results suggest that a large majority of LEPs are failing rural communities by ignoring their economic potential, as well as their social needs and environmental quality. We also have particular concerns that LEPs are promoting damaging and expensive road building schemes at the expense of more affordable and/or sustainable transport options. However, we are also aware of a few examples of LEP best practice, including in areas such as: growing rural economies, investing in sustainable transport, broadband, and working with Local Nature Partnerships (LNPs).

35. The findings of the survey can be summarised as follows:

36. On rural and countryside policy issues, there is a clear feeling that LEPs are having a negative or strong negative impact (60% of responses). LEPs have key responsibilities in administering the Rural Development Programme for
England but the perception is that many lack a rural reach and are not doing enough to address this deficiency. Coverage of environmental and social issues is inconsistent: we are aware of only 50% of LEPs working with their equivalent Local Nature Partnership (LNP); only 21% on rural affordable housing; and 14% on rural transport. Potential examples of good practice, however, include the Coast to Capital, Enterprise M3, Greater Lincolnshire, and Heart of the South West LEPs. In particular, LEPs in the South West have set up a Rural Productivity Commission, which reported in 2017. CPRE would particularly commend this approach, even if we do not necessarily endorse all of that Commission’s recommendations.

37. On strategic planning, there is a concern that LEPs may be reinforcing inequalities within and between English regions rather than addressing them. The geography of LEPs can also be confusing with some areas of the country being covered by more than one LEP. Of the investment areas that we are aware of, it was three times more likely to be in a buoyant area than one in particular social need. Potential examples of good practice, however, include the Cornwall, Derby and Nottingham (D2N2), Enterprise M3, Lancashire, and Solent LEPs.

38. On governance, CPRE’s perception is that in recent months LEP websites have improved significantly and are much better than before at providing LEP information to the general public. But overall we are concerned that there is still a lack of public awareness of LEPs and often a lack of willingness amongst LEPs themselves to engage with the general public. Only 21% of LEP websites that we surveyed appear to clearly provide evidence of progress with Strategic Economic Plans (SEPs) which form the basis of LEP activity. Few (only 24% according to our survey) LEPs hold public meetings although it also appears to be the case that public meetings are beginning to take place more often. Possible examples of good practice include Derby and Nottingham (D2N2), Heart of the South West, Oxfordshire, Solent and Swindon & Wiltshire LEPs.

39. A few LEPs have stated that it is challenging for them to justify smaller rural projects because Government funding often focuses on the ability to deliver large-scale growth. This model of funding allocation assumes that business is driven by cities. CPRE would agree that most large-scale economic development projects, including housing, are best located in urban areas and we advocate a brownfield first approach. We also recognise, however, the need for investment in rural communities and the land-based sector, particularly small and medium-sized farming enterprises, and the need to make affordable housing available to people on average rural incomes or below. There are 102,235 SMEs in farming, forestry and fishing in England – approximately 2% of the national total. We are particularly concerned that investment in rural economies should take place in a manner that is sensitive to the rural environment.

40. It is therefore particularly worrying for CPRE that there appears to be an uneven recognition amongst LEPs of the importance of the environment and the benefits a good quality natural environment brings to business. Increasingly a thriving natural environment and its associated services are being recognised as essential contributors to sustainable growth. CPRE groups
were aware of about half (52% and 50%, respectively) of LEPs looking to address environmental issues, and working with the relevant Local Nature Partnerships (LNPs) on these issues.

41. The Government’s 25 Year Environment Plan proposes the establishment of ‘natural capital plans’ on a strategic, sub-regional basis across England. The Plan envisages that these plans will be produced for the 14 ‘aligned areas’ of England that are used to guide the work of Defra and its agencies including the Environment Agency, Natural England and the Forestry Commission. These plans are thus likely to cover different areas to either LEPs or LNPs. But they have the potential to be the key vehicle for increasing collaborative work between LEPs, LNPs, and the statutory agencies. A further proposal in the Plan would also see LEPs being involved in identifying suitable areas for large scale woodland creation and forestry development zones. Such an approach to land-use planning which identifies multiple opportunities for enhancement – such as forestry, water quality, carbon sequestration, natural flood management and landscape enhancement – reflects themes identifies in CPRE’s *Landlines* pamphlet. These can help support the enhancement of the natural environment, especially in areas where landscapes and biodiversity have been degraded. In addition, such collaborations can encourage innovative local carbon reduction and resource efficiency initiatives, and support small scale energy generation projects in rural areas.

*10 September 2018*
1. **About the Centre for Ageing Better**

1.1 The Centre for Ageing Better is a charity, funded by an endowment from the Big Lottery Fund, working to create a society where everyone enjoys a good later life. We want more people to be in fulfilling work, in good health, living in safe, accessible homes and connected communities.

1.2 By focusing on those approaching later life and at risk of missing out, we will create lasting change in society. We are bold and innovative in our approach to improving later lives. We work in partnership with a diverse range of organisations. As a part of the What Works network, we are grounded in evidence.

2. **An ageing rural population**

2.1 We are living longer than ever before. In 1956, life expectancy at birth for men was 68 years and for women it was 73. By 2016 it had risen to 79 for men and 83 for women, meaning over the course of two generations we have added a decade to our lives. This has had significant implications for the age structure of our population: by 2026, there will be 14.1 million people aged 65 and over – 2.3 million more than in 2016, an increase of nearly 20% over just ten years (ONS, 2017).

2.2 This demographic change is both more significant and more rapid in rural compared to urban areas:

![Chart showing the population by area and age](source: DEFRA (2018), Rural population 2014/15.)
2.3 An ageing rural population brings specific challenges in terms of infrastructure and services, employment, and housing and planning. These include longer travel distances, limited access to public transport services, sparse or stretched public services, a lack of suitable housing options for those in later life and an increasing number of older workers who need appropriate support to remain in the workforce for longer.

2.4 The Centre for Ageing Better welcomes the Select Committee’s specific question on what can be done to address the challenges associated with an ageing rural population. We would also note that all of its questions can usefully be viewed through the lens of an older rural population. By age-proofing universal services, enabling more connected communities and providing age-friendly housing, transport and employment, there are opportunities to help the rural economy grow, harness the spending power of the over 50s, retain an older workforce and address some of the challenges linked to longer lives.

3. Infrastructure and services

3.1 Transport

3.1.1 Accessible and affordable transport options are critical for older people in rural areas. Both in getting to and from key services and amenities, but also for remaining physically active, connected and contributing to their communities and to combat social isolation. People living in rural areas generally have lower access to key services than people living in urban areas (DEFRA, 2016) and are significantly more reliant on cars than those living in urban areas (Connors et al, 2013). However, a lack of parking, particularly for disabled older people, is often a key concern for older people in rural areas, and when parking is available it can be expensive. When people grow older and stop driving they often do not have reliable, appropriate and affordable public or community transport options available to them compared to those living in urban areas.

3.1.2 Unlike in most urban areas, public transport in rural areas tends to be more infrequent, inaccessible to individuals with mobility problems or does not offer appropriate routes. An estimated 1.5 million people aged over 65 find it difficult to travel to hospital (Age UK, 2016), and rural households spend nearly £20 more on transport per week than urban households (Age UK, 2013). Community and voluntary sector transport schemes often do not adequately fill the gaps and should not be viewed as a replacement for public transport. Where options exist, they are part of a complex and fragmented delivery landscape, which leaves it to individuals to knit together a variety of options to make even simple journeys.

3.1.3 We would urge continued and increased investment in a range of affordable and reliable public and community transport options, including support for voluntary and civil society efforts to develop local schemes such as car sharing and community-led bus routes. Other options include involving older people in transport decisions, providing training for transport providers to understand the
challenges facing older customers, bus stops with seating and lighting, and improving parking provision. Rural places offer an opportunity to trial new autonomous and connected technologies that are focused on more and better journeys for older and disabled transport users and more integration of service and journey planning that don’t only rely on digital technologies.

3.2 Digital connectivity

3.2.1 Despite recent rapid increases, there are still 4.2 million people over the age of 55 who have never been online. Older people account for 94% of the total number of the 4.5 million people who have never been online (ONS, 2018). Benefits to being online include opportunities to save money, particularly as the best deals are often online, keeping in touch with friends and family, and access to many public services. Older adults who are not online are more likely to be poorer, less well educated and in worse health than their peers. As more services and information move online, these individuals are particularly at risk of being left on the wrong side of the digital divide.

3.2.2 Enhanced digital connectivity in rural areas is vital to rural economic growth, but efforts to improve connectivity must take an inclusive approach so that older adults do not fall further behind. Organisations that move their services online, especially as local services are withdrawn (e.g. banks), must consider their responsibility to those who are offline and how they can support them to engage with online services.

3.2.3 The Centre for Ageing Better recently published a report, ‘The digital age: new approaches to supporting people in later life get online’ (Centre for Ageing Better, 2018), which included recommendations for Government, funders and providers of digital inclusion support and highlighted the need for a fundamental re-think of digital inclusion policy and practice for people in later life, including:

- Reframing the concept of ‘digital exclusion’, shifting focus to target those who have the greatest need for the internet and are missing out by not being online
- Shifting away from approaches that simply aim to achieve ‘basic digital skills’ and towards approaches that enable people to do the things they need and want to do online
- Developing a wider range of outreach strategies that embed digital inclusion support within different local services and provide support that can respond in more timely and personalised ways
- Offering more intensive, person-centred and open-ended support and investing in responsive, personalised and ongoing community-based support.

3.2.4 In order to provide effective solutions for accessing and supporting those in greatest need, policymakers, funders and practitioners
need to develop a more nuanced understanding of older people’s need for digital technology and their motivation to use it. Policies to improve rural connectivity must go hand in hand with supporting people in later life to get online, otherwise the digital divide between the most and least advantaged in society will grow and will become even more pronounced across the life course.

3.3 Health and care

3.3.1 A growing older rural population also means increasing demands on our health and social care services, which the current system already under strain to meet. The Prime Minister’s announcement of an additional £20 billion for the NHS is very welcome, but current pressure on the NHS and social care will only get worse unless more urgent action is taken to implement a more preventive approach and to support older adults and those currently in mid-life to stay healthier for longer.

3.3.2 At local level, we need a more integrated approach to healthy ageing across the NHS and local government. NHS England should ensure newly integrated care systems and partnerships spanning rural areas include healthy ageing indicators as part of their framework for measuring outcomes and should work with local authorities to tackle wider determinants of ill-health and disability in later life.

3.4 Public spaces and rural amenities

3.4.1 Older people are major users of public spaces, and the accessibility of parks, streets and public buildings significantly impacts the mobility, independence and quality of life of older people. Ensuring that buildings and outdoor spaces are accessible not only supports people to be more involved in their community but also encourages physical activity.

3.4.2 The loss of local services and common meeting spaces such as post offices, supermarkets, banks, pubs and community centres can be particularly detrimental to rural communities. Individuals will need to travel further distances to access necessary services, and products become more expensive due to the lack of provider competition (Wenger, 2001).

3.4.3 Rural areas by definition have more open space and nature; however, the rough terrain and lack of services mean these areas can be inaccessible to older people. The areas must be well-maintained with good paths, sufficient lighting, public seating and access to toilets (Gallagher et al, 2006).

3.4.4 The WHO’s network of Age-Friendly Communities, led in the UK by the Centre for Ageing Better, offers a clear framework through which to review the age-friendliness of local places, and a mechanism to involve older people in planning and creating positive
changes. Walking audits and other community engagement tools can identify low cost, realistic and targeted changes to the physical environment, which both promotes healthy and active ageing and engages local communities in promoting change. We are actively engaging rural communities to encourage them to join the UK network. We would welcome the opportunity to present this work to the Select Committee.

4. **Business, employment, skills and demography**

4.1 **Rural businesses**

4.1.1 Government needs to wake businesses up to the economic opportunities of an ageing population. People aged 50 and over held an estimated 77% of the UK’s financial wealth in 2015 (Centre for Economics & Business Research, 2015). Yet the private sector has been slow to respond to this growing consumer market, and there remains a dearth of products that meet the needs and aspirations of older consumers. The older rural population in particular present a business opportunity as older people in rural areas generally have higher incomes levels (Connors et al, 2013).

4.1.2 The Government should utilise the Industrial Strategy Challenge Fund to stimulate existing businesses to address the needs of market segments previously overlooked and ensure some of the funding is used to develop products and services that specifically address some of the challenges experienced by older adults in rural areas.

4.2 **Skills and labour**

4.2.1 Many people over 50 who want and need to work are economically inactive – often pushed out of work involuntarily well before reaching State Pension age due to poor health, redundancy or caring responsibilities (Franklin et al, 2014). This has a negative impact on many individuals, as it impacts on their financial security, health and social relationships.

4.2.2 It is also bad for public finances and the rural economy, as businesses are missing out on retaining skills and workers at a time when they are facing serious workforce shortages. This is particularly acute in sectors such as health and care, where it’s harder to attract GPs and individuals to low paid caring jobs (Oliver, 2017) and agriculture, where Brexit is already having an impact on seasonal labour (Environment, Food and Rural Affairs Committee, 2018) and where half of the workforce is aged 50 and over (CIPD, 2015).

4.2.3 The key driver of supporting people to work for longer is to improve the quality of work. Improving employment practices for older workers would create more equal and inclusive workplaces and would make quality of work better for everyone, which could
potentially have a positive knock-on effect in terms of encouraging young people to stay in or return to rural areas.

4.2.4 There are a number of changes that would support current older workers to remain in work for longer, as detailed in our recent publication, ‘A silver lining for the UK economy? The intergenerational case for supporting longer working lives’ (Centre for Ageing Better, 2018b). Some of the national policy solutions to enabling more people to work for longer include:

- Flexibility: For older workers, adjustments to working patterns or hours are key to accommodate health needs or caring responsibilities, but employees aged 50 and over are currently much less likely to work flexibly (Marvel & Cox, 2017). The Government could play a significant role in moving business towards a norm of flexibility by default by tightening the business reasons that can be used to refuse a request for flexible working and by allowing all employees to request flexible working from their date of hire by removing the requirement for 26 weeks of continuous service to qualify for the Right to Request.

- Carers policies: Caring responsibilities are one of the top factors that lead older workers to involuntarily leave the workplace before they reach State Pension age. The Government could consider legislating for flexible options for short periods of paid carers leave as well as longer periods of unpaid leave and give carers a Right to Return to the same job on the same terms and conditions, similar to Maternity Leave.

4.3 Community contributions

4.3.1 Communities that promote social inclusion and create places where older people are respected and recognised within the community can have significant impact on wellbeing and isolation. Older people in rural areas often report a higher sense of belonging to their local community and are more likely to believe people within their community are willing to help (DEFRA, 2017).

4.3.2 There is good evidence that people over 50 who volunteer or otherwise actively participate in their community tend to report higher levels of wellbeing and more and deeper relationships with others. Good quality volunteering in later life also has a measurable positive impact on mental health (Jones et al, 2016). Despite this, we know that people in poorer health are less likely to make a contribution, and people from disadvantaged communities are less likely to volunteer in formal/organisational contexts, even though both groups are more likely to benefit from improved social connections and wellbeing by making a contribution.

4.3.3 To open up opportunities for older adults to contribute to their community, more needs to be done to broaden participation among groups who are currently under-represented. To support certain
groups of people that are currently excluded, we need more age-friendly, inclusive forms of contribution.

4.3.4 The Centre for Ageing Better is currently undertaking a review of community contribution in later life in partnership with the DCMS. The review will generate recommendations for national and local government, the voluntary sector and businesses to help people in later life find meaningful ways to contribute to their communities. We are due to publish our findings later in 2018 but would be happy to share emerging findings with the Select Committee.

5. **Rural planning and housing**

5.1.1 Safe housing that is in good condition and meets the needs of older people enables individuals to live independently, be an active part of a community and reduces the need for health and social care. As the number of individuals over the age of 65 and 85 increases, so too will the proportion of the population with disability, accessibility and mobility requirements. However, much of our current housing stock is not fit for people as they get older.

5.2 **Improving existing housing stock**

5.2.1 At least 80% of UK homes that will exist in 2050 have already been built (Boardman et al, 2015). Therefore, to have the biggest impact in the short to medium-term, the focus must be on improving the condition of our existing housing stock. This is a particular issue in rural areas where older people are more likely to live in houses that are not adapted to meet older people’s needs, are difficult to maintain or have ‘risky features’ (no telephone or broadband, no street lamps, a thatched roof, no central heating, single glazed) and therefore mean its occupants are more likely to experience ill-health as a result (Porteus, 2018).

5.2.2 A recent evidence review commissioned by the Centre for Ageing Better found that, when done in combination with any necessary repairs, adapting the home can increase the usability of the home environment and enable people to maintain their independence for longer (Powell et al, 2017). The review included a number of recommendations for local Sustainability and Transformation Partnerships (STPs), local authorities, service commissioners and practitioners, including making commitments to improve the quality of mainstream housing in STP strategic plans and ensuring services provide timely, preventive minor adaptations and repairs and make flexible use of the Disabled Facilities Grant to fund both major and minor adaptations.

5.2.3 To tackle this issue nationally, the Government should commit renewed investment to tackling the 20% of homes that failed the Decent Homes Standard, are hazardous to health and in disrepair, and are much more likely to be occupied by someone aged 85 and over than any other age group (DCLG, 2016).
5.3 **New housing stock**

5.3.1 To meet future housing demands of an ageing rural population with greater disability and accessibility requirements, the Government must ensure new housing stock is diverse and adaptable to people’s changing needs as they age. Currently, just 7% of homes meet basic accessibility features (DCLG, 2016).

5.3.2 The Government should set a mandatory minimum requirement to ensure that 90% of new builds meet Part M(4) Category 2 standard of the Government’s national technical housing standards and 10% are to be built to the higher wheelchair accessible standard Part M(4) Category.

5.4 **Planning**

5.4.1 Despite the substantial shift in the age structure of our population, particularly across rural areas, planning policy are failing to systematically address changing demographics by building better homes that will meet people’s needs across the life course. Recent research examined current and emerging plans for 329 local authorities in the UK over a four-month period and found that nearly two-thirds of local authorities are not making adequate provision in their local plans for housing their older population (Irwin Mitchell, 2017).

5.4.2 All rural areas should develop local plans and spatial frameworks that address their ageing population and include specific actions in response to local evidence of what people need. Plans must take into account local demographic data but also insight from the local community.

10 September 2018

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10 September 2018
Centre for Rural Economy - Written evidence (REC0100)

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1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1: The rural economy, or rural economies, are increasingly diversified and integrated into the wider economy. Rather than thinking of them as separate, we should think in terms of their relationships to urban and global economies, while recognising the specific place-based challenges and opportunities that make rural economies distinctive. Rural economies make a substantial contribution to national wealth and wellbeing; in England for example rural areas are worth £250bn annually to the national economy. In broad terms, the sectoral make-up of the rural economy mirrors the urban economy with ‘distribution, transport, accommodation and food’ and ‘public administration, education, and health’ being the largest contributors to GVA in both rural and urban areas. There are however a number of differences between the composition of urban and rural economies. There tend to be fewer financial services and information and communication services businesses in rural areas. Rural economies have higher levels of self-employment and employment in micro-businesses and home-based firms. They have often outperformed urban areas on indicators such as employment growth rates and businesses per head. Although rural and urban firms share many plans and expectations for future growth, rural firms are significantly stronger exporters of goods and services, are more likely to have introduced new or improved goods in their businesses. Until recently rural areas had a higher rate of business start-ups than urban areas though since 2013 this has reversed.

1.2: The decline in the importance of agriculture to rural economies is a long-term trend but this is uneven between regions and countries. For example, in England agriculture represents just one percent of the workforce compared to 3.2 per cent in Northern Ireland. However, the contribution of farming through downstream activities such as food manufacturing, its provision of natural capital and other ecosystem services and goods, and its indirect contribution to tourism mean that connections to rural economies remain important. Rural economies are also highly differentiated sub-nationally, with strong regional and local differences. This means policies for rural economic growth need to be attuned to specific local circumstances. Rural economies face distinct challenges: they contain more small businesses, fewer medium to large businesses, with businesses that are more dispersed than in urban areas, and they are generally

98 ibid
99 https://research.ncl.ac.uk/ruralenterpriseuk/outputs/
more peripheral in relation to infrastructure provision, policy focus, governance, investment, networks and labour markets. Nevertheless rural businesses are innovative and aspire to grow.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1: Neo-endogenous/networked development is a successful model that combines ‘bottom up’ community-led development with ‘top down’ resources, networks and investment. One example is the ‘Leader’ programme\(^{101}\) within Pillar 2 of the Common Agriculture Policy. Small amounts of investment coupled with inclusive, place-based strategies and multi-sectoral governance have enabled communities to capitalise on their assets and opportunities in order to meet local needs including those of local economies. However, Leader is not sufficient on its own to tackle the full range of rural issues but continues to be important in underpinning bottom-up and locally-responsive development. Rural localities have also successfully harnessed cultural resources for rural regeneration. A current example is the Berwick Film and Media Arts Festival\(^{102}\) that has grown from small beginnings to be one of the leading cultural festivals in a rural location.

2.2: Rural Growth Networks\(^{103}\) were a successful pilot run by DEFRA that demonstrated practical ways in which the growth potential of rural businesses could be enabled via networks of Rural Enterprise Hubs. For example, the NE Growth Network’s Rural Enterprise Hub initiative\(^{104}\) created 10 new enterprise hubs that provided high quality and flexible business accommodation with high speed broadband connectivity. The hubs also act as nodes connecting the rural business community both to each other and to external sources of business knowledge and advice that was tailored to the needs of the rural businesses involved.

2.3: There is a need for non-governmental rural stakeholders to engage at national (e.g. sector strategies), regional (e.g. with LEPs) and local (e.g. local government) levels to co-develop strategies and deals to ensure rural delivery. At national level, a Rural Business Taskforce or a Rural Solutions Group could aid the future communication, development, delivery and evaluation of the Industrial Strategy\(^{105}\). At local levels, Local Enterprise Partnerships (LEPs) and the community and voluntary sectors have an important role to play in sharing best practice, along with local authorities. For example, the Northern Rural Network in the North East of England\(^{106}\) enabled the academic, policy and practitioner communities to share best practice and ideas. Hosted by Newcastle University it brought together rural development actors across the north of England, including businesses to tackle issues such as renewable energy, rural business support and broadband provision.

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\(^{101}\) https://enrd.ec.europa.eu/leader-clld_en

\(^{102}\) https://www.bfmaf.org


\(^{104}\) https://www.ncl.ac.uk/media/wwwnclacuk/centreforrrualeconomy/.../honey-hives.pdf

\(^{105}\) https://research.ncl.ac.uk/ruralenterpriseuk/outputs/. Rural Economies and the UK Industrial Strategy (2018)

\(^{106}\) http://www.northernruralnetwork.co.uk/
3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1: Digital communications will continue to be essential to rural economies and it is said we are now entering the 4th Industrial Revolution. This is an umbrella term for many of the new technologies being harnessed to tackle some of the more intractable societal problems. Many of these technologies, including autonomous vehicles, the internet of things, big data and artificial intelligence more often than not have an urban focus. Yet many of the technologies could potentially have a bigger impact in a rural context and it is vital that rural economies do not miss out on opportunities. Rural areas have the potential, and indeed do, host businesses operating in these domains. The Future Cities Catapult[107] is mobilizing and animating activity for urban areas. Similar intermediate institutions need to be created for rural areas. These would bring together universities, businesses and government to address all aspects of the challenge. This includes having a rural work force with skills relevant for the next generation of technology, coupled with policies and investment that help rural businesses innovate to meet future challenges. Among these are the potential for technology to help meet health care and service needs of an older population, the challenges of sustainability and clean growth, for example through the development of renewable technologies and the development of integrated transport provision utilising digital technology.

3.2: Overall, the key to achieving rural growth is to ensure that the sectors and industries that are prominent in rural areas and may have the potential to grow are fully covered by the plans and sector deals coming out of the Industrial Strategy. These include construction, manufacturing, business, scientific and professional services, transport and distribution, education and health, information and communications and the creative industries (see also section 14 on rural proofing below). Growth potential is also locally specific. Sub-national bodies, LEPs and regional growth engines should identify their main areas of rural growth as they draw up Local Industrial Strategies and growth deals. They should also address the needs of so-called low productivity sectors – wholesale, retail, personal services, accommodation, catering etc., which are key features and provide key services within market towns and many rural areas.

4. How can access to transport be improved in rural areas?
5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

4.1: The challenge of providing essential services to rural areas cannot be solved entirely through rural economies, although rural businesses make an unacknowledged contribution to the social fabric of rural areas and in many cases underpin local service provision and values. More directly a skilled rural labour force requires access to transport and affordable housing if rural economies are

[107] https://futurecities.catapult.org.uk/
to thrive. Schemes such as 'Wheels to Work'\textsuperscript{108} that enable young people to access transport, employment and training have been a success, but they are often reliant on short term funding and coverage is patchy across rural areas. Digital connectivity is essential for rural firms, employees and customers. There should be a universal commitment to improved broadband speeds and infrastructure in order to make the most of new smart technologies and overcome the limitations of remoteness. These technologies will also help community and social enterprises to innovate to meet rural service needs, and will increasingly be necessary for the delivery of healthcare and education in rural areas. There are many examples of where community and social enterprises are making an innovative contribution to rural service provision, and the facilitation of local solutions via programmes such as Leader will continue to be important, as will flexibility in national schemes and incentives to meet local needs.

4.2: Our evaluation of the Northern Fells Group’s Village Agent (VA) project\textsuperscript{109} provides an example of the social impact of funding for innovative projects embedded in communities that develop impactful schemes tailored to local needs. The evaluation reveals the success of a bottom-up approach founded on the community organisation’s knowledge and understanding of community need. Particularly important to the success of the project was the emphasis placed on understanding the nuances of the communities involved and listening and responding to local needs.

4.3: Evidence from research into community businesses\textsuperscript{110} and from research into social enterprises in the North East, provides examples of mismatch between the language of national policy and national funding mechanisms, and local understanding and culture. Research indicates that while the language of business and enterprise, trading and profit, is well accepted by many individuals and groups in the third sector, and in policy, other individuals and groups in rural communities do not identify their work with it.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1: Many of the challenges in relation to labour and skills are structural and long standing relating to poorer choice of jobs with lower pay and skill requirements. Analysis of the Longitudinal Small Business Survey by Newcastle University\textsuperscript{111} has shown that one third of England’s rural small firms who employ staff can have difficulty recruiting or retaining skilled staff. There is a need for more choice and variety in rural labour pools especially for young people and skilled employees, and to create a virtuous circle of higher skilled jobs with higher pay and a commitment to training and development by employers. National and sectoral apprenticeship schemes need to be rurally proofed to ensure rural firms are not excluded through criteria that favour larger firms, while local and sector

\textsuperscript{108} www.w2wleics.co.uk


\textsuperscript{111} https://research.ncl.ac.uk/ruralenterpriseuk/outputs/
skills strategies need to be sufficiently flexible to allow small rural firms to collaborate to meet their recruitment gaps and training needs. For example, in Wales collaborative apprenticeships enable trainees to be shared across more than one employer. Consideration also needs to be given to the apprenticeship age limits, given the higher proportion of older people in rural areas with some industries attracting working age people at a later stage in their careers. Local Further Education (FE) Colleges and training infrastructures in rural areas are either few or distant and offer limited courses for sectors that are important to rural areas such as construction and manufacturing. Digital technology offers opportunities to offer ‘virtual’ training in new ways, while incentives could be provided to colleges to set up campuses in market towns which would help unemployed young people access training and jobs. There are opportunities for sector skills councils at local level to work with the FE sector to develop bespoke provision for sectors important to rural areas, coupled with innovative methods of delivery.

8.2: A recent study of Millom and Ulverston in Cumbria concluded that there is potential for economic growth in most rural locations, even peripheral ones. Future policy formation must recognise that realising the economic potential of small towns in rural areas, requires sustained support sensitive to local opportunities and circumstances.

9. **How can deprivation and inequality in rural areas be tackled?**

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

9.1: Healthy rural economies providing a range of employment and decent wages can make an important contribution to the retention of young people, and in tackling deprivation and inequality. However, some young people are likely to continue to leave rural areas for higher education and careers in urban areas, perhaps returning later in life to raise a family, or at retirement, making a valuable contribution to rural resilience and communities. Good quality jobs that do not rely on commuting will be important to those younger people who leave and then return, as will sufficient services and a dynamic social environment, and reliable digital connectivity. Many of the measures that can help unlock the potential of small rural businesses will also encourage the retention or return of a younger workforce, but it is important to be realistic about the extent to which young people wish to remain in the place where they were born. It is perhaps more helpful to think about rural mobilities in terms of life course opportunities in relation to rural economies.

9.2: Research looking at young people who start-up rural businesses provides examples of the multiple impacts the challenges faced by rural young people. For example, the difference that unequal access to premises for housing and business needs can make to the business choices open to individuals; not only whether business start-up is an option but, also the type of business. This research has shown that entrepreneurship can be an important strategy for young people who want to stay in the area but for whom the rural labour market

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113 [https://www.ncl.ac.uk/media/wwwnclacuk/centreforruraleconomy/files/young-entrepreneurs.pdf](https://www.ncl.ac.uk/media/wwwnclacuk/centreforruraleconomy/files/young-entrepreneurs.pdf)
has little or nothing to offer. Significantly for enterprise policy, it has also shown that many who felt pushed into enterprise because they lacked other choices were nonetheless proactive and positive in their approach to starting and running their businesses. Such young entrepreneurs tend to share some things in common: e.g. relatively high levels of educational attainment; proximity to other local business start-ups; enthusiasm and high levels of support; access to networks, whether established and reproduced, or produced for business purposes; sources of low/no risk financial capital; and access to premises114.

9.3: The need for locally specific intervention, sensitive to differences in entrepreneurial type and culture is clear. Bridges and barriers to youth enterprise in rural areas are inextricably linked to the general issues of rural youth transition - for example, housing - suggesting the need for a holistic approach to youth in rural development generally, and to rural enterprise support in particular.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1: As above, the challenge of an ageing population cannot be solved entirely through rural economies, although rural businesses have an important role to play in developing innovative services and products for an older population. Evidence shows that people often move to rural areas well in advance of retirement and this cohort currently provide a valuable resource to help support the rural economy and society, and are often active in developing community run pubs and shops for example. Many of these people have been able to retire at 60 and there is now a question over the extent to which pension reforms will affect this pool of voluntary labour. Hence it is important that sustainable solutions are found to the challenges of social isolation and social care provision in rural areas.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

12.1: Rural housing and planning are essential elements that can help to unlock the growth potential of rural economies, but also act as critical barriers to it. For many years rural areas have been disadvantaged by restrictive planning policies while second homes and counter urbanisation have stoked demand and raised house prices in some rural areas to levels that are unaffordable to many local people. New and innovative approaches are needed to encourage housing, particularly on exception sites. Community Land Trusts have provided one solution to developing local affordable housing, such as on Holy Island, Northumberland115. There is also scope to look at innovative sources of investment and the use of neighbourhood plans to identify sites for affordable

114 ibid
115 www.hilcdt.org.uk/housing.html
housing, while incentives to land owners to release land for affordable housing and avoid ‘land banking’ should be considered. Overall, planning needs to be more flexible to allow for additional housing and business development in rural areas, for example through the re use of redundant farm buildings and mixed use developments.

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

14.1: There is a continued perception among some policy makers and government departments that the rural economy largely comprises of agriculture and other primary production. For example, in the recent *Health and Harmony* consultation\(^{116}\), issues of rural development are considered superficially and mainly in relation to the challenges of the Uplands. It is important that government policy recognises the diversity of the rural economy and its contribution to national growth and wealth creation, coupled with its distinctive challenges. In order to do this effectively, a range of policies need to be rural proofed and joined up across government. This is a challenge of co-ordination but also of accountability.

14.2: Government departments need to have more effective approaches to rural proofing and be required to report on what they have done. The Industrial Strategy is an important ‘test case’ in this regard\(^{117}\). One solution might be for the Cabinet Office to have responsibility for rural proofing across government, holding other departments to account. Another might be to develop bespoke policy for rural economies at sub-national levels through combined authorities or growth deals, underpinned by a robust evidence base. The Scottish Government for example has a strong rural research programme, which is delivered by a core of Scottish research institutions and Enterprise Agencies working together. Local industrial strategies, devolution and area growth deals, and regional initiatives such as the Northern Powerhouse and the Midlands Engine should be rural proofed so that their policies and programmes for growth and innovation account for the distinctive needs of rural businesses, and do not by default discriminate against them. LEPs should be required to report on their rural proofing measures and outcomes. There is also a need to strengthen external networks of local stakeholders and for LEPs to engage with them on a regular basis, so that they can identify priorities, exchange knowledge and develop solutions to the challenges of rural economies in different localities.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

15.1: The ability of local government to support rural economies has been affected by austerity measures and cuts to budgets and capacity at local levels.

\(^{116}\)https://consult.defra.gov.uk/farming/future-of-farming

\(^{117}\)https://research.ncl.ac.uk/ruralenterpriseuk/outputs/. Rural Economies and the UK Industrial Strategy (2018)
This affects for example, the ability of local authorities to support initiatives such as the Leader programme, in addition to securing investment for local infrastructure and regeneration in rural areas. Partnership working through devolution deals and the creation of combined authorities provides opportunities to develop critical mass but it is important that rural areas do not miss out under these new arrangements.

15.2: There are variations in the rural performance of LEPs in relation to awareness, investment, evidence and expertise. Effective rural proofing and accountability as outlined above would help to improve performance and there is an opportunity for all the LEPs to learn from good practice such as the South West Rural Productivity Commission\textsuperscript{118}. LEPs should also develop collaborative partnerships with neighbouring LEPs: this is a particular issue for rural areas that span more than one LEP. Forthcoming LEP boundary reviews\textsuperscript{119} need to ensure rural areas are properly integrated and are not left to fend for themselves as rural LEPs that are poorly resourced.

\textit{10 September 2018}

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\textsuperscript{118} \url{https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf}
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\textsuperscript{119} \url{https://www.gov.uk › ... › Local Enterprise Partnerships (LEPs) and Enterprise Zones}
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Chartered Institute of Housing (CIH) – Written evidence (REC0154)

About CIH

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into theorganisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Introduction

CIH welcomes the opportunity to respond to the select committee’s inquiry into the rural economy. The provision of a suitable range of housing, including decent and affordable homes to rent, is a key element in the growth of thriving economies, both in providing homes for workers and in providing employment opportunities. So we welcome the inquiry’s inclusion of housing as a consideration; our response below focuses on the questions relating specifically to housing.

Q12. How can the affordability of rural housing be improved? What are the challenges associated with rural housing, and how can these be addressed?

We have an acute housing crisis; estimates of the numbers of new homes required range from 250,000-340,000 a year, to address household growth projections and tackle the shortfall in development over many years. The number of social rented homes needed in England has increased from 78,000 to 85,000 – 90,000, reflecting increased affordability pressures from high house prices for many households on low incomes. The higher estimated numbers arise from the previous lack of supply and unaffordability suppressing the formation of younger households, often on moderate to low incomes (discussed in more detail in forthcoming UK Housing Review briefing, due autumn 2018).

The issue of affordability is even more acute in rural areas, exacerbated by higher prices and lower wage levels; in 2016 in predominantly rural areas, lower quartile house prices were 8.3 times lower quartile incomes, compared to 7 times in predominantly urban areas (Defra, Statistical digest of rural England 2018). The rural housing policy review conducted in 2015, Affordable housing: a fair deal for rural communities, identified large areas, primarily rural, where households would need to spend between 30-50 per cent of their income to buy with a mortgage.

In addition to the planning policy measures addressed in question 13, we need to tackle the issue of more affordable homes in rural areas by:
• Suspending the right to buy
In 2016, housing associations built over 3,000 new homes in rural areas. However, there has been a significant loss of social homes in these areas through the Right to Buy. Nationally more than 150,000 social homes were lost between 2012-2017, and we estimate that, by 2020, 230,000 of the most affordable homes will be lost through the Right to Buy and conversion to higher ‘Affordable’ rents (which may be set at up to 80 per cent of market rents). The vast majority of these homes have never been replaced; since discounts were substantially increased in 2012, despite a government commitment to ensure that additional homes sold would be replaced on a one-for-one basis, 67,000 homes have sold with only 18,000 replacements being started. In rural areas, with the difficulty in accessing land and competition with major housing developers, the replacement of these most affordable homes is even more difficult. That is why, in our recent report Rethinking social housing, we called for the suspension of the right to buy.

• Increasing direct investment in more affordable homes
CIH has called for more direct investment in affordable homes by shifting the focus of the government’s existing investment programme. Currently, only 21 per cent of the £53 billion programme of housing investment up to 2022 is for affordable homes, with the remainder targeted at the private market. Rebalancing a greater proportion of that investment from support to stimulate demand towards direct investment in the provision of affordable housing, would enable housing associations and local authorities to provide more homes at social rents, allowing younger households to form and remain in their local areas and/or move to take up employment in rural areas.

Q13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?
The recent revision of the National Planning Policy Framework (NPPF) was a mixed bag for rural areas.

• Viability assessments
CIH welcomes the requirement that these should be publically available to increase transparency to local communities. The measures in the guidance, notably that the price paid for land should not be justification for failing to comply with relevant policies in the plan – such as affordable and social housing provision – is very welcome and potentially significant, if robustly applied and upheld.

However, other policies present more serious concerns about the ability to ensure increased supply of affordable homes:

• Entry level housing and rural exception sites
The agreement and support of local communities is critical in bringing forward and developing rural exception sites. CIH is concerned that the inclusion of housing that would not secure affordability in perpetuity for people in those rural communities would dilute or put at risk that support, even if it was for first time buyers. We are concerned that it would not result in more homes but a shift in
the tenure of homes delivered, therefore decreasing the number of the most affordable homes for social rent available. The number and mix of housing delivered on rural exception sites should be directed by identified need and community engagement.

- Thresholds for affordable housing contributions

Local authorities should be able to set the threshold for affordable housing contributions according to identified need, as significant numbers of rural sites are well below the threshold of 10 units. The mix of housing tenure should also be flexible, and set by local authorities according to identified need. Any requirement for a set level of affordable home ownership models, such as shared ownership, should have the requirement of affordable in perpetuity, and be carefully monitored at local and national levels as to whether it is leading to a reduction in the development of social and affordable homes to rent.

**Conclusion**

CIH believes that a mix of investment and planning measures are required to address the challenge of delivering more affordable housing in rural areas. However, since a raft of reports that looked at the issue of affordable rural housing and its links with a thriving rural economy prior to 2015, there has been no investigation of the levels of housing need and affordability nationally to help to set, or the cumulative impact of policy measures to date. This inquiry is therefore very welcome in providing an opportunity to take stock of the state of the rural economy, and the scope and nature of housing required to support it.

*11 September 2018*
**Cheshire East Council – Written evidence (REC0153)**

1. **What do you understand by the rural economy? How has it changed over recent years and what has been the impact of these changes?**

Cheshire East is defined by the Rural Services Network SPARSE classification as a council considered ‘predominantly rural’, while the Defra Rural Classification for the Borough is ‘urban with significant rural’. Whatever the definition, the rural aspect of Cheshire East is significant in terms of population, economic impact and its contribution to the borough’s Quality of Place.

In preparing this response we have liaised with our colleagues in Cheshire west and Chester as we share many of the issues and opportunities related to the economy in rural areas.

We are finding it increasingly difficult to clearly articulate what we understand by the rural economy due to a greater proliferation and diversification of enterprises that are no longer fully reliant on traditional land-based industries.

Instead, in Cheshire we endorse and champion the term ‘The economy in the Rural area’, which we feel encapsulates those businesses that chose to locate themselves in our rural area, and which are not land based. In terms of geography we include businesses and enterprises located in rural areas that create employment and contribute to productivity, recognising that land-based industries are now only responsible for a limited share of overall employment and GVA.

The shift in the economic contribution away from land-based industries underlines the key changes in recent years. In our view the important role that the land-based sector has in supporting the economy is not to be understated. Despite there being a fall in overall employment and GVA, the part played in the management of land and resources in order to support other more diverse enterprises has to be fully acknowledged, such as recreation and leisure, new food production and energy (energy crops, wind turbines, wood for fuel and solar). The rural environment and visual impact of that environment contributes significantly to the reasons why a business may choose to start up or relocate and subsequently grow. This should be captured and recognised at all levels.

Reforms to CAP has forced change from largely food production towards greater diversification, as elsewhere we have seen this to have been the catalyst for the growth in new enterprises and as a result the broadening of the overall range of economic activities in our rural areas. Rural funding has also supported and promoted this in the form of, for example Rural Leader funding, improving productivity, job and business growth. We view this change as a positive as a more diverse economy is less vulnerable to economic shocks that may impact on any one particular sector. There is also a greater and more diverse employment offer now in rural areas creating an alternative career path to the traditional low paid land-based industries. More and greater innovative opportunities are also now being identified by those wishing to invest in rural areas.
Land management industries are still important to Cheshire but the economy in rural areas reaches far beyond this in terms of jobs, enterprises and output. The rural areas are now home to a wide range of non-land based businesses that appreciate the rural setting, including the visitor economy, professional services and digital/creative. A number of strategic employment sites are based in our rural areas such as Alderley Park, Radbroke Hall, Waters (Wilmslow) and Jodrell Bank. Beyond the strategic sites the rural area supports a diverse economy of SMEs and micro-businesses, while agri-food and the visitor economy remain the most visibly significant rural-based sectors. With the development of high-speed broadband coverage, professional, knowledge based and digital businesses are also important.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

In Cheshire, the rural area boasts a diverse industry base. As well as traditional large scale dairy and land-based enterprises, there are significant tourism businesses, creative & digital industries, distribution, and technology businesses as just some examples.

Success stories include: Tatton Park is a significant heritage attraction being one of the top twenty paid attractions in the UK. It has received many awards and plaudits over recent years, including England and Cheshire’s ‘Large Visitor Attraction of the year 2014’, consecutive Sandford awards for excellence in heritage education, and Green flag/Green Heritage Site awards every year since 2004, and an award for the Gardener’s Cottage in 2017. Tatton generates £8.8m net output for the sub-regional economy, which represents £3.3m GVA. The latest addition to Tatton Park is ‘Field to Fork’ presenting the story of the estate which has sustained generations, from the animals reared at the historic Farm to the produce grown in our plentiful Gardens and the food available within the Parkland estate. This benefited from a HLF funded farm visitor project with interactive soundscapes, exciting food demonstrations, engaging exhibitions and educational activity.

The giant Lovell Telescope at Jodrell Bank has been a familiar feature of the Cheshire landscape and is an internationally renowned landmark in the world of astronomy. In recognition of its international, historic, and scientific significance, in January 2018 Jodrell Bank was proposed to UNESCO as the UK Government’s next candidate for UNESCO World Heritage Site inscription, a decision on this is expected in July 2019. Supported by the Heritage Lottery Fund, the First Light Project will conserve and restore the heritage of Jodrell Bank and create a spectacular new interpretation space in which visitors can engage with and learn about the site’s fantastic stories, amazing feats of post-war engineering, and the creation of the Grade-1 listed Lovell telescope.

Alderley Park is one of the UK’s key strategic sites for life science research and development and is a centrepiece of the Northern Powerhouse economy and also the subject of a ten-year redevelopment and expansion. It offers 1.5 million sq. ft. of premier scientific, laboratory, and conferencing space in 400 acres of beautiful Cheshire East parkland. At the heart of the Park is The BioHub, set up to encourage collaborative working between life science businesses and to allow
them access to world class research and development facilities, offer specialist fully fitted out biology and chemistry laboratories, offices and write up rooms, in a range of sizes from 30 sq. m. (322 sq. ft.) along with access to quality scientific, professional, business and financial advice and services and networking opportunities.

**Forest Gin**, a family-run forest distillery based in Macclesfield Forest, set up in 2015 currently exports 17% of its sales, with its gin sold in ten countries, including Japan, China, Australia and the US and UK stockists include Harvey Nichols and their gin is available by the glass in the Virgin Trains First Class lounge in London. Forest Gin is the only gin to have ever been awarded two separate Double-Gold Medals at the San Francisco World Spirit Awards in 2016, a competition that assesses hundreds of spirits from all over the world. Since starting the business three years ago, the business has leveraged worldwide demand for premium products with a clear British heritage to fuel its impressive growth.

**Joseph Heler** based in rural south Cheshire continues to produce all their cheese by hand, on open tables, using milk sourced from local specially selected dairy farms. Heler’s is one of the last remaining Cheshire cheese makers located in Cheshire. Cheshire East continues to see its Inland Marinas such as Church Minshull Aqueduct Marina and OverWater Marina consistently win the UK Inland Marina of the Year awards. Our canals continue to be a huge draw for tourism in the area.

Other examples of good practice are the opportunities to showcase the economy in rural areas such as the Royal Cheshire Show, Royal Horticultural Society Flower Show Tatton Park, Nantwich Show (International Cheese Awards), Ploughing Match, weekly local farmers markets, artisan markets and food festivals (such as the Nantwich Food Festival).

Promotion of these success stories we feel are vital to further encouraging more enterprise in the rural area. There should be a strong recognition of what this economy contributes to the wider region. There is also a significant value in the area’s natural capital and character, Research has shown that the rural environment contributes to a strong ‘quality of place’ that helps the area stand out from our competitors and assists locational decisions for new investment and skilled workers. An ‘emotional connection’ to a place can become as important as more rational, number-driven determinants, particularly for knowledge workers. Cheshire East’s rural character offers these attributes.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technology and other changes?**

The rural economy per say, will in our view continue to evolve and change in line with current trends of a move away from a reliance on food production towards greater diversification. Having said that, the core business of the farm should not be underestimated or forgotten. It is after all the reason our countryside looks so attractive and allows the rural character to contribute to ‘quality of place’, which is accepted as an economic attribute. Rural areas have become a stronger advocate for enterprise, diversification and innovation, demonstrating how to
embrace the changes made through modulation in financial support from CAP. This has created a legacy for rural areas, forcing a change in approach to encourage them to become more entrepreneurial. The economy in the rural area is without doubt more diverse and therefore economically sustainable, which is positive for the future. It is worth noting here however that this approach needs to be a holistic inclusive method supported by the planning process.

Greatest potential for growth continues to be within the manufacturing and service sectors. Professional services, banking finance and insurance, public administration, education and health and distribution, hotels and restaurants feature as the top sectors. There is no reason for this to change with a period of continued growth rather than decline expected. In line with the predicted increase in technological change, we expect all sectors to benefit.

The importance of the land-based sector will in our view continue to be a cornerstone of the rural economy, not in terms of its overall contribution to employment and GVA, but rather as the custodians of the environment, landscape and cultural heritage; key assets of our rural areas that sit behind many rural enterprises. The quality of place should be a key theme and economic attribute.

The contribution the rural environment to the economy and its relationship to quality of place should not be excluded from this topic. The environment is inextricably linked with the future of agriculture and land management in our area: the natural environment provides the resource base on which production is dependant, and farming itself plays a major role in shaping that environment. In turn, the environment shapes the character and nature of the rural area making it a significant contributor to our ‘quality of place’. We know that ‘quality of place’ has a value to the wider economy of the region by helping to attract and retain the people we need and provide the conditions for many other businesses to thrive. There must be recognition in policy and funding mechanisms of the importance of the rural environment and its natural capital, as well as its interdependence with agriculture, visitor economy, communities and the wider economy.

Tourism should not be forgotten and is now a faster growing industry than digital in the UK and it is growing at its fastest since World War 2.

In Cheshire East our visitor economy has recorded a 7.7% average annual growth over the period since 2009, with a value £921m, and an estimated 11,557 number of people employed within it. In Cheshire East, most of that relates to the economy in rural areas, with attractions, events and accommodation all being important contributors.

The future of the economy in the rural area has to be viewed in terms of a post Brexit landscape. Its pleasing that Government in its consultation report “Health and Harmony: the future for food, farming and the environment in a Green Brexit”, is promoting a post Brexit approach that maintains and improves the economic, environmental and wider public benefits derived from farming.

Cheshire’s rural areas are an economic asset; we have always taken a view based on opportunity rather than need, recognising that we have a
predominantly prosperous economy that requires limited levels of direct public intervention. A case built on opportunity means supporting and maintaining business and economic growth, developing innovation and entrepreneurship.

4. How can access to transport be improved in rural areas?

Transport is just one of the ways to give people and communities better access to services and employment that may not be available locally. Access to transport should not be viewed as the panacea to serving the access needs of rural communities; nonetheless transport continues to play a central role in supporting rural areas and until there are radical and widespread changes or alternatives to how people gain access, this is likely to continue.

Gaining access to transport remains a key challenge for those living in rural areas; with a reduction in bus services the challenge will only become more acute. The question that therefore needs to be addressed is more about how to maintain access to transport as it would seem unrealistic to expect improvements; as such it would be better to try and set minimum service standards in rural areas. This would give customers some indication of the level of service provision they can expect over the next year or so; allowing them time to plan how they might access services and employment. This would help eliminate any short-term uncertainties.

Conversely where there is an inability in the public sector to provide a reasonable service due to funding constraints, encouragement needs to be given to alternative delivery models led by either the private or voluntary sector. This might be supported by advances in technology for example developing Apps on the Uber model that allow for joint booking of taxi services, introducing a mix of public/voluntary and private demand responsive transport. Opportunities for new enterprises that use technology need to be supported that offer transport solutions. Ride sharing and car-pooling are also options to consider in more remote communities.

The importance of walking and cycling routes should also not be underestimated. With over 1900km of public rights of way, predominantly in rural areas, our ability to manage the network, to find the Rights of Way Improvement Plan, Active travel plans, cycling strategy and Green infrastructure plans are essential to an approach to rural access.

5. What barriers to growth are created by poor digital connectivity?

How can connectivity be improved across the board?

The importance of digital connectivity cannot be overstated with rural areas in particular benefiting from good connectivity to address some of the challenges of sparsity and isolation. Good connectivity for businesses is now taken as a minimum and a norm rather than a bonus. Being able to grow or even run an enterprise is reliant on good digital connectivity for a whole host of reasons, from being able to manage accounts to making contact with customers and clients.

In rural areas the barriers to growth are accentuated by the lack of digital connectivity, both super fast broadband and mobile signal this means that areas that are already disadvantaged due to poor connectivity would be even worse off
than competitors located in areas with good digital connectivity, (not competing on a level playing field). Poor digital connectivity creates the following barriers to growth:-

- Poor and restricted access to markets and trade opportunities.
- Limited marketing opportunities.
- Poor access to finance – on line banking and business transactions.
- Fast and reliable communication with clients and business contacts.
- Access to advice, for example on Business support, finance and tax.
- On-line training and skills development.
- Access to regulatory information and changes to legislation that might impact on the business.
- Access to business networks.
- Not future proofed in the expectation that technology will continue to grow at a pace with an ever increasing demand for good digital connectivity.
- Restrictions placed on the type of businesses able to operate, for example high tech and AI.

More investment is needed to ensure improved connectivity across all areas.

Whilst it is recognised the investment that has been made in Cheshire from government funding, there is still a long way to go. Our experience in Cheshire is that although statistics may show good connectivity, often there is real life low connection speeds due to being at the end of lines in rural areas. These stats can cause issues with future planning; therefore we would encourage further investment in the collection of information to better inform new and alternative technologies to be used.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Advances in communication and technology have provided a life-line to many rural areas, with on-line services in many instances removing the need to make physical contact with the service provider. However not everyone has good broadband connectivity and we shouldn’t assume that everyone is able or wants to use on-line services. In addition to limited connectivity in some areas there is also a limit to what services can actually be provided on-line.

New technology is only part of the solution and as such should not be over relied on by service providers when considering how best to meet customer’s needs; it should therefore be considered alongside other alternatives rather than taken as the main option.

Service providers need to understand their customer base, this means having at their disposal good insight and intelligence particularly in terms of geography and demography. Rural areas are often perceived as being similar; in not drawing a distinction between the different types of rural areas (such as enclosed farmland, isolated moorland or steeply wooded areas) there is a danger that a single blanket approach is applied to address service delivery. This fails to recognise that different areas will require different levels of service needs and therefore different solutions to continue to meet those needs. Having a good insight into
current trends also allows service providers to be better prepared to meet future needs.

Where essential services are being lost consideration needs to be given to alternative routes for deliver, for example via a shared location with another existing service such as the post office, or a mobile service that would offer a more limited service. The concept of having a service hub is not new but is often discounted due to a lack of support and advice to overcome a number of the barriers some of which are a product of poor communication between the service providers. It might be worth considering funding existing community hubs or a brokerage service that would help to identify possible solutions.

In some cases, there may be a strong demand for only some services. In cases where the service provider is intending to cease operating it might be possible to continue to meet the most critical local needs through a reduced or limited service. The role of the voluntary, community and faith sector (VCFS) must not be underestimated in supporting essential services. Community transport is a long standing example where through a programme of local volunteers, access to services is being supported. Helping to run local amenities like shops or pubs also leaves open the opportunity to embed a local service hub in a community.

It might also be worth considering alternative locations for service hubs that reflect new ventures and enterprises in rural areas, for example camp sites, farm shops, garden centres, activity centres, local business premises or local café. What is traditionally considered to be the community hub needs to be challenged.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Access to business and financial advice is critical at the point where rural amenities face the risk of closure. This means offering specialist advice to help identify alternative ways of operating or making changes to the enterprise to improve efficiency and increase profit margins to better their chances of survival. Advice might be in the form of marketing, finance and business operation and more importantly today better use of technology. Making enterprises better aware of best practice models is also important, sharing examples where services have survived and are providing a valuable service and returning a profit. This might also open up opportunities for some of the more successful enterprises to provide mentoring support.

We would like to suggest that Government supports a network of national champions able to assist and provide local support based on nationally shared good practice. Some of this good practice may include examples where enterprises have had to expand their range of services in order to survive. With the growth of enterprises that either grow or produce local niche products, opportunities may be identified for joint ventures that bring mutual benefits across the board from producers to retailers.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?
Similar to question 7, rural businesses will in many instances benefit greatly from having access to business and financial advice. In addition to advice, direct financial assistance would also be welcome particularly where the enterprise is a start-up business or is hoping to expand. Funding and accessing finance is one of the main challenges facing all businesses, however for rural enterprises access might be even more challenging due to the availability of funding to rural areas. Following the UK’s exit from the European Union and ceasing of funding through the Rural Development Programme for England, financial assistance to rural businesses will need to continue in some form.

We want to ensure there is a strong feeder mechanism of labour and skills for rural areas. This has to be built on an in-depth understanding of the needs of rural areas; having for each area a good insight on the labour market and more importantly the future shape of the local economy in terms of its sector strengths. The emerging Local Industrial Strategies will need to articulate this and find opportunities to link with the foundations and challenges, matching the demand for with the supply of skills.

Full and meaningful engagement of schools with local businesses needs to take place to enhance career guidance and skill planning. This should be encouraged due to statutory requirements such as OFSTED criteria and Business Contract specifications and ensuring local skills training match local skills needs.

There needs to be affordable and attractive rural housing options available, to encourage workers to relocate and utilise their skills and enable young people living in rural areas to stay and work in rural areas.

**9. How can deprivation and inequality in rural areas be tackled?**

Deprivation and inequality are difficult to address in rural areas through purely area-based policies due to their hidden and dispersed nature. This means having to introduce measures that are broad and yet targeted, for example in terms of giving people better access to transport (considered as one of the major barriers to social inclusion) a blanket national policy initiative will need to be introduced that targets those in most need, not based on where they live but rather on their individual circumstances.

Affordability of rural housing is addressed later on however it should also be mentioned here as the provision of affordable housing is fundamental to tackling deprivation and inequality in rural communities. Poor access to housing prevents people employed in rural areas (and may also be in low paid employment), to access local housing stock.

Other aspects that need to be addressed to tackle deprivation and inequality in rural areas include:

- Access to broad-band.
- Access to advice and information that might help with the take-up of benefits.
Access to affordable energy options and home insulation solutions – there is a high level of fuel poverty in rural areas, and higher proportions of older buildings that are poorly insulated and costly to keep warm.

A national perception of poverty and where it exists. Still largely seen as an urban rather than rural issue.

Low-paid and seasonal work.

Lack of and poor access to support services, health, education, childcare.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their community?

Young people who move away from rural areas do so because either they can or are forced to do so; those who can will be attracted by better pay and career opportunities, those who are forced to have less choice about employment and housing locally and are more likely to seek better access to further education and training.

The offer from rural areas to young people is limited compared to towns and in particular metropolitan cities, attracting young people back who have become established in towns and cities is therefore not realistic. The focus should therefore be on retaining those who want to stay given a choice. To do this the interaction between employment, transport and housing needs to be addressed.

Young people in rural areas who are employed locally are more likely to be earning a low wage, this and the shortage of housing restricts their chances of being able to continue to live locally. It they require transport to access employment, the cost of private transport will also be a constraining factor preventing them from accessing employment and earning a living.

Young people can be encouraged to stay in rural areas by giving them the opportunity to live independent lives. However, there are currently too many barriers, so until the challenges of creating an affordable housing supply, improving pay for the local jobs market and improving access to transport are properly addressed, there is unlikely to be a turnaround in the flow of young people from rural areas.

11. What can be done to address the challenges associated with an aging rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Social isolation can be presented as being more of a challenge to address in rural areas due the physical isolation of many who reside there, particularly so within the more traditional land-based communities. Equally rural areas and their communities can also have strong social and community networks that present opportunities to tackle social isolation.

There are usually numerous opportunities open to people living in rural areas to volunteer within their local communities, but there may also be a failure to make potential volunteers aware of these opportunities. This is true for many areas
where people will often want to volunteer but don’t know how to, or don’t have the confidence to do so. Tapping into this resource could be made easier if advice, support and sharing of good practice were to be made available.

Social care and addressing isolation can work hand in hand, for example through the social care system, where customers in rural areas, particularly the older population that come in contact with social care system might also benefit either mentally or physically from greater social interaction, volunteering may offer the opportunity to do this. Similarly other health professionals such as GPs might also be able to make recommendations.

Technology also has a part to play, opening opportunities for an aging rural population to access information and networks that help to bridge social isolation.

Opportunities to work more closely with VCFS infrastructure services should be explored, as these have links to groups and organisations that will address issues of isolation and social care, and often offer a brokerage service to encourage and support volunteering opportunities and volunteers.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

We note a number of important facts as well as issues arising within the provision of affordable housing in rural areas:

- The right type of property in the right place is essential to provide the right mix of demographics to ensure towns, villages and settlements thrive.
- Affordable homes for young people and families to reside in rural areas – especially those that provide low wage key services; shop assistant, school cooks, GP receptionist, carers, agricultural workers.
- There is a high need for smaller developments providing down-sizing homes and/or affordable homes for older persons.
- There is a difficulty to engage developers in smaller schemes, especially those with older person homes or affordable homes. The overall cost of smaller developments are higher to developers and the planning process is too time consuming and costly for the smaller return.
- There is a lack of skilled workers to be employed on housing developments in rural areas.
- A rise in empty properties, largely linked to elderly people being away from their homes due to periods of time in hospital/care homes)
- Fuel Poverty is an issue mainly for the elderly – who often occupy older properties that are poorly insulated and are more expensive to heat. Heating options are also more expensive in rural ‘off-grid’ areas which are reliant on heating oil or solid fuel.
- Decent Homes Standards – there are issues with older properties being occupied by elderly either privately owned or estate owned – properties are not up to date with facilities and occupants are reluctant to vacate their home to allow work to be undertaken.
• There is a need to promote community land trusts, neighbourhood plans, self-build and rural exception sites.
• The provision of enough family sized live/work homes is sparse (workshop in garden, or communal workspace for cluster of houses)
• There is limited support for farmers/land based workers to undertake permitted developments to provide worker accommodation to secure employees
• Shared Ownership Issues that rural homeowners are experiencing due to stair casing restrictions. Many older and rural schemes cap the equity owners can hold at 80% which can lead to difficulties in achieving a resale and in some cases negative equity. This has been further exacerbated as newer schemes have no restrictions.

We also note the importance of joined up health care in rural areas, especially when focusing on the housing approach for the elderly, providing assistance to those too ill or frail to return to their home to sell the property. This would ensure less empty homes, reduces the deterioration of the property, and reduces older person’s financial burdens with the house as well as ultimately increasing the amount of existing properties in established settings available for families.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

There is a strong need for councils across the country to recognise the modern rural settlement, the importance of small scale growth and for policy to promote this. The NPPF does endorse this growth in rural areas, to contribute to the National housing target; however issues are arising through the designation of key and local service centres and the overall testing to create these. Specifically, the use of bus routes as a means of whether a village can attribute development. The economy in the rural area relies on thriving settlements, both for business and for homes. Gradual growth allows these settlements to grown within their means and for services to mirror this. There is a strong role for Neighbourhood plans in this process. Cheshire East has strongly supported Neighbourhood planning across the Borough.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

Government and other public bodies acknowledge the importance of the rural economy, but largely in terms of the contribution it makes to the local rather than the overall national economy. The focus for supporting the economy and growth continues to predominantly be on urban areas, this makes sense given the opportunities that already exist next the main areas of population. Rural areas and the rural economy should be looked at slightly differently, for example within a broader scope to reflect a network of inter-connected social, public and commercial economic activity so as to avoid restricting our view of economic
well-being by defining it purely on a narrow number of performance measures like GVA.

There is little in the Industrial Strategy that recognises the opportunities offered by the rural economy. Our expectation as a predominantly rural sub-region is for Government to view the rural economy as relevant when presented within our Local Industrial Strategies. For our part we will want to ensure the rural economy is fully acknowledged highlighting the need for Local Industrial Strategies to be built on a granular understanding of the area and its economy. This will help show strengths and weaknesses in the local economy, covering rural areas.

In order for Government to hear rural voices it must enable clear channels of communication. Unfortunately some of the good examples have over the years ceased to operate in line with a fading focus on rural areas. Past channels of particular note that might be worth revisiting include Regional Rural Affairs Forums and Regional Rural Boards, Countryside Commission and Rural Advocate; the Local Government Association also hosted a Rural Commission which gave Local Councils a collective rural voice.

More recently an attempt has been made to try and mainstream localism, this has also lost its way with the reluctance from Whitehall to let go of some fundamental decision making powers. Communities have been led to believe that they would be given greater decision making powers that they would be able to take greater control and have a greater say in how their local areas and communities are shaped in future. For many communities the reality is that this has not happened and localism has failed to deliver. In place of greater local powers and an enhanced sense of local influence, there is mounting frustration that little has actually happened despite the local commitment, dedication and hard work demonstrated by local communities.

This can be exampled by the way in which local communities have embraced neighbourhood plans, in a hope to gain greater control of development in their local area. A time consuming and complicated process that includes a local referendum has made local communities question the worth of such a process, particularly as the planning system can still have the final say in what actually happens on the ground, despite there being a strong local consensus.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Local Authorities do not have the resources to be able the main drivers of the local economy, but are an essential element of any economic partnerships. In Cheshire East, whilst we already have a thriving rural economy, we recognise that our rural areas have the potential to make a greater contribution to economic growth given the right conditions. Accordingly we operate a rural business support programme with the aim to facilitate, engage, and support businesses in rural areas; We also take on
accountability roles for key Rural Development Programmes such as RDPE LEADER funding. Policy and strategy development (eg through the Local plan, economic strategy, environment strategy, green infrastructure planning) is important to how the Council operates and Cheshire East is currently drafting a Rural Action Plan. The Council also has a close working relationship with the LEP, working on strategic economic planning, the Local Industrial Strategy and a Quality of Place strategy. In addition Cheshire East is part of the Rural Strategy Steering Group set up to provide advice to the LEP and to provide a strategic forum for work on the economy in rural areas of the sub-region.

The LEP plans currently tend to focus on the larger urban conurbations and specific business sectors. It recognises the importance of quality of place, but currently does not give specific weight to the impact of the economy in the rural area, except on a sectoral basis where individual businesses may be located in a rural area. 37% of businesses in Cheshire East are rural based and the diversity of its business base in agritech, creative, consulting, distribution, ICT digital, Life Sciences, technology and tourism, to name but a few, should be given the weight it deserves.

10 September 2018
Cheshire West and Chester Rural Growth Board – Written evidence (REC0147)

1. **What do you understand by the rural economy? How has it changed over recent years and what has been the impact of these changes?**

We are finding it increasingly difficult to clearly articulate what we understand by the rural economy due to a greater proliferation and diversification of enterprises that are no longer fully reliant on traditional land-based industries.

Instead, in Cheshire we endorse and champion the term ‘The Economy in the Rural area’, which we feel encapsulates those businesses that chose to locate themselves in our rural area, and which are not land based. In terms of geography we include businesses and enterprises located in rural areas that create employment and contribute to productivity, recognising that land-based industries are now only responsible for a limited share of overall employment and GVA.

The shift in the economic contribution away from land-based industries underlines the key changes in recent years. In our view the important role that the land-based sector has in supporting the economy is not to be understated. Despite there being a fall in overall employment and GVA, the part played in the management of land and resources in order to support other more diverse enterprises has to be fully acknowledged, such as recreation and leisure, new food production and energy (energy crops, wind turbines, wood for fuel and solar). The rural environment and visual impact of that environment contributes significantly to the reasons why a business may choose to start up or relocate and subsequently grow. This should be captured and recognised at all levels.

Reforms to CAP has forced change from largely food production towards greater diversification, as elsewhere we have seen this to have been the catalyst for the growth in new enterprises and as a result the broadening of the overall range of economic activities in our rural areas. Rural funding has also supported and promoted this in the form of, for example Rural Leader funding, improving productivity, job and business growth. We view this change as a positive as a more diverse economy is less vulnerable to economic shocks that may impact on any one particular sector. There is also a greater and more diverse employment offer now in rural areas creating an alternative career path to the traditional low paid land-based industries. More and greater innovative opportunities are also now being identified by those wishing to invest in rural areas.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted.**

In Cheshire, the rural area boasts a diverse industry base, as well as traditional large scale dairy enterprises (10% of the UKs industry), there is significant ICT based industries and distribution as just some examples.
Success stories include that of the Ice Cream Farm, a heavily diversified business that has added value to its core. The farm is the world's largest family-friendly ice cream shop and Adventure Park, a multi activity free family attraction that has grown from a dairy farm producing ice cream from an onsite shop into a regional tourist venue that now has over 800,000 visitors a year.

Cheshire West is home to a number of successful landed estates, including the 6,500 acre Bolesworth Estate who is home to over 130 businesses and between them employ over 1,000 people. The estate also has also grown its event arm, hosting the 4* International showjumping event annual and the famous BBC Children in Need Carfest festival. Both of which showcase the economy in the rural area, bringing people into the countryside and supporting significant local business from accommodation providers to food and drink premises.

The Hollies Farm shop is also an excellent example of expediential growth in the rural area of Cheshire West. A highly successful enterprise now with a growing farm shop business chain on several sites alongside and luxury forest lodges and log cabins.

We should also note that of the 14 top employers in rural West Cheshire, 8 are the companies HQ base. Promotion of these success stories we feel are vital to further encouraging more enterprise in the rural area. There should be a strong recognition of what this economy contributes to the wider region.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technology and other changes?

The rural economy per say, will in our view continue to evolve and change in line with current trends of a move away from a reliance on food production towards greater diversification. Having said that, the core business of the farm should not be underestimated or forgotten. It is after all the reason our countryside looks so attractive. Rural areas have as a result become a stronger advocate for enterprise and innovation, demonstrating how to embrace the changes made through modulation in financial support from CAP. This has created a legacy for rural areas, forcing a change in approach to encourage them to become more entrepreneurial. The economy in the rural area is without doubt more diverse and therefore economically sustainable, we see this as a positive for the future. It is worth noting here however that this approach needs to be a holistic inclusive method supported by the planning process.

Greatest potential for growth continues to be within the manufacturing and service sectors. Professional services, banking finance and insurance, public administration, education and health and distribution, hotels and restaurants feature as the top sectors. There is no reason for this to change with a period of continued growth rather than decline expected. In line with the predicted increase in technological change, we expect all sectors to benefit.

The importance of the land-based sector will in our view continue to be a cornerstone of the rural economy, not in terms of its overall contribution to employment and GVA, but rather as the custodians of the environment, landscape and cultural heritage; key assets of our rural areas that sit behind
many rural enterprises. The quality of place should be a key theme going forward.

Tourism should not be forgotten and is now a faster growing industry than digital in the UK and it is growing at its fastest since World War 2.

In Cheshire West and Chester, Tourism as a sector has recorded a 10.5% growth increase (2016), with a value £1.94b, and an estimated 24,307 number of people employed within it.

Cheshire East also has an increase 6.3% growth level, with a value of £894m and an estimated 11,493 number of people employed. We had an estimated 62 million visitors to Cheshire & Warrington area during 2016, CWAC has 59% share in the visitor economy of this area.

The future of the economy in the rural area has to be viewed in terms of a post Brexit landscape. Its pleasing that Government in its consultation report “Health and Harmony: the future for food, farming and the environment in a Green Brexit”, is promoting a post Brexit approach that maintains and improves the economic, environmental and wider public benefits derived from farming.

Cheshire’s rural areas are an economic asset; we have always taken a view based on opportunity rather than need, recognising that we have a predominantly prosperous economy that requires limited levels of direct public intervention. A case built on opportunity means supporting and maintaining business and economic growth, developing innovation and entrepreneurship.

4. How can access to transport be improved in rural areas?

Transport is just one of the ways to give people and communities better access to services and employment that may not be available locally. Access to transport should not be viewed as the panacea to serving the access needs of rural communities; nonetheless transport continues to play a central role in supporting rural areas and until there are radical and widespread changes or alternatives to how people gain access, this is likely to continue.

Gaining access to transport remains a key challenge for those living in rural areas; with a reduction in bus services the challenge will only become more acute. The question that therefore needs to be addressed is more about how to maintain access to transport as it would seem unrealistic to expect improvements; as such it would be better to try and set minimum service standards in rural areas. This would give customers some indication of the level of service provision they can expect over the next year or so; allowing them time to plan how they might access services and employment. This would help eliminate any short-term uncertainties.

Conversely where there is a failure in the public sector to provide a reasonable service due to funding constraints, encouragement needs to be given to alternative delivery models led by either the private or voluntary sector. This might be supported by advances in technology for example developing Apps on the Uber model that allow for joint booking of taxi services, introducing a mix of public/voluntary and private demand responsive transport. Opportunities for new
enterprises that use technology need to be supported that offer transport solutions. Ride sharing and car-pooling are also options to consider in more remote communities.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The importance of digital connectivity cannot be overstated with rural areas in particular benefiting from good connectivity to address some of the challenges of sparsity and isolation. Good connectivity for businesses is now taken as a minimum and a norm rather than a bonus. Being able to grow or even run an enterprise is reliant on good digital connectivity for a whole host of reasons, from being able to manage accounts to making contact with customers and clients. In rural areas the barriers to growth are only accentuated by the lack of digital connectivity, both super fast broadband and mobile signal this means that areas that are already disadvantaged due to poor connectivity would be even worse off than competitors located in areas with good digital connectivity, (not competing on a level playing field). Poor digital connectivity creates the following barriers to growth:

- Poor and restricted access to markets and trade opportunities.
- Limited marketing opportunities.
- Poor access to finance – on line banking and business transactions.
- Fast and reliable communication with clients and business contacts.
- Access to advice, for example on Business support, finance and tax.
- On-line training and skills development.
- Access to regulatory information and changes to legislation that might impact on the business.
- Access to business networks.
- Not future proofed in the expectation that technology will continue to grow at a pace with an ever increasing demand for good digital connectivity.
- Restrictions placed on the type of businesses able to operate, for example high tech and AI.

More investment is needed to ensure improved connectivity across all areas.

Whilst the it is recognised the investment that has been made in Cheshire from government funding, there is still a long way to go. Our experience in Cheshire is that although statistic may show good connectivity, often there is real life low connection speeds due to being at the end of lines in rural areas. These stats can cause issues with future planning, therefore we would encourage further investment in the collection of information to better inform new and alternative technologies to be used.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Advances in communication and technology has provided a life-line to many rural areas, with on-line services in many instances removing the need to make physical contact with the service provider. However not everyone has good broadband connectivity and we shouldn’t assume that everyone is able or wants
to use on-line services. In addition to limited connectivity in some areas there is also a limit to what services can actually be provided on-line.

New technology is only part of the solution and as such should not be over relied on by service providers when considering how best to meet customer’s needs; it should therefore be considered alongside other alternatives rather than taken as the main option.

Service providers need to understand their customer base, this means having at their disposal good insight and intelligence particularly in terms of geography and demography. Rural areas are often perceived as being similar; in not drawing a distinction between rural areas there is a danger that a single blanket approach is applied to address service delivery. This fails to recognise that different areas will require different levels of service needs and therefore different solutions to continue to meet those needs. Having a good insight into current trends also allows service providers to be better prepared to meet future needs.

Where essential services are being lost consideration needs to be given to alternative routes for deliver, for example via a shared location with another existing service such as the post office, or a mobile service that would offer a more limited service. The concept of having a service hub is not new but is often discounted due to a lack of support and advice to overcome a number of the barriers some of which are a product of poor communication between the service providers. It might be worth considering a brokerage service that would help to identify possible solutions.

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- A national perception of poverty and where it exists. Still largely seen as an urban rather than rural issue.
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- Affordable homes for young people and families to reside in rural areas – especially those that provide low wage key services,:- shop assistant, school cooks, GP receptionist, carers, agricultural workers.
- There is a high need for smaller developments providing down-sizing homes and/or affordable homes for older persons.
- There is a difficulty to engage developers in smaller schemes, especially those with older person homes or affordable homes. The overall cost of smaller developments are higher to developers and the planning process is too time consuming and costly for the smaller return.
- There is a lack of skilled workers to be employed on housing developments in rural areas.
- A rise in empty properties, largely linked to elderly people being away from their homes due to periods of time in hospital/care homes)
- Fuel Poverty is an issue mainly for the elderly
- Decent Homes Standards – there are issues with older properties being occupied by elderly either privately owned or estate owned – properties are not up to date with facilities and occupants are reluctant to vacate their home to allow work to be undertaken.
- There is a need to promote community land trusts, neighbourhood plans, self-build and rural exception sites.
- The provision of enough family sized live/work homes is sparse (workshop in garden, or communal workspace for cluster of houses)
• There is limited support for farmers/land based workers to undertake permitted developments to provide worker accommodation to secure employees
• Shared Ownership Issues that rural homeowners are experiencing due to stair casing restrictions. Many older and rural schemes cap the equity owners can hold at 80% which can lead to difficulties in achieving a resale and in some cases negative equity. This has been further exacerbated as newer schemes have no restrictions.

We also note the importance of joined up health care in rural areas, especially when focusing on the housing approach for the elderly, providing assistance to those too ill or frail to return to their home to sell the property. This would ensure less empty homes, reduces the deterioration of the property, and reduces older person’s financial burdens with the house as well as ultimately increasing the amount of existing properties in established settings available for families.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

There is a strong need for councils across the country to recognise the modern rural settlement, the importance of small scale growth and for policy to promote this. The NPPF does endorse this growth in rural areas, to contribute to the National housing target; however issues are arising through the designation of key and local service centres and the overall testing to create these. Specifically, the use of bus routes as a means of whether a village can attribute development.

The economy in the rural area relies on thriving settlements, both for business and for homes. Gradual growth allows these settlements to grown within their means and for services to mirror this.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

Government and other public bodies acknowledge the importance of the rural economy, but largely in terms of the contribution it makes to the local rather than the overall national economy. The focus for supporting the economy and growth continues to predominantly be on urban areas, this makes sense given the opportunities that already exist next the main areas of population. Rural areas and the rural economy should be looked at slightly differently, for example within a broader scope to reflect a network of inter-connected social, public and commercial economic activity so as to avoid restricting our view of economic well-being by defining it purely on a narrow number of performance measures like GVA.

There is little in the Industrial Strategy that recognises the opportunities offered by the rural economy. Our expectation as a predominantly rural sub-region is for Government to view the rural economy as relevant when presented within our Local Industrial Strategies. For our part we will want to ensure the rural economy is fully acknowledged highlighting the need for Local industrial Strategies to be built on a granular understanding of the area and its economy.
This will help show strengths and weaknesses in the local economy, covering rural areas.

In order for Government to hear rural voices it must enable clear channels of communication. Unfortunately some of the good examples have over the years ceased to operate in line with a fading focus on rural areas. Past channels of particular note that might be worth revisiting include Regional Rural Affairs Forums and Regional Rural Boards, Countryside Commission and Rural Advocate; the Local Government Association also hosted a Rural Commission which gave Local Councils a collective rural voice.

More recently an attempt has been made to try and mainstream localism, this has also lost its way with the reluctance from Whitehall to let go of some fundamental decision making powers. Communities have been led to believe that they would be given greater decision making powers that they would be able to take greater control and have a greater say in how their local areas and communities are shaped in future. For many communities the reality is that this has not happened and localism has failed to deliver. In place of greater local powers and an enhanced sense of local influence, there is mounting frustration that little has actually happened despite the local commitment, dedication and hard work demonstrated by local communities.

This can be exampled by the way in which local communities have embraced neighbourhood plans, in a hope to gain greater control of development in their local area. A time consuming and complicated process that includes a local referendum has made local communities question the worth of such a process, particularly as the planning system can still have the final say in what actually happens on the ground, despite there being a strong local consensus.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Local Authorities no longer have the clout, influence or resources to be powerful drivers of the local economy. Nonetheless a strong role continues in business and enterprise support, we also take on accountability roles for key programmes such as LEADER.

The LEP focusses on the larger urban conurbations and although recognises quality of place gives little weight to the impact of the economy in the rural area. 34% of businesses in Cheshire West and Chester are locally rurally and the diversity of its business base in agritech, creative, consulting, distribution, ICT digital and tourism to name but a few should be given the weight it deserves.

David Felix
General issues

Q1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 The rural economy in this area is incredibly diverse, from one man businesses operating out of home to Rolls Royce, who currently employ 1,400 people at its Chichester base at Goodwood. It’s difficult to quantify the impact the rural economy makes in this District, due to the diversity of it. Indeed many may perceive that the whole district could be categorised as a “rural economy” as the urban areas, around Chichester, Selsey and Midhurst have relatively small populations in comparison to larger towns and cities throughout the UK. In the more traditional sense of rural economy, farming, horticulture etc., farm diversification has had an impact on the economy, as more farmers find it harder to make a living from farming; they must seek to do what they can with their land. Permitted development rights for agricultural buildings has had an impact, as farms tend to reuse old building to create residential properties then build more up to date buildings for their own use, although this can have a negative impact on sustainability and the landscape by increasing the amount of sporadic residential development in the countryside. The contribution of the rural economy is all too often over-looked or miss-represented in national and regional policy making.

1.2 Over the past few years, the increase in costs such as business rates, fuel and energy costs have had a negative impact on rural businesses and they had to either adapt by making necessary changes to their business, or simply close down their business. Some of the large companies are sustaining a year on year growth, whilst some have to streamline their business operations to survive.

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 Well planned diversification. Changes of use from agricultural buildings to tourism use have generally worked well within the District, however we have learnt that it is imperative that the business has undertaken good analysis of the area they are looking to diversify into, prior to any changes, to achieve success. Better support of businesses in rural areas, in terms of funding and on the ground support for business diversification would undoubtedly be beneficial to the rural economy.

2.2 Support of community shops has helped to create more economically active areas, while providing services to local communities, such as post offices.

2.3 The delivery of affordable housing is a priority for rural areas to ensure they remain sustainable. A number of affordable housing schemes (garage
/amenity redevelopments or exceptions site) have been delivered within the district. One example is an exception site in the village of Singleton. The Goodwood Estate gifted a 99 year leased to Hyde Housing Association (formally Marlet Homes) and received nomination rights to one of the units for one of their employees, this site provided 13 socially rented houses for local people on a site that would have otherwise not been acceptable for housing, in planning terms. However, over the years grants for such developments have decreased making it much harder to deliver these types of sites.

2.4 The Council has supported hundreds of small rural businesses during the unstable economic climate. These initiatives include our business contact programme and the various grants schemes (village shop grant, enabling grants, grants and concessions scheme). These grant schemes work hand in hand with the various strategic / vision plans which enabled some of our rural businesses to improve and grow. Examples of these achievements include the Enabling Grant Scheme and establishing the South Coast Design Forum. The feedback received was that business support has been invaluable to both business and the community.

2.5 Midhurst / Selsey / Petworth and Chichester City Vision projects – the council worked closely with a number of local business community organisations and partners to establish long term vision plans to regenerate and improve the areas. In Midhurst, for example, a result of this work has drastically improved retail vacancy rates – from 14% in 2009 to less than 2% in 2018.

2.6 Due to the success of these visions, they are in the process of being renewed. These vision plans aim to ensure the future economic vitality of the City / coastal and rural towns by involving local businesses and community organisations at all stages, and establishing an online portal that will encourage local collaboration in delivering both solutions to problems and projects that meet future aspirations.

Q3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 The future looks uncertain with increasing changes happening on the high street and growth of entrepreneurism. Tourism seems to be the key area in which many businesses will be investing and merging into, making the most of the many cultural assets around Chichester, such as the National Park. Visit Chichester is currently working on a Destination Management Plan (to be developed during 2018/19) and towns like Midhurst and Selsey are linking up with Visit Chichester and neighbouring areas to create clear local branding promote targeted tourism offers. This is inspiring business opportunities for many, especially visitor accommodation and destination shopping - creating high streets that aren’t just about purchasing daily goods.

3.3 Poor digital connectivity will be a real challenge for our district, which could hinder business growth. There is serious concern regarding the
closure of so many rural banks. By the end of 2018, the three main rural town centres in Chichester will have one bank and one satellite building society branch between them – and the future of the remaining bank is uncertain. Businesses are finding it increasingly difficult to “bank” their takings at the end of the working day, as the closest bank is 10 miles away and closes at the same time as the business. Their internet connection is slow, which limits their access to online banking. Poor connectivity has also had an impact in relation to rural areas business communities. Traditionally, links to other businesses in the area were often via the bank’s business manager. Without this, rural businesses have to find new ways to integrate/communicate with their local business community. While this could be a good thing, some businesses will undoubtedly be cut off from their traditional business community and so the promotion of business groups could be a potential driver for growth.

3.4 The rural economy will continue to diversify. However, serious concern exists with respect to the impact of Brexit on farming and related activity. Farming underpins the rural economy. Much of the financial support which is currently directed at farmers will be spent and re-spent within the wider rural economy. It is critical, therefore, that ongoing support for the industry is provided at the correct level.

3.5 There is potential for growth is with housebuilders who are willing to take on smaller projects with only a few houses, within settlement areas. This also applies where neighbourhood plans have allocated small sites and on rural exception sites.

Infrastructure and services

Q4. How can access to transport be improved in rural areas?

4.1 Transport is a key issue affecting the rural economy. It needs to be affordable and available and currently isn’t either of those things. Visitors have been stranded at West Wittering beach on a Sunday, not realising that the bus service to take them back to Chichester Train Station stops at 3pm. Workers in the district are limited to the jobs they can take as there are no buses before 8am and they don’t run late enough to allow for people working evening shifts. Due to a change in legislation, the future of community transport is a major concern. It is the network of community buses that often keep rural areas moving. In the past few weeks a local community bus provider Sammy Community Transport, has closed its doors after 47 years of running this local service.

4.2 Brighton and Hove Council has full control over their bus contracts and the buses cover a variety of routes, are regular and at appropriate times, including night services on key routes.

4.3 Given the geography of rural areas, it is inevitable that many bus routes require some subsidy in order to survive. The widespread cuts to rural bus services are primarily a result of the cuts to local government funding coupled with the ever increasing costs of providing statutory services, driving funding away from other services such as public transport subsidy.
The irony is that service improvement – earlier and later running and flat rate fares - would more than likely increase usage, but the ‘knife edge’ nature of providing a bus services means that, without local subsidy and investment, they are not in a position to take the financial risk of growing and developing their services.

4.5 Much the same with road users, potholes are a key issue for cyclists, using the road and cycle network. Potholes can be potentially life threatening to cyclists; more should be done to ensure cycle ways are well maintained. Initial work on the local Visions is also highlighting the inadequacy of local cycleways and identifies a demand for better cycle links between the rural towns and Chichester, particularly from the Manhood Peninsula in the south of Chichester District. Funding such routes and the availability of land, are key to solving these issues.

4.6 Schemes to enable young people who live in rural areas attend school, college and work should be improved. Cars are often unaffordable for young people, concessionary bus fares and wheels to work schemes (www.wheels2workassociation.org) are examples of schemes that would make it more affordable for young people to stay in education, or progress on to work. One rural barrier would be removed if those travelling to post-16 education or training were entitled to subsidised bus fares, fully funded by central government. It is time the current situation in public transport was updated, where those up to age 16 can travel at a lower rate than those aged 17 or 18. If 17 and 18 year olds are in further education or training, this should be available to them too.

4.7 Improvements to the reliability and cost of the train network is also an issue in Chichester District, to enable commuting to areas with higher paid jobs and to connect local communities.

Q5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 As business increasingly relies on an online presence, rural businesses may fail, decide to close or relocate if they do not have access to broadband. This is not only for conducting their business, but also for accessing other businesses for support, accountants etc. It is also beneficial to complete things such as tax returns online.

5.2 The gigabit voucher scheme and any similar schemes should be more widely promoted in rural areas, where this is most likely to have a positive impact on business. Engagement with business associations and businesses should be undertaken to the fullest extent possible, via central and local government, depending on which authority is providing the scheme.

Q6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 Investment from Central Government would do more to ensure these essential services are provided. Projections expect the population aged 85
and over to double in rural areas over the next twenty years. Rural areas receive slightly less funding (per resident) than urban areas under the NHS allocations to Clinical Commissioning Groups (CCGs). This is despite them having an older population, which places more demand on NHS services due to chronic illness, disability and mortality.

6.2 In total 2016/17 urban local authorities received 40% more (£116 per resident more) in funding than rural authorities. This historic funding imbalance needs putting right, taking full account of the added (sparsity) cost of delivering services, such as supported bus routes, in rural areas.

6.3 In the UK there is great disparity in relation to schools funding. In 2018/19, for example, pupils in West Sussex will receive £30 million less than the same number of pupils in the average funded authority, £145 million less than the same number of pupils in Greenwich and £263 million less than those in Hackney.

Q7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Local councils should have the ability to reduce business rates for rural amenities and also to encourage the reuse of empty properties. Better integration of essential services into the rural community businesses such as banking and post offices into shops or other community buildings.

7.2 This council has run a Village Shop Grant Scheme - a range of support measures brought in by the council to improve the competitiveness and viability of village shops and combat the impact of post office closures. The Community Right to Bid is one of a number of "Rights" introduced in the Localism Act 2011. It aims to support communities who have identified buildings or land that they value and want to keep, by giving them the chance to purchase them should they ever be sold. This could be better promoted, so that communities have a better understanding of what they can do to keep land or buildings in community use.

Business, employment, skills and demography

Q8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 With appropriate financial support and incentives, new businesses and sectors can be attracted to relocate to the area.

8.2 LEPs are key delivery organisations for economic areas. In this area, the focus of the LEP is on “High Growth” Businesses. This has little consideration for the opportunities and needs presented by existing and new business located in rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by rural economies. The planned
Government statements on 'the role & responsibilities of LEPs' and 'Local Industrial Strategies' should include a specific reference to the need to consider rural areas within LEPs. This would help to ensure all LEPs take proper account of their rural economies.

8.3 In 2020 EU programmes, such as the LEADER initiative, will come to an end. LEADER funding has provided funding for rural business growth, diversification and innovation. Central government should replace these initiatives with locally tailored initiatives, to ensure it is the right fit for the area.

8.4 The Industrial Strategy, along with Local Industrial Strategies, should be rural proofed. The Government’s Industrial Strategy is an important document. Many of its objectives are or could be highly relevant to the needs of the rural economy. However, in order for its benefits to reach into rural areas there will have to be careful ‘rural proofing’. New policy initiatives that emanate from the Industrial Strategy should be tested at an early stage to ensure they take account of rural economic needs, opportunities and circumstances. Rural examples should be included wherever initiatives are piloted and rural specialists should sit on groups that are tasked with taking forward parts of the strategy document.

8.5 Broadband is essential for attracting businesses to the rural area. Local people want local jobs, they need localised job support. Local education providers should work closely with businesses in the area, to shape the courses they provide. Local education providers must understand where the skills gaps are and have the right courses available to fill these gaps.

Q9. How can deprivation and inequality in rural areas be tackled?

9.1 In rural areas, there is an issue with people buying 2nd homes, to use as a holiday home for themselves or to gain income from. This pushes the price of homes up for local people, making it less affordable for local people to buy in their local area, forcing the division of communities and families. The Welsh Government made legislative changes under the Housing (Wales) Act 2014 and the powers given to local authorities to add a discretionary premium to long term empty and second homes. If this could be adopted across the UK, there is a chance for it to make an impact on the housing crisis.

9.2 The development of funded business hubs in rural areas, linked to training and education providers would help develop the skill base and provide higher value jobs in the future.

Q10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 Affordable housing, good education and higher quality employment opportunities – or the ability to easily and affordably travel around the district to access these – are the main priorities for younger people. Until
we can successfully deliver these aspects to the rural areas, it will continue to be challenging to appeal to younger people.

10.2 Community focused venues that provide a range of facilities and entertainment to younger generations. Often these facilities are overseen by a parish council, which generally are made up of predominantly older people; they can often overlook the opportunities to engage with younger people and families. This could include the diversification of venues for other opportunities, e.g. Concerts and music in leisure centres and village halls.

Q11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 Services need to be easy to access. Transport unlocks access to many services, including healthcare, community and banking.

11.2 A good example of a scheme that has been well received in this area is Tillington Local Care. Tillington Local Care (TLC) is a village group to facilitate care for anyone in need within the parish of Tillington. Community Watch Schemes have also been set up in some places in the District. Similar to the Local Care scheme, the aim of Community Watch is to encourage people in the community to assist each other in a neighbourly way and make the rural community a better place to live in. It is open to everyone who lives in the area and, for example, is able to provide transportation to medical or hospital appointments, confidential assistance in accessing the inevitably complex forms to claim benefits or services to which residents may be entitled or even doing the shopping during periods of inclement weather. The scheme is not only available for the elderly or disabled, but could be of assistance to anyone who is ill, recovering from an operation or needs support.

11.3 Many older people would enjoy sharing their skills, but they don’t know how to access schemes that would support this, a central government backed scheme could vastly improve knowledge and skill sharing. This would be beneficial to all participants as it would address a number of issues, such as social isolation and intergenerational interaction and support, which would help to forge stronger communities.

11.4 Social prescribing is taking off across the country, particularly with people from rural areas who are lonely or isolated; people with mild mental health issues who may be anxious or depressed; and, those who struggle to engage effectively with services. Scheme and initiatives such as this should be supported.

11.5 It is also relevant to people with wider social issues such as poverty, debt, housing, relationship problems, all of which impact on their health and wellbeing. Very often these people have frequent repeat visits to their doctor or to their local emergency department – effectively trapping them in a ‘revolving door’ of services.
Q12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 Affordability of housing is the key issue for the rural workforce and therefore for rural businesses and the rural economy.

12.2 The cost of housing in rural areas is often more than in urban areas. According to a study by the Halifax last year, average house prices for rural areas in the south east of England are, £85,005 more expensive than urban areas, which equates to, 26 per cent more. Affordable rents are capped at 80% of market value, and when compared to rural incomes this is not affordable. Affordable homes should be delivered in relation to local incomes.

12.3 Over the past few years government grants for affordable housing has significantly decreased. The costs associated with small rural developments are high in comparative to larger urban areas and a larger subsidy is required. There is a need for a specific government grant programme designed to boost delivery within small rural settlements by registered providers / community land trusts. This could be managed by Homes England and run at a scale to meet the shortfall in delivery. The grant rates on offer should take account of the fact that undertaking small-scale development in rural areas is comparatively costly. A proportion of the Community led Housing Fun should also be allocated for rural affordable development.

12.4 Larger properties generally attract a higher value, and the increase in planning permissions to extend an existing property is decreasing the supply of smaller, more affordable properties in rural areas. Consideration to supply of unit sizes in an area should be given when a planning application for significantly extending or merging properties is considered.

12.5 Rural community support for the development of affordable housing could be enhanced if the occupancy of new homes was not limited to those on local authority housing registers, but extended to households from the relevant parishes or settlements that currently live in insecure or tied accommodation.

Q13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Most development sites in rural areas are small. Recent changes to planning policy exclude small sites (of 10 dwellings or less) from the requirement that private developers include a proportion of affordable homes within developments. Despite some minor qualifications being inserted in this policy change, its impact is providing significant and negative for the delivery of rural affordable housing. This was the main way such housing was built and required no public subsidy. A simple solution would be to exempt all small rural settlements from this policy
change, allowing affordable housing quotas again where they are most needed. However, following the cuts in public subsidy over the past few years and the push for housing associations to become more efficient, there are very few housing associations to develop / take on such sites. Government therefore need to consider how they can encourage housing associations to start taking on smaller volumes within rural areas again.

**Government policy, devolution and local government**

Q14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 Central Government strategies are rarely rural proofed. For example, The Industrial Strategy, along with Local Industrial Strategies, should be rural proofed. The Government’s Industrial Strategy is an important document. Many of its objectives are or could be highly relevant to the needs of the rural economy. However, in order for its benefits to reach into rural areas there will have to be careful ‘rural proofing’. New policy initiatives that emanate from the Industrial Strategy should be tested at an early stage to ensure they take account of rural economic needs, opportunities and circumstances. Rural examples should be included wherever initiatives are piloted and rural specialists should sit on groups that are tasked with taking forward parts of the strategy document.

Q15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 Chichester District Council is helping to develop and support local organisations that can bring local businesses together, for example business partnerships in Selsey and Petworth and the Midhurst Town Team CIC in Midhurst.

15.2 LEP’s are very urban focused. Whilst it is understandable as the majority of jobs are found in urban areas, this is often at the detriment of the vast numbers of businesses in the rural areas.

7 September 2018
The Chief Economic Development Officers Society (CEDOS) – Written evidence (REC0121)

Introduction

This evidence is submitted by the Chief Economic Development Officers Society (“CEDOS”). CEDOS is the voice of Heads of Economic Development and senior economic development professionals from across England. Membership includes city, county and unitary councils and combined authorities. We carry out research, develop and disseminate best practice, and publish reports on key issues for economic development policy and practice. Through our collective expertise, we seek to play our full part in helping to inform and shape national and regional policies and initiatives.

General issues

1. What do you understand by the ‘rural economy’? How has it changed over recent years, and what has been the impact of these changes?

Traditional definitions of the rural economy tend to defer to specific sectors for example, agriculture, mining, farming or forestry. However a more sophisticated approach is now required. Recent investment in digital and smart technology and connectivity has enabled economic growth irrespective of geography or location. Businesses that may work from a rural area are more easily able to operate across urban, peri-urban and rural geographies. Further, some sectoral definitions have nuances that relate to both urban and rural contexts, including the visitor economy and tourism.

The rural economy now can only really be defined through looking at population distribution, spatial patterns and development parameters. These are necessarily graduated rather than delineated and so the ‘rural economy’ can no longer be defined wholly through vertical sectors.

We believe that viewing the economy as the “economy of a rural area” rather than a “rural economy” will shift the context for discussion to the geography of an area rather than the more traditional sector-based approach, with a holistic focus on the issues that need to be addressed to promote business growth together with social and environmental sustainability. CEDOS would welcome a refreshed redefinition of the rural economy, and the inter-linkages between it and the spatial and the sectoral, supporting a shift away from a centrally-directed approach to a locally developed strategy. We would be willing to support this discussion further.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural success be replicated and better promoted?
We offer the following examples of notable success stories and good practice in the rural economy:

- **Investment in skills development** such as the establishment of a £1.2m Agritech Centre at Kingston Maurward College in Dorset which is a purpose-built facility comprising an agricultural classroom, an IT suite, a high spec workshop and machinery facilities.

- **The use of Food Enterprise Zones and related planning frameworks**, for example the Norton Barton Artisan Food Village in Cornwall which has a planning framework for the development of the site over the next 15 years. Investment Grants have been secured from the EAFRD Growth Programme by three businesses on the scheme which has led to the scale up of Popti Bakery and Cornish Charcuterie and the creation of a new business The Cornish Distilling Company.

- **The Broadband Delivery UK programme** where there are co-ordinated contracts which have been let following rigorous Open Market Reviews and supplier engagement processes. The projects are clearly focused and target those areas where there is no commercially planned broadband provision. In Warwickshire, for example, 98% coverage is expected by the end of Contract 3 in 2019/2020. The projects also require that infrastructure should be made available on a wholesale basis, meaning that any internet service provider can provide broadband services. A competitive market therefore drives down prices and increases the range of packages on offer. The wholesale network can also be used in the rollout of 5G.

- **The use of innovative funding schemes** to support the roll-out of Superfast Broadband Programme across many rural areas, for example, Staffordshire County Council’s Community Fibre Partnership Support Fund which matched monies raised by households and businesses in an eligible community for the provision of full-fibre broadband.

- **The Rural Growth Network pilots** which tested different ways of promoting economic growth in rural areas. The five pilot areas were Cumbria, Devon & Somerset, Northumberland, Swindon & Wiltshire and Warwickshire (all of whom are CEDOS members).

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

Rural areas have the potential to make significant contributions to the prosperity and wellbeing of the UK. For example, the employment rate in 2016 was higher in rural areas compared with urban areas.

CEDOS members believe there is potential for growth in the digital and innovation (including automation and artificial intelligence) sectors. This potential will be realised if the following are prioritised:

1. The provision and application of digital and smart technology, including the encouragement of innovation and
2. The development of a resilient and skilled workforce.
Whilst these do not differ significantly from the urban agenda, the models and delivery mechanisms for investment and business support for them do. They must be resourced to ensure specific barriers to rural areas are overcome and opportunities realised.

Moreover, rural areas could – with the right investment and support – benefit more from advances in technology than their urban counterparts. They are less at risk of automation (due to the nature of the businesses generally found in rural areas). In particular, the roll-out of superfast broadband and 5G etc should address issues of rural isolation and increase agglomeration affects.

1. Digital and innovation

Digital infrastructure is identified across all the CEDOS members as an important issue for the development of the economy in rural areas. For example it was the single most important issue raised by contributors to the Swindon and Wiltshire Rural Economic Study (2017) and the South West Rural Productivity Commission (2017) due to its game-changing potential for rural productivity across all sectors. Rural businesses are currently at a disadvantage to urban businesses in this area because of inadequate broadband and mobile connectivity.

Far greater levels of innovation are not only an opportunity for rural businesses, but also a necessity for their future sustainability and survival. Retraining and refitting businesses particularly traditional ones for, for example, automation, will result in a productivity lag. Central government could consider extending research and development tax credits to include investment in technology to motivate businesses to adapt more quickly to the coming changes.

2. Workforce

To achieve maximum benefits, we must ensure that the application of technology is understood, appreciated and applied effectively across rural areas. We are challenged in some areas and sectors to overcome the perception that technological developments will drive up unemployment and thus should be resisted. We understand that the reality is much more likely that people replaced by machines will be trained for work higher up the value chain as we see the economy generate more and more higher skilled jobs; this training and investment in the workforce in rural areas is crucial to enable rural businesses to take advantage of this change.

Successful mechanisms such as LEADER community led local development should be continued, geographies for support should be adaptable to reflect local or sub-national approaches as appropriate, and new initiatives should be trialled, such as a dedicated Innovate UK stream for rural innovation and technology.

Brexit is another dominant issue for the future of the rural economy. It is likely to have a disproportionate impact on rural areas, because of the need to leave the Common Agricultural Policy and develop a new UK agricultural
The Chief Economic Development Officers Society (CEDOS) – Written evidence (REC0121)

policy and associated support mechanisms. It also has major implications for the availability of labour and skills, opportunities for trade and funding for rural development.

Infrastructure and services

4. **How can access to transport be improved in rural areas?**

Public transport in rural areas is rarely commercially viable (in Warwickshire, for example one additional bus operating between 0700 and 1900 on Mondays to Saturdays costs around £130,000), so in the absence of sufficient public funding, new and innovative approaches are needed.

For example, the Lincolnshire Coastal Highway proposal to deliver improved transport corridors to the Lincolnshire coast has recently become a higher priority for the County Council. The Council is a national leader in Demand Responsive Transit; an ‘advanced, user-oriented form of public transport characterised by flexible routing and scheduling of small/medium sized vehicles operating in shared-ride mode between pick-up and drop-off locations according to passengers needs’. The rural on-demand bus service (CallConnect) will be part of the solution to increased access to transport in the area.

However, it should be recognised that such schemes can only work in certain areas where the geography suits and significant funding is injected into the project. Some schemes are poorly patronized as they only suit passengers that can be flexible around pick up times.

In addition close working with Partners to identify needs and seek funding for solutions, including maximising S106 and Community Infrastructure Levy can deliver improvements.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Good broadband connectivity should be considered to be the “4th utility” available to all regardless of location. This is not yet the case.

Poor digital connectivity is a key barrier to economic growth. It leads to loss of business competitiveness and opportunity in an increasingly global world. It also leads to social isolation; lack of access to services (particularly in the rural areas); lack of educational opportunities and resources; lack of job and career opportunities; poorer health outcomes and increasing costs to public services.

Both crop and livestock farming are also increasingly reliant on digitally enabled smart systems and Defra has been pushing farmers to increase use on-line systems to provide statutory data such as livestock movements.

Digital connectivity can be improved by focusing on how the benefits of a smart place are explored, understood and fully exploited in the rural context. The convergence of 5G, IoT and public Wi-Fi coverage will all rely on
The Chief Economic Development Officers Society (CEDOS) – Written evidence (REC0121)

densification of fibre networks and is a well understood concept in the urban environment. Rural areas risk being left behind without coordinated leadership and intervention to provide ubiquity of opportunity for the UK. In addition, the government should focus on delivering simultaneous and coordinated investment in digital infrastructure and skills.

The government should improve rural broadband provision by: Ensuring the Universal Service Obligation is achieved by 2020 in rural areas, without a cap on costs; committing to raising the Universal Service Obligation to >30Mbps by 2025; and by commissioning an independent review of broadband delivery costs to ensure value for money is being achieved.

Finally, the Government has stated that the full fibre revolution is coming and that there will be a rural focus in future public sector investment. We would encourage gaining State Aid approval (or whatever the post Brexit equivalent will be) so that BDUK–style projects can be run to take full fibre networks into our most rural areas.

6. **What can be done to improve and maintain provision for essential services, such as healthcare, education and banking in rural areas?**

It is important to recognise the need for different delivery models for the provision of services in rural areas. For example, the withdrawal of banks from some rural areas has necessitated the creation of a regional mutual models to enable a presence that can be supportive of local business and have an interest in ensuring the growth of this business.

Digital connectivity, including new methods for monitoring and supplying services and increased inter-agency collaboration, supported by full and comprehensive broadband is crucial to improving and maintaining essential service provision in rural areas.

We recognise the funding challenges in this area, however, we believe that funding formulas for the provision of key services in rural areas reflect a historic regime of underfunding alongside a lack of understanding round the additional pressures of delivering services in rural/peripheral communities. We believe there is a clear need to provide a fair level of funding for local organisations to deliver local services.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

We welcome the variety of delivery approaches that have been adopted to support local shops, community pubs and other rural amenities at risk of closure; these include: grants to up-grade infrastructure and enhance provision from village shops, tailored business support and advice, business rate allowances, and alternative models of provision such as community owner pubs and shops.

Whilst we acknowledge that the particular circumstances surrounding these ventures means that a commercial market-based approach is not realistic,
we do recognise the importance of a robust and sustainable business plan and a clear aspiration to deliver on a commercial basis in the longer term.

Where insufficient demand for services make provision unviable, we believe some areas may need to consider promoting the development of additional housing and businesses to create critical mass to support service and amenity viability and would encourage the use of neighbourhood planning and local plan process to support this.

Rural development funding such as LEADER has been important enabler of this type of service provision and in light of the UK’s pending EU exit, we believe the government must make replacement capital and revenue funding available. As part of this review of funding support, we would urge the government to consider a review of business rates and tax levels as these are prohibitive for small businesses such as village shops.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Whilst the needs of rural businesses broadly reflect those of their urban counterparts – good connectivity, appropriate premises, a skilled workforce, access to markets etc – there are specific instances where rural business require more specialised support; for example, in the farming industry, the use of innovative farming methods via technology represents significant growth potential.

These areas will require focussed business support activity recognising the challenges facing micro and small enterprises in rural areas (isolation, access to services, connectivity, reliable power supply, etc).

Any new funding schemes such as the proposed UK Shared Prosperity Fund, ought to build-in ability to identify and make awards of direct finance or support services to rurally located businesses by dedicating / ring-fencing funds for rural areas.

It is also important that Government and funders recognise the additional costs of delivery in rural areas.

We recognise that the availability of labour and skills is a significant challenge facing rural businesses. Underlying factors influencing this shortage included housing affordability, transport and an ageing population. This issue should be addressed by building more homes where people want to live in locations more accessible to job opportunities and by enabling people to work flexibly and supporting changes in working practices underpinned by a full-fibre rollout across the country.

There is a need for greater engagement between employers, schools, Further and Higher Education Institutions. Young people and older workers returning
to the workforce or retraining, need to be aware of employment prospects and careers and the progression paths to achieving aspirations and potential.

9. **How can deprivation and inequality in rural areas be tackled?**

A localised, evidenced-based, approach to addressing issues of deprivation and inclusion is critically important as well as giving local administrations, businesses and residents the resources and delegated authority to address the issues.

We believe that it is imperative that future economic growth addresses the need for inclusivity amongst (and including) rural communities where issues of distance deprivation or isolation impacts on economic opportunity. Part of this is about enabling labour mobility to ensure people in need can access opportunities and not be hampered by lack of housing choice, transport accessibility or appropriate workspace availability.

10. **How can young people be encouraged to stay in or return to rural areas and contribute to their communities?**

Providing better access to transport, education, training and employment will all improve the retention of young people in rural areas.

It is also critically important that we create places where young people can and want to live; this is touched upon further in Section 12 below. We need to provide good quality employment opportunities and a pipeline of young people with appropriate skills. Developing skills is key to this and the role of our FE and HE sectors are crucial in improving access to higher education for students from rural areas.

We need to ensure that young people understand the career choices available “locally” to them; and are able to study and obtain appropriate skills and qualifications from local providers fit for the future needs of local sector growth.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

Addressing challenges associated with an ageing rural population will require innovative service delivery including the use of digital and smart technologies, in associate with personal care services to mitigate the additional cost of accessing remote, rural communities and individuals. We would urge the funding formula for England to be adjusted to take account of these additional rural costs as it is in Scotland, Wales and Northern Ireland.

As well addressing travel time issues, investment in technology can address travel time issues and the difficulty in the recruitment and retention of professional carers; with the potential to upskill roles that can then be appreciated for their higher value and status.
This transformation in the social care sector will require rural homes and places to be digitally enabled. This will require additional support for super and ultra-fast (next generation access) to full-fibre connectivity is paramount in underpinning the productivity gains.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Improving the affordability of rural housing will require the following issues to be addressed: environmental constraints, the relative importance of small-scale developments, site ownership issues, scheme viability challenges, limited inward private rented sector investment and national policy and funding for affordable housing which emphasises affordable homes for sale rather than rent.

The lack of affordable housing is a significant barrier to the recruitment and retention of staff by rural businesses and a particular barrier to the retention of young people.

The delivery of rural housing works well where registered social landlords combine delivery with community development and are involved in pre-planning delivery. The provision of affordable housing (particularly on a smaller scale in rural communities) is dependent on market intervention in many cases which increases the overall volume of housing without addressing the need for a volume in ‘affordability’.

More encouragement and a wider competence for housing provision, particularly building and improving social housing should be afforded to local government. Government should work to ensure that rural (and urban) tenants are provided with stronger tenure and rights to increase housing security over the long-term, allowing families to establish and thrive.

Planning for housing should severely restrict numbers of homes built that are not affordable to local people. This will encourage developers to consider more mixed housing and a different range of housing types on developments.

Community Land Trusts should become a mainstream and fully funded resource for local areas giving them the capacity to compete with developers for sites in and around small settlements.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

Planning policies should support a prosperous rural economy. Planning policies and decision should recognise that sites to meet local business and community needs in rural areas may have to be found outside existing settlements, and in locations that are not well served by public transport.
The relaxation of planning laws that enable farmers to convert farm buildings into homes is to be broadly welcomed, but not if that is at the expense of providing places for the economy to grow or delivering unaffordable properties in unsustainable locations. Nationally, planners have rightly argued such laws to be coupled with a greater focus on infrastructure and skills in localities.

Space for development needs to be balanced against the fact that there is a more pressing need to enable the growing and storage of food; so there needs to be local decision making to ensure that there is the right balance of provision both for rural homes and feeding that new population.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

The government should pay greater attention to the rural economy. The lack of consideration of rural issues in the Industrial Strategy Green Paper is one example of how government has demonstrated a lack of awareness of the importance and needs of rural economies.

An exacerbating factor is the silo nature of governmental departments which means that ‘rural issues’ are largely thought of as Defra responsibility and often poorly considered by other departments. Meanwhile Defra is a very weak champion for the rural agenda among government departments.

The independent bodies created by the NERC Act, such as the Commission for Rural Communities and the Rural Advocate, have been abolished and their loss has significantly weakened the Government’s understanding of rural society. This has led to policy changes that fail to account for the negative impacts on people in rural communities, especially those areas which are outside the influence of City Regions, and who therefore do not benefit from the agglomeration impact derived from urban or City Region policies.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might co-ordination between bodies be improved?

In future delivery of integrated economic development funding for rural and coastal areas should be allocated to ‘place/LEP level’ and form part of the ‘single pot’ approach. To avoid a bias towards urban areas either a specific ring fence of funding should be included in the design of the UK SPF, or specific outcomes and outputs should be included in the performance framework to ensure that funds are targeted to rural areas. As stated above a different policy and delivery design may be required in rural areas that are
outside the influence of a city region as it is clear from all the evidence that a one size fits all approach has not delivered the desired results.

Funding is being increasingly focused on taxes that local authorities can raise through business rates and council tax. Both are regressive in a rural region where floorspace operations have many other costs and challenges and digital operations potentially less business rate implication. Taxing the size of workspace is a tax on business growth but any solution needs to be both fairer and fiscally neutral.

10 September 2018
Thank you for the opportunity for the Archbishop’s Council of the Church of England to give evidence to the Select Committee on the Rural Economy on the contribution of rural churches to the rural economy. I am writing to you now to provide the further information requested by the Committee and to offer some case studies and additional detail following the evidence session.

**Should there be a national Church of England policy in relation to use of Church land for development?**

As explained during the evidence session, the ownership of land by the Church of England is vested in a diverse range of legal bodies. These include land held by the National Investment Bodies most of which is managed by the Church Commissioners. Additionally, the 41 dioceses hold varying areas of land [some several thousand acres, others almost none at all], commonly known as Glebe Land. Much of this land is in agricultural production and is let either under the Agricultural Holdings Act or through farm business tenancies. Some of this land will be managed as strategic investment land. Some land, albeit a very small area, is still owned by parishes or local parish trusts. Some church buildings, church halls and vicarages across the whole country, may come onto the market at any point in time as surplus to current requirements. No diocese has policy for closing churches, including rural churches, and no more than 20 to 25 church buildings in all areas are closed each year. This means that different policies and approaches apply to how land and buildings are used, managed and sold.

Currently, there is neither national guidance nor agreed policy on development [housing or otherwise] on church owned assets. However, we are aware of examples of good practice, for example in providing affordable housing, in a number of rural areas, see case studies below. It is such examples of good practice that need to be shared between the different decision-making bodies. To this end during 2019 the Church of England will be launching a Commission on Housing, Church and Community which has been requested by the Archbishop of Canterbury. This will explore the relationship between housing, community sustainability and church in all areas of England. It will investigate issues such as the financing of housebuilding including affordable housing, Government policies on housing and building, including in rural areas, and the mismatch between the housing that is built and the situations of those in need of housing. The Commission will be aiming to make recommendations for action, not just to government but importantly to develop the church’s own practice, drawing on the best of examples from the church itself, ecumenical partners, voluntary and community sector activity, statutory and public bodies and the house building sector.

Further details of the Archbishop’s Commission on Housing, Church and Community will be in the public domain during February 2019.
The National Investment Bodies have pioneered climate sensitive investment policies particularly through the Transition Pathway Initiative.\textsuperscript{120} This tool assesses companies’ preparedness for the transition to a low-carbon economy, supporting efforts to address climate change. Investment decisions can then be based on this analysis. The Housing Commission provides the Church of England with an opportunity to mirror this methodology for development of land and property.

**Existing work on provision of affordable housing using church owned assets**

When land is brought forward for development by dioceses, the most common approach is for the local plan requirement for affordable housing to be included within the proposal. The Diocese of Gloucester takes this approach, so that all planning applications that are made include the maximum requirement for affordable housing in that local plan area. The Diocese of Salisbury manages its small Glebe portfolio [1800 acres as nearly 250 separate holdings] for both agricultural lettings and development. It has initiated an in-house approach with a particular speciality for social housing schemes, of which six projects, mostly in rural areas have been completed. Land is leased to Housing Associations for building accommodation reserved for local people at genuinely affordable rents. 52 houses have been provided as a result.\textsuperscript{121} In the Barking Episcopal area of the Diocese of Chelmsford [urban] there is a proactive policy to provide affordable housing on 10% of its church sites with the aim of bringing forward at least 200 new affordable homes. The aim of this approach is to reinvest in the community providing housing and new and improved facilities for church and community.

Through the work of the former National Rural Officer Dr Hopkinson, the Church of England is a long-standing partner in the Housing Justice project *Faith in Affordable Housing* to assist churches of all denominations to make strategic use of land and property that become surplus to requirements. *Faith in Affordable Housing* provides practical support and advice to help churches partner with local housing associations to sell or lease surplus property or land for affordable homes. Creative use of surplus land or property in this way not only directly benefits people in need of affordable housing and the local community, but can often provide improved facilities for the church itself.

In some cases, it is possible for land and property owned charitable organisations to be sold below full market value, and still comply with the requirements of Charity Law. This can be done using the 2013 guidance from the Charity Commission *Selling or Leasing Charity Land for Less Than Best Price* which indicates that land can be sold at less than full market value where it has direct charitable benefit for the intended beneficiaries or is to be occupied by an intended beneficiary.\textsuperscript{122} This would apply to many independent Christian charities and some parish contexts and has been used creatively by some dioceses. However, the Church Commissioners are unable to avail themselves of this

\textsuperscript{120} http://www.lse.ac.uk/GranthamInstitute/tpi/
\textsuperscript{121} https://www.salisbury.anglican.org/parishes/diocesan-property/diocesan-glebe
\textsuperscript{122} https://www.gov.uk/government/publications/selling-or-leasing-charity-land-for-less-than-best-price.
See also: https://www.housingjustice.org.uk/Handlers/Download.ashx?IDMF=e9321b1a-df5a-41d7-9a65-56f0c55f68f2
provision. This is because of the specific form in which their charitable objects are stated.

The Church Commissioners hold significant land assets on behalf of the national Church of England. However, the Commissioners are required and empowered by statute to apply their income only for a number of specific purposes, none of which are general enough to be seen as extending to the provision of affordable housing. Their beneficiaries are accordingly limited to certain office holders and bodies within the Church. In the case of dioceses, the specific and narrow statutory provisions under which the DBF can dispose of glebe land expressly require that the DBF satisfy itself that “the terms of the disposal are the best that can reasonably be obtained for the diocese”.¹²³ The case studies provided below show how some dioceses have been able to provide affordable housing within the confines of this provision. Whilst it is likely that the Archbishops’ Housing Commission will examine whether these statutory constraints are appropriate for the Church of England’s social roles today, it needs to be stressed that changing the statutes would be a complex and very lengthy process. even if changes were to be agreed. The Housing Commission will, of course, be examining many ways in which the Church of England, nationally and locally, can work creatively to provide affordable housing in a wide range of locations. These three case studies illustrate the potential opportunities that have already been developed in rural communities.

Case Study 1: Church Hall Cottage, Chapel Stile, Cumbria

Over three quarters of the houses in the village of Chapel Stile in Cumbria are holiday homes.¹²⁴ Church Hall Cottage owned by the Diocese of Carlisle which had been let at a low rent now required considerable renovation. Working with the Cumbria Rural Housing Trust, Skelwith and Langdale Community Land Trust and Faith in Affordable Housing, the diocese was able to access grants from South Lakeland District Council, the Empty Homes Communities Grant Fund and the Lake District National Park Authority to enable the property to be renovated and is now let an affordable rent. The Diocese retained ownership of the property and an ongoing income from the rental, with the Land Trust managing the property. The home was let to a local resident in housing need and will remain available for local people in the future.

Case Study 2: St Goran Community Land Trust, Cornwall

A listed old school house and separate school room [used as a community room], built in 1839 in Gorran Churchtown was in poor condition. Instead of sale on the open market the Diocese of Truro sold the property to the specially formed St Goran Community Land Trust (CLT). It took pledges from local residents of donations, interest free loans, and a loan from Triodos Bank to cover the costs of development. Renovation work started in summer 2015 providing five one-bedroom flats and a slightly smaller community room.

Cornwall Rural Housing Association lets and manages the homes on behalf of the CLT. The flats are let to those who live or work or can demonstrate a need to be

¹²³ Charities Act 2011, section 119
¹²⁴ Figures from 2011
near family in St Gorran or neighbouring parishes. Tenants are offered a one-year probationary tenancy, and then a five-year assured shorthold tenancy. The affordable rent was set at £104/week, the level of the Local Housing Allowance. When the loans and mortgage have been repaid in 15—20 years’ time, rents will provide an income for community benefit and could be reinvested in more housing.

Case Study 3: St Andrew’s Close Coniston, Cumbria and Mitre Housing Association

St Andrew's Close in Coniston, completed in 2018, offers a three-bedroom family house, six two-bedroom dwellings, and three one-bed homes on the site of a former outdoor activity centre belonging to the Diocese of Carlisle.

The work was carried out by Mitre Housing Association, which has 143 properties across Cumbria and works extensively throughout the National Park to help provide low cost accommodation for local people, mostly in rural areas. Mitre was created under the auspices of the Diocese of Carlisle, with the day-to-day management undertaken by Eden Housing Association.

The £1.7 million project meant that the old activity centre site, which closed in 2014, could continue to serve local people by providing affordable housing for those in local need. The project was funded with grants from the Homes & Communities Agency (HCA), South Lakeland District Council, Mitre Housing Association with the balance from a loan funded through Barclays Bank.

Additional Information and Case Studies following Formal Evidence Session

1. Extended Use of Church Buildings
As there was insufficient time to offer some specific examples of the community use of church buildings, the following case studies will be of interest to the Committee.

- The community shop at Yarpole Church in Herefordshire has been purpose converted to host the village shop, post office, community meeting space and a cafe.
- The Abbey Café at Malmesbury Abbey can seat 50 people and makes a big contribution to social activity in the town, helps attract tourists and makes a small financial contribution to the church.
- Saint Giles Church in Shipbourne, Kent, hosts a weekly farmers market. This is in a Grade 1 listed building, without facilities, tabletops are put on the top of the pews for the stall holders. The next-door pub provides parking, refreshments and toilets.
- St Giles church Langford, in the Diocese of Chelmsford [Essex] simply turned its vestry into the village shop, without significant adaptation to the rest of the building.
- St Mary the Virgin, Stannington, Diocese Newcastle, adapted its building to create a community meeting space and IT room, much needed by the local community.
2. Social Enterprise and Churches

Social Enterprise in churches can make a significant contribution to the provision of much needed services in rural communities, as well as improving the sustainability of the building itself. Social enterprise and rural places of worship in England published in March 2017 by Germinate: Arthur Rank Centre, The Plunkett Foundation and funded by the Heritage Lottery Fund, concluded that:

- a social enterprise located in a church building had a positive impact on the long-term sustainability of the place of worship. This was through increasing use, the generation of additional income and the involvement of a larger number of people
- the needs of the wider community must be the starting point for considering the potential of a social enterprise. Solutions that are solutions for community needs and problems and not merely solutions for the problems of a place of worship are much more likely to be successful and sustainable
- the benefits and wider impacts of a social enterprise extend beyond meeting the initial service need or resource provision
- high quality advice, support and promotion are needed to ensure good practice is shared and built on
- there are three challenges to address in the use of social enterprise in places of worship:
  (a) The social enterprise should meet the community’s needs and not be developed solely as a solution to problems of a place of worship
  (b) Recognising and addressing the tensions that may arise in using a spiritual place for secular purposes
  (c) The process for working through the planning system and listed building consent, including denominational systems.

Examples of social enterprises in church buildings include community-owned shops, community spaces, a heritage centre and a farmers’ market:

125 https://www.hereford.anglican.org/Crossingthethresholdtoolkit/
126 https://www.hlf.org.uk/file/23713/download?token=FAjd9vkSs9em45alKYh2PWx0Eeh-9vK50g1kzN-bh2Y
Church of England - Written evidence (REC0192)

- St Johns Fernham, Oxfordshire, community space
- St Giles Shipbourne, Kent, farmers market
- St Leonards Yarpole, Herefordshire, community-owned shop
- St Giles Langford, Essex, community-owned shop
- St Thomas Camelford, Cornwall, laundrette

3. Rural Community Action

_Church in Action: a National Survey (2018)_ conducted by the Church of England surveyed over 1000 church leaders [roughly 16% of the total number of parish clergy]. It found that in the rural parishes surveyed:

- 80% were involved in running community events
- 65% provided a lunch club or similar activity for older people
- 31% had a community café
- 49% offered a parent and toddler group
- 17% provided activities for people with dementia
- 23% had active youth work
- 28% offered holiday or after school clubs
- 62% of respondents also noted that there was a strong sense of solidarity and mutual support for people resident in the community

In many rural communities it is only the churches that are providing this sort of support and engagement. In other rural communities the church provision is part of a network of support and engagement from a wide range of organisations. It is often the informal activity of congregation members and [and others in the community] that sustains older /sick people in the community. This hidden contribution can be made by one or many people and range from phone calls, housework, cooking, company, to personal care.

_Hospitality to refugees_

The Bridges Group of Churches in Warwickshire offered a day out in the countryside to a group of Syrian families living in Coventry. It was hosted on a local farm, with the aim to offer hospitality and a day of fun, giving local families an opportunity to welcome the refugees and break down some cultural barriers.

In September 2017, a group of people met each other and learned from each other – sharing crafts, cooking and skills. There were bouncy castles, face and nail painting, a climbing wall, crafts, football, knitting, a magician and much more. Something very special happened as people played, laughed, ate and shared conversations together. The whole day was filled with joy and fun and singing. Two comments from participants sum up the impact of the day [which has been repeated]. One from a ten-year old: ‘Why do we have to call them refugees? Why can’t we just call them people?’ And after a very long and intense game of football between all ages and all abilities, when asked who won, the answer was: ‘We all did!’

I trust that this additional material helps answer you or specific question and provides you with some detail of local examples that could not be shared in the

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127 Church in Action: a National Survey (2018) CUF/CofE
limited time available. Should you require any further information please do not hesitate to contact me.

Rev Canon Dr Malcolm Brown  
Director  
Mission and Public Affairs  
Archbishops’ Council  
The Church of England  
19 January 2019
Citizens Advice – Written evidence (REC0110)

Citizens Advice provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities.

In April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory consumer representative for the postal sector in England and Wales. Our role is to ensure postal services and post offices meet the needs of consumers in a way that is fair and accessible for all. We have particular responsibilities regarding the interests of the more vulnerable members of society, and also consider the interests of small businesses.

We are responding to this consultation in our capacity as the postal advocate. Our response focuses on a number of the subjects raised - provision for essential services (access to post, banking, payment and application services), supporting local shops, addressing social isolation and supporting the ageing rural population.

Recommendations

Post office are widely used by both individuals and small businesses, particularly in rural areas. Post offices currently make a significant contribution to local economies and the community wellbeing. Our evidence shows that:

1. **Post offices need to remain open and local.** Post offices are extensively used by almost all individuals and small businesses, and proximity is crucial. The Government’s £370m funding\(^\text{128}\) to support the post office network between April 2018 and March 2021 is welcome, but the Government and Post Office Ltd must continue to ensure the post office network retains its wide geographic spread.

2. **Post offices should continue to offer a wide range of services.** The range of services are valued by consumers, including postal, banking, government and community services. Whilst many services are moving online, face-to-face access remains important particularly for older people and many of the more vulnerable members of society.

3. **The Government or the UK finance industry should commission research to assess consumer access to and satisfaction of banking services at post offices.** There is an increasing reliance on post offices for day-to-day community banking services, but Citizens Advice and other stakeholders have raised concerns about the suitability of post offices in providing these services. It is important to identify and address any issues around performance and service standards and to better understand customer journeys, before raising awareness of banking at post offices.

4. **The Post Office should make it easier to set up a community-run post office.** Community-run post offices can play important roles filling

\(^{128}\) BEIS press release, Government Pledges to Secure the Future of the Post Office, 20/12/17
gaps in service provision and Post Office Ltd should make improvements to the application process to make it easier for community-run groups to apply to run and set up a post office.

1 Post offices and the rural economy

1.1 The post office network is a crucial access point to the public postal service. Post offices also deliver other essential services to citizens, including banking services, access to benefits, bill payment and a range of central and local government services. Post offices have long played particularly critical roles in rural areas, frequently described as ‘lifeline’ and ‘essential to the vitality of the local community’.¹³⁰

1.2 But post offices - and the ways in which individuals and small businesses use them - have undergone very considerable change in recent years. These changes reflect the enormous economic, technological and social developments within wider society. A range of factors including the increasing digitisation of communications and transactions, pressure on local retail and ongoing bank branch closures are likely to continue to have a significant impact on service provision.

1.3 With an older population and often less choice in service providers, rural residents and businesses may be disproportionately affected by these changes. The post office network with its extensive geographic coverage, is key in providing services in rural and remote areas.

1.4 There are around 11,600 post offices in the UK, with a unique reach across all parts of the country. Rural areas are particularly well served by post offices, and over half (53%) of the UK’s branches are rural.¹³¹ 98.7% of the rural population is within 3 miles of a post office. This exceeds government access criteria that require Post Office Ltd (POL) to ensure 95% of the rural population is within 3 miles of a post office.

1.5 In many rural and remote areas, post offices are especially important because of the decline in availability of local alternatives providing these services. Notably, the number of bank branches has fallen sharply in recent years.¹³² Closures of other services such as pubs¹³³ and shops¹³⁴ have also affected rural areas, especially where alternatives are distant.

2 Rural consumer use of post offices

2.1 Almost everybody uses a post office at some time, but rural residents are slightly more likely to use post offices than urban residents. 98% of rural consumers use post offices (compared with 97% of urban consumers).

¹²⁹ Royal Mail, Universal Service Obligation
¹³⁰ Business and Enterprise Committee, Post Offices - securing their future, 2009
¹³¹ Post Office Ltd, Network Report 2018
¹³² From 20,583 in 1998 to 8,837 in 2012, and 37% of bank branches have closed over the last decade (2007-2017). (House of Commons Library, Bank Branch Closures, 2018)
¹³³ The Campaign for Real Ale reports 21 pub closures a week in 2016, of which just under half were in rural areas.
¹³⁴ The Rural Shops Alliance estimates 2,500 village shop closures in the decade to 2014.
2.2 People based in rural areas also use post offices more frequently than urban residents. Whilst nearly 1 in 3 (31%) rural residents use a post office at least weekly, in urban areas only 1 in 5 (21%) do so. 2 in 3 (67%) consumers in rural areas use a post office monthly or more (compared to 57% in urban areas).\(^\text{135}\)

**Figure 1. Rural consumers use post offices more frequently**

2.3 Rural residents say that localness or proximity is the most important reason why they choose to use key services at post offices.

### 3 Access to postal services

3.1 The ways in which people use post have changed dramatically over the last 15 years. Although letter volumes have declined, postal services remain a central part of our economy. Most consumers still access important information through the post and more than 2 in 5 people send items through the post at least once a fortnight. The rise in online shopping has resulted in 190% growth in business to consumer parcel volumes since 2010 and this trend has led to an increase in the use of parcel-related services.\(^\text{136}\)

3.2 Rural residents are particularly reliant on post offices for access to postal services. Our recent mapping research shows that although rural areas such as the Highland and Island of Scotland, Central and West Wales and South West England have better provision of parcel pick up and drop off (PUDO) points in proportion to their populations (per 10,000 residents), as figure 2 illustrates this is largely dependent on the post office network.\(^\text{137}\) Alternative outlets, such as supermarkets selling stamps and parcelshops like CollectPlus, tend to be less well-provided than in urban areas.

**Figure 2. Rural PUDO provision is dependent on the post office network**

\(^{135}\) Citizens Advice, *Rural Post Office Use*, 2017  
\(^{136}\) Citizens Advice, *Trends in the Postal Services Market*, 2018  
\(^{137}\) Citizens Advice, *Mapping Parcel Shops*, May 2018
3.3 Our research finds 72% of rural residents, rising to 80% in remote areas, use a post office to buy stamps or pay for letter postage (compared with 70% in urban areas). 65% of rural residents, and 67% or remote rural, use a post office to send parcels (62% in urban areas). 40% of rural residents return internet shopping items at a post office (38% in urban areas).\textsuperscript{138}

4 Essential services - cash and banking

4.1 A key economic challenge facing rural areas arises from the ongoing exodus of bank branches from the countryside. Whilst over 2,000 bank branches have closed since 2015\textsuperscript{139}, a net total of 87 post offices closed between 2015 and 2018. The government intends the post office network to play a crucial part in filling the gap following the banks’ retrenchment.

4.2 Since January 2017, an agreement\textsuperscript{140} between the Post Office and the banking industry has enabled 99% of UK personal bank customers and 95% of business customers to do their day-to-day banking at post offices. These services include cash withdrawal, cheque and cash deposits and balance checking.

4.3 Access to cash is vital. Cash remains the second most frequently used payment method in the UK and is predicted to remain so for the next decade.\textsuperscript{141} Cash is especially critical for people with lower household incomes, who are far more likely to rely mainly on cash compared with their more affluent counterparts.\textsuperscript{142}

\textsuperscript{138} Citizens Advice, \textit{Rural Post Office Use}, 2017
\textsuperscript{139} Which? press release, \textit{Bank Branch Closures Top 2,100}, 2/5/18
\textsuperscript{140} Post Office Ltd press release, \textit{Post Office and UK Banks’ Partnership}, 2017
\textsuperscript{141} UK Finance, \textit{UK Payment Markets Summary}, 2018
\textsuperscript{142} UK Finance, \textit{UK Cash & Cash Machines}, 2017
4.4 Post offices are already playing an important role in providing access to cash and banking in rural areas. Recent research by Citizens Advice finds in rural areas nearly 1 in 4 (24%) consumers withdraw cash from their bank account at a post office (compared with 19% in urban areas).\textsuperscript{143} The more remote consumers are, the more likely they are to make frequent cash withdrawals (see figure 3).

\textbf{Figure 3. Frequency of cash withdrawals increases with rurality}

4.5 Banking at post offices can be a valuable way to protect consumer access in the context of bank branch closures. However our previous mystery shopping research shows issues with the provision and quality of banking services at post offices. For example in over 1 in 5 (22%) visits mystery shoppers were unable to access the cash deposit service.\textsuperscript{144}

4.6 Following a direction from the chancellor in the Autumn Budget 2017, earlier this year UK Finance and Post Office Ltd launched an action plan to raise awareness of banking at the Post Office.\textsuperscript{145} However due to our concerns and those of others stakeholders\textsuperscript{146} about the suitability of post offices to provide basic banking services, we recommend that before embarking on an awareness raising campaign the Government and the UK finance industry should undertake research to assess consumer access to and satisfaction of banking services at post offices.

5 Essential services - application and payment services

5.1 Post offices have an important function offering access to essential application and payment services. Some of these services are widely used, such as picking up government forms including applications for passports and driving licenses (48% of rural residents pick up forms at post offices).

5.2 However, as increasing numbers of payments are now transacted digitally, today’s post office payment services tend to be most important for people who are digitally excluded, over 65 or on low incomes. Vulnerable people are more

\textsuperscript{143} Citizens Advice, \textit{Rural Post Office Use}, 2017
\textsuperscript{144} Citizens Advice, \textit{The state of the post office network}, June 2017
\textsuperscript{145} UK Finance, Banks and Post Office to raise greater awareness of banking services available in local post office branches, 29/03/2018
\textsuperscript{146} For example, see House of Commons debate on \textit{Banking in North Ayrshire} (14/3/18)
likely to use post offices to pay for vehicle tax, council services (eg rent, council tax, transport passes) and utilities.¹⁴⁷

6 Essential services - retail goods

6.1 Post offices in rural areas are often based within other shops such as convenience stores. The co-location of post offices within retail outlets enables many consumers to buy retail goods in the same premises. This service is particularly well-used in rural areas. Almost 7 in 10 rural consumers purchase non-Post Office retail goods at post offices such as stationery and cards, groceries, household goods, newspapers and fresh food.¹⁴⁸ Income from providing Post Office services may also help prop up the provision of other goods, by making retail outlets more financially sustainable.

Figure 4. Rural customers buy retail goods at post offices

7 Community support role

7.1 As well as offering Post Office and retail services, post offices often play a role in providing more informal and social services (‘community services’). These services are most heavily used by older people and rural residents.

7.2 Over 1 in 3 (35%) consumers use a post office for ‘community services’.¹⁴⁹ These include providing community information about events and local services. Post offices also often offer informal assistance to their customers - such as help and advice about services, reading official letters and form filling. In addition, post offices frequently operate as a focal point, a place to meet friends and local residents. (See figure 5 for further details.)

Figure 5. Rural customers make significant use of community services

¹⁴⁷ Citizens Advice, Rural Post Office Use, 2017
¹⁴⁸ Citizens Advice, Rural Post Office Use, 2017
¹⁴⁹ Citizens Advice, Consumer Use of Post Offices, 2017
7.3 In the context of an ageing population, this support function could become increasingly critical. Age UK figures highlight the importance of this role - the charity finds 41% of people aged 65 and over feel out of touch with the pace of modern life and over 1 million people say they always or often feel lonely.\footnote{Age UK, Evidence review: loneliness in later life, 2015}

8 Services to rural businesses

8.1 Post offices provide a significant contribution to rural economies, offering local access to cash and providing a reason to visit the town or village centre. The facility to withdraw cash is particularly important to local economies, previous studies indicate people who withdraw cash spend a high proportion of it in nearby businesses.\footnote{New Economics Foundation, Ghost Town Britain II, 2003}

8.2 Post offices also deliver services directly to small businesses. Rural businesses make greater use of post offices than urban businesses. 39% of all rural small businesses use a post office at least weekly (compared with 33% in urban areas). 74% of rural small businesses use a post office at least monthly (65% in urban areas).

8.3 Rural small businesses make most use of mail services at post offices, including posting letters and documents, parcels and mail order return services. Small businesses in rural areas are almost twice as likely those in urban areas to use day-to-day banking services at post offices. 11% of rural businesses withdraw cash for their business from a post office (6% of urban businesses).\footnote{Citizens Advice, Rural Post Office Use, 2017} This function may become more important as bank branches continue to close.\footnote{Federation of Small Businesses, Locked Out, 2016}

8.4 A small proportion of small businesses use post offices for less formal services. Again, this is more common in rural and remote areas, where 6% of rural and 10% of remote rural small businesses use a post office for advertising their business or services.

8.5 The majority of businesses say without their local post office, business costs would rise. This is particularly striking for rural small businesses - 76% of rural and 80% of remote rural businesses anticipate higher costs to access services if
their local post office was not available.

9 Community-run post offices

9.1 Post offices run by local communities, usually within a community-owned shop or pub\textsuperscript{154} increasingly help maintain access to post office and banking services in rural areas. Community shops can keep services running where commercial ventures have failed, and around 190 community owned businesses now provide post office services.

9.2 Community-run post offices tend to be in rural areas with poor access to banking services, and with a large older population and limited public transport.

9.3 A recent Citizens Advice survey of people operating community-run post offices, found that 9 in 10 said providing post office services increases their social impact and has a positive impact on the strength of the local community. 86\% said providing post office services reduces social isolation in the community. In addition, community-run post offices are frequently at least partly staffed by volunteers, bringing opportunities for residents to support their local economy and develop new skills and experience.\textsuperscript{155}

9.4 Whilst most community post office operators say it is easy to run post office services alongside their wider business, 3 in 10 say they found it difficult to get set up. The Government acknowledges these issues and supports moves to make it easier for communities to take on the operation of a post office.\textsuperscript{156} Citizens Advice will be working with Post Office Ltd to make it easier for community-run enterprises to apply to run a post office.

Conclusion

Post offices are widely used by both individuals and small businesses, particularly in rural areas and by the more vulnerable members of society. Post offices currently make a significant contribution to local economies and the wellbeing of local communities.

The continued growth in online shopping and bank branch closures, indicate that people will continue to need post office services well into the future. The Post Office’s community role and application and payment services are especially important for more vulnerable consumers and those in rural areas.

Our evidence shows that:
1. Post offices need to remain open and local
2. Post offices should continue to offer a wide range of services
3. The Government or the UK finance industry should commission research to assess consumer access to and satisfaction of banking services at post offices
4. The Post Office should make it easier to set up a community-run post office.

\textit{10 September 2018}

\textsuperscript{154} The Plunkett Foundation supports community shops and other businesses
\textsuperscript{155} Citizens Advice,\textit{ Community-run Post Offices in the UK - what do we know?}, June 2018
\textsuperscript{156} BEIS,\textit{ Government Response to the 2016 Post Office Network Consultation}, December 2017
Citizens Advice Scotland – Written evidence (REC0086)

1. Who we are and what we do

1.1. Citizens Advice Scotland (CAS), our 60 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland’s largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone.

1.2. In 2017-18 the Citizens Advice Service network helped over 295,100 clients in Scotland and dealt with almost 800,000 advice issues. With support from the network clients had financial gains of over £138 million and our self-help website Advice in Scotland received approximately 3.2 million page views.

1.3. Our advocacy functions seek to make a difference for people both now and in the future, improving policy and practice by governments, regulators and companies to deliver positive outcomes for consumers and citizens. We have a general remit to represent citizens, and a specific advocacy role on behalf of consumers in the regulated industries of energy, post and water services.

1.4. Citizens Advice Scotland welcomes the Select Committee’s call for evidence on the rural economy and we have set out below our response to the questions posed by the Committee. Please note that we have only responded to questions where we have knowledge or evidence that is pertinent to the scope of this inquiry.

2. Response to Questions

2.1. Q4: How can access to transport be improved in rural areas?

2.1.1. Citizens Advice Scotland undertook a public survey regarding buses in October and November 2017 and received a total of 4,677 responses. We subsequently published the findings\(^{157}\). Overall, postcode information was available for two-thirds (67%) of respondents. The proportion of respondents in rural areas (i.e. ‘accessible small towns’ and ‘remote rural’) was higher than for the population as a whole.

2.1.2. We found that respondents in rural areas were much less likely to be frequent travellers (16%) than those in all other areas (32%), but were marginally more likely to encounter difficulties accessing a range of services. Gaining access by bus to banks; GP/hospital; and/or work were the most problematic for those in rural areas.

2.1.3. In terms of levels of satisfaction with services, those in rural areas were more likely to be satisfied with most aspects of their bus service. It was only in the area of service frequency that satisfaction was much lower in rural areas than others, while satisfaction in relation to timetable information was similar. Both

service frequency and timetable information were more important to rural respondents than those in other areas, while value for money and cleanliness were less important.

2.1..4. These findings highlight that consumers in rural areas face barriers to accessing local bus services, including issues related to service frequency and accessing timetable information. Rural consumers are also slightly more likely to face problems accessing lifeline services.

2.1..5. We believe that increased consultation with the local community by local authorities and bus companies when making changes to bus services or cutting bus routes would improve this situation. The specific needs of local communities should also be considered in these decisions.

2.2. Q5: What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

2.2..1. Citizens Advice Scotland recently published research\(^{158}\) which found that broadband quality and availability is variable (16%) or poor (16%) for a third of Scottish SMEs, meaning they are potentially missing out on the numerous benefits reliable, good quality broadband can bring. The problem is particularly noticeable in rural areas where almost half (45%) of SMEs in remote rural areas say that their broadband is often or usually poor compared to only 9% of SMEs in urban areas who say this.

2.2..2. These findings highlight the potential for consumer detriment, particularly for SME consumers, in the broadband market. Without consistent access to broadband, businesses may be missing out on the tools they need to grow and thrive. While there are technical, regulatory and economic barriers that will need to be overcome to improve digital connectivity for rural communities, we believe there is another obstacle that may be hindering progress in this area: the lack of a consumer advocate in the telecommunications sector.

2.2..3. Energy, post and water are currently recognised as industries where substantial service failure could result in serious consumer detriment, which is why consumer advocacy bodies like Citizens Advice Scotland have been given a duty to represent the interests of consumers in these sectors. We use energy and water services every day, and a lack of access to reliable energy, or clean water, would bring Scotland to a halt. Fewer of us will use postal services every day, or rely on them in the same way, but for over a hundred years, postal services have been a crucial part of Scotland’s communications infrastructure. With the advent of new technologies, mobile and broadband services have now inherited many of the communications and information functions traditionally carried out by postal services. Postal services, in turn, have transformed in a crucial but complementary way – as

\(^{158}\) Citizens Advice Scotland (2018) Delivering for Business: Scottish SMEs use of postal services
a method for delivering goods ordered online, enabling consumers to have more choice than ever before in what they purchase and where from. Our work and personal lives would be dramatically different without these new technologies, and the country would struggle with widespread mobile and broadband outages in the same way it would with power or water shortages. However, this critical new digital infrastructure has emerged without the same level of consumer-focused scrutiny faced by the other three key regulated industries mentioned above.

2.2..4. We therefore believe that digital connectivity could be improved by establishing an independent, statutory consumer advocate in the telecoms sector. Given that consumer detriment is particularly pronounced in Scotland – as evidenced by our SME research and the fact that areas in Scotland perpetually top lists of worst UK broadband speeds\(^{159}\) – this should include a specific Scottish consumer advocacy function. We have stated in full in our Work Plan 2018-19 our position on the need for a communications consumer advocate\(^{160}\), but we believe this should be levy funded and cover telecoms as well as post, recognising the significant and interconnected consumer issues in these industries. To ensure public trust in the autonomy of any new advocate, the advocate should be independent from Ofcom and/or other statutory bodies – but complement the regulator’s work by being a robust source of evidence and consumer insight, expanding the breadth and depth of data available to Ofcom. A consumer advocate would seek to influence policy makers, businesses and regulators to prevent future detriment, as well as support work to redress existing or past poor service – which is a significant issue in Scotland, where geography and population distribution have been used as excuses for poor, partial or non-service.

2.2..5. The UK Government recognises that “a strong consumer voice can make a significant difference to consumer outcomes through highlighting established and emerging areas of consumer harm”\(^ {161}\) and consulted on consumer advocacy arrangements in the telecommunications sector as part of the Consumer Green Paper. While this consultation has now closed, we would like the Committee to support our recommendation for an independent, statutory consumer advocate in the telecoms sector with a specific Scottish advocacy function in its report on the rural economy. We believe an independent consumer advocate in the telecoms sector would complement the work governments and others are doing to increase digital connectivity in rural communities – giving rural consumers a strong voice in these increasingly important industries.

\(^{159}\) BBC (2017) Scottish areas worst for broadband speeds, says Which?
2.3. Q6: What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

2.3.1. In response to Q4 the difficulties facing those in rural areas trying to reach key services by bus was highlighted. In our survey we asked respondents where they could not travel to by bus but would like to, 16% of respondents answered a GP/Hospital, 14% work, 8% a supermarket, 4% college/university, 3% a bank, and 2% a post office. Below is a comment in a free text box from one respondent, which highlights how limited bus transport can be a barrier to consumers accessing essential services.

"We no longer have a lifeline service to our local village. The first bus leaves the village for the city centre at 9.20 making access to work, college and university impossible for a 9 o’clock start. The latest bus leaves the city at 2.30 making return from work, college, university impossible. This also leaves a limited time span for outpatient appointments at hospital."

2.3.2. Ensuring consumers are able to access these essential services by bus, for example ensuring that bus timetables allow consumers to travel to these services at a suitable time, could improve and maintain these services.

2.3.3. We would also argue that access to safe drinking water is an essential service for rural communities. There are 22,118 registered private water supplies in Scotland, serving around 193,000 people at home and work in predominantly rural areas. Supplies also provide water to many visitors\textsuperscript{162}, particularly during holiday seasons. A persistent problem with a significant number of private water supplies is that they regularly fail to meet the minimum requirements, leaving those using them at risk of health related issues. Private water supplies are not serviced by Scottish Water but are the responsibility of the communities themselves. The availability of sufficient drinking water, which has been treated to a compliant standard, is essential to support vibrant, rural economies, particularly during holiday season, such as bed and breakfast establishments, small hotels or small businesses. Water shortages during long, dry summers or the inability of a small community to adequately maintain a drinking water supply to a safe and compliant standard will inevitably impact the local economy. A more comprehensive framework of support is required to provide those responsible for ensuring that water is safe to drink with skills and resources to do so.

2.3..4. Energy is an essential service to power and heat peoples’ homes. We would argue that it is essential that all households in Scotland are able to afford adequate heating without impacting their access to other essentials such as food. The right to adequate housing and the right to standards of health is recognised in international human rights law\textsuperscript{163}. However the reality in Scotland, and particularly in rural remote parts, is that fuel poverty rates are unacceptably high - 37%\textsuperscript{164} of households in rural Scotland are estimated to be fuel poor. Fuel poverty can exacerbate health issues and lead to mounting fuel debt or even disconnections from their energy supply. The reasons for fuel poverty are manifold: the poor, energy inefficient condition of Scotland’s housing stock\textsuperscript{165} combined with a colder climate makes fuel bills higher than other parts of GB. In addition, the cost of living is significantly higher in remote rural and island areas of Scotland. Higher incomes of between 10% to 40% are required to achieve the UK Minimum Income Standard (MIS) in these areas\textsuperscript{166}.

2.3..5. Furthermore, the fact that over 406,000 households in Scotland, mostly in remote and rural areas, are not covered by the gas grid means that they rely on electric heating which can be around 3 times more expensive than gas central heating. This is highlighted by the fact that 11% of households in Scotland depend on electric storage heating and of these 51% are estimated to be in fuel poverty\textsuperscript{167}. Many heat users in rural Scotland are on ‘restricted meters’ which makes switching tariffs difficult and therefore limits the savings-potential for those households.

2.3..6. Changes are underway as the GB energy system starts to transition to a smarter, lower-carbon grid. System operators will have to balance locally-generated renewable energy with local demand for electricity – so called ‘flexibility services’. It is likely that there will be opportunities for rural communities and households to take advantage of cheaper periods of electricity, which is generated in their local area. It is possible that network upgrades may happen in rural areas sooner in Scotland given that the network capacity is limited at the ‘end-of-the-line’ and there is a rising level of renewable electricity generation connecting to grid in these areas\textsuperscript{168}. It will be important that

\begin{itemize}
  \item as part of the right to an adequate standard of living (Article 25.1, Universal Declaration of Human Rights, 1948).
  \item Scottish Household Condition Survey 2016
  \item HIE (2013) A minimum income standard for remote rural Scotland and the Scottish Rural Fuel Poverty Task Force. The Scottish Government’s Fuel Poverty Definition Review Panel recently recommended that the MIS be adjusted upwards for remote rural and islands areas of Scotland under the new fuel poverty definition.
  \item Scottish Household Condition Survey 2016
\end{itemize}
domestic electricity users in rural areas are informed and supported to take advantage of cheaper electricity – e.g. with ‘time-of-use tariffs’ - and that sufficient consumer protection is in place for new flexibility services.

10 September 2018
CLA – Further supplementary evidence (REC0209)

CLA – Further supplementary evidence (REC0209)

Connectivity issues regarding the 700Mhz spectrum.

Ofcom’s announced its intended coverage obligations for the 700MHz spectrum sale in the consultation announced in December 2018. These targets could create real improvement for rural communities by placing obligations to improve rural coverage by increasing coverage to 92% of the geographic UK, building 500 new masts and providing more indoor 4G Coverage.

We are deeply concerned however by the recently published consultation into how the mobile operators will be monitored during the time period of the obligations (2020-2024). Ofcom are proposing that it will be only at the end of this date, when the operators have to provide evidence that they have achieved these licence obligations and no indication of progress before this.

One of the feature obligations is the construction of 500 new masts across rural areas, where Ofcom has previously acknowledged across several reports and especially in its guidance to government (September 2018) that mobile operators are reluctant to build masts in rural areas due to significant cost involvement required. Therefore, it seems unwise for there to be a lack of monitoring during the licence period. It is surely in the interest of consumers that Ofcom pursue stricter monitoring of the obligations, nd provide a yearly update within their Connected Nations report.

Rural roaming –

On rural roaming just to highlight that in September 2018 in this document Ofcom outlined that roaming (or wholesale access) would be the quickest way to improve coverage to rural communities, by 5 – 10% within a year. That this would be at extensive cost to operators of between 5-15 million pounds worth of investment. When the cost of the 700Mhz spectrum is significant higher at £300 million split between the operators.

If you have any more questions or comments, please don’t hesitate to contact me.

Eleanor Wood
Public Affairs Adviser

13 March 2019
Supplementary statement from Christopher Price, Director of Policy and Advice
CLA:

In response to Q42 regarding Local Enterprise Partnerships (LEPs) it would be helpful for the Committee if I was to expand on the relationship between LEPs and Local Action Groups (LAGs) as this has a bearing on the future role of the UK Shared Prosperity Fund (UKSPF). The CLA recognises that there will need to be a strong rural theme running through the new UKSPF. Given the recent review of the LEPs, which was published after I gave evidence to the Committee on 17 July, it is clear that both LEPs and LAGs will need to play a key role in the delivery of rural social and economic programmes post Brexit. Our paper on the UKSPF makes clear that this locally led approach is well suited to the delivery of these schemes where local institutions using the bottom up model can use their respective experience and expertise to find locally integrated solutions.

One of the points I made during the session was that “RDP funding, which has a huge impact on the sorts of things we are talking about, does not go through LEPs.” At present, this is still very much the case but the CLA believes that if Government was to adopt a transparent and accountable structure for the UKSPF that had as a clear principle the delivery of programmes to meet local rural need, then the partnership of local institutions, whether they be LEPs, LAGs or other local partners, can make a real and substantial difference to the economic and social wellbeing of rural areas.

TELECOMMUNICATIONS

Introduction

1. The CLA gave evidence to the House of Lords Select Committee on the Rural Economy at its session on 17 July. At that session we were asked to submit supplementary evidence on the issue of digital connectivity. This paper sets out the CLA’s views as it relates to both connectivity and telecommunications.

Background

2. The CLA represents some 30,000 members in England and Wales. All of our members, whether they be farmers, landowners or rural businesses, all have an interest in and a desire to ensure they can benefit from modern, up to date digital telecommunications.

3. The CLA was the first rural trade association to recognise in 2002 the importance of new digital technologies to the economic and social development of rural communities. From that time to the present, the CLA has been instrumental in bringing rural digital needs to the fore, with Government, with the telecommunications industry and with the wider general public. We have lobbied extensively on the need for universal coverage of both fixed line and mobile connectivity. For fixed broadband,
this has resulted in the Government’s policy of putting in place the
Universal Service Obligation of 10Mbps by 2020. Regarding mobile we
continue to push the industry to rollout new networks to rural areas as
quickly as possible in order to achieve universal coverage. That is why we
support the Government’s objective of 95% geographic coverage of 4G by
2022.

The ongoing challenges

4. It is important for the Committee to recognise that there remain ongoing
challenges. We are still grappling with the problem of the rural-urban
digital divide where the economic returns of urban areas are prioritised
over the economic and social concerns of rural areas with the effect that
rollout of broadband technology, in particular superfast broadband, has
taken too long and exacerbating the divide. Although the Government has
stated that 95% of premises now have access to superfast broadband, we
estimate that this falls to 75% for rural locations.

5. There is also a considerable challenge regarding mobile connectivity.
Whilst we accept the intention of the reform of the Electronic
Communications Code (ECC) is to meet the public interest and need in
terms of wider coverage from the four mobile operators, there still needs
to be a balance between the actions of the operators and the rights of
landowners who have or who will make land available for mobile mast
deployment. Recent evidence shows that operators are using the revised
ECC to drastically force down rental levels to landowners. For example, we
are aware of one infrastructure provider seeking to reduce the rental
payment on a 10 year lease from £25,000 to £1,500. This was never the
intention of Government nor Parliament in revising the ECC. Indeed, all
this has done is lead to stagnation in the market place and a complete lack
of engagement in negotiating fair and equitable Code agreements.

The problem of wayleaves and finding the right solution

6. One of the most intractable problems that has been highlighted by fixed
line infrastructure providers, including Openreach and Gigaclear, has been
the issue of wayleaves. A wayleave is where the infrastructure provider is
granted access to land for the deployment of electronic communications
apparatus, mostly fibre optic cabling, in return for a payment to the
landowner. Wayleaves are vital because, without access, infrastructure
providers are unable to deploy the necessary network.

7. In direct negotiations with both Openreach and the alternative network
providers the CLA has now come to an agreement for a national wayleave
framework to begin from 1 October 2018. The new framework will bring
much needed stability to the market and economic certainty for the
different infrastructure providers.

8. Rather than being seen as a significant barrier to future progress in digital
connectivity, it is incumbent on digital providers to see landowners as a
fundamental and critical part of the solution.
Supply and demand aggregation: promoting the benefits of broadband to rural communities

9. As noted in paragraph 4 above, the Government has stated that it has met its objective of 95% coverage or availability of superfast broadband. However, one of the major issues that has arisen in the past, and is still very much alive today, is the level of take up, or demand aggregation. According to recent Ofcom figures, demand for superfast broadband averages around 35%. Even assuming a lower level of supply of superfast broadband in rural areas of 75%, this still means that there is a gap of some 40% between supply and actual take up.

10. But this has raised two major assertions: firstly, it questions whether those who live and work in rural areas actually want or need superfast broadband; secondly, it tends to reinforce the view from infrastructure providers and Internet Service Providers (ISPs) that there are not the economic returns for infrastructure deployment in rural areas.

11. However, this is a rather simplistic argument without actually examining the possible causes of this gap. It is the case that there is a lack of communication between ISPs and their customers. Put simply, if a customer has an existing broadband contract, for example an ADSL2 connection, they have to request a change to a superfast connection and a new contract. This is clearly not happening.

12. There is also a lack of understanding in the public sector of both the technicalities and advantages of broadband. It is becoming increasingly clear that central and local government officials have a very limited understanding of the transformational abilities of broadband. Such a lack of awareness can lead to delays in deployment as well as a failure to communicate effectively to rural businesses who are seeking to exploit new technology.

13. An example applies to the rollout of new mobile masts in the countryside and the application of planning regulations. We have been informed by mobile operators that a major problem in future deployment is the lack of understanding by planners as to how communication networks are designed. This is despite a clear code of practice on planning and mobile deployment. The effect is significant and costly delay.

14. We set out in paragraphs 15 to 17 below how this problem of a lack of awareness and communication can be addressed and resolved through a more inclusive approach.

The skills gap and improving awareness

15. The lack of awareness identified above leads to a skills gap as to how to get the best out of available new technology. We have sought to address this through a new policy vehicle, the Rural Connectivity Forum which is made up of industry (fixed and mobile), rural trade associations, rural
professional associations and representatives from government and its agencies.

16. The Forum is proposing the creation of a three-element information strategy with the aim of increasing the level of broadband awareness in the public sector as well as being targeted towards a greater understanding of digital technology by rural business. The three elements are:

(i) Promoting greater awareness of digital technology in central and local government: this could be achieved through a co-ordinated information programme;

(ii) Incentivising the digital industry to focus on reducing the gap between supply and demand: it is in the interests of the industry to increase the number of consumers on networks through encouraging greater awareness as to the benefits of broadband;

(iii) Encouraging and development greater rural business awareness through targeted information campaigns from rural trade associations: these organisations have direct access to their respective memberships making co-ordinated actions easier to implement.

17. Regarding the skills gap we believe that there needs to be a complete review of what is currently on offer, both nationally and locally. We recognise that any programme to increase awareness and develop a digital skills base is inter-connected and we are endeavouring to explore these links directly with government and the industry.

The Universal Service Obligation (USO)

18. The Government legislated through the Digital Economy Act 2017 the introduction of a USO to be effective from 2020. As stated above, this was one of the major policy goals of the CLA. However, there are concerns regarding a number of features of the proposed USO.

19. Firstly, when the USO went out for consultation in 2017, in addition to the Government option, there was also a BT option which could have ensured that the USO was in place before 2020 and operational in 2020. This option also removed the threshold requirement already identified by the Committee. The major disadvantage of the BT option is that it could have led to a monopoly situation in the market and therefore, subject to legal challenge. As a result, the Government retained its own model and instructed Ofcom to work out how to deliver the USO effectively.

20. The concern we have here is that there are no guarantees that the USO will be ready by 2020, meaning that rural areas will still not be guaranteed an effective broadband connection.

21. A second concern is that of the threshold. Under the terms proposed, the infrastructure provider would commit to the delivery of a USO upon a reasonable request from the consumer and with a maximum cost to the provider of £3,400. If it cost more than this threshold, it would have to be paid by the consumer. Given the remoteness of many rural areas and the
CLA – Supplementary written evidence (REC0026)

distances involved in reaching these communities, it would be highly likely that there would be a significant cost to the rural consumer. This could be regarded as discriminatory when compared to other, low cost, areas.

22. However, there is no suggestion that the delivery of the USO would be based on one dependent technology, for example, fibre. We understand that the USO would be technologically neutral and could be delivered by a variety of different technologies. The objective is to ensure that everyone, irrespective of where they live, has access to at least 10Mbps. So it is very possible that the delivery of the USO to remote rural areas could be based on satellite technology where the costs involved are significantly lower than the threshold suggested. There is sufficient evidence now that satellite technology does work and is affordable to the end user. Therefore, the threshold problem may not be the constraint it would appear to be initially.

Integrated and co-ordinated telecommunications policy

23. The Government’s recently announced Future Telecoms Infrastructure Review (FTIR) is a long term attempt to build the necessary fibre infrastructure to ensure that everyone can benefit from digital connectivity. It is radical and long sighted. However, it still needs to be implemented and in order for this to be effective, such implementation has to be within an integrated and coherent framework where there is proper co-ordination.

24. Unfortunately, there are a plethora of Government bodies across different departments that appear to be duplicating effort. We know of the Business Connectivity Forum, the Local Connectivity Steering Group and the digital strategy board to name just three government bodies. What is clear is that there is no single, co-ordinating body that is bringing the efforts of these bodies together as an integrated whole with the effect that policy is becoming diluted.

25. That is why the CLA created the Rural Connectivity Forum (RCF) to act as that co-ordinating body for rural interests and which has the support of both the industry and Government. The importance with the RCF is that it works on consensus and on issues where there is a genuine recognition by all parties to develop solutions. We would suggest that this could be an effective model, particularly in terms of effective communication, for the future.

10 August 2018
Clatworthy Parish Council – Written evidence (REC0036)

Taunton, Somerset

1 General issues - Tele-communications

1.1 Attempts to provide rural communities with adequate broadband and mobile phone services have met with limited success, and in some locations such as our own have failed completely. It should be recognised that commercial providers will not be tempted by relatively small subsidies when there is little chance of eventually achieving a financially profitable service. Therefore we believe that government needs to take a more robust approach, either by requiring providers to install services to all areas as a condition of their operating licences, or by increasing the financial subsidies to the point where provision to remote areas becomes profitable.

1.2 The low population density in West Somerset, coupled with the nature of the terrain, with its steep, winding combes, presents particular problems for network access. Lack of mobile phone coverage and very slow 'broadband' speeds (less that 2Mb/s) are widespread and there is no apparent likelihood of improvements in the short, or even medium, term.

2 Infrastructure and services

2.1 Private transport services such as Wivey Link (provided by volunteers) are much valued and well suited to the population density and needs of the area, but they need some longer term funding commitment from the transport budget to ensure ongoing viability.

2.2 Poor digital connectivity deters business start-ups, and affects property sales. It already makes it harder to carry out functions such as banking, dealing with HMRC, submitting farm subsidy claims, etc., and prevents residents in rural communities from taking advantage of the many facilities available over the internet that require higher broadband speeds.

2.3 Banks are starting to require mobile phone use to manage accounts and some government departments already require information to be submitted online.

2.4 The move towards the use of digital connectivity to enhance the provision of health services could be of particular benefit to an older rural population, but will not be possible unless the issue of poor communications is addressed.

3 Business, employment, skills and demography

3.1 Business rates need to be set to recognise the value provided by small
businesses, particularly in rural areas, villages and small towns.

3.2 Young people would often prefer to stay in their local area, but cannot, because of a shortage of jobs, affordable housing and transport.

3.3 An ageing population is no more (indeed, maybe less) of a problem in rural areas than urban ones. Local community facilities (village halls, churches) and activities (coffee morning, craft groups, community meals, even the village fête and many more) all foster the sense of community that reduces social isolation and makes for good neighbours. Funding (maybe by matching grants through the National Lottery) to help maintain the community building in every parish would be money well spent.

4 Rural housing and planning

4.1 The fostering of a profitable agricultural sector is currently hampered by competition for land from building developments and for private amenity use. These factors threaten to increase the price of land to the point of unattainability for agricultural use. This situation is exacerbated by the current planning regime, whereby Local Plans are promulgated but not enforced, and the views of the agricultural community readily set aside. We believe that, in predominantly agricultural communities, the planning system should favour the views of the community, or go yet further and designate areas of land for agricultural use to the exclusion of other intrusive forms of ownership.

4.2 The government guidance on planning, which places the emphasis on a presumption of allowing development, was used by the district planning committee to override the (very recent) local plan for our district, despite the caveat that this should not generally happen, in contravention of the wishes of our parish council and local residents.

6 September 2018
Combe Fields Parish Council – Written evidence (REC0002)

Combe Fields Parish Council may not to be able to give constructive answers / comments on the points raised in most of the consultation document, but does but does consider itself able to comment on topic (#5).

- Combe Fields is a small Parish of less than 100 registered voters, including mainly, but not exclusively, agricultural and hospitality businesses adjacent to Coventry, and bordered by both the M6 and M69. Also located within the Parish is one of Britain’s hi tech business parks - Ansty Park.

- All Ansty Park businesses enjoy the benefits of Super Fast Broad Band (SFB), the indigenous Parishioners of Combe Fields Parish do not. There is a Government funded (SFB) scheme hosted by Coventry Solihull and Warwickshire (CSW). To date, apart from a few exceptions, there is little evidence of SFB being generally available within our Parish.

- HMG must ensure that the same zeal to provide SFB for the hi-tech semi-urban community is shared out equally to the adjacent rural community. In our Parish’s case, and other similar locations, the hi tech estate owners / SFB providers should be forced to share their facilities.

31 July 2018
General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The Scottish Government Research Paper ‘Understanding the Scottish Rural Economy’ says Scotland’s rural economy is what is produced, built, delivered etc. in Rural Scotland and by people living there. SCDI has stated: ‘We need to harness the skills, talent and resources of rural Scotland to benefit all of Scotland because significant economic activity takes place in rural Scotland, where over 20% of our population lives.’ The ‘Understanding the Rural Economy’ Paper continues: The first challenge when defining the rural economy, is to establish which areas count as rural. For social survey data there is a standardised approach to defining whether respondents or households are in urban Scotland, or varying degrees of rurality or more Remote Rural Scotland. Definitions for social survey data are updated using data from the National Records of Scotland on population and transport data on remoteness. In order to get a more holistic and detailed picture of rural Scotland, this paper applies a new classification of the rural economy taking more factors into account that are considered rural, both in the literature and in existing classifications. The new Rural & Environment Science & Analytical Services (RESAS) Classification clusters local authorities according to their level of rurality and establishes four different groups, which are labelled as “Larger Cities”, “Urban with Substantial Rural areas”, “Mainly Rural” and “Islands and Remote”. This new classification of the rural economy does not replace the main Scottish Government Urban/Rural classification which should be used for all non-economic data. The classification is based on a quantitative analysis that allows us to identify key drivers of rurality such as the relative share of population in pensionable age and broadband connectivity. An index was calculated that ranks local authorities according to their degree of rurality.

The Scottish Government Research Paper states that the rural economy has undergone significant structural change over the past twenty years. This positive trend of a growing rural economy is captured by chart 6 below that highlights the sectors that have grown strongest since 1997 in rural Scotland. The data used here stems from the ONS and includes all sectors and both the public and private sector. Scotland’s Mainly Rural economy has nearly doubled between 1997 and 2015, from around £16.4 billion in 1997 to around £31.3 billion in 2015 (91% increase), while the economy in Islands and Remote areas has grown from £1.9 billion in 1997 to £3.3 billion in 2015 (74% increase).

Figure 2: Relative GVA performance of strongest and weakest growth sectors in rural local authorities – between 1997 and 2015 (1997=100)
Here, seven sectors out of eleven are most striking: ‘Business Services’, ‘Other Services and Household Activities’, ‘Information and Communications’, ‘Construction’, ‘Agriculture, Fishing and Forestry’, ‘Manufacturing’ and ‘Financial Services’. While the former four sectors have shown the strongest relative GVA growth between 1997 and 2015, the latter three have grown the least in relative terms.

‘In Islands and Remote Rural areas, ‘Information and Communications’ and ‘Construction’ have grown strongest. ‘Information and Communications Services; accounts for 2% in Island and Remote Rural areas and has more than doubled since 1997. ‘Construction’ accounts for 9% of the GVA in the area and has even increased by 131%. On the other end of the scale, we find that ‘Agriculture, Fishing and Forestry’ – accounting for 3% (Mainly Rural) to 4% (Islands and Remote) – has shown the lowest GVA growth in rural Scotland with no growth at all in Islands and Remote and a growth of 34% in Mainly Rural Scotland.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The Scottish Rural Development Programme 2014 - 2020 delivers Pillar 2 of the EU Common Agricultural Policy (CAP). It funds economic, environmental and social measures for the benefit of rural Scotland. The key purpose of the SRDP 2014 - 2020 is to help achieve sustainable economic growth in Scotland’s rural areas. Pillar 2 schemes comprise a number of schemes including LEADER which is a bottom-up method of delivering support for rural development and is primarily aimed at developing and establishing small-scale, community-driven projects that are pilot and innovative in nature. Vitally the benefits and participation of the local community in the project is fundamental to the LEADER ethos. For example: the programme managed by the Outer Hebrides LEADER Local Action Group (LAG) who are a public-private partnership comprising
representatives from community trusts, agencies, voluntary sector and other support groups from throughout the islands attributed locally tailored key objectives in the Outer Hebrides LEADER 2014-2020 Local Development Strategy, and all projects must contribute to at least one of these objectives.

Rural successes can be shared over a rural networking platform allowing sharing of good practice: [results of monitoring and evaluation of LEADER PROGRAMMES Local Development Strategies](https://www.far-net.org.uk/farnet-evaluating-clld-a-handbook-for-lags-and-flags)

Community land buyouts under Community Right to Buy legislation should be further supported as a success story and in Eilean Siar community groups have taken control over some previously owned private estates allowing these groups to be active in determining their own future through renewable energy developments, affordable housing, and development of their tourism potential. Also in Eilean Siar community owned energy projects have been very successful such as [Point and Sandwick Trust](http://www.pointandsandwicktrust.org) who: ‘use the income of community generated wind power to support local social, cultural, educational and environmental development’: ([Point and Sandwick Trust](http://www.pointandsandwicktrust.org)).

‘Smith Commission’ recommendations that the management of Crown Estate assets in Scotland, and their revenues, should be devolved from the UK level led to the Scottish Crown Estate Bill on 24 January 2018 being introduced to the Scottish Parliament. The main aims of the Scottish Crown Estate Bill are to: reform the duties of the managers of Scottish Crown Estate assets; provide legal powers for the transfer and delegation of management of Scottish Crown Estate assets to bodies other than Crown Estate Scotland; create a national framework which ensures local communities, local authorities and industries can benefit: ([Source: Scottish Government, The Crown Estate in Scotland](https://www.gov.scot/About/Parliament/Policy/Devolution/ScottishCrownEstate.htm))

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Scotland’s Economic Strategy identifies those sectors where Scotland has a distinct comparative advantage: Food & Drink (including agriculture & fisheries); Creative Industries (including digital); Sustainable Tourism; Energy (including renewables); Financial & Business Services; Life Sciences. Our rural areas support a million people and are an important part of the Scottish economy, with significant amounts of economic activity in sectors such as tourism, farming, fishing, food, drink and renewables. Indeed some of the fastest growing sectors of the Scottish economy in recent years, such as the food and drink sector, have a significant presence in rural areas. The rural economy is heavily interlinked with our cities, providing vital natural resources and skilled people which help other sectors of the economy to flourish.

However, it is important to recognise the diverse nature of the rural economy, with areas subject to a number of challenges relating to their geography. There are a number of fragile communities which we have supported over a number of years and will continue to do so going forward. [Scotland’s £1.3 billion Rural Development Programme (SRDP)](https://www.gov.scot/Topics/Scotland/Local-Economy/Policies/SRDP) over the 2014-20 period supports actions that benefit Scotland’s natural heritage and in doing so, provide a basis for the
growth in areas such as tourism and hospitality. The SRDP will also foster networking and innovation in land-based businesses, promote growth of the Food and Drink sector and strengthen local economies. Scotland is the largest producer of farmed salmon in the EU, and the aquaculture industry as a whole makes a substantial contribution to our rural economy, with ambitious targets to grow it further: (Source, Scottish Government’s Economic Strategy.)

Also prevalent in remote island areas such as Eilean Siar is a high degree of fuel poverty. ‘With households in the Outer Hebrides experiencing the highest levels of fuel poverty in the UK, supporting consumers to reduce their energy costs is a key strand of the approach local agencies are taking to tackling fuel poverty’: (Source; Am Paipear) Island areas are very important in the contribution they can make towards the international low carbon agenda. A 2013 report for the UK and Scottish governments concluded that wind projects on the Western Isles, Orkney and Shetland could supply around 3% of the UK’s total electricity demand whilst potentially creating hundreds of local jobs: (Comhairle nan Eilean Siar).

SCDI states: Employment is undergoing a fundamental and potentially radical transformation in response to the societal and technological changes of the Fourth Industrial Revolution, as humankind’s capabilities in Artificial Intelligence, automation, digitisation, robotics and nanotechnology. As these global changes gather pace, jobs will be created which currently do not exist or have yet to be imagined, and existing roles will be disrupted or transformed. Few, if any, industries or workplaces are likely to be unaffected. As noted in SCDI’s Automatic... For The People? report, rural employers will have to plan for and adapt to these changes; employees will have to up-skill and re-skill; and Government will have to ensure rural communities manage the associated risks and exploit the significant opportunities through investment in infrastructure and education.

Reaching 100% (R100) is a programme being led by The Scottish Government as it works towards its target to provide access to superfast broadband to 100% of premises in Scotland by 2021. The R100 programme will look to fill the gaps that will be left after the two current superfast broadband programmes come to an end: (Source, HIE).

Regarding changes such as Brexit the National Council of Rural Advisers states that: “a trade deal between the UK and the EU preserving access to the single market and free movement of people would be the least worst option for rural Scotland. Loss of EU funding (some £5b between 2014-2020) to Scotland is a major concern to communities and businesses. Rural Scotland benefits from a number of EU funds with investments supporting areas such as local development, social inclusion, skills, collaboration, advice, knowledge transfer, capital investment, business efficiencies, environmental protection, technology and research and innovation. The importance of Common Agricultural Policy (CAP) funding to the Scottish agriculture sector must not be underestimated with support payments in 2016 contributing over £490m of the £749m Total Income From Farming in Scotland. For the non specialist Less Favoured Area Sheep Sector CAP support was 230 per cent of Farm Business Income. The SRDP Programme through EU CAP Pillar 2 funding was key in creating and safeguarding over 30,000 jobs under the previous programme.
4. How can access to transport be improved in rural areas? Remote areas such as Eilean Siar rely on vital connection links to the mainland via our ferries and planes.

_Disruption to ferry services and subsequent frustration_ as expressed by the local authority Comhairle nan Eilean Siar has taken place over recent years and has had a negative knock on effect on our tourism sector. The local authority has asked for increased resilience on the Stornoway to Ullapool route in the form of an additional ferry. _The results of an Outer Hebrides Scottish Transport Appraisal Guidance (STAG) study commissioned by Transport Scotland in late 2017 are awaited regarding the undertaking of an options appraisal of ferry services to, from and within the Outer Hebrides, including the Sounds. The study will identify and appraise options for the long-term (i.e. for the next 30 years) provision of services to, from and within the Outer Hebrides._ The Comhairle has also: ”recognised the significant levels of investment made by the Scottish Government, not only in terms of new vessels and infrastructure improvements but also in the level of subsidy provided to the operator and we can see the economic and wider benefits realised through the introduction of RET. Whilst there are a number of further improvements we continue to campaign on, we welcome this continuing level of support for the islands and its communities.” At the NCRA workshop in Benbecula frustration was expressed at the delay regarding completion of the new ferry which is to be allocated on the Uig-Lochmaddy-Tarbert route which will not now be entering service until at least summer 2020 which will be over 2 years late in completion. The local authority _Comhairle nan Eilean Siar also expressed disappointment_ stating: “This is a significant and critical issue for the islands in that the continuing lack of capacity during the peak summer period will mean continuing constraints to the growth of important business sectors in the islands such as tourism and aquaculture”.

There are several Highlands and Islands air routes which would not be commercially viable without support, so _Transport Scotland_ help to make these routes successful through use of public service obligations (PSOs), which are obligations imposed on a carrier to provide a set level of service on a particular route in order to ensure that the service satisfies fixed standards of continuity, regularity, capacity and pricing. Subsidy has been paid by the Scottish Government on the Glasgow-Tiree and Glasgow-Barra route since the mid-1970s. Under European regulations PSOs were imposed in the mid 1990s to enable subsidy to continue being paid on these routes. The Scottish Government’s contract with Loganair runs until 24 October 2019.

PSOs have also been imposed on routes within Shetland, Orkney, Comhairle nan Eilean Siar and Argyll and Bute Council, all of which are subsidised by the local authorities. The subsidy ensures that these isolated communities have air links with a main centre. Under the terms of the European Regulation, it is necessary to seek competitive bids on an EU-wide basis to allow subsidy to be paid. This Regulation (No 1008/2008) sets out the economic framework for air transport in the Community and provides for the maintenance of lifeline air services. This means that socially necessary air services can be subsidised to ensure continued operation: (Source, _Transport Scotland_)
The **Air Discount Scheme (ADS)** is a Scottish Government initiative under the European Union's General Block Exemption Regulation. Its main aim is to make air services more affordable for remote communities in the Highlands & Islands and facilitate accessibility and social inclusion by providing a discount of 50% on the core air fare on certain eligible routes. Eligibility for the scheme - anyone whose permanent/main residence is in Colonsay, Orkney, Shetland, the Western Isles, Islay, Jura, Caithness and North West Sutherland; Registered Third Sector organisations who have employees/volunteers that have their permanent/main residence in an eligible area. Non eligibility for discount flights includes for example; People travelling on any service where the cost of travel is being met in whole or in part by a third party; People travelling on Public Service Obligation (PSO) flights; People travelling for the purpose of business: (Source, **Air Discount Scheme**). For the Eilean Siar region it is vital in the context of Brexit that these public benefits regarding our ferry and air services are retained.

**SCDI**: Other Key questions which need to be considered and answered include: Will there be the infrastructure for Connected and Autonomous Vehicles and Electric Vehicles in rural areas? What will be the impact on the provision of rural bus services? Could mobility services offer more responsive transport services? What partnerships and changes in legislation and regulation might be needed to encourage these services and make sure that they benefit all parts of society?

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

At the National Council of Rural Advisers (NCRA) ‘**Rural Thinks Workshop**’ held in Stornoway in April 2018 participants stated regarding rural digital connectivity, that the reliability and consistency of delivery of internet connection was a significant issue. Participants explained that there is a great deal of inconsistency: some areas have 4G while others don’t. Concern was raised over the impact of this on people, from tourists who wish to access Google maps, to people who work from home. “Connectivity shouldn’t be a barrier to your place of work. Having proper infrastructure and connectivity in place would mean you are remote from no-one.” **SCDI** refers to: rates of working multiple jobs and of self-employment are around twice as high in rural Scotland, with between a quarter and a third of all workers working for themselves. Part-time work and homeworking is also more common. These atypical forms of employment provide workers with increased flexibility and can increase innovation and entrepreneurialism. However, such employment is also insecure, resulting in lower average wages and greater financial instability. Meanwhile, a significant proportion of those working part-time would prefer full-time employment. As atypical employment because increasingly common in line with societal, business and technological change, rural Scotland’s need for related support from Government and others will increase. The focus should be on stimulating secure, full-time, well-paid and permanent employment.

At the **NCRA Benbecula workshop** participants expressed a need to improve infrastructure to support island living. They felt there was a lack of equality in the delivery of infrastructure in comparison to mainland Scotland. Key areas discussed were internet connectivity, and transport links.
6. What can be done to improve and maintain provision for essential services such as health care, education and banking in rural areas?

At the **NCRA Benbecula workshop** participants stressed the need for development of key local Services including childcare, to enable people to be able to work, as well as accessible health services where removal of the dental service from **Lochboisdale** to Balivanich involving a 50 mile round trip has met with local opposition. Recently the suggested closure of the last bank in Castlebay, Isle of Barra and others earmarked for closure are following public opposition to undergo a **review by an independent company which will deliver its findings by September**.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

The Scottish Government Cabinet and COSLA Leaders agreed the **Town Centre First Principle** in July 2014: ‘It asks that government, local authorities, the wider public sector, businesses and communities put the health of town centres at the heart of proportionate and best-value decision making, seeking to deliver the best local outcomes regarding investment and de-investment decisions, alignment of policies, targeting of available resources to priority town centre sites, and encouraging vibrancy, equality and diversity’.

For more rural areas rather than a main town centre further rural support measures are required in the form of bespoke government/other financial assistance such as a higher amount of business rates relief/ start up grants/ expansion grants or other targeted rural measures.

**Business, employment, skills and demography**

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

For those working in the private sector they are more likely to work for small businesses, especially in the most remote areas. Unemployment and inactivity tend to be lower in rural Scotland, but much of this may be the effect of an outflow of working age people to urban Scotland in search of improved job opportunities. (Source: Scottish Government: Understanding the Scottish Rural Economy)

Scottish Council for Development and Industry **SCDI**: “Make sure Government policies, regulations, planning and support mechanisms help local businesses.”

**SCDI**: Existing packages of support can be insufficiently flexible to reflect the diversity of contemporary businesses and excessively focused on growth sectors. Local businesses would benefit from products and services which are responsive and tailored to their bespoke needs. Support could also be concentrated in areas with low business birth and high business death rates.

In terms of Brexit and Regional State Aid which the **Commission** defines as aid: ‘to support economic development and employment. The regional aid guidelines set out the rules under which Member States can grant state aid to companies to support investments in new production facilities in the less advantaged regions of
Europe or to extend or modernise existing facilities. The guidelines also contain rules for Member States to draw up regional aid maps (the geographical areas where companies can receive regional state aid, and at which intensities). Sparsely Populated areas such as Eilean Siar receive a higher rate of aid (2014-20 UK Regional Aid Map) and loss of this will impact local economic development and employment.

SCDI The public sector could also stimulate rural economic growth in its procurement practices by supporting local businesses by local-sourcing of products and services. Formalising should be explored by Government. As the UK prepares to leave the EU, a business-friendly UK immigration system needs to be designed in concert with the private sector. Rural Scotland is strongly reliant on migrant, temporary and migrant labour to fill positions in the agricultural, food processing, construction and health and social care sectors. Straightforward and low-cost movement of labour from inside and outwith the EU/EEA is a key priority for Scottish business employers in the UK’s negotiations with the EU. As the Scottish labour market nears peak capacity, with unemployment at historic lows and employment near a record high, inward migration is critical to plug growing skills shortages. Nearly half of Scottish businesses report difficulty finding a suitable employee to fill a vacancy, rising to two-thirds of firms in the tourism sector.

Small- and medium-sized enterprises are the backbone of the Scottish economy, representing 99% of all firms and 41% of all jobs. Rural Scotland is reliant on small- and micro-businesses to an even greater extent for economic activity, access to goods and services and employment opportunities. 68% of private sector employees in Remote Rural Scotland work for small businesses, compared with 54% in Accessible Rural Scotland and only 32% in Scotland’s remaining, largely urban, areas. Given the demographic size of many rural communities, creating a small number of new jobs in absolute terms can have a large social and economic impact. There should, therefore, also be a strong focus on supporting small- and micro-businesses to expand and take on more employees.

9. How can deprivation and inequality in rural areas be tackled?

SCDI states: 79% of all Scottish SMEs are led by men; 3% are led by an individual with an ethnic minority background. It is likely that these inequalities are even starker in rural areas. Through technology and improved connectivity, people can be brought together to create new communities and overcome the challenge of isolation. However, the larger work of tackling wealth and income inequalities requires Government investment and intervention – projects to deliver affordable housing; training programmes to up-skill and re-skill the unemployed. Significant investment is also required to overcome one of the most significant inequalities faced by people in rural Scotland: physical and digital connectivity. Improving rural broadband speeds, roads and bus and rail services would increase economic activity by improving the ease and speed of trade for producers and consumers; reduce business costs; improve access to online and in-person employment, education and training opportunities; and attract increased tourism and inward investment.

Wages and Earnings do show some differences between rural and urban Scotland, with the highest wages being in Accessible Rural Scotland, and lower
wages in the remote and urban areas. The gender pay gap (when measured crudely by median incomes) also shows that Remote Rural women have the lowest median wage and the biggest gender pay gap in Scotland. (Source: Scottish Government: Understanding the Scottish Rural Economy)

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

SCDI states: The Fourth Industrial Revolution can create quality jobs across numerous sectors if opportunities are seized. If there is a positive business environment with excellent infrastructure and connectivity, similar investors can be attracted to rural Scotland. To attract and retain young people and other talent in rural Scotland, there need to be exciting opportunities for progression in the industries of the future. The local authority Comhairle nan Eilean Siar’s Corporate Strategy for 2017-2021 identifies tourism including marine, and renewable energy as local growth sectors. It pledges to invest in young people’s futures by providing apprenticeships which address skill shortages in the national and local economy; provide more proactive proposals to graduates such as low cost housing, business start-up grants, and business units; realise the social and economic benefits of Gaelic language and culture; retain our young people by providing training in our traditional and growth industries.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Scottish Government Understanding the Scottish Rural Economy states: ‘Clearly Scotland’s ageing population issues are most acute in some of the most remote area. Continuing access to new labour and migration can help to mitigate this.’ The local authority Comhairle nan Eilean Siar’s Corporate Strategy for 2017-2021 states that the: Health and Social Care Partnership’s vision is that by 2021, the people of the Outer Hebrides will be living longer, healthier lives at home, or in a homely setting. We will have an integrated health and social care system which focuses on preventing ill-health, anticipating care needs and supporting recovery. We will work with people and communities to develop a framework of mutual responsibility for health and wellbeing, framing the rights and responsibilities that we all have as residents of the Outer Hebrides. First class health and leisure facilities will be provided to ensure that the local population are empowered to stay healthy and independent.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed? SCDI: competition from platforms such as Airbnb has meant that many landlords find it more profitable to lease their property for a small number of days a year to meet tourist demand, than to provide secure, year-round accommodation to local families and workers. Affordable, quality housing – as with the availability of childcare and leisure options – is critical to attracting and retaining skilled workers in rural Scotland in areas of labour shortage, including the medical and teaching professions. Many rural communities have old, disused or decaying buildings which could be renovated and re-purposed to deliver
regeneration and provide new homes or start-up premises. The New Supply Shared Equity scheme is part of the range of assistance from the Scottish Government under the Low-Cost Initiative for First Time Buyers (‘LIFT’). It aims to help people on low to moderate incomes access home ownership and to buy a new build home from either a Local Authority or a Registered Social Landlord.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

**SCDI:** In rural areas where the tourism industry is especially strong, it is vital that infrastructure and amenities – including accommodation, car parks, toilet facilities, retail, roads and public transport keeps pace with growth in visitor numbers to support consolidation and further expansion. Some attractions and communities have reached peak capacity, hampering their ability to achieve additional growth, such as Skye. The third party or “equal” right of appeal proposed for inclusion in the Planning (Scotland) Bill is of deep concern in this regard. Such a change to the existing planning system, which can often be prohibitively slow and complex, would act as a barrier to economic development. The planning system should support increased economic growth.

**RTPI:** As part of the ongoing review of the Scottish planning system RTPI Scotland has produced a series of thinkpieces aimed at providing workable solutions to supplement the proposals made by Scottish Government in its consultation paper, Places, People and Planning. One thinkpiece tackled how Local Place Plans (LPPs) could work in practice. The key principle is that all communities would have the right to initiate a community led planning process subject to meeting specified but succinct criteria. The thinkpiece specifies two scenarios in which LPPs could be prepared: 1. Priority areas as identified through Community Planning in Local Outcome Improvement Plans (LOIPs); and, 2. Areas outlined for major change by the relevant Local Development Plan (LDP). This would help communities to shape major development, especially through the master planning process.

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

**SCDI** states: The creation and continuation of specifically rural programmes or agendas, and of portfolios with singular responsibility for rural issues, should not result in the marginalisation of rural Scotland. SCDI’s members are clear that rural economic needs should not be an afterthought in mainstream portfolios and programmes, which should not be perceived or operated, either by default or otherwise, as “urban” portfolios and programmes. Some SCDI members have raised concerns that this is not always be the case. When mainstream economic policy is being developed the Scottish economy must be considered holistically with regards to geography. The Scottish Government’s Rural Economic Strategy, and other similar rural-specific policy documents, should offer additionality. All Ministers and their Agencies are of course accountable. SCDI launched a Rural Commission representing all of rural Scotland, including off-shoot rural communities in the Central Belt, earlier this year (2018) to make
recommendations to Government and others. Its work will continue over the next year and more as it considers the diverse needs and characteristics of Scotland’s rural communities.

The Scottish Rural Parliament is organised by Scottish Rural Action (SRA) every two years, who aim to be a powerful voice for the people of rural Scotland. Members can be national organisations, community organisations (those with a local or regional remit) or individuals. Associate membership is also available for public bodies, juniors (under 16) and others. It is free to become a member.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

As mentioned the aim of Outer Hebrides LEADER & EMFF is to empower communities to develop their own area using innovative approaches and cooperation. LEADER and EMFF are European Union funded Marine and Community Development schemes which focuses on delivering a bottom-up method of support for rural development. They are primarily aimed at supporting small-scale, community-driven projects that are pilot and innovative in nature and which benefit the Outer Hebridean communities. The Outer Hebrides programmes ensure that the benefits and participation of the local community is fundamental to the LEADER and EMFF ethos of networking, co-operation, transferring knowledge and integrating activities through enabling the delivery of the objectives of the Local Development Strategy which was developed for and by local communities.

Through the ‘Our Islands Our Future’ campaign, the three Scottish island groups (Eilean Siar, Orkney and Shetland) have achieved a level of autonomy from mainland control, enshrined in the Islands (Scotland) Act 2018. Under the Islands Act: a) Scottish Ministers must produce a National Islands Plan which will deliver specific outcomes for island communities; b) legislation, future and historic, must be ‘island proofed’ to ensure no negative impact on islands; and, c) island Local Authorities are enabled to assume Regional Marine Planning powers from Marine Scotland.

10 September 2018
Community Action Northumberland (CAN) is the Rural Community Council for Northumberland. CAN works to provide a voice for rural Northumberland, empower organisations and support individuals. This means understanding the issues/needs faced; working with organisations and communities to meet these needs; and implementing projects to address gaps.

Our response to the questions raised by this call for evidence is set out below.

**General Questions**

**What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Rural economies are incredibly diverse and make a significant contribution to national economic performance. Farming and tourism are of critical importance but to pigeon-hole rural economies as being solely about these sectors would be a mistake. The environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted – from manufacturing and service industries to knowledge intensive and creative sectors. Enterprise and opportunity are abundant with rural areas often providing a breeding ground for high growth businesses which can migrate to more populated areas as expansion plans require.

Much business activity in rural areas goes unseen by policymakers and support providers due to scale. Indeed, almost 18% of rural businesses have no employees, being sole traders or partnerships (more than double the equivalent urban figure). Some 84% of employees in rural areas work in SMEs and 22% of all rural jobs are home-based (compared with 13% in urban areas).

An excellent analysis of the current state of play of small businesses in particular, and the opportunities which exist in rural areas, is provided by work undertaken by Newcastle University: ‘Small Rural Firms in English Regions: Analysis and Key findings from UK Longitudinal Small Business Survey, 2015’ (Centre for Rural Economy & Newcastle University Business School, September 2017). For example, this states: “more rural firms have goods or services suitable for exporting than which currently export, and rural firms are less likely to expect to grow their workforce. Obstacles to rural business success are cited as regulations or red tape, staff recruitment and skills, and taxes, rates and National Insurance (NI) that concern significantly more rural than urban firms.” Other evidence shows that low wages and low productivity are clearly limiting factors as are skill levels.

**Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**
SQW were commissioned by Defra to evaluate the Rural Growth Network (RGN) 3 year pilot initiative which ran between 2012 and 2015 with £12.5 million from Defra and £1.6 million from the Government Equalities Office. The initiative was set up in response to barriers to rural economic growth identified in the Rural Economy Growth Review. The aims were to encourage rural economic growth and to generate and disseminate lessons on what works in this context.

One of the pilot RGN areas was located in the North East covering rural Northumberland, Durham and Gateshead. This pilot enjoyed great success, in particular in relation to its 'Rural Business Support Programme.’ This programme achieved the following outputs during its 2 years of operation:

- 463 existing businesses assisted
- 675 people helped to become enterprise ready
- 149 new businesses created
- 179 jobs created

A full description of this programme is contained in the report North East rural growth network business support- final report 2015.169

A legacy from the North East RGN pilot was the establishment of the Rural Connect network which brings together independent enterprise hubs across the rural parts of the region, providing them with a joint marketing platform and opportunities to network and learn from each other. CAN has provided a facilitation function for the network for 2 years and is currently negotiating with the North East LEP to continue this support.

The formal evaluation of all UK RGN pilots, carried out by SQW, points to a number of successful interventions which can help inform future policy and programmes including supporting both new and existing businesses to grow. 'Final Evaluation of the Rural Growth Network Pilot Initiative’ (SQW, May 2016)

An additional example is provided through a report commissioned by Defra (working in conjunction with BIS) in 2013 and produced by the Institute for Employment Studies (supported by the Countryside & Community Research Institute). This investigated the degree to which rural businesses access national employer skills and government business support programmes. A key finding of the report was that: “Access to national mainstream employer skills programmes and government business support programmes among rural businesses may be improved if information and advice on how to apply for support is proactively provided (ideally face-to-face or by telephone) by a stable set of intermediaries.” LEPs and others should take account of the need for such intermediaries in delivering skills development and business support programmes to ensure that the full potential of rural businesses is realised. (‘An assessment of the degree to which rural businesses access national mainstream employer skills and government business support programmes’ (Institute for Employment Studies, September 2013) )

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This conclusion was proven to be the case in the North East RGN pilot scheme.

**How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The rural economy will continue to diversify. However, serious concern exists with respect to the impact of Brexit on farming and related activity. Whilst accounting for a relatively small proportion of rural employment and GVA, farming underpins the environment of rural areas, which is key to further diversification, and impacts on many other economic activities. Much of the financial support which is currently directed at farmers will be spent and re-spent within the wider rural economy. It is critical, therefore, that ongoing support for the industry is provided at the correct level.

Brexit could present an opportunity to increase food production and processing, both to serve export markets but also to serve the UK, regardless of any trade deals which are or are not put in place. Rural areas contain large numbers of businesses of all scales producing food and drink proving a robust platform for future development.

However, as noted above, rural economies are incredibly diverse and make a significant contribution to national economic performance. There is no such thing as a single, homogeneous “rural economy” – indeed in most rural areas multiple economies operate with different needs and opportunities. This will continue in the future and will be further supported by technological change. The precise geography of this diverse, growing economy will depend on the geography of broadband, fibre and mobile connectivity development. It is critical that all rural areas keep pace with technological developments and any market failure in service provision is filled by government intervention.

The delivery of effective broadband, and its utilisation, is a clear area of opportunity for rural businesses. Useful research has recently been provided via a rural business survey carried out by Rural England and SRUC which found only 19% of rural businesses had a superfast connection and most (59%) relied on standard broadband. It also found high rates of dissatisfaction with connection speed and reliability. The survey estimates that if constraints to digital adoption, such as skills issues, could be overcome it would unlock at least £12 billion of extra productivity per annum (Gross Value Added). (‘Unlocking the digital potential of rural areas across the UK’ (Rural England and SRUC, March 2018)

Despite significant public investment, a sizable gap persists in relation to levels of connectivity in rural and urban areas. In England’s rural areas, for example, 15% of premises – households and businesses – are unable to access a broadband connection with a 10 Megabits per second download speed (industry regulator, Ofcom, considers this a necessary speed for everyday online tasks). Mobile connectivity has improved, but the indoor signal is poor in England’s rural areas, with phone calls on all four networks only possible at 59% of premises. Meanwhile, using 4G on all networks – giving fast internet access – is only possible inside 19% of rural premises.
The funding for 5G test bed projects announced earlier this year is welcomed but the funding commitment for these projects are for a year. A longer term commitment is required and the opportunity needs to be taken to ensure rural businesses are well represented in this testing.

The recent pledge by government to prioritise the connection of hard-to-reach rural areas in its future support for the roll out of full fibre broadband networks is hugely welcome and it is important that this pledge is seen through to fruition.

The planned introduction of a broadband Universal Service Obligation (USO) is welcome. However, the proposed level of that USO, at 10 Mbps, will be out-of-date by the time it comes into effect (2020). Ofcom should review this before its introduction.

There is a clear opportunity, if connectivity issues are addressed, to see significant increase in the number of digital businesses located or being established in rural areas. Where connectivity issues have been addressed this is already beginning to happen and could be accelerated.

Business, employment, skills and demography

**How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

Businesses in rural areas are often remote from government and other institutions. Business support is often seen as confusing and urban centric. Constant changes to organisations and programmes has the potential to further confuse businesses and, therefore, improvements to existing structures is preferred to any wholesale restructuring in order to begin to provide continuity and certainty.

LEPs are key delivery organisations and some have an effective approach to rural areas. The North East LEP has maintained support for a capital grant scheme, building on the former Rural Growth Network pilot which has been very welcome. However, too frequently LEP programmes have little consideration for the opportunities and needs presented by existing and new business located in rural areas with many programmes selecting the ‘lowest hanging fruit’ in relation to beneficiaries with little or no support available for the smaller business which predominate rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by rural economies. Specifically in relation to the recent government policy paper on LEPs, CAN supports the suggestions made by the Rural Services Network and others that:

- The planned Government statements on ‘the role & responsibilities of LEPs' and 'Local Industrial Strategies' should include a specific reference to the need to consider rural areas within LEPs. This would help to ensure all LEPs take proper account of their rural economies.
Rural Proofing should be included in the proposed induction and training programme for LEP members and officers. This would go a long way to helping to embed rural areas in LEP thinking. Defra could usefully deliver this training and take advantage of a potentially golden opportunity to put rural proofing into practice.

In addition, a dedicated rural business support programme should be put in place. In 2020 EU programmes, such as the LEADER and EAFRD initiatives, will come to an end. These have provided funding streams for rural business growth, diversification and innovation. They have, however, been fairly narrow in scope and modest in size. Government should replace them by designing a dedicated business support programme, as part of its proposed Shared Prosperity Fund. This should be flexible in scope — potentially open to all business types and sectors — enabling local delivery to be tailored to match locally decided priorities. There is an opportunity for Government to scale-up its ambitions for the rural economy by announcing a significant investment programme.

The Industrial Strategy, along with Local Industrial Strategies, should be rural proofed. The Government’s Industrial Strategy is an important document. Many of its objectives are or could be highly relevant to the needs of the rural economy. However, in order for its benefits to reach into rural areas there will have to be careful ‘rural proofing’. New policy initiatives that emanate from the Industrial Strategy should be tested at an early stage to ensure they take account of rural economic needs, opportunities and circumstances. Rural examples should be included wherever initiatives are piloted and rural specialists should sit on groups that are tasked with taking forward parts of the strategy document.

What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

There are many tried and tested approaches to addressing the issues of social isolation in a rural context both through local authorities and the third sector. For example, CAN’s award winning ‘Warm Hubs’ programme directly tackles isolation in some of the country’s most remote communities. You can view more information and a short film explaining Warm Hubs via this link.

Rural housing and planning

How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed? How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

The affordability of housing is a key issue for the rural workforce and hence for rural businesses and the rural economy. Average house prices are £44,000 higher in rural areas than urban areas (2017). Further, housing is less
affordable in predominantly rural areas, where lower quartile (the cheapest 25%) house prices are 8.3 times greater than lower quartile annual earnings (2016).

Options for those on low incomes seeking social rented housing are typically very limited in small rural settlements. Only 8% of households in villages live in social housing. By contrast, 19% of households in urban settlements live in social housing (2011 Census).

The rural stock of social rented housing has shrunk under the Right to Buy policy, with sales quadrupling between 2012 and 2015 to reach 1% of the stock each year. Although the sale income is intended for reinvestment, only 1 replacement home was built for every 8 sold in rural areas during this period, and those replacements are rarely in the same settlement. Second homes and holiday lets often add to rural housing market pressures and are a significant cause of local opposition to new housing development.

A significant issue affecting the delivery of affordable homes in rural areas in recent years has been the planning policy change which removed the requirement to deliver affordable homes on small sites. Most development sites in rural areas are small. Recent changes to planning policy exclude small sites (of less than 10 dwellings) from the requirement that private developers include a proportion of affordable homes within developments has had a significant and negative impact for the delivery of rural affordable housing. Indeed, this was the main way such housing was built and it required no public subsidy. A simple solution would be to exempt all small rural settlements from this policy change, allowing affordable housing quotas again where they are most needed.

At the end of 2016, the advent of the Community Housing Fund was a welcome addition to the options for funding affordable homes in rural areas. In 2018, this fund was opened up to all parts of the country. It is important that a fair share of the Community Housing Fund, which supports community land trusts, co-housing and self-build projects, should be allocated to rural projects, thus meeting the original objective for this fund, rather than seeing the vast majority of the funding swallowed up by large schemes in more populated areas.

**Government Policy, Devolution & Local Government**

**Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

There is an urgent need for government to set out how it will approach and support rural economies and rural communities in the future. Whilst the government’s ‘Health and Harmony’ consultation document begins to address such issues in relation to food and the environment, this represents a small subset of the entirety of the rural economy and the issues facing rural communities. Any suggestion that such wider issues will be addressed via ‘mainstreaming’ through other strategic documents, such as the Industrial Strategy, fail to recognise the bespoke attention required to meet the needs and build on the opportunities available in rural areas.
There must be proper consideration of all the critical issues facing rural communities and rural businesses. CAN supports the national call for government to produce a comprehensive, cross government and cross organisation strategy for rural areas. This is the only way to ensure rural businesses and rural communities are given due consideration and to make sure that wider strategic policy, such as that set out in the Industrial Strategy and ensuing Local Industrial Strategies, properly reflect the issues and identify specific measures to build on the wide rural opportunities which exist.

Yours sincerely

Andy Dean
Chief Executive

7 September 2018
Community Pharmacy Wales (CPW) – Written evidence (REC0027)

Rural Health Planning – Improving Service Delivery across Wales

Part 1: Introduction

This response is submitted by Community Pharmacy Wales (CPW) to the House of Lords Select Committee on the Rural Economy consultation on the rural economy.

Community Pharmacy Wales (CPW) is the body whose function is to represent and negotiate NHS contractual matters on behalf of all community pharmacy contractors in Wales.

Pharmacies across Wales currently provide valuable services in communities across Wales, including; in rural communities, in urban deprived areas and in the heart of the metropolitan centres. Together, the current network of 716 community pharmacies in Wales constitute the most convenient and easily accessible sources of professional health advice and support to people who live in rural areas. A significant percentage of pharmacies in Wales can be classed as operating in rural areas. In addition the Wales Rural Observatory in its Research Report 13 2007, noted that

*The continuing importance of small towns in providing public services for the rural population is demonstrated by the geographical distribution of healthcare facilities, police stations, secondary schools and libraries across rural Wales. Eighty-six percent reported that they had at least one pharmacy.*

A unique combination of location and accessibility makes the community pharmacy network an ideal vehicle to support a strategy designed to improve access to services to people who live in rural areas. CPW believe that the community pharmacy network is ideally placed to make a significant contribution to patient education and to deliver a range of highly valued community pharmacy services that can be fully integrated with other service providers, will meet identified needs and will improve access and choice for people living in rural areas.

In responding to this consultation we will primarily confined ourselves to dealing with the following two questions:

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

CPW is content for this response to be made publicly available.
Part 2: The role of community pharmacy in rural locations

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Community pharmacy remains the major untapped resource in rural locations and offers the potential both to increase primary care capacity and to release capacity in GP practices. More effective utilisation of community pharmacy capacity can also facilitate the movement of workload from secondary to primary care. With more pharmacy outlets than GP practices in many rural areas, it is difficult to envisage how primary care services to patients in rural areas could be optimally delivered without the full engagement of the community pharmacy network.

CPW believe that fully integrating rural pharmacies into the rural primary care network will result in significant benefit to patients. Further, delivery through community pharmacies rather than GP surgeries often proves more cost effective as well as keeping health care centred in local communities.

The key areas in which community pharmacy can help meet the rural challenge are:

1. The management of minor ailments and self limiting conditions.
2. Reducing demands on GP Out-of-Hours (OOH) services and A&E departments.
3. Providing convenient and accessible point of care testing for patients.
4. Supporting self care and the adoption of healthier lifestyles.
5. Helping to deliver public health priorities.
6. Absorbing some of the workload associated with the management of chronic conditions.

The Welsh Government has protected and enhanced the role of community pharmacies in meeting these objectives through a range of initiatives including the national delivery of a minor ailments service and new provision for emergency supply, taking pressure off out of hours services.

CPW believes more can be done though to enhance the community pharmacy network in a rural setting. For example, diagnostic testing is integral to modern medical treatment and developments in point of care testing equipment and techniques have opened up the opportunity for modern point of care testing to be delivered away from traditional settings. Providing a range of diagnostic testing through the community pharmacy network in rural areas will improve patient access and reduce workload in GP practices and rural hospitals. Establishing national standards for equipment, processes, procedures and quality assurance will ensure that tests carried out in community pharmacies and other diagnostic service providers can be used with total confidence by GPs and consultants and the need for duplicate testing is eliminated.
Community pharmacies are also in an ideal position to innovate in respect of bespoke rural provision. A good example of innovation in this respect is in the rural community of Llanidloes, Powys. A new award-winning independent prescribing service is transforming the way in which primary care is being delivered there. In association with Arwystli Medical Practice, the Dudley Taylor Pharmacy is now able to treat patients with acute illness within the pharmacy, reducing the need to visit the GP.

Commenting on the service, local community pharmacist Dylan Jones from Dudley Taylor Pharmacy is on the record as saying:

“All though in its infancy, our independent prescribing service is already helping to provide greater choice to patients, particularly as we are able to offer a prescriber service on Saturday when the practice is not open. We have also developed a wide range of other local services that complement the GP practice. This includes a respiratory box scheme, smoking cessation, asthma reviews and a benzodiazepine reduction clinic.”

This initial pilot was funded through Powys Local Health Board, but the model has been so successful it is likely to be rolled out through other rural parts of Wales with the support of Welsh Government.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Community pharmacies in rural locations also fulfil the dual role of healthcare provider and local retail business and as such are an integral part of the social capital of rural areas. Their services are greatly valued by patients and a recent report confirms that patients find that pharmacies are more conveniently located than doctors, banks, post offices and petrol stations.

Indeed, in some rural communities the community pharmacy has survived well beyond the lifespan of other facilities; and may well be the most high paying employer in that location, bearing in mind the skill level required of staff and the need for a pharmacist on the premises to prescribe at all times.

It is critical to the ongoing survival of the community pharmacy network that there is both financial security and continuing footfall. Online pharmacies are a clear challenge to this physical network, and so is any lack of confidence arising from cuts to the community pharmacy network as has happened in England or any retraction in service provision.

The best steps any government can take to protect the community pharmacy network and therefore the rural high street is to protect and enhance the services offered there. This is both economic and health common sense.

28 August 2018
Community Transport Association (CTA) – Written evidence (REC0160)

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

1. The Community Transport Association (CTA) is a national charity that leads and supports other local charities and community groups across the UK which provide transport services that fulfil a social purpose and community benefit, where the market has failed to provide services that cater to community needs. This is due either to ‘unprofitable’ services being reduced, withdrawn or altered, leaving communities either without service altogether or with limited services that do not meet needs; or because the commercial services that are available are inaccessible particularly to those with mobility issues, such as the elderly and disabled. The impact of this is felt keenly in rural areas where communities are more isolated and have fewer transport alternatives.

2. Contrastingly, community transport services are operated on a non-profit basis, meaning that they cater to the needs of the passenger rather than to the market. Many of our members, through demand-responsive services and community buses, help to support local rural economies by connecting people to businesses and vital public services, such as shops, GP surgeries, hospitals and banks that they would otherwise not be able to reach. Community transport also enables people to access work and educational opportunities, helping communities to retain young people who may have otherwise moved to urban areas, and making local businesses more accessible to the workforce.

3. There have been several programmes which have contributed to helping community transport to deliver these benefits to the rural economy. The Community Minibus Fund, which provided funding for 390 community transport providers (£25 million in the first round and a further £2 million in the second round) to help purchase new minibuses for their organisations, is a notable example. Former Parliamentary Under-Secretary for Transport, Andrew Jones MP, described the fund as ‘hugely successful’, helping community transport providers to expand their operations and connect more people to their communities. The success of this scheme could be easily replicated by introducing a third round of funding. The second round of funding was aimed at operators who provide transport for educational organisations; the third round could be targeted at setting up section 22 services that are open for public use. This would enable people from across the community to reach and provide custom to local businesses which would help to support the rural economy.

4. The CTA are also currently delivering a new project, The Connecting Communities in Wales Project, which is working to increase and improve the services available at a local level to ensure that more people, especially in
rural areas, can benefit from flexible and affordable transport. So far, successful bids have been awarded to organisations which support older people with disabilities and dementia sufferers. Still in progress is a bid to purchase 50 scooters for a Wheels to Work scheme and a recruitment drive for volunteer drivers. This scheme is one that is still in its infancy, but it has thus far been a successful approach that could be extended to support rural communities in England.

Q4. How can access to transport be improved in rural areas?

5. Many of our members’ beneficiaries are those who cannot drive a car and cannot access public transport because of mobility restrictions, cuts to services, or both. These problems are particularly pronounced in rural areas, which have a higher proportion of elderly people and have suffered most from cuts to services.

6. To improve accessibility, the CTA would recommend making transport:

a) **Community-led** – the future of transport networks should always be rooted in the experiences of the community, who know the area and the priorities of its people. The 2017 Bus Services Act has equipped local authorities with greater powers over how their local transport networks are run; using these provisions, local authorities should actively consult with communities to better understand what solutions would best suit their needs and what existing resources and assets are already out there that can be integrated into the transport system and built upon to generate savings and improve efficiency.

b) **Multi-modal** – lack of confidence about the first or last part of an end-to-end journey might mean that it never takes place or someone drives all the way. This is particularly pertinent in rural areas where the bus stop or train station is likely to be further away from a user’s home. The future of transport in rural areas should encompass demand-responsive services which can boost the patronage of existing services. For example, community transport often provides the first and last mile of a journey, transporting users from their home to public transport stops/stations.

c) **Prioritise accessibility in the procurement and commissioning process** - CTA encourages targeting improvements to those with the greatest needs, which makes it better for everyone else too. This is a simple premise – if something is not good for someone with a visual impairment, arthritis or dementia, then chances are that it is not that great for many other people too. If local authorities placed the accessibility of a route and service at the heart of the procurement and commissioning process as a key criteria, this would ensure that services are accessible by default rather than by design much later in the process.

Q5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
7. Lack of information and poor passenger experience is often cited as two of the key reasons for using the car in rural areas over other transport solutions. These barriers can be directly attributed to the digital divide between urban and rural communities; in rural areas, people are much less likely to have access to super-fast broadband or 4/3G mobile data coverage, compared with those in urban areas.

8. To provide an efficient and coordinated transport service, it is vital that users have access to real-time, user-friendly passenger information, which is reliant on strong digital connectivity. This is especially important in areas with longer journey times, and when passengers are relying on integrated transport (for example, community transport linking into other public transport routes to complete a journey), where digital communication is vital to ensuring that different stages of the journey are properly integrated.

9. Where data coverage is poor, as is often the case for rural communities, it impinges upon the ability to provide efficient, integrated and demand responsive services. This, in turn, negatively impacts passenger experience and fuels the argument that rural transport is unreliable.

10. To tackle this issue, the problem of poor data coverage in rural areas must be addressed to allow for improved digital communication between different service operators, and between operators and passengers.

Q6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Q7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

11. Community transport is central to enabling people to access essential services and rural amenities. Many rely on community transport to access basic amenities such as going to the local pub, shopping, visiting the bank and post office, as well as to make medical appointments to local GP surgeries and hospitals. CTA’s State of the Sector report revealed that health related journeys was the second most common purpose for community transport operators, with 74% carrying these out and over 56% stating that health transport trips had increased over the past 12 months.

12. The access to services provided by community transport is fundamental in sustaining the provision of these amenities in rural communities which are poorly served by the commercial network; if people could not physically access them, they would be more likely to be further centralised and hence become inaccessible for everyone.

13. In Ryedale District, for example, where a population of approximately 51,700 is dispersed widely across an area of over 1,500km², rendering services unprofitable and hence unattractive to commercial operators, the local community formed Ryedale Community Transport (RCT) to meet unfulfilled transport needs. One of RCT’s most successful schemes is their Wheels To
Work scheme, which enables people to access work and educational opportunities using rentable mopeds. This programme has enabled communities to retain their young people and has also contributed to local businesses by making them more accessible to the workforce and customers. Individually, users have reported that the scheme has had a positive effect on their mental health by enabling them to socialise and work where they had been previously stuck at home.

14. Similarly, following the demise of the postbus 15 years ago and the threatened closure of the local primary school which also served as a hub for community activity in the large rural Isle of Mull in Scotland, the Ulva Ferry Community Transport scheme was born. Using an electric car and a hybrid diesel-electric minibus specially adapted for those with mobility issues, they connect with public transport to provide an integrated service connecting people with other communities; while the minibus is regularly used by Ulva Primary School to enable children to get to PE and swimming lessons. Both vehicles are also used by visitors so that they can explore the beautiful area without their own car or driver. Hence the scheme has encouraged families and young people to stay in the community, simultaneously boosting tourism and contributing to the isle’s doubled population during the summer tourism period.

15. While the role played by community transport in supporting local services is well understood, there seems to be a disparity between how government values and looks after community transport, and the actions that they are taking to protect these vital services, which are currently being put at risk by the Department for Transport’s proposed changes to the use of section 19 and section 22 permits.

16. To further improve, maintain and support essential services and local amenities in rural areas, CTA recommend the following:

a) **Put measures in place to facilitate volunteers** – discounted/free parking for volunteer drivers and set-down points for community minibuses, for example, would help to improve the accessibility of high streets, enabling community transport operators to better assist passengers closer to their destinations.

b) **Funding** – a barrier for many communities in setting up a community transport service to fill gaps in transport provision is the issue of funding. An investment programme to help establish community transport services would help to overcome this issue.

c) **Ensure that accessibility is placed at the heart of transport design and development** – We believe that accessibility should be a measure of success for any good transport network in order for it to be truly inclusive of all people. ‘Quality’ should not just be considered in terms of routes, fares and frequency of service but also in terms of the accessibility of those routes and services. Improved accessibility will make transport more inclusive particularly of elderly people and those with disabilities, and especially for those with the added disadvantage or rural isolation.
Improving accessibility will help to sustain local businesses, services and amenities as described above.

d) **Integrate community transport** – there should be better consideration of the way in which community transport can be integrated into future projects aimed at expanding the rural economy. Too often, projects do not give sufficient attention to planning how people will access those services and transport planning can be an afterthought once budgets and resources have been allocated. Where charities have minibuses that have under-used capacity, for example, these can be pooled for community use. Integrating community transport in this way will generate savings at all levels and help streamline service delivery. For example, a report by the CTA and the Urban Transport Group (UTG) in March 2017 found that incorporating and funding community transport to help manage NEPT demand could bring savings to the NHS of £74.5 million per year. It also helps to retain community groups who would otherwise relocate to better serviced, often urban, locations.

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What it might be done to ensure that Government and other public bodies hear and act on rural voices?**

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

17. The CTA welcome recent transport initiatives. The Bus Services Act has strengthened the powers of local leaders so they can shape their local transport networks for the benefit of their passengers, who have also been given a greater say over what they should look like. Total Transport also provides a body of new thinking which shows the benefits of linking the commissioning and provision of services such as school and hospital transport with the wider network. This could be a significant driver in taking a more creative and collaborative approach to enabling a more effective integrated local passenger transport network.

18. However, to better support rural economies, the government should ensure that new initiatives are rural-proofed and the impact of new policies on rural areas are sufficiently considered. For example, the proposed changes to the use of section 19 and section 22 permits will have a significant impact on rural areas where there are often no transport alternatives, but there have been no measures thus far to mitigate this disproportionate impact.

19. Moreover, using the provisions of the Bus Services Act, local authorities should proactively work with community transport providers to co-design solutions. By virtue of supporting and working daily with vulnerable communities in rural areas, community transport providers understand well the needs of their passengers and are well-placed to co-create solutions and provide resources.
20. Local authorities should also actively commission services that deliver social value and benefits to the rural economy. All too often, local authorities expect community transport operators to deliver socially necessary services, without directly commissioning them to do so. Instead, they encourage them to bid for contract work with the indirect expectation that the funds accrued from this will be used to deliver these socially beneficial services on the side, when the process could be made more efficient with direct commissioning.

14 September 2018
Confor – Written evidence (REC0145)

Confor: Promoting forestry and wood (www.confor.org.uk) is a not-for-profit membership organisation which represents 1500 sustainable forestry and wood-using businesses across the UK. Confor represents the whole forestry and wood supply chain and focuses on strategic issues vital to the success and sustainable future of the sector. Confor is happy for this response to be published.

1. **What do you understand by the 'rural economy'? How has it changed over recent years, and what has been the impact of these changes?**

The rural economy encompasses a very wide range of activities including:
- Production of food, timber, and renewable energy
- Businesses that add value to local produce including food and timber processing
- Local, national and global natural capital including carbon sequestration, flood mitigation, air and water quality, biodiversity and beautiful landscapes
- Tourism
- Rural service industries

Over the years, food production has become economically less significant compared with other parts of the economy. The impact of these changes has been to diversify the rural economy. This should have resulted in a more economically, socially and environmentally sustainable rural economy, but successive government policies which focus on farm production (including food as well as fodder and energy crops) at the expense of all other sectors has held back the potential for enriching and modernising our rural economy.

2. **Could you give examples of notable success and good practice in the rural economy? How might rural success be replicated and better promoted?**

3. **How do you see the future of the rural economy? Where is the greatest potential for growth and what might be the impact of technological and other changes?**

There is huge potential for growth in timber production.
- England is one of the least afforested countries in Europe with only 10% tree cover, compared with around 40% in the rest of Europe.
- The UK is the second biggest net importer of forest products in the world, after China
- Global timber prices have risen sharply this year, and are set to continue long-term growth. WWF estimate that global timber demand will treble by 2050 as economies develop and renewable alternatives to materials like cement and plastic are sought. Most recent Forestry Commission data
shows that domestic timber prices have risen by approx. 30% in the last 12 months.

- England has a high demand for new housing and other timber products, but as an importer the UK is vulnerable to prices rises.
- There is growing pressure on governments to cut carbon emissions. Growing trees and storing their timber in harvested wood products (such as houses) is the only cost-effective, scaleable mechanism we have to sequester carbon, taking substantial pressure off other pressures like transport and industry to make substantial cuts on a short timescale.

For all these reasons, timber is likely to become increasingly valuable. England has excellent conditions for growing timber and, when integrated into livestock farm businesses, can have substantial co-benefits in terms of profitability, animal welfare and natural capital enhancement.

4. How can access to transport be improved in rural areas?

The transport of 10 million tonnes of timber per year across rural Britain raises particular issues. Forests are often located in remote locations with poor road infrastructure.

Rural roads require modernisation to allow for 21st Century land uses.

The Timber Transport Forum has done detailed work on the challenges and solutions for transporting timber and should be consulted in any detailed consideration of this issue.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The most important effect of poor digital connectivity is its implications for health and safety.

It is a serious barrier for forestry workers and timber processors. If a forester cannot be contacted when working on site, they may lose the next piece of business. If a sawmill or wood processor cannot keep up with the digital technology used on the continent, our industry will be globally uncompetitive.

The government must ensure that this service is provided to all rural businesses.

6. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

No answer.

7. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Public sector rural funding and resourcing must be distributed more equally across the rural economy according to agreed priorities, rather than being overwhelmingly concentrated on agricultural production for historic reasons. This will not only help to develop businesses which are not directly land-based, it will also help farmers and landowners to diversify, modernise and become profitable.
8. How can deprivation and inequality in rural areas be tackled?
9. How can more young people be encouraged to stay in or return to rural areas and contribute to their local communities?

Forestry and timber processing provides a wide range of career opportunities, including graduate-level management and technical positions, and a wide range of jobs at every level of skill. Forestry careers run right through the supply chain and are as diverse as tree nursery technician, planter, deerstalker, management agent, machine operator, haulier, saw doctor, or office work such as administration and marketing. The structure of the sector provides strong opportunities for diverse career paths in large or small companies, self-employment, and seasonal work, with opportunities for promotion within the sector or to switch from other careers. The Institute for Chartered Foresters drives professionalisation within the sector.

Promoting the growth of the forestry sector would not only help to improve profitability of farms, it would create significant opportunities for associated rural careers to tackle deprivation and inequality and encourage young people to remain and develop careers in their local communities.

10. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

No answer

11. How can the affordability of rural housing be improved?

What are the other challenges associated with rural housing and how can these be addressed?

A challenge associated with all housing in the UK will be the rising cost of materials. Being so dependent on timber imports makes us vulnerable to changes such as weakening Sterling and rising prices of timber internationally, both of which have occurred this year causing a sharp spike in timber prices which will inevitably impact the cost of rural housing.

Building houses which are lower in their ‘embodied’ carbon footprint and higher in energy efficiency will require increasing use of timber.

Developing an integrated ‘home-grown homes’ initiative which connects woodland creation today to the need for a supply of material for sustainable and affordable rural housing in the future is vital to solving this challenge in the long term.

A ‘home-grown homes’ policy will also result in investment in rural industry which adds value at every stage from trees to timber homes: sawmills, engineered timber plants to create the materials used in housing (for example, cross-laminated timber, glulam, particle board); and offsite timber construction which means not merely rural homes but our cities of the future are grown and manufactured within a vibrant, green and local rural economy.
A more immediate way in which forestry can help to solve the challenges of rural housing is to develop the use of sustainable wood fuel heating to address fuel poverty. This can also help incentivise better management of native woodlands, which at present are often uneconomic and unmanaged. The Woodsure certification scheme for wood fuel is an important tool for ensuring this is achieved sustainably.

12. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

No answer.

13. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Government is uneven in the attention it pays to the rural economy. Far too often it uses ‘rural economy’ to mean agriculture, or gives agriculture far greater attention compared with other rural sectors than its economic or social significance merits. The government must develop a more holistic and integrated understanding of the rural economy.

14. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might co-ordination between bodies be improved?**

No answer.

Eleanor Harris
Policy Researcher

10 September 2018
**Copeland Borough Council – Written evidence (REC0038)**

**General issues**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

The rural economy is frequently focused on forestry, farming and land management, but some more isolated rural economies, such as Copeland, can be heavily reliant on one major industry located in the area on the basis of its isolation. This can impact on the areas capacity for growth, stifling diversification and breadth in skills development. Behind this sit the deep rural issues to sustain communities and some level of local economy to ensure goods and services for residents and visitors. In a national park and environmental locations - particularly with national and world heritage significance and/or status, such as Cumbria - the rural economy needs continued nurturing.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

We strongly support the Rural Services Network advocacy of DEFRA’s Rural Growth Network as an opportunity to stimulate bottom up growth and support diversification. Joint working which actively engages all tiers of local government and partners with communities and local businesses providing services has assisted in new tourism developments along the coast of Cumbria.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

We see that a key opportunity for rural areas is as a vanguard for rural health delivery, developing remote and digital solutions to healthcare, particularly focused on the aging population that dominates rural areas. The lack of digital infrastructure in a topology / mountainous area such as Cumbria provides real challenges to the ability to grow small home based enterprises. The requirement for local hubs to support the development and expansion opportunities of small rural enterprise hubs becomes particularly important where digital assistance is more challenging.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

More investment for local schemes.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
Research carried out by Rural England and SRUC found that only 19% of rural businesses had a superfast connection and most (59%) relied on standard broadband. It also found high rates of dissatisfaction with connection speed and reliability. The survey estimates that if constraints to digital adoption, such as skills issues, could be overcome it would unlock at least £12 billion of extra productivity per annum (Gross Value Added). (*Unlocking the digital potential of rural areas across the UK* (Rural England and SRUC, March 2018)

Smart phone connectivity is a challenge in areas of no or poor connectivity where a wide range of customer access and business is undertaken through apps.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

We are exploring opportunities for hub services in rural towns, bringing together health and social care, alongside public services – both statutory and supportive, including library provision. By focusing services around a rural town hub, we aim to increase value for money and sustainability, while keeping services as close to their client base as possible in a rural setting. By combining statutory services with those supportive of financial and digital inclusion and social integration, we hope to improve health and wellbeing and utilise social prescribing as part of local health solutions. The role of credit unions and local collection points to assist with access to finance is key to a number of local communities experiencing a loss of high street banking presence.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

We advocate wider delivery from rural town “hubs” through village “spokes” such as shops and pubs to support these facilities by increasing local use and rural provision. Use of business networks and secondary co-operative models to enable services to be mobile and visit areas rather than have fixed locations. Links back to the hub and spoke opportunities.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Assistance with discretionary rate relief has been helpful.

9. How can deprivation and inequality in rural areas be tackled?

There has to be recognition that there are pockets of severe social and economic deprivation in rural areas and that this does not just occur in cities. It requires a combination of a number of issues above including access and digital, localised services being able to stay and grow within rural settings and increase job opportunities and skills within rural areas.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?
See above answer to question 2 – rural growth networks. Agenda is about skills requirement and digital enablement and a focus on working with young people on aspirations and opportunities.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

A fair allocation of funding is needed to rural areas. Funding for the NHS, for social care and for public health should each be overhauled to reflect actual patterns of demand for those services and to take better account of the extra costs of provision in sparsely populated areas. As a matter of principle, residents in rural and urban areas should receive equitable service provision. Local taxation has become unable to meet rising social care needs and there is now a case for financing the social care services managed by local authorities in a different way, with their statutory provision being fully funded by central Government. This would address the current unfairness in the system and would make it easier to cope with future demand.

See also responses to previous questions about digital health and mutual hub approaches to maximise integrated delivery. Statutory, voluntary and community services supported and enabled to work in partnership.

*Rural housing and planning*

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

**Affordability**
Planning policies and Section 106’s can ensure that new developments contain a percentage of affordable housing, but developers cite viability as a barrier to providing this – new NPPF closes loophole stating that price of the land is not a justification for not following planning policies. Consider the creative use of commuted sums to help with affordability – new build and renovation of existing stock or bringing empty properties back into use.

The issue is not just property prices – Copeland is one of most affordable places in UK. However, lack of public transport/infrastructure makes commuting for work/leisure expensive, thus making rural living less affordable.

Second homes and holiday lets often add to rural housing market pressures, especially in popular tourist areas. This can be exacerbated in areas reliant on key employers where contractors can also occupy rental accommodation during the working week, impacting on market availability and price, but putting little back into the local economy as wages go home with the worker on the weekend. Cost of housing should link to income levels in areas where affordable housing is an issue.
Availability is also an issue for some deep rural areas—second home ownership or people not moving as there is no suitable housing to move to within same community.

Support is needed for some towns in rural areas with housing issues where market failure is demonstrated. Inclusive Growth relies on supporting areas that need additional support, rather than building on areas where the market is already performing.

Challenges
Being able to evidence the need for additional housing in small settlements to satisfy developers, due to minimal evidence available and having to use projections.
Significant amount of CBC rural housing in LDNP—restrictive planning policies are intended to protect local people and communities, but this may prevent housing being built due to low numbers.

Needs of the wider community should be considered—e.g. people who have left and want to move back, or people with connections to the area. There is a need for a degree of incoming families to maintain schools and other services.

The issue in CBC is not always the affordability of housing but the ability to provide a deposit to buy. There are options to address this such as schemes on new developments.

Provision of extra care/supported housing for rural areas so people can stay in their communities—there are viability issues due to low numbers and lack of suitable sites. There is a lack of interest from major developers to provide smaller sites, so incentives are needed.

Community Led Housing can help, but takes a long time unless significant support is available. New funding may help.

The ageing population/decline in working age population—creates issues with supply/demand

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

See also answer to q 12
A significant issue affecting the delivery of affordable homes in rural areas in recent years has been the planning policy change which removed the requirement to deliver affordable homes on small sites. A simple solution would be to exempt all small rural settlements from this policy change, allowing affordable housing quotas where they are most needed.

A dedicated rural affordable housing programme would also ensure that sufficient focus is given to the affordable homes needed in smaller rural settlements. There is a need for a specific grant programme designed to boost delivery at small rural settlements by housing associations. The grant rates on offer should take account of the fact that undertaking small-scale development in rural areas is
comparatively costly. Similarly, a fair share of the Community Housing Fund, which supports community land trusts, co-housing and self-build projects, should be allocated to rural projects, thus meeting the original objective for this fund.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

There is a need to see these rural issues clearly picked up within the fair funding review and outcome. The need for services and hence rural economy generally and the additional cost to deliver is well documented. The importance of digital infrastructure to assist in efficiencies of service delivery in rural settings should be recognised.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

LEPs play a vital role in supporting diverse rural growth and should refer to the support offered through the Rural Services Network. This submission by Copeland Council is supportive of the whole content of the RSN paper on this subject.

Submitted on behalf of the council by Peta Leigh, Policy officer.

6 September 2018
Executive Summary

This evidence is submitted from Cornwall Council and has been collated and written by Stephen Horscroft, Economic Growth Officer with the Economic Growth Service of Cornwall Council. The submission has been sanctioned by Glenn Caplin (Service Director of Economic Growth and Chief Executive of the Cornwall and Isles of Scilly Local Enterprise Partnership) and Cllr Bob Egerton (Portfolio Holder for Economy and Planning Cornwall Council).

- Lack of agglomeration factors for Cornwall and the Isles of Scilly contribute to its productivity challenge. Closing the gap through improving connectivity, knowledge and innovation is vital and progress is being made in these areas. Cornwall has some great examples: such as the creation of a Food Enterprise Zone through an effective public/private partnership.

- ‘The economy of a rural area’ is the appropriate way to look holistically at the challenges and the inter relationship between businesses and sectors; as well as the role of natural capital in providing the basis for business sourcing and brand. Farm diversification and supply chains are a major element of this within the context of a unique settlement pattern in England.

- Rural regions such as Cornwall and the Isles of Scilly are vital for ‘UK Plc’. This includes food, energy, culture, tourism, innovation and knowledge across a range of sectors.

- Knowledge and business sustainability are retained and expanded through ensuring that the ‘last 5%’ of businesses are connected to Superfast Broadband in deep rural areas where there are businesses up every country land and the visitor requires connectivity on the move. Digitisation of Government and competitiveness of markets makes this vital.

- Such an approach is also needed to enable social cohesion when banks disappear or pressurised healthcare models need to be delivered in a different way; to also support preventive measures and avoid further long term pressure (as far as possible) on health and social care.

- Fiscal challenges are an important consideration: including how to support businesses to graduate sustainably to the VAT threshold and the challenge of business rates balanced with a need to maintain the local services that support businesses which they supply. Cornwall is looking to pilot a ‘VAT escalator’ scheme to encourage business growth.

- More generally, Government policy and procedure need to be rural proofed in the same way that they are equality assessed. Inclusive growth is an essential element for a successful Shared Prosperity Fund: to encourage and enable people to be engaged in economic growth and ownership. Abolition of bodies such as the Commission for Rural Communities has not helped.
Cornwall Council – Written evidence (REC0039)

- A single pot approach and simplification is needed for the Shared Prosperity Fund.
- ONS experimental data suggests that 55% of Cornwall and Isles of Scilly exports are to the EU. This market will remain crucial.
- Rural workspace takes time to come to fruition and should not be compromised by the housing imperative.

**General issues**

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 The SW Rural Productivity Commission highlighted the extreme rural nature of the SW Peninsula and its peripherality from markets and city regions. This peripherality and lack of agglomeration act as a break on productivity and we can see a rural urban productivity gap of 8%. The report calculated that closing this gap would secure an additional £3.9bn per annum across the Peninsula.

1.2 It is important therefore that there is a holistic view of the economy of a rural area and appreciation of the interaction between sectors and the challenges in measuring the activity of businesses that operate in more than one sector. For example the relationship between tourism and its impact on retail activity or the farmer that also operates a construction or haulage business. This plurality is common in rural areas but the mix of activity is not uniform in all areas.

1.3 Where the market has failed (or simply as a reaction to broader perceptions of the market economy ‘not working’) the role of social and community enterprise has provided a viable village shop in Blisland, a network of maritime businesses based in Falmouth (the growing Cornwall Marine Network which also has international significance); and a spread of community halls (many of which were funded through previous EU and Neighbourhood Renewal monies) which provide a range of local services and community presence in those villages (such as Lelant) which have lost every other shop besides (in that instance) the local pub. Indeed, there are now no bespoke funding streams for village and community halls which can often provide the first step for members of the community who were in fact learning to run a micro business.

1.4 So, historically the term “rural economy” was viewed as only encompassing ‘traditional’ industries such as farming and food production as they made up the majority of the economic output of rural areas. In Cornwall and the Isles of Scilly in 2016 total GVA from Agriculture was £217 million, equal to 2.3% of total output. Food processing accounted for £248 million or 2.6% of total output. Both sectors are more important to Cornwall and the Isles of Scilly than for England as a whole in percentage terms.

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170 Note, by this we mean the four LEP areas of C&IOS, Dorset, HOTSW and SWLEP
1.5 However, in more recent years as a predominantly rural area (using DEFRA’s definitions) whilst agriculture, food and their supply chains still make up a significant proportion of our economy the “actual” economy is now much more diverse than it was even 10 years ago. The increase in farm diversification (50% of farms now have some form of diversification), the wider supply chain that relies on agriculture and food production (the average Cornish Diary farm trades with over 50 businesses), tourism, home working and businesses who are located in Cornwall and the Isles of Scilly means that the range, scope and scale of businesses is now very different. Many of these businesses are ‘under the radar’ in the sense that they may not meet the VAT threshold or are based at home so are not paying business rates. With the right incentives there is opportunity for growth: these are not just fiscal but also need to focus on the deployment of skills in an increasingly competitive market.

1.6 The answer is to provide a ‘carrot’ approach to business growth and not a ‘stick’ in terms of finding ingenious new ways to tax business.

1.7 “The OECD report entitled “Rural Urban Partnerships (insert footnote with hyperlink to report) – an integrated approach to economic development” published in 2013 stated that Government should “encourage rural actors to identify a development strategy around functional geographies which should be flexible and allow for different urban- rural interactions”. It also stated that “National Governments should encourage better integration across policy sectors, such as between agriculture and regional development policy……. which may otherwise work in isolation”.

1.8 In another OECD report that reviewed Rural Policy in England in 2011 (insert foot note reference) it also stated that “as a rural region is by definition an aggregation of small settlements, it is impossible for the economic structure to resemble that of an urban region at anything other than at broad brush level. A more nuanced and disaggregated approach suggests that the economic structure of rural England is quite different than urban England”. It also stated that “if City Regions are to be a part of the spatial development strategy for England, then there has to be some policy in place for those rural areas not part of a City Region. At present the City Region strategy seemingly ignores the rural component.

1.9 In the context of the UK SPF these reports demonstrate to us that a one-size-fits-all, centrally directed approach will not succeed in rebalancing the economy. Activity should be developed and selected at local area level, within the overall programme objectives of economic growth and convergence and Local Industrial Strategies

1.10 Rural regions offer a unique perspective and need for funding. It is here that the productivity challenge is more pressing. 40% of the UK population resides in either rural areas or related small towns. The issue of productivity will not be addressed without a specific focus on post Brexit food policy and the role of natural capital in not only supporting that security but also providing the setting for the nation’s health and wellbeing.
Therefore we believe that viewing the economy as the “economy of a rural area” rather than a “rural economy” will shift the context for discussion to the geography of an area rather than the more traditional sector based approach, with a holistic focus on the issues that need to be addressed to promote business growth together with social and environmental sustainability.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 England’s rural areas contribute 20% to its total GVA and 24% of England’s businesses are in rural areas but the average broadband speed for rural England is almost ten points lower than the average. While Cornwall and the Isles of Scilly have 95% fast broadband coverage there are a variety of businesses ‘down the country lane’ that do not have this: either for their own management and growth or to meet the expectation of mobile workers and visitors and Government moving to online delivery of services and information.

2.2 In addition current government policy seems to favour the agglomeration impact of City Regions (invest in the City region and the benefits will spread outwards) and whilst this may work for those rural areas that are within the influence of a City Region it does not work for those rural areas that are outside this influence (such as Cornwall and the Isles of Scilly). Therefore a rural growth approach is required and this is recognised through the work of the South West Rural Productivity Commission who are developing a series of asks and offers focused on digital, food and farming and tourism. While digital and strategic transport connectivity is the glue that enables accessibility between and into the larger settlements in the South West, many smaller settlements (towns and villages, particularly in Cornwall) face challenges beyond digital connectivity (already illustrated) in terms of connectivity and accessibility between places. So, the success of the economy in rural areas is predicated on connectivity overcoming peripherality together with brand and effective marketing.

2.3 Tourism – for example – can provide an effective shop window for wider business investment and a showcase for the wider ‘product’. This can effectively be done through building up a customer base that can (for example) receive Cornish food and drink products as they would receive internet shopping when they are not here. This is something that the Rural Productivity Commission implementation phase is seeking to focus on.

2.4 Business Improvement Districts (BIDs) offer an important opportunity for rural market towns to decide their priorities and provide a small additional levy on business rates to focus on these: whether it be signage, marketing materials etc. The challenge is for those dispersed rural areas where there is not the concentration of businesses paying business rates to be able to fund vital activity to accelerate growth.

2.5 One successful model has been the Norton Barton Artisan Food Village (focused on an existing Farm) which secured its Food Enterprise Zone status
in 2016 and has a Local Development Order encompassing the site that has created a planning framework for the development of the site over the next 15 years. Investment Grants have been secured from the EAFRD Growth Programme by three businesses on this site which has led to the expansion or “scale up” of Popti Bakery and Cornish Charcuterie and the creation of a new business The Cornish Distilling Company. In addition improvements to the road access have been made by Cornwall Council and connectivity to superfast broadband is also being delivered as part of the EU funded Superfast Cornwall project. This site has generated significant employment opportunities in a rural area that exceed what would have been available through normal farm related activity. This raises significant issues in relation to the maintenance of rural roads which are vital for business in the face of local authorities having to make choices to maintain and improve other routes.

2.6 Trewithen Dairy near Lostwithiel was the other site selected to be a ‘Food Enterprise Zone’ in Cornwall. Business need has overtaken the LDO process for this site and recent expansions on the site have been subject to normal planning applications. Based on a redundant farm site there are now over 180 people working on this site creating much needed employment in a very rural area of Cornwall.

2.7 The Cornwall Agri-food Council, LEP and Cornwall Council are also working with other sites to see if they can be progressed as all partners see the focus created by Food Enterprise Zone status and the possible use of LDO’s as being a useful way of encouraging clustering and accelerating growth and productivity. Our ambition remains to classify the whole of Cornwall and the Isles of Scilly as a Farming and Food Enterprise Zone and then use whatever support “levers” we have available (grant, loan, business rate relief, LDO, etc.) to facilitate development of businesses and communities across our dispersed geography.

2.8 To facilitate this, infrastructure to develop economies in rural areas needs to be bespoke. When the National Infrastructure Commission visited Cornwall it was impressed on them the role of rural areas in supporting the resilience of the wider UK economy and the critical importance of coastal defences, soil quality, renewable resources and environmental stewardship in contributing to that success.

2.9 Success also has to be in the context of a long term strategy. Building local capacity is not an instant achievement, nor is ensuring the sustainability of a rural project or business. That is why Cornwall’s case for the Shared Prosperity Fund is partly based on an approach for multi annual (10 year) funding to ensure integration of revenue and capital opportunities.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Non-metropolitan areas account for a significant proportion (56%) of England’s economic output. These are diverse economies, characterised by
their micro and small nature and further distributed by levels of rurality. In 2016, GVA from predominantly rural areas contributed 16.4% of England’s GVA (about a fifth of England’s total economic activity) and was worth an estimated £246b: compared to 25% for the ‘10 core cities’. In 2015-16 there were 537,000 businesses registered in rural areas (24% of the England total) employing 3.5m people: the employment rate in 2016 was higher in rural areas compared with urban areas. Exports from rural areas enable cities to function.

3.2 Estimates from Cornwall Council for 2015 suggest that 48% of GVA was in ‘non-urban or fringe’ areas of Cornwall. No Cornish town has a population over around 25,000 and ‘conurbations’ include villages that are close to these officially ‘urban’ centres: such as around the towns of Camborne, Pool and Redruth or the clay and coastal villages close to St. Austell.

3.3 Growth in Cornwall and the Isles of Scilly during the periods of EU funding has been significant during the 2000-17 period of EU funding so far, with percentage increases below:

<table>
<thead>
<tr>
<th></th>
<th>Cornwall and the Isles of Scilly</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population growth</td>
<td>11.8%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Median House Price</td>
<td>285%</td>
<td>295%</td>
</tr>
<tr>
<td>Employee Earnings (Median)</td>
<td>54.1%(2017: £17,873)</td>
<td>45.7%(2017: £23,349)</td>
</tr>
<tr>
<td>Productivity per job</td>
<td>24.5%</td>
<td>43.3%</td>
</tr>
<tr>
<td>L4+ Qualifications</td>
<td>63.8%(2017: 32.9%)</td>
<td>46.3%(2017: 37.9%)</td>
</tr>
<tr>
<td>Higher level occupations</td>
<td>27%(2017: 42%)</td>
<td>15%(2017: 46%)</td>
</tr>
</tbody>
</table>

Cornwall and the Isles of Scilly sectoral GVA for 2016 is illustrated below:

3.4 The Centre for Cities estimated that in 2017 80-90% of exports from Plymouth and Exeter went to the EU (linked to areas of activity such as transport logistics) and Oxford Economics have cited a number of comparator rural counties to Cornwall (including Somerset, West Sussex and Cumbria)
where over 30% of GVA is achieved through exports. Experimental data released by ONS suggest that Cornwall and the Isles of Scilly exports were worth £539m in 2016 (5.7% of the total economy), but in terms of volume the region was the third lowest out of 40 LEPs. Through the Strategic Economic Plan (Vision 2030), Cornwall and the Isles of Scilly have the ambition to increase the share of employment in export intensive industries. Firms that export are more productive than those which sell exclusively to the domestic market and this is a key part of increasing the overall productivity of Cornwall and the Isles of Scilly.

3.5 Comparing sectors to national proportions:

3.6 55% of the total exports were destined for the EU market and the sectors most dependent have been identified as manufacturing, crude materials (including china clay), machinery and transport equipment, chemicals and related products and food and live animals). The EU market is also vital for a number of sectors where considerable added value linked to import functions; dominated by food and live animals at over a £100m worth of trade.

3.7 As previously noted, connectivity is an important issue: digital reliability and the inter-relationship between communities and access between rural and urban areas. Many rural regions do not have the perceived benefit of ‘agglomeration’, meaning that the transport of goods, services increasingly knowledge has digital opportunity and ‘commuter belts’ are more apparent than real for many areas: in Cornwall mostly concentrated on Saltash and Torpoint. Indeed, it is arguable that agglomeration and a ‘trickle down’ approach falsely apportion ‘wealth’ to rural and commuter areas without a focus to stimulate their economy and develop a more sustainable approach.

3.8 Therefore, the challenge for rural regions in particular is delivering growth that works for everyone across spread communities of variable size. Comprehensive and reliable digital connectivity offers this opportunity to enable knowledge and innovation opportunity to flourish and counter the housing affordability factor.

3.9 Economic growth can nominally accelerate (Cornwall has a superb historic record of job delivery and is on target to exceed an additional 50,000 jobs in
the economy during the 2010-30 Local Plan period) while house prices remain out of reach due to low wages (In 2017 median workplace earnings in predominantly urban areas excluding London were £22,900 per annum while predominantly rural areas were slightly lower at £21,400). Cornwall has remained at a median wage of approximately four fifths of the national level for a number of years.

3.10 The future of the economy in rural areas needs to be based on the fact that rural areas support the urban economy though natural resource (food, energy and lifestyle). It is particularly (though not exclusively) critical that post Brexit Cornish food and drink can still access its favoured markets and be supported to develop new markets; that there is a renewed focus on the opportunity for renewable energy to provide a sustainable source of income for rural communities and reduce the cost of living as a proxy against lower wages and that infrastructure issues are addressed in creative ways to address the popularity of Cornwall as a tourist destination and its significantly growing population.

Infrastructure and services

4. How can access to transport be improved in rural areas?

4.1 Cornwall has a unique settlement pattern within England. Twenty or so towns of various sizes are inter-dispersed with a range of villages and hamlets that have a varying range of community and business services. Connectivity is therefore a key issue: Cornwall has one of the largest enforced car ownerships per household in the country. Cars are (on average) a full decade older than the national average (2013 DoT data). The implication is repair bills and spiralling fuel costs, with an added distribution cost for petrol and diesel which are away from the main towns.

4.2 The map below is taken from the Local Plan
4.3 There is a need to ensure bespoke infrastructure for smaller, rural communities and enable funding which planning gain alone will not be able to provide. A broader definition of ‘infrastructure’ needs to be considered over and beyond schools and transport infrastructure.

4. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1 As of November 2016 there were (nationally) 60,000 properties unserved through universal broadband in rural areas; where there is the greatest need and opportunity of micro business spread and the opportunity for agricultural diversification and a range of other business activities required following Brexit. The average broadband speed for rural areas in 2014 was 13 megabits per second, whereas the average speed across England was 24 megabits per second. The provision of housing is vital to sustain population churn for schools, local shops and community building vitality and reduce the risk of depopulation; and disconnect between natural capital and its economic and wellbeing benefits.

5.2 Connecting the ‘last 5%’ of Cornish communities is essential to provide equality of opportunity and access to increasingly digitised services. It provides the ability for products to be accessed and developed and for those places to reduce traffic flows and become more sustainable. There is a particular opportunity to enhance Cornwall’s growth reputation in creative skills and innovation and to enable young people to start engaging with technology at an early age to enable innovation.
Visitors require quality broadband to enhance their experience and access work flexibly: especially with the trend to and opportunity of shorter breaks.

5.3 Equitable access in a modern and civilised society is not something that rural communities should find detrimental in relation to their urban counterparts. The disadvantage of rural areas (overall) can be tolerated by urban based public policy because:

- There is a lack of sufficient recognition of knowledge and innovation in rural areas over and above the production of ‘public goods’ such as environmental protection, biodiversity, ecosystem services and food security. Critically important as they are; the two are inseparable.
- Centrally driven procurement policy places too much emphasis on competition, centralisation and low cost unit production above community provision, localisation and the evaluation of impact. These are areas that Cornwall Council is seeking to address through ensuring that social value is an assessed element of contracts.
- Larger organisations (such as Banks) are still driven by profit derived through centralisation as business organisations in their own right; rather than as facilitators of social, environmental and economic progress.
- The media (particularly) can portray loving in rural areas as a lifestyle choice for which those making the choice should pay. The cost may be insignificant for those who are well off but can be unreasonable and limiting in terms of money, time and inconvenience to those on low incomes.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 Rural services provide a focus for people to meet. Social contact has enormous health and wellbeing benefits. Planning gain extends to new school places and transport infrastructure but not the range of services needed to support a sustainable community. Devolution of part of the Community Infrastructure Levy (CIL) goes a little way toward ensuring that community priorities (where there are neighbourhood plans) can be funded and these plans need to be seen as more than just housing allocation documents.

6.2 The retreat of banks from larger rural settlements (such as St. Agnes) provides a necessity for regional mutual models to enable a presence that can be supportive of local business and have an interest in ensuring the growth of this business.

6.3 Healthcare can be supported by the deployment of smart technology, making full and comprehensive broadband a must.

6.4 Rural communities accept that social action and voluntary effort are the best way to address those services (such as shops) that can be unviable in the market and could be delivered through the ‘social economy’. But this needs support, back up, training and greater sensitivity in regulation and legislation.
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 For many villages the pub and/or the village hall are the only rural services present. Business rates continue to put pressure on the space that pubs occupy, leading to an increased closure programme, or challenging business models for tenants. Some have been innovative and offered a hub for other rural services (such as shopping or post office facilities).

7.2 There are over 100 community owned shops in the UK, seven of which are in Cornwall.

7.3 Planning law overly concentrates on making the case for the continuation of a building for alternative use to housing rather than considering how the amenity in question could support place making. While the 2011 Localism Act and the Sustainable Communities Act (2009) have nominally given local communities the power to save community assets that are important to them this needs to be backed up with the capacity and funds to take action. Pubs (in particular) have a hidden ‘added value’ in the marketing of local beer brands and the connection to local breweries but there are a number of factors contributing to an increasing number of closures nationally including high rents and rates and cheaper alcohol in supermarkets.

7.4 Planning and fiscal policy therefore needs to be closer to the ground of where decisions are being taken. Social ownership needs to be encouraged and supported to counter ‘balance sheet’ decisions’ made in other places.

7.5 There are plenty of examples of positive action in ‘Public Houses: How Councils and Communities can save pubs’ (LGIU and the Campaign for Real Ale).

7.6 Delivery of important services in urban areas is often characterised by large, single service budgets and economies of scale in provision. The opposite is true in rural areas. Ensuring co-design and implementation with rural communities is an important way of enabling value for money from budgets.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 It is vital that all future Government policies are fully rural proofed. For the most part it often appears that policy is determined by what works on the high streets in cities and this often has an unintended negative impact on rural areas. As an example we would cite the ban on holidays in school term time. Evidence from many tourism businesses in Cornwall saw their income drop by over 30% almost overnight when this was introduced. When the Government officials came to Cornwall to talk about this and other matters around rural proofing they were asked whether this policy was rural proofed. The answer
was “it didn’t need rural proofing because we believed it would have no
significant effect on rural businesses!” Going forward ALL Government policies,
plans and programmes need to be rural proofed as a matter of course in our
view.

8.2 Business rates are another issue. They were introduced in a time when
economic activity in businesses was all about floor sales and manufacturing.
The bigger your factory the more units you made, the greater your turnover,
so the more business rates you paid. However, in 2018 you can have a tourism
business with a number of cottages covering a huge “floor area” turning over a
fraction of what an IT business occupying one room in the high street does. Yet
the business rates on the former would be 10 times higher than the latter. We
need a radical 21st Century solution to this and we should be encouraging the
Government to stop tinkering around the edges and to come up with
something completely different that is fit for purpose for a modern economy
but which is fiscally neutral for the provision of public services.

8.3 The taxation burden needs to be fairer distributed without the consequence
of further cuts to essential services or the ability to effectively develop local
economies.

8.4 We would like to demonstrate a different solution and suggest it be piloted
in the south west. For many self-catering tourism businesses up to 25% of
gross turnover is paid in business rates and that restricts their ability to take
on more staff, apprentices, training opportunities and re-investing in their
business.
8.5 In terms of policy and delivery it is also important to recognise that not all
rural regions are the same. For example, recent CBI analysis demonstrated
that the additional population within a 45 commute of Cornwall was 340,000
people. The figure for Devon (for the most part with the same official
classification as rural) was 1.3million. This illustrates the additional market,
employment and trade opportunities that exist in areas that are located closer
to some urban centres.

9. How can deprivation and inequality in rural areas be tackled?

9.1 If we use standard Indices of Multiple Deprivation as the indicator for
depredation the map below indicates the dispersed nature of this issue in
Cornwall. The red areas indicate the Lower Super Output Areas that are in the
bottom 30% nationally and the grey areas represent their functional economic
hinterlands. Their dispersed nature illustrates the challenge we face in
addressing this issue in our area. However, using LSOA’s in this way masks
the deprivation issues that are being faced by those people living in more
affluent areas and that is why we feel a greater focus should be given to
depredation (wherever it occurs) and inclusion in the delivery of the UK Shared
Prosperity Fund (SPF).

9.2 IMD indices also vary in particular places: where (for example) housing
provision could be poor but education and skills attainment good. Focusing
locally on mismatch and implications is really important; and supporting local
people with the tools to do so.
9.3 Rebalancing the economy is not just an urban issue or need.

9.4 It is imperative that future activity builds on the success of EU funding for Cornwall and the Isles of Scilly. There is also a double challenge in ensuring that growth addresses the need for inclusivity amongst (including) rural communities where issues of distance deprivation or isolation impacts on economic opportunity. There is a need (for example) to look at ways that locally produced food and the countryside can contribute to health and wellbeing and through development and connectivity that enables access to the countryside.

9.5 Economic growth needs to be socially inclusive and mindful of the natural capital that creates the environment for business to want to be based in or operate from Cornwall and the Isles of Scilly. In future “Inclusive Growth” needs to achieve a number of things to enable economic growth:

- Quality, accessible, well designed and lifetime homes in the right places to stimulate the economy and associated employment space, enabled with smart technology and energy saving and generation features.
- Enabling labour mobility throughout Cornwall and the Isles of Scilly so skills growth can access opportunity and not be hampered by a lack of housing choice, transport issues or appropriate workspace availability. Workspace gap funding issues remain a challenge, as does securing future workspace when market capacity makes quick justification a challenge. Niche skills have a supply and access implication.
- Encouraging and enabling job and career progression to address housing affordability and income levels: being addressed through the growth policies of Cornwall Council and the Cornwall and Isles of Scilly LEP.
• Supporting quality of life through natural capital growth: for wellbeing and the economy – through the Cornwall Environmental Growth Strategy
• Helping businesses to become more productive with a view to becoming “best in class”; engendering healthy competition nationally, through a supportive regulatory approach and appropriate fiscal devolution approaches being pursued through ‘New Frontiers’.

9.6 EU funding for Cornwall and the Isles of Scilly has allocated and spent almost £2.3b in the twenty years since 2000; levering in a total investment of £3.8b. This has enabled the transformation of an economy, toward accelerated economic growth and performance (in the national context) and the enabling of infrastructure which has contributed towards the region’s sector aspirations and the national economy.

9.7 While GVA and employment growth has been achieved, the latest productivity figures show that Cornwall and the Isles of Scilly had the lowest GVA per hour of the 40 NUTS 2 regions in 2016 of £23.70. The next lowest NUTS region was Lincolnshire at £25.70. Productivity levels remain a challenge and can be addressed – in part – through the decentralisation of Government to create knowledge and research capacity in localities. The closure and centralisation of services limits this.

9.8 In terms of the NUTS 2 regions between 2004 and 2016: Overall, 11 regions saw their relative position increase while 29 saw their relative position decline. North Eastern Scotland saw the largest increase with a gain of 9.4 points, while North Yorkshire recorded the largest fall of 14.1 points. Cornwall and the Isles of Scilly saw its position relative to the UK average fall by 6.4 points from 79.2% to 72.9% for GVAs per hour.

9.9 This is despite significant job increases across rural regions, which suggests a number of inter-related issues impacting on rural productivity. These include connectivity (congestion impacts, the quality of transport links between places within & externally to a region, and digital reliability), significant enough advance in the skills base and its applicability to the new jobs on offer and the governance (and therefore adaptability) of business support.

9.10 Although EU support has boosted infrastructure for productivity in Cornwall and the Isles of Scilly (an additional 135,000sqm of workspace 2000-14; increasing R&D for each person in work from £42.30 under the Objective One programme to a projected £113.87 under the Growth programme; and a total of 212,935 people trained) this has not impacted on deprivation beyond the reduction in the number of unskilled people. Deprivation can also impact on inclusion; access to the labour market and progression: the ability to access the labour market when the opportunities are not geographically close and issues of mental/health. This is why outcome and impact under the new Shared Prosperity Fund is so important.

9.11 While EU and matched funding has significantly contributed to the competitiveness of rural regions it has not been able to ensure opportunity and prosperity for business, communities and individuals. With the withdrawal of EU funding and the need to maximise value for money under any future domestic funding programme there will be a need to ensure that each £1
works as hard as possible and can recycle amongst local communities to support initiatives and programmes that can deliver inclusive and sustainable growth.

9.12 Regional allocation would need to be appropriate to the spatial challenges, economic functionality, community needs and business opportunities in and between each LEP region with locally driven solutions. Rebalancing the economy away from the overheating London and the south east only has resonance if it does not focus as consequence on parts of ‘standard regions’ where ‘key’ city influence in fact does not have any further reach (agglomeration).

9.13 This requires solutions from Cornwall and the Isles of Scilly, working with partners across the country to make a positive contribution to UK Plc. So, there is a consequent need for an alignment of funding that contributes to multi outcomes and demonstrates value for money. Part of the legacy has been the successful of community economic development (through Leader) which have helped the growth of local business through peer knowledge and support. Funding models need to be able to support learning in terms of ‘what works’ and ‘what doesn’t’ and its application to future project development.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 The Universities (Falmouth University, University of Exeter and University of Plymouth) based at the Tremough Campus in Falmouth have had a major impact as anchor institutions, boosting Cornwall’s GVA and enabling facilities for research and business collaboration. They have also created the opportunity for the young people of Cornwall to obtain a higher level education without the need to leave the County which historically was a major cause of net migration. Linked to the provision of an incubation facility (also funded through the EU) there have been opportunities for under and post graduates to develop their business ideas and be retained in an economy which is not now restrained by the need for physical movement.

10.2 Succession strategy is an important element. Maintenance and repair businesses find this difficult because it is not considered ‘exciting’; whereas sectors such as fishing and farming require urgent succession strategies in view of the average age of owners/operators. The use of new technology and agri tech processes supported by Duchy College are essential opportunities.

10.3 In addition, accommodation focused tourism businesses are concerned that they are treated as domestic properties for inheritance purposes while at the same time having to pay business rates.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 Cornwall Council is planning on pioneering a shared living project, working with the University and developers, to enable people to stay in their homes for
longer assisted by smart technology and young people living on site who can offset the costs of student life against looking out for and socialising with older people.

11.2 Rural social networks are breaking down (through austerity and market decisions over the future of (e.g.) Post Offices and Banks) with a consequent increase in social isolation and loneliness, especially among older people. Social isolation influences health outcomes in its own right.

11.3 Promoting localised growth is an important way of ensuring that family and social networks can be retained and reduces the need for travel and relocation that can leave some older people feeling isolated. Particularly, those that have limited mobility can be supported by smart retrofitting and an approach that can enable the financial recognition of the role of carers in providing cover for the wide NHS and social care system.

11.4 Investment in technology can address travel time issues and the difficulty in the recruitment and retention of professional carers; with the potential to upskill roles that can then be appreciated for their higher value and status.

11.5 Addressing preventive care is critically important for those in their 40s and 50s: for Cornwall average ill health starts impacting on quality of life for people in their mid-60s. Without a preventive strategy that addresses the widest possible issues then the crisis will get worse.

11.6 While the 50+ workforce is likely to have fewer qualifications they are – by definition – going to have more experience and employer perception and the need to be qualified in ‘everything’ is something that needs to be addressed.

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 The delivery of rural housing works well where registered social landlords combine delivery with community development and are involved in pre planning delivery. The provision of affordable housing (particularly on a smaller scale in rural communities) is dependent on market intervention in many cases which increases the overall volume of housing without addressing the need for a volume in ‘affordability’.

12.2 Extending rent to buy schemes can help tenants move into the market sector and ensuring that national planning policy can enable provision linked to jobs and transport so that people can access the income they need to sustain home ownership or rent (including the encouragement of mixed schemes such as with workspace and live/work).

12.3 Cornwall Council believes that beyond the current housing allocations of the Local Plan (to 2030) Cornwall will need to rely on the creation of a series of
new settlements. Further development of existing settlements following the current Plan period would be tempered by the scope they would have for further economic impact and neighbouring landscape designations in some towns and villages making this impossible.

12.4 Consequently, Cornwall Council wishes to ensure that future housing development is supported through evolution of good practice in current proposed new settlements near Newquay, St.Austell and Truro. The current Plan led system does not provide the enabling levers which Cornwall Council needs to allocate sites for new garden village settlements so a current ‘ask’ of Government is to allow the Council to identify and test potential new sites and gain the powers needed for allocation; sharing the uplift in land values between community benefit and landowner dividend.

12.5 Cornwall Council has the ambition to be the top provider of affordable homes across English councils and that the land value uplift can support the provision of requisite infrastructure.

12.6 Cornwall Council’s Growth and Investment Programme is already working towards the delivery of 1,000 affordable homes over four years with an additional focus on care and specialist housing provision which could increase this number. This delivery is through a solid partnership with the Cornwall and Isles of Scilly Local Enterprise Partnership, housing associations, health colleagues and the wider private sector. Significantly, this partnership approach has resulted in Cornwall benefiting from a commitments from housing associations to deliver 8,000 homes (of which 6,000 will be affordable) over the 2016-21 period; levering a total investment of £600m.

12.7 The aim is to evolve self-sufficient and resilient communities with a sustainable approach to integrated sustainable development in localities, characterised by mixed tenure, and supporting and encouraging jobs and GVA.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 The relaxation of planning laws that enable farmers to convert farm buildings into homes is to be broadly welcomed, but not if that is at the expense of providing places for the economy to grow or delivering unaffordable properties in unsustainable locations. Nationally, planners have rightly argued such laws to be coupled with a greater focus on infrastructure and skills in localities.

13.2 Rural experts have responded positively to planning changes that make it easier for farmers to erect larger agricultural buildings and offer greater flexibility in the conversion of these structures to alternative uses where they are no longer required for agricultural purposes.

13.3 In March 2018, housing minister Dominic Raab announced changes to permitted development rights that mean a larger number of homes can be created from existing agricultural buildings on a farm.
13.4 In addition, farmers with buildings previously used for storage and distribution will have a further year in which to benefit from the temporary permitted development right for change of use to residential, which has been extended until 10 June 2019.

13.5 Increasing the size of the building permitted under a prior approval application will take some structures out of the planning application process, making it cheaper to create larger buildings that are more in line with modern agricultural practices.

13.6 Space for development needs to be balanced against the fact that there is a more pressing need to enable the growing and storage of food; so there needs to be local decision making to ensure that there is the right balance of provision both for rural homes and feeding that new population.

13.7 Probus and Indian Queens are villages in mid Cornwall where the Council has been able to utilise a redundant farm from its portfolio by selling it to the Addington Fund (a rural housing charity) who have converted it to affordable accommodation (costing £430 per month). A further development at Ruthers near Probus includes live work accommodation.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 No, the independent bodies created by the NERC Act, such as the Commission for Rural Communities and the Rural Advocate, have been abolished and their loss has significantly weakened the Government’s understanding of rural society. This has led to policy changes that fail to account for the negative impacts on people in rural communities, especially those areas which are outside the influence of City Regions, and who therefore do not benefit from the agglomeration impact derived from urban or City Region policies. A report[171] commissioned by DEFRA on this very subject found that:

- Average workplace earnings were 8% higher in rural areas within a City Region than in those rural areas outside a city region
- The earnings of residents in rural areas within city regions were 18% higher than those outside
- Rural areas within two or more city regions were better off than those in one
- 75% of districts identified as being rural by DEFRA are within the influence of a City Region.

14.2 Lord Cameron of Dillington, Chairman of the Lords Committee that reviewed the NERC act also recently commented that “It is clear that the Government are failing to take proper account of the needs of rural communities. Departmental decisions and policies continue to demonstrate a lack of rural understanding among Whitehall policymakers. Each and every Government department should be required to think about the ways in which their policies affect rural people, and the Government must take action to ensure that this ‘rural-proofing’ of policy happens”.

14.3 As an example of this at a recent meeting with the National Infrastructure Committee that was held in Cornwall they confirmed that they had never been informed that their policies need to take rural proofing into account. This illustrates to us that there has been a consistent failure, over a number of years to prioritise the ‘rural affairs’ element of the departmental remit of DEFRA. The focus of the department has been consumed by its work on agriculture and the environment and this will only intensify as a result of Brexit. The lives of those who live in the rural areas have been neglected as a result.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 Funding is being increasingly focused on taxes that local authorities can raise through business rates and council tax. Both are regressive in a rural region where floorpace operations have many other costs and challenges and digital operations potentially less business rate implication. Taxing the size of workspace is a tax on business growth but any solution needs to be both fairer and fiscally neutral. Council tax is based on the nominal value of a home from the early 1990s: it is the value of homes that go up, not the wealth of people who live in them. Otherwise and broadly the support for the economy of rural areas can be divided into two broad categories:-

1) Funds that are available everywhere and can be accessed by businesses located in rural areas e.g. ESIF funding although there are some restrictions on the types of businesses that can access these funds.

2) Funds that are specifically targeted at rural areas e.g. EAFRD

15.2 In future delivery of integrated economic development funding for rural and coastal areas should be allocated to ‘place/LEP level’ and form part of the ‘single pot’ approach. To avoid a bias towards urban areas either a specific ring fence of funding should be included in the design of the UK SPF, or specific outcomes and outputs should be included in the performance framework to ensure that funds are targeted to rural areas. As stated above a different policy and delivery design may be required in rural areas that are outside the influence of a city region as it is clear from all the evidence that a one size fits all approach has not delivered the desired results.
15.3 We now have an opportunity to capitalise on the legacy of previous investments to become a thriving self-sustaining economy that not only delivers sustainable inclusive growth, but also contributes to the economic position of UK PLC.

15.4 A programme design focused on local accountability (within a national framework) that builds on our current Intermediate Body/accountable body status will ensure that the programme is easy to access by beneficiaries, owned and recognised by local stakeholders and partners; and easily accountable to and monitored by Government.

15.5 Delivery according to measurements of success, that are linked to the quality of outcomes achieved rather than outputs delivered, will ensure that a whole system approach to economic growth can effectively tackle areas of underperformance and optimise the productive capacity of regions such as Cornwall and the Isles of Scilly.

15.6 Rural regions can agree with the key principles that are set out by Core Cities in regard to any successor funding programmes; but with the caveat that agglomeration does not necessarily drive productivity in all rural regions (such as Cornwall) and so these principles need to be specific to rural regions needs and aspirations:

- That the value of SPF should be at least equivalent to the value of EU and other domestic funds received prior to Brexit; but reflected in the need ensure outcomes over a longer rather than artificial funding period;

- There is a symbiotic relationship between the challenges posed by Brexit and the opportunity of devolution. Cornwall’s New Frontiers further devolution case sets out a mix of policy, fiscal and sector based propositions that collectively provide the enabling tools and levers for Cornwall and the Isles of Scilly to flourish beyond Brexit;

- Devolution is also critical in ensuring inclusive growth through the replication of the community led economic development model;

- Rural regions have distinct opportunities and assets to be able to accelerate sustainable economic growth. These will be recognised in Local Industrial Strategies and include (for Cornwall) factors such as natural capital, interaction and innovation between sectors, further opportunity for catalyst growth through anchor institutions and brand. Successor funding therefore needs to address how it can support long term innovation paths in rural areas with a view to adding value to the supply chain and diversifying market opportunities for the economy; and enabling joint project development between non neighbouring rural regions;

- This requires an approach which breaks down institutional and operational silos to fully integrate people, place and business driven funding; enabling the imaginative alignment of funding so that (for example) new workspace can be filled by upskilled local people: holistic outcome needs to take precedence over the process. This is about ensuring a ‘single pot’ for rural regions so that
complex guidance, bureaucracy and eligibility through fragmented programmes do not confuse applicants with a good idea;

- There is a need for rural regions (facilitated by local government) to be involved and consulted on policy running up to and post Brexit. The opportunity for sustainable and inclusive growth can only be achieved in this context.

15.7 **Accountability and assurance**

15.7.1 Learning from the experience of unsuccessful projects is an opportunity for peer review to inform quality assurance and examining holistic outcomes rather than just focusing on output numbers which may have less contextual meaning.

15.7.2 The experience of Local Action Groups through Leader demonstrates an approach where inclusivity can be applied to the development and decision making on projects; including equalities, NGOs and social partners (for example Community Interest Companies). Such an approach enables understanding and ownership of necessary due diligence. Promoting ‘Leader’ (links between the rural economy and development actions) was the EU encouraging partnerships from a bottom up rather than a top down approach to empower. Empowerment can lead to innovation (through enabling freedoms and flexibilities), initially Leader concentrated on deprived regions before encouraging results in early phases led it to being expanded. It is an important model that should continue to be followed.

15.7.3 Upon leaving the EU the Government has already indicated in ‘The White Paper on Exiting the European Union’ that choices need to be made about which non-structural programmes the UK may wish to continue to participate in. There should be an opportunity to align best practice.

15.7.4 There is a strong argument for local accountability because successful innovation will be in spite of R&D capacity amongst a predominantly micro and small business structure in rural areas; working with anchor institutions and reflective of the broad approach that needs to be taken through Local Industrial Strategies.

15.7.5 Therefore, governance approaches need to be cognisant of both existing devolution arrangements across the country and aspirations linked to functional regional economic opportunities. Variance based on what is working is preferable to the introduction of new structures which would become the ‘story’ rather than the opportunity for transformational projects.

15.7.6 Rural local authorities and LEPs have considerable experience in the management and delivery of funds (corporate memory): the devolution of ‘trust’ which can focus on outcomes rather than the requirements of bureaucracy that focus on outputs. This means learning from EU and other funding and adopting its legacy as part of the ‘anchor’ approach to evolving Local Industrial Strategy.
15.7.7 However, devolution of funding and strategy must be accompanied by appropriate status at the table of national policy making and monitoring for rural local government and LEPs and connect into other work such as strategic transport boards. Cornwall and the Isles of Scilly is a natural region because of the coterminous nature of strategy surrounding skills, housing and health and social care.

15.8 **Distribution model**

15.8.1 The new SPF has to be built on a balance of building competitiveness and prosperity, informed by what has gone before and what continues to be delivered as a consequence, but with social inclusion expressed through ‘prosperity’.

Addressing issues of low productivity in particular sectors (and consequent low wages) are one element of this with an appropriate focus on rural regions where the reasons will be complex and require an innovative approach.

15.8.2 Competition for funds is expensive to administer and evaluation is based on crude presumption of outputs rather than long term goals which are then (not) evaluated retrospectively. Competition for funding is only viable if not based on ‘urban’ versus ‘rural’ or ‘Mayoral’ versus ‘non Mayoral’. Current devolution structure should not be the basis for allocation, nor should it necessarily be GDP or GVA figures: the basis should be on how a region can respond to the productivity imperative to address inclusion: but also that it can continue to invest in already successful projects to future proof them and enable them to contribute to inclusive and sustainable goals.

15.8.3 Baseline data and intelligence has to be up to date, reliable and available for functional economic areas such as Cornwall and the Isles of Scilly.

15.8.4 There also needs to be a focus on how devolved funding can be complimented by the SPF so that there is genuine evolution of a ‘single pot’ approach. The creation of rolling investment funds and vehicles can allow for the sustainability of funding streams long after the SPF would have officially ended.

15.9 **Funding models**

15.9.1 There is a need for maximum flexibility at a local level for any new funding model to be able to respond holistically. This includes local discretion to integrate capital and revenue elements and that there is sufficient ‘technical assistance’ to support not only the necessary research and monitoring; but also to build capacity and resilience.

15.9.2 Brexit provides for the opportunity to reduce bureaucracy, a confusing range of programmes and a silo approach for funding. The principles of leverage (not necessarily financial) and adding value need to be writ large in any succession funding. Public sector match funding will not be the time consuming imperative that it once was, so the focus can be on delivery and impact but this can only be achieved if procurement and state aid rules are reviewed to enable the SPF to support local action and economic growth. This will include the opportunity for smaller contracts to be administered and
delivered by smaller voluntary and community social enterprises to respond to specific needs in particular communities as appropriate.

Stephen Horscroft
Economic Growth Service
Cornwall Council

6 September 2018
Countryside Alliance – Written evidence (REC0112)

1. The Countryside Alliance welcomes this opportunity to submit evidence to the House of Lords Select Committee on the Rural Economy. We have over 100,000 members and supporters who live and work in the countryside.

2. A successful rural economy is vital for maintaining a living and working countryside. Without it there would not be the rural communities and landscapes as we know them today. It is therefore essential that the people who live and work in the countryside are able to engage fully in the economic life of the country.

3. The Chairman of the Committee, Lord Foster of Bath, has stated that “the voices of those living in rural communities are vital to this inquiry” so we asked our members and supporters to submit their views to this important Inquiry via an online survey we conducted. We had over 1,000 responses which shows the strength of feeling amongst rural communities of how important the rural economy is to them.

4. The Committee highlighted a number of issues that the Inquiry was likely to cover and we asked people to rank them in order of priority. The results showed that 70 per cent of respondents felt digital infrastructure was the most important issue in relation to the rural economy followed by the provision of services. We have used the results throughout our submission to ensure the voice of those who live and work in the countryside is heard.

   **Highest importance**
   
<table>
<thead>
<tr>
<th>Rank</th>
<th>Issue</th>
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<tr>
<td>a.</td>
<td>70% Digital infrastructure</td>
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<tr>
<td>b.</td>
<td>60% Provision of services</td>
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<tr>
<td>c.</td>
<td>50% Support for local amenities</td>
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<td>d.</td>
<td>49% Rural businesses and investment</td>
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<td>e.</td>
<td>48% Rural housing and planning policy</td>
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<td>f.</td>
<td>48% Transport Connections</td>
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<td>g.</td>
<td>44% Employment and skills</td>
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<td>h.</td>
<td>40% National and local government policy and devolution</td>
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<td>i.</td>
<td>38% Rural deprivation and isolation</td>
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<td>j.</td>
<td>33% Demographic challenges</td>
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   **Lowest importance**

5. Delivering a strong economy, increased productivity and thriving communities cannot be achieved without recognising the vital role the
countryside has to play. Post Brexit, the countryside has a key role to play in boosting our productivity and must get its fair share of funding for digital connectivity, regulations which support rural businesses, and services which meet the needs of rural communities.

6. It is clear that Brexit will be front and centre of the work of this Parliament, and the decision to leave the EU will have a profound impact on the countryside. However, issues such as the lack of affordable housing or the roll-out of broadband in the countryside continue to be substantial challenges facing this Government.

Infrastructure and Services

Digital Connectivity

7. The Countryside Alliance believes that high speed broadband and mobile connectivity is an essential service alongside water, electricity and gas; but is nowhere near as available in rural areas as it is in urban areas. 1.1 million premises still don’t have access to decent broadband, meaning that 17 per cent of rural homes and businesses are unable to receive decent broadband and 82 per cent can’t receive a 4G signal.

8. Continued poor connectivity in rural areas represents a huge missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority. The current lack of broadband infrastructure serving small firms threatens the expansion of the rural economy currently worth £400bn annually. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.

9. A number of measures were announced in the Budget last year including £16 million to create a new National 5G Innovation Network to trial and demonstrate 5G applications and £200 million to roll out a series of local projects to accelerate market delivery of fast and reliable full-fibre broadband to more homes and businesses. The need for investment in digital connectivity, particularly in rural areas, is to be welcomed but we are concerned that the funding announced in the last Budget seemed wholly focussed on urban areas and there is a danger that people in rural areas will not benefit from the measures announced.

10. Countryside Alliance calls for:

- When we leave the EU the Government must seek to be at least as ambitious as the EU in digital connectivity and where possible to exceed EU targets.
- Ofcom to impose rural coverage obligations to improve mobile coverage in rural areas when they award the 700MHz band.
- Increased investment in full fibre connectivity by broadband operators is to be welcomed but this financial commitment must be also committed to rural areas to ensure they can also benefit from the opportunities fibre connection brings.
• Government to promote and support alternative technologies, such as satellite and mobile broadband, which can deliver connectivity to remoter rural areas.

11. **Countryside Alliance research:** Digital connectivity was ranked the most important issue that could improve the rural economy. Our research showed that 70 per cent of respondents were concerned that slow speeds are a barrier to growth, the lack of connectivity was leading to increased isolation and social exclusion, and that fibre connectivity should be available to all, no matter where they live.

12. **Comments from the survey:**

• “Poor internet access from (home), leads to loss of business opportunities. It also adds to toxic emissions, by causing travel which might otherwise be avoided. The loneliness factor must be considered as regards the elderly which can add to potential illnesses linked to loneliness and a concomitant addition to National Health costs. Rapid introduction of fibre-optic broadband is necessary to combat and reduce the above-highlighted issues.”

• “Employers simply do not set up where digital coverage is thin or lacking. BT Openreach needs to be strictly regulated. Where we live there is no landline broadband and it is common for our phone line to be out of order. We used satellite for a while but have now migrated to 4G. However that is both expensive and temperamental.”

• “Problems of safety if an accident takes place. Lack of opportunity to make use of the world wide web for educational purposes. All villages should be connected by now, so start to connect isolated homes as well.”

• “The inability to react to the changing working environment which in turn leads to the breakdown of community. Good digital connectivity facilitates not just working from home but enables people to work together and form rural hubs or serviced offices which can then support better local amenities.”

**Rural Services**

13. Rural services are the ‘glue’ which hold local rural communities together. In this respect they play a far more significant social role that in towns and cities. Yet for decades rural public services have been in much faster comparative decline then that of equivalent services in urban areas. This has been exacerbated by comparative inequity in funding – rural areas receive a significantly lower level of per capita public investment than urban areas.

14. With the decline in the number post offices, pubs, banks and other rural amenities being blamed on the lack of usage, eye watering business rates and declining foot fall we need to look at alternative ways of delivering those services. The internet can go part way but with poor connectivity it is not holy grail that will deliver those much needed services in the countryside.
15. Access to money and finance in remains difficult in rural communities. 20 per cent of the population live and work in rural areas and yet only 12 per cent of bank branches and 11 per cent of cash machines are located there.

16. Sweeping bank closures are being blamed by banks on the lack of usage, with fewer and fewer users going into their local branch and preferring to bank online. However, closures in rural areas, especially in the absence of reliable mobile or broadband connectivity can present particularly serious challenges to individuals and businesses who need to access day to day services and those services necessary to run a local business.

17. The Post Office network offers an important means of accessing cash, either using its own financial products or because it provides access to the current accounts of 20 other banks and the business accounts of 8 other banks. Half of those who regularly access their accounts at a post office do so because there is no nearby bank branch. Nationally, there are more post offices than there are bank branches (of all the banks combined). Moreover, the Post Office network has rural reach, since more than half of its outlets are located in rural areas, including a presence in many villages.

18. **Countryside Alliance calls for:**

- Financial services, particularly business banking, to be offered by all major banks via the Post Office network.
- Government to raise awareness of the banking services available at the Post Office, both for personal customers and business banking
- Fair funding for public services to ensure the sparsity factor is recognised in the cost of delivering services in rural areas.
- Encouraging diversification and co-location of pubs and local shops which would help these important social hubs survive through increasing the footfall and therefore profitability.

19. **Countryside Alliance research:** Provision of services and support for local amenities were ranked 2nd and 3rd in our research of economic importance. This demonstrates the important role they play in rural communities. Respondents were citing issues such as poor public transport, centralisation of services, and lack of flexibility in services as part of the reason for the decline.

20. **Comments from the survey:**

- “Stop expecting the practitioners to do more and more with less and less. At current levels of funding these services have often already been cut past the point of being sustainable. Political masters need to understand the impact of their cuts, show leadership, think long term, and maintain consistency in their funding and management.”
- “Government to give incentives to Banks who keep or open the first branch in small towns. Provide weekend access to Dr surgeries so that rural workers can attend for appointments without loss of earnings. Ensure good bus services available to transport kids to school.”
- “Online shopping and delivery is the future. Preserving the charm and character of villages and hence cohesion of communities is essential
and even critical. Many high street shops cannot carry on relying on walk in trade and should be given tax incentives to convert into storage units for online shopping.”

- “Lighten the load of regulation and costs on small businesses. Tax internet companies properly, especially their inefficient delivery methods. Reduction in business rates, ground rents & other business-related overheads.”

- “Initial support in facilitating community buy-outs/funded projects, by publicising successful alternative models of similar examples elsewhere. Better PR of the underlying socio-political benefits of community amenities in addition to the obvious day-to-day practical benefits.”

**Business, employment, skills and demography**

21. Encouraging young people to take an interest in the countryside starts at a young age and promoting outdoor education is an important way in which young people can explore career paths in the rural economy.

22. Outdoor learning helps children and young people gain a practical understanding of the world around them, build self-confidence, test their abilities, take sensible risks, and develop a sense of responsibility and tolerance to places and people. The work of school and community farms does excellent work in this task and should be encouraged.

23. One way to secure the future of school farms and make land-based education possible is to introduce an Agriculture GCSE. Without a relevant GCSE contributing to performance tables and funding, school governors struggle to justify the expense of a farm. Introducing a Agriculture GCSE would provide learners with transferable skills and improve both their academic performance and their employability.

24. Employment in land-based industries such as farming, shooting, and forestry remains important in many rural communities and these industries often help support the broader rural economy. Shooting supports the equivalent of 74,000 jobs, many of which are in some of our most rural areas where other sources of employment can be limited. We have been working with industry to develop a gamekeeping apprenticeship which is due to be launched next year and we would welcome support for more land-based apprenticeships.

25. Business rates remain a source of grievance for many rural businesses, particularly with the growth of online retailing which has increased the need for reform of the current system. We were disappointed when the Chancellor, Rt Hon Philip Hammond MP, stated in a letter to the Treasury Select Committee earlier this year that there will be no reform of business rates until he has considered reforming other corporate taxes. The Chancellor has suggested that online retailers may soon be subject to a tax system of their own as he is finding “a better way of taxing the digital economy”. However, this does not help tea shops, post offices, riding stables and other businesses which cannot be replicated online and which are an important part of the rural economy.
26. We have seen many small businesses across the country hit with business rate rises, up to as much as 300 per cent, particularly businesses requiring a large footprint such as riding stables and garden centres. The Countryside Alliance welcomed the proposals announced in the Budget last year to provide additional support to small businesses to the tune of £435m. However, we have heard criticism that these funds have been slow to be distributed. This is also only a temporary solution and does not address the long-term problem of business rates and businesses need certainty if they are to be able to invest and plan for the future.

27. Even with a fairer approach to businesses rates, more and more businesses will move online and people in rural areas must have the skills to be able to take part and compete in the digital economy. A parliamentary inquiry in 2016 reported that "there is a digital divide where up to 12.6 million of the adult UK population lack basic digital skills. An estimated 5.8 million people have never used the internet at all. This digital skills gap is costing the UK economy an estimated £63 billion a year in lost additional GDP."

28. The Government has committed public money through the Digital Economy Act 2017 to provide basic digital skills training to adults in England who need it. However, the question still remains about how this training is going to be delivered, particularly in rural areas.

29. Tourism in rural areas has huge potential not only to underpin local economies but also the national economy, while supporting local farmers, producers and making the most of our country’s natural assets. The UK is the 8th most visited country in the world and people come to experience our culture and heritage and visit locations which inspired democracy, industry and the arts. Yet only around 17 per cent of visitors left London and the major cities to visit the countryside. Many visitors are therefore missing out on the British countryside, its county towns and villages and the rural tourism industry is losing out on potential.

30. Rural tourism in England contributes at least £10 billion per year to the economy, making up a substantial part of the overall £73 billion value of tourism in England. It makes a significant contribution to the rural economy, supporting village shops and services, jobs and businesses, and it is crucial to ensuring the long-term sustainability of our countryside. The jobs which are supported by rural tourism – 380,000 in England alone - encourage people to live, work and bring up their families in these communities.

31. This is a positive story across the country, and in areas such as West Somerset, which are particularly reliant on rural tourism, where a quarter of all jobs there are in the tourist sector. This is due in part to a good relationship between the private and public sectors, with the National Parks working well with local hostelries and activity enterprises. A further reason behind its success is the draw of country sports enthusiasts from within the UK and abroad to participate in hunting, shooting and fishing in the counties of Devon and Somerset. Country sports are not only part of Exmoor’s heritage but, as our own research shows they also account for 90 per cent of winter tourism in the area. This maintains employment in otherwise challenging circumstances and provides hotels, bed and breakfast
establishments and pubs with vital income in the winter months. Indeed, many businesses would not survive without this trade.

32. The importance of buying local and supporting small producers has grown significantly over the last few years and the growth in food and drink tourism is also a success story on which we need to capitalise. This represents a major component of tourism expenditure in rural areas. Promoting local food and drink as part of a tourism strategy can deliver additional economic and environmental benefits; including supporting diversification of farms and producer businesses, creating additional demands for skills and training, and reducing food miles and carbon emissions. Additionally the promotion of local food and drink increases cultural identity and community pride, which in turn makes an area a more attractive tourist offer, while also ensuring the resilience of the local supply of food and supporting our farmers and small producers. Rural tourism is a huge economic opportunity.

33. **Countryside Alliance calls for:**

- A full-scale review of Business Rates to ensure we have a system which enables rural businesses to compete fairly with web-based businesses.
- Greater support for outdoor learning in the classroom from introducing an Agriculture GCSE to backing more land based apprenticeships.
- A coherent strategy for tackling the deficiency of digital skills as it is vital that those who live and work in the countryside are able to take full advantage of the digital age.
- A well-integrated tourism strategy, which promotes and protects rural tourism.

34. **Countryside Alliance research:** Our research showed that 81 per cent of respondents thought ‘business, employment, skills and demography’ was of importance, with 48 per cent of respondents stating it was of high importance. Responses to the survey included suggestions to fund more apprenticeships, a reduction in business rates, and tax relief for rural tourism.

35. **Comments from the survey:**

- “Support shooting sports that bring people into the area.”
- “A UK successor to LEADER is needed. Bringing in apprentices to SMEs needs to be simplified and the funding needs to be better explained.”
- “Business rates are not only killing the High Street but also rural businesses. There has to be reform or else Amazon will be the only game in town.”
- “We must maintain seasonal workers to support our food producing industries, i.e. horticulture and agriculture, and tourism.”
- “Rural tourism would benefit from a reduction in VAT.”
- “Government muddles up education with skills - they may or may not overlap. I run an agricultural engineering business and when we all retire I can't see any young people likely to be able to take it over.”
- “More countryside based subjects should be taught in schools. A child may grow up in a rural area but any interest they may have in that area is given no platform to grow. If schools did more to educate children about
farming and their food then maybe there wouldn’t be such a skills gap and the industry less exclusive.”

**Rural housing and planning**

36. The shortage of affordable housing is one of the greatest challenges for communities across the country, including in rural areas. It is vital that the planning system is efficient and planning policies achieve a balance between delivering sustainable housing development, supporting local businesses, and protecting the amenity of the countryside.

37. Successive governments have attempted to tackle the challenge of delivering sustainable and affordable housing in rural areas with varying degrees of success. We welcomed the Government’s Housing White Paper in February last year which contained many sensible proposals to tackle the housing crisis. We were particularly pleased with the proposal to make more land available for homes in the right places by maximising the contribution from brownfield and surplus public land which is something we have long campaigned for. The White Paper also proposed to give communities a stronger voice in the design of new housing to drive up the quality and character of new developments which is an aspect of planning policy that often gets overlooked.

38. Some of the proposals in the White Paper have been taken forward by way of changes to the National Planning Policy Framework which should encourage the delivery of new homes in rural areas where the financial viability of development can be marginal. We welcomed the confirmation that local planning authorities should not require affordable housing to be delivered on development sites of 5 homes or less in designated rural areas which had the effect of making some developments financially unviable and therefore worsening the housing crisis. The changes only came into force in July this year and the policies must be kept under review to ensure they are helping to address the challenge in rural areas. Other proposals in the White Paper are yet to be taken forward.

39. The last Labour government consulted on a number of proposals to give landowners more options for developing affordable housing, including tax incentives and the option of retaining the freehold interest in the land and receiving a one off or annual rent from the local housing association. These proposals were never taken forward, but we believe that incentives could play an important part in addressing the challenge in rural areas and we continue to urge the Government to consider them properly.

40. We believe that permitted development rights can have an important role to play in delivering sustainable housing development and we called for an extension to Class Q permitted developed as part of the Government’s Rural Planning Review in 2016. A small increase in the amount of floor space that can be converted was announced in April this year following the review, but further change is possible. In the short term, local planning authorities should receive clear direction from MHCLG that development under Class Q is a right and there should be a presumption in favour of prior approval. There is
considerable variation in how the conditions of Class Q are assessed by planning officers in different authorities creating a large amount of uncertainty which needs to be addressed through improved guidance.

41. **Countryside Alliance calls for:**

- Development needs to be responsive to local need and sensitive to the local environment.
- Planning policy to be more creative through utilising permitted development rights and looking at ways of incentivising landowners to bring forward land for affordable housing.
- The planning process to be more efficient and responsive to the needs of rural communities.

42. **Countryside Alliance research:** Our research showed that 77 per cent of respondents thought ‘rural housing and planning’ was of importance, with 48 per cent of respondents stating it was of high importance. Responses to the survey included suggestions to tax or restrict second homes, policies to promote more self-build homes, and better access to finance.

- “Better strategic planning. Just shoving up to 100 houses on a greenfield site on the edge of a village is not addressing housing needs. Better designed and locally tailored housing association schemes.”
- “Allowing small scale development in rural communities rather than the current blanket restrictions. We end up with rural villages that stagnate until they are finally overtaken by massive housing schemes on the outskirts of nearby large towns that swallow them and effectively destroy the reason why people live there in the first place.”
- “It is nearly impossible for first time buyers to purchase a property in a rural area - having lived in a small village / hamlet for 28 years, the only property I could afford to buy was in a town on a shared ownership scheme - it’s unfortunate that these opportunities are not available in rural areas.”
- “Banks could lend to farmers for housing development. At present the banks are useless.”
- “Listen to the views of the Parish Councils who have intimate experience of what works in small communities but who are so often over ruled by County Councils who are only interested in numbers.”
- “The government needs to take a less punitive stance on landlords that are trying to provide affordable quality housing. Consider allowing landlords to claim VAT back on improvements to housing.”

**Government policy, devolution and local government**

43. Those who live and work in the countryside can be forgiven for feeling that the countryside is often treated as a theme park, not receiving the political support and action it needs and deserves. Rural life holds specific challenges, which means it needs different solutions and policies to our urban neighbours.

44. Rural areas are home to one-fifth of England’s population and a quarter of all registered businesses; contributing over 16 per cent of England’s
The recent report by the House of Lords Natural Environment Rural Communities Committee shone a light on our countryside and how it is treated under the current system of government. When the Alliance gave oral evidence to the Committee we highlighted a number of issues that the final Report picked up on, including the proposal for rural proofing to be led by the Cabinet Office, the loss of granular research on rural issues and the need for rural affairs to be fully integrated into all government departments.

The Report’s recommendation that responsibility for rural policy should be transferred from Defra to the Ministry for Housing, Communities and Local Government could be a first step towards the countryside to be taken seriously. Unless there is a sea change in government and the civil service, coupled with a greater understanding of the countryside, nothing will change.

The Countryside Alliance believes we need to make rural proofing work effectively and fairly. How else do we ensure we are avoiding unintended consequences before they happen so that decisions are taken that provide the flexibility to be successfully implemented in differing geographic, social and economic settings? One size fits all policy does not work, which is why rural proofing is important and rural policy itself is often much more complicated than in urban areas.

Lord Cameron had been previously asked by Defra to undertake a review of the process to ensure that rural issues were mainstreamed into policy making and decision taking. The Report, published in 2015, was universally welcomed and provided a framework to move rural proofing into the mainstream policy agenda. Most importantly, however, the changes proposed were light touch and entirely achievable with little or minimal disruption to parliamentary business. The Government was urged to implement all the recommendations.

Countryside Alliance calls for:

- Government to adopt the recommendations from Lord Cameron’s report into rural proofing.
- Granular rural research to be undertaken to ensure the Government has a full understanding of what is happening in rural areas.
- Full integration of rural policy across government departments and between central and local government must be implemented to ensure we have policy that really delivers in rural areas.
and the inability to make your voice heard were key themes in the responses to our research.

51. **Comments from the survey:**

- “Most of what government and local enterprise partnerships offers little benefit to rural economies. There is an awful lot of unnecessary red-tape in the UK which is highly detrimental. We need infrastructure and more effort to help get better prices for our produce and more efforts to boost exports of UK foods.”
- “Local government simply does not have the funding for outreach work. they struggle to maintain minimum essential services, and in rural areas the cost of travel eg to school, and in road maintenance is very high. Without more devolution, very little can be done.”
- “Not enough. LEPs are OK, but they are only really focussed on high growth companies.”
- “I was on LEP for as long as I could afford to be away from my small rural businesses- no one with small/ micro business experience can sacrifice the time and effort required to get our voice heard, therefore it is not heard and helping.”
- “As a parish council, we have no faith in either our unitary authority or LEP whose agenda seems unrelated to rural life and seeks to impose urban standards/aspirations where they are inappropriate.”
- “One department within national and local government to oversee and promote rural areas for farming business health housing education and managing local economies.”

10 September 2018
1.0 Rural Proofing

One size fits all policy does not work which is why rural proofing is important and rural policy itself is much more complicated than in urban areas.

Lord Cameron undertook a review of the process to ensure that rural issues were mainstreamed into policy making and decision taking. The report (2015) was universally welcomed and provided a framework to move rural proofing into the mainstream policy agenda. Most importantly, however, the changes proposed were light touch and entirely achievable with little or minimal disruption to parliamentary business. The Government was urged to implement all of the recommendations.

Off the back of Lord Cameron’s report Defra produced guidance (2017) for government departments on how to rural proof, which is welcome. However, unless that document is integrated into the psyche of Whitehall and beyond it is fundamentally not going to work. This has been backed up the House of Lords Select Committee on the Natural Environment and Rural Communities Act who reported in 2018 and reported that the Government is failing rural communities and the responsibility for rural policy should be transferred from Defra.

There are a number of barriers that is holding back rural proofing being integrated into government. Ranging from the lack of familiarity across government of the rural proofing checklist and the fact it is quite general. When the checklist is implemented it is often ‘after the event’ rather than during the process when it could be embedded in policy. This leads to post hoc justification of no rural impact. Fundamentally the policy of rural proofing is neither rigorous nor systematic. A more proactive approach across government is required rather than a reactive one.

Examples:

- The Home Office proposed changes to firearms law and knife sales are a case in point. Prior to the public consultation there had been no discussion on how the proposals in the Offensive Weapons Bill would impact on those working in rural communities. Firearms law is clearly an area that affects rural communities and advice on the impact of those proposed changes on users of firearms in rural areas should have been sought before seeking a change in the law.

- The Government’s proposals to ban electronic collars did not give enough consideration to the impact of banning these devices in rural areas. One of the biggest problems for livestock farmers is the issue of sheep worrying and many responses to the Government’s consultation highlighted the use of electronic collars in helping to train dogs that are prone to chasing
sheep, and yet this issue was not addressed by the Government in their response to the consultation.

- The Government’s ‘Digital by default’ programme saw many rural businesses and homes excluded from accessing government services due to the lack of access to broadband. The problems ranged from not being able to submit tax returns online, applying for certain benefits, and farmers being unable to submit their Basic Payment Scheme. When the decision was made for farmers to submit forms online many struggled with insufficient broadband speed. Defra said in 2014 1Mbps would be enough to process mapping, but it soon became clear that at least twice as much was needed to process land-based changes without any severe delays or problems. Which lead to Defra abandoning their online only policy and accepting paper forms.

**Countryside Alliance calls for:** Annual report on rural proofing performance of government departments and the state of the countryside. This must be backed up by a debate on the floor of the house and those departments failing should be held to account.

### 2.0 Rural Crime

Crime is a key issue for rural communities and has risen up the agenda of rural concerns over the last few years. In many surveys, crime and anti-social behaviour, and policing are key concerns - second only to the National Health Service.

The extent of crime in rural areas is only part of the problem. For many people, whether they have fallen victim to crime or not, the simple fear of crime can have a detrimental effect on their quality of life. 39% of rural people are worried about becoming a victim of crime compared with 19% nationally. It has been suggested that anticipation of crime has the potential to cause greater harm than the actual experience of crime itself due to the effect of long-term stress and other mental health considerations. This is exacerbated by rural isolation. Rural communities are often without reliable mobile signal or internet, and an absence of any visible police presence.

Crime is also underreported in rural areas with more than one in four not reporting the last crime they were a victim of because they either felt it was a waste of time or that the police would not be able to do anything. This is further supported by low satisfaction rates of police performance in rural areas, with only 24% of the rural public perceiving the police have the ability to solve crime. The crimes which are perceived to go untackled in rural areas included speed and dangerous driving and fly-tipping. The implication of these facts is that we have a rural population simply putting up with the crime they experience and making do as best they can. Good rural policing is about far more than numbers of police officers on the ground. If we truly want to tackle rural crime, then we must form effective partnerships between the police, rural communities and other authorities.

Fly-tipping has become a major problem in the UK, and the Countryside Alliance has long campaigned on the problem of fly-tipping in the countryside. It is not a
victimless crime and government figures only tell part of the story as official figures on the number of incidents on private land and the associated clear up costs are patchy. Evidence suggests that private land owners spend upwards of £47 million a year clearing up fly-tipped waste. However, this figure is widely accepted to be on the low side. Residents and businesses in the countryside pay as much, and often more, per head of population for policing and deserve equal treatment to their urban counterparts. Rural crime, including fly-tipping, must be taken seriously by the police and local authorities.

Good relations between rural communities, local police and other authorities is far more effective in tackling rural crime. It is vital that the voice of the countryside is heard and the personal, social and economic costs of crime and anti-social behaviour are fully understood and acted upon.

**Countryside Alliance calls for:** Fair funding for rural policing because providing services across large, sparsely populated areas can be expensive on a per capita basis, and the Government’s funding formula should take that into account. In addition, there needs to be better targeting of police resources because tackling crimes from poaching and farm theft to drug dealing and domestic abuse present greater challenges for policing when perpetuated in a rural context.

**National Rural Crime Network’s ‘National Rural Crime Survey 2018’**

Rural areas are becoming a soft target for criminals as the 2018 National Rural Crime Survey shows that the countryside is living in fear of crime, being let down by the police and feeling ignored. To learn more about the results please visit the National Rural Crime Network’s [website here](#).

**3.0 Broadband**

The Countryside Alliance believes that high speed broadband and mobile connectivity is an essential service alongside water, electricity and gas; but is nowhere near as available in rural areas as it is in urban areas. 1.1 million premises still don’t have access to decent broadband, meaning that 17% of rural homes and businesses are unable to receive decent broadband and 82% can’t receive a 4G signal.

Continued poor connectivity in rural areas represents a huge missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority. The current lack of broadband infrastructure serving small firms threatens the expansion of the rural economy currently worth £400 billion annually. The business opportunity includes 28% of all UK firms and over one million small businesses.

Research by the Countryside Alliance showed that digital connectivity was ranked the most important issue that could improve the rural economy. 70% of respondents were concerned that slow speeds are a barrier to growth, the lack of connectivity was leading to increased isolation and social exclusion, and that fibre connectivity should be available to all, no matter where they live.
The need for investment in digital connectivity, particularly in rural areas, is to be welcomed, and the commitment in the Budget to £200 million National Productivity and Investment Fund (NPIF) funding to deliver faster broadband for rural businesses, homes and schools will be essential to close the digital divide. However, the Government has only committed funding from the NPIF until 2021 and if the Government are to deliver on the Future Telecoms Infrastructure Review, which has set out the changes that are needed to give the majority of the population access to 5G, connect 15 million premises to full-fibre broadband by 2025, and provide full-fibre coverage across all of the UK by 2033, then we need a clear funding strategy that is well beyond this 2021 funding commitment.

A full fibre strategy is essential to underpin 5G coverage and deliver a turbo charged broadband network which is so vital for our countryside communities. Currently, the UK has only four percent full-fibre connections and if we continue building at the same rate it will be 24 years (2042) before we reach 100 per cent full-fibre coverage.

**Budget Measures:**

- **Fibre network** – £740 million allocated from the National Productivity and Investment Fund (NPIF) between now and the end of the financial year 2020/21 to fund digital infrastructure fibre and 5G investment.
- **Rural areas** – The Budget allocates £200 million from the NPIF to pilot innovative approaches to deploying full fibre internet in rural locations, starting with primary schools, and with a voucher scheme for homes and businesses nearby. The first wave of this will include the Borderlands, Cornwall, and the Welsh Valleys
- **New homes** – Alongside the Budget, the Government is publishing consultations to mandate gigabit-capable connections to new build homes and speed up the delivery of upgraded connections to tenants, making it quicker and easier for communications providers to roll out full fibre networks.
- **Suffolk** – The Government is also announcing that Suffolk is the first local area to be awarded £5.9 million of funding from the third wave of the Local Full Fibre Networks challenge fund, enabling next-generation full fibre connections to key public buildings.

21 November 2018
Executive Summary
In 2017, CCN commissioned one of the world’s foremost independent economic forecasting and modelling advisory firms, Oxford Economics, to undertake a detailed analysis of county economies. We hope that this analysis will be of use to the committee, and the full report is available [here](#).

The Oxford Economics (OE) report sets out that whilst the vast majority of rural England is contained within the CCN membership area, it does not follow that county economies are largely rural. However, the rural setting of many of our members geographies bring specific challenges, particularly access to services, transport and infrastructure.

This submission sets out CCN’s views on the role that they play in supporting and growing rural economies, and contains recommendations that we believe would support rural economies. Our key messages are:

- Rural economies are undervalued and are highly interdependent within counties.
- Fairer funding for counties would allow for additional support for rural areas.
- Existing mechanisms for assessing investment bids tend to disadvantage rural areas.

Our key recommendations are:

- All policies should be rural proofed across departments with particular focus on rural transport and rural economic development.
- Strengthen the planning system so that county councils are involved in strategic decisions around infrastructure planning and funding, and ensure that counties receive a fair portion of developer contributions.
- Follow the recommendation of the recently launched ‘Building Mobile Britain’ campaign in order to improve digital and mobile connectivity across the country, including rural areas where there is a high proportion of micro-businesses and start-ups.
- Planning authorities should have robust planning policies in place promoting the supply of affordable rural housing where it is needed.
- The Industrial Strategy must make sure that it devotes sufficient attention to rural areas in order to improve productivity which is lower in rural areas than in urban areas.

Introduction
1. The County Councils Network (CCN) represents 36 English local authorities that serve counties. CCN’s membership includes both county council and county unitary authorities who serve over 25m people (47% of the population). CCN develops policy, shares best practice and makes
representations to government on behalf of this significant proportion of the country outside of the big conurbations.

2. CCN is a member-led organisation which works on an inclusive and all party basis and seeks to make representations to Government which can be supported by all member authorities. This submission has been developed in close consultation with county and county unitary authorities, following a call for evidence from member councils. Evidence from this has been included throughout.

3. CCN welcomes the opportunity to input into this important inquiry. Alongside our written response, CCN would welcome providing oral evidence to the committee. We consider each of the committee’s questions below.

**General Issues**

**Question 1**
What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

4. The County Councils Network covers the vast majority of England’s rural areas, as indicted by the maps below. Our research indicates that rural economies are interspersed throughout counties, and are highly interlinked with more urban areas. This interdependency has consequences for economic development policy across as well as within county economies.

5. Oxford Economics found that in 2017 CCN GVA was worth £600bn, 41% of the English GVA. The CCN area accounts for 44% of the employment in England, equivalent to just over 13 million jobs. While doing well in headline terms, counties are also facing significant structural challenges, indeed GVA growth in counties has already started to slow in recent years. The CCN economic sectoral profile contains higher levels of archetypally ‘rural’ sectors such as agriculture and food manufacture.\(^{172}\)

\(^{172}\) https://www.countycouncilsnetwork.org.uk/unleash-the-power-of-englands-counties-leaders-urge/
6. Rural county economies are also typified by specific challenges in productivity, skills, wages and industry profiles. Over the past decade, GVA growth in the CCN area has averaged 1.1 percent a year, which is less than the English average of 1.3 percent a year. This divergence in growth presents an ongoing challenge for rural areas.\textsuperscript{173}

7. Oxford Economics find that over the past few years, growth in rural county areas has been led by the service sectors. This contrasts with the typically ‘goods’ based perception of the rural economy. This trend is predicted to continue, with professional, scientific and technical sector employment becoming increasingly important. In contrast, manufacturing employment is likely to decline somewhat as that sector continues to raise its productivity.\textsuperscript{174}

8. Productivity (GVA per job measured in constant 2013 prices) within the CCN area (£46,000) is below the English average (£49,700). The CCN area has low concentrations of employment in some of the sectors with the highest productivity in England, namely real estate, financial services and information & communications. It is also over-represented in some of the lower value-added sectors, such as agriculture. In addition, productivity tends to be lower within the individual sectors within counties.\textsuperscript{175}

9. Research by Oxford Economics found that despite representing nearly all of England’s rural areas, by international comparison the CCN economy is not entirely, or even predominantly, rural. Oxford Economics assert that:

"It is true that... the vast majority of rural England is contained within the CCN area. However, it does not follow that the CCN economy is largely rural. On the contrary, according to the EU’s typology of NUTS 3 areas,
which roughly approximate to county or unitary authorities, there is only one local economy in England which is even predominantly rural—Herefordshire. Everywhere else (and hence the vast majority of the CCN network) is classified as either predominantly urban or as intermediate between the two. In contrast Wales has four predominantly rural areas and Scotland has eight.”

10. Nonetheless, CCN covers the majority of England’s rural areas, and our member councils are aware of the challenges in delivering economic growth and services in rural areas. CCN members are fully aware of the specific challenges relating to rural economies, and believe that local knowledge is vital in shaping effective interventions.

Question 3
How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other change?

11. Over the coming decade, rural authorities will have to meet the challenges they face with issues of productivity, skills, wages and industry profiles. The CCN area is home to 26 million people and rising. Oxford Economics found that there is:

"a growing demographic challenge, with a slower rate of growth for the working age population than for the population of all ages. They conclude that these changes mean "that future economic growth cannot come simply from population growth, or even just employment growth, but needs new drivers”

12. A key driver for growth in county areas will be increasing productivity. As above, the gap in productivity between CCN economies and that of England as a whole reflects both lower concentrations in high productivity sectors and a tendency for productivity to be lower within individual sectors in counties. There is a need for further understanding of this productivity gap within individual industries.

13. However, productivity gains are often off-set against labour losses, with automation a key factor. Counties already face misalignment in their skills profiles, counties have high levels of skilled trades, but a shortfall in professional workers associated with higher value industries. Oxford Economics “forecast job losses of 144,000 in the manufacturing sector between 2017 and 2027 in the CCN area, reflecting strong productivity gains in manufacturing.” However, this is balanced by anticipated employment growth in other sectors. OE expect “professional and administrative services to contribute the most to jobs growth, with each sector creating around 130,000 new jobs. Construction, wholesale & retail and health & social work will also see strong job creation in the CCN area in the next decade, adding around 100,000 new jobs each.”

176 ibid
177 ibid
178 ibid
179 ibid
14. Counties, empowered to shape their economies and develop a healthy mix of industries and more productive professions, could multiply their already large contribution. No action would leave looming unemployment in counties, without the productivity gains and future-proofed skills and jobs for people to thrive. Where counties do see high growth and productivity, primarily in the south east, other challenges are present. Under-bounding of growing towns, very high house prices, congestion and infrastructure gaps all need to be addressed to ensure these places can continue to flourish.

**Infrastructure and services**

**Question 4**

How can access to transport be improved in rural areas?

15. Buses are a lifeline to rural communities. Efficient public transport is of particular importance in county areas where large, sparse and rural geographies mean that there is an increased risk of isolation. Local bus services are a lifeline for many residents and we must ensure we find ways of making services sustainable for the future.

16. The bus system is particularly crucial to county economies - half of all commutes outside of London are by bus, and businesses say that well designed services in rural areas are crucial to supporting local economies.

17. The Bus Services Act 2016 automatically granted metropolitan mayors the power to franchise bus services. These powers allow mayors to set bus fares, decide when and where bus services run, specify customer service and vehicle quality and join up ticketing across their area – in line with the needs and expectations of communities and businesses. These powers should be extended to rural county authorities to ensure that communities across the country can benefit.

18. In addition, when looking at the distribution of Governmental infrastructure funding, through the National Infrastructure and Construction Pipeline, CCN found that while Greater London covers less than 5% of the nation’s road network it received over 55% of identifiable funds. This sees London receive almost 4½ times more funding per person than any other part of the country.\(^\text{180}\)

19. When considering local authority spend there has been a significant and worrying trend in counties – between 2010/11 and 2015/16 CCN members have seen a 58% reduction in maintenance and transport budgets. Metropolitan areas have seen much smaller decreases over the same period at just over 22%. Bucking the national trend Greater London is the only area which has managed in increase its expenditure on maintenance and transport. The benefits to London are demonstrable. For example the only area that has seen bus usage increase rather than decline in recent years.

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\(^{180}\) [https://www.countycouncilsnetwork.org.uk/industrial-strategy-ccn-response/]
20. Metro Mayors and city regions have been guaranteed almost £5bn in infrastructure funding via devolution deals over coming decades. The magnitude and the long-term surety of these investment funds are again a significant advantage for the big cities. There is also concern that with the devolution of these funds to cities and continued Government austerity there will be a diminishing pot for any future devolution and investment in county areas.

**Question 5**
What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

21. Rural Economies have higher proportions of micro-businesses and people who work from home, and internet and mobile connectivity is an essential part of the rural economy, as well as essential for education outcomes and preparing young people for work.

22. Recent research by CCN has shown that over two thirds (72%) of England’s counties are below the national average download speed of 45mbit/s and more than a quarter have average speeds below Ofcom’s definition of superfast (30mbit/s). For some counties this means that their areas have average download speeds that are far slower than large urban and city areas that they neighbour.\(^{181}\)

23. Last year, a report by Oxford Economics warned that county economies are lagging behind the rest of England in those ‘high productivity’ sectors reliant on digital infrastructure and fast broadband connections, such as information and communications, finance and insurance. Rural areas need to have the digital infrastructure to compete with cities and urban areas, otherwise there is a real risk they will not be able to attract the businesses of the future as England moves towards a greater prominence of financial, tech, and communications sectors, at the expense of ‘traditional’ sectors such as manufacturing. This is increasingly important in the context of the Industrial Strategy and the aim to achieve more inclusive growth.\(^{182}\)

24. CCN welcome the Government’s commitment to universal broadband, and the laying of legislation setting out the design of the Universal Service Obligation (USO). While we welcome the option to pool funds within a community to achieve a solution, consideration should be given to where the remaining households, who fall outside of the £3,400 per household cost threshold, are located. If the properties falling outside this limit are not grouped, their options are more limited and it is likely that individual isolated households will be most affected.

25. Residents who fall within existing industry investment schemes are excluded from local authority investment through EU State Aid legislation. Whilst recognising the important role of this legislation, the amount of time residents

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\(^{181}\) [https://www.countycouncilsnetwork.org.uk/download/1478/](https://www.countycouncilsnetwork.org.uk/download/1478/)

\(^{182}\) [https://www.countycouncilsnetwork.org.uk/download/901/](https://www.countycouncilsnetwork.org.uk/download/901/)
may have to wait for industry investment has been of concern. The inclusion of a deadline for the USO is therefore welcome.

26. Alongside broadband, mobile signal – in both availability and reliability remains a concern for CCN members. The Country Land and Business Association (CLA) found that in 14 rural local authority areas in England, four out of five households do not receive 4G mobile coverage from any of the big four mobile providers, and while people inside 90% of UK premises can now make telephone calls on all four mobile networks, this falls to just 57% in rural areas. This is despite connectivity promises from the major providers, which have all been certified by Ofcom. CCN urges that further consideration should be given as to how mobile data coverage can be rapidly extended. 183

Question 6
What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

27. There are specific challenges with supporting services in rural areas throughout the public sector. Common challenges include difficulty in recruiting and retaining staff, additional cost found in necessary travel times, and the balance between accessibility and economies of scale. CCN members believe that sustainable services in rural areas can only be achieved through fairer funding for those rural areas. Successive policies across government departments have under-funded counties - of particular relevance for our membership is that county areas have lower ‘Core Spending Power’ than any other type of authority and contribute more in council tax.

<table>
<thead>
<tr>
<th>Type of Authority</th>
<th>Average CSP per resident (2017-18)</th>
<th>Assumed Council Tax per resident</th>
<th>Settlement Funding Assessment (SFA) per resident</th>
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<tr>
<td>Shire County Areas</td>
<td>£703.42</td>
<td>£464.46</td>
<td>£186.94</td>
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<tr>
<td>Unitary Authorities</td>
<td>£706.27</td>
<td>£394.05</td>
<td>£265.50</td>
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<td>Metropolitan Districts</td>
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<td>£330.52</td>
<td>£363.38</td>
</tr>
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<td>London Boroughs</td>
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<td>£425.18</td>
<td>£472.80</td>
</tr>
<tr>
<td>England Average</td>
<td>£774.05</td>
<td>£427.56</td>
<td>£298.93</td>
</tr>
</tbody>
</table>

Question 7
What can be done to support local shops, community pubs and other rural amenities at risk of closure?

28. Services such as shops, pubs and other amenities provide a hugely valuable lifeline to rural communities. They act not just as places to acquire things, but also as places to socialise bringing the community together.

29. A study from the National Housing Federation published in November 2017\(^1\) shows that building just a few affordable homes in rural villages, can help to keep these vital services open. The report, ‘Affordable housing saving rural services’ contains research which shows that between 2012-2016, 52 schools in rural areas of England closed, equivalent to one every five weeks. Between March 2013 and December 2016, a total of 1,365 pubs in rural areas in England closed, an average of seven per week. Finally between 2011 and 2016, a total of 81 post offices in rural areas closed.

30. The report goes on to demonstrate through three case studies that building just a few new homes in rural villages helps to keep these vital services alive. Housing associations work with the community and local authority to identify the types of homes required, as well as involving the community in the design. This is a unique model and which ensure that the homes built meet the needs of the local community, ensuring families can remain in the places where they have often lived for generations.

31. CCN therefore encourages district authorities to ensure that they have robust planning policies in place promoting the supply of rural affordable housing where it is appropriate and where there is a local need. This is vital to ensuring the long-term sustainability of services in rural towns and villages, and the wider rural economy.

**Business, employment, skills and demography**

**Question 8**

How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

32. Connectivity, skills and investment are crucial for rural businesses. The connectivity challenge for rural businesses is outlined above.

33. On skills, the qualifications profile in 2016 of the CCN area differs slightly to that of England. The CCN area has marginally lower proportions of people at either end of the qualifications spectrum. At the top end, 36.5 percent of the CCN area’s working-age population hold an NVQ level 4 qualification compared with 37.9 percent in England. At the other end of the scale there are 6.4 percent of people in the CCN area with no qualifications compared to 7.8 percent in England.\(^2\)

\(^1\) [http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Affordable_Housing_Saving_Rural_Services_-_Rural_Life_Monitor_2017.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Affordable_Housing_Saving_Rural_Services_-_Rural_Life_Monitor_2017.pdf)

\(^2\) [https://www.countycouncilsnetwork.org.uk/unleash-the-power-of-englands-counties-leaders-urge/](https://www.countycouncilsnetwork.org.uk/unleash-the-power-of-englands-counties-leaders-urge/)
34. An analysis undertaken by Localis of the labour market reveals different levels of exposure to labour market challenges, including Brexit, automation, skill levels and demographics.  

35. The data, included in the below maps, shows that rural areas have particular concerns around post-Brexit labour shortages and demographics. In addition, whilst the data indicates relatively high levels of skilled workers in most rural areas, the evidence from Oxford Economics demonstrates that as the sector profile of the economy shifts towards service orientated industry, re-skilling will be required to avoid unemployment.

Figure 3: Map showing exposure of England’s 47 strategic authority areas to the automation of manual jobs

Figure 4: Map showing exposure of England’s 47 strategic authority areas to a post-Brexit labour shortage

36. Devolution of economic development powers, particularly those relating to skills, would enable counties to provide targeted solutions for the problems in their areas.

Question 9

186 http://www.localis.org.uk/research/in-place-of-work/
How can deprivation and inequality in rural areas be tackled?

37. Deprivation and inequality are the product of many different factors. Despite the perception of the wealthy shires, our members believe that deprivation and inequality in rural areas is not well measured or understood. This was made clear by the findings of the Social Mobility Commission which found that young people in rural areas are impeded by low social mobility. The SMC finds that:

"the new social mobility cold-spots in our country are concentrated in remote rural or coastal areas and in former industrial areas, especially in the Midlands. There, youngsters from disadvantaged backgrounds face far higher barriers to improved social mobility than those who grow up in cities and their surrounding hinterland."

38. Increasing social mobility is therefore vital in addressing deprivation and inequality in rural areas. The County APPG has held an Inquiry into Social Mobility in county areas. Early findings from the research indicate that access to transport, high quality education, and employment opportunities are crucial. As set out above, the unequal distribution of funding in county authorities means that providing services for deprived residents is more challenging. Support for services in rural areas requires fairer funding for those rural areas.

39. Hindering efforts to tackle inequality is a perception that rural areas are wealthy, and do not require support for deprivation. The Chair of the Rural Coalition reported to the Lords Committee on the Natural Environment and Rural Communities Act that “policymakers were, on the whole, embedded in London and are very urban-centric”. She went on to state:

“Quite a lot of the people who are developing these policies—with the best will in the world—think of rural as farming, horticulture and environment. That is what they see. And they see the drivers of the economy as large businesses, whereas that is not always the case”.187

40. This is also apparent in evidence provided to the Prince’s Countryside Commission, which highlights the quote:

Central decision-makers unaware of the issues. e.g.: bid for funding to enable work with young people in poverty. Phone call from London querying the bid, asked if we understood that it was to work with young people experiencing poverty. We said “yes”. He said with some bewilderment “but you are in Cornwall” [ENG] 188

Question 10
How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

41. For years, the pull of the larger cities and their inherent opportunity has resulted in young people leaving more rural areas, and cyclically, less opportunity for those who stay. This pull is likely in part due to successive policy decisions, which have long side-lined counties. For metropolitan areas, the introduction of City Deals, the allocations of the National Infrastructure Pipeline, and Metro-Mayor centric devolution deals have resulted in significant investment that is less available to those in county areas.

42. It is clear to our members that the successive impacts of less investment, fewer opportunities and lack of inclusive growth in counties have frustrated residents. It is interesting to note that while the big cities saw higher proportions of votes to remain in the European Union, the counties and rural areas saw larger proportions vote to leave. Some of the most consolidated leave votes were to be found in county and coastal areas. There has been much debate preceding and following the European Union referendum about economic inclusion, and the perception that not all areas and communities have benefited from the nation’s economic success.

43. Evidencing this, the Social Mobility Commission’s State of the Nation report “reveals a growing gulf between our country’s great cities (especially London) and those towns and counties that are being left behind economically and hollowed out socially.” They find that the cold-spots for social mobility are ‘concentrated in remote rural or coastal areas and in former industrial areas’.

44. Counties need the power and tools to work with their business, skills and education providers to shape their labour market, and provide the best opportunities for people. This will need a place-based yet strategic approach, with county and city regions working together to ensure the opportunities of changing technology are maximised, that the profile of industry in areas is made more resilient and productive, that potential job losses are mitigated and that local workforces have the right skills to find meaningful employment near their homes.

**Question 11**

What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

45. There are significant challenges to delivering health and care in rural areas. CCN member councils indicate higher rates for both domiciliary and residential care in more rural areas, with travel costs cited as a significant factor. In 2018 Rural England looked at businesses providing domiciliary social care and reported issues relating to recruitment and/or retention. They found that rural providers struggled with a small pool of potential employees, competition from other employment sectors, and a mismatch between the locations of carers and that of rural clients.

46. Rural England also found that in many rural areas the demographic and sparsity challenges of providing home care are compounded by other factors. Research indicated there were difficulties for clients in accessing health services which are likely to be further away and often inaccessible to them by bus. This may result in first contact with social services being at a ‘moment of crisis’, which is often at higher cost than early intervention.

47. In addition, rural areas often have an older housing stock, which may be of inappropriate design (e.g. entrance steps, narrow staircases) requiring more significant and costly work to be undertaken, and fuel poverty can be more prevalent in rural areas due to this older stock and where mains gas is unavailable.

48. The cost pressure on county councils has reduced the financial support available for preventative services, including those designed to address social isolation. A well designed system can support health and social care - Keeping people connected to their communities and providing consistent access to public services can reduce the human and monetary costs of escalating need.

49. This is particularly important in counties which represent the largest older populations, and face particular pressures in health and care services. The reduction in bus services as a result of funding cuts has had a significant impact on the ability of older residents to engage in social or economic activities. Innovative community transport schemes can help address these challenges, providing opportunities for older people both to volunteer and to participate economically.

Rural housing and planning

Question 12
How can the affordability or rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

50. The Government’s Housing White Paper made it clear that diversifying the home building industry is a key measure to increasing housebuilding. This is also one of the key messages arising from the ongoing Letwin review into house building by Sir Oliver Letwin. As demonstrated in our recent report with the Town and Country Planning Association, County Councils should not be overlooked when talking about housing delivery.

51. The report, Building for the Future – the role of county councils in meeting housing need, shows that counties, despite not being housing authorities, are taking matters in their own hands in order to deliver housing for their communities, many of which are rural. They are adopting a range of models, from setting up their own housing companies to entering into joint ventures with housing associations. Using their own assets, such as land and new infrastructure, county councils are delivering for their communities. This has

the dual benefit of providing new homes, as well as generating revenue for the council.

52. However, a survey that was undertaken as part of the reports shows that counties need more support from Government if they are to do more. In the survey, 69% of respondents stated that a lack of skills and capacity within their authority was a barrier to setting up a housing company. Our members also cited concerns that infrastructure delivery is also a barrier to building more homes. This reflects on the lack of investment in infrastructure in counties generally, and also the unfair distribution between district and county councils of funds collected through Section 106 agreements and the Community Infrastructure Levy.

53. Investing in more infrastructure in county areas would help to unlock land for development as well as supporting existing and new communities. This situation would be improved by making certain policy changes that would allow authorities to increase the uplift in land value when planning permission for development is granted. CCN recently responded to the MHCLG Select Committee inquiry into Land Value Capture, and our response can be found by following the footnotes below. Investing in county councils, and indeed all councils, will help to achieve the Government’s ambition of diversifying the housing market which will ultimately see more homes being built, which will help to support rural communities and in turn the rural economy.

Question 13
How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

54. There have been numerous policy interventions recently, which have undermined the supply of rural housing, and in particular affordable rural housing. The introduction of the small sites threshold, which means that developers are not required to make any contributions through Section 106 or CIL when they are proposing ten units or less, has had a profound impact on the supply of rural affordable housing.

55. When first implemented, Reading and West Berkshire councils demonstrated that the policy would have a severe impact on the supply of affordable housing in their areas because of a reliance on small sites to deliver all types of homes including affordable housing. This policy has therefore had an adverse effect in rural areas, and particularly in villages, where sites coming forward tend to be small. We therefore believe that this policy should be reversed, and all sites regardless of size should be subject to contributions.

191 [https://www.countycouncilsnetwork.org.uk/download/1514/](https://www.countycouncilsnetwork.org.uk/download/1514/)
towards affordable housing, either on-site or through the payment of a commuted sum.

56. Secondly, and more recently, the revised National Planning Policy Framework introduced a new policy relating to entry-level exception sites. These are sites that would not normally be suitable for housing but are considered acceptable if they deliver entry-level homes suitable for first time buyers. We are concerned that these would undermine the delivery of rural exception sites, which similarly are sites that would not normally considered suitable for housing, but are acceptable where they deliver homes in rural areas that are affordable to those on local incomes.

57. Whilst we understand that there is a need for new homes for first time buyers across the country, our concern is that landowners will hold on to sites for the purpose of delivering entry-level sites on the basis that these will be more profitable than rural exception sites. This will undermine the supply of genuinely affordable housing in rural areas and have a negative impact on the rural economy.

58. CCN proposes either abolishing the entry-level site policy altogether, requiring all sites to have a mix of housing types. An alternative solution would be to set tightly defined parameters for where entry-level sites are acceptable, for example in towns and market towns where the need for this type of housing is generally higher. That would leave other sites in predominately rural towns and villages to come forward as rural exception sites.

**Government policy, devolution and local government**

**Question 14**
Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

59. CCN believes that Government does not pay sufficient attention to the rural economy, with rural policy being almost exclusively handled by DEFRA. Whilst the department has tried to ensure that all departments consider rural issues when forming policy, through the production of a rural-proofing policy document, CCN understands that this has not been as successful as originally intended.

60. The report of session from the Select Committee on the Natural Environment and Rural Communities Act 2006 notes that the resources of DEFRA were consumed with agriculture and environment policy, and that the department had never really taken to the rural affairs element of its remit.

61. In addition, the committee argued that the urban background of policymakers, and a lack of understanding of rural communities in Whitehall, was highlighted as a consistent issue. The Chair of the Rural Coalition reported to the committee that “policymakers were, on the whole, embedded in London and are very urban-centric”. She went on to state:
“Quite a lot of the people who are developing these policies—with the best will in the world—think of rural as farming, horticulture and environment. That is what they see. And they see the drivers of the economy as large businesses, whereas that is not always the case”.

62. Whilst CCN acknowledges the importance of having a department where rural policy is a focus, we would welcome wider collaboration between certain Government departments such as MHCLG and DfT on wider rural issues such as housing and transport which are central to the success of the rural economy. We therefore welcome the recommendation put forward to committee by the Town and Country Planning Association proposing the creation of a new Rural Policy Unit whose responsibilities would include developing national rural policy in the context of wider strategic policies.192

63. The collaboration between such departments would help to rural proof certain policy decisions such as the Right to Buy, or the small sites threshold for affordable housing which will have disproportionately negative effects in rural areas.

Question 15
What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

64. CCN recently undertook a survey of its members around LEPs and the role that they play in promoting economic growth. The overriding theme from this survey was that county leaders believe that the partnership arrangement is key to the economic future of their areas. They have positive collaborative arrangements with their LEPs, and they believe their joint work will deliver improved economic outcomes for their communities, including in rural areas.

65. It is clear, however, that there is room for improvement and better coordination to ensure better outcomes. LEP boundaries are not co-terminus with strategic authority boundaries, with LEPs often crossing county boundaries or different parts of the same county being covered by different LEPs. This reduces the value of the time and effort that counties contribute to LEP. We therefore welcome the recent LEP review recommendation that encourages a move towards coterminous boundaries.

66. CCN member councils provide invaluable fiscal support as well as vital officer support, such as 151 officers and policy support. Whilst many counties have good relationships with LEPs, increased county representation on LEP boards could further help counties to work with local businesses and shape their local economy.

67. Going further, CCN believe that the devolution agenda offers a real opportunity for counties outside combined authority areas to build on their roles as strategic authorities. Our recent report with Respublica noted that “a new model of local government is needed that enables both bringing together strategic decision-making functions and leadership across a county area, and a route towards a new devolved settlement that extends beyond the cities.”

68. CCN believes that these larger strategic-level authorities covering bigger geographical areas can be better placed to take the decisions affecting the full range of council services including economic development, housing, planning and transport, health and care and children’s services. We look forward to continued engagement with the government on the common devolution framework in order to make this a reality.

10 September 2018
1. County Durham has many opportunities to grow but faces a number of challenges which are set out as context in this response. The key challenges are:

- **The loss of EU investment** which impacts on our ability to address socio-economic deprivation which partly relates to the rurality of the county and the physical distance from cities, jobs and businesses.

- **The rural premium** which means that it costs more to deliver public services in rural areas.

- **Poor quality broadband** which means individuals and families find it more difficult to access information on essential public services such as education and healthcare, businesses find it more difficult to communicate with customers, clients and suppliers, and visitors cannot access information on local attractions.

- **No meaningful national rural policies** which means rural areas are not receiving the same levels of support as urban areas.

- **An unsuitable devolution model** which means that rural areas have little chance of developing deals for additional devolved powers and tailored Government support.

2. County Durham lies at the heart of the North East, connecting Tyne and Wear and Northumberland with Tees Valley. With a population of 520,000 across a total area of more than 860 square miles, County Durham has a diverse spatial geography and rich economic history arising from a strong industrial heritage. Geographically, County Durham is well placed to realise economic opportunity. Whilst many of our historical industries have declined, County Durham has made headway towards a more diverse economy with world class knowledge assets such as Durham University and NETPark and with key private sector drivers of research and development including Hitachi Rail Europe, Atom Bank, Thorn Lighting, GlaxoSmithKline (GSK), 3M and many others. Located in the heart of the county and strategically positioned connecting the region, Durham City is a hub of economic and cultural activity.
### Comparison of economic performance measures for County Durham and Great Britain

<table>
<thead>
<tr>
<th>Measure</th>
<th>County Durham</th>
<th>Great Britain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Value Added per hour worked</td>
<td>89.5%</td>
<td>100.0% (UK)</td>
</tr>
<tr>
<td>Employment</td>
<td>71.2%</td>
<td>75.0%</td>
</tr>
<tr>
<td>Employee jobs in business services</td>
<td>11.1%</td>
<td>25.4%</td>
</tr>
<tr>
<td>Average annual salary</td>
<td>£25,703</td>
<td>£28,883</td>
</tr>
<tr>
<td>Qualifications; NVQ4 and above</td>
<td>30.2%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Economically inactive; long-term sick</td>
<td>31.1%</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

3. Appendix A includes a number of case studies on successful rural developments, programmes and projects in County Durham. County Durham is keen to show that it is ‘open for business’; partners in County Durham have worked hard to raise the profile of the county over the last decade to businesses and investors, potential residents and students, and visitors. We have the infrastructure in place for more businesses and investors, we are supporting the development of a wider variety of homes, and there are numerous opportunities to develop the visitor economy. There are also opportunities for rural businesses to grow but they need good quality broadband, premises, investment, and advice. The main areas for rural growth in the future are most likely to be small businesses providing niche products and services and the diversification of businesses who harness opportunities to diversify into new markets.

4. The visitor economy is growing in importance in County Durham, accounting for £870 million economic impact and supporting 11,582 jobs. Residents and businesses are recognising the opportunities in this sector and new and existing businesses are gearing up or adjusting their operations to include tourism elements such as places to eat, stay and shop, or producing and supplying local produce to visitor-facing businesses. There have been consistent increases in the volume, value and employment in the rural tourism sector. As a result of partnership working on themed rural campaigns, the awareness of the rural parts of Durham as a destination has never been higher. Landscape partnerships including the North Pennines AONB, the Land of Oak and Iron, Durham Heritage Coast and the new Brightwater project have all included elements to improve and develop tourism products and infrastructure. Investment through programmes such EAFRD and LEADER have allowed a number of businesses to start up and expand due to targeted tourism business development funding. We have a good track record in this area, but with more capacity and more resources we could do much more.

5. However, County Durham is still recovering from the economic downturn a decade ago. Although the County is emerging in a strong position with increasing interest from private sector investors we need gap-funding from the public sector in order to realise most new commercial developments and attract large-scale investors. As with many parts of the country, the greatest threat to our economy
is Brexit which is leading to a more cautious approach to investment by businesses. More directly, the County is currently classed as a European Transition region and is set to lose European funding in the near future. Although the Government has suggested that a new Shared Prosperity Fund (SPF) will be introduced, the protracted Brexit negotiations are likely to mean that there will be a gap between the end of current programme and the introduction of the SPF. This will mean that successful ESIF projects will cease which will affect numerous skills and business support programmes in the County and will, most likely, lead to a further slow-down in the County’s economy.

6. There is a rural premium which means that it costs more to deliver public services in rural areas, predominantly due to the fact that the population is more spread across a wide area. It is more difficult to make efficiency savings because centralised services may not be accessible by the whole population. Similarly, it is not profitable for the private sector to provide some services such as broadband, business premises and housing in sparsely populated rural areas which means the public sector has to play an active role. Broadband is becoming a basic utility which residents need in order to access public services, businesses need to reach customers and clients, and visitors need in order to find out about the local area.

7. The government has no meaningful national rural policies. The Industrial Strategy has no specific or differentiated measures for rural areas which means rural areas are not receiving the same levels of support as urban areas. In addition, the devolution model is clearly focused on supporting urban areas which leaves rural areas at a disadvantage.

INFRASTRUCTURE AND SERVICES

8. County Durham’s key economic assets are the A1(M) and A19 corridors and its position between Tyne and Wear and Tees Valley. There are twelve main towns in the county with Durham City providing a centre for businesses, public services, transport, leisure and tourism. However, with 520,000 people in 300 settlements spread across 860 square miles communities, families and individuals across the county struggle to access public services and work. Similarly, businesses of all sizes struggle to recruit people with the right education, skills and attitudes because the local workforce is relatively small and most of the county is relatively poorly served by public transport. It is imperative that the Government adequately funds local authorities so that they can support vital public transport services which support businesses and economic growth.

9. County Durham has a diverse range of rural communities. While there are some affluent villages and towns in the county, many rural communities suffer from high unemployment, poor education, low wages, and poor quality, low-value terraced housing. There is a legacy remaining from the heavy industries of the past and European Structural and Investment Funds have been vital in addressing the complex forms of deprivation in the county. In the current programme, County Durham has had ‘Transition’ status which has afforded us additional resources to improve skills and education levels in rural communities and support rural businesses to grow and diversify. However, whilst we have made improvements, the county is amongst the poorest performing areas in Europe and significantly behind national economic performance. Without an
adequate replacement for European investment, there is a high risk that County Durham’s economy could begin to spiral back into decline.

10. Outside of the county’s largest towns the quality of broadband is poor. Despite Government programmes to improve digital infrastructure in rural areas, broadband services in the county are still very poor. There is an immediate need to prioritise investment in broadband in rural areas so that communities can continue to access public services and to ‘level the playing field’ for rural businesses. Business networks are as important in rural areas as in urban areas, and broadband is vital to facilitating business to business communication via websites, social media, and email.

11. However, there is also an issue with broadband technology. Despite the technical availability of 4G, and new 5G trials, fibre optic cabling is still the best solution for rural areas. Although 4G is being used in County Durham where cabling is not possible, this technology is best suited to low speed broadband and many rural parts of County Durham have poor mobile phone signals.

12. It is unprofitable for the private sector to provide broadband to many communities across the region, therefore gap funding and private-public partnerships are essential for delivering broadband to rural areas. Digital Durham is a £35 million programme that covers County Durham, Gateshead, Sunderland and the five authorities in Tees Valley. Durham County Council is the accountable body for the Digital Durham programme which is working with BT to deliver broadband to the most rural parts of the region. Phase 1 of the programme ended in 2016 and resulted in over 105,000 properties having access to fibre broadband. Phase 2 is currently in delivery and expects to give a further 27,000 homes and businesses fibre broadband. Digital Durham is currently developing a bid to lead a regional partnership to be a regional 5G testbed as part of the Government’s 5G programme.

13. In addition to problems with the availability of broadband, surveys by South West Durham Enterprise Agency in 2012 and recent studies by BIS and DCMS highlighted the problems of take-up and maximisation of broadband by businesses. Many SMEs report that they do not possess basic digital skills, some SMEs do not know how to develop an online presence or are unaware of the benefits, and some have a lack of understanding about online security threats. To exploit digital connectivity to its full potential ‘Digital Drive County Durham’, a 3-year, £4M European Regional Development Fund programme has been developed to help small businesses in County Durham thrive in a digital world by gaining a competitive edge and maximising their growth. The programme is the first of its kind in the country, and will help businesses to become more resilient and improve their productivity by providing funding and practical support to help them make better use of digital technology.

**BUSINESS, EMPLOYMENT, SKILLS AND DEMOGRAPHY**

14. Beyond the affluent rural areas in London’s commuter-belt, rural communities across the UK face multi-faceted issues relating to deprivation. County Durham is amongst the most deprived areas in Europe but, as a result of Brexit, we are set to lose the long-term structural assistance that we have received from the EU to help us manage these disadvantages. County Durham has LEADER and EAFRD
programmes which offer a wide range of vital support to rural businesses and individuals.

15. In 2013, under the North East Rural Growth Network pilot, in partnership with Northumberland County Council and DEFRA, we appointed a number of Rural Enterprise Development Officers to provide tailored assistance to rural businesses. The pilot was a great success and helped businesses to adapt, diversify and grow but the Government offered no assistance to continue it beyond 2015. We have also used European funding to support the development and operation of high quality workspace for businesses which the private sector will not provide in most rural parts of the county. This business space also integrates high quality broadband, and other useful facilities such as professional meeting spaces and administrative services which are vital to new rural businesses.

16. Peer to peer business networks are also an important and effective way for businesses to support each other, particularly during their early years; they also provide an effective platform for business support organisations to engage with them. However, rural businesses tend to be less well ‘networked’ and less willing or able to engage with business support. Whilst there are business networks across County Durham, they are geographically dispersed and often have a specific sectoral interest such the Upper Teesdale Agricultural Support Services and Weardale Visitor Network. Rural Connect has been developed as a strategic, overarching enterprise hub network in the North East with a core objective to help businesses to network and grow. Business Durham, a subsidiary of Durham County Council, contributed to the development of the network and continue to be members of the steering group.

17. The North East Regional Growth Network recently commissioned the Centre for Rural Economy (CRE) at Newcastle University to undertake research into the role and contribution to rural economic development of rural growth hubs. Following consultation with hub operators there was strong support to form a network that provided a platform to encourage collaboration and the sharing of innovation and best practice between network members. Funding for the network was sought by The North East Enterprise Agency Ltd (NEEAL), who were awarded £20,000 by the Prince’s Countryside Fund in February 2016 to deliver a project supporting its development, with the funds supplemented by an additional £5,000 from the North East Local Enterprise Partnership and £5,000 from the Rural Growth Network. The project, delivered a range of activities including marketing audit/strategy workshops, social media workshops, ‘Be Your Own Boss’ workshops and a review and management of Rural Connect website.

**RURAL HOUSING AND PLANNING**

18. County Durham is a largely rural area, with more than half a million residents. The northern parts of the county have strong links with Tyne and Wear and Northumberland and the southern parts of the county have strong links with Tees Valley. Due to historic mining and heavy industries the county has almost 300 individual settlements which creates challenges for delivering public services and challenges in supporting the diverse range of businesses and diverse needs of residents. West Durham forms part if the North Pennine’s Area of Outstanding Natural Beauty and includes sparsely distributed villages and hamlets.
predominantly located in the upper valleys of the Wear and Tees. In contrast, East Durham is dominated by small industrial towns and villages in countryside and coastal settings.

19. Durham City is the key transport, administrative, educational, employment, and cultural hub but is small in scale, with a tightly bound by greenbelt and topography and geology which creates challenges for connectivity and growth. In planning terms, the city would benefit from relief roads to the north and west of the city to reduce the amount of traffic travelling across the bridges in the city. There are also pressures to deliver more homes alongside more commercial business premises as well as relieving some of the pressures of housing affordability. Durham University has significant growth plans which need to be balanced with the needs or residents and businesses in the city.

20. There are a further 11 ‘main towns’ in the county which provide hubs for surrounding communities which we are developing based on their individual strengths and assets. The post-war ‘new towns’ of Peterlee and Newton Aycliffe are key employment hubs, Barnard Castle, Seaham, Chester-le-Street and Bishop Auckland are key visitor and leisure hubs, and Consett, Stanley, Spennymoor, Shildon and Stanhope are key local centres for housing, shopping, work and leisure. In addition, the picturesque town of Sedgefield is developing its role as the location of the North East Technology Park – an internationally recognised science park with strong links to Durham University (for more details please see the case study in Appendix A).

21. Planning is therefore a challenge across the county; Durham City’s growth is constrained, Peterlee and Newton Aycliffe were never developed to the scale that was initially envisaged and most towns and villages are struggling to find the right mix of homes, shops, public services and jobs. Many town centres in the county also face competition from larger urban areas nearby including Darlington, Gateshead, Newcastle, Sunderland, Washington and the Metrocentre which have a broader range of shopping and leisure facilities.

22. There are stark contrasts in the local housing markets across the county. The former industrial communities tend to have an over-supply of low quality, low cost, terraced houses whereas other more affluent towns and villages have inflated house prices which cause affordability problems for local people. Many older homes in the county are still reliant on solid fuels for heating and are poorly insulated. Therefore there are a wide range of planning issues with some areas needing comprehensive programmes for demolishing and rebuilding houses and some areas would benefit from planning controls to manage second home ownership. The current planning system is creating imbalances whereby it is relatively easy for residents in desirable towns and villages to oppose development. The consequences are that new housing is not necessarily being developed in the places where people want to live.

GOVERNMENT POLICY, DEVOLUTION AND LOCAL GOVERNMENT

23. The Government’s Industrial Strategy White Paper makes numerous references to rural issues such as digital connectivity and transport, but these are generalised. All references to rural areas in the strategy are as ‘urban and rural communities’, ‘urban and rural places’, or ‘cities, towns and rural areas’. This
would suggest that the Government considers rural areas to have the same issues and opportunities as urban areas which means policies in the Industrial Strategy are unsophisticated and leaves rural areas without any meaningful commitment from the Government. The Shared Prosperity Fund must be used to help deprived communities in rural areas to bridge the performance gaps with urban areas.

24. Government policies for growth and devolution are strongly weighted towards support for the largest cities in England – principally the London-Oxford-Cambridge triangle and Manchester and offer very little to smaller cities, never mind counties. The premium for delivering services in London is well known but the Government does not recognise the additional costs of delivering services in rural areas – the ‘rural premium’. Rural areas need a fair level of funding which reflects the additional challenges we face and need an equal economic status to urban areas.

25. The Government’s approach to devolution in England is inflexible and not viable for most counties. In the North East, governance is becoming increasingly fragmented with the small urban areas dominating the devolution agenda, which leaves few options for a large rural authority like County Durham. Furthermore, even successful rural pilots such as the North East Rural Growth Network are not being continued by the Government, which is somewhat short-sighted.

10 September 2018

APPENDIX A: CASE STUDIES

North East Technology Park

26. The North East Technology Park (NETPark) was developed on a former hospital site close to the rural town of Sedgefield. In the last 15 years, with support from Durham University, the North East Local Enterprise Partnership, the Government, and the EU, NETPark has grown to become a science park with an international profile.

27. NETPark provides a dynamic, supportive and collaborative environment to accelerate the growth of ambitious, innovative, high tech companies into global markets. It provides science, technology and engineering companies with a wide choice of world class laboratory, clean room and office space from the incubation needed in the embryonic stage of growth to the larger spaces needed by companies who are ready to produce prototypes and begin manufacturing.

28. NETPark focuses on supporting companies that are integrating materials into high-value innovative products; particularly printable electronics, microelectronics, photonics and nanotechnology, and their application in the fields of energy, defence, and medical-related technologies.

29. It also provide companies with access to a focused and international community of talent and ideas, where businesses have the support and resources to compete with the best in the world. It brings together those who demand new ideas and new solutions with those who can provide them with an exceptional environment, a talented workforce and an established local manufacturing supply-chain.
North East Rural Business Support Programme

30. The North East Farming and Rural Advisory Network (NEFRAN) serves as the rural advisory body to the North East Local Enterprise Partnership. In 2013, NEFRAN commissioned the North East Rural Business Support Programme, via Northumberland County Council which is the accountable body for NEFRAN, which ran until March 2015. The programme was a core element of the wider North East Rural Growth Network (NERGN) programme for North East England, of which Durham County Council is a partner. The project was 50% funded through Defra resources and 50% through European Regional Development Fund (European Union’s ERDF Competitiveness Programme 2007-13).

31. The programme sought to provide a direct route for people and businesses in rural areas into all of the business support available in the North East; from advice and mentoring to grants and loans. A distributed hub model was utilised which provided a core service through a small number of Rural Enterprise Development Officers (REDOs) supplemented by a range of sub-contracted specialist providers who operated across a network of local hubs directly linking to existing support and networks. This was a key component of the programme; that delivery of business support in rural areas should make use of established networks, organisations and facilities. This was a key building block of the programme from the outset and facilitated by the existing networks and relationships of the delivery partners and the REDO team.

32. A network of 463 specialist suppliers was established to deliver direct support to businesses and the supplier database remains as a resource available for future programmes. Respected organisations and programmes such as Durham Creatives, the Bay Academy and Pulse Creative Marketing were funded to deliver targeted activities for the programme building on their expertise and existing reputations. 440 direct referrals were made to other partners to assist clients with business development and a functioning network of 35 rural enterprise hubs was developed with all workshops delivered through these hubs.

Durham Associates Ltd

33. Durham Associates is a group of companies which owns the former Castle Eden Brewery which they have refurbished and extended to provide a 15,000 sq ft prestige headquarters, some of which is leased to small businesses. The site has approximately 30 rooms to let each around 250 sq ft, as well as on-site meeting rooms and a commercial bistro. The Group provides marketing services to businesses including the development of new web-based tools for marketing organisations. The Group, who were awarded the Queens Award for Export, also offer training consultancy, post-graduate courses and are particularly active in the Middle East, where they also have offices.

34. The North East Rural Growth Network pilot contacted Durham Associates to raise awareness of the programme with their tenants, but subsequently supported the Group to appoint an apprentice, and later awarded the Group a contract to develop a website.

Women in Rural Enterprise

35. As part of the North East Rural Business Support Programme the Rural Enterprise Development Officer in South Durham supported the establishment of a Women
in Rural Enterprise (WiRE) networking group in response to local demand. A series of informal ‘social media café’ gatherings for businesses were also arranged where businesses could seek advice from a social media expert over a coffee.

**Crafternoon tea**

36. In North Durham, the North East Rural Growth Network supported the creation of a creative business cluster, following the ‘airlock’ model suggested by the NESTA 2010 Creative Clusters report. The report recommended catalysing latent clusters, thinking about which sectors work well together, and removing barriers to collaboration. A key finding was that by creating an ‘airlock’ model where a neutral organisation acts as a go-between can help build the trust needed to collaborate within this sector. Crafternoon Tea sessions were held monthly at various locations around the North Durham area bringing these businesses together in an informal environment to facilitate networking, the sharing of ideas and good practice, and encouraging creative collaboration and mutual support.

37. Building upon the success of our Crafternoon Tea programme there was evident demand from complementary therapists for similar provision. Many therapists attended the Crafternoon Tea sessions and found them very useful in developing networks and for peer to peer support. However, a more focused series of cluster sessions specifically for their needs proved hugely beneficial. These sessions created a supported opportunity for likeminded health and beauty/complementary therapists to meet on a regular basis as an informal cluster group led by an Enterprise Coach. Participants were enabled to offer each other peer support and guidance both within and without the duration of the meeting.

**Upper Teesdale Tourism Network**

38. Upper Teesdale Tourism Network (UTTN) is an existing local network for businesses based in Middleton-in-Teesdale in County Durham. UTTN were keen to build on existing activity and further promote their services to existing and potential new members. The North East Rural Growth Network supported the consolidation of this network by providing specialist support through a social media consultant to promote the network’s website, design and print UTTN window stickers, and create marketing for the Tourist Information Centre and village shops, pubs and cafés.

**Tourism Projects**

39. In order to support more tourism, Visit County Durham is involved in a number of ongoing projects. The Dark Skies initiative is a partnership between Visit County Durham, the North Pennines Area of Outstanding Natural Beauty, and a wide range of small and medium sized rural businesses to take advantage of places with no or low levels of light pollution which are ideal for stargazing. An increasing number of farmers are diversifying into the rural tourism economy and Visit County Durham, a subsidiary of Durham County Council, alongside a number of other agencies provide guidance and evidence bases to support farmers to do so. Several market towns in the county have yet to reach their full visitor economy potential so a series of Destination Development Plans have been developed to support more tourism-focused activities.

**The Moorcock Pub, Egglestone, Teesdale**
40. Durham County Council used a multidisciplinary team of regeneration, funding and tourism officers to provide business advice and guidance that enabled the owner of the Moorcock Pub to grow his business. The team helped the owner to develop an application to the European LEADER programme for funding to develop and promote the pub food and accommodation offer. The site was further developed to include yurts and a ‘glamping’ site to support the local economy and encourage visitors to stay longer in this area of the County. The owner is now looking to develop a shop that showcases and stocks locally produced goods.

**Post Office, Crook.**

41. Crook is one of County Durham’s twelve main towns but in actuality is a small, rural market town. The town’s Post Office was recently under threat as a result of the closure of the Co-op store, which incorporated the Post Office. Durham County Council’s regeneration team helped to relocated the Post Office to an independent retail unit in the town by working closely with Post Office Services to identify and secure a location that retain a large format counter services, which ensured business and other services could be delivered. The team also worked with the owner of the property to make the necessary alterations and are continuing to support him.

10 September 2018
Thank you for the invitation to speak to the Committee about digital connectivity. You asked me to follow-up on details on the Business Connectivity Forum and measures to improve business take-up. If I may, I would also like to add further details to the point regarding information on broadband availability to the public, and to clarify details about the USO specification.

The Business Connectivity Forum comprises business organisations, communications providers and others, and has a remit to look at broadband connectivity issues faced by businesses.

At its last meeting in October, the Forum agreed to set up a series of working groups to identify measures that can enable SMEs to make the best possible decisions about the connectivity appropriate for their needs. The working groups will look at three main areas: the digital skills SMEs need to make optimum market choices (and the commercial opportunities which might flow from those choices); the provision of clearer information from communications providers and the role that business organisations and others can play in providing advice; and the awareness around, and robustness of, regulatory protections following purchase of broadband products. The working groups are expected to return to the Forum with a set of recommendations in the Spring. Improving the take-up of superfast broadband, helping businesses understand how connectivity can help them grow, and helping SMEs navigate the market with greater ease and confidence, are all desired outcomes.

In addition to the Business Connectivity Forum, there is a programme of demand stimulation from BDUK, where £500,000 of funding will be made available to Local Authorities to undertake localised demand stimulation activity. BDUK have already publicised the scheme and received a range of proposals which they are currently reviewing. I look forward to shortly hearing the news of the funding allocations and how the proposed models can drive take-up further.

With regards to your point about a central website or organisation offering this information, the BDUK Superfast Checker (https://gosuperfastchecker.culture.gov.uk/) and Ofcom’s mobile and broadband checker websites (https://checker.ofcom.org.uk/broadband-coverage) both currently combine postcode-level data from a number of different commercial providers to show which broadband packages are available, which for 95.7% of the UK will be superfast broadband. The sites also include BDUK’s contracted rollout plans showing those who are due to be connected under the Superfast programme.

These sites together with market comparison websites will benefit from Ofcom’s move for their next Connected Nations report in December to make available address level rather than postcode level data.
Lastly, to clarify the specification of the Universal Service Obligation, the latency that was mentioned is the round-trip delay in the transmission of data (from your device to a third-party site and back). A low latency and quick response is important for smooth video conferencing and calls and for businesses using cloud computing. Current satellite and some wireless solutions do not offer this level of latency, although future technology improvements are likely to improve this. Ofcom’s analysis considered a download speed of 10Mbps as sufficient for typical daily household and small business usage, such as video streaming, email and video conferencing. This is why we have specified this as the minimum speed premises should receive under the USO. We will keep the speed under review over time.

Upload speed is becoming increasingly important for consumers, which is why we specified a minimum upload speed of 1Mbps under the USO. This speed is sufficient for the average household. We are aware that, as mentioned, some small businesses may require higher upload speeds, however as a safety-net for universal access, the USO is not designed to meet these needs. We would, however, recommend that a rural business requiring gigabit connectivity apply to the Government’s Gigabit Broadband Voucher scheme for support in getting gigabit-capable connectivity.

I trust this information has been helpful.

James Heath
Director of Digital Infrastructure
Department for Digital, Culture, Media and Sport

3 December 2018
1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

1.1 Rural areas contributed £246 billion (16.4 per cent) to England’s economy in 2016. They differ in their composition. Some are still based heavily around agriculture, with a market town as a central hub. Others have much stronger interdependencies with urban areas, with many rural residents commuting to jobs located in major conurbations. This diversity means it is important to recognise the differences in circumstances and needs of rural areas by place and between locations. Rural businesses, whether land-based, manufacturing or services, are increasingly linked through supply chains to businesses located across England and beyond.

1.2 A quarter of registered businesses are based in rural areas in England. There are more registered businesses per head of population in predominantly rural areas than in predominantly urban areas (excluding London). Many are small or micro businesses. Proportionately more people are employed by small firms in rural areas than in urban areas. 72 per cent of those employed by rural enterprises are employed by small and medium sized enterprises (SMEs) compared with 41 per cent of urban enterprises.

1.3 The sectoral make-up of economies in rural and urban areas is broadly similar (Figure 1) with the obvious exceptions that farming, forestry and fisheries and other land-based industries tend to be mainly based in rural areas, and financial and other services tend to be more urban-based. Agriculture and tourism are important sectors in the more sparsely populated areas of the country.
1.4 Over the last two decades, the economic contribution from sectors in industrial composition of rural areas has broadly followed the changes in England overall, with manufacturing declining, and professional and administrative services increasing. Whilst the contribution from distribution activities (wholesale, warehousing and transport) activities has declined in England as a whole, their contribution has increased by 2 percentage points in rural areas. The contribution from real estate in rural areas has decreased by 3 percentage points but has not changed in England overall.

1.5 Farming, forestry and fisheries represent 15 per cent of registered rural businesses and 7.5 per cent of people employed in rural areas, rising to 19 per cent of people employed in remote upland areas. Two per cent of gross value added (GVA) in rural areas comes from farming, forestry and fisheries sectors, although this is higher in upland areas. The wider contribution from these sectors through supply chains is limited. The Office for National Statistics determines the total contribution from agriculture, including inter-industry trade, to be around 1.8 times the direct contribution, though this is indicative and the effect would be dispersed across the rest of the economy.

1.6 Productivity in rural areas is lower than in comparable areas in EU-15 countries\(^{193}\). Within England, productivity in predominantly rural areas is only slightly below that of predominantly urban areas excluding London.

1.7 Businesses located in rural areas face many of the same challenges as those in urban areas but as they are more dispersed they may benefit less from agglomeration effects, including having a smaller pool of skilled labour upon which to draw. Poorer digital connectivity and transport links are also

barriers to business development and growth and are being addressed by government.

1.8 Employment rates in rural areas are higher than the UK average and unemployment rates are lower. The sectors with the highest share of employment are the same across rural and urban areas. They include “education, health and social work”, tourism\(^{194}\) and “wholesale, retail & repair of motor vehicles”. These sectors account for 17 per cent, 14 per cent and 13 per cent of total employment in rural areas respectively.

1.9 Overall a greater proportion of rural residents than urban residents have high level qualifications and skills (measured by NVQ Level 4 or above) and the proportion has risen in recent years. Many people however commute for work from rural to urban areas. In terms of where people work, the proportion of skilled workers is higher in urban workplaces than in rural workplaces, suggesting that higher skilled jobs tend to be urban areas.

1.10 Rates of home working are significantly higher in rural areas than in urban areas. In rural hamlets and dispersed areas, 34 per cent of workers work from home compared with 13 per cent of workers in urban areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1. The vibrancy of the rural economy means there are many examples of successful businesses and community initiatives. This is illustrated by various award schemes run by organisations such as the Country Land and Business Association (CLA), Countryside Alliance and Rural Business Awards and through the work of Action with Communities in Rural England (ACRE), the Plunkett Foundation and others.

2.2. Food and drink businesses play an essential role in the rural economy. Notable success stories include:

- **Yorkshire Wensleydale Creamery**, home of the famous Wensleydale cheese, has a turnover of over £27 million. With exports worth £3 million and employing over 200 staff, it contributes £12 million to the local economy. It has gained Protected Geographical Indication status to protect the tradition and quality surrounding Yorkshire Wensleydale cheese and has received almost 400 awards and accolades for its cheeses, butter and yoghurt.

- **Chapel Down winery** is a leading English winemaker based in Kent, producing sparkling and still wines and an award winning range of beers and ciders, with a turnover of almost £12 million and employing 60 staff. It has carved out a niche by using traditional methods to market a product that is not otherwise associated with England and has crafted partnerships to increase its visibility.

\(^{194}\) Bespoke data request from Office for National Statistics, Annual Business Survey, specified Standard Industry Codes (SICs) relevant to the tourism industry, by Local Authority.
2.3. Through the Rural Development Programme (RDPE), Defra is supporting the creation of 6,750 jobs in rural areas. Examples include:

- **Biddenden Vineyards** project included the installation of new fruit handling and pressing machinery. The project has improved the productivity and the quality of products and generated an extra profit of nearly 10 per cent. Two additional businesses have benefitted through collaboration and sharing of equipment.

- **Farm Yard Ales** is a microbrewery on a family farm in Lancashire, producing craft ales using locally sourced hops and water from the natural springs. LEADER funding has allowed the business to diversify and build a bespoke industrial unit which houses a new brewing plant and 400 casks for distribution and storage. The company is creating an extra 5 full time jobs over the next 3 years.

- **3 Musketeers New Potato Grading Facility** has introduced four new techniques using technology innovative to the sector to increase hourly output. The business is creating 6 full time jobs and has increased turnover and benefited 6 associated businesses.

2.4. Forward thinking digital initiatives include Cybermoor in Cumbria and B4RN in Lancashire and DCMS has published guidance on community-led schemes on gov.uk to facilitate projects in other areas.

2.5. DCMS’s £67 million Gigabit Broadband Voucher Scheme provides funding for small businesses and the local communities around them to cover the cost of faster connections over gigabit-capable infrastructure. BDUK has published case studies of successful projects, many in rural areas.

2.6. There are a range of different approaches by Local Enterprise Partnerships (LEPs) and local authorities to address rural challenges that could replicated elsewhere. These include:

- Building on the report of the South West Rural Productivity Commission, four LEPs in the region are developing rural economic growth programmes around digital, food and drink.

- South East Midlands LEP has produced a rural inclusion plan.

- As part of the proposed devolution deal, the North of Tyne Combined Authority will develop a comprehensive Rural Productivity Plan that aligns with NELEP’s Strategic Economic Plan to deliver an aligned and place-based approach to maximising rural productivity.

- Recognising that rural businesses find it difficult to access business support and leadership services, Dorset local authorities and local business professionals have partnered to create ‘Dormen – Dorset

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196 [https://gigabitvoucher.culture.gov.uk/for-businesses/case-studies/](https://gigabitvoucher.culture.gov.uk/for-businesses/case-studies/)
197 [https://www.semlep.com/documentlist/european-funding/](https://www.semlep.com/documentlist/european-funding/)
Business Mentoring198 199, a confidential not-for-profit service provided by volunteers who are drawn from business community.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

3.1. Defra, the Scottish Government and the OECD jointly hosted an international conference in Edinburgh in April this year that looked at 10 major drivers of change in rural areas. There was agreement at the end of the conference on the broad types of policy responses needed to support the future development of the rural economy, for example, enhanced innovation to mobilise growth potential and community wellbeing, emphasising local assets such as natural capital and empowering and supporting community-led approaches200.

3.2. Some of these drivers are reflected in the four Grand Challenges outlined in the government’s Industrial Strategy. Artificial Intelligence, Mobility, Clean Growth and Ageing Society will be crucial factors in the future of the economy in rural areas, both in how it is affected by the need to adapt to these challenges and how businesses respond to the opportunities presented. Defra is involved in work to take forward all four Grand Challenges, so that they take account of the needs in rural areas and the potential for growth in important sectors as well as the broader rural economy.

3.3. Digital connectivity is critical to ensuring that rural areas can maximise growth opportunities. DCMS’s Future Telecoms Infrastructure Review sets out ambitious targets for a nationwide full fibre network by 2033 and for the majority of the population to have 5G coverage by 2027. Greater digital connectivity will improve how rural firms tap into knowledge networks and how people can develop their skills. It will also allow the development of new transport technology and infrastructure in rural areas. Rural areas will also continue to benefit from the development of public and private digital services, including e-government and online banking, which lessen the barriers of distance. Faster connectivity and video-conferencing is likely to increase the range of e-services available whilst reducing costs. Autonomous vehicles could offer the scope for those working and living in rural areas to have increased flexibility in travel times, which will offer broader access to economic and social activities than at present. As a consequence, there will be greater flexibility in where people live and work and how we transfer goods and access services.

3.4. Technological innovation is key to competing globally and an important part of the Industrial Strategy, with the commitment to invest 2.4 per cent of GDP in research and development within 10 years. The government is committed to being a world leader in agri-food innovation and sustainability, with £90 million investment in Transforming Food Production programme

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198 [https://www.wooler.org.uk/glendale-gateway-trust](https://www.wooler.org.uk/glendale-gateway-trust)
200 The papers for the conference can be found at [http://www.oecd.org/rural/rural-development-conference/](http://www.oecd.org/rural/rural-development-conference/)
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for R&D that will put the UK at the forefront of advanced sustainable agriculture; transforming food production whilst reducing emissions, pollution, waste and, soil erosion.

3.5. The Transforming Food Production initiative will build on the government’s 2013 Agri-Tech Strategy, with £160 million invested over 5 years in agri-tech that has enabled significant research into delivering new technological products and processes for the agriculture sector. We are currently exploring how new collaborative research ventures involving farmers and other partners (such as research syndicates) can develop a new generation of agricultural technology.

3.6. Government is working with the livestock industry to reduce responsibly the use of antibiotics, underpinned by improvements in biosecurity, husbandry practices and disease prevention. The industry has made significant progress, with sales of antibiotics falling by 27 per cent between 2014 and 2016.

3.7. The state of our natural assets and landscapes is crucial in rural areas. The impact on natural capital and the services that flow from it is an integral consideration to development of the rural economy. Although rural areas are vulnerable to environmental challenges, they can also expect to benefit from natural capital and its improvement being placed at the centre of the 25 Year Environment Plan and agriculture policy reform.

Infrastructure and services

How can access to transport be improved in rural areas?

4.1. DfT has funded 37 pilot “Total Transport” schemes to improve rural transport. The schemes include integrating separate but overlapping transport services such as minibus patient collections with other types of passengers. This initiative has shown that taking a more holistic way of looking at what transport services already exist, and working in partnership across organisations, can help to provide alternative and better value transport solutions. This type of approach is particularly valuable in rural areas where public transport services are not viable.

4.2. The role of community transport should be taken into account when developing rural transport solutions, helping to connect those communities that are not served by conventional bus services. DfT has supported community transport operators by providing £25 million funding through the Community Minibus Fund for over 400 new vehicles.

4.3. Since 2014, £43 million from the Bus Service Operator Grant has been paid annually to local authorities rather than bus operators in relation to the bus services that councils support. They can use this funding to support rural bus services.

4.4. Information about what is on offer is also a key element in the better utilisation of transport services. Recent research has found that many people do not know about the Demand Responsive Transport or dial a ride.

While there are some issues such as availability of taxis at the time needed, these can be dealt with if the service is more widely used and generates more revenue.

4.5. There are other initiatives being delivered by rural business such as free bus pick-ups from railway stations. For business to grow in the rural areas, employers should be acknowledging the needs of their work force in getting to and from work. On the social side, rural communities are tied to either driving or the bus/taxi. For example, an enterprising pub in Kent has started its own bus service to pick up and take home customers who have booked for a meal and pay £5.

4.6. In most rural communities, the car is still the main transport mode. At the moment the cost of fuel tends to be more expensive in rural than in urban areas which can have an impact on use and availability of the car. Moving to electric cars would be a way forward. DfT’s "Road to Zero" strategy²⁰² said the government would monitor market developments to determine whether any significant gaps in charging infrastructure provision appear over the medium term and consider whether there may be a case for direct central government support in areas of market failure, which may include rural areas. The government is also providing ten local authorities across the country with £14 million up to 2020 (which also will enable match funding) to install charge point infrastructure for taxis. Several of these ten local authorities serve wider rural areas.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1. Poor digital connectivity acts as a barrier to the significant benefits rural businesses would otherwise gain, such as remote working, better access to customers/suppliers, improved business efficiency, as well as data storage and security. It also results in start-up businesses being drawn to other locations with better connectivity, often in more urban areas.

5.2. DCMS and Defra work closely together to improve digital connectivity in rural areas. The Future Telecoms Infrastructure Review has set out a range of policy recommendations to reduce barriers to deployment and create a stable regulatory environment, in order to encourage rapid roll out of world-class digital connectivity across the UK, including in rural areas.

5.3. The Government has implemented a range of measures designed to improve digital connectivity. Superfast broadband coverage is now at 95 per cent of the UK. This has been supported by £1.7 billion of public money delivered through BDUK, whose programme is continuing to roll out with another 2 percentage points coverage expected, which will mainly be in rural areas.

5.4. Alongside this, DEFRA is providing £75 million of funding to support further superfast broadband in rural areas that do not yet have access. There has

been an excellent response from local authorities applying under the Rural Broadband Infrastructure Scheme. At the end of August 2018, applications across the country have been approved, totalling just over £40 million.

5.5. The Local Full Fibre Networks programme will stimulate commercial investment in full fibre networks in rural and urban locations. The £190 million Challenge Fund for locally-led projects allocated funding in March 2018 to thirteen successful bidders. These are geographically distributed in various local authority areas across the UK, including four rural towns in the Highlands and a range of rural areas in Northern Ireland. The latest wave of funding was launched on 30 August. The £67 million Gigabit Broadband Voucher Scheme provides funding for small businesses, and the local communities around them, to cover the cost of faster connections over gigabit-capable infrastructure.

5.6. To ensure no-one is left behind, the Universal Service Obligation (USO) will make sure that by 2020, every home and business in the UK has access to high speed, affordable broadband. The USO will act as a safety-net providing a guaranteed basic service, similar to consumer rights to telephone, electricity and water. The USO will be set at minimum 10Mbps, which Ofcom’s analysis says meets the needs of an average household for now. DCMS will keep the speed and quality parameters under review to make sure that the USO keeps pace with consumers’ evolving needs. To minimise market distortion and ensure the USO works solely as a safety net alongside the government’s more ambitious fibre roll out targets, costs will be met by industry.

5.7. Mobile coverage targets for 90 per cent geographic voice coverage and 98 per cent indoor coverage were met by industry in 2017. Further coverage targets through license obligations are being explored, together with changes in planning law and additional interventions, to meet the manifesto commitment to secure 95 per cent geographic coverage and uninterrupted mobile coverage on major roads by 2022. The government’s recent Accord with the Church of England and cross-government Barrier Busting Task Force will also drive improved connectivity.

5.8. 5G is the next generation of mobile technology and over the next decade will provide seamless connectivity with ultra-fast, ultra-reliable and ultra-high capacity. In March 2018, the government selected six projects for the Phase 1 funding of the 5G Testbeds and Trials Programme, two of which were rurally based. Plans for a wider reaching Rural Connected Communities Project have been announced and will look at the specific challenges and opportunities that exist for 5G in rural areas.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1. The government recognises the additional challenges in providing services in rural areas. The major funding formulas therefore have components to take account of sparsity or rurality. In the government’s consultation on fair funding for local government, rurality was identified as one of the three main cost drivers. The revised schools funding formula for 2018-19 led to
an increase in funding for rural schools of 3.9 per cent, compared with an average of 3.8 per cent. Indeed, schools in the more sparsely populated villages saw an average increase of 7.5 per cent. For health, clinical commissioning groups in predominantly rural areas in England receive 17 per cent of funding, which is in line with the proportion of the population that they cover.

6.2. Other measures are in place to deal with specific challenges:

- On education, local authorities are expected to adopt a presumption against the closure of rural schools. Rural maintained primary schools are designated rural by Order, and Section 15 of the Education and Inspections Act 2006 lists the criteria that must be considered when pursuing proposals to close these schools. DfE has also extended protection for rural schools to rural academies when the rural “double lock” was announced, which means that both local and central government have to agree before a rural academy can be closed.

- On healthcare, the government has extended the Targeted Enhanced Recruitment Scheme which provides a £20,000 salary supplement for newly qualified GPs who take up offers to work in hard to recruit areas. 250 places were being made available in 2018. The Pharmacy Access Scheme will safeguard a baseline level of patient access to a bricks and mortar pharmacy, protecting rural pharmacies.

6.3 The location of bank branches is a commercial decision for the management team of a bank and the government does not intervene in those decisions. The government believes, however, it is important that everyone, wherever they live and especially the most vulnerable, has access to face-to-face banking services. It therefore supports the Post Office Banking Framework Agreement, which enables 99 per cent of personal customers and 95 per cent of small business customers to carry out their everyday banking at one of the Post Office’s 11,500 plus branches, over half of which are in rural areas.

6.4 In December 2017, the government announced £370 million of funding (from April 2018 to March 2021) to secure the future of the UK’s Post Office network. Of that funding, £160 million will help to protect the “last shop in the village” community branches and ensure everyone continues to have access to their local branch. 98.7 per cent of the rural population live within 3 miles of a post office, which alongside postal services perform a frontline role for the banks, offering basic account management for 95 per cent of current accounts and 75 per cent of business accounts.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Pubs, shops and post offices are important hubs within rural communities. The government has introduced several measures to protect them.

- A business can qualify for rural rate relief if it is in a rural area with a population below 3,000, and it is either the only village shop or post
office, with a rateable value of up to £8,500, or the only public house or petrol station, with a rateable value of up to £12,500.

- Pubs with a rateable value of less than £100,000 wherever they are located get a £1,000 discount on business rates bills until March 2019.
- The government has provided £160 million to help protect post office branches that are the “last shop in the village”.

7.2 Community ownership can be an important way of maintaining social infrastructure in rural areas. The Community Right to Bid gives communities a chance to raise finance to buy a local asset such as a pub or a shop. MHCLG will publish revised guidance by the end of the year which will encourage communities to take ownership of local assets as well as signpost them to support and advice available through the new Community Guide to Action and the MyCommunity website.

7.3 The Pub is The Hub funding programme has supported 120 rural pub diversification projects, making pubs less vulnerable to closure through relocating amenities to the pub, including village shops and post offices. In March 2016 government contributed £1.85 million to the More Than a Pub programme, helping communities to buy their local pub. Over 20 pubs, mostly in rural areas, are now in community ownership, with new pub-based community amenities. From March 2019, a “legacy” project, led by Power to Change and Plunkett Foundation, will offer continuing support to communities.

7.4 High streets in market towns and large villages are important hubs in the rural economy. MHCLG has appointed an expert panel203 to advise on the future of the high street.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1. The Industrial Strategy provides the framework to help the rural economy thrive. Its five foundations (ideas, people, infrastructure, business environment and place) and the actions proposed are important for rural businesses. These include steps to improve access to finance, promote investment and spread best practice on technology, skills and equipment. The government is asking LEPs and Mayoral Combined Authorities to develop local industrial strategies which will build on the distinctive local strengths of our cities, towns and rural areas.

8.2. As part of the Industrial Strategy, the government has launched a review of the actions that will be most effective in improving the productivity and growth of SMEs. This review is focused on improving the productivity of

businesses with lower productivity, sometimes described as a “long tail” that lags behind the leading firms and underperform relative to domestic and international benchmarks. The review will report later this year. Its recommendations will be particularly relevant to the rural economy, given the high proportion of SMEs within rural areas.

8.3. In terms of labour and skills, the employment rate is higher in rural areas than in urban areas and the unemployment rate is lower. Those who live in rural areas are generally more qualified but many will commute to work in urban areas. Surveys suggest that rural employers find it more difficult than urban employers to find employees with the right skills and experience. In 2017 skill-shortage vacancies accounted for 22 per cent of all vacancies in the UK. A lower proportion of those working in predominantly rural areas have qualifications at level 2 i.e. GCSE at grade A*-C (76.1 per cent predominantly rural; 79 per cent predominantly urban) and at level 4 (35.4 per cent predominantly rural; 44.7 per cent predominantly urban).

8.4. The government is setting up Skills Advisory Panels to make sure that providers deliver the skills required by employers and to deal with local skills shortages. They will be led by LEPs or Mayoral Combined Authorities and will bring together further and higher education providers, businesses and local authorities to identify current and future skills needs, including those skills that are required by rural businesses.

8.5. Apprenticeships are an opportunity for employers in rural areas to grow their businesses. Over 300 new apprenticeship standards have been approved for delivery and 34 are either available or in development in the agriculture, environmental and animal care sector. Rural businesses will benefit from generous co-investment with 90 per cent of apprenticeship costs provided by government. For the smallest employers, government pays 100 per cent of the cost of training 16 to 18 year old apprentices. DfE is rolling out the National Retraining Scheme with an initial focus on construction and digital skills. The places chosen for the pilots are intended to achieve a balance between urban and rural areas.

8.6. The agri-tech sector is important in rural areas and is one of the sectors where government wants to boost higher-level technical skills through the creation of prestigious new Institutes of Technology. Agri-tech features in three of the sixteen proposals that have progressed to Stage 2.

8.7. The government is keen to see an innovative, productive and competitive farming sector, which invests in its people and skills. Access to a sufficient and appropriately-skilled workforce is essential to continued industry growth, productivity and safety. Agricultural technologies are transforming farming, creating new types of jobs and requirements for new kinds of skills. By raising awareness of agriculture as an exciting and attractive career path, people will understand the opportunities available to them in the farming industry.

\(^{204}\) Department for Education. (August 2018). Employer skills survey 2017: Main report

\(^{205}\) Defra. (June 2018). Statistical Digest of Rural England, June 2018 edition Pg 142
8.8. The government is working with industry bodies to improve access to the talent and skills required within the industry as part of the Industrial Strategy. At its inaugural meeting on 29 January 2018, the Food and Drink Sector Council identified skills as one of its first priorities. It has established a Workforce and Skills Group to develop a long-term action plan for a world-class workforce for all sectors of the food chain, including agriculture. The Agricultural and Horticultural Development Board has recently published an innovative draft skills strategy for the agriculture industry.\footnote{https://ahdb.org.uk/skills-strategy}

This will be developed through the Food and Drink Sector Council and wider industry engagement.

9. **How can deprivation and inequality in rural areas be tackled?**

9.1. Average incomes, employment levels and well-being are generally higher for those living in rural areas and the proportion of households in low income after housing costs is lower than in urban areas. Deprivation and inequality can however be hidden in rural areas, making it more difficult to identify than within urban areas, where it tends to be more concentrated and more obvious.

9.2. Government policy is based on economic prosperity and helping people out of poverty wherever they live. In the UK there are one million fewer individuals in absolute low income before housing costs in 2016-17, compared to 2009-10. In England, the reduction over the same period was 700,000 individuals, with the proportion of individuals in absolute low income in rural and urban areas both falling by 2 percentage points. The unemployment rate is at its lowest since 1975 and there are 3 million more people in work, with over 950,000 fewer workless households.

9.3. The government provides support to those on low incomes regardless of geography. It is spending over £70 billion this year supporting people on low income. Those in rural areas benefit from measures such as the increase in personal tax allowances to £11,800 from April 2018. The government, for example, raised the National Living Wage to £7.83 per hour in April 2018 and has increased it by 9 per cent, £600 a year since it was introduced in 2016.

9.4. It is important to tackle the root causes of poverty and disadvantage such as children’s education and parental worklessness, to improve long-term outcomes for families and children. The pupil premium, worth approximately £2.4 billion (£376 million in predominantly rural areas, £1.5 billion in predominantly urban areas) is helping 2 million disadvantaged pupils (roughly 330,000 pupils in predominantly rural areas and roughly 1.3 million pupils in predominantly urban areas).

9.5. The government has also introduced universal credit to make sure that work always pays. Work Coaches under Universal Credit have flexibility to discuss alternative attendance arrangements for claimants in remote areas. As a minimum, claimants in the Intensive Work Search regime are expected to attend fortnightly Work Search Reviews. By agreement a claimant’s work search evidence can be obtained using digital or telephone channels.
instead. To support claimants to attend additional appointments, travelling expenses can be refunded via the Flexible Support Fund. The lowest earners have seen their wages grown by almost 7 per cent above inflation over the last two years.

9.6. New initiatives to improve transport for people in rural areas needing to travel to work, skills or training include 45 Wheels to Work schemes to rent or lend mopeds to people over age of 16.

9.7. Since 2015, over 10 per cent of our Affordable Homes Programme has been delivered in villages with a population of fewer than 3,000 and government recognises the importance of these settlements for both economic and housing growth.

9.8. The government recognises the need to do more. The Housing White Paper in 2017 and the National Planning Policy Framework in 2018 specifically address rural areas and aim to increase housing supply. MHCLG has introduced legislation to double to 100 per cent the maximum level of the council tax premium that councils can apply to homes that have been empty for at least two years. This will help to reduce the number of long-term empty properties and bring more homes back into productive use for the benefit of rural communities, where there are many second homes. The government also supports community led development and has committed £60 million each year to the Community Housing Fund.

9.9. Fuel costs are also more expensive in rural areas and fuel poverty can be an issue. Under the Warm Homes Discount Scheme, 2 million low income and vulnerable households will be provided with a £140 rebate off their energy bill each year. The government has reformed the Energy Company Obligation so that it covers more households and is targeted more towards those with low incomes. It includes a rural safeguard and an uplift for measures delivered to homes that are not heated by mains gas.

10. **How can younger people be encouraged to stay in or return to rural areas and contribute to their communities?**

10.1 The government is working to overcoming barriers facing young people in rural areas such as housing, transport and access to education, employment and training and digital connectivity. There are initiatives that give young people more opportunity to influence and engage with the fabric of their local communities.

10.2 The government wants young people, wherever they live, to have the opportunities they need to get on and a key element is ensuring that skills provision meets local skills needs, including through plans to introduce Skills Advisory Panels and Local Digital Skills Partnerships. These will work within existing local infrastructures such as Mayoral Combined Authorities and LEPs to bring together local businesses and providers to work together to meet current and future skills needs.

10.3 Over 300 new apprenticeship standards have been approved for delivery, providing opportunities for young people as well as for employers in the rural economy to grow their businesses. The introduction of T Levels will
give students at 16 a technical alternative to A-levels, widening opportunities in their local area to develop the skills that employers value. Some students in rural or isolated areas may find it harder to travel significant distances to undertake their industry placements, so the travel bursary for 2018-19 will be increased to help with additional travel costs.

10.4 Beyond education and employment, the government has a number of programmes, both current and proposed, that will enhance community cohesion and ensure young people identify with their communities. These initiatives include “Community Organisers” which supports communities to solve local issues for themselves, for example, by saving a local rural bus route.

10.5 Initiatives to be launched in 2018 as part of the recent civil society strategy207 include “innovation in democracy” which aims to enable greater citizen involvement in decision-making processes at a local government level. “Place-based giving” will help grow the number of partnerships between the local community, businesses, philanthropists, and local and national voluntary sector organisations that enable local people to give back to their local area and play a role in the fundraising and grant-making processes.

10.6 The government is also considering whether the mutual model could be a viable option for the delivery of public services. Employee ownership can have a positive impact in several areas including growth, productivity and rooting jobs in local communities. Recent government research found that 93 per cent of collective mutual profits were reinvested into the business or into the local community. The organisational structure and culture of mutuals can attract and retain more young people to live and work in rural areas by giving them a voice in the organisations they work for and an opportunity to influences their strategic direction.

10.7 The Youth Investment Fund is a £40 million programme in partnership with the Big Lottery Fund that is supporting the creation and expansion of open-access youth service provision in six regions of the country, including in rural areas of Somerset, North East, West Midlands and the East of England. Open-access youth provision enables the personal and social development of young people through a range of services, such as one to one and group support with youth workers, access to a range of activities to support skills, including sports, music, culture, arts and social action, as well as information, advice and guidance.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 The current and future challenges and opportunities of an ageing society are likely to be particularly evident in rural areas. The rural demographic profile

is markedly older than that of urban areas. Almost one in four of the rural population (2.3 million people) is aged 65 or over compared with one in six in urban areas. The average age in rural areas in 2016 was 44.4 years, 5.5 years older than in urban areas.

11.2 The demographic profile is changing fast. There has been a 37 per cent increase in the rural population aged 65 and over since 2001, with particularly large percentage increases for older age bands. By 2033, up to 10 per cent of the population will be aged over 85 years in some rural areas.

11.3 The government has given local authorities access to an additional £9.4 billion dedicated funding for social care over three years. This means that councils are able to increase spending on adult social care in real terms for each of the three years from 2017-18. An ageing society means that the government will need to reach a longer-term sustainable settlement for social care and it has committed to publishing a Green Paper by autumn 2018 setting out its proposals for reform.

11.4 The Industrial Strategy set out Grand Challenges\(^\text{208}\) to put the UK at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people’s lives and the country’s productivity. One of the first Grand Challenges is ageing society. The mission\(^\text{209}\) is to ensure that people can enjoy at least five extra healthy, independent years of life by 2035, while narrowing the gap between the experience of the richest and poorest. This will include looking at specific issues within rural communities. The Grand Challenge will promote and harness innovation and technology which could play an important role in supporting older people in rural communities. This includes adaptation of existing dwellings and building new dwellings that anticipate future needs, home working, autonomous vehicles and connecting local communities.

11.5 Loneliness and isolation are of increasing concern. Public Health England (PHE)’s report “Local action on health inequalities: reducing social isolation across the life course”\(^\text{210}\) aims to reduce social isolation in an ageing population through promotion of good quality work for older people, provision of social activity, support for carers and support for the bereaved.

11.6 Community-centred approaches are effective in reducing social isolation and health inequalities and improving wellbeing in rural areas. Community life, social connections and having a voice in local decisions are all factors that influence health. PHE’s and NHS England’s joint guide to community-centred approaches provides practical and evidence-based options that can be used to reduce inequalities.

11.7 The government is committed to enabling people of all ages to contribute their time and talents to their communities through social action. The Office


\(^{209}\) https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/missions#healthy-lives

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for Civil Society, in partnership with Nesta, is currently backing a number of initiatives which support these volunteering opportunities, especially for older adults. This includes through the Connected Communities Innovation Fund which is supporting projects that mobilise people to help them and their communities thrive.

11.8 Many of the projects supported by ACRE aim to address rural isolation. These include training to help people to access online services and opportunities, supporting vulnerable people to access services, assisting with access to training for employment or volunteering and advice to sustain locally delivered services.

11.9 In January 2018 the Prime Minister announced new cross-governmental work led by DCMS to develop a strategy on loneliness in England, to be published later in 2018, and to develop the evidence-base around the impact of different initiatives in tackling loneliness, including those in rural areas. The government has also announced a £20 million loneliness grant fund for charities and community groups to help isolated people and those suffering from loneliness. The funding will support and expand programmes that bring people together and that are proving to benefit communities.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 The government is committed to building more homes. Through the revised National Planning Policy Framework (NPPF) published on 24 July this year, the government has strengthened the obligation on all local planning authorities, including those in rural areas, to consider, plan for and support the delivery of homes to meet their needs. In addition, the revised NPPF continues to support neighbourhood planning and to encourage local communities to identify and address their needs.

12.2 The revised NPPF includes a definition of affordable housing, which includes a reference to essential local workers. The reference makes it implicit and unambiguous to decision makers that affordable housing provided for essential local workers can count towards local requirements for affordable housing.

12.3 In April 2018, the government amended a national permitted development right to support rural housing and agricultural productivity. This means that up to 5 new homes can be created from existing agricultural buildings on a farm rather than the maximum of 3 previously permitted.

12.4 The government has made £9 billion available through the Affordable Homes Programme to March 2022 to deliver 250,000 new affordable homes of a wide range of tenures, including social rent homes where they are needed most. Between 2012-13 and 2016-17, Homes England spent £142.3

211 https://www.gov.uk/government/collections/governments-work-on-tackling-loneliness
million on rural schemes in the Programme. This equates to just under 9 per cent of the total expenditure spent for schemes per annum.

12.5 In August 2018, MHCLG published a consultation seeking views on options for providing greater flexibility around how local authorities can use their statutory Right to Buy receipts and how to ensure that we continue to support them to build more council homes. The Right to Buy scheme has always sought to balance the benefits of helping social tenants into home ownership with the need for affordable rural housing. Where homes are sold in rural areas, landlords can require owners to resell only to people who have lived or worked locally for at least three years, or to sell them back to the landlord. This allows tenants to become home owners and keeps homes available for the local community.

12.6 The voluntary Right to Buy scheme enables housing association tenants to buy their homes at the same discount levels as council tenants enjoy under the statutory Right to Buy. A pilot is under way in the Midlands. Under the terms of the voluntary agreement on the voluntary Right to Buy between the Government and the National Housing Federation, housing associations have the discretion to exclude properties from sale in certain broad circumstances, one of which is being in a rural location."

12.7 The “Health and Harmony” consultation concluded in May 2018, and responses indicated that affordable housing was one of the most important rural issues. Attracting skills and talent is crucial to realising our ambitions for a thriving agriculture sector. Defra therefore consulted on how best to attract new entrants into the industry and is seeking views on whether current tenancy law is a barrier to new entrants.

12.8 The government supports community-led development through the Community Housing Fund. Rural areas have already benefited from the first year allocation totalling £60 million. £163 million remains available over 2018-19 and 2019-20. A new Homes England programme to deliver the fund in England (outside London) was launched on 2 July.

12.9 The government’s 25 Year Environment Plan commits to piloting locations for a Revolving Land Bank. A Revolving Land Bank would help address the lack of affordable rural housing by tackling challenges that impede the delivery of a range of rural homes. The government is working with Rural Housing Network and others to develop proposals for a pilot.

12.10 MHCLG is also bringing forward a Green Paper on Social Housing in England. The Green Paper will review issues and concerns relating to social housing including wider issues of place and community. To inform the Green Paper, the government has listened to the views of social housing residents and landlords, including people living in retirement housing.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 The NPPF is a high-level framework that sets out broad policies for England as a whole, which are then applied through plans and decisions made by
local planning authorities. As the policies apply nationally, the NPPF makes clear that it is important for local authorities to consider the specific impacts of their policies and decisions on their rural communities.

13.2 The revised NPPF includes sections on rural housing and supporting a prosperous rural economy. It sets out that “In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs.” It is for the decision maker to decide the weight to give to material considerations in each case. In terms of plan making, the planning policy set out in the NPPF will be a matter that local planning authorities must take into account in developing and revising their planning policies.

13.3 The new rural housing section gives strong support for rural exception sites and supports councils to identify opportunities for villages to grow and thrive. The NPPF also supports farmers, with new policy to support the building of homes in isolated locations where this supports farm succession.

13.4 The section on supporting a prosperous rural economy introduces a new policy which recognises that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements and in locations that are not well served by public transport.

13.5 The revised NPPF states that “Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).” This policy allows local authorities to take a more flexible approach to affordable housing contributions in rural areas where appropriate, recognising that a greater proportion of developments coming forward in rural areas will comprise of fewer homes. Designated rural areas are defined in the NPPF glossary as: National Parks, Areas of Outstanding Natural Beauty and areas designated as ‘rural’ under Section 157 of the Housing Act 1985.

13.6 The government is committed to supporting those looking to rent or buy their first home, and the entry-level exception sites policy is a key tool to support this ambition. MHCLG responded to concerns raised during the consultation on the draft revised NPPF by making adjustments to make clear that the sites should offer affordable housing, to apply a limit on the overall size of the sites, and to exempt National Parks, Areas of Outstanding Natural Beauty and Green Belts (given the wider limitations on the scale of development permissible in these areas). MHCLG has also committed to monitor the impact of entry-level exception sites in rural areas.

13.7 The government has sought to make clear through the NPPF that planning policies and decisions in rural areas should be responsive to local circumstances and support housing developments that reflect local needs. The thresholds set out in the paragraph 63 of the revised NPPF seek to strike a balance between increasing self-build and small-scale housing development, while recognising the role of section 106 in helping to provide affordable housing. The government’s policy on Section 106 agreements seeks to balance the importance of contributing to meeting affordable
housing needs with not prejudicing the viability of small housing
developments generally. It is for the decision maker to decide the weight to
give to material considerations in each case. In terms of plan making, the
planning policy set out in the NPPF will be a matter that local planning
authorities must take into account in developing and revising their planning
policies.

13.8 MHCLG considers that the policies contained within the NPPF are now up-to-
date and do not currently require any further revision. MHCLG will be
updating national planning guidance in due course to reflect the revised
NPPF. To help address concerns raised during consultation about potential
effects of the new entry level exception sites policy on the existing rural
exception sites policy, the final policy in the NPPF has been amended
compared to that in the draft (so that additional safeguards are applied),
and MHCLG has also committed to monitor the impact of entry level
exception sites in rural areas. The government will continue to keep the
need for wider planning reform under review.

13.9 Effective succession planning and handover of agricultural businesses to the
next generation is important in helping the industry maintain productivity
and resilience into the future. The NPPF supports the delivery of new
dwellings on farms where this facilitates succession of the farm business.

13.10 In April 2018 the government introduced changes to permitted
development rights to help farmers by significantly increasing the size limit
within which agricultural buildings, works or structures can be created,
extended or undertaken without the need to apply for planning permission. Separately, existing rights support the diversification of farms by providing
for the change of use from an agricultural building to a shop, café, leisure
use, office or for storage.

13.11 The government has also amended planning practice guidance to support
the development of farm shops, polytunnels and on farm-reservoirs to
ensure they are given appropriate, positive consideration within the
planning system.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention
to the rural economy and if not, why not? What might be done to
ensure that Government and other public bodies hear and act on
rural voices?

14.1 The government wants thriving rural areas with strong and sustainable
economies and vibrant communities, and for those living and working in
rural areas to have the same opportunities as those in towns and cities.

14.2 The government has a clear approach to rural proofing - it is best
mainstreamed into all policy making across government as well as delivery
at local level. As reiterated in its response to the House of Lords Committee
examining the Natural Environment and Rural Communities Act, the
government remains committed to rural proofing all policies from the
earliest stages. There is a range of advice available to departments to
develop and assess the implications of their policies on rural areas, including Defra’s revised rural proofing guidance (March 2017), the Treasury’s revised Green Book (March 2018) and the Better Regulation Framework guidance (February 2018), and Defra maintains a wide range of statistical evidence.

14.3 Defra works with departments to rural proof priority policies. In relation to rural businesses, Defra is engaging with BEIS on the Industrial Strategy and business support, DCMS on digital connectivity and tourism, DfT on transport and MHCLG on housing, planning and development of the UK Shared Prosperity Fund. There is good evidence that departments are paying attention to the needs of rural businesses. For example, DCMS’s Future Telecoms Infrastructure Review, published in July this year, places a high priority on extending full fibre broadband to the 10 per cent hardest to reach premises, which are mainly in rural areas. The revised National Planning Policy Framework includes a chapter on the rural economy.

14.4 The government is clear that more can be done. Defra is working with nominated officials in each department to review how rural proofing is approached. Defra will be publishing a Statement of Rural Research Priorities later this year to stimulate research in the main issues affecting rural businesses and communities and this will provide further material for departments to draw on. The existing rural proofing guidance is applicable in other public bodies but work will be developed to improve rural proofing at all levels of government.

14.5 Defra also engages with a wide range of stakeholders at official and ministerial level. For example, Lord Gardiner, the Rural Affairs Minister and the government’s Rural Ambassador, has convened meetings with stakeholders on digital connectivity, rural enterprise, wellbeing and loneliness. Such engagement with a wide range of stakeholders is important in informing government policies.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 In February, Parliament confirmed MHCLG’s settlement for local government, which has provided a £1.3 billion increase in resources to local government over the next two years; £44.3 billion in 2017-18 to £45.6 billion in 2019-20.

15.2 This settlement funding to local government is not ring-fenced. This provides local authorities with the flexibility to best determine their spending priorities, enabling them to focus their resources on rural areas, as well as towns and cities.

15.3 In addition, the current business rates retention scheme is yielding strong results. Local authorities estimate that in 2018-19 they will keep around £2.4 billion in business rates growth. This is on top of the core settlement funding.
15.4 Going forward, the government’s Fair Funding Review will provide a thorough, evidence-based review that will modernise the cost drivers in the funding formula to reflect better the different needs of 21st century councils. Government is clear that this must mean all councils, be they in the north or south, in metropolitan or predominantly rural areas, inland, or with coastal communities. MHCLG is working closely with the LGA and representatives from across local government to ensure the entire spectrum of need is considered when developing policy.

15.5 It is also clear that partners beyond local government have a role to play supporting growth in rural areas. LEPs bring together a rich partnership of private sector organisations, local government, education and other key local institutions to deliver the Industrial Strategy and drive growth and productivity across the country, including in rural areas.

15.6 As independent public private partnerships, LEPs are undertaking a range of activities to support rural economies. Providing perspectives from across the country, LEPs are a good channel for rural voices to be heard throughout government and LEP chairs in rural areas are effective champions of their economies. The South West Rural Productivity Commission, which was set up by four LEPs (Swindon & Wiltshire, Dorset, Heart of the South West and Cornwall and Isles of Scilly), provides an example of the way LEPs can work together to support and promote rural economies.

15.7 There are a range of business support schemes in rural areas led by LEPs and/or local authorities. For example, Boost Lancashire funded by LEADER\(^\text{213}\) offers specific rural business support beyond the more general business support that is available to any business whether urban or rural. New Anglia LEP provides a good example of a specific sector working group to support agriculture, food and drink. One of the aims of this group is to improve the productive efficiency of the sector and to assist the commercial development of Norwich Research Park.

15.8 The government’s recently published review of LEPs “Strengthened Local Enterprise Partnerships”\(^\text{214}\) provides a clear statement of LEPs’ roles and responsibilities going forward. As part of this, it is clear more can be done to promote greater collaboration between LEPs – and other stakeholders – to address economic priorities. Government is working with places across the country to develop Local Industrial Strategies, with rural LEPs such as Heart of the South West, North East, West of England, Cheshire and Warrington, and Leicester and Leicestershire part of the recently announced second wave of areas. Local Industrial Strategies provide an opportunity to make sure all parts of the country can develop long-term strategies to increase productivity and address key local priorities.

10 September 2018

\(^\text{213}\) LEADER is part of the RDPE. It is a French acronym (Liaison Entre Actions de Développement de l’Économie Rurale) which roughly translates as ‘Liaison among Actors in Rural Economic Development’.

\(^\text{214}\) https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships
Thank you again for the opportunity for Andrea Ledward and me to give evidence to your Committee on 3 July.

We undertook to come back to you with supplementary information, including that requested by the Committee. I have set this down below and in the annexes attached.

1. The reporting date of the Fair Funding Review (Baroness Mallalieu)

2. Relevant outcomes of the Fair Funding Review, when available (The Chairman).

MHCLG aims to implement the outcome of the review of local authorities’ relative needs and resources in 2020/21, while keeping this date under review as work progresses. This offers the best opportunity to achieve a thorough, evidence-based review in collaboration with local government.

The most recent consultation on the relevant factors that drive costs for the services authorities deliver on a daily basis received over 300 responses. MHCLG aims to publish a further consultation this autumn, which will include the principles proposed to be used when designing future transitional arrangements.

MHCLG aims to publish a final consultation in spring 2019, which will include indicative examples of the outcome for individual local authorities, using the best available data and formulas. Final allocations will be published at the provisional local government finance settlement 2020/21.

3. A chart of how Defra works (in the context of the internal location of rural affairs functions) (The Earl of Caithness) This is attached as annex A.

4. A detailed briefing paper on broadband and mobile connectivity, referring to the ongoing activity of the department, successes to date and any ongoing issues (The Chairman) This is attached as annex B.

5. Written information on how people living in the countryside can get research commissioned by the Department (The Earl of Caithness)

Defra is preparing a Statement of Rural Research Priorities and will consult academics, interested parties and stakeholder organisations on key areas for research. We plan to publish the Statement later in the year to inform research
plans by Government, academic institutions and other organisations who fund or undertake research. The Statement will be updated regularly. We welcome proposals on areas for further research from the public and interested organisations. Proposals and views can be sent in writing to Defra or to rural.communities@defra.gsi.gov.uk.

**More information on the DfT’s forthcoming rural connectivity strategy**

DfT commissioned research to improve the Department’s evidence base and understanding of trends in connectivity and accessibility in rural transport provision since 2011. This work looked at local authority funded rural transport. A further aim of the research was to find successful models that rural local authorities had implemented to maintain and improve connectivity and accessibility through best practice.

7. **Written evidence to confirm that the Green Book Guidance on appraisal and evaluation in Government references rural issues (Lord Curry of Kirkharle)**


8. **A copy of the rural-proofing guidance for policymakers and analysts, as promoted in a workshop hosted by the Cabinet Office**

The rural proofing guidance can be found on gov.uk at the following link: https://www.gov.uk/government/publications/rural-proofing.

A pdf version is attached as annex C.

9. **Further written information on affordable housing policies (The Chairman)**

   • Has the potential impact of new housing policies on rural communities been measured?

There have been several consultations on the policies and wording in the National Planning Policy Framework (NPPF):

   • consultation on proposed changes to national planning policy in December 2015
   • Housing White Paper in February 2017
   • “planning for the right homes in the right places” consultation in September 2017
   • consultation on the draft NPPF in March 2018.
These consultations provided an opportunity for input from a wide range of stakeholders, including rural representatives, to help understand and mitigate the potential impacts of the policies.

The NPPF is a high-level framework that sets out broad policies for England as a whole, which are applied through the plans and decisions made by local planning authorities. As the policies apply nationally, the NPPF makes clear that it is important for local authorities to consider the specific impacts of their policies and decisions on their rural communities.

- **How is housing need measured in rural communities and how does this differ from projections elsewhere?**

The standard method for assessing local housing need is based on household projections from the Office for National Statistics that are calculated at a local authority level. This is not broken down into rural or urban need.

MHCLG has however made it clear that the overall housing need figure is just the starting point. Authorities will need to consider the specific circumstances in their areas, including the needs of particular groups, in making decisions about the types and locations of housing. Planning to meet identified needs will also require consideration of land availability, relevant constraints, infrastructure availability and delivery prospects.

In addition to need identified through plans, the rural exception sites policy in the revised NPPF makes it clear that local authorities should support specific opportunities that come forward to provide affordable housing to meet identified local needs in rural areas.

- **What rural proofing measures have been, or will be, taken in relation to the revised National Planning Policy Framework?**

The potential implications of the NPPF for rural areas have been considered as the policies have been developed and in light of the consultation feedback received. This has included close partnership between the MHCLG, as the authors of the NPPF, and Defra, as the government lead on rural issues. This is reflected in the way that the NPPF sets out tailored provisions in the sections on rural housing and supporting a prosperous rural economy. For example planning policies and decisions in rural areas should be responsive to local circumstances and support housing developments that reflect local needs.

In revising the NPPF, MHCLG recognised that the application of some policies, for example sustainable transport solutions, will vary between urban and rural areas. MHCLG also committed in the government’s response to the consultation on the draft NPPF to monitor the impact of entry-level exception sites in rural areas.

10. **Details of the criteria for RDPE funding (Lord Carter of Coles).**

This is attached as annex D.

Yours sincerely
August 2018 House of Lords Rural Economy Committee Annex B – Paper on broadband and mobile connectivity

Summary

A major priority for the Government is to ensure that the UK has world-class fixed and mobile digital connectivity, including for those in rural areas. Good connectivity is crucial for realising economic and social benefits now, and will be increasingly vital for the future of the economy across the whole of the UK. For rural communities, access to a high-speed internet connection and good digital connectivity is vital in ensuring residents and businesses in rural areas can access services, customers and information and be able to grow and compete in the same way as in urban areas.

There has been significant progress, led by DCMS, to ensure a strong foundation of digital connectivity in rural as well as urban areas using interventions such as investment, new legislation and regulatory reform. This is summarised immediately below, with further detail in the background section on our progress towards world class fixed broadband and mobile connectivity, interventions to support full fibre deployment and 5G research, and looking to the future of world-class digital connectivity across the UK.

Future Digital Infrastructure

- The Future Telecoms Infrastructure Review (FTIR), published on 23 July, sets out our ambitious plans to maximise commercial investment in full fibre and 5G mobile networks. Our target is to have 15 million premises connected to full fibre by 2025, with coverage across all parts of the country by 2033.
- We also want the majority of the population to have 5G coverage by 2027.
- The Review’s conclusion was that the most effective way to deliver nationwide full fibre connectivity at pace is to promote competition and commercial investment, where possible. It sets out a long term strategy to achieve this.
- However, the FTIR recognises that the Government will need to support investment in the most difficult to reach c10% of areas at the same time as commercial deployment through an ‘outside in’ approach to fibre deployment. Much of this 10% will be in rural areas, and the additional funding requirement for addressing this issue is likely to be in the range of £3bn-5bn.

Delivering Fixed Broadband

- The UK is starting from a good base. It compares well internationally for superfast broadband availability. As a result of £1.7 billion of public
funding, 95% of the country now has access to superfast broadband (at least 24Mbps), although rural areas generally lag behind urban in access and download speeds. The Broadband Delivery UK (BDUK) programme will continue to rollout superfast coverage, including in rural areas, reaching at least a further 2% of UK premises by 2020.

- In addition, the Universal Service Obligation (USO) will ensure that every premise in the country, including those in rural areas, will have the right to request a 10Mbps connection, subject to a cost threshold of £3,400 per premise.
- DCMS has also set up a £293 million Local Full Fibre Networks (LFFN) programme, which aims to stimulate private investment in full fibre solutions across the UK, including in rural areas.
- HMT has created a £400 million Digital Infrastructure Investment Fund (DIIF), which provides equity funding or debt funding, with match funding from institutional investors, for network operators who want to build new fibre networks.
- In the Telecommunications Infrastructure Act 2018, the Government also introduced 100% business rates relief for operators who install new fibre on their networks for five years. The Act incentivises operators to invest in broadband networks.
- Defra manages the £75 million Rural Broadband Infrastructure Scheme (RBIS), delivered by the Rural Payments Agency, to help rural businesses and communities access superfast broadband if they do not already have it.

Supporting Mobile Coverage

- The Government is committed to ensuring that the UK has good quality, consistent mobile connectivity where people live, work, and travel.
- DCMS is working across Government to explore opportunities for going further to ensure that the manifesto commitment to secure 95% geographic coverage is delivered, alongside the commitment to provide uninterrupted mobile coverage on major roads, by 2022.
- However, Government policy has already driven major improvements in mobile coverage across the UK. In 2015, the Government set the first ever mobile network operator licence obligations to require industry to extend geographic voice coverage to 90% of the UK by end 2017. In addition, O2 (one of the four main mobile network operators) was required to rollout 4G indoor coverage to 98% of premises in the UK, also by end-2017. Ofcom confirmed in March 2018 that all four mobile network operators (MNOs) had met their obligations.
- Mobile coverage in rural areas is improving, with rural 4G geographic coverage from at least one MNO increasing from 75% in June 2017 to 87% in January 2018 (for all four MNOs, we saw an increase from 38% to 52% over the same period), but coverage in rural areas still lags behind urban areas.
- The Government recognises there is more to do, and we are supporting the delivery of further improvements:
In November 2016, we reformed planning laws in England to make it easier for the MNOs to extend coverage, allowing, for example, taller masts to be built in order to extend their reach.

Last year, we made it cheaper for industry to roll out new infrastructure through our reforms to the Electronic Communications Code (28 December 2017), which regulates the legal relationships between site providers and operators of electronic communications networks (known as Code Operators) to support the rollout and sustainability of communications infrastructure.

On 18 February 2018, we signed an Accord with the Church of England to encourage the Church to use its buildings and other property to improve connectivity in rural areas.

We welcome the opportunity that Ofcom’s upcoming 700MHz spectrum auction presents to improve mobile coverage across the UK, including in rural areas.

5G Strategy and Delivery

Through the FTIR the Government assessed the state of the mobile market and the likely pathway to 5G - in order to inform whether additional interventions would be needed to support our ambitions. The Review builds on the findings and themes of the Government’s 5G Strategy and Update to 5G Strategy, published in March and December 2017 respectively.

The review concluded that 5G offers new potential revenue opportunities - both for existing players but also for new entrants who could provide tailored solutions to connectivity challenges - and suggests policies to support market expansion, whilst not undermining competition. The Review therefore proposes a set of policies that will make it easier for new players to enter the market, including through improved access to spectrum.

This approach should help to improve connectivity in rural areas. However, it is important to note that, unlike previous mobile generations, 5G networks will not be homogenous. Deployment will be in phases rather than a ‘big bang’ and will likely vary by geography.

5G technologies are still in their early stages of development and there are uncertainties around the potential business models and revenue streams. The Government’s 5G Testbeds and Trials Programme is key to de-risking investments by supporting trials of new business models.

In March 2018, the Government selected six proposals from across the UK as the winners of the first Phase of funding from the 5G Programme to test 5G connectivity and trial new applications. The projects are now up and running and making good progress. Two of these projects are specifically looking at rural challenges – more detail is provided on page 8 below.

The Government is also planning to set up large-scale testbeds, known as Connected Communities Projects, in both a rural and urban location. Officials will announce the location of the Urban Connected Communities (UCC) project this summer. This will be followed by a Rural Connected Communities (RCC) project. More details on RCC will be announced in early autumn 2018.
We are also working on projects that will support improvements to rail passenger connectivity, as well as a feasibility study considering 5G requirements for road travel, including passenger requirements and connected cars.

Background Detail

Fixed Broadband Coverage

The UK Government has been very clear about the need to ensure widespread coverage of fast and reliable broadband across the UK. This has several elements:

- Universal access to decent broadband speeds (i.e. 10Mbps) to every UK premise by 2020 through the Universal Service Obligation (USO);
- At least 95% of households with super-fast broadband (now delivered), and;
- A target set by the Chancellor for the roll out of ultrafast, ultra-reliable full fibre connections to 15m premises by 2025, and nationwide coverage by 2033.

Superfast

£1.7 billion of public funding, of which more than £790 million is from central government, is being invested through Broadband Delivery UK (BDUK) to improve coverage of superfast broadband (24Mbps and above), and bring it to areas of the UK where the commercial case for investment is more challenging. Superfast broadband is now available to over 95% of UK homes and businesses – up from 45% in 2010 when the programme started. The programme was predominantly targeted at rural areas and funded deployment of superfast broadband to 4.8m premises across the UK by December 2017. Most of these premises were residential in nature, and located in rural areas with low population densities. BDUK will continue to roll out superfast coverage to at least a further 2% of UK premises to 2020. £687m of efficiency savings and clawback will be generated by the superfast contracts due to higher than modelled customer take-up. This could be used for further investment in broadband connectivity.

Full Fibre

The £293m Local Full Fibre Networks (LFFN) programme is designed to stimulate commercial investment in full fibre networks in both rural and urban locations across the whole of the UK. The split between urban and rural postcodes benefitting from LFFN funding up to June 2018 is included below. Funding for the programme is drawn from the National Productivity Investment Fund, of which £740m has been allocated to LFFN and the 5G Testbeds and Trials programmes over the next four years.

In November 2017, as part of the LFFN programme, DCMS launched a £190m Challenge Fund, which local bodies were invited to bid into to maximise the availability and benefit of gigabit capable broadband services to public sector sites and the surrounding business and residential users. The first round of funding was allocated to 13 successful bidders and announced in the Chancellor’s
Department for Environment, Food and Rural Affairs (Defra)- Supplementary written evidence (REC0197)

Spring Statement in March 2018. These are geographically distributed in various local authority areas across the UK, including four rural towns in the Highlands and a range of rural areas in Northern Ireland. The next wave of funding will be launched in summer 2018.

In March 2018, DCMS launched its £67m Gigabit Broadband Voucher Scheme (GBVS) as part of the LFFN Programme. Small to medium sized businesses can benefit from a voucher worth up to £3,000 and residents can benefit from a voucher worth up to £500 as part of a group project. Businesses and local community groups interested in requesting a voucher can find details of suppliers in their local area on our website: gigabitvoucher.culture.gov.uk.

The LFFN programme is also currently building fibre along the Trans-Pennine Rail route between Manchester and York. This can be used for connectivity for communities along the route, it will also be used to connect 5G masts along the route as part of a 5G trial and it will connect the Leeds and Manchester Internet Exchanges.

As of June 2018, data on the current and planned delivery for the LFFN programme indicates that across the programme 20% of beneficiaries will be located in rural areas. In addition, 44% of beneficiaries from Wave 1 of the programme and 40% of beneficiaries from the gigabit voucher scheme so far are located in rural areas across the UK. Overall, this compares favourably, as in England, for example, 17% of premises are in rural areas. The impact for each approach varies - for anchor tenancy a significant number of public buildings need to be relatively close to create a network, whereas the voucher scheme and public building upgrades are addressing single premises (or clusters of residential premises).

A breakdown of LFFN rural/urban postcode coverage by delivery method:

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<th>Rural</th>
<th>Urban</th>
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<tbody>
<tr>
<td>GBVS (trial and national scheme)</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Anchor tenancy (connecting multiple sites to fibre)</td>
<td>8%</td>
<td>92%</td>
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<tr>
<td>Public Building upgrade (connecting a single site to fibre)</td>
<td>29%</td>
<td>71%</td>
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<tr>
<td>Total</td>
<td>20%</td>
<td>80%</td>
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Defra’s Rural Broadband Infrastructure Scheme
The Rural Broadband Infrastructure Scheme (RBIS) was launched in October 2017, with a budget of £30 million. The RBIS targets rural businesses in hard to reach areas not currently scheduled to receive superfast broadband. As well as business premises, the scheme can connect residential properties as part of the wider project.
The scheme provides funding to Local Authorities who are already delivering broadband programmes. This is to utilise the state aid and procurement expertise of the existing teams and local partnerships, secure alignment with existing capital programmes, and ensure maximum value from the Rural Development Programme for England (RDPE) funding within delivery timescales.

The scheme has proved very successful in attracting applications and widespread support. On 26 July 2018, Defra Ministers allocated an additional £45 million of funding for the programme, bringing the total to £75 million overall.

**Mobile Coverage**

Ofcom’s Connected Nations spring update report (30 April 2018) showed that mobile connectivity in rural areas has continued to improve, but still lags behind urban coverage.

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<thead>
<tr>
<th>Coverage from all four Mobile Network Operators as at Jan 2018 (Ofcom update published April 2018)</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voice (2G, 3G, 4G)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indoor premises</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>Outdoor geographic</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Data (3G/4G)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indoor premises</td>
<td>94%</td>
<td>92%</td>
</tr>
<tr>
<td>Outdoor geographic</td>
<td>98%</td>
<td>96%</td>
</tr>
<tr>
<td><strong>4G</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indoor premises</td>
<td>74%</td>
<td>64%</td>
</tr>
<tr>
<td>Outdoor geographic</td>
<td>94%</td>
<td>87%</td>
</tr>
</tbody>
</table>

The Manifesto set a commitment to increase geographic mobile coverage to 95% of the UK landmass, alongside delivering uninterrupted coverage on major roads, both by 2022.

The sale of 700MHz spectrum, which is ideally suited to improving coverage in rural areas, will help achieve this commitment. On 9 March 2018, Ofcom
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**published** its proposals for coverage obligations in the award of the 700MHz spectrum band, due to be auctioned in the second half of 2019. The obligations would require winning bidders to roll out improved mobile coverage in rural areas and the nations. The consultation closed on 4 May and Ofcom is currently considering responses.

Ofcom’s proposed obligations were:
- **One obligation targeting indoor premises coverage in rural areas** to provide coverage to 60% of rural premises unserved by any operator at the time of the auction.
- **Two rural geographic coverage obligations** to deliver good voice and data services across at least 92% of the UK’s total landmass. Ofcom expect this would equate to more than 90% of the rural landmass. As part of this obligation, they also propose a specific target for coverage in each nation as follows:
  - at least 92% in England (1% uplift)
  - at least 92% in Northern Ireland (5% uplift)
  - at least 83% in Wales (8% uplift)
  - at least 76% in Scotland (12% uplift).

These nation-specific targets are based on an average operator coverage derived from information provided by the operators to Ofcom about the coverage levels they expect to reach in 2018. Obligations are to be delivered within three years of the award being complete, i.e. before end-2022. The obligations are also expected to improve roads coverage and to support wider work being done by DCMS to improve coverage on railways.

In its assessment of industry delivering these obligations, Ofcom has factored in the potential use of the Home Office’s Extended Area Sites (EAS). These masts form part of the Home Office’s Emergency Services Network programme to replace the current Airwave communications network. EAS masts will be built in the most remote parts of the country. Where possible, new EAS masts will be built to enable MNOs to provide commercial coverage from them if they wish to do so. The compliance criteria and auction design will be subject to a further Ofcom consultation this autumn.

The Government has been engaging with industry to explore further ways of reducing the costs of mobile infrastructure deployment. A key part of this work has been the establishment of the cross-government Barrier Busting Task Force, on which more detail is provided below.

In addition, we reformed mobile planning laws in England in November 2016, to provide new rights, for example, to build taller masts (n.b. the Scottish Government introduced similar reforms in July 2017).

DCMS has worked with Defra and the Church of England to agree an accord to help the Church encourage the wider use of its buildings and land to support improved connectivity in rural areas. That was announced on 18 February.
5G Mobile Technology

5G is the next generation of mobile communications technologies. While 5G is not yet fully developed, and so there is not yet a common definition of what 5G will encompass, there are a number of expected characteristics - ultrafast, low latency, reliable, wireless connectivity that will support growing data requirements and wide-ranging new applications.

We are determined that the UK should be a world leader in 5G and have a manifesto commitment for the majority of the population to be covered by a 5G signal by 2027. The UK Government published its 5G strategy in March 2017 and an update to the strategy in December 2017. These documents outline our policy framework and a number of actions for Government to ensure that we help create the best conditions for the private sector to invest in developing and deploying 5G in the UK in a timely and efficient manner. As stated above, we assessed incentives to invest in 5G through the Future Telecoms Infrastructure Review, and published the report in July. Further detail on the conclusions of the report on the mobile side are listed in the FTIR background section above.

5G deployment will not follow a one-size-fits-all approach. It is expected to be rolled out in phases with differing approaches to deployment taken around the country. The capabilities (and infrastructure) required to deliver 5G in rural areas (e.g. smart farming and the IoT) will be different to the capabilities required within a football stadium, where thousands of fans may want to stream HD video and replays. This is why we are proposing actions to encourage innovation in the FTIR - in order to enable the growth of solutions to specific connectivity challenges, such as rural coverage.

However, it is important to note that without reliable connectivity across the country, the benefits of some of the new and innovative use cases arising from 5G will not be fully realised. We need to put the foundations in place now - through our work on mobile coverage as set out above - to improve mobile network coverage and to ensure that all areas of the UK are 5G ready.

5G Testbeds and Trials Programme

The 5G Programme of Testbeds and Trials is a key part of our strategy and will help us to create the right conditions for commercial investment in 5G infrastructure and services. The Government wants to support high quality proposals to test 5G applications in a number of sectors. The Government will therefore fund projects that will enable us to analyse these challenges in the most efficient way, wherever they happen to be located in the UK. The projects will be able to address deployment and technical challenges associated with rolling out 5G in both urban and rural areas. This will be crucial to create the UK’s 5G ecosystem.

In March 2018, the Government selected six proposals from across the UK as the winners of the first Phase of funding from the 5G Testbeds and Trials Programme. These include:

- The **5G Rural Integrated Testbed (5GRIT)**, which will trial 5G technology across a range of rural applications, such as smart agriculture.
The project will also aim to provide 5G connectivity to poorly-served communities across the North of England, Scotland and Monmouthshire in Wales.

- The 5G RuralFirst: Rural Coverage and Dynamic Spectrum Access Testbed and Trial project, based primarily on the Orkney Islands and in rural Shropshire and Somerset. The project will focus on delivering 5G benefits for rural communities and industries such as agriculture, broadcasting, and utilities.

**Broadband Universal Service Obligation**

Some 701,000 - or 17% - of rural premises do not currently have high-speed broadband that meets the Universal Service Obligation (USO) of 10 Megabits per second (Mbps) download and 1Mbps upload speed. 10Mbps is the speed that Ofcom has advised will meet the needs of a typical family.

As a result, the government has legislated to implement a new broadband Universal Service Obligation through the Universal Service Order, which came into force on 23 April 2018. Ofcom are now responsible for implementation of the USO, which is expected to take up to two years and will involve consultation on draft regulations for the designation of the universal service provider(s), the conditions that the universal service provider will need to comply with, and design of the industry fund and who should contribute to it.

The Digital Economy Act 2017 also sets out two mechanisms, which enable the Government to initiate a review of the USO to ensure that it keeps pace with consumers evolving needs:

- A discretionary power that allows the Secretary of State to direct Ofcom to review the USO at any time (after consulting with Ofcom), and;
- A requirement that the USO be reviewed when the uptake of superfast broadband (30Mbps or more) reaches at least 75% of UK premises.

Any review would look not just at whether the minimum download speed needs to be changed but also any other of the USO quality parameters (such as uploads speeds).

Based on Ofcom’s analysis, the £3,400 cost threshold will enable coverage up to 99.8% of UK premises, beyond this people will have the option of paying the excess costs to get connected or subscribing to a satellite broadband service from commercial providers.

**The Future Telecoms Infrastructure Review (FTIR)**

We have set clear, ambitious targets for the availability of full fibre and 5G networks. As announced by the Chancellor, our target is to have 15 million premises connected to full fibre by 2025, with coverage across all parts of the country by 2033. We want the majority of the population to have 5G coverage by 2027.

Published on 23 July, the FTIR sets out how Government will create the conditions to achieve these targets. The Review’s conclusion - which followed a
call for evidence, follow up engagement with industry and investors, and analysis undertaken by two consultancy firms on UK market dynamics and international comparisons - was that the most effective way to deliver nationwide full fibre connectivity at pace is to promote competition and commercial investment, where possible and to intervene where necessary.

As part of this, it is essential to:

- Address barriers to deployment and reduce the costs of rolling out new telecoms infrastructure through the Government’s Barrier Busting Taskforce;
- Support market entry and expansion by alternative network operators, e.g. through easy access to Openreach’s ducts and poles;
- Have a stable and long-term regulatory environment that incentivises competitive network investment;
- Ensure that there is a copper to fibre switchover process that increases the demand for full fibre services.

**Full Fibre**

The Review suggests around 10% of the UK will not be viable commercially for full fibre deployment, with many likely to be rural areas. We expect additional funding of some kind is likely to be required, and could be in the range of c.£3 billion to £5 billion. To make sure that fibre delivery in these areas starts early, we will prioritise delivery of full fibre networks through the government’s existing Superfast Broadband programme. The Government will determine the longer-term options for funding as part of the forthcoming Spending Review process. In common with previous Government interventions, we intend to use competitive tenders to award contracts for these areas to commercial operators, in order to minimise any public subsidy requirements and ensure fairly priced services.

**5G**

The mobile section of the Review is underpinned by our ambition to be a world leader in 5G, and the manifesto commitment for the majority of the population to be covered by a 5G signal by 2027. While there is some uncertainty over the business models for 5G, we expect it to create new revenue opportunities for existing carriers, but also open up new opportunities for new players to enter the UK market. The Review therefore recommends policies to encourage a shift to a ‘Market Expansion Model’ that maintains the benefits of competition between the mobile operators, while encouraging new solutions.

We believe our proposals on new infrastructure deployment models and spectrum authorisation are key to this. 5G deployment will not follow a one-size-fits-all approach, but is expected to be rolled out in phases, and with differing approaches around the country. This is where we believe encouraging innovation could provide solutions to specific connectivity challenges, such as rural coverage, through different infrastructure models such as neutral hosts for mobile sites.

Our proposals on spectrum licensing could also help to improve coverage in rural areas. Spectrum sharing could enable new entrants, alongside existing mobile operators, to access spectrum and invest in new business models by potentially
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unlocking opportunities for innovative 5G use cases, such as specific deployment models targeting connectivity in rural areas.

**Overcoming Barriers to Connectivity Delivery**

DCMS created the Barrier Busting Task Force (BBTF), whose remit it is to identify barriers to fixed and mobile network deployment, and to work with industry, local authorities, and other Government Departments (especially MHCLG, Defra and DfT) to overcome them.

We are proposing new legislation to tackle barriers in Access Agreements (wayleaves) and New Build connectivity; as well as non-legislative approaches, for example promoting best practice in Street Works. We are also exploring options to remove barriers to the deployment of Mobile infrastructure, such as whether reforms to the planning system are needed.

Government believes that local areas have a big role to play to facilitate the deployment of infrastructure - both directly through active engagement with the telecoms sector or by allowing access to public sector assets and indirectly through local planning policies. DCMS, working with Defra, has established a Local Connectivity Group which brings together local authorities, landowners, communications providers and Government. The Group will produce guidance on good practice for local authorities, to be published this year, highlighting practical ways to overcome barriers to the deployment of digital infrastructure under themes such as street works; digital infrastructure planning; and public sector infrastructure access.

**Access Agreements (Wayleaves)**

Operators have commonly faced two main challenges: the high cost charged by landlords; and the difficulties in identifying absentee landlords - especially in cases of multi-dwelling buildings and business parks, leaving tenants without a choice of service, or in the worst case no connection at all. Enabling easier access will mean more connections can be deployed. The BBTF is currently pursuing a dual track to tackle the barriers around access agreements with primary legislation and best practice guidance, and is initiating strategic dialogue with major landowners and long-distance infrastructure owners.

For the long term we are proposing new primary legislation. We want to bring telecoms operators in line with the gas, energy and water sectors by providing a ‘right to entry’, where a landlord is given notification of an operator’s intention to access a property with a magistrate providing the warrant to entry. We will consult on the detail of this measure in the autumn.

In the short term, we are developing a best practice toolkit on Access Agreements, which explains the current legislative context and provides practical guidance and standardised template agreements to support cooperation between local authorities, operators and landowners for both urban and rural contexts.

The Access Agreements toolkit will pay special attention to the unique characteristics and challenges around Rural Connectivity. The toolkit will be
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published in the autumn but will be a living document and may be amended to reflect changing practices and feedback from local authorities.

Street Works

The BBTF has engaged with operators and local authorities, the Department for Transport and Highways Authority and Utilities Committee to develop a toolkit on Streetworks. This Framework for UK Fibre Delivery: Street Works was published alongside the Future Telecoms Infrastructure Review on 23 July 2018.

The Streetworks toolkit aims to improve consistency between local authorities by sharing good practice examples of permit schemes and other approaches. The toolkit outlines the approaches that both authorities and operators should take in order to ensure deployment happens quickly and to a high standard. It includes a number of tools, including standard non-disclosure agreements and case studies of what has worked well and why. The toolkit has been agreed by Street Works UK on behalf of operators, and the Joint Authorities Group on behalf of local authorities.

New Build Connectivity

DCMS brokered an agreement in 2016 between Openreach and the Home Builders Federation to provide free full fibre connectivity to new build developments above a certain threshold (originally 250 premises, currently 30 or above). Based on data provided by Ofcom and Thinkbroadband, there has been a visible jump in fibre connectivity since 2016. Despite this improving picture, too many new developments still don’t receive full fibre connectivity, as it is either too expensive for the operator to provide this alone, or because there is no compulsion on developers to provide connectivity.

Therefore, we are proposing new legislation to ensure all new build developments are connected with Gigabit capable connections, which offer choice at the retail level for homeowners. We will look at what can be done through existing legislation, for example building regulations, or whether new legislation may be required. We intend any new legislation to be a backstop provision, designed to ensure that the commercial negotiations between developers and operators are not affected. We will consult on this issue in the Autumn.

Barriers to Mobile Infrastructure Deployment

The Future Telecoms Infrastructure Review also set out proposals to address barriers to mobile deployment. We are focusing on:

- Ensuring the reforms to the Electronic Communications Code achieve their intended effect;
- Considering further planning reforms to support macro site expansion and small cell deployment;
- Improving access to public sites and exploring ways to reduce costs;
- Facilitating access to power supplies, and;
- Local solutions to address deployment barriers.
The Digital Infrastructure Toolkit, intended to improve access to government sites for mobile deployment, was published on 23 July 2018, alongside with the Future Telecoms Infrastructure Review.

30 August 2018
General issues

1 What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Over a quarter of the 786,700 population of Derbyshire live within rural communities with a significant area of the North and West of the County within the Peak District National Park Authority boundary. Derbyshire has a high quality landscape with a rich cultural heritage that provides the population with diverse employment opportunities and the potential to provide a good quality of life. The population is aging and the forecast is for a lower increase (10%) in population as opposed to national statistics (16%). Recent years have seen a growth in visitor numbers and spend acknowledged in the Local Economic Assessment, we have seen a growth in private sector employment however this has not filled the employment opportunities lost from the Public Sector.

Traditional land based sectors (principally farming and quarrying) and tourism underpin our rural areas and sustain wider supply chains but the rural economy extends well beyond these sectors. In rural Derbyshire, manufacturing is a significant employer and other important sectors include engineering, creative and digital industries and other knowledge based activities. Recognising inter-dependencies with urban economies and exploiting economic opportunities (beyond the visitor economy) afforded by the high quality environment and quality of life offered in rural areas, both in attracting inward investment and growing existing small businesses, is key. For example, the EKOSGEN study, Growing the Rural Economy – Evidencing the Case for the Peak District (January 2014) found that: "The wider Peak District stands apart from other rural areas in terms of its economic growth potential offer. It offers distinct opportunities for economic development arising from its unique characteristics - an exceptional landscape surrounded by conurbations - and can make a significant contribution to the objectives of the Local Enterprise Partnerships which overlay the area”.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The locally led / bottom up LEADER programme is an approach that has worked very well across administrative boundaries and has / is providing grant finance to many small companies to help them grow. As the UK moves towards exiting from the EU, Government / Defra is urged to develop similar UK based programmes that are clearly effective in stimulating small business growth.
Local Action Groups have the knowledge and experience of what works in rural areas. There is clear scope for LEADER areas to fulfil a more strategic role beyond delivering LEADER funding to help the LEPs and Government deliver its agenda within rural areas e.g. through devolved growth funding.

The two current programmes in Derbyshire have built on the knowledge and experience from the 2007 – 2013 programme which delivered a total grant investment of £4,260,447 in the area, creating and supporting 462 jobs with an average investment per job of £9,201. The local delivery model is providing a holistic package of rural support to address local need identified through a local development strategy approved in 2015 and has to date delivered:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Number of projects funded to date</th>
<th>Contracted LEADER Grant (£)</th>
<th>Contracted Match Funding (£)</th>
<th>Contracted Jobs created</th>
<th>Businesses supported / created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing Farming Productivity</td>
<td>35</td>
<td>661,882</td>
<td>1,349,263</td>
<td>14</td>
<td>35</td>
</tr>
<tr>
<td>Micro and small enterprise support and farm diversification</td>
<td>29</td>
<td>928,774</td>
<td>2,043,302</td>
<td>119.5</td>
<td>29</td>
</tr>
<tr>
<td>Rural Tourism</td>
<td>8</td>
<td>198,112</td>
<td>389,697</td>
<td>12</td>
<td>8</td>
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<tr>
<td>Rural Services</td>
<td>10</td>
<td>236,283</td>
<td>256,952</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Culture and Heritage Activity</td>
<td>1</td>
<td>15,400</td>
<td>6,600</td>
<td>0</td>
<td>1</td>
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<tr>
<td>Increasing Forestry Productivity</td>
<td>4</td>
<td>89,302</td>
<td>178,604</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>87</strong></td>
<td><strong>2,129,753</strong></td>
<td><strong>4,224,418</strong></td>
<td><strong>156.5</strong></td>
<td><strong>87</strong></td>
</tr>
</tbody>
</table>

The average grant per job of £13,652 is well below the national benchmark for public sector support. Alongside delivering direct job creation/new business development/additional overnight/day visitors the methodology enables the engagement of local participants both public and private sector partners across sectors to exchange knowledge and skills.

A further excellent example of successful local delivery is the Global Derbyshire programme delivered by Derbyshire Economic Partnership in partnership with Derbyshire County Council. The external audit in June 2015 concluded a total delivery of £2,200,000 grant levered in £7,100,000 creating...
203 jobs with at a total investment costs of £10,837 again significantly below the national benchmark figure.

The evidence of successful local delivery should be built on and streamlined, simplified processes implemented. This would enable continued support across the wider rural economy to support future growth both in the business sector and to strengthen and provide resilience within rural communities. Locally delivered support not only provides financial support, an important addition is a knowledge based sharing network that can foster innovation and development with those important smaller scale businesses in rural areas.

3. How do you see the future of the rural economy? Where the greatest potential for growth, and what is/might be the impact of technological and other changes?

The rural economy in Derbyshire needs to capitalise on its geographic central location and sector strengths but without investment in key infrastructure, sites, premises and broadband it will not achieve its potential. Small businesses and start-ups should be supported to deliver sustainable, higher value employment opportunities as they form the core of the business base within the area.

Brexit may offer opportunities for local producers and manufacturers both through strengthened local markets and export opportunities but it may also result in weakening not only the farming and tourism sectors but also the wider business base. Many businesses have been able to benefit from low wage overheads but as the numbers of EU workers diminish and cost of employing non-UK nationals increases, there is the potential for economic growth to be limited by lack of skilled workers, or rising costs required to recruit.

Businesses in rural areas experience many challenges including: distance to services and markets (made worse by high fuel prices, limited public transport and poor broadband coverage); disinvestment in key infrastructure and lack of affordable housing which would attract new employees. A skills gap, particularly in engineering and technical trade skills is exacerbated by distance to training providers and expensive/limited public transport which make apprenticeships inaccessible for rural residents.

Rural areas and the thousands of small and medium sized businesses which characterise its economy have much to offer to support the growth agenda.

For rural economies to prosper, Government must recognise the economic opportunities rural areas and market towns offer and help stimulate the growth of businesses, whatever their sector, size or location. Businesses need support to overcome the challenges of operating in a rural context and measures tailored to reflect the economic contribution that growth in many small businesses can bring about. It is important that lower population/property densities do not form a de-facto bias against public investment in infrastructure and development in rural areas.
Opportunities exist to capitalise on natural capital, the enterprising and creative culture in rural areas, business to business linkages / supply chain opportunities with neighbouring cities and high quality of life offer. Speeding up implementation of high speed broadband provision and mobile phone connectivity throughout rural geographies is essential if rural businesses are to remain competitive and rural communities are to access essential services, more of which are shifting on line. Technological advances and the infrastructure required to take up the opportunities presented must include rural areas, the disparity in connectivity has in the past seen rural businesses and communities disadvantaged. While this is being addressed in part through the roll out of digital programmes this needs to be strengthened to ensure that rural lag in implementing technological advances does not occur through sub-standard connectivity.

Strengthening transport links through enhancing existing transport options and the opportunities to the wider rural economy that HS2, and other key transport investment may deliver could open up and enable high level employment opportunities. The advancement in digital technology offers the potential to expand services and employment opportunities outside the traditional employment hubs of the larger towns and cities. Increasing technology should strengthen the rural economy by enabling higher tech businesses alongside assisting in reducing isolation amongst more vulnerable groups. However, technological changes while welcome should not be seen as a panacea for business or communities, personal interaction will remain a vital ingredient to ensuring Derbyshire has a resilient and developing rural economy. However, to deliver this the additional costs of delivery in rural areas needs to be recognised.

Given current low levels of unemployment, greater emphasis is needed on shifting the economy towards higher quality / better paid employment, using Government programmes to help drive up productivity growth rather than purely focusing on job creation.

**Infrastructure and services**

**4. How can access to transport be improved in rural areas?**

As bus networks continue to be cut there needs to be greater co-operation and integration with the commercial operators and community providers to ensure those individuals who cannot access conventional public transport can access essential services e.g. shopping and medical appointments. Without integration there is unlikely to be services available to help vulnerable people especially in an aging population.

Those who are eligible for the concessionary fare scheme (but may not need it due to their financial status) should be given the option to donate their fare rather than have free transport. This money could be transferred to a "special fund" which organisations could apply to support those in isolation. Large areas of Derbyshire are poorly served by public transport and the population structure of the county is ageing.
Young people often have to commute long distances to towns and cities to find work, attend FE or 6th form or access apprenticeships. Apprenticeships and college courses by their nature are often located in towns and cities – which may not be located within the same LEP area but urban subsidies such as System One Travel (multi-mode travel cards for use in and around Greater Manchester) do not extend into rural Derbyshire making it 300% more expensive for a Derbyshire young person to access training than their urban counterpart. This is resulting in lower levels of apprenticeship take up (rate per working age population) compared to urban settlements and means a long and expensive commute for many people who cannot afford to run a car, often requiring multiple buses.

Rural Action Derbyshire runs a highly successful Wheels to Work scheme which is a moped hire scheme for participants aged from 16 to 60 who are struggling to sustain work or education opportunities. From June 2013 to December 2017 the scheme has provided 391 clients with a moped, 546 with bicycles and provided 108 clients with initial transport costs to enable them to access work or training. The scheme is supported by the local authority who see it as good value for money and until recently has received funding from Big Lottery. An independent evaluation suggests that for every £1 invested, the scheme delivered £5 in monetised societal benefits accruing to clients, tax payers and the environment. There are clear socio-economic impacts resulting from the Wheels to Work scheme for clients, partners and stakeholders alike as the scheme has generated significant personal benefits, tax payer savings and savings in CO2 emissions. The scheme has far exceeded its targets and has been shown to provide excellent value for money as a cost-effective method of ensuring clients reach employment and training opportunities that would otherwise be inaccessible through existing transport provision.

Importantly, the scheme has also generated a series of personal and social outcomes for its clients. In a wider sense, many have reported a variety of positive outcomes, such as ‘independence, confidence and freedom’ and ‘confidence being on the road’, along with health and well-being benefits through an opportunity to ‘play more sports’, or simply spend more time with family and friends. (Source: An evaluation of the Wheels to Work Derbyshire Scheme 2013 to 2018 – ERS Consultancy Ltd 2018).

Despite these positive benefits, it should be noted that parts of the rural county have some of the most dangerous roads in the UK, with high altitudes affected by winter weather – making this not a preferred safe option for young residents in these areas. Consideration needs to be given to how this can be better addressed in areas such as the High Peak.

5. What barriers to growth are created by poor digital connectivity? How can Connectivity be improved across the board?

Poor digital connectivity results in a lack of business growth and employment opportunities. Businesses require, as a basic service, good communication and the ability to share information and do business on-line. Continued slow speeds and poor mobile connectivity impact on business competitiveness.
thereby affecting the wider rural economy. As basic public health, banking, benefits and other services move to a reliance on good digital connectivity, the lack of parity with urban areas is significantly disadvantaging a wide section of the rural population. The Government needs to invest in an accelerated roll-out in rural areas and ensure providers implement services which are ‘future-proofed’. Training and assistance to access the infrastructure is required to take advantage of digital advancements not just for the increasing number of older people but also younger people with variable skills levels.

Low property densities, especially on the edge of centre industrial estates, has resulted in poor connectivity or prioritisation of BDUK in areas of key employment and this in some circumstances has led to business flight to urban conurbations.

Connectivity could be improved by ensuring that on-site fibre connectivity for all new housing developments is a requirement under NPPF to future proof new developments and that income from higher levels of take-ups than anticipated are invested in grants for fibre connectivity for new and existing industrial estates where they maybe otherwise be unviable.

See also previous points

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

A complex question, as there are many different facets to essential services. The basic problem is that traditional models of delivery are too based on expensive static single use facilities, buildings and staff teams. More responsive, mobile services need to be developed and shared use of buildings facilitated; as well as better use made of information technology, and more investment by central government in bringing high speed broadband to rural areas. Commercial providers should also be required to explore alternative forms of delivery with rural communities prior to the withdrawal of services.

Rural residents should not receive a second class service by nature of their rurality. Consolidation of services, especially health and emergency services in central urban metropolis locations already mean that ambulance and police response times are much slower for rural residents. More needs to be done to understand impact on residents in rural areas and at the periphery of administrative boundaries as part of proposed future changes.

It is important to recognise that face-to-face services need to be maintained in many areas to reduce isolation, elderly loneliness and support positive mental health. For example, services provided by librarians are not just about checking in/out books, but provide an important focal point for ICT assistance, health, exercise and job search referrals and general human interaction. It is important to understand that reduction of essential services (in a silo approach) may not be cost effective if they result in increased spend in other areas such as social care and mental health services.
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Rural areas include small urban areas and market towns as well as more isolated villages. Different solutions maybe needed in remote villages compared to market towns.

In market towns, some changes in legislation would be useful. Namely

(i) removal of mandatory rates reduction for charity shops (in primary shopping areas). This would reduce proliferation of charity shops and encourage more landlords to let to independents. It would also give greater income to Local Authorities in areas where charity shops choose to remain.

(ii) Tax incentives that would act to incentivise landlords to let for commercial short term rentals/rent guarantee for new business (to support retail start up)

(iii) Removal of ‘advertising consent’ for town centre businesses from standard planning permission processes and replacement with a simplified fast-track approval process without external consultations. (This would speed up business transfer, reduce costs/bureaucracy)

(iv) Reformation of business rates to help re-balance levies paid by large online retailers compared to town centre businesses

In villages, the most effective way to support these facilities is through community development. It is clear that a lot of these businesses are no longer commercially viable, but could still be run on a not-for-profit basis by local people as a service to the community. This would require work by local authorities and local infrastructure organisations (such as CVSs) to develop social capital, and provide information, advice and training.

Providing locally delivered, strategic support programmes as demonstrated by the LEADER model would enable targeted support to local amenities as risk.

A recent report from the Prince’s Countryside Fund “Recharging Rural” identified three main barriers facing those living in rural areas; poor broadband and mobile phone coverage; poor road and transport networks; and poor employment prospects, particularly for young people. The report identified the main future challenge is the lack of affordable housing as this, on top of poor connectivity, transport and employment, is driving growing social isolation, rural poverty and an exodus of young people.

Given the closure of many local facilities such as pubs, post offices and shops, many communities are working to develop local hubs – in many cases this is the village hall. These hubs provide a focal point for the community and activities can foster a sense of pride, overcome loneliness and focus on helping the most vulnerable. Getting old in a rural community can be an increasingly isolating experience, particularly when no longer able to drive. Health care appointments, shopping, social activities, even just getting your hair cut becomes difficult and expensive.
The role of organisations like Rural Action Derbyshire is to help communities find the glue that will bind them together. Whether this is a volunteer run community shop or transport scheme, or the work of chaplains in supporting the farming community, to providing expertise and advice to village halls and community planning groups. Help is also provided to ease the cost of rural living by providing a bulk buying scheme for heating oil and working to address issues around poverty.

Looking forward more funding is needed to support projects to tackle rural isolation and loneliness, to help with addressing the lack of affordable rural housing and continue to provide transport solutions, particularly for young people or those on low incomes so that they can get to work and training. VCS organisations need to be supported to champion the needs of people living in rural areas so they are not disadvantaged by where they live.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Accessible, 1:1, face to face business support at a time and place to suit the client is key to support the development and growth of new start and expanding businesses coupled with small scale grants and loans.

Business networking groups can assist in overcoming barriers to growth through sharing knowledge particularly in areas such as exporting, social media and legislative issues. The opening up of sites and premises through planning procedures and economic interventions at the appropriate scale by LEPs and local authorities to help address viability and deliver flexible, affordable workspace for rural businesses will also enable growth.

Regarding skills issues, the current funding regime – funding awards to LEPs who then award funding to training organisations to deliver across the whole geographic area – can be ineffective, especially as many of the funding requirements run counter to business needs or are too urban focused. Key problems include:

- contracts often do not require real-time delivery across whole area as long as outputs met through overall (urban) provision;
- businesses in rural areas and periphery locations maybe better serviced by adjacent areas – but are unable to access quality services more convenient to them due to funding bureaucracy
- specialist local delivery to serve smaller geographic areas is restricted due to funding regulations
- costs of rural delivery of business services (often with lower headcounts/outputs) makes rural delivery more expensive/unviable to training partners
- Some funding requirements such as minimum twelve hour delivery time, have promoted group training sessions over 1-to-1 advice - which may be less effective in achieving productivity improvements and economic growth.
Further examination on models of delivery needs to be undertaken including aligned business funding to existing DFE school/6th form funding models (where funding follows the ‘student’ to the point of delivery rather than be given directly to the training provider based on an estimate/target). This would also be less bureaucratic to administer and could delivery access to free/subsidised one-to-one advice and group training to those businesses who quality- although there would need to be some kind of national approved suppliers list to ensure quality of service.

Labour and skills shortages can only be addressed through the provision of accessible training opportunities that are flexible to small business needs and offer both pre-recruitment and in-work skills development. Integration of rural areas into urban transport subsidies to allow people to access courses in adjacent urban conurbations along existing transport spines also needs to be prioritised.

Consideration needs to be given to how people with disabilities and recovering from drug/alcohol addictions can be supported in greater numbers to access skills for work as they represent an important cohort of residents whose potential has been under recognised – and employers will need continuing and improved financial support to integrate new employees with additional needs into their workforce.

Work with employers to develop and understand the business benefits of higher level apprenticeships and stimulate SME demand for graduates needs to be continued especially in rural areas that do not benefit from adjacent university collaboration. Funding for university led ‘remote’ learning hubs in rural industrial parks needs to be considered.

Private providers often target areas offering a critical mass of beneficiaries which disadvantages rural areas. Government needs to recognise the rural premium associated with delivery in rural areas. There are also opportunities to work with local employers to develop better links with secondary schools and ‘feeder’ primaries to break down perceptions and boost interest and throughput of young people, particularly into engineering, manufacturing, farming and minerals and aggregates sectors experiencing an ageing workforce.

9. How can deprivation and inequality in rural areas be tackled?

At the moment, there is no apparent coherent plan in place to develop rural economies: most economic thinking is based on the idea that the economy is driven by urban conurbations (e.g. ‘the Northern Powerhouse’) from which districts and communities often feel remote. Deprivation and inequality are largely symptoms of poverty, and in rural areas particularly by in-work poverty due to low wages. More needs to be done to develop good quality jobs and access to training opportunities in rural areas.
In rural areas, external evaluators of poverty are often masked by high wealth individuals within a same ward and by higher rates of employment, albeit low paid/part time. Local knowledge, trust and expertise is key to delivering flexible solutions.

The availability of services can seriously impact on people’s choices. Changes to the benefits system, limited housing options and the increased cost of living are the realities that more and more people are having to deal with.

Organisations like Rural Action Derbyshire aim to work with partners to help provide solutions for people who are finding it hard to make ends meet. Two examples are given of this work to reduce fuel and food poverty:

In the Derbyshire Dales over 40% of properties are off mains gas. That is a very significant proportion. Many of those properties are in remote rural locations, hard to reach and often with restricted access. This can mean paying more for heating oil/LPG as the suppliers have to use smaller vehicles which cost more to run and those costs are passed on to the customers.

Rural Action Derbyshire bulk buys oil on behalf of its members and acts as an intermediary for LPG customers using its buying power to negotiate significant discounts.

There will be a demand for the oil buying scheme and a reliable alternative for LPG customers for many years to come. With no specific regulator to monitor prices and practices, there will always be people who end up paying too much for their energy costs. They are already at a disadvantage for their electricity supply as ‘dual fuel’ tariffs always offer customers a cheaper rate, which those off the mains gas grid are unable to take advantage of.

As of 31st March 2018 there were 393 members of the oil buying scheme. Rural Action Derbyshire ordered 684,206 litres of oil between 1st April 2017 and 31st March 2018, collectively saving our members over £45,000.

Access to good food:

RAD is undertaking an evaluation of a £113,000 grant scheme on behalf of Derbyshire County Council. Funding was made available to 9 food banks across Derbyshire with the key aim of laying the foundations for reducing Food Bank use.

Each of the projects took slightly different approaches so that we could hopefully see what worked best. Some chose to provide advice and support from trained Citizens Advice Bureau staff at regular food bank sessions. G52 have set up a Food Pantry where people can pay a small subscription and select items from the pantry that they need. The Affordable Food Box project at Clay Cross offers regular food bank users the opportunity to pay a small weekly subscription which entitles them to a food box to last them the week. All food is supplied from FareShare who receive surplus food from manufacturers and supermarket chains such as Tesco and Asda. In Buxton they have offered Micro Jobs, training and job coaching and a two week course to enable people to gain a CSCS card to work on building sites. In South Derbyshire and Matlock the concept of a local...
hub is being explored understanding that a more relaxed community space can empower people to readily access, participate and belong.

Working directly with people on a one to one basis can help them to move out of food bank use, by helping them to navigate the system, unlock complex issues, build confidence and skills, reduce social isolation and improve health and wellbeing.

The evaluation is still ongoing and it’s not clear whether it is possible to reduce overall food bank use due to the complexity of the welfare benefits system, the impact of the roll out of Universal Credit and the challenges of moving in and out of low paid work with little or no financial buffer and subsequent levels of unsustainable debt. However, some initial findings include:

- An actual increase in household income of £214,000 in back dated benefit, new benefit claims and net savings/income on food and fuel costs.
- 40% of people on the Eat Well Spend Less project felt more healthy and ate 92% more fruit and vegetables and saved on average £10/week on their food bill.

“People run out of food because of Universal Credit delays, benefit sanctions, unfair decisions, welfare changes, often in combination with much wider problems. This pilot means that those in greatest need are able to see a highly skilled adviser instantly. It offers huge potential to support people to cut through the barriers. ... This is vital bearing in mind the worrying levels of health inequality evident in Chesterfield” Neil Storer, Chief Officer, Chesterfield CAB.

“It has helped me a lot as I have been able to pay off some more of my debts. I have had a lot more food than I can usually afford to buy” Jason, Clay Cross Affordable Food Box Scheme

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Rural areas in Derbyshire often suffer from low paid / low skilled with part time/ short contract employment opportunities. Whilst these opportunities provide a step on the ladder for younger people, better quality / career jobs are needed to support young people who do not go to University to move from lower paid to higher paid roles to encourage younger people to stay.

Challenges facing young people trying to enter the labour market are often increased in rural areas by accessibility problems. For example, Tarmac recent call for 9 x apprentices for Level 3 engineering apprenticeship requires 3 days a week at training provider (Chesterfield College) and two days were week on site (Peak Dale, near Buxton) – 22 miles apart with no public transport option available. Even where public transport options exist, they are expensive due to lack of subsidies similar to those in urban areas.

These factors discourage young people from accessing training, taking up apprenticeships or returning to rural areas as graduates.
Lack of affordable housing and the availability of limited longer term career opportunities is also a barrier which discourages return to rural areas. Overcoming barriers by supporting younger people considering self-employment and providing locally accessible support to help young people who need additional help to become ‘work ready’ will help address these issues coupled with programmes to attract higher value business activities into rural areas.

Housing schemes which provide homes for rent at affordable prices for people with local connections are few and far between – and without well paid work within a reasonable commute are still not going to attract young families back into villages. More support for self-employment, micro-businesses and live/work environments should be prioritised. Local authorities should be recognising the real value of social care jobs and paying realistic rates of pay for staff delivering care in rural areas and local economic policy should recognise that in areas where there is an ageing population and a reliance on tourism and hospitality that these are also important and valuable jobs.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

In rural areas, work needs to be done to develop a network of local providers of care services, both commercial and non-profit-making. Rural areas need a lot of care staff, but poor terms and conditions, and exploitative working practices put people off becoming involved in the care sector; even in rural areas where there is traditionally a low wage economy. This is a national problem, and requires government intervention to raise wages and standards in the care sector, and to encourage the development of non-traditional models of care that are more community based and not commercially motivated.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Affordability: in terms of building rural housing, it is important to consider the status of the natural environment in which the houses are built. Whilst land costs are usually based on agricultural value, the cost of materials can be much higher in the protected landscapes that the houses will be built in. In simple terms we know from examples in the Derbyshire Dales part of the Peak District National Park, that it can cost 24% more than a house built in another part of the district. In the Derbyshire Dales developments are having to add £20,000 more per house in grant to ensure schemes can proceed. This is not sustainable and makes it very difficult to attract Homes England funding when you can build more houses in urban areas than you can rural areas. Previously Homes England used to have a rural target and there was a rural multiplier to ensure additional grant was made available.
Limited house building in the national park is a key issue impacting on affordability and requiring greater levels of house building in those parts of rural districts lying outside the national park boundary. A more flexible approach is required enabling the delivery of more housing and allowing developments for sale /rental homes with some restrictions so they are sold to working families and not as retirement homes.

Other challenges include:

1. Making best use of rural exception sites and resourcing housing enabling teams. Rural housing enablers remain a vital ingredient in the successful delivery of rural housing. Councils need support and guidance to ensure their exception site policies are useable and deliverable. Homes England should use their Community Led Housing Fund to support rural councils to appoint rural housing enablers

2. Local people opposed to development of even the smallest rural housing schemes. Information on the challenges to the local rural economy should be a coherent message.

13. How have recent planning policy reforms affected rural housing and the wider rural Economy? What changes, if any, are needed to planning rules?

Government should be encouraged to repeal the less than 10 provision in relation to the provision of rural housing on small market sites. Developers are currently free from providing affordable housing on sites of less than 10 units. This policy has significantly reduced the ability of rural councils to deliver affordable homes in rural areas.

Rural Action Derbyshire works with local groups to help them develop a Neighbourhood Development Plan – these help communities have a say over where new homes and businesses will go or what new buildings should look like. They can help to protect and enhance the high street and surroundings or protect local green spaces.

Recent changes to national planning policy may impact upon community ambitions to provide suitable housing developments that meet the needs of the rural area as well as increasing the overall demand for housing UK wide. This may reduce the appetite amongst communities to develop Neighbourhood Development Plans for fear they may be a waste of time and energy.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

No. There continues to be an increasing policy focus on cities and emphasis on larger scale development at Government and LEP level.
Centrally, limited attention is paid to encouraging the development and growth of small businesses that collectively deliver the largest employment opportunities with the rural area. More manufacturing is undertaken in rural districts than in urban boroughs, but there continues to be a perception that the rural economy is driven solely by farming and tourism – and therefore interventions to support improved productivity and access to innovation are continually urban in focus and have little penetration in rural areas even though the heart of British manufacturing is located here.

Examples of this lack of consideration of rural business needs include:

- city centre breakfast meetings (which require rural business managers to leave at 4 or 5am);
- limited marketing of grant funding in rural areas (assumption that all areas receive single local radio/paper);
- lack of joined up working with local districts and partners who have good networks
- lack of incentive for Universities delivering innovation hubs to deliver these at local level in rural areas
- funding for redevelopment of sites for commercial use in rural areas not supporting firms that have element of retail and do not consider higher costs often associated with higher quality design requirements (heritage sites/materials)

It can be more expensive to deliver grant and training programmes on a job creation/business output benefit to small communities however the benefit can far exceed the investment as the survival rate of rural businesses exceeds urban rates.

Large scale grant and loan support are not always effective for smaller, growing businesses that often have very specific growth requirements and do not fit with national schemes. There also needs to be a modernisation of grant funding investment that understands manufacturers now sell directly to the public via online sales and that public investment that prohibits funding from firms that have retail elements (as long as there is no displacement) should now be supported.

The farming and tourism sector are important to the area however the diversity of the rural economy requires a holistic approach across not just business investment but also across the social infrastructure that makes rural communities resilient. Adequate rural proofing of policy should be implemented.

Future programmes need to reflect the different scale of operation in rural areas and allow delivery to be tailored to reflect rural circumstances. This is particularly important for generic growth programmes which typically tend to disadvantage smaller schemes in rural areas when projects are compared on an output/value for money basis. Defra has provided dedicated support to rural projects through its EAFRD programme but this has been inadequately resourced, often resulting in long determination periods. Faster, simpler processes are needed in the future and funding which is available to all sizes of businesses in rural areas that can deliver growth and productivity
improvements need to be supported not just larger businesses in (primarily urban) Assisted Areas.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

Some councils in Derbyshire for example Derbyshire Dales District Council and South Derbyshire District Council have proactively invested in business support programmes – both business advice and grant support – to assist start-ups and established businesses to expand, recognising the cumulative impact that growth in many small businesses can bring about. Delivered as part of the Growth Hubs, LEPs have supported this work through the allocation of EU ‘match’ funding and development of partnership bids.

Following exit from the EU it remains to be seen whether this support will continue. A fair funding deal for rural areas is needed, reflecting the loss of EU funding and ‘rural premium’ associated with delivering services to help increase productivity and growth across the whole of the rural economy.

LEPs covering Derbyshire have established rural reference groups. D2N2 regularly works with this group with regard to the management of the EAFRD and LEADER programmes. However, there is opportunity to utilise the knowledge and experience on these groups beyond commenting on funding applications e.g. in shaping programme objectives and delivery at an earlier stage.

As part of the LEP review process and as local industrial strategies are developed it is incumbent on LEPs and Government to ensure rural issues are fully considered in the design of programmes and their delivery. Representation is also a key issue to address for some LEPs where representation from district councils is particularly limited.

Local councils – both county and district - are also directly involved in managing LEADER funding. As described above, the LEADER model provides an effective, bottom up rural development response and the model should be retained by Defra post Brexit.

Some district councils, including Derbyshire Dales, High Peak, Staffordshire Moorlands and the Peak District National Park Authority are also working with Business Peak District and Marketing Peak District & Derbyshire to promote the ‘Inspired by the Peak District’ brand, helping local businesses develop a marketing edge from their association with the Peak District. This model of co-operation could be adopted by the wider rural community.

*10 September 2018*
About the DCN

The District Councils’ Network (DCN) is a cross-party member led network of 200 district councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district councils within the Local Government Association.

District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area.

District councils have a proven track record of building better lives and stronger economies in the areas that they serve. Districts protect and enhance quality of life by safeguarding our environment, promoting public health and leisure, whilst creating attractive places to live, raise families and build a stronger economy. By tackling homelessness and promoting wellbeing, district councils ensure no one gets left behind by addressing the complex needs of today whilst attempting to prevent the social problems of tomorrow.

1. What do you understand by the “rural economy”? How has it changed over recent years and what has been the impact of these changes?

District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area. As Planning, Housing and Growth Authorities, Districts are integral to the UK’s future prosperity. The DCN represent a diverse range of non-metropolitan economies each with their own attributes and characteristics. Many district councils cover predominantly rural areas or contain significant rural areas within their boundaries. Given the diversity of rural economies, the challenges felt and impact will naturally range from place to place. However, the socio-economic characteristics for many share common themes such as increasingly ageing populations, a lack of digital connectivity and a greater disparity of both wages and skills provision compared to urban areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

There are excellent examples of economic growth and wider public service best practice within rural areas throughout DCN membership. A few examples are detailed below:

Housing and Growth Deal - Oxfordshire

The Oxfordshire Growth Board is a joint committee with representatives from each of Oxfordshire’s six councils: Cherwell District Council, Oxford City Council, Oxfordshire County Council, South Oxfordshire District Council, Vale of White Horse District Council and West Oxfordshire District Council and Oxfordshire LEP. The Oxfordshire Growth Board secured £215m of Government investment for new homes and infrastructure across Oxfordshire via an Oxfordshire Housing and
Growth Deal that was announced in the November 2017 budget. This deal, which is the first of its type, will provide £60m for affordable housing and £150m for infrastructure improvements, including road and rail. This new funding will support the ambition of building 100,000 new homes across Oxfordshire between 2011 and 2031 to address the county’s severe housing shortage and expected economic growth. More information:

- [https://www.oxford.gov.uk/info/20283/oxfordshire_growth_board/1236/oxfordshire_housing_and_growth_deal](https://www.oxford.gov.uk/info/20283/oxfordshire_growth_board/1236/oxfordshire_housing_and_growth_deal)

**The Broughton Hall Estate, Skipton – Craven District Council**

The 3,000-acre Broughton Hall Estate, just outside Skipton, is now home to 52 companies employing over 600 people, who use a range of historic architectural buildings which have been converted into award-winning office space. Broughton Hall has been the ancestral home of the Tempest family since 1097 and 33 generations of the family have lived and worked in the area. Until 1987, the estate’s income came from agriculture, when Henry Tempest and his son Roger, the current custodian, launched their blueprint for preservation and future progress by converting buildings in the stable courtyard into offices. Under Roger’s tenure, other landmark properties around the estate have since been restored. Thirty years on, the portfolio of privately-run companies covers multiple sectors, among them some international and global names. The provision of high quality broadband, catering and conference and recreational facilities establishes Broughton Hall as a business hub within Craven district Council which also promotes the health and wellbeing of its customers.

For more information please use this link: [https://www.broughtonhall.co.uk/](https://www.broughtonhall.co.uk/)

**Help Hub – South Norfolk Council (SNC)**

The Help Hub based at South Norfolk Council is a partnership between a number of organisations that support residents and businesses in South Norfolk. It offers practical support by using a multi-agency team which includes South Norfolk Council, Norfolk Police and Norfolk County Council Children’s Services and is backed up by a shared referral system and business support team. The Hub ensures that customers get the right outcome from their request for support so that they can get back on track at the earliest opportunity. Partner organisations’ contribute towards the funding, staffing or facilities which account for over 40% of the running costs. To minimise remaining costs, SNC has incorporated a number of existing functions into the Hub including communities, housing and advice and guidance services to allow it to deliver the hub model without a significant increase in resources.

The most common types of support requested includes wellbeing/mental health (53.1% of all cases) and financial issues (42.3%), this may possibly be linked to the challenges of accessing this type of advice within rural areas. To improve access to these services:

- Community Connectors, providing social prescribing to residents, are now based in GP surgeries across the District;
- and a more targeted and long term approach to the debt services (which supplements existing services e.g. Citizens Advice and Financial Independence
District Councils’ Network – Written evidence (REC0126)

Resilience Skills and Training officers) is provided by employing a dedicated Debt Advisor to support customers early, in order to make sustained changes in their financial affairs and access opportunities around employment and training. This resource has already worked with over 400 cases in the first half of 2018. More information:


3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The Rural economy of the UK has the spatial capacity and opportunity to enhance existing industries and also expand into as yet un-tapped areas of any future economic growth or trends. It should be viewed as complementary to our great city regions.

Some of these important rural industry sectors that will support future growth include nuclear, defence, advanced manufacturing, technology, agriculture, pharmaceuticals, culture and tourism along with well-established global import and export transport networks such as motorways, ports and airports as key examples.

Government policies and funding mechanisms based around all aspects of the economy must recognise the rural economy as key to the countries future growth, as well as those provided by the city regions.

Whilst there will many advantages with the greater use of technology in these important areas, it must not be over looked that greater automation may also bring many challenges to rural economies, particularly those reliant on overseas labour markets and associated wage levels.

There is a real opportunity to boost the productivity of the rural economy by giving powers and flexibilities to district councils; who have a unique understanding of their communities, economic geographies and housing need. Given the diversity in rural economies, there can be no one size fits all approach to invigorating growth, and instead, devolving powers to local leaders ensures that local social and economic interests are at the heart service delivery and development of policy solutions.

The future success of the rural economy is also highly dependent on good connectivity and digital innovation. The success of government’s “digital by default” approach depends on the availability of good quality broadband. The DCN suggest that the provision of broadband should be seen in law as a utility to ensure it is provided by default by developers.

4. How can access to transport be improved in rural areas?

Transport remains key to helping rural communities’ access services and contribute to their local economy. It is important that government fund and enable local authorities to support and encourage community transport projects
for social, health and economic purposes. While transport is formally a County Council function in District/County areas, many districts have helped support local schemes in order to tackle unmet transport need in local areas. Collaboration between County and District areas ensures that the unique local insight of districts is captured to ensure that funding is best directed.

For example, the East Surrey Transport Partnership, of which 5 districts are members have supported both “Buses 4u”, a mini bus on demand service and also a Wheels to work scheme with Kent County Council. The Wheels to work scheme supports individuals who have employment or an apprenticeship and are unable to purchase a vehicle, by providing them with a scooter. For more information, click here: [http://www.eastsurreyrtp.org.uk/currentProjects.htm](http://www.eastsurreyrtp.org.uk/currentProjects.htm) or [https://www.w2wkent.co.uk/](https://www.w2wkent.co.uk/)

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Poor digital infrastructure is an issue for many rural district areas. To ensure successful and thriving local economies, residents and businesses need access to fast and reliable digital connectivity both at home and on the move. Broadband creates jobs, boosts business, drives efficiencies in service delivery and connects people to their loves ones. Digital connectedness is also increasingly important within the health agenda, some of the most significant savings within health care lie in the provision of technology that helps rural communities access services closer to, or within, their home and which can facilitate self-care. Connectivity could be improved across the board by ensuring that it is seen in law as a utility. This would ensure builders provide it as a right. In addition, coverage data should also be in the public domain to allow local authorities to access current post code lists.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

The digitisation of public services offers an important opportunity to support sustainable local services in more remote district council settings and overcome the barriers of sparsity. However, this is dependent on the right digital infrastructure. Without this, the provision of essential services continues to remain at risk.

Measures to support and maintain local amenities include:

- Government should continue to promote the designation of “Assets of community value” and schemes such as “communities right to bid”. A successful example of a village shop saved through community right to bid can be found via this link: [http://www.cobhamcommunitystores.org/](http://www.cobhamcommunitystores.org/)
- Empowering local authorities to introduce planning restrictions on changes of use. For example, an issue seen by some DCN members has been the conversion of farm buildings for residential purposes. This is often the most lucrative option for developers but use for employment purposes would be more beneficial to the immediate local area.
- The provision of advice and support for shop owners - often marginal businesses owners would benefit from further support in relation to
business skills. A very successful example of where a district council has invested in local jobs and skills provision is South Lakeland District council, who have invested in the conversion of a building in Kendal to a jobs and advice centre also provides conference and hot desk space for local business: https://www.themintworks.co.uk/

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Forecasts produced by the Learning and Work Institute predict that by 2024\textsuperscript{215} we will have too many intermediate and low-skilled workers and not enough high-skilled workers to fill the jobs that the national economy will generate. This is particularly concerning in rural areas where the currently over centralised skills system\textsuperscript{216} is failing to have an impact on the varying social and economic challenges faced by local areas and help change resident’s and local businesses prospects.

Central government needs to ensure local government has the powers and resources to provide the right skills and training to cover the short-term shortages facing areas, while enabling greater levels of productivity that this potential opportunity could lead to. The need for greater skills identification and training should be delivered by authorities that are closest to local business and that have the greatest understanding of specific labour requirements within a functional economic area. Without a fundamental change in how skills are delivered, labour shortages and continued levels of low productivity are likely.

It also remains important for local prosperity that new policy initiatives that emanate from the Industrial Strategy should ensure they take account of rural economic needs, opportunities and circumstances. This would include rural based pilots, and rural specialists should sit on groups that are tasked with taking forward parts of local strategies. A successful example of a rural pilot is The Cambridge Norwich Tech corridor. A public-private partnership set up to drive clean, efficient, technology-based economic activity across a wide geography encompassing the counties of Norfolk, Suffolk and Cambridgeshire. The initiative joins up the strengths and assets in the Corridor to promote and drive investment in to the region while supporting indigenous growth and retention of local talent by creating a cross-sector ecosystem of businesses in rural areas between two urban cities to drive collaboration, technology convergence and strong regional supply chains. The Cambridge Norwich Tech Corridor has the potential to be home to an additional 26,000 additional jobs, 46,000 people and create value of an additional £2.75bn to regional economy. For More information see: http://www.techcorridor.co.uk/

9. How can deprivation and inequality in rural areas be tackled?

\textsuperscript{215} Work Local - Our vision for Employment and Skills, LGA, 2017
\textsuperscript{216} For more information see: The future of non-metropolitan England: Moving the Conversation forward , LGA, 2018
Rural deprivation, which is diffuse and can be hard to measure, must not be overlooked. The current method of data collection does not include indicators which can effectively measure this issue. This in turn has caused issues with visibility where pockets of deprivation are hidden and not easy for local authorities to tackle. In addition it also leaves some areas disadvantaged by funding formulas which don’t have appropriate indicators to measure rural deprivation, particularly on a granular level. A mechanism to recognise diffuse needs in all areas is required.

For healthcare, connectivity presents an opportunity to reduce the demand on services, such as hospital admissions, by providing support to enable assisted living or helping residents better manage longer term conditions like Type2 diabetes through remote healthcare devices. The Government has recognised the potential of digital health and will invest £4.2 billion over the next five years in areas such as apps, wearable devices, telehealth and assistive technologies. Many of these services can already be supported by 4G coverage, but only where it is available and of consistent reliability. This places non-metropolitan areas at a considerable disadvantage considering the poor rates of both outdoor and indoor coverage they receive from mobile providers.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Technology provides an important opportunity for helping members of an ageing rural population stay safe at home for longer. In addition, the provision of easily adaptable housing which will help stay the elderly stay safe in their own homes for as long as possible. For example, by providing ramps, grab rails and shower fittings. As the strategic Housing authorities, districts play a vital role in providing homes adaptations and some provide discretionary handyperson services all of which enable people to stay safe in their homes for longer.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Challenges associated with rural housing, include: a lack of affordable housing and also homelessness. While rough sleeping and homelessness have usually been associated with urban areas, they are becoming more prevalent in rural areas. Research by the LGA found that at the end of 2017, 48% of cases of homelessness occurred in non-metropolitan areas which represented a 15 percent increase over the last five years. 217

District councils are committed to tackling the housing crisis and rough sleeping. As the Housing and Planning authorities, districts see first-hand the importance
of having the right mix of tenures available to suit the needs of our communities and help local economies flourish. However, without the powers and flexibilities to do so, our ability to increase the housing supply is hampered. The DCN have long called for government to lift the housing borrowing cap and for councils to be able to keep 100 per cent of their Right to Buy receipts to help councils replace homes being sold under the scheme.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

The revised National Planning Policy Framework must go further to empowering councils and communities to shape their local housing markets and hold developers to account. One key issue is rebalancing the powers between developers and local authorities after planning permission has been given to ensure that developers are held to account and deliver housing the country desperately needs.

In addition, analysis by Shelter and the Campaign to Protect Rural England found that non-metropolitan councils’ efforts to encourage developers to build more affordable housing are being undermined by the use of viability assessments. These give builders the right to cut their agreed affordable homes quota if they conclude it would reduce their profits to below 20 per cent and allows them to utilise their own frameworks for judging what might be unviable. In some rural areas this has led to half the affordable homes that councils had required developers to build being lost. While the revised National Planning Policy Framework includes some welcome and well-intentioned steps it must go much further in empowering councils and communities to shape this kind of development locally.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not?

15. How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

District Councils support growth both through their economic development function and as the local planning authorities in district areas. District councils have a proud record of success in supporting growth in their local economy but, to fully unlock the potential in our local areas, we must be given access to more freedoms. Our contribution to local growth is substantial, but we can do more and we want to do more.

Government has recently increased funding in 2018-19 to reflect the needs of rural authorities through the Rural Services Delivery Grant. Where services involve a significant degree of travel time there is a general tendency for more rural authorities to have greater costs associated with travel and greater staff travel downtime. The LG Futures research identified services such as parking, waste collection recycling and disposal, homelessness and regulatory services (such as licensing). Government should also carry out its own studies to determine the effects. The impact of peripherality particularly in relation to
coastal communities and areas with poor infrastructure access must also be considered as well as communities who are home to a higher proportion of people who have English as a second language.

The devolution agenda remains an important opportunity to invigorate rural economies and help ensure powers are delivered to decision makers who understand local need and the complex challenges many areas face. However, only one district area currently has a devolution deal in place and the momentum of the agenda as a whole is not certain. This risks excluding large parts of the country from accessing the important levers of growth provided by devolution.

Districts are the building blocks of local economic geographies, working with each other and alongside LEPs to shape place based approaches to delivering growth and supporting the development of local industrial strategies. The best local partnerships are created bottom-up and driven by local partners that have the economic well-being of their local communities at the heart of what they do. LEPs must reflect functional economic areas which, as government highlighted in their recent policy paper\textsuperscript{218}, often cross administrative boundaries and may overlap in large rural areas.

Furthermore, the Government’s proposal to push for two thirds of Local Enterprise Partnership board members to be from the private sector risks diluting the voice of local people and undermining the role and value that district authorities bring to discussions. As the housing, planning and growth authorities, districts hold many of the key levers to creating a successful rural economy and should be given meaningful representation on LEP boards.

\textit{10 September 2018}

\textsuperscript{218} MHCLG, Strengthened Local Enterprise Partnerships, July 2019. 
General issues

Q1 What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Businesses, Sectors and Structure

Rural areas are often perceived as comprising small, low tech businesses, with an economy where everyone works in land based sectors or tourism or some (local, village and small) retail.

In reality the economy is composed principally of many micro and small businesses, from many diverse sectors often using creative leading edge technologies to develop and grow. Often businesses are rurally based for historic reasons or an historic diversification or evolution, or because of the founder's place of residence. While tourism and retail employment can be significant, they do not provide the majority of employment.

The economy can be fragile where growth occurs. By the very nature of being rural, concentrations of businesses can be low, resulting in limited local career development, or alternative employment opportunities, or the opportunity for the business owners to meet and network, and to share ideas and learning, or for clusters of businesses to collectively and collaboratively develop.

Important, landscape designations (there are 2 Areas of Outstanding natural Beauty in the Dorset Councils Partnership area) which make a significant contribution to the quality of life for residents and are an important attractor to visitors, need appropriate protection and therefore constrain the scale of future employment led development.

For the successful businesses, especially those that become part of a national or international group, there is a risk that through growth they exceed capacity of the local infrastructure and move out of area or even country. While the frequency may be relatively low, the economic impact can be significant because of the much higher levels of employment provided by these businesses at their critical growth point and reluctance/inability of workers to travel or move to the new operating location.

Competition for Housing

Rural areas offer an alternative way of to that available in busy rural areas. Because of an image of an area of tranquillity, with a different pace of life, safer living environment, cleaner air and reduced traffic congestion – the rural idyll - rural areas have become increasingly attractive to early retirees and downsizers. Those particularly from more affluent urban areas, such as London and South East, are able to compete for rural residential property and acquire more for the same capital or less investment. This is changing the make-up of communities.
Residential property has acquired a demand which has inflated prices well beyond the reach of local particularly young people in employment. As a result, young people and young families are leaving rural areas to live in places more affordable and with greater job opportunities. This change in community structure also results in a diminishing pool of labour to support existing and new enterprises.

**Skills Shortages**

The skills issues in rural areas are generally similar to those experienced at a national level. In certain sectors and at higher qualification levels however, recruitment is a major issue due to the sparsity of rural areas, lack of public transport, higher house prices, and competition from neighbouring urban areas, which can contribute to the outward migration of young skilled workers. Although data shows in some rural areas that the % of the resident population with the highest level of qualification is above the national average, this may be attributed to high skilled workers living in rural areas but commuting to a large town or city – a practice confirmed by ONS studies - or being economically inactive by choice. This data fits with the anecdotal evidence from businesses we visit, who are constantly struggling to find skilled workers to fill more senior vacancies.

**Employment Land and Premises**

Rural areas suffer from a lack of available appropriate employment land and premises. Where housing land values are relatively high, and employment land values are comparatively low, as they usually are in rural areas, some landowners are prepared to hold out for long periods of time (decades even) to secure the higher land values attainable from housing development. As a result, despite land allocations being made in local plans to meet anticipated growth, actual growth is constrained from a lack of available development land. The absence of incentives, such as the former Redundant Building Grants from Rural Development Commission and later Regional Development Agencies has removed any incentive for windfall development of employment premises, particularly on and in support of farm diversification. LEPs and others should give appropriate consideration to incentives to ensure that there is not just an allocated supply of available employment land in rural areas, but an active local programme of development and delivery.

Q2 Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The Dorset Business Mentoring Programme – DorMen, [www.dormen.org.uk](http://www.dormen.org.uk) – has an excellent track record in developing and supporting small businesses across Dorset, including the rural area. It benefits form a pool of over 100 often more mature volunteer mentors, most of whom have a successful business background and give their time freely to mentor and coach their “client” business. The programme has a small back office to manage mentor client relationships and provide general and CPD style support to the mentors. The programme is supported by all Dorset councils and promoted widely by them, by support
agencies and through word of mouth. DorMen is consistently supporting over 150 businesses at any one time.

Q3 How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Improvements to wired and wireless broadband and to mobile telephony provide great potential for growth in rural areas. The BDUK programme has increased the opportunity for both home working and creative and tech dependant businesses to set up and grow in rural areas. Creative and tech dependant businesses to set up and grow in rural areas. This can be particularly true for creative businesses who often take inspiration from the environment around them. This provides opportunity to improve productivity in rural areas particularly through the addition and growth of these new higher value enterprises and sectors.

*Infrastructure and Services*

Q5 What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The challenge for Government is to ensure that the service provision in rural areas for mobile telephony, mobile wireless internet and wired broadband connectivity do not become competitively disadvantaged as 5G, superfast and gigabit fttp are developed in urban areas.

*Business, employment, skills and demography*

Q8 How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

The growth of productivity in rural areas will be favoured by:

Developing a ready supply of skilled employees and a pipeline of informed and engaged students in training at all study levels. The opening exists to enhance student opportunity to

a) Understand career choices available “locally” or accessibly
b) Study and obtain appropriate skills and qualifications from local providers fit for the future needs of local s growth sectors.
c) Retrain and/or upskill to latest industry requirements.

Encouraging employment land development concurrently with new affordable housing development, particularly for key workers, in order to facilitate a local employment pool in support of population growth - whilst resisting out commuting from dormitory rural areas, and “grey” demographics in towns and villages.

Improving awareness of, and access to, R&D and general business support services from Growth Hubs and similar. Communication channels to spread
Awareness in rural areas are diverse and complex often with no single edition print daily or weekly publication that covers a rural economic area. The majority of the businesses in rural areas are micros, and there is considerable opportunity cost to the business for the owner to spend travel time to business development workshops/seminars/networking events (often held on larger towns and urban areas) through the travel time alone. These, when there is uncertain outcome, become unattractive to the business.

Growth will depend in part on the skill levels of residents as higher skilled workers help to drive productivity. The challenge is to both retain existing talent locally to capture the benefits of skills investment, but also to grow new talent by appropriately training young people, and by upskilling and reskilling the workforce to meet the changing shape of skills demand.

Productivity can also be improved through adoption of new working practices and technologies. This can be a relatively slow level of adoption many older, smaller and traditional businesses.

Q10: How can younger people be encouraged to stay in or return to rural areas and contribute to their communities?

Two key strands to encourage young people to stay in rural areas are:

- Ensure that young people living in rural areas understand the career choices that are available locally to them, and the breadth of “careers” that are required in a successful business (e.g. sales, marketing, finance, IT within a manufacturing business perceived to be just “manufacturing”). Ensure that schools and colleges understand the job and career opportunities locally and provide relevant study guidance to enable young people to pursue those careers locally.

- Enhance powers for local authorities to ensure delivery of the required levels of affordable local housing and link this provision to working young people.

**Government policy, devolution and local government**

What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Currently delivered locally
- DorMen Programme see earlier
- “Account Management” 1-1 business relationships with key local employers to support their growth
- Careers fairs, careers information and Careers and Enterprise Adviser team
- Small business grants
- Local delivery of business support workshops
- Locally, LEP emphasis for financial intervention has been toward urban projects, where greater VFM parameters required of LEPs can be achieved. Appropriate parameters should be developed for assessment by LEPs for intervention in rural areas that reflect rurality and the absence of core urban services and choice such as public transport solutions for accessing training or employment, choice of local
training and skills providers, readily available pool of labour etc. Funding allocations should be ring-fenced to rural areas only.


This submission has considered that Rural Areas include market towns and their hinterlands as well as villages and isolated hamlets.

Response produced by T Hedger, Senior Economic Regeneration Officer
Dorset Councils Partnership

10 September 2018
1. What do you understand by the ‘rural economy’? How has it changed over recent years, and what has been the impact of these changes?

1.1 From an analytical perspective the lines are increasingly being blurred between the rural and urban economy, and reference to the ‘economy of rural areas’ is more common parlance (this terminology should recognise the gradation from urban to remote rural, and the spatial distribution peculiar to each part of the UK). The South West Rural Productivity Commission report\(^{219}\) demonstrated that the number of businesses by sector in rural and urban areas are generally similar (see 1.2 below). The exceptions being ‘agriculture, forestry and fishing’, and ‘wholesale and retail trade’ with rural and urban biases respectively as one would expect.

1.2

1.3 The economy of rural areas must be recognised as being much more than agriculture, forestry and fishing, even though this is a crucial sector to UK plc in many ways (shaping rural areas and contributing to national food security and sustainable development) and is largely exclusive to rural areas. Recent investment in digital and smart technology and connectivity has enabled economic growth irrespective of geography or location. The principle difference between urban and rural is scale and form, reflecting population distribution, spatial patterns and development parameters. Recognition of the true nature of the economy of rural areas is essential for informing the understanding of functional relationships between urban and rural areas, and influencing co-ordinated policy and interventions to enable economic growth.

1.4 Without a healthy, diverse, efficiently functioning natural environment, we would not have a functioning economy. Research\(^{220}\) has demonstrated that Dorset’s environmental economy is worth £1.5 billion per annum and 30,000 jobs, or 8-10% of Dorset’s overall economy each year.

1.5 Changes have led to new opportunities and challenges, informed and influenced by policy and perceptions of how rural areas should look and preform.

\(^{219}\) The South West Rural Productivity Commission, Key Findings and Recommendations, 2017
\(^{220}\) Dorset’s Environmental Economy, Ash Futures Ltd., November 2015
These can either embrace appropriate and sustainable growth or seek to preserve rural areas at a point in time. The true value and potential of the economy of rural areas is not fully appreciated and recognised in national policy and resource allocation.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural success be replicated and better promoted?

2.1 Dorset County Council and partners are developing a rounded approach to enable growth and improve productivity through the application and adoption of agritech/innovation, main elements include:

- Identify sector as priority for investment and growth in local and sub-national (Local Enterprise Partnership) policy and strategies
- Leading South West LEPs collaboration on agritech/food arising from SW Rural Productivity Report
- Establishment of Agritech Centre at Kingston Maurward College to further development of skills
- Creation of agritech sector proposition to raise profile and promote inward investment opportunities through Department for International Trade (DIT)
  (https://dorsetlep.s3.amazonaws.com/Documents/IID/Agri-tech-08-02-2018.pdf)
- Development of High Potential Opportunity with DIT focused on aquaculture, including the development of an Aquaculture Hub/Park, and representation at national showcase events
- Enhance access to investment funding through provision of bid writing expertise
- Provide information on availability of workspace through interactive property database
- Encourage networking and business-to-business collaboration
- Utilise County Farms Estate to demonstrate good practise
- Stage focussed events and workshops, and establish communication channels to make business aware of sector support
  (http://dorsetlep.co.uk/invest-in-dorset/key-sectors/agri-tech,-food-and-drink/)

Partners: local authorities, Dorset LEP, Kingston Maurward College, South West LEPs, DIT; represents collaboration on a scale more likely to secure resources and achieve significant beneficial impact

2.2 Interventions which engage and empower local communities effectively have proved successful, including LEADER (community lad local development), redundant building grants, and social enterprises to provide community facilities.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Rural areas have the potential to make significant contributions to the prosperity and well-being of UK plc. This will be achieved through the provision and application of digital and smart technology, support for the establishment of new enterprise, the encouragement of innovation and application of research through to commercial propositions, and the development of a resilient and
skilled workforce. Whilst this does not differ significantly from the urban agenda, the models and delivery mechanisms for investment and business support must be rural proofed and resourced to ensure barriers are overcome and opportunities realised.

3.2 The demise of European Union funded programmes, the introduction of the UK Shared Prosperity Fund, and the remodelling of the economic growth support landscape provide opportunities to improve support for economic growth in rural areas. Successful mechanisms such as LEADER community led local development should be continued, geographies for support should be adaptable to reflect local or sub-national approaches as appropriate, and new initiatives should be trialled, such as a dedicated Innovate UK stream for rural innovation and technology.

3.3 Technological change will have massive impacts upon the management and productivity of land based activates (see 2.1 above), which will enable the UK to compete on a global scale and enhance food security. To achieve maximum benefits, we must ensure that the application of technology is understood, appreciated and applied effectively. This requires cross sector disruption and collaboration, and support for the enterprise applying new ways of working.

4. How can access to transport be improved in rural areas?

4.1 Priorities for investment in transport infrastructure should relate to strategic needs and growth plans, emphasising the positive contribution from enabling growth in rural areas. This should encompass strategic connectivity to support growth, road, rail, links to transport interchanges and investment in cycling and footpaths to services commuting and visitor needs alike.

4.2 Dorset residents have indicated that they would like the concessionary fare scheme to be more flexible – e.g. to allow them to pay something towards concessionary fares (e.g. £1 or £2), if this would make the difference between keeping a bus service or losing it. It would be helpful if powers were divested to local authorities (who are best placed to understand the unique spatial distribution and functionality of population and settlements within their areas) to customise their local concessionary bus fare schemes to suit the needs of the citizens living in the authority.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 Dorset’s superfast broadband programme has invested significant local authority funds in areas not served commercially, which is something urban authorities have not had to fund. 96% of Dorset premises currently benefit from access to superfast broadband, however, the enhanced network is not being fully utilised because of low take-up (48% in May 2018) in certain areas and inadequate digital skills.

5.2 The entrepreneurial nature of rural economies is well known, creating the market conditions for a digital economy to thrive should be prioritised, through simultaneous and coordinated investment in digital infrastructure and skills.
Must have programme for further investment and improvement and ensure take-up and use of technology.

5.3 The Rural England report – unlocking the digital potential of rural areas, published in March 2018 shows the South West would most benefit from increased digital adoption, with a predicted GVA uplift of 18.4%. The DCMS Future Telecoms Infrastructure Review, published July 2018 recommends an “outside-in” approach to improving the digital infrastructure, to ensure those areas not commercially viable are not left behind. In combination these reports present a strong case to prioritise digital infrastructure improvements in the South West (this is a priority work stream being pursued by the SW Rural Productivity Commission).

5.4 Looking forward, we need to focus on how the benefits of a smart place are explored, understood and fully exploited in the rural context. The convergence of 5G, IoT and public Wi-Fi coverage will all rely on densification of fibre networks and is a well understood concept in the urban environment. Rural areas risk being left behind without coordinated leadership and intervention to provide ubiquity of opportunity for the UK.

6. What can be done to improve and maintain provision for essential services, such as healthcare, education and banking in rural areas?

6.1 The provision and effective utilisation of enhanced digital connectivity, embracing new methods for monitoring and supplying services, and increased collaboration between agencies are crucial to the provision of a range of essential services. However, there will always be vulnerable elements of the population that struggle to utilise digital and smart technology, and the rural premium for reaching these people must be recognised in funding for appropriate agencies. 28% of the population of the soon to be formed Dorset Council (Unitary Council from 1 April 2019) will be 65+ years old, some 10% higher than the average for England & Wales. This number is expected to grow by 1.6% per annum over the next ten years, resulting in an increase of 18,500 people. The demand for formal care workers will grow, and it is already very difficult to recruit, especially in rural areas. Dorset has been working with Councils across the South West to promote caring as a career under the banner ‘Proud to Care’.

6.2 Staying fitter for longer improves people’s physical and mental well-being. There is increasing evidence that that the natural environment supports improvements to physical and mental wellbeing. Dorset’s councils maintain green spaces, fund services such as ‘LiveWell Dorset’ and support Prevention at Scale’ through a multi-agency Sustainability and Transformation Plan. Information and advice has been enhanced with on-line resources, including a Carers Hub, and other formats are also provided.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Various approaches have successfully supported and retained essential rural services, including grants to up-grade infrastructure and enhance provision from village shops, tailored business support and advice, business rate allowances, and alternative models of provision such as community owner pubs.
and shops. The essential ingredient is to develop a robust and sustainable business plan, with appropriate individuals or communities to deliver on a commercial basis. The scope to implement such measures has declined over recent years as the rural community focused agencies and schemes have been closed or lost within broader regeneration approaches.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 Ambitious plans for the economy in rural areas are required, to generate excitement and recognise their contribution to UK plc. The Government’s obsession with cities and city-regions works to the detriment of rural areas. Business births and survival rates are generally comparable with urban areas, and performance could be enhanced through focussed business support activity recognising the challenges facing micro and small enterprises in rural areas (isolation, access to services, connectivity, reliable power supply, etc).

8.2 Businesses in rural areas are generally less competitive than the national average. This could be addressed by rural proofing national business support activity, such as the Scale Up programme, to make them fit for purpose and address issues inherent in sectors such as the visitor economy (seasonality, low skills and aspirations, low wages, etc). The importance of networking and growth hubs in rural areas is highlighted in the SW Rural Productivity report.

8.3 The SW Rural Productivity report also features the Dorset Business Mentoring (Dormen) service. This is a confidential service, supported by local authorities, provided by volunteers who are drawn from experienced members of the business community and the professions. The experience gained by a mentor throughout their business and professional career is brought into a fledgling business by providing a mentoring service. Dormen has been cited as a national exemplar business support service (http://www.dormen.org.uk/). Dorset County Council is seeking to improve the resilience and productivity of its County Farms Estate by paying for its tenants to access Dormen services.

8.4 Ambitious plans for the economy in rural areas could also help to address labour and skills shortages, providing for greater engagement between employers, schools, Further and Higher Education Institutions. Young people and older workers returning to the workforce or retraining, need to be aware of employment prospects and careers and the progression paths to achieving aspirations and potential. The role of the Careers Enterprise Company is crucial to encourage meaningful business and school engagement.

9. How can deprivation and inequality in rural areas be tackled?

9.1 Deprivation and inequality in rural areas demonstrate causes and symptoms similar to urban areas. The characteristics of rural areas are remoteness and isolation, poor connectivity (physical and digitally), low numbers spread over wide areas, and an under-developed support network.

9.2 A thriving and resilient economy in rural areas and the delivery of initiatives as outlined in 6.2 above, will assist in tackling the causes of deprivation and inequality.
10. How can young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 The retention and attraction of young people is fundamental to vibrant and thriving rural areas. We must create places where young people are able and willing to live, and see the potential for achieving their aspirations and ambitions. This requires a holistic approach providing good connectivity, knowledge of good quality employment opportunities, progression paths and the ability to access them, and affordable accommodation.

10.2 Young people must be engaged in policy development and decision making to demonstrate that their views are valued and make a positive difference. Dorset undertakes an annual Young Researchers Survey, devised, undertaken and reported by young people, which is a valuable engagement tool.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 The scale of the ageing population challenge is outlined in section 6 above, as are some of the responses being adopted in Dorset to address isolation and care provision. Once again, this highlights the importance of innovative delivery utilising digital and smart technology, in association with personal care services acknowledging the additional cost of accessing remote, rural communities and individuals. Dorset County Council is seeking to rationalise its property portfolio to reduce cost, and at the same time establish community hubs enabling a broad range of service providers to operate closer to the communities they serve.

11.2 The Dorset Mentoring service (see 8.3 above) is an example of how older retired people can support rural based businesses.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 Whilst Dorset’s economy is relatively strong, housing has been identified as a constraint on growth by some businesses. Recruitment issues are reported at all levels from management/executive to graduate and low-paid work. Recruitment and retention problems in part reflect the relatively ‘expensive’ local housing market. The affordability of housing is worse in Dorset than in surrounding counties including Hampshire, Devon and Somerset, and Dorset housing is less affordable than the England average. Based on standard measures of affordability, none of the typically priced new dwellings in Dorset are affordable, even in the cheapest areas.

12.2 Addressing housing affordability and delivering housing growth will have to respond to several issues including environmental constraints, the relative importance of small-scale developments, site ownership issues, poor scheme viability in some instances, limited inward private rented sector investment and national policy and funding for affordable housing which emphasises affordable homes for sale rather than rent. Many rural and coastal parishes display a high
proportion of second homes, where a restricted housing market may be the best option to address affordability for local house seekers.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 The planning policy environment has generally moved in positive directions to support appropriate economic growth and housing. However, the delivery of policy does not necessarily follow the intent, possibly through local resistance to development, or the broad-brush application of nature conservation guidelines without due consideration of individual merits of schemes. The performance of Class Q of the General Permitted Development Order (conversion from Agriculture Use to Residential) has provided additional housing, though in limited numbers. Conversely, the introduction of the ten-unit threshold policy before affordable housing contributions can be sought has undermined delivery in rural areas, and insufficient affordable homes are being built in rural areas.

13.2 The viability of development in rural areas, including towns, should be given more serious attention as a strategic level. The provision of connective and community infrastructure is more challenging where there are many small-scale developments rather than fewer large scale development areas.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 The Government’s economic growth strategy has been focussed on cities and city regions, based on assumptions of returns on investment due to critical mass and existing infrastructure. Substantive evidence showing that benefits trickle out to rural areas is hard to find. Effective rural voices, such as the Commission for Rural Communities and the Rural Advocate, have been marginalised or abolished. Current thinking displays a lack of understanding of the spatial and functional relationships between rural and urban areas, and the continued delineation marginalises rural thinking and restricts the development of coordinated, effective policy/investment.

14.2 The imminent creation of the UK Shared Prosperity Fund is an excellent opportunity to recognise the significance of the economy of rural areas, and the interdependencies with urban areas. The priorities and distribution of future regeneration funds must recognise the challenges and potential of rural areas, and the scope for sustainable economic growth based on a better understanding of local areas informed by local partners, ranging from local authorities and LEPs to communities. Proven effective interventions such as community led local development, including LEADER, should be continued following the UKs departure from the European Union.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might co-ordination between bodies be improved?

15.1 Active support for economic growth in rural areas features as a high priority for the respective Dorset local authorities, though the ability to intervene
and enable has been limited by reductions in public sector resources. The impact of local government reorganisation in Dorset from 1 April 2019 will rationalise service provision and support for economic growth across the area. The potentially positive impact of this opportunity will be limited without national and sub-national support. The Dorset LEP recognises the importance of rural areas to the Dorset economy, but it is subject to alignment with the Government’s obsession with cities and city regions. As mentioned above, the UK Shared Prosperity Fund, and a meaningful role for local authorities in the distribution and delivery of support for inclusive, sustainable economic growth is a real opportunity to redress the current imbalance.

Response coordinated by: David Walsh, Economy & Enterprise Team Leader, Dorset County Council

7 September 2018
Introduction

1. The rural economy is hugely significant in Dorset. The County comprises some of the richest farmland in the EU, an outstanding natural environment including a world heritage site, two AONBs and a wealth of cultural sites that facilitate a strong tourism industry. This environment provides significant opportunity to combine high quality of living whilst offering major entrepreneurial opportunities.

2. The 2017 South West Rural Productivity Commission highlights that rural productivity across the South West is 8% lower than urban productivity and 10% lower than the average for rural areas in England. The main challenge to increased rural productivity in Dorset is a combination of housing affordability, planning restrictions, the cost of living and an ageing population which are causing young people, who are the future workforce, to leave rural areas. Consequently, this is creating a major deficit of talent and workforce for rural businesses resulting in stagnating growth, forced closure or forced relocation. Furthermore, a lack of substantial digital connectivity is creating a digital divide, in which rural businesses and communities are marginalised thus further enhancing the current productivity gap.

3. It is therefore seen as a priority for Dorset to invest in better infrastructure, with particular regard to transport, online connectivity, affordable housing,
robust markets and a skilful workforce whilst ensuring that our natural capital remains of the highest quality.

4. Many of the issues and recommendations mentioned in this submission are explored in more detail in the 2017 South West Rural Productivity Commission report commissioned by Dorset, Cornwall and the Isles of Scilly, Heart of the South West and Swindon and Wiltshire LEPs. Therefore, we would strongly recommend this document to be considered in detail to provide a larger pan-South West view of rural economic challenges and opportunities.

5. The key themes which emerged from the report are further detailed in our responses below:

a) Across Digital connectivity presents a game changing opportunity but without further urgent action businesses and communities will become left behind.

b) Smart technologies have the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale has the ability to create higher value jobs.

c) The rural South West hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, can become a hothouse of enterprise.

d) The environment contributes an estimated 8-10% of Dorset’s economy but natural capital is in decline. Future changes in rural and agricultural policies and support presents a generational opportunity to use public support to restore nature and stimulate sustainable land management. This will contribute to the Government’s 25 Year Environment Plan, as well as the Government’s priorities set in the UK Industrial Strategy.

e) Our agri-food-tourism-nature economy is a strength upon which we can build globally recognised propositions as the place to start and build and grow a rural business. Tourism cannon be the only industry promoted in rural areas.

f) There are genuine concerns that our rural communities are spiralling downwards unless the Government and local leaders take prompt action. Local and national policy must move away from the ‘one size fits all’ approach that fails to recognise that rural areas are different. We need help to make rural and coastal areas more accessible to more people to create vibrancy.

g) Brexit has the potential to shake the foundations of our rural economy – providing either a much needed boost or sudden, damaging economic shock. Now is the time for action if we are to reap the benefits in line with the commission’s recommendations.

h) The enabling of vibrant and sustainable rural communities with a range of demographic ages through a mix of affordable housing and employment opportunities is essential.

**General issues**

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?
6) According to the 2017 South West Productivity Commission Report\(^\text{221}\) (page 12), the major difference between rural and urban populations and economies are an increased number of small and micro-industries, a great diffusion of population and reduced clustering and agglomeration effects, and a much higher proportion of agri-food related industry. This is clearly exemplified in the four South West counties (Dorset, Cornwall and the Isles of Scilly, Heart of the South West and Swindon and Wiltshire), as below:

8) Changes to the rural economy have tracked increased automation alongside the development of a tourism economy – this has resulted in rural depopulation due to the affordability (or lack thereof) of housing and suitable employment, resulting in net migration of working-age people towards towns and cities, and net inward migration (at least in Dorset’s rural areas) of retirees. Across the South West, the average age in rural areas was 44.1 years in 2014, 5.3 years older than in urban areas and the gap has been widening since 2002. This provides a workforce challenge to the development on improved productivity, which is now lagging significantly. Rural productivity across the South West (GVA/workforce job) is 8% lower than urban productivity and 10% lower than the average for rural areas in England. The gap between affordability of housing, reduced accessibility or employment opportunities due to reduced public infrastructure such as buses and trains also means there is a spiralling challenge for rural areas to meet. This is being addressed in some part by the use of the internet and service industries where proximity to market matters less, but the availability of superfast broadband and effective mobile communications is a significantly limiting factor within the area, thus inhibiting growth.

9) As typical of many rural areas there are a large number of small to medium sized market towns in Dorset and this is a scale of settlement that is largely ignored at national level, despite the fact that together they house a significant

population and many host good businesses and have opportunities for development.

10) Another key aspect of the Dorset rural economy is the environment as the county comprises some of the richest farmland in the EU, and an outstanding natural environment including a world heritage site and two AONBs. There are also four Ramsar sites, 20 Special Areas of Conservation, 11 National Nature Reserves, 141 Sites of Special Scientific Interest, 45 Local Nature Reserves and 1,254 Sites of Nature Conservation interest. These cover about 12% of the land area. There is a network of marine protected areas including Special Areas of Conservation and Marine Conservation Zones covering 36% of Dorset’s marine environment out to 6nm. There are a wealth of natural and cultural sites that facilitate both a strong tourism industry and inspiration and base for a range of creative industries. This environment provides significant opportunity to combine a high quality of life offer alongside entrepreneurial opportunities and economic contribution to the County’s GVA.

11) According to the Dorset Environmental Economy Report (November 2015) commissioned by Dorset County Council, Dorset AONB and the Jurassic Coast Team, the value of the natural environment to Dorset’s economy is worth about 8%-10% of Dorset’s overall economy each year – approximately £1.5 billion per annum, and 30,000 jobs. The study discusses the elements of the food and drink, tourism and leisure, marine/maritime, energy, environmental technologies and environmentally based voluntary and community sectors, all largely based in the rural area.

12) Whilst environmental quality underpins the Dorset economy in both rural and urban areas, it is perhaps more keenly felt in the rural areas, where degradation to the environment, such as pollution or harm to landscapes can be quickly reflected in problems, for example in the food and drink sector as water quality declines or tourism as attractiveness reduces. Temporary but dramatic events such as cliff falls on the coast paths or flooding can have a very immediate effect on a whole range of rural businesses.

13) The natural environment is under severe pressure across the UK. The State of Nature Report 2016 noted that between 1970 and 2013, 56% of species declined, with 40% showing strong or moderate declines. Of the nearly 8,000 species assessed using modern Red List criteria, 15% are extinct or threatened with extinction from Great Britain. This decline in the natural capital highlights the immediate loss to the quality of the rural environment and threatens a range of longer term economic impacts. The Government’s 25 Year Environment Plan outlines some ambitious aims to restore some of this damage including the restoration of our most special sites to favourable condition, the creation and restoration of 500,000 hectares of wildlife rich habitat outside the protected areas system, increasing woodland cover and safeguarding iconic species. If these targets are to be achieved then they must be more clearly integrated into the wider ambition for the rural economy, and custodians of the

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rural landscape must be given the financial, technical and logistical support to contribute to their achievement.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

14) Successes within the rural areas have been through game changing technology and utilisation of appropriate entrepreneurship and angel investment, alongside maximising inherent ‘brand’ opportunities relating to food and drink, for example. Well-known brands such as Dorset Cereal and Dorset Tea have scaled up production in effective ways, whilst retaining appropriate brand security aligned to health or wellbeing. The Jurassic World Heritage Coast is also a strong brand which is being used by businesses for example Jurassic Coast Tours. This branding of Dorset, for example, is partly why people come to work and then stay or retire to the county, but is also a perception challenge as it implies a rather slower pace of life. This inhibits investment in further growth and there is a need for more innovative solutions such as workspace hubs – these have been a success in some neighbouring counties such as Wiltshire\(^{224}\) allowing small businesses to come together to share back office and collaborative functions. This aligns to a way of working which is more appropriate for those in their 20s and 30s as well as suiting small and micro-businesses without significant capital expenditures.

15) The county provides significant direct employment, career development opportunities as well as substantial opportunity for contractors within the environment sector, largely focused in the rural areas. This is evidenced by the fact that two national conservation charities (Butterfly Conservation and Amphibian & Reptile Conservation) have their headquarters within Dorset, along with Dorset Wildlife Trust and a significant local presence of national organisations like the National Trust, RSPB and the Environment Agency.

16) Three examples of local environmental contractors illustrate Dorset’s position in conservation arena nationally and internationally: 1) Alaska Ecological Contracting\(^{225}\) provides a national consultancy / contracting service that often designs and builds bespoke machinery specialising in taking on the most challenging ecological restoration tasks. 2) Biotrack\(^{226}\) are internationally recognised specialists in remote animal telemetry and manufacturing cutting edge technology to support the biological research community worldwide. 3) Footprint Ecology\(^{227}\) are a specialist consultancy which helps public authorities navigate environmental regulations while helping to craft creative solution to help deliver net gain for the environment.

17) Dorset has been at the forefront of formulating innovative approaches to ensuring there is biodiversity net gain through planning, demonstrating that growth and development are achievable without compromising the natural environment. For example, the Dorset Biodiversity Appraisal Protocol and

\(^{224}\) For example: www.theoldchurchschool.co.uk/
\(^{225}\) www.alaska.ltd.uk
\(^{226}\) www.bi tract.co.uk
\(^{227}\) www.footprint- ecology.co.uk
Compensation Framework, led by the County Council and endorsed by Natural England, sets out a clear process for developers to ensure biodiversity is considered in planning applications, reducing potential barriers to development implementation, thereby reducing costs and supports the 25 Year Environment Plan for biodiversity net gain.

18) The opportunities presented by the entirety of the South West as a place where health and wellbeing are part of the attraction, alongside the existing natural assets relating to food and drink (38% of UK dairy is based here) is fuelling collaborative work across three LEPs (Dorset, Heart of the SW and Cornwall & Isles of Scilly) to create ‘The Great South-West’ concept. This is in the early stages but promises significant ways forward alongside the interlinked areas supporting rural growth.

19) The formation of a new unitary authority covering Dorset’s five primarily rural districts is an opportunity to promote Dorset as the ‘natural’ place to do business while streamlining of authority processes which will make business and trade easier. Dorset has also an impressive record for working collaboratively across the South West Region supporting Dorset Rural Economy, for example: South West Agritech, South West Rural Productivity Commission as well as the Great South West initiative which aims to become an equal competitor to the ‘Northern Powerhouse’ and ‘Midlands Engine’ moving forward.

20) It is essential that natural environment is considered in all economic planning in Dorset, the South West as well as the whole of UK. Dorset has some significant examples demonstrating that only modest investments considering natural environment reaped significant benefits both in terms of restored environments and increases in income and jobs in tourism and related rural industries. The award of Nature Improvement Area status to Purbeck and an award of £600,000 from Central Government funds catalysed parallel investments by local agencies and organisations such as the RSPB and National Trust and have greatly improved both the natural capital of and profile of the area. Similarly the Lottery funded Great Heaths project led by Dorset Wildlife Trust restored rural habitats around the Bournemouth-Poole conurbation.

21) The opportunities are greatest for businesses which play to the strengths of Dorset’s natural assets and unique selling point, to grow the county’s reputation for high quality food and drink, for bespoke high-quality products linked to and drawn from the environment, businesses that are connected to their host communities therefore facilitating 1 to 1 customer care, and businesses that are more sustained both economically and environmentally because they support and rely on the natural assets, amongst many examples.

22) Dorset Local Nature Partnership’s Natural Capital Investment Strategy illustrates how we can improve our stock of natural assets alongside economic growth. Taking a natural capital approach can also improve the deliverability of housing and economic development projects, providing the

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229 www.dorsetlnp.org.uk/Natural_Capital_Investment_Strategy
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environment is considered from the outset and not as an afterthought. Natural Capital is a concept that should be used to ensure that the resource base on which economic development is built is not eroded but rather is built-up to increase the resilience to change, the probability of success, and future prosperity without economic, environmental and social degradation.

23) There is potential for development within Dorset’s aquaculture sector (both land and sea based) while protecting the rich marine environment (a 40% of the Dorset and East Devon Fisheries Local Action Group marine area, out to 12nm off the coast is afforded protection through various statutory designation, including are two Marine Conservation Zones, three Special Areas of Conservation and two Special Protection Areas). Enhancements to the sector can be made through developing and expanding sites and new and enhanced infrastructure are ideal opportunities to give the area an economic boost. Improvements in the county’s harbour and landing sites infrastructure is needed to support both aquaculture and tourism opportunities.

24) With the aspiration to moving to a low carbon economy there is potential for enhancements to the woodland sector. A report was developed with Dorset AONB for a potential ESIF bid (before the criteria changed) on enhancing the sector. The report highlights:

25) ‘Within the private sector the Confederation of Forest Industries, which acts on behalf of the whole woodland and wood products sector, has prioritised the promotion of markets for wood products and support for woodland management whilst the Forestry Commission has acknowledged the need to strengthen the wood contracting sector to be able to harvest sustainable timber from private woodland. A recent Woodland Trust report estimated that for each hectare of new woodland (or woodland brought into good management) the increase in the value to the woodland industries (and local economy) £230 per year from the products and service this newly managed woodland could offer.’

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

26) It is vital that affordable housing is available in rural areas to ensure communities can grow and thrive and attract and retain talent. It is important that young people have access to excellent education. Often in rural areas there isn’t much choice of provision hence what is there must be excellent. The greatest opportunities for growth in the economy will be those that naturally align to the existing small businesses that already exist here, and that enable them to either scale up or become more efficient (or both). As such there are a range of recommendations that should be considered including, but not limited to governmental intervention within the following themes:

a) The UK Shared Prosperity Fund should aim to increase productivity. This should not be skewed to urban areas with greater scale.
b) Provide dedicated support to develop and implement the South West Digital Strategy.
c) Provide funding for local transport investment to improve strategic connectivity into the more peripheral parts of rural Dorset.
d) Ring fence funding from the Industrial Strategy Challenge Fund – Transforming Food Productivity strand for the South West to capitalise on innovation and automation within Dorset

e) Support the establishment of the South West Exporting Supply Chain Service to support small rural producers to engage and develop the ‘supply chain’ needed to get the product into new markets

f) Fully implement Central Government’s own rural proofing guidelines, across all Government departments, policy areas and future funding schemes to ensure they are more equitable to rural areas (either through a fairer allocation of funding or through finding practical ways of ensuring that rural areas also benefit from urban investment).

g) Develop a dedicated Innovate UK programme focusing on smart rural technologies enabling collaboration between government, industry, research and education institutions and thus extending the Smart City concept to rural areas in order to address the national ‘grand challenges’ facing rural areas, such as our aging society.

h) In terms of agriculture, create a more ambitious, imaginative and sustainable policy which provides a greater opportunity to farm sensitively and to produce more public benefit especially when grant aid is applied. To be competitive on a global stage, we have an opportunity to produce higher quality products. We can champion quality over quantity in our trade deals with the wider world through producing high welfare, low input livestock and high-quality arable products.

i) Changes to land stewardship post-Brexit are expected to have a greater focus on providing public benefit. If defined adequately, it will greatly enhance the economic stability of farming businesses in times of significant climate change disruption and changes in world trade. This will be critical in reversing the fortunes of the County’s natural capital, and contribute to the proposed Nature Recovery Network as well as and the other aspirations set out in the Government’s 25 Year Environment Plan.

Infrastructur e and services

4. How can access to transport be improved in rural areas?

27) The connection of rural areas to wider marketplace opportunities depends upon strategic infrastructure. Dorset lies in a coastal location, i.e. physically on the edge of Britain, and does not have any motorway, which inevitably slows transportation across, into and out of the county. This potentially also inhibits the development of more peripheral areas within the county and the region. The result is that we need to think innovatively about access and transportation, including better utilisation of ports as well as technology which could, if fully implemented (see Section 5) allow rural areas and counties such as Dorset to compete on a more level playing field.

a) We recommend that the Department of Transport and its agencies bring forward improvements to strategic connectivity into the more peripheral parts of the area. This should include ensuring the resilience of the main line rail network, including improved connectivity through north-south around Dorchester-Yeovil and across the New Forest towards London. Managing train lines on a Route based approach also results in investment always having a higher benefit cost ratio closer to cities (destinations) hence rural
areas are unlikely to receive major infrastructure improvements using this approach. Can it be reconsidered?

b) We all strongly object to the notion of reducing services to the ‘peripherality’ of the country. Reducing connectivity is inconsistent with the Government’s Industrial Strategy which states infrastructure and connectivity are drivers of productivity. A recent Cross Country Franchise Stakeholder Consultation proposed this approach going forwards.

c) We recommend that Government supports South West LEPs in working with the Transport Systems Catalyst to develop a challenge fund to design, pilot and roll-out innovative solutions to improving accessibility to rural employment and education opportunities (e.g. social enterprise models, smart solutions such as apps such as Uber for lift sharing). This could be a core plank of a ‘Smart Rural’ initiative.

d) We recommend that Government (DfT) should rural proof its funding formulae and transport investment strategies to ensure rural areas are not disadvantaged. Current metrics such as GVA for determining scheme viability inherently discriminate against rural areas – it is important to ‘float all the boats’ with a rising tide of support. This can also provide a much needed boost to rural areas.

e) Investment strategies should include provision for revenue-based projects, such as ‘Wheels to work’ schemes or app developments (and marketing) which may be the most appropriate solution.

f) The new National Infrastructure Commission (NIC) should incorporate natural capital, including its maintenance, restoration and recovery, into long-term infrastructure plans, ensuring consistency with the objectives of the 25 Year Environment Plan.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

28) During the collation of the South West Rural Productivity Commission, digital connectivity (both mobile and broadband) was the single biggest issue, raised unanimously by every evidence provider. Current m4g connectivity outside conurbations in Dorset is poor, even along trunk routes (see below live data 23/08/2018).

29) Map of 4G coverage
30) The lack of consistent connection to the marketplace, both here and abroad was a major barrier to developing growth. Specific challenges highlighted are:
   a) Loss of speed resulting from Fibre to the Cabinet deployment – disproportionately impacting very rural business especially those with “direct to exchange” lines;
   b) Failure by developers/BT to provide SFBB to industrial sites and new housing developments; and
   c) Failure of the Mobile Infrastructure Project and failure by telecoms companies to share masts.

31) Government (DCMS) should improve rural broadband provision by:
   d) Ensuring the Universal Service Obligation is achieved by 2020 in rural areas, without a cap on costs;
   e) Commit to raising the Universal Service Obligation to >30Mbps by 2025;
   f) Commission an independent review of broadband delivery costs to ensure value for money is being achieved.
   g) Government (DCMS) should also immediately require broadband providers and local authorities broadband schemes to provide detailed roll-out plans (with interactive maps) to allow communities and businesses to plan alternative projects, if not covered by centralised schemes.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

32) EDUCATION: Collaboration and mixed-use facility should be considered to ensure maximal use of public funds, but also the utilisation of technology where appropriate to ensure access to education and prevent rural discrimination. Models such as those utilised by the University for Highlands and Islands\(^{230}\) in

\(^{230}\) www.uhi.ac.uk
Scotland to enable extremely rural communities to access learning and development should be promoted – these are, of course, contingent on the effective digital infrastructure that is currently lacking in many rural areas. This is not the case in, for example, Orkney (total population 20,000) where the some incredibly remote areas receive 4G coverage (see map below bearing in mind the 2011 Census records Dorset's non-metropolitan population as 412,905) enabling them to trade globally – something which is a significant challenge even quite close to conurbations the size of Bournemouth and Poole. This dramatically inhibits Dorset’s growth.

33) Map of Orkney 4G coverage

34) BANKING: The availability of cash in rural communities with no bank or cash facility was spoken as a challenge during the South West Rural Productivity Commission, but the rise of contactless payments and the utilisation of the Post Office with cross-institution banking facilities may render this problem moot. It will impact older generations to a greater degree as they are more likely to use older and potentially soon-to-be obsolete technologies such as coinage/cheques etc. There is a greater presence of older people in rural areas. We also need to build more convenient services for micro businesses that need to bank and access cash and post goods in rural areas.

35) HEALTHCARE: We need to drive Prevention at Scale - helping people to stay healthy and avoid getting unwell. While health is generally above the England average within Dorset, employee sickness levels and absenteeism will impact on economic productivity. There is increasing evidence that the natural environment supports improvements to physical and mental wellbeing. Nature-based health interventions can support those long-term unemployed, due to sickness, back into paid employment, especially by improving confidence, as well as offering activities to maintain good health to reduce sickness and support high economic productivity. This is looking at preventative activities to encourage people to stay well and prevent the need for healthcare interventions. Through joint working between Dorset Local Nature Partnership, Dorset Health and Wellbeing Board and Public Health Dorset, we are raising the
profile of this work and engage more people in nature-based activities to support health and wellbeing. Dorset is a national exemplar within this area.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

36) The enabling of vibrant and sustainable communities with a range of demographic ages through a mix of affordable housing and employment opportunities is essential. A strategic long term approach is required. ‘Fossilising retirement villages’ are becoming a reality for some areas, because without significant private wealth it is unlikely that anyone of working age or with children will be able to afford to buy a house to live there, and further development is resisted strongly. Without parents bringing children into a village, it is inevitable that some facilities will be underused and become unviable such as village schools. Furthermore, the development of online shopping, banking, etc. means all forms of consumer activity are radically changing, and the effects are being felt on the urban high street as much as in the county town and village. People drink at home more, not at the pub – because it is more affordable. The nature of the facilities within the rural context are thus more aligned to ‘value-added’ social interaction and maximising social wellbeing. There are successful community pubs that are still the vibrant hub of their village. This has positive effects on other services due to the indirect development of a social care mechanism that sits outside those provided by government.

37) Restrictions on planning, and increasing evidence of vociferous opposition to development that might support new homes or enterprise by those who retire into rural communities are arguably partly to blame for their slow demise. MHCLG should support all small sites in appropriate locations that are in keeping with the locality and are identified for affordable or other appropriate housing to support sustainable communities. Also, more focus should be placed on mixed development through community land trusts.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

38) We identified a number of recommendations or examples how rural businesses could be helped to thrive:
   a) Rural areas should position themselves as a ‘hotspot’ for ‘self-organising activity’, creating a supportive environment and resources to encourage the establishment of ‘self-organising’ models (support to micro home based businesses), including broader collaboration models e.g. provision of a challenge loan fund, unused office space, match-making services, etc.
   b) Targeted support for women’s enterprise should be provided, recognising the untapped potential and inclusive growth opportunities this presents for part-time workers with high skill sets.
   c) Adequate supply of both start-up and scale-up accommodation for businesses, including utilising the train the trainer concept to improve the

231 For example: www.dorsetlnp.org.uk/Natural_Choices and www.stepin2nature.org
quality of private sector business support for micro-businesses, such as building on the family business growth programme model.

d) Relevant, high quality and effective mentoring/networking programmes to increase collaboration and co-operation.

e) Business start-up apprenticeship, adapting the apprenticeship model and utilising funding within the apprenticeship system to support people to start their own business.

f) Support programmes for ‘scale-up ‘businesses, helping them to access world-class advice and support in their local area, including leadership and management training.

g) Government (HMT) should review the impact of the tax regime (including VAT thresholds, capital allowances, business rates etc.) on the growth of micro businesses. The ‘cliff-edge’ VAT threshold is a significant barrier to scale-up. It is our view that changes could be tax neutral or positive by enabling business growth.

h) In the environmental sector, there has been a shortage of practical skills as training opportunities in appropriate areas have declined and those opportunities for training have been limited, especially for people on low incomes. The skills concerned are relevant to environmental work in the urban area too, but in rural environments the skills are required by private landowners, developers, consultancies, communities and the public sector, as well as by the voluntary sector. Many roles that require practical habitat management skills are more skilled, adaptable and better paid than traditional agricultural work, though highly relevant to the ‘agricultural and forestry’ sector. The lack of training opportunities for environmental skills, is one reason the Heritage Lottery Fund has been supporting their development through the Skills for the Future programme232 (2014-17). Once trained, the participants in the scheme have had no problems finding employment, or setting up their own businesses, and the demand remains high. 100% of the initial cohort found work within the sector with a year. A further programme called Wild Paths233 will target people from diverse backgrounds into the sector.

i) The development of a natural brand for Dorset based on a clean, healthy natural environment would give many rural businesses a competitive edge in a similar way to the use of protected designations.

j) Wide access to super and ultra-fast broadband is an essential requirement in rural areas - both for operational delivery, flexible working and for training and upskilling.

k) Improved access to reliable daytime public transport (free for under 19's) is needed to facilitate travel to study and travel to work as enforced car ownership costs have impact on disposable income available to the youth.

l) Reduce skills shortages and talent retention in rural areas through the development of new courses, apprenticeships, and facilities relevant to the rural economy development at local Further and Higher Education colleges and universities.

m) Explore and develop the concept of ‘environmental enterprise zones’ that put an area’s natural and cultural assets at the heart of economic development, creating opportunities for small and micro-businesses to capitalise on these distinctive assets.

232 For example: www.dorsetwildlifetrust.org.uk/heritage_lottery_fund_support
233 www.dorsetwildlifetrust.org.uk/WildPaths
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n) Establish ‘Smart Rural Research Platform’ through developing a coalition with the public, private and higher education sectors to achieve a fundamental shift in economic opportunities available in rural areas.
o) Support the growth of community and social enterprise businesses by utilising the Social Value Act in public procurement.
p) Small tourism businesses along the coast need to look at their offer in order to extend their season rather than just relying on the peak season.

9. How can deprivation and inequality in rural areas be tackled?

39) Put simply, attracting businesses to establish or remain in rural locations by ensuring adequate digital and transport infrastructure, an attractive natural environment and wellbeing opportunities would support rural employment rates and salary levels. Moreover, support for affordable housing is required.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

40) One of the key aspects in encouraging more young people to remain or return to rural areas is by enabling a reduction in the current widening disparity between wages and house-prices. The current market is falling young people who are simply unable to afford to stay in their home locality and are thus forced into moving away. This is directly aligned to the facilitation of more affordable housing building and shared ownership schemes. Furthermore, the level of holiday home ownership in Dorset is high which has a negative impact on rural communities at certain times of year and restricts the number of affordable homes. Rural areas should also be able to offer an alternative to city living to people who have perhaps not grown up in a rural environment. Rural areas should seek to attract incomers.

41) Also, the enabling of more flexible solutions to post-school study, such as blended learning solutions should also be considered alongside ensuring those who need to travel for specialist education can get there. With the removal of post-16 subsidy for study, as well as decreasing public services, there is an inherent challenge for productivity – those who are retirees get a free bus pass to go shopping, those who need to study and could impact local innovation and businesses to a higher degree have to pay for the ability to do so – the young are not only discriminated against by the ongoing reduction in services, they feel it and are therefore unsurprisingly attracted to urban areas where infrastructure enables them to both study, work and enjoy their leisure time.

42) For example, Dorset’s rural college Kingston Maurward College (KMC) charges £1000pa for students to use the bus, and still subsidises transport for students to the degree of £130k pa. Should the costs to both, students and the college, be reduced, it can be envisioned that the extra funds available would be then spent in the local economy, e.g. local village shops in the example of students or reinvested within the college in the example of KMC.

43) It is also essential that work and investment is done to rebalance the economy from the urban core to the smaller rural towns through revitalisation
of market and coastal towns, creating a network of digital rural workhubs to facilitate home-working, self-employment and growth of starts ups.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

44) There are significant opportunities for the ‘recently retired’ within a rural community. For example, ‘Dormen’ is an outstanding business mentoring programme which has directly impacted and enabled growth through supportive coaching to businesses within the rural areas.

45) There are also many volunteering opportunities across Dorset which bring people together, support rural businesses by continuing to make skills available to the sector, reduce social isolation, and support people to be physically active and connected, which in turn enhances their wellbeing, thereby reducing the costs of health and social care. In particular, the Wildlife Trusts’ report by Essex University highlights the value of volunteering in the environment on health and wellbeing, including positive impact on the older retired population. More can be done to make these connections and invest in opportunities to connect people.

46) Within the wider ageing population, Dorset provides an example of how the UK might look in 10 years, with one of the highest proportions of over-90s in Europe, and increasing numbers of over-65s moving into the area. There are opportunities to utilise this as a development area for health-tech and ‘care-tech’ companies and engagement, thus supporting both internal UK healthcare and also export and tech IP possibilities for the export market. Current work at Bournemouth University, supported by Dorset LEP, suggests the Orthopaedic Research Institute will be able to develop technology with multiple sales applications for UK PLC.

47) Government should also develop a dedicated Innovate UK programme focusing on smart rural technologies enabling collaboration between government, industry, research and education institutions and thus extending our Smart City concept to rural areas in order to address the national ‘grand challenges’ facing rural areas, particularly our aging society.

48) Moreover, Government (MHCLG) should recognise traditional costs of delivering services in rural areas and support pilot programmes to test innovative approaches to supporting older people in rural areas.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

234 www.dormen.org.uk
236 https://microsites.bournemouth.ac.uk/ori/
49) Housing affordability is a significant issue in rural parts of the South West, with the housing affordability ratio above the national average of 7.6 in all districts of Dorset (rising 13.6). The issues are compounded by high levels of 2nd home ownership up to 30% of homes in some villages and the conversion of homes to holiday lets. The lack of housing that local working people can afford is making it harder for businesses to recruit and retain staff. There is also some, albeit mixed, evidence that the issues are even more pronounced in areas with a high degree of tourism activity and second homes. There is interest amongst some rural landowners in making land available for affordable housing, offering the opportunity to increase rural delivery.

50) The capacity of the construction industry to meet the housing need, along with the cost of building housing in rural areas, is also likely to be a factor limiting affordable housing in coming years. The higher cost of building rural affordable housing due to smaller schemes, often with tighter design and material conditions, the need to bring in infrastructure and services, coupled with lower end property values means that there is often insufficient value left in the land to make it attractive for landowners to sell.

51) Housing associations need to be properly funded, with specific budgets for delivering social rented housing in rural areas and villages, because evidence shows that evidence that the private market housing sector, does not and will not deliver on this problem in rural areas. With the wage/price disparity, even if some ‘affordable’ houses to buy were provided they would still be well beyond the reach of many rural, and especially young people. The use of ‘Exception Sites’ in local and neighbourhood plans can help address this issue, in terms of making allocations for social/affordable housing only. Being exception sites, it means the land can be bought at less that private market housing prices, making schemes potentially more viable. But again, Housing Associations need to have targeted and ring fenced funding for such schemes. Without this, delivery will not happen, and Housing Associations now tend to develop larger sites in towns where economies of scale can be achieved. ‘Right to Buy’ has been most significant in rural areas with virtually all former ‘Council Houses’ of in the edge of villages having been sold many years ago and never replaced.

52) We recommend the following:
   a) Government (MHCLG) should ensure that all sites for housing in rural areas, however small, should have to make an appropriate contribution to affordable housing needs locally.
   b) LEPs should engage more with local planning authorities in the development of strategic rural housing development policy, with particular attention to the importance of rural housing for economic growth.
   c) LEPs should liaise with local planning authorities as to how to use best practice nationally for example to implement an appropriate ‘second homes’ policy that enhances the productivity of vulnerable communities.
   d) LEPs should engage more with local planning authorities on private sector solutions to the provision and running of affordable housing schemes, including working with their communities utilising the community housing fund.
   e) Government (MHCLG) should enable the concept of ‘Permission in Principle’ to be made available to support small scale commercial developments.
13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

53) The introduction of the 10 unit threshold policy before which affordable housing contributions can be sought has had the effect of undermining the delivery of rural affordable housing, even where the local authority has chosen to apply a lower threshold of 5 units in designated rural areas.

54) Rural housing developments are typically small in size reflecting the context in which they are being developed. Smaller developments are also often more acceptable to local rural communities from which support for development is critical. The introduction of this affordable housing threshold policy has undermined the delivery of affordable housing by cutting off the supply of this form of housing as part of rural residential development. Furthermore, many communities are supportive of affordable housing being built and see it as an opportunity to retain and attract younger people into their village, but do not support development solely for the open market.

55) Although the policy does allow contributions to be sought in designated rural areas for developments of between 6 and 10 units this does not provide sufficient levels of funding to develop the balance of affordable housing elsewhere. This issue is compounded with the rise of viability arguments on sites that can result in the chipping away at policy compliant levels of financial contributions on viability grounds.

56) To help deliver the range of housing tenures required to create vibrant and stable rural communities, consideration should be given to reviewing and amending this threshold policy enabling local authorities to develop affordable housing policy based on local need and deliverability.

57) One of Dorset’s great successes is its ability to attract and retain a high-quality workforce despite lower average wages. Part of this is due to the attractiveness of housing and location. Housing developments need to ensure they are sensitive to the surrounding natural environment that does so much to improve those developments, making them more sought after and reducing social problems.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

58) ‘Rural-proofing’ is core to ensuring equity of opportunity for those both within rural areas and urban areas. Several metrics used by government to determine the efficacy of project, in particular the competitive bidding process for LEPs to draw down central capital funding, rely on metrics such as benefit
cost ratio where it is more difficult to have impact in areas with less concentrated populations. A more nuanced approach which allows an ideology of ‘a rising tide floats all boats’ works more effectively across all areas including those in the rural economy – multiple small scale opportunities are as important as large pieces of strategic infrastructure.

59) For this reason, it is important that Central Government fully implements its own rural proofing guidelines, across all Government departments, policy areas and future funding schemes to ensure they are more equitable to rural areas (either through a fairer allocation of funding, by focusing on raising productivity or through finding practical ways of ensuring that rural areas also benefit from urban investment).

60) Also, a new model of economic growth is required that combines social and economic policy as well as the natural environment, on which so much rural growth depends. Economic growth must therefore include all three principles of sustainable development to become ‘sustainable, inclusive growth’.

61) As well as recognising the environment, policy makers must also acknowledge the differences between urban and rural areas and work with these to develop interventions that are aligned to the needs of economies in rural areas, rather than attempting to roll-out urban solutions to rural areas. For instance, policies and interventions must recognise:
   a) The needs of smaller businesses that are more dispersed (including supply side challenges). This is particularly important because displacement of commercial operations for retail or housing can lead to a negative impact on supply chains;
   b) The importance of key rural sectors; and
   c) The dispersed labour force and recruitment challenges faced by businesses in rural areas.

They must also recognise that whilst rural growth is sometimes slower to mature, it is often more sustainable and resilient. We therefore suggest that Government should use a broader basket of indicators to measure success.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?
The Dorset and other South West LEPs provide a significant example of good practice for the rest of England in this regard. The South West Rural Productivity Commission and subsequent work with collaboration between the LEPs shows that there is determination to ensure all rural areas, and the people that live and work in them, are enabled to succeed. Core to these are the need for better digital infrastructure, strategic transport links, affordable housing and the opportunity to access and develop workforce skills. The formation of a new unitary authority covering Dorset’s five primarily rural districts is an opportunity to promote Dorset as the ‘natural’ place to do business while streamlining of authority processes which will make business and trade easier. Dorset has also an impressive record for working collaboratively across the South West supporting Dorset Rural Economy, for example: South West Agritech, South West Rural Productivity Commission as well as the Great South West initiative which aims to become an equal competitor to the ‘Northern Powerhouse’ and ‘Midlands Engine’ moving forward.

In addition, as highlighted above, Dorset rural economy is dependent on healthy environment and natural capital. For this reason, Central Government should provide greater recognition that Local Nature Partnerships have a key role to play supporting the success of the 25 Year Environment Plan, and can work closely with Local Enterprise Partnerships as we do in Dorset.

For further information please contact
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7 September 2018
Professor Michael Dower – Written evidence (REC0062)

Personal response to the House of Lords Select Committee on the Rural Economy

by Professor Michael Dower CBE

1. This is a personal response, drawing upon my experience as:

- A professional planner for 60 years, mainly on rural work, including service as Director of the Peak National Park and Director-General of the Countryside Commission
- Founder Chairman in 1980 of Rural Voice, the alliance of national rural organisations in England, set up in reaction to government policies which appeared to threaten the well-being of rural people: in addition to successful lobbying for change in those policies, the alliance promoted self-help among rural communities
- Research Professor of European Rural Development, University of Gloucestershire
- Coordinator of the PREPARE Partnership for Rural Europe, promoting the strengthening of civil society in rural areas and the well-being of rural populations in the central and south-eastern countries of Europe (within and beyond the current EU)
- Joint Coordinator of the European Rural Parliament, which brings together rural people from 40 countries every two years and seeks to implement a Manifesto focused on the well-being of rural communities throughout the wider Europe.

and currently:

- Vice Chairman of Southern Dorset Local Action Group, deploying LEADER funds
- Member of the Rural Enterprise Group of the Dorset Local Enterprise Partnership.

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

2. In my view, the Committee’s scope of inquiry should embrace the economies in all parts of England which are defined by DEFRA as ‘rural’, including country and market towns, the smaller coastal resorts etc.. The rural economy is the economy of these areas. It includes the primary, secondary and tertiary sectors; enterprises of a widely varied size and market orientation; and organisations from the private, public and civil sectors. No part of it is fully isolated from regional, national or global economies, and there are manifold links between rural and urban economies. But many rural areas, particularly beyond the penumbra of the cities, retain genuine local economies, with face-to-face contact between consumers and producers, retailers and other service providers. This face-to-face contact is of crucial importance to the well-being both of the rural economy and of rural communities.
3. Changes in recent years include continued mechanisation and automation in the primary sectors, with consequent reduction in their labour force; fall in the number of public sector employees; increase in the use of information technology, including teleworking among people who live in rural areas but are linked to the city economies; strong activity in the construction trade, notably for housing; continued centralising of services of many kinds, with consequent loss of services and of jobs in villages and small towns; adverse impact on independent shops from supermarkets and more recently from online shopping; growth in tourism in some rural areas; and growth (but also recently growing financial fragility) in enterprises focused on care for old people. The effect of these changes is a progressive change in the sectoral structure of local economies, and in the spatial patterns of employment, with fewer jobs in many small communities.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

3. I believe that a key principle, in order to sustain and increase the strength of rural economies, is to create networks or chains of enterprises which have the capacity to connect with regional, national and wider markets. I offer the following examples:

4. **Gloucester Motorway Service Area.** Jointly initiated by Westmorland Ltd and the Gloucestershire Gateway Trust, this enterprise attracts income from the flow of traffic on the M5 into the local economies of the city of Gloucester and the surrounding rural region. The company trains and employs people from parts of the city affected by high unemployment. It secures a high proportion of the food for its restaurants and of goods for its farm shops from enterprises within a 50-mile radius. It gives a proportion of its gross turnover to the Gateway Trust for social and environmental causes in the county. [www.gloucestersonfices.com](http://www.gloucestersonfices.com)

5. **Riverford farm, based near Totnes in Devon.** From a beginning 40 years ago focused on supplying and vegetables to a local market, this is now a national enterprise, supplying fresh organic food in weekly boxes to rural and urban consumers throughout the country. The company buys produce from hundreds of farms; processes and packs it in the rural area; and undertakes its own distribution, right through into the cities. [www.riverford.co.uk](http://www.riverford.co.uk)

6. **Peak District Artisans.** This Association, created in 1991, brings together fine artists, designer makers and contemporary artisans based in and around the Peak National Park in order to promote mutual support and cooperative marketing of their products, notably to the many millions of visitors to the National Park. Each year, it organises two main events, a Summer fair and a pre-Christmas market. It plays a crucial role in the financial viability of many of its members. [www.peakdistrictartisans.co.uk](http://www.peakdistrictartisans.co.uk)
3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

7. There is no one answer, because rural economies vary. The challenge is to identify, in each rural region, the assets (natural, inherited and human) which it can deploy to strengthen and diversify its economy. I see significant potential, in appropriate rural areas, for growth in:

a. Added value chains which link food producers, processing companies, local and regional consumers, plus (where relevant) tourist enterprises. There is much scope for regional branding of food, drink and related products, and for linking these chains to the demand for healthy fresh food and the reduction of ‘food miles’.

b. Promotion of locations and premises suited to businesses which seek quiet and pollution-free surroundings and lower cost of premises and labour than may be found in the city.

c. The caring sector, including those who look after ill, disabled or elderly people and those who protect, manage and enhance landscape, wildlife areas, the historic heritage and other environmental assets. The scale of employment which can be created in this sector will depend on the funding that we (as a nation) decide to allocate to this activity: the growing need for that activity is undeniable.

d. Energy conservation and renewable energy: the Government’s commitment to reduce carbon emissions, and the growing public support for efforts to slow down global warming, point towards growth in production of renewable energy through biomass, solar, wind, water and other means, much of which is bound to happen in rural areas. The Committee may wish to visit Austria to see a thriving rural sector based on woodfuel.

4. How can access to transport be improved in rural areas?

8. I see potential, varying according to the character of each area, for more application of ideas which have already been pioneered:

- Reopening of local railways
- Enabling adults to use school buses
- Car sharing
- Community minibuses, with voluntary drivers
- Supply of mopeds for apprentices and young workers
- Creation of safe walking and cycling routes for short-distance movements between homes, schools, shops etc.
- Voluntary relinquishment, by elderly people who can afford it, of their right to free bus travel.

5. What barriers to growth are created by poor digital connectivity?
How can connectivity be improved across the board?

9. Digital connectivity, including high-capacity broadband, is of growing importance everywhere, including more remote rural areas, small settlements and isolated farms. Connecting to modern life, and to suppliers and markets within economic chains, increasingly depends on that connectivity. For that reason, the Universal Service Obligation must be achieved in all rural areas, without a cap on costs; and the Broadband
capacity must be progressively raised. This is of high importance not only for individual teleworkers or businesses, but also for the sustaining of rural services such as those for education and health and for public administration generally. The Committee may wish to visit Estonia, a country which has fully embraced the potential offered by digital connectivity.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

10. I take these two questions together, because the answers apply partly to both. I suggest that five main principles should be applied

- Rural people have the right to a quality of life and standard of living equal to that of urban populations, and to adequate infrastructure and reasonable access to all basic services.
- Service providers of all kinds should recognise those rights in their investment plans: if services need to be withdrawn from rural communities, the providers should work with those communities to ensure acceptable alternatives.
- Given imagination and cooperation between different agencies, services can often be provided in a linked manner – for example post office services within village halls, banking services within pubs, public sports facilities within schools.
- Some services are of such crucial social importance that rural communities are willing – and should be enabled - to run them as community enterprises, using partly voluntary labour. The Committee may wish to visit Sweden, in order to see the very wide variety of community enterprises in rural areas. See also Elsendorp case study below.
- Digital connectivity can help to sustain services, for example libraries, clinics and schools

11. The village of Elsendorp, in North Brabant province of the Netherlands, has a community company which has created a multi-purpose centre including the village hall, sports hall, library, primary school, day centre for old people and an outreach care centre which (with a large team of local volunteers) provides home care for the elderly people in the village. In creating and maintaining this centre, the company draws down funds from different levels of government in an integrated and flexible way.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

12. A crucial need, in many rural areas, is for the provision of workspace, in order to enable existing enterprises to grow, to accommodate new locally-grown enterprises, and to attract companies from elsewhere and inward investment. A balanced population, with a full measure of people of working age, depends on supply of workspace. Thirty and more years ago, new rural workspaces would be provided mainly by local authorities or the Rural Development Commission. Now, it is assumed that workspace will be mainly provided by the private sector. Local planning authorities zone land for this purpose. But the plain fact is that this land is very often left undeveloped, because landowners often prefer to get a higher or easier return from residential development, or the infrastructure costs are too high and the return on investment is uncertain.
13. I believe that this market failure demands a new approach, including:

- The unambiguous zoning of land for employment use, in order to remove the ‘hope value’ element offered by residential use
- Pro-active liaison between local authorities, the owners of land zoned for employment use, and potential developers or users of that land
- Where necessary, active intervention by local authorities, Local Enterprise Partnerships (LEPs) and the Homes and Communities Agency to support development projects through infrastructure investment or in other ways, within a clear framework of priorities and of viability criteria.

14. Labour and skill shortages may be addressed by vigorous deployment by LEPs of apprenticeship schemes related to industries in their area; and by linking policies for development of housing (including affordable housing) to local labour needs.

9. How can deprivation and inequality in rural areas be tackled?

15. Fair living and working conditions should be assured for seasonal workers in farming, fisheries and related trades. At present, many such workers suffer gross deprivation and inequality. See also my comment at Question 11 below.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

16. If young people are to stay in or return to rural areas, they need competitive and sustainable employment; well-targeted systems of education, volunteering and vocational training; apprenticeships based on local needs; social and cultural activities suited to young people; and advice and specific support (including access to credit) to young farmers and entrepreneurs. Crucially, they also need affordable housing – see response to question 12.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

17. Social isolation and loneliness, particularly among elderly, single and housebound people, is found in many rural areas, but often overlooked or invisible. Much is already done by village communities, churches and voluntary organisations to alleviate this isolation and loneliness. This dependence on voluntary effort is likely to become more marked because of financial pressure on local authorities, which is obliging them to focus on their statutory duties. Government and the Big Lottery should support this voluntary effort.

18. The provision of residential care for elderly people is now the subject of intense concern throughout England, both urban and rural. The shrinking financial resources of local authorities threaten the financial viability of care and nursing homes, including many in rural areas. The government must address this crucial issue, as part of its review of the health and care system.

19. Many rural areas attract retired people from elsewhere. Their arrival adds to the demands on the health service and to the high price of rural houses (see next paragraph). But it also brings a resource of experience and
expertise which can greatly help their new communities. Many villages and small towns benefit from the skills and voluntary activity of retired people in (for example) managing village halls, leading church activities, driving community buses, fundraising for hospices or (as I do) managing publicly-owned woodlands. Retired people may also serve as part-time staff in community shops or cooperatives, as supplementary teachers, as mentors or assessors on apprenticeship schemes, in business advice and other ways which directly contribute to the local economy.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

20. The affordability of housing in rural areas is a crucial issue. The housing market in almost every rural area tends to be dominated by relatively wealthy people, including those who are moving out from the cities or seeking a second or holiday home. Their demands mean that the price of freehold dwellings is well above what can be afforded by many rural workers, and particularly by young rural people who wish to stay in or return to the rural areas. In addition, dwellings to rent are relatively scarce in rural areas, particularly in places with high demand for holiday rental; and the rents in the private sector are generally beyond what can be afforded by many rural workers. The result is that workers who might otherwise stay in the rural areas may move away; those who might return to those areas may be unable to do so; rural enterprises may find it hard to recruit or retain workers; and young people who choose to stay may be obliged to use substandard accommodation or continue living with their parents beyond the age that either side would wish.

21. This difficult issue must be resolved, for the well-being of those who seek housing and the viability of the rural economy. The government’s response to the supply side is two-fold:

- To encourage and enable local planning authorities to require that a proportion of new open-market housing, built by the private sector, must be ‘affordable’. The National Planning Policy Framework defines ‘affordable’ as ‘housing for sale or rent, for those whose needs are not met by the market ... and which comply with definitions (offered in the NPPF) of ‘affordable housing for rent’ or ‘starter homes’
- To work through the Homes and Communities Agency on the provision and/or development of land for housing, plus support for and regulation of housing associations and other social housing providers.

22. Significant amounts of affordable housing are coming forward under these two approaches. However, the developers of open market housing are often allowed to ‘duck’ the obligation to provide a full quota of affordable houses; some developers cannot find a housing association to take over the affordable houses; and the quota requirement does not apply to small housing schemes. Many schemes are being brought forward by housing
associations, community land trusts or self-build groups, quite often on ‘exceptions sites’ which are only for affordable housing. But evidence from south-west England shows that total delivery of affordable housing is in some rural areas falling well short of demand, including for low-rent houses suited to young or low-paid rural workers. This applies particularly to smaller settlements, where it is not right to build large open-market housing estates in order to secure an affordable quota, and where the amount of affordable housing that is needed may be too small to attract a housing association. (As a former National Park officer, and now resident in an Area of Outstanding Natural Beauty, I should say that I regret the rule in the NPPF that exception sites will not be allowed in these designated areas.)

23. The solution to the problem that I describe above may be:
- insistence by planning authorities on the quota of affordable dwellings within open-market schemes
- within each scheme, the careful allocation of that quota to the distinct needs, as shown in the local housing register, for different categories of affordable housing - freehold: shared equity: affordable, or social, rent.
- vigorous activity by the Homes and Communities Agency, working with local authority planners and housing enablers, to promote and support the work of housing associations and other direct providers of affordable housing.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

24. My answers to questions 8 and 12 above reveal my concern about two consequences of the government’s commitment to boost the housing stock and to promote home ownership. I welcome and endorse that commitment. But I believe that it has partially blinded the government to the equally significant need to boost rural workspace and to provide housing for truly affordable rent. I urge that the government adapt the planning guidance and provide the resources to ensure that those needs are met.

25. As a planner, I express my strong concern about statements by Ministers who see planning as a ‘barrier’ to development. I accept that planning processes have been, and might further be, simplified and streamlined. But planning is, and should be treated as, a positive process to promote necessary development by means of partnership between planning authorities, property owners and developers. To play their part in this creative process, local planning authorities need staff of sufficient number and skill to engage in pre-application consultation and to take initiative in unblocking true barriers to development, such as lack of infrastructure or the need for land and flood amelioration. The current deadly squeeze on local authority finances threatens that ability.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be
done to ensure that Government and other public bodies hear and act on rural voices?

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

26. I answer these two questions together, drawing upon my experience in Dorset.

27. The change from Regional Development Agencies to Local Enterprise Partnerships (LEPs) and Local Nature Partnerships (LNPs) has brought a positive emphasis on social, economic and environmental action at county level, which is the right socio-geographic scale for such action. But the organisational structure of LEPs, with strong emphasis on the private sector and board members drawn mainly from urban areas and large organisations, has given them a bias against rural areas, which can become treated as adjuncts to the cities. As for the LNPs, they are excellent mechanisms for articulating the needs for environmental action and promoting cooperation between agencies, but they lack significant own resources.

28. The next year will see the transition to a new regime for managing Growth, with or without Brexit. I urge that this regime should include a distinct focus on the needs of rural areas, and the policies and resources needed for promoting the social, economic and environmental well-being of those areas, in their own right rather than as adjuncts to the cities. I also urge that policy articulation and delivery be at no larger than county level.

29. Please note my emphasis on social, economic and environmental well-being. The rural economy cannot be detached, in policy and action, from the rural community and the rural environment: they depend on each other, as was made plain over a century ago by Sir Patrick Geddes in his teaching on ‘Place, Work and Folk’.

30. I wish to comment on the crucial issue of delivery of public support to rural enterprises and communities. From long experience, I am convinced that this support must be delivered through face-to-face contact between public agencies and citizens; at the level of counties and localities; and illuminated by the knowledge and expertise of people from different sectors based in the area. Two existing mechanisms offer delivery of that nature, namely:

a. LEADER, the approach based on local partnerships between public, private and civil organisations which since 1991 has successfully managed the delivery of public funds to support rural enterprises and community initiatives throughout the European Union and in many countries outside the Union. It is my strong hope that, whatever the outcome of Brexit, the United Kingdom will continue to use the LEADER approach for delivery of the future growth programme in the rural areas.

b. National Parks and Areas of Outstanding Natural Beauty. In these areas, which together cover over 25% of England’s territory, the park authorities, conservation boards or AONB committees are well-placed to deliver public support not only to environmental action but (within limits) to enterprises and community initiatives. Many of these organisations have a strong record of
work to sustain and diversify their local rural economies. In separate evidence to the Government’s current Review of these designated areas, I have proposed that their responsibilities in the socio-economic field should be extended.

10 September 2018
The following views and question responses have been provided through consultation with representatives from economic development, planning policy and development management as well as with our rural district members. They reflect the concerns, issues and opportunities expressed and identified through a specific 'think tank' session held on Weds 29th Aug 2018.

Whilst this submissions covers matters that are likely to be of generic relevance to many rural areas, we have focused on considerations particularly relevant to East Devon. These specifically include the challenges we face in balancing the need to care for and look after an outstanding rural environment whilst also supporting the rural economy and accommodating and promoting a growth, productivity and development agenda.

East Devon is the largest district authority in Devon and is categorised as 'Largely Rural' by ONS with urban centres at Exmouth, Sidmouth and Honiton. The population of East Devon is 139,908, accounting for 18% of Devon’s total population. The vast majority of our district comprises rural land and with two Areas of Outstanding Natural Beauty covering two thirds of the District. We benefit from a World Heritage site coastline and numerous other natural and built heritage designations. These environmental qualities help define the outstanding rural character of our District but they can also place constraints on scope for growth and development.

East Devon’s economy comprises 48,000 jobs (BRES, 2016) with 6,320 registered businesses (ONS), 89% of which employ fewer than 10 people. Much of the employment in East Devon is concentrated in the retail; health; accommodation and food industries and we have stronger location quotients for construction, accommodation and food (tourism) and motor vehicles sectors than the UK ave. Higher skilled, more productive sectors such as finance & insurance; professional, scientific and technical; and business administration are underrepresented in East Devon though total gross value added (GVA) in East Devon has been increasing at a growth rate of 16.6% over the last few years (£2,069m in 2011 to £2,413m in 2016). We have an aging demographic which present us with both economic challenges and opportunities. Our large retired population restricts the per head output performance of East Devon to £17,246 whilst the average house price in the second highest in Devon (at £240,000), making it difficult for young people and families to find affordable housing.

Before responding to the current inquiry questions, we highlight that many of the specific issues addressed have been examined in some depth within The South West Rural Productivity Commission report of 2017. This was commissioned by the four south west Local Enterprise Partnerships. See: http://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf
We would endorse the findings of this report (summarised in answer to Q.15) which we trust will form valuable evidence in informing your work alongside those of the Rural Services Network submission to this inquiry.

**Response to Questions by East Devon District Council**

**General issues**

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 Although it’s a somewhat artificial division the rural economy can be looked upon as having two component parts. The first comprises of business and activities that by their nature have to be or are most appropriately located in rural or countryside areas, with most obvious example being farming and forestry and trades directly allied to or processing or adding value to their outputs. The second comprises of businesses and economic activities that would not, by their nature, necessarily have to be in a rural area (often they will be found in urban areas) but such activities have developed and become established in rural locations, in part because of improved broadband connectivity.

1.2 The “rural economy” is, therefore, a composite of and these two parts but also it overlaps with and should not be seen as distinct from urban economies and areas; not the least because there is no definitive break between what is urban and what is rural. Market towns are a clear and obvious case in point. Honiton, for example, has a population of around 12,000 residents and sits in a central point in East Devon. By some definitions it would be classified as urban, but it very clearly forms a focal point for rural serves and provides economic and wider services for a substantial rural hinterland (despite, as with so many market towns, no longer hosting a weekly cattle market).

1.3 The most fundamental change in rural economies is the relevant decline in the traditional rural activities (most notably the number of people employed in agriculture – though not in agricultural productivity) with a growing job importance of activities that are not inherently required to be in rural areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 In East Devon the District Council actively seek to support business units and drop-in desks for people to work from. These may be in towns, noting amongst other matters the typically better broadband connections that towns offer, but also it reflects the fact that many towns will support and be intrinsically linked to the wider rural hinterland.

2.2 We would identify a need for, and benefits to be gained from, more help to be given to support business unit provision. It was noted that rural business will often start off in a back bedroom but as they grow finding suitable larger business accommodation can be very challenging. Provision of ‘grow-on’ business units in rural locations was seen as potentially part of the answer.
2.3 In recognition of this issue, we funded the development of the East Devon Business Centre (EDBC) in Honiton in 1998 which provides a modern adaptable business space; competitive office lets with flexible tenancy terms; conference, training and display facilities and business support. Demand for flexible office accommodation from new and growing businesses is such that we have 100% tenancy levels and generate a positive net return to the council whilst supporting C.70 FTE local jobs. We’ve confident that additional B1 office accommodation development in other locations that share strong transport connectivity will see similar success. Promoting development of office accommodation by the private sector, however, still has its challenges.

2.4 One problem that was highlighted was that business land will invariably attract lower values that residential development land and often land owners will not bring business units forward in the hope that, at some future point in time, they will secure residential development. A sometimes perverse outcome is that employment development that does come forward in rural areas is on sites where any hope value for housing is extremely low. Such new business sites, on account of remoteness, can, however, be inaccessible to many rural (and urban) residents, especially those without cars that need jobs or want to access the services they may offer. Securing rural jobs close to where rural people live (including at villages) can be a real challenge.

2.5 When examining successes and good practice in our rural economy, we should draw attention to the remarkable achievements of our Local Action Group (http://www.makingitlocal.org/).

2.6 Rural businesses are generally more distant from funded business support delivery than urban counterparts and there is a need for dedicated support for rural enterprises to help them access funding opportunities. Project Sponsor support to LEADER applicants has been hugely beneficial for our district’s economy. The expert support and guidance EDDC ensures has led to a far higher degree of funding being successfully awarded to our rural development initiatives than would otherwise have been possible. In fact, Making it Local is the highest committing LAG in England. 16 East Devon rural economic development projects have so far received LEADER grants totalling £782k and unlocking approx. £1.65m of investment in the East Devon economy.

2.7 Despite this, rural business support is an essential requirement which is all too often overlooked. Until recently, land based agri-businesses have been excluded from accessing our ERDF funded Growth Hub, with no acknowledgement of the need for tailored rural provision from the LEP to address this. In East Devon, we have developed a dedicated rural business support programme to ensure rural land-based businesses receive the same quality and quantity of specialist support to promote new and existing business growth that our other business sectors are able to access – all free of charge. We’re currently updating his service provision to focus on improved productivity support to rural enterprise.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
3.1 Our rural economy will continue to respond to threats and opportunities but from an economic development perspective, the need for support in the provision of skilled labour, public transport provision, commercial premises and improved transport and broadband connectivity infrastructure will increase. We have already seen significant employment growth in the district’s professional, scientific and technical sector. This isn’t all down to the success of our renowned Science Park Centre and Met Office Super Computer facility, we have an increasing number of specialists operating businesses and consultancy practices from rural centres which previously lacked the fibre connectivity to allow remote working.

3.2 Having said this, both transport and broadband remains an inhibitor to rural economic development in certain areas (discussed below) and it is widely felt that our most dispersed/deeply rural settlements have been disadvantaged by the premises quantum delivery targets or our existing broadband delivery programme.

3.3 Recent work in developing our Greater Exeter Strategic Plan (https://www.gesp.org.uk/) has identified four transformational sectors (or areas) as having significant potential to develop across the functional economic market area (FEMA) we share with neighbouring local authorities. These are across Smart Logistics, Data Analytics, Knowledge Based Industries and Environmental Futures and a transformational Sectors Action Plan is in development to identify ways in which strategic planning policies can support the growth of employment in these areas. A clearer focus is required on how these priority sectors might play a part in rural economic development, especially since analysis of European industrial strategy has shown huge increases in (output focussed) productivity through technological engagement in rural and agri-sectors.

**Infrastructure and services**

4. How can access to transport be improved in rural areas?

4.1 In responding to this question it is assumed that reference is meant to be in respect of public transport (though maybe also cycling and walking?). Most rural households will have a car and driving a car, where available, will in most cases be the preferred, cheapest, quickest and most flexible means of transport.

4.2 When it comes to public transport the availability of services can be of variable quality, often very poor and frequently it will be expensive. Poor public transport availability in many rural areas to take children and young adults to education facilities, especially for 16 to 18 year olds to college, was highlighted as a particular concern. At this age, in comparison to education travel for younger pupils, there may be a requirement for pupils to pay for fares.

4.3 Diminishing levels of subsidies to support public transport, leading to service decline, was highlighted as a particular problem. It was though also suggested that reducing the need to travel to education centres, for example through better internet connections and educations programmes delivered at pupils homes, would be an initiative that was worthy of further exploration.
4.3 The worsening state of public transport provision to rural settlements remains an inhibitor to employment and skills development. This also has a direct adverse impact on the likelihood of employment generating development being approved in rural areas, since planning teams commonly cite ‘dependence on motor vehicles’ as a material reason for refusal. The issue here is that in public transport planning, provision often follows demand and if there were a concentration of increased commuting requirement in appropriate rural centres, routes would be amended to serve this.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 It was highlighted at the East Devon think tank that the quality of broadband connectivity is critical to the success or otherwise of rural businesses. It was identified that nearly all businesses (whether urban or rural) are dependent to some degree, though increasingly a high degree, on the internet. There is, however, huge variation in broadband speeds across rural areas. To promote joint plan making with neighbouring authorities East Devon District Council commissioned Adroit Economics Ltd to produce a Greater Exeter Digital Connectivity Strategy, see: https://www.gesp.org.uk/evidence/

5.2 The map in the response to this question, taken from the report, illustrates the huge variation in broadband widths across a large swathe of Devon. The city of Exeter in the centre of the map and Newton Abbot (a town of 26,000 people) on the southern edge of the map are hotspots of connectivity. Elsewhere broadband speeds are hugely variable, a distinctly rural part of East Devon, on the Eastern side of the map, is a localised hotspot of high connectivity but this is a rare exception in what is predominantly a pattern of poor, and frequently very poor, connections.

5.3 The concerns are, however, not just about download speed, they also extend to reliability and resilience. Evidence suggests that demand for digital connectivity (both fixed and mobile) will continue to grow exponentially for domestic, employment and transportation needs. On this basis, and in line with Government policy, we should therefore be moving towards full-fibre connections (i.e. Fibre to the Premises and minimising reliance upon archaic BT copper wires at any point in the network). Fibre allows for gigabit (i.e. >1,000Mbps) speeds uncontended (contention is the sharing of a broadband signal by a group of customers which results in reduction of the bandwidth available to each individual customer) and stable (not affected by weather, flooding etc) internet connections. Growth in the demands for automated and guided vehicles, smart infrastructure, precision farming, mobile working and mobile streaming etc. will require similar improvements in mobile connectivity, likely to be delivered through 5G. 5G mobile connectivity will be reliant upon sufficient fibre backhaul from masts/broadcasters.
5.4 There is, and remains, a simple reality that fibre provision is very costly and currently massively dependent upon inadequate commercial rollout. It is therefore difficult to avoid the conclusion that it will remain the case that Government money (in the absence of other subsidy mechanisms) and innovative public sector support will be essential in order to secure full high quality rural area coverage. Because businesses, and economic activity in general, is increasingly dependent on high speed, reliable and resilient fixed and mobile digital connections any areas that lack good connections are inherently at a disadvantage. Furthermore as more business actively moves on-line the gulf of disadvantage between those with good access and those without grows wider.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 It was noted that maintenance of essential services is and will continue to be a critical challenge in many rural areas with no easy solutions, though elsewhere in this report it is noted that higher population levels bought about through additional house building offers some potential.

6.2 With respect to banking, and maintenance of many other services, it was stressed that universal post office provision will be critical in many villages.
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 The threat to Post Offices in rural centres and their significance to businesses. Rural post offices should be promoted to both residents and local businesses as a beneficial opportunity to pay both council tax and business rates. This generates opportunity linked sales for the post offices which in turn are maintained as a resource for local businesses to be able to access, transfer and manage their cash. This is especially relevant to remote settlements with too poor a broadband provision for online banking to be an option.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 It was noted that planning constraints can prevent development of new or extended premises from being build. Economic development report a common perception across rural areas that Planning remains a barrier to employment provision in more remote settlements. Potential visual or landscape impacts appear to factor more heavily in planning consideration than the evidenced economic benefit. We would encourage closer communication and a stronger shared understanding of the respective challenges facing both planners and rural businesses. Removal of pre-application fees for smaller scale commercial applications would go a long way to helping achieve this through facilitating greater dialogue.

8.2 However with significant environmental assets in East Devon there is a balance to be struck between maintaining high environmental quality (which is an economic asset in its own right) whilst also accommodating appropriate development.

8.3 The council works closely with applicants to seek to secure development proposals that are of the highest quality. Points can be reached, however, where rural businesses, especially when in sensitive locations, can become too big or dominant in an area. An issue then is to seek to provide or support alternative space, this may be in a close by town, and as such can still be located close to an existing businesses original home base and should still support local ties.

8.4 An issues that was noted was that thriving and expanding rural businesses may actually need urban residents to travel out of towns to fill jobs, including better paid and more skilled jobs.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 By providing better opportunities for education and training and better jobs and homes to rent or buy that are close by.
10.2 There is also a role for Exeter University in promoting Knowledge Transfer Partnerships and student placements with local rural employers. We have some very well established and successful major employers across our rural economy, fewer of whom proportionally are engaged with the University.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 It was considered that local authorities should be given much greater scope and financial freedoms to build Council Houses and secure other forms of social and affordable housing.

12.2 The view was forcefully expressed that Homes England should be tasked with the job of offering support (specifically including funding) to local authorities to build council houses. Whilst on a more general level Council’s should be given greater freedom and flexibility to undertake rural council house building.

12.3 Planning policies should actively encourage and require affordable housing on rural development sites with no lower threshold on cases where affordable housing will be sought as a developer contribution for schemes that are providing open market housing.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Concern was expressed that the planning system suppresses scope and potential for positive development in rural areas. It was considered that allowing some development in villages, specifically those with a range of facilities, would help (to some degree at least) to sustain facilities through increasing population levels and therefore potential customers. It was recognised, however, that to secure new facilities, or resurrect those closed down, could require substantial levels of new development, especially house-building, and especially in areas of high environmental quality, such as East Devon, this could run counter to other conservation related planning objectives and may not receive public support.

13.2 It was also noted that building new homes, with more residents, would not only help facilities such as the village shop or pub but would also provide more customers for any number of business based in rural areas, from builders building new homes through to gardeners tending gardens and for any other service of product that residents may wish to purchase.

13.3 A concern expressed around failure to build houses in rural areas, specifically including affordable housing, was that it restricted opportunities for young people to move into villages. One result of this is an increasingly aging profile of many villages. Amongst other matters it was highlighted that a
consequence on restrictions on new housing was that younger family members can find it difficult to live close to older (rural and village dwelling) family members and therefore to be close enough to actively look after them at their home.

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 One of the problems that was identified was that the Government will frequently not ‘rural-proof’ the initiatives and proposals that they bring forward. The Government, when defining new policies or initiatives, can show an urban (and especially big city) bias in the way they understand problems or seek to realise opportunities and therefore fail to take into account the difference that apply in rural areas. In the future it was seen that more attention should be placed on considering implications for rural areas (as well as urban areas) when defining policies and initiatives.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 The South West Rural Productivity Commission was established by four LEPs in the South West to explore and understand how the economy in rural areas of the South West is performing and identify opportunities to stimulate rural productivity and growth. The commission found huge potential for economic growth if key opportunities are seized and challenges addressed. This new report shows examples of tangible projects that will deliver benefits throughout the community. The full report is here: [SW Rural Commission Report](#) and the evidence here: [SW Rural Report Evidence](#)

The most important themes that emerged from the work are:

- Digital connectivity presents a game changing opportunity but without further urgent action businesses and communities will become left behind

- Smart technologies have the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale has the ability to create higher value jobs

- The rural SW hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, can become a hothouse of enterprise

- Our agri-food-tourism economy is a strength upon which we can build globally recognised propositions as THE place to start and build and grow a food business
• There are genuine concerns that our rural communities are spiralling downwards towards 'fossilised retirement villages’ unless Government and local leaders take prompt action. Local and national policy must move away from the ‘one size fits all’ approach that fail to recognise that rural areas are different.

• Brexit has the potential to shake the foundations of our rural economy – providing either a much needed boost or sudden economic shock. Now is the time for action if we are to reap the benefits in line with the commission’s recommendations.

15.2 Summary of Key Findings

The commission opened with a call for evidence, which was promoted by all four LEPs over a three month period and received 67 responses and over 200 items of evidence. This was supported by five panel sessions with one in every county covered by the commission, where we heard over 40 hours of testimony from a broad range of witnesses. This has been distilled into 10 key themes, each with a series of key recommendations, summarised as follows:

1. Rural identity and Sectors. This section looks to address the issues surrounding supporting the traditional low wage, low productivity sectors of agriculture, forestry, fisheries, food and drink and tourism and encourage the continued emergence of knowledge based businesses which arises from improved connectivity and an outstanding natural environment and quality of life.

Key recommendations include:
• Raising the profile of the area
• Develop an action plan for each sector
• A South West LEP’s coalition to support the evolution of the food sector
• Upgrade and expand network of rural work hubs
• Proactively seek out relocation opportunities for organisations incl. gov. agencies to SW rural areas

2. Small and Scale-up Businesses. This section seeks to address issues associated with the higher proportion of self-employed, micro and small businesses in rural areas and the fact that while satisfying for those employed by them they are generally low paid with a lower success rate at scaling up compared to urban areas.

Key recommendations include:
• Encourage collaboration and sharing of resources, knowledge and experience to create a supportive environment
• Target support for women’s enterprises and their untapped potential
• Utilise the train the trainer concept to improve the quality of business support
• Effective mentoring and networking programmes
• Develop business start-up apprenticeships with local colleges
• Support programmes for scale up businesses
• Seek government review of impact of tax regime on micro-businesses
3. **Workforce and Skills.** This section looks at issues of recruitment, training and skills in rural businesses. Key recommendations include:
   - Develop an exceptional rural leadership and management programme with delivery partners and work with higher education institutions
   - Establish a strategic approach to low pay by working with industry
   - Look at alternative apprenticeship models to overcome barriers to apprentices in rural areas

4. **Brexit.** This section considers impacts of Brexit such as leaving CAP, loss of funding for economic development, loss of EU workers, changes to tariffs. Key recommendations include:
   - Encourage DEFRA to reform system of support payments to agriculture and use the SW as pilot
   - Ensure future rural development programme is fit for purpose
   - Seek clarity on transition and long term arrangements for migration and trade
   - Develop a Brexit response plan to provide support to information to rural businesses

5. **Transport and Accessibility.** This section looks at issues with the quality of strategic road and rail network and the need for improved speed and resilience, public transport integration, accessibility to rural employment, importance of rural cycling and walking, stifling development through planning
   Key recommendations include:
   - Work with DoT to bring forward improvements
   - Develop a challenge fund to design, pilot and roll-out innovative solutions to rural accessibility such as social enterprise models.
   - Government should rural proof its funding formulae so as not to disadvantage rural areas
   - DEFRA should safeguard the future of national trails and provide funding

6. **Broadband and Mobile Connectivity.** This section identifies the issue of slow broadband speeds and the severe and protracted issues experienced by both residents and businesses in more remote rural areas. Key recommendations include:
   - Government should ensure 30Mbps achieved in rural areas by 2020 and increased to more than this by 2025
   - Government should require providers to provide roll-out plans to allow alternative projects to be developed where rural needs not to be met
   - Provide practical support to community broadband schemes and pilot these and other alternative delivery models
   - SW LEP’s to conduct independent review of broadband provision in the area
   - Government should improve rural mobile phone coverage
   - SW LEP’s to support businesses to understand how to make best use of digital opportunities

7. **Housing, Planning, Communities and Workspace.** This section identifies housing affordability as a significant issue, issues of delivering workspace when often end market value is less than build cost, threats to rural services through funding reductions.
   Key recommendations include:
• DCLG should ensure that all sites for housing in rural areas contributes to affordable housing
• SW LEP’s to engage more with LPA’s on provision of housing in all settlements
• SW LEP’s to liaise with LPA’s on how to use best practice nationally to implement second homes policy
• SW LEP’s to engage with LPA’s on private sector solutions for provision and running of affordable housing schemes
• Local authorities to investigate potential for high quality hostel to address local labour needs
• Government should enable permission in principle to support small scale commercial developments
• SW LEP’s to work with LPA’s to create more positive and constructive relationships with businesses and follow NPPF
• DCLG should recognise costs of delivering services in rural areas and support pilot innovative solutions
• SW LEP’s and LA’s should support community and social enterprise businesses

8. **Natural and Cultural Heritage.** This section recognises the importance of heritage to economic success and the need to balance economic growth with protecting heritage or risk longer term damage to these assets. Key recommendations include:
   • SW LEP’s should invest in improving areas natural and cultural assets as key driver to economic growth
   • SW LEP’s should build on expertise in natural capital markets
   • SW LEP’s and LA’s should ensure economic development projects safeguard natural and cultural assets
   • Explore and develop concept of environmental enterprise zones creating opportunities for businesses to capitalise on these assets

9. **Geography, Hubs and Spheres of Influence.** This section considers urban bias of devolution, city and growth deals, identifies that rural areas within city regions perform better and the role that market and coastal towns could play in addressing this with the right support. Key recommendations include:
   • Government should ensure funding deals are equally available outside city regions, develop funding processes that do not disadvantage rural areas by competing with urban projects
   • SW LEP’s to explore ‘distributive’ spatial growth with LPA’s which recognises opportunities for growth in rural towns and villages creating growth hubs
   • SW LEP’s should identify opportunities for mutual growth between cities and rural areas e.g. matching rural job opportunities to urban unemployed, local supply chains
   • DCLG should extend coastal communities model to cover market towns

10. **Science, Technology, Energy and Innovation.** This section considers how science and technology solutions could drive economic and social change and how rural areas need to keep up with that and maximise opportunities from it. Key recommendations include:
    • Develop regional smart rural research platform creating a critical mass of scientists, entrepreneurs and investors
SW LEP’s to develop collaborative approaches to develop local renewable energy solutions including using crowd funding
DEFRA should fund more on farm trials of new and innovative practices

10 September 2018
East Lindsey District Council – Written evidence (REC0132)

East Lindsey is the ninth largest local authority by area in England. It covers 183,107 hectares. It is the second largest District Council in England and is categorised by the Department for Environment, Food and Rural Affairs (Defra) as ‘a predominantly rural local authority’ with over 80% of its population living in rural areas. The District is polycentric, with towns and large villages widely distributed across its geography. Skegness is the largest town with a ‘Built Up Area’ population of 24,876, followed by Louth (which is the only other settlement with a population over 10,000) with a Built Up Area of 16,419. There is a distinctive split between its Coastal area and Rural Inland. A significant proportion of the District is covered by the Wolds Area of Outstanding Natural Beauty.

General Questions

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Rural economies are diverse and make a significant contribution to national economic performance. In recent years, there have been numerous sectoral changes - such as technological change in farming that have had a profoundly significant impact on the composition of the rural economy (increased efficiency which has led to less need for manual labour). This has led to a rebalancing of the economy and a move towards a more diverse and outward looking local economy.

With regards to East Lindsey’s economy, we are a District with two distinct rural economies – ‘Rural Inland’ and ‘Rural Coastal’. Farming has always been a traditional part of East Lindsey’s economy, with the climate, landscape and soils suited to growing crops, agriculture accounts for the largest number of businesses in the District (1,105 or 18.7%). Manufacturing continues to be a more important sector for Rural Inland, whereas tourism activities are dominant for the Coast. The Rural Inland area is the location of most of the District’s employment in education and health, as well as knowledge intensive sectors (which are associated with higher level skills and wages). The Coast is characterised by a low skill, low wage and seasonal economy. Three quarters of businesses in the Rural Inland are categorised as “high growth, growing or stable”. The picture on the Coast is more mixed: around half of businesses are categorised as in decline yet just under a third of businesses are categorised as “growing”.

East Lindsey has experienced a slight decline in employment since 2009, with 1,014 (or 2.4%) jobs lost across the District. This is in contrast to the regional and national picture, where there has been overall growth in employment between 2009 and 2013. Job losses in East Lindsey have been concentrated in the construction industry, public and real estate sectors. East Lindsey’s economy performs strongly in the Greater Lincolnshire Local Enterprise Partnership (LEP).
East Lindsey District Council – Written evidence (REC0132)

priority sectors of Agri-Food, Tourism and Manufacturing. These sectors are locally distinctive and fulfil niche processes in supply chains. However, employment data overall suggests the local economy is still recovering from the 2008/9 recession.

East Lindsey has a large proportion of small businesses, in particular those classified as Small Office/Home Office (SoHo), suggesting a high rate of home working. The rate of home working is highest for Rural Inland (where 7.8% work at or mainly from home). There are few foreign owned companies, accounting for just 0.1% of all companies in the District, compared with 3.1% in England. East Lindsey also has a higher proportion of people in self-employment than the Lincolnshire, regional and national averages. However, the self-employment rate in East Lindsey has declined since the recession in contrast to the regional and national picture.

Productivity in Greater Lincolnshire, based on a measure of GVA per hours worked, continues to lag behind regional and national levels, with Greater Lincolnshire workers generating an average of £25.31, compared to the national average of £30.05. This is due to the high proportion of low value-adding sectors in East Lindsey, such as care and retail as well as the high number of retirees. With a shift in government policy towards productivity and employment, getting more people in East Lindsey into the workforce and making the workforce more productive are increasingly important. The District has relatively few business closures and new business creations. However, East Lindsey does fall behind the Lincolnshire, regional and national averages for percentage of businesses surviving at 3 years – 55% of new businesses still operate in the District after three years compared to 60% in Lincolnshire and 57% in England.

While average wages for full-time workers in East Lindsey have improved since 2010, now exceeding Lincolnshire levels, part-time workers in the District earn on average £20 a week less than the national average. Given the high number of part-time workers in East Lindsey, this has implications for household incomes.

East Lindsey has the largest population of any District in Lincolnshire – some c.136.5k residents. Residents are evenly split between Rural Inland and Coast but sparsely distributed, with 80% living in rural areas. Between 2001 and 2011, East Lindsey’s population grew by 4.6%, lower than the growth rate for Lincolnshire (10.4%), the East Midlands and England.

The District has a high proportion of residents aged 65 years and over (28% of the population), reflecting the importance of East Lindsey as a destination for retirees. Between 2015 and 2036 the number of over 65’s is expected to increase from 40,000 to 55,000. Over the same period, the working age population is forecast to decline from 79,000 to 77,000. These forecasts have implications for the future of the labour market in East Lindsey. With a net outflow of working age people and a growing retiree population, labour market participation is likely to decline, yet demand for health related services is likely to increase.

The economic activity rate (the percentage of people employed or seeking work) is higher for men in East Lindsey (86.7%) than for women (64.9%), which suggests that women in the District find it more difficult to participate in the
labour market. East Lindsey is not a large attractor of overseas migrant workers and numbers have declined during the recession; East Lindsey accounted for just 6% of overseas migrants registering to work in Lincolnshire in 2010-2011. A high proportion of the working age population claims benefits in East Lindsey, with Employment Support Allowance and Incapacity Benefits paid to 8.6% of the working age population. These benefits are associated with the ill-health of either the claimant or a dependent, and reflect the high proportion of older people living in East Lindsey. The unemployment rate is similar to the regional and national averages but fluctuates due to the seasonal nature of key employment sectors in East Lindsey – the claimant count can increase by more than 1,000 between February and August each year.

A high proportion of the working age population has no qualifications. Between 2008 and 2014, this proportion increased from 14% to 14.9%. In contrast, over the same period qualification attainment in Lincolnshire, the East Midlands and England increased. While school attainment at KS2 and KS4 has improved in East Lindsey, it still remains below Lincolnshire and national levels. Professional and technical occupations are under-represented in the District, which reflects the lack of larger/international firms and institutions such as hospitals and further and higher education institutions. Almost one-third of workers are employed in process and elementary occupations, mainly in the large Agri-Food and Manufacturing sectors.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

It is undeniable that there are multiple barriers to rural economic growth, particularly the further from a large centre of population the rural economy finds itself. Locally, business cluster (e.g. manufacturing) collaboration around business and workforce development priorities has helped to realise economies of scale in the procurement of support and help develop business co-operation where it didn’t previously exist. Locally led funding, such as the Rural Development Programme for England’s Lindsey and Coastal Action Zone Local Action Groups, have helped support local economic growth and job creation through a ‘bottom-up’ approach. Collaboration around place development and marketing has brought together both public and private stakeholders (e.g. lovelincolnshirewolds.com) to support sector growth. In terms of local infrastructure, Louth Cattle Market (the only remaining cattle market in Lincolnshire) has been saved from closure and is now planning for a diversified and sustainable future – improvements to local broadband connectivity via the Onlincolnshire programme have the potential to support creative clusters in the future.

Rural successes are probably best promoted through groups such as the Rural Services Network which ensures the wide circulation of best practice.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
There is every chance that the East Lindsey economy will continue to diversify and rebalance around Manufacturing, Tourism, Agri-Food and Care sectors:

1. Growth in higher value activities in the Agri-Food sector (e.g. food manufacturing). Almost a quarter of East Lindsey’s workforce is employed in this sector which has seen an increase in niche food production (e.g. small scale breweries, confectionary and bakery items).

2. Tourism has remained resilient and grown over the past 10 years, leading to growing numbers of people employed in the sector. There has also been a focus on the diversification of the local offer and improvements to the quality of the local product.

3. East Lindsey already has a strong Manufacturing sector, with locally distinctive activities (e.g. plastic products, packaging, agricultural machinery, aircraft engineering). The area has seen significant investment from BAE Systems, with more than 400 jobs created in aircraft manufacturing/engineering. Local clustering has led to an increasing number of business development opportunities, both directly and as part of the supply chain. The development of a Renewable Energy hub on the Humber Bank also presents opportunities in the local supply chain.

4. The disproportionately high numbers of older people or individuals with life limiting conditions living in East Lindsey present significant opportunities for Care sector development in the future.

5. Investment into improving local digital infrastructure and access to Super-Fast Broadband present significant opportunities for the creative and value-added sectors in the future.

It is also worth noting that East Lindsey offers a high quality of life proposition with people attracted by the low cost of housing, good schools, low levels of crime and an outstanding landscape (including the Lincolnshire Wolds which is the only Area of Outstanding Natural Beauty in the East Midlands, and one of only two nationally protected landscapes in the region) – all of which can be used to attract people to live in the area.

More broadly, any significant political changes have the potential to impact upon the local economy, not least the currently unquantifiable impact of Brexit on farming and supply chain activity (which could be both positive – in terms of sales opportunities and negative – in terms of tariffs etc.). The current financial support regime provides secondary benefit (spend etc.) to the wider local economy and it is fundamentally important that ongoing support for the sector is factored into negotiations and the final exit deal arrangements.

Additionally, given that rural economies are incredibly diverse – the multiple economies which operate within a ‘local rural economy’ will present different needs and opportunities in the future. Technological change will continue to be one of the main drivers of change and it is critical that all rural areas keep pace with technological developments and any market failure in service provision (leading to ‘not-spots’) is filled by government intervention. The delivery of effective broadband (and 4/5G), and its utilisation, is a clear area of opportunity for rural businesses and could level the playing field with urban areas.

*Infrastructure and Services*
4. How can access to transport be improved in rural areas?

East Lindsey is a large and sparsely populated District, which is served by mainly single carriageway roads and a limited rail network and bus service. Use of public transport is particularly low in the Rural Inland area. Cars are relied upon as the primary method of travel to work for the majority of workers in East Lindsey, and this is compounded by the lack of alternative methods. East Lindsey receives the lowest rating of any Lincolnshire district for its transport infrastructure in the Lincolnshire Employer Survey and car ownership is high across East Lindsey, where 82% of households have at least one car (in the Rural Inland area, the rate of car ownership is even higher, at 85.5%). East Lindsey’s limited transport infrastructure and geographical location are identified as barriers to business trade and growth by local employers. Businesses in the District are remote from suppliers, customers, and from areas with a more skilled labour market.

There are a small number of projects to provide local transport solutions in the Coastal area, such as Skegness Sustainable Transport (Go Skegness). The wider rural area is also served by InterConnect, a network connecting local bus services, so passengers can get to destinations within Lincolnshire and beyond. However, the sparsity of the Rural Inland means that many residents remain reliant on use of private vehicles for commuting and accessing local services.

Transport infrastructure in East Lincolnshire has been, historically, chronically underfunded and moving forwards Government must make significant funding available for both rural transport infrastructure and public transport provision (e.g. currently, local authorities in rural areas have far less funding to support bus services than urban areas) in order to realise economic opportunities. A fairer funding deal for Local Authorities would significantly improve access to transport in rural areas – cuts have necessitated a focus on statutory services (e.g. Social Care), at the expense of infrastructure investment. In Rural areas, poor transport connectivity impacts negatively on employment opportunities and economic/educational participation, creating a social care burden. Additionally, where investment into public transport is not viable and car usage is the only viable transport medium, the Government should give thought to a fairer road and fuel taxation system.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The barriers to growth created by under-investment in digital connectivity are well documented, but infrastructure improvement initiatives headed by BDUK and delivered locally through Onlincolnshire, have improved the provision of superfast broadband significantly. Despite this improvement, the scheduling of the BDUK roll-out has been highly disadvantageous to the more remote areas of East Lindsey (expensive to reach areas have been/are dealt with at the end of the roll-out programme) – areas with geographical challenges should be prioritised in order to ‘level the infrastructure playing field’ and more funding should be made available to expedite roll-out.

Moving forwards, in order to realise the opportunity linked to improved digital connectivity, activity has to be centred around:
1. Tackling not-spots in remote rural areas through the use of emerging technologies (e.g. satellite and wireless technologies) in order to tackle any local ‘digital divides’;
2. A programme focussed on animating the business/recreational benefits of SFBB and encouraging take-up of new services;
3. A programme focussed on supporting the development of digital skills (both residents and businesses) and how they can be utilised to realise growth opportunities.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

This is a major issue for rural areas and particularly more peripheral areas like East Lindsey where the commercial viability of service provision, such as banking, is more marginal. In East Lindsey, due to the sparsely populated nature of the District, residents travel on average more than 3km to access banks and dentists, and 2km to access supermarkets and petrol stations. These distances are even further for those living in the Rural Inland area of East Lindsey. Although access to Internet Banking and other online services has improved (via infrastructure investment), without Government intervention peripheral areas will lose more and more commercially delivered services.

The disproportionately high numbers of older residents in East Lindsey (and those with life limiting health conditions) put intense strain on healthcare services, but rural areas receive slightly less funding (per resident) than urban areas under the NHS allocations to Clinical Commissioning Groups (CCGs). In total, 2016/17 urban local authorities received 40% more (£116 per resident more) in funding than rural authorities. This historic funding imbalance needs correcting, taking into account of the added cost of delivering services in rural areas.

It is becoming clear that local taxation has become unable to meet rising social care needs and there is now a case for financing the social care services managed by local authorities in a different way, with their statutory provision being fully funded by central Government. This would address the current unfairness in the system and would make it easier to cope with future demand. A properly joined up approach to health and social care is also needed. In rural areas, perhaps even more than elsewhere, there is a need to achieve greater integration between health and social care services.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

These local ‘services’ are correctly regarded as the cornerstones of rural communities and Government need to launch a programme which concurrently provides business support and grant funding to ensure the long term viability of sustainable operations. Many of these services rely on the good-will of local residents and this is unsustainable in the long term. Support for retailers is usually out of scope for most support programmes and this position does not recognise the key role these operations play in rural economies.
8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Businesses in rural areas often feel incredibly detached from, and unable to access, publicly delivered business support (relying on local provision via banks and accountants etc.). Despite simplification, business support is often seen as confusing, restrictive, supply driven and overly bureaucratic. Constant changes to delivery organisations and programmes (linked to funding rounds) is also confusing for potential beneficiaries.

Moving forwards, there is an opportunity for local LEPs to lead on a further simplified and demand driven programme of business/skills support activity – one which supports the local requirements of business and the local growth agenda. This is the only way the opportunities associated with rural economies will be fully realised. The local industrial strategy has to be inclusive of both rural and urban economic opportunities and all strategy has to be ‘rural proofed’.

In 2020 EU programmes, such as the LEADER and EAFRD initiatives, will come to an end. These have provided funding streams for rural business growth, diversification and innovation. They have, however, been fairly narrow in scope and modest in size. Government should replace them by designing a dedicated business support programme, as part of its proposed Shared Prosperity Fund. This should be flexible in scope – potentially open to all business types and sectors – enabling local delivery to be tailored to match locally decided priorities. There is an opportunity for Government to scale-up its ambitions for the rural economy by announcing a significant investment programme.

9. How can deprivation and inequality in rural areas be tackled?

Rural deprivation is not a significant issue in East Lindsey, but once again a fairer funding allocation leading to improved services, combined with improved access to services, training and job opportunities will help to reduce inequality and levels of deprivation.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

East Lindsey experiences a significant outward migration of young people either to access further education or employment opportunities. The following initiatives could be used to encourage more people to stay or return to the area (post-further education, etc.):

(1) Improved linkages between educational establishments (at all ages) and local businesses to animate career opportunities, develop work experience, apprenticeship, internship and placement programmes;
East Lindsey District Council – Written evidence (REC0132)

(2) Provide incentives (grant funding) and tailored business support to attract returners;
(3) Improve targeted place marketing to attract ‘ex-pat thirty-somethings’;
(4) Improve remote access to further education either via satellite colleges or via e-learning; and;
(5) Ensure that skills funding is demand driven so businesses can support young people’s development aspirations with skills that specifically benefit both the individual and business.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

n/a

Rural Housing and Planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

It is difficult to improve rural affordability overall on open market housing, given the fact that rural homes tend to be more expensive than urban homes because of the lifestyle that accompanies them. A wider set of government grants to assist in the development of affordable rural housing would be beneficial because rural sites tend to be smaller given that they are catering for local need, this means that viability is more difficult to meet, even for social housing providers. This would address a major challenge to delivery of rural affordable housing because a higher grant rate or wider criteria connected to grants for housing would mean it would be easier to develop smaller less viable sites in smaller rural settlements.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

It is too early to say how planning reforms have affected rural housing. It would be easier for decision makers if national planning policy was clearer about what it meant with regard to rural sustainability, especially in connection with housing. Whilst the NPPF states that housing and employment should be near services and facilities, it is not clear what this means in terms of distance or relationship, spatially, between settlements. Therefore, for the decision maker (in terms of the NPPF) it is more appropriate to place rural housing in settlements which have a range of services and facilities leaving much smaller settlements with little or no growth. Also, the NPPF should be clearer about how it explains local need and how that is evidenced.

Government Policy, Devolution & Local Government
14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

There is an ongoing need for Government to set out how it will approach and support rural economies and rural communities in the future, particularly given the potential implications of Brexit. There must be proper consideration of all the critical issues facing rural communities and rural businesses and there is an opportunity for Government to produce a comprehensive, cross-cutting strategy for rural areas. This is the only way to ensure rural businesses and rural communities are given due consideration and to make sure that wider strategic policy, such as that set out in the Industrial Strategy and ensuing Local Industrial Strategies, properly reflect the issues and identify specific measures to build on the rural opportunities which exist.

Urban centric strategy/policy doesn’t (unsurprisingly) always work in a rural context.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Rural Local Authorities and Local Enterprise Partnerships work hard to support rural economies and are well placed to deliver the enabling works required to realise these opportunities. Once again, a fairer funding deal would release/increase the resource available to local Economic Development departments to enhance the scope of the enabling works and/or the lead times involved in bringing forward these activities. To a degree, LAs/LEPS are still limited by supply side structural funding and derestricting funding to ensure it meets local (demand driven) need will improve local impact and enhance growth.

10 September 2018
East Riding of Yorkshire Council – Written evidence (REC034)

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 In policy terms, the ‘rural economy’ covers all economic activities in rural areas as defined by the Government’s rural-urban classification. Local authorities are categorised as ‘rural’ or ‘urban’ based on the percentage of their resident population in rural areas or ‘rural-related’ hub towns. On this basis the East Riding of Yorkshire is a ‘largely rural’ local authority area.

1.2 However, government policy recommends that economic analysis is conducted at the spatial level, which means that the ‘rural economy’ has tended to become subsumed by more urban-centric local and regional ‘Functional Economic Areas’ (FEAs). This is because FEAs recognise that economic markets and/or flows, tend to overlap administrative boundaries and enable the identification of key economic centres - the drivers for economic activity - and growth opportunities and/or challenges to be addressed.

1.3 Over the past decade there has been some significant structural change within the local rural economy of the East Riding including increasing diversity in business start-ups and employment opportunities. These are often linked to diversification within the farming, fisheries and food sectors (including on-site processing). There has also been significant development of the rural tourism sector (including hospitality, accommodation, small-scale infrastructure and attractions).

1.4 Business parks on the periphery of towns and former MOD land continue to serve an important function in sustaining and attracting a wide range of SMEs.

1.5 The context identified above means ‘the rural economy’ is now rarely considered by policy makers as a separate place, operating independently of urban areas. However, key differences, frequently related to distance and scarcity, remain between urban and rural economies. This is one reason why, as a largely rural Local Authority, the East Riding of Yorkshire Council continues to respond to these distinctly local rural challenges through its Rural Strategy.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?
2.1 Much of what has been achieved in growing the local rural economy in the East Riding has been about enabling and supporting local enterprise to flourish. This enabling and support includes:

- Investment in professionally facilitated networks and partnerships (e.g. Local Food Network, Wolds Tourism Business Network, Waterways Partnership, Nature Tourism Triangle).
- Investment in connectivity (e.g. roll out of Broadband East Riding).
- Investment in small businesses and start-ups (e.g. via a dedicated business support service).
- Investment in small scale infrastructure (e.g. walking & cycling routes).
- Investment in employment land (e.g. investment at Goole36 Enterprise Zone and Ozone Business Park at Howden).

2.2 This pro-active approach by the Council and partners is underpinned locally through the delivery of a rural-proofed East Riding Local Plan, East Riding Economic Strategy and East Riding of Yorkshire Rural Strategy.

2.3 Despite severe cost pressures, the Council remains firmly committed to the local rural economy. A number of teams, across a wide-range of service areas, are pro-actively engaged with rural businesses. This work covers advice (technical and business), facilitation of networks, managing rural funding (e.g. EU LEADER and FLAG funding), supporting skills and attracting major inward investment (e.g. development of employment land).

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 The future of the rural economy is inextricably linked to both local and wider markets and trends.

3.2 Rural areas are experiencing dramatic demographic change with an expanding older population. Adult social care continues to be the Council’s single biggest financial pressure - but domiciliary care is a growth market area. A predicted 29% increase in people aged over 60 within the area between 2018 and 2039 will result in even more pressure on adult social care and health services - but will at the same time continue to grow the domiciliary care sector. It will in addition, drive local markets for age and lifestyle-related goods and services. Conversely, as the 65+ population is on the rise in the East Riding, the working-age population which provides the workforce for health and social care is on the decline. If older people cannot be cared for in rural communities and have to move into residential care, which is often in more densely populated communities, there is a potential risk to the rural economy - as it puts increased pressure on small local businesses. This expanding older population will also amplify the existing disparity in overall levels of household income and disposable household income as the proportion relying on pension income increases.

3.3 Wider consumer demand for high quality goods and services with local provenance will also present opportunities for local growth and further expansion into national and international markets.
3.4 Owing to the growing diversity of rural businesses, growth will come from a wide-range of policy interventions and technological change. The greatest potential for growth is in both the ‘traditional rural’ sectors such as farming, food production and tourism and the wide variety of niche businesses now based in rural areas (eg modular housing, renewable energy, environmental services, bio-economy, digital services).

3.5 However, rural areas suffer from a series of interdependent issues that can hold the local economy back, including poor public transport, inconsistent broadband and mobile coverage and lower levels of housebuilding, especially in relation to affordable housing. Whilst not eye-catching, addressing these perennial barriers of connectivity with more urgency and resources represents a major opportunity for rural growth.

Infrastructure and services

4. How can access to transport be improved in rural areas?

4.1 The rurality of the East Riding is an asset that is highly valued and prized by residents who appreciate the green open space, pleasant scenery and overall quality of life that rural living provides. However, this dispersed settlement pattern and the remote nature of some parts of the East Riding means that some people find it particularly difficult to access local services, and improving access to education, employment, shopping, social and leisure facilities forms a key challenge for national planning and transport policy and the Council’s Local Plan and Local Transport Plan (LTP).

4.2 Lack of Accessibility to Employment, Education and Public Services

4.2.1 A lack of access to employment, education and core services is a very real form of deprivation experienced by many people in rural areas. The Indices of Deprivation include a measure to assess physical and financial accessibility, including the distance to GPs, post offices, local shops and primary schools. Using this indicator the rural areas of the East Riding are ranked very poorly, with 26 Lower Super Output Areas featuring in the 10% most deprived in the country.

4.2.2 Like many other areas in England over the past 30 years, the East Riding is experiencing a continued decline in the number of local service outlets within smaller settlements. Many local shops (including post offices), pubs, banks and garages have closed as online shopping and reducing rural populations in some areas make them less economically viable. This is combined with the growth in large supermarkets that often stock a wide range of goods and are able to undercut local shops substantially in terms of price. This trend towards centralising services also affects access to healthcare. Quality health services are difficult to deliver from rural areas because of the cost of purchasing equipment for multiple locations and providing a higher number of qualified staff.
4.2.3 The reduction in the number of rural services actively promotes travel by private car, going against the aims and objectives of national and local policy. This centralisation also increases the potential for isolation and exclusion for those people who do not have direct access to a vehicle. Although there is an increasing trend for using the internet to purchase goods and for home working, a reliable broadband internet connection is often not available in the more rural parts of the authority area. Older people may also be less confident in using computers and buying items online. This results in a reliance on the private car to reach employment or shopping facilities.

4.2.4 **Key improvement:** Government investment programmes need to acknowledge rural deprivation, and provide capital and revenue funding for key transport improvements and initiatives to improve accessibility.

4.3 *Public Transport in Rural Areas*

4.3.1 The majority of rural settlements do not have a railway station and many are located some distance from the nearest rail line. The number of buses running in rural areas is reducing because such services are often not economically viable for private bus companies to maintain. As a result, the more remote areas of the East Riding often have extremely limited access to conventional public transport services, with buses often running only to selected villages once or twice a week.

4.3.2 Further deterrents to using public transport in rural areas include long journey times, poor connectivity to other bus/rail services and the distance to the local bus stop. For those that do have access to a local bus or rail service the Council provides information on how to apply for various concessionary travel passes, and also offers a discount on the national senior railcard scheme.

4.3.3 Recent local government austerity has very seriously affected support for non-commercial local bus services. Across the country, including the East Riding, services connecting smaller settlements to the economic activity of towns have been lost. Whilst Government and Transport for the North emphasis has been firmly focused on rail, key local bus services have been lost.

4.3.4 Changes to rural transport provision affect access to a range of services and facilities where these are not available locally and where travel is necessary. Recent reductions to bus services have implications for people living in rural areas, especially where they do not have access to a car. The picture is further complicated by the increasing provision of online services. Whilst this presents opportunities to improve access to services for people living in rural areas, the situation is not straightforward; not everyone is online and in some areas Broadband connectivity is poor. In addition, as well as the threat arising to facilities such as banks and post offices because of reduced usage, there is also a threat to rural transport provision - again through a lack of use.
4.3.5 While LTP funding cannot directly provide new commercial public transport services, there are schemes that support thriving, vibrant rural communities that are partially funded through the LTP. These include local community transport operators who provide a range of demand responsive services which often address specific transport needs, for example travelling to hospitals or shopping facilities. The Council has developed a Community Transport (CT) Strategy to direct funding and service provision in this area; however, recent announcements by the Department for Transport relating to the operation of CT services have placed additional burdens on this sector.

4.3.6 The Department for Transport undertook a consultation in Spring 2018 on detailed changes to guidance and legislation for issuers and users of the Transport Act 1985 s19 and s22 permit users in Great Britain. The East Riding of Yorkshire’s community transport operators currently rely on s19 and s22 permits to deliver their services, including those delivered under contract to East Riding of Yorkshire Council. The proposed changes could have far reaching impacts for community transport organisations as they would not be able to bid for some contracts without additional licences and driver qualifications. Cost implications to obtain a PSV Operator’s ‘O’ Licence and have PCV qualified drivers are approximately £1,200 per driver which will be prohibitive for many community and voluntary sector organisations. The Rural East Riding with its aging population relies on the services of the community transport sector for access to health and other key services.

4.3.7 The Council manages a wheels-to-work scooter and electric bike loan scheme which provides a vehicle and equipment to residents in rural areas to allow them to access employment, training or education. Applications to the scheme are only accepted if there is no alternative means of travelling to a specific destination. LTP funding has been used to purchase additional scooters, and an Access Fund grant has enabled the development of an electric bike hire scheme.

4.3.8 **Key improvement:** Government investment in a comprehensive bus network in rural areas and research into alternatives is essential to enabling access to employment, education and core services.

4.4 **Walking and Cycling**

4.4.1 Due to the distances involved, there are fewer opportunities for walking and cycling to replace shorter car or bus journeys in rural areas. The Council, through the LTP, has developed the first Local Cycling and Walking Infrastructure Plans in the country, following government guidance issued in April 2017. These plans focus the small amount of funding available through the Integrated Transport Block Grant on improving walking and cycling routes into our towns.

4.4.2 Funding is not available to undertake large scale schemes on a regular basis, although the Council has been successful in including walking and cycling routes in the design of major transport schemes in recent years. To realise the potential improvements to connectivity between towns and hinterland villages a significant investment from Government would be required.
4.4.3 **Key improvement:** Government investment in walking and cycling infrastructure connecting towns to their hinterland villages, where there is potential, is crucial to improving accessibility to economic activity and services.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1 Access to reliable high speed digital connectivity is a key element for business growth, whether that be through fixed or mobile technology. The lack of such services place businesses at a disadvantage to their competitors, restricting their access to a worldwide supply chain and customer base. In contrast, poor domestic connectivity risks preventing potential customers from purchasing services, regardless of the connectivity a business has itself.

5.2 Digital connectivity can be improved through investment, either public or commercial, and the innovative use of technology. Those premises without such access are often the most difficult and most expensive to reach, deemed not commercially viable through established technology. As such, the expansion of the national fibre network is essential, whether to provide direct connections into premises or the necessary backhaul for mobile and wireless solutions.

5.3 Schemes like Local Full Fibre Network and the Gigabit Vouchers go some way to making this fibre expansion commercially viable, but the most isolated rural communities are likely to require additional government funding to meet the Chancellor’s goal of a nationwide fibre network by 2033.

5.4 Government investment/innovation programmes need to acknowledge the needs (and opportunities) of rural areas, and provide funding for high speed digital connectivity, which is critical to all aspects of rural life.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1 **Healthcare** - There is poor health, social isolation, poverty and fuel poverty in rural and coastal areas in the East Riding. 57% of the population experience difficulty accessing NHS services, including GPs and hospitals, pharmacies, leisure centres and other health-related activities. The Public Health Team working with other teams within the Council and with a range of partners including Clinical Commissioning Groups, GPs and the Voluntary and Community Sector are adopting a Place/Asset-Based Joint Strategic Needs Assessment - collating evidence which will help it to understand and assess the needs, supply and demand in the most deprived rural areas. A Public Health Outcomes Monitoring Framework has also been developed. Demand-responsive community transport and telehealth facilities provide an ongoing way forward but connectivity remains a problem for some communities (see Questions 4 and 5).

6.2 **Social Care** - The care home and domiciliary care markets are both at risk due to insufficient workforce capacity, higher regulatory standards and the
National Living Wage, all of which impact on capability and cost; in this time of austerity, concerns are being expressed nationally as to the fragility of the sector. A recent report by the Kings Fund indicated that by 2021, specialist care homes with less than 25 beds would no longer be viable and would exit the market. Given the make-up of the market in East Riding and the spread of smaller homes covering rural locations it is therefore imperative that there is a recognition of the importance of adequate funding to support the care sector - taking into account rurality issues. (See Question 11).

6.3 Education - The Universal Funding Model for Schools does not take into account rural deprivation and isolation. Small rural schools are funded in the same way as large urban schools. Rural schools have fewer children and rural communities in the East Riding are characterised by an ageing population. The Council recently had to close a school in Langtoft (one of its poorest communities); it was costing as much to educate a child at the school as it does to educate a child at Eton. Schools are an essential service if younger/working-age people are to be encouraged to stay in the countryside. The Universal Model needs to take into account deprivation and isolation and the needs of small rural schools.

6.4 Digital Connectivity - Without good digital connectivity the latest equipment that supports people to remain independent cannot be deployed - putting increased pressure on the health and social care sector and demanding a person to respond in cases where technology can offer an alternative solution to traditional care or medical interventions. Good digital connectivity is also imperative now for young people - both in respect of education and social interaction. (See Question 5).

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Looking across a range of amenities in the Rural East Riding some common trends are occurring:

- The growth of internet shopping, increases in supermarket product ranges, supermarket home delivery services and competitive pricing are drivers that impact on the sustainability of rural retail outlets. The rate of loss is slowed by the property market whereby owners wishing to retire or exit from business are finding it difficult to sell as going-concerns.
- The loss of post provision has slowed since the Post Office Closure Programme in 2008 and is now generally linked to retirement of existing sub-postmasters. In the majority of examples in the East Riding a solution has been found either via moving provision into another retail outlet or through outreach provision in village halls. Barriers to these solutions have been - (i) difficulty with the installation of broadband in village halls (ii) Post Office Limited policy which provides only £4 per hour rent to the venue and (iii) difficulty in persuading existing
sub-postmasters to provide the outreach service as it requires a subsidy from the main branch.

- Changes in consumer behaviour including alcohol purchase from supermarkets and social drinking at home, combined with increased overheads including rates and utility charges is resulting in the steady decline in the number of rural public houses. Where possible these are diversifying into public house/restaurants particularly in tourist areas. However, there is a finite customer base and often as a new venue diversifies this diverts income from another venue.

- The number of churches is also in decline. Although Anglican Churches have no specific closure strategy a shortage of entrants into the clergy combined with falling congregations and maintenance costs is resulting in gradual closures. Where possible the Church is encouraging greater use of premises for community activity via the installation of toilet facilities, removal of pews and creation of kitchen areas. In small communities where the Church is the last remaining community building this is a welcome move, however in other villages it is creating tension and competition between the village hall, church and other facilities. Methodist Churches are disappearing at a faster rate as a result of central policy whereby buildings are sold and turned into housing.

- A knock-on effect of the closure of public houses, shops and post offices is the loss of bank machines. This is exacerbated by the closure of bank branches in rural towns. Whilst much banking is now done on-line, digital connectivity is still a problem for some communities (see Question 5).

- There is little evidence in the East Riding of take-up of support (eg Plunkett Foundation, Pub is the Hub) to create community shops and pubs when existing provision is lost. This maybe partly attributable to the demography of the East Riding whereby many people of working-age commute out of the area to work and access services at the employment location and many people who have retired to the area commute back to places of origin to carry-out care responsibilities resulting in a lack of potential resident volunteers. Recent surveys of community groups indicate difficulty in recruiting trustees and regular volunteers. Anecdotal evidence also suggests that recent media reports of high profile fraud in the community sector and tightening of charity commission regulation is impacting in recruitment.

- The East Riding Community and Voluntary Sector is primarily made-up of very small groups which do not employ staff and have small turnovers. Funding programmes such as the Building Connections Fund are not accessible to them due to the restrictions in criteria to hit financial targets and minimum application size.

7.2 What can be done?

- Planning policy can be utilised to ensure retail and commercial space is retained.
- Pressure could be placed on Post Office Limited via the Universal Service Provision requirement to ensure proper financial support is in place for outreach provision.
The existing policy regarding Community Assets and the Community Right-to-Buy provides too little time for a community to create an organisation and raise funds - and needs to provide more.

Voluntary Sector Infrastructure Programmes tend to focus of traditional community group activity and lack skills and experience in developing activities that combine business and community activity. Resources need to be ploughed into this support to realise the potential of Community Interest Companies.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 The evaluation of Defra's Rural Growth Network Pilot (2012-15) identified:

- The main barrier for rural businesses is lack of suitable premises, poor infrastructure (especially broadband) and lack of critical mass.
- Pilots achieved most success in terms of improving business support, training and networking opportunities.
- Pilots increased stock of business accommodation focussed on start-ups and micro-enterprises.
- ICT and transport infrastructure remain major issues.

8.2 The evaluation conclusions identifies at beneficiary (rural business) level:

- "Feeling part of" a business community - Recognises there is an intrinsic social dimension to "doing business" and this is particularly important for small and/or new enterprises in rural areas.
- Building confidence - Acknowledges that participating activity within a business community needs some level of confidence, and this may need to be created.
- Growing a micro-business - Acknowledges that micro-businesses might grow their turnover without necessarily wanting to commit to recruitment; recruiting staff is a major decision for all firms but particularly very small ones.

8.3 Based on this evidence, it is clear that properly resourced and sustained professionally facilitated rural business networks are a key tool for delivering against much of the above, particularly in challenging geographies like the East Riding of Yorkshire.

8.4 The results also point to tailoring policy to not just creating jobs but also improving the quality of existing jobs (upskilling, improving productivity, better pay and conditions). This would also make rural jobs and careers more attractive in terms of retention and recruitment and sits alongside rural housing policy - making rural locations both more affordable and attractive to younger people and families.
8.5 A major challenge for SMEs is also to acquire and utilise expertise needed for effective business management. East Riding of Yorkshire Council actively seeks to assist all businesses in the area, especially SMEs, through its business advisors. They provide advice to help businesses start, expand, relocate and deal with the complexities of areas such as tax, employment, GDPR, cybersecurity and online marketing.

9. How can deprivation and inequality in rural areas be tackled?

9.1 To tackle deprivation and inequality in rural areas, it is essential to know where and what the deprivation is - and its extent. Deprivation in rural areas tends to be hidden; it has always been a challenge to uncover it, in large part because the data does not drill down to the local level sufficiently well and has not been available. Appropriate data to identify rural deprivation needs to be identified and made available.

9.2 The problems need to be identified in an evidence-based strategic framework, with appropriate programmes of activity and funding to tackle the issues. This is best done by looking at economic, social and environmental aspects holistically. Good economic growth, strong community support and good connectivity are critical.

9.3 Deprivation and inequality will be addressed to a significant extent if the answers to the questions in this Call for Evidence are acted upon.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 Young people need access to good careers advice, training, jobs (including apprenticeships), a home and recreational activities. Good mobile connectivity is a pre-requisite. New career opportunities in rural areas should be promoted. It should perhaps be recognised that it is generally a positive thing for young people to move away and get new experiences; maybe the focus should be on returning.

10.2 We have flagged up the potential of piloting a Graduate Support Scheme that would help larger and specialist employers in rural areas to attract and retain workforce entrants at graduate/higher apprenticeship level. This would include help with finding suitable accommodation and/or travel costs. As part of the package, the employer could commit to identifying how they will support the employee to settle in the area, access social networks, etc.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1 East Riding has a higher proportion of people of pensionable age and a lower proportion of children/adults of working age (needed to look after them)
than are found across the rest of England. 1 in 4 residents are aged 65 and over (85,800) and this is expected to increase by 19% (102,000) in the next 10 years. 36% of older people are living alone; social isolation is an issue.

11.2 Recruitment and retention of both paid and unpaid carers is a problem due to rurality. Rurality presents problems in relation to travel to certain locations, and the need for carers to be able to drive / have their own vehicle. The Council meets these challenges by operating a locality-based model. This enables good knowledge about specific areas and ensures travelling times are limited allowing more contact-time with the customer. The improved Better Care Fund has been invaluable in helping to grow the social care market - including the voluntary and community sector. However this is time limited, non-recurrent funding and this does not make care businesses sustainable nor allow for long-term investment in the sector. Social Prescribing addresses issues of loneliness by referring people into community-based services thereby helping them to manage their own wellbeing. This is one of a suite of developments that focus on shifting health and social care models away from a traditional focus on what people cannot do to focusing on building community and individual resilience in order to help people remain independent for longer. The shift from a deficit to asset-based model of care and support needs a wide-scale system approach to communicating with communities, and significant investment in training and new ways of working across the health and social care sector.

11.3 This sector presents significant challenges for statutory organisations as well as real opportunities for the rural economy - a fact that has never been fully recognised/realised. It is also a sector to which active retired people could usefully contribute - often through voluntary work.

Rural housing and planning

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

12.1 The following points are put forward -

- Greater emphasis from Government needs to be placed on rural housing needs - specific Homes England target/higher grant rates.
- The main issue in relation to delivering affordable housing has and probably always will be the availability of land - and the ability to bring such land forward at a far lower value than would otherwise be secured through market-led development. Landowners will often choose to sit tight waiting for the policy position to change in order to get a more profitable outcome.
- Financial support for the proposal for a Rural Revolving Land Bank.
- The Rural Housing Enabler Programme is recognised as being a positive force for change - it would be useful to have a more sustainable source of central funding to secure the programme in perpetuity.
• Community resistance - always a factor i.e. perception of affordable housing is often very negative i.e. people from outside of area / homeless people etc. This is despite the use of 'local connection' criteria.
• In more peripheral areas (including the Yorkshire Coast) it is difficult to encourage providers to invest in new affordable housing (and indeed to maintain an involvement in existing stock) as management costs (and rental income) can be more challenging. Rurality/peripherality can also often have additional costs in relation to construction

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 The following points are put forward -

• The introduction of a size threshold for affordable housing has resulted in less affordable housing coming forward in rural areas. Many developments in smaller settlements fall below this level and therefore opportunities for meeting identified needs are being lost. Policy should allow for local discretion i.e. where viability allows, affordable housing should be required.
• Definition change and requirement for 10% affordable home ownership is unhelpful to the extent that, in many parts of East Riding, the overall requirement is only for 15 - 20% and in such locations, this form of housing is not necessarily what is required.
• The push in the revised National Planning Policy Framework for smaller sites (albeit creating considerable additional work for Local Planning Authorities) may present some real opportunities to promote much needed development in rural areas.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 In general, Government and other public bodies do not pay sufficient attention to the rural economy/rural areas generally. Today, it is difficult to find meaningful rural development policy at the national level.

14.2 There is a belief that the Government’s priorities lean towards urban areas. There have also been policies based on 'mainstreaming' i.e. there is no difference between the needs of urban and rural areas. This is not the case; rural areas have distinctive needs not least as demonstrated by remoteness and accessibility and imbalanced age structures. Taking this argument further, to a large extent rural development policy over the years has not recognised the distinctive nature of the countryside; in a county like Yorkshire, for example, in a rural context there are a number of distinctive geographies which present different needs and
opportunities. Rural areas should not be lumped together as one geography.

14.3 Government/public bodies need to understand the countryside and how it works dynamically at the local level. The interrelated nature of economic, social and environmental policy in the countryside cannot be overstated (it is encouraging to see a lot of that connectivity coming through in this call for evidence). This connectivity also needs to be recognised in terms of the bigger rural economic picture, eg the relationship between food production and processing and the environment and tourism (in effect the whole is bigger than the individual parts).

14.4 Rural Voices can make the most noise and are best heard when they are underpinned by a robust strategic framework. The Government should provide a Rural Strategy at the national level (as it used to) and encourage and support the development of integrated locally-based rural strategies and strong partnership working. Government funding - devolved to local authority level (they know their patch the best) - should be available to encourage and deliver against this activity. Historically there have been stronger rural networks/opportunities for connecting the local level with Government and vice-a versa than there is now. If the Rural Voice is to be heard the mechanisms for these links need to be strong and truly reflect the most local.

14.5 The higher cost of delivering services in a large rural geographic area with a scattered settlement pattern/dispersed population is not reflected in the Government’s Funding Assessment. Local Authorities and organisations like SPARSE/Rural services Network have lobbied about this issue for a long-time. There should be a recognition in the Fair Funding Assessment of the cost of service delivery in rural areas.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 East Riding of Yorkshire Council pro-actively supports the local rural economy through a variety of means:

- Partnership-working including the facilitation of the East Riding of Yorkshire Rural Partnership under which sits a linked family of rural forums, networks and parish clusters.
- Working with Parish and Town Councils to deliver services.
- Working closely with York, North Yorkshire and East Riding Local Enterprise Partnership (YNYERLEP) and Humber LEP to ensure delivery of EU funding meets the needs of more sparsely populated lowland rural areas.
15.2 East Riding of Yorkshire Council has given rural issues a high profile since its inception in 1996. As well as establishing a dedicated Rural Development Section, it created and facilitates a Rural Partnership and produces a Rural Strategy (prepared jointly with the Rural Partnership). The Rural Partnership is celebrating its 20th Anniversary this year. A Rural Strategy has been in place since 1998; the latest covers the period 2016-2020. Both the Partnership and the Strategy are robust. As well as helping to attract external funding, the Rural Partnership and the Rural Strategy have helped to promote the rural economy and in turn secure sustainable rural communities in the East Riding. The Rural Strategy can be accessed at - http://www.eastriding.gov.uk/council/plans-and-policies/other-plans-and-policies-information/rural-policy/.

15.3 A key tool to support the rural economy adopted in the East Riding through the Rural Strategy is the development and facilitation of rural networks. With limited resources, this allows us to cover a large geographical area and a wide-range of businesses in a cost-effective way. Examples include the East Yorkshire Local Food Network, the Wolds Tourism Business Network, the Community Transport Operators’ Network and the Rural Community Buildings Network. As well as facilitating information sharing, establishing connections that enable opportunities to be grasped and channelling effective promotions, successful networks can help businesses raise their profiles, meet new partners/customers, develop knowledge/skills, explore new ideas and find new markets (see Questions 2 and 8).

15.4 East Riding of Yorkshire Council actively works with and supports the farming sector. As well as raising awareness of issues through corporate mechanisms, the Council has a good working relationship with the NFU and CLA. Indeed, the Regional Manager of the NFU has attended two meetings of council committees/The Cabinet in recent months to raise awareness of issues around Brexit which could affect farmers in the East Riding.

15.5 Rural community development is another potentially powerful mechanism for enabling sustainable rural development - and another delivery tool in our Rural Strategy. There has never been a greater need to build more resilient rural communities. Considerable activity is under way in the East Riding through market town partnerships, community fund panels, community transport champions and groups such as the South Holderness Area Parish Enterprise. Support for these community forums is critical; resources are needed for this, together with new and innovative ways of providing support.

15.6 We would note the significance of our good working relationship with the voluntary and community sector in progressing rural community development work and, indeed, much of our service delivery in a rural context. In this connection, the Council provides support and development opportunities to the sector through commissioned activities.
15.7 The YNYERLEP is rurally-focussed. If the needs of rural communities are to be effectively met, it is important that the needs (and opportunities) of the distinctive rural geographies within a LEP area continue to be fully understood.

15.8 The Council, like many non-metropolitan Councils, has to date been members of two LEPs, reflecting the point made in response to the Question 1 - that urban / rural flows are extensive and complex. The Government’s decision that an authority can only be a full member of one LEP is understood, but it will be essential that all LEPs are in a position to serve adequately their rural areas and are responsive to the specific rural business needs identified above.

15.9 It will also be essential for the areas that border adjacent LEPs that opportunities for collaboration across LEPs are supported, and the current competitive approach to allocating funding is amended to encourage joint-working. There is opportunity for the LEP networks and predominantly rural Local Authorities to work together more closely to develop jointly their local rural economies. One mechanism could be to enable predominantly rural Local Authorities to support LEPs to rural-proof their emerging Local Industrial Strategies.

6 September 2018
Enterprise South West Shropshire – Written evidence (REC0006)

Michael Ashwell
Company Manager

I have run a rural social enterprise for 22 years, initially funded by Michael Heseltine’s “Rural Challenge” project (1996-1999). We now employ 11 staff and provide a drop-in IT Center, public library, equipment hire and small rural theatre. We support many rural micro businesses and we manage the tenancies of 7 offices and 7 workshops. We also work closely with numerous local organisations and public bodies to help them deliver their services.

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

   The rural economy is best defined by its difference from urban economy.
   Perhaps it can be divided into Land-based, Tourism, Local Services, Manufacturing and Teleworking categories.
   Another very interesting way to define rural economies are those that recycle wealth (eg grocery store or motor mechanic) and those that attract external wealth (eg teleworking or ecommerce).
   The latter being vital to sustainability.
   Our rural economy is typically very small or micro business – employing from 0 -10 people with many sole traders who are not registered and therefore very difficult to enumerate.
   The change over the years has been toward greater innovation and diversity made possible by improving internet connection and more reliable parcel deliveries.
   The big difference between rural and urban economies is the hugely tight coupling between communities and their economy. In a rural setting, everyone knows who runs which business and how that business links to other businesses and how it relates to the community. If a business fails then the knock-on effect can be significant.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

   Local success stories don’t allow us to generalize reasons. But unique services, products and foods, e-commerce, farm diversification are examples. More specifically farms that add value by making ice cream, butchering or other forms of adding value. Many of these need a more focused and expert marketing strategy to bring them to distant markets.
   Studies are useful but consultants must understand the way that the rural economies relate to their communities.
EXAMPLE 1: We have a number of business workshop units which we let to businesses. We recently helped a new business by allowing the individual in at 50% rent for the first 6 months, by which time he realized that it was a going concern and could afford the rent. He is a very competent, precise welder who also makes beautiful welded animals from pheasants to deer.

EXAMPLE 2: Another local business that we helped start was a small general retail business that stocks plants, garden tools, general hardware and small gifts. The diversity being the formula for success. The woman that runs this was earning a very small income from dog-walking; we took her onto a small program called “Back to Work” where we did a small amount of general business training, a handful of hours of individual internet training and a short but relevant work placement. This program was funded with £5k and we put all 3 of the participants back into the workplace.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

We are worried by the withdrawal of many strands of low-level support from our Council; this is continuing and will probably bankrupt our small social enterprise which was set up purely to provide basic services to our very rural community. These include business support, a drop-in IT support centre, a low cost equipment hire service, a small theatre and the public Library. We employ 10 people (that’s a big employer), mainly part time and our services are dependent on £60k of service level agreements where we provide essential facilities to a 200 sq mile very very rural corner of SHROPSHIRE.

Infrastructure and services.

4. How can access to transport be improved in rural areas?

The “Wheels to Work” program which loaned mopeds to young people was a good start. BUT so many rural councils have tried to solve this issue and nothing seems to work for long. HOWEVER, this does underline the importance of providing facilities and employment locally. Councils have a role here but diminishing funds will see them withdraw rather than engage!

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

If businesses are uploading large files this can be a problem where bandwidth is poor because the speed in that direction is still quite poor. Download speeds are much improved.
Generally digital connectivity has improved but we know that there are NOT SPOTS all over our county and this is an issue that needs to be addressed as a matter of urgency. We have local businesses who must come to us to carry out some of their most basic of communication functions – this does not help to sustain them.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Rural outreach via GP surgeries and community hubs such as ours. Retailers need to bank cash – we did communicate with the Coop Bank to suggest that they should be pioneering ways to facilitate deposits of cash without the need for a bank. Mobile banks are a notion. More radically – can we go to cashless, contactless micro payment systems that don’t cost the retailer too much. Currently card payment services are too costly for this.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Rural towns must attract visitors who need to be encouraged to spend money; this is difficult so we need to understand how this can be improved. One important feature of small rural towns and villages are solo shops; those that are total one-off gift, antique, hardware, grocery, café, restaurant run by the owner and having no affiliation to a chain or brand. There is little opportunity to provide grant funding, business support via Shire Hall or the Local Enterprise Partnership. Low business rates are also determinants in the longevity of these operations. Most grant funding is too onerous in terms of the percentage contribution that the owner must make and the paperwork that needs to be completed and retained. Most current grants are only made to business to business operations – these are few in rural settings as most businesses make provision for both other business and individuals.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Many rural areas exist in a low wage economy – a study into how this might be reversed would be useful. Currently there is a vicious cycle where business attempts to be competitive by comparing their pricing strategies to their urban competitors and then reduce further because low-waged customers would not be able to afford these costs. The business then make less turnover and necessarily pays employees less.

9. How can deprivation and inequality in rural areas be tackled?
We must use the word INEQUITY here; Councils do not provide equitable services. They must continue to invest in the rural services that already exist and not kill them off. We work in ‘partnership’ with the Council but sometimes they forget this.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Small and large tech companies can thrive anywhere if we have connectivity and reasonable transport links. Digitally this has improved thanks to the Council but we do have significant NOT SPOTS. The transport issue is complicated but one way to improve the quality of rural roads – the last winter has done massive damage to rural roads which are often cleared of snow by non-specialist equipment which often adds to the damage.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Encourage young people to either stay and work or return from university and work in the area – many migrate away toward better salaries and better job security. Setting up Tech Hubs to actively support fledgling businesses is important.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Expensive housing in a low wage economy is a constant problem. Research the issues that impact this and look for NEW solutions.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules? Government policy, devolution and local government

I don’t have a valuable view on this.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

We should pay careful attention to this matter. A new realisation about EQUITY needs to abound at local and national level. We do not want a migration away from rural areas to the cities. Equity is not the same as equality – rural councils with small populations cannot afford to provide services away from their larger centres of population.
15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

See previous answers – as local government revenues become smaller these matters will become worse.
I don't feel that our LEP pays much attention to the seriously rural parts of our county. Representation that understands the specific needs in rural economies needs to be widened.
Our council has been very supportive of our work in providing business support, community enablement and regeneration partnership working but the next round of cuts may well see us having to close all our services.

7 August 2018
Farming and Rural Issues Group South-East of England (FRIGSE) – Written evidence (REC0010)

Rural Proofing

The Farming and Rural Issues Group South East (FRIGSE) comprises representatives from a broad range of rural stakeholder groups from across the South East of England. Its main purpose is to engage with rural businesses and organisations operating in rural communities and to represent their views to Government, Ministers, Local Authorities and other bodies that effect and influence rural issues.

As Chairman of FRIGSE, I write to you today highlighting some of the key issues of concern.

1) The House of Lords Select Committee

The House of Lords Select Committee on the Natural Environment and Rural Communities Act 2006 reported its findings on 22nd March 2018 in which the following were reported:

*The urban background of policymakers, and a lack of understanding of rural communities in Whitehall, was highlighted as a consistent issue. We were told that "policymakers tend to think that rural communities are like urban communities but a bit smaller", while the Chair of the Rural Coalition suggested that "policymakers were, on the whole, embedded in London and are very urban-centric". She went on to state: "Quite a lot of the people who are developing these policies—with the best will in the world—think of rural as farming, horticulture and environment. That is what they see and they see the drivers of the economy as large businesses, whereas that is not always the case".*

*Rural proofing - The challenge of delivering services for rural communities. A number of witnesses to the Select Committee drew attention to specific challenges in the rural context, including: significant infrastructure and spatial differences between urban and rural areas. routes.*

FRIGSE members share many of these concerns, including some of the key issues highlighted below.

2) Industrial Strategy – Government

FRIGSE members welcome the Government’s Industrial Strategy; in particular, the 10 pillars of productivity.

It is vital that rural proofing is brought to bear on all 10 of these pillars. Without rural proofing, it will be difficult for many rural businesses to increase productivity, especially where poor infrastructure exists; such as: non-existent or inadequate broadband and mobile telecommunication networks, the lack of affordable housing and over-loaded infrastructure, including inadequate roads.
In addition; post-Brexit, continued access to the EU labour market is of major concern to many rural businesses.

FRIGSE members are concerned that many Local Enterprise Partnerships (LEPs) are now focussing too much on urban development and excluding rural businesses and communities. Many LEPs pay little attention to the value and contribution of the rural economy and most have no policies on rural strategy.

Given that the rural economy represents over 35% of GVA across most LEPs; this is very strange and is missing a huge opportunity. We urge the terms of reference of the current LEP review to include how each LEP is rural proofing its emerging Strategic Economic Plan (SEP) and how each LEP plans to ensure its respective rural economies are suitably reflected in its SEP.

3) Shared Prosperity Fund

FRIGSE supports the Government’s initiatives with the UK Shared Prosperity Fund (UKSFP) and its aim to strengthen Local Enterprise Partnerships (LEPs) and to develop Local Industrial Strategies (LIS). The key principles are:

- The UKSPF will tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind. The UKSPF will achieve this objective by strengthening the foundations of productivity as set out in our modern Industrial Strategy to support people to benefit from economic prosperity.
- EU Structural Funds have been difficult to access, and EU regulations have stopped places co-ordinating investments across the foundations of productivity. Simplified administration for the fund will ensure that investments are targeted effectively to align with the challenges faced by places across the country and supported by strong evidence about what works at the local level.
- Local areas in England are being asked to prepare Local Industrial Strategies (LIS) to prioritise long-term opportunities and challenges to increasing local productivity. This prioritisation will help local areas decide on their approach to maximising the long-term impact of the UKSPF once details of its operation and priorities are announced following the Spending Review.

FRIGSE believes that Rural Proofing must be fully undertaken by all Local Enterprise Partnerships whilst drawing up and developing both their SEP and LIS plans.

4) Agriculture Bill

Following the Government’s “Health & Harmony” consultation, the subsequent Agriculture Bill is expected to set out a high-level strategy; including:

- Provide stability for farmers, growers and the agriculture, horticulture and food industry as we leave the EU.
- Protect the natural environment.
Support farmers and growers to compete domestically and on the global market and to grow and export more produce.

We understand that the Bill will be drafted in the following three parts:

1. Establishment of an Agricultural Transition period.
2. Creation of new schemes.
3. Cross cutting issues.

We understand and support the Government’s initiatives towards environmental issues and the investment of public money for public good; however, continued support for farmers and growers to produce high quality food and plants should remain the first priority.

As discussed below; continued access to the European labour market is essential for the success of many rural businesses. In common with many other industries, the agriculture and horticulture industries have a present and future need for all year-round workers at every skills level.

5) Brexit – Access to the labour market

Access to the European labour market remains the number one issue for many rural businesses. If the free movement of EU workers is no longer possible into the UK, then other robust schemes will have to be put into place to satisfy demand. Options may include the return of the Seasonal Agricultural Workers Scheme (SAWS) or, preferably, industry specific work permits; however, it needs to be understood that many rural businesses have a need for all year-round workers; not just seasonal workers, and that many of these roles are highly skilled.

Upskilling of the rural work force and the implementation of advanced technologies will help considerably in the future; however, in the short to medium term, there will remain a serious short fall of available labour if continued access to the EU labour market is restricted in any way.

6) Brexit – Animal Welfare, Plant Health & Bio-Security

Maintaining and improving the very high UK animal welfare, plant health and bio-security standards is of paramount importance.

The current common EU rules and regulations concerning animal welfare, plant health and bio-security standards are world class and have served the UK well over the last 45 years. FRIGSE supports the full adoption of the current EU standards and recommends that the UK continues to develop these standards with the EU into the future.

Adopting and developing these common EU standards would mean no changes to rules or procedures for the trading of agricultural and horticultural produce and plants.

7) Upskilling
FRIGSE welcomes all initiatives to further increase skills levels within the British workforce. The need for businesses and organisations to make greater investments into automation and mechanisation, to reduce reliance on manual labour, has long been recognised. However; we would encourage Government to invest more into skills development and upskilling through apprenticeship and training schemes and improved access to Further Education and Land Based Colleges.

8) Affordable Rural Housing
The Government and Local Authorities need to live up to their responsibilities to provide affordable housing for rural communities. Bespoke solutions are needed between land owners and rural communities and hostel schemes should be considered for workers in rural areas.

The Community Housing Fund (Nationally worth £60m) is a very small, but welcome additional pot of money for further developing affordable rural community housing schemes; however, more initiatives and larger investments are required to make a significant contribution to the acute affordable rural housing shortage in the South East.

9) Rural Broadband & Telecoms
Productivity improvements in many rural areas are being held back by the lack of good broadband and mobile phone coverage. Businesses will not expand or relocate to rural areas, such as farm building conversions, without provision of high-speed broadband and a reliable mobile telecommunications connection.

Tourism is vital to the rural economy. Improved broadband and mobile networks are urgently needed to enable hotels, bed & breakfasts, pubs, restaurants and rural businesses offering visitor attractions the ability to communicate with potential customers.

Farmers, growers, foresters and most land-based businesses urgently need better access to good services from broadband and mobile telecommunications providers. Without these improved services, it is impossible to take full advantage of the emerging innovative technologies; including, artificial intelligence, automation and robotics.

Access to high speed broadband and good mobile network coverage is vital for improved rural development, productivity and future proofing. We are becoming increasingly concerned about the Government’s apparent ‘job done’ messaging on broadband with the +95% coverage being widely touted in Ministerial communications, whereas in reality the real rural coverage is sub 85% at best. In addition to this, the new focus on Full-Fibre and mobile 5G is going to create a double rural vs urban divide, with urban getting +100Mbps and next generation 5G mobile where rural is languishing at sub 30Mbps with patchy 2G voice and unreliable 3G/4G data.

I hope that you find the above to be a useful and positive contribution to the debate around many of the issues facing rural businesses; including, rural proofing and the opportunity for productivity improvements and issues specific to Brexit. I look forward to having the opportunity to further discuss these issues with you.
Farming and Rural Issues Group South-East of England (FRIGSE) – Written evidence (REC0010)

John Hall MBA MCIHort
FRIGSE Chairman

15 August 2018
Federation of Master Builders - Supplementary written evidence (REC0184)

About the Federation of Master Builders (FMB)

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry, and with over 8,000 members, it is the recognised voice of small and medium-sized (SME) construction firms. Established in 1941 to protect the interests of construction SMEs, the FMB is independent and non-profit-making, lobbying continuously for members’ interests at both the national and local level. Just under half of FMB members are involved in building new homes. As such, the FMB represents a significant proportion of the SME house builders (both developers and contractors) working in the UK.

The construction skills landscape in numbers

Construction is facing serious skills shortages. A large number of tradespeople left the industry during the 2008 recession, and have not returned since. Furthermore, the demographic of the industry is weighted towards an older workforce. Analysis by the Construction Industry Training Board (CITB) shows that 400,000 people are set to retire from the industry over the next five years. The Migration Advisory Committee (MAC) Report recommendations, if implemented, threaten to stop the continued access to low to medium-skilled migrant labour, which has helped to plug the skills gaps until now in key areas. Research by the FMB shows that these skills shortages are having an impact on the growth and capacity of SME firms:

- The FMB’s State of Trade Survey for Q3 2018 found that 68% of firms are struggling to hire bricklayers, which matches the highest percentage since records began in 2013. The same survey found that 59% of firms are struggling to hire carpenters/joiners.

- The FMB’s House Builders’ Survey 2018 found that 44% of respondents cited a shortage of skilled workers as a main constraint on their ability to build more homes. When asked to look ahead over the next three years, this constraint overtakes access to finance for the first time since records began.

Apprenticeships

FMB members are concerned that the quality of training has diminished over the past 30 years. The FMB strongly believes that all core apprenticeships should be taught for a minimum duration of three years as the norm across the industry. Increasing the quality of training will boost productivity, improve the quality of products and services from the building industry thus driving up its reputation and improving its image, and finally increase retention rates in the industry at times of economic downturn through a more highly skilled, dedicated and loyal workforce.
That SMEs train over two-thirds of apprentices means that we must closely align and incorporate their business needs into our training models. Our industry standards must be of a high quality, both onsite and in college, to fulfil the skills needs of SME businesses.

An FMB-led group of employers has received Ministerial sign-off on two new standards for bricklaying and plastering as part of the government’s ‘Trailblazer’ initiative. These standards raise the bar on the quality expected of these core trades, by increasing what is expected of hand skills, and by being taught over a period of three years. While both these standards will be set at a Level 2, the plastering apprenticeship initially received sign-off at Level 3. FE colleges requested the Level was decreased from 3 to 2 because of the Maths and English requirements attached to Level 3 apprenticeships. Colleges report that they are already struggling to help students achieve the Maths and English requirements for Level 2 standards, so making these more demanding still by putting students on a Level 3 standard would simply make the course undeliverable.

The UK Apprenticeship Levy

The UK Apprenticeship Levy is problematic for construction because it was introduced on top of an existing CITB industry levy, and as a result the FMB would be keen to see additional flexibility brought into its voucher system to ensure that more of the funding is used to train new talent in key areas. While the Chancellor’s announcement that the number of vouchers able to be passed down the supply chain to smaller firms will increase to 25%, a positive step forward, the FMB believes that this is still not enough; it should be 100%. The reason for this is that the larger Tier 1 contractors do not tend to directly employ onsite tradespeople, and therefore the vouchers are not being used to address the skills shortages in key trades such as bricklaying and carpentry/joinery. SMEs train over two-thirds of all apprentices, and typically to a high standard, for the reasons outlined above. Increasing the number of vouchers able to be passed down the supply chain to SMEs would help to increase the number of Apprenticeship Levy vouchers being used to address the skills shortages in construction.

Mr Peter Tait of FMB member company DITT, based in Shetland, considers the Levy to be an additional tax which will not benefit his company. The Scottish Government has set up the Flexible Development Fund on the back of the Levy, to provide courses funded by it. However, these are in HR-related support activities, digital and communication skills. Mr Tait doesn't believe he will require any of this training for his staff, so will most likely not use any of the Levy vouchers. He believes the Flexible Development Fund is too prescriptive and should be more flexible to be able to incorporate other activities. Based on these issues, the FMB would like to see 100% of the vouchers passed down through the supply chain to SMEs who train over two-thirds of apprentices.

T Levels

The FMB is supporting the implementation of the new T Levels programmes. FMB member Julian Weightman of Bordercraft Group, Chairs the FMB Training Group and the T Levels Onsite Construction route panel. We also hold regular meetings with the Chairs of the other route panels in Construction, as well as colleagues
from the Department for Education and the Institute for Apprenticeships to support the process.
In order for the T Levels to be successful, government must listen to the concerns of industry regarding the delivery of the industry placement element of the programme. SMEs must be incentivised to offer industry placements through financial reimbursements, which will cover the cost of the lost productivity on site while the student is being mentored. A kite mark which recognises firms’ commitment to supporting training would also be an extra positive incentive.

**Brexit and skills**

The industry must accept that for too long, the UK construction industry has been overly reliant on migrant workers and has done too little to attract, train and retrain domestic workers. However, given that the UK is almost at full employment and that it takes three years to train apprentices, the industry will continue to require access to migrant workers, regardless of where they are from in the world, to work in construction, if the Government wants to meet its target for new homes and infrastructure projects. At present, construction workers from the EU make up 9% of the industry, and this rises to almost one third in London. The FMB is extremely concerned that if the MAC recommendations are implemented, this could cripple construction. The industry is united in its call on government to introduce a visa system based on key occupations evidenced to be in short supply rather than arbitrary skill levels, as suggested in the report. The industry relies heavily on low skilled workers, as they are an essential part of the onsite team, cleaning the site, and supporting the more highly skilled tradespeople to allow them to do their jobs properly and productively. Expanding the Tier 2 system across the UK’s immigration system would create a significant barrier to SME firms looking to recruit workers from overseas. It took FMB member Mr Azad Azam of DPB Ltd eight months to recruit four specialist tradespeople from India through the Tier 2 system due to the level of paperwork and bureaucracy required.

It is crucial that the post-Brexit immigration system allows SMEs to continue to hire workers of all skill levels, and regardless of where they are from.

**CITB reform**

The CITB achieved consensus in autumn 2017, but in general the industry has not been satisfied with its performance in recent years. FMB members were divided regarding whether or not they supported the continuation of CITB but on balance, the FMB felt that it would be irresponsible to remove the CITB without having developed a viable alternative. The FMB is working with the CITB to reform the organisation. FMB member Mr Kevin McLoughlin MBE of K&M Decorating now sits on the Board of Trustees, where SMEs have been previously underrepresented. In addition, a number of FMB members have also been successfully chosen to sit on the new CITB Nation Councils in England and Wales. The CITB should work with Government to develop a new approach to how CITB levy is collected, to ensure all those firms who should be paying, are paying. At present, non-registered levy payers have a competitive advantage over registered levy payers.

The FMB is working on a joint communications strategy with the CITB, aiming to increase the number of firms offering apprenticeships, and to better market the
industry to new entrants. We have jointly developed new collateral and made a number of interventions as part of this strategy. We believe this joint-working model should be replicated across other trade bodies.

5 December 2018

1 Belle Vue Square
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SKIPTON
North Yorkshire
BD23 1FJ

FAO Chris Carr Telephone: xxxxxxxxxxx

Sent via email: Date: 14 November 2018

Dear Chris,

RE: Community Led Housing in Craven

In December 2016, Craven District Council was allocated £605,964 from DCLG to assist in the provision of community led housing within the district. The Council planned to use a substantial amount of the fund as revenue – providing grants to assist community groups in forming housing trusts; funding technical and legal advice etc. At that time, no community led housing groups existed within the district.

Initial work involved talking to communities and groups and generating an interest in and awareness of community led housing. This work is now starting to come to fruition and a number of groups and schemes are gaining traction. In particular, significant progress has been made with two groups within the rural areas of the district.

Carlton in Craven is a small rural parish located in the southern part of Craven. The parish council owns a parcel of land there. Formerly amenity space, it had become overgrown and underused over time. As far back as 2014, I approached the parish council to suggest that the land was utilized as an exception site. (There is significant housing need in all parts of the district). Despite attending numerous meetings over a number of years, the site did not progress. The parish council had no desire to sell the site, nor did it wish to see it developed for anything other than the type of homes the community felt it needed. These were two of the factors that hindered development.

In 2017, and following a drive to make communities more aware of the £605,964 fund, I again approached Carleton in Craven parish council, but this time on the basis that the site could be developed for a community led housing scheme. This would allow the community itself to control the type of housing provided for local people within that community. This was viewed positively by
the parish council who, from that point on, expressed a keen interest in delivering affordable rented homes within their parish.

Carlton in Craven Parish Council has now set up a separate Trust ‘Carleton in Craven CLT Ltd’. The Trust has been formed from parish council members as well as interested parties from the local community. They have opted to work with a Registered Provider (RP) to help deliver the scheme. Working with the RP means that whilst they do not have to consider the numerous and often complex stages involved in delivering housing (from obtaining planning to hiring construction firms), they do have complete control over what will meet local housing need and what is provided. To this end they have chosen to provide 2 x 2 bed bungalows. Working with a RP also enables them to access Homes England grant for the build.

The Trust has agreed to lease the land in question to the RP for 60 years. This ensures that they retain the land as an asset, whilst providing the RP with a site that is developable. Thus far the Trust has accessed funding from Craven District Council to fund its establishment and to release covenants on the site. The next step in the development of this scheme is the submission of planning, which will be a joint effort between the RP and the Trust

Had community led housing not come along, it is unlikely this site would be coming forward for development. Putting real control in the hands of those who live within a parish has provided the impetus that the community needed to bring forward a scheme for much needed affordable rented homes.

I am also working closely with the Hartley Educational Foundation (HEF) in Long Preston in the Yorkshire Dales National Park. The Foundation is entrusted with the ownership and maintenance of local primary schools and also provides bursaries to pupils who have attended local schools. It had significant concerns over the number of primary schools closing within North Yorkshire. Having seen the number of families within the local parishes diminish over time due to a lack of affordable housing, the Foundation is keen to utilize land they own for housing development. Having attended one of my talks on community led housing, they approached me and asked for the Council’s help in delivering the housing they felt was necessary within the locality.

As with Carleton, the HEF has received grant from Craven District Council to obtain legal advice on how best to establish a Trust that will work alongside the one that already exists. I am currently working with them to conduct a housing needs survey, which will help to establish the size and tenure of homes that the parish most requires. This Trust is already thinking big. Unlike many other groups that are forming Trusts, the HEF already owns a number of sites. They are fully prepared to develop small to start with, but are very keen to also develop their larger sites and attract new families to the parish, thereby safeguarding their ‘raison d’etre’. Without the primary schools and the families in the parish who attend the primary schools, the Trust would have no purpose. Community led housing in this parish is crucial and will make an important contribution to housing development in the National Park. Whilst there is a small amount of housing land allocated within the parish, these sites are yet to be developed and take precedence over exception sites. If housing development is to happen here then it may rely on the community bringing schemes forward.
Community led housing - putting housing in the hands of communities - is proving to be a positive and popular approach in Craven and an alternative to exception sites which are seen by some as relinquishing control and delivering homes that do not necessarily meet the needs of the community. Whilst this is not the case, it can provide a barrier to delivering affordable housing in many rural areas. Community led housing puts the power in the hands of the local people, allowing them to develop homes that they want to see within their parish.

The Council is now working with a total of nine community led housing groups; the majority of which are rural. We expect most to come to fruition.

Yours faithfully

Emily Shepherd Craven RHE

30 August 2018
Federation of Small Businesses (FSB) (REC0162)

The Federation of Small Businesses (FSB) welcomes the opportunity to provide evidence to the above inquiry.

FSB is the UK’s leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. FSB is non-party political, and with 165,000 members, it is also the largest organisation representing small and medium sized businesses in the UK.

Small and medium-sized businesses make up 99.9 per cent of all businesses in the UK, and make a huge contribution to the UK economy. They account for 47 per cent of private sector turnover and employ 60 per cent of the private sector workforce. Overwhelmingly, businesses in the rural economy are small and micro businesses, including sole traders. It is the health or otherwise of small businesses that most effect rural economies, rural jobs and rural standards of living.

Although tourism and agriculture continue to be extremely important, the rural economy has moved far beyond the traditional image of being primarily based in these sectors – it is incredibly important that this is properly reflected in public policy across a range of policy areas. A rural business today could be anything from a legacy family run business - to a consultancy which works in multiple countries. Even in the agricultural sector, many farmers have diversified their business to include farm shops or rental accommodation.

It is necessary to consider the full spectrum of Government activity, and it’s suitability for rural businesses of all kinds, if the full spectrum of rural businesses need to be supported for the rural economy to thrive. Businesses based in the countryside need to be able to move quickly and easily to their suppliers and customers, without unnecessary costs of time or money. Small businesses are unfairly penalised by inadequate infrastructure, from poor roads to poor mobile and broadband connections which prevent growth and investment. Government can and should focus on how to boost jobs and growth in rural areas by enabling small businesses to thrive.

At FSB, one of our great strengths is the extensive number of small businesses in our network – I and they would be keen to relay our direct experience to you. In the response below we have focused on three key issues which we are keen to bring your attention – the rural road network, rural digital infrastructure, and the rising role of self-employment.

**RURAL ECONOMY**

**Infrastructure – rural roads**

Small businesses rely on transport connectivity to provide access for employees, customers and suppliers to their business. This is particularly important in rural areas where the journey distances can be longer compared to urban areas. Public transport is frequently relied on by younger workers and apprentices in rural areas who may otherwise be unable to afford private vehicles.
FSB evidence shows that many rural businesses struggle due to poor transport connectivity. When small businesses in rural areas are held back from achieving their full economic potential, it is the wider UK economy which suffers. Action is required across all levels of government to improve the quality of transport available to businesses in rural communities.

The key findings of our report, Going the extra mile: Connecting Businesses and rural communities, found that:

- **Value of access:** High value is placed on the road network by 89 per cent of small businesses, with rural and remote rural businesses being even more likely to value access to the road network. On the other hand, public transport is valued significantly higher among urban small businesses compared to rural and remote rural businesses. This is most likely due to poor public transport options in rural communities, with significantly higher percentages of rural businesses reporting that they do not have access to any public transport compared to urban businesses.

- **Transport use:** There are some differences between urban and rural businesses in their use of transport, most notably for public transport. Cars, vans and lorries remain the most important uses of transport across all businesses, regardless of location.

- **Declining quality:** 50 per cent of small businesses believe the quality of the road network and the public transport system has declined in recent years, with only seven per cent of rural businesses believing there have been improvements.

- **Poor accountability:** Many small business owners do not know which level of government is responsible for the delivery or maintenance of transport infrastructure. This will affect the accountability of both new and existing structures for improving transport in rural communities.

- **Devolution presents both a risk and opportunity:** The introduction of new regional organisations - such as combined authorities and regional transport authorities - could serve to further complicate the delivery of transport infrastructure. On the other hand, devolving powers can offer opportunities to deliver local priorities and to better integrate regional journeys.

- **Main causes of dissatisfaction:** Congestion, poorly maintained local roads, and a lack of regional strategic planning are the major issues reported by small businesses. All of these combine to impact on those small businesses which are dependent on the road network. These issues can also impose direct and indirect costs on businesses.

- **Poor public transport:** Many businesses in rural communities have reported that public transport can be insufficient for their needs. Services are often infrequent and unreliable – affecting the ability of customers and employees to access small business premises.
Additionally, on transport, any changes to Fuel duty/VED with respect to Diesel (or high emitting vehicles) are likely to impact rural businesses harder – the evidence suggests and that rural areas already pay more for fuel.

**Infrastructure – broadband and mobile**

Members frequently report that the quality of broadband and mobile coverage is insufficient for their needs. This is a major and growing priority for modern businesses, so FSB has been campaigning to improve coverage across the UK. While there have been significant improvements in both mobile and superfast broadband coverage in recent years, more work remains to be done to connect small businesses, especially in rural areas.

**Employment and the increasing role of self-employment**

As stated earlier, smaller businesses form the greatest part of employment in our rural economies, but one thing in particular I would like to draw the committee’s attention to is the rising role of self-employment in the rural economy. FSB Wales produced a report last year on self-employment in Wales, which gave reference to the problems faced in particular by those who are self-employed in rural areas.

As stated above, we have forthcoming research that touches particularly on the role that employment plays in the rural economy and deprived areas, and would be keen to share both this and our direct member experience with the committee.

Martin McTague  
Federation of Small Businesses  

*18 September 2018*
Field Studies Council (REC0035)

Background to the Field Studies Council

1. Field Studies Council (FSC) is an environmental education charity that seeks to bring environmental understanding to all. Last year we welcomed 165,000 visitors to our network of 19 centres across the UK, 11 of which are in England. We run courses for all ages and abilities including curriculum based courses for schools, colleges and universities, teacher training, professional development and leisure courses for individuals and families.

2. The nature of the learning experiences that FSC offers means that our centres are mostly in rural areas. This provides a network of centres across the UK that offer not only beautiful, but contrasting landscapes to study and enjoy. There is no substitute for real, first hand experiences and our rural centres offer opportunities to study a variety of landscapes including uplands, glaciated areas, limestone pavements, coasts, rivers, woodlands and lowlands.

General Issues

Qu2 Could you give examples of notable success stories and good practice in the rural economy? How might these successes be replicated and better promoted?

Making use of better digital connectivity to enhance educational experiences

3. Notwithstanding the issues relating to broadband connectivity set out in our response to Qu5, digital connectivity when it is established has provided FSC with some interesting business opportunities. Good digital connectivity takes the lab out into the field and can help ensure that learners who can’t physically access the same opportunities are not completely left out of the experience. It also plays an important role in developing learners’ STEM skills. Good connectivity enables FSC to enhance environmental understanding with augmented reality, providing immersive experiences to improve understanding and interest by further bringing subjects to life.

4. For example by standing in a glaciated valley at our Lake District centre at Blencathra, visitors can experience what it is like today, but augmented reality can also allow them to see what the same landscape would have looked like during the last ice age, or during different geological time periods. We can also provide experiences that are otherwise too dangerous to experience in real life such as what the river that they are studying looks like in flood conditions, stormy seas, a wildfire in the
uplands or more simply, what the place they are studying looks like at a
different time of year or during a rare event such as water flowing over
the cove at Malham Tarn.

Reducing hardware costs through better connectivity

5. Where FSC has good network connectivity, it can reduce the costs of
visitor hardware such as expensive laptops that FSC had to supply along
with their software. Improved connectivity has allowed a cloud based
solution and by using less expensive Chromebooks that are robust enough
to use in the field, FSC can reduce our costs by approximately £250k over
5 years. Where a centre does not have connectivity, we still have to use
expensive hardware. A "bring your own device" option could work but this
still needs connectivity and also risks excluding poorer students.

Investing in green energy

6. The rural nature of our centres can mean a dependence on expensive and
sometimes off grid energy solutions which, with the demands for heating
and showers for 165,000 learners each year, adds very significantly to our
costs. This particular challenge has led to an opportunity to make much
better use of alternative and local energy sources. For example the use of
an Archimedean screw to produce hydro power at FSC Flatford Mill in
Suffolk, hydro power from a local mountain stream at FSC Blencathra in
the Lake district, biomass boilers at several of our centres including two in
Scotland and solar power at centres in the Lake District, FSC Dale Fort in
Wales, FSC Slapton in Devon, FSC Juniper Hall in Surrey, FSC
Derryconnelly in Northern Ireland and FSC’s Head Office in Shropshire. At
the same time as reducing costs, FSC has reduced its reliance on fossil
fuels such as oil and LPG and therefore reduced our carbon footprint which
is of key importance as an environmental charity. The knowledge and
experience that FSC has developed in the area of hydro power for
example, has enabled us to help other organisations via our membership
of the Fit for the Future Network.

Food Purchasing

7. Food is of central importance to what FSC offers visitors. One success has
been to use local suppliers and providing regional specialities to not only
supply food that reflects the local community and environment, but also
supports our local farming and food production businesses. For example,
our centre in Slapton, Devon uses a local family butcher to supply British
meat, mostly from the South West. This can cost more, but through
communications and building good relationships both parties have made it
work, including using different cuts of meat. We also offer more meat free
options, again using local suppliers. This is important to FSC as an
environmental charity keen to reduce its carbon footprint, but also plays a
part in our education activities. Food maps and carbon footprint information are prominently displayed at our centres directly linking what we teach on land use, carbon and biodiversity with everyday choices about what we eat.

**Training and skilled jobs**

8. FSC could be considered a notable success in its role as a significant employer in a rural area and has over 500 employees, covering a variety of jobs including specialist science roles, teaching, catering and hospitality. A significant number of posts are held by graduates and post graduates demonstrating that rural areas not just cities can offer opportunities to those leaving higher education. FSC provides opportunities for other professionals to work with us as associate tutors in specialisations as varied as biological recording and art. FSC offers apprenticeships in marketing, catering and finance and higher education placements for a year for those studying a relevant degree.

9. With a large and varied estate with many listed buildings, FSC requires contractors with specific skill sets and as with the policy on food, FSC prefers to work in partnership with local firms to build up skills and experience in the local area that will be needed in the long term, rather than draft in contractors from out of the area.

**Engaging the next generation in the rural economy**

10. One of FSC’s notable success stories is the work done to help ensure that every child has the opportunity to visit and enjoy the countryside. Our charitable work in the form of funds for either whole classes, or individuals who would not otherwise be able to attend has allowed over 3,700 learners over the last three years to experience a course with us. Whilst demand always outstrips supply, we know that some of the children that visit us have little if any experience of the world beyond their local urban locality, some have never worn wellington boots or realised that there is more than one species of tree. FSC would welcome partners or sponsors to further develop this area of work.

11. There is a larger point to be made with regard to engaging young people in the countryside and rural areas: the growing need for the next generation to really understand the issues. The lack of “rural proofing” of policies and the resulting issues were set out in the recent House of Lords inquiry into the NERC Act. With increasing numbers of learners of whatever social background coming from urban or city areas, it becomes even more important to have future policy makers aware that rural problems are not just smaller versions of urban ones.
12. There is no substitute for first hand experiences in the countryside and outdoor learning is an essential part of sparking an interest in the natural world. FSC’s response to the recent consultation ‘Health and Harmony: the future for food, farming and the environment in a Green Brexit’ addressed the question ‘What are the most effective ways to support new entrants and encourage more young people into a career in farming and land management?’ by highlighting that one of the most effective ways is to ensure that all schoolchildren have the opportunity to explore the countryside and different landscapes from a very early age as part of a broad curriculum. It also broadens the horizons of young people to see the range of career options that are available in a mostly rural environment.

**Raising attainment and personal development through residential – replicating good practice**

13. FSC is currently involved as a delivery partner in the National Citizen Service by providing the residential element at several of our centres. However, the government funding to deliver large scale and impactful projects has severely reduced since the time of London Challenge 2004-2008 and its follow up City Challenge in 2008. These residential projects used outdoor learning experiences to improve both academic attainment and also personal development including motivation to learn, self-confidence, self-esteem, teamwork and resilience. Despite all of the evidence for the numerous benefits of residential in the countryside, there is a considerable policy disconnect at government level. For example, the DEFRA 25 Year Environment Plan is clear in its belief in the importance of connecting to nature for continued health and wellbeing, whilst the green paper on Children and Young People’s Mental Health made no mention of the benefits of nature, but instead sets out trailblazer projects to investigate what works. Replicating the success of past projects would not only positively impact on those individuals who take part and by extension their family and community, but also the rural businesses that provide the experiences.

**Infrastructure and services**

**Qu4. How can access to transport be improved in rural areas?**

14. Transport costs are a significant factor for many of the schools that come to learn with us, meaning that some school children will miss out on the opportunity to explore an area of the countryside that is radically different to where they live. Hiring a private coach is expensive, and rail costs can also be prohibitive. Our customers used to make use of the cheaper off peak travel for groups, but this is more difficult to arrange across a fractured rail system. Therefore a more consistent approach across the rail network would be an improvement. Transport in rural area for those
that are on early and/or late shifts is a significant issue for some of our staff and is covered in greater detail in our response to Qu8.

**Qu5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

15. FSC is about providing environmental education for all. Learners of all ages who come to our centres both expect and need connectivity to the internet as a fully integrated part of the learning experience. If this cannot be provided, both they and we miss out on opportunities, and FSC has lost business in the past for that very reason. It’s not just that FSC needs good digital connectivity in order to run an efficient office at the centre, but that the visitors and learners need good connectivity as part of their study activities. For example:

I) GIS mapping is cloud based and therefore relies on mobile connectivity literally in the field, and we need to teach it in the field. It is a compulsory part of the GCSE and A level geography curriculum and therefore business is put at risk if FSC cannot guarantee a good enough connection to ensure that this part of a fieldwork course is carried out.

II) Accessing, using, analysing and contributing to Big Data is an important part of our offer to learners. FSC provides access to large data sets to allow learners to make comparisons across time periods and geographic locations eg the first signs of spring, changing river patterns or species distribution. These data sets are not stored locally but on the cloud to allow sharing between and within organisations. Big Data has been named by the Government as one of the four big challenges in the Industrial Strategy and the same strategy also acknowledges the need for people to develop the digital skills that go with that. Developing these STEM skills in real world situations is therefore essential, but needs mobile connectivity to allow it to happen, including mobile coverage that allows learners to upload data direct from the field.

III) Accessibility to our learning experiences is important to FSC, and here better connectivity is needed to ensure that, for example, wheelchair users who may not be able to fully access a site can still be included in a meaningful way in the activities. For example, allowing them to direct a camera at the fieldwork site from a minibus so that they can see what is being described or collecting and analysing data in real time.

16. Another significant barrier to growth is the cost of connectivity in rural areas, particularly the cost in getting connectivity delivered across the last few miles between the exchange and the centre. For example, our centre at FSC Malham in Yorkshire is in an outstanding location, allowing our visitors to experience and study in a rare landscape. FSC has been
fortunate in that the community has come together to deliver broadband in the area which is just about sufficient for our needs. Whilst this has been a welcome initiative to solve a local problem, being reliant upon the community to set up a network of masts to deliver the line of sight needed puts everyone in a fragile position. It only needs one person or landowner to pull out of that relationship for the project to cease.

17. The costs to put in a fibre connection are in excess of £160k and this assumes that BT are prepared to do it as the nearest exchange is more than 2km away. There is an opportunity to partner with the National Trust to get a fibre EAD mini node (at considerable cost to them) at a location much closer to our centre but again, this solution still relies on community goodwill and two charities collaborating.

18. By their very nature, FSC centres tend to be further from the exchange and therefore have to pay more and although our business may fall into the remaining small percentage of parts of the country not provided with high speed broadband, the issue remains of central importance to business such as ours which remain directly impacted on a daily basis.

19. Dealing with such a large organisation as BT Openreach has been challenging. Considerable resources and time have been spent lining up a number of organisations and individuals for example, sorting out wayleaves across private land, working with landowners and highways authorities which require 3 months’ notice for planned works. All this is left to the client to organise and manage. There is no clear escalation path, no criteria for priority and we have no idea where we are in the queue and have no way to find out. It took 3.5 years to sort out a leased line at FSC Nettlecombe Court in West Somerset. The direct costs were in the region of £40,000 in addition to the cost of the lost business from not having reliable connectivity for 3.5 years.

Business, employment, skills and demography

Qu8 How can rural businesses be helped to thrive, and how can new industries and investment be supported. How might labour and skills shortages be overcome?

20. Some of our labour shortages are directly linked to two other rural issues – the cost of transport and the cost of accommodation. FSC hospitality and catering staff in rural areas in particular have difficulty if they need to rely on public transport that fits their shift or split shift pattern. The cost of housing and accommodation in rural areas is high, meaning that many cannot afford to live very close to our centres, and although FSC can sometimes offer accommodation on site, this is not practical when centres are full. Some of our centres experience on-going problems recruiting key catering staff.
21. Apprentices who are not old enough to drive either have to rely on public transport if it exists, or being dropped off by parents. Despite paying the apprenticeship levy, FSC have struggled to make the best use of the apprenticeship option and this is exacerbated by the need for some apprentices to attend college which can add to transport difficulties. Even for older apprentices, including those looking for a change in career, the high transport costs make the apprenticeship route unaffordable whilst on apprentice pay.

22. Our role in providing apprenticeships could be better supported if it was not made more complex by the different approaches across the UK nations. Training and then deploying a cohort of, for example catering apprentices from across the UK, is made more difficult by the funding arrangements which could prevent us deploying an English trained apprentice into one of our four Welsh centres, two Scottish centres or vice versa.

Joy Blizzard
FSC Policy Officer

6 September 2018
FirstGroup plc - Supplementary written evidence (REC0185)

House of Lords Rural Economy Committee – evidence session 18, 27th Nov 2018, Public Transport

As a witness in front of the above-named Committee I was requested to provide further information about the “de minimis” powers available to local transport authorities. These powers enable the authority to enter into dialogue with an operator of commercial bus services with a view to making alterations to those services, with recompense for the additional costs of operation (and/or loss of revenue due to increase in journey time occasioned by any diversion) being paid to operator. This need not be done through the competitive tender process set out in the 1985 Transport Act (as amended), provided that the requirements of the Service Subsidy Agreements (Tendering) (England) (Amendment) Regulations 2004 are followed. The secondary legislation is available by following this link.


A report published at the request of the Department for Transport, intended to provide guidance and best practice for local transport authorities in their bus service tendering processes, and produced by Atkins in 2005, sets out the rules succinctly as follows:

“PROVISIONS FOR DE MINIMIS CONTRACTS

“2.43 De Minimis contracts have played an important role in the tendering process. De Minimis rules/exceptions to the Service Subsidy Agreements (Tendering) Regulations enable authorities, under certain circumstances, to let supported services without having to go through competitive tender.

“2.44 The rules governing De Minimis contracts have been amended on a number of occasions, most recently by the Service Subsidy Agreements (Tendering) (England) Regulations 2004 which came into force on 1st April 2004. Detailed guidance on the application and interpretation of the rules is available on the DfT’s website. [unfortunately, this appears to have been removed since 2005]

“2.45 In summary the changes introduced mean that:

LTAs with forecast expenditure on bus service subsidies in any one year of £600,000 or more are able to spend up to 25% on De Minimis contracts and within this 25% there is no limit on the expenditure on an individual contract or on the expenditure with a single operator; and

LTAs with forecast expenditure on bus service subsidies in any one year of less than £600,000 the limit per contract is raised to £29,999 per contract in any one year and the previous £150,000 annual limit on expenditure with a single operator is removed.”

Source: MONITORING LOCAL BUS SERVICE TENDERS IN ENGLAND Bus Tendering Good Practice Guide – Atkins, 2005
The effect is to enable modification of a service to meet needs which would not be met commercially, at marginal cost, and without having to secure operation of a new service in its entirety through a competitive tendering process. Such modifications typically include diversions or extensions to serve otherwise unserved communities or facilities, additional journeys, early or late service extensions. Tendering for a new service would generally be considerably more expensive for the authority and indeed might undermine the commerciality of the existing service, as an unintended adverse consequence. It might also result in passengers having to purchase more expensive multi operator bus tickets in order to make return journeys.

These powers are used extensively by many local transport authorities but others use them sparingly or not at all. The reason sometimes cited for not making use of these powers is that the council’s Procurement Department undertakes the bus service tendering process and, since these De Minimis powers are outside the scope of the general rules (including European legislation governing State Aid issues) on public procurement, their use is not considered.

John Birtwistle,
Head of Policy, FirstGroup UK Bus Division

5 December 2018
General issues
1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The Forest Economic Partnership (FEP) understands the rural economy to be all those who live, work, visit and study within the rural areas outside of urban areas. In the Gloucestershire context, we define urban as the larger centres of population within Gloucester city and Cheltenham. In the Forest of Dean, the rural economy is the geographic area covered by the Forest of Dean District. Simply put this is the area bound by the rivers Severn and Wye in the West of Gloucestershire and which stretches from Beachley adjacent to Chepstow in the South to around the M50 motorway in the North. Changes over recent years include a structural shift in employment, increased commuting and decline in rural services and increased difficulty of access to affordable housing.

Within the area there are 4 market towns which all have a population of less than 10,000 and 20 other villages with distinct identities. Often seen as a tourist and leisure area, this hides the already diversified economy leading to increasing misconceptions over its economic role. A common perception of the area is that it is one for tourism and leisure. Indeed the recent Glos2050 consultation proposed the creation of a Regional Park for the area. Tourism is an important sector contributing some £140M pa to the local economy in visitor spend and employing 7% of all employment (South West Research Company 2016).

But the Rural Services Network Economic Profile shows that 25% of all full-time employees are in manufacturing, 10% in health while education, construction, business admin, professional, scientific and technical each accounts for more than 5% of employees. For part-time employees, the skew is to education and health with other more tourism related sectors more prominent eg food and accommodation. As a rural area it’s not surprising that by enterprise count agriculture, forestry and fishing is highest at 15.5%. But professional, scientific and technical are almost 13.4% of all enterprises and construction 12%. Six other sectors also account for more than 5% of enterprises.

Over the 8 years of data in view, the proportions have been relatively similar with few significant changes. Noteworthy ones are the increase in full-time employees in manufacturing increasing from 20% to 25% of total employed, which may reflect the decline of full-time employment in other sectors; and the increase in professional, scientific and technical enterprises moving from 11 to 13.4%. More significantly is the increase of proportion of employees now in the private sector which in 2010 was just below the rural average at 80%, but in 2016 was 2% above the average at 86%.

Another important general issue is one of local authority governance. FEP has not prioritised discussion on current governance arrangements or unitary status for Gloucestershire this year. However, some stakeholders believe that three-tier
arrangements struggle to be effective, can lead to public confusion and apathy and as a rural authority the Forest of Dean District can be badly served by these. We sit amongst unitary authorities with significant devolved powers granted to Wales and the West of England.

In summary caution needs to be used with the term ‘rural economy’ as it may create artificial conceptual barriers around problems that belong to the wider economy such as an ageing society and hide real issues like the connectivity necessary for the diversified economy of the 21st Century.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The Forest Economic Partnership (FEP) was launched in 2018 by the FoDDC. Its mission is to deliver a thriving economy in the Forest of Dean District by connecting business, Councils, people, ideas and resources. Already over 150 organisations/individuals participate in its quarterly steering group or four sub-group meetings. The four sub-groups focus on areas of particular challenge to the District and are shown with their individual missions below:

- **Education & Skills.** Within a lifelong learning context, how do we get the workforce we need for the District now and in the future to power and sustain economic growth by removing barriers and raising aspirations.
- **Transport & Infrastructure.** The District Plan guides future development that gives us the space to work, live and play. Once those uses are known we can consider the transport routes in the District to enable them become fit for purpose. What is the practical new vision that defines the Forest we want to be and the balance between the use of space?
- **Digital Connectivity.** We are told we live in a digital world. What practical steps can we take to get the speed, reliability and connectivity to support the ways we increasingly work, live, study and play now and in the future.
- **Bridges & Borders.** The Severn and Wye have preserved the Forest. The best future protection is connection with all those around us to ensure a mutual understanding of economic needs. Looking outwards, what do we need and want to trade for bridges; participation in the South Wales-West of England economic powerhouse; and neighbours’ plans.

FEP has only recently been convened with new connections being made within and outside the District at our meetings. Work is ongoing to shape a new economic plan so that in 2050 the District is an attractive, vibrant and dynamic destination to live, work and do business. It has actively contributed to a number of consultations which are used as examples in this response.

Foresters Forest is another good example of best practice ([https://www.forestersforest.uk/](https://www.forestersforest.uk/)). It is a Heritage Lottery Funded Landscape Partnership programme, formed from an association of partner organisations and local community groups within the Forest of Dean. Its aim is to raise awareness and participation in the built, natural and cultural heritage that makes the Forest special. (NB the area covered is a particular area – “the Hundred of St Briavels” with the Forest of Dean District). It provides a range of activities, volunteering
opportunities and events. Significantly it supports and promotes 38 different, diverse community based projects to uncover, reveal, share and celebrate the Forest heritage. A key objective of the programme is to look after the unique legacy we have inherited and sustain it for future generations. It champions the heritage in all its forms and adds value and quality to it for local and visitor appreciation. It is a bottom-up approach to project delivery with a Community Stakeholders Group reinforcing local engagement and responsibility. It has incredible potential to increase tourism sustainably, with economic, social and environmental gains accordingly. As a focus point it promotes rural successes and enables replication.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Given our definition of rural economy, we are optimistic about the future, while recognising that the key challenge is to maintain the overall environmental balance that provides the distinctiveness of our working environment. An example of this would be the approach by the Forestry Commission to balance the 3 overlapping needs of providing access for leisure; maintaining and improving bio-diversity; and ensuring long term timber production. The latter two need to be planned for over decades, but then respond to events such as weather or disease; the first can change relatively quickly, eg the need to provide suitable locations for downhill mountain-biking, and might be seen to have great growth potential, but ends up destroying that which made the whole location attractive in the first place through over-use and capacity issues.

The nature of work in the whole Economy has changed radically in the 21st Century. There is a significant move away from large employers and volume manufacturing requiring large sites towards nimbler organisations attempting to create better work-life balance and using technology which enables virtual workforces. Having said that there is still a demand for a mix of employment land and premises to serve manufacturing needs that need plenty of space eg. modular bridge and modular housing construction, transport container manufacturing etc.. Previously much has been made of the need for land-based and agricultural businesses to diversify in order to survive the globalisation of food production and logistics. The question has been diversifying into what to create long term revenue streams? Now the question becomes more about land-use in the wider rural areas including the towns and villages similar to that of the Forestry Commission. What space is needed:

- To support work to meet urban expectations of technological connectedness and exploit concepts such as Industry 4.0;
- To maintain necessary bio-diversity and rural distinctiveness and to avoid throwing away future potential
- To maintain essential commodity production.

The greatest potential is therefore to gain consensus across the area and act radically as the wider economy shifts back to exploit the opportunities in the countryside for working and living, which were not previously seen to be available.
We respond more fully on digital connectivity later, but two key discussions among that sub-group have been ‘deliberate not-spots’ and a ‘hub and spoke model of connectivity’. In the thirty years of rapid mobile communications and internet-driven technology advance, various presumptions are now made about ubiquitous high speed connectivity. The antenna requirements of 5G might be easier to conceal in the man-made environment of cities but might be difficult to ‘hide in the forest’. Actually be able to get away from a technology-driven modern world is a key plus for the rural environment. Hence the concept of, perhaps, maintaining deliberate carefully-chosen not-spots. Conversely the home-based international knowledge-based business requires robust connections at suitable speeds. Not every communication requires very high speed connection but a level of consistent fast speed is required. Where this is breached then the ability to move from the home office to a community-based facility with consistent very high speed would provide the necessary trade-off to enable continued growth or initial consideration as a place to work.

Perhaps the best District wide potential could come from sections of the economy that can co-exist and benefit from the environment. These need conventional and digital infrastructure to support them as well as long term support from community facilities good health offer and education. The rural area can support economic enterprises that need a rural location (eg agriculture and food based, tourism as well as those that can take advantage of it to provide a suitable attractive setting (IT based businesses for example). All must maintain and enhance the Forest’s local distinctiveness.

Infrastructure and services

4. How can access to transport be improved in rural areas?

Now is the time to take the opportunity to completely rethink transport in rural areas. Currently when, for example hospital transport is considered, presumptions are made about the voluntary organisations that fill the gaps created by an ‘inadequate’ public transport system in a world where car ownership and access is presumed.

The danger when considering transport is to continue the presumption that in 20-30 years’ time individual car and road-based transport will still be king. The second dangerous presumption is to fail to consider the way that we live, work, study and play first and that this has fundamentally changed with the associated expectations of a very diverse group of individuals. The third presumption is a focus solely on solutions resolving an existing problem rather than solutions based on realising opportunities.

It is FEP’s view that the Forest of Dean is a place in which there is continuing development in terms of housing and tourism, but for the Forest to thrive on an economic level, the infrastructure and transportation systems need to be able to cope with increased numbers of those who are likely to:

a) Live and work in the Forest of Dean;

b) Live in the Forest of Dean, but work in other parts of Gloucestershire, Herefordshire, South Wales and Bristol- 15%+ commute out of the core Forest each day;
c) Live outside of the Forest of Dean, but decide to run a business or are employed within the Forest of Dean; and

d) Travel to the Forest of Dean as a destination for leisure and recreation – for instance in 2016 there were 2,372,000 day visits in relation to visiting the Forest of Dean as a place for leisure

NB Work being defined as all those people who are self-employed or are employed in the public, private and voluntary sector.

This informed our response to the Cross-country rail franchise consultation which suggested reducing services to the only Network Rail station in the District, Lydney and one just across the border in Chepstow. Both it should be noted are to the South of the District. We submitted that there is a strong case for not only maintaining the existing stopping services, but improving and increasing them on the following basis:

1. In a 24-hour weekday period, Lydney Railway Station receives 17 trains that travel in the Gloucester direction and 18 in the Cardiff direction. Frequency is already a circular problem.

2. Lydney is the only town in the Forest of Dean that has an active railway station. Commuters from Coleford, Cinderford, Bream, Parkend, and other parts of the District regularly travel to commute whether it be to Gloucester, Cheltenham, Bristol, or Cardiff among others. Problem

3. There are currently plans to add further housing in the Lydney area which will see a potential increase in those who want to commute from Lydney using the railway service. Figures from FoDDC have indicated that 6,600 new homes are planned across the Forest of Dean, or 330 per year (eg. 3274 completions by end of March 2018 and 250 actual completions during 2017/18) of which 2,100 new homes are planned for Lydney through to 2026. Opportunity

4. There are currently plans to add further employment uses in the Lydney area which will also see a potential increase in rail commuting passengers. Figures from FoDDC have indicated a total 21.2 ha new employment land allocated through to 2026 and according to their allocation plans, 2.2 hectares of land are allocated for the development of Lydney Station and its associated facilities and a related mix of uses which can include housing - all development to be compatible with station operations. Housing is included in the mix to enable a comprehensive development so would not be allowed to come forward in isolation. Opportunity and future problem

5. The Ministry of Defence site at Beachley is due to be decommissioned by 2027 which will also see an increase in potential housing at Chepstow and therefore increase usage of the railway services from Chepstow. The Partnership believes that an additional 700-1000 estimated homes could be developed at the site. Opportunity and future problem

6. The railway station car park in Lydney has seen growth over the past three years to add 80 spaces. The car parks are again regularly at capacity. Problem unresolved

7. There is a strong appetite to use other means of transport to commute to and from the Forest of Dean to other parts of the country other than by car and the roads serving the Forest, particularly the A48, is already being used beyond its condition. The impact has seen this particular part of the country be in breach of its CO2 emissions in the first quarter of this year. Problem of not linking means of transport
8. There are plans to implement new cycle tracks around the Lydney area, one of which is to connect the town to the Lydney station. This would encourage rail users to use bicycles to get to the station from the town. Trains allow plenty of bike space so it will be useful to explore opportunities for additional secure cycle parking, e-bike charging points and bike hire options. *Opportunity through linking means of transport*

9. The removal of the tolls over the Severn Bridge should encourage those who work in Bristol to relocate to places like Lydney and Chepstow, which would mean more potential users for the railway services. According to ONS house prices increased in Forest of Dean Local Authority area by 10.1% in last year which is the 11th largest local authority increase. This is fuelled by Bristolian purchases and signals demographic change requiring improved rail connection. *Problem of changing way we live and work*

10. There is currently, albeit in its infancy, plans being prepared to enhance and develop Cardiff Airport and there is potential to link up between the Forest of Dean and the Airport in terms of railway service users. *Opportunity of changing way we live and work*

11. The plans for the new nuclear power station at Oldbury would see an increase in jobs, but there would be reliance upon the railway system to be able to travel between Oldbury and the Forest of Dean; *Opportunity of changing way we live and work*

12. There are suggestions for a new garden town as a new centre of population accessible within 15 minutes to Lydney station potentially adding more population and consequently more potential railway service users. *Opportunity of changing way we live & work*

The Glos2050 Conversation has a vision for a third bridge across the Severn between Lydney and Sharpness. This supports work done by the County and District Councils to resolve bottlenecks entering and exiting the Forest and to open up additional land for employment and living either side of the river. One option for a new crossing would be to reinstate a railway crossing destroyed by barge accident in the early 1960’s and deemed then uneconomic to repair. The effect of this on the rural economy is unproven, and whether this is either feasible or beneficial.

**Crossing Infrastructure.** The FEP Bridges & Borders Sub-Group is looking for new infrastructure links across the River Severn and River Wye that contribute towards the growth of the local economy in the District of the Forest of Dean. As such we support the concept of a crossing re-connecting Lydney and Sharpness and appreciate the work that must be done to ensure a suitable structure is built to connect with the existing transport network at the earliest opportunity fit for the transport needs of the future. *Opportunity to increase connection for mutual benefit*

**Crossing impact an opportunity and threat.** A Severn crossing could provide significant opportunities for the District, but at the same time could create additional problems and threats. FEP recognises that the effects and choice of crossing would impact on a very wide area and at the same time on very specific areas. A new crossing has the potential to facilitate and increase existing traffic flows rather than question the need to travel in the first place and looking at more minor interventions eg. improving rail links, park and ride, cycling/walking etc. Forest goods might reach export ports easier, but certain leisure facilities already
at capacity would not cope to meet increased demands. The impact on local housing will also need more consideration – increasing the size of the Forest towns or creating a new town may present an economic opportunity for some and present a major threat for others who may be priced out of the market.

Opportunity and threat related to how we work, play and live.

**Forest of Dean Community Hospital Development and access to transport.**

As part of developing the healthcare provision across the Forest of Dean the local NHS has been actively involved with an Independent Citizens Jury who were asked to consider the location of a proposed new community hospital for the Forest of Dean in readiness for 2020-21

The Citizens Jury, considered a wealth of information that included travel and access issues, taking into account the challenges of transporting patients, sick and vulnerable people who are living in the more rural areas of the Forest of Dean. The NHS has agreed with the Citizens Jury recommendation that the new community hospital will be located in or near to the town of Cinderford and that this evidenced based decision will support the long term economic future of the Forest of Dean.

From FEP’s early considerations of transport and infrastructure within the District it is clear that in many cases, even with clarity of the competing demands to access to live, work, play and study, economically the most justifiable solution could be the least worst balance of current and future needs.

5. *What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?*

Digital connectivity in the context of the FEP is the blend of the physical infrastructure (fixed, mobile and other installations) needed to enable latest and future technologies, services and systems that will enhance and improve individuals, businesses and other organisations’ ability to succeed. The Forest of Dean has a number of challenges that impact the success of digital connectivity in the area. These fall into two key areas which are:

1) Lack of infrastructure resulting in mobile “not spots” and some households having to use dial up internet connections (i.e. broadband not available)

2) Rural setting and a small, widely spread population. This makes delivery of services expensive, and erodes the ability for communities to command a strong voice to call for action

Ofcom regularly reports on the status and performance of fixed and mobile broadband. The latest Ofcom Connected Nations report can be found here. [https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-spring-2018](https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-spring-2018) A high level analysis of the report was carried out to benchmark the Forest of Dean against surrounding areas and also the City of Bristol as an exemplar of a digitally connected city. Key findings were:

- Although fixed installation broadband provision is worse than urban areas, it is generally in line with other rural areas.
- Improved fixed installation provision required to close gaps
- Greatest negative impact seems to be from lack of Mobile coverage, Fast (3G) and Ultrafast (4G) connectivity fall behind the City of Bristol especially for 4G
• Bristol as an example of a high speed connected city would suggest that the biggest impact is the provision of high-speed mobile coverage is the key to improving Digital Connectivity. The full analysis can be found here (12 Slides).

Summary of Ofcom Connected Nations Report
Forest of Dean vs Surrounding Areas
Mobile 3G / 4G (Indoor) and Fixed Installation Broadband
Spring 2018
Prepared (David Trowles)

Analysis
• Comparison of Forest of Dean vs Surrounding Areas
• Bristol as benchmark for leading connectivity
• Rural Areas
  • Monmouthshire (Wales)
  • Herefordshire
• Semi-Rural
  • South Gloucestershire
• Urban
  • Bristol
  • Gloucester
Summary

- Although fixed installation broadband provision is worse than urban areas, it is generally inline with other rural areas.
- Improved fixed installation provision required to close gaps

- Greatest negative impact seems to be from lack of Mobile coverage, Fast (3G) and Ultrafast (4G) connectivity fall behind the City of Bristol especially for 4G

- **Bristol as an example of a high speed connected city would suggest that the biggest impact is the provision of highspeed mobile coverage is the key to improving Digital Connectivity.**

Mobile Connectivity (3G, 4G, 5G)
Forest of Dean (Mobile 3G, 4G)

- The Forest of Dean has worse coverage than all surrounding areas
- The Forest of Dean has lower levels of consumer choice
  - This has a disproportionate impact in the FoD with higher levels of poverty
- FoD is lagging behind in latest technology with 4G provision substantially behind other areas

  - **FoD would benefit from network sharing across providers**
    - **Coverage would jump to nearly 95% (3G and 4G)**

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**Provision of 3G in Forest of Dean**

![Graph showing access to 3G in different areas](image)
3G What does this mean in the Forest

• Inconsistent 3G coverage
  • 1 Provider does not mean the same provider
  • A contract with 1 provider does not equal 95% coverage

• Reduce consumer choice
  • Bristol has nearly 95% coverage for all providers
  • Gloucester has nearly 90% coverage for all providers
  • Forest of Dean has 55% coverage for all providers

Provision of 4G in Forest of Dean
4G What does this mean in the Forest

- Inconsistent 4G coverage
  - 1 Provider does not mean the same provider
  - A contract with 1 provider does not equal 90% coverage

- Reduce consumer choice
  - Bristol has 85% coverage for all providers
  - Gloucester has 59% coverage for all providers
  - Forest of Dean has 33% coverage for all providers

Fixed Installation Connectivity
Opportunities to live and work remotely in a Rural Economy

In a world that is increasingly aware of the impacts of living and working in urban areas (pollution, traffic, overcrowding, time commuting, quality of life, work life balance, etc) the rural economy has great opportunity to be revitalised. Large scale urbanisation was a result of the last agricultural / industrial revolutions resulting in population movements to the cities. Digital connectivity linked with changes in working practices can allow:

- Increased homeworking via remote connections
- More flexible approaches to working patterns
• Greater internationalisation of business where virtual meetings are tied to
global time zones
• Improved work life balance, well-being (both physical and mental)
• Reduced business overheads (smaller offices because of remote working)

These points mean that there is no longer a need to live near work, and that living
in a rural community is a viable option. This can drive up local spend, supporting
community resources (i.e. pubs / post offices)

**Opportunities to delivery 21st Century on demand services:**
• Provision of good levels of connectivity can enable a shift in service provision
  both from businesses and public services.
• Businesses are now looking at Industry 4.0 (manufacturing on demand),
  however without the high-speed and stable connections that approaches like
  this require, then rural manufacturing businesses could struggle to adopt
  modern working practices.
• Digital connectivity has the opportunity to revolutionise rural public service
  provision to increase economic and logistical efficiency.

**Good Practice Examples:**
• **Fastershire**, a partnership between Gloucestershire and Herefordshire
councils to address gaps in high speed provision in rural areas. Fastershire has
both identified where gaps exist in fixed installation broadband, and then
installed high speed broadband to local cabinets to resolve these issues. A
successful project which during the next phase will be delivering Fibre to the
Premises (FTTP) which provides better performance than the traditional Fibre
to the Cabinet (FTTC). (See: [http://www.fastershire.com/](http://www.fastershire.com/))
• **Gloucestershire County Council** has now equipped their social workers with
remote working tools. However this is limited in rural locations due to lack of
digital connectivity, therefore staff have to drive (at cost / carbon emissions)
and spend time (further cost) connecting to the internet at suitable locations.

**Transferring Smart City Technology:**

Modern technologies are already allowing the development of smart cities,
however these technologies could reach into the rural economy reducing costs and
increasing efficiency eg:
• Smart Cities Technology
  o Smart Bins, that tell providers when they need emptying
  o Live data tracking of waste services, improving modelling and on demand
    service
  o Modelling and information collecting, identifying peak road use, wear,
    repair demands etc.
• Medical / Care Provision
  o Virtual GP’s, providing virtual appointments where appropriate
  o Provision of remote monitoring for medical care / GP basic checks (See
    (Translated)
Remote provision of medical services... high speed, low latency, highly stable connections could provide for surgery via telepresence. (See: http://www.bbc.com/future/story/20140516-i-operate-on-people-400km-away)

Virtual care worker visits, not to replace existing visits, but to blend enhanced services (see: https://bmcgeriatr.biomedcentral.com/track/pdf/10.1186/s12877-018-0746-y)

**Education**
- Distance learning tools from education providers (virtual lectures, remote connection to live lectures)
- *N.B. Education linked with aspiration enables social mobility*

**Public Transport**
- Blending public transport with highly automated car travel lowering overall cost of deliver of public transport (less empty buses) but filling the gap with provision of automated cars (See: http://fortune.com/2016/10/26/tesla-car-sharing-for-owners/)

**Barriers to Digital Connectivity**

**A. Local Barriers**

- Physical environment: The increase cost of connecting communities, businesses and sometimes individuals to high speed infrastructure
- A smaller voice: The rural economy has a smaller population and this voice can struggle to be heard unless amplified by the public sector supporting local needs and combining their voices. The Forest is a good example where historically there has not been a single unified voice with a clear message of wants and needs.
- Commercial barriers: As the rural economy has higher costs to deliver and a lower population base there appears to be reduced interested in providing services.
- Communication: Where an alternative high speed connection is publicly funded, there is not communication of the new service due to anti-competition rules / lack of funding.
- Local issues around the installation of larger mobile infrastructure due to environmental sensitivities of the forest and its rural setting.

**B. Policy Barriers**

- Mobile operators: operators not forced to share connectivity in rural areas where provision is patchy
- Planning: Requirement to provide high-speed broadband to new housing estates, this could be linked to developers having to provide a high-speed community connection in rural locations
- Lack of a “Smart Rural Economy” Strategy: There is plenty written on smart cities, government policy etc, however as yet there is no UK policy. (See: https://enrd.ec.europa.eu/publications/smart-villages-smart-countryside-study_en)
- Lack of a distinct Smart Rural Economy trial area to research technologies and solutions.
6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

None of these issues have an easy solution but ambitions to modernise healthcare and lifelong education services should be supported. Drives for efficiency of spend lead for all three to consolidation thereby providing the desired focus and resource. There are also key differences with banking primarily a commercial service built on the historic cash and non-credit-based economy. Those who live in the rural economy may decide where to live based on healthcare and education provision, but are unlikely to base that decision on banking.

Our views are based on those provided for the consultation on hospitals in the Forest and on the request for a Sixth Form for our leading secondary school located at the College’s new local campus (shown elsewhere in this response).

FEP recognised that the proposed unification of the 2 current hospitals creates opportunities for technological advancement, jobs, space and facilitation to make healthcare provision appropriate for most of the District’s needs as long as those needs are fully understood. But the proposals raised issues over:

1) Current lack of clarity as to the type of hospital that might be built as there is no clear description of what might be intended. We are unsure as to what is meant by a community hospital and what a community hospital might look like in 2050. We are aware that an up-to-date community hospital might be better sited in a different location to a leading edge provision serving emergency and non-emergency needs.

2) The location of the new hospital is something that must be geographically carefully considered in terms of accessibility from the consultation cited 3 main towns of the Forest. It unwisely excluded the fourth Newent from these considerations as anecdotal evidence suggests that an existing hospital is the first port of call for many of its inhabitants and visitors.

3) The impact of future developments such as population increase from new housing development currently at Lydney and Newent, but potentially elsewhere with the new economic plans being developed; and type of individuals such as an influx of Bristol workers and families seeking rural housing with the removal of the Severn Crossing tolls or proposed South Wales-West of England Powerhouse combined with a currently demographically ageing population.

FEP also saw it as an opportunity to futureproof healthcare to the type wanted locally by asking questions such as:

• Are we going to keep it traditional but pre-dated? Or are we going to lead by example and develop a carbon neutral structure that operates as eco-friendly and green as possible. And will it have cutting edge technology, ground-breaking medicines and methods of healing modalities?

• The current hospital buildings are old with challenging problems when it comes to integrating of modern or innovative technology. Inefficient buildings that have not kept pace with modern life.

• Focussing on patient centred care, community hospitals appear more trustworthy and friendly in much the same way a local car mechanic does when compared to a main dealer
The hospital location must also consider the wider health benefits brought about by association with the natural environment and the positive effect this can have on patient health, mental wellbeing and recovery. The location needs to provide options for both views into and direct access to the un-spoilt natural environment of the Forest of Dean, along with complementary services to encourage a range of contact with nature as part of treatment.

DEFRA research has found that particularly strong links are found in relation to: mental health and wellbeing; development and maintenance of a healthy immune system and reduction of inflammatory-based diseases; and in relation to variation between social and demographic groups.

Key to all considerations was accessibility in multiple senses:

- Families in the Forest have strong links with their local hospital – many generations born in the same place due to residents not moving away.
- Gloucestershire has an aging population, so coupling this with the new entrants expected means the hospital needs to cater for the elderly as well as young families with young children.
- To make sure there is as little “talent drain” as possible, the hospital should also make sure it links in with teaching establishments like the University of Gloucestershire and University West of England to make sure it gets placements for nurses, OT’s etc.
- On the flip side of having one hospital, if we are expecting an inflow of new residents following the building of new houses, then it stands to reason that with people living longer, the hospital of today may not cope with the demands of tomorrow. It is important that any provision retains or increases bed numbers, particularly in light of the bed blocking issues in the current acute hospital provision.
- Current poor public transport is a major issue. It’s easier for some Forest residents to go to Gloucester than it is to a Forest hospital. Accessibility via better road networks and public transport enhancements will be required. Forest of Dean Community Transport Partnership (which is the not for profit providers - BVCS, Lydcare and Newent and Lydney Dial a Ride cover the whole Forest of Dean district) is integral to the plans for locating the new hospital and should be included in any future strategy. The Partners understand the challenges for transporting patients, the sick and vulnerable in rurally isolated areas; however their capacity must also be considered as part of ongoing planning.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Digital connectivity has a role to play here to repurpose and support traditional rural landmarks. These could become the new remote working hot desk locations, allowing remote workers retain the social connection of working alongside people without going to an office. They could become community assets providing a physical building, but also being a high speed hub funding a local infrastructure cabinet. Provide space for pop ups, ie police, medical, banking, and other services “Smart Villages, Smart Countryside study” (https://enrd.ec.europa.eu/publications/smart-villages-smart-countryside-study_en)
• Digital advisory points in local service centres;
• Strengthening digital skills through voluntary peer support organised by NGOs;
• Training digital ambassadors in municipalities and government offices;
• Transmitting voluntary help, peer support or neighbourhood help by digital means;
• A return of multi-actor, multi-functional and digitalised village schools;
• Developing the digital capital of rural businesses.

A significant danger here is to hark back to the past rather than realise that these community assets were developed as a result of need and demand. The pub resulted from converting and extending the front room of the local ale house; the inn to serve the needs for travellers; the shop to provide when it wasn’t market day or not a market town. If global food chains break down, if local sourcing becomes more important and the trend towards micro-shopping rather than supermarket shopping increases then the role of the village shop may once more be important.

Revitalisation may come from repurposing the building as use is often the best way to preserve a structure. The Forest Bakehouse http://www.forestbakehouse.co.uk/ is a good example of a conversion on a village business estate that has become a community asset. The Forest community libraries are another. Both benefited from specialist advice and help with initial resourcing. It’s that people and financial support that is needed to enable the transitions to community assets fit for this century.

Other forms of support could include the provision of flexible accommodation, financial incentives (business rates review?), and patronage is essential. The latter needs a daytime population.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

If as a country we focus primarily on high skills and high skilled and high pay jobs, what does this do to the aspirations of all? Traditional rural and land-based businesses are often not seen to be highly skilled or valued monetarily. The FEP view is that the perception of rural meaning tourism and agricultural is a misperception which needs addressing. If efficiency of support is needed then the aggregation of rural businesses on small business parks with a range of premises that enable the growth of a business from concept to start-up through micro/small to medium enterprise is necessary. Such premises need a range of use which might require subsidy for those types that are unattractive to the commercial developer. This might fall to local authorities to supply.

A big challenge is to appropriately skill and educate young people for jobs and careers that have not yet been thought about. But this also applies to the older workforce on their second and third career change. Skills are a lifelong challenge in which success creates the needed workforce doing the jobs they want. It requires closer connection between business and education providers acting as
collaborators. FEP’s response is to develop an **Inspiring the Forest** series of events that focuses on skills within sectors to overcome misperceptions and creating experience-based engagement. This includes a district-wide event as well as local events with the secondary schools and their feeder primary schools. The organising will require close collaboration within and between business sectors and schools. Already by engaging some barriers have been broken down for instance over delivery of work experience for secondary students. The scale of the intervention required is raising questions as to how it can be financed as an innovative practical approach to unlock the skills economy.

Another opportunity is to roll-out a Shared Apprenticeship Programme being pioneered within the visitor economy by Wyedean Tourism Association. This model enables apprentices to experience work within 1-4 micro-businesses and helps these businesses share the cost of taking on an apprentice into the business. In the Forest of Dean the vast majority of businesses employ less than 10 people and this model could easily transfer to other sectors with support from SWAC and others.

9. **How can deprivation and inequality in rural areas be tackled?**

Could poor social mobility in rural areas such as the Forest of Dean be a basis for prioritising infrastructure development and the development of accessible (ie affordable) housing to enable equality of opportunity across an inclusive and healthy, happy county?
Or is this ambition assumed to be subordinate to other ambitions driven by urban areas?
Were both questions raised for Glos2050 to question the basis on which priorities are assessed? Equally is deprivation and inequality greater in rural areas than say inner cities? Or put another way are the issues inequality and deprivation for the economy as a whole?
Social Mobility figures for the Forest of Dean make sorry reading. The challenge for all FEP’s stakeholders is to address them.
The scale of the challenge can be seen by the fact in the last school year of 10,327 pupils attending district schools 1,206 or 11.7% of the school population were eligible for Free School Meals. The voluntary Forest Foodbank covering a large part of the district is often called upon by families referred in the summer months to fill the gap when no school meals are available.
Any client is only allowed a maximum of 6 vouchers in any six month period. Between 2013 and 2017, family vouchers to access the food bank increased by over 50%. Over the same period both single person and couple vouchers doubled and the total increase was 79%. With an increase of food distributed doubling from 13 to 26 tonnes, this is another voluntary provision at risk of being overwhelmed beyond its capacity.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

As a predominantly rural county Gloucestershire has a demographic time bomb. Each year there 9,000 births; 5,000 deaths; 20,000 move in and 18,000 move out. Each year we lose 400 young people. Current predictions show that in 2039 there will be 79,000 more 65+, 7,000 more 18-64 and 4,000 more 0-18 year olds. Of particular relevance here are the 12,500 18-34 year old EU workers who by
departure would increase the problem given the proportions in the land-based economy. Key here is that they saw the opportunity to be economically attractive.

An idea in the Glos2050 consultation was the creation of a Super City magnet by combining the two major urban centres to make the county more attractive to young people and provide increased facilities attractive to this demographic. This would then potentially position the Forest of Dean and other rural area as areas of leisure and not as a sustainable working community in their own right. Thereby creating an unintended impact of reinforcing a ‘them and us’ division among young people in the Forest of Dean, with knock on effects on health and well-being.

One of the key reasons to support the creation of a Sixth Form at Dene Magna School to serve the central Forest was the Forest has significant issues with outbound travel at peak times among its working population. For students, this issue can be significantly worse meaning that a proportion will stay and/or work in the school or university area once their courses have finished. For some years the Dene Magna mantra has been go out into the world and explore, but then come back. If applied to the Sixth Form Centre, the route to meet an individual’s A Level and/or university aspirations can be met with an increased likelihood they would consider local Forest–based employment. This assists in the Forest economic regeneration and meets the core themes of Glos 2050 in retaining the young within the county and increasing higher skilled jobs.

Another was raising aspirations. There are many different valid routes into the workforce. Currently, the A level route is restricted, due to a lack of local provision. This results in these students needing to travel outside of the central area, incurring additional time and cost implications that can be a barrier to our young people. The effects of this can be seen most acutely amongst those eligible for free school meals in FoDDC. 26% achieve 2 or more A levels and 12% enter higher education, which ranks the Forest as 243rd and 275th of all English Local Authorities. (Social Mobility Commission). This more accessible Sixth Form removes the travel and other real barriers to aspirations. This recognises that their university choice will take the young out of the area and that it falls to the way that we now use rural areas for work to attract them back when they wish to return.

**Inspiring the Forest** events will address and make explicit the many other routes for the young and others to enter the local workforce and by greater awareness of the opportunities create the demand to stay.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

FEP has not specifically yet addressed these issues but is aware that service and infrastructure provision will address the needs of the whole community.

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Affordability is a key issue for the District thrown into relief by the increases in the last year that put the authority in the top 15 for percentage increases in UK. The question is affordability for whom which comes back to the role of rural areas as a
place to live rather than live and work. This is a key question for our bridges and borders sub-group as we connect with others to determine what role the District and counties like Monmouthshire could play in the possible S Wales/West of England Western Powerhouse. It flows on into planning policy where often the onus for infrastructure development such as MoD land conversion or rationale for a bridge is seen to be home-building rather than the sustainable, mixed-use development that might give the opportunity for places to work locally to address a home ownership affordability issue.

13. How have recent planning policy reforms affected rural housing

FEP has not specifically yet addressed these issues but is aware of the need for more housing within the Forest of Dean District to accommodate all and to enable existing and new employees to live locally. Ideally more housing along with more well paid jobs to reduce out-commuting and improve access to the housing market. Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

This assumes a ‘them and us’ situation which is unhelpful. A current perception is that attention is insufficient to varying degrees amongst the public bodies in relation to the Forest of Dean and to the rural economy more widely. Attention should combine planning and action. There is a real lack of awareness about Gfirst LEP within the wider business community and this is reflected in the limited involvement at LEP Board and Business Group level. The LEP do not see the Forest as a priority for economic growth, the current Strategic Economic Plan focusses on the M5 corridor and the urban centres of Gloucester & Cheltenham.

One of the rationales for the foundation for FEP was to ensure that in 2050 the Forest of Dean is an attractive, vibrant and dynamic destination to live, work and do business. Its mission is to deliver a thriving economy in the Forest of Dean by connecting businesses, Councils, people, ideas and resources. This breaks down the ‘them and us’ and enables the area to move forward sharing and understanding a common vision. We do not have the population of a city, but by acting together we increase the likelihood of being heard consistently so our needs are understood. This is particularly useful if government bodies wish to be seen to be consulting effectively and listening to the needs of business and individuals rather than of local government.

Specifically FEP has been tasked to:
- Create a bold vision to deliver sustainable economic growth in the Forest to 2050.
- Contribute towards the Gloucestershire Industrial Strategy to inform countywide plan/policy making and to provide evidence for funding application work.
- Prioritise support for specific economic sectors in the Forest eg. Advanced engineering, manufacturing, construction and tourism.
- Connect businesses with Gfirst LEP and the Gloucestershire Growth Hub Network.
• Connect businesses with Forest High Schools/Academies, Gloucestershire College & Hartpury College (and other training providers) to their employer training programmes and apprenticeship schemes.
• Exploit the opportunity of the Severn Bridge Toll removal in 2018 and collaborate to develop a proactive inward investment marketing campaign.
• Agree key messages and co-ordinate all press/media/web/social media communications.
• Agree and monitor baseline economic indicators.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

FEP was set up in 2018 by the FoDCC to engage with the local economy. FEP is a separate and distinct body drawing from businesses, organisations, individuals and elected bodies interested in the area. It’s Bridges and Borders sub-group includes representatives of FSB and EEF as well as Councils outside the area and the South Wales Chamber of Commerce. The encouraging growth in membership suggests it’s becoming known and well-regarded. GFirst LEP and Growth hub representatives also contribute to FEP. In time, it would be a marked improvement to have Forest representation on the various GFirst LEP Business Groups – something FEP will be promoting within its emerging Economic Plan. A recent peer review of the Council highlighted FEP as a best practice initiative with reviewer interest in how it develops and if this leads to delivery and helps build stronger rural ties within the LEP this could be shared in other rural areas. We commend FEP as a model for all rural economies wishing to act for their area.

10 September 2018
EXECUTIVE SUMMARY

[1] Forest Holidays provides a genuine example of how a sustainable rural business can successfully balance economic, social and environmental interests.

[2] Since 2006, we have invested circa £100 million (c£8 million per year) into rural economies across Great Britain and we have a strong desire to invest further, promoting social inclusion through employment and local business partnerships.

[3] Our experience over more than 40 years has given us a working knowledge of the challenges and opportunities faced by national businesses in bringing such investment to rural areas. This insight also extends to the needs of the local businesses with whom we partner.

[4] Forest Holidays has developed a proven model delivering quality jobs and income to local economies. Our track record and experience means that replicating this success further across Great Britain poses no risks or uncertainty to regions, whilst the benefits are well known and demonstrable.

[5] Together with our partners, the Forestry Commission (England and Scotland) and Natural Resources Wales, we have identified significant opportunities to invest further in introducing cabin locations to more areas of Great Britain and to widen the benefits for people, nature and local economies.

[6] Nevertheless, we are facing significant barriers to this investment. The greatest barrier relates to planning regulations, whilst perception and public understanding of the business model and relationship with the Forestry Commission and Natural Resources Wales are factors which can inhibit our ability to invest.

UPDATE

[7] As you may be aware, Forest Holidays made a submission to the House of Commons Environment, Food and Rural Affairs (EFRA) Committee Inquiry into the role of tourism in supporting rural growth in England – our submission can be found appended to this submission.

[8] We wish to identify some updates and highlight areas from our submission to the EFRA Committee and also include some additional information more pertinent to this call for evidence which is relevant to the wider rural economy across the whole of the United Kingdom.

AN EXEMPLAR OF A SUSTAINABLE RURAL BUSINESS

10 cabin holiday locations

[9] Forest Holidays is a partner of both the Forestry Commission and Natural Resources Wales, with 10 cabin holiday locations based entirely within the Public
Forest Holidays Ltd – Written evidence (REC0128)

Forest Estate across Great Britain. Our most recent location at Beddgelert, within the Snowdonia National Park, opened in June of this year.

Further investment planned
[10] Forest Holidays has recently been successful in gaining a number of planning consents for new locations across Great Britain. These include Garwnant, Brecon Beacons National Park in partnership with Natural Resources Wales; Delamere Forest, Cheshire, in Partnership with Forest Enterprise England; and Glentress Forest, Peebles, in partnership with Forest Enterprise Scotland. A more detailed breakdown of the economic benefits these new locations will bring can be found appended to this submission.

£17 million non-seasonal year-round spend in the rural economy
[11] Our economic analysis continues to show that the spend of Forest Holidays’ guests in local businesses is equivalent to £30,000 per cabin per year. Across our 579 cabins, this equates to £17 million per year spent in the rural economy. Forest Holidays has an average occupancy of over 90% and given our model operates for 12 months of the year our guest spend is not just realised during the typical holiday seasons, bringing valuable non-seasonal income.

[12] The impact of delivering year round-trade and income to rural businesses and communities is vital to the sustainability of the rural economy. This is particularly important when considering many other rural tourism businesses experience a significant downturn or even close during the shoulder and down seasons for tourism. In terms of demand our year on year comparison with August 2017 alone shows a 4% increase on the number of nights booked.

Supporting local businesses
[13] There is often an assumption that cabin-type holiday locations seek to keep visitors onsite. The Forest Holidays model actively encourages guests to explore the wider area and surrounding attractions.

[14] A collaborative approach working with other local businesses, both formally and informally, is a key aspect of thriving rural businesses. The experience that we offer guests is informal and centered around encouraging visitors to explore the local environment, attractions, shops, restaurants, cafes and businesses; supporting rural communities through their spending. We always seek to stock local produce in our shop and café as this differentiates our offering and showcases local specialties. Forest Holidays not only attracts new customers and custom for these rural businesses, but in addition, we market & promote them through our website and other marketing channels. This offers local businesses a national shop window, whilst Forest Holidays guests are attracted to the individuality and provenance of regional goods. Forest Holidays will also use the services of local tradesman and other suppliers. All helps to sustain local supplier chains, workforces and use of local amenities which contributes to rural community, sustainability and cohesion.

Supporting rural employment and social inclusion
[15] On average each location employs around 60 people year round; the jobs a mixture of part and full-time roles, ranging from managerial positions to support roles. These positions are drawn from the immediate rural community, with sustainability a high priority for the businesses. We aim to be socially inclusive and
have a series of internal training programmes which support career progression, including NVQ courses. We employ, and are keen to encourage, more apprentices with the right attitude and aptitude to build a career with us. Our apprentices are paid well, as they are expected to do a "real job" in addition to their formal training. Our sites provide all year-round employment that can help prevent the loss of young people to urban areas due to lack of employment opportunities.

[16] Recruitment in a rural location is an ongoing challenge primarily due to connectivity and housing costs. Transportation issues and regularity of public transport impact on staff being able to get to work. To assist staff in getting to and from work, Forest Holidays provides mini-buses in some of our locations and up to 3 management accommodation facilities at each site.

[17] Whilst we are in a position to act as a catalyst for broadband to a section of the community who may be deprived of this, broader investment into broadband and mobile communications would enhance our ability to recruit and retain talented staff and operate our sites effectively. Rural road infrastructure tends to be more than adequate as sites are relatively small and any additional traffic tends to be dispersed and to travel during off peak hours.

[18] All of our sites are located within a rural setting, and we strive to put sustainability at the heart of all that we do, prioritising social inclusion and maximising the income multiplier effects of tapping in to local supply chains. We are mindful that this could become even more important given the uncertainties surrounding Brexit.

Partnering to support of local initiatives

[19] In our experience, working in partnership and joint collaboration with key organisations that support rural economies is vital. Forest Holidays will soon have six locations within four National Parks – two in Loch Lomond & Trossachs; two in the North York Moors; one in Snowdonia and one being developed in the Brecon Beacons. A further four Forest Holidays locations are within an hour’s drive of a National Park – Deerpark (Dartmoor); Blackwood Forest (New Forest); Thorpe Forest (Broads) and Sherwood Forest (Peak District).

[20] Great Britain’s National Parks and Forest Holidays are running a pilot year of partnership that will connect up to 6,000 young people with nature in the coming year. From summer 2018 to summer 2019, Forest Holidays will help bring the National Parks to life for over 3,000 young people by supporting three projects in the Loch Lomond & The Trossachs, Yorkshire Dales and Brecon Beacons National Parks. An additional c.3,000 young people across Great Britain will benefit from paid-for journeys to their local national park, through a Forest Holidays travel fund to be used by a further twelve national parks.

[21] Forest Holidays has been working in partnership with the National Forest since 2016, to help to achieve its target of planting a further 90,000 trees to cover 185 acres of land. The National Forest has been steadily turning what was once one of the least wooded areas of England and previously used by the mining industry into a multi-purpose, sustainable forest. The National Forest provides environmental, social and economic benefits, including landscape enhancement, creation of new wildlife
habitats and major new access and leisure opportunities for visitors and tourists. As such this location could be a suitable site for Forest Holidays in the future. Through this partnership and guest donations, Forest Holidays contributes to the rural regeneration of the area and the sustainable projects undertaken in The National Forest.

[22] Other partnerships and collaborations include those with: Grown in Britain, Ernest Cook Trust, Wildlife Trusts and many other local organisations.

[23] Each Forest Holidays location employs a Forest Ranger, whose role we are in the process of widening to include the provision of guest facing activities, as well as detailed ecological monitoring and community engagement through activities such as forest schools, which we are now trialing and rolling out. Our Forest Rangers are at the heart of the holiday experience, capturing the imagination of guests and sharing their enthusiasm and knowledge by promoting a structured awareness of the woodland environment. This ultimately makes the guest experience deeper and more meaningful; for many guests not familiar with a rural setting this results in a better understanding and appreciation of the rural environment and economy.

[24] Being on site each day, the Forest Rangers undertake ecological monitoring and recording to ensure Forest Holidays locations remain in harmony with the woodland environment. Forest Rangers also represent Forest Holidays as part of the local ecological and wider community.

**Championing local environments and culture**

[25] In their feedback, we find that many of our repeat visitors comment on the way that their holiday has triggered a deep interest in the local forest environment and culture of areas. We have responded by ensuring that a carefully selected site-specific collection of books and other materials reflecting the local history of the area, and its regional significance, are made available to cabin visitors.

[26] Forest Holidays is engaged in a continuous process of enhancing our visitor experience, while ensuring that at the heart of our endeavours is respect for the texture of the unique space within which we operate. This ensures that the visitors appreciate a sense of place, and that it includes an educational element fostering an appreciation of the local culture, dialect, heritage, ecology, and geology.

[27] We champion the enjoyment of peace and tranquility, with its attendant benefits of health and wellbeing.

[28] Forest Holidays sites are an integral part of their local community – the locations are not fenced off and guests are actively encouraged to go out and explore. Forest Holidays forge links with communities and supports local initiatives, recommending experiences and attractions to guests. The locations remain part of the Public Forest Estate with full public access.

[29] Forest Holidays is committed to enhancing woodland environments, increasing biodiversity through planting more and diversifying the tree species, improving and creating habitats and adhering to principles of ‘biodiversity net gain’ across all locations. This is central to all aspects of design, planning and operation.
We operate exclusively on the Public Forest Estate and as such all of our sites are Crown Rights of Way (CROW) designated. All locations are accessible for local people and any day visitors as there are no fences. We cater for the same sort of people who want to visit the Public Forest Estate for the day, but who may wish to stay and dwell longer in the area. Our sites are designed to integrate and connect into the wider network of paths and trails which already exist in the area. For local communities or the day visitor there is no loss of amenity, it is enhanced.

**BARRIERS TO INVESTMENT IN LOCAL ECONOMIES**

**Planning regulation**

The demand for holidays that give people the opportunity to explore rural England is growing. Once established, Forest Holidays locations are widely accepted and applauded by local communities and with numerous tourism awards to our name, we have a proven model that works for visitors, for rural economies and for the environment. As a priority, we would welcome the adjustment of planning regulation and policy to favour sustainable development and the better alignment and coordination between the tourism and planning sectors.

For Forest Holidays, planning and regulation continues to be the most significant barrier to extending our proven model of sustainable tourism further across Great Britain. Recent changes to the National Planning Policy Framework (NPPF July 2018, Section 83) have not strengthened the policy towards sustainable rural tourism, in particular areas that clearly benefit the wider rural economy. Furthermore, the Planning Practice Guidance still contains little guidance for local planning authorities with regards to rural tourism.

Strengthening of the NPPF and PPG would encourage more organisations to invest in bringing forward sustainable models of tourism development and other rural businesses. Despite the evidenced economic, social and environmental benefits associated with our model and also supported in the NPPF we find it can be overlooked when determining planning applications. We believe that the current timeframes for obtaining planning consent for new locations coupled with the financial costs risk associated create significant barriers to investment in the rural economy.

**Perception and differentiation**

We would welcome a greater concentration by government agencies to clearly define products and better segment the market. This would support tourists in identifying and appreciating operators that support and showcase rural communities. It would also promote a better understanding of sustainable tourism models to local communities and stakeholders in new locations.

**SUMMARY**

Forest Holidays is a highly successful private-public sector partnership with a rich heritage spanning more than 45 years. Our cabins sit on just 0.02% of the Public Forest Estate in Great Britain, whilst the public benefits that this brings are
considerable. It was an innovative model when the Forestry Commission began the business in the 1970s and this innovation continues today.

[36] Forest Holidays has a long heritage and strong track record in bringing tourism, jobs and sustainable income to rural economies throughout Great Britain, in addition to creating meaningful experiences for our guests in Britain’s amazing forests.

[37] Tourism is a key contributor to Great Britain’s economic growth, and Forest Holidays’ strategy to connect people with nature and communities has encouraged even more visitors into rural areas. Discovering regional specialties and attractions is part of our guests’ holiday experience. It’s our responsibility to champion the incredible richness and innovation of local food, drink and attractions on our doorstep.

10 September 2018

APPENDIX 1 – WRITTEN EVIDENCE SUBMITTED BY THE FOREST HOLIDAYS (RUT0176)

Forest Holidays provides an unparalleled example of how sustainable tourism can successfully balance economic, social and environmental interests. Our purpose is to create positive experiences in Britain’s amazing forests; connecting people, nature and local communities. From our experience the most significant barrier to expanding our model relates to planning regulations.

In our experience, there is significant demand for regional holidays within the rural areas of the UK. We find significant support for same within the NPPF in terms of the promotion of sustainable development, economic development, protection and enhancement of the environment and employment within rural communities. It would be preferable if the Framework could provide the decision maker with additional clearer guidance as to how much weight should be afforded to these benefits when considering such bespoke proposals that Forest Holidays can offer within the Green Belt and other sensitive designations.

We would welcome a further strengthening in policy in favour of sustainable and responsible tourism as currently exists in Scotland, alongside the elaboration and further guidance in the PPG.

Secondary to amendments to the planning system, changes would be welcomed from government agencies to better differentiate the market offerings of sustainable operators such as Forest Holidays from other more well-known large scale holiday park providers. This would support tourists in identifying and appreciating operators that support and showcase rural communities and also ensure Local Planning Authorities and members are more adequately briefed.

Continued investment in transport and mobile communications will also increase the ability of tourist operators to function effectively.

Introduction
(1) Forest Holidays is a partner of the Forestry Commission, with 9 cabin holiday locations based entirely within the Public Forest Estate across the UK. Every year Forest Holidays brings approximately 200,000 tourists into rural communities. Our model operates 12 months of the year and the experience that we offer guests is informal and centred around slow tourism, with visitors encouraged to explore the local environment, local attractions, restaurants, cafes and business; supporting rural communities through their spending.

(2) Economic analysis shows that Forest Holidays’ guests spend £16 million per year with local businesses, equating to £30,000 per cabin per year. This is not seasonal income, as Forest Holidays has 93% occupancy year round* - not just during the typical holiday seasons.

(3) Our locations are situated on Forestry Commission land for which we pay rent. The rent amounts to £2 million per year and is index-linked. This arrangement gives the Forestry Commission financial security over the long term.

(4) The on-site infrastructure to support the cabins is deliberately minimal with a small cafe and shop, with produce sourced from local suppliers.

(5) Each location employs an average of 60 people, drawn from the immediate rural community. We employ, and are keen to encourage more apprentices on each of our sites.

(6) Forest Holidays was founded by the Forestry Commission in the 1970s and in the past 10 years we have seen a clear growth in demand from visitors for our product. Increasingly tourists are seeking new experiences in the heart of nature and value the freedom to explore surrounding communities. Year on year comparison with August 2015 alone shows a 4% increase on the number of nights booked.

(7) Together with the Forestry Commission, we have identified suitable opportunities for new Forest Holidays locations across the UK where we might satisfy this growing demand. We are confident that our model and values are well aligned with the Forestry Commission’s triple bottom line objectives of creating social, economic and environmental benefits and once established, are widely accepted and applauded by local communities. However, despite this success, we are experiencing significant challenges in realising these benefits and creating further opportunities for rural tourism across England.

Planning and Regulation

(8) For Forest Holidays, planning and regulation is the most significant barrier to extending our proven model of sustainable tourism further across England.

(9) Our experience has shown that, notwithstanding support in the National Planning Policy Framework (NPPF) for sustainable rural tourism, and despite the evidenced economic, social and environmental benefits of our model we find that this can be overlooked when determining planning applications. Consequently the time frames for obtaining consent, the financial costs and the resultant uncertainty created by planning and regulation are creating significant barriers to investment.
We would welcome a further strengthening in policy in favour of sustainable and responsible tourism in rural areas and we are convinced that this would encourage more organisations to invest in bringing forward sustainable models of tourism development.

All too often local authority Development Plans focus on restrictive blanket type policies on the countryside, AONB, Green Belt, etc rather than providing policies that would positively guide investment in rural tourism. In our experience these plans often direct rural tourism to specific locations adjacent to towns and main service centres, rather than the wider rural area. In addition, many policies appear to limit the size of rural tourism development to “small scale” proposals and “conversions”. On the whole these measures are considered to be overly restrictive and without any firm justification.

In the majority of cases there are no Development Plan policies with regard to cabins and chalet type development, which Forest Holidays and others deliver. Policy guidance on how to deal with cabin and chalet type developments should be implemented. At present these developments are often assessed through existing policies pertaining to the more traditional, static and touring caravan sites, which is not appropriate given the bespoke nature of this offering and its wider reaching benefits to rural communities.

In addition to the above, whilst the NPPF provides a positive strategic basis for sustainable rural based tourism, this has not been developed further in the associated Planning Practice Guidance (PPG). The only reference to tourism in the PPG is a single paragraph under the section entitled “Ensuring the vitality of town centres” and this offers little specific guidance other than broadly referencing what local planning authorities should do. There is no specific guidance with regard to rural tourism or indeed the rural economy in the PPG. This is a fundamental omission. Appropriate guidance could be developed in the PPG between the planning and tourism sectors. Visit England has developed an outline guide to planning that could form an initial basis for this (see link below).

Furthermore, in pinpointing best practice, appropriate links should be more explicitly referred to in the PPG. One example of this would be the Rural Tourism Action Plan produced by Visit England as per the link below.

https://www.visitbritain.org/tourism-planning-guidance


National Park Policy

Forest Holidays has two locations operating successfully in Scotland’s National Parks with one of these having recently been extended following the grant of planning permission in 2015.

There is clearly a disparity between the aims and priorities of National Parks in Scotland and those in England.
In the case of Scotland equal weighting is given to promote sustainable economic and social development of the area’s communities.

In England this is a secondary purpose. Forest Holidays believes that a change in emphasis to rebalance the aims in England would support sustainable tourism. We consider that this would be best achieved within PPG and this should include guidance relating to protected areas such as National Parks. Whilst recognising the special status of such areas, this guidance should emphasise that sustainable rural tourism can work in harmony in such areas, as the Forest Holidays product demonstrates, as well as delivering significant economic benefits where such activity is more limited.

Marketing

Our mission is to keep the forest and local character at the heart of what we do, providing an unpackaged tourism experience focused on wellbeing.

Yet we currently face a significant challenge in differentiating the understanding of our offering both by visitors and other stakeholders. Frequently we are bracketed in the same category as other, more well-known, large scale holiday park providers. The incorrectly applied preconception is one of a packaged and gated location with heavy infrastructure and where visitor spend is harnessed within the park.

In fact we offer the opposite; we are entirely open to the public, with no barriers, limited infrastructure and a marketed product which promotes slow tourism and encourages visitors to explore the unique attractions of each area.

We would welcome a greater concentration by government agencies to clearly define products and better segment the market. This would support tourists in identifying and appreciating operators that support and showcase rural communities. It would also promote a better understanding of sustainable tourism models to local communities and stakeholders in new locations.

At Forest Holidays we have relationships with local tourism boards across the country. Although we operate good working relationships with each of these organisations, the relationship terms and service we receive varies considerably, much due to varying membership fees and service arrangements. This makes it challenging to work with these bodies in a consistent way and can restrict the time spent on beneficial activity.

Infrastructure and Skills

Recruitment in a rural location is an ongoing challenge primarily due to transportation issues and housing costs. We have a series of internal training programmes which support career progression, including NVQ courses. We employ, and are keen to encourage, more apprentices with the right attitude and aptitude to build a career with us. Our apprentices are paid well, as they are expected to do a “real job” in addition to their formal training.
(25) Transportation issues and regularity of public transport impact on staff being able to get to work. To assist staff in getting to and from work, Forest Holidays puts on mini-buses in some of our locations.

(26) Whilst we are in a position to act as a catalyst for broadband to a section of the community who may be deprived of this, broader investment into broadband and mobile communications would enhance our ability to recruit and retain talented staff and operate our sites effectively.

(27) Transportation and connectivity across rural locations can also pose a problem in attracting visitors, particularly those from overseas. With the remoteness of our locations, it is generally accepted that most visitors will be arriving by car, as public transport is in short and infrequent supply. However, because of the flexible arrival and departure times and the irregular booking periods there is no daily or weekly peak arrival or departure times for traffic to and from Forest Holidays’ sites and little impact on the local highway network.

Conclusion

(28) The demand for holidays that give people the opportunity to explore rural England is growing. Once established, Forest Holidays locations are widely accepted and applauded by local communities and with numerous tourism awards to our name, we have a proven model that works for visitors, for local economies and for the environment. As a priority, we would welcome the adjustment of planning regulation and policy to favour sustainable development and the better alignment and coordination between the tourism and planning sectors.

(29) Our many years of experience and success in bringing sustainable tourism into rural areas makes Forest Holidays an excellent case study, which demonstrates that the right kind of high quality sustainable rural tourism can be a positive asset to the country.

September 2016

APPENDIX 2 – ECONOMIC BENEFITS OF NEW FOREST HOLIDAYS LOCATIONS

GLEN TRESS, PEEBLES - We will invest circa £12 million at Glentress to create 56 cabins, together with new biking trails in a joint scheme with our partners in Forest Enterprise Scotland. This will contribute to the rural economy of Scotland, by supporting local businesses and helping to create a vibrant year-round tourist economy. The private and public-sector investment has the potential of generating an extra £1 million into the local economy each year and employ up to 60 people.

The total investment is £13.3 million and Forest Holidays will provide private sector investment of £10 million for the project with the remaining £1.3 million from Forest Enterprise Scotland.

DELAMERE, CHESHIRE – Circa £15 million will be invested in Delamere, realising the Forestry Commission’s Masterplan for the forest, easing visitor pressure and improving facilities. The proposals will include 67 Forest Holidays
cabins broadening the experiences for visitors and also contributing valuable income to help the Forestry Commission maintain the recreational facilities for years to come. A new Forestry Commission visitor center with facilities better suited to meet visitors’ needs, including toilets and a café, new and improved trails, cycle paths and bridleways, as well as upgraded parking, will be created as part of the scheme.

The local economy stands to benefit from around £2.5 million a year, including jobs in the community, guests spending with local businesses and attractions and Forest Holidays spend with local suppliers. The cabins will generate around £200,000 of rent every year for the Forestry Commission to support the long-term management and upkeep of Delamere Forest.

**GARWNANT, BRECON BEACONS NATIONAL PARK** - From an initial investment of circa £8.5m at Garwnant in the Brecon Beacons, the new Forest Holiday cabins will create 51 new jobs and will provide an annual £1.4 million boost for the local economy. The project involves the construction of 40 bespoke timber cabins which have been sensitively designed to enhance the existing woodland environment. Forest Holidays will introduce 51 jobs at Garwnant and bring £1.4 million additional income each year into the local Welsh economy, through visitor spending and job creation.

**BEDDGELERT, SNOWDONIA NATIONAL PARK** - More than half a million pounds will be generated in the North Wales economy each year, creating year-round employment opportunities for the local community through the creation of 16 eco cabins at Beddgelert in Snowdonia National Park. This comes from an investment of £3.5 million by Forest Holidays. Work is now complete on Forest Holidays’ first Welsh location which opened in June 2018. The location is designed to complement 85 existing camping and caravanning pitches.

10 September 2018
Shelia Galvin – Written evidence (REC0013)

Please can you introduce an annual quality control for farm vehicles in line with the annual MOT (DoT) checks for other vehicles.

I live immediately next to a farm which uses tractors with maintenance issues so every time one of them passes my property there is a blue haze of diesel fumes which surrounds the vehicle. They can pass my house 50 times a day or work alongside my property for 3 -4 hours so I can see, and smell, the appalling pollution given off. I have a lung condition and moved to a remote spot to breathe clean air.

This must be happening on farms throughout the UK. It seems that the everyday restrictions imposed on other businesses are not applied fairly to the farming community. They have subsidies which make your eyes water, are allowed to keep birds in conditions where if anyone else were to do likewise they would be prosecuted for overcrowding and cruelty, are allowed to target the extinction of a species, badgers, in large swathes of the UK instead of being encouraged to diversify out of cattle as an inappropriate farming practice in those areas, are able to spray and fertilise the land with devastating effect to the waterways and wild plants, extract water when the rivers and wildlife are suffering the effects of drought, can erect buildings which are an eyesore without planning regulation and have carte blanche to cause serious aerial pollution without censure. They are even allowed to pollute us with diesel others are not allowed to use.

As you can tell I, and many others in this country I can assure you, are fed up with the farming community which has been mainly responsible for the massive decline of bees, other insects, plants, wild birds and mammals for the last 50 years. I would appreciate your observations on these double standards, which are costing us dearly in more ways than one, and some advice on proposed new regulations once we leave the EU.

20 August 2018
Ian Goddard – Written evidence (REC0042)

1 I am the Chairman of a rural Parish Council in north Herefordshire. I am informed that it is the 11th most remote Parish in England, but I do not know the criteria applied. That said, I write in my private capacity and not on behalf of the Parish Council.

2 There are many points which can be made, but I confine my comments to two topics.

3 **Internet access and broadband**

3.1 One cannot expect to attract business to or sustain business in rural areas if the access to the internet is compromised, by which I mean that it does not work as well in rural areas as it does in urban areas. Anyone drawing up a business plan will assess the benefits, problems and risks associated with the possible location of his or her business. In this digital age internet performance and connectivity will be very high on the list, indeed commercial property agents regularly advertise broadband speed as a selling point. This is a crucial issue for a business selling on-line, but is equally important for service and other business communications - sending documents, email, research.

3.2 Current provision is haphazard. A river runs a mile south of my home. South of the river broadband is faster than it is where I am. In my area there is still no plan for fibreoptic broadband access and I note that we have missed out in a recent contract process for providing such to rural ‘clusters’ in Herefordshire and Gloucestershire. There will be many similarly disadvantaged areas around the country and I hope that the Committee will have access to the data, which I do not.

3.3 It seems to me and to many to whom I speak that leaving provision of broadband to commercial interests will never serve the rural areas well. Whilst subsidy is there, commercial providers will still not take on the difficult areas as it will compromise the profit available elsewhere.

3.4 The solution has to be to bundle the provision, include the less profitable areas in the contract for the more profitable ones: say include our area with a contract for Solihull - the areas do not have to be contiguous. Of course it will cost money, but until there is equality in access to broadband one cannot expect to stimulate the rural economy.

4 **Training**

4.1 It is a constant cry locally that there are not enough people with the skills required for existing business, let alone for business development. The conversation will inevitably then suggest that 'The young of today don't want to work!"
4.2 I do not believe the latter comment, but I do accept that potential employees look for and want to see training opportunities and career progression rather than low paid jobs without prospects.

4.3 I would like to see targetted apprenticeship schemes. One of the issues is keeping young people in the areas where they have grown up to develop careers there. The targetting suggested is to ensure that the training is relevant to the skills required locally. One would think that it would be obvious, but agricultural businesses in North Herefordshire struggle to find people with basic skills of welding and fabrication, a signwriter I use cannot find an apprentice, a builder who is working at my house cannot find anyone with conservation skills, a young friend is thinking of leaving his engineering apprenticeship because he is not learning the skills he expected and was promised. I had an engineer and his apprentice at my house to fix the pump unit on my septic tank. The engineer did everything and the apprentice stood there with his hands in his pockets until he was asked to go and fetch a spanner: an snapshot of a poor apprenticeship.

4.5 I do not pretend to know all the reasons for the current disfunction. However, I am sure that one is the poor quality of apprenticeships, where apprentices are used for cheap labour, learn little and see no career at the end. I have two friends who are engineers and even in retirement they speak with pride of having done apprenticeships with Rolls-Royce and Marconi, learning skills which became the foundation of careers. It may take a generation, but the aim must be to develop a worthwhile and rewarding apprenticeship system, where both the employer and the apprentice benefit from the training.

4.6 I think in terms of the old-fashioned hands-on apprenticeship, and while that has its place, I do not suggest that there are not other ways of providing the skills education. I do, however, suggest that the apprentice should be provided with a realistic plan at the outset and that progress should be moderated by an independent agency to whom the apprentice can refer. The aim should be that the apprentice can be proud of 'serving his time' with the particular employer and come away with worthwhile skills which are of benefit to his current employer and future career.

4.7 The training which I advocate will not happen unless the employers are trained. There should be an apprenticeship accreditation system so that small employers (as most rural enterprises will be) are trained in the provision of a good and fulfilling apprenticeship. The employer should have access to assistance during the apprenticeship as well as at the outset. The training needs to be provided locally, both to keep it relevant to the particular employer and to improve 'take-up'. Few local employers will attend courses run by an underfunded agency in Birmingham or Manchester.

4.8 A development of the scheme would be to introduce a mature apprenticeship for training adults of all ages who wish or need to change career direction. The same criteria should apply about planning, training the employer and moderation of the scheme. The finance of such training will present issues, but that should not stop planning for it to succeed.
Ian Goddard – Written evidence (REC0042)

5.1 I have suggested two key areas for concentration of effort and resource: internet access and internet access speeds; and training not all skills, but skills relevant to the rural economy.

5.2 There are many other issues surrounding the health of the rural economy, but these follow the building of an infrastructure and skills base. It is no good building houses unless people have jobs to go to. Trying to prop up rural amenities by subsidy is unsustainable unless the infrastructure for business and employment is provided.

Ian Goddard
7 September 2018
Emeritus Professor Gordon Grant – Written evidence (REC0015)

1. Personal

1.1 I welcome the opportunity to offer evidence and views about the rural economy. Now a retired academic, I spent time years ago (late 1970s/early 1980s) researching the delivery of social care in rural areas and for most of my life I have lived in rural areas (North Wales, Peak District and currently Lincolnshire).

2. Long history of neglect: radical policy shift required

2.1 Most of the questions raised by the Select Committee are far from new; they concern rural challenges that have been in existence in the UK for well over half a century, if not longer. This is not a criticism; but it indicates that the underlying issues remain long neglected and structurally embedded. Tampering with policy solutions at the margins will change nothing. Interlocking problems like - an underperforming rural economy, rural depopulation, lack of rural job/career opportunities, lack of affordable local housing and rural ageing - are compounded by centralised governance, poor infrastructure and declining rural services. Resolving these pervasive problems requires a radical revisioning of national policy for sustainable change, and a fundamental reassessment of priorities for investment and infrastructure spending in rural and remote places. There is little sign that such change is imminent, judging by the Government’s Industrial Strategy (IS).

3. The rural economy

3.1 The Government’s flagship policy for our national economy is its Industrial Strategy: Building a Britain Fit for the Future. Sadly, there are but a few sectoral cross references to rural areas in this document. It is devoid of a clear or integrated vision about how this translates to a strategy that will transform the rural economy. Food and farming hardly get a mention in the IS despite the massive contributions that these sectors make to GDP. The differentiated needs and resources of rural communities are hard to identify in the IS document.

3.2 An integrated, cross-departmental Rural Development Strategy is needed that recognises the central roles of farming and agribusiness, food production, tourism, the service sector and microbusinesses in the rural economy. This needs underpinning by a supportive infrastructure, an awareness of interdependencies between rural and urban economies and a sensitivity to conservation and environmental protection. There should be a greater focus on local consumption of farm products to help cut carbon miles. Grants or subsidies could be provided to promote organic farming practices, or at least to reduce the dependency on harmful pesticides. The sacrifice of product output for quality of produce and preservation of soil quality and biodiversity seems inevitable (in the short term) if farming and agriculture are to be sustained in the longer term. Doing this in an informed way requires investment of major programmes of interdisciplinary R&D,
accompanies by public education. High speed rail networks are required right across the country to enable rapid transportation of farm/food produce from rural production sources to markets.

4. Infrastructure and services

4.1 Rural communities have long experience of serious underfunding in essential infrastructure. For too long there have been huge and unconscionable disparities between Greater London and the regions in per capita spending on infrastructure. ONS figures show that for the last 10 years, and probably much longer, the infrastructure spend on transport per capita has been four times as high in London than for the East Midlands (where I now live), and twice as high in relation to all capital spending. Latest available per capita figures for 2015-16 confirm this: transport (£691 London, £168 East Mid), all capital spending (London £1662, East Mid £862).

4.2 HS2, Crossrail, The Francis Crick Institute and the third runway at Heathrow are examples of huge projects, amongst others, where money and resources flow to Greater London. This runs counter to the Prime Minister’s promise of an economy that works for all. The idea that there are ‘trickle-down’ economic benefits from London to everywhere else is simply an affront to intelligence.

4.3 There needs to be an urgent reversal of infrastructure spending priorities, sustained over many years, so that rural areas benefit economically to the same extent as the capital city.

4.4 There should be comparable per capita spending on East-West rail systems so that journey times are at least in line with North-South journeys. As an example, a typical rail journey from Manchester to Grantham takes 2.5 hours, at an average speed of 40mph. If trains on the West or East Coast mainlines travelled to London at these speeds there would be a public outcry. East–West coast connectivity across the North and also the Midlands would greatly benefit the rural economies of those regions. Besides improving regional and rural economies, this type of investment would also help to take cars and lorries off clogged up rural roads and help reduce pollution.

4.5 Creative infrastructure projects are needed in rural areas that celebrate internationally important figures and enhance the environment and culture sympathetically. For example, Sir Isaac Newton was born a few miles away from where I now live. What do we have by way of a permanent marker of his remarkable contribution to physics and science? - a stone statue in Grantham and an uninspiring small shopping centre named after him in the town. Yes there is an excellent ‘Gravity Fields’ festival held every year to celebrate Newton’s legacy, using local amenities. But what if there was a permanent Sir Isaac Newton Institute (similar in its form and purpose to the Francis Crick Institute in London), housed locally in a new modern facility, a site for international interdisciplinary scientific research, education and cultural celebration, supported by universities in the region (Cambridge, East Anglia, Anglia Ruskin, Lincoln, Nottingham, Nottingham Trent, Leicester and de Montford), the wider national and international physics community, industry and local agencies? Besides also being a major draw for schools it could attract tourism and help boost the local
economy. The Select Committee could impress the need for a public competition for creative, sustainable capital projects like this that have the potential to benefit local rural communities and the wider region.

4.6 There is a popular belief held by many politicians serving rural constituencies that people living in countryside areas ‘do not like development’. This convenient, over-simplistic and crass assumption deprives people living and working in rural areas of essential resources. Having lived in rural communities for decades, my experience is that maintaining a rural lifestyle and enjoying the benefits of a modern infrastructure should not be mutually exclusive. They are interdependent.

4.7 At the very local level, rural bus timetabling does nothing to encourage public transport use, especially during the evenings. As an example, the last No 1 bus leaves Lincoln for Grantham at 7.25pm, whilst the last return bus for Lincoln leaves Grantham at 7.40pm. With major rail stations in both Grantham and Lincoln, there is no connectivity between bus and rail after 7.40pm. This makes no sense – a prime example of a lack of joined-up thinking. Imagine no buses running in London after 7.40pm!

4.8 For decades there has been a steady decline in the number of shops, post offices, primary schools and pubs in rural communities in the UK. Currently, the majority of villages have neither shops nor post offices. This robs communities of important economic and social capital. I would place a tax on every superstore, supermarket or retail outlet (existing and new) within a given radius, and use the money to subsidise or kick-start rural shops and businesses. Priority funding could be given to community-owned, co-operative or social enterprises given the additional social benefits that these enterprises bring to their local communities.

5. Rural housing and planning

5.1 Many studies have shown that affordable housing, especially for young people, is almost completely lacking in rural communities. When coupled with poor local employment/career opportunities for young people, this leads either to outmigration and the loss of young local talent or to the creation of an underbelly of young people without work and a life of rural poverty. Housing, employment and economic policies clearly need to be closely integrated in contexts like this. Low-cost housing is realisable – I know because I have a relative living in a new eco-friendly housing association property, the current market value of which is only £120k. Using modern building methods, decent insulation and even quite low-tech materials (photovoltaics for example), the running costs of these properties are very low. We now also have the technology to build virtually carbon-neutral housing. But, private and social housing like this is in very short supply. This needs to be challenged.

5.2 All new housing should be disability-friendly and ‘future-proofed’, beginning with doorways that accommodate wheelchairs. This applies to urban as well as rural areas. This is low cost and would enable more people to ‘age in place’ for much longer.

6. Rural ageing
6.1 There is plenty of evidence about how older people can age well in rural communities. However, there are groups of older people in rural areas with poor access to services, fractured personal support networks and limited access to other sources of social capital. They are especially vulnerable when they have mobility problems, continuing care needs or lack voice or articulacy as a result of personal conditions such as for example stroke, mental illness or dementia. Many have homes that are not well adapted to home-based care.

6.2 Organisationally, health and social care services are not well adapted to meeting the needs of vulnerable people in rural and remote areas. This is because the mixed economy of welfare is premised on centralised models that have difficulties customising care for people. For people living in rural areas it is too often characterised by the closure of local cottage hospitals, the amalgamation of general practices (with attendant difficulties of obtaining appointments with the same doctor), the concentration of specialist services in remote general hospitals, a dependency on low paid unskilled staff in private care agencies, and poor service co-ordination. Significant shortages in nursing, midwifery, health visiting and allied health professional staff compound these problems. The impact of these factors leads to a perceived lack of trust in services, a reluctance about accessing help, inconsistent or poor care quality, a heavy dependency on family care, and the emergence of a culture where, as patients or service users, people (older people in particular) become commodities that can be moved around to fit services.

6.3 In rural areas health and social care services need to consider (i) integrated, user/family-centred health and social care outreach models, (ii) technology-enhanced health and social care workers, (iii) the rolling out of telehealth systems and smart home technology, (iv) incentives for rural communities to develop neighbourhood care schemes where they do not already exist in some form, and (v) better informed implementation of social prescribing by GPs so that older people can be directed to local activities that help to improve physical, psychological and social wellbeing. Walking for Health schemes are one such example of the latter. High-speed broadband connectivity and a skilled, technology-savvy workforce are vital requirements if this is to work efficiently.

7. Governance, local control and rural voices

7.1 Rural communities in the UK need far more control of their own decision-making. It would be useful to absorb lessons from other countries where there is greater control over resources and needs at the local level. Sweden, France and Canada represent good examples. At the very local level, our parish and community councils have extremely limited executive and tax-raising powers. However, they are often perfectly positioned to identify and resolve many problems because they are closer to their communities and have superior knowledge gained over many years about local issues.

7.2 I suggest the need for (i) a serious review of the role and functions of parish and community councils with a view to extending their executive and tax-raising powers, and (ii) an independent review of how better performing nations tackle rural problems at the lowest level of governance.
7.3 Parish and community councils are also well placed to organise and support public forums, to enable citizen involvement and to reach out to so-called ‘hard-to-reach’ groups whose views are rarely heard. When was the last time, for example, that the views and aspirations of rural residents with mental health, learning disability or continuing healthcare needs were given platforms to articulate their concerns about the specific experiences they have about living or working in rural areas? The same could be said of many other communities of interest – children and young people, the rural unemployed, BAME groups or family carers for example. Parish and community councils could play pivotal roles in enabling these articulations so that different rural voices are heard, and in ensuring that commissioners and providers of services, as well as politicians, are held to account.

7.4 Intermediary bodies like the Rural Services Network, CPRE and ACRE – especially if they work in tandem and co-ordinate their work with parish and community councils – have important roles to play in bringing together rural communities of interest. Together they can work to ensure that Government and other national organisations listen to and act on different rural voices, especially those that have long been hidden or silenced.

8. Conclusion

The rural economy needs revitalising by means of:

- An integrated rural development strategy, parallelling the Industrial Strategy, predicated on sustainability.
- Long-term business investment and infrastructure support that, in per capita terms, is equivalent to that in Greater London.
- Targeting of capital spending projects that highlight significant or unique qualities of rural areas or of celebrated rural figures.
- Integrated rail and transport systems.
- A strategic plan with milestones for the creation of affordable, carbon-neutral rural housing that is disability-friendly as standard.
- Redesign of health and social care services for rural areas to make them more accessible, integrated and user/family-friendly, making full use of available technologies.
- Careful restructuring of governance with decisions taken as close to local communities as possible, informed by experiences in countries with more devolved administrations.
- More active use of forums so that key rural voices, especially those long silenced, can be heard in order to strengthen political accountability.

Gordon Grant
I am writing in an individual capacity.

20 August 2018
The Green Halo Partnership – Written evidence (REC0158)

This response to the Select Committee’s Call for Evidence is submitted on behalf of the Green Halo Partnership.

The Green Halo Partnership was launched in November 2017. It comprises over 70 members from the public and private sector. It is based in the New Forest National Park but is open to all working in and around the Park: our members are drawn from across the counties of Hampshire, Dorset and Wiltshire. More details about the Partnership can be found at http://www.newforestnpa.gov.uk/conservation/green-halo-partnership/.

The Partnership seeks to work across sectors to explore how we can protect and enhance our area’s natural capital: the goods and services our natural environment provides to society and communities. Our shared vision is

“To be a global exemplar of how our most precious landscapes can work in harmony with a thriving, economically successful community”

One of the four themes the Partnership is pursuing is the local economy: our aim is to help business grow and prosper whilst protecting natural capital. Given our geography and membership, the rural economy is central to our thinking.

Our response focuses on the concept of natural capital, which lies at the heart of key Government documents on the environment237 and the future of rural support238, and how we can encourage and support rural businesses to realise the opportunities that a natural capital perspective offers them.

Q.3 How do you see the future of the rural economy?

As the Government have recognised in their 25 Year Environment Plan, our rural areas are key to achieving the better protection of wildlife and enhancement of our natural environment which is so key to the Country’s future. All efforts to sustain our rural communities and grow the rural economy must be undertaken in a way which protects and enhances nature.

As that same Plan argues, the key to achieving this balance is recognising the contribution that nature makes through the ecosystems services it provides to society: from the cleansing of air and water to space for recreation to help improve our mental and physical health. The successful rural economy must acknowledge the importance of this natural capital and take advantage of the opportunities it offers.

The 25 Year Plan notes that a natural capital approach will have most impact on land-based industries, and the proposals for the sustainable use and management of land are to be welcomed. There will be opportunities to create new businesses and jobs by investing in the management of natural habitats to

237 A Green Future: Our 25 Year Plan to Improve the Environment (Defra). January 2018
238 Health and Harmony: the future for food, farming and the environment in a Green Brexit (Defra). February 2018
The Green Halo Partnership – Written evidence (REC0158)

protect and enhance natural capital, and this aspect of our rural economy should be supported.

However, we consider there are wider opportunities on offer. Rural enterprises which promote tourism, encourage access to the countryside for leisure and recreation, or which harvest natural resources sustainably, for example to support local biomass schemes, are all making use of our natural capital. Innovative new businesses are emerging which help us manage our natural capital: whether monitoring water flows to prevent flooding or measuring the improvements in air quality due to vegetation absorbing pollutants. We encourage the Select Committee to recognise the potential to encourage a broad range of rural business opportunities which build on natural capital and the goods and services nature provides.

The Government’s proposals for the support of farming post-Brexit (see footnote 2) sit well with the 25 Year Plan, arguing that support for agri-businesses should reward initiatives which preserve our natural landscapes and capital. The consultation suggests that financial support should be based on the important principle of “public money for public goods”: Ministers propose that support be offered where there is a clear public benefit in the form of the protection and enhancement of our natural environment and the natural capital it holds. The Partnership supports this proposal.

Q.8 How can rural business be helped to thrive, and how can new industries and investment be supported?

As we note above, the Green Halo Partnership considers that the protection and enhancement of our natural capital should lie at the heart of rural economic policy. We support the approach outlined by Defra in their consultation on the future of agricultural support, which says that landowners and managers should be supported where they deliver “public goods” in the form of protection and enhancement of our environment.

With that principle in mind, we suggest that a key requirement of support programmes for rural businesses should be a demonstrable benefit to the natural environment from that investment of public money. We also suggest specific programmes be developed at a national and local level to support and encourage innovative thinking about taking economic advantage of the opportunities our environment’s natural capital offers.

Q.14 Do the Government and other public bodies pay sufficient attention to the rural economy?

As we have suggested elsewhere in this response, the Green Halo Partnership considers there are exciting opportunities for the rural economy to build new, innovative enterprises by recognising the economic opportunities the goods and services nature provides offer.

The Government has an important role in supporting this change in emphasis towards a rural economy which protects and enhances the natural environment. National policies such as those outlined in the 25 Year Environment Plan and the
recent consultation on the basis for post-Brexit rural support are essential in setting a framework. However, national policy must recognise the diversity of England’s environment. The natural capital an area such as the New Forest holds is very different from that in the Lake District or Peak District uplands. There must be flexibility in policy, and a degree of devolution to allow for this diversity to be recognised. We would strongly recommend that implementation of the national framework be devolved to local communities to ensure the best approach can be shaped to suit local circumstances – we comment further on this in our response to question 15.

Q.15 What might be done in local government to support rural economies? How effectively do other bodies such as LEPs operate in rural areas, and how might coordination between bodies be improved?

Supporting our rural economies is not a task for one organisation: if we are to provide coherent, effective support then councils, LEPs and other must work together in a co-ordinated manner. The Green Halo Partnership provides one solution for how we can work together to realise the twin aims of protecting our natural environment and supporting our rural economy.

Many local authorities in our area already work to support the rural economy, and they are key members of the Partnership. There are differences on how the three LEPs who have a geographic presence in the Partnership area are involved with the initiative at present, and we hope all will become more engaged over the next year.

We believe Government should encourage strong, cross-sectoral local partnerships to bring together the various bodies with an interest in our rural economy. Such partnerships can reflect local circumstances and, importantly, provide a vehicle for delivering broad national policy objectives on the environment and economy on the ground.

As noted in our response to question 14, we also consider that resources to support the local economy should be devolved to a local level to allow the flexibility to respond to local circumstances. That devolution could be to local authorities or LEPs, but wherever formal accountability lies, it should be a pre-requisite of that devolution that decisions on funding are taken in a co-ordinated way which brings on board all parties with an interest in the local environment and economy.

Conclusion

In summary, the Green Halo Partnership would like to emphasise to the Select Committee five key points about the future of England’s rural economy:

• we should acknowledge that the protection and enhancement of our natural environment must lie at the heart of our rural economic policies. Nature and business are not alternatives, rural economic growth can and must be guided by the desire to protect and enhance our wildlife and natural environment;
recognising the value of our natural capital and the opportunities it offers should be the basis for encouraging innovative new business ideas which harness the goods and services nature provides;

support for our rural economy should be based on the principle of “public money for public goods”;

the implementation of national policies to support our rural economy through realising the potential of our natural capital should be devolved to ensure that the right approach is taken for all different elements of England’s diverse natural environment;

the Committee should encourage locally based, cross-sectoral partnerships to ensure we take a coherent and co-ordinated approach to supporting the local rural economy.

On behalf of the Green Halo Partnership
Yours sincerely
Paul Walton
Head of Environment & Rural Economy
New Forest National Park Authority

13 September 2018
How can access to transport be improved in rural areas?

1. Living in a rural Cambridgeshire village, located between the cities of Cambridge and Ely, although I have a higher degree from the University of Cambridge, my ability to use my qualifications to the best advantage is severely limited due to the lack of an adequate public transport system as I do not drive.

2. Over several years, I’ve noted the problems other non-drivers have regarding employment, and have been told, as well as having experienced this myself, that employers can be reluctant to take on those who have to rely on public transport. Not only can the system itself be unreliable, and confidence in the continuance of individual routes be always in doubt, but also the lack of bus services in the evenings and on Sundays restricts potential hours of employment.

3. An integrated bus service would greatly improve the lives of non-drivers. For instance, the journey to Cambridge from my village, which has a population of over 4,000, necessitates the use of two different bus companies whose timetables I do not feel are properly co-ordinated to enable people to undertake such journeys with the confidence which the commitment to a job requires. Additionally, the cost of using two bus companies is higher than need be as there is no way to buy a return ticket for the whole journey nor any other weekly or monthly pass.

4. The introduction of real-time electronic timetables to the rural community would be extremely helpful as many bus stops do not even have a printed current timetable. It can also be quite difficult to access accurate timetable information online, and as many bus users do tend to be elderly, their ability to even access a computer for this may be limited. Timetables can often be confusing as buses frequently change routes at different times of day.

5. In the same vein, the presence of a bus Inspector in the City of Ely would be most helpful. It seems surprising that such an important local tourist location should not have the assistance of a bus Inspector especially when, as indicated above, buses routinely change their routes throughout the day.

6. The provision of bus shelters at rural/village bus stops would also be very welcome, and would demonstrate the bus companies are not taking for granted their captive audience or rather country dwelling passengers.

7. Although there is great pressure on the roads (A14, A10) in my area, and also on parking spaces in the cities, there seems to be not enough commitment from local councils to ease rural transport problems. The controversial Cambridge Busway may seem to contradict this, and now appears to be a success, but it had many teething problems and cost well above the estimated budget. However, the scheme could hardly
reduce by much the traffic on the notorious Huntingdon to Cambridge section of the A 14 which itself is now being re-built and rerouted. A recent housing development in Ely on a Local Authority car park close to the city centre is another example of how transport is not taken seriously enough by the local authorities.

8 Solutions to dwindling sums that Local Authorities have to spend on public transport could include a transport tax on large local employers to supplement the system. I know there have been proposed schemes for employers to be charged for car parking spaces they provide, but into whose coffers would this money flow?

9 Ely, although a small rural city (as contradictory as that sounds), is an important railway link to many parts of the country, however, the station is about a 20 minute uphill walk away from the city centre and cathedral. Shuttle buses could improve access, and increase visitor footfall to the tourist centres and markets.

10 Ely also has a small hospital with an important Minor Injuries Unit, where other hospitals and medical centres can hold clinics and appointments, however it is currently very badly served by the public transport system (though this may be about to be improved except for Sundays and Bank Holidays when there is no bus service at all). This could be addressed by shuttle buses which could travel between the city centre and rail centre, with some continuing to the hospital. Ely is a very small city, especially with regards to essential services such as the hospital and railway station, so a shuttle should not be too expensive to run.

11 The introduction of Sunday and Bank Holiday bus services to the City of Ely would, I am sure, prove to be a great benefit to the local economy as would the extension of bus services into the evening, allowing access to many isolated in local villages.

12 To summarise, a better integrated and full transport system in the countryside would improve the employment prospects of the rural community, allowing for greater employment, and greater choice in employment situations. Additionally, it would attract people to its villages for specialist shops and places of interest such as the National Trust’s Wicken Fen, so supporting and increasing the potential for employment within the villages themselves. The economic benefit to the rural community is surely undeniable.

10 September 2018
Introduction:
This submission is made by the Economic Development department of Guildford Borough Council on behalf of the Rural Group of Guildford Business Forum. The latter is responsible for oversight and delivery of the Council’s **Rural Economic Strategy 2017-2022**, (downloadable as a pdf from [www.guildford.gov.uk/ruraleconomy](http://www.guildford.gov.uk/ruraleconomy)).

Last year’s publication of this Strategy was produced in partnership with the neighbouring Boroughs of Waverley and Woking to focus primarily on the catchment of the River Wey. The Strategy is offered to the Rural Economy Committee as our main submission evidence but, to reflect the various rural economic developments in the 18 months since the Strategy received Council approval, I have added comments as highlighted below against all questions (except No. 4 – improving transport access).

**QUESTIONS**

**General issues**

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?
   **Answer:** See Sections 6 and 7 of Rural Economic Strategy

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?
   **Answer:** See three Case Studies featured in Section 7

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
   **Answer:** See Section 8

**Infrastructure and services**

4. How can access to transport be improved in rural areas?
5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
   **Answer:** Both the Council and the Guildford Business Forum Rural Group welcome the Government’s various broadband initiatives and are preparing a Local Full Fibre Networks project proposal in partnership with other councils in Surrey and external private and public sector organisations.

A local community broadband company was established in early 2018 to provide full symmetric fibre broadband to the rural parts of the Borough of Guildford. Broadband for Surrey Hills Ltd. (B4SH) plans to extend further into the Surrey Hills Area of Outstanding Natural Beauty and the Guildford Borough Council Executive recently approved financial investment in B4SH.

The following press release was circulated on 30 August:
Local company investment to benefit the Borough’s digital infrastructure

Funding for a community project to provide full ‘fibre to the premises’ (FTTP) broadband to connect Guildford’s rural communities was agreed by the Executive on Tuesday 28 August.

An investment of £10,000 will go to ‘Broadband for Surrey Hills Limited’ also known as B4SH, a local community benefit group which aims to install ‘hyperfast’ broadband networks with 1 Gigabit (1000Mb/sec) download and upload symmetrical speeds throughout the Surrey Hills. Phase one of the scheme covers the Albury and Chilworth areas. FTTP is more robust and has far greater capacity than current standard copper wire connections. The project is being facilitated by a number of local landowners and farmers who will grant free right of way or ‘wayleaves’ across their land for the FTTP.

The move supports the Council’s Corporate Plan priorities, the Rural Economic Strategy 2017-2022 and subsequent Infrastructure for Enterprise Action Plan which detail FTTP as the enabling technology for a range of applications in rural and urban areas such as town centre WIFI, 5G and LoRa (long range) networks.

Cllr David Bilbe, Lead Councillor for Enterprise and Economic Development explains: ‘Following an independent consultation the Council took the decision to invest in the community project as testament to its commitment to future-proofing the Borough’s economy. Although the initial phases of the project have mainly a social benefit for those rural areas with poor broadband coverage, the scheme as a whole will help create conditions for the economic transformation of our rural and urban economies. All of our futures are dependent on technology from business, leisure, retail and education to those currently less mainstream such as telemedicine and elderly care.

He says: ‘The government recognised this in The Future Telecoms Infrastructure Review published in July as part of its response for the delivery of the Industrial Strategy. The review sets out an ambition to connect 15million premises to full fibre broadband by 2025. New figures from The Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme show local businesses have already had a £9billion increase in turnover since the roll out of superfast broadband. This is very positive news and something we are keen to see happen in Guildford.’

Tim Metson, Director at Broadband for Surrey Hills Ltd says: ‘We are delighted that Guildford Borough Council have decided to invest in B4SH. This investment demonstrates how important the connectivity of rural communities throughout the Surrey Hills is to Guildford Borough Council and is also testament to the work
achieved so far by BASH’s volunteers. Our intention to install a hyperfast network to replace an ageing infrastructure will enable rural residents and businesses to enjoy connectivity speeds only achieved in a minority of the UK at present.

He adds: ‘We are looking forward to working with the Council whereby we can collectively help develop the rural economy through this highly unique community driven approach. The future roll out and success of B4SH will rely on the involvement of volunteers and we welcome any interested parties to join the B4SH team please visit our website for details.’

Ends

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Answer: As indicated by Cllr. Bilbe in the press release above, the Council’s investment in B4SH is to future-proof the local economy. As the enabling technology for the 5G and Wi-Fi services that are being developed by the University of Surrey, full symmetric fibre broadband will facilitate the development of telemedicine and smart healthcare. It will also support the growth of new rural enterprises that will in turn stimulate demand for retention or revival of local education facilities, especially by nursery, infant and primary providers.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Answer: Full symmetric fibre broadband will reinforce the viability of such “at risk” ventures. Also, by enabling the growth of home or locally based enterprises that might avoid the need to commute and thus reduce road congestion, broadband can provide a leading role in community regeneration, as set out in the Rural Economic Strategy’s Action and Delivery Plans (Appendix A and Appendix B).

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Answer: As mentioned at the recent Rural Services Network Conference 2018 and as shown in the example above of our Council’s investment in rural broadband, local authorities are well-placed to work as enablers – not deliverers or providers – of innovative services (e.g. through business events).

9. How can deprivation and inequality in rural areas be tackled?

Answer: See Action 9 of the Rural Economic Strategy under Strategic Priority 4: Green Space, Health and Wellbeing for Better Quality of Life.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Answer: See Action 6 of the Rural Economic Strategy under Strategic Priority 3: Farming, Landscape Management and Countryside Vision. This also addresses labour and skills needs (Q8 above).
11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

**Answer:** This requires co-ordination of approach between Councils, Adult Social Care and Public Health Service Providers as well as NHS Trusts and Clinical Commissioning Groups. The enabling technology to transform and facilitate this co-ordination is full symmetric fibre, complemented by wireless sensor technology to enable more client/patient support in individual home settings. Community cohesion is usually due to the efforts of older retired people, who volunteer their time, experience and skills. However, they should not be taken for granted – “volunteer fatigue” is increasingly prevalent.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

**Answer:** The Council works closely with Surrey Community Action and also leads the Community Housing Partnership of 7 local Boroughs and Districts to encourage the development of small local developments through close working with Parish Councils, including Community Land Trusts and self-build projects where there is local demand. (See Sections 7 and 8 of the Rural Economic Strategy).

Appendix A of the Rural Economic Strategy ends by referencing the CLA Rural Business 2030 report, much of which the Council and Guildford Business Forum Rural Group endorsed. Reflecting this, we have a good working relationship with the CLA regional team.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

**Answer:** Guildford’s Local Plan is nearing completion after extensive public consultation. The resulting delay in publication has enabled the following *(NB: DRAFT)* text that will help to shape the delivery of proposed housing developments:

**POLICY D1: Place shaping**

**Infrastructure to create smart places**

1. All new developments will be designed in a manner that:

   a. supports technological and digital advances, including the provision of sufficient ducting space for future digital connectivity infrastructure;

   b. seeks to achieve high quality digital connectivity, enabling Fibre To The Premise (FTTP) where practical;

   c. enables mobile connectivity within the development.

2. Further innovation and provision for 5G, Wifi and other technologies will be encouraged.
**Reasoned justification**

- Innovation is a fundamental theme of the Council’s Corporate Plan and the creation of smart places infrastructure across Guildford is a priority. In this regard, the Plan identifies the need for potential future technological and digital advances to be taken into account in planning, regeneration and development decisions.
- The greater part of urban Guildford has good broadband and mobile phone signal connectivity. However, digital connectivity has been identified as a challenge by business, particularly in rural areas. Furthermore, because of the reliance on copper wire connections from street cabinets for many subscribers, download and upload speeds vary greatly.
- The Council considers it essential that new development is planned and designed to enable appropriate digital infrastructure and to be at the forefront of advances in broadband technology. Doing so will help ensure that Guildford borough remains a highly attractive location for businesses and residents alike and development supports delivery of the Government’s Industrial Strategy.
- A flexible, but ambitious approach is regarded as appropriate in achieving development supports innovation and is responsive to the rapid rate of change in relation to digital technology. The provision of FTTP is viewed as a desired default technology, however it is recognised that this may not be practical in all cases. Similarly, the Council’s aspiration is that connectivity speeds of at least 1Gb/s offered by full (synchronous) FTTP could be achieved. FTTP and high quality connectivity will thus be encouraged in relation to new development, and particularly at development of major residential and employment sites.
- The Council will be working closely with external strategic partners like Superfast Surrey, and Network Rail to optimise fibre network interventions, including enabling the use of “dark” (unlit) fibre and to promote further innovations relating to improving digital connectivity.

**Key Evidence**

- The Building Regulations 2010, Physical Infrastructure for high speed electronic communications networks, R1 In-building physical infrastructure (2016 edition)

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

**Answer:** Part of the impact of the Brexit debate has been to highlight a number of key issues. The recent prolonged hot spell has also helped to show the potential effects of climate change and the importance of working with Nature in order to protect and preserve our environment. We must find innovative solutions to mitigate the effects of extreme weather e.g. poor grazing resulting in the premature use and depletion of winter feed stocks such as hay and silage. The present Environment Secretary appears to have a good grasp of the issues that concern individuals and organisations across the rural sector – it remains to be seen if his “weather-forecasting” around economic life in rural Britain
post-Brexit will prove to be gloriously sunny, cloudy-bright or a deepening depression.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved? 

Answer: The Rural Economy Officer role includes participation in the Rural Action Group of the Enterprise M3 Local Enterprise Partnership – a relationship that is currently under review. While the public have a fairly good understanding of the roles of Councils in delivering local services – partly because of their direct engagement as Council Taxpayers – there is no such relationship with Local Enterprise Partnerships. Media coverage of LEP business engagement – and the economic benefits that flow from that to support particular sectors or local communities from time to time – does not mean much to the casual reader or listener. Effective engagement means having an answer to the (wo)man-in-the-street’s question: “What’s in it for me? How is a LEP relevant to me or my community?”

Education and information about this aspect of economic decision-making – and its potential impact on individuals, SMEs and others – requires plain and regular communication using simple language.

Chris Stanton 
Rural Economy Officer, 
Guildford Borough Council

7 September 2018
Cllr Andrew Hadley – Written evidence (REC0061)

My name is Cllr Andrew Hadley, I am the lead member and portfolio holder responsible for Economic regeneration and Tourism on West Somerset Council. I am submitting this as a personal submission.
I own two businesses in West Somerset, a convenience store and a Café/Bistro, and have lived in West Somerset for fifteen Years.

1. The Rural economy in West Somerset consists mainly of agriculture, forestry and tourism, the first 2 have benefitted from mechanisation over the years making these less labour intensive, however all three are relatively low paid jobs. As a result of this we see a large percentage of young people leaving the area for more skilled and better paid jobs, this has the detrimental effect of raising the average age in our area.

2. We have some notable success stories in West Somerset from a variety of disciplines, Shearwell Data, Singer Instruments, Snazaroo and Exmoor Trim to name a few. These business are all trading internationally and were established by local people in the area wishing to live and work locally and have managed to overcome the difficulties of trading in low skilled rural environment, whilst capitalising on the lower salary base.

3. West Somerset is a difficult area to access, we have two narrow a roads leading into the district, one from Taunton and one from Bridgwater. The former is difficult to navigate by large Lorries due to low bridges from the West Somerset Heritage Railway and the latter a narrow and extremely windy ‘A’ road following the coastal road. A road scheme was proposed many years ago for a dual carriageway, that plan has now been abandoned with unlikely to be resurrected. I believe the way to increase the districts productivity is now to encourage digital and technological companies to the area, this is a beautiful place to live and raise a family, and any company that can deliver via the internet rather than road transport should be able to compete with any other in the country.

4. Access to transport would only be improved by a decent road link to the M5, or utilising the West Somerset Rail link through to Taunton. Both of these options would require government funding.

5. The recent investment in Connecting West Somerset to Supper fast internet has made a massive difference to business that are now able to utilise it. We still have ‘Not Spots’ and these areas need to be connected. To improve the areas prospects to attract major technological business we now need to progress to Fibre and gigabyte speeds. One major drawback to attracting business to this area is the lack of G4 mobile coverage on Exmoor and between the large towns and villages.

6. We have a great difficulty in recruiting GP’s and nurses to man the surgeries and Community Hospital. At one time, nurses used be trained at Taunton, but now students have to live and train in Plymouth. The formation of the Somerset University in Bridgwater and Taunton would...
enable local young people to be able to live at home, train and work in West Somerset, this would help to raise our skill base and slow the drain of young people. We are losing bank branches all the time, local post offices, mobile banks or local shop (Paypoint) should be used more extensively to provide these services, but they will need to be funded properly.

7. Many businesses benefit from business rate relief, and it is vital that this continues to keep many of the smaller shops viable. Town centre cafes and businesses are failing due to business rate charges. In tourist areas such as Minehead, tourist facilities in the main tourist areas should be reduced to encourage a vibrant place to come and visit.

8. Rural businesses can be helped increasing the amount of relevant training available at affordable costs to local businesses. In order to encourage more skill based industries to want to locate here we need to be able to train and educate our young people to a level that will give these businesses the confidence to settle in rural areas, in west Somerset, the business innovation centres and formation of the Somerset University will help achieve this.

9. Funding to Local rural authorities is disproportionate to that of the urban areas, leaving a big gap in funding, economic regeneration is often the loser when the local authorities are looking to balance the books for its statutory services.

10. Many of our young people leave the area to receive university education, technological careers and liveable wages. If we are to retain or attract young people to the area we need to be able to offer what it is they are looking for. The Proposed Somerset University will attract many to the area, we then need to put the communications infrastructure in place to attract the businesses to the area to enable the businesses they want to work for or create.

11. A large area of employment in our area is in social care, we have a large amount of elderly retiring to the area. These initially contribute to a healthy elderly social environment. Later in life they then call on the social care services for care at home in increasingly larger numbers, this is putting a strain on home care services. Many of these positions are minimum wage and predominately woman. The upside to having a large amount of retired elderly people moving to the area is that we have a large number of volunteers with good education and life experience prepared to share that.

12. The recent local plan for this area has identified that we need more that 60% of affordable housing to cater for population. We live in a low wage high rent area, where affordable rents are not affordable, causing benefit top-ups to make ends meet. We need more houses built at a truly affordable rate, that can be made future proofed, one bedroom premises do not cater for young couples starting out in life, a minimum two bedroom premises would make a more stable family home for longer. In
an areas where large builders can’t make sizable profits we need to incentivise small builders in order build in the smaller towns and villages.

13. I see on a regular basis builders coming to planning committees, arguing non viability when it comes to providing the affordable housing quotas. These are then passed, or passed at appeal. With an identified need of over 60% for affordable housing, we need an affordable way of building affordable housing to retain our young people and families.

14. I don't believe government put much value on rural areas, other than somewhere to go to relax at the weekend. They need to start to understand that these areas can productive if funding and effort is invested.

15. Due to local government funding I am extremely restricted as the Economic Regeneration portfolio to what I can do. When the district council is balancing its budget, statutory services come first, with little being left for my budget. I believe we could improve business prospects by investing in industrial land and supporting start up business, unfortunately this is not possible due to financial restrictions and lack of available land at this time.

10 September 2018
Jennifer Hall – Written evidence (REC0019)

Personal opinions but I am also Chair of Beadnell Parish Council and a Trustee of Seahouses Development Trust.

General issues 1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Q1. Our area is rural and coastal AONB. Whilst housing and employment opportunities have reduced with changes in agriculture the biggest change has been the impact of tourism. This has taken over villages, hamlets and farms. Every available space has been bought up and developed as Second or more recently, Commercial Holiday Homes. The latter are seen as safe investments as the property values continue to rise, the properties are often handed over to Lettings Agencies and rents of over £1000 per week can be charged. In addition we remain a popular destination for retirees. Our recent Neighbourhood Plan requires all new dwellings to be Permanent Residences. This will increase the scarcity and therefore value of existing dwellings. Most of the new houses are expected to be sold to people retiring to the area. We already have the lowest percentage of young people and highest of older people in the county. This is predicted to increase county wide. As a result we currently have a perfect storm of part time businesses run by retired people, other businesses unable to find staff for their present needs and unable to expand. Jobseekers are unable to move into the area due to the high house prices and lack of affordable rental property.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes? Infrastructure and services

Q3 There is a potential in growth of the tourist trade in the Spring Autumn and Winter, especially luxury accommodation. This could be aimed at the cycling, walking, activity, fishing, birdwatching markets. To do this our area needs funding for better and additional cycle ways and paths, at least one new wet weather attraction and accommodation for much needed additional staff to move to the area. We believe tourists are willing to pay towards the areas they use whilst visiting. Easy to use opportunities to donate using Paypal, Touch screen payment and other technological innovations. The North Northumberland AONB say they would be keen to be a pilot for these opportunities.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Q5 Mobile phone coverage in rural and coastal areas needs to be improved do text and phone bookings and enquiries can increase rural income. This is as important as broadband. Also it should be compulsory to have broadband access in all new homes. A recent local development of 40 Holiday Homes would have qualified for free BB points from BT but the developer didn’t ask and now each owner has had to arrange their own.
6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Q6 More access to live link courses provided by education providers, funding for local Hubs to provide free internet and space to study. More promotion of free courses available to all such as Futurelearn, Open ed and MIT. Continue to increase confidence in non IT users. How are these services delivered in the Arctic, Canada, Sweden? We need to embrace new electronic opportunities.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure? Business, employment, skills and demography

Q7. We need an even playing field with a review of Business Rates and entitlement to Small Business Rate Relief. Currently owners of Second Homes can register their properties as Businesses. These only need to be offered to let, not actually let out. Or they can be hired out a few weeks of the year and available to the owners family and friends for the rests of the year. Because Small Business Rate Relief is based on Rateable Value and no other criteria, nearly all Holiday Homes qualify. Owners can therefore pay no Council Tax, Parish Council Precept or Business Rates. Meanwhile the value of their ‘business’ ie the house, continues to increase in value. Unlike shops or pubs, the resale value of Holiday Houses and Second Homes is not based on their turnover or profit, but solely on the current House value. House prices here have increased 8% in 3 years whilst they have fallen in other parts of the county. We need to rethink affordable accommodation for incoming staff until they can afford local prices.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Q8 By making it possible for young people to stay in or return to the area and by encouraging a younger demographic to move here. We have the way of life, we just need to address the accommodation costs. Suggested ways would be to crack down on the Tax Avoidance loophole of Small Business Rate Relief and, at the same time, increase the Council Tax on Second Homes and ring-fencing the additional income to be used for affordable properties to rent.

9. How can deprivation and inequality in rural areas be tackled?
Q9 By tackling the cost of housing by closing the Tax avoidance Small Business Rate Relief loophole and by encouraging the owners of true commercial Holiday Houses to let out their properties all year round and not just in the popular, high rent, holiday periods.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Q10 Housing, decent income, career paths in tourism related businesses and easy to access opportunities to gain qualifications. Also more locally owned and run adaptable business units for start ups, crafts, etc. A few in each village would make a huge difference.
11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Q11 Older retired people who have moved to our area are already the driving force behind community cohesion and activity. They tend to be talented, experienced, and want to make the area a better place to live. For many years and generations they have been taking over WI’s, churches, Village Fetes, Parish Councils, clubs and associations. They do all this as volunteers with little national and local recognition and support. Our small area recently ran a pilot for Northumberland County Councils Public Health Department giving out small £100 grants to people wanting to come together to start new groups. This has been an amazing success with 45 new groups, 95% of which are still running after 2 or 3 years and the rest completed their stated aim. Hundreds of people benefitted directly and new friendships were formed. This has increased the informal support network in the area. In addition some of the groups – Beadnell in Bloom, Bamburgh Bulb Planters, Litter Pickers and Catering for local Events, have improved the area and experience for residents and visitors. Others – Amateur Drama, Skiff Building and Rowing Groups, Board Games Coffee Afternoons, Gardening Club and Young Parents Lunch Club have improved mental and physical health for those taking part. Unfortunately the initiative has ended.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Q12 Suggested ways would be to crack down on the Tax Avoidance loophole of Small Business Rate Relief and, at the same time, increase the Council Tax on Second Homes and ring-fencing the additional income to be used for affordable properties to rent. Permanent Resident Restrictions are good but may increase the prices of existing houses and be bought by retirees who, in years to come will need care and support from our already stretches and understaffed local health services. We need to remove Right to Buy and think of new ways of delivering affordable, sustainable accommodation for young workers, prefabs, Lodges, Static Caravans?

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

Q13 The Buy to Rent initiative and sale of Council Houses and proposed sale of Housing Association properties have been a disaster for areas over relying on tourism. The Tax Avoidance loophole of registering Second Homes for Small Business Rate Relief needs to be withdrawn. At the same time introduce the opportunity for councils to increase the Council Tax on Second Homes. This additional income could be ring-fenced for affordable properties to rent. Neighbourhood Plans have been a great, if time consuming opportunity, but ‘St Ives’ permanent residency policies have no effect on existing properties which will continue to migrate as Second and Holiday Home investments.
14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

Q14 No. Since the abolition of Areas, DEFRA and Rural Commission it is lip service only. And yet we have the best quality of life and satisfaction ratings. Scrapping the obsolete Deprivation scoring system would help. Currently we are at 50% so we could never qualify for a Reaching Communities grant. However our ‘score’ is affected by many middle age and older people with high incomes, qualifications, retired or with part time jobs in other parts of country, moving into the area to live and enjoy the quality of life. This masks any ‘need’. There should be, for example, a Rurality score for distance from a High School (15 miles) Shopping Centre (50 miles) Crematorium (40 miles) 2 or more supermarkets (15 miles) University (50 miles) 5 day per week college (40 miles).

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Q15 Ha ah ha aha! Our proposed Local Plan versions 1, 2, 3 and 4, propose Employment Zones in the urban south east of the county, 40 miles away, which already borders and has good transport links to Tyneside and Newcastle. The 90% of the rest of the county had to rely on developing existing tourism. The current version, currently out to consultation, does intend to target any additional resources arising from the North of Tyne agreement, to rural areas of Northumberland. We wait to see what this will deliver. The devil will once again be in the targeting. Previous European Funds such as Leader, remain unspent due to restrictions and the need to match fund.

Rural areas are never going to deliver high numbers. 5 people into sustainable work or suitably rehoused can make the difference to a village’s viability. 15 affordable houses can sustain a local school &/or take pressure off local health services care of the elderly. A small amount of Core funding (£10k) for a local Hub (currently only being offered by a limited number of over stretched charitable Trusts) would support the community cinema, Youth Project, wedding and funeral venue, various community groups, Flower Show, Training and Election venue, Tennis Court, Business support, Dancing and Sport classes, Outdoor and Indoor Bowls, replacement library and free computer access.

25 August 2018
1. **General Issues**

1.1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

1.2. Hampshire County Council considers it important to recognise the distinction between rural-based economic sectors and the rural economy. The later comprises of all economic activities by businesses and individuals located in rural areas, including agriculture and other traditional land-based activities.

1.3. Hampshire has a vibrant economy worth £37.8bn per annum, making it the second largest economy (after Surrey) in the South East. Strong economic interdependencies exist between the county and the neighbouring unitary city areas of Portsmouth and Southampton which, when combined with Hampshire County Council’s economic area has a combined GVA of almost £50bn.

1.4. Hampshire’s economy is also highly diverse and has further growth potential not least because of its strategic location and its high growth businesses, such as digital technology and aerospace. However, ensuring adequate investment in its connectivity (digital and physical infrastructure) is hugely important given Hampshire’s large, dispersed geography and the need to ensure that its many rural communities are not left behind.

1.5. Of Hampshire’s 1,400 square miles, 85% is classified as rural. Hampshire’s rural economy is worth an estimated at £7.5bn GVA per annum, or 16% of the entire Hampshire Economic Area (including the two cities). This is broadly split 50:50 between the ‘Rural town and fringe’ and ‘Rural village and dispersed’ rural classifications.

1.6. The County Council’s Business Growth & Development Report (2016) showed a 1-6% increase in rural GVA between the years 2011-2014. This was faster than urban areas at 2%, although it remains a smaller proportion of the total GVA. Major investment has, and continues to be, concentrated in sectors such as aerospace, defence, maritime, digital and financial sectors, and is largely urban-based.

1.7. This imbalance in investment is partly caused by, and exacerbates the socio-economic challenges associated with rural areas, for example limited connectivity – both in terms of physical infrastructure and digital communications; a lack of affordable housing; a shortage of high skilled workers; and environmental challenges, including security of future utility supplies and flood risk.

1.8. An effective place-based Industrial Strategy that takes account of urban-rural distinctions is needed to create more productive conditions, particularly around infrastructure investment and establishing a devolved, locally responsive
skills system. This would enable all areas, including rural areas, to prosper and maximise their contributions to the wider economy.

1.9 Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

1.10. Case Study: The Impact of Superfast Broadband to Businesses in Rural Areas - DietCheck Ltd is an agriculture business based in the rural village of Little London, which sells bespoke software advising on animal feeding to maximise animal growth rates. After years of struggling with a very poor internet service to the village, the Hampshire Superfast Broadband campaign was able to help secure the investment needed to improve the broadband service, enabling DietCheck to successfully expand its operations and reach a global market.

Spreading good practice across rural areas relies upon effective communication infrastructure and networks that are supported by strong partnerships across the various sectors. Well supported stakeholder groups, such as Hampshire’s Rural Forum, provide communication hubs which act as a catalyst for devising more innovative service solutions with recent examples including cross sector presentation and discussions on reducing rural crime and the opportunities presented by micro-initiatives in tackling rural isolation for vulnerable adults.

1.11. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

1.12. Hampshire’s rural economy has evolved in a similar way to rest of the county’s economy – there has been steady rise and growth in the number of self-employed and traditional land-based sectors giving way to the service sector.

1.13. Technological advances should aid economic progress but there is a risk that without parity of investment they can accentuate the urban rural divide. Having access to the latest digital infrastructure is vital for businesses competitiveness. However, all too often rural communities are disadvantaged because of the higher costs of, for example, providing superfast broadband in rural areas which deters providers from investing in those ‘hard to reach’ rural areas.

1.14. Modern technology can reduce challenges associated with distance and help realise the full economic potential of ‘green space’ beyond agricultural values. Employment patterns in rural Hampshire have continued to shift away from land based activity services and the prevalence of remote and home working continues to increase, but maximising productivity in those areas is heavily reliant on good connectivity. Therefore, it’s vital that the Government takes further action to encourage investment in rural areas so that all rural communities are able to access full fibre broadband so that they can engage fully in the digital economy and have access to the most modern public services (see paras 2.8 – 2.12).

2. Infrastructure and services

2.1. How can access to transport be improved in rural areas?
2.2. The County Council’s Access & Transport Report (2016) highlighted the importance of good transport links between rural area and the county’s strategic hubs, both for the economic viability of rural areas and ensuring residents, who live in rural communities, have access to key services.

2.3. Hampshire County Council plays a key role in supporting and developing public transport services in the County, with 168 community transport options currently listed by Hampshire County Council. Initiatives designed to retain essential transport links include ‘taxishare’ services which now serve over 60 communities in the county, carrying some 29,000 passengers a year. The County Council also runs a ‘Wheels to Work’ moped loan scheme to support access to education, training or employment for people aged 16 or over living in Hampshire’s rural districts.

2.4. Hampshire County Council has a strong record of working effectively in partnership with commercial bus operators to make bus use more attractive and journey times more productive, for example by investing in on-board WiFi, real-time information, and contactless payment. Such initiatives have helped increase bus usage in Hampshire by 14% over the ten years to 2017 so it is now close to a 20 year high. However, there are some rural communities in the county that will never be able to have a commercial bus service and, whilst the County Council continues to support a range of community transport initiatives such as minibus hire schemes, due to the severe and on-going reductions in local government funding, the County Council has had to reduce its subsidies to commercial bus operators from £6.7m in 2011 to £2.7m in 2018.

2.5. The statutory concessionary fare travel scheme costs Hampshire County Council £13.5 million per annum, providing some 260,000 pass-holders with over 12 million journeys a year. Bus operators receive a payment to enable pass holders to travel free, whether it be on a commercial or subsidised route. Before this national system was introduced in 2006, many residents in Hampshire bought a bus pass to allow them ‘half fare’ travel. Sustaining non-commercially viable bus routes is becoming increasingly difficult and where bus services in the county have reduced some pass-holders have said they would rather pay something than lose their bus service. It is clear that without secure funding of supported bus routes a very large cohort of older residents would lose easy access to social amenities and essential services. Therefore the County Council is seeking permission from the Government to introduce a ‘quarter fare’ older person’s concessionary fare charge which would be rounded down to 50p per journey – half of what pass holders would have paid before 2006. Even allowing for a 30% reduction in journeys, the Council’s modelling shows a 50p charge would produce an annual income of £4.7m that would be ring-fenced for bus subsidy and community transport support, and thus preventing these socially valuable services from being lost.

2.6. Given the new fair funding formula will not be introduced until 2020/21, it is vital the Government agree to take action now to work with local councils and prevent the loss of more supported bus services.

2.7. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
2.8. Lack of access to high speed broadband holds back economic growth, increases social isolation, and leads to economic and social decline. Rural areas represent a significant and disproportionate percentage of the locations where superfast broadband is not available increasing the digital divide between rural and urban areas.

2.9. Research by the Association of Independent Professionals and the Self Employed (IPSE), which represents many rural micro businesses show that of all self-employed workers based in the UK, twice as many work in rural areas as compared to the urban areas. Furthermore it shows that there are still far too many rural self employed businesses that don’t have decent broadband connections. Such poor connectivity acts as a lag on existing productivity and deters individuals who might otherwise consider starting their own businesses.

2.10. Hampshire’s own Superfast Broadband Programme has been highly successful and is on track to upgrade connections to more than 100,000 premises across the county that would otherwise be without the service. As we approach the end of the current scheme it is becoming increasingly apparent that full fibre broadband (ultrafast) is becoming the affordable technology of choice in these areas and more than 12,000 Full Fibre (FTTP) connections are to be included in our current plans. However, despite this significant investment almost 20,000 premises will be without high speed broadband at the end of 2019. The number of premises without a connection is disproportionately higher in rural areas and whilst the County as a whole is on track for 97.5% coverage by 2019, current projections show it that superfast coverage in rural Hampshire will be available to 85% of rural premises.

2.11. It is clear that the last few percent of premises in the UK will be served by a mix of technologies, in Hampshire’s experience full fibre broadband is becoming the most financially viable technology for the bulk of the remaining premises. Government should recognise that it has, via the superfast broadband programmes operated by Local Authorities, put in place robust mechanisms for procurement, contract management and audit control. The current contracts are generating considerable rebates and this funding should be utilised in new procurements which will extend full fibre broadband to the remaining premises before starting to overbuild areas that already have superfast broadband coverage.

2.12. This approach would avoid crowding out investment in commercially viable areas, encouraging commercial suppliers to build in areas of commercial return and focus Government funding on those areas least likely to be commercially viable and which currently suffer from the poorest broadband speeds.

2.13. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

2.14. Greater support from central government to encourage more inward investment (see sections 3.2 to 3.7 below) would help improve digital connectivity, transport infrastructure, and enhance the market place profile and the competitiveness and viability of rural businesses and local service providers.
2.15. Hampshire County Council continues to build and support partnerships with community groups, and tailors investment to address local needs that are often specific to a cluster of rural communities. For example, building on the close partnership arrangements the County Council has with the Hampshire Association of Local Councils (HALC), the County Council’s Rural Community Fund will be partly used to support Hampshire’s 260+ parish and town councils to design more innovative local solutions that support rural communities and their local economies, and in turn reduce pressure on County Council services.

2.16. Case Study: Parish of Chilbolton - Village Store and Post Office - The County Council’s Rural Community Fund invested approximately £7,000 match funding to help upgrade and develop the village shop’s infrastructure and services. This is helping to sustain the store’s economic viability and the benefits it provides to local residents, including vulnerable members of the community where such local amenities are important for their health and well-being.

3. **Business, employment, skills and demography**

3.1. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

3.2. It is important to note that in developed economies, such as the UK, the vast majority of inward investment (between 70 – 80%) is derived from the existing business base. Therefore the Government’s industrial strategy should place greater emphasis on supporting existing companies and identify new ways to encourage them to re-invest. For example, Enterprise M3 LEP, working with Hampshire County Council and others, is currently developing a more proactive and coherent approach, presenting an opportunity for a more balanced economy i.e. investing in the existing commercial viability of the urban areas whilst also realising and unlocking the economic potential and addressing the social needs of rural areas.

3.3. If the UK is to succeed in attracting more inward investment in this uncertain pre-Brexit environment, it is critical there is a more consistent source of grant assistance available from central government. Looking beyond Brexit, it will be important the UK takes the opportunity to become less constrained by state aid rules so that assistance can be offered to businesses of all sizes, especially in terms of major capital investment or re-investment.

3.4. The County Council’s Education & Skills Report (2016) indicates that the distribution of economic prosperity and productivity across the county closely mirrors the distribution of skills. This is why local businesses are so focussed on the skills agenda and often cite the shortage of skilled workers as the primary barrier to further economic success.

3.5. Although rural areas have a higher proportion of highly educated and well qualified residents than in urban areas, those residents are not necessarily employed in their local area. Indeed many rural areas face labour and skills shortages and struggle to provide the same opportunities urban areas offer the younger generation (see sections 3.9 to 3.15 and 4.2 to 4.13). Upskilling the local workforce through local training programmes and apprenticeships will go
some way to helping to address the skills shortages in rural areas, although being able to retain and attract an appropriate workforce will also depend other factors, such as transport and connectivity (above).

3.6. In order to better develop the local skills base Government policy should empower strategic bodies, such as county councils, to play a stronger role in tackling the current mis-match between national training programmes and the skills needed by locally based, high-growth industries, many of whom might seek to expand in rural areas if skills and infrastructure were not a barrier. With devolved powers county councils would be well placed to effectively link schools and businesses together and oversee a locally responsive, employer led skills system that would benefit both urban and rural areas.

3.7. In its response to the Government’s Green Paper “Building on our Industrial Strategy” (Jan 2017), Hampshire County Council welcomed the more cohesive approach being taken to the education and the skills agenda and called on the future Industrial Strategy to avoid a ‘one size fits all from the Department for Education to local places but instead pave the way for a more modern, flexible skills agenda that is able to deliver a more cohesive structure at county level.

3.8. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

3.9. The County Council recognise that affordability of housing (see section 4 below) along with education, training and employment are the key drivers in youth migration between rural and urban areas.

3.10. Hampshire benefits greatly from a strong Sixth Form and FE college sector in terms of both quality and volume of establishments, attracting many thousands of post 16 learners to the area each year. This strong feature of the local education offer supports overarching County and LEP aims to attract the right skills to the area.

3.11. However, young people living in Hampshire’s rural areas face a number of unique barriers, particularly concerning digital and transport connectivity that could in turn affect their access to: careers advice, employment and training support, and youth services. The County Council supports a number of initiatives looking to address these rural specific barriers to education and training. Examples include:

3.12. Employment and Skills Hubs - Targeted at helping our local employers access a committed and enthusiastic workforce with the right skills to help their businesses grow.

3.13. Employment and Skills Plans (ESPs) - The County Council works closely with contractors and District and Borough Council partners to create ESPs to create opportunities for the residents of Hampshire to engage in key sectors including engineering, manufacturing, retail, leisure and construction; through work experience, jobs, apprenticeships, provision of careers information and training.
3.14. Hampshire Careers Partnership - Provides strategic oversight and a centralised professional careers network to better cohere the range of activity across the area; to ensure that all young people and adults have access to high quality impartial careers IAG and work related opportunities, regardless of their setting, circumstance or careers provider.

3.15. Hampshire Virtual School - Developed in August 2017; to provide young people post 16 with 1:1 tracking and interventions. Young people have access to high quality career support, including CIAG which, will lead on to sustainable education, employment and training.

3.16. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

3.17. The County of Hampshire has an ageing population. Those aged 65+ are set to increase within the rural population by 16.2% by 2022, with even higher growth rates for those aged 85+ which are set to increase by approximately 30%. This is a much greater rise, compared to urban centres across Hampshire estimated at 21.0%.

3.18. The County Council is committed to offering the same level of support to all its residents, even if they live in geographically isolated areas. However, providers of traditional domiciliary care are finding it difficult to recruit staff able to operate in rural areas. Similarly, day services tend to serve a wide catchment area so can be more difficult to access by those living in remote places. New models of care, such as micro-enterprises, may help to meet the challenges faced.

3.19. Feedback from Hampshire’s Parish and Town Councils suggest a willingness to play an increased role in ensuring people in their community do not become socially isolated, helping to reduce demand for both social care and health services. However, local councils would require more support in order to be able to fulfil that role.

3.20. Many of the County Council’s initiatives are well supported by the newly retired population who are keen to contribute towards their local rural community. However, the County Council is aware that the disproportionate increase of the retired population expected for those aged 85+ is understandably impacting the groups overall contribution to volunteering and community activities. Further support from central government to make volunteering opportunities both more accessible and attractive would be welcomed.

3.21. The County Council supports a wide range of initiatives to support its ageing rural population, including Hitting the Cold Spots, Village Agents Scheme and the Rural Connections Grant.

4. Rural housing and planning

4.1. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?
4.2. The County Council is a strong advocate for the provision of more rural affordable housing. As a key funder of the Hampshire Alliance for Rural Affordable Housing (HARAH), the County Council is enabling an increase in the supply of affordable housing in the rural villages of Hampshire.

4.3. However, the County Council has identified a number of key challenges associated with the delivery of rural housing:

4.4. Rural Exceptions planning policy – Exception sites by their nature are small (5-20 units) and take a long time to come to fruition (often 5 years+). This results in a very slow supply of rural affordable housing which has an adverse impact on affordability.

4.5. Site availability – The site selection process is in effect ‘ownership blind’ in so far as the assessment of suitability does not, as its first premise, consider whether the site is in fact available for development. The County Council has sought to be more proactive by reviewing its rural holdings in the context of any RHE process to ensure only sites available for development are included in any site review exercise.

4.6. Viability – CPRE’s recent ‘Viable Villages’ report found that rural sites on which viability assessments were used saw a 48% drop in affordable housing delivery. Recent guidance published alongside the revised NPPF states that viability studies should be carried out earlier - to inform Local Plans instead of challenging them retrospectively. This should help create affordable housing targets that are seen as a clear and agreed minimum standard, rather than a starting point for negotiation. Developers will only be able to carry out further viability assessments in ‘exceptional circumstances’ and the onus will be on them to demonstrate what has changed since the original assessment.

4.7. Neighbourhood Planning - Recent research by Lichfields Planning Consultancy titled ‘Local Choices? Housing Delivery through Neighbourhood Plans’ (May 2018), has shown that Neighbourhood plans are not supporting Government ambitions to meet the housing need, with fewer than half containing allocations for new housing in their communities. Only 40 per cent of the 330 neighbourhood plans considered contain allocations for new housing, with only half of these considered ‘new’ allocations. The research suggests that local communities are placing greater emphasis on other planning issues such as the protection of local infrastructure, services and green spaces.

4.8. The research also shows that where neighbourhoods are delivering housing growth at the local level, they align to “positively prepared strategic local plans”. From a Hampshire perspective, of the 16 ‘made’ Neighbourhood Plans within rural Hampshire which have been reviewed, the same trend can be seen. None of the Neighbourhood Plans in the county have opted for more housing than the corresponding local plan. It is clear that up-to-date local plans with clear housing targets are the key to delivering growth in all areas.

4.9. This would suggest that the delivery of rural housing remains dependent on Local Plan policies. The neighbourhood planning process is not delivering any increased numbers of housing in rural parishes and it is still not the focus of
community plan makers across rural Hampshire. It is not unreasonable to presume that the focus of neighbourhood plan makers will remain simply on finding appropriate sites in their area that can meet the housing numbers prescribed for their areas in the evolving or adopted Local Plan.

4.10. Changes are needed in regard to the efficiency of the Permitted Development Rules. It is currently complex, and the prior approval process is confusing for both the applicant and local authority planners. If the Government is serious about encouraging small scale residential and commercial developments in rural areas using the General Permitted Development Order, and particularly those Classes relating to changes of use, the Order must be revised, greatly simplified and capture the requirements to support infrastructure and affordable housing.

4.11. Government should support local authorities in building their own rural affordable housing and to continue to develop ‘right to buy’ schemes. According to CPRE In recent years the delivery of council homes in rural areas has fallen from 33,490 homes in 2009/10 to 5,380 in 2016/17, while the rate of Right to Buy sales has accelerated. The ability or commitment of Local Authorities to match new builds with ‘right to buy’ sales should be considered and Government should look to support and ensure effective replacement programmes are in place for affected areas.

4.12. Further consideration is underway within HCC as to the feasibility and value of investing in affordable housing specifically for key workers in the County’s rural locations. Whilst this is still at an early stage it is envisaged the value to the immediate services would be clear, together with wider benefits such as helping to balance the predicated population age demographics and the diversity of the skill base in rural communities.

4.13. Finally, the current system does not require developers to provide affordable housing on sites with fewer than 10 homes. Given that rural developments tend to be smaller than urban ones, It is considered that the 10-dwelling threshold has a disproportionate impact on rural communities. Developer contributions could therefore be levied on all sites, either in the form of affordable homes built or, if necessary for smaller sites, as a monetary payment to local councils.

5. Government policy, devolution and local government

5.1. Does the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

5.2. Hampshire’s experience suggests there is generally a greater focus on supporting the key urban centres. This may be because, in terms of spatial distribution of the economy, the majority is centred in and around town and city centres. In addition, key urban centres tend to have a clearer identity and association with certain sectors. For example, in Hampshire, Farnborough has a strong historic and current association with aerospace and aviation, and Basingstoke has strong links with the financial and digital sectors. For rural areas, whilst they are home to a large number of businesses, the profile of the
business community tends to be disproportionately micro and small businesses, with a small number of employees per business. The majority of large businesses tend to locate in and around urban centres. In fact, recent evidence gathered for Hampshire 2050’s Commission of Inquiry indicates that in Hampshire, the majority of businesses in knowledge intensive sectors tend to be located in or around major employment centres.

5.3. In 2017, around 57% of UK digital foreign direct investment projects announced involved 10 or less employees and the majority were locating in and around cities with world-ranked universities.

5.4. In order to become a higher priority for support by Government and other public sector bodies, a stronger case needs to be made for which sectors and nature of businesses can best thrive in rural locations.

5.5. Rural locations also have to make a stronger case for why they have a key role to play in the attraction and retention of talented individuals, which of course supports growth of the local economy. Knowledge workers, particularly when reaching certain stages of life, e.g. starting a family, could be attracted to locations in a more rural setting, as part of an overall lifestyle offering linked to low crime rates, healthy outdoor living, etc.

5.6. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

5.7. In terms of supporting business growth in rural Hampshire, such businesses are able to access the same support mechanisms as businesses based across the whole county. For example, in the Enterprise M3 LEP area, the Growth Hub can be accessed by businesses in urban locations and across rural locations such as the New Forest. A number of events have been staged in the New Forest to encourage engagement between the Growth Hub and local businesses. Often the challenges are more around raising awareness amongst rural businesses that such support is available.

5.8. In terms of major financial support for projects in rural areas, one of the challenges is that LEP funding is primarily capital orientated, and the main focus has been around investment in infrastructure to open up both housing and employment development sites – the majority of which are in more urban locations. In addition, projects in urban locations probably offer both scale and higher returns on investment in relation to key economic outputs such as jobs, employment floor space, and number of housing units.

5.9. For the future of economies such as Hampshire, the digital sector, as an enabling technology, will be absolutely critical, and investment in digital infrastructure needs to be a very high priority. This case needs to be made clearly to both central government and to LEPs as rural communities, including those in Hampshire, will only be able to participate in opportunities if the necessary digital infrastructure is put in place.

10 September 2018
Hampshire Rural Forum – Written evidence (REC0060)

The Hampshire Rural Forum comprises of organisations, groups and individuals who have a concern for the economic prosperity and well-being of businesses and communities in rural Hampshire. The Forum brings together the many pieces of the ‘rural-jigsaw’ to fulfil its overall aim to ‘enable Hampshire’s rural communities to become more visible, effective and sustainable socially, economically and environmentally’.

All members of the Forum were asked to consider the consultation. We would like to offer the following comments, to represent the views of the Forum members. **Please note these comments do not represent the collective view of the Rural Forum.**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

1.1. The rural economy has changed in recent years – with emphasis now on greater diversification of activities.

1.2. Developments in technology have meant a wider range of activities can take place in rural Hampshire – HCC Socio-economic Profile of Rural Hampshire (2016) identified that businesses in the professional, scientific and technical sector are the most numerous. Locally based research by LEADER Local Action groups has revealed that different districts in the county have different types of business – no one size fits all.

1.3. The rural economy in Hampshire is dominated by SMEs and micro-businesses (2016 HCC – 87% of businesses had 0 -9 employees). Home working and self-employment are significant.

1.4. The land based economy employs a relatively small number of those living / working in rural Hampshire. However the health of this economy and its role in caring for the environment is critical for the economic health of rural areas – for example the visitor economy is one that is growing. There is an increasing interest in developing initiatives that do not impact negatively on countryside or wellbeing of those who live there. Research for one LEADER LAG has also highlighted that non-agricultural businesses in its area of benefit had been attracted by the landscape, character and environment. This is also linked to a growing interest in the natural capital and the opportunities this offers to the rural economy. NB. the movement restrictions during the 2000 Foot and Mouth outbreak demonstrated the greater economic impact was on the visitor economy rather than the farming.

1.5. There is an obvious interdependency between social / community life and the economic life of Hampshire’s rural communities. Increasingly communities and local groups are delivering services and facilities that market forces do not consider viable (including social care and childcare).
Given the diversity within rural Hampshire and the fact that the county’s rural areas are not “remote” (ie access to urban is relatively easy) – this illustrates the need for any policy responses to be flexible enough to recognise local circumstances and priorities.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1. The LEADER programme with its bottom-up approach has helped rural businesses grow and develop. In Hampshire, as elsewhere, there are examples of where the funding has enabled businesses to diversify for example in terms of products and services offered. There are also examples of where funding has opened up new markets or allowed a business to address seasonal constraints. The success of Hampshire Fare illustrates there is demand for something local and unique.

2.2. There is a caveat to highlighting notable success stories. Many are model initiatives that received significant funding and support. The challenge will be to identify those that can be replicated when the same level of resource is not available – and also how successful solutions can be adapted to local contexts and circumstances.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1. With further advancements in connectivity and technology it is likely that the rural economy will continue to diversify. Where broadband delivers the required speeds, there is likely to be more remote working, self-employment and relocation of businesses to rural areas.

3.2. Within the agricultural sector new technologies to make processes more efficient and environmentally sustainable will make an impact. Winchester City Council and neighbouring districts, for example, are looking at their role in promoting agri-tech.

3.3. Social enterprises and community businesses (responding to the economic climate) will continue to bring economic activity and services where the market will not.

4. How can access to transport be improved in rural areas?

4.1. Given financial and numerical constraints, demand responsive services (delivered by volunteers?) would seem to be offer the best way to improve access. In Winchester City, there is a successful car club, but could this be rolled out in smaller settlements? There are in Hampshire, as elsewhere, examples of community transport initiatives such as wheels to work and neighbourcare.

4.2. Greater (practical) support for parish councils might encourage some to play a more active role in addressing this issue – for example, the Hartley Wintney scheme: http://www.hartleywintney.org.uk/community-transport/the-service
5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1. High speeds are essential for the health of the rural economy. However, without a 100% geographical coverage for high speed broadband it is frustrating for businesses who are increasingly having to use internet based communications with government and other agencies - unreliable broadband dropping out during a transaction is annoying.

5.2. There is a similar challenge with poor mobile phone coverage. This is a barrier for businesses that increasingly rely on online banking services but who cannot get a mobile signal locally. Visitors, for example in the two National Parks, are relying more and more on mobile phones to access information and take part in recreational activities such as geocaching.

5.3. Digital challenges impact on young people who rarely use cash and for whom connectivity plays a major role in their lives (see Q 10).

5.4. There are examples in Hampshire of communities providing their own small scale targeted solutions. The thread running through these community models is a “can do” attitude – Rotherwick where residents pooled their resources: www.hampshiresuperfastbroadband.com/residents/residents-case-studies/rotherwick/

and a parish where an individual set up as an official Internet Service Provider using his shed to host the router.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1. Given the market will always deliver first to where there is a concentrated population, it is inevitable that the Not for Profit / community sectors will have to step in to plug a gap when the cost of delivery is too high for public service delivery. Rural dwellers are taking on the challenge as the best (only) way to ensure services are maintained or delivered – but support, training and sensitivity in terms of regulation, legislation and policy design are required for success. Social enterprise and community ownership models should be supported and encouraged. They contribute to the rural economy, provide employment as well as goods and services to other businesses.

6.2. Village / community halls are often the only community or public facility – they host a range of services and activities thus addressing access issues. It appears, however, that this is often forgotten when government departments are looking at regulations. The volunteers running and managing them need access to support that is well-resourced, specialist and local (eg through the ACRE network).

6.3. One way forward might be to encourage Commissioners to pool their resources and co-design services with rural communities – economies of scale by clustering services together and delivering through a hub.
6.4. Improving connectivity.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1. See above. Amenities are declining due to commercial or succession reasons but they are an integral part of the rural economy.

7.2. Support should be given to infrastructure organisations such as the Plunkett Foundation that can assist communities that are thinking of setting up a community owned business. The community shop is a successful model that has ensured the future of a retail presence in many villages. Grant support for community initiatives delivers services not considered viable by other operators but also supports the more vulnerable residents, provides employment opportunities and helps people get into work (eg. through a local childcare scheme).

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1. Suggestions from members of the Rural Forum included:
- Appropriate advice and grant support to enable growth
- Support the growth of home-based businesses
- Improve the digital and the transport infrastructure.
- Provide grants for upskilling of current staff in businesses

8.2. LEADER has supported many rural businesses and organisations. The post-Brexit Shared Prosperity Fund should recognise the need for support for small-scale local enterprises, skills and growth so “rural” does not get lost. It also needs a simplified application process making it more accessible to small and Not for Profit enterprises. The success of the LEADER approach comes from the fact it is locally determined grant funding that has enabled SMEs to invest in new equipment, in improved premises, to develop new markets etc – any future support should build on this bottom-up approach.

9. How can deprivation and inequality in rural areas be tackled?

9.1. The challenge is to ensure any initiatives to tackle these take into account the rural context. In rural Hampshire, numbers of people will be relatively low (and often hidden) but they may be experiencing a number of factors which are being addressed separately. To use resources more effectively, service providers should work together and engage with what is already happening within the community.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1. There are a number of factors why young people move away – including cost of housing and lack of affordable housing; absence of jobs; wish to access more choice in post-16 education.
10.2. These, and probably other, factors need to be addressed to encourage young people to stay in or return to rural areas. They need well paid employment if they have any hope of being able to live in rural areas. Investing in digital infrastructure would create more variety of jobs outside London. There is anecdotal evidence that some young families are moving out of London as they take advantage of the rise in house values but they then commute back to the City for work.

10.3. Build more affordable housing including support for self-build projects. Young people could then rent at affordable rates while saving for a deposit.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1. The process for procuring public services needs to change so that it is more understanding of the rural context. Planning and delivery through a co-designing approach developed with local communities would help. Delivery of high speed broadband is important but also needs to be used in an imaginative way to address these issues.

11.2. Fair funding would take account of the higher costs associated with providing care in a rural area. As already stated, support should be given to initiatives that explore the use of technology and also the delivery of combined services. However, in terms of social isolation, it should be remembered that connections “offline” and socialising are what many older people want (eg. success of Men’s Shed)

11.3. More encouragement of community events and community action could help overcome some social isolation issues (eg. Warm Hubs in Northumberland). Many older people make a huge contribution to a successful volunteer workforce (eg. community shops and pubs).

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1. Key points raised by individual members of the Rural Forum are:

- Concerns that land for genuinely affordable housing will not come forward if landowners can hope that sites may in due course become available for open market housing. Similar situation if there is a question about whether the affordable housing will remain for local people in perpetuity.
- Need a properly resourced planning system with qualified staff working at the local level is required.
- Limit the number of second homes in rural areas could help (as St Ives).
- Continue to promote Rural Exception Sites with local authorities.
- Reinstate the universal requirement for small sites (under 10 units) to include a proportion of affordable homes – a simple solution would be to exempt all small rural settlements from this policy change.
13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1. In the New Forest National Park the impact of the imposition of the national site size threshold for affordable housing provision (see above) has been that open market houses have been built in the larger villages with no contribution towards local affordable housing needs.

13.2. The other recent national planning policy reform that has had a negative impact on affordable housing delivery has been the emphasis on development viability – ie. guaranteeing a developer a 20% profit return – if this means that a proportion of affordable housing has to be lowered then that is what happens.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1. The perception is that too little attention is being paid to rural England in policy making – eg. the impact of entry level exception sites.

14.2. There are obvious benefits from engaging properly with rural communities when deciding on policies that will impact on them.

14.3. With the demise of both the Commission for Rural Communities and the Rural Communities Policy Unit (Defra) it is not clear how the voice of rural England is being heard when policy and legislation are being considered or designed (particularly as the Government has rejected recommendations by the House of Lords Select Committee on the NERC Act 2006).

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1. Several members of the Rural Forum have stated that in their experience Local Enterprise Partnerships are not / have not actively engaged with the rural economy. It is felt that the LEPs have a tendency to favour large scale initiatives that deliver growth and jobs – which is difficult to reconcile this with SMEs in the rural economy.

15.2. With March 2019 on the horizon a role for the LEPs might be to look at how they could replace the type of funding schemes that have been successfully delivered by adopting a more local approach (LEADER in the New Forest has seen over £3m invested since 2002, over 500 businesses have benefitted and 300 jobs safeguarded or created). However, can LEPs change their approach or should there be another route to ensure the wider agenda in rural areas can be addressed?

10 September 2018
12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

1. Rural homes across Hampshire are very expensive. Someone on an average salary would need a salary increase of between 133% in Test Valley, and 203% in the New Forest to be able to raise a mortgage to buy in their area. As a result, the need for truly affordable homes in rural communities is high, and supply needs to be maximised.

2. Funding from Homes England needs to reflect the true cost of developing small affordable schemes in rural areas, which can be higher than building large urban schemes. This would help boost supply, especially if there was ring-fenced national grant funding specifically for rural homes.

3. To incentivise land owners to bring sites forward (and so increase the availability and supply of land for rural homes) the Government could exempt sales of land for Rural Exception Sites from Capital Gains Tax.

4. Consideration should be given to giving rural local authorities the discretion to repeal, suspend or reform the Right to Buy in their area to prevent the loss of existing homes in rural areas, otherwise new supply is not a net gain.

5. Measures to support local authorities who want to address a high prevalence of second homes and holiday homes in rural areas should be made available. In many desirable rural locations such as the New Forest, second homes push up local house prices and prevent local families from being able to remain in their communities.

6. Local community opposition to exception site development can be a challenge. This can be reduced through the occupation of new rural affordable housing being focused on local people in housing need. Although some opposition will remain, HARAH’s experience is that rural communities are more supportive of local housing for local people with a connection to the area. Rural planning and housing authorities should therefore be supported in implementing local connections criteria where justified.
13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules? Government policy, devolution and local government

1. The new policy for Entry Level Exception Sites in the current NPPF is potentially problematic. The model appears similar to the Rural Exception Site one, but there is no requirement for the homes to be for local people or to ensure a tenure that meets local need or to be available in perpetuity.

2. The policy is also likely to raise land values as the focus is on sale and the criteria is weaker than the Rural Exception Site. There is a danger that the policy could replace the Rural Exception Site model as landowners seek a higher land value through the new model.

3. The policy to exempt schemes of less than 10 units from s106 affordable housing contributions had a very detrimental impact in rural areas as most sites in rural areas are small- in Hampshire the average is 8 units. A threshold of 5 units may be applied in some designated rural areas, with a cash payment sought for developments from 6-10 units but this cash does not have to be used to provide affordable homes in that community. The Government should remove rural areas from the 10 unit exemption and allow local authorities to set their own threshold for affordable housing contributions.

10 September 2018
Hastoe Housing Association – Written evidence (REC0176)

Hastoe Housing Association – Written evidence (REC0176)

Hastoe is a specialist rural housing association. We own and manage over 7,500 homes across 70 local authority areas in Southern England.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

**Issue: Affordable Rents**
The current Government definition of affordable (80% of market rent) is unaffordable for many people in rural areas. There is a sharp difference between ‘affordable rent’ and social rent in Rural England. Below is an example from two rural local authorities.

**Uttlesford District – Two Bed**

<table>
<thead>
<tr>
<th>Average Affordable Rent</th>
<th>Average Social Rent</th>
<th>Annual Difference</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>£144.23</td>
<td>£107.69</td>
<td>£1,904</td>
<td>1.34</td>
</tr>
</tbody>
</table>

**West Devon Borough – Three Bed**

<table>
<thead>
<tr>
<th>Average Affordable Rent</th>
<th>Average Social Rent</th>
<th>Annual Difference</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>£128.14</td>
<td>£103.05</td>
<td>£1,308</td>
<td>1.24</td>
</tr>
</tbody>
</table>

This problem is made more acute by the fact that local earnings in rural areas (£21,400) are lower than in urban areas (£22,900).

In order to solve this problem, the Government should consider a new rent settlement that takes into account average rents and local earnings. Grant levels should be increased to a level to allow social housing providers to offer housing at rents that better reflect local economic circumstances.

**Access to Land**

One of the biggest challenges for rural social housing providers is gaining access to new sites at the right price. Steps the Government could take include:

**Flexibility when selling LA land:** Under Section 123 of the Local Government Act 1972, local authorities must achieve ‘best consideration’ when selling public land. This often means selling to private developers, who can offer the highest price.

These rules should be amended to give local authorities the chance to sell land at less than best consideration to allow more social housing providers to offer housing on public land for affordable housing.

**Access to Large Sites:** Large housing sites are often monopolised by single private developers. This decreases quality and slows build out rate. Housing associations are left with taking on Section 106 properties after they have been completed.

Government should consider new ways to get housing providers involved in delivery housing of different tenures on large sites, rather than just taking Section 106 properties. The inquiry should engage with the Final Report of the
Letwin Review to suggest how social housing providers and SMEs can better access large sites in rural areas to increase build out rates and drive up quality. 

**Fuel Poverty:** Fuel poverty is more prevalent in rural areas and the fuel poverty gap is higher. Rural households with the poorest FPEER rating of F or G have an average fuel poverty gap of £1,223. The Government should mandate far higher energy efficiency standards for new homes in Rural England and provide additional grant to build to standards such as Passivhaus (which can cut fuel bills to around £130 per year).

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

*Government policy, devolution and local government*

**Entry Level Exception Sites:** This new policy in the NPPF effectively gives landowners the option of building 30 starter homes on one hectare of land, with no need for perpetuity rules of requirement to meet a local tenure need. Although the ELES policy was amended in the final NPPF to remove open market homes and limit their use in Green Belt/AONBs, the policy is still likely to raise land values compared to traditional rural exception sites. The Government must monitor the policy to ensure it does not damage the delivering of affordable rural housing on rural exception sites or significantly raise land values in Rural England.

**S106 Affordable Homes Threshold:** The 10 unit threshold for mandating affordable housing contributions from developers has had a damaging impact on the delivery of affordable homes in rural areas. The Government should allow rural local authorities to set their own threshold in their own local plan – to suit their own housing market and economic circumstances.

**Devolution:** Government must ensure that devolution deals, which often focus on a central urban area and a rural hinterland, do no neglect the needs of the rural areas. For example, if housing becomes increasingly devolved, the vast majority of the funding is not all spent in urban areas and rural areas are left with little left.

**Local Authorities Housing Borrowing Cap Lifted:** Rural local authorities should use the opportunity to develop more affordable housing by using the new borrowing powers available to them.

**Autumn Budget Policy for New discounted homes in up to 500 neighbourhoods:** Section 4.63 of the Budget contains a new policy to support 500 parishes to allocate or permission land for homes sold at a discount. This is backed by £8.5 million funding. This is an interesting proposal but the devil will be in the detail. The Government must ensure these new homes for sale are affordable in perpetuity and truly meet a local need. The proposal should not be designed to inflate land values and damage the rural exception site model which already provides affordable housing for local people in rural areas. In short, the proposal should be rural proofed. It will be a good test case of rural proofing.
14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

No. There isn’t a clear rural voice in Government. Should be Defra but many of the relevant policy areas are split across different departments.

A letter from Lord Gardiner to the Rural Housing Alliance (20th September 2018) states that Defra is working with two nominated officials in each department to review how rural proofing is approached. The Committee should seek to influence this review and ensure every department uses rural proofing guidance when creating and amending policy.

If each Department is unable to rural-proof its own policies effectively, the Government should consider a centralised unit (possibly in the Cabinet Office) to review every policy against the Rural Proofing Guidance. This will help stop ideas which are unsuitable for rural areas becoming policy.

30 October 2018
Susan Hedley – Written evidence (REC0144)

Private citizen and checkout operator with no paid or voluntary office, and frequent observer of local government meetings at all levels from Parish Council to Combined Authority, Scrutiny Committee to Full Council.

Summary
i) Sources
Q.1) Mostly the effects of extra mobility required to get work, particularly affecting women, and changing forms of democratic representation.
Q.2) Rothbury Spiritbuses, which was perfect for the community and local economy and had a worldwide profile until a new timetable put in place by a larger company which had won the tender for subsidised routes linking it with urban areas cut off the paying visitors who added to income from locals.
Q.3) Public transport can and should be the key if all concerned work together to maintain and promote it instead of cutting it off piece by piece.
Q.4) See ANNEX A for my suggestions.
Q. 6) Suggestion for accommodating services including banks, and why many disadvantaged groups need them to get their cash.
Q.9) Look at how zero/minimal hours contracts specifically affect rural residents.
Q. 10) Specific issues for teenagers, and see positive example of new Sunday bus service in ANNEX A
Q. 11) See suggestions in ANNEX A for close working and scrutiny between Health and Wellbeing and Roads, Streets and Transport depts- e.g. making proper provision for frail pedestrians when designing roadworks
Q.13) Changes to planning for housing still necessary
Q. 14) Links to Select Committee Scrutiny Recommendations and request for Inquiry into Quality and Validity of Public Consultations

ANNEX A Extract about Transport from submission to Health and Wellbeing consultation

ANNEX B Extract from submission to Transport for the North consultation

i

SOURCES

i.i. My sources of information are mostly from observation and talking with fellow-residents and bus passengers, and the hundreds of regular customers who I have been serving over the last fourteen years in a small specialist local shop and then on the till in the supermarket of a market town 10 miles/16km away. I am the third generation of my family to live in this village, though I did spend twenty years working elsewhere around the country.

i.ii I also listen to BBC Radio 4, read the local weekly papers, and, when workshifts allow me to get to use the public access computers at the local library, which is my only online access, read the parliamentary and local government press releases. I have had no TV since 2012, and since the changes in TV
licensing and online access last year, can no longer access BBC TV written or televised material on the public computers at the library. I sometimes buy the local daily paper which covers both urban and rural areas, but never buy a national daily paper. ALL newspapers were withdrawn from the library three years ago.

Q. 1)  
1.1) To me, the rural economy is what sustains balanced communities, enabling people to make a life for their family in them.

1.2.1) Community residents always had to go to the nearest town for some services, and some, particularly women, had to be prepared to travel to the nearest town for work, but those women who got married usually didn’t expect to have a complete lifetime of paid work.

1.2.2) There was a much smaller choice of job types in the national economy, and loyalty between employers and employees was a much more important commodity than it is now when moving for career development is the expectation, so in the past it was much more likely that people would be able to stay living in their community with a network of family and friends around them, and a knowledge accumulated over generations about the locale, its history and people, from problem drainage to the history of boundary and footpath changes.

1.2.3) AS PEOPLE HAVE BEEN REQUIRED TO BE MORE FREQUENTLY MOBILE TO FOLLOW WORK, THIS ACCUMULATED KNOWLEDGE HAS BEEN LOST, and those who still have it are no longer even recognised by those who have moved in more recently. This can be problem when decisions are being made about e.g. planning, because from what I see, planning authorities don’t give local knowledge its due importance.

1.2.4) In my village over the last 5 years, the number of households, which was about 600, has now/is now increasing by over 30% and possibly closer to 50% because of new houses built or in the planning stage. I would say that in the last year, this has tipped the balance between everyone expecting to say hello to everyone who they meet in the village, in the expectation that if they don’t know them already they very soon will, to newcomers not realising that they are expected to say hello, and locals possibly never having the expectation of knowing many of them, given that many of them might not stay for very long anyway.

1.2.5) The requirement that more people have to be mobile for work, and the increase in the number of pensioners able to afford vehicles, has meant that it has been possible to withdraw services from rural areas to urban ones, whilst reducing public transport as well.

1.2.6) The withdrawal of services and public transport resulted in increased inequality for the most disadvantaged groups – e.g. those at most risk of being isolated have fewer places in which to meet their fellow residents (particularly the increasing number of single women, who might not feel comfortable going to the pub if it is still there, or the increasing number of people who don’t go to church even if there is still a service there).
1.2.6.1) More women are expected to go out to work now, and more young people expected to get a higher level of education and experience, but with decreased services being run in their community, they are MORE LIKELY TO HAVE TO TRAVEL TO THE TOWN FOR WORK OR TRAINING, AND WITH PROPORTIONATELY MORE WOMEN THAN MEN IN RURAL COMMUNITIES RELYING ON BUS SERVICES, THIS IS INCREASINGLY DIFFICULT AS BUS SERVICES ARE WITHDRAWN. If the women are in lower paid work, they are less likely to have flexi-time which could accommodate problems with buses, and might well be required to have elaborate hair or make-up for work which could not be accommodated by cycling or mopeds even if the main roads through rural areas were safe for such alternative transport. In urban areas, more men probably commute by bus anyway, because urban bus services are better, but in rural areas, where wages are often less, if there is only one vehicle in the household, it is likely that the man will need to use it if he has a rural job.

1.2.6.2) With local government communications and decisions also becoming more physically remote from rural areas and more online, with less provision for those who can’t or don’t have enough capacity to interact with the websites, and often being withdrawn to unitary or even combined authorities, which usually have transport as one of their main remits, and with a preponderance of men in Cabinets making the decisions, and portfolios such as transport usually taken by men, and in Combined Authorities having an even lower proportion of women in their cabinets, and as I have observed, also a lower proportion of women amongst the officers reporting to Combined Authorities than to Council Authorities, I do think that it is ESSENTIAL TO HAVE A FORMAL SYSTEM FOR PROOFING DECISIONS FOR WOMEN’S ISSUES AS WELL AS FOR RURAL ISSUES, especially because in rural communities the men who are making decisions about buses will almost always have cars.

1.3.1) I would say that there is a dangerously increasing gap in the understanding and knowledge that rural and urban communities have for each other, so votes and decisions, particularly in areas like mine, where the leadership of the County Council can swing between overwhelmingly urban and overwhelming rural, membership of the Combined Authority is overwhelmingly urban, and public transport links for the voters of urban communities to visit rural communities are not well advertised, leads to votes and decisions being taken with a dangerous lack of information and understanding or a dangerous amount of misinformation and misunderstanding. Even the name of our imminent Combined Authority: “North of Tyne” ignores the large shire areas of Northumberland which relate to the Tweed rather than the Tyne, and to the South Tyne and Derwent valleys which are not “North of Tyne” at all.

1.3.2) With STAFF CUTBACKS at all levels of government, local and presumably national, I think that there is increased danger that DECISION MAKERS ARE NOT SUPPORTED WITH THE AMOUNT OF KNOWLEDGE, INSIGHT, AND EXPERTISE FROM STAFF WHICH THEY COULD FORMERLY RELY ON, and, as one of my fellow observers at a scrutiny committee remarked, are forced to rely only on their personal experience and that of the people with whom they have communicated. In our modern times, this will probably BIAS THEM TOWARDS THOSE WHO CAN/DO COMMUNICATE ONLINE, with the resulting exclusion of all sorts of groups of citizens.
1.3.3) With the move towards open government resulting in dozens of public consultations per week, most only readily available online, there is the danger that those who are most short of time and technology, whether individuals, business, or organisations, are going to have a much less equal chance of having their voices heard. The parliamentary select committees probably work best, because they are seeking qualitative information on which to base further inquiries, but I would say that those policies which use statistics based on public consultations, particularly in local government where response numbers are extremely limited and resources for communicating other than online are minimal, are particularly dangerous for groups in rural communities, and should not be regarded as constitutionally valid.

1.3.4) As more staff get cut back and artificial intelligence progresses, there is the danger that algorithms will proliferate and any biases which have been introduced as above will only build one on top of the other until the voices of the most disadvantaged groups are completely blocked out of accepted methods of feedback.

1.3.5) The most disadvantaged groups will be identified and their feedback picked up in other ways, but those who don’t appear at the desks of their elected representatives as emergency cases or vociferous campaigners will have no way of being identified – this is likely to apply to the majority of rural people who tend to go on managing for themselves as best they can for as long as possible before asking for help or recognition.

Q. 2) 2.1) A success story, absolutely ideal for our local economy because it made the most of our locality, gave us an international profile through its popular and lively Facebook page, allowed local people to get to more work and training, and brought in business from visitors from the urban area, was [Google]: “Rothbury Spiritbuses”. Unfortunately, the tendering process favoured one of the Big 3 bus companies, and Spiritbuses had to stop running its services – see the last section of https://www.theguardian.com/uk-news/2016/oct/21/anger-as-northumberland-rural-bus-service-shuts-while-big-players-prosper and https://cbwmagazine.com/spirit-buses-cease-trading/

For what Spiritbuses achieved during the time that it was running, and for the locality that it served, see https://en-gb.facebook.com/spiritbuses/ and https://www.youtube.com/watch?v=qvFc8UeAYJo

An example of how important it was in the community is that I saw a teenage boy holding back tears as it completed one of its last runs which allowed return from after-school sports at the leisure centre.

Q.3) 3.1) The future of the rural economy SHOULD be good. We have landscapes and communities which should be attractive internationally, and people more than ready to develop their skills if they have the infrastructure to
Susan Hedley – Written evidence (REC0144)

do so. However, this DEPENDS ON AUTHORITIES, ORGANISATIONS AND BUSINESSES WORKING TOGETHER TO MAKE THE MOST OF WHAT WE HAVE.

3.2.1) To me, the big thing is PUBLIC TRANSPORT. All rural areas have urban areas within travelling distance, 20-35% of whose households don’t have cars or vans (see http://www.rsnonline.org.uk/national-travel-survey), and we often have the places which could be the most attractive to all of the visitors from abroad who can’t bring or hire cars, or who might come here if they knew that they could get to more places on public transport.

3.2.2) This means that we could increase the number of visitors who return, e.g. weekly, just by promoting the existing public transport network to them, rather than putting lots of money into visitors from further afield, and

3.2.3) by promoting and developing our rural public transport “networks”, we could also attract foreign visitors when they are too young to drive cars, and develop a pattern where they return for visits throughout their lives and recommend us to friends.

3.2.4) An example of this is a circular bus journey which I did in a day this July, but found no mention of it as a complete route in any information from bus operators, local authorities, or tourist organisations. Though I wouldn’t recommend others to do it in a day, it would be the perfect basis for a more leisurely exploration of this area, which has a plentiful offering for tourists. I would defy anyone to find this route without prior knowledge of bus routes, operators, and interchanges, so resorted to drawing a map myself and posting it on Linked In. [Google “Susan Hedley Linked In” and click on images].

3.2.5) EVERY RURAL AREA SHOULD HAVE A COMPREHENSIVE PUBLIC TRANSPORT MAP ANNOTATED WITH THE ATTRACTIONS WHICH IT GIVES ACCESS TO, but information and tourist organisations don’t work on maps any more – just keywords, sat.nav., and, for the bigger businesses who can pay, wordy descriptions in flowery language, so obliterating a network formed by multiple bus operators, and relying on people already knowing where they want to go rather than browsing where they CAN go on public transport. See section 2.5 of my submission to https://www.parliament.uk/business/committees/committees-a-z/commons-select/environment-food-and-rural-affairs-committee/inquiries/parliament-2015/rural-tourism-inquiry-16-17/publications/

Q. 4) See ANNEX A for an extract from a submission which I sent in last week to the Northumberland County Council public consultation on their Health and Wellbeing Strategy 2018-2028, explaining some of the simple and relatively small budget things which they could do to enable people to make the most of what we already have.

4.2) See ANNEX B for extracts from my response in April 2018 to Transport for the North’s Consulation on their Draft Strategic Plan.

4.3)
4.3.1) See also in https://northeastca.gov.uk/wp-content/uploads/2018/03/NECA-Overview-Scrutiny-Committee-1-December-2015-agenda-1.pdf my submission p.140 –163 “Evidence For Transport With Special Reference to Rural Areas And Examples Of Practicalities” -for NECA pages add 140 to my page refs See especially my section 2.3.1 about the closure of rural bus depots and their effects on rural bus viability.

4.3.2) There is now the added pressure of government grants being given for environmental improvements and on-board passenger information systems, which are likely to go to the Big 3 operators, which are likely to finance them for improvements which will put them at an advantage over smaller operators when competing for tenders, though the big operators are not necessarily the best to give satisfactory service to rural communities.


Q. 6) See my written submission to https://www.parliament.uk/business/committees/committees-a-z/commons-select/housing-communities-and-local-government-committee/inquiries/parliament-2017/high-streets-and-town-centres-in-2030-inquiry-17-19/publications/ “3.4.5 - possibly a secure local-government-provided banking/commercial hall in towns where all bank premises have been withdrawn, so that all banks wishing to compete can rent space there to give a proper service to keep customers local and help with online banking problems, and serve those especially in areas of poor broadband/mobile signals, alongside post offices which appear to be finding it increasingly difficult to find suitable premises where people wish to operate them, other advice services, possibly a pharmacy and a police office in the centre of things now that police stations are being sold off, and, since this would probably generate reasonable footfall, small reasonably-priced pods where people could try out their start-up ideas.” See also section 4.4 on opportunistic pricing by national chains

For how banks are manipulating rural customers into going online, but failing to give them proper accessible service, and why the most vulnerable groups still need access to cash over a bank counter and not via a card, see my written submission to https://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/inquiries1/parliament-2017/digital-currencies-17-19/publications/ , section 2. Only last week I heard a lady at the bank telling another how she had gone to use an online survey, and having an online account
for a particular purpose, but her day-to-day account not being online, she had pressed the button to say that she had an online account, and it had immediately removed the other option, so would have counted her as having all online accounts.

Q. 9)
Look at changing work patterns as they affect rural residents. With zero hours contracts, or more specifically minimal hours contracts which need extra hours to top them up to a living wage, there is pressure for people to take whatever shifts are offered, even at short notice, in case they stop being offered extra hours if they refuse any. This is especially difficult for rural people relying on infrequent buses, who might not be able to get there at short notice, or might feel obliged to take taxis when buses aren’t available, or might be offered such short shifts that if they are paying for transport over some distance rather than walking, they might be working for next to nothing, or even making a loss after they have paid for their transport.

Q.10
Stop putting pressure on their families to move into towns when they are teenagers, because of lack of public transport for after-school or social activities, which necessitates their parents taking time out from economic or community activities to transport them, or paying for extra transport fares on top of school bus arrangements, and above all places them at a triple financial disadvantage when preparing to go to university: public transport costs more than for urban children, parents might have to take time out from economic activity in order to transport them, and transport costs for evening/weekend work might make it not worthwhile.

Q. 11) See ANNEX A.
See ANNEX A for an extract from a submission which I sent in last week to the Northumberland County Council public consultation on their Health and Wellbeing Strategy 2018-2028, explaining some of the simple and relatively small budget things which they could do to enable people to make the most of what we already have.

Q. 13) Planning policy reforms still don’t seem to be stopping house builders using the scarce house-building land in rural communities to build the large houses which get the most profit for their share-holders rather than to provide the type of homes which is needed in those communities i.e. truly affordable family homes, one or two-bedroomed homes, and sheltered housing. They have already provided us with more than enough housing for people with inflated budgets from elsewhere and plenty of money for multiple cars.

Q.14)
14.1) Much could be done to improve scrutiny. E.g. though I haven’t checked, I have the impression that our County Council no longer has a Scrutiny Officer, contrary to the recommendations of
to which I thought the Government’s response was inadequate to say the least.

I thought that this Select Committee Inquiry was much needed and that its report contained many sensible recommendations essential for us to have true democracy for rural areas.

14.2) For the reasons explained in section 1.3 above, I think that there is an urgent need for an inquiry into the Quality and Validity of Public Consultations. For examples, please see the links below, but since those, I have collected more examples of good and bad consultation practice from all sorts of public bodies.

14.3) Many more people should be looking at many more maps much more careful to familiarise themselves with geography. E.g. in response to Norht Norhtumberland being missed off satellite maps used in Transport for the North and Northern Powerhouse websites, I felt the need to send a contact form message to government departments: “NORTHUMBERLAND LATITUDES:Nnmost runs 6km south of Glasgow centre, Snmost runs 17km north of Scotland’s Sn tip. 113 km tween N&S, 92 KM BEING NORTH OF NEWCASTLE. BERWICK,ENGLAND’S NTHNMOST TOWN, IS NORTH OF SOUTHWEST SCOTLAND.”

14.4) For Northumberland, I hope that the Borderlands Growth Deal Partnership will go towards helping with some of these issues, but it is in its very early stages, so we have yet to see what the plans might be.

ANNEX A

Here is an extract from a submission which I sent in last week to the Northumberland County Council public consultation on their Health and Wellbeing Strategy 2018-2028:

Should anything else be a priority for the Health and Wellbeing Board over the next 10 years?

PUBLIC TRANSPORT, particularly buses, which account for most of the public transport journeys undertaken, and by the greatest number and widest range of
people, but possibly mostly those who are at the greatest risk of isolation, and are the last resort for so many of our ever-aging population to be able to retain what they would regard as an independent lifestyle amongst their friends, family, and accustomed community and environment, \textit{DOESN'T SEEM TO FIGURE IN THE PRIORITIES FOR THE WIDER DETERMINANTS}, but I would say that bus travel cuts across all four themes of this strategy, and if it was \textit{ADDRESSED FULLY AND EFFECTIVELY, COULD MAKE A MASSIVE DIFFERENCE} to health and wellbeing in the lives of many individuals, and even more in how health and wellbeing could be addressed and fitted into the way that ALL communities work for their residents. e.g.

On our regular rural bus service, Arriva's X14 Thropton/Rothbury/Morpeth/Newcastle, elderly people who stick to their weekly routines see and get to know the same regular fellow passengers every week, or find that it is the only time when they get to see old friends from years ago, and \textit{IF THEY AREN'T ON THE BUS ON THEIR USUAL DAY, A FELLOW PASSENGER WILL RING UP TO CHECK WHETHER THEY ARE ALRIGHT.} They get birthday cards from fellow passengers, swap books and newspapers which they might not be able to afford to buy individually, help each other with shopping by getting purchases for others from whichever shop they need to go to, so reducing the individual distances which they have to cover if they have difficulty walking or carrying heavy items, and above all, have the chance to share and discuss community information and events and tips about services.

Because the bus caters for people from all walks of life from university lecturers to toddlers in pushchairs, from people in care who have a regular day out to visitors from other places in this country and abroad, it gives people the chance to see and meet a much wider range of people than they might otherwise see, and with our youngsters generally much more responsible, outgoing, and polite than I remember from my youth 50 years ago, gives young and old the chance to find out a bit about each other's very different lives.

When Spiritbuses was operating routes 15 and 16 between Rothbury and Alwinton from autumn 2014 to autumn 2016, the Macmillan volunteers would travel on it to talk to people, because they found that this was a good way of making contact with people from the more remote rural areas who might be unaware of the services which they offered. \textit{The BUS IS ONE OF THE FEW REMAINING PLACES WHERE RURAL PEOPLE CAN MEET now that post offices, banks, shops, filling stations are closing, and things such as village schools and halls might be at risk. THIS APPLIES EVEN MORE TO THOSE WHO DO NOT SUBSCRIBE TO A RELIGION, AND/OR ARE NOT ACCUSTOMED TO GOING TO THE VILLAGE PUB IF THERE IS STILL ONE OPEN - [MOSTLY SINGLE WOMEN?].}

\textbf{SUGGESTIONS, ON THE PREMISE THAT LONLINESS IS AS BIG A KILLER AS HEAVY CIGARETTE SMOKING - HEALTH AND WELLBEING ORGANIZATIONS SHOULD WORK VERY MUCH MORE CLOSELY WITH THE NCC ROADS, STREETS AND TRANSPORT DEPARTMENT, AND WITH NEXUS, TO REDUCE BOTH LONLINESS AND INEQUALITIES WHICH ARE HIGHLIGHTED BY THE PROFILE OF THOSE WHO HAVE TO RELY ON PUBLIC TRANSPORT. TRANSPORT DECISIONS SHOULD BE TAKEN AND SCRUTINISED ON A HOLITISTIC NETWORK BASIS IN CONJUNCTION WITH HEALTH AND WELLBEING BODIES to enable people to maintain and develop maximum connections with}
family and friends, and not just piecemeal on the basis of enabling minimal functions for specific groups/communities.

1] Over the last year or two in my work as a supermarket checkout operator, I have begun to see how the proliferation of walking groups which have encouraged people to walk a reasonable distance regularly are making a huge positive difference to the weight and mood of some of my regular customers. Some retired men in particular are beginning to range far and wide in their walks, sometimes searching out unfamiliar bus routes to take them to walks in new places. However, this can only benefit those who are still in a condition to walk. The phrase which I hear so often from elderly and frail people is “stuck inside the four walls”. Northumberland is one of the most beautiful counties, but so many people are unable to get out to enjoy it.

I SUGGEST HAVING GROUPS FOR ESCORTED BUS OUTINGS ON PUBLIC TRANSPORT ALONG THE SAME LINES AS WALKING GROUPS are run. Many of our bus routes can be joined up as circulars or can be done as round trips. They might be to visit particular events such as Rothbury Makers Market, or flower festivals, music festivals, or art festivals, or you might be able to forge links with groups in the places visited e.g. http://www.longframlingtonpipers.org have had a group of disabled people who travel to watch their weekly meeting, or some might be able to team up with the University of Newcastle’s urban sciences department and observatory to do some citizen science. http://www.urbanobservatory.ac.uk

Such group outings by bus would allow people at least to get a change of scenery and some different company, even if they can’t walk far, and might give them confidence to use buses more themselves – some won’t have used buses since their childhood, if ever, and I often see newly retired people using their concessionary pass after they have just got it, and struggling to know how to operate it on the new bus technology. It only takes a dismissive driver or an unreliable bus to put them off using it again. Taking people in a group would help them to get used to going on buses again, and above all, help them to know where to get timetable and route information, as well as give them confidence to find/use public toilets etc. – where these have been closed and have been palmed off into pubs, betting shops etc. [but without obvious signposting], older single women, mothers with toddlers, and as one young teenager pointed out to me, the younger age group too, either don’t feel comfortable, or aren’t allowed by law, to use facilities in such premises.

THE BUSES ARE ALREADY THERE, AND PEOPLE ALREADY HAVE THEIR CONCESSIONARY PASSES. If they were helped and encouraged to go out for more visits on rural routes, this would also make the rural routes more financially sustainable for the use of rural residents to get to the services etc. which are being withdrawn from their rural to urban areas. Advertising of potential recreational routes (such as my Borderlands map mentioned above) might also help a great deal.

2] AN EXAMPLE OF HOW A BUS COMPANY WORKING RESPONSIVELY WITH A COMMUNITY CAN TRANSFORM PEOPLES’ LIVES. On our no 14 Thropton /Rothbury/Morpeth/Newcastle bus route, apart from an interlude of less than two years when Spiritbuses ran two services in each direction on Sundays and Bank
holidays, we have had no Sunday and Bank holiday bus service for over 10 years, but ON SUNDAY 06/05/18, ARRIVA STARTED A 6 MONTH TRIAL SERVICE OF 5 JOURNEYS IN EACH DIRECTION ON SUNDAYS AND BANK HOLIDAYS. This meant that people could stay out for much longer in the afternoon than they had been able to do in the old days when there was still a minimal Sunday bus service, so they now have the option of just going to town for half a day, or of using connecting bus services to go much further for a day out beyond Tyneside or to the coast.

MY OBSERVATIONS

Because I always use the first and last buses I have no idea how Sunday bus use is going during the middle of the day, and this period has also covered the time when older school students were busy doing GCSEs and A-levels, followed by summer holidays, so I can only tell you what I have seen. I also use the bottom deck, and since these are always double-deckers, I can't tell who might be travelling on the top deck to make the most of the terrific views.

CONCLUSIONS

For a younger and much more diverse demographic than I am used to seeing relying on our rural bus service, this X14 Sunday bus service seems to be OPENING UP THE WEEKEND TO THE POSSIBILITIES OF TAKING PART IN THE ACTIVITIES AND EVENTS WHICH PEOPLE IN OTHER COMMUNITIES ARE USED TO PARTICIPATING IN AT THE WEEKEND. It also appears to be giving people THE CHANCE TO GET TO CONNECT WITH AND ENJOY THE COMPANY OF FAMILY AND FRIENDS WHEN THEY ARE NOT AT WORK, and possibly to choose to use the bus rather than the car if they have a work shift which isn't on a school day.

For those TOO YOUNG TO DRIVE A CAR, THEY NOW HAVE MORE FREEDOM TO CHOOSE THEIR COMPANY AND ACTIVITIES AND GAIN THE INDEPENDENCE which their more urban counterparts can take for granted, and in so doing this FREES UP THEIR PARENTS TO ENGAGE IN MORE COMMUNITY OR WORK ACTIVITIES AT WEEKENDS rather than transporting their children, and so ENABLES FAMILIES TO STAY IN THEIR COMMUNITIES RATHER THAN THE WORKING GENERATIONS FEELING THE NEED TO MOVE TO TOWN FOR A MORE BALANCED LIFESTYLE, BUT LEADING TO DE-STABILISED RURAL COMMUNITIES IN THE PROCESS. If the bus continues after the six month trial, it is likely that more people, including youngsters, will be able to take on jobs which include Sunday working, not only because they can get there themselves, but sometimes because grandparents need to use the bus to go to babysit for younger relatives who have to live in town. It might also help to improve the environment by allowing households with multiple cars to dispense with one of them.

Since I was aware of the information channels to be able to find out in advance about this new Sunday bus service, I was able to obtain new timetables before it started, and when giving them out to people, there were two occasions when I gave them out to youngish mothers. When I told them that there was going to be a Sunday service, they virtually kissed the timetable as they took it out of my hands, and smiled broadly all the way home.
3] ENABLING
There is nowhere on modern buses to display paper timetables and no displays of paper timetables in Morpeth or Alnwick bus stations, or at Berwick, which doesn’t have a bus station (or nearby public toilets). The nearest displays are in libraries and tourist information offices which are poorly signposted from bus stops if at all, and are several minutes’ walk away, often with difficult roads to cross, so timetables are therefore largely inaccessible to the many local people, particularly potentially isolated bus users, who haven’t got internet access. If I am passing through Newcastle Haymarket or Ashington bus stations, I therefore usually pick up a supply of bus timetables, and people know that I carry them. The regularity with which I am asked for timetables shows that there is a need for a better way of making them available to people. I have even had annual visitors to Northumberland come to find me at my supermarket till to check on the latest timetables for the routes which they want to use.

In Felton/West Thirston, I have seen no timetable information posted at bus stops for the last two years. Now that the old lamp posts have been replaced with new ones, the noticeboards which were attached to them have not been replaced, so there is no longer anywhere remaining to post bus information.

Arriva are also changing the style of how the timetables are displayed on their website for rural routes, which means that intermediate stops such as Weldon Bridge, used by foreign hotel staff and walkers on St. Oswald’s way as well as locals, are no longer displayed unless people use the map option. This is also the case with the NEXUS website, (and I have found omissions and inaccuracies in the Traveline journey planning service partnered with Arriva), the NEXUS website not even making it clear that it covers Northumberland, a fact which I haven’t seen advertised anywhere either.

Since many hospital users AND HOSPITAL VISITORS might be UNACCUSTOMED to having to use buses, and might be doing so in very STRESSFUL AND SUDDEN CIRCUMSTANCES, TRAVEL INFORMATION SHOULD BE MADE AVAILABLE AND DESIGNED WITH THIS IN MIND, especially since access to some hospitals involves changing from main to secondary bus routes. I also see people very distressed because their car has failed its MOT and they can't afford to get another one. At Morpeth bus station, the screen is broken and the paper list has been removed which told people which stand to go to catch their bus. Now the only way of them finding out where to go is to go along each of the eight stands, for which 3 to 5 of the electronic displays are usually blank, and look at each of the individual timetables on the stand – no use for people who can’t walk very far, especially with heavy bags, and/or who might have sight and hearing problems which could also hinder them from getting help from other people.

I SUGGEST THAT OUR HEALTH AND WELLBEING ORGANIZATIONS WORK VERY MUCH MORE CLOSELY WITH THE NCC ROADS, STREETS AND TRANSPORT DEPARTMENT, AND WITH NEXUS, who I believe is now supposed to be providing travel information on behalf of Northumberland, TO ENABLE PEOPLE TO GET THE MOST BENEFIT FROM THE TRANSPORT WHICH WE HAVE ALREADY GOT. Most of the EFFECTIVE IMPROVEMENTS COULD BE VERY SIMPLE, PRACTICAL, AND RELATIVELY COST-FREE if some thought was put into it.

e.g.
a) Staff at NHS premises should have some awareness of public transport, especially now that access to hospital cars is much more limited, and should not be required to tell people that they CAN'T have an appointment which will fit in with public transport, especially if patients are from rural areas where public transport is limited and taxi fares over long distances prohibitive. I keep hearing of instances where people are given appointments which will finish too late for them to be certain of catching the last bus home.

b) Worst of all, some of the poorest and sickest people who need the most appointments are sometimes on the bus every day of the week, because their appointments are in different parts of the NHS, and each appointment is made for a different day, which means that these sick people are spending long hours every day waiting around and travelling for long distances on relatively infrequent buses. THIS IS AN UTTER DISGRACE, AND MUST SURELY MAKE THEIR HEALTH DETERIORATE RATHER THAN OTHERWISE. Please find a way of co-ordinating their appointments so that they get the chance to spend some time at home to recuperate. e.g., even if you can’t provide transport to/from appointments, consider providing transport BETWEEN appointments so that more can be achieved on the same day.

c) Winter conditions – blocked drains = icy surfaces = accidents for all road user and pedestrians. I think that NCC is conducting an improved programme of drain maintenance, but perhaps they could do more about gritting pavements, particularly outside of NHS premises, GP surgeries, and perhaps even bus stops. The number of my customers who say that they can’t get out to buy food because of icy pavements is striking.

d) Perhaps a solution for some places, e.g. quiet rural lanes, might be to have volunteer groups, perhaps twinned with people in urban communities, so that they could help with identifying/uncovering drains at risk of blocking, or road surfaces which are rapidly deteriorating, clean road signs covered with algae, pick up litter, identify fly-tipping etc., perhaps help with identifying and recording important wildlife and historic features too. N.B. most litter is associated with health risk, and also blows into drains and blocks them:- plastic bottles (including used for bongs, so encouraging outdoor gathering places for drug use), aluminium cans, (and now coffee cups), glass bottles for alcohol – danger to dog walkers and children when smashed, crisp packets – hold stagnant water, takeaway cartons, sweet wrappers – including chewing gum – expensive to clean up & nuisance for image of communities, cigarette ends and cartons, carrier bags –associated with plastic cider bottles etc., flytipping, syringes etc., dog dirt bags. They might also help to rake up loose mown grass on sensitive verges to allow wild flower seeds to germinate and support better wildlife [see Plantlife’s road verges campaign] and get fresh air, exercise, and company whilst doing it.

e) Many footpath networks are now cut through by main roads which once linked them but are now too dangerous to walk or cycle because of busy and fast traffic, so effectively imprisoning rural residents without cars, e.g. the A697 north of Longframlington. By providing SHORT lengths of walking/cycle tracks alongside the main roads, many of these ancient path networks could be linked up again e.g this might enable a SAFE cycle route between Longframlington and
Alnwick, increasing possible range of travel and destinations for those without cars, or more healthy commuting for workers.

f) To the same end, I know that I am not the only one who would appreciate a lower speed limit on country lanes.

g) Put in additional stretches of street lighting to encourage more people to walk to work e.g. between Pegswood and Morpeth – might particularly help women on low incomes.

h) Get a band of volunteer bus conductors (with concessionary passes?) to help visitors with travel and tourist information and make more people feel safe to use public transport or try it out – a great many people are not confident about reading timetables or using connecting services, so they might be more ready to if they knew that there was someone to help them.

i) Get as many transport and other organisations as possible to sign up to the KEEP ME POSTED campaign.

j) Ensure that new NHS premises are accessible by public transport e.g. the new premises for the Rothbury GPs are now a long and difficult walk from the bus route, even when conditions aren’t icy, and access arrangements appear to be reliant on the charity of local church groups, which is not always acceptable to those with different religious commitments or atheists.

k) When making decisions on public transport, remember that it is also needed by carers and visitors as well as patients. I meet so many elderly people who are travelling to care for and visit siblings, parents in their 90s, or disabled adult children who need the lengthy and daily presence of their parents in their care homes to ensure that they have a reasonable quality of life.

l) In my village, which is long enough to have 3 bus stops, with the shops at one end, some people living at the opposite end from the shops have to take the infrequent bus service to Morpeth to use the shops right beside the bus station, because it is too far for them to walk along the village, and too long between buses for them to take the bus along the village and back. However, I have heard of an instance where a person walked along the village to the shops, and wanted to take the bus back home to the other end with their shopping, but the driver refused to let them, saying that it was “against company policy” (perhaps because companies are reimbursed for concessionary travel based on average journey length??) . If such things do happen, can there be a way of reporting them and ironing them out?

ANNEX B

Here are extracts from my response in April 2018 to Transport for the North’s Consultation on their Draft Strategic Plan:
Transforming Economic Performance - Vision: "Clearly articulate, prioritise and sequence strategic transport investment between important economic centres and assets,"
THIS EMPHASIS ON IMPORTANT ECONOMIC CENTRES CONCERNS ME because TfN’s area contains most of England’s sparsely populated areas and involves
huge travel distances from them to its centres of population and economy, except that one of the big economic contributors, which has the potential for and should get much more promotion internationally, is tourism, which could also strengthen future links with visitors who become business people or leaders in other fields across the world. At present, only those STUDENTS and international visitors who have the ability to run cars can visit and appreciate the bulk of TfN's region. The public transport network outside of urban areas is primitive in terms of connectivity, timetables, and routes, and means that the economy of rural areas is diminished by only being viable as a place to visit or live in for those who can run cars, and this also contributes greatly to urban congestion because rural residents have to drive in to towns and transport interchanges to access work and leisure, making urban transport systems look worse, and urban environments more full of car-parking spaces than is good for people.

I THINK THAT MUCH GREATER EMPHASIS NEEDS TO BE PUT ON PUBLIC TRANSPORT FOR SPARSE RURAL AREAS AT THE BEGINNING, SO THAT WE CAN MAKE BETTER USE OF LAND CURRENTLY UNDER CAR PARKS, REDUCE SPEND ON HEALTH AND WELL-BEING BY REDUCING POLLUTION IN URBAN AREAS, AND MAKE THE MOST SPECTACULAR BITS OF TfN'S AREA FULLY ACCESSIBLE TO THE VISITORS WHO MIGHT BECOME OUR FUTURE INVESTORS.

Connecting People: Extremely important, so please remember when developing these strategies that you need to look at rural areas very thoroughly too - urban transport solutions don't necessarily work on rural transport.

e.g. "People should be able to have a seamless travel experience, including improved ticketing and better journey information."

Longframlington and Rothbury have an unusually high proportion of retired people, who are much less likely to have smartphones or even a computer to get online timetables.

- Many mobile networks dip out along long stretches of our X14 bus route between Thropton and Morpeth, so mobile ticketing and information isn't necessarily a viable option for access, let alone inspectors checking, on our route.
- Only 2 weeks ago I got on a bus where the contactless payment machine was taped over with a notice saying that it was broken. In a rural area we can't pop along to the cash machine if the contactless isn't reliable, because we need to get the bus to get into town to go to the cash machine or get cash back at a shop [or bank or post office if they are still there].
- With a higher proportion of older people in rural areas, contactless is also likely to be suitable for a LOWER proportion of the population,

Governance and Accountability: I am not convinced that the rural areas of Transport for the North will have a suitably representative proportion of voice or power in decision-making, policies, and advocacy, given that most of them are subsumed into urban-dominated Combined Authorities where policies and initiatives suitable for urban situations are likely to take precedence e.g. Northumberland in North East/North of Tyne Combined Authority. WE NEED SOME EXPLICIT RURAL-PROOFING IN TRANSPORT FOR THE NORTH, AND SOME EXPLICIT RURAL EXPERTISE WITH AN EFFECTIVE PROFILE.

Appraisal and Analysis: "Develop a consistent approach to the analysis of strategic transport proposals across all TfN activities in the North and provide tools that Partners can use for evaluation."
So e.g., when the NEXUS urban transport area has their big 2018 transport survey, just closed, will Northumberland have an equivalent survey? TFN REALLY DOES NEED TO ENSURE THAT APPRAISAL AND ANALYSIS OPPORTUNITIES AND ACCESS ARE EQUAL FOR EVERYONE ACROSS THE WHOLE OF THEIR AREA.

10 September 2018
**General Issues**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact on these changes?**

   There is a perception that the rural economy is mainly agriculture based. But the reality is that countryside-based firms are as varied as they are in urban areas. Over the past few decades, rural areas have become more economically diverse. From digital media to cutting edge engineering, one will find it all in rural firms. According to a 2017 Government business report, excluding London, there are more registered businesses per head of the population in rural areas than there are in urban ones, and the numbers of rural start-ups almost equal those in towns and cities.

   Rural businesses already make a significant contribution to economic growth. They currently represent around 28% of England’s firms. Rural areas contribute at least 19% of GVA to the English economy. Healthy environments are known to make critical contributions to economic growth and society’s well-being. Stewardship of the rural environment is central to achieving this balance between economic growth and environmental and societal well-being. Rural economies have demonstrated their potential to provide more growth and employment if given appropriate stimuli and support from national and local business leaders and policy makers.

   In Herefordshire, there are 11,305 registered businesses, of which 2,470 are in agriculture, forestry and forestry, 1,070 in construction, 1,700 in retail and 1,155 in professional, scientific and technical services.

   The rural economy holds significant potential for creating decent and productive jobs and contributing to sustainable development and economic growth. It accounts for a significant share of employment and output but is widely characterised by low paid jobs.

   At around £450 per week in 2017 (£23,400 per year), the average earnings for employees working in Herefordshire remain significantly lower than nationally and regionally, although the gap does appear to have narrowed slightly since 2013. Possible reasons for the persistently low wages in the county include relatively high levels of employment in traditionally low value industries. Employment in the health, manufacturing, retail, accommodation and food services sectors is more common locally than nationally and regionally, and makes up over half (53 per cent) of Herefordshire’s 73,000 employee jobs. Despite this barrier, rural areas have dynamic features that enable economic growth. For instance, rural areas have more business start-ups per head of population than many urban areas. Firms started by people moving into rural

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239 Understanding Herefordshire 2018. A joint strategic needs assessment summary
areas are more likely to sell their products and services at national and overseas markets, thus earning revenue beyond the locality. 240

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

A. Marches Building Investment Grant
The Marches Building Investment Grant, which is part-financed by the European Regional Development Fund, has been launched across the Marches Local Enterprise Partnership (LEP) geographical area which covers Herefordshire, Shropshire and Telford & Wrekin. Worth £2.5m and aimed at SMEs, the scheme offers capital grants to facilitate the reconfiguration, extension or renovation of commercial business premises. It is anticipated that the scheme will attract private sector match funding of up to £3m and create a total of 130 jobs.
Grants of up to 45% of the total project costs (up to a maximum £100,000) can be applied for. Eligible applicants can be owner-occupiers or tenants. Tenant must have a fixed term lease with at least 6 years unexpired. Eligible projects should also aim, on completion, to create at least one full-time job within four months and the total job creation projections will be taken in to consideration when assessing the level of grant to award.
The scheme has been designed to enable companies to grow in their current location and counteract the issue of low ‘land value uplift’ in the Marches area which limits developed land values compared to other regions, while construction costs are broadly similar. This low ‘value uplift’ results in a structural market failure that prevents the private sector from developing new commercial land and limits supply and ‘grow on’ space for companies in this area.
We suggest that the government draws from the experiences of grant schemes like the MBIG to inform the Shared Prosperity and other government funding for growth and jobs.

B. Herefordshire LEADER Programmes
The EU’s LEADER programme is an excellent example of a “networked rural development” model which informs rural policy across Europe. It is a model that brings together local and external partners, the bottom up and top down, with local people having opportunities to steer development. Without the necessary support resources to support, rural communities that have not yet developed their capacities and network may become impoverished, losing services and infrastructure.
To ensure that all rural communities have the opportunity to contribute to sustainable economic growth and well-being, we urge policy makers to draw on the experiences of the LEADER programme, embed them in the Shared Prosperity Fund and include this model in a place-based rural development programme.

C. Care and Repair Enterprise or C.A.R.E. Herefordshire
C.A.R.E. (Herefordshire) is a registered ‘Community Interest Company’. It manages the Pontrilas Post Office and Village Store and uses its profits to

240 Rural Economy and Land Use Programme (RELU), Rural areas as engines of economic growth, April 2013.
operate community services that support local older residents in South Herefordshire to continue living independently in their own homes and to combat social isolation and loneliness. It works with local farms and producers so they can offer local products in the shop. Services include:

- Village-link service: providing transport to attend to GP appointments, repeat prescriptions and delivery service and shopping delivery.
- Weekly lunch clubs
- Intergenerational events
- Golden Valley Health & Wellbeing Hub

The volunteers have been checked by the Disclosure and Barring Service (DBS formerly CRB). It was named the champion in the village shop and Post Office category at the national Countryside Alliance Awards in 2017 by the Countryside Alliance which stated that this is a unique model for others to adopt.

This is a good example of rural economies pioneering privatisation and community provision of many local services, fuelled by a combination of delivery and access difficulties and the distinctive nature of rural demand.

We suggest that projects like CARE Herefordshire should be used as a good social enterprise model for delivering the Shared Prosperity Fund.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Rural economies will be more diverse. Some rural areas are able to capitalise well on the attractiveness of the local countryside which leads to a vibrant tourism and recreation economy. Other areas may have to focus on a stronger manufacturing, agricultural and other sectors.

Whilst agriculture is not the largest sector in rural areas, it will continue to be strategically important especially as agriculture is becoming more mechanised and efficient due to innovative technologies. Whilst advances in technology would likely increase productivity and food security, it could reduce the number of people employed in this sector. It was noted that despite this, there are encouraging signs of spin-off companies capturing more of the value chain in rural areas.

The future role of rural communities includes focusing on environmental sustainability, efficient and resilient food production, increasing competitiveness and enhancing diversification from agriculture, tourism to advanced manufacturing, digital and transport infrastructure, artificial intelligence, etc. The post Brexit policy making will need to consider how policies designed to drive economic growth and social sustainability and growth can be made relevant and applicable to rural businesses and communities in the countryside.

There is a trend towards a concentration of highly skilled, highly paid jobs in cities, where a great number of rural inhabitants commute to cities for these jobs but locally-earned income may be lower. Likewise young people tend to move to cities for work and education whilst older people and families move out to rural
areas, which may have implications for public service delivery in rural communities. New technologies could help to deliver public services in innovative and sustainable ways to rural communities, particularly in the healthcare sector.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

Herefordshire’s transport network is characteristic of transport networks found in rural areas across the UK. The dispersed population and consequent long inter-settlement distances, coupled with a predominantly single carriageway road network, place a significant burden on those travelling on the network, whether those journeys are for commuting, business, education or leisure purposes. The key transport problem, resulting from these factors that puts rural communities and businesses at a disadvantage compared to other areas of the UK, are extended journey times and its significant variability. For those without access to a car matters are compounded by the absence of bus services as service viability is inversely related to journey distance, or long travel distances which mean cycling and walking are impractical, particularly on rural roads where high vehicle speeds are a significant deterrent.

The reasons for the long and variable journey times are:

- Extensive journey lengths on a largely single carriageway network which has limited overtaking opportunities. A compounding factor is the presence of significant numbers of slow moving agricultural vehicles which increase journey times and their variability. Overtaking such vehicles also presents a safety risk.
- Collisions and higher than average collision severity given vehicle speeds and other incidents leading to extensive diversions due to the lack of suitable alternative routes.
- Level crossings at key points on the network that experience high volumes of crossings per day and may result in significant diversion during incidents.
- Risk of flooding, on and near, the road network potentially leading to road closures and significant diversions.

In acknowledgement of the difficult road transport conditions faced by businesses in the Marches Local Enterprise Partnership (LEP) area and the adjoining area of Mid Wales, the Marches LEP and Welsh Government recently commissioned consultants to consider the extent to which those transport conditions varied from average transport conditions in the UK and if, as a consequence, there was a need to supplement existing appraisal frameworks used to identify schemes for inclusion in investment programmes with an appraisal framework designed specifically for rural areas when developing investment programmes. The commission was entitled: ‘the development of a Marches and Mid-Wales Joint Appraisal Framework (JAF)’ and sought to build on the recommendations of the Marches and Mid Wales Freight Strategy published earlier this year. The JAF commission is in two parts: the first element, which is nearing completion, was to establish the extent to which transport conditions in the Marches and Mid Wales are different from the UK average and, if they are, to suggest an appraisal methodology to reflect those conditions. The second
element is to apply that methodology to the range of interventions set out in the freight strategy. The second element is due to be commissioned shortly and is due to report later this year.

Whilst the purpose of the JAF commission was to focus on the difficulties faced by the freight industry and to prioritise schemes to address those difficulties, the problems identified in the report clearly affect all vehicle users of the rural road network including cars and buses used for commuting, business, leisure and tourism purposes.

Given the extended and variable journeys times experienced by those using the network it is our contention that investment programmes should prioritise schemes that deliver reduced journey times and increased journey time reliability. It is important that journey time and journey time reliability are considered for short localised journeys as well as long distance journeys, particularly freight, but also commuters, shoppers, those attending education establishments and holidaymakers. This is because the relative importance of journey time and journey time reliability depends on factors such as journey length and route familiarity.

Journey time may be of a greater importance for short, localised journeys, including local trips for work, shopping or leisure, where road users have experience of the network. In such cases the user has an idea of the approximate time it is likely to take to travel from origin to destination.

Reliability is of a greater importance for longer distance strategic journeys, such as freight trips, that have strict time schedules to meet, scheduled ferries to transfer on to and limitations to the number of hours that drivers can legally work before being required to take a break. The ‘last mile’ journey time uncertainty after leaving the Strategic Route Network in the Marches on to single carriageway routes, with limited overtaking opportunities and the risk of lengthy diversion routes in the case of an incident can have serious implications on the costs of business and the local economy. A particular issue is the need to factor in an allowance for journey time variability when the actual need for that time varies considerably. This often results in ‘lost time’ to freight operators and other highway network users with a consequent impact on the rural economy.

As rural journeys are longer than the average they are therefore primarily not suitable for walking or cycling. Not only are journeys longer but the routes available are predominantly ‘on-road’ and are therefore often unattractive for use by walkers or cyclists, particularly when traffic speeds on rural routes outside towns and villages are significantly greater than 30mph. Whilst there are opportunities for walking and cycling to offer an alternative form of transport in rural areas those opportunities are limited to intra-village and intra-town journeys. As a result the extent to which walking and cycling can offer an alternative to vehicle use for interurban journeys, which tend to be the greater proportion in rural areas, is very limited. It is acknowledged that public transport – bus, rail and various forms of community transport – do offer an alternative to some car based trips but those opportunities are limited given the dispersed settlement patterns in rural areas and the consequent distances between homes, businesses, schools and public transport interchanges.
The Marches and Mid-Wales Freight Strategy, published in March this year, identified a number of different types of road scheme that would improve rural road transport:

- Sections of 2 on 1 roads – Developing short sections of overtaking opportunities on existing routes.
- Differential acceleration lanes (DALs) – A speed change lane at a roundabout to permit vehicles to accelerate before merging on to the existing trunk road.
- Crawler lanes – Developing lanes that allow slower travel for HGVs to ascend a steep grade on selected uphill sections of existing trunk roads.
- On-line enhancements to the trunk road network – Straightening, removing bends and widening of narrow sections at selected locations on existing trunk roads.
- Bypass - New road around a congested built up area to remove through traffic.
- Please pull over signs – Please pull over signs on relevant stretches of single carriageway network for slow-moving essentially agricultural vehicles.

The JAF commission developed an appraisal framework to prioritise these different types of intervention to help in setting a long term investment plan. The appraisal criteria included delivery against objectives set out below as well as scheme value for money and deliverability:

- To reduce the cost of and increase the journey time reliability of transport movements in and through the Marches and Mid Wales, in particular for the freight and logistics industry.
- To support the economic growth and prosperity of the Marches and Mid Wales by stimulating new (and safeguarding existing) inward investment, providing employment and opportunities for increased productivity and growth.
- To increase the safety of the transport network in the Marches and Mid Wales thereby reducing the cost of collisions / incidents on the economy, health and well-being.
- To reduce emissions, particularly greenhouse gases, particulate matter and nitrogen dioxide thereby reducing the environmental and social cost of congestion and pollution.
- To minimise as far as possible the other negative impacts of freight transport on residents of the Marches and Mid Wales, such as the contribution that freight transport makes to levels of congestion and noise and intimidation of vulnerable road users thereby reducing the economic and social costs on other road users and non-road users.

The second stage of the JAF commission is likely to be commissioned shortly and will report later this year.
5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Research has shown that poor internet connections and slow speeds have a damaging economic effect and that the gap between rural and urban areas is widening. This is a disincentive to business investment and adds to costs in the rural economy. The urban-rural gap is not narrowing as mostly urban areas are increasing speeds at a high rate.

The UK government has announced plans to make full-fibre broadband mandatory for all new-build homes, along with a new commitment to connect rural areas as part of a new national telecoms strategy. The government said that the changes it has proposed are essential to: give the majority of the UK population access to 5G; connect 15 million premises to full fibre broadband by 2025; and provide full fibre broadband coverage across all of the UK by 2033.

A full-fibre infrastructure is vital to underpin 5G coverage, says the government, as it moves towards a medium-term strategy of ditching copper entirely. However, its own figures reveal that progress to date has been painfully slow, and even with the proposed new measures under the FTIR, the UK is still lagging in global terms.

One of the problems has long been that, even in city centres and so-called digital hotspots, broadband connections are slow unless businesses pay BT – a company that has been the single biggest brake on the UK’s digital ambitions – a premium. As a result, BT has had zero incentive to improve baseline connection speeds for years. The UK’s digital interests would have been better served by having government-managed central investment in upgrading the national infrastructure.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

**Healthcare** - Technology and fast internet connection can improve and maintain provision for essential services. For instance, telehealth offers a technological bridge to connect patients and their clinicians, no matter the distance between the two parties. It can increase convenient care options while cutting patient costs resulting from travel time and transportation expenditures. It can also enable rural hospitals to connect with healthcare experts that can deliver high-quality care to complex patients with urgent needs. However, there is a need to educate patients and create a new expectation that telehealth is an effective care delivery method. Additionally, project leaders need to strive to ensure quality as well as to ensure that technology does not replace quality.

**Banking** - Financial services firms need incorporate new tools and methodologies that can adequately support this online banking. Due to bank closure, it is anticipated that rural areas will see the largest increase in mobile banking users between now and 2023, because of broadband access pushing

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241 Two-speed Britain: Major study reveals impact of gap in Internet access between rural and urban area, University of Aberdeen, 2 September 2015. Available at https://www.abdn.ac.uk/news/8127/
customers towards mobile networks. Hence, there is a need to provide customers with a better mobile experience which means investing in technologies that enable them to design, roll-out and constantly improve custom mobile applications with ease. In particular, low-code development platforms take a visual approach to application development to enable all areas of the business, not just IT, to be involved in building apps that fully serve customers’ needs.

**Local Justice** - Earlier this year, the judicial system was changed so that remand cases throughout the West Mercia are automatically sent to Kidderminster Justice Centre. These changes are causing significant problems with the solicitors, defendants and their relatives as 1) substantial increase of time taken by all parties to attend hearings, 2) cases are being heard by magistrate with little understanding of the area or local problems, 3) young offenders and those with mental health problems feel isolated as their relatives are unable to support them in Kidderminster due to problems with transport, 4) local solicitors have to travel to Kidderminster and pay for travel costs, 5) solicitors in Kidderminster do not have an understanding of the defendants’ background and local social issues.

There are links between broadband speed (despite significant investment) and encouraging public bodies to make access to services accessible electronically e.g. the justice issue could be resolved by video link appearances.

**Education:** There are challenges presented by competing government policies in the context of rural pressures e.g. increasing parental choice regarding education in the context of limited public transport and high transport costs around the county.

Herefordshire Council has asked the Department of Justice to retain the local justice element and return cases to the Hereford Justice Centre where Herefordshire justices deal with Herefordshire cases.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

One way to help save these vital rural institutions would be to design policies to support these businesses, such as ad-hoc rate relief schemes.

Since 2012, Asset of Community Value (ACV) / Community Right to Buy legislation has given community groups six months to draw up and submit a case to retain a pub. However, if there is no such ACV or preservation order in place, it is still too easy for developers to buy up and convert long-established pub premises. Tougher legislation would help avoid unnecessary closures, and provide a platform for improving planning regulations.

The lack of infrastructure represents another major problem for rural pubs. Public transport is inadequate – especially in the evening – in many rural areas, which hinders the chances of any business relying on the sale of alcohol. Incentivising local taxi schemes could enhance the attractiveness of pubs and many other businesses geographically spread and not well served by transport routes. The provision of additional financial support by local authorities for new taxi companies would help to keep tariffs down and encourage rural residents to use
them more frequently. This would benefit all businesses, including pubs, operating in the local supply chain. There is also a need to provide community groups with professional support to enable them to come up with workable business plans to assist their sustainability.

But while the government should support rural pubs, residents must also play their part. It really is a case of use them, or lose them – and once a pub is gone, it may well be gone forever.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

The people who live in the countryside display high levels of entrepreneurship with more businesses per head of population than in large towns and cities. They are innovative and they want to grow their businesses as much as their urban counterparts.

However, they may be impeded by regulation and planning requirements that make it difficult to find suitable premises, and by lack of access to infrastructure, finance and advice, markets and networks and skilled staff.

Effective policies are necessary and should include:
- Rural growth measures that include, but also look beyond, the farming, forestry, food and environmental sectors,
- An acknowledgement of, and support for, the creative and arts industries and the part they play in the rural economies and in rural identity,
- Treating rural economies as a cross-cutting theme and embedding them in mainstream plans for economic development, whilst acknowledging the unique challenges faced by rural businesses,
- Ensuring that the Local Enterprise Partnerships and Combined Authorities have a strong rural remit which reflects the diversity of businesses in rural areas,
- A place-based approach, meeting local constraints and opportunities, and recognising the distinctive make-up of local rural economies,
- Investment in affordable housing, business premises, infrastructure and local services,
- Investment to increase apprenticeships in rural areas,
- Ensure fairer funding for schools, including those in rural areas,
- Investment in skills provision that is responsive to the local economic priorities,
- Continued support for training and business start-ups via the Rural Growth Networks, Growth Deals, Shared Prosperity Fund, and other domestic funding programmes for growth and jobs, and
- Business associations and networks more proactively engaging, mentoring and advising small businesses, peer-to-peer.

9. **How can deprivation and inequality in rural areas be tackled?**
Like most rural areas, Herefordshire is regarded as a desirable and even idyllic place to live in the UK but people living in rural areas are often at a disadvantage financially and socially because of low wages, lack of access to public transport and other services and the high cost of fuel for transport and heating. Informal support networks are also weakened as unaffordable housing and welfare cuts are forcing family members to move further away and public spaces where people traditionally meet and interact such as pubs and post offices are closing.

There is a need for:

- A change in attitudes and culture to ensure better awareness of rural disadvantage at policy level,
- Maintenance of spaces where people meet and access services,
- More investment in affordable housing and public transport,
- Better promotion of awareness and uptake of welfare payments where there is entitlement,
- Comparatively small, but crucial, investment in organisations that underpin community volunteering,
- Encouragement of more community enterprises to run facilities,
- Develop a localised approach to transport planning and provision, based around working with communities to help them find their own solutions based on community transport, taxi sharing, car sharing, and car clubs vehicle brokerage, and
- Continue to develop joint working arrangements with health in respect of non-emergency patient transport (NEPT), developing links with Wye Valley Trust, the CCG and NEPT transport provider.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

- Provide low cost rental properties,
- Provide a range of recreational and leisure facilities,
- Provide affordable transport options so they can access training, education provision, recreation and leisure, and flexible tertiary education options,
- Provision of a range of adult education options, alternatives to High School, and trade training options sure, and health services, etc.,
- Provide community leadership and decision making opportunities for young people,
- Innovation in service/voluntary organisations to encourage participation by young people, and
- Creating business and community leadership mentoring opportunities.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities area there for the older retired population to help support the rural economy?

Policy could foster the positive contribution of older people and support the needs of an ageing population:

- Older people may be helped to overcome isolation and maintain independence by minor adaptations to housing, access to public transport
and low-level, low-cost support services such as lunch clubs, help with odd jobs, and gardening schemes.

- Older people often want to continue working flexibly and to engage in other activities, which will help them to maintain their social networks, mental and physical capacity and independence. Comparatively minor investment in public transport and facilities such as lifelong learning could save investment in more costly social and health care services.

- Rural housing provision, location and design should take more account of older people’s needs.

- Additional costs of services for older people in rural areas need to be recognised in government funding formulae.

- Encouraging communities to support the aging community. A good example is the Yew Tree in Preson on Wye which runs a diners club every Wednesday where older folks meet and have a reasonably priced lunch.

_Rural housing and planning_

**12. How can affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

Lack of affordable housing and high prices are persistent causes for concern among Herefordshire residents. Workers have seen wages rise at a slower rate than the rest of the country. Average house prices up to nine times the average salary. Moreover, there is less affordable rented housing and social housing. Younger people are often priced out of the market completely and hence may be forced to move away, or commute long distances, with consequent damage to family networks. Lack of access to appropriate housing reduces the available workforce and stifles the contribution that Herefordshire and other rural areas could be making to national growth.

A better balance of interests could be achieved by:

- Central Government making more grant funding available or provide a larger amount of grant per dwelling. Relaxing the rules around affordable housing so that the Registered Providers can provide the most appropriate housing solution,

- The banks being more mindful of affordable housing and offer the equivalent mortgages as it does to the open market and not charge higher interest rates,

- The planning system making developments more beneficial for the developers to build affordable and in turn the house prices of the affordable could be further reduced,

- Creating/allowing more housing initiatives for the Registered Providers to deliver. Relaxing the rules around shared ownership allowing a smaller percentage to be purchased (below 25%),
Herefordshire Council – Written evidence (REC0092)

• Giving local authorities the power to reduce the council tax/ business rates, businesses could then pass on the savings to the customer through cheaper goods,

• Making homework an option by improving access to fast broadband and better mobile connectivity,

• LAs working with transport companies and government departments to subsidise travel costs, and

• Lobbying government to reduce high cost of petrol and diesel in rural areas.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

• The implementation of the threshold of 10 dwellings and over for affordable housing has had a significant impact on Herefordshire as schemes are often submitted for 9 units or under therefore below the threshold of affordable. As we (Herefordshire Council) have no density policy it is hard to challenge some developers on their numbers. So we suggest that local authorities be authorised to set their own thresholds, and

• Neighbourhood plans are likely to hinder development of affordable housing. Parish Councils are often keen to see numbers increase within their villages but they do not want larger estates they prefer to see smaller pockets of development. By restricting numbers they are automatically excluding affordable housing as the planning applications are usually below 10.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

The government needs to produce a rural strategy which addresses the critical issues facing rural communities and businesses. There is also a need to rural proof all government legislation and regulations to ensure that rural issues are embedded in them.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as the Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

It is important that the wider rural development policies e.g. Health and Harmony document are given due consideration in the industrial strategy and the local industrial strategies and strategic economic plans. Local authorities, LEPs and combined authorities adopt a shared vision of the wider rural development policies, which includes the needs and opportunities in the rural areas, and embed them in the local industrial strategy and strategic economic plans. To improve coordination, it is important that all parties e.g. local authorities, LEPs and combined authorities clearly set out roles and responsibilities and accountability. They also need to be very clear on their distinctive role in setting
strategy and commissioning interventions to drive growth, jobs and private sector investment.

**Cllr Jonathan Lester**  
Leader  
Herefordshire Council  

*10 September 2018*
Highlands and Islands of Scotland European Partnership – Written evidence (REC0089)

The Highlands and Islands European Partnership (HIEP) welcomes the opportunity to contribute views on the Rural Economy and to this end I have incorporated the text of the HIEP Regional Policy position paper into this letter which sets out why our region, which consists of remote rural mainland, over 90 inhabited islands, sparsity of population, challenging geography, social and economic fragility and peripherality, needs a new Regional Policy to help maximise the economic potential of our region. This should also be read in conjunction with other submissions from individual HIEP partners.

Summary

After exiting the EU, UK regions will no longer be able to access EU structural funds. A new Regional Policy is therefore required for the UK as a replacement and to help maximise the economic potential of our regions. The Highlands and Islands European Partnership (HIEP) recognises the importance and value of effective Regional Policy and seeks a future Regional Policy that is:

- Nationally aligned and regionally responsive, focusing on regional competitiveness and socio economic inclusion.
- Long term and strategic in nature, with resources commensurate with the scale of challenge and opportunity.
- Regionally flexible, driven by the involvement of local partners in development, delivery and evaluation.
- Aligned with wider delivery mechanisms and, in particular, UK / Scottish Rural Policy

Introduction

In the past three decades, EU Regional Policy has transformed our economic and social well-being. It has enabled investment in transport and broadband connectivity, business growth, community development, research capacity and skills, helping to develop the region’s first university. It has addressed low and sparse population, peripherality, insularity and complex geography — delivering population growth and business success, encouraging vibrant communities and enabling the Highlands and Islands to make its contribution to wider prosperity in Scotland and the UK. As we look to the future, new opportunities are emerging, but familiar challenges remain. A new Regional Policy, nationally aligned but regionally responsive, is essential if we are to enjoy prosperity and well-being across all of the region and fulfil the region’s potential in contributing to Scotland’s success.

The Highlands and Islands - a region with ambition

The Highlands and Islands of Scotland is a region with ambition – innovative businesses and growth sectors, thriving and resilient communities and resourceful

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242 The Highlands and Islands European Partnership has a membership of:
Argyll & Bute Council Comhairle nan Eilean Siar
Moray Council North Ayrshire Council
Orkney Islands Council Shetland Islands Council
The Highland Council Highlands & Islands Enterprise
University of the Highlands & Islands
Highlands and Islands of Scotland European Partnership – Written evidence (REC0089)

people. However, it is also a region of contrasts, characterised by remote rural mainland and over 90 inhabited islands, sparsity of population, challenging geography, social and economic fragility and peripherality. It is a region of outstanding scenery, with a rich natural environment and diverse cultural heritage which makes it unique. While the Highlands and Islands covers half the landmass of Scotland, its 478,000 inhabitants represent under 8% of the national population. Although the population of the region has increased over recent years, some areas are still challenged by depopulation, ageing population and youth out-migration, which impacts on communities and the local economy. Future projections in many of these areas are not promising and our response is likely to be hampered by the impact of Brexit on migration and investment.

Our environment and natural resources are assets that can contribute significantly to regional and national prosperity. The region is among the best in the world for marine energy potential. With a coastline longer than that of France, the opportunities in the wider marine economy – fisheries and aquaculture, marine biotechnology, marine tourism – are extensive. Driving these opportunities is the research excellence in institutions such as the Scottish Association for Marine Science (SAMS) UHI and NAFC Marine Centre UHI in Shetland, both part of the University of the Highlands and Islands, and the European Marine Energy Test Centre (EMEC) in Orkney. Each has benefitted from EU regional funding to develop infrastructure and research expertise.

Established industries such as whisky and aquaculture are ranked first and second in the UK’s food and drink exports. Over half of all Scotland’s distilleries are based in the Highlands and Islands, and the area is the third largest salmon producer in the world. Our diverse rural economy is also home to globally competitive businesses in life sciences, business services, and has unique assets in the creative and cultural industries.

What does future Regional Policy need to deliver for the Highlands and Islands?

The Highlands and Islands is unique within the UK, with its mix of economic, social and cultural assets presenting opportunities and challenges. It will require concerted and coordinated effort from a wide range of stakeholders to catalyse development across the whole of the region. The region is an exemplar, attracting interest from across Europe for its success in building a diverse rural economy and vibrant communities where increasing numbers of people live, work, study and invest.

Our successes have been delivered with local stakeholder involvement in development, delivery and evaluation, ensuring that Regional Policy opportunities are responsive to regional challenges and focus on regional opportunities to bring about a shared prosperity.

Future Regional Policy needs to empower the region to contribute to UK and Scottish economic growth, while recognising permanent and long term challenges. Undoubtedly, EU Regional Policy and funding have had a major impact in terms of reducing social and economic disparities, levering in substantial levels of funding. Looking forward, however, there are new opportunities for greater autonomy in
determining the region’s priorities, whether through investment from the Shared Prosperity Fund or any other domestic Regional Policy measures and mechanisms.

This is an exciting time for the region and its communities. Future Regional Policy, with development and delivery led by devolved administrations and regional stakeholders, can bring a long term strategic focus, maximising regional economic potential that is sustainable and inclusive. Our view is that key characteristics of future policy should be:

- Improved regional competitiveness and inclusion, recognising and responding to regional disparity.
- Focussed on regions with the greatest challenges – not all regions will benefit to the same degree.
- Clear and objective criteria are required, considering spatial scale and definition of selected regions.
- The opportunity to consider more sophisticated selection criteria, beyond GDP per capita, (for example, population sparsity, employment / participation rates, average wage levels, skill levels, economic concentration, “remoteness”, “fragility”).
- Delivered with funding that is available over the long term at a level commensurate with the scale of challenge and opportunity, rather than short term, one-off allocations of funding.
- Adopting a more flexible approach, with a high degree of input from regional stakeholders, to address the specific regional challenges and opportunities in the region.
- Through simple, streamlined and, as far as possible, aligned with wider delivery structures.
- Ensuring that UK / Scottish Regional Policy is closely aligned with UK / Scottish Agriculture and Rural Policy (also replacing existing EU policy), bringing together the two most significant place-based development policies

**Characteristics of future Regional Policy**

It is important that lessons learned from our collective experience of EU programmes are captured and inform the development and delivery of successor domestic programmes. Some of our key opportunities for further investment and development, supporting a distinctive place-based approach, include:

- Enhancing the region’s physical and digital Connectivity.
- Investment in sectors / clusters where the region has competitive advantage, such as marine energy and life sciences – regional Smart Specialisation.
- Investment in new technologies, particularly those that enhance our competitive strengths and respond to our regional challenges, for example the “Local Energy Economy”.
- Talent attraction and retention, recognising that this is multi-faceted, including employment, education, housing, connectivity and transport.
- Investment in education and skills infrastructure and provision to match the future needs of the regional economy.
- Investment in community capacity building and resilience, leading to strong, vibrant communities.
- Growing as a world class tourism destination
Time, however, is running out. The current structural funds programme ends in 2020 and now is the time to develop future Regional Policy to avoid a damaging hiatus in Regional Policy and support.

The Highlands and Islands of Scotland is indeed a special corner of the country, with an abundance of natural resources, a diverse business base, world renowned environment and vibrant, confident communities. An effective Regional Policy will enable the region to make a full contribution post Brexit towards economic and social growth. That’s good for the Highlands and Islands. It’s also good for Scotland and the UK.

Angus MacLeod
Policy Coordinator
Highlands & Islands European Partnership

10 September 2018
Historic England – Written evidence (REC0099)

1. Historic England is the Government’s statutory adviser on all matters relating to the historic environment in England. We are a non-departmental public body established under the National Heritage Act 1983 and sponsored by the Department for Digital, Culture, Media and Sport (DCMS). We champion and protect England’s historic places, providing expert advice to local planning authorities, developers, owners and communities to help ensure our historic environment is properly understood, enjoyed and cared for.

2. We are pleased to have the opportunity to respond to this important call for evidence and set out our response to the questions posed below.

General issues

Question 1: What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

3. The production of food remains a fundamental part of the rural economy, but over the past two decades – particularly following the wider economic impacts of the 2001 Foot and Mouth epidemic – there has also been increasing recognition of the value of other public and environmental goods generated by the rural economy. We welcome this general trend, and especially the weight given to this aspect of the rural economy in the recent Health and Harmony consultation. We very much hope that the forthcoming Agriculture Bill will put in place mechanisms that will not only reward farmers, but wider rural communities for the delivery of public and environmental goods when we leave the EU. Historic England research has shown the contribution that heritage makes to the wider economy – and this is of course the case for both rural and urban areas.

4. [Link to Historic England report]

Question 2: Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

5. As with our response to question 1, we see increased business diversification and a move away from policy mechanisms which simply support the production of food as the best means of creating sustainable rural economies (subject of course to wider policies protecting the rural environment). Our recent work with Defra on the adaptive reuse of redundant traditional farm buildings promotes this kind of approach, by encouraging the adaptation of buildings which are redundant for agricultural purposes, and therefore have no capital base for on-going maintenance and repair. If done sympathetically (and this is more likely to be the case when the changes are managed through the planning system, rather than under permitted development rights), adaptation can
not only retain the historic and landscape importance of these structures, but also bring new commercial, residential or community uses and opportunities.


**Question 3: How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

7. We believe that there is potential for further development of sensitively designed and located heritage-related sustainable tourism in certain areas, outside the main rural tourism ‘hot spots’ for example walking and cycling routes linking heritage features such as churches or archaeological sites.

**Infrastructure and services**

**Question 4: How can access to transport be improved in rural areas?**

8. We have no comments to offer.

**Question 5: What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

9. Historic England has been involved with a scheme which promotes the use of church towers for telecoms kit for just that purpose.

10. The accord, signed by the National Church Institutions (NCIs) of the Church of England, the Department for Digital, Culture, Media and Sport (DCMS) and the Department for the Environment, Food and Rural Affairs (Defra) encourages the Church of England to use its buildings and other property to improve broadband, mobile and WiFi connectivity for local communities.

11. 65% of Anglican churches and 66% of parishes in England are in rural areas and their locations at the heart of their communities mean they are often well placed to address connectivity and coverage problems.

12. The use of these churches, as well as other church properties and farm buildings, to host digital infrastructure can help to deliver the Government’s commitment for everyone to get good quality mobile connectivity where they live, work and travel. The initiative helps with the commercial health and social access of rural communities, as well as equality of opportunities for access. In addition, many rural churches also have links to rural schools, and the improved digital connectivity allows them to have the same facilities as their urban counterparts.

**Question 6: What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

13. We have no comments to offer.
Question 7: What can be done to support local shops, community pubs and other rural amenities at risk of closure?

14. We have no comments to offer.

Business, employment, skills and demography

Question 8: How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

15. It should not be assumed that public investment in capital schemes, such as through the Rural Development Programme, merely achieves conservation objectives. An analysis funded by Defra and English Heritage (now Historic England) of capital schemes in the Lake District and Yorkshire Dales National Parks (University of Gloucestershire 2005 and 2007) estimated that spending on building restoration had a multiplier effect of £1.65 (£2.00) on the local economy and £2.41 (£2.90) on the wider economy. For stone wall repairs the multiplier was estimated at £1.92 (£2.30) for local economy and £2.35 (£2.80) for wider economy. The study also demonstrated how investment provided work for local firms and provided skilled employment in areas where it was otherwise scarce. In addition to keeping over 1,000 buildings (less than 10% of which were listed) in use, it maintained assets which contributed to high value landscapes, and through this, helped to generate tourism income for local economies. Historic England has just commissioned an update of this research in the light of the Countryside Stewardship farm buildings pilot scheme.

16. The chief drawback of capital investment through the Rural Development Programme is that repairs are funded on the basis that the building will remain in some form of agricultural use. In order to assist the diversification of farm and wider rural businesses, it would be helpful to have a light-touch regeneration scheme which conserved such buildings by fostering (rather than discouraging) new uses (taking into account wider planning restrictions in so doing), and in so doing acted as a catalyst for future innovation.

Question 9: How can deprivation and inequality in rural areas be tackled?

17. We have no comments to offer.

Question 10: How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

18. We have no comments to offer.

Question 11: What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?
19. We have no comments to offer.

**Rural housing and planning**

**Question 12: How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

20. The adaptation of redundant traditional farm buildings will make some contribution to the affordable housing stock, but the impact will be limited on the first rung of the housing ladder. The prices realised by buildings converted for residential use associated with traditional farmsteads tend to be higher than for new building stock. Increasing the number of units within a traditional building in order to bring the unit costs down may involve unacceptable impacts upon the historic character, for example by the need for large numbers of new openings which damage the simple appearance of the original building. ‘Damage to heritage’ arguments can sometimes be inappropriately used by some objectors to try and prevent any new development. Historic England believes that carefully positioned and thoughtfully designed new buildings can be located in many sensitive locations without significantly harming an area’s character and works to promote a more positive attitude to change in heritage-sensitive locations with local authority members and officers.

**Question 13: How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

21. The recent changes in national planning policy which support the delivery of housing in rural areas to meet local needs, and to allow villages to ‘grow and thrive’, are of course to be welcomed. Less welcome is that element of policy which encourages greenfield development, and notably the Housing Delivery Test, whereby developers’ failure to deliver on the consents they have been granted requires the local planning authority to allow further allocations.

22. There have been a number of recent increases in permitted development rights, some of direct relevance in rural areas. Any proposals for further increases should be regarded with some caution, as they reduce the ability to positively manage change in rural areas, mindful of the sensitivity of some locations, and they also place burdens on local communities and infrastructure which cannot be managed through the planning system in the usual way.

23. Historic England would like to work with Government to encourage a more positive attitude to appropriate change, for example by sharing and promoting good practice examples of new housing which integrate well with the surrounding buildings and landscape. The renewed interest the Government is showing in design, especially in relation to new housing, is welcome and Historic England can help push the message further.
Government policy, devolution and local government

Question 14: Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

24. We have no comments to offer.

Question 15: What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

25. Anecdotally, some rural stakeholders we work with tell us that access to LEPs can be more difficult for small and medium size enterprises and these are more likely to make use of traditional buildings. Historic England would be happy to explore how it might raise with LEPs the profile of heritage and the positive part it plays in delivering sustainable development.

Sarah Tunnicliffe
Senior National Rural and Landscape Adviser
HISTORIC ENGLAND,
10 September 2018
**Historic Houses – Written evidence (REC0142)**

**About us**

Historic Houses represents the UK’s largest collection of independently owned historic houses, castles and gardens. Our family includes over 1,650 historic houses, many of which look after significant parts of the rural landscape, including important rural heritage assets.

Historic Houses places – the majority of which are situated in rural areas – contribute over £1 billion to the economy, and generate 33,700 full time equivalent jobs. As leading tourist attractions, events venues and rural business hubs, Historic Houses places are also vital catalysts for rural prosperity – spending over £247 million a year on goods and services, 46 per cent of which is with local suppliers.

**Call for Evidence questions**

**Question 1: What do you understand by the ‘rural economy’? How has it changed over the recent years, and what has been the impact of these changes?**

Historic Houses represents the UK’s largest collection of independently owned historic houses, castles and gardens. Our family includes over 1,650 Historic Houses places across the UK, the majority of which are at the centre of fragile rural economies. As such, Historic Houses places often act as lynchpins for rural communities - as a source of career opportunities, and the locus that generates vital secondary spend for other local businesses. Historic Houses places not only generate £1 billion for the national economy two thirds of which is visitor spending ‘off site’ supporting local businesses in surrounding towns and villages; they also provide over 33,700 full time equivalent jobs and spend over £247 million per year on good and services, 46% of which is with local suppliers.

The key change that Historic Houses has noticed in recent years has been the increasingly varied ways in which the historic houses, castles and gardens we represent have been diversifying to ensure the heritage in their care remains economically viable. Across the UK, Historic Houses places have an outstanding repairs and maintenance bill of £1.38 billion, which continues to grow, and so owners are increasingly finding new and innovative ways to make their houses earn their keep. Traditional forms of heritage tourism remain hugely popular; Historic Houses places welcomed over 26million visitors last year. However, many Historic Houses places now also offer weddings, events and accommodation, as well as filming and photography, farm shops, artists’ studios, and business units.

There are a number of barriers to the development of this important business growth in rural economies:

1/ First and foremost, practical improvements to the tax framework are essential to help historic houses generate funding (from their own resources) to tackle the
huge backlog of repairs these special places require. Having assessed a wide range of potential solutions to this conservation challenge, Historic Houses’ evidence indicates that reforming Heritage Maintenance Funds (HMFs) would be the most cost-effective tool. HMFs enable nationally important historic houses that are open to the public to ring-fence funds (from their own resources) for maintenance. In their current form however, with income tax on them levied at 45%, HMFs are not being used to their full potential – just 8% of the historic houses we represent have one in place. Independent economic research we commissioned in 2018 – carried out in accordance with the Treasury’s Green Book stands – has concluded that reducing the income tax rate on HMFs to 20% would generate a net economic benefit for the UK economy of £85.5 million by 2023. Reforming HMFs by reducing income tax on them to 20% would yield a wide range of benefits for the rural economy and rural communities – including broad public access and enjoyment, better maintained heritage and increased tourism revenues. We are working closely with government, politicians and stakeholders to highlight the benefits of reforming HMFs, and would welcome the opportunity to brief the Lords Select Committee on our proposal.

2/ There is a clear need for there to be more funding for rural broadband alongside better promotion of existing schemes. Only 37% of Historic Houses places have access to 4G and fibre optic broadband. If this is not drastically improved, many rural communities will be left behind with the new 5G developments. We were delighted when the Government announced in the Tourism Action Plan that it was committed to ensuring that over 95% of the population would have access to superfast broadband speeds by the end of 2017, but we are concerned that a/ this has not been met and b/ the funding available currently is not enough to connect the last 5%.

3/ There is also the issue of the ‘final mile’, which refers to the lack of public transport options between the closest train station or airport and a tourism destination. While some Historic Houses places are large enough to be able to partner with local transport companies such as bus and taxi firms, others do not have the same resources. This would be an opportunity perhaps for Local Enterprise Partnerships, Destination Management Organisations and/or Local Government to work together.

Question 2: Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Historic Houses places are excellent examples of good practice in the rural economy. Over 900 Historic Houses places are open to the public in some way, either as tourism attractions, events venues, work spaces or filming locations. As mentioned above, Historic Houses places – the majority of which are situated in rural areas – contribute over £1 billion to the economy, and generate 33,700 full time equivalent jobs. Thanks to their central role in rural communities, Historic Houses places are also vital catalysts for rural prosperity – spending over £247 million a year on goods and services, 46 per cent of which is with local suppliers. Their success could be better replicated and promoted if local councils, Destination Management Organisations (DMOs) and Local Enterprise Partnerships (LEPs) across the country were more consistent in their promotion and
celebration of Historic Houses places, and making sure that they are included in all websites and literature.

**Question 3: How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

There is a huge amount of potential for growth among Historic Houses places. As mentioned above, Historic Houses places are highly innovative and entrepreneurial in finding ways to make these historic places economically viable. Developments in technology have significant potential to help the cause of the nation’s heritage; indeed, technology is already having a profound impact on many heritage sites.

In the most basic sense, almost every Historic Houses place now has its own website and social media accounts, making it easier than ever for potential visitors to find information about general admission and special events. For example, some of those Historic Houses places who offer weddings and events venues now also offer drone photography, and unlimited wifi so that attendees can upload images and footage from the day’s events in real time, with event coordinators advising on the best hashtags to use. With any business units that are now let out at historic house estates, there is an expectation that there will be a high-speed internet connection at the very least, to enable clients to create and maintain sophisticated, image-heavy websites.

As the travel market develops and consumers want more individual experiences that will look good on social media, Historic Houses places are also starting to harness new and emerging technologies to add to their visitor experience and business offer. For example some are trialing virtual reality headsets, which could not only add to the general visitor experience but also enable wheelchair users who cannot access the upper floors of a house to experience them virtually.

Historic Houses places’ eagerness to utilise new and emerging technologies to bring to life the heritage in their care highlights the importance of government doing all it can to ensure sufficient funding for rural broadband, and better promotion of existing schemes in rural areas.

**Question 4: How can access to transport be improved in rural areas?**

As mentioned above, one of the key barriers to the growth of the business run by Historic Houses places is the issue of the ‘final mile’. This refers to the lack of public transport options between the closest train station or airport and a tourism destination. While some Historic Houses places are large enough to be able to partner with local transport companies such as bus and taxi firms, others do not have the same resources. There is still a lack of basic travel infrastructure and information-sharing between public transport and tourist destinations (the ‘final mile’ issue mentioned above) that deters both domestic and inbound tourists from visiting rural attractions such as historic houses. As a result, many rural attractions do not feel the benefit of tourism schemes that might increase visitor numbers to the region but do nothing to improve physical connectivity. If rural needs were more central to the formation of tourism policy – i.e. tourism policy
as a whole was ‘rural-proofed’ - there might be more central government support for transport schemes that would increase visitor numbers and visitor spend in rural areas, invigorating many rural communities.

The Government acknowledged this issue in the Tourism Action Plan, and piloted five easy to book rail itineraries. Historic Houses would welcome publication of the result of the pilot studies, and for more similar itineraries to be developed for more locations across the country. This would be an opportunity perhaps for Local Enterprise Partnerships, Destination Management Organisations and/or Local Government to work together.

**Question 5: What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Digital connectivity is one of the biggest barriers to growth for Historic Houses places. As mentioned above, only 37% of Historic Houses places have access to 4G and fibre-optic broadband, which is a major Achille’s heel in an increasingly digital world. While there have been Government-led schemes to improve rural broadband coverage, in many cases the funding threshold or minimum aggregation demand has meant that many places are still not connected. These rural areas are expensive to connect, perhaps only a few single households, and they are getting more and more left behind. While there are some developments in community-led schemes to connect such places, there should be more assistance from central government to enable such places to be brought online, with adequate upload and download speeds. In our response to the Universal Service design Obligation which closed in October last year, we recommended that the Government select the 20Mb/ps download and 2Mb/ps option. We support the Country Land and Business Association (CLA), in their call for 2Mb/ps to be a minimum limit, and that eventually the Government should push for at least a 5Mb/ps symmetric system. This will deliver optimum performance for households with multiple devices connected to the internet, as well as providing the infrastructure that rural businesses so desperately need.

**Question 8: How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

The success of all Historic Houses places rests first and foremost on the fabric of the main house and in many cases, the listed gardens and landscapes that they sit in, being in good condition. Historic Houses places face a conservation backlog of £1.38 billion in outstanding repairs, and this figure is set to rise. As mentioned in answer to previous questions above, practical improvements to the tax framework are essential to help historic houses generate funding (from their own resources) to tackle the huge backlog of repairs these special places require. Having assessed a wide range of potential solutions to this conservation challenge, Historic Houses’ evidence indicates that reforming Heritage Maintenance Funds (HMFs) would be the most cost-effective tool. HMFs enable nationally important historic houses that are open to the public to ring-fence funds (from their own resources) for maintenance. In their current form however, with income tax on them levied at 45%, HMFs are not being used to their full potential – just 8% of the historic houses we represent have one in place. Independent economic research we commissioned in 2018 – carried out in
accordance with the Treasury’s Green Book stands – has concluded that reducing the income tax rate on HMFs to 20% would generate a net economic benefit for the UK economy of £85.5 million by 2023. Reforming HMFs by reducing income tax on them to 20% would yield a wide range of benefits for the rural economy and rural communities – including broad public access and enjoyment, better maintained heritage and increased tourism revenues. There is also strong evidence to suggest that if HMFs were reformed, it would lead to an increase in demand for specialist heritage building skills, thanks to the increased spending on maintenance and repairs. This would only increase the employment opportunities that Historic Houses places offer rural communities, and help to revitalise fragile rural economies. We are working closely with government, politicians and stakeholders to highlight the benefits of reforming HMFs, and would welcome the opportunity to brief the Lords Select Committee on our proposal.

**Question 14: Do the Government and other public bodies pay sufficient attention to the rural economy, and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

There is a tendency to pigeon-hole rural issues as primarily related to farming and land management, but – while these are very important areas – many landowners are also diversifying their businesses through rural tourism and events, which are becoming increasingly important drivers of enterprise and employment in rural areas. The majority of Historic Houses places are situated in rural communities, creating employment opportunities both directly and indirectly as mentioned above. While there are organisations advocating for rural policy, advising those who live in rural areas and acting as a ‘watchdog’ for the impact that legislation might have on rural regions, many of these seem to be outside of government. Given the increasing role of trade associations and other non-government bodies in fulfilling the former functions of the CRC, it is vitally important that DEFRA works collaboratively and inclusively with the full range of these organisations to ensure effective policy-making.

At a national level, Historic Houses would like to see Defra develop the important work that it does to champion rural communities working in close partnership with other departments – such as DCMS. Rural policy is very much a cross-cutting issue across Whitehall. But Historic Houses is concerned that there is not enough strategic communication between government departments, especially Defra and DCMS, to allow for really innovative tourism policy to be developed for the whole country – rural communities included.

For example, while Historic Houses welcomes the work that is being done to develop tourism in the UK, both domestic and inbound, the key issues that impact rural tourism are not being addressed as part of the whole. There is still a lack of basic travel infrastructure and information-sharing between public transport and tourist destinations (the ‘final mile’ issue mentioned above) that deters both domestic and inbound tourists from visiting rural attractions such as historic houses. As a result, many rural attractions do not feel the benefit of tourism schemes that might increase visitor numbers to the region but do nothing to improve physical connectivity. If rural needs were more central to the formation of tourism policy – i.e. tourism policy as a whole was ‘rural-proofed’-
there might be more central government support for transport schemes that would increase visitor numbers and visitor spend in rural areas, invigorating many rural communities.

**Question 15: What is being done in local government to support the rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

At a local level, many Historic Houses places find it difficult to engage with their LEP or DMO as: a/ many are located in the hinterland of towns and cities, not the urban centres where LEPs and DMOs tend to focus their engagement; and b/ there is not enough understanding about what independent historic houses can contribute to the local tourism offer, as well as a reluctance to engage with historic house visitor attractions that are not open 300+ days a year. Historic Houses would welcome support from national government, perhaps Defra and DCMS working in tandem, to encourage LEPs and DMOs to engage fully with the full diversity of tourism attractions in their area. Such deep engagement would result in more vibrant business partnerships and more enticing rural tourism offers across the UK.

**Conclusion**

As demonstrated above, Historic Houses places are economic, social and cultural lynchpins in their local communities, providing jobs, supporting local suppliers and bringing in visitors who will spend money in local towns and villages. Our recommendations for stimulating the full potential of historic houses’ contribution to the rural economy are:

1/ that Heritage Maintenance funds are reformed to increase the money available to owners to repair and maintain some of the nation’s most important buildings.

2/ that increased funds are made available to ensure that all rural households and business have access to reliable broadband of at least 2Mb/ps upload.

3/ that the Government, Local Government, DMOs and LEPs work together to resolve the issue of the final mile, and make it easier for tourists and business to access rural attractions and venues.

**POLLY MARTIN**
Policy Officer
Historic Houses

**EMMA ROBINSON**
Director of Policy & Campaigns
Historic Houses

10 September 2018
Thank you for the opportunity to provide evidence at the Select Committee on the Rural Economy on 11 December 2018. There were several issues raised at the hearing that I was unable to comment on in detail, and that needed further information to be obtained in order to provide a fuller response. I have attempted to address each of the points on which you sought clarification below.

**Data collection on new housing in settlements of fewer than 3,000 people**

In regard to the collection of housing data for settlements of fewer than 3,000 inhabitants, the annual Local Authority Housing Statistics data returns do show data on additional affordable housing provided in settlements of fewer than 3,000 people and on rural exception sites. Numbers of social housing sales in these areas are not given separately; these figures are collected at local authority level only.

The collection of statistics by MHCLG from local authorities is governed by the single data list. The single data list is a list of all the datasets that are mandatory for local government to submit to central government, so the return of this data is expected. The single data list process seeks to manage and minimise the burden of data collection and return imposed on local authorities. Producing figures at a low level of geography, such as for settlements under 3,000, would be likely to incur significant burden on local authorities. If there were a clear need for this information to be collected, this would need to be requested and approved by the single data list process. More information is available at: [https://www.gov.uk/government/publications/single-data-list](https://www.gov.uk/government/publications/single-data-list).

**Whether rural local authorities can make wider exceptions to the 10-unit affordable housing threshold**

Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. These can include contributions from developers for affordable housing or infrastructure.

The policy states that affordable housing should not be sought from residential development which is not major development (defined as 10 units or more or a site of 0.5 hectares or more), except in designated rural areas, where a lower threshold of 5 units can trigger a requirement for affordable housing. The purpose of this lower threshold is to provide flexibility to allow smaller developments to make contributions to affordable housing in rural areas.

The National Planning Policy Framework defines designated rural areas as “National Parks, Areas of Outstanding Natural Beauty and areas designated as ‘rural’ under s157 of the Housing Act 1985”. The policy does not apply outside of these designated rural areas. This flexibility for rural areas was introduced as a
direct result of concerns from rural local authorities who responded to our consultation on this policy in 2014 to highlight the greater impact a 10-unit threshold might have on rural areas and in National Parks and Areas of Outstanding Natural Beauty.

Planning decisions must be made in accordance with the local development plan unless material considerations indicate otherwise. National planning policies, including this policy on small sites, are material considerations in the determination of a planning application. It is for the decision maker to decide the weight to give to material considerations in each case.

**Levels of permitted density per hectare in new rural developments**

The National Planning Policy Framework does not itself set density levels, but rather sets an expectation that local planning authorities (LPAs) should identify opportunities for higher density development and establish minimum density standards where there is an existing or anticipated shortage of land. Approaches to density need to be locally-led and reflect the character of each area, including rural areas, but it is right that councils are expected to make good use of existing land where there is a strong need for new homes, so that we continue to protect our precious countryside and Green Belt.

**JAKE BERRY MP**

14 January 2019
Thank you for the opportunity for Lord Gardiner and me to give evidence before the House of Lords’ Rural Economy Committee on 22 January.

As I hope we made clear, we are committed to bringing sustainable growth to the economy in our rural areas, so that people who live in the countryside have the same opportunities as those who live in urban areas and without detriment to our environment and heritage.

I promised to write to follow up a few points.

First, the Earl of Caithness asked to what extent our rural research was already being done by other academic researchers and how it would be funded? The Statement of Rural Research Priorities, published on 16 January, is a comprehensive framework for new research on rural issues. As highlighted within the Statement there is a wealth of research already undertaken which we will build on and make more readily accessible. We consulted academics, rural organisations, Local Enterprise Partnerships and government departments to inform the Statement and they told us more research was needed, including on themes for which there is already some evidence. The Statement sets the agenda for academia and research councils using existing funding sources to develop research on rural businesses and communities to support the development, implementation and evaluation of public policy. It will inform research activities across government and act as a spur for collaboration between central and local government, the research community and funding bodies.

I also undertook to give further information on how policy advisers assisted the department. As Lord Gardiner and I explained, we work across government and externally with a wide and varied range of rural organisations and individuals to inform the development of rural policy and rural research needs. Complementing this, we have a wide range of expertise in house. We have appointed a number of Non-Executive Directors to support the senior leadership of the department and bring external experience and expertise to Defra’s Board. Defra has also appointed strategic policy advisers to help shape policy and advise on implementation. These policy advisers complement and challenge core policy teams, building on the innovative ideas and enthusiasm already found in the department. This brings different perspectives together to refine thinking and make clear decisions. As an example, Lizzie Noel, one of our Non-Executive Directors and Chris Salmon, one of the policy advisers - a former Dyfed-Powys Police and Crime Commissioner - have specifically worked with policy teams on waste crime and rural broadband issues.

On rural crime, I said I would share a report commissioned by the department on waste crime, published in November: https://www.gov.uk/government/publications/serious-and-organised-waste-
crime-2018-review. This independent report followed the waste crime review led by Lizzie Noel which aimed to get as full a picture as possible of the problem. The review's recommendations directly informed our new strategic approach to serious and organised waste crime, as part of the Resources and Waste Strategy published on 18 December 2018: https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england. Amongst other things, this committed the government to making electronic tracking of waste mandatory and to consulting on a fundamental reform of the waste carriers, brokers and dealers system to ensure that the supply of waste to criminals is curtailed. Our reforms will ensure that the right waste is handled in the right way by the right people in the right places so that communities, businesses and the environment are protected.

Finally, the Earl of Caithness asked how many churches currently hosted mobile connections and what the number was expected to be in a year’s time. As the Committee is aware, Lord Gardiner and Matt Hancock, the then Secretary of State for Digital, Culture, Media and Sports worked closely with mobile phone operators and the Church of England to improve connectivity in rural communities, leading to publication of a Working Accord between government and the Church in February 2018.

The Church of England has told us that before the Working Accord, around 300 churches across the UK had installed digital infrastructure. Since the Accord was introduced, 33 churches had been granted permission to host digital infrastructure, with another 67 nearing completion. A further 79 open applications are ongoing. These figures include only information held centrally by the Church through its new on-line application process and do not include paper based records previously held locally which are difficult to access. DCMS and Defra are continuing to work with the Church to encourage further use of its buildings and estate to help fill in “not spots”, particularly in rural areas.

I hope you find this additional information helpful.

With every good wish,

Michael Gove
At the 11 December 2018 Select Committee on the Rural Economy, I promised to write to you in greater detail setting out the Government’s view on the remit of the Groceries Code Adjudicator and how my department is working together with Defra on the provisions in the Agriculture Bill on the relationship between farmers and first producers. In addition, I promised to write to you on how BEIS resources the rural proofing of Local Industrial Strategies.

Groceries Code Adjudicator

In October 2016, BEIS and Defra undertook a joint Call for Evidence on extending the remit of the Groceries Code Adjudicator (GCA) to indirect suppliers and invited views on any unfair trading practices affecting the groceries supply chain. The Call for Evidence closed in January 2017.

After analysing the responses, the BEIS/Defra joint response set out that there was insufficient evidence of a market failure across the supply chain to justify a major Government intervention such as extending the remit of the GCA. The main issues raised related to farmers and primary producers and the Government committed to a number of targeted and proportionate interventions, many of which Defra are now taking forward in the Agriculture Bill which was introduced on 12 September.

The GCA was set up after a specific competition market investigation into the groceries sector with a clear purpose to ensure large supermarkets treat their direct suppliers lawfully and fairly in their business interactions. The Government considered that a broad-brush approach over the whole supply chain would be unnecessary, disproportionate and most likely ineffective, as one of the main reasons why the GCA has been so successful is that the Adjudicator is focused on a tightly defined but influential section of the supply chain.

The provisions in the Agriculture Bill on fair dealing with agricultural producers provide Defra’s Secretary of State with the power to introduce obligations that promote fair contractual relationships between farmers and the first purchasers of their products.

The Explanatory Notes of the Bill state that these obligations will not be exercised in respect of any commercial arrangements within the GCA’s remit. Provisional thinking is that the Rural Payments Agency (RPA) may be appropriate to enforce the new agricultural fair dealing codes; given its familiarity with farming business practices and established presence across the country. The RPA has pre-existing relationships with certain processors, such as abattoirs, and experience with auditing legal documents through its...
administration of the Producer Organisation and Fruit and Vegetable Aid schemes.

However, the Government is yet to make any final decisions on the enforcement regime for the new statutory codes, as this will be done following a full consultation with industry.

As I suggested at the session, the RPA would not be the right body to undertake the regulation of the large retailers and their relationship with their direct suppliers. However, the interventions being proposed in the Agriculture Bill are significantly different; being focused on the agricultural sector and primary producers. The Government’s view is that the GCA, which is focused very much on the retailers, would not be the most appropriate body to undertake the enforcement role of provisions relating to agricultural producers.

I should add that this policy position was reached after the consultation drafted by BEIS and Defra and a joint response agreed between respective Ministers. The Government’s position is therefore clear and there is not a difference of view between departments.

I am copying this letter to Lord Gardiner, Parliamentary Under Secretary of State for Rural Affairs and Biosecurity and George Eustice MP, Minister of State for Agriculture, Fisheries and Food.

**Local Industrial Strategies**

In October 2018, BEIS published a *Policy Prospectus for Local Industrial Strategies*. This highlighted the importance of considering the spatial impacts of national and local policy, to inform priorities and choices, and demonstrate how policy will allow all communities to contribute to, and benefit from, economic prosperity.

The *Policy Prospectus* also sets out that the best Local Industrial Strategies will show how places have brought together partners to achieve shared ambitions within and across boundaries.

To help test the implementation of the *Policy Prospectus* in rural economies, the Government has staggered the roll-out of Local Industrial Strategy and within the first two waves deliberately began working with a number of predominantly rural areas, alongside city regions.

As Local Industrial Strategies are co-developed with places and agreed with Government in line with the *Policy Prospectus*, rural proofing is therefore integral to their design and implementation.

Collaboration with Local Enterprise Partnerships and Mayoral Combined Authorities on Local Industrial Strategies is led by the joint MHCLG-BEIS Cities and Local Growth Unit. In total there are around 60 full-time equivalent officials in the Unit who are responsible for the roll-out of Local Industrial
Strategies. It is the responsibility of all officials to ensure the Local Industrial Strategies are rural-proofed.

Rt Hon Lord Henley

15 January 2019
Horsham District Council - Written evidence (REC0056)

Following the publication of the Call for Evidence by the House of Lords Select Committee on the Rural Economy, this document sets out the response from Horsham District Council.

Introduction and context to the response

Horsham District Council is located in West Sussex, within the South East of England. The district covers an area of 530km2 (205 square miles) and is predominantly rural in character, and contains a number of small villages and towns. The largest urban area is the market town of Horsham, situated in the north-east of the District. 95km2 (36.49 square miles) of the District falls within the South Downs National Park. The towns and villages in the District are very attractive, with many historic buildings. The countryside of the District is also very attractive, containing a network of predominantly small fields bounded by thick hedgerows and interspersed by areas of woodland.

Although rural in character Horsham district is well connected. It is close to London and the south coast, including the vibrant city of Brighton. The district is also well connected to the rest of the world, with Gatwick Airport on its northern boundary. Good road and rail links and proximity to nearby ports also ensures the area is well connected to the rest of the UK and mainland Europe. These factors combine to make Horsham District is a very appealing place to live, work and visit.

Horsham town is the main urban area in the district, and currently supports a wide range of jobs. It is located within the wider ‘Gatwick Diamond’ which connects Croyden, Gatwick and the South coast and is the key economic driver in the area. It is however recognised that there are a number of other smaller towns and villages in the district which provide local employment opportunities. The predominantly rural character of the district also supports a more rural economy.

General Issues

1) What do you understand by the ‘rural economy’ How has it changed over recent years and what has been the impact of these changes?

Traditionally, the rural economy has traditionally been thought of as land based businesses connected with activities such as agriculture or forestry, tourism or leisure. More recently however it has been recognised that this does not necessarily reflect the modern world. 85% of Horsham District is rural, with approximately 75% of the businesses located in the rural area. Rural businesses are diverse and make a significant contribution to our economy. Within the District there are a wide range of businesses located in the rural area, not simply farming and land based businesses. A particular strength is the food and drink sector, with award winning producers.

There are also the economies of the smaller villages and towns. Over half of the Small Medium Enterprise’s (SME’s) in the UK are home based and in our district many of these businesses are in rural areas providing the only employment in these areas and contributing to the wider vitality of these areas. It is key therefore to think of the rural economy as more than traditional agriculture and associated activities.
2) **How do you see the future of the rural economy? Where is the greatest potential for growth and what might be the impact of technological and other changes?**

There is a need to maintain the traditional rural economy and retain the rural character of places such as Horsham District. The countryside is an ‘economic draw’ in its own right and whilst development and investment is needed this must be balanced against the need to protect the very character which attracts businesses to the area. It is however considered that rural areas should also be able to grow to accommodate less traditional uses where they are complimentary to the rural character. This will ensure that rural community meets can be met, the rural towns and villages in the district can remain self-sufficient and economically vibrant.

Technological changes such as improved telecommunications / internet may enable diversification of rural employment space and maximising visit spending through tourism across the district.

The diversification of the use of farm buildings for communities and rural businesses will play a role in allowing local economies to continue to grow and expand and change to meet modern demands. This diversification allows for the positive reuse of buildings along with the sustainable use of resources which has less impact on the rural landscape.

**Infrastructure and Services**

3) **How can access to transport be improved in rural areas?**

As set out above, whilst improvements to transport infrastructure are necessary, this must be balanced with a need to protect the character of rural areas. This will include provision of infrastructure improvements to rural villages and towns including upgrades to rail and investment in roads which are urgently required. One approach which is being considered in Horsham District (in a recent Local Plan consultation) is to promote growth of some types of businesses on key transport routes close to existing villages and towns. (eg on A roads). It is hoped that such an approach would help provide more rural employment opportunities and help to attract investment which may improve access into more rural areas without significant impacts on the character of the wider countryside.

Rural areas have lower populations which can limit the economic viability of public transport. Community schemes may have some potential to address this to a small extent but will need support to do this. The routing of bus services between larger settlements may also provide some connections to from rural areas if some stops are provided in these areas. This does however require subsidy.

In addition it should be recognised that all forms of transport are important – including walking and cycling (with strategic walking and cycling routes such as the South Downs Way and Downs Link path providing tourism opportunities in their own right). Within Horsham District, work is ongoing to identify routes for improvement through the Local Cycling and Walking Implementation Plan.
There is an urgent need to ensure our rural businesses have access to superfast broadband. A significant number of businesses do not have access to superfast broadband with ongoing issues around connection speed and reliability. The future growth of the rural economy will be dependent on the rate at which infrastructure improvements can be delivered.

4) **How can access to transport be improved in rural areas?**

There have been widespread cuts to rural bus services. This has a particular impact on the rural businesses who find it difficult to recruit staff in areas where there is a poor or absent public transport system. This is a significant issue for cafes and restaurants where night time services are non-existent. There needs to be more subsidy to ensure that services can continue.

5). **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

The rural vs. urban digital divide is becoming more apparent as urban areas migrate to ultrafast (+100mbps) full fibre services, with much of rural area still served by copper or a slow combination of fibre and copper (as fibre to the cabinet provision). The West Sussex wide figure of 95% of premises accessing super-fast broadband hides the fact that significant pockets of the area, including those in Horsham district who do not have reliable and superfast broadband.

This is also the picture in respect of mobile. Again there is a 90% geographic coverage county wide but still large parts of the rural area without reliable mobile connectivity, both for voice (2G and 3G) and data (4G). This creates a significant barrier to growth as communications are vital to all modern businesses. New development in rural areas is now often providing the ability to connect to digital services, but cannot provide the connections itself. There needs to be investment in provision of this infrastructure – this will require a focus behind headline figures to identify all pockets of poor provision to make sure that they are not missed, thereby continuing rural deprivation.

6 & 7) **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas? What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

There is a general acceptance amongst local communities that a small amount of local growth (eg housing / employment) allows local communities to remain viable in the longer term. Families often like locating in rural communities as they are felt to be a safe and clean environment in which to bring up children. This can help to provide support for local schools, community facilities and local businesses.

It should however be noted that whilst there is often an ‘in principle’ support for small levels of growth, there is often significant objection to specific developments once the location is known. (the NIMBY culture). This is hard to overcome, but any development needs to be supported with upgrades to existing infrastructure if necessary. This is particularly the case in Horsham District where there is an existing infrastructure deficit, in areas such as roads and
secondary schools provision. New development is perceived as adding further pressure to existing stretched resources. Development alone cannot fund such upgrades and investment is therefore required from other sources to meet this funding gap.

With respect to heath care, in Horsham district primary health care provision is now often provided in a smaller number of larger health centres. The rural population regularly highlight difficulties to us in accessing higher level health care (hospitals) which are often a significant distance away from our residents with limited public transport access, particularly in the evenings and at weekends. There is a need for ‘joined up thinking’ between local authorities, the NHS and other health care providers as well as central government to ensure that there is sufficient health care provision and more importantly that it is accessible for rural residents. It should be noted that continual flux and change in some organisations can make building these relationships very difficult and this currently acts as a barrier to maintaining and enhancing provision.

Businesses, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

There needs to be a focused rural business support programme. Currently the Coast to Capital LEP focuses support on high growth, digital businesses which does not provide the hands on support needed by many of the rural businesses. With the disappearance of the EU funded LEADER and EAFRD initiatives, there needs to be a replacement source of funding focused on the rural economy but open to all types of businesses.

Rural Housing and Planning

12 How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Within Horsham district, affordability of housing is not just a problem in rural areas - it is a district-wide issue. Houseprices are at least 8 times the average income. However, this issue is particularly problematic in rural areas where average incomes are generally lower still and houseprices often higher given the desirable nature of many rural properties. Incomes for those who live and work in HDC are lower than those who commute outside the district for work.

Attracting businesses and allowing growth of existing companies in rural areas may help provide more and better paid work, increasing the ability of those in the district to access the housing market. There is however a more general shortage with housing and until this is addressed (including the provision of genuine affordable housing solutions for those without access to market housing) this issue will be very difficult to resolve.

13 How have recent planning policy reforms affected rural housing and the wider rural economy? What changes if any are needed to planning rules?
There have been a number of significant changes to the planning system since 2004. The most recent was the revision to the NPPF in July 2018. It is too soon to ascertain what impact that this revision will have on rural housing and the rural economy. The revised NPPF does however incorporate the Ministerial Statement in which the scale of development where affordable housing contributions can be sought is limited to a minimum of 10. Prior to this our minimum in HDC was 5 homes and this had been demonstrated as being viable. Given that it is common for rural housing to be at a scale of less than 10 units and this is therefore of particular concern to HDC as it has reduced accessibility to low cost rural housing in particular limits housing for all and has knock on impacts for rural businesses who are unable to recruit or retain staff. A return to the ability for planners to set affordable housing provision below 10 where this is found to be viable would assist the provision of affordable rural homes and support businesses in this area.

In addition, there have been a number of other changes to the definition of affordable housing – this wider definition has reduced the level of social rented or other non-market forms of housing which are often needed by residents of rural areas. A further recent change has been the removal of the requirement for rural exception houses to be retained for rural workers in perpetuity. In the longer term this is again likely to reduce the stock of homes that are available to those who live and work in rural areas. A review of the impact of this decision would be beneficial.

Given the level of flux that has taken place in the planning system over recent years it is not considered that further changes to the planning system should be made unless they are fully justified and tested. There is a real need for the revised planning system to bed in.

10 September 2018
Richard Hosking – Written evidence (REC0155)

General issues
1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The Rural Economy is economic activity taking place outside the city and urban industrialised areas. Much is primary production, some secondary and some tertiary in a supporting role.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

I have a Client who has invested in a significant new Cider Barn and who is now producing an increasing volume of cider for sale to the Restaurant, Pub and catering trades. This business started three generations ago as a low key farmhouse door sales enterprise.

The same Client has developed a thriving holiday caravan park by investment in ablutions blocks.

Other successes in the area include a Chilli Farm, bird seed production, farm based butcheries, Heron Valley drinks, Designer crisps, Commercial hog roasts, wood pellets.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The rural economy will remain primarily involved with the production of food and agricultural/horticultural/forestry products. In the interests of food security, self sufficiency and maintaining our family farming structure the Government needs to provide a form of income support to replace Basic Farm Payment that will enable UK agriculture to compete on reasonably level terms with farmers in the EU.

Infrastructure and services
4. How can access to transport be improved in rural areas?

Enabling County Councils to charge for the issue or use of bus passes(which is generally accepted by the retired population) will significantly assist Counties to subsidise additional services to remote villages and hamlets.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Connecting Devon & Somerset are assisting the role out of fibre to the cabinet and fibre to the premises solutions. Additional funding for the final 5% of premises not yet included in the scheme will be helpful.
6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

a) Healthcare will be assisted by adequate funding to County Councils to provide Education Health and Care Plans and Personal Care Plans, the demand for both of which has increased due to recent legislative changes without budget provision.

Long term funding for integrated care will also assist service planning and delivery.

Enabling an apprenticeship based entry to caring with career progression to nursing will assist the provision of care and nursing in the community.

b) In Devon it will help to provide us with average per pupil funding. We are currently £287 per pupil below the national average and have additional increases in cost due to remoteness, transport and a high proportion of small schools.

c) Banking is transferring to a digital age and local branches are closing at an alarming rate. These banks have provided the anchor for many rural towns business and retail centres. Elderly people are not managing online banking confidently or at all; passwords and technological change are challenges for those whose memory is fading or affected by illness. A continued possibly multi-bank presence in rural towns would help. The Postoffice would have been an ideal location for multi-service hubs, however many Postoffices have sold their purpose built premises and moved to shops with little or no parking provision.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

a) The growth in out of town and online shopping is structural. Uniform Business Rates (UBR) are punitive to high street shops. It is proposed that Business Rates will replace Central Government funding for Local Authorities, yet it is clear that the Business Rate base is likely to contract.

Continuing to charge Business Rates to shops competing against online companies who pay out of centre rates based on warehouse rents is inequitable. Abolishing business rates will require an alternative system of finance for Local Government.

Taxing online companies for trading on the internet, taxing delivery vehicles, raising UBR for out of town and warehouse locations are possible methods of levelling the playing field.

b) Pubs may require Listing to preserve them from conversion to residential property in the current market.

Catering has become the mainstay of most pub businesses. The taxation of alcohol and restrictions on drinking and driving have changed the nature of these businesses. Competition from cut price promotions in supermarkets does not
help the pub trade. Recent changes in minimum pricing and the regulation of Pub Companies probably require review as to effectiveness.

c) Other rural amenities. The post office network has been significantly diminished. We need to ensure that a universal service is protected.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

The Countryside is best supported by ensuring the profitability and sustainability of its core industries including agriculture and forestry.

Agriculture should be supported to ensure that a lowland farm of about 300 acres or 125 Ha is capable of supporting a family in reasonable prosperity. This will ensure the vitality of rural communities and the voluntary sector. Agricultural support needs to be linked in some way to output at the same time as satisfying WTO rules (or being exempt from those rules in the Blue Box). A land quality grid system might be used for this purpose?

Mid Tier Agri-environment schemes have not provided adequate return for many farmers to encourage them to become involved. Capital grants for hedgerow and building maintenance have been helpful.

Environmental and aesthetic elements of a farming business generally receive attention when agricultural enterprises are profitable.

Innovation such as hydroponics should be encouraged.

Grants for business establishment and expansion will assist.

Training, education and advice.

Research and Development.

Marketing boards including exporting?

Recruitment agencies in foreign countries in the short term.

A Central Body to review and advise Government on Science and Ethics in Agriculture and technology?

9. How can deprivation and inequality in rural areas be tackled?

This is essentially a question of there being a sufficient number of adequately paid jobs. The traditional rural enterprises and diversification need to be more profitable whether by price or subsidy.

The internet has provided an avenue for established businesses and consultants to relocate to rural areas; however building successful businesses and Professional Service Practices is more challenging.
10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

The experience of living in the Countryside must be more similar in opportunity and income to that of living in urban areas.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

The Living Well at Home initiative is clearly helpful. The charitable sector is providing much needed assistance. Funding is a challenge for both Local Authorities and Charities.

Clearly as many able bodied members of the retired population as possible will help to provide opportunities for social contact and social care.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

The replacement of the current Class Q Permitted Development Rights with a new class permitting the development of up to three traditional cottages on each holding that may be used only as housing for agricultural/forestry or other local employment occupation or letting as affordable housing?.

Tax incentives for identified Exception Sites adjacent to most villages in Local Plans with fiscal incentives for the landowner will significantly assist the provision of sites for affordable housing which can be managed using Community Land Trusts (however to do this we need to return to a plan based system of Town and Country Planning so that Landowners know there is no current prospect of planning consent for speculative housing).

Help to buy specifically targeted at rural workers?

Removal of the ability of developers to reduce affordable house provision through viability assessments.
Restriction of net immigration to tens of thousands thus restricting the growth in demand for housing.

Neighbourhood Plans have not in my experience contributed as positively as they could have to preparing for the challenges of the twenty first century.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

This will require more than six pages.

Very little consideration has been given to the requirements of Rural Areas when formulating Town & Country Planning.

The specific requirements of different regions, some with a high retirement and holiday population which competes with local buyers, have been ignored.
The drive for housing numbers has been at the cost of sound planning practice particularly the provision of infrastructure and employment opportunities.

Some Permitted Development Rights have sacrificed well planned and established professional and business districts to residential conversion purely for the uplift in capital and rental value.

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

Food security and self sufficiency should be high on the agenda for a Government approaching Brexit. Maslow’s hierarchy of needs tells us that food and defence are the first requirements of any independent state. The rural communities are relatively small in population numbers yet their prosperity makes a disproportionate contribution to the health and wellbeing of the nation.

We need a Government Ministry that treats rural issues with the priority they deserve. Agriculture, Forestry and Fishing are conspicuous by their absence in Whitehall Departments.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

The UK will benefit from a comprehensive system of agricultural, fisheries and forestry support including marketing, research and development, funding, training and advice.

The objective will be to sustain family farms that provide the essential glue to hold rural communities together.

LEPs are considered to lack accountability and consistency (scrutiny through County Councils is due to increase).

A national and regional infrastructure policy including the internet will help rural areas to communicate and be productive.

**Competitions for invention and Innovation?**

**Promotion of regionally associated high quality food and drink?**

**Replacement of the Objective Areas to**

Local Action Groups have been doing good work.

The Prince’s Trust is doing an excellent work in the field of training and business / diversification support.

*10 September 2018*
Mr Kenneth Howard – Written evidence (REC0059)

I live in a rural area since 2007. Prior to that in a large town. So, have a good idea how different life is.

My present location is a small village about 170 properties and 380 people of all ages.

Depending which end of the village you are, you are either 5 or 6 miles from the nearest town and facilities.

I would like to dispel the myth that rural people are there for reasons of ‘the quite life’ etc. There are many reasons people live in rural areas, in my experience the minority are ‘the quite life’ ones.

I had reason to be on Radio Oxford 2 years ago over school bus cuts, the presenter told me ‘You chose to live there nobody made you’. That is, I think general thinking by authority.

If nothing else I hope your enquiry will identify that many reasons are involved in being in a rural location.

I have to think your enquiry will succeed, I am sure the report will highlight many inequalities between Rural and Town life.

Our village has no bus (cut in 2016). We have no library service (cut 2016) No shop/post office, no pub (shut 6 years ago) no road cleaning or litter removal (towns get this), etc.

The Towns around us which unless we drive and there are many who do not, have a nice new library, nice new sports fields and sports centres, swimming pools, very few bus cuts, street lighting, warehouses’ being built everywhere, houses by the hundreds in which the Section 106 monies never reaches rural areas.

One case to highlight a rural problem as hit us. The County Council in efforts to save monies decided to look at the school bus service. The small number of children in our village all went on the school bus free since 1975. The school was over 3 miles away by bus on the roads. It was decided to remeasure the routes to schools and it was found that 5 of our children lived 0.001 of a meter nearer to another school making that 2.97 of a mile away. So, they could stay on the bus to the school they already went to but would cost each child £900 a year, or move to the other school.

Children who lived basically on the other side of the road still went on the bus free.

Whenever any cuts are made by County or District Councils it affects Rural locations 100%, i.e. Cut the one-day bus.100%: cut the Rural Library service to nil 100%. Towns suffer if even noticed by so called cuts by possibly 5%.
The new calculation was made not by road measurements but by ‘as the crow flies’ across fields, ditches, passing livestock and un-lite. A request to give this route plan has been ignored.

In a nutshell County, District Councils have very little interest in rural locations, we are thought as not big enough to cause a fuss even if we do it is basically ignored followed by ‘We have no money’

Over the past 3 to 4 years of cuts, the County and District Councils have always found extra money to increase their allowances.

Your report will take authority 12 months or more to read it, make some lip service reply which eventually will mean ‘Noted’.

K Howard

10 September 2018
I would like to comment on a small number of matters. My comments are based on over 80 years of living in the country. They are also based on my experiences in the South Cambridgeshire Part of Cambridgeshire.

1) Planning.

South Cambridgeshire Rural District Council (SCRDC) submitted their plans for future housing growth to the Planning Inspectorate in 2014. It has very recently been approved after a delay of four years.

During the four years when there was no approved housing plan developers were able to proceed without restriction. In this village (Over in Cambridgeshire) the status of the village was as a Group Village with a limitation on new houses of 8 houses in the village.

The absence of a Housing Plan meant that the existing restriction in development was set aside and the Planning Inspectorate gave permission for a number estates in the village totalling some 200 houses. The same process has occurred in the majority of villages in this area. Local people could do nothing to prevent the character of the village being changed completely. Democracy was non-existent and villagers felt completely helpless as large developments had the potential to spoil our village. The feeling of helplessness resulted in the loss of two SCRDC conservative councillors at a recent local election.

2) Keeping promises

Rural District and County Councils must keep their promises. Some ten years ago a bypass was built for the village of Longstanton – the next village to Over. A large amount of hedgerow was removed and destroyed – leaving a desolate area with no birds. The District Council (SCRDC) promised that the hedgerows would be replaced within a few years. This promise has been long forgotten and the rural hedgerow is no more.

The new town of Northstowe with 10,000 houses is being built close by. Plans for the new town were against the wishes of local people. Councillors promised that ‘Not a brick will be laid until new roads are in place to connect Northstowe with the A14 trunk road.’ This was necessary to avoid congestion on the small inadequate rural roads.

Pressure from developers allowed the new town to be started with no new roads joining the A14.

3) Transport

Throughout the country the number of motor - cars is of major importance. The problem continues to get worse and in Cambridgeshire it is reaching a crisis point. New towns, new villages
and continued pressure from developers to build large new estates in existing villages add to the problem.

Inevitably public transport must improve substantially to encourage commuters to leave their cars at home. Public transport must be really convenient and affordable.

4) Population

A major factor in the countryside is that our present population is unsustainable. Politicians of all parties have responsibility for this. The consequences of a population increase are there for all to see. There is no way that schools, hospitals, roads and housing can be expected to cope – this is surely common sense. The country is only 60% self-sufficient in food. Uncontrolled development will make matters worse as less land is available for growing food for our residents.

I wish the Committee every success with their deliberations which I hope will be successful. If you wish me to enlarge on any points I will be happy to do so.

5 September 2018
My answers are numbered according to the questions asked.

1. I recognise the rural economy by rural work and employment, traditionally farming and market towns. Changes have been seen by improved Broadband in some places allowing for digital / technology businesses to gain a foothold outside of the cities which have traditionally enjoyed these sort of business types.

2. My business whilst not having a large turnover is surviving against those in the cities in the same industry. This survival is the success as I think we compete for the same business. This company is up and coming as we write software for several areas. Rural successes might be better promoted by reducing the “flack” from the city companies who seem to enjoy a greater “perceived” success hence business flows in their direction. I suppose we are saying that clique exists and where there is clique there is collusion and where there is collusion there is exclusion, in my opinion this is disastrous for economies which then have friction. What we are trying to achieve is perpetual motion.

3. The future is in the rural economy where the creatives gather to make ideas real. The greatest potential for growth is in Technology / software / Silicon valley esq.

4. Help shops and other essential infrastructure in as many villages as possible. Reduce the need to travel so that existing travel infrastructure is enough.

5. Community Broadband such as B4RN up in Lancashire, and B4RN East Anglia. The Broadband speeds are cutting edge and provides a mechanism by which the rural digital business can compete with City businesses.

6. Stop bank closures in market towns. Create shared space banking for multiple banks to operate in shared spaces / if real estate is the reason for their closure...

7. Train Dr’s and other health professionals and make it attractive for them to work in rural practices. In my opinion the quality of life in the rural area is far greater than that in a city / promote that.

8. Communicate the issues with shops. So information is known. We need dates of closure / what needs to happen to make it possible to not close them, etc etc. Use the local shop and have the local shop be polite and courteous to the customer so that they keep them as a customer. Then that customer passes on that the shop is a good one and drives sales there. Rude service and poor training of staff does not make for good sales and word of mouth.

9. Often, in rural economies, the need for transporting an apprentice to work can make it hard to get the right apprentice. So, in my business I would like to have my staff work from their home. This alleviates rural transport woes and increases the creativity of a team of developers, in my opinion.

10. Provide more help to those businesses competing with city companies in the same industry for business. This help ensures salaries can be kept competitive with city businesses. To be honest, most young people like the bright lights of the city more than rural communities so we need to make rural communities more exciting so that they would like to stay in their
own communities. Open air cinemas, Beer festivals, food festivals, travelling circus / fairs.

11. The, in my opinion, single most destructive part of any community is that of exclusion. When a person is excluded they are sounding the death knell of the community. If there is someone with a mental health condition in the community then include them and do not abuse, or betray, their trust EVER.

12. Shared housing schemes need to be employed so that young people who want to stay local can afford to as the city dwellers buy their 2nd home. Build more houses if the infrastructure can absorb the larger population.

13. I never managed to get to the rural planning meeting meeting. I run a busy company and feel it is important to stay on top of my coding work.

14. Have more of this sort of consultation. They are easy, we do not need to transport ourselves so no traveling expenses.

15. LEP’s have never helped my business. I do not think they even tried to support me when I asked for help, so I forgot about LEP. Some businesses need more help than others and the ones you throw back into the pond for seemingly being not worthy. Those are the ones that need the help. (see 11).

Conclusion:

Since 1993 I have had a mental health diagnosis. Currently Bipolar. I am not on the slippery slope. I am on the rise.

David A Robertson

8 August 2018
1 Introduction

1.1 While this evidence to the Select Committee is submitted in an individual capacity it is informed from a number of sources: living and working, in both employed and self-employed capacity, in a rural environment for over 20 years, recently completing a PhD that examined rural small-firm business owner behaviour, and chairing a successful campaign group to persuade Scottish Power Energy Networks against plans to erect a new 400kV overhead pylon route across south west Scotland that would have undermined the natural assets of the region.

2 Background

2.1 The social and economic challenges facing rural areas and their respective communities is well documented, with, in relative terms, the lack of inward investment, falling employment prospects, low wages, poor productivity, low educational attainment, limited levels of entrepreneurship, lack of apprenticeships, tendency for outward migration – especially from young people, ageing population and subsequent demands on the health service, remoteness from principal towns and large villages making long-distance commuting essential for employment and social activity, inconvenient, absence or poor availability of public transport making private transport an essential prerequisite are just some of the issues that emerge with regularity.

2.2 Poor transport links, remoteness from suppliers and customers together with the lack of a sufficiently skilled and educated workforce are cited as some of the reasons for the relatively low numbers of large and medium-sized firms locating to rural areas. Instead, rural areas tend to depend on micro and small enterprises, many falling into the category of ‘life-style’ businesses, for employment opportunity. Relative to urban areas, rural areas tend to depend on the primary industries more heavily, but with the prospects of agriculture falling this sector is no longer as economically viable as it once was in generating employment and economic value.

2.3 Faced with these economic disadvantages, as well as the changing face of rural demographics, it is not surprising that rural areas look towards exploiting their natural, cultural and historic assets as a means by which to stimulate tourism as a form of economic enterprise and employment. Dumfries & Galloway, the area in which I live, is a prime example of such activity. Here, in recent times, the gross value added (GVA) from tourism has exceeded £300m/annum by attracting over 2 million visitors to the region. However, while this sector supports over 7000 full-time equivalent (FTE) direct and indirect jobs, such jobs are largely unskilled and hence low-paid, and in the main are seasonal and part-time.

3 Implications
3.1 Against this background it is not surprising that many young people living in rural areas perceive a future lacking in prospect and personal satisfaction, and hence feel disenfranchised. The ambitious and more able will be attracted to leave the area.

3.2 The relative dearth of highly paid, highly skilled jobs in rural areas replaced, where such work exists, by low paid, low skilled seasonal and part-time work helps engender a feeling of helplessness and apathy that can result, over time, in some areas becoming classed as ‘socially deprived.’

3.3 By contrast, however, rural communities can also possess a strong sense of place or identity and in such communities there can be an overwhelming community spirit that stimulates neighbourly care and pride. Communities such as this can be extremely effective in maintaining standards by planning events and controlling activities within their boundary.

3.4 On the other hand, some rural communities may not be so adept and effective at responding to proposed changes to the external environment, particularly where such proposals may impact on the broader environs of the community. In such instances, it may be that the presence of in-comers (those who may have chosen to live, work or retire within the region) may bring with them professional skills and knowledge to be better able to articulate the concerns of their community.

3.5 Successful rural communities, and areas of the type described in 3.4, tend to be attractive propositions for further incomers – thereby reinforcing the desirability of living within such communities. Unfortunately, such desirability of location can have the negative effect of forcing up rural house prices and making it more difficult for young, local people to purchase a home within their community, especially where social housing is confined to urban areas.

4 Conclusions

4.1 The rural economy presently plays a minor role in the overall wealth generating capability of the UK. Many of the reasons why this is so is well documented in academic literature as well as in government and other reports. The fact that the rural economy could play a larger role, to date at least, appears to elude capture. Without a change in direction and pace the rural economy will trundle along as it has done for generations – making do with what it has.

5 Constraints and Focus of Evidence

5.1 As an individual contributor (paragraph 1.1), and as someone living in Scotland (paragraph 2.3), the guidance provided by the House of Lords Select Committee in their ‘Call for Evidence’ on the rural economy presents difficulty in providing evidence of worth and usefulness because, in the main, the examples given where evidence is required is already devolved to the Scottish Government. Examples here include, education, planning, health and social welfare, housing, local transport, roads, skill and training, and business enterprise.

5.2 Given that any report issued by the House of Lords covering devolved matters is unlikely to influence the Scottish Government this contribution focuses on only one area that is of interest to the rural economy and which is neither
included in the guidance nor a devolved matter, and that is energy and energy pricing.

6 Energy and Energy Pricing

6.1 Energy, and the cost of energy, play an important role in the domestic, commercial and industrial sectors, and more so in rural environments. Yet, the implications of this role and the effect on rural households and businesses remain off-the-radar as far as policy making goes.

6.2 Domestic households in rural communities, unlike their urban counterparts, largely depend on off-grid energy for heating. Furthermore, many properties are old, inadequately maintained and thus less energy efficient. Over the period Q2 2017 – Q2 2018 gas increased, in real terms, by 2.0% while liquid fuels (on which many/most rural household depend – especially in Scotland) experienced a 33% increase. It is little wonder why ‘fuel poverty’ is so prevalent in rural communities and particularly amongst those in Scotland.

6.3 Given the need for private transport for work and for social use coupled with the longer than average commutes in rural areas the cost of transport fuel is disproportionate with those living in urban areas, together with the fact that forecourt fuel prices tend to be higher in rural areas. These factors combine to constrain some individuals who would otherwise seek work or take part in social activities to maintain a healthy lifestyle.

6.4 Rural businesses, both commercial and industrial, tend to make use of electricity and liquid fuels, although many public sector buildings have moved to renewable sources of energy. Energy for private rural business comprise, on average, between 5 – 10% of total costs and as such the price of energy, while perhaps not the first priority, is an important consideration in overall profitability and may impact investment decision making.

6.5 Much of the renewable electricity generated from on-shore wind farms in Scotland is situated in rural (and remote rural) locations with the energy exported from the region to load centres of industry in urban parts of Scotland and the UK. So, while communities and business in rural communities facilitate the production of renewable energy by accommodating large man-made structures within the natural surroundings – and at the same time diminishing the quality of the natural assets, they gain no benefit other than an annual premium paid to Community Councils for their acquiescence to the development.

7 Future Prospects for the Rural Economy

7.1 Several suggestions are made in relation to energy and energy price that could both aid and stimulate the rural economy.

7.2 Ofgem regulate the gas and electricity markets, and are effective in doing so (paragraph 6.2). However, they ignore other sources of energy such as liquid fuels on the assumption that supply – demand market forces will prevail to provide semi steady-state equilibrium. The largely off-grid rural economy, from households to business, suffer because of the present lack of oversight and regulation leading to higher energy prices for such fuels. It is recommended that Ofgem’s role be extended to include liquid fuels, and possibly other fuels used in off-grid environments.
7.3 Forecourt fuel price duty should be reduced in rural areas to provide a ‘level playing field’ for domestic and business transport users in relation to their urban counterparts.

7.4 Electricity prices should be reduced in rural areas, based on the extent of local renewable generation, to provide assistance to households and incentive to business, both to remain and to relocate to such areas.

10 September 2018
Karbon provides homes and services which form the foundations for people and places to fulfil their potential. We believe that having a strong foundation enables people to develop the life they want.

As a housing association, we own or manage almost 30,000 properties across the North East of England and Yorkshire and develop more homes every year. We provide social rented, affordable, specialised, shared ownership and market rented homes, and also develop shared ownership and market sale homes to meet our customers’ aspirations. As a profit for a purpose business we invest any surplus into improving our properties and communities, building new homes and delivering services which provide sustainable outcomes for our customers and communities. We seek to provide a great customer experience, which is informed by insight, including engagement with current and future customers.

Thank you for the opportunity to respond to your call for evidence and contribute to the debate on the importance of housing in creating sustainable rural communities and economies. The following are responses to some of your questions:

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 Challenges to meet housing need and stimulate economic development are inextricably linked. **A mix of housing and employment opportunities are essential for the sustainability of rural communities.**

10.2 There are not enough affordable homes available in rural areas (to rent and to buy). **We need to build more affordable homes** to retain and attract young, economically active people. Young people, faced with higher housing costs and lower wages than in many urban areas, simply cannot afford to live in rural areas.

10.3 **Building more homes will complement the economic growth aspirations of rural areas.** If young, economically active people are not retained or attracted to rural areas then essential services will close, and some villages risk terminal decline. For example, over the last five years 52 schools, approximately 1,300 pubs and 81 post offices have closed in rural areas.²⁴³

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²⁴³National Housing Federation [NHF] (2017) Affordable housing saving rural services. [http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Affordable_Housing_Saving_Rural_Services_-_Rural_Life_Monitor_2017.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Affordable_Housing_Saving_Rural_Services_-_Rural_Life_Monitor_2017.pdf)
10.4 **The government should support Homes England to deliver a rural house building programme** – including increasing the availability of housing grant (and increasing it further to reflect the high cost of land in some areas).

10.5 In the areas where we operate, **most young people are ‘priced out’ of the market** i.e. market rents and house prices are unaffordable. Therefore we have built a large number of **homes that are affordable both to rent and also to buy** via shared ownership. **Building affordable homes (which are more energy efficient than the existing housing stock) helps to reduce fuel poverty, improves health and wellbeing which in turn reduces pressure on public services such as the NHS.**

**11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

11.1 We recognise the importance of offering attractive **housing and support options**, especially for those aged 65+ in rural communities. For example in both County Durham and Northumberland we have successfully delivered and manage 3 Extra Care schemes. Through providing **homes and services to support people to live independently** it will **ease pressure on council services and the NHS**. Recent surveys suggest that 94.95% of Karbon Homes customers are satisfied with the services we provide.

11.2 **Tackling social isolation, ensuring independent living** and sustaining tenancies are a priority. We offer the following services to our customers:

- **Silver Talk** - a free telephone befriending service that enables older people to connect for regular social telephone conversations. It also offers helpful links to other organisations who can help with a variety of issues that will support older people to live independently in their own homes with confidence.

- **Aids and Adaptations service** - designed to help with day-to-day living, improve mobility in and around the home and improve access to a home.

- **Warden Call Alarm service** - operators can answer a call 24/7 and provide help, such as calling an ambulance or contacting family or our mobile response alarms officer. Warden Call Alarms are used by a wide range of people; from young people who are disabled or ill, through to frail elderly people who need peace of mind.

11.3 Our demand for all types of accommodation and services is oversubscribed in most rural areas.

11.4 We provide a **personalised supported housing service** tailored to the individual and shaped in accordance with their support plan,
whatever the needs. Whether it be help with cooking, cleaning, getting out of the house more or having someone to talk to, choosing Karbon puts customers in the driving seat toward a brighter future. Our team work very closely with care co-ordinators, community health advisors, other housing providers and, of course, service users to achieve the very best service. Service users don’t have to be a tenant of Karbon Homes to use our mental health services as we can be funded to provide support across all tenure types in the community.

11.5 All services and accommodation provided by Karbon Homes are planned and delivered in successful partnership with councils and integrate into and complement surrounding communities. Karbon is an active developer of new affordable homes in rural communities. **Our ‘USP’ is the ability to deliver mixed tenure developments, to provide homes and services of all types to suit the communities where we build.**

*Rural housing and planning*

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 There are many challenges including **shortages in the number of affordable homes available** (of the appropriate size, type and tenure); **high prevalence of second and holiday homes** in many localities, plus **a decline in the number of local authority affordable homes** (most socially rented homes have been lost through the Right to Buy). We therefore believe that **local authorities should be given the power to suspend the RTB in rural areas.**

12.2 **The government should support Homes England to allocate a specific rural grant** that is available for the creation of more rural affordable homes. This does not have to be ‘new money’; it can come from its existing budget (just that a proportion is set aside for rural communities). **Government should not require housing associations to charge ‘affordable rents’** at up to 80% of market rents as a condition for receiving Homes England funding for rural schemes. These **affordable rents are unaffordable to many working households** in rural areas; **Homes England should both increase grant rates and allow housing associations to deliver socially rented homes in rural communities.**

12.3 **The cost of building homes in rural areas is generally higher than in urban areas.** Most of our newly built rural homes are delivered on smaller sites where it is not possible for us to achieve economies of scale.

12.4 Affordability of rural housing can be improved by ensuring that **the supply of land for new homes increases.** We believe that land owners want to see affordable housing built for social and business reasons. However, understandably, many have expectations of land values that make it economically unviable to develop affordable homes.
13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 The planning system plays a crucial role in delivering sustainable communities.

13.2 The new National Planning Policy Framework (NPPF) contains more detail about rural housing. For example, paragraph 78 contains the wording planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services.

13.3 The new National Planning Policy Framework (NPPF) needs amending. For example:

- Section 106 requirements no longer require affordable housing commitments on sites of less than 10 units. Developments in rural areas should be exempted. The new NPPF may actually lead to fewer affordable homes being built in rural communities.

13.4 There definitely needs to be a more pro-active approach to planning, which actively seeks to work with land owners and communities to bring forward land at the right price.

- The National Planning Policy Guidance (NPPG) should not rely on the use of current, inflated land values to evaluate costs and look to provide a fair approach that balances land owner and developer profits with meeting affordable housing need.244

Philip Headley
Policy Analyst, Strategic Planning and Insight
Karbon Homes

10 September 2018

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244 Summary of CPRE response to consultation on National Planning Policy Framework (NPPF)
http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/5373
Ketton Parish Council – Written evidence (REC0088)

Ketton Parish Council – Written evidence (REC0088)

Ketton is a large village, population approx 2,000, in the East of the County of Rutland, 3 miles from the border with Lincolnshire, 1 mile from the border with E. Northamptonshire, 5 miles from the border with Cambridgeshire and 12 miles from the border with Leicestershire.

It has 2 pubs, a village shop with Post Office, a sports and community centre, 3 churches, a primary school, a Playschool, a library and, for the next few months only, a surgery.

Hanson Cement has a large works and quarry on the Northern and Eastern edges of the village.

Questions have been addressed mainly with reference to Ketton village and its surroundings.

General issues

1. Rural economy = economy in rural communities. The mechanisation of agriculture and the demise of small farms (there were 3 just on Ketton High Street alone 30 years ago ) has resulted in the loss of many artisanal and low skilled land based jobs. This has changed the demographics, with more affluent people, often commuting to London or other big conurbations, resulting in a change to more of a dormitory village. In turn this has resulted in the loss of village shops and community facilities - over the last 30 years Ketton has lost a newsagent, a butcher, a grocer, a filling station, a florist, several hairdressers, a church and a second hand furniture store (mostly giving way to housing).

2. Some years ago, a complex of small business units were set up in some converted farm buildings and new buildings off Pit Lane - the approach road to the Hanson Cement works. They have been continuously occupied by small businesses such as a brewer, small generator makers, campervan customisation, carpet layer etc. More recently a former social club in the High Street was converted to a complex of office units which are occupied with mainly design based businesses. Such enterprises need support and encouragement from the local authority, designating suitable sites for small businesses, and not housing (which inevitably will be targeted at the more affluent and so will do little to invigorate the village community or economy - simply create more car journeys to distant out-of-town outlets ).

3. The future of the rural economy could be in working from home and small high tech businesses. This will require fibre broadband to each property and investment by the Local Authority and/or broadband provider and/or householder, perhaps with shared costs; and support from the local authority with reasonable or reduced business rates. Mobile phone coverage needs to be improved for such businesses - sections of our village have very poor coverage (and poor TV reception).
Infrastructure and services

4. There is a need to subsidise rural public transport (since it is unlikely to pay for itself), and to improve services at appropriate times, including coordinating with local train times, and buses in neighbouring counties. Evening and weekend buses (our bus service ends at 6pm Monday to Saturday and does not run on Sundays), could help to prevent isolation and loneliness - a known factor in some illnesses and recovery, and could reduce car use. Perhaps some rural train stations could be reopened (Ketton lost its station with the Beeching cuts); their usage would be enhanced if land for affordable parking was made available.

5. - see comments in 3.

6. Ketton's surgery is to close within 6 months, despite a concerted effort by local county councillors, the Parish Council and residents arguing for it to be retained - a letter has just been sent from the county councillors and parish council to the Secretary of State for health, appealing for intervention. Ketton surgery patients will now have to transfer to Empingham surgery (no bus connection), Stamford surgery or the Ketton Surgery provider at Uppingham - these latter two do have a bus connection, but the nearest stop is over half a mile to the surgery in both cases. A visit to the doctor, using public transport, would involve a five hour round trip. There needs to be more incentives for surgeries/GPs to work in rural communities.

In villages without a Post Office, accessing a cash withdrawal facility, or benefits for those without a bank account, is a problem, especially if they have no car or are unable to drive.

Local authorities should do more to promote and support the establishment of 'one stop shops' eg. pub/post office/shop; two neighbouring villages (Collyweston and Barrowden) have very successful community shops).

7. As above, plus reduced business rates for rural businesses and planning for parking close to village shops etc. In Ketton a development site (a former farm) off the High Street, in the centre of the village, close to the village shop, has become available, and despite suggestions on numerous occasions from the Parish Council to the local authority that the site would be best suited to small business units, a village car park and much needed village allotments, it has been designated for housing.

Business, employment, skills and demography

8. Local authorities need to support the development of small businesses within villages, providing a range of employment opportunities, and making use of redundant buildings. Also the building of social/affordable housing in order to attract people with a range of skills. Seed funding for innovative small agricultural/horticultural businesses to encourage younger people to stay or move into rural areas. All of these measures could help to create a more balanced demographic (Rutland is very top heavy) and more vital communities.

9. Better public transport, more social housing, more jobs, and a bigger range of jobs, and facilities within villages such as shops, pubs, sports and recreational opportunities.
Ketton Parish Council – Written evidence (REC0088)

10. As in 9. Also adequate local/accessible schooling and preschool childcare.

11. Encourage more volunteering. Encouraging the sharing of facilities between care home, school and community so that the different ages have contact with each other.

Many, but not all, of the groups and societies within our village are organised by retired people - Ketton walking group has been hugely successful and helps people to exercise and socialise on a regular basis.

*Rural housing and Planning*

12. There needs to be more social housing in rural areas, and better public transport. Inevitably developers would prefer to build 5 bedroom 'mansions' in gated 'estates' in order to maximise their profits. But this has a detrimental effect on rural communities - see No 1.

13. No comment.

*Government policy, devolution and local government.*

14. Insufficient attention is paid to rural communities as they generate less income and contain fewer voters.

15. No comment.

*10 September 2018*
1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

My understanding of the rural economy is the work place in rural areas, be that provided by the private, public, third sector or otherwise, and how that provides a living for those in the area to sustain themselves. I live in Scotland, am from one rural area (Dumfries and Galloway (D&G)) and work across another two (Midlothian and East Lothian), and have seen the rural economy in these parts in decline since the Conservatives came into power austerity ensued, and because of the Common Agricultural Policy (CAP) payments system. Having travelled around the world I returned back to D&G in 2010 to start a job in local government in the area of sustainability having just completed a Masters in this. I thrived at this and a local environmental charity until 2016 when I was made redundant. Try as I might I could not find a job anywhere around there – the local council jobs there once were had dried up, and for a good number of other reasons businesses (transport and connectivity included) had not established there to pick up the slack the demise of the public sector had created. As my only options were low paid, unskilled jobs, I moved up to Edinburgh where I now work as a funding officer for the EU funding stream LEADER. It still aggrieves me the lack of opportunities in rural areas and I think this should be a big focus of work for government.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

I work for LEADER, an EU rural development fund in the Tyne Esk area, covering Midlothian and East Lothian in Scotland. Over the past two years, we have spent £2.5m on around 30 projects which are helping rural enterprises, community and third sector orgs set up, develop or grow and farms diversify. Some examples of note are the following:

- A grant for **NB Gin**, a small artisan gin producer who needed the next step up to establish them as a serious business. Starting productions from their kitchen table, they had keen marketing nousse from the word go and quickly became the gin of choice for the Brit awards, the Queen’s 80th birthday and Rolls Royce’s – they were named in their top 100 British brands list. They capitalised on that with what supply they could produce and this enabled them to rent a small premises from which they were able to up production some. That was still not enough, so Tyne Esk LEADER has helped fund a new bigger premises and visitor centre from which their production is sufficient for present demand and they run high end tours. NB Gin are essentially a husband and wife team, the husband of which still
works full time as a lawyer, but he is now looking to transfer and spend all
his time on the business from the new year.

- Creation of **The Living Square** and rebuild of **The Fraser Centre** in Tranent. Tranent is a very deprived ex-power station town in East Lothian, about 10 miles south of Edinburgh. Its town centre leaves a lot to be desired and does not instil the pride of place needed to turn its fortunes around. These two projects are aimed at taking one part of the town centre, renovate a stretch of iconic historical buildings and create a ‘Living Square’, an area where people can eat, sip wine under canopies and enjoy music and entertainment from a custom built band stand. Across the road will be the renovated Fraser Centre, an old 1920s cinema which in recent years has served as the town’s community centre and provided a life line for residents. This project will see the previous Fraser Centre demolished and rebuilt in its place a brand new, state of the art community centre, retaining the cinema and some original features.

- A number of **farm diversification** projects, providing much needed extra income for farms and resilience for Brexit. Examples include:
  
  o **Drift**, a coffee shop set up in coastal town North Berwick, on the east side where until now no such facilities have existed. Opening in June, the project has seen unprecedented success with largely local, repeat custom. This has meant they have had to take on 11 members of staff, six permanent, comparing favourably to the 2.5 FTEs they predicted at application stage.

  o New workshop space at **Blackdykes** farm, outside North Berwick. The lack of workshop spaces to retain businesses in East Lothian is acknowledged in Tyne Esk LEADER’s Local Development Strategy.

  o **Newhall Exclusive Wedding Venue** at Newhall farm, Midlothian. This project aims to put Midlothian on the map for luxury weddings offering an all-inclusive wedding package.

Regards success being replicated, I would like to see the continuation of a fund similar to LEADER with the same bottom up approach but with a truly bottom up process to match which would foster true community empowerment. Two vital elements need to change to make this possible:

- The retrospective funding element. Right now organisations need to have 10 – 15% of total project costs in their bank (over and above any match funding) before the project starts in order to make payments before receiving the money back. The claims process is so onerous that this can take up to 8 weeks, causing stress to many applicants. This precludes smaller community organisations and even farms and businesses, the very orgs the fund seeks to benefit, from applying: they simply do not have this buffer and would be putting themselves a undue risk taking out a loan.

- The bureaucracy throughout the whole process. This is needlessly onerous and restrictive and way outweighs any risk. This again puts a good
number of applicants off and causes undue stress. The bureaucracy is the same whether it is £10k or £200k being applied for.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The rural economy has huge scope for growth and to equal and supersede the urban economy. In Scotland the vast majority of the country is rural so why should it not? The challenges are connectivity: digital and transport, the latter in that better, and better priced public transport is needed to get employees to the sites of employment. I am not sure which sectors have the greatest potential for growth, although in Scotland I see tourism and food and drink as big contenders, the public sector should be strong in rural sectors, especially while the private sector is still developing to buoy the local economy and provide security.

Infrastructure and services

4. How can access to transport be improved in rural areas?

Better connectivity between places and better pricing – the recent price hike again on the trains is not what we need. A look at countries like Switzerland shows what can be done with public transport to connect rural areas at no huge price tag.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The barriers are obvious. Improve connectivity by having small, local providers with expertise in their (geographical) area provide for rural spots. Open Reach with their present strategy in Scotland just won’t cut it.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

A ring fencing of essential service budgets in rural areas, including mandatory services provided by local government such as sustainability. Critically, budgets should also be set in line with targets to be achieved. Banking – more should be done by the Government to fight closures when it’s done for sheer profit such as with RBS, especially where a bank has been buoyed by public money. This has annihilated many towns across rural Scotland.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Right now we are the only grant funding finance available to rural businesses in our area, and this has been essential in turning things around. It has been critical in retaining businesses in the Midlothian and East Lothian area, who would otherwise have moved to Edinburgh to set up/develop/grow.

9. How can deprivation and inequality in rural areas be tackled?
10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

By providing good, skilled jobs in both the public and private sectors! As in Q1, I would have been delighted to have stayed in my beautiful D&G, not least because my parents are getting elderly and in need of support. Forcing people apart like this puts an undue strain on the NHS and are significant causative factors in the likes of social isolation and poor mental health in rural areas.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

One significant way to reduce social isolation and the need for social provision is given in Q10: provision of jobs for younger people in rural areas. It’s a no-brainer. Younger people around could take up the role social care provision currently provides, or at least delay the need for it. Older retired people could take up part-time employment in an area of interest to them (if it were available), or volunteer to spread their skills which are many. I ran a community sustainable energy project with Dumfries and Galloway Council, and was astounded at the skill of the retired people in the community, from engineers to architects and lawyers. People who collectively could almost run the world never mind a community energy project.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

No. The Conservative government has severely weakened the rural economy by its emasculation the public sector (through ‘austerity’ – the common man paying for the mistakes of the bankers), with no significant private/third sector to catch the fall out. This is evident through my story in D&G. What can be done is that significant investment is ploughed back into the public sector, funding is continued to attract/retain/safeguard rural businesses, connectivity issues are solved at a micro level and incentives such as reduced business rates are given.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might co-ordination between bodies be improved?

Local Government run Economic Development and Business Gateway to provide business support in rural areas. Given that, this is still a not mandatory function for local government and is madly subject to cuts other areas are protected
from. They also house funding bodies such as LEADER which as I’ve pointed out can have a significant impact. Another example of the impact we have had is a co-operation project we have just approved with Scottish Borders LEADER. It is to provide businesses in Midlothian and the Borders down the Borders Railway corridor support with digital marketing so they can maximise business from this and the Edinburgh market. We are delighted with the project in itself, not least because it can marry up with the businesses and farms along the railway we have already supported. That is as long as the connectivity service is there in the first place so the project does not fall at the first hurdle.

17 August 2018
Landex is a membership organisation, which represents 33 colleges and 6 HEIs/Universities in the UK with substantial specialist land-based provision, 36 of which are in England. Landex members are mixed economy: as such in England they collectively provide over 80% of state funded further and higher education to level 8 in land-based subjects, together with a wide range of apprenticeships, cost-recovery programmes, applied research and knowledge exchange (Landex ‘Applied Research and Knowledge Exchange Prospectus’ 2017). Courses delivered by most Landex providers are underpinned by substantial business enterprises, which provide a unique learning experience for students.

Several specific land-based examples have been included to illustrate this response.

General issues

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

   Much business activity in rural areas goes unseen by policymakers and support providers due to scale. Indeed, almost 18% of rural businesses have no employees, being sole traders or partnerships (more than double the equivalent urban figure). Some 84% of employees in rural areas work in SMEs and 22% of all rural jobs are home-based (compared with 13% in urban areas).

   Registered rural businesses, however, employ 3,500,000 people and account for a quarter of all registered businesses in the country. They should not be ignored.

   Examples of changes in recent years:

   - **AgriFood Production** – Crops, livestock, production horticulture rearing, both industrial and niche in its scale. Changes in the populations understanding and the level of interest in farm to fork information has widened the market, competition and price points for a lot of produce in the UK.

   - **Leisure and Tourism** – National trust and similar property management, accommodation, aligned service industries. A rise in nationalism and low wage growth has seen an increase in the “stay-cation” market. Online platforms such as Air B n B and Trip adviser have made tailoring and customizing activities fair more accessible to those from outside rural areas wishing to visit.

   - An adverse effect of this is seen in areas of peak interest, for example Cornwall, St Ives. These honeypots can be over run for much of the peak seasons, putting unsustainable pressure on local resources and increasing
local travel times.

- **Countryside Environment and management** – An increase in the understanding and data available via drone technology and GEO Mapping software has increased skills in land and estate management. Significant estates including the national road and rail infrastructure and marine/coastal areas have benefited from this improved practice.

- **Traditional skills groups continue to operate with support from charitable trusts e.g. princes Trust and their members.** Often these groups provide act as communities of practice for their distinct sectors via training hubs and competitions for example the National Hedge Laying Society and the Dry-Stone Walling Association. These groups are often supported by Colleges and universities who enable groups to use their resources to practice skills.

- **Rural areas face issues that the wider economy has long reported including sufficient transport to education and the costs associated with this.**

**2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

- **The Dairy sector exemplifies many of the issues at the core of the rural economy; declining prices, ‘unattractive’ work patterns, difficulty in recruiting skilled staff, staff exiting the industry, fears over labour post-Brexit and an ever-escalating requirement to improve productivity to stay viable have led to the development of robotic systems which can be highly efficient. However, the skills requirement is challenging for the sector and the only current training is manufacturer lead. Even manufacturers are struggling to recruit staff with the experience of this emerging technology. As a result, many farmers struggle to make the efficiencies required after switching to robots.**

- **The college and universities in the UK operate a number of working Dairy units and several with funding from LEPs have been able to design and build training facilities using industry specialists to train the next generation of farmers on robot-based husbandry from the get-go. The transformation of the work hours and removal of repetitive working patterns, combined with the application of high end technology aims to make Dairying a more aspirational career, attracting the skilled technicians which will be required in the near future.**

**3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**
The Local Government Association notes that Following the EU referendum, one of the biggest concerns from councils is addressing the potential €10.5 billion (£8.4 billion) UK-wide funding gap for local government that would immediately open up from the point we officially exited the EU, unless a viable domestic successor to EU regional aid was in place.

Source: [https://www.local.gov.uk/topics/european-and-international/beyond-brexit-future-funding-currently-sourced-eu](https://www.local.gov.uk/topics/european-and-international/beyond-brexit-future-funding-currently-sourced-eu)

Addressing the uncertainty around what will replace the current financial assistance funds that support our rural businesses (currently accessed through European schemes) needs to be a high priority.

It is critical that the needs of the rural economy continue to be supported in the future policy development, with appropriate levels of funding provided, and are included within Local Industrial Strategies as they come forward along with the priorities of the UK Shared Prosperity Fund.

- Need funding to support agriculture advancements and forward thinking in ensuring that Colleges are enabled to secure funding for the latest technologies/equipment to ensure learners are current in their practice.

- Rural business start-up supporting “field to fork” ambitions with local and regional production (contributing to reducing carbon footprint) and increasing food productivity levels within the UK. Lean production propositions.

- Investment in skills development at all levels to ensure that we can replace both the ageing workforce and changes created post Brexit to our workforce. Just as importantly so we have the skills that advance our rural businesses.

- A major gap sits within the lack of career advice around the land-based sector and the diverse range of careers available

**Infrastructure and services**

**4. How can access to transport be improved in rural areas?**

- Improve strategic connectivity to the more peripheral remote parts of areas
- Ensure funding formulae and transport investment strategies do not disadvantage rural areas
- Develop innovative solutions to improving rural employment and education
- Ensure the national trail network is secure and sustainable transport is prioritised

**5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
The superfast broadband programme evaluation highlights the positive effect the access to super-fast broadband had on rural business, information of note was the increase in turnover per member of the workforce for rural businesses receiving access.

Poor digital connectivity:
- Limits individuals’ access to online learning opportunities
- Limits access to careers and employment opportunities
- Makes it difficult for rural business to maintain their current markets and enter new markets
- Restricts data management options in rural areas such as land and agronomic surveys,

Connectivity can be improved by:
- Subsidise fibre to cabinet deployment in rural areas, where it is less attractive to fund the deployment from a purely commercial perspective
- Encourage providers to supply superfast broadband to industrial sites and new homes in rural areas
- Prioritise mobile infrastructure investment and encourage companies to share masts

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Rural services are being lost and the viability of rural communities is being threatened. Government should recognise that the cost of delivering public services in rural areas and adjust the funding formulae to reflect this.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure? - No response submitted

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Rural areas have a greater proportion of businesses operating in, low productivity, low wage sectors such as agriculture, forestry and fishing, food and drink and tourism.

- Rural business can be helped to thrive through improved transport infrastructure and digital connectivity

New businesses can be encouraged by:
- Supporting the development of areas where clusters of like and supporting businesses can come together and thrive. For example, Creative Industries.
- Supporting the self-employed and micros businesses
• Supporting rural businesses through the taxation system, by both concessions and simplification

The availability of labour, workforce and skills are an important issue for rural business. The challenges include:

• Rural businesses find staff recruitment a challenge
• Brexit presents a challenge for some rural sectors
• Higher skilled workers are a challenge because they are harder to recruit from within rural areas
• Perceived lack of interesting jobs and career opportunities

Solutions to the above challenges:

• Rural businesses need to take advantage of the opportunities offered by the Apprenticeship reforms
• Improve rural transport and digital connectivity so that individuals in rural areas have access to training and education opportunities
• Exploit the quality of life aspect of living in rural areas to attract suitably skilled labour
• Increase automation
• Actively recruit from hard to reach groups
• Help rural employers attract and retain staff by them becoming exceptional employers, providing good remuneration, attractive benefits and flexible working arrangements

9. How can deprivation and inequality in rural areas be tackled?

Around 90% of land-based businesses (96% farm businesses) micro-businesses (have less than 5 employees). These micro business account for 80% of turnover and 75% of employment in land-based industries. Unlike micro-businesses in many other industries; most land-based businesses retain a high dependence on both practical and business management skills, with single individuals responsible for significant capital resources and revenue generation.

Possible solutions:

• Promotion of rural areas as attractive places to live to help recruit and retain higher skilled workers
• Investment in science, innovation and technology in rural areas
• Investment in the delivery of higher education and skills development in rural areas

• Overall learner numbers appear to be relatively stable in key areas, however the numbers of qualification aims started have fallen in all occupational areas in the land based sector over the three years to 2014/15.
• The reduction in most areas can be attributed to the reduction in the number of funded qualifications for adults and the move to programme
based funding for 16-19 learners, which has tended to reduce the number of aims studied by each learner.

- During the last few years there have been encouraging shifts away from short, non-specific, and non-accredited provision towards longer courses that are more likely to provide a basis for sustained employment
- There appears to be a need to develop more provision relating to precision techniques (e.g. precision agriculture) to support the increasing application of technology in the sector.
- There is a need for additional programmes that place emphasis upon management and entrepreneurial skills development.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Young people can be encouraged to stay in or return to rural areas if they view those areas as attractive places to live.

In order to achieve this an area must offer an attractive quality of life combined with an aspirational level of education and employment opportunity.

This can be achieved through:
- Investment in education within rural areas can provide both the jobs that many young people aspire to and the higher-level skills that the broader rural economy requires
- Providing the right environment for Creative Industries to flourish, which would include access to high levels of digital connectivity
- Support with accessing transport i.e. driving, car access, bus / rail routes and timetabling.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

To address the challenges associated with an ageing population every effort should be made to ensure that individuals have access to appropriately funded lifelong learning. Ideally, these funded training and education opportunities should be linked to community and social cohesion projects, which will help institutions such as libraries to remain open and operate effectively.

Rural housing and planning
Questions 12 & 13: No response submitted

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to
ensure that Government and other public bodies hear and act on rural voices?

The Government operates distinct departments in England for sectors very closely aligned on rural issues.

DAERA of Northern Ireland operate a model which combines, to a degree the two departments and policy functions. It operates a college (CAFRE) whose aim it is to develop the competences and values of people entering and working in the agri-food industry and to provide them with the capability to contribute to the sustained economic growth of the industry and development of the rural society. Department of Education (Northern Ireland) sit outside this arrangement, whilst DAERA operates CAFRE to enable a responsive

Closer working of the Dept. for Environment and Rural Affairs, alongside Landex members would enable a two-way dialogue to ensure messages and training priorities are both funded and delivered. This has worked well for example with the DEFRA Bovine TB campaign.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Local Government and Local Enterprise Partnerships have generally taken account of the needs of the rural economy when developing their Strategic Development Plans and Skills/Workforce Development Plans. However, in many cases it is not entirely clear how these plans will be funded. Unless the plans are supported by additional funding from central government, there must be a fear that the full impact of effective collaboration and planning by LAs, and LEPs will not be realised. Government should try to ensure that any additional funding that they are able to provide to help the achievement of rural priorities is channeled through existing institutions for direct delivery, rather than creating additional levels of bureaucracy and administration.

10 September 2018
Lane Cottage Produce – Written evidence (REC0025)

Richard and Amanda Sidgwick

We are a small artisan salad producer operating from our 5.5Ha smallholding in rural north Herefordshire [www.lancottageproduce.co.uk](http://www.lancottageproduce.co.uk)

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 The rural economy is the way money is generated in rural areas, the way that money is used in the rural areas to support and nurture the local community. In our view it is about keeping a large amount of the money made in rural areas in those areas to support the local businesses and services thus keeping the local community supported, vibrant and alive for the next generation.

How has it changed over recent years, and what has been the impact of these changes.

1.2 There are several factors that have changed, the main one in our view being that people do not exclusively work close to where they live- years ago people tended to work closer to home. With car ownership being high people can and have to travel further to find work. The jobs in rural areas are less with the introduction of more efficient agricultural working practices and jobs being created from rural diversification enterprises (certainly in Herefordshire) not being supported as well as they ought to be.

1.3 The result is the younger generation cannot find jobs in the rural areas and move to the cities to find work. This starts the cycle whereby the community slowly starts to degrade with shops, pubs and services having to close as there is no money to support them despite valiant efforts from those who remain in some cases. In farming communities where the next generation do not want to go into farming, farms are sold often creating much larger farms thus losing small and medium farms in the rural economic mix.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 Our business is, in our humble view, exactly an example of how a small rural diversification business can work, can provide local employment and can by using local services and businesses support the local economy. However as a seasonal business we need to diversify and look for an alternative unrelated revenue stream. For small businesses like ours there needs to be support from council planning. We have been consistently thwarted in attempts to diversify despite the councils core strategy purporting to support rural diversification. If we want to support the rural economy there needs to be alignment between the governments planning policy and how it is interpreted by local councils. At present in Herefordshire there is an obsession to grant permission for huge soft fruit enterprises housing 200 non local seasonal workers and giant chicken production factories but if you are a small business in rural Herefordshire wanting to diversify the chances are you will be refused.
2.2 With regard to rural successes and how to best promote them. When an example of a rural success is found it needs to be used as an example of “Best Practice” these examples need to be promoted in rural magazines and organisations eg CLA magazine, NFU Literature Smallholding magazines and in Herefordshire “The Herefordshire rural hub”. This raises awareness of what the government is looking to support. For this to work there needs to be alignment between the government’s planning policies, best practice and local councils interpretation of the governments planning policy. Only when they are aligned will this work.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The future of the rural economy-

3.1 The balance of rural economy needs to alter. At present large scale farming on a prairie style model seems to be on the rise. This model is fine but it needs to be balanced by smaller farms and indeed smallholdings as well as rural “Best practice” diversification businesses. It is this mix of businesses in rural areas that gives the community resilience and provides a mix of jobs. When looking at rural farming businesses a factor to consider is the relative efficiency (the money earned) per square meter. In our case we are earning a living for our family of 5 plus 5 local staff from a 3 acre site. I know of a local, 100 acre farm that makes no income and would go bankrupt were it not for the farm subsidies. In these cases could help be made available to struggling farms? Where is the greatest potential for growth, and what might be the impact of technological and other changes.

3.2 Any technological advances that improve efficiency and yield should be supported. There need to be more smaller farms and smallholdings and houses to go with them made available to specialist producers/Farmers as well as providing a springboard to the next generation to get them into farming. There also needs to be support to efficient “Best practice” diversification businesses. This all needs to be backed up by a relaxation of planning policy at government level and consequently at local council level. Councils should also keep their smallholding stock as this is an ideal way of getting young farmers into the industry who have not access to land through inheritance. Sadly Herefordshire council have just sold off all their smallholdings despite huge public opposition.

3.3 We need to be mindful of changing climate, we need to look after our soils and we need to learn how to manage our water. We need to look at crop diversification, for example I am told in 2018 farmers grow in the main only a few varieties of wheat. These are all high yield types and genetically very similar. Here-in lies the problem, they are all generally prone to the same diseases and we need to be mindful of this. We need to grow a balance of crops that are genetically varied to reduce the impact of disease on our food crops.

3.4 There needs to be an effort to combine good environmental practices with standard farming practices, for example when ploughing always leave a headland for wildlife and pollinators to flourish. We also need to manage a post Brexit
situation where imported food may become more expensive - we need to plan to become more self-sufficient for food without compromising food quality.

4. How can access to transport be improved in rural areas.

4.1 Bus services to rural villages needs to be supported, as we have an ageing population this demographic needs access to shops and medical care etc – if there was a reliable regular bus service people may chose to go by bus rather than drive.

4.2 Ironically the most rural communities need their roads well maintained. In the villages and cities it is possible to walk, cycle, take the bus or taxi. In a rural community the only method of transport is by car, there are no verges or footpaths so it is not safe to walk and in many cases obviously too far. The hedges are high and often visibility poor making cycling dangerous. The only option is by car and in the winter 4x4 so winter gritting and snowploughing are essential as well as filling grit bins. In the summer the hedges need to be trimmed to keep our rural roads as safe as they can be. Road markings, cats eyes and signs all need to be well maintained.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 With the increased reliance on modern technology comes increased reliance on mobile wireless technology, useless where we live as we have poor broadband and a poor mobile signal. We recently looked at putting a state of the art Hydroponic growing unit on site. All of the sensors use mobile technology to alert if there is a problem. Our house is at the bottom of a hill from the site so I would not be able to get the alerts and the planners refused permission to have a workers cottage on site where I could get the alerts. That project would have given us sustained winter income, now rejected and unsustainable.

5.2 On the plus side Herefordshire council are working with Fastershire to roll out superfast broadband. Sadly for us we are the last area and have not yet received superfast broadband and when we do it will be only to the edge of the site rather than to the house, my fear being that it will cost many thousands to bring the cable to the house or business office and we simply will not be able to do that, so not any real help to us at all. Our mobile signal is hopeless – we cannot contact each other on the site.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 Healthcare in our area is supported by a local surgery in Leintwardine this is a good service but the closest hospital is in Hereford a 40 minute drive after the Leominster community hospital closed it’s A&E leaving our rural community a little isolated. To be fair when we had an A&E emergency we were attended by a first responder within half an hour but the ambulance came from Craven Arms and took I think an hour or so. The first responder service is excellent especially in our more isolated communities.
6.2 Education is good in our area with Wigmore school, our children got assisted bus travel passes which is a fantastic service and needs to be supported if we are to encourage young people to stay in rural areas and contribute to the rural economy.

6.3 Banking in our area is not good with the closure of the local Santander in Leominster. Our nearest branch is again in Hereford a 40 min drive away. Mobile banking vehicles might be an option for provision of banking services in the more rural villages. We have a mobile post office van that comes to Wigmore, this seems to work well. We feel very strongly that the closure of so many Banks needs to be halted – could the government step in? If you are relatively young and a car-owner you can make that 45 minute journey if you have to but what happens to a much older, car-less household? One bus a day if you’re very lucky.

6.4 The fire service is worth a mention, we have an excellent service based in Leintwardine crewed by local volunteers with local knowledge. Especially important in our predominately agricultural area.

6.5 These services need to be supported and a part of our council tax goes to it as I understand. Is there an option for more volunteers to help this issue?

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 To answer this question we firstly need to understand why these amenities are closing in the first place. We have less people living and working in rural communities, there are less affordable houses available to the young generation that together with less job opportunities created an exodus of working people to the cities. In this scenario our rural areas become populated with older people retiring to the country and an ageing farming population. Bring jobs and affordable housing to rural communities and the young will follow, they will start in time to benefit the local amenities and shops.

7.2 Shops, where possible consider combining the shops in the community pubs, create these areas as a central point in the community where say the bank and post office van go. I have often heard it said that it was easier to go to Tesco as it was open late rather than the village shop. Consider curbing the supermarket opening hours so the village shops if opening later will pick up morning and evening trade that may have been mopped up by the supermarkets. The shops also should be subsidised so they can match the supermarkets on price- not sure how that will go down! All the small shops, which supported a family, have been steamrollered by Supermarkets and this is a tragedy. Our local shop has to rely on volunteer staff to make it sustainable and that really shouldn’t be the case. The supermarkets are far too powerful and seem to exist solely to wipe out all the competition. Once they have filled all the big sites with their mega stores they then look to squeezing an “express” or the like, smaller shop to wipe out the old corner shops. Our Market towns in Herefordshire all have about 3 supermarkets, what’s going on?!

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?
8.1 How can rural businesses be helped to thrive? Maintain good transport links, ensure the digital and mobile infrastructure is fit for purpose. Look at how planning policy is being implemented on the ground to ensure rural businesses are not being disadvantaged as they are in Herefordshire - get this right and you will go a long way to helping rural businesses thrive. Herefordshire Council is very keen to promote Tourism but will not allow any new buildings in “the open countryside” which makes it nigh on impossible to provide jobs and housing. If you look around our landscape you will see many remains of old cottages where rural workers lived. There is now a blanket “no building” in the countryside rule that makes it extremely difficult for people, who want to work in the country, to live and work.

How can new industries and investment be supported?

8.2 New industries. To bring new industries to rural areas and keep them there, firstly there needs to be an area where they can go for example small scale industrial parks on village fringes might be an idea. Obviously a captive workforce from the village is a bonus. You will also need to consider transport links and digital and mobile connectivity.

How might labour and skills shortages be overcome?

8.3 Here I think we are talking about the large fruit farm type setup. For our business we are lucky to have local staff who return every year to help us. They in turn are paid above the minimum wage and we like to think we value and look after them.

8.4 For the larger fruit type farm the challenges are immense. There is limited time to get the crop in and if left it will spoil. These jobs tend to be seasonal and in general were done by agency staff or staff coming from outside the country to work specifically for the season then returning home. In the face of Brexit there needs to be a system in place whereby this can continue now!

9. How can deprivation and inequality in rural areas be tackled.

9.1 Jobs. Housing and access to training. Traditionally, rural jobs tend to be low-paid. Food has been forced to be made available at lower and lower prices – thanks to the Supermarkets again. It is extremely hard for those working the land to make a living and it’s very easy for those making YouTube videos, for example, to make a huge living. This is obviously a big imbalance and we are not supporting the industries that we really need to exist. I suspect that if school-leavers were told they were likely to earn about £100k per year farming they might be more inclined to give it a try. This, of course, isn’t likely to happen but if people started paying more for their, good quality, food Farmers would be able to make a decent living and more people would consider it a good career choice.

9.2 Generally there seems to be a lack of knowledge and appreciation of how vital our Farmers are and where and how we produce our food. The education system could help to inform here. Who- ever talks about going into food production/farming in a careers lesson? There is a slight upturn in small, artisan producers which hopefully will increase but here again, in our area, we find Planning is holding these businesses back.
10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities.

10.1 I have touched on this already. More jobs, more opportunities for rural businesses, farm diversification and start-ups. Access to quality affordable housing, access to good quality education for children as well as good amenities. Get these in place and the young will come.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help and support the rural economy?

11.1 Years ago and still to some degree now in our area, an established community will look after their older community members. It is my hope that this degree of support will return if some of the previously discussed measures are adopted. Social isolation is an issue and the local pub, community hall and organised events help to keep our older members integrated in our communities. Social care provision is a more serious issue and I wonder if a service similar to the first responder service dedicated to targeting and supporting our ageing rural population might be appropriate.

11.2 In terms of our older rural retired population helping the rural community. There is a huge opportunity here. In our community the retired are very active. They volunteer at the local shop, they run arts clubs, gardening clubs, the Village Hall community, they are involved in the Church, they organise Fetes and Shows. We could hardly exist without them. Our retired population have a lifetime of experience in their professions, this needs to be looked at to see it their skills sets can be utilized to help rural communities be it in the shop, pub other volunteering opportunities etc. There are skills there to be used so let’s utilize them. One cautionary note however - Some people retiring into rural communities have a set view of how things should be and they will quickly upset the community if they voice such views without taking into account the wider rural needs picture- believe me I’ve seen it.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 In Herefordshire there has been a fair bit of building in the rural areas- little of it is affordable. The issue as I see it is twofold, firstly the housebuilders are not keen on building affordable housing less margin for them and secondly the councils certainly In Herefordshire do not demand that there is substantial affordable housing in the rural areas. My feeling is that there is little appetite to fulfil the affordable housing deficit. How can we address this- this will need to come from government and there needs to be a substantial allocation for affordable housing for councils to fulfil. This needs to be monitored by central government and penalties imposed if the allocation is not met, a tight rein needs to be kept on the councils. However affordable housing needs to be spread evenly throughout the rural community in clusters of 4 or so houses not clumped in one big development thus the impact on the countryside is minimised. When we look at affordable housing I wonder whether landowners/farmers would consider selling land for the provision of this as it might give them a captive workforce!
12.2 Finally councils certainly in Herefordshire are not keen under any circumstances to let any form of development be permitted in the rural environment, this is often in conflict to the governments own NPPF. The planning laws in relation to the countryside need to be relaxed by government and implemented by the councils. This needs to be monitored to ensure it is being actioned!

13. How have the recent planning policy reforms affected rural housing and the wider rural economy? What changes if any, are need to planning rules?

13.1 In Herefordshire there has been no change whatsoever, the council do not follow the governments lead, they do not allow housing in the rural areas and they stifle small rural businesses. As I have said earlier the rural landscape needs to have a balance of business and farming enterprise of various sizes and types. It is this that builds a resilient rural economy that is better placed to deal with the challenges we face certainly with Brexit on the horizon and climate change making itself heard. It is a troubling trend in Herefordshire that massive chicken sheds and huge soft fruit farms receive planning despite massive public opposition yet a small grower needing an alternative revenue stream is refused without reason.

13.2 What changes are needed to the planning rules. Yes I think the planning rules for building houses in the rural areas need to be relaxed to make it easier for the creation of small farms and smallholdings as well as other rural businesses, but my main concern is the implementation of planning policy by the local councils. In Herefordshire there is seemingly a blanket ban on housing in the rural areas this is against government and indeed Herefordshire’s own core strategy.

13.3 This is a major issue and is holding the county back. The solution. All councils that are underperforming should have a government representative sitting in the chamber ensuring that the council is implementing planning policy, and generally acting as expected, as the government wishes. There need to be very heavy penalties for non conformance. The principle here is that there needs to be an even and fair implementation of planning policy across the country- this is imperative if the rural areas are to thrive countrywide.

14. Do the government and other public bodies pay sufficient attention to the rural economy and if not why not? What might be done to ensure that government and other public bodies hear and act on rural voices.

14.1 No the government do not pay sufficient attention to the rural economy, but they have to now in the face of Brexit! Generally agriculture and most land bases industries are not considered important, yet we produce the food you eat that keeps you alive- I cant think of anything more important than that! Agriculture is now highly mechanised and sophisticated and as an industry it needs to be taken much much more seriously, I forget the statistics it is something like the average age of a farm manager is 45. To get youngsters into agriculture you need to promote its vital importance and encourage the next generation especially in the face of Brexit.
What might be done to ensure that government and other public bodies hear and act on rural voices.

14.2 Consultations like this are good, however I only happened on this after taking to my planning consultant, these calls for evidence are not common knowledge. Proper grass roots representation is important our local MP is a landowner not a land worker and in my view as far removed from me and my needs as I am from London!

15. What is being done in local government to support rural economies? How effectively do other public bodies such as local enterprise partnerships operate in rural areas, and how might coordination between bodies be improved.

15.1 As you may have picked up on Herefordshire is not great at supporting its rural areas. Ironic as we are a rural county.

15.2 As previously discussed Herefordshire council seem only to support large business in rural areas for example large chicken production units and massive soft fruit farms there seems to be a reluctance to support smaller businesses like ours. There needs to be a fundamental change in the way Herefordshire approaches rural planning so it aligns with its own core strategy and the governments NPPF. This is in my view the biggest obstacle to the Herefordshire rural economy prospering as it should.

15.3 In Herefordshire we are covered by the Marches LEP, i have briefly discussed grant funding with them and the outcome was there was nothing for a small business like ours, it was suggested I contact the local council for advice. This I did and was not able to speak to anyone who knew anything about funding. I was promised I would be contacted by an expert- that was 4 weeks ago. To ensure these well meaning schemes work on the ground there needs to be a coordinated link between government, LEP’s and the local council. For a poorly performing council like Herefordshire as I have said before there needs to be a government representative placed at the heart of the council to ensure it is operated as the government would wish. Until this happens nothing will change.

28 August 2018
Law Society of Scotland – Written evidence (REC0079)

Introduction

The Law Society of Scotland is the professional body for over 11,000 Scottish solicitors. With our overarching objective of leading legal excellence, we strive to excel and to be a world-class professional body, understanding and serving the needs of our members and the public. We set and uphold standards to ensure the provision of excellent legal services and ensure the public can have confidence in Scotland’s solicitor profession.

We have a statutory duty to work in the public interest, a duty which we are strongly committed to achieving through our work to promote a strong, varied and effective solicitor profession working in the interests of the public and protecting and promoting the rule of law. We seek to influence the creation of a fairer and more just society through our active engagement with the United Kingdom and Scottish Governments, Parliaments, wider stakeholders and our membership.

Our Rural Affairs sub-committee welcomes the opportunity to consider and respond to the House of Lords Select Committee on the Rural Economy call for evidence. We do not seek to respond to the specific questions posed but have the following comments to put forward for consideration.

General comments

General issues

We recognise the importance of the rural economy being sustainable and inclusive. Inclusion in the context of the rural economy is of particular importance. We consider it imperative that the needs of rural communities are taken into account by policy makers, but that these needs are balanced with other interests as policy is developed. In considering the needs of, and impacts upon, rural areas, it is important that there is true consideration of the issues faced and not simply a ‘tick-box’ exercise.

Infrastructure and services

In relation to access to opportunities and services, we recognise that there are often differences in availability between urban and rural areas. We must continue to ensure that relevant opportunities and services are available to all and take steps to improve connectivity to support that outcome. In some circumstances, individuals in rural areas face significantly higher costs for goods and services than in urban areas. This can be as a result of factors, such as physical geography, over which individuals have little or no control. Lessons may be learned from other countries with similar geographical profiles, for example Iceland and the Scandinavian countries.

We have previously responded to the House of Commons Scottish Affairs Committee’s inquiry on Digital connectivity in Scotland. We note that rural communities are more likely to suffer from poor connectivity in terms of broadband and mobile services than urban communities.

There is an increasing need for businesses, whether providing goods or services, to operate in an online environment. This applies to recruitment and management of personnel, sourcing of supplies and materials, tax and administrative compliance, and communications with advisers (such as accountants or solicitors), as much as to customer-facing aspects of the business such as online sales and service delivery. Poor access to efficient connectivity services, including broadband and mobile telephones, constrains the ability of businesses in rural communities to compete effectively with those in more urban environments.

We consider that there is particular importance in ensuring access to justice for those in rural areas. At a basic level, many company complaints procedures are handled through digital channels which can facilitate cheap and effective resolutions for potential disputes. Courts and tribunal services are increasingly moving to online systems, for example employment tribunal applications are now almost exclusively online and it is envisaged that criminal procedural courts will move to digital systems in coming years. We have previously noted that research has identified a risk that individuals in rural areas who are eligible for legal aid may not be able to find solicitors to provide advice. These matters demonstrate the potential impact of poor connectivity upon access to justice.

The ongoing development of new technologies presents an opportunity to consider how the challenges faced in ensuring effective and efficient connectivity and access in rural areas may be tackled to ensure that good quality services are available to all.

In relation to essential services, such as education, healthcare and banking, it is imperative that an appropriate level of service is available and accessible in all rural areas. We are aware of a developing problem in relation to the availability of banking facilitates in remote and rural areas.

Lack of access to such facilities may have an impact on wider social issues around inclusion. Occasional short duration visits by mobile banking vans are not accessible to all. Family and working commitments, poor weather, and limited transport may restrict an individual’s ability to access such a service. Those with physical or mental disabilities may face particular difficulties in accessing banking services on such a limited basis. Internet banking can also bring difficulties, including limited and/or unreliable internet connection, lack of security, and accessibility and usability problems for those with disabilities.

Business, employment, skills and demography

It appears that there is little promotion of, and information about, jobs in the rural sector in the public domain. Publication of information about available job opportunities is often undertaken by third-sector organisations, such as the Royal Highland Educational Trust (RHET) and Countryside Learning Scotland (CLS).
Rural housing and planning
A considerable amount of housing in rural areas is provided by the private rented sector. It is suggested that housing stock is under pressure. Affordable rural housing is essential to the rural economy. Planning arrangements can impact upon the production of rural housing.

Government policy, devolution and local government
Support for the rural economy should not be considered by policy and law makers as an isolated issue – not only does the rural economy impact on food, farming and the environment, but also upon our wider economy and trade. As highlighted above, it is crucial that the rural economy is given full and proper consideration when policy and law is developed.

We welcome collaboration between UK Government and the devolved administrations. Policy divergence across jurisdictional borders has the potential to have negative effects, particularly in relation to trade matters and environmental impact, but also on a practical level if different regulatory regimes apply cross-border.

10 September 2018
1. This document outlines the Leicestershire Rural Partnership’s (LRP) response to the Select Committee on the Rural Economy - Call for Evidence. The LRP is a partnership of key stakeholders, with mutual interest in the rural economy of Leicestershire – please see Appendix One for a full list of members.

2. Our response addresses the following issues which were highlighted in your call for evidence:

- Recent changes and developments in the rural economy
- Transport connections
- Digital infrastructure
- Support for local amenities such as shops and pubs
- Rural housing and planning policy
- Rural businesses, business investment and new rural industries
- Employment and skills
- Rural deprivation and isolation

3. A summary of our key messages are:

   i. Post Brexit there is uncertainty over future financial assistance (currently accessed through European schemes) to support rural businesses. It is imperative that the needs of the rural economy continue to be addressed in future policy and funding, including within Local Industrial Strategies (LIS) as they come forward and the priorities of the UK Shared Prosperity Fund.

   ii. An additional barrier to accessing employment opportunities for people living in rural areas, especially young people, is the limited alternatives to travelling by car, especially where this is a financial barrier and / or there is no means of accessing work by public transport.

   iii. There are areas of rural Leicestershire that do not have the necessary digital infrastructure to enable businesses to start-up, grow, or people to work from home effectively. In our most rural district, Melton, Superfast Broadband does not cover 7% of the households i.e. 1461 households and 247 business premises.

   iv. The projections indicated in our response to Question 12; demonstrate a worrying requirement for rural affordable housing and the significant changes required to enable rural housing to accommodate an ageing population.

Questions 1-3
• **What do you understand by the rural economy? How has it changed over recent years and what has been the impact of these changes?**

• **Could you give examples of notable success stories and good practise in the rural economy? How might rural successes be replicated and better promoted?**

• **How do you see the future of the rural economy? Where is the greatest potential for growth and what might be the impact of technological and other changes?**

4. There is often a difference in view about what the rural economy encompasses. Statistically in Leicestershire, local authorities use the 2011 Rural Urban Classification to analyse rural / urban variations and performance. Whilst the LRP works closely with the Leicester and Leicestershire Enterprise Partnership (LLEP) to ensure rural businesses are supported through mainstream projects and programmes; experience has shown that some rural businesses have specific opportunities or challenges due to their rural location or the type of sector. In particular these include small and micro enterprises in sectors such as food and drink production, tourism and hospitality, land based businesses, especially agriculture, and creative industries. These businesses can be overlooked through other more mainstream activity.

5. Greater urbanisation, migration and commuting patterns, new digital technologies and global competition (e.g. in agriculture and food production) and an aging rural population are all impacting on the rural economy. In addition Brexit could have proportionally greater impact on some of the sectors highlighted above; this will need careful management and mitigation as well as support to take advantage of any new opportunities.

6. The LRP is an example of local good practice. It was established by Leicestershire County Council and the Rural Community Council in 1983 and continues to be recognised as an essential partnership to champion the needs of the rural economy and communities, including developing projects / programmes where gaps exist. This demonstrates the importance that not only the County Council, but other key stakeholders, place on helping to address the challenges and opportunities of rural living and working. Local rural partnerships can play a significant role in developing rural priorities, interventions and influencing others e.g. LEPs to ensure that the rural economy has the necessary infrastructure, services and support to prosper.

7. The vision of the LRP is: **In 2026 rural Leicestershire will be made up of thriving, cohesive, well connected and safe communities, which have access to a range of high quality and sustainable employment opportunities, mix of housing and essential local services.**

8. The LRP has a strong working relationship with the LLEP and is seen as a valuable rural reference group which has supported the LLEP to identify local priorities for EAFRD, established a local LEADER programme, championed rural broadband / Market Towns, and supported development of the Strategic Economic Plan and ESIF Strategy.
9. In order to assess how the rural economy has changed over recent years, the LRP commissioned a Rural Evidence Base in 2018, which is available here: http://www.lsr-online.org/reports,846741.html. The evidence highlighted:

- 30% of Leicestershire’s population live in rural areas
- There are 100,000 rural employees in Leicestershire with just 20% living and working in rural areas. The result is a net outflow from rural areas of 28,000 employees. There are circa 11,500 rural home workers.
- 80% of the County’s land is used for Agriculture and 7,000 people are employed in Agriculture
- By 2037, the 75+ age group is projected to be the largest group, with 37,900 people, an increase of 20,600 people since 2014 (119 percent). Elsewhere the 65-74 age group is projected to increase by 7,700 people to 31,700 (32 percent). In comparison, the 35-64 age groups will experience decline. This will have significant implications for the availability of a skilled rural workforce, new entrepreneurial business start-ups in rural areas and pressures on the provision of social care and other services.
- Rural Leicestershire is generally less deprived than urban Leicestershire. However, some pockets of significant rural deprivation exist across the various deprivation domains of the Indices of Multiple Deprivation (IMD) 2015. Within the barriers to housing and services domain 16% of rural LSOAs fall within the most deprived 10% in England – a third in the top 30%. There are also areas of poor social mobility.
- In 2017 there were 11,465 businesses in rural Leicestershire representing 38% of businesses in the county, of which 90.2% are micro-businesses (0 to 9 employees). The highest proportion of rural businesses is in the professional, scientific, technical sector (16.5%) Agriculture, forestry, fishing (12.6%), construction (11.6%).

10. In 2017 the County Council, LLEP and City Council jointly commissioned the Leicester and Leicestershire Business Survey.

- This highlighted the biggest concerns of businesses in rural areas are:
  - Regulation and red tape (46%)
  - Broadband speed (41%)
  - Political uncertainty (39%)
  - Energy costs (37%)
  - Petrol or diesel costs (36%)
  - Skills shortages/ finding staff (35%)
  - Brexit (33%)
11. It has been announced that Leicester and Leicestershire is to become one of the second wave of LEPs to work on the production of a LIS. A current prospectus produced by the LLEP is focussed around growth opportunities to increase productivity, earnings and targeted at specific priority growth sectors. The prospectus acknowledges that Leicestershire’s towns and rural areas are important generators of productivity and there is a need to invest in them, to make them attractive to investors looking to relocate and to visitors to the area. Given the number of small and micro businesses in rural areas, often entrepreneurial and with a requirement for highly skilled employees, there is a huge potential for untapped growth that also need to be addressed within a future LIS.

12. The highest proportion of businesses in rural Leicestershire are in the professional, scientific and technical industries and the greatest challenge will be to ensure that these businesses continue to maximise their opportunities, by reducing the barriers they may face including issues such as broadband and access to a skilled labour force. Rural areas should represent an opportunity to increase the number of home workers and reduce commuting and hence ease congestion. In order for this to happen the digital infrastructure needs to be provided and the correct workspaces in terms of grow on space.

13. Productivity improvements are essential in agriculture to improve competitiveness in the national and global market, utilisation of new technology is key to making this happen. The East Leicestershire LEADER programme has received 22 applications for more technical pieces of machinery, under the improving farm productivity strand out of a total of 93 potential applications for the programme overall.

14. We need to be encouraging land based industries to work with universities more to innovate and adapt and make themselves self-sustaining post-Brexit.

Infrastructure and Services

**Question 4. How can access to Transport be improved in Rural areas?**

15. There are significant challenges to achieving this, not least financial. In rural areas, bus services are often not commercially viable and are therefore not generally provided for by the privately operated commercial ‘bus market’. (Outside London, operation of local bus services was largely opened to commercial market forces by the Transport Act 1985, making bus service operation a profit-driven business.)

16. Where there is no market-led provision, the Transport Act 1985 (the Act) explains that local transport authorities must “secure the provision of such public passenger transport services as the council considers it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose.”
17. To seek to fulfil its responsibilities under the Act, Leicestershire County Council is currently developing a new passenger transport policy and strategy. It also pursues other initiatives.

18. Case Study - A successful example of a transport initiative is the “Wheels to Work” scheme which helped young people to access employment opportunities through the loan of scooters. Between April 2017 and March 2018 31 clients benefitted from the scheme and over 55% of the clients are aged between 16-24 years, 80% are identified as male, and 38% of the clients have joined the scheme through word of mouth. Access to employment is, by far, the biggest factor for clients joining the scheme at 85%, with apprenticeships accounting for 12% and higher education at 3%.

19. Like other authorities Leicestershire County Council is facing financial pressure on its limited resources and in general terms specific Government funding to support travel by public transport and projects such as ‘Wheels to Work’ is extremely limited in comparison to funding for road projects. Thus, going forward it is likely to be financially challenging for local authorities to maintain, let alone improve, access to transport in rural areas.

20. The other side to this is to create employment opportunities locally, to enable people to work flexibly, including from home, which reduces the need to travel. As mentioned in Q6 and Q7 below, working with partners the County Council has been successful in attracting EU funding streams to support local businesses and a key output of the funding programmes is job creation.

**Question 5. What Barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

21. Figures for Leicestershire as a whole show that by the end of 2018, 97% of the county will be able to receive Superfast Broadband (SFBB) of 30+mbps. This masks what is happening in rural areas, because the two most rural areas of Leicestershire: Harborough and Melton Districts will only have 94 and 93% respectively and 16,500 homes and businesses will still be unable to access SFBB. Given that many rural businesses are technical in nature and high value, including architects, with large downloadable files and web based businesses, broadband speeds are critical. The remaining premises are part of contract 3 of the Superfast Leicestershire Programme, worth over £5 million that will be procured later this year.

22. Although not part of the SFBB programme, mobile phone coverage is linked to the availability of fibre. Outdoor coverage of 4G is reasonably good across most of Leicestershire, across the four main providers, with the rural areas to the east suffering the most. Indoor coverage is poor and again across all four of the main providers and is at its worst in the rural areas of eastern Leicestershire.

23. Farm businesses will increasingly rely on good connectivity for the business, including increasing digital applications and administration (e.g. VAT with Government), and for precision equipment and agronomic techniques. These digital applications will improve productivity but rely on good connectivity to run the equipment to its optimum and provide the productivity dividends of
the investment. Precision drilling with the aid of GPS means beneficial soil health benefits, less inputs such as fertiliser and plant protection products which in turn enables greater sustainability. Without good digital connectivity many farmers in the county will not realise this type of business benefits.

24. Case Study – Harborough East Rural Broadband Syndicate - HERBS started in 2014. Initially they sought to speed up the natural process of bringing fast broadband to east Leicestershire and discovered that if more remote areas were to achieve this objective, they would need to take community action. Using a Harborough District Council Grant and multiple applications from the Government’s Broadband Connection Voucher Scheme they have created a wireless broadband service that covers 33 remote villages/hamlets in eastern Leicestershire.

25. Case Study - The ERDF Digital Growth Programme has enabled businesses to access seminar support in a range of digital subjects. At the end of June 2018, 574 businesses were receiving support with 101 seminars held and 131 businesses accessing a grant. The majority of these businesses, 489, are in the county, as opposed to the city. Through the ERDF Collaborate Programme businesses can also access sector specific support for sectors including Food and Drink, Tourism and Creative, in the county most of these are located in rural areas.

26. Case Study – Leicestershire County Council co-ordinates a Market Towns subgroup that includes representatives from Town Centre Partnerships, Business Improvement Districts and Borough/District/Town councils. The group has been successful in securing £90,000 of funding from the LLEP to install free to the consumer Wi-Fi into 10 town centres, and funding for digital skills training for independent retailers to enable them to compete with larger national chains. The impact of the project is being measured by a Digital High Street Index developed by Loughborough University.

Business, employment, skills and demography.

Question 8. How can rural businesses be helped to thrive and how can new industries and investment be supported? How might labour and skills shortages be overcome?

27. In summary rural businesses can be supported by:
- Providing tailored accessible business support.
- Increasing advice within schools on local careers opportunities.
- Providing simple grants programmes to support businesses to grow, diversify and improve productivity in identified key sectors.
- Ensuring rural issues are included in the Local Industrial Strategy and funding is available to support the rural economy within the UK Shared Prosperity Fund.

28. Rural businesses can be helped to thrive and new industries supported, by offering support to adopt new technology and to invest in new products and processes, to make their businesses sustainable, through continued business support, which is accessible to where they live. Lessons need to be learnt from previous grant programmes to simplify the application process.
29. Labour and skills shortages need to be addressed at school, by educating young people at an early age of the local opportunities that exist and to identify the career pathways that exist within those businesses. Given the low unemployment rate within the county, it is necessary to investigate how the existing workforce can be upskilled to meet future demand.

30. The LRP was instrumental in attracting funding via the LEADER programme for the county’s most rural districts of Harborough and Melton and then a separate cross-border programme covers North Warks and Hinckley and Bosworth in the west of the county. Accommodation and Food and Drink, following a study, were highlighted as priority sectors. Some businesses have however found the application process very bureaucratic, which has resulted in a drop-out rate of applications of approximately 60%. By tailoring the programme to local priorities, this has enabled businesses in these sectors to be prioritised. The same also applies to EAFRD funding. Businesses have found it very confusing with the amount of different grants available to them and the differing amounts and criteria for each. The LLEP Biz Gateway, which acts as a one stop shop for business advice and support, has more work to do to become a consistently recognised brand for businesses.

31. Case Study - Leicestershire is the only LLEP area with a specific ESF pot that is ring-fenced for rural inclusion and a bid is currently being developed led by VISTA. Work Live Leicestershire is a programme aiming to help people in rural Leicestershire into work and training through the following;

- **Engagement**: WiLL will engage, attract, and encourage unemployed, disabled people and people over the age of 50.
- **Learning**: WiLL deliver skills development and training in a pop-up manner, making use of all community assets across rural Leicestershire.
- **Employment**: WiLL engage employers to move participants closer to and into employment.
- **Enterprise**: WiLL enhance enterprise knowledge, skills and outcomes.

The outcomes include:

1. Participants WiLL improve their physical and mental wellbeing, social inclusion, independence, and financial wellbeing.
2. Participants WiLL develop greater resilience to address and overcome any obstacles they face in life through increasing their confidence and motivation.
3. Participants WiLL be more economically independent.
4. Participants WiLL be better able to communicate the benefits of moving excluded people into, or closer to, employment.

32. The key employment sectors in rural Leicestershire are listed below and demonstrate that sector support is vital. With current grant funding streams coming to an end, there is a big concern that any future models post EU will overlook smaller rural businesses. There is a need to influence the priorities of the UK Shared Prosperity Fund to ensure rural issues are included.

Agriculture
In 2016 there were almost 2,000 agricultural holdings in Leicester and Leicestershire.
In 2016, there were a total of just over 7,000 people working on commercial agricultural holdings in Leicester and Leicestershire.

Tourism
- There are higher numbers of accommodation and attractions in rural parts of Leicestershire compared with urban areas.
- There are 81 identified accommodation services in rural parts of the county, compared with 52 in urban areas.
- There are 90 rural attractions, compared with 65 in urban areas.

Creative Businesses
- In 2017, 28 percent of Creative Leicestershire businesses (314 businesses) are located within rural areas.
- 40 percent of Made in Leicestershire businesses (113 businesses) are located within rural areas.

33. Case Study – The National Forest is an excellent example of where a place based approach has helped to regenerate a whole area bringing environmental, social and economic benefits. The National Forest celebrated its 25th anniversary in 2016. With more than 8.5 million trees planted, creating more than 7,000 ha of new habitats, woodland cover across the Forest area has increased from around 6% to 20%. In its 25 years, the Forest has also seen a 48% increase in the value of the tourism economy, creating new jobs especially those linked with new wood related businesses and the visitor economy. The developing Forest has also helped to transform the lives of communities with more than 80% of all Forest created having public access and more than 550,000 children having enjoyed environmental education sessions.

34. Case Study - The WebinArt programme was piloted in 2017/18 with recent arts and design graduates and funding from Arts Council England and the Creative Leicestershire Partnership. WebinArt is an online professional development programme incorporating four main elements:

- A series of practical and engaging live webinars
- Inspiring online interviews with highly respected regional and international artists
- Bespoke one-to-one mentoring
- Peer support through our growing community of like-minded creatives.

35. It aims to improve and extend the expertise of recent graduate start-up businesses from art and design disciplines, and encourage them to stay in the region. Outcomes include Leicester and Leicestershire having more confident creative businesses with increased skills who are better equipped to succeed in business. In a recent study in Arts Professional on how best to support emerging artists - Time, Space and Money came out top. On the WebinArt programme you can take part from anywhere, at any time and the
cost to individuals and organisations is flexible so we hope it will help with those life pressures.

36. The project is helpful to rural areas as it enables business support to be provided virtually, hence removing travel time for businesses in these areas, providing good digital connectivity is available.

37. This project utilises the skills and experience of successful local creative enterprises to support less established local creative entrepreneurs. It will improve and extend the expertise of local creative businesses, and encourage them to grow successfully.

**Question 11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

38. The main challenges associated with an ageing rural population are:
   - The requirement to access more services, at a time of increasing financial pressure within local authorities to make cuts to services.
   - Greater demands on public transport, again at a time of increased financial pressures within the local authority.
   - An increased likelihood to require greater access to the NHS and local GP surgeries.
   - Grandparents are increasingly being utilised as child care providers, due to cost, reducing the potential amount of time they have to act as volunteers within their local communities.

39. The County Council has adopted its Strategic Plan.

*Working together for the benefit of everyone: Leicestershire County Council’s Strategic Plan 2018-22*

LCC’s Strategic Plan focuses on the things that will make life better for people in Leicestershire. The Plan includes five strategic outcomes which describe the Council’s vision for people in the county:

- **Strong Economy:** Leicestershire’s economy is growing and resilient so that people and businesses can fulfil their potential.
- **Wellbeing and Opportunity:** The people of Leicestershire have the opportunities and support they need to take control of their health and wellbeing.
- **Keeping People Safe:** People in Leicestershire are safe and protected from harm.
- **Great Communities:** Leicestershire communities are thriving and integrated places where people help and support each other and take pride in their local area.
- **Affordable and Quality Homes:** Leicestershire has a choice of quality homes that people can afford.
40. The Plan presents a vision of the future that the people, communities and businesses of Leicestershire can get behind, and provides a strategic basis to work with key partners and stakeholders to achieve a range of benefits for the county, including rural areas.

41. To support the Communities theme, the County Council has developed a Communities Strategy [https://www.leicestershirecommunities.org.uk/](https://www.leicestershirecommunities.org.uk/). The basis of this plan is around investigating alternative innovative service delivery models, given the on-going cuts to the public sector, including the use of examples of alternative delivery including “Good neighbour schemes” and “Friendly Bench”.

42. **Case Study** - LCC has now enabled 34 of its libraries to become Community Managed Libraries, who rely on many retired people to act as volunteers, to enable the running of these libraries. LCC have a Communities Strategy that with on-going cuts to public sector services encourages local residents to come forward with innovative alternative methods of service delivery.

*Rural housing and planning*

**Question 12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

43. In summary rural housing pressures can be addressed by:

- The production of the L&L Strategic Growth Plan which forecasts the extent of need for all housing including rural which can then be addressed through local plans.
- The promotion and use of Rural Exception Sites as a means of delivering affordable rural housing.
- Neighbourhood Plans can be utilised to highlight demand and identify potential sites.

44. The County Council in partnership with Leicester City Council, the seven districts and the LLEP is producing a Strategic Growth Plan ([www.llstrategicgrowthplan.org.uk](http://www.llstrategicgrowthplan.org.uk)) based on an objective Housing and Economic Development Needs Assessment (HEDNA) for the area. The SGP sets out the strategy for housing and employment land growth up to 2050, proposing a distribution of housing which will facilitate the development of sustainable communities supported by infrastructure and services. This strategic approach mitigates against a scattered, unsustainable distribution which will load provision into villages and other small settlements. See Appendix 2 for HEDNA forecast affordable housing requirements.

45. **Case Study** - The County Council chairs a Neighbourhood Plan Forum, which brings together those Parishes who are undertaking a plan to share best practice. Neighbourhood Plans are assessed against Local Plans in each District to ensure compatibility.

46. Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs. The LRP has co-ordinated a group
including each rural district to commission a Strategic Rural Housing Enabler Project - see case study below.

47. Case Study - Leicestershire has an established and effective Rural Housing Group which includes District Councils, Housing Associations and other housing specialists; this group leads on rural housing across the County with the aim of desired outcomes such as:

- A robust county-wide evidence base of rural affordable housing need
- Increased availability of affordable homes where there is a need

48. Recent years have seen many successes as a result of the Strategic Enabler work. Two new exception sites have been identified providing 40 affordable homes for local people. There have been 60 S106 affordable homes delivered with a further 100+ in the pipeline. These are all informed by the housing needs investigation work, over 100 Housing Needs Surveys have taken place alongside or jointly with Neighbourhood Development Plans (NDPs) to date these have identified the need for 642 affordable rented; 539 open market and 184 shared ownership homes.

49. The Group also provides rural housing briefing sessions and awareness raising events for parish groups, local authority employees and councillors to share knowledge on rural housing issues and help local communities explore local housing solutions.

Government policy, devolution and local government

Question 14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that government and other public bodies hear and act on rural voices?

50. It is imperative especially as we approach leaving the EU, the implementation of the National Industrial Strategy and the development of a new UK Shared Prosperity Fund that local areas are at the heart of supporting rural economies. This document highlights the need for local responses and the benefits of local partnership working with a range of stakeholders that have a mutual interest in supporting rural areas. National programmes for rural areas do not work and locally developed, tailored and delivered initiatives are required to ensure the necessary reach into disperse and sometimes isolated geographies. National policy to support this is key and Defra will have a significant role to play along with BEIS and MHCLG. Wherever possible, rural funds should be devolved to local areas to enable this to happen.

51. Local authorities have an important role to play and a cross theme and joined up place- based approached, as evidenced through the National Forest, is the best way to make a sustainable difference to rural areas.

52. Government need to task LEPs to work with local authorities and stakeholders to ensure the needs of the rural economy are embedded within local strategies and funding.
**Question 15. What is being done in local government to support rural economies?**

See above.

Submitted by Mrs Louise Richardson CC, County Council Cabinet Member and Chair of the LRP, on behalf of the LRP.

Officer to contact: Helen Harris, Economic Growth Manager

10 September 2018

**Appendix One - LRP Board Membership**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Representing</th>
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</thead>
<tbody>
<tr>
<td>Mrs Louise Richardson CC</td>
<td>Cabinet Member (Chair)</td>
<td>Leicestershire County Council</td>
</tr>
<tr>
<td>Cllr Hilary Fryer</td>
<td>Charnwood Borough Council (CBC) Councillor</td>
<td>District councils</td>
</tr>
<tr>
<td>Chris Traill</td>
<td>Strategic Director, CBC</td>
<td>Tourism and culture</td>
</tr>
<tr>
<td>Rupert Harrison</td>
<td>Director and Head of Rural, Andrew Granger Estate Agents</td>
<td>Rural businesses</td>
</tr>
<tr>
<td>John Hardwick</td>
<td>Rural lead for Federation of Small Businesses</td>
<td>Small businesses</td>
</tr>
<tr>
<td>Kevin Butcher</td>
<td>Director of Strategy, Leics &amp; Rutland Rural Community Council</td>
<td>Rural communities</td>
</tr>
<tr>
<td>Jake Atkinson</td>
<td>Chief Executive, Leicestershire &amp; Rutland Association of Local Councils</td>
<td>Local councils</td>
</tr>
<tr>
<td>Simon Fisher</td>
<td>Regional Advisor, National Farmers Union</td>
<td>Land-based businesses</td>
</tr>
<tr>
<td>Caroline Bedell</td>
<td>Regional Director, Country Land and Business Association</td>
<td>Rural estates</td>
</tr>
<tr>
<td>John Everitt</td>
<td>Chief Executive, National Forest Company</td>
<td>National Forest, tourism and woodland economy</td>
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<tr>
<td>Chris Hobson</td>
<td>Director of Policy and External Affairs, East Midlands Chamber</td>
<td>Business representative</td>
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**Appendix Two - HEDNA**

The Leicester and Leicestershire local authorities commissioned a Housing and Economic Development Needs Assessment (HEDNA) to assess future housing needs, the scale of future economic growth and the quantity of land and floor space required for B-class economic development uses between 2011 and 2031/36.

The HEDNA has looked at a wealth of evidence, including population, household and economic growth projections, to assess the need for housing and employment land over the next 20 years. The HEDNA provides an evidence base to inform the
preparation of statutory local plans by individual local planning authorities. It also provides evidence for the non-statutory Strategic Growth Plan for Leicester and Leicestershire which all of the Leicester and Leicestershire authorities are currently preparing.

**Annual Housing Requirement**

The main HEDNA report also contains a range of district-level demographic and economic indicators. As such, the commentary focuses on the two predominantly rural districts of Harborough and Melton.

From the table above, the two rural local authorities in the county (Harborough and Melton) have an annual requirement of 514 and 170 dwellings per annum respectively.

Harborough’s annual requirement is the second highest in the county, behind Charnwood, while Melton’s requirement is the second lowest, after Oadby and Wigston. Harborough also has the largest requirement for affordable housing in the county (67 dwellings).

The HEDNA indicates that the number of residents aged over 65 across the HMA is projected to increase by 75 percent over the period to 2036. As a result of a growing older population and increasing life expectancy, the analysis projects an increase in people with mobility problems of around 25,000 by 2036 and an increase of over 11,600 persons with dementia. Some of these households will require adaptations to properties to meet their changing needs whilst others may require more specialist accommodation or support. There is clear evidence of need for properties which are capable of accommodating people’s changing needs.

Based principally on the expected growth in population of older persons, the report estimates a need for an additional 11,818 specialist dwellings for older persons in Leicester and Leicestershire over the 2011-36 period. This forms part of the HEDNA’s conclusions on the objectively assessed housing need.
Leicestershire Rural Partnership – Written evidence (REC0106)

The above projections indicate a worrying requirement for rural affordable housing and the changes that will be needed to accommodate an ageing population.

Glossary

LLEP – Leicester and Leicestershire Enterprise Partnership
LEP’s – Local Enterprise Partnerships
EAFRD – European Agricultural Fund for Rural Development.
LSOA – Lower Super Output Area
ESF – European Social Fund
ERDF – European Regional Development Fund
HEDNA – Housing Economic Development Needs Assessment
SFBB – Super Fast Broad Band
NDP – Neighbourhood Development Plans
BEIS – Department for Business, Economy and Industrial Strategy
MHCLG – Ministry Housing, Communities and Local Government.

10 September 2018
Further to your recent call for evidence, I am pleased to provide a response on behalf of Lewes District Council.

Lewes District Council covers an area of 292 square kilometres with a population\(^{246}\) of 97,502. It is a varied district, with just over half lying within the South Downs National Park. Our population is, however, concentrated in our urban areas. The rural part of our district has a resident population of 22,329 – less than 23% of the total for the district.

**Challenges**

As in many areas, the rural parts of our district have their own challenges. Typically our rural settlements are small and face particular issues around high housing costs, limited public transport and a declining range of services. All of these make it difficult for rural areas to maintain their vitality. As a result, older people risk isolation and young people move out in search of better education, employment and affordable housing options.

In summary, we consider the key challenges for the rural economy are:

- Availability and affordability of housing
- Declining public transport availability, making it harder to access new employment opportunities as well as shops and services
- Declining range of services – particularly banks, shops / sub-post offices
- Lack of employment opportunities and employment space
- Limited development opportunities for new employment space and housing
- Lack of high-speed internet access
- Ageing population demographics.

**Opportunities & Success Stories**

Despite the challenges our rural areas face, there are a number of opportunities. Since the designation of the South Downs National Park in 2010, visitor numbers to the district have increased\(^{247}\) by over 12%, with visitor spending up by almost 15%. There is therefore a great opportunity to improve the rural visitor offer, developing excellent recreational and cultural tourism prospects, thereby helping to ensure that our rural economy continues to diversify, whilst maintaining and enhancing its outstanding natural beauty\(^{248}\). This is supported by internationally recognised attractions and cultural destinations, including Glyndebourne.

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\(^{246}\) 2011 National Population Census  
\(^{247}\) The Economic Impact of Tourism to Lewes District, annual reports produced by Tourism South East covering 2010-2016 inclusive  
\(^{248}\) 'Building a Brighter Future' – A Regeneration Strategy for Lewes District
As well as the potential for growth in the rural visitor economy, our existing farms and producers offer significant promise. A number have diversified and become important and recognised food and drink producers – some of which have been supported through the EU-funded LEADER programme. This is emphasised in East Sussex by the burgeoning brewing, distilling and viticulture scene. The East Sussex microbrewery sector has experienced growth of 1500% in the last year, with 33 breweries in the county alone. These breweries are mostly showing substantial growth potential and contributing to our rural economy, as well as some of the country’s leading (and award-winning) wine producers and a newly emerging focus on the distillation of gin and other spirits. There is, however, a future challenge in ensuring such micro-businesses have the funding they need to grow sustainably, post 2020.

Lewes District Council is taking a proactive approach to ensuring sustainable growth of our rural economy, although we acknowledge that our urban areas are the primary focus for regeneration and economic development initiatives. (This is partly due to the need for the local authority to justify any financial / capital intervention in terms of receiving a commercial return, but also due to the availability of appropriate and developable land within the National Park).

As well as working in effective partnerships (see below), we actively promote the EU-funded LEADER + programme as part of the Central Sussex Local Action Group (of which we are a core member). However there is a clear gap emerging following the end of this programme. Where possible we work with organisations seeking to bid for grant funding, although this is labour intensive and extremely competitive.

A good example of the potential economic growth opportunities in rural areas is the Spithurst Hub in Barcombe, East Sussex. Conceived by So Sussex Ltd, the hub offers modern office and co-working space for entrepreneurs, start-ups and micro-businesses outside of our key urban areas. The development of the Hub has part-financed through the LEADER programme via the Central Sussex Local Action Group. The Spithurst Hub opened in November 2017 and was developed by So Sussex Ltd in response to research showing a large number of start-ups and micro-businesses in our rural areas, but also a need for professional workspace outside of our main conurbations. The success of the Spithurst Hub is emphasised by the knowledge that there are already 10 businesses operating out of the Hub, and the parent company – So Sussex Ltd – has recently won the ‘Business in the Community’ award at the 2018 Lewes District Business Awards.

We are also beginning to see that neighbourhood planning is allowing our rural communities to have greater control and influence over development in their areas. All of Lewes District’s ‘made’ Neighbourhood Plans affecting rural parishes, of which there are six, identify the need to protect and / or encourage provision for the rural economy. Most of these also identify that, despite good employment rates, as a whole most of the workforce now commute outside of their Parishes.

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249 http://beertoday.co.uk/east-sussex-microbreweries-1017/ (30 October 2017)
250 http://lewesdistrictbusinessawards.co.uk/winners/
for work. Many of these Neighbourhood Plans have identified that there are clear constraints to improvement of the rural economy, with lack of high-speed internet, access to parking and limited public transport services currently limiting growth of the economy in their respective areas.

Interestingly, all of these ’made’ Neighbourhood Plans contain policies seeking to improve – or at least retain – employment opportunities and in so doing, guide development proposals within their respective areas. Although perhaps not adventurous, this is a positive influence that residents are having on their own communities through Neighbourhood Plans. Present in these local examples, there is clearly a desire for rural communities to have greater control over and support their local economies.

**Partnership Working**

For sustainable growth in our rural economy, Lewes District Council recognises the need to work in partnership with public, private and third sector partners. The Council has developed a good working relationship with the South Downs National Park Authority (SDNPA) and also works closely with key third / voluntary sector organisations involved in the rural economy, including Action in Rural Sussex and 3VA. Moreover, the Council continues to play an active role within the Central Sussex LAG, as well as working with key employers and education providers including Plumpton Racecourse and Plumpton College.

Equally, the role of Local Enterprise Partnerships (LEP’s) is critical. We do have concerns that LEP’s do tend to focus on high growth sectors, which may not necessarily have any positive impact on our rural economy. Given the increasingly prominent role that LEP’s play in distributing Government growth funding, it is essential that the value of the rural economy is understood effectively. To this end, we are pleased that Coast to Capital LEP’s new Strategic Economic Plan\(^251\) clearly identifies the value of the rural economy to the LEP region – accounting for 27% of its economic output.

Without effective partnership working, we consider that effective delivery of economic development initiatives in our rural areas will be extremely difficult due to the fragmented nature of our rural business base.

**Summary**

Clearly, funding availability is an increasingly pressing issue for local authorities when considering non-statutory interventions designed to maximise support for rural businesses and to support local economic growth. We consider that Government needs to consider the scope for investment following the end of the current LEADER programme in 2020, as well as the impact on the rural economy from our impending exit from the European Union, to ensure that rural economies are not unduly disadvantaged. It is not simply a numbers game – the

\(^{251}\) [http://www.coast2capital.org.uk/strategy/](http://www.coast2capital.org.uk/strategy/)
social and economic impact of 10 new jobs in a rural economy can equal 100 created in an urban location.

Equally, it is clear that providing rural communities with increased powers through the neighbourhood planning process highlights the areas upon which focus must be placed and that there is a desire amongst rural communities to support and grow their economies.

We look forward to continue to work with partners to deliver quality inclusive and sustainable growth within the rural and urban economies of Lewes District.

Peter Sharp
Head of Regeneration
Lewes District Council

28 August 2018
Libraries Connected - Written evidence (REC0048)

Libraries Connected is a new charity building on 20 years’ experience as The Society of Chief Librarians. We are now partly funded by Arts Council England as the Sector Support Organisation for libraries, but we are also proud to remain as a membership organisation comprised of every library service in England, Wales and Northern Ireland.

General issues

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

1. Evidence from library services demonstrates the vital support they give to the rural economy. Below are some examples of notable library success stories and good y.

PARTNERSHIPS
2. In 2017 North Yorkshire Libraries adopted a community hub delivery model to maintain service provision in all parts of the county. They built on experience gained working with a range of organisations and groups to co-locate services creating community hubs to deliver local services and support from a single location. This co-production of services ensured sustainability and provided the opportunity for communities to meet their own needs and reduce inequalities and isolation through collaborating on provision. The creation of community hubs has resulted in more vibrant community space used for a wide range of activities and as a driver for regeneration. Many ‘libraries’ across North Yorkshire now offer a range of services including community transport, Post Office, Police, access to (council) services, Lunch Clubs. For example http://www.hudsonhouse.org/ https://grassington.uk.com/about-grassington-hub/

BUSINESSES
3. Exeter and Barnstaple Libraries have Business and Intellectual Property (IP) Centres which work in partnership with the British Library, to support business owners, entrepreneurs and inventors by offering free business workshops and events, outreach training sessions provided by trained staff and free access to market research and databases.

4. Another example is from Gloucestershire where all 31 libraries operate as part of the Gloucester Growth Hub Network and are access points in local communities where businesses, individuals and entrepreneurs to access business advice and guidance and apply for 3 or 12 hours free business guidance through ERDF funding.

EMPLOYABILITY
5. Libraries in North Yorkshire offer apprenticeships and volunteering opportunities not readily available in rural areas. Apprenticeships are offered across the county’s libraries providing people with the opportunity to gain
skills and experience of work, which is often difficult to access in rural communities. To date 90% of those undertaking the year-long programme have moved into work or higher education.

6. In Shropshire libraries are working in partnership with Job Centre Plus (JCP) and Shropshire Council Welfare team to support people claiming Universal Credit. People are free to use Public Network PCs as well as WiFi in libraries to do this and they can be referred from the Shropshire Council Welfare team, JCP or self-refer to get assistance making a claim or manage their claim.

VOLUNTEERING
7. Libraries Unlimited in Devon offer volunteering opportunities across their 54 libraries. Volunteers work alongside paid staff, allowing people to develop skills and use their knowledge, grow in confidence and support their library service to provide additional activities for their community, and support the rural economy. Examples of volunteer roles include: Code Club Volunteer; IT Help Volunteer; Work Club Volunteer; Library Extra Session Volunteer (supports extended opening hours); Children’s activities helper; Memory Club Volunteer and Events Volunteer. Last year 800 volunteers supported Devon’s Libraries.

LEARNING
8. Many libraries in Devon offer adult learning courses such as basic English and Maths, in collaboration with partner organisations. They also offer staff led IT help drop-ins, particularly popular with the over 50s. Other groups include British Sign Language, Code Clubs for children and creative writing events and activities.

9. In West Sussex libraries run sessions to demonstrate resources like Ancestry, Find my Past, and the British Newspaper Archive teaching people to access resources in libraries or from home. These sessions keep people active, engaged and they learn computer skills as a by-product of pursuing their interests.

SOCIAL ISOLATION
10. In West Sussex they maintain an online database of over 1,500 local clubs and societies to help residents access opportunities in their local area. They also offer library activities like Knit and Natter, book groups, board game clubs, mindful colouring. Libraries also provide a venue for community groups and access points for other services who may provide a drop in or regular session for things like CAB, Trading Standards, Mental health awareness, Registration Services and more and in 2017/18 on top of existing partnership delivery West Sussex libraries provided access to an additional 66 services by locating them in libraries.

11. Following consultation East Riding Libraries invested in 4 new mobile library vehicles to replace the ageing fleet to ensure a sustainable service whilst continuing to deliver a service to more isolated and vulnerable residents. They continue to offer the traditional library service with the loan of books and other resources to all ages but also used their links into the rural communities to deliver a range of new initiatives including:

- Information hub for local planning applications etc.
• Distribution of composting caddy liners to meet recycling targets.
• Working with the digital services team to promote the benefits of on-line services.
• Offering tablet training to support customers to use on-line resources and signposting them to more structured adult education classes.
• Staff have also been trained in dementia awareness and work in partnership with Healthwatch (who visits all 158 mobile library stops over the autumn) and other health service to reach vulnerable people in rural communities.

12. Moving forward they are looking to work with banks to promote on-line banking and adult education partnership to offer lifelong learning opportunities, improve literacy skills and basic ICT skills.

13. Libraries Unlimited in Devon also work in partnership with the Royal Voluntary Service (RVS), to provide a Home Library Service to rural and isolated members of the community. Last year they supported 424 people, and the volunteers made a total of 10,150 visits, providing people with books and resources tailored to their choices, as well as some much-appreciated company.

HEALTH
14. In Shropshire Libraries are part of a Social Prescribing Project they work in partnership with Help2Change (preventative part of Public Health), GPs, voluntary and community organisations to deliver support with a variety of interventions tailored to an individual's needs to improve their health and wellbeing. This is done by making library induction specific to individual’s needs, after this, the impact of these interventions is recorded on the patient record to monitor their progress using social interventions to prevent medical intervention need. Activities include Reading Well Books on Prescriptions, social events, author talks, learning at lunchtime, clubs, reading groups, writers’ groups and support groups.

COMMUNITY PRIDE
North Yorkshire County Council Libraries have delivered a number of intergenerational projects promoting local pride and community cohesion including the ‘Garrison Voices project in Catterick Garrison where they received a grant of £26,000 from the Ministry of Defence Community Covenant to fund research and collect people's memories. The aim was to capture a sense of daily life in the area, by collecting photographs and interviews with people about their experiences across the decades. A number of partners including the town's history group and local schools and veteran organisations will come together to gather information ready for the camp's centenary. 

https://www.bbc.co.uk/news/uk-england-york-north-yorkshire-19272008

ARTS AND CULTURE
15. Lancashire Libraries run a programme called ‘Spot On Rural Touring’ which is supported by Arts Council England, Lancashire County Council, Cheshire West and Chester Council, Cheshire East Council, Cheshire Rural Touring Arts and Culturapedia and brings affordable high quality and entertaining performances which would normally not be accessible outside of urban centres. Local pubs, cafes and restaurants have also benefitted from increased trade before and
after the events and some have even co-hosted events. In addition to performances artists in residence have also been taken out on mobile libraries to engage with communities and capture some of the unique interactions that are enabled through the mobile library service.

TECHNOLOGY

16. Gloucestershire launched their first Innovation Labs in Coleford which is an area of deprivation and remote from the main centres of Gloucester, Cheltenham & Stroud. This gives access to digital maker equipment locally for the Forest of Dean community to encourage new start-up businesses. They are also working closely with the local town council and will be using some virtual reality equipment in a project to re-generate Coleford High Street which will bring regeneration investment to the area.

17. In West Sussex their Arts Council England DCMS funded Libraries Opportunities For Everyone Innovation project ‘Digital Library Plus’ focussed on taking digital devices and support out to the people where they needed them. For older, isolated and less digitally aware residents this was in their home and tended to be around familiarising individuals with the internet, email, Skype so that they could access services like online shopping, keeping in touch with relatives, using catch up TV and accessing council and other services that are increasingly on line. For job seekers this enabled them to provide tailored support in particular to those with limited or no digital skills enabling them to look online for jobs, craft a CV and submit an application. Following the end of the funded project they continue to offer digital assistance this way and now have a range of devices to lend to residents.

18. These successes could be replicated and better promoted if there was:
   - A reduction of bureaucratic barriers allowing innovative partnerships, sharing objectives, skills and outcomes to flourish.
   - A national strategy to support libraries as a core service for rural communities.
   - A platform created for sharing of case studies/good practice.
   - Clear local authority interconnected development strategy, marketing strategy, and business & enterprise good communication to support advocacy.
   - Greater central government understanding of the cultural educational and developmental potential of libraries.

Business, employment, skills and demography

Q8. How can rural businesses be helped to thrive, and how can new industries and investment be supported?

19. Libraries can support rural businesses, new initiatives and investment by:
   - Providing space including bookable meeting rooms.
   - Providing access to equipment such as copiers, printers, laminators.
   - Offering access to e-resources such as ‘Access to Research’.
   - Working with partners to provide business guidance, advice and support sessions.
   - Offering digital skills training.
Q9. How can deprivation and inequality in rural areas be tackled?

20. Libraries can help tackle deprivation and inequality in rural areas by:
   - Offer access to technologies and equipment not readily available in rural communities.
   - Work in partnership with agencies and businesses to make service available to rural communities that wouldn't otherwise be accessible.
   - Be a stepping stone to a career through learning new skills and sharing learning/experience with other like-minded people.
   - Offer apprenticeships and volunteering opportunities not readily available in rural areas.
   - Offer access to quality arts and cultural performances often only available in more urban areas.

Q11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

21. If you are older, less mobile, unable to access a public transport, in a community where the bank, pub and sometimes shop have also closed the library is both a place to visit and to connect, where residents can keep in touch/meet with people/read/find out and join in with activities and events.

22. Libraries can address challenges associated with an ageing rural population, such as social isolation and social care provision by:
   - Participate in Social Prescribing, providing targeted information sessions to prevent information inequality in partnership with other services (Police, CarersTrust4All, Alzheimer’s Society etc.) in rural areas.
   - Offer opportunities for people in rural communities to volunteer. Volunteering can help reduce social isolation and provide people with a way to meet other people and contribute to their community.
   - Provide a home library service utilizing volunteers to deliver reading and listen materials to customers and an extension of the mobile library service that combats loneliness for rurally isolated individuals.
   - Provide a safe community space offering access to clubs, learning and creativity which supports social connectedness including:
     o Clubs and groups such as Knit and Natter and craft clubs
     o Memory cafes and reminiscence workshops
     o Digital skills training and support, helping people access benefits, bus passes, blue badges etc.
     o Access to arts and other cultural experiences
     o Promotion of local pride through facilitating inter-generational projects

23. Libraries can work in partnership with communities to provide volunteering opportunities in libraries to allow retirees to ‘give back’ to their community and support the rural economy, also utilising their skills and experience through sharing and mentoring as well as providing events and activities.

**Government policy, devolution and local government**
Q15. What is being done in local government to support rural economies?

24. Library services are utilising their skills, knowledge and infrastructure to provide access to information, culture and technology to support rural economies.

25. Libraries:
   - **Work in partnership to provide additional services to people in rural communities** such as Citizens Advice, business advice and guidance, job clubs and health sessions.
   - **Provide advice, guidance and information to rural businesses** by running training sessions and offering specialist services.
   - **Support people looking for employment** by offering apprenticeships in rural areas and supporting for job seekers to improve their skills and access benefits.
   - **Offer volunteering opportunities to people in rural communities** enabling the older population or people who are out of work to contribute to their community, share their skills and gain experience by helping others. Volunteering roles available in libraries include, event support, home library service and computer assistance.
   - **Provide learning opportunities to people in rural communities** by hosting adult learning courses such as basic English and Maths, in collaboration with partner organisations and providing staff led drop-in sessions to help people improve their digital skills.
   - **Help to combat social isolation in rural areas by**:
     - **Running clubs** such as the 'knit and natter' and by gathering and sharing information on local groups and events. Libraries also work with partners to provide additional service to the community from their buildings when libraries are closed.
     - **Providing Mobile Libraries** reach rural communities and isolated residents providing access to traditional library services such as books but also additional services such as computer access, photocopying and access to local government information such as planning applications and consultations. As other services in villages such as shops and pubs are closing, meeting people at the mobile library can be a rare opportunity to socialise. Although it should be noted that in some authorities, mobile libraries are under threat due local authority budget pressures.
     - **Running Home Library Services** help lonely and vulnerable residents who aren’t physically able to get to the library by delivering books and information to them in their homes and providing them with a friendly visitor to talk with.
   - **Contribute to health and social prescribing** by working in partnership with Public Health, GPs, voluntary, and community organisations to deliver support with a variety of interventions tailored to individuals’ needs such as - Reading Well Books on Prescriptions, social events, clubs and support groups.
   - **Offer rural communities access to arts and culture** by working with partners to bring high quality performances to libraries and rural venues. Rural populations often have limited access to arts due to limited availability of venues, transport costs and library events can help keep towns and villages vibrant with volunteers taking a key role on promoting
the events within communities. As well as opening up opportunities for people to get involved in something new, this kind of activity provides the opportunity for people to come together in safe places to engage in shared activities.

- **Provide access to technologies and equipment not readily available in rural communities** such as computers, photocopying, virtual reality equipment and 3D printing.

Author: Helen Drakard on behalf of Libraries Connected

*5 September 2018*
Lincolnshire County Council – Written evidence (REC0130)

Report compiled by George Spiteri

**Summary**

1. Lincolnshire County Council (LCC) welcomes the attention that the House of Lords are giving to the rural economy. Councils across England are there to provide local services and facilities meeting the needs of their residents (and visitors) whether they live in cities or in rural areas. However, that provision is more widely spread in rural areas than in cities and often costs more to provide in rural areas.

2. Rural areas are full of enterprising individuals and communities, and it is important that the government helps those individuals and communities to improve the rural economy in which they live. However, because of simple facts of geography and population density, the challenges facing rural communities can often be overlooked. Even more important is that the central policies should not hinder our rural economy.

3. Throughout our response to this consultation we highlight that the most important way that Her Majesty's Government (HMG) can help create a strong future for the rural economy is to:
   a) understand and recognise that there is an additional cost to delivering services in rural areas, and without government support this additional cost can make rural services inviable
   b) accept that rural communities can be enterprising, taking action to support their growth and support policies that give rural communities freedom to take action that is appropriate.
   c) recognise that the nature of the term 'rural' varies from place to place and therefore to create a framework in which decisions are taken at the most appropriate level; there are different types of rural areas, depending on how accessible they are from urban areas.

**Policy asks and next steps**

**Rural Industrial Strategy Toolkit**

4. Rural areas could look to develop some guidance in relation to rural issues that can be used in each locality to inform the development of local industrial strategies. Key elements to consider include:
   - **Innovation:** How can we support businesses in rural areas to be more innovative? Are there clusters based in rural settings that would benefit from engagement with universities and other research bodies?
People: How might emerging policy to develop technical education address rural skill shortages? Is there scope to pilot the delivery of high quality training courses based around seasonal term times?

Business: Whether there are opportunities for Sector Deals in key rural industries such as agriculture and visitor economy. What support can Government provide to help rural towns attract and retain inward investment? What positive support should be put in place to enable business to adapt to ongoing rural / climate change, as opposed to one-off severe weather events?

Infrastructure: Are there innovative solutions for addressing the peripherality of rural areas (both physical and virtual)?

What works in Rural Areas?

5. To date policy interventions have largely focussed on the North-South divide (Northern Powerhouse) and often the main focus has been on big cities outside of London. There is growing recognition about the need to develop new solutions for other areas and this provides a new opportunity for rural areas but is important to recognise the emphasis on developing ground up development of solutions.

6. This places ever more importance on the need to know what works. The issue of a lack of evidence about what interventions have long-term impact. It is recommended that a meta-analysis should be undertaken to look across national rural examples of best practice work and draw together conclusions about what works.

Future Funding Opportunities

7. New positions need to be developed across a number of funding streams. A key consideration includes the UK Shared Prosperity Fund: How can Government influence the future post European funding, with the recognition that not all rural areas fit funding models?

8. For example, ERDF funding didn’t support tourism or retail, both of which can be fundamental in the economy of a rural town, flexibility needs to be in built into national funding programs.

Partnership working

9. Cross party working on rural issues and rural proofing of future policy and legislation

10. Rural areas could look to develop some guidance in relation to rural issues that can be used in each locality to inform the development of local industrial strategies. Key elements to consider include:

   Innovation: How can we support businesses in rural areas to be more innovative? Are there clusters based in rural settings that would benefit from engagement with universities and other research bodies?
- **People:** How might emerging policy to develop technical education address rural skill shortages? Is there scope to pilot the delivery of high quality training courses based around seasonal term times?

**General issues**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

1.1. Rural areas are home to 9.4 million people. In other words, 17% of the population of England live in small rural towns, villages, hamlets and isolated dwellings – that’s more people than live in Greater London.

1.2. Rural often refers to areas in the country concerned which are less densely populated however, there are different types of rural areas, depending on how accessible they are from urban areas. These range from the rural urban fringe, to the extreme (remote) rural areas.

1.3. The contribution of the rural economy is all too often over-looked or miss-represented in national and regional policy making. The rural economy can contribute to all the economic sectors, and is affected by all of the pressing challenges that feature in national and local growth strategies, yet its contribution is often handled separately and focused on farming or tourism. Land management industries are important – we depend on their provision of food, timber, water, energy and other goods – but the rural economy reaches far beyond this in terms of jobs, enterprises and output.

- Manufacturing, wholesale and retail, construction, education and health, public administration and professional and business services sectors flourish in the countryside with many leading global, European and national businesses operate from rural areas.
- Land management provides a wide range of ecosystems services, not only production of food and energy, but also provision of clean water, leisure facilities, carbon storage and flood management.
- Rural areas display high levels of entrepreneurship, with more businesses per head of population than in England’s towns and cities.
- Most city economies are well supported by commuters, businesses, consumer and environmental services from neighbouring rural areas.

1.4. Like any economy, our rural economy varies from others in terms of strengths, weaknesses etc. However, common threads for rural economies are prevalent in Lincolnshire for example: -

- Lincolnshire has a very strong natural environment, particularly for food production (25 per cent of the UK’s grade 1 soil).
- Traditionally lower-end productivity industries (compared to Financial and Service based industries)
- Strength in land management industries (food, water, energy) but this is not the sole definition of our rural economy
- Our urban economies well supported by rural areas both in terms of residence, education and services as well as strong links between our urban and rurally located businesses.

1.5. Recent advancement in technology, e.g. Superfast Broadband, enables businesses to exploit the potential offered by locating to rural areas. Lincolnshire has seen high levels of entrepreneurship, business start-ups;
typically smaller businesses and higher self-employment (53% of our VAT/PAYE registered firms are located in areas defined as Rural by the ONS). There is a strong eco-system of services, usually centred around our market towns, and a high potential to improve productivity.

1.6. However, there are some challenges with being in a rural economy. The infrastructure (both road and digital) can be a constraining factor to businesses growing where access is limited and/or restricted. The predominance of smaller businesses can limit job opportunities and the limitations of affordable housing in many areas is a barrier to attracting labour.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1. In Lincolnshire the Superfast Broadband Programme has successfully delivered over 163K fibre enabled premises with much of the work centred around rural communities.

2.2. In many of these communities, there were a disproportionate number of residents that either ran small businesses from home, or worked from home for an employer. In one example, a very rural community, Fulletby, there were 43 premises in total and of these at least 30 premises either had a small business or people working from home. All premises now enjoy Superfast broadband speeds and this has had a very positive effect on the businesses and general quality of life there.

2.3. In another example, we have provided a 50Mb/s Fixed Wireless link from the Cathedral in Lincoln to the Fantasy Island amusement park, 40Kms away in Ingoldmells. This link has replaced a very slow broadband link providing the park with better communications with their suppliers and maintenance providers significantly reducing downtime for park rides and thereby increasing in revenue.

2.4. Better connected rural communities are critical to the local economy and to the well-being of those that live there. There is a need to increase the speed of upgrades to remaining rural areas and Government strategy should consider how to rapidly deploy to these areas, in tandem with the existing Fibre To The Premises deployment in urban/suburban areas. Rural areas will benefit from rapid deployment of technologies such as Fixed Wireless to ensure communities do not fall further behind their urban counterparts.

2.5. The North Sea Observatory offers all year round facilities for families and those enjoying a winter walk along the beach. The building includes information and exhibitions on the local areas rich natural history, an art space, a café and public toilets, and serves as an impressive gateway to the Coastal Country Park.

2.6. The project was funded by Lincolnshire County Council, the Coastal Communities Fund, the Arts Council England and RDPE LEADER Coastal Action Zone to fulfil several specific needs: -

- Facilitate understanding and appreciation of the North Sea and the marine environment
Create an iconic focal point and visitor hub to engage visitors in socio-economic activities
Make available an ‘off season’ attraction extending the short summer tourist season
Provide access and educational opportunities for visitors and the local community

2.7. The Observatory is something unique as there are no purpose designed marine observatories anywhere else in the United Kingdom.

2.8. The Structures on the Edge (SOTE) project is a natural progression of the BathingBeauties® project. SOTE is continuing the theme of exploring and developing small scale art-led interventions and has provided a series of semi-remote coastal locations giving artists and architects opportunities that enhance our relationship with the natural environment of the UK coastline. A number of sites have been identified on the 10 mile stretch of coast between Chapel St. Leonards and Mablethorpe on the Lincolnshire coast.

2.9. There are other success stories in Lincolnshire including:

- Business Lincolnshire – a Growth Hub set up to help support Greater Lincolnshire based businesses to start and grow
- Go Skegness – a highways and transportation improvement project designed to support the East Coast economy and encourage growth
- Call Connect - a public bus service that operates in response to pre-booked requests. CallConnect will pick up and set down at designated locations.
- Join the Dots events, successfully bringing partners and groups from local communities together to network and share ideas
- Community Collaboration Project – working with partners and local community groups to develop and deliver local community run projects

How might rural successes be replicated and better promoted?

2.10. There is evidence to shows that programmes have a better chance of success when government make a high level commitment to rural areas. Incentivised structures of partnerships allows private companies to be involved, delivering community benefits as well as commercial ones.

2.11. The success of the North Sea Observatory was certain because we were clear about how tourism would change; we worked with government on a funding programme that facilitated change within communities.

2.12. We were pleased to see the recommendations of the recently released National Infrastructure Assessment (NIA) advocating the rollout of full-fibre, starting with the areas that are hardest to reach. We agree with this and would like to see Government support and adoption of these recommendations.

2.13. European Union funding allocations specifically for rural areas and sectors have supported a vast number of successful projects in Lincolnshire. The future of such funding is obviously uncertain but we believe that there is a need to consider these issues and how best to support the rural economy through the Shared Prosperity Fund and we look forward to being involved in the development of this in due course.
3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

*Ideas (Innovation)*

3.1. IR4.0, or the fourth industrial revolution, refers to the huge transformational effect we are currently going through due to the ever growing digitalisation of our economy. IR4.0 encompasses such technological advances as labour automation, artificial intelligence, additive manufacturing, augmented and virtual reality, and the use of big and open data, to name but a few.

3.2. We see far greater levels of innovation being not only an opportunity for rural sectors but a necessity for their future sustainability and survival. At present many rural industries are reliant on low-skilled, low-wage labour. Whilst reduced access to such labour, through migration or changes in the skill levels, will drive innovation, there is a clear need to make better use of technological advancement. We are beginning to see this technology in terms of soil technology, fertiliser which is targeted to specific parts of fields by GPS, tractors/equipment advances, and of course new crops.

3.3. However, part of the challenge is to overcome the perception that these developments will drive up unemployment but the reality is much more likely that those people “replaced” by machines will be trained for work higher up the value chain as we see the economy generate more and more higher skilled jobs.

3.4. Many businesses will need to be supported to embrace this change, given the scale of automation and associated cost. Fully automating a plant will require a substantial investment and take a long time. It would be difficult to retrofit a plant and keep producing at a pace that consumers/customers want at the same time; so there is a lag when it comes to automation and that will have an impact on productivity.

3.5. Government need to consider especially in terms of Brexi. Could R and D tax credits, for example, be extended to support investment in technology? Should BEIS be doing more to improve the amount of automation businesses operating in Britain?

3.6. The key for Lincolnshire, and its levels of productivity, is ensuring that it is near the front of the pack when it comes to realising these technological advancements, particularly within its traditional industries.

3.7. The UK Industrial Strategy notes that “Businesses that export account for 60 per cent of the UK’s annual productivity growth, deliver stronger employment growth and pay higher wages than those that don’t”. Whilst it appears that exporting is a key component of productivity levels, the understanding of levels and types of exporting at the local level has been quite limited due to the lack of official data. Our survey information suggests that only 13 per cent of Lincolnshire businesses export, a figure which was significantly below the UK average.

3.8. Rural areas are no longer just dormitories or farming areas. The quality of life offered by rural areas has become increasingly attractive and enabling people to live within rural areas by offering appropriate housing and good-quality infrastructure and services is an opportunity to grasp to ensure the vitality of our rural areas in the future. Without this, there will be a lack of
skilled labour outside of the cities which will stifle further growth of the rural economy.

**Business (Environment)**

3.9. Lincolnshire is under-represented in terms of businesses that have high growth intentions or wish to enter new markets. We estimate that in addition to the 36,400 VAT/PAYE register businesses there is somewhere in the region of a further 50,000 small businesses not picked up in official datasets.

3.10. Research into productivity has highlighted that Lincolnshire's nationally important sectors have significant room for raising productivity levels. We need to understand the different levers sectors have to enable this. Work is being undertaken to identify existing, or potential business clusters (through Location Quotient analysis). Through these business clusters we will improve the ability to share best practice, and encourage capacity building and leadership through specifically developed support. Further understanding of small businesses and their specific challenges and motivations is needed.

3.11. Whilst cities continue to offer a good proposition for younger people, particularly through their 20’s, the quality of life offered by rural areas has become increasingly attractive. Enabling people to live within rural areas by offering appropriate housing, good quality infrastructure and services is an opportunity to ensure the future vitality of rural. Without this, there will be a lack of skilled labour outside of the cities which will stifle further growth of the rural economy.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

4.1. Transport investment can make an area more attractive to investors and aid the retention or expansion of existing business which, in turn, increases the potential for investment and employment in an area. Transport links are often cited by businesses as key driver to location.

4.2. Whilst a key domestic investment makes a contribution to local growth, it will not make any contribution to national economic growth as it displaces activity from another part of the country. Attracting investment from an international/globally mobile source makes a contribution to national economic growth; referred to as ‘induced investment’ effects in WebTAG guidance. It can reduce travel costs, reduce unemployment and inactivity making job opportunities easier and cheaper to access, creating larger labour markets which results in better matching of firms and workers reducing job search times.

4.3. Transport infrastructure has been identified as a greater issue by businesses in East Lindsey than other parts of Lincolnshire, although this will also be influenced by the area’s greater peripherality compared to larger business locations in Lincoln and to the west of the County.

4.4. We have been exploring the potential improvements to transport corridors that provide access to the county’s coast; this overall concept is known as the ‘Lincolnshire Coastal Highway’ (LCH). The Coastal Highway concept has
been considered for a number of years, however, proposals to deliver improved transport corridors to the Lincolnshire coast have recently become a higher priority for the County Council.

4.5. The general focus for the LCH has been on the strategic routes between the larger inland conurbations and coastal towns including rural towns and villages along the routes. Looking to the future of transport there will be a number of major disruptors to consider, namely: decarbonisation, AI and "Mobility as a Service" (MaaS). All of these are gaining much attention nationally and internationally; however, there is a lack of consideration as to the impact on rural communities. If considered only as urban models there is a concern that rural counties, such as Lincolnshire, could be disadvantaged.

4.6. Lincolnshire County Council is undertaking policy work "Lincolnshire Connected" to address this issue. We are a national leader in the world of Demand Responsive Transit (DRT); our CallConnect service could be seen as a step towards MaaS. We would be happy to work with Government on a "rural pathfinder" approach.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1. As of November 2016 there were (nationally) 60,000 properties unserved through universal broadband in rural areas; where there is the greatest need and opportunity of micro business spread, the opportunity for agricultural diversification and a range of other business activities required following Brexit. The average broadband speed for rural areas in 2014 was 13 megabits per second; the average speed across England was 24 megabits per second.

5.2. Connecting communities is essential to provide equality of opportunity and access to increasingly digitised services. It provides the ability for products to be accessed and developed and for those places to reduce traffic flows and become more sustainable.

5.3. Visitors require quality broadband to enhance their experience and access work flexibly: especially with the trend to and opportunity of shorter breaks.

5.4. With the continued expansion of the digital era, we are seeing more and more facilities and services coming via the internet. The requirement to be able to access a good broadband speed at any time is becoming more and more critical as time goes on.

5.5. In terms of business growth, a lack of a workable broadband connection severely restricts the ability of business to connect with customers and suppliers. We are seeing what effectively amounts to the slow death of the High Street and this is being gradually taken over by the inversely proportional growth of internet shopping and trading. Modern businesses need to tap into this huge pool of opportunity and access to the digital environment is essential.

5.6. Access to good internet connectivity also drives innovation and collaboration and the inability to effectively engage online is highly restrictive to business and subsequent growth. More mundane issues such as the ability to access online banking and payment systems are also inhibitors to business growth.
5.7. Local authorities should be able to raise capital through alternative routes, including capital markets, in order to generate infrastructure investment (Symons and Leslie, 2009). The regeneration potential of investment in sea defences remains an opportunity. And creative thinking is needed to both develop and make best use of digital infrastructure in a way that will be different to the approach taken in cities.

5.8. Whilst Fibre To The Premises (FTTP) is very clearly the optimum solution, it must be recognised that current Government aspirations of 100% FTTP coverage by 2033 is both a long way off and more importantly, highly unlikely to come to fruition in very remote areas. In order to overcome the widening Urban-Rural gap, Government need to urgently consider how best to carry on the urban/sub-urban deployment of FTTP and continue to incentivise Private investment into that area, whilst at the same time, identify and fund the rapid improvement of rural connectivity. Whilst FTTP is the obvious answer to everyone's connectivity and should be the ultimate goal, there is an urgent need to rapidly improve the rural position.

5.9. It is suggested that Fixed Wireless will provide a very flexible and timely solution to these areas and then with the growth of 5G, a more robust and future proof solution can be provided.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1. Rural services provide a focus for people to meet. Social contact has enormous health and wellbeing benefits. Planning gain extends to new school places and transport infrastructure but not the range of services needed to support a sustainable community. Devolution of part of the Community Infrastructure Levy (CIL) goes a little way toward ensuring that community priorities (where there are neighbourhood plans) can be funded and these plans need to be seen as more than just housing allocation documents.

6.2. The retreat of banks from larger rural settlements provides a necessity for regional mutual models to enable a presence that can be supportive of local business and have an interest in ensuring the growth of business.

6.3. It is recognised that Health and Social Care in rural areas is more costly to provide than in urban areas. Services can be supported by the deployment of smart technology; however that is dependent on having a full and comprehensive broadband coverage.

6.4. Young people from rural areas often experience difficulties getting to Further Education colleges or sixth forms. For some this means undertaking long or complex journeys to get there and back, whilst for others it means compromising on the course topics they take. This dampens young people’s aspirations and curtails their opportunities. One rural barrier would be removed if those travelling to post-16 education or training were entitled to subsidised bus fares. Indeed, it is hard to understand the rationale for the current situation, where those up to age 16 can travel free while those aged 17 or 18 cannot.

6.5. Funding formulas for the provision of key services in rural (including coastal) communities reflect an historic regime of underfunding alongside a lack of understanding of the additional pressures of delivering services in
rural / peripheral communities. Current funds are predicated on previous formulas and therefore even modest increases do not close the actual gap which exists

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1. There have been good examples across the country of services and amenities co-locating and the community contributing to or taking over the running of amenities in order to ensure their sustainability. This can of course only be a good thing and is to be encouraged; however it often requires a significant amount of time and assistance to enable this to happen – in relation to various issues to include fundraising, acquisition and management of assets, or help in supporting volunteers and developing community capacity to deliver the services in question. Successful examples of this in Lincolnshire are the Community Hubs now located in some of our Libraries and the co-location of Libraries into Co-op Chemists.

7.2. In circumstances where this is not a suitable option this is clearly more of a difficult problem to solve. Ultimately we believe that there is a need to ensure that amenities are well used. The size of areas is likely to be an important consideration in this regard and some areas may need to consider supporting the development of further housing and businesses in order to create the critical mass that will be needed to make services and amenities viable. This could be done through the neighbourhood planning and local plan process.

7.3. LEADER RDPE has been successful in Lincolnshire, through our Local Action Groups, supporting a number projects that satisfied one of the six LEADER priorities; support micro and small businesses and farm diversification; boost rural tourism; increase farm productivity; increase forestry productivity; provide rural services; provide cultural and heritage activities. Business support services were made available to help groups with the application.

7.4. The current scheme is now closed but this needs to feed into the new Shared Prosperity Fund discussions post Brexit with continued capacity building support develop skills and confidence of local groups to on business planning, governance, fund raising, sharing experience and knowledge between localities.

7.5. Planning flexibilities and appropriate and timely guidance is important if such schemes are to successfully deliver sustainable results. Encouraging skilled community volunteers and offering training helps with sustaining the rural communities, facilities and amenities.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1. There are 547,000 registered businesses based in rural areas (and probably as many micro-businesses again which are unregistered). They are 24% of all the registered businesses in England, so form a significant part of the local, regional national economy.
8.2. Those registered businesses have an estimated annual turnover of £434 billion and represent an incredible range of business activity – land-based industries (including farming) are important but 85% of rural businesses are from other sectors.

8.3. Much business activity in rural areas goes unseen by policymakers and support providers due to scale. Almost 18% of rural businesses have no employees, being sole traders or partnerships (more than double the equivalent urban figure). Some 84% of employees in rural areas work in SMEs and 22% of all rural jobs are home-based (compared with 13% in urban areas).

8.4. Registered rural businesses, however, employ 3,500,000 people nationally and account for a quarter of all registered businesses in the country. They should not be ignored.

8.5. Local independent (and often isolated) retailers, often reluctant to invest in their own skills-base and their business development potential, would benefit from targeted locally owned, supporting programmes; programmes specifically to tackle challenges such as Digital Reluctance, low ambition and capability whilst also taking into account seasonal start-stop coastal economies that make programme like Apprenticeships, Business Start Up more challenging.

8.6. We have already mentioned requirements around housing (social housing / affordable) for start-up families near employment and support for businesses (infrastructure, networking opportunities, guidance and support around planning and growth). In Lincolnshire we have set up, through the Greater Lincolnshire Local Enterprise Partnership, Business Lincolnshire to help support businesses in the area to start and grow. Business Lincolnshire hosts a growth hub; a single place to go to for business experts and mentors, support and guidance and grants and finance.

8.7. There is, however, an urgent need for government to set out how it will approach and support rural economies and rural communities in the future. Whilst the government’s ‘Health and Harmony’ consultation document begins to address such issues in relation to food and the environment, this represents a small subset of the entirety of the rural economy and the issues facing rural communities. Any suggestion that such wider issues will be addressed via ‘mainstreaming’ through other strategic documents, such as the Industrial Strategy, fail to recognise the bespoke attention required to meet the needs and build on the opportunities available in rural areas.

8.8. Proper consideration must be given to all critical issues facing rural communities and rural businesses. Government should produce a comprehensive, cross government and cross organisation strategy for rural areas. This way rural businesses and communities will be seen to be given due consideration and ensure that wider strategic policy, such as that set out in the Industrial Strategy (and ensuing Local Industrial Strategies) properly reflect the issues and identify specific measures to build on the wide rural opportunities. A Rural Strategy is urgently required and warrants a separate consultation exercise.

9. How can deprivation and inequality in rural areas be tackled?
9.1. In Lincolnshire, a total of 97,000 people, or 13.5 per cent of the population live in areas defined by the 2015 Indices of Multiple Deprivation (IMD) as being in the top 20 per cent most deprived nationally. Whilst this is a below average figure in total, it does mask the wider picture within Lincolnshire. The principal urban area in Lincolnshire, Lincoln has 32 per cent of its population living in the most deprived areas nationally; which is expected for urban areas. However in East Lindsey, a large rural and, importantly, coastal district around 29 per cent of the population live in the 20 per cent most deprived areas nationally.

9.2. The deprivation in Lincolnshire's rural coastal areas vary from other parts of the area in that they are generally less deprived in terms of access to services but more deprived in terms of income, employment and education; trends which are usually associated with more urban areas.

9.3. Indices of Multiple Deprivation (IMD) indices vary in particular places: where (for example) housing provision could be poor but education and skills attainment good. Focusing locally on mismatch and implications is really important; and supporting local people with the tools to do so. Rebalancing the economy is not just an urban issue or need which is why we feel a greater focus should be given to deprivation (wherever it occurs) and inclusion in the delivery of the UK Shared Prosperity Fund (UKSPF).

9.4. It is imperative that future activity builds on the success of EU funding. There is also further challenge in ensuring that growth addresses the need for inclusivity amongst rural communities where issues of distance deprivation or isolation impacts on economic opportunity. For example looking at ways that locally produced food and the countryside can contribute to health and wellbeing and through development and connectivity that enables access to the countryside.

9.5. Economic growth needs to be socially inclusive and mindful of the natural capital that creates the environment for business to want to be based in or operate from Lincolnshire. In future “Inclusive Growth” needs to achieve a number of things to enable economic growth:

- Appropriate homes in the right places to stimulate the economy and associated employment space, enabled with smart technology and energy saving and generation features.
- Infrastructure enabling mobility of labour throughout our rural areas to facilitate skills growth and open access opportunities unhampered by a lack of housing choice, connectivity, transport issues or appropriate workspace availability. Niche skills can have a supply and access implication.
- Support quality of life for wellbeing and the economy
- Help enterprises maximise their potential through a supportive regulatory approach and appropriate fiscal devolution approaches being pursued.

9.6. Although EU support has boosted infrastructure for productivity in Lincolnshire this has not had a significant impact on deprivation. Deprivation can also impact on inclusion; access to the labour market and progression: the ability to access the labour market when the opportunities are not geographically close and issues of mental health. This is why outcome and impact under the new Shared Prosperity Fund is so important.
9.7. While EU and matched funding has significantly contributed to the competitiveness of rural regions it has not been able to ensure opportunity and prosperity for business, communities and individuals. With the withdrawal of EU funding and the need to maximise value for money, any future domestic funding programme will need to support local communities to engage in initiatives and programmes that can deliver inclusive and sustainable growth.

9.8. Regional allocation would need to be appropriate to the needs of the community, spatial challenges and business opportunities across LEP region and boundaries with locally driven solutions.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1. Young people need a compelling reason to stay in a rural area or return to one. We need to create areas where young people can and want to live; where they will be prosperous and achieve their aspirations. Key drivers are skills, housing, infrastructure, connectivity and environment. We need to provide good quality employment opportunities matching businesses with skilled people.

10.2. Skills are central to this and there a number of challenges to overcome:
- a transient workforce resulting in primary schools in some areas experience up to 30-40 per cent turnover of pupils within a school year
- access to higher education is limited – both in terms of the presence of a higher education institution in some coastal areas but also the ability of local residents to commute in order to access higher education. Universities report that they see this barrier during outreach activities. It can be difficult to build up relationships with schools in these areas due to the number of issues they are already tackling and at the same time it can be difficult to persuade potential applicants from remote coastal communities to travel to open days and in order to see what the university experience could be like.
- a lack of employment opportunities and investment in skills development
- a mismatch between the demand and supply in education and training provision
- many jobseeker allowance claimants have predominantly low-skill manual experience and no formal qualifications
- in-work professional development needs to adapt to peak and low season patterns of employment

10.3. To stay competitive we need to ensure that businesses are able to access the skills they need. Employees that will need to be ever more adaptable as the pace of global change accelerates.

10.4. Skills providers and educational institutions will need to work in close partnership with employers and key sectors to jointly identify how best to deliver against future skills needs. This is true across the UK and is a central focus of the Government Industrial Strategy. Given the acute issues of low skill levels in coastal communities this should be a central concern.
11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1. The demand for social care is of primary concern to the County Council. Whilst we are taking steps to prioritise how we meet demand in now and in the future, this approach can only go so far and sufficient social care funding, accommodating for rural sparsity of provision, is something we will want to see within the final funding settlements.

11.2. This is one of the drivers in our Fairer Funding Campaign. If councils here received the average funding for council areas in England, the region would benefit from over £100million extra funding for services, every year.

11.3. Increased funding pressures will only make the delivery of services more challenging, reducing the time social workers can spend with residents (especially when factoring in the sometimes long distances travelled between client visits across rural areas) and creating greater issues of social isolation.

11.4. There is a clear need for local authorities to have adequate funding to be able to meet the increasing demand for these services.

11.5. Over the past ten years Lincolnshire’s population increased by 8.8%, which is higher than both the East Midlands (8%) and England (8.3%). In the same period, in 2015, the number of people aged 65+ has increased by 3% to 22% (compared to a 2% increase nationally to 18%). This information highlights the fact that Lincolnshire has a growing older population.

11.6. In Lincolnshire, in 2016, we had an estimated 84,000 unpaid family carers almost half aged 65 or over.

11.7. The range and availability of suitable housing stock in the County for older people is known to be an issue. Older housing stock may be of inappropriate design (e.g. entrance steps, narrow staircases) requiring more significant and costly work to be undertaken, and fuel poverty can be more prevalent particularly in rural areas where the energy performance of older stock housing is poor and also where mains gas is unavailable.

11.8. Furthermore, specialist housing with care provision is in short supply. It is estimated that there needs to be an additional 600 ‘units’ to bring levels of extra care housing up to a level found in similar council areas.

11.9. Rural social networks are breaking down through austerity and market decisions over the future of, for example, Post Offices, Public Houses and Banks with a consequent increase in social isolation and loneliness, especially among older people. Social isolation influences health outcomes in its own right.

11.10. Use of technology and digital connectivity in a well-designed system can support health and social care - Keeping people connected to their communities and providing consistent access to public services can reduce the human and monetary costs of escalating need.

11.11. The reduction in bus services as a result of funding cuts has had a significant impact on the ability of older residents to engage in social or economic activities. Innovative community transport schemes can help
address these challenges, providing opportunities for older people both to volunteer and to participate economically.

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

**Affordability**

12.1. Affordability is a function of house prices and available income. It reflects both the price of housing, and the amount of money people have available to pay for it. There are only two ways to address the lack of affordability of rural housing: either as a result of economic development measures which will improve productivity and raise incomes in rural areas in the medium to long term (i.e. increase the amount of money available to people to pay for housing); or by increasing the supply of social housing to buy or rent at an affordable price. The normal rules of supply and demand do not apply: simply increasing overall supply to the market generally will do little to lower prices since the backlog of unmet demand is so great.

**Other Challenges**

12.2. There is a need for housing in Lincolnshire to support economic growth, but in some of Lincolnshire's rural areas we face the particular challenge of flood risk in areas of low land values. Development in areas affected by flood risk must incorporate the necessary flood defences, such as raising the build platform. This increases the cost of developing, lowering residual values and rendering schemes which have low land values and low sale prices unviable.

12.3. The higher build costs to provide for flood mitigation are no greater on the Lincolnshire coast than in high flood risk affected coastal towns and cities or locations affected by fluvial flooding, but such costs are more easily met in stronger housing markets. It is the combination of low land values, low sales values and higher costs in Coastal Lincolnshire has meant that intervention has been required to deliver affordable housing schemes which would otherwise have been unviable.

**Celebrating Success**

12.4. Greater Lincolnshire LEP developed an Unlocking Rural Housing Programme in 2014 to address these issues. Working closely with Registered Social Landlords, Local Authority partners and the Homes and Communities Agency (now Homes England) we developed a programme which was aligned with and did not duplicate other housing funding which was available but insufficient to make the affected schemes viable. £4.1m Growth Deal Funding was secured to meet the costs of flood mediation and used to unlock the delivery of 419 affordable homes across 9 sites in Boston Borough Council and East Lindsey District Council which would not otherwise have been delivered. Most of the homes are now complete.

12.5. Summary: Unlocking Rural Housing Programme

| Amount of Growth Deal | £4.1m |
12.6. The delivery of rural housing works well where registered social landlords combine delivery with community development and are involved in pre planning delivery. The provision of affordable housing (particularly on a smaller scale in rural communities) is dependent on market intervention in many cases which increases the overall volume of housing without addressing the need for a volume in ‘affordability’.

12.7. Extending rent to buy schemes can help tenants move into the market sector and ensuring that national planning policy can enable provision linked to jobs and transport so that people can access the income they need to sustain home ownership or rent (including the encouragement of mixed schemes such as with workspace and live/work)

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1. There have been a number of changes recently in planning policy frameworks which have split opinions. More recently, the revised National Planning Policy Framework introduced a new policy relating to entry-level exception sites. These are sites that would not normally be suitable for housing but are considered acceptable if they deliver entry-level homes suitable for first time buyers. Concerns have been raised that these would undermine the delivery of rural exception sites, which similarly are sites that would not normally considered suitable for housing, but are acceptable where they deliver homes in rural areas that are affordable to those on local incomes.

13.2. There is some concern expressed that landowners will hold on to sites for the purpose of delivering entry-level sites on the basis that these will be more profitable than rural exception sites with the consequence that this will undermine the supply of genuinely affordable housing in rural areas and have a negative impact on the rural economy.

13.3. Some of the recent changes to planning policy such as the Statement of Common Ground are a step forward. However, as ever with such policy documents the success of such changes will be dependent on how the reforms are enacted and used. Furthermore, planning policy does impose a duty to cooperate on developers and utility companies who are often cited as a blockage to housing developments.

13.4. In terms of the specific changes related to rural areas, the support for appropriate housing and employment developments in rural areas is positive and should allow areas to best decide how rural areas can grow and thrive, if appropriate, thereby supporting local services. Green Belt is an issue that needs to be considered in many rural areas and can act as a constraint to growth. The support of rural development and the strengthening of Green Belt policies are juxtaposed in many areas, and how these policies interact needs to be considered.
13.5. Rural communities also suffer from lower availability of affordable homes – for example, only 8% of households in villages live in social housing compared to 19% in urban settlements (2011 Census). Right to Buy policy has further reduced the stock of affordable rented properties in rural communities – between 2012 and 2015, for example, Right to Buy sales quadrupled to reach 1% of the stock each year.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1. There is much evidence to suggest that Government do not pay sufficient attention to the rural economy and that policy is being almost exclusively handled by DEFRA.

14.2. The independent bodies created by the Natural Environment and Rural Communities Act 2006, such as the Commission for Rural Communities and the Rural Advocate, have been abolished and their loss has significantly weakened the Government’s understanding of rural society. This leads to policy changes that fail to take account of impact for on people in rural communities, especially those areas which are outside the influence of City Regions, A report commissioned by DEFRA on this very subject found that:

- Average workplace earnings were 8% higher in rural areas within a City Region than in those rural areas outside a city region
- The earnings of residents in rural areas within city regions were 18% higher than those outside
- Rural areas within two or more city regions were better off than those in one
- 75% of districts identified as being rural by DEFRA are within the influence of a City Region.

14.3. Lord Cameron of Dillington, Chairman of the Lords Committee that reviewed the NERC Act recently commented that “It is clear that the Government are failing to take proper account of the needs of rural communities. Departmental decisions and policies continue to demonstrate a lack of rural understanding among Whitehall policymakers. Each and every Government department should be required to think about the ways in which their policies affect rural people, and the Government must take action to ensure that this ‘rural-proofing’ of policy happens”.

14.4. At a recent meeting with the National Infrastructure Committee they confirmed that they had never been informed that their policies need to take rural proofing into account. This illustrates to us that there has been a consistent failure, over a number of years to prioritise the ‘rural affairs’ element of the departmental remit of DEFRA. The focus of the department has been consumed by its work on agriculture and the environment and this will only intensify as a result of Brexit. The lives of those who live in the rural areas have been neglected as a result.

14.5. Compounding the effects of coastal / rural deprivation is the local authority funding formula that does not cover the costs generated by transient
populations, looked-after children, mental health issues, homelessness, housing benefit dependence and worklessness. Overstretched service budgets can undermine efforts and the resources available for community engagement, developing attractions, stimulating business growth and engaging in the costly uncertainty of inward investment promotion.

14.6. The remoteness of the coastal towns and their distance from main centres of population and business has resulted in a lack of private sector investment in basic employment infrastructure (CCA, 2010). The New Economics Foundation recently suggested that Government should encourage a more diverse network of local and regional banks to channel investment into sound local businesses (NEF, 2017).

14.7. Often rural policies and programmes appear to be reactive Whitehall departments policies– add-ons have been created, or existing Government initiatives have been rebadged as rural without any real additionality. DEFRA must be actively engaged in collaborating with other Whitehall departments on policy development from the outset. DEFRA need to have an overview of wider policy implications upon rural areas, but with ‘rural’ policy frequently being mainstreamed across government, without the need for it necessarily being lead from within DEFRA itself. There is a need for counties and rural areas to be considered to a much greater extent by all Whitehall departments.

14.8. We acknowledges the importance of having a department where rural policy is a focus, we would welcome wider collaboration between certain Government departments such as MHCLG and DfT on wider rural issues such as housing and transport which are central to the success of the rural economy.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1. **Responsive Business Support Provision:** Previously, our publically funded business support offers have been limited by restrictions to provide 12 hours of support to a business, which has predominately been focused at one business improvement area. However, we should be more responsive, rural businesses have a range of growth requirements and any new business support programmes need to be flexible so that the business support offers can be responsive to business needs and provide a comprehensive package of support e.g. strategic business planning, access to new markets, product development, innovation opportunities, supply chain mapping, recruitment and selection, managing your media profile, staff development & training etc. This will need to be connected with business property options e.g. serviced Industrial sites, management workspaces, freehold opportunities to ensure that there are no barriers to growth.

15.2. **Digitisation for All:** Lincolnshire retailers have suffered because retail businesses have been exempt from accessing ERDF support. The local high street businesses need extensive support to digitalise their offers. Independent retailers need the support that large multinationals have e.g. online presence, social media campaigns, accounts software, stock control, POS and Industry 4.0 principles to ensure they can be responsive, survive
and thrive. Linked to this large scale digital Industry Hubs need to be created on high streets and within rural communities which can house technology businesses, and also offer digital support provision for non-digital businesses, support peer to peer collaborations and inspire innovation. This could be linked to engaging with young people in terms of using the premises for coding workshops, hackathons, lego build projects at the weekends. The young people will then get an awareness of the types of businesses that operate within their rural vicinity and it may lead to them gaining work locally.

15.3. **Agri Business Support**: Previous rural business support schemes have focused on grants for feasibility studies, diversification and capital grants. However we need to support our agricultural businesses to become more business focused with universal strategic business plan and business support to help them address their challenges e.g. reducing labour market, support automation pilots, supply chain development, field trials, aligned diversification, succession planning, access to school leavers, university students, research and development and digitisation. Future business support projects need the flexibility to build all this support into a tailored offer for each rural business.

15.4. **Primary Skills Development**: We need to influence the primary school educators to focus on local rural industry opportunities and careers and get our indigenous businesses to help to shape their future workforce in terms of requirements, opportunities, placements, skills training and sponsorship. Local rural industry ambassadors need to be identified, via the Business Lincolnshire Growth Hub and assigned to their local schools. Enterprise skills need to be honed by school children at an early age. If we can capture their imagination and focus on innovation, technology and problem solving we will help our future workforce to be aware and access local employment or become self-employed.

15.5. **Inward Investment**: Lincolnshire is keen to attract new businesses, particularly aligned to our priority sector supply chains, we need to offer a robust package of soft landing opportunities through funded managed workspaces (many of which are rural) which will come with a package of support e.g. reduced rental periods, supply chain introductions, after care support, facilitated introductions to membership bodies (e.g. FSB, Chamber, IoD), innovation grants, R&D support, University connections etc.

15.6. **Connected Rural Villages**: We need to take the learning that has been made through the smart city roll out and apply that to a rural setting. Lincolnshire is a rural area with a growing population. 95% of our businesses have under 5 employees and are predominately run from home. In order to retain our rural charm we need villages to thrive and become the hub of the community. We need to find new ways to manage complexity, increase efficiency, reduce expenses, and improve quality of life. We will need to get smarter and the use of digital solutions will enable this. Smart cities have revolutionised areas but we need to focus on Connected Rural Villages, whereby we will provide live status updates on traffic patterns, rural business profiles, employment opportunities, health care services, pollution, parking spaces, water, power and light. Emerging technologies are poised to reshape our urban environments. Using ultra-low power sensors, wireless networks, and web and mobile-based applications,
Smart Cities are becoming a reality and rural locations have an opportunity to capitalise on some of this activity.

15.7. We must ensure we can access the smart city solutions including, for example:
- Energy efficiency – such as: smart metering, smart monitoring of energy created through wind / solar
- Care – such as: tele-health, loneliness monitoring;
- Transport – such as: information points about buses, car sharing, traffic
- Wifi in villages; shared wifi in care homes or sheltered accommodation
- Interactive Village websites (like Cambridgeshire – shapeyourplace) – standard platform that can talk to other village websites, and places for people load information (village journalists, activities and events, local takeaway menus, community funding for local causes, share your stuff). Young people to share their skills, employment opportunities. Sensors on bins, waterways, roads, lights, and anything else that can be measured to provide useful information.
- Link up young people to a local rural business person, who can act as a mentor – dual benefit of sharing knowledge, skills and act as a sounding board. This could lead to skills development, employment opportunities etc.

15.8. **Forging local supply chains:** We need to directly stimulate the Lincolnshire Economy by developing and supporting indigenous businesses to procure and trade locally, to strengthen their own supply chain, locally, regionally and nationally. This will improve business performance by helping them to develop their knowledge and skills in tendering, procurement and local supply chains, as well as creating the environment for businesses to trade transactions.

15.9. Businesses need to be supported to develop cost effective procurement practices, as well as putting mechanisms in place so that they are ready to win contracts with large private sector businesses within Lincolnshire’s key sectors, as well with the County’s local authorities.

15.10. Support should include:
- Workshops on responding to both private and public sector procurement needs, including policies, systems and processes that will need to be in place to `pre-qualify’
- One to one support to improve SME procurement practices, develop policies and processes
- Development of a `Lincolnshire’ purchasing portal, which will act as an opportunity board, as well as a place for suppliers to register their business.
- Development of procurement clusters.
- Development of supply chain clusters, through supply chain mapping analysis
- Highlighting tendering opportunities within Lincolnshire’s key sectors

15.11. Partnership arrangements are key to the economic future of rural areas. Lincolnshire County Council has a good relationship with its strategic partners including the district councils and the Greater Lincolnshire LEP. Lincolnshire County Council provides invaluable fiscal support as well as vital officer support to the LEP. We have a positive collaborative arrangement with the LEP and believe this delivers improved economic outcomes for our communities across our county.
15.12. The Greater Lincolnshire LEP works very well. The LEP has an overlapping area with the Humber LEP but this does not create difficulties the two LEPs work well together and have a good relationship. The LEP review is proposing to remove overlapping boundaries but rather than tackling those LEP areas were governance, performance and relationships are not so good it is taking the usual "sledgehammer to crack a nut" approach; if it is working why try to fix it?

15.13. Lincolnshire County Council does provide invaluable fiscal support and vital officer support to the LEP. The accountability works well and changing it by making the council more distant for the LEP will increase the administration costs diverting funds that could be invested in the economic growth of the area.

15.14. Going further, the devolution agenda has stalled. A number of devolution deals were announced; some have been created, some stalled, others failed. The Government's mayoral model; another "one size fits all" was not appropriate in some areas. Local authorities have democratically elected members representing their areas. Introducing another tier of local government, and the associated costs, is not universally popular, particularly in rural counties.

15.15. The Government has committed to publishing a Devolution Framework and continues to encourage areas to submit proposals. The framework has been delayed several times with timescales continuing to slip. With our exit from the EU fast approaching without an agreed deal there is ever increasing focus on securing economic growth. Local authorities are best placed to deliver this with devolved powers and funding, however, it is difficult to "play the [devolution] game" when one doesn't know the rules.

16. Policy asks and next steps

Rural Industrial Strategy Toolkit

16.1. Rural areas could look to develop some guidance in relation to rural issues that can be used in each locality to inform the development of local industrial strategies. Key elements to consider include:

- **Innovation**: How can we support businesses in rural areas to be more innovative? Are there clusters based in rural settings that would benefit from engagement with universities and other research bodies?
- **People**: How might emerging policy to develop technical education address rural skill shortages? Is there scope to pilot the delivery of high quality training courses based around seasonal term times?
- **Business**: Whether there are opportunities for Sector Deals in key rural industries such as agriculture and visitor economy. What support can Government provide to help rural towns attract and retain inward investment? What positive support should be put in place to enable business to adapt to ongoing rural / climate change, as opposed to one-off severe weather events?
- **Infrastructure**: Are there innovative solutions for addressing the peripherality of rural areas (both physical and virtual)?

What works in Rural Areas?
16.2. To date policy interventions have largely focussed on the North-South divide (Northern Powerhouse) and often the main focus has been on big cities outside of London. There is growing recognition about the need to develop new solutions for other areas and this provides a new opportunity for rural areas but is important to recognise the emphasis on developing ground up development of solutions – not waiting for something from National Government.

16.3. This places ever more importance on the need to know what works. The issue of a lack of evidence about what interventions have long-term impact. It is recommended that a meta-analysis should be undertaken to look across national rural examples of best practice work and draw together conclusions about what works.

**Future Funding Opportunities**

16.4. New positions need to be developed across a number of funding streams. A key consideration includes the UK Shared Prosperity Fund: How can Government influence the future post European funding, with the recognition that not all rural areas fit funding models?

16.5. For example, ERDF funding didn’t support tourism or retail, both of which can be fundamental in the economy of a rural town, flexibility needs to be in built into national funding programs.

**Partnership working**

16.6. Cross party working on rural issues and rural proofing of future policy and legislation

10 September 2018
Local Government Association – Written evidence (REC0103)

1. **About the Local Government Association**

1.1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government. We are a politically-led, cross-party organisation, which works on behalf of councils to ensure local government has a strong, credible voice with national government.

1.2. We aim to influence and set the political agenda on issues that matter most to councils so they are able to deliver local solutions to national problems. The LGA covers every part of England and Wales, supporting local government as the most efficient and accountable part of the public sector.

2. **Introduction**

2.1. Councils are at the heart of their communities and play a central role ensuring rural areas are healthy, prosperous and sustainable places to live and work. We welcome the opportunity to submit evidence to the House of Lords Rural Economy Committee call for evidence on a topic that is of great importance to our members.

2.2. The LGA’s People and Places Board formally represents non-metropolitan\(^\text{252}\) authorities in LGA membership. Its remit covers inclusive growth, skills and employment support, devolution, the implications of Britain’s departure from the EU, digital connectivity, and public service reform. In February 2018 it launched the Post-Brexit England Commission (PBEC) to consider in detail the challenges and opportunities faced by non-metropolitan England and to outline to Government local government's offer to help build thriving, connected and healthy communities.

2.3. In July 2018, the PBEC published its interim report which addresses many of the areas the Committee has ambitions to explore. ‘The Future of Non-Metropolitan England: moving the conversation on’ outlines the social and demographic challenges facing rural and coastal communities and details seven key areas in which, with greater powers and flexibilities, local government can begin to address local issues to support the future success of non-metropolitan England. These are:

- The housing market
- The skills system
- Mobile and broadband connectivity
- Health and wellbeing
- Transport provision
- Trade and investment

\(^{252}\) Defined as those local authorities outside the six metropolitan counties and London (284 councils including counties and districts in two tier areas)
2.4. Across each of the seven areas we have highlighted the once in a lifetime opportunity to chart a new course that draws on the trusted public leadership of councils to achieve better outcomes for communities. The report outlines a firm offer from local government to central government: give local leaders the powers and funding to deliver for their communities and we will significantly improve the viability, productivity and opportunity of non-metropolitan England.253

**GENERAL ISSUES**

3. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

3.1. The UK economy is comprised of a diverse collection of local economies each with their own unique attributes and strengths. Aggregated together, the economies of those areas outside our cities that comprise non-metropolitan England form the economic backbone of the country; contributing 56 per cent of England’s Gross Value Added (GVA) and, between 2010 and 2015, increasing its GVA per head by 13 per cent. This is more than the growth rate of metropolitan areas outside London, and double the growth of the capital.254

3.2. Recent research by the County Councils’ Network found that a higher concentration of both employment and GVA in manufacturing, construction, agriculture and wholesale and retail sectors, was present in English county economies than those across England as a whole. By contrast, the finance and insurance, administration and support, information and communications and professional services sectors are underrepresented in the areas CCN analysed.255

3.3. The strength of these local economies is highly dependent on the infrastructure and services available within local areas. Over recent years, rural and coastal communities have seen a reduction in availability of affordable family housing (to rent and buy) and a decrease in transport provision. They have seen an over centralised skills system fail to help change residents' prospects for the better. Rural areas have been left behind by the sluggish expansion of digital connectivity both broadband and mobile phone signal. Furthermore, the Social Mobility Commission has recently called many isolated rural and coastal towns across England 'social mobility coldspots’ where young people increasingly face a lack of access to further education and employment opportunities.256 In these areas communities also face low wage with many relying on top up benefits.

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253 The future of non-metropolitan England: Moving the conversation on, interim report of the Post-Brexit England Commission, June 2018
We are happy to provide the committee with hard copies of the report.
254 LGA Analysis, ONS Data
255 County Councils’ Network – Understanding County Economies
256 Social Mobility Commission – State of the Nation 2017
4. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Exports and foreign direct investment

4.1. Outside England’s major city regions, local areas contribute a significant amount to England’s exports, accounting for more than 40 percent of trade in 2015.\(^{257}\) And there is further scope for improvement with England’s rural businesses significantly more likely to have goods or services suitable for exporting, than businesses operating from England’s towns and cities.

4.2. Recent LGA research has shown that the current trade and investment support framework is in need of reform. The institutional landscape is complex, with overlapping organisations at local, regional and national levels, and over 80 national programmes seeking to promote trade and investment. On the internet, the Department of Trade’s International Trade and Investment division (ITI formerly UKTI) operates 15 different websites offering multiple services. This leaves national, regional and local agencies struggling to present a clear local offer to businesses and investors.

4.3. The way the Government measures the performance of its trade and investment support must also be better designed to take account of the broader value as well as the volume of increased exports. We have heard from local agencies and businesses who feel hamstrung by national support services which focus on first time exporters, over building an increasing stock of firms already exporting. With better support, these firms have the potential to expand international sales exponentially. Businesses also feel the current framework is too geared towards sales and revenue targets rather than their individual needs.\(^{258}\)

4.4. To fully realise the benefits of the export and investment opportunities created through future trade deals, there must be a sub-national trade and investment policy framework that works for all places, including rural areas. Local businesses could be better supported to expand into new international markets, and more can be done to encourage foreign companies to invest in our localities.

4.5. Devolution deals have recognised the need for more effective joint working between regional ITI teams and local areas. Within these deals the Department of Trade is working with mayoral combined authorities to produce Joint Export Plans which will reflect local priorities. Unfortunately, non-metropolitan areas without a devolution deal find themselves working within a policy framework which is failing to deliver the most for areas and which businesses themselves believe is of variable quality.\(^{259}\) However, many, such as Cornwall Council are still carrying out innovative work to

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\(^{258}\) FSB - Enabling small businesses in the drive for more UK exports

\(^{259}\) FSB - Enabling small businesses in the drive for more UK exports
support businesses to grow and export.\textsuperscript{260}

4.6. To support rural businesses the Government must commit to working with councils to strengthen sub-national trade and investment infrastructure to take better account of the needs of non-metropolitan economies. With greater ability to provide a locally coherent offer of trade and investment support, councils will ensure support is better tailored to the needs of the micro, small and medium enterprises (SMEs) that dominate the non-metropolitan economy.

Automation

4.7. The future automation of manual jobs will also present a major challenge for non-metropolitan areas.\textsuperscript{261} Analysis by the County Councils Network shows that county councils and county unitary authorities face job losses of 144,000 in the manufacturing sector between 2017 and 2027, due largely to automation.\textsuperscript{262} However, automation and its effects will vary across different places. Areas such as County Durham, where more than one in ten local jobs are in manufacturing, are more likely to face unemployment as a consequence than Surrey, which has less than half this number.\textsuperscript{263}

GOVERNMENT POLICY, DEVOLUTION AND LOCAL GOVERNMENT

5. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

5.1. Local leaders are cognisant of the critical role public services can play in supporting the economies of rural communities. Indeed, many councils have rural specific strategies working in partnership across private, public and voluntary sectors to promote and assist inclusive economic and business growth in rural areas.\textsuperscript{264}

5.2. The introduction of policies such as the UK Shared Prosperity Fund (UK SPF), Local Industrial Strategies and the devolution framework also present key opportunities for the Government to back local partnerships through devolution of funding and powers.

Working with Local Enterprise Partnerships (LEPs)

5.3. The Government’s proposal to push for two thirds of LEP board members to be from the private sector risks diluting the voice of local people and undermining the role of local authorities in developing their local economies.

\textsuperscript{260} Cornwall Council’s development of Hayle Harbour will deliver high quality development that will establish it as a hub for the emerging marine renewables sector, which represents a key strand in supporting the aspiration to deliver more, better quality employment opportunities for the town. https://www.cornwall.gov.uk/media/21956015/dpd-whole-document-v2.pdf

\textsuperscript{261} Localis - In place of work

\textsuperscript{262} Oxford Economics and County Councils’ Network - Understanding County Economies

\textsuperscript{263} Localis - In place of work

\textsuperscript{264} Norfolk County Council’s Rural Strategy, East Riding of Yorkshire Rural Strategy
More encouragingly, the decision to put place centre stage in the Industrial Strategy is a significant endorsement of the strength of local partnerships to deliver for the national economy as the country prepares to leave the EU.

Local Industrial Strategies

5.4. A strong national economy requires all parts of the country to perform to their full potential. We were therefore pleased that the Government listened to our joint calls with the LEP Network and confirmed that every area will be invited to develop a Local Industrial Strategy.

5.5. The Government is aiming to agree Local Industrial Strategies with all areas of England by 2020. However, since the publication of the Industrial Strategy White Paper in November 2017, it has only announced nine areas that it will be working with to develop a Local Industrial Strategy.

5.6. To deliver ambitious Local Industrial Strategies, local partnerships will need to be supported by all Whitehall departments so that interventions at the national level are co-ordinated across Government. Councils and other local partners will ensure these interventions are aligned with local economic conditions. Crucially, this needs to be backed by devolution of powers and funding to councils.

5.7. It is critical that the Government provides further information on the introduction of Local Industrial Strategies. It is important that areas involved in later phases are not disadvantaged in relation to the support, powers and resources awarded to them.

The UK Shared Prosperity Fund

5.8. The UKSPF also presents an opportunity to introduce a localised, place-based fund that meets the challenges of local economies, including the specific issues concerning the rural economy. It should be at least equal in the total amount of current EU funding streams, when it is introduced in January 2021. It is an opportunity to adopt a more integrated approach to growth funding and to give rural areas far greater say over how money is spent.

5.9. For rural communities the reform of the Common Agricultural Policy (CAP) also has the potential to shape the future of their economies, with the government proposing to replace CAP and direct payments with a policy of public money for public goods. Local government already works closely with farming communities on managing rural public goods and issues such as animal welfare and environmental standards. With the proposed reform of CAP and the phasing out of direct payments, local government could provide additional support to farmers during the suggested transitional period and build on this to develop a placed-based approach to agricultural policy.

The Devolution Framework

5.10. Councils welcome the introduction of Local Industrial Strategies and the UKSPF, but are clear that devolution to local leaders rather than centrally
developed rural policies remains the most effective means of ensuring that the social and economic interests of non-metropolitan communities are advanced.

5.11. The Government’s current preference for a devolved form of governance is the mayoral combined authority. This one-size-fits all approach sits at odds with many of the well-established governance structures already in place in non-metropolitan areas and risks excluding large parts of the country from accessing the important levers of growth provided by devolution. There is now a strong sense amongst non-metropolitan areas that, for areas outside the mayoral combined authorities, devolution has stalled with the benefits of being able to deliver more locally tailored services lost.

5.12. The LGA has called for Government to engage in a debate about the best form of governance able to foster thriving local economies across the country, aided by providing further detail on the proposal for a common devolution framework as soon as possible.

**INFRASTRUCTURE AND SERVICES**

6. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

6.1. Tourism is an essential part of the rural economy and many councils are actively seeking to develop their tourist offer and the opportunities that it brings. For instance, councils invest £70 million per year on business support, visitor information and destination marketing, according to MHCLG statistics. They also spend £2.6 billion every year on culture and heritage and support major cultural, business and supporting events.²⁶⁵

7. How can access to transport be improved in rural areas?

7.1. In non-metropolitan England, transport is key to helping maintain access to vital amenities, education, and training. Local policy-makers face a significant challenge of working within increasingly limited budgets to ensure our transport systems serve those in the most remote areas.

7.2. Councils play a vital role in maintaining and improving bus transport for the communities they serve. Of the total public transport trips taken in non-metropolitan areas last year, seven out of 10 were made on a bus, making them the most significant mode of public transport outside major cities.²⁶⁶ However, in rural areas, passenger bus journeys have fallen almost 6 per cent in the last 10 years, with the distance travelled on council supported buses having decreased by over 50 per cent over the same period.²⁶⁷ To counter this decrease in provision, some councils provide alternatives to bus services utilising available funding at an individual level by

²⁶⁵ See case studies in Annex A
²⁶⁶ LGA Analysis of National Travel Survey 2016
²⁶⁷ Government statistics, LGA Analysis (BUS0205a Vehicle miles on local bus services by metropolitan area status and country, and service type)
delivering Wheels to Work schemes which provide mopeds to young people so they can access education and employment.268

7.3. The recent reduction in bus services is a significant challenge for rural areas. We would like to see the devolution of the bus service operator grant (BSOG), which currently reimburses operators on the fuel they consume irrespective of the value and profitability of the service. This is to ensure it can be better targeted at funding unviable services that have a significant social impact.

7.4. Councils outside of major cities must also be given the choice of whether to franchise local services. This solution could allow councils to ensure that operators provide a decent service to all communities rather than cherry picking the most profitable routes. In addition, it is important that the Government fully funds councils for the cost of the statutory national concessionary bus fares scheme which it is estimated councils have to subsidise by at least £200 million annually.269 This is money that is diverted from providing supported and commercially unviable bus services or other vital public services.

7.5. Rail services are an essential enabler of local economic growth and important for social wellbeing. Councils have called for greater influence over investment as well as the operational aspect of rail so that there is greater integration with local transport strategies. Through devolution deals, areas have sought the ability to influence franchises and embed development plans for rail networks into wider transport and spatial plans. This is a key opportunity to consider how investment can be made into the improving connectivity in non-metropolitan areas, as well as via intercity links.

7.6. Councils also manage the local roads that act as vital arteries for rural communities. With England’s rural road network having seen the fastest growth in car traffic in the country over the last decade, councils need increased funding to undertake ever more maintenance.270 Despite fixing a pothole every 19 seconds, councils are trapped in an endless cycle of patching up a deteriorating road network.271 A recent report by the Asphalt Industry Alliance estimates a backlog of £9.3 billion of road repairs across England’s local roads network.272

7.7. To support councils, the Government should work to correct the current imbalance of maintenance funding provided to national roads compared to local roads. The majority of journeys taken on motorways begin and end on the local road network, yet government funding for local roads is 52 times lower per mile. Local authorities require long-term investment from

268 http://www2.eastriding.gov.uk/council/other-council-services/for-the-public/wheels-to-work-scheme/about-the-wheels-to-work-scheme/
269 LGA press release - Nearly half of all bus routes under threat because of funding cuts to local government, June 2018 (https://www.local.gov.uk/about/news/lga-nearly-half-all-bus-routes-under-threat-because-funding-cuts-local-government)
270 Department for Transport - Road Traffic Estimates
272 Asphalt Industry Alliance – Annual Local Authority Road Maintenance Survey
central government in local road maintenance. 273 This money could be raised through the investment of 2 pence per litre of existing fuel duty, which would generate £1 billion a year for councils to spend on improving roads and filling potholes. 274

7.8. Local authorities also need greater long term certainty over their budgets, as recommended by the National Infrastructure Assessment. 275 In particular the report recommends that local transport authorities outside London should have stable, devolved and fixed infrastructure budgets, as Highways England and Network Rail have. This would be to the benefit of long-term investments in their networks and a focus on local priorities. The current complicated bidding-based funding system introduces unnecessary uncertainty for transport investment.

8. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

8.1. To prosper in the digital age, residents, students and businesses need access to fast and reliable digital connectivity. Digital connectedness is now part of the fabric of our modern society. It is the fourth utility: an essential way of keeping in touch with friends and family, study for school and college students, a key driver of growth, a creator of jobs and an enabler of public sector transformation.

**Broadband**

8.2. Currently 95 per cent of premises in England are able to access superfast broadband speeds. Premises in non-metropolitan areas account for the vast majority of the ‘final five per cent’ unable to receive these speeds. Whilst the Government’s broadband universal service obligation (USO) will begin to address the problem, its minimum download speed of 10Mbps and upload speed of 1Mbps will serve as a basic safety net at best. This will not support large websites, many trading functions or be reliable throughout the day.

8.3. The standard of digital connectivity provided to rural new build homes is below par. One in five rural homes built in the last three years is still not connected to superfast broadband. Moreover, one in 10 is unable to achieve the USO minimum speeds. Councils should be given statutory backing to ensure all new build homes are connected to future-proofed digital infrastructure. This would build on the Government’s welcome commitment to consult on legislative changes to mandate fibre in new builds. Councils are keen to engage with developers through the planning system to ensure that digital connectivity is a key consideration in planning applications so residents can be assured their new homes will be well-connected. It is only right that the speed and quality of digital connectivity we provide our rural and coastal communities matches our national ambition to roll out world-class digital infrastructure.

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273 LGA Press Release: LGA responds to ALARM survey on the state of local roads
274 LGA Press Release: LGA responds to ALARM survey on the state of local roads
275 National Infrastructure Assessment, July 2018
8.4. The economy continues to undergo a digital revolution. However, in non-metropolitan areas many rural businesses, including farms, are deeply dissatisfied with the broadband services available to them. In a recent survey conducted by Amazon, almost 40 per cent rated their internet connection speed as poor, and a quarter were dissatisfied with the reliability of their connection.\textsuperscript{276} Ofcom analysis has also found that a third of rural firms believe poor connectivity is hampering their growth.\textsuperscript{277}

8.5. It is also essential that businesses are provided with support to take up faster services when they become available. At present the take up of superfast services where they have been rolled out in non-metropolitan areas lies between 40 to 60 per cent.\textsuperscript{278} Tackling constraints to digital adoption for rural businesses, especially small and micro businesses, can also offer substantial increases in productivity, with current barriers to take-up thought to be costing the economy up to £26 billion in lost Gross Value Added (GVA).\textsuperscript{279}

**Mobile connectivity**

8.6. Good mobile coverage is also a necessity of modern life. Ofcom reports that national mobile connectivity is improving, but country-wide coverage figures have a tendency to mask the deep disparity between urban and rural areas. When disaggregated, Ofcom’s latest figures reveal only 60 per cent of rural premises can receive an outdoor 4G signal from all operators, falling to 19 per cent for indoor coverage.\textsuperscript{280}

8.7. Councils have expressed their concerns that, in some instances, Ofcom’s data is not reflective of the realities on the ground. Residents in areas with reportedly strong coverage suffer from dropped calls and slow or no mobile internet connectivity. To improve this, Ofcom should adopt a more rigorous form of coverage verification which captures mobile user experience. This would help councils to work constructively with network operators to understand the role local policy and public sector infrastructure can play in helping expand mobile connectivity.

8.8. Whilst the Government has announced new investment in 5G technology, owing to the sparsity of infrastructure, the new generation of connectivity will not resolve all rural connectivity issues. It is therefore vital the Government maintains focus on challenging mobile providers to extend 4G or 3G technology across rural areas.

9. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

\textsuperscript{276}Rural England - Unlocking the digital potential of rural
\textsuperscript{277}Ofcom - The SME experience of communications services: research report
\textsuperscript{278}ISP Review - take-up Progress of the BDUK Superfast Broadband Rollout
\textsuperscript{279}Rural England - Unlocking the digital potential of rural
\textsuperscript{280}Ofcom - Connected Nations Report 2017
9.1. Rural populations typically consist of larger proportions of older people. In rural areas, an average of 23.5 per cent of the population is over 65, compared with 16.3 per cent in urban areas. Given that national population projections anticipate the percentage of people aged over 85 will double over the next twenty years, it is likely that changing rural demographic dynamics will place increasing pressure on health and social care services as a result.

9.2. Councils currently spend £15 billion on social care and demography, while inflation and National Living Wage pressures means that the gap in adult social care funding will be £3.56 billion just to maintain existing level of services. However, adult social care is not just about care and support to older people. At present, councils across the country are also facing increasing costs of providing social care for those aged between 18 to 64 years old. A survey of local authorities found that working-age adult social care expenditure almost matched that of adults aged 65 or older.

9.3. Recent LGA surveys showed that 96 per cent of councils believe there is a major funding problem with adult social care and that 87 per cent of the public support more funding for the sector. It is essential for all rural and urban areas that the Government addresses the gap in adult social care funding.

9.4. In non-metropolitan areas, these challenges are exacerbated by the difficulty of delivering health and social care services to wide and sparsely populated areas. It is often older people, and disabled and vulnerable adults, that are disproportionately more likely to experience transport isolation. Age UK has found that cuts to bus services had made it more difficult for older people to get to their local doctor’s surgery and hospital. This often leads to older residents experiencing ‘distance decay’ where service use decreases with increasing distance.

9.5. For care and support services delivered within the home, more sparsely populated rural areas can result in higher service delivery costs and shorter care visits, due to longer journey times. Following Brexit, changes to immigration rules could affect the 7 per cent of care workers or the 16 per cent of registered nurses working in care that are originally from the EU. There are significant opportunities to be realised through the development of technologies that will allow rural communities to be looked after with smart devices. However, issues with digital connectivity in non-metropolitan areas remain a barrier to their implementation on a wider scale.

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282 The Centre for Towns - The coming crisis: access to health services in our towns
283 LGA, The lives we want to lead: the LGA green paper for adult social care and wellbeing, July 2018
284 Adass Budget Survey 2017
285 LGA Survey
286 Buses in Crisis Campaign for Better Transport
287 Age UK (2015), Missed opportunities, the impact on older people of cuts to rural bus services
288 LGA, Public Health England - Health and wellbeing in rural areas
289 Skills for Care - The state of the adult social care sector and workforce in England
290 Submission to Commission from Buckinghamshire County Council, Buckinghamshire Thames Valley LEP and Buckinghamshire Business First Response
9.6. In July, the LGA launched a nationwide consultation through the publication of its green paper for adult social care and wellbeing, setting out options for how the adult social care system could be improved given the scale of the current funding crisis.\(^{291}\) One aspect of the consultation looks at possible solutions to paying for adult social care in the long-term, with options including:

9.6.1. Increasing income tax for taxpayers of all ages;
9.6.2. Increasing national insurance;
9.6.3. Introducing a social care premium;
9.6.4. Means-testing universal benefits; and
9.6.5. Allowing councils to increase council tax.

9.7. The consultation is seeking views on how best to pay for care and support for adults of all ages and their unpaid carers. The LGA will respond to the findings in a further publication in the autumn, which will be used to influence the Government’s own expected Green Paper, the forthcoming Budget and the 2019 Spending Review.

Opportunities for the older retired population to help support the rural economy

9.8. There are many ways in which the growing numbers of older people contribute to the economic wellbeing of the country; through productivity in the workplace, tax contributions, consumption of goods and services, informal caring for older people and disabled people, childcare and more.

9.9. The Government’s Industrial Strategy’s outlines the Government’s ambition to create ‘an economy that works for everyone, regardless of age.’ The percentage of people aged 65+ who work has risen to 10.4 per cent from 6.6 per cent since 1992\(^{292}\) and people aged 65+ contributed or spent £37 billion to the UK hospitality sector in 2015 (27 per cent more than people aged 35-54)\(^{293}\) Local government has a key role to play to ensure older people can be net contributors to the country’s economy. However, it needs the financial sustainability, freedoms and flexibilities to support. Not addressing ageing collectively now will store up problems for future years and place further strain on social care funding and provision.

10. How can deprivation and inequality in rural areas be tackled?

10.1. Poverty, deprivation and ill health affects both rural and urban communities across England. However, these things can be more difficult to identify in the official statistics for rural areas than in many urban areas. This is because the statistics are often not sufficiently detailed to identify the pockets of deprivation that exist among rural affluence.\(^{294}\) Studies tend to focus on the type of material disadvantage that is most prevalent in a given

\(^{291}\) For further information, visit: [https://futureofadultsocialcare.co.uk/](https://futureofadultsocialcare.co.uk/)

\(^{292}\) https://www.local.gov.uk/sites/default/files/documents/22.11%20Healthy%20Ageing_web_0.pdf


\(^{294}\) [LGA, Public Health England - Health and wellbeing in rural areas](https://futureofadultsocialcare.co.uk/)
area, with the result that an area can be classified as ‘not deprived’ when in fact there is serious endemic poverty and deprivation within it.

10.2. This raises key questions for public service providers on how best to identify areas of deprivation, and how to accurately target the right interventions. Public Health England (PHE) and the Association of Directors of Public Health (ADPH) are looking at improving data collection techniques to support local authorities. They are working with the University of East Anglia, which is piloting new systems of data gathering with Norfolk County Council to assess health needs in small populations of 1,500 or fewer. They are also considering possible new indicators that might capture some of the incidences of rural deprivation that are currently masked in official statistics.

Many of local authorities’ core functions, such as planning, housing, environmental services, education, community regeneration and engagement, leisure and the arts have a role to play tackling unacceptable inequity experienced by the most deprived people in our rural communities. Ensuring public services are accessible to all members of the community, through the measures outlined in this submission, will play a role in tackling deprivation.

11. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

11.1. The digitisation of public services can help to support sustainable local services in more remote settings, and overcome the barriers of sparsity in rural areas. There is a clear willingness from the public to utilise more services online; a recent survey has shown that 89 per cent of residents are ready and willing to use additional digital services when they become available.\(^{295}\) However, the full transition to Digital by Default approach requires all residents to have adequate connectivity.

11.2. Remote healthcare devices can contribute to reducing the demand on services by providing support to enable assisted living, or helping residents better manage longer term conditions. The Government has recognised the potential of digital health and will invest £4.2 billion over the next five years in areas such as apps, wearable devices, telehealth and assistive technologies. Many of these services can already be supported by 4G coverage, but only where it is available and of consistent reliability. This places non-metropolitan areas at a considerable disadvantage.

11.3. Education provision in rural areas can also benefit from improved mobile and broadband coverage. This applies to the connectivity provided to schools, allowing teachers to deliver lessons in a more dynamic way, and to the homes of students enabling them to complete their homework online. In this context, non-metropolitan areas also find themselves at a disadvantage.

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295 Ipsos Mori and Sopra Seria - The Citizen View of Government Digital Transformation
12. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

12.1. Ensuring that residents in non-metropolitan areas have access to quality education and training is key to building strong and resilient local economies, where everyone can contribute to and benefit from growth.

12.2. It is essential we ensure the right balance between local labour market skill sets and business demand. However, the current jobs and skills system is failing to address the varying social and economic challenges faced by local areas. This has had a profound effect on non-metropolitan England’s diverse residents, businesses and economies, where challenges are compounded by dispersed communities and declining transport provision.

12.3. Research for the LGA found that the national system comprises 20 employment and skills funding streams managed by eight departments or agencies, totalling more than £10 billion a year (2016/2017) with no duty to discuss with councils how provision will be delivered on the ground. This results in a confusing picture for residents, with fragmented and often competing provision on the ground. In non-metropolitan areas, where training providers already face challenges associated with a lack of economies of scale, this affects the ability of providers to serve residents in more isolated communities.

12.4. Ensuring effective and locally relevant employment support is available for the unemployed in non-metropolitan areas is crucial. Yet the current support available is in the main nationally designed, commissioned and controlled. Without devolution, councils have very limited or no ability to influence provision. Mainstream support for job seekers comes via Jobcentre Plus (JCP), while targeted support is available through the Work and Health Programme (WHP), a relatively new initiative based on the predecessor Work Programme.

12.5. The delivery of education and training in non-metropolitan England also needs to overcome the barrier of provision within more sparsely populated areas. In its State of the Nation report, The Social Mobility Commission highlighted many isolated rural and coastal towns across England as ‘social mobility coldspots’ where young people increasingly face a lack of access to further education and employment opportunities. The limited availability of public transport in these areas, as well as the difficulty providers can face achieving the economies of scale to meaningfully engage isolated areas, presents a strong case for a rethink in how we deliver skills provision and employment support in our more rural communities.

12.6. Forecasts produced for the by the Learning and Work Institute predict that by 2024, we will have too many intermediate and low-skilled workers and not enough high-skilled workers to fill the national economy’s jobs. By

296 Work Local - Our vision for Employment and Skills
297 The Social Mobility Commission – State of the Nation 2017
298 The Commission for Rural Communities – Barriers to education, employment and training for young people in rural areas
2024, there will be a shortage of 4.2 million skilled people in the UK to meet the demand for high skilled jobs and a surplus of more than 6 million people with low skills. Failure to address this challenge puts at risk up to 4 per cent of future economic growth – a loss of £90 billion economic output, with the average worker £1,176 a year worse off.

12.7. Our vision for a new approach, Work Local, outlines how, with the right mix of devolved powers and funding, groups of councils and combined authorities can work together with their local partners to provide a ‘one stop’ service solution. In place of a top-down approach, Work Local would use local opportunities and needs to provide a better targeted and more integrated skills and employment offer for both individuals and employers.

**RURAL HOUSING AND PLANNING**

13. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

13.1. Rural England is in the midst of a housing crisis. The crisis is affecting everyone, from young families and lower income workers unable to get on the property ladder, to older people who want to downsize but cannot find specialist housing, to those in substandard accommodation. In large towns, villages and the deeply rural parts of the country, the shortage of housing is having significant knock-on effects for communities, local economies and the provision of public services.

13.2. In the coming decades, across the country the biggest population increase will be in those of pensionable age. This will be felt most profoundly in rural areas; between 2014 and 2039, 86 per cent of projected household growth will be made up of households with someone aged 65 or older. As a result, the homes we build will need to be responsive to the needs and aspirations of an ageing population, able to help them stay supported in their homes for longer and to remain integrated within their local communities. National housing policy needs enable the building of the right homes in right places and enable the diversification of tenure for a range of target markets from older people’s housing to single person and family housing.

13.3. Investment in affordable homes will also be crucial to ensuring the sustainability of local communities in rural areas. Outside England’s cities, the average house price in 2016 was £233,006, compared with £142,577 in metropolitan areas. In predominantly rural areas, where the average workplace based earnings are lowest in the country, residents face house prices 8.7 times higher than their income.

13.4. Higher house prices make it extremely difficult for people to get on the housing ladder, leaving them with no choice but to rent. On average, renters

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299 The LGA's Work Local vision for an integrated and devolved employment and skills service
300 ONS, LGA Analysis
301 ONS, LGA Analysis
302 DEFRA - Statistical Digest of Rural England - February 2018
will pass on a third of their income to a landlord.\textsuperscript{303} For some households, this means having to move out of the local area in which they have built lives for themselves and their families. For the communities that remain, the long-term sustainability of local amenities and businesses becomes increasingly at risk if the individuals and families that would use and work in them have had to move away.\textsuperscript{304}

13.5. Non-metropolitan England has also seen a rise in homelessness. Traditionally seen as a challenge faced by our large town and cities, this masks a hidden rural population who are encountering severe housing challenges.\textsuperscript{305} At the end of last year, 48 per cent of cases of homelessness were in non-metropolitan England, a rise of 15 per cent over the last five years.\textsuperscript{306} In our very rural communities 50 per cent more people went into temporary accommodation over the same period.\textsuperscript{307}

13.6. Councils share the collective national ambition to build 300,000 homes a year. It is encouraging that 215,000 new homes were built last year, 65 per cent of which were built in non-metropolitan areas.\textsuperscript{308} However, the last time the country built more than 250,000 homes, councils were building 40 per cent of them.\textsuperscript{309} A range of organisations have joined us in calling for the Government to trigger a renaissance in council house-building. This can be achieved by lifting the housing borrowing cap entirely, and removing Housing Revenue Account (HRA) borrowing from contributing to public debt.\textsuperscript{310} Councils should also be able to keep 100 per cent of their Right to Buy receipts to replace homes sold under the scheme.\textsuperscript{311}

13.7. It is a particular barrier to rural communities that affordable housing contributions cannot be sought from developments of 10 units or less. LGA research has highlighted a number of unintended consequences arising from a national policy change exempting developments of this size from having to contribute towards affordable housing.\textsuperscript{312} A more flexible system is needed that takes into account locally assessed need for housing and viability.

13.8. Moreover, local authorities would be better placed to use their planning powers to speed up development or unlock stalled developments through enhanced compulsory purchase orders (CPOs), or granting powers similar to those available to housing corporations. The LGA’s Housing Commission sets out a range of recommendations on how councils can be empowered to play a greater role in delivering the housing that rural communities so desperately

\textsuperscript{303} The LGA Housing Commission - Final Report
\textsuperscript{304} The National Housing Federation - Affordable housing saving rural services: Rural life monitor 2017
\textsuperscript{305} IPPR - Right To Home? Rethinking homelessness in rural communities
\textsuperscript{306} Government homelessness statistics, LGA Analysis
\textsuperscript{307} Government homelessness statistics, LGA Analysis
\textsuperscript{308} Government housebuilding statistics, LGA Analysis
\textsuperscript{309} LGA Press Release - LGA responds to latest Government house-building figures
\textsuperscript{310} Treasury Select Committee - Abolish borrowing cap so local authorities can increase housing supply
\textsuperscript{311} LGA Press Release - LGA responds to latest Government Right to Buy sales stats
\textsuperscript{312} https://www.localgov.co.uk/Councils-warn-Section-106-reforms-are-putting-affordable-homes-at-risk/39072
14. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

14.1. The Government could be doing more to empower councils in their role as planning authorities. Councils are working hard with communities to approve nine in 10 planning applications, and last year worked with developers to grant permission to over 350,000 homes, an 11 year high. House builders currently have 423,000 homes with permission that they are still to build, depriving many areas of much-needed housing.

14.2. It is crucial that local communities are rewarded with homes that are good quality, affordable, appropriately sized and well supported by local services and infrastructure. Analysis by Shelter and the Campaign to Protect Rural England found that non-metropolitan councils’ efforts to encourage developers to build more affordable housing are being undermined by the use of viability assessments. These give builders the right to cut their agreed affordable homes quota if they conclude it would reduce their profits to below 20 per cent. In some rural areas this has led to half the required affordable homes being lost.

14.3. We continue to raise concerns about the use of the viability process, and are calling on the Government to establish a clear, robust and transparent procedure. To help ensure the proper accountability at a local level we also need to ensure planning departments are adequately resourced to respond to inadequate viability assessments, by allowing councils to set planning fees locally. While, the revised National Planning Policy Framework includes some welcome measures, it must go much further in empowering councils and communities to shape this kind of development locally.

10 September 2018
Locality - Written evidence (REC0119)

About Locality

1. Locality is the national membership network supporting local community organisations to be strong and successful. Our member network of roughly 600 community organisations creates the services their community needs most in spaces where everyone belongs. Every week our membership network supports over 400,000 people, helping to transform lives. Roughly 30% of our membership operates in rural England.

2. Our members run 15 different services on average, most working in the poorest areas of the country. They give local people a purpose, a good place to live and good health, through spaces like community centres, community pubs, swimming pools, libraries, parks, cafes, sports grounds and more.

3. We support our members to be strong and successful through specialist advice, peer-learning, resources, and using evidence from members to influence policy, funding and decision makers.

About this submission

4. We welcome the opportunity to submit evidence to the Committee and the focus of the call for evidence on some of the most pressing issues facing our rural communities. Throughout our submission, we draw on our members’ experiences and the following pieces of research:

Future Places: How community organisations can drive post-Brexit renewal

5. Since the referendum, we’ve been speaking to our members about how their communities are feeling, and what they think the challenges and opportunities are for their area at this crucial moment in our national life. Our members are spread all over England, from the areas that voted Leave in huge numbers to the Remain heartlands. Our Future Places report summarises these discussions, lays out lessons for community organisations and considers how the environment for our members might be improved post-Brexit.

People Power: Findings from the Commission on the Future of Localism

6. Locality established the Commission on the Future of Localism in 2017, in partnership with Power to Change, to consider how to reinvigorate localism and unlock the power of community. The Commission, chaired by Lord Kerslake, was set up because the ambition behind the 2011 Localism Act is in danger of waning, and the fundamental shift in power from Westminster to communities has not yet been achieved.


7. The Commission found that in order to fundamentally reset the power balance between citizen and state and enable local initiatives to thrive, we need radical action across the four ‘domains’ of localism. This requires: strengthening our local institutions; devolving tangible power, resources and control to communities; ensuring equality in community participation; and delivering change in local government behaviour and practice.

*Powerful Communities, Strong Economies*[^220]

8. Our Powerful Communities, Strong Economies report details the findings of our Keep it Local for Economic Resilience work, funded by the Friends Provident Foundation. The report is the culmination of action research undertaken in six local authorities, where we assembled a project team of councillors, local authority officers and community leaders in each area, to investigate the role community organisations play in the local economy, and how this can be harnessed through local commissioning.

9. **Our one-page summary is included on page 5 of this submission.**

Our response: General issues

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

10. We understand the rural economy to be the connectivity and relationships between people, assets, sectors (including private, public and social) and communities in non-metropolitan England. Throughout this submission we will focus on the role that community organisations – that are rooted in and focused on the local area – play in providing solutions to many of today’s complex economic and social problems, and their vital role within sustainable, resilient and thriving rural communities.

11. Community organisations provide local services, providing person-centred support, preventing escalation of problems and improving people’s lives while reducing pressure on the public sector. They stimulate civic participation through volunteering and community organising, and act as catalysts for community cohesion, bringing together diverse groups to work together for the local neighbourhood.

12. Community organisations also play a crucial role in the local economy, acting as local economic multipliers. They ensure the wealth they generate is redistributed in their neighbourhoods, by employing local people in good quality jobs, using local supply chains, and investing in people to themselves become economically active. This economic role is particularly significant as community organisations mostly operate in deprived areas. 80 per cent of Locality’s members work in the 50 per cent most deprived wards in the country. These are areas where private sector activity is often weak, and in these places, community

organisations can be the neighbourhood’s major employer and key economic actor.

**How rural economies are changing**

13. As with many places across the country, the challenging public finance environment is leading to a transformation of our rural communities. In many cases, cuts to public services are hollowing out neighbourhoods and damaging our vital social infrastructure. However, there are also hundreds of communities and community organisations who are responding to this challenging financial landscape, taking over the running of spaces, services and amenities - such as community centres, shops, libraries and local pubs. In many rural towns and villages, these community-run spaces are the only places remaining in the community for residents to meet, mix and socialise, and are a key source of local identity and belonging.

14. Our national economic strategy has for too long overlooked the need to focus locally-driven economic development, which has impacted rural economies. The benefits of globalisation have not been experienced by all communities equally, as demonstrated by the EU referendum which has prompted renewed policy attention on 'left behind’ communities. While there has been a welcome increasing focus on regional economic strategy, including within the devolution agenda and industrial strategy, this has lacked a truly neighbourhood-led approach. At Locality, we believe in a place-based approach in economic development. This requires leveraging the local assets and partnerships that exist within a place to reshape local systems to the maximum benefit of people and communities. Local economic development recognises that the power to drive change often lies within the local community and depends on the formation of strong and trusting partnerships between all actors within the local economy.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

**The role of community organisations in the rural economy**

15. The Meltham Carlile Institute is an example of a thriving Locality member which has developed in recent years, in response to cuts to local services.

**Locality member spotlight: The Meltham Carlile Institute**

16. The Carlile Institute, an impressive Victorian building sitting in the heart of Meltham, has been much loved by the residents of the town since its construction in 1891. But over time it was no longer used, standing empty and falling into disrepair.

17. When Kirklees Council began its programme to sell off some of its publicly owned buildings and spaces there was a danger that this classic piece of 1890s architecture would be lost to the community forever.

18. An inspiring group of Meltham residents came together to save the Institute in 2014, forming the Meltham Carlile Community Interest Company.
After taking ownership of the post office, a steadfast group of twenty community volunteers now fully own and manage the building.

19. It is now home to the library, a fully accessible post office, where many disabled residents have been able to access their branch for the first time, an office for Meltham Town Council, offices for local firms and start-ups and a School of Dance. It also includes three large spaces used by community groups including over-60s luncheon clubs, art groups, reading groups and many keep fit classes.

20. Now over 6,500 people from across three towns regularly use the restored building, which is a vibrant community hub and entirely financially sustainable. This beacon of community ownership has even won a Duke of York Community Initiative award.

21. Work continues, with profits reinvested into improving services needed by the culturally diverse West Yorkshire community. Over £500,000 was raised in 12 months to fund a complete transformation of the property, creating a home for arts, crafts, theatre, performances, and a centre for a huge local project to support Syrian refugees.

22. “If we hadn’t taken this into community ownership we’d have lost our library, post office and the building to private developers and the heart of our community could have been cut out. We’ve affected so much change – both physically on the ‘High Street’ and within the community.

23. “This was a fantastic chance to bring new life back into the building. We do what we do to have a positive impact on the lives and well-being of the residents of Meltham. Our aim is to become a hub of activity within Meltham.” Richard Noon, trustee, Meltham Carlile Community Interest Company

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

One-page summary of policy recommendations

24. At Locality, we believe that the future of the rural economy requires a place-based approach which unlocks the power of rural communities. Throughout this response we make a number of recommendations for strengthening the rural economy, including:

Local commissioning

25. We believe commissioning local community organisations to provide services can transform lives and invest in the local economy. We need to move beyond large-scale, top-down procurement approaches, which have been crowding local organisations out the local public service landscape. Instead, commissioning should seek to harness the power of community through simpler, more proportionate funding arrangements. Government can use its power both as a commissioner itself, and also to lead systems-change in local government commissioning.
Community investment through asset ownership

26. A key route to supporting rural amenities at risk of closure is through community ownership, including by community organisations and town and parish councils. It also represents a key way of investing in communities and making them sustainable for the long term. Community ownership aims to give local people greater control, can stimulate local enterprise and jobs and secure the future of local services and cherished local places. Government should establish a central Community Ownership Fund to unlock sources of development, revenue and capital funding for community ownership, and reform mechanisms introduced through the 2011 Localism Act to make it easier for communities to take ownership of assets.

Support for community economic development

27. Adopting a place-based approach to the delivery of genuinely ‘inclusive’ growth, which is responsive to the needs of local people, is a thread which runs throughout Locality’s work and this submission. Moreover, there should be a focus on supporting economic development in the areas that need it most, rather than reinforcing existing inequalities in our economy. Central to this approach is a recognition of the unique skills, talents and assets a local community possesses – which can be harnessed for the benefit of a place.

The UK Shared Prosperity Fund

28. A key route through which community economic development can be promoted is the UK Shared Prosperity Fund – the successor to EU Structural and Investment Funds once we leave the European Union. We have developed a number of principles government should consider when designing the UK Shared Prosperity fund, to ensure it harnesses the power of communities, tackles inequality and encourages community economic development. We also make recommendations on the most appropriate level of administration at which funds should be distributed, recommending a move away from the current locus of Local Enterprise Partnerships.

Infrastructure and services

4. How can access to transport be improved in rural areas?

Community transport

29. Community transport provides a vital lifeline to rural communities. In many rural areas which aren’t commercially viable transport locations, not-for-profit transport schemes fill this gap. Community transport forms a core part of the rural transport offer and should continue to do so in the future.

30. Many of our members rely on, or run community transport services, and we have a number of concerns about the impact that proposed Department for Transport changes to Section 19 and Section 22 permits will have on these vital services. Community transport providers are an essential component of
community infrastructure, helping to tackle isolation and loneliness and supporting thriving, active and connected neighbourhoods.

31. The proposed changes recommend a change to what should be defined as ‘non-commercial’ activity. We do not agree that whether an organisation receives payment for delivery of transport services is the most appropriate measure of commercial activity. Community transport providers may receive payment for their services – including from organisations and individuals – to cover the costs of running the service, rather than as a commercial activity.

32. We therefore believe that a more appropriate application of the exemption would be based on the legal status of the organisation, rather than whether it accepts payment for its services\(^{321}\). We recommend that the Committee considers the impact of these potential changes within the context of other recommendations on improving transport in rural areas.

33. We also note that the Department for Transport has published an interim summary of responses\(^{322}\) to their consultation. This summary shows a high level of consensus between many respondents around what should constitute ‘non-commercial activity’. The Department have stated that they will analyse the remaining responses and announce the government’s response ‘in the autumn’. We await this announcement with interest and urge this Committee to make representation to the Department as soon as possible, recognising the impact these changes could have on rural economies and communities.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

**Maintenance of essential services: Keep it Local**

34. There is increasing pressure on the public purse, and local government has felt this particularly acutely. An aging demographic and rising demand means that local authorities have to think in ever-more innovative ways about how they deliver public services, both to drive down long-term costs and pressures and to deliver truly person-centred services that transform lives.

35. However, many councils are seeking savings through outsourcing services at scale: bundling up services into big contracts that go to large providers at the lowest price possible. This is increasingly creating an environment that costs more in the long-run due to the creation of ‘failure demand’\(^{323}\), discriminates against local providers, and fails to create the services we need.

36. Locality believes that there is a better way: to Keep it Local. By collaborating with local organisations, commissioning can create more responsive

\(^{321}\) Indeed, HCT Group – in their submission to the House of Commons Transport Committee make this point. “The legal status of most CTOs is charitable. This means that by their legal status they are non-commercial in nature.” Written evidence submitted by HCT Group (CTT0138)


services that reduce costs, invest in the local economy and build stronger communities.

37. Through our Keep it Local for Economic Resilience work\textsuperscript{324} with six councils, we identified two key barriers to seeing Keep it Local approaches adopted in practice by local authorities:

1. Top-level buy-in: a local authority needs to be committed at a very senior level to Keep it Local, and for this to be a key part of a council’s identity.
2. Joining up the system: commissioning remains fractured and disconnected; in particular, the relationship between ‘innovative’ commissioners and ‘risk averse’ procurement officers, and between the local authority and the wider commissioning landscape. We need to join up the system to embed a consistent approach.

38. As we continue our Keep it Local work, we will be engaging with local authorities across the country to explore their public service provision and the extent to which their practice fits with our Keep it Local principles.\textsuperscript{325} We are seeking to have a positive impact on both of the barriers identified above. We are planning to engage with a number of rural local authorities through this work and we are keen to share our learning with the Committee as our campaign develops in the coming months.

39. Whilst there is much work do be done at a local authority level to ensure we harness the power of local community organisations to deliver services, there is also role for central government. Government can use its power both as a commissioner itself, and also to lead systems-change in local government commissioning.

Our key recommendations are:

40. **Amend the Social Value Act to ‘account’ for social value in commissioning.** The Cabinet Office recently made an announcement that it would require all central government departments to do this\textsuperscript{326}. However, a transformational shift would be to require local government to do the same.

41. **Make social value an ‘over-riding procurement policy requirement’** in the Crown Commercial Services guidance, shifting away from a sole focus on cost and competition.

42. **Champion and amplify local government best practice, and promote the disaggregation of large contracts** and accessible contracting mechanisms to level the funding playing field. This should include a renewed commitment to grant-making and a review of the use of payment by results (PbR).

\textsuperscript{324} **Powerful Communities, Strong Economies**

\textsuperscript{325} For more on these principles, please see page 3 of our Keep it Local campaign briefing: [https://locality.org.uk/wp-content/uploads/2018/05/LOCALITY-KEEP-IT-LOCAL-CAMPAIGN-FINAL.pdf](https://locality.org.uk/wp-content/uploads/2018/05/LOCALITY-KEEP-IT-LOCAL-CAMPAIGN-FINAL.pdf)

43. The government, in its Civil Society Strategy, announced a “a peer network led by successful local authorities will bring together commissioners, civil society organisations, and councillors to share good practice to create long-term culture change in service providers across the country”\(^{327}\) This network should focus on innovative commissioning practices – such as Single Tender Action and the Light Touch Regime\(^ {328}\) - which harness the power in every community.

44. **We recommend replacing the Right to Challenge with a ‘services partnership power’.** To reflect a collaborative approach to reshaping local public service delivery, parish councils and neighbourhood forums should be able to trigger this power, with statutory responsibility on the local authority to begin a process for community consultation and co-design.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

45. A key route to supporting rural amenities at risk of closure is through community ownership, including by community organisations and town and parish councils. In our response to this question we outline recommendations for supporting community ownership, including through Community Asset Transfer (CAT) and strengthening the Community Right to Bid.

46. As well as protecting cherished local land and buildings, community ownership creates genuine community control, strengthens the local economy, supports community-led regeneration and transforms local services. However, it is crucial that community ownership is properly supported – including through development, revenue and capital funding as well as through supportive partnerships with the local authority.

Publicly-owned land and buildings and community asset transfer

47. Locality have recently conducted research into the extent of the threats facing our publicly-owned land and buildings. We have known for some time that local authorities, which have borne the brunt of austerity since 2010, have often found themselves struggling to keep them open, or have been seeking a short-term cash boost by selling them off to the private sector. These are our swimming pools and libraries; our parks and play areas; our community centres and town halls.

48. Earlier this year, we issued a Freedom of Information request to all local authorities in England requesting information about the sale of local land and buildings on the open market. We found that across England councils have sold an average of 4,000 publicly-owned buildings and spaces each year. We believe this ‘Great British Sell-Off’\(^ {329}\) is hugely damaging to our communities. These are the places where people come together, take their kids, exercise and get to know their neighbours. At a time when the country feels more divided than ever, when


social isolation is one of our biggest challenges, this loss of social space is critical.

49. Community ownership – through community asset transfer (CAT) – is a powerful alternative to sale for local authorities. Locality have been working to support communities and local authorities with CAT over many years, and we previously ran the government-funded Asset Transfer Unit and Community Ownership and Management of Assets programme. CAT can ensure that valued community land and buildings can be protected for the community for generations to come, it can unlock innovation and enterprise within the community to ensure that local land and buildings are put to productive use for local people.

50. Many local authorities are utilising community asset transfer to the benefit of the community. For example, Kirklees Council have demonstrated visionary local public-sector leadership through their Community Asset Transfer (CAT) strategy, including freehold transfers, revenue support and a loan offer for groups taking on assets, which will also save the council an estimated £1 million.

**Assets of Community Value and the Right to Bid**

51. The Community Right to Bid, which was introduced through the 2011 Localism Act, is a key route through which local shops, community pubs and other rural amenities at risk of closure can be supported.

52. Communities can register land or buildings in their community as Assets of Community Value (ACV) with the local authority. If ever the building and land comes up for sale, the Community Right to Bid can be evoked. This puts a six month pause, or moratorium, on the sale to allow the community to raise funds to buy it. At the end of the six month period, the owner does not have to sell to the community and they can sell at whichever price they chose.

53. The Right to Bid has seen iconic local buildings put into community hands and has given communities a route to mobilise against the sale of such assets, knowing there is a formal process to back them up. However, there are significant challenges with the Right to Bid legislation, and there is currently no database which tracks how many community buildings listed as ACVs actually become community owned once they come to market.

54. Crucially, communities do not have a genuine ‘Community Right to First Refusal.’ First refusal is not granted to communities, who instead have to compete with commercial bidders at the point of sale. Raising the capital required presents the biggest barrier, and raising the funds within the current window of 6 months is often not enough time to build community support, set up community groups connected to the area including a parish council, neighbourhood forum, or a community group with at least 21 individuals involved. ACVs can only be nominated if they have a social use (such as sport, culture or recreation) or if it has a current impact on community wellbeing. Once listed the ACV stays on the register for up to 5 years.

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332 Assets can be nominated as ACVs by a community group connected to the area including a parish council, neighbourhood forum, or a community group with at least 21 individuals involved. ACVs can only be nominated if they have a social use (such as sport, culture or recreation) or if it has a current impact on community wellbeing. Once listed the ACV stays on the register for up to 5 years.
an incorporated organisational structure and governance model, and complete application cycles for funders and investors. As the 2015 Communities and Local Government Committee investigation into the Community Rights highlighted: “bidding for an Asset of Community Value is a complicated process requiring time, organisation, effort and resources to put together business plans and find funding” 333.

**Recommendations for strengthening community ownership**

55. **Government to use Dormant Assets funding to establish a central Community Ownership Fund** to unlock sources of development, revenue and capital funding for community ownership.

56. The Dormant Assets Commission have identified a potential £2billion of funding from dormant assets, such as pensions and insurance and stocks and shares. These funds are already committed to being used on good causes. We believe there is substantial scope for considering how this new funding could be most effectively channelled into strategic, long-term investment in civil society.

57. We believe £500 million Dormant Assets funding should be channelled into a Community Ownership Fund. We have called on central government to kickstart a Community Ownership Fund with £25m a year and coordinate other funders to build a pot of £200m a year for five years. This could deliver support for local community organisations in three key ways:

1. **Advice and support.** Taking ownership of a public building or space can be complicated, and community organisations need expert support and advice throughout the process.

2. **Help to get started and develop plans.** These groups need help to build their skills and check whether their ambitious plans will work out. They often need to pay experts – such as architects and surveyors - to check that the building is suitable, cost any work that needs to be done and technical input into the formal bidding document.

3. **Funding to buy property and deliver building projects.** Community groups lack access to funding to allow them to buy buildings, kick start local fundraising campaigns and fund building and refurbishment projects to make spaces fit for community use and viable for the long term. Private developers will have the money at the ready, so community organisations need all the help they can get raising the capital. With the pressure on local authority finance, many buildings of community value are being sold off often after years of substantial public investment: community enterprise offers a viable alternative to maintaining community value and offer a foundation for resilient community service delivery.

58. **We recommend a Community Right to First Refusal to replace the Right to Bid.** Even wider take up of the Community Right to Bid could be

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https://publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/262/262.pdf
achieved through the adoption of a Community Right to First Refusal model – with a first right of refusal for communities interested in acquiring land of community value. In Scotland, the equivalent legislation on registration of community interests in land allows for the community group to have first right of refusal in purchasing the listed asset – referred to as the Community Right to Buy\textsuperscript{334}. They have eight months to raise the funds for the purchase and an independent valuation is done to ensure that the owner receives a fair price at ‘market value.’

59. **We recommend that a new Community Right to First Refusal would include a moratorium period of twelve months.** Instead of the current six months, communities would have up to one year to mobilise to purchase ACVs. This extension could be accompanied by new requirements on prospective bidders to demonstrate reasonable progress towards fundraising the capital required as well as evidence which demonstrates serious intent. This would not overburden community groups, who will have evidence they can draw upon from community consultations and funding applications. This would also then provide reassurance to the landowner that there is a high likelihood that a bid will be submitted within the extended timeframe.

60. We also recommend an extension of Assets of Community Value (ACV) listings. This would mean that assets of community value would include not only land and buildings, but other local amenities, such as bus companies and football clubs. Disused assets with community potential should also be included. ACVs should be protected from change of use planning applications without requirements to prove that there is no prospect of community use.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**
9. **How can deprivation and inequality in rural areas be tackled?**
10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

61. In this section, we address how the replacement of EU funding should be directed towards supporting thriving rural businesses, boosting employment and skills opportunities and driving industrial strategy. At Locality, we believe there is huge potential for a fund that tackles inequality and helps create a fairer society. Central to this will be effectively supporting the work of community organisations.

62. Our economic model has not been of equal benefit to all communities. So, the UK Shared Prosperity Fund, the planned successor to European Structural and Investment Funds, has the opportunity to promote economic growth that is truly and meaningfully “inclusive” by focusing on community economic

\textsuperscript{334} The Scottish Government. (2016). ‘Community Right to Buy: Guidance for Applications made on or after 15 April 2016.’ The Scottish Government. Available at: 
development - the process of economic development within a specific area to benefit the local community.

**Skills shortages and EU replacement funding**

63. Community organisations in many places act as economic hubs and provide employment and skills training and services which are responsive to the needs of the community. However, the sustainability of the work delivered by community organisations currently accessing European Funding is a key concern, particularly if the UKSPF is not designed in a way which enables continued delivery by these organisations. This will likely impact non-metropolitan areas disproportionately, given many of the poorer regions in receipt of current funding fall within non-metropolitan areas.

**The Industrial Strategy**

64. Locality welcomes the recognition in the government’s industrial strategy that “different policies will be needed for different places” and that “policies should therefore match local needs.” In order to rebalance the economy and deliver genuine inclusive growth, devolving decision making and spending power to the most local level possible is essential.

65. It is increasingly recognised that many of the greatest opportunities in tackling persistent social disadvantage can be found at the hyper-local level. It is here that we can most effectively break through the silos that only address one aspect of people’s needs and bring services together around the ‘whole person’. In addition, creating local economic resilience requires nurturing a diverse range of responsible businesses and community enterprises, which can meet the needs of the neighbourhood. A key benefit of investing in local enterprises is that wealth is retained in the local area and can be reinvested for community benefit and positive local impact.

**UKSPF: an opportunity to reset the level at which funds are distributed**

66. We therefore have some concerns about the current geography of the inclusive growth agenda, and the suitability of LEPs and local government alone to drive it forward. We have heard from our members that distribution of ESIF funds from central government via LEPs from 2014-2020 has been at too large a scale for the community to engage with. Operating at that scale means many neighbourhood-based organisations are automatically taken out the equation – yet these are often the organisations that have the strongest relationships with those whom traditional services find “hard to reach” and who also play an important role in local economic development.

67. If LEPs and combined authorities are to be are to be the main locus for local industrial strategies, then this requires a clear strategy for how funding and investment can also be determined by neighbourhood-led priorities and leverage the capacity and expertise of community organisations. Community economic development, for example, is one mechanism for this, which should be reflected

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in local economic strategies. In addition, in the context of the ESIF successor fund, we believe that a blended approach is the most appropriate. This would involve some strategic funds controlled at the LEP/combined authority level, with significant parallel targeted funding available for place-based partnerships between local authorities and local organisations to bid into.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Community models of health and social care

68. The support and services provided by community organisations are essential in meeting the challenges associated with an aging population in rural communities, including through tackling loneliness and isolation and through social care provision in their communities.

69. Crucially for the fight against loneliness, they offer safe and welcoming spaces and provide inclusive services, where people from different backgrounds and with different experiences of life can come together, meet their neighbours. Local community organisations have a key role in supporting connections of friendship and neighbourliness, through the local clubs, groups and activities they host and run. Many community organisations have developed partnerships with local GP surgeries, through social prescribing models for example, which seek to tackle the social causes of non-medical appointments, including addressing loneliness and isolation.

70. Community organisations are often adept at asset-based approaches, enabling people to see their strengths, contributions, skills and knowledge, and unlocking the potential of this for the individual and for the community. This can have a transformational impact in addressing loneliness, by developing people’s confidence and sense of self efficacy and power. For older people, this can be particularly powerful by making sure that older residents can retain purpose and connection within their community.

71. Within Locality’s Health and Wellbeing Network, there are many examples of community organisations that have developed community models for providing care and meeting the needs for the local elderly population. Their trusted relationships and knowledge of the community, as well as their ability to leverage volunteer capacity, means they are a source of local innovation in preventative models which help keep older people happy and healthier for longer. This can reduce pressure on hospital admissions and primary care services.

72. Recent research from New Economics Foundation and Power to Change has outlined that community models in social care deliver significant added value to population health, by keeping people well for longer, utilising local social infrastructure and building collective community power at a local level.

73. NED Care in North East Dartmoor is an outstanding example of community-based care within isolated and rural communities. The organisation was founded in 2015 to address the lack of care at home provision for communities in the inaccessible and remote parts of Dartmoor. They are now CQC registered and employ locally-based care staff to provide personalised care to older people in their homes. 337

**Recommendations:**

74. To ensure local provision and local social infrastructure can meet the needs of rural communities, we recommend the Committee considers the role of:

- **Community asset ownership**: the role of community spaces in tackling isolation and loneliness is crucial. Community ownership, when done well and properly supported, can also provide financial resilience for organisations and help to secure a thriving social infrastructure for generations to come.

- **Local commissioning**: commissioners should seek to build community capacity and harness added social value by funding local organisations. They are locally rooted and trusted, and there for the long term. They have strong existing relationships with local people, especially with those whom public services traditionally find “hard to reach”. They are multi-purpose organisations that can respond flexibly and provide person-centred services that are tailored to individual need.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

**Community-led Housing: a key tool in response to the housing crisis**

75. Community-led housing (CLH) developments provide a valuable and affordable supply of housing locally which supports the development of sustainable and thriving communities. Designed and managed according to local priorities, CLH is often built to help certain groups to stay within the local area, such as young families or older people. It can also offer additional benefits around supporting health and wellbeing, addressing local employment and skills needs, as well as generating income which is reinvested back into community activity and neighbourhood regeneration. An additional advantage is that affordable rates in community-led housing can also be protected in perpetuity.

76. Swaffham Prior Community Land Trust is an example of a thriving rural community land trust.

**Case Study: Swaffham Prior Community Land Trust**338

338 [http://www.clteast.org/ugc-1/1/2/0/swaffham_prior_clt_case_study.pdf](http://www.clteast.org/ugc-1/1/2/0/swaffham_prior_clt_case_study.pdf) - This case study is taken directly from the CLT East website: [http://www.clteast.org/about/our-projects.htm](http://www.clteast.org/about/our-projects.htm)
87. Eight miles north of Cambridge, Swaffham Prior is a small, picturesque village with a vast history. Situated a stone’s throw from Fenland landmark ‘Devil’s Dyke’, the village is renowned in the area for its historic architecture including two adjacent churches and two windmills.

88. In 2011, a group of residents dedicated to preserving the rural integrity of their village rallied together over concerns about Swaffham Prior becoming a ‘dormitory village’. Housing pressures from the city of Cambridge had reduced levels of affordable housing and threatened to break down core community ties, so the people of Swaffham Bulbeck decided it was time to take matters into their own hands.

89. SPCLT’s model of choice differs from that of most CLTs in East Cambridgeshire. SPCLT’s agreement with Hundred Houses Housing Association means the affordable homes are under a long term lease to the housing association, who funded the development of the homes. However, true to its principles, the CLT retains crucial nominations rights and sets the rules on who among the village residents is allocated the homes. The Housing Association then manage the tenants, the building repairs and undertake the financial vetting.

90. The CLT Trustee Board includes a mix of representatives to ensure transparency and clear communication throughout decisions. The SPCLT Board currently consists of a representative from the Parish Council, a representative from Hundred Houses, a representative from the existing tenants and four other village residents.

91. The whole project has been a runaway success. 26 people applied for 8 homes upon completion in March 2016 and to date all homes are occupied by very happy tenants!

**Recommendations:**

92. We have identified two key barriers to greater prevalence of CLH schemes:

1. Access to land and buildings
   
   A key part of increasing access to land and buildings for community-led development is community asset transfer. Councils should consider how they can use their asset management approaches to consider whether property and land can be used to provide long-term benefits for communities through community-led housing.

2. Access to patient finance and grants
   
   CLH could benefit enormously through access to finance via local authorities – in particular, through low or zero interest loans. Locality members have been working successfully with a number of local authorities to access prudential borrowing and other forms of low-cost borrowing.
13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

83. Planning policy has far-reaching impacts. It can prove a barrier to, or an enabler for, community power. Changes to the National Policy Planning Framework and the continued growth of Neighbourhood Planning both have the potential to have a positive impact on rural housing, communities and the wider rural economy.

**National Planning Policy Framework (NPPF): potential impact**

84. The new NPPF includes a number of measures which could affect rural housing and the rural economy. Local planning authorities are required to regard the construction of new buildings in the Green Belt as inappropriate, apart from in exceptional circumstances.

85. The new NPPF includes a new clause on what should constitute an exception.

Clause (f) limited affordable housing for local community needs under policies set out in the development plan (including policies for rural exception sites) \(^{339}\).

86. This new measure is as yet unused and untested, so it’s hard to know how neighbourhood planners and local authorities will engage with, and use, the provision. However, this could represent an innovative way of introducing genuinely affordable housing without the need for green belt review. Moreover, Green Belt Reviews are more likely to unlock land for development and - due to economic pressures - lead to the development of market housing with limited affordable provision.

**Neighbourhood planning and its democratic implications**

87. The uptake of neighbourhood planning has been impressive (especially when compared to other opportunities introduced through the 2011 Localism Act). To date, almost 600 neighbourhood plan referendums have been held across England. A majority of neighbourhood plan groups have been established in rural settings, often due to tapping into existing parish council infrastructure.

88. However, for many which set up neighbourhood forums independent of parishes, this represents their first foray into local democracy, and setting up a neighbourhood forum and developing a neighbourhood plan leads to further community-led action. This process can be the catalyst to unlock the power lying latent in communities.

89. Locality provides the national support for neighbourhood planning, on behalf of the Ministry for Housing, Communities and Local Government, and would welcome the opportunity to provide further evidence to the committee on our key learning on its implications.

Locality - Written evidence (REC0119)

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

90. For rural communities, strengthening localism would enhance voice, power and control over issues which are specific to their communities, enabling community-led ideas, innovation and solutions to flourish. Our recommendations for strengthening localism, developed through our Commission on the Future of Localism, are:

1. **Institutions for localism**: healthy local governance structures across the country, integrated within wider systems of governance, to ensure that power sticks at the local level. This includes strengthen the capacity of town and parish councils, as well as ensuring strong and sustainable community organisations, as a key vehicle for local participation and decision making.

2. **Powers and mechanisms for localism**: ensuring there are meaningful powers, levers and resources for communities to take action locally. Including

   - Strengthening local powers, including a ‘Community Right to First Refusal’ to take ownership of valued local assets and a ‘Services Partnership Power’ to replace the Right to Challenge and embed community involvement in local services;
   - Embedding localism within the devolution agenda: the devolution agenda currently lacks a coherent neighbourhood dimension. New and existing devolution arrangements should be held to account by whether they enhance neighbourhood control and strengthen the power of community.

3. **Relational localism**: changing culture and behaviours requires embracing risk and establishing trust in devolution to communities, local leaders acting as facilitators for community expertise, and disrupting hierarchies. This includes: devolving powers and resources to communities, including through community asset transfer (CAT) and embracing perceived ‘risk’ through devolution of budgets to neighbourhoods.

4. **Capacity for localism**: ensuring localism is not the preserve of wealthier communities, or those with the loudest voices, requires building community capacity, supporting community organising, community development and sustainable spaces for participation.

10 September 2018
Locality – Supplementary written evidence (REC0199)

1. The Chairman asked for a list of all the different Government projects and schemes that Locality had engaged with since the inception of the organisation (see here: https://goo.gl/LvDx12)

Since 2011, Locality has helped to disseminate various pots of government funding to communities. Below, we provide detail on the nature and scale of these contracts. It’s important to note that in most cases Locality’s role – as a trusted organisation with national reach working at a local level – was to ensure communities were able to access government funding. Most of the funding flowed through Locality to people and organisations, rather than supporting our core costs. All contract values below include grant monies.

**Programme:** Community Organisers  
**Dates:** 2012 – 2016  
**Government Department:** Cabinet Office  
**Contract value, excl. VAT:** £9,498,920.00  
**About the programme:**  
The aim was to train 500 Community organisers and recruit 4,500 volunteer organisers to develop community-led social action in neighbourhoods. The funding led to the establishment of the new, independent Community Organisers organisation.

**Programme:** Neighbourhood Planning  
**Dates:** 2013 - 2022  
**Government Department:** MHCLG  
**Combined contract value, excl. VAT:** £59,364,000  
**About the programme:**  
From 2013, Locality has been responsible for administering neighbourhood planning grant and technical support. As part of this, we also provided support on the Community Right to Build, from 2015 – 18. This was to support communities to develop community buildings, including housing under the new legislation.

**Programme:** Our Place & First Steps  
**Dates:** 2014 – 2016  
**Government Department:** MHCLG  
**Contract value, excl. VAT:** £4,192,998  
**About the programme:**  
Our Place sought to transform public services to make sure they are focused on the user rather the organisation. The aim of the scheme was to support communities to design and deliver services that focus on local priorities to reduce costs. An initial programme from 2014-15 was extended to 15/16. Over the two-year period, the scheme supported over 200 communities. The ‘First Steps’ aspect of the programme, running in 15/16, was to help less well-established grassroots groups and activists - who may not have been eligible for Our Place support – to take their first steps to taking greater control in their local area.

**Programme:** Community Ownership of Management of Assets (COMA)
Locality – Supplementary written evidence (REC0199)

**Dates:** 2015 – 2016  
**Government Department:** MHCLG  
**Contract value:** £1.5 million  
**About the programme:**  
The COMA programme supported groups and organisations on the ownership and management of assets for the benefit of the community. £500k was administered through grants to community groups and £1m through direct support to 51 local authority/community partnerships.

**Programme:** MyCommunity  
**Dates:** 2015 - 2018  
**Government Department:** MHCLG  
**Contract value, excl. VAT:** £1,172,964  
**About the programme:**  
MyCommunity is the go-to place for people who want to get involved in local community projects. The support hub provides a range of support and advice for communities using the Community Rights.

Locality was contracted by MHCLG to develop and run MyCommunity from 2015 to 2018. In April 2018 Locality became the licence holder and setup a partnership of 10 community sector organisations to take the project forward: Groundwork; NAVCA; ACRE; Power to Change; Local Trust; Plunkett Foundation; Co-operatives UK; Project Dirt; NEF.

2. Lord Dannatt asked for further detail on the Community Economic Development Fund and why it had not continued beyond 2016/17. The Chairman also asked for information regarding the evaluation of the schemes that had been supported through the fund (see here: [https://goo.gl/zivdJE](https://goo.gl/zivdJE))

Aside from being a time-limited project, there is little further detail on why the Community Economic Development programme wasn’t continued by government beyond 2017.

Co-operatives UK’s evaluation of the scheme[^340] reached three conclusions:

1. **Extend time and resources**  
Programmes supporting Community Economic Development Activity are likely to deliver more impactful outcomes if communities are given the time and resources to dedicate the required effort and time to make these schemes work.

2. **Increase legitimacy of CED plans**  
The economic and political context in which CED plans were situated impacted on their outcomes. Establishing effective relationships with key stakeholders was difficult for many communities undertaking CED plans. These key stakeholders were largely those who “who held power or mandate – for example, Local Economic Partnerships (LEPs), planning departments or procurement teams”.

3. **Widen measures of economic success**  
Our current measures of economic success hindered the work of communities aiming to embed and secure higher-level buy-in for the CED plans. The standard

measures against which LEPs, local authorities and cities measure economic success don’t align with the of economic, social and environmental outcomes CED plans aim to deliver. While an expanding discourse around inclusive growth and wellbeing, for example, is a useful step, a more wholesale shift in the way public bodies understand economic success is needed for CED to really cut through.

3. Lord Curry of Kirkharle asked for further examples of effective engagement between local government and community organisations (see here: https://goo.gl/TiBMMy)

Having reviewed this question as presented via the video link, we’re going to focus specifically on the link between LEPs and community organisations.

We are concerned that LEPs, as currently constituted, have weak accountability and narrow understanding of the potential of the social economy. Too often, social sector involvement in the work of LEPS is limited to a perfunctory place on a LEP board, if at all.

In the North East, however, the LEP has taken a much more proactive approach to working with the communities, from which other LEPs could learn. The NE LEP Community Led Local Development programme works in specific sub-regional areas that cover a population of between 10,000 and 150,000 residents. This approach was developed to allow the LEP to disseminate European Structural Investment Funds to communities and community organisations.

The scheme intends to “encourage local communities to develop integrated bottom-up approaches in circumstances where there is a need to respond to territorial and local challenges calling for structural change”.

To do this, the LEP recognises the need to “build community capacity and stimulate innovation (including social innovation), entrepreneurship and capacity for change by encouraging the development and discovery of untapped potential from within communities and territories.”

January 2019
Our considered answers to the questions raised are as follows. We thank the Honourable House for taking the time to consider our responses.

1. We understand the rural economy to be based on agriculture and countryside activity, often centred on a market town. In recent years, additional housing has been built in villages and small towns with few employment opportunities generating the destructive need to commute using fossil fuel transport in the face of inadequate public transport. People move from urban areas to this new housing and then commute by car to larger towns and cities for work. With the advent of fibre broadband in homes, the opportunities for tele-commuting, and home-working will increase but there still needs investment in realistic infrastructure, taxation and employment legislation improvements.

2. Farm shops selling local produce ranging from roadside huts to organic/gourmet such as Daylesford. Local markets such as Friday market in a Stratford. Local businesses offering creative/educational activities such as Sew Me Something - was Stratford town based shop selling sewing materials and offering tuition workshops - now in a barn unit at Atherstone offering sewing and other art/creative courses. Small Yoga and Pilates studios at Preston-on Stour and Bishopton hamlet. Wildmoor Spa - membership health club and day spa for visitors. Artisan businesses providing everything from thatching to baking, durable goods to servicestrive in the rural infrastructure which is usually underserved by larger/global business.

3. Growth in sideline agricultural businesses such as farm shops with cafes and rural produce. Food and leisure activities, making use of locally grown food eg cookery courses, and land eg sport and outdoor days/holidays - agritourism. Important that technology in rural areas matches that of cities and entertainment opportunities are wide and varied.

INFRASTRUCTURE AND SERVICES

4. Rural areas need regular and reliable public transport from villages into towns and from towns into nearby cities. Train services need to be co-ordinated with other services.

5. It is important that rural connectivity matches that of urban areas, perhaps even outpacing it so that reductions in vehicular commuting can be realistically targeted. Attracting digital entrepreneurs will require digital access of a high speed nature which will generate local, national, and international sales and jobs.

6. Essential services in rural areas need Government support either directly or indirectly. Good public transport would make it easier for those living in rural areas to access these services in nearby towns. Legislation may be needed to protect banking services in rural areas, with improved budgets to enable fulfilment of services and realistic service delivery outcomes.

7. Government schemes to provide financial and other support to community ventures. Preferential council rates for locally based businesses that employ two
people or more. Support for paid employment of rural residents in community projects by way of tax breaks or improved benefits (e.g. free bus pass if living within 3 miles or work).

BUSINESS, EMPLOYMENT, SKILLS AND DEMOGRAPHY

8. Access to advice and funding is important. New ideas should be encouraged and supported with mentoring (incubation) to adapt and change as necessary to succeed. Often businesses fail because although the idea is popular at a certain price, it is not possible to charge enough in a rural area to enable the business owner to make a living. Access to premises at a reasonable price - local authorities could help here with start-up facilities using empty council property perhaps. Wages for employees must be fair and at least sufficient to live on, with recognition for the increased commuting costs recognised in a tax break perhaps.

9. Education and investment, social enterprise to encourage people who are deprived to participate and communicate their ideas in a forum of acceptance and collaboration. It isn’t always about money – having mentors to identify and draw out key skills that may reside within people which could benefit the local economy or social landscape, regardless of background, physical or financial capacity.

10. Access to opportunities or the forums to generate opportunity which is in the realms of this demography. Younger people may be more likely to return to live in rural areas when they have a family and need family houses and gardens, but may not be in a position to afford housing/transport at a younger age. Encouraging the rural infrastructure to support youthful entrepreneurs will encourage young participants. Viable affordable housing, sports facilities; social and cultural facilities such as pubs, restaurants, cinemas, theatres, nightclubs; creative and educational leisure activities.

11. Regular and reliable public transport in rural areas is even more important for this demographic so that they can access services if they do not have independent transport and enjoy social interaction. Older active people in rural areas could be encouraged to co-ordinate groups and clubs for their age group - perhaps with funded /subsidised premises and administrative support. At the same time, older people will need the same facilities as other age groups in terms of sports, leisure and cultural activities.

RURAL HOUSING AND PLANNING

12. More efficient housing associations. Housing built near to places of employment with contributions made by employers towards accommodation for lower paid employees. Publicly funded housing removing the housing association – this will generate surety, assets and a source of long term affordable housing.

13. Large housing developments destroy the character of the rural area in which people choose to live. Consistent and methodical urbanisation, dependent on fossil fuel for transport, heat and light is conducive to self-destructive policy. Establishing access to the wider world of opportunity without needing to commute has to be a priority rather than needing to build more houses and
roads. The most recent reforms have been undertaken to reduce the admin burden on councils and cost cut rather than ease the process to fulfil need.

GOVERNMENT POLICY, DEVOLUTION AND LOCAL GOVERNMENT

14. Government should be aware of the social issues affecting rural communities (eg low pay, poor public transport, social isolation, drugs) and give these the same attention as urban problems. MPs serving rural economies must spend time in their constituencies listening to the views of rural residents and working to represent the wishes and needs of these communities to Parliament. The CPRE often raises important rural issues which Government could pay attention to. Why not? Who knows. Local MP’s should reside in their constituency, we would go further, the local MP must actually have historic family ties to the local area to have any real credibility, and should surrender personal business activity while in office to curb corrupt decision making opportunity.

15. LEP’s seem to work solely for the good of attracting outside investment and ignore inward investment support of local business. This is a self-destructive policy and a department that serves only the wealthy and not the local economy at large. Co-ordination between bodies could be improved not by allowing voluntary liaison but requiring a legal interaction between each body that has an impact on another directly or indirectly. E.g. the CEO of X council should sit on the board of the LEP of the wider area, THE CEO of X NHS Trust should also sit on the board (with voting rights!) of the local council where it’s clientele is drawn and so on.

21 August 2018
Maldon District Council – Written evidence (REC0163)

Maldon is a large and sparsely populated rural district, situated along the Essex Coast. Maldon District therefore has to deal with infrastructure constraints, such as restricted road access and more limited transport options that curtail economic growth in parts of the District. This has important effects on income levels, deprivation, house prices, commuting patterns, employment opportunities and access to services. In common with other rural areas, we are concerned about the availability of suitable digital infrastructure and rural housing, as well as provision of skills, in order to provide local people with sustainable incomes and businesses with the required skills to expand and grow.

Our response to the questions raised by this call for evidence is set out below:

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

According to the LGA Report on Health and Wellbeing in Rural Areas (2017), 19 per cent of the population of England live in rural areas which make up 85 per cent of the land. These areas are very diverse, ranging from open countryside with a scattering of small towns and villages to coastal communities dependent on fishing or tourism, former mining areas and commuter villages.

As pointed out by Lord Foster of Bath, chairman of the House of Lords Select Committee on the Rural Economy, “There are around 9.4 million people living in rural areas of England whose businesses and services contributed an estimated £229 billion to England’s total economy in 2016 … But the rural economy still suffers from a range of problems, including patchy infrastructure, expensive housing and limited services.”

Like many rural districts, Maldon has a predominantly SME business base and over 90% of our businesses are micro businesses (1-9 employees). We therefore agree with the view that a lot of this business activity in rural areas goes unseen by policymakers and support providers due to scale.

Central Government has historically given rural areas less grant per head than urban areas – despite the fact that it costs more to provide the services in rural areas. Rural residents earn less on average than those in urban areas and therefore pay proportionately more of their earnings from the local economy in Council Tax than their urban counterparts, yet receive fewer local government services. Rural areas also have a larger proportion of older people and smaller proportions of young adults. According to the LGA report on Health and Wellbeing in Rural Areas (2017), rural areas have on average 23.5 per cent of their population over 65 compared with 16.3 per cent of the urban population. This ageing population affects the availability of skills for
rural businesses and increases pressure on local services, especially health and social care.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

Maldon was recently ranked in 25th place in the UK Best Rural Places to Live in 2018 index. In the announcement, Halifax managing director Russell Galley noted: “The winning formula for quality of life in the countryside seems to consistently include high employment levels and top scores on wellbeing, along with low school class sizes and high average spend per pupil – more than twice the national average.” We believe that the secret to our success lies in a combination of the natural characteristics of our rural and coastal geography, combined with our vision to make Maldon District a great place to live, work and enjoy. Our focus on people and business when providing skills and business support aims to provide the skills required by business as well as the quality of life to attract skilled labour to the area and reduce out commuting.

Maldon District also continues to maintain its top position in terms of successful applications within the area covered by the Essex Rivers Local Action Group that administers LEADER funding for rural projects in Essex. In April 2018, of the approved projects funded to that date, 6 out of 12 had been submitted by businesses located in Maldon District. More have since been added. This demonstrates that availability of funding for rural development and diversification has an important place in the rural economy and significant demand if efficiently communicated to potential applicants.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The Maldon District Rural Gap Analysis (2010) showed that many agri-businesses were seeking to diversify their operations and that 70 per cent of the farms in Essex had already diversified. This process has since accelerated and some examples of diversification projects in Maldon District involve the conversion of redundant buildings into holiday lets, offices and wedding venues.

Other businesses have moved into niche food production or have followed a path of vertical integration, by incorporating a value-adding process into their business (e.g. they have opened a farm shop to retail their products). The viability of changing the use of a redundant agricultural building into an alternative use (i.e. turning a barn into an office) depends in part on levels of remoteness. Thus rural diversification through ‘change of use’ is more likely to be successful in less remote areas.

The most important challenge to growth of rural businesses in Maldon District is the availability of suitable skilled employees. Accessibility is a
challenge, especially in more remote rural areas, reducing the pool of available candidates. In some cases remote working might assist if suitable rural broadband is available, but provision of innovative transport options will remain a key consideration.

Infrastructure and services

4. How can access to transport be improved in rural areas?

Access is a barrier to business growth in rural areas. Public transport often does not reach rural businesses, leaving employees and potential employees with few options to arrive at work and they usually require access to a car. On demand transport options should be explored, such as the Demand Responsive Transport (Dengie DaRT) service provided in the Dengie Peninsula by a number of minibus vehicles, typically accommodating between 8 and 16 passengers.

Another innovative travel to work scheme for consideration is “Wheels to Work”, as currently implemented in Derbyshire and Nottinghamshire. These schemes provide affordable transport to individuals who are unable to access public or private transport for employment, and in some cases training and/or education. Mostly this is either by mopeds or scooters but some schemes can also offer bicycles or other transport solutions. This can be especially beneficial to young people (especially students attending Further Education colleges or sixth forms and apprentices) who cannot afford a car as well as insurance and other associated costs.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The delivery of suitable broadband to rural areas is key to the growth of rural business. Broadband coverage levels in rural areas are rising, according to official figures, yet many rural businesses complain about broadband speeds not meeting expectations. Dissatisfied businesses are usually more vocal, so these perceptions may not be representative, but there are a number of potential reasons why delivery of broadband in rural areas is not meeting expectations.

Firstly, official coverage figures do not guarantee that full speeds are being experienced across the area technically covered. Superfast broadband is usually provided by fibre-to-the-cabinet (FTTC) technology with fibre optic cables to specific points (cabinets, colloquially referred to as green boxes). Connections from cabinets to homes and businesses are provided by conventional copper wires. Broadband speeds drop significantly when transmitted over copper wire and the effect is magnified over greater distances. The cabinets also have a maximum capacity, so not all customers may be connected if the local demand outstrips the available connections. Finally customers have to opt in to the faster broadband service and as this is usually provided at additional cost, not all customers take it up.
Additional work is therefore required to improve information available to businesses and other broadband customers about the steps that they need to take to ensure that they are receiving the best broadband speed available.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

Rural areas have an increasingly ageing population, so demand on services is likely to increase, while at the same time capacity to travel to access services is decreasing due to age related physical capacity and illness. Provision of these services, especially in more remote rural areas is also challenging. Digital services, delivered remotely, are one way to address this issue, but this depends on the availability of reliable and suitable broadband.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

Local community shops and pubs in Maldon District are advised to approach the Rural Community Council of Essex (RCCE) and The Plunkett Foundation for support. Essex County Council also operates a small grants scheme designed to fund community projects called the Community Initiatives Fund (CIF) as well as the Local Service Fund administered by the Essex Association of Local Councils. The County Council also supports the establishment of Community libraries run by the local communities.

*Business, employment, skills and demography*

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

As discussed in question 2 above, Maldon District has enjoyed a very high success rate from local applications for LEADER funding. This demonstrates local demand and capacity to develop and deliver significant rural diversification projects, if suitable funding is available. It is therefore recommended that Government should replace this fund with equivalent dedicated business support for rural diversification as part of the proposed UK Shared Prosperity Fund.

9. **How can deprivation and inequality in rural areas be tackled?**

Additional support for Social Enterprises and new business start-ups should be provided, as well as acceleration of fast growing small businesses. In rural areas with low levels of unemployment, this provides opportunities for suitable training and integration of skilled employees from previously overlooked sources, such as former military personnel, people with disabilities, ex-offenders, parents and carers who are
returning to work, and retired people who are fit and willing to work. Suitable training and support should be made available to enable these groups to successfully enter local employment. Access to suitable transport to reach education or employment in remote rural areas, or alternatively options for remote working through suitable broadband access, are some of the enabling factors that will need to be considered.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

While many young people are attracted to the bright lights of big cities, especially in the early stages of their careers, we should work hard to persuade them that similarly exciting and rewarding career opportunities exist in their local rural area. Few young people at school are aware of the available local employment opportunities, due to poor communication between businesses and schools. Local authorities can bridge this gap by liaising closely with both businesses and schools to ensure that these opportunities are effectively communicated to young people and their parents.

The increasing cost of transportation (especially rail fares) is beginning to reduce the attractiveness of out commuting from rural to urban areas. Combined with the opportunity to reduce time spent on commuting, this should make local jobs in rural areas more attractive and competitive, offering a better quality of life and more leisure time to spend with family. Young families are also finding it increasingly difficult to find affordable housing in urban areas (especially London), so we should work to convince skilled and experienced young professionals with families to return to rural areas, where housing may be more affordable (compared to London) and they can enjoy a better quality of life.

We should also work with local rural businesses to improve their efficiency, through investment in infrastructure, updated machinery and R&D, as well as skills, in order to offer rewarding careers and more competitive salaries. For example, skilled professionals leaving further education trained in operation of modern automated CNC machines and digital CAD systems, may have trouble adapting to employment in manufacturing or engineering businesses that have not invested in this technology (CNC technology is more cost effective at scale) and use traditional lathes, routers and milling machines and other older non digital equipment. Many rural businesses are small, have relatively small production runs and have less capital to invest. The adoption of additive layer manufacturing (3D Printing) technology in such businesses will face a similar challenge.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?
Provision of social care in rural areas is complicated by the issue of accessibility. Remote rural locations are difficult to service by care providers and patients with limited mobility have difficulty in travelling to access care. The ageing rural population is likely to increase demand over the coming years. The existing skills shortage is aggravated by the difficulty of suitable candidates getting to these locations to perform their service, especially if they are young and do not have access to a car. Training of local retired people in relatively good health to provide social care for other elderly or disabled people in their own community might contribute to alleviating this problem.

Digital technology can also be employed, allowing remote contact between the care providers and patients for routine matters. More efficient data processing during triage to determine the most urgent cases for direct intervention should allow more efficient scheduling of personnel and thereby reducing the workload on care providers, thereby ensuring sufficient time to deliver an appropriate service, increasing patient satisfaction and a sense of job satisfaction for service providers.

This requires investment in technology and upgrading employee digital skills by rural care providers, as well as training patients in the effective use of these technologies and consideration of alternatives for those who are incapable of using this technology through disability or advanced age. Those patients who are capable of using this technology could potentially also use it to keep in touch with other patients, encouraging sharing of experiences as well as social interaction, reducing social isolation and promoting improved mental health. For this intervention to be effective, it will require provision of suitable rural broadband, increasing both coverage and speeds.

*Rural housing and planning*

**12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

As pointed out by the Rural Services Network in their submission, house prices in rural areas are higher and less affordable than in urban areas (except London) and therefore options for those on low incomes seeking affordable homes or social rented housing are typically very limited in small rural settlements. According to the Halifax Rural Housing Review (2017), rural houses cost on average £44k more than in urban areas. Earning levels in rural areas are also generally lower, reducing affordability, especially for first time buyers. This encourages out commuting in order to benefit from higher urban salaries and this in turn reduces the local pool of available skilled labour.

High land values provide little incentive for land owners to release land for affordable housing. A robust rural housing needs survey is required, on which to base policy decisions. Local Authorities need to partner with the
local community, farmers and housing associations in order to deliver suitable and sufficient affordable housing in rural areas utilising appropriate planning rules e.g. Rural Exception schemes. Policies for housing allocation need to consider housing in and housing for the area. Housing allocations in rural areas are not always based on the need for affordable housing in that locale, but rather on relieving district wide housing needs.

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

A more stringent and consistent approach to determining need for affordable houses in rural areas is needed. This will require national policy guidance. A significant issue affecting the delivery of affordable homes in rural areas in recent years has been the planning policy change which removed the requirement to deliver affordable homes on small sites. Most development sites in rural areas are small and recent changes to planning policy exclude small sites (of less than 10 dwellings) from the requirement that private developers include a proportion of affordable homes within developments. This has had a significant and negative impact for the delivery of rural affordable housing and a simple solution would be to exempt all small rural settlements from this policy change. Planning permission rules could also stipulate that low cost housing in rural areas can only be used as a principle residence and remain affordable in perpetuity.

Cllr. Adrian Fluker  
Leader  
Maldon District Council  

*17 September 2018*
The Methodist Church - Supplementary written evidence (REC0187)

Examples of Churches as Community spaces

**Buckland Brewer Methodist Church, Devon**
When the only shop in the community closed, the Parish Council approached the Methodist Church with a proposal to site a Portacabin on church land. Instead, the church congregation suggested leasing and adapting the vestry on a permanent basis. A community shop committee was established. The Church was responsible for funding the building work for the project whilst the Shop Committee concentrated on raising funds necessary to open, equip and operate the shop and provide a new disabled access and decking area. Buckland Brewer Methodist Church raised the necessary £25,000 needed for the building work through grants from various sources and the shop committee raised a similar amount through grants and a local share issue.

**Broad Chalke United Reformed Church, Wiltshire**
The village of Broad Chalke has a Parish Church and United Reformed Church (URC), who work well together and in 2006 signed a sharing agreement for the URC building. Together they audited the village and soon recognised the considerable number of elderly people living alone, and those in social housing, who felt isolated and lonely. Together, they worked to update the Chapel into a warm, hospitable place of meeting for the village community, while retaining it as a place of worship.

In 2012 the local village shop was due to close as the owner retired, and the Parish Council approached the church to see if they could host the shop and Post Office. Permission was given and fund raising followed including a grant from DEFRA. Today, the ‘hub’ is up and running in an exciting partnership between church and community. The URC premises now house a shop, a post office counter, a coffee bar with wi-fi access, the local history archives and a shared office for the hub manager, the Anglican benefice administrator and the local police officer. Worship, both URC and Anglican, continues in the shared worship area, which is also open for community gatherings throughout the week.

**Ponsanooth Methodist Church, Cornwall**
Ponsanooth Methodist Church has two large buildings, a worship centre and a Sunday School building which was opened in 1893. The Sunday School building burnt down in 2008, it was rebuilt and re-opened in 2014 as Ponsanooth Hall, a modern facility for the whole community. Owned by the Methodist Church, it is leased to a limited company that has responsibility for its running and maintenance.

Part of the design brief for the rebuilding was that it should be as multi-purpose as possible. A weekly toddlers’ group and a café on three days per week are happily staffed by church members and those who would hardly ever attend church. During winter, monthly film and pizza is the church’s gift to village children, being replaced by involvement with street games on the playing field.
during summer. At the recent Harvest Festival daffodil bulbs were potted by the children as gifts for elderly and isolated people to be distributed during Christmas carol singing.

Ponsanooth Hall now hosts around 15,000 people each year. The church congregation, small in number, has been a catalyst to bring further unity to the community through serving one another and in the words of one local person, ‘it is truly a pleasure to be involved’.

**Grewelthorpe, North Yorkshire**
The Methodist Church joined the Parish Church to form a Local Ecumenical Partnership worshipping in the Parish Church Building. The school room adjoining the Methodist Church was sold and the money was used to provide a toilet and kitchen in the parish church.

The Methodist Church Building has been leased to a Village Hall Committee. The building has been refurbished to provide a village hall. This hosts a daily café, various community activities and local services.

These buildings in these examples provide community spaces which host activities that can help to alleviate loneliness in their communities.

**Social Enterprise**

Although there is no overall strategy for encouraging social enterprise, some enterprising projects have taken place across the Methodist Church.

**The Tubestation, Polzeath**
This is a fresh expression of church based in a Methodist Building. It arose out of a desire by the original congregation to serve their local community many of who were surfers. At the heart of it is a café which is a social enterprise, that prioritises the use of local ingredients. There is an art gallery run by the local art community, which features the best of local artists.

**Castleton Methodist Church, Peak Park**
Part of this building has been turned into a conference centre, the Peveril Centre. This hosts a regular craft market for local people as well as community activities and external bookings.

**Amelia Trust Farm**
The Methodist Church in Wales was involved in setting up this care farm and Methodist people are active as volunteers and trustees. They concentrate on caring for young people in need of support especially those struggling with mainstream education. Recent changes in funding have seen them broaden their staff to include those with a social enterprise background.
[https://www.ameliatrust.org.uk/](https://www.ameliatrust.org.uk/)

**Isolation and Loneliness**
This is an area where the church, through its social activities, can make a real difference to their community. Many churches host drop ins, lunch clubs, craft groups and other activities where people come together. It can be easy for
churches to underestimate the importance of these events. However, they can be very important, for example a church in Yorkshire began a craft group, a lady joined who had moved into the community to access suitably adapted housing. After a few months she arrived with a birthday cake and told the group they had saved her life. At a Christmas lunch one member of the club who had recently lost his wife still felt able to come because he knew people would understand his tears and welcome him.

One of the reasons for developing the Loneliness and Isolation Tool Kit, which has been submitted to the committee, is to encourage churches in the work they already do in this area and to encourage them to be more focused in reaching out to those who are most in need and who may be hidden. Agricultural Chaplaincy is a way of targeting help and support to the farming community who can feel increasingly isolated. The Methodist Church supports some ecumenical chaplaincy teams through grant funding. Here, too, there are stories of good practice and innovation.

**Coffee Caravan, Suffolk**
This is an ecumenical initiative in partnership with the Farming Community Network. It is a mobile community café and information centre aimed at helping to alleviate rural isolation. A caravan was purchased in 2003 and began visiting mid Suffolk in the spring and summer. Since then, a second caravan has been purchased and together they cover the whole of the county all year round. As well as providing a social space for people to come together, the information provided has helped many people gain access to the benefits, information, and services they need.

**Butty Van**
Borderlands Rural Chaplaincy is an ecumenical initiative of Wolverhampton and Shrewsbury Methodist District and the Diocese of Hereford. To get local conversations going in Shropshire, a small group started a Butty Van which travels within a fifteen-mile radius of Much Wenlock. A team of four chaplains and six helpers travel to a local farm and serve bacon and sausage baps with tea or coffee in one of the farm’s buildings. Around thirty farmers, their spouses and retired farmers have attended each event. It’s a time to talk, make new friends and chat confidentially with one of the chaplains. Farmers have been known to pop in even at busy times like lambing season! They can come just as they are, muddy boots included. The response to the Butty Van has surprised the chaplaincy and pleased the farming community, demonstrating the church cares about farming. Ironically there is no actual van, just tables, chairs, catering equipment and a gas BBQ.

**Walls Café, Shetland**
Most of Shetland outside of Lerwick could be considered remote. The Methodist Church in Walls has been running a cafe for the last 14 years, on a Friday. Open over coffee and lunch time they serve delicious home-made soups and cakes. The cafe buzzes with conversation, it is a real community meeting place. Sometimes one of the community nurses looks in to catch up with people and more tables fill up as the pre-school finishes. Prices are kept low so that people can afford to come regularly. As one of the church members explained, this was never about making money, but giving people a place to meet and talk. The cafe makes a small profit which is used to help support a project run by the Methodist
The Methodist Church - Supplementary written evidence (REC0187)

charity, ‘All We Can’. The café began after someone in the community committed suicide and the church felt they needed to do something to support people

**Tea and toast**

Tea and toast began in Market Weighton after a church member noticed a group of mums standing talking in the rain after dropping their children at school. She invited them to come into the church offering to, ‘put the kettle on’. ‘If you put some toast on, we will definitely come’ was the reply. Tea and toast became a regular event. It is attended by all ages and various agencies also use this as a point of outreach. Although this model began in a market town it has spread to other village communities as an easily sustainable model.

**Dispersed Food Banks**

Sadly, food banks are necessary in all communities, but in rural areas things need to be done differently. Transport can be an issue, both cost and availability, and in small communities where everyone knows everyone confidentiality is important. Dispersed food banks work well.

Naunton, in the Cotswolds, acts as the centre of a dispersed food bank. It acts as the warehouse for food contributions and makes sure that the outlets in other areas are well stocked. The have a key role despite their remote location and they have also been able to help local people see beyond the rural idyll and understand some of the challenges other people face.

The Fosse Food bank is based at St Peter’s Church in Kineton but works with an ecumenical network of churches and volunteers. The warehouse and distribution centre are housed at Kineton, some local churches also hold small stocks. A network of local professionals have the number of the co-ordinator and they can refer someone by phone. A local volunteer will then collect food and deliver to the person in need of it.

**A Discipling Presence**

This is a workbook written by the Methodist and United Reformed Churches. Its aim is to help promote and sustain an effective Christian presence in rural communities. It begins from the premise that ‘every community, if it’s to be whole, balanced and healthy needs at its heart a committed group of Christians.’ It challenges churches that they may need to do things differently; they may not always worship on a Sunday or in their own building, they will need to be ecumenical and increasingly will be lay led.

The workbook looks at church life in terms of worship, service and evangelism. At the end of each chapter there are three ‘why nots’. Small activities that churches can do to begin to put what they have read into practice. Some churches will already be doing things like that so can be challenged to think bigger; others may be given the confidence to take some first steps. A copy of this resource has been sent to the committee.

Whilst the churches face challenges in the countryside with smaller aging congregations and clergy looking after more churches, there is plenty of evidence that churches are still very much at the heart of their communities and good potential partners for other civic and local authority groups to work with.

**Materials submitted to the Committee**
Open Welcome: a resource to help churches open their doors to provide a quiet space as well as for community activities.

Accessible Welcome: an introduction to making church premises and activities more accessible to people.

Isolation and Loneliness tool kit: mentioned in this submission and the evidence session.

A Discipling Presence: a study guide for rural churches described in this submission.

Methodist Connexional Property Strategy

Rev Elizabeth Clark
National Rural Officer for the Methodist and United Reformed Churches
8 January 2019
The impact of the tax regime on the rural economy

Context
There are three key areas of taxation which affect the rural economy:

Inheritance Tax ("IHT")
IHT is payable on certain lifetime transfers including gifts into trust ("chargeable transfers") and death. If an individual makes a chargeable transfer, or a gift to another individual during their lifetime, they need to survive that gift by 7 years otherwise it will be taken into account when computing the IHT liability on their death.

Agricultural property relief "APR" and business property relief ("BPR") can apply to reduce the chargeable value of assets by either 50% of 100%. APR can only apply to agricultural property whereas BPR essentially applies to interests in, or assets used in, a predominantly (i.e. more than 50%) trading business.

There has been much speculation over the years as to whether APR might be abolished. The focus is often, therefore, on structuring rural businesses to secure BPR. More recently, there has been some debate about whether the test for a predominantly trading business might shift from more than 50% trading to 80% trading.

Capital gains tax ("CGT")
CGT is payable on the disposal of assets (e.g. gift, sale).

Various reliefs are available including:
- Holdover relief. Relief can potentially be claimed on chargeable transfers, and the gift of agricultural property and assets used in a trading business. The business must not be substantially (i.e. 20% or more) an investment business. The gain is deferred until a future disposal but the transferee "inherits" the transferor's base cost.
- Rollover relief. If the transferor acquires a replacement business asset within a certain timescale, they may be able to roll the gain into the replacement asset, thus deferring the CGT liability until a disposal of the replacement asset.
- Incorporation relief. If a business and all of its assets are transferred to a company in return for shares, the gain can be deferred until the shares are sold.
- Entrepreneurs’ relief. If a business, or assets used in the business, are disposed of and various conditions are satisfied, this relief can reduce the rate of tax to 10%.

Income taxes
A distinction needs to be made between unincorporated businesses (i.e. sole trades and partnerships) where the sole trader or partner is taxed at their
marginal rate of income tax ("IT"), and corporates, which are taxed at much lower rates of corporation tax ("CT").

To the extent profits are extracted from a company by way of dividend or salary, the recipient must pay IT. There is, therefore, an element of double taxation on company profits.

**Challenges**

As the above summary suggests, the tax legislation is complex. Many additional conditions need to be satisfied to secure tax reliefs and it is impossible for most people to navigate the tax regime without professional advice.

**The need to remain unincorporated**

The vast majority of rural businesses are unincorporated. This is not due to ignorance of the attractions of corporate structures but rather the complexities of rural businesses.

- Many rural businesses are family owned and have existed for generations. Historically, sole trades and partnerships have been more common place than companies.
- It can be very expensive to incorporate a sole trade or partnership. Often, the conditions for incorporation relief cannot be satisfied. This means that there would be a prohibitive CGT charge (and, in the case of land and property, an SDLT charge) on incorporation.
- Rural businesses need to be able to adapt to accommodate changes in the tax regime and family circumstances. Sole trades and partnerships are much more flexible structures than companies.
- The scale of rural businesses means that the benefit of rolling up surplus profits at lower rates of CT in a company is often outweighed by the cost of extracting profits from the company.

**Maximising IHT reliefs**

To preserve rural businesses for future generations, it is vital that they qualify for APR and/or BPR.

- If assets do not qualify for APR and/or BPR, they may need to be gifted to the next generation much earlier than would otherwise be the case in the hope that the donor will survive for 7 years. This may not be in the best interests of the business. However, an unforeseen IHT liability will often lead to the sale of assets to pay the tax bill, which can in turn cause the business to fail.
- The abolition of APR would potentially have a more significant impact on the tenant farmer than the landowner. Whilst let land is capable of qualifying for APR, it is regarded as an investment asset as opposed to a trading asset. This means that let land can only qualify for BPR where it is “cloaked” within a predominantly trading business. The abolition of APR may result in landlords taking land back in hand to farm it themselves so that it qualifies for BPR.

Given it is has not been possible to grant new agricultural tenancies since 1 September 1995 which confer security of tenure on the tenant, many tenant
farmers have no security and are exposed to the risk of having their agricultural tenancies terminated in the event their landlord decides to farm the land in hand. Although alternative arrangements which are capable of securing BPR on land, such as share farming agreements and contract farming agreements, would enable tenant farmers to continue having an involvement in the farming operation, such arrangements involve a fundamental shift in control.

- As a result of the uncertainty over the future of APR, the focus has been on securing BPR wherever possible. For example, a typical landed estate will comprise agricultural land, a portfolio of let residential properties and various diversified activities from weddings and events, to letting land for a large scale solar farm.

If the estate is run as a single, predominantly trading, business then all of the business assets should qualify for 100% BPR. However, the picture is rarely this simple.

- Different family members may be responsible for different business activities. From a commercial perspective it may, therefore, be desirable for the property portfolio to be managed as a separate business so that the person running it has complete autonomy. This immediately presents an IHT problem as a property letting business cannot qualify for BPR given it is predominantly an investment business. This is likely to mean that the property portfolio is managed as part of a large, predominantly trading business, most likely through a partnership structure.

- Diversification is key to “future proofing” the business. Business owners can be put off diversifying into activities that might in certain circumstances be treated as “investments” such as caravan/camping sites, letting commercial units and operating holiday lets because this may lead to the business becoming a predominantly investment business, which does not qualify for BPR. This can stifle growth in the rural economy.

Maximising CGT reliefs

- CGT can be a barrier to gifting assets to the next generation during lifetime. If assets do not qualify for holdover relief, then a gift may trigger a “dry” CGT charge. Succession planning therefore often involves handing over management of the business but retaining ownership of certain assets until death, when they are rebased to market value. However, care needs to be taken to ensure that the retention of assets will not result in an IHT liability on death. This might not be in the best interests of the business.

- In recent years, many landowners have explored the possibility of either selling land for residential development, or undertaking self-build projects to provide rural communities with much needed housing.

    - In many cases, potential development sites have been owned for decades so that when the land is sold with the benefit of planning permission, a substantial CGT charge is triggered. Professional advice is often required to maximise the return by securing reliefs.
- There is one particularly nasty trap for the unwary. If the landowner allows his land to be developed before triggering a CGT disposal, part of the gain may be taxed as income.

- In some cases, two or more neighbouring landowners may wish to jointly promote a site. To eliminate self-interest and maximise their bargaining power, they may enter into a collaboration agreement under which they agree to share the costs and proceeds by reference to the acreage of land they each contribute. Assume A and B agree to promote 100 acres of land, of which they each own 50 acres. A’s land sells first for £20m. Under the collaboration agreement, A would effectively need to pay B £10m. That payment would be subject to CGT in both A and B’s hands and it would not be deductible in computing A’s CGT liability.

To circumvent the double taxation of equalisation payments, it is necessary to put in place a complex land pooling structure. These come with a plethora of tax issues. Fundamentally, the application of the tax rules is proving to be one barrier to bringing sites forward for development and achieving the Government’s house building targets.

Conclusion

The longevity of many rural businesses depends on careful navigation of the present tax regime. These are businesses which have often been built up by families over generations and they have responsibility for sustaining local communities by providing employment opportunities, housing and services. They form the backbone of the rural economy.

Commercially advantageous business decisions cannot be made without addressing the tax implications. Consideration must be given to whether they will alter the preferential status afforded to predominantly trading businesses. Succession planning for the business must take account of the IHT and CGT implications to avoid unforeseen tax liabilities, which could prejudice the viability of the business. Worrying about tax can stifle the diversification and growth of rural businesses.

The rural economy would benefit from a simplified tax regime, that does not create an artificial division between: (1) trading and investment and (2) corporates and unincorporated businesses. This would provide greater certainty.

4 December 2018
Mobile UK – Written evidence (REC0070)

About Mobile UK
1. Mobile UK is the trade association for the UK’s mobile network operators - EE, Telefonica UK (O2), Three and Vodafone. Our goal is to realise the power of mobile to improve the lives of our customers and the prosperity of the UK.
2. As mobile increasingly becomes the device of choice for running daily life both at home and at work, customers have come to expect more extensive coverage, more capacity and greater capabilities. Our role is to identify the barriers to progress, and work with all relevant parties to bring about change, be they Government, regulators, industry, consumers or citizens more generally.

Introduction
3. Mobile UK welcomes the opportunity to respond to the Call for Evidence from the House of Lords’ Rural Economy Committee.
4. Mobile UK has devoted most of its response to addressing directly Question 5: “What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?”
5. That said, improving fixed and mobile connectivity provides some of the answers to most of the other questions in the Call for Evidence, because having good mobile connectivity is now an essential component of any policy that is seeking to reduce social exclusion, improve public services and promote economic activity.
6. The mobile industry has made huge strides in improving mobile connectivity in recent years (of which more below). The industry is re-investing over £2bn annually in new network equipment (around 15% of all mobile revenues), to improve capacity, footprint and performance.
7. The sector is playing its part and has a number of recommendations that will allow the amount invested to go further and faster.

Summary of recommendations
8. National Governments should reform the planning regulation so as to extend the Permitted Development regime for communications apparatus, to ease network deployment (detailed recommendations in Annex A).
9. Central government should commit to a date for a formal review of the recently reformed Electronic Communications Code (ECC). There are clear signs that some of the reforms are not working as intended or that the legislation is insufficiently clear in certain respects (such as sharing rights).
10. All Local Authorities should make specific reference to mobile connectivity in strategic plans and Local Plans. Providing this political leadership brings together the disparate arms of local government to create a supportive environment for mobile investment.
11. All public bodies, such as Local Authorities, should formally confirm that they will make available their assets (such as rooftops) for mobile apparatus, on standard terms and at a cost based on the reformed Electronic Communications Code. The most enlightened public bodies already do this.

12. Local Enterprise Partnerships with land in the hardest to reach areas should evaluate whether there is public benefit in direct intervention to support mobile deployment (as some are already doing).

13. The Governments (central and national) should give business rates holidays for all new communications equipment (not just fixed), and thus make investment more viable, particularly in the harder to reach areas.

**Mobile Communication – relevance to the rural economy**

14. In the last 10 years or so mobile communication has joined other services such as power and water to become part of the UK’s essential infrastructure. 95% of adults own a mobile device. As a key indicator of the mobile’s evolving place in our lives, advertising spend on mobile has risen from near zero in 10 years to £5.7 bn on mobile has risen from near zero in 10 years to £5.7 bn, more than the total annual spend on TV advertising, and about 50% of all digital advertising.

15. Even though the market reached maturity in terms of subscriber numbers some time ago, the introduction of smartphones in 2007 and the deployment of 4G from 2012 has led to a very rapid rise in total network traffic – a rise that is set to continue for the foreseeable future. The recent 7 times rise has arisen almost exclusively from the greater use of mobile data.

16. With respect to the rural economy, mobile connectivity makes a number of important contributions, for example:

   **Social inclusion**
   
   • 95% of people own a mobile device. Entry cost is very low (£15 for a basic

phone) and only 0.2% of households are now in a mobile ‘not spot’

- Those looking for houses and jobs can be alerted by text message of new opportunities. Research shows that good mobile connectivity increases participation in the labour market.
- Mobile connectivity supports flexible/home working. 22% of people in rural areas are home workers v 13% in the urban areas\(^\text{342}\)

**Safety**

- From April 2018, all new cars sold in the UK are fitted with E-Call (whereby an automatic call is made to 999, with location, in the event that an airbag is triggered)
- Tourists and visitors can use navigational tools and call for assistance, if required
- Lone workers in remote places can be better safeguarded

**Economic activity**

- Applications enable greater efficiencies in agricultural processes, and traceability in agricultural products’ transport (improving productivity in agricultural will be important for food prices and security after the UK leaves the EU.)
- Providing access to services such as banking and retailing, where the physical footprint of such facilities is reducing
- Supporting other large parts of the rural economy, such as healthcare and other public services
- Providing mobile connectivity to the UK’s 39 million incoming tourists (many of whom go to rural areas) and the 70 million visitors to National Parks (almost all of which are in rural areas)

**Mobile Communication – coverage in rural areas**

17. In response to this rapid rise in the importance of mobile connectivity, mobile operators have played a central role in driving this progress by continually investing in their networks, value-added services, and subscriber acquisition. As mentioned above, in the current cycle, mobile operators are investing around £2 billion per annum in new coverage, capacity and capability. In turn, business and consumer customers have shown extraordinary ingenuity in harnessing the power of mobile, to be more creative and productive, to offer new services, and to improve lives.

18. As a consequence, the measurements Ofcom publishes every six months or so have improved markedly.

19. 99.3% of premises in the UK have indoor data coverage (i.e. 3G or 4G) from at least two operators (and for 4G, the figure is 96%). Only 0.23% of premises have coverage from no operators. Perhaps unsurprisingly, 95% of those who have no indoor coverage live in the least densely populated areas

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20. With respect to the geographic coverage, the improvement is even more marked.

<table>
<thead>
<tr>
<th>Geographic Coverage</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G - no signal from any operator</td>
<td>22.9%</td>
<td>6.8%</td>
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<tr>
<td>3G - signal from all operators</td>
<td>21.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>4G - signal from all operators</td>
<td>N/A</td>
<td>56.9%</td>
</tr>
</tbody>
</table>

21. In the last 5 years, there has been a **3.9m** hectares reduction in the area of the UK with no mobile signal (i.e. approximately twice the area of Wales). Also, in that time, **13.8m** hectares (roughly the area of England) have been upgraded to 4G across the UK by all 4 operators.

22. This huge improvement are the fruits of around £10 billion of investment in new coverage, capacity and capability.

23. Of the remaining parts of the UK still without a signal, the great majority lies within the remote regions of Scotland and Wales, including the road network.

24. The mobile operators will continue to invest in their networks, but the places that still need better mobile coverage are among the hardest to reach. To overcome the barriers to network roll-out for such places, it will be much more productive if mobile operators can work more closely with Governments, Local Authorities and Local Enterprise Partnerships to unlock the difficulties that still face mobile operators.

25. As Ofcom identified in its Economic Geography\(^ {343} \) study, practically all the variations in coverage between urban and rural areas are accounted for by population density (i.e. potential revenue) and topography (height above sea level being a good proxy for cost).

26. Many sites that mobile operators currently deploy are ‘loss making’ (Across the UK perhaps around 50% and in the remoter regions, heavily loss making), in that the cost of building and operating is not justified by the level of traffic handled, both directly by the extra customers covered and indirectly as a result of operators being able to demonstrate the most comprehensive coverage in a competitive market. The extent of coverage is one of the most important factors considered by customers at the point of sale, even if the customer never intends to visit some of the places covered.

27. But ‘loss making’ coverage increases operational costs, which in turn is

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\(^ {343} \) https://www.ofcom.org.uk/__data/assets/pdf_file/0029/95708/Economic-Geography-2016.pdf
reflected in consumer price, another key sensitivity and so mobile operators have to make a very careful judgement on the competitive advantage of extra coverage v the disadvantage of extra running costs.

28. In addition to the economic barriers, mobile operators can also be faced with very challenging technical barriers in rural areas, where there may be a lack of suitable transmission sites with access to power, backhaul and access tracks. They also face competition from wind turbines, which are not suitable hosts or neighbours, as the movement of the blades interferes with the radio signals.

29. As the fibre network extends further through the UK, this will go some way to addressing the backhaul issue. And power and access can be addressed if enough money is spent, but this can often be very disproportionate in terms of the extra service delivered.

30. In rural areas, particularly in protected areas, there can also be problems with planning permission. Mobile UK has an MOU in place with the National Parks Authority, with a view to overcoming such difficulties. We would like to extend such agreements to Scotland as soon as we can. Visitors to National Parks expect connectivity and so the hosting organisations must bear their responsibility for providing sites that are suitable for the mobile infrastructure.

Recommendations to help overcome barriers

31. As an overriding point, industry remains strongly committed to further development and innovation in the UK and wishes to continue engaging with the respective Governments on how best to create a regulatory and policy framework that stimulates investment. The global competition for capital is intense.

32. It is therefore necessary that mobile operators work with reasonable regulatory certainty and that the demands placed on them are properly balanced and prioritised with an understanding that the private capital they invest is finite and must be focussed accordingly.

33. Moreover, they must have flexibility to allocate resources in response to evolving market demand. For example, areas already covered must be maintained and upgraded on a constant basis as customers use more mobile data. Thus, a focus on one area of policy, such as geographic coverage, will have implications on other areas such as urban densification. Policy needs to be sophisticated and multifaceted to recognise these tensions.

34. With respect to specific proposals, Mobile UK makes the following recommendations:

a) National Governments should reform the planning regulation so as to extend the Permitted Development regime for communications apparatus, to ease network deployment (detailed recommendations in Annex A).

This action will time and uncertainty involved in applying for the approximately 30% of sites that need to go to full planning (mobile infrastructure is now widely accepted and recognised by the public as necessary for better connectivity. Working with the much greater certainty of the 56 day timeline is enormously beneficial to the overall project.
management of site completion. When working to a deadline set in spectrum licence conditions it is almost a necessity to work with a very high proportion of sites that qualify for Permitted Development. If working with overly restrictive PD rights, the resultant network will be high cost and sub-optimal. (The UK has some of the lowest average mast heights in the EU, indicating that this is a historic problem that needs to be reversed for the remaining 4G work and 5G beyond that.

b) Central government should commit to a date for a formal review of the recently reformed Electronic Communications Code (ECC). There are clear signs that some of the reforms are not working as intended or that the legislation is insufficiently clear in certain respects (such as sharing rights).

The new basis for valuation in intended to put downward pressure on the site costs, and thus allow more cashflow to be available for network investment. But this will only happen if the ECC works as intended.

c) All Local Authorities should make specific reference to mobile connectivity in strategic plans and Local Plans. Providing this political leadership brings together the disparate arms of local government to create a supportive environment for mobile investment.

d) All public bodies, such as Local Authorities, should confirm that they will make available their assets (such as rooftops) for mobile apparatus, on standard terms and at a cost based on the reformed Electronic Communications Code. The most enlightened public bodies already do this.

Such an action would not only be of great practical use to make it easier for operators to find new sites, but it would also send a very important message throughout public bodies that the economic and social benefits of mobile connectivity far outweigh any short term consideration of maximising revenue from leasing space to operators.

e) Local Enterprise Partnerships with land in the hardest to reach areas should evaluate whether there is public benefit in direct intervention to support mobile deployment (as some are already doing).

This is a very powerful way to improving the case for operators to invest in remote areas, where the public benefit is being realised through co-investment.

f) The Governments, central and national) should give business rates holidays for all new communications equipment (not just fixed), and thus make investment more viable, particularly in the harder to reach areas.

Introducing Business Rates Relief for new mobile infrastructure deployment, similar to that introduced for fixed telecommunications infrastructure, could have the potential to improve the investment case in areas which are currently unfeasible.

Annex A – Specific Proposals for Planning Reforms

In relation to macro sites the Government should make the following changes:

1. The removal of all prior approval conditions from the exercise of Permitted Development Rights in relation to mobile infrastructure and the extension
of such rights to cover larger structures (i.e. be able to work with a Regulation 5 Notice). This would make the process less costly (the operators estimate between £2k-£2.5k per application) and not only take less time of itself, but would also allow the other acquisition and build processes to be planned with much more certainty;

2. Removing limits on the width and thickness of mast equipment, particularly pole size for the upgrade of sites;

3. Increasing the radius within which operators can locate an upgraded tower to 50m;

4. Increasing the time allowed for emergency works to 2 years to allow sufficient time to be found for replacement sites without the loss of service, and

5. Obliging developers to offer site on the top of buildings where that building is the only suitable building for such infrastructure. Lastly clarity is needed on the rights of operators to install on pole mounts as well as masts without additional permissions to avoid situations such as the one at Forsythia House, Lewisham.

In relation to small cells:

1. The antennas for small cells are considered de minimis, consistently across the UK. The antennas for ‘small cells’ are expected to be comparable in size to the domestic alarm boxes and thus should fall outside the planning regime completely. It should also be possible for these to deployed on telegraph poles.

10 September 2018
Broadband and Transport

I am not even certain that we are rural, being approx 2.5 miles from Weymouth in Dorset. However, we might as well be on Mars! I have included some additional thoughts as I feel it is impossible to discuss access to Broadband and transport issues without considering the wider perspective of the area.

Chickerell was designated on the area plan for massive (over) development and we ourselves live in a new build home, having downsized from our large family house in Weymouth. The local builder CGFry are effectively concreting over any patch of green in the area, which at best is scant. They seem to have all the local councillors and planners in their pocket as they seem to get permission to build anywhere. It transpired that Fry’s felt absolutely no requirement to link Phase One Greys Field to the 21st Century and (Super) fast broadband, despite their sales staff assuring us and others that it was available. We have lived here for over a year and other residents over 2 years with speeds at best 1.5 and at times unrecordable. We had to go by car into town to Macdonald’s to use their Wi-Fi!! It was only after much lobbying by our MP Oliver Letwin that we have finally got speeds of around 35mbps. However, this is only FTTB, not to the house, so residents on Phase 1 still must contend with the outmoded copper wires. Nevertheless, this took much time and effort on Sir Oliver’s part and ours, including steeling ourselves for the prospect of swearing affidavits that the developer gave false information. This is against a backdrop of a light industrial estate a stone’s throw away, that houses The Land Registry who have Superfast Broadband!

This area surprisingly, is earmarked for gross overdevelopment bearing in mind that since the loss of the Navy base on Portland, there is scant industry; career opportunities for local young people is at best helping in the ice cream huts during the summer or waitressing. Most new homes are bought either by incoming retirees from up country as they can’t believe the reasonable prices, out of reach for many locals, or by ex-offenders who enjoyed the view from Portland Prison.

Where we live in Chickerell, we are awaiting the start of a 400-home development approx 10 feet from our front door on working farmland that has sheep in the winter and has just had the combine harvester baling the hay. The loss of this natural habitat for deer, kestrel, sparrow hawks, owls, badgers, a huge variety of birds and butterflies, slow worms and who knows what in the brook that runs along the side of the field. All this will be destroyed in a location where they have only just introduced a Sunday bus service into the metropolis known as Weymouth, however this is axed in the winter. Currently the last bus on any day is at 7pm so it is impossible to go into town (Weymouth) for an evening drink or meal unless you own a car or can afford exorbitant taxi fares. Locally, an Aldi store has been built on the main road towards town but the Morrisons or Sainsburys stores again will require transport. Asda is easier to access by bus if it is before 7pm or not on a Sunday in the winter. Interestingly, the take up of homes being built on Phase 2 Greys Field appears sluggish, so it is...
unclear who will buy these 400 homes or the extended development at School Hill that Fry's are about to begin.

The GP surgery is practically half time and land earmarked for a new health centre has had no interest from GP's who earn huge salaries for working brilliant hours considering it is their own business – my husband often worked 70 hours a week when he ran his business and holidays were something other people had! There is no Dental Surgery for those that can afford it. These facilities are more readily available in town but require transport for those without their own or who cannot manage buses. This is worrying as the over development is for largely incoming retirees who will have increasing health needs. The Primary School is over subscribed as essentially it was built as a village school. Again, there are plans for a new, larger school which will also impact on (lack of) health care provision and the ability of people to access it.

The main hospital is approx 8 miles away and the journey is 2 buses, starting with the bus ride into Weymouth. Visiting in-patients during the evening, or on a Sunday in the winter is not possible using public transport, which is concerning given the overwhelming evidence that having visitors can improve recovery rates of inpatients by lifting spirits.

27 July 2018
General issues

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

The rural economy is diverse and encompasses all those who live, work, visit and study within rural areas. It is not confined to land-based industries and tourism. Despite the growth in on-line trading, market towns play an important part in the rural economy as they continue to be key locations in which businesses, residents and visitors access services.

A degree of caution is needed in relation to the term ‘rural economy’ as it may create artificial conceptual barriers around problems that belong to the wider economy such as an ageing society and hide real issues like the connectivity necessary for the diversified economy of the 21st Century.

Whilst there has been an increase in the number of enterprises in Monmouthshire since 2010, the county lost 2,000 jobs in wholesaling and retailing between 2009 and 2015. It also saw a decline in employment in Information & Communication and Finance & Insurance, which goes against national trend.

Also interesting and against trend, is the increase in manufacturing, which gained 500 jobs between 2009 and 2015. Arts, Entertainment and Recreation has also been driving growth with the addition of 600 jobs over the period, 550 of which have been in Sports and recreation activities.

In recent years some agricultural businesses have diversified. However, employment data for agriculture and forestry businesses is not available at a local authority level, which makes it difficult to understand some of the changes that have been taking place in these sectors.

The proportion of workless households in Monmouthshire is now close to its lowest level since 2004. However, around 40% of Monmouthshire’s residents who are in employment work outside the County.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

Monmouthshire County Council has been particularly proactive in seeking improved access to rural broadband. Further information can be provided upon request.
3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

Whilst the decline in employment in wholesaling and retailing observed in Monmouthshire in recent years is not surprising, the decline in employment in Information & Communication and Finance & Insurance goes against national trend and was potentially harder to foresee. Similarly the growth in manufacturing employment may have been difficult to forecast.

This highlights the challenges in identifying potential growth sectors and prioritising sectors for support, which does not always deliver what was intended/expected. The Welsh Government has recently simplified its approach to sectors by identifying three broad key sectors for support in preference to the nine that it previously looked to prioritise.

Rural communities currently offer limited employment opportunities for their residents leading to high levels of out-commuting. The rural economy of the future therefore needs to be a diverse one to ensure that it is resilient to future shocks and is able to offer more higher paying employment opportunities in order to reduce the need for out-commuting.

Ensuring the availability of digital infrastructure appears to offer the greatest potential for growth as this is key to addressing the challenge of access to markets and would enable more rural residents to work from home or develop home-based or rural businesses.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

The pressure on public sector budgets in recent years has resulted in reduced funding for public transport. Population density can be particularly low in rural areas and train and bus services are often infrequent, lack flexibility and are delivered in broadly the same way as they have been for years, in spite of the changes that have taken place elsewhere in society. As a consequence, 84.8% of households in Monmouthshire have a car or van (2011 Census). There is potential for public transport to be made more cost effective by making it easier to anticipate demand for services. One way in which this can be achieved is via the use of booking apps or online booking. Traditional vehicle ownership requires significant capital investment at the outset or the need to incur significant debt which then needs to be repaid. In the age of the sharing economy there is a need for innovation in the way in which citizens have access to a vehicle or transport services.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Poor digital connectivity creates the following barriers to growth:
• Residents and businesses are unable to access some services thereby resulting in deprivation or a need to travel greater distances to access those services e.g. banking.
• Businesses experience limited access to markets
• Reduced potential for homeworking and home-based businesses
• Increased out-commuting – resulting in leakage of spend from the local economy and increased congestion
• Reduced scope for innovation

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

In Wales, most schools remain within the control of local authorities and significant investments are being made in the construction of new secondary schools. However, in the face of declining student numbers, there are many examples of rural primary schools having been closed.

Hospital facilities are increasingly being rationalised with services being relocated to areas of higher population density. This leads to rural residents having to make longer journeys to access services, thereby putting an additional strain on families and transport services.

None of these issues have an easy solution.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

Rural businesses start from a position of disadvantage as they do not benefit from the population density and customer base of those in urban locations. Out-commuting can exacerbate this. Enabling more residents to work or develop businesses within their communities would reduce out-commuting and thereby reduce the leakage of household spend from the area. This in turn will benefit local businesses/services and their viability.

Given the changes that have taken place in society in recent years, some local facilities have recognised opportunities to innovate, repurpose themselves and to adopt new ownership models, such a community owned co-operatives. Digital connectivity has an important role to play in this. One area where there seems to be potential is in the provision of remote working/hot desk locations, which enable remote workers to retain the social connection of working alongside people without commuting far from their communities.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**
Rural areas have a higher proportion of small businesses than urban areas and Monmouthshire has one of the highest number of active businesses per 10,000 population in Wales. Newcastle University’s Centre for Rural Economy notes that there is a perception of rural businesses being solely about agriculture, or too small to be interested in growth. However, they conclude that small businesses are critical to rural development, both economically and socially. Both entrepreneurial and steady-state businesses support local services and provide local employment opportunities.

A wide range of support is available to businesses in Wales via Welsh Government, Business Wales and local authorities. However, rural businesses face challenges, particularly in accessing markets and skills. Improving digital infrastructure has an important part to play in improving access to markets.

It is hard to see how labour shortages might be addressed. Some of the roles which can be considered to be amongst the most important in society e.g. in care, agriculture and hospitality are amongst the lowest paying. Whilst young people may be able to consider taking up these roles, given the possibility of living with parents, earnings levels can be inadequate for those who need to provide their own housing, making them difficult to fill.

Alongside this there is a big challenge involved in appropriately skilling and educating people, irrespective of their age, for jobs and careers that have not yet been thought about. This requires closer connection and collaboration between business and education providers.

9. **How can deprivation and inequality in rural areas be tackled?**

Improved access to local transport and digital infrastructure offers the potential for those on lower incomes to access services that they currently struggle to access. It also offers potential for them to access a broader range of employment opportunities than are currently available to them. Improvements in digital infrastructure however need to be accompanied by skills support that will equip citizens to realise the potential of new technology.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

Monmouthshire is conveniently located between the urban centres of Cardiff and Bristol and offers a good quality of life, yet with a median age of 48, it is the local authority with the oldest population of the ten local authorities that make up the Cardiff Capital Region (Cardiff, the youngest, has a median age of 34).

If more young people are to stay in or return to rural areas they need to see it as an attractive proposition i.e. one that offers attractive lifestyles, an appropriate range of employment opportunities and access to affordable housing.
Rural areas face challenges in seeking to match the facilities on offer in urban areas. It could therefore be argued that there is greater potential for them to retain or attract young people by highlighting points of difference between rural and urban areas rather than trying to match the service offer in urban areas, which is likely to be unachievable.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

Reduced out-commuting could help to ensure that communities are more cohesive in future, as residents could potentially:

- Depend less on family members for child care if less of their day was taken up travelling to and from work
- Have more time for contact with families and neighbours

This offers the potential to reduce the need to purchase homecare services. There is also potential for technology to play a greater role in providing care in the future and to adopt alternative approaches to delivery, such as co-operative models, which may allow care to be delivered by organisations that are more community based.

Retired residents have an abundance of skills, experience and resources to offer their communities, which could potentially be used more widely to increase community cohesion, reduce social isolation and support the development and growth of local businesses and services.

**Rural housing and planning**

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

Existing mechanisms have generally struggled to make a significant impact on the availability of affordable housing in rural areas. Furthermore, political decisions can have unintended consequences e.g. the planned removal of tolls on the Severn Bridges is resulting in significant increases in house prices and in-migration in south Monmouthshire which already faces significant challenges in relation to the availability of affordable housing.

New mechanisms and models need to be developed to address this need as well as making greater use of existing housing models such as foyers to address the housing, learning and employment needs of young people in rural areas. A number of local authorities are considering a return to developing their own housing stock.
13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?** –

The impact of recent reforms is currently being considered.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Modern technologies are already allowing the development of smart cities, however these technologies could reach into the rural economy reducing costs and increasing efficiency.

There is a need for a "Smart Rural Economy" Strategy and a distinct Smart Rural Economy trial area to research technologies and solutions.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

Local Enterprise Partnerships do not operate in Wales. Economic development services and business support are provided by Welsh Government, Business Wales and local authorities. European funding currently plays an important part in the delivery of services by Welsh Government and Business Wales. There is potential to strengthen collaboration between these organisations for the benefit of businesses.

Local authority services have come under increasing pressure from declining budgets in Wales and economic development is not a statutory service, although the Welsh Local Government Association is lobbying for it to be made statutory.

Efforts are being made by rural local authorities to explore the potential for procuring more goods locally.

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*10 September 2018*
Question 9: How can deprivation and inequality in rural areas be tackled?

Introduction

Rural deprivation and inequality were much researched and debated topics until relatively recently, as were their “poverty family” relations, disadvantage, and social exclusion. Between 1990 and 2012, approximately, the Rural Development Commission (RDC), Countryside Agency (CA) and Commission for Rural Communities (CRC) researched and reported on these topics, specifically in relation to rural conditions, circumstances, and social justice (CRC/SQW Consulting, 2008; CRC, 2006; Dunn et al., 1998; Harrop and Palmer, 2002).

Despite the loss of these organizations’ research, experimentation and policy advice (Centre for Rural Economy, 2013; Morris, 2015; Select Committee on the Natural Environment and Rural Communities Act, 2018), there is no government appetite to replace these organizations. The committee’s inquiry is, therefore, timely and welcome.

1. The in-favour term within the “poverty family” has varied over time. The definitions are different and complicated, but the things that affect deprived, disadvantaged and socially excluded people overlap, are similar, and familiar. Contributory factors include the committee’s selected topics: access to services, local facilities, affordable housing and transport, isolation, and also income/wages. Although, according to Shucksmith et al. (1996 p5), deprivation is, "... a less precise concept ..." than poverty, the Joseph Rowntree Foundation uses the index of multiple deprivation to inform their analysis of poverty trends, and refers to the related concept of income inequality in their discussion about housing and health (JRF, 2017).

2. Evidence suggests that the use of these nuanced, sophisticated terms has not reduced income poverty/inequality; indeed, things may have worsened (McGuinness, 2018; Whittaker, 2018). Moffatt and Glasgow (2009) in their study of the relationship between poverty and social exclusion among rural older people noted the strong association between both (p1293). They also noted that

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344 I worked for the Rural Development Commission and Countryside Agency, and, occasionally, as a consultant for the Commission for Rural Communities and other organizations, eg, Gloucestershire Rural Community Council. I am an Honorary Research Associate (University of Exeter’s Centre for Rural Policy Research), and a Visiting Lecturer in Social Policy (Bournemouth University).

345 These topics range far beyond rural. Rural areas are heavily influenced by often urban-centric national policies, such as welfare reform, health, education, and taxation.

346 Much of this work built on earlier studies by Brian McLaughlin (1985, 1986, 1987). In broader terms, research by Wilkinson and Pickett (2009) and Pearson (2016) has added to data provided by rural researchers.

social exclusion was addressed by, "... increasing the uptake of means-tested benefits ..." (p1298) – i.e. increasing incomes.

3. This suggests that deprivation and inequality (and the other terms) be treated, for practical purposes, as synonyms for poverty, as generally understood: i.e. insufficient money to allow those affected to live as others live\textsuperscript{348}. It should be noted that each of the three major inequality studies conducted since the 1980s have noted the extent of poverty, and its importance in relation to health, given that the poor often lack access to acceptable housing and good education facilities/opportunities (Acheson, 1998; Black, 1980; Marmot and Bell, 2012).

4. If it is accepted, therefore, that deprivation is, in practical terms, poverty, the question that logically follows is, how can incomes be increased to overcome inequality\textsuperscript{349}, given that, "Low wages mean that work is no longer a reliable route out of poverty ..." (IPPR, 2018, p108)?

5. Coupled with this important and difficult question is the sense that rural problems are intractable (Shucksmith, 2012 p99). Housing deprivation is particularly topical because of the loss/lack of "social rent" council housing (Baxter & Murphy, 2018), and the recent publication of the government's housing green paper (MHCLG, 2018), which, according to Bibby (2018) will not lead to a new generation of council houses. The present situation is exacerbated by the fact that, "The number of former council homes being let privately has soared to more than 40% ..." (Barker, 2017).

6. In the current political and economic climate, with wage growth flat/slow (ONS, 2018), and public spending much reduced (Bloomer, 2018), incomes are unlikely to increase significantly. Therefore, given the characteristics and limitations of the rural economy/rurality, reductions in deprivation/poverty and inequality (Appendix refers) can surely only be achieved by State policies that enable people to help themselves; eg, by providing decent, genuinely affordable social housing, accessible transport, training, and access to services. If incomes cannot be increased to reduce deprivation, the cost of living must be reduced.

7. Having written this, I accept that the committee might regard this as a naïve impossibility. However, the lack of progress on these fronts over many years, despite the best efforts of the now-closed quangos and others, strongly suggests that increased investment is the only answer, eg, via increases in the minimum wage, productivity (and, consequently, real wages), benefits for those in need, and in rural services and infrastructure. To admit that this is beyond the bounds of possibility would be a counsel of despair, and an admission of political failure.

\textsuperscript{348} During a interview with me, a senior county councillor and cabinet member, when asked to define poverty, paused for thought before saying, "This is an interesting ... [question] ... we don’t feel comfortable using it ... and so invent euphemisms ...[social exclusion] ... have they got enough money ... any money ...?" (Morris, 2010 p361).

\textsuperscript{349} The likelihood, however, based on experience, is that they will not be increased. There are party policy differences and financial constraints – e.g., see Hansard (1980) for an extract of a debate about Black’s report. Also, according to the Institute of Health Equity, inequalities between local authorities, in relation to life expectancy, for example, persist (IHE, 2017; Marmot, 2017).
8. The aspirations in paragraph 6 are not new. Neither, given commitment, are they impossible to achieve. They reflect the aims of the two rural white papers (DETR/MAFF, 2000; DoE/MAFF, 1995), and the Natural Environment and Rural Communities Act, 2006 (Defra, 2005 pt.2). Although not perfect, the aims outlined in these documents concentrated minds, led to some innovative work, and, according to the review of the 2000 white paper, measurable success (Defra, 2004), despite the seismic shock of the 2001 foot and mouth outbreak (p22), and recognition of the challenges, problems and limitations (p29).

9. Interestingly, Defra’s white paper review (2004) noted the lack of a, "... systematic rigorous evidence base." (p90), and the need for thorough, cross-cutting evaluations (pp93-94). Although by the time of the review there was a much improved, albeit *ad hoc*, research and evidence base relating to some programmes, eg, the Market Towns Initiative (MTI), this is dated and relatively difficult to find (ERM, 2000). Evaluations were equally *ad hoc*. For example, evaluations of the MTI were conducted both nationally, by the CA (Entec UK, 2004), and regionally by Regional Development Agencies (RDAs) (ekosgen, 2009; YF, 2007).

10. Subsequent research suggests that much of the work done by the many volunteers involved in the MTI has been lost following the Haskins review (2003) and machinery of government and policy priority changes (Morris 2014). No doubt the same could be said for other programmes.

11. It might help committee members’ deliberations to be reminded of some of the work that arose from the 2000 rural white paper, specifically, and by way of example, in relation to the MTI (DETR/MAFF, 2000 Ch7) ...

**... Question 2: Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

1. The MTI and related programmes (eg, villages, transport, rural proofing) had some success in engaging people in local development work, improving access to services, and raising awareness of “rural”.

2. In addressing this question, I draw on my experience as a member of the team that designed and implemented aspects of the programme, and on my research (Morris, 2010, 2014, 2015). I also draw on the work of Nichols (2004, 2005a, 2005b), and the CA (2003). Other than specific references given below, all the information is drawn from these sources.

3. The MTI operated via partnerships between the CA and RDAs. To summarise its history:

   a. Originally a three-year programme, it ran from 2000/1 until 2006 approximately.

   b. The CA saw, "... a new role for market towns in the 21st century." (CA, 2001). It developed the “Healthcheck” (a guidance handbook), and used its £5m budget to pay for:

      i. coordinators to help the participating town partnerships assess their towns’ priorities/needs, and identify project work;

      ii. project managers to help develop and (attempt to) implement projects;
iii. support for the national Market Towns Advisory Forum and the membership organization, Action for Market Towns.

c. The CA designed the Beacon Towns Programme (BTP) – towns in which the work being done was of interest/value to other partnerships. It also developed the Gateway (railway) Stations (GS) and One-Stop Shops (OSS) programmes.

d. The RDAs, responsible for regional regeneration work, shared a budget of £32m, and helped the towns pay for the projects.

e. The “target” to lever-in an additional £63m (ie joint funding, contributions in kind) was, I believe, achieved.

f. 227 towns participated in the MTI. Eighteen BTs, twelve GS, and eight OSS (CA, 2003) were selected.

g. The intention was to ensure effective links between these and other programmes, such as Rural Transport Partnerships, Vital Villages, the Local Heritage Initiative, and the work of Rural Housing Enablers (DETR/MAFF, 2000 Ch2-6; Moseley et al. 2004). For example, the GS programme helped selected MTI towns develop integrated transport networks.

h. The BTs were given £3k/year to host visits from other towns, both to help programme integration, and to share experience/good practice. The hope was, given the relatively small sums of money involved, that this aspect of the programme would continue for ten years. However, following political priority and machinery of government changes, the programmes petered out.

4. Nevertheless, there were achievements. Some examples are given below:

| 1. Programmes of events | 23. Affordable and diverse Housing |
| 2. Small projects fund | 24. New Outdoor Youth Facility |
| 3. IT projects | 25. Coastal Strip Evaluation |
| 5. Skills training | 27. Additional Business Space |
| 8. Fire station redevelopment | 30. Shrub and tree planting |
| 9. Astro turf and sports facilities | 31. Local radio projects |
| 10. Canal towpath and mooring improvements | 32. Local festivals (eg arts & youth) |
| 11. Canal boat project | 33. various village hall improvement projects |
| 12. Car parking | 34. Completion of urban design framework leading to leisure and retail developments |
| 13. Traffic-related projects | 35. Sixteen bungalows for elderly, and twenty rented and shared equity homes built and occupied |
| 14. Housing projects | 36. Day centre |
19. Restoration of mainline railway station platforms
20. Directory of sports clubs
21. Credit Union
22. Improved police support

37. Website
38. Door to door car service
39. Cultural arts programme
40. Improvements to riverside
41. New neighbourhood groups

Examples of Fully or Partially Implemented MTI Projects
(Morris 2010, Table 14)

5. There were frustrations:
   a. For example, because the CA and RDAs had to spend their money during the same period, the CA’s Healthcheck process tended to collide with the RDAs’ and others’ need to develop and implement projects concurrently.
   b. Also, the different national, regional, local, financial and strategic priorities of the multitude of partner organizations made for tensions with some partners. Hence, programmes with simple aims and relatively easy to understand methods were organizationally complicated.
   c. Further confusion was added by the needs and priorities attached to Local Strategic Partnerships, Town and Parish Plans, Community Strategies, and regional support organizations such as the South East Rural Towns Partnership, and the south west’s Market and Coastal Towns Initiative.
   d. Finally, some of the project aims identified by MTI partnerships, often around significant and long-standing concerns such as traffic and housing, were beyond the power/influence of the partnership to solve.

6. In many places the work continued beyond the effective end of the programme in 2006, and some partnerships and projects may well

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350 These were not unhelpful, but, to local people giving their spare time to help develop a local plan, the complexity was confusing.
351 Such things led to disappointment/disillusionment. Other problems included volunteer fatigue, mismatches between participating organizations’ priorities and terms of reference, and scepticism/cynicism resulting from over-promising in terms of the programmes’ potential/powers to achieve, insufficient time to integrate programmes (eg the CA’s Vital Villages and rural transport programmes with the MIT, although attempts were made at officer level), and the short-lives of the programmes relative to the time needed to implement projects and plans.
continue, although it is difficult to know, due to the lack of monitoring (Morris, 2014 p80).

Finally …

The above, a snapshot of the MTI, is offered not because it and other white paper programmes were perfect; far from it. There were elements of the curate’s egg about them. They were, however, a reflection of a more positive time, during which “rural” was given rare political attention and resources. The programmes were welcomed by local volunteers, officers, councillors, and the staff of the many organizations involved. The willingness of people to work for their towns/villages/countryside was evident to those of us involved. Despite the complications and frustrations, there was value in both work and methods.

However, as indicated above, this was long-term work. The seeds of success were there, but there was not enough time or political commitment to enable the seeds to grow and flourish. The short-term nature of parliamentary politics militates against the very approaches to community-led development that politicians - say they - wish to foster. The committee may wish to consider how to resolve this problem, because ultimately, those of us involved in the work, be it as officers, professional helpers or volunteers, couldn’t.

Dr Gordon Morris

05 September 2018

Appendix

The Social Mobility Commission’s reference to, "... our country’s lamentable social mobility track record. “ (SMC, 2017 piii) suggests that income inequality and social immobility are constants in society. The income ratio between rich and poor is 3.88 (90th percentile:10th percentile, 2014-15 figures). It has been relatively stable since 1990 (Belfield et al. 2016). Similarly, poverty seems entrenched at about 20% of the population, although both the percentage and people affected vary over time (JRF, 2017 p3;CRC, 2006 Ch.3).

In Great Britain, inequality, as indicated by the Gini coefficient, increased between 1985 and 2013 (Brown, 2017 p7), with negative policy positions, such as benefit cuts and structural changes to state schools outweighing the positive, such as increases in free childcare and the increased number of apprenticeships (pp202-206). Also under the spotlight is the privileging and distorting role of private schools in terms of their impact on social mobility/inequality (Brown, 2017 p197; NUT/Compass, 2014 p15; Verkaik, 2018).

352 Today, the only community-centred programme of note appears to be LEADER, which seems to be orientated towards farming/land-related projects: https://tinyurl.com/pmwkv2. This suggests that agriculture policy is still seen, by some, as rural policy (agriculture contributes ~0.5% of national GDP [DEFRA, 2017, p10]).

353 It is interesting to note how little exists in the way of “CRC-type” research. A search for “rural deprivation United Kingdom” between 2010 and 2018 on Web of Science produced only eight UK-specific results, mainly health-related research (http://tinyurl.com/yaebjn9).
Perhaps pertinent to this is Clark’s and Cummins’ research (2014) illustrating the frequency with which certain surnames appear in the rolls of Oxford and Cambridge universities between 1170 and 2012. The research revealed the persistence in the data of certain names across the generations. They conclude that social status is strongly inherited, and that, therefore, “Social mobility in England in 2012 is little greater than in pre-industrial times.” (p1).

5 September 2018

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Dr Gordon Morris

05 September 2018
National Association of Local Councils (NALC) – Written evidence (REC0041)

I am writing in response to the recent House of Lords Select Committee on the Rural Economy call for evidence. The National Association of Local Councils (NALC) is the nationally recognised membership and support organisation representing the interests of around 10,000 parish and town councils and many parish meetings in England. Local (parish and town) councils are the backbone of our democracy and closest to local people, providing our neighbourhoods, villages, towns and small cities with a democratic voice and structure for taking action, contributing in excess of £2 billion of community investment to supporting and improving local communities and delivering neighbourhood level services.

Executive summary

Our key points are set out below:

- Agriculture, horticulture and tourism will remain staples of the rural economy. There is the potential for growth in small to medium sized businesses, but only if broadband speeds increase.
- Public transport needs to be subsidised so that bus companies provide a regular service in rural areas.
- Greater investment in education and skills training, transport and housing in rural areas is needed in order to tackle rural deprivation and inequality.
- There needs to be an increase in the provision of genuinely affordable housing in rural areas including social housing and shared ownership of properties.
- The exemption of small sites from affordable housing obligations has significantly limited the amount of affordable housing available in rural areas.
- The Government and other public bodies do not pay sufficient attention to the rural economy. Too much emphasis is placed on urban areas as this is where votes can be won.
- Local councils should have representation on Local Enterprise Partnerships.

Response to the consultation questions

Our responses to the specific consultation questions most relevant to the local council sector are as below:

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Agriculture, horticulture and tourism will remain staples of the rural economy. There is also the potential for growth in the number of small to medium sized
businesses operating across various sectors in rural areas. However, for this to be realised there needs to be significant improvement in broadband speeds and universal mobile coverage in order to attract more businesses to rural areas. We share the Rural Coalition’s concerns that Brexit could have a negative impact on the rural economy. In particular, we are concerned that it could result in fewer seasonal and skilled workers from the European Union working in rural areas. We are also concerned about the potential loss of funding particularly, with regards to EU LEADER funding, (as this is specifically targeted at rural communities) and farming subsidies. We ask the Government to commit to matching this and other EU funding that is currently going to rural areas post Brexit.

We support the Rural Coalition’s view that all Brexit negotiations and post-Brexit policies must be rural proofed.

4. How can access to transport be improved in rural areas?

Public transport needs to be subsidised so that bus routes are run based on local need and not profitability, with the cost of users accessing the service included in the cost of providing it. Bus companies should provide a service which is both regular (including running at evenings and weekends) and reasonably priced for all residents. Where possible this ought to connect with the nearest train station.

We have heard that in many rural areas bus services are limited or non-existent, leaving those unable to drive cut off from employment opportunities, doctor’s surgeries, shops, family and friends.

Ravenfield Parish Council, South Yorkshire, have told us that despite many residents in Ravenfield being registered with a doctor’s surgery in the nearby village of Wickersley, there is no direct bus service between the two villages. Stoke St Mary Parish Council, Somerset, have informed us that the only public transport available in the village is a community bus service running two days a week. Loftus Town Council, North Yorkshire, have reported that provision from outlying villages to centres of employment such as Middlesbrough and Whitby is limited during the daytime and virtually non-existent during the evening. This is a particular issue for those in the hospitality industry who are often required to work unsociable shifts.

Many local councils have already been doing excellent work in mitigating the impact of limited public transport in rural areas. This includes Smarden, Charing, Challock, Egerton Chilham and Pluckley Parish Councils in Kent, which jointly finance a community transport minibus scheme. We would like to see the use of schemes like this expanded alongside other not for profit transport initiatives such as Dial a Ride and car sharing schemes where all possible options for a regular bus service have been exhausted.

We would also like to see the introduction of more cycle paths between towns and villages so that cycling to access facilities in the nearest town is a viable option for non-drivers.
9. How can deprivation and inequality in rural areas be tackled?

Greater investment in rural areas is needed in order to seriously tackle deprivation and inequality. This includes funding for young people to train in the skills needed to gain employment locally and much greater investment in public transport so those without their own transport can get to places of education and employment.

Employment opportunities need to be diversified beyond low paid jobs in the service sector.

There also needs to be greater provision of genuinely affordable housing, including social housing, with minimum standards for rental properties, capped rents and the use of assured tenancies where possible.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

There needs to be an increase in the provision of genuinely affordable housing in the form of both social housing and shared ownership properties in rural areas. Priority for this housing should go to local residents i.e. those in the same parish that the housing development will be located. We support ACRE’s view that a rent or sale price set at 80% of the market rate is still likely to be unaffordable for most residents in rural areas.

At present many new developments in rural areas consist of luxury four or five bed properties that are priced beyond the reach of local residents, whilst affordable housing is often considered an afterthought or not included at all.

A number of local councils were highlighted in the Rural Housing Alliance’s Affordable Rural Housing Guide for successfully working in partnership with other bodies to deliver genuinely affordable homes for rural communities. This includes Gnosall Parish Council, Staffordshire, which worked with Stafford and Rural Housing Plus and the contractor Thomas Vale to identify a rural exception site for 13 new shared ownership and 17 affordable rented homes and Manuden Parish Council, Essex, which worked with Essex Rural Community Council, Uttlesford District Council, Pelham Structures and English Rural to find a suitable site and ensure village concerns were taken into account in development of 10 new homes. We would like to see collaboration like this promoted as best practice to ensure that affordable housing remains at the forefront of rural planning policy.

Where there is existing affordable housing provision this should stay affordable and not be sold on or rented out at the full market rate.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?
With many rural developments being small scale, the exemption of small sites from affordable housing obligations has significantly limited the amount of affordable housing available in rural areas.

Planning authorities should be given more powers to influence the type of homes built in their area. This includes the power to enforce a requirement for developments of all sizes to contain genuinely affordable housing, alongside the necessary infrastructure required to support the development.

Communities should have more control of planning decisions through new consultation and appeal powers and greater protection for neighbourhood plans.

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Neither the Government nor other public bodies pay sufficient attention to the rural economy. The emphasis seems to be largely on London and the urban areas in the South East, with expenditure on Crossrail, High Speed 2 and high targets for housing which are in excess of need in rural areas. It is also perceived that London’s financial services activities are protected at the expense of other parts of the economy e.g. agriculture and manufacturing, whilst the Department for Environment, Food and Rural Affairs appears to concentrate its focus largely on farming and not rural communities as a whole.

Across the country as a whole, there is a tendency for politicians at both local and national level to focus on urban areas as this is where votes can be won.

The Government needs to pay more visits to rural areas and speak to residents who are struggling with limited transport, affordable housing and employment opportunities. MPs with urban constituencies could also spend more time with MPs for rural areas to gain a better understanding of the challenges and opportunities rural areas face.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

At present not enough is being done to support rural economies. Support for rural business is often not the priority for cash strapped principal authorities, whilst Local Enterprise Partnerships are often based in industrial or city regions and do not always have a direct input into the rural economy. Where they do cover an area which includes rural settlements, these are sometimes overlooked.
We support the Rural Coalition’s view that decision making, funding and delivery must be devolved and involve rural communities. Local Enterprise Partnerships should include representatives from local councils, many of which are situated in rural areas.

Should you require any further information on this response please do not hesitate to contact Jessica Lancod-Frost, policy officer. Nationa
We would of course be more than happy to give oral evidence as part of the Committee’s review.

Cllr Sue Baxter, Chairman of NALC

7 September 2018
The National CLT Network is the national charity and membership body supporting Community Land Trusts in England and Wales.

Community Land Trusts (CLTs) are a means by which local communities can take ownership of land and other assets for the social, economic and environmental wellbeing of their local area. While their primary role in rural areas has been to develop and manage new affordable housing, they have a wider impact in the development of the rural economy.

CLTs are defined in law, so there are certain things that a CLT must be and do:

- A CLT must be set up to benefit a defined community;
- A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community;
- Local people living and working in the community must have the opportunity to join;
- Those members control the CLT.

A profile of rural CLTs

There are, at the time of writing, 100 active CLTs in rural England and at least another 100 communities setting CLTs up. Of the active CLTs, 40 are in areas classified as rural towns and their fringe; 36 in rural villages; and 24 in rural hamlets and isolated dwellings.

While they are all focused on providing affordable housing, their local contexts vary considerably: 23 are in lower super output areas where the Indices of Multiple Deprivation are in the most deprived half of the country; the rest are in relatively better off places, with 13 in the richest 5th of localities in the country.

Across England, at least 69 CLTs have completed schemes providing 868 homes, of which 85% are affordable and most are rural. More may have completed schemes without telling us; we are working to improve our data. A study of the sector in November 2017 commissioned by Power to Change found the pipeline from the community led housing sector (also including cohousing communities and housing co-operatives) was 5,810 homes, showing the considerable growth coming through if finance can be secured.

In affluent areas like Sussex, many CLTs started with a desire to build what they consider to be “genuinely” affordable homes, after years of homes being built and let at 80% of market prices, which are out of reach for many local people. Cornwall CLT has been building homes for discounted sale at prices down to 25% of open market value, aiming to help young local families buy in places where second and holiday homes have driven up prices far beyond local incomes. By contrast, community led housing groups like East Cleveland Youth Housing Trust have focused on bringing empty and dilapidated properties in this deprived rural area back into use, while providing training and apprenticeship opportunities to young people aged 16-25.
Most rural CLTs undertake one housing development, enough to meet the needs identified in their local housing needs survey. Some have gone on to continue developing. Keswick CLT, for example, has completed 37 homes in three schemes and has another two on the way in this rural Cumbrian town. The first was a new build development of its own, building 11 affordable family homes on a part of a church graveyard that was unsuitable for burial; the second a conversion of a toilet block into 4 flats for young single people; and the third was a partnership with a local builder that saw 55 new homes built on the edge of their town, of which 22 went to the CLT. Keswick CLT has another two schemes in development.

**Housing associations and CLTs**

Some CLTs choose to develop and manage their own housing. Others choose to partner with a housing association. The typical model is that the housing association buys the land, finances and builds the homes, and then passes them to the CLT upon completion. The CLT then leases the homes back to the housing association on a 125-year lease, with a buyback clause and a ground rent payable by the association to the CLT. The housing association benefits from the active support and involvement of the community, which can bring a great deal of local knowledge to the table. The community gains an asset, a greater degree of influence and control over decisions such as location, design, affordability policies and allocations, and some income to cover the CLT’s administration costs and fund local community initiatives.

This is an extension of the approach taken by a number of rural housing associations, where they work closely with the local parish council and rural housing enabler. Many communities are happy with that arrangement. But a growing number of communities prefer the greater degree of control and involvement that a CLT offers. In some parts of the country our members tell us that they see housing associations as "getting bigger and more remote", and so would like to partner with them to benefit from their skill and experience, and bring their local knowledge to ensure the scheme is rooted in their local community.

The select committee received evidence from Martin Collett on behalf of the Rural Housing Alliance, suggesting that Community Land Trusts could disrupt the delivery of their programme. He also implied that CLTs would struggle with the complexity of delivering rural housing, and that they were unlikely to make a large-scale contribution to meeting housing needs.

These views are not shared by all housing associations. Bjorn Howard, group CEO of Aster Group, recently told a trade magazine that Community Land Trusts were now a “core element of the group’s development strategy” because “they are extremely effective at unlocking smaller parcels of land for development”, and because "involving the community in a project also ensures they are at the heart of the development.”

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354 24housing (15th February 2019), Major funding boost for community-led home building, [https://www.24housing.co.uk/news/major-funding-boost-for-community-led-home-building/](https://www.24housing.co.uk/news/major-funding-boost-for-community-led-home-building/)
association sector over the years, and our sector is keen to develop more partnership options with associations.

In the South West, where the model is well established, CLTs are now delivering significant number of homes, particularly in sensitive areas such as national parks and areas of outstanding natural beauty. As we develop capacity in the sector, and as more communities learn about CLTs, we expect the sector to scale up significantly – not perhaps, to match the output of housing associations, but to make a very substantial contribution to meeting rural housing needs.

**CLTs in the rural economy**

Most CLTs play a wider role in their community, beyond the provision of affordable housing.

Some, like the aforementioned East Cleveland group, and Somerset Co-operative CLT based in Taunton, have sought to provide training and apprenticeship opportunities for young people in their communities. Most seek to work with local firms to build, and sometimes manage, their homes.

Many use their annual income, for example from ground rents, to fund other community assets and activities. Examples have include supporting a pre-school group (Toller Porcorum), equipping local school children with hi-vis vests (Marshwood) and helping to provide new lights for the community hall (Christow).

An increasing number of CLTs take on assets and services other than housing, commonly including community-owned pubs, shops, post offices and community centres. For example, days before Norton Sub-Hamdon CLT completed its first housing development (in partnership with Hastoe) it rescued a threatened village shop, and now also runs the post office service. It sought to build a small solar farm on some underused land, but sadly the project was aborted when the Feed in Tariff was cut by the Government.

Most CLTs describe their purpose as being to underpin the sustainability of their rural community. Their members have a keen sense of what makes their area tick and what is needed to keep it alive, or to breathe new life into communities that are struggling. Housing is not only a good way to help young and low-income people stay in the community and so keep schools, shops and pubs open; it can also provide communities with assets and income to sustain other services. This is not about making low income tenants subsidise the rest of the community – CLTs can obtain land at low values, using that land value they then capture for the long-term benefit of the community.

**Future challenges and opportunities for CLTs in rural communities**

The Government has given CLTs, and the wider community led housing sector, increasing support. Most recently it launched the £163 million Community Housing Fund, with the aim of permanently increasing the size of the sector and its ability to develop new housing.
The continuation of this fund will be critical for the growth of our sector, and for more rural communities to set up CLTs and develop homes and other assets and services. The Fund was announced in the spring 2016 budget, but the main funding programme was only launched in July 2018. It closes for bids in December 2019. We, along with our members and a large number of MPs and Peers, have been calling on the Government to extend the fund until at least 2023 – matching the deadline in London, where the fund is managed by the GLA.

The other principal challenges for CLTs, as with any new entrant in the housing market, are:

Land – rural exception sites are a key source of land for CLTs at prices that make affordable housing viable, and CLTs are often successful at obtaining land from local landowners at low prices. This option is not always available, e.g. in rural towns, and in some parts of the country CLTs have found that most of the land around their village is owned by housing developers and absentee investors that are unwilling to release the land for affordable housing. We have supported calls for land reforms that reduce the price of land on settlement boundaries, including CPO reform.

Development finance – the Community Housing Fund provides much-needed funding to help CLTs develop new schemes and then build them out. There are a number of small ethical banks, such as the Ecology Building Society and Triodos, that have been able to provide the development finance for CLTs, and we are having positive discussions with larger banks including Barclays, which launched a fund for SMEs with Homes England. But finance remains expensive for new entrants, unless they partner with a housing association which can finance the scheme. We have called for a government guarantee scheme to complement the grant funding available through the CHF.

Mortgage finance – most CLTs impose restrictions on any affordable homes for sale, usually to prioritise people with a local connection, and to restrict resale prices (for discount market sale) or staircasing (for shared ownership) so that they remain affordable in perpetuity. Few lenders support these conditions, something we are actively working on with lenders. We have called on the Government to support our work with lenders, and to consider a mortgage guarantee scheme for restrictive products. We would also like CLTs to be exempted from leasehold enfranchisement, and to be able to cap staircasing in shared ownership in every location, not only those that are designated protected areas.

Expert support – the Community Housing Fund is not only providing funding for individual CLTs. It is also funding the infrastructure to support them, including regional Enabler Hubs. Where these already exist, for example in the South West, Sussex and Cambridgeshire, they have seen the number of CLTs grow six-fold in six years, groups establish themselves and complete project within an average of 4-5 years, and a far higher success rate. Enabler Hubs are able to provide consistent expert support to overcome the kinds of barriers mentioned by Martin Collett in his evidence to the select committee.

Our aim is to develop this infrastructure such that any rural community that wishes to can establish a CLT and deliver a successful project. We welcome
growing support from national and local government for this objective and would be pleased if the Rural Economy committee were to endorse this.

For further information please contact:
Tom Chance
Director
National CLT Network

1 March 2019
National Farmers Union (NFU) – Written evidence (REC0077)

Summary

- With **72 per cent of UK land area in the agricultural sector**, NFU members represent the bedrock of the rural economy, with a diverse range of business interests in addition to food production.
- Agriculture is one of the foundation industries in a strong and robust economy with food production playing a key role in the growth and wealth of a nation. The wider food and drink industry, which farming is part is worth **£111 billion** to the UK economy and employs **3.9 million people**.
- Despite the relatively low contribution to the national accounts, **agriculture has a much wider influence within rural areas**. For example in 2014, there were 340m day trips to the British countryside, worth £8.4bn to the rural economy.
- The rural economy of the future will be subject to many of the same challenges and opportunities as the wider economy in terms of technological change. Through the Industrial Strategy, **investment in new technologies and equipment** is a key factor in enabling **productivity growth** and business performance and resilience.

Remarks

The NFU is seeking a **clear signal from Government** about the importance and value of food and farming and the rural economy that allows the farming sector and rural economy to flourish. Currently there is a clear danger that the countryside is seen as a place to visit, and is something that is valued for its landscape and environmental characteristics, **rather than being a living and economically vibrant place with food production at its core**.

The new **Industrial Strategy** must reflect ‘rural-proofing’ of government policy and should build upon existing policy, including the previous administration’s 2013 Agri-Tech Strategy, to embrace advances in autonomous vehicles (drones, tractors), other robotics applications (crop picking, livestock management), biotechnology, advanced genetics, data science and the bio-economy.

The rural economy of the future will be subject to many of the same challenges and opportunities as the wider economy in terms of **technological change**. Investment in new technologies and equipment is a key factor in enabling **productivity growth and business performance and resilience**. This relies upon a **confidence** to invest, which may be low in the SMEs and microbusinesses that characterise the rural economy. Through **government policy**, creating the right environment for investment and adoption of new innovative technologies and new equipment on farms will also change the nature of the **employment needs and opportunities** in rural areas.

This is essential, as **medium-term confidence** and future **investment intentions** has been dented by increasing uncertainty following UK’s decision to
leave the EU and prospects of higher cost base. Farming as a career in its widest sense is likely to change as a result, and this will impact upon the rural areas in which they live and work. Support for knowledge and skills and the resulting services and improvements to businesses could become a valuable potential area of growth for the rural economy.

Linked to innovation and adoption of new technologies is **full digital connectivity**. While the government is aware of the ‘hard to reach’ areas of the country and the need to achieve equity for rural businesses with those in urban areas, there is an **urgent need** to improve the current situation. Farmers with **superfast broadband** are more likely to invest and expand their farm businesses, become more productive and be able to take advantage of wider business opportunities. There are significant **productivity** gains for farmers who are better connected.

Our NFU broadband and mobile survey has shown to poor levels of digital infrastructure in the areas in which they operate. For example only **16%** reported that they could receive a **reliable mobile phone signal** in all indoor locations on farm and only **15% for outdoor locations on farm**. Farmers and inhabitants of rural communities should have the same coverage as those standards enjoyed in urban areas, so they can run productive businesses and enjoy family life. Moreover, rural visitors expect to receive the same broadband service as they do in urban locations. Improved connectivity can assist with reducing social isolation and making it easier to access online **social and medical help and training**.

It is also clear from the research that policy action is required across all levels of government to improve the quality of **transport** available to businesses and rural communities. Improved transport and communication infrastructure will help to reduce **social isolation** in rural areas. In terms of business services, The Financial Conduct Authority (FCA) has recently published the latest analysis from its Financial Lives survey. It finds notable differences between urban and rural areas when it comes to access to banks and has reported an "**alarming** acceleration in bank branch closures. As a result, the **Post Office** needs to create a standardised service that matches the specific needs of businesses in real areas. All small businesses should be able to quickly transfer basic banking facilities to their nearest post office branch, including depositing both cash and cheques as well as accessing change.

**Labour availability** has been high on the agenda for agricultural and horticultural sectors for some time now. Access to labour availability has been increasingly under pressure since the Seasonal Agricultural Workers Scheme (SAWS) was abolished in 2013. In addition UK unemployment is at a record low of 4.6%. Sourcing workers is a **critical issue** for many sectors across farming – particularly **Horticulture, Dairy and Poultry**. As the UK leaves the EU, our sector needs a **work permit scheme** that replaces free movement so that businesses can better access people and skills from around the world. It is vital that the government addresses these concerns as a matter of priority.

The fragmented nature of the farming industry, alongside the overload of skills programmes and training initiatives, creates a **complicated skills system** that
can be hard to navigate. The NFU is concerned with the lack of current data and evidence on the skills priorities and gaps within the sector. We strongly feel that there needs to be one authoritative organisation to complete this research in the sector in order to provide a robust and comprehensive evidence base on current and future skills needs. On the basis of discussions with NFU members we believe that the priorities for our sector are improving skills relating to succession planning, risk management, business planning and management. The NFU believes it is important to recognise that technical skills are vital to farm businesses, rather than a compliance cost and arguably more so as new technology is applied and farms choose to diversify.

There is a vital need to increase access to affordable homes in rural areas. In agriculture the lack of affordable housing is a key inhibitor to farm succession and the development of farming businesses. Even at prices 20% below market price these are often still too expensive for many people wishing to live in rural locations and this includes farm workers and those connected with a farm business. The latest version of the National Planning Policy Framework (NPPF) provides for housing for essential rural workers to live at or near their place of work including those taking the majority control of a farm business. To a degree this helps facilitate retirement of an older farmer but it does not assist in situations where offspring work on a farm business (but is yet to take control) has reached an age where it is no longer suitable for he or she to reside in the main farmhouse with their parents.

The changes to Class Q Permitted Development where increases have been made to the number of conversions allowed on a farm holding may help to provide some rural housing. However Class Q is still reliant on there being existing buildings to convert which the Local Planning Authority deems as suitable. It does not apply in National Parks, AONBs and Conservation Areas. Planning authorities need to be more positive about applications under Class Q, where 42% of applications have also been refused. Farmers need a simpler and more responsive planning system that enables growth in a sustainable rural economy, helping to manage risk in farm businesses, supporting NFU members to invest in new efficient and resilient buildings, operations (including energy services) and rural homes.

There are barriers to entry for young farmers looking to establish their own enterprise as a new entrant. In looking to address the access to land issue, greater incentives to encourage availability of land for new entrants includes better use of all land type arrangements including Farm Business Tenancies, Contract and Share Farming type arrangements. There also needs to be support for farmers looking to exit the industry. This would include suitable housing and hopefully under the revised National Planning Policy Framework it will now be possible for farming businesses to accommodate the needs of family farming members. There is though still a lack of clarity over retirement dwellings. In addition, financial instruments in the form of loans and guarantees - where the government provides collateral for private sector loans and grants have the potential to play an important role in empowering young enterprising farmers to establish a farming business or invest in existing enterprises.

Rural crime is increasing sharply and cost the UK £44.5m in 2017. The 2018 NFU Rural Crime Survey – busts the myths about who we tend to think of as
vulnerable when we think of rural crime, and shows that farmers, young people and hard working families are most affected and feeling most vulnerable. A third of rural people believe that crime has a moderate or great impact on their lives.

The Rural Development Programme for England (RDPE), which includes the schemes highlighted above, has been bedevilled with problems such as launch delays, and there is a recognised underspend on RDPE. There is too much variation in performance across LEP and LEADER LAG groups. Although the NFU does acknowledge that vital funds to benefit farmers are finally being released.

However, the delivery of future grant funding needs to be more simplified, accessible and reliable if it is to fulfil the role of contributing towards an improvement in agricultural productivity (and ultimately benefitting the wider rural economy). Furthermore, future funding for productivity measures should be increased during the transition with increased funding being seen as a priority.

Introduction

The NFU represents 55,000 members in England and Wales involved in 46,000 farming businesses. In addition, we have 55,000 countryside members with an interest in the countryside and rural affairs.

Our trade association is the largest farming organisation in the UK, providing a strong and respected voice for the industry and employing hundreds of staff to support the needs of NFU members locally, nationally and internationally. We work with government departments across government, including agriculture, rural affairs, environment, energy, climate change, science, business, employment and transport issues. Our aim is to direct policy into real economic opportunities for farming, rural diversification and job creation. The NFU champions British agriculture and horticulture, to campaign for a profitable and sustainable future for our farmers and growers.

With 72 per cent of UK land area in the agricultural sector, NFU members represent the bedrock of the rural economy, with a diverse range of business interests in addition to food production. Our vision is for farming to grow and create wealth through a wide variety of goods and services for the UK economy, centred upon but not limited to food production.

Farming underpins Britain’s largest manufacturing sector: food and drink. The overall contribution of agriculture to the UK economy has been estimated recently at £46.5 billion. This is spread across every part of the country, with agriculture playing a central role in rebalancing the economy. Farmers also produce renewable raw materials for the emerging bio economy, and clean energy including wind, biomass and solar power, with around 10 per cent of the nation’s electricity now generated on agricultural land. Furthermore, the UK relies upon on farm businesses, as land managers, to provide a wide range of environmental goods and services.

Response to consultation questions
**General issues**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Official statistics state that the rural economy is worth £245.6bn, or 16.4% of Gross Value Added (GVA) of the total £1,498bn of GVA in England (2016).

The direct contribution of UK agriculture (measured through Gross Value Added (GVA)) to the national economy has increased in 2017 by 20% to £10.3bn, its highest level since 2014 (see graph below). This represents £1.7bn more going into the economy compared with a year ago. According to Defra, through the *Agriculture in the UK* publication, Farm output totalled £26.3bn in 2017, an increase 10% on 2016 (see graph below).

Agriculture is one of the foundation industries in a strong and robust economy with food production playing a key role in the growth and wealth of a nation. Agriculture is the bedrock of the British food and drink industry, which is the largest manufacturing sector in the country, worth £111 billion and employing 3.9 million people.

Overall, agriculture’s direct contribution (which excludes wider ancillary agricultural support businesses such as feed manufacturers, grain merchants and machinery dealers) to the national economy remained at less than 1% of total GVA. It contributed 1.48% of total employment – at 474,000 people. In 2016 agriculture contributed 2% of the GVA in English rural areas.
**UK agriculture – changes in Gross Value Added (GVA) since 1990 and changes in the value of output since 2000.**

Despite the relatively low contribution to the national accounts, agriculture has a much wider influence within rural areas. Farmers manage around 72% of the land area in the country or 17.5m hectares. It is this land management which provides the iconic British countryside which tourists enjoy. For example in 2014, according to Visit Britain, there were 340m day trips to the British countryside, worth £8.4bn to the rural economy. It must also be remembered that this landscape is also a working one, securing the nation’s food supply (e.g. 75% indigenous food self-sufficiency).

**Recommendation:** Agriculture has a much wider influence within rural areas than its relatively low contribution to the national accounts would suggest. Future agricultural policy as outlined in the NFU’s Vision for a New Domestic Agricultural Policy, must create an environment where the farming sector can become more resilient, more productive whilst at
the same time managing and enhancing the iconic British countryside and the wider rural economy it supports.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Environmental successes

Over the past 30 to 40 years, farmers have carried out a huge amount of work to encourage wildlife, the landscape, benefit soil and water and reduce their impact on the climate. During this time, there has been substantial engagement by farmers with voluntary environment schemes and projects such as the Campaign for the Farmed Environment and EU-Life. At its highest level, 70% of agricultural land was in agri-environmental stewardship.

Under agri-environment schemes in England, more than 30,000 km of hedgerows have been planted or restored, providing habitat and shelter for a range of wildlife and has created around 37,000 km of grass margins, and 2,600 km of stone walls actively managed as part the scheme.

Farmers are improving resource efficiency producing more with less. Fertiliser application rates have been reducing since the 1980s, yet crop yields have been maintained. New uses of resources, such as those in renewable energy production, have seen farmers invest with the support of policy. Some key statistics are as follows:

- Compared with the 1980s, 31% less nitrogen fertiliser and 55% less phosphate fertiliser is being applied in 2016
- In 2014/15 there were 269,000 hectares managed voluntarily under Campaign for the Farmed Environment measures
- Total Greenhouse gas emissions from agriculture have fallen by 17% since 1990
- Farmers and growers own or host around 60% of UK solar power
- Diversification – farmers are becoming increasingly more diversified, with many hosting renewable energy on farm (see below).

Farm diversification (England) 2006/07 to 2016/17.
The breakdown of that diversification is shown in the table below.

<table>
<thead>
<tr>
<th>Diversified farm activity - England 2016/17</th>
<th>No. of farms</th>
<th>% of farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of farms</td>
<td>56,700</td>
<td></td>
</tr>
<tr>
<td>Farms with diversified activity</td>
<td>36,600</td>
<td>64%</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>letting buildings for non-farming use</td>
<td>24,600</td>
<td>43%</td>
</tr>
<tr>
<td>processing/retailing of farm produce</td>
<td>5,200</td>
<td>9%</td>
</tr>
<tr>
<td>sport &amp; recreation</td>
<td>7,200</td>
<td>13%</td>
</tr>
<tr>
<td>tourist accommodation and catering</td>
<td>3,400</td>
<td>6%</td>
</tr>
<tr>
<td>renewable energy</td>
<td>11,100</td>
<td>20%</td>
</tr>
<tr>
<td>other diversified activities</td>
<td>5,200</td>
<td>9%</td>
</tr>
</tbody>
</table>

The NFU has been driving forward a number of key environmental initiatives, promoting good practice:

**Tried & Tested / Nutrient Management.** Between 2000 and 2015, inorganic nitrogen fertiliser applications to land reduced by 25% and phosphate applications by 63%\(^{355}\). This change demonstrates a continued downward trend in the use of inorganic fertilisers as farmers and growers strive to use optimum quantities of inorganic fertilisers which match crop requirements.

Defra’s Farm practices survey reports that in 2018, 56% of farm holdings (74% of the farmed area) in England reported possession of a nutrient management plan, and 16% of those with a plan used Tried & Tested\(^ {356}\).

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The NFU is a partner of the Tried and Tested industry initiative, providing resources and guidance, with an aim to promote best practice nutrient management planning to farmers and agricultural advisers.

These figures show how farmers and growers are achieving the fine balance of applying the required nutrients to maximise productivity to feed the UK’s growing population, whilst reducing over-application which could impact on ground and surface water quality.

The Tried and Tested plan helps farmers demonstrate they are compliant with NVZ regulations and The Farming Rules for Water, helping to reduce agricultural sources of diffuse water pollution in order to meet the objectives of the Water Framework Directive.

**Campaign for the Farmed Environment (CFE).** CFE is a partnership approach, supported by organisations engaged in agriculture and the environment and voluntary industry-led initiatives. CFE helps farming businesses by signposting to best practice in soil management, crop nutrition and pesticide use and helps farmers support the natural environment, whilst farming productively.

In 2017, CFE’s annual survey represented the views of farmers who had nearly 10 thousand hectares under CFE voluntary measures. It found they had put up 17,343 m of fencing to keep stock out of watercourses, preventing bank erosion and improving water quality. The most popular measures on farms were grass buffer strips next to watercourses and ponds, fertiliser-free permanent pasture, and leaving field corners as wildlife habitat. By area, winter cover crops and over-wintered stubbles are the most common. Together, these measures reduce soil erosion, prevent pollution and benefit wildlife, and can also improve soil quality and help manage awkward, unproductive areas.

When making decisions about their farm, 90% of farmers thought that protecting soil and water and using inputs efficiently were very important. 99% stated that protecting wildlife was either very or fairly important.

Overall, 87% of farmers reported that they manage their land voluntarily in 2015/16 to benefit the environment whilst farming productively.

The Greenhouse Gas Action Plan is a voluntary initiative helping the agricultural sector in England play its part in tackling climate change by reducing greenhouse gas emissions. Launched in 2011, successes include the take-up of CPD schemes by farmers and the introduction of a Feed Advisers Register both leading to greater professionalism and productivity; continued penetration of precision nutrient management techniques on the back of robust planning; and


diversification into renewable energy, helping to lower agriculture’s own emissions and de-carbonise the rest of the UK economy.

The Voluntary Initiative is an industry led programme promoting the responsible use of pesticides, through schemes, tools and messages. The VI aims to ensure that industry demonstrates continued commitment to best practice in pesticide use within the context of Integrated Pest Management with the aim of minimising environmental impact and ensuring the availability of crop protection solutions in the future.

The VI is seen as the centre of excellence on pesticide stewardship and best practice by government, industry and stakeholders. The VI has recently updated the Good Neighbour Initiative which is designed to help sprayer operators adhere to legal requirements and build relationships with residents and bystanders adjacent to their land. Interested parties can have their concerns answered by talking to farmers and spray operators and by reading a Q & A sheet farmers will discuss with them.

**Business and other successes**

Work done over the years has looked at how to get agricultural research successfully translated into practice. The research landscape itself is relatively fragmented, but a particular problem is knowledge exchange (KE), which makes it harder for research organisations to engage in KE and to get a conversation going with the practitioners (farmers, advisers etc.) in order to inform their research and hopefully lead to improvements in practice on the ground.

Therefore, the NFU in collaboration with AHDB as part of Task & Finish Group under the Food & Drink Sector Council (established under the Industrial Strategy) is proposing to set up a ’What Works Network‘ initiative for agriculture. This won’t solve all the problems and it is early days, but establishment of such an initiative could go a long way to starting to sort out many of the issues we have been battling with for many years in getting the benefits of innovation and technology realised in rural farm businesses. It would need a close and positive collaboration between government departments and funders as well as with industry for it to succeed, as well as dedicated funding.

**Feeding the Future.** This project, in which a group of industry organisations (including the NFU) came together to assess what scientific research priorities were needed in agriculture over the next two decades. The report set out a number of rural business successes for different farming sectors. Furthermore, it has established new research and knowledge exchange (KE) initiatives to break down barriers between businesses and scientists, and to enable easier access to funding, technology experts and advisers. In addition, the AHDB is directing its research programme towards:-

- Realising genetic potential
- Building sustainable plant and animal health
- Managing resources efficiently and sustainably
- Driving precision technology into practice
- Facilitating trusted food in the supply chain
- Honing business and technical skills

This will encourage best practice as well as ensuring that the right tools are put in place for maximum farmer engagement and uptake of best practice. This will help farming move towards a more productive, profitable and sustainable future will help to contribute and enhance the rural economy.

**Recommendation:** Farming has delivered many successful outcomes to both the economy and to the environment, as well as significant improvements in best practice. Future government policy and commitment to agriculture must be seen as a priority to create the right investment and skills landscape to deliver further advances in food production and environmental delivery.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The rural economy of the future will be subject to many of the same challenges and opportunities as the wider economy in terms of technological change. Investment in new technologies and equipment is a key factor in enabling productivity growth and business performance and resilience. However, this often relies upon a confidence to invest, which may be low in the SMEs and microbusinesses that characterise the rural economy. Brexit uncertainty influences investment decisions and this can impact upon the potential for growth in the rural economy both directly and indirectly.

Farms are a key part of the economy and community in which they are located. Innovation involving new technologies occurs in all sectors of agriculture and horticulture and in all parts of the UK, representing a significant potential area for growth in business performance. It is an exciting time for technological progress in farming, combining the existing and advancing knowledge of biological and chemical sciences and engineering with the significant possibilities from data science, analysis of very large data sets, and software design. Data collection using satellites, planes, drones, sensors and real-time monitoring can be combined with rapidly advancing digital and communications technologies; Artificial Intelligence and machine learning; the Internet of Things; robotics and automation; battery storage technology; energy efficiency and green energy generation. Decision making and precision of operations can be enhanced by many of these tools, leading to more productive, resilient and ultimately profitable businesses. There are cross-overs into agriculture from other industrial and technological sectors, and farming is seen as a very significant market globally for tech solutions.

However, as a result, the knowledge and skills of those working within the agriculture industries will need to change. Adoption of these technologies and new equipment on farms will also change the nature of the employment needs and opportunities in rural areas, although the extent and speed of this is difficult to predict. The type of person attracted to a career in agriculture in its widest sense is likely to change as a result, and this will impact upon the rural areas in which they live and work. Delivering this knowledge and the resulting services to
businesses could become a valuable potential area of growth for the rural economy.

A major barrier to adoption of technological innovation and data-driven solutions in the rural economy is mobile and broadband connectivity. While the government is aware of the ‘hard to reach’ areas of the country and the need to achieve equity for rural businesses with those in urban areas, there is an urgent need to improve the current situation. We are concerned that the development and market testing of new technological solutions will be hampered and may not even proceed at all if connectivity remains as poor as it currently is in many areas for much longer.

**Recommendation:** Government policy needs to create an environment through which investment in future technology and skills and training is encouraged. In addition to the need for full connectivity, continued government support (including fiscal tax incentives) for agriculture will enable investment in technological innovation. This will help address the low growth in agricultural productivity.

*Infrastructure and services*

**4. How can access to transport be improved in rural areas?**

Ways to improve transport are:

- A general increase in funding to maintain the existing road network. There has been considerable pressure on the budgets of local Highway Authorities in recent years. This reduction in funding is likely to have led to deterioration in the fabric of rural roads as noted in a 2014 report by the National Audit Office. 357

- Longer term rather than yearly allocation of central funds to allow better planning of road maintenance according to local needs and priorities. Traditionally indicative budgets have been provided to Highway Authorities in December with actual work peaking in the period September to March when weather conditions for materials are non-optimal. Longer term funding could help the planning of work to take place at the most appropriate time of year.

- Production of asset registers by Highway Authorities to aid the allocation of funding on a considered basis rather than as a response to local pressure to repair on a “worst first basis”.

Rural areas have experienced a considerable reduction of facilities and services due to cuts in funding. Many rural communities and small businesses have public transport services that are infrequent, finish early in the evening and do not run at all at weekends. Connections between buses and trains are erratic. This causes significant hardship for low-income rural households who are often forced into buying a car when they cannot really afford to do so. Rising fuel prices make

it even more important to offer a better alternative to car use for these rural households.

In rural areas, small businesses provide significant levels of employment opportunities and drive economic growth across the country. Small businesses rely on transport connectivity to provide access for employees, customers and suppliers to their business, especially where distances can be longer compared to urban areas. Public transport is frequently relied on by younger workers and apprentices in rural areas who may otherwise be unable to afford private vehicles. Evidence from the Federation of Small Businesses shows that many rural businesses are struggling due to poor transport connectivity. When small businesses in rural areas are held back from achieving their full economic potential, it is the wider UK economy which suffers.

It is clear from the research that policy action is required across all levels of government to improve the quality of transport available to businesses and rural communities. We believe that the Government and local authorities should make the transport provision effective across rural areas. In addition, there is a need to ensure that more locally provided services (shops, banking, health services) which people can reach without the need to travel long distances. The funding for local government has come under severe pressure in recent years, and that this has had an impact on local authority budgets necessitating difficult spending choices. However, the economic benefits which could be delivered through investing in transport infrastructure are widely recognised. Moreover, lower fuel prices have helped rural small businesses by keeping costs down. The Government should continue to support rural small businesses by keeping costs down. The Government should continue to support rural small businesses through maintaining a freeze on the fuel duty escalator, particularly if other costs on business continue to increase.

Any investment in infrastructure is positive for the UK economy, but the impact of a high speed rail network is questionable when compared to other investments. Such an investment will largely benefit those who operate within the city, as well as those who are able to operate by train. Whilst the economic case for High Speed 2 (HS2) highlights that road users on the M1 will also benefit from investment in HS2 (as some road users change transport mode), the rest of the country, which includes predominantly rural areas will struggle to see any benefit.

**Recommendation:** Action is required across all levels of government to improve the quality of transport available to businesses and rural communities. We believe that the Government and local authorities should make the transport provision effective across rural areas, taking account of the different needs of individual communities and businesses. The Government should continue to support rural small businesses through maintaining a freeze on the fuel duty escalator, particularly if other costs on business continue to increase.

**5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Full digital connectivity is important for the wider UK economy, to help deliver the Industrial Strategy and to ensure businesses can thrive in rural areas.
National Farmers Union (NFU) – Written evidence (REC0077)

Quality mobile voice connections are essential, but also is the access to applications to enable online only regulatory services (such as Self-Assessment) to be complied with. Coverage issues can also be as problematic at the edge of London as they are in wider rural areas and National Parks. Many organisations, including Defra / Rural Payments Agency contact farmers by phone. Environmental and crop protection, animal welfare, and an increasingly popular countryside used by the public for health and wellbeing are becoming more dependent on access to mobile and broadband connectivity. Life in the countryside relies on people being available by phone, to talk, to exchange data and get rapid access to the services they need.

The NFU would emphasise that it is also essential for better services to be introduced as soon as possible, given that the economic landscape for farming is changing now. Our trade with other countries, both within and increasingly outside the EU will be vital and new trading partners will expect our digital communications to be comparable and fit for purpose to compete in this global market.

Farmers with superfast broadband are more likely to invest and expand their farm businesses, become more productive and be able to take advantage of wider business opportunities. There are significant productivity gains for farmers who are better connected, in addition to the wider benefits of connected rural communities. In order to best exploit new technologies, particularly those that are increasingly data driven, a high standard of rural connectivity is essential. As a result of a lack of access to a fast and reliable broadband or mobile connection experienced by many farmers – this in turn acts as a constraint to capital investment on farm. Productivity is strongly linked to technology take-up and improved management practice. If farming is to become more competitive, then access to this essential infrastructure is paramount.

Many farmers are also looking to reinforce their businesses using diversification, which again is being encouraged by wider Government as this provides further support to the economy by providing energy and rural services. Over one third of NFU members host renewable energy, with 64% of farmers overall hosting diversified activities in 2017. The ability to go further is being constrained by poor mobile phone coverage. It is a particular issue for renting out premises for business uses and rural tourism (such as bed and breakfasts); without coverage businesses cannot operate and tourists will not return.

For the past three years the NFU has undertaken its own member broadband and mobile surveys, to understand what the actual levels of broadband and mobile coverage are being received on farm and to highlight the benefits of improving coverage. The NFU will be undertaking a similar survey during the autumn of 2018. In 2017 98% of farmers owned a mobile phone. Of those, 93% feel that having access to a reliable mobile signal is important for their business. However, only 16% reported that they could receive a reliable mobile phone signal in all indoor locations on farm and only 15% for outdoor locations on farm.
NFU members have told us repeatedly that their main message to Government is that they wish to have the same coverage as those standards enjoyed in urban areas, so they can run productive businesses and enjoy family life. Farmers report that actual coverage varies from patchy coverage to complete lack of coverage for large tracks of farm land and country roads.

The NFU believes that all farms should have the right to access superfast broadband connections and mobile phone coverage. If businesses are not being offered access to the government’s Superfast Service they should qualify for access to a broadband USO at a cost they can afford. The NFU believes that Government should be doing far more to improve rural connectivity. The NFU’s response to the Future Telecoms Infrastructure Review is available here. The NFU has called on the Government to make the “digital economy universal” so that every farming business can access superfast broadband at speeds they can afford and use mobile technology, including 4G services across the farm.

The Digital Economy Act 2017 introduced the Electronic Communications Code which was designed to facilitate quicker and wider mobile and broadband coverage. One of the ways this was to be achieved was through changing the valuation method of sites used to host communications equipment to produce lower rents. Unfortunately some mobile and broadband operators have a very different interpretation of the legislation around valuation compared to landowners and negotiations have stagnated.

Recommendation: The rural economy of the future will be subject to many of the same challenges and opportunities as the wider economy in terms of technological change. Business confidence and the skills to
invest in the technology of the future must be encouraged. Government policy must ensure the telecommunications industry can make mobile and broadband coverage ubiquitous so all can benefit from the business and productivity gains that can be made from full connectivity.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

There are wider social community benefits as a result of full connectivity in rural areas. Rural visitors expect to receive the same broadband service as they do in urban locations. Many people use the countryside for access and leisure and to experience food and drink and other rural services. Improved connectivity can assist with reducing social isolation and making it easier to access online social and medical help and training. Improved connectivity also has a role in reducing the level of accidents and fatalities, and significant challenge in the farming sector.

Increasingly for people living in rural areas, essential services are becoming inaccessible because local outlets have closed due to loss of viability. This includes education, health, retail, leisure and specialist services for children and older people. In relation to banking and financial services, people in rural communities are less able to access bank branches and less likely to use internet banking.

The Financial Conduct Authority (FCA) has recently published the latest analysis from its Financial Lives survey. It finds notable differences between urban and rural areas when it comes to access to banks. In rural areas, where there is greater reliance on bank branches, a higher proportion of people have difficulty getting to a bank and tend not to be able to use online banking. In rural areas, a higher than average proportion of adults (13%) aged 55 and over, or who are younger and have a long-term health condition, have difficulty getting to a bank. This compares to 9% in urban areas. On top of that, of UK adults who never use the internet, 70% (or 3.7 million people) live in rural areas and the take-up of mobile banking in rural areas (23%) is nearly half that in urban areas (45%).

The report comes shortly after consumer group Which? reported an "alarming" acceleration in bank branch closures, with about 60 closing every month. It found that 2,868 branches will have closed between 2015 and the end of 2018. The bank closures will have devastating consequences for the rural business and local communities. Looking at the solutions, the post office needs to create a standardised service that matches the specific needs of businesses in rural areas. All small businesses should be able to quickly transfer basic banking facilities to their nearest post office branch, including depositing both cash and cheques as well as accessing change.

**Recommendation:** A government policy that will ensure the delivery of full digital connectivity to rural areas. This will help mitigate the effects that have been seen through the loss of local services such as banking and other essential services. Basic financial services for small businesses should be available through the Post Office network. Government policy must intervene to stem the decline in local services.
such as education, health, retail, leisure and specialist services for children and older people.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Labour availability has been high on the agenda for agricultural and horticultural sectors for some time now. Access to labour availability has been increasingly under pressure since the SAWS scheme was abolished in 2013. With the deadline to leave the EU rapidly approaching one thing is clear: we need the future of our labour supply resolved now. Sourcing workers is a critical issue for many sectors across farming – particularly Horticulture, Dairy and Poultry. As we leave the EU, we need a work permit scheme that replaces free movement so that businesses can better access people and skills from around the world. The UK must remain open to talent from both Europe and around the world. All of the most credible economic studies show that immigration delivers net economic benefits for the UK.

According to Defra’s 2015 figures there are 476,000 people employed on agriculture holdings across the UK. Of these, they estimate 67,000 are seasonal, although we believe that is a significant underestimate. Industry research shows that the horticulture sector alone needs 80,000 seasonal workers a year to plant, pick, grade and pack over 9 million tonnes and 300 types of fruit, vegetable and flower crops in Britain. Approximately 75% of the UK’s seasonal horticultural workforce workers are recruited from Romania and Bulgaria (A2 countries) and the remainder largely from Poland and other A8 countries (Eastern European countries who joined the EU in 2004). In addition to this, the poultry industry has found that it needs around 13,000 seasonal workers in the seasonal period (Christmas) primarily in the processing of turkeys, and a majority of these (58%) would be from outside of the UK.

According to the ONS in 2016, 11% of total employment in the agriculture, forestry and fishing sector was from outside the UK with 7% of this from the A8. Applying this proportion to the Defra figures for permanent workers provides a rough estimate that around 28,630 permanent workers in the sector may be from the A8.

Farmers and growers do try and employ local labour. Many regularly advertise vacancies through local job centres, the internet and place advertisements in the local press in an attempt to recruit local candidates. However, despite these efforts the response from the local population is often poor with either a failure to respond to adverts, or when individuals do turn up, they frequently fail to stay on. Two reasons stand out. The first is British nationals generally are not attracted by many aspects of agricultural work, where it is sometimes unfairly seen as poorly paid, low skilled work lacking career prospects. This, combined
with long hours in remote locations and involving physical work, means that many look for work elsewhere. This is particularly the case with regards to seasonal work and permanent jobs in some sectors such as the pig industry. The second is that most farm businesses are located in rural areas with low unemployment – there simply aren’t enough people available to fill the vacancies.

With the UK employment rate at 4.6% (the lowest rate since 1975), there is a big gap between the scale of the demand and the number of people looking for work. The industry remains keen to work with Government to attract more UK workers. If British farmers and growers cannot source the workers they need, they are likely to delay investments, and in some cases move their growing operations overseas where workers are based, which would result in a loss of thousands of permanent British jobs further along the food chain.

It is vital that the government addresses these concerns as a matter of priority. The lead in time for recruiting seasonal labour is around 9 months and businesses will already be planning their workforce requirements for 2018. It will not be long before planning begins for the 2019 season, and while there is a lack of clarity for potential workers about whether they will actually be entitled to take up the jobs on offer, there can be no doubt that there will be a significant shortfall in labour availability, with potentially devastating consequences for farm businesses and food production. The supply of seasonal workers for 2018 and 2019 seasons is now in jeopardy. The government must, as a matter of urgency, establish a system that will continue to allow sufficient overseas workers to take up seasonal jobs in the UK to stop this from happening. The NFU is encouraged by the announcement on September 6th 2018 of a two-year pilot to support farmers by allowing non-EU migrant workers to work on farms, then return after six months. The limited pilot will mean growers are able to employ migrant workers, which they currently rely on for seasonal work, for up to six months, before their return. 2,500 workers from outside the EU will be able to come to the UK each year, alleviating labour shortages during peak production periods. The NFU reaction to the news can be viewed here.

**A professional workforce is vital to improving business performance and productivity.** To ensure a stronger culture of knowledge and skills requires the integration and implementation of training and professional recognition into every business. As the agricultural industry becomes increasingly technologically driven and more reliant on its ability to understand and implement the latest science, farming businesses will face requirements for new skills and employers will need to have the right mix of skills amongst their workforce.

**Underlying barriers and knowledge gaps to improving skills training.** The NFU’s 2017 confidence survey found that more farmers were increasing investment in skills and training than those that weren’t. This was true across all agricultural sectors. Nevertheless, data from UKCES skills survey 2015 shows that agricultural businesses are least likely to provide training to their employees, with only 50% of agricultural businesses providing training compared to a national average of 66%. Despite a willingness to invest, there are still improvements to be made and barriers to be overcome. The fragmented nature of the industry, alongside the overload of skills programmes and training
National Farmers Union (NFU) – Written evidence (REC0077)

initiatives, creates a complicated skills system that can be hard to navigate. There are also challenges around the range of qualifications, complexity and variability of funding streams, inappropriate delivery mechanisms, and a lack of understanding as to where to source skills development.

The UKCES report (2015) indicates that businesses in the sector would increase training and skills development but a lack of knowledge of available training, training not delivered at a time or location that meets business need and perceived costs are barriers to uptake. To help tackle these issues the NFU was a founding member of the industry wide Agri Skills Forum which aimed to address skills challenges within the sector and ensure that skills development and training uptake is seen as a high priority and important investment. The NFU is concerned with the lack of current data and evidence on the skills priorities and gaps within the sector. In the past skills assessment research has been undertaken by Lantra and UKCES. However the last full and detailed skills assessment of the sector was in 2012, through Lantra with UKCES issuing a skills survey across the economy in 2015. We strongly feel that there needs to be one authoritative organisation to complete this research in the sector in order to provide a robust and comprehensive evidence base on current and future skills needs.

A culture of continuing professional development is an integral part of the Industrial Strategy, Food and Drink Sector Council (FDSC). It is gaining considerable traction and interest. The FDSC has created a series of core groups and task and finish groups, two of which have directly or indirectly instigated activity on skills and the NFU is involved with. The Workforce & Skills FDSC Core Group covers the whole agri-food chain with a vision to secure supply of skilled and seasonal labour, driving productivity gains and continuing to produce world-class products for domestic and international markets. Meanwhile the Senior Leadership Group (SLG) specifically covers the pre-farm gate workforce and will replace the Agri-Skills Forum. Its aim is to drive forward a competitive, sustainable agricultural and horticultural production base in the UK that underpins our domestic supply chain meeting the demands of British consumers and helps grow our exports. If it is successful then there are clearly knock on benefits to the rural economy as a result.

**Priority skills gaps across UK agriculture.** On the basis of discussions with NFU members we believe that the priorities for our sector are improving skills relating to succession planning, risk management, business planning and management. This is based on past submissions by the AgriSkills forum to Defra on priorities for RDPE programmes. The NFU sees business management and leadership skills as a priority and crucial to taking agricultural businesses forward to help improve business performance and achieve a more professional and efficient workforce. Without an increased focus on strong business and leadership skills the potential uptake of more general and technical skills training, innovation and development of staff across the sector will never be fully realised. Indeed, Defra’s Farm Business Survey 2013 shows that producers or growers that have business and leadership skills and implement business plans are more likely to display higher business performance than those that have yet to address these skills gaps. The Lantra Skills assessment also identified that business and leadership skills will be needed in the future and this is supported by views expressed in the 2013 Future of Farming review in helping to achieve a thriving
agriculture and horticulture sector. As well as these cross-cutting areas, the NFU believes it is important to recognise that technical skills are vital to farm businesses and arguably more so as new technology is applied and farms choose to diversify. The particular training of focus will vary depending on which sector the farm operates in and what best serves its business needs. The sector-specific priorities for productivity and profitability improvements detailed in the farm excellence and profitability section of this response do however provides guidance as to the key areas of interest.

**Making agriculture an attractive career choice.** The NFU recognises there is a need to change the perception held by some farmers that skills development is simply a compliance cost, but rather should be recognised as an investment in professional development that is central to improving business performance, competitiveness and sustainability. Continued emphasis on lifelong learning and professional development will also help attract new entrants to the industry and help change the current perception of the industry which is wrongly portrayed by some as low paid, low skilled with unsociable hours, and poor employment prospects. The existing CPD schemes within the industry has enabled workers to participate in relevant, demand led training, recognising their experience and building on practical skills. This approach needs to be extended across the industry but on a voluntary rather than mandatory basis to encourage take up.

**Recommendation - Labour.** Due to the problems in accessing labour due to the historically low unemployment rate, the NFU is recommending a work permit scheme that replaces free movement so that businesses can better access people and skills from around the world. The UK must remain open to talent from both Europe and around the world.

**Recommendation – Skills.** Technical skills are vital to farm businesses. The NFU is concerned with the lack of current data and evidence on the skills priorities and gaps within the sector, in what is a highly fragmented area. We strongly feel that there needs to be one authoritative organisation to complete this research in the sector in order to provide a robust and comprehensive evidence base on current and future skills needs.

9. **How can deprivation and inequality in rural areas be tackled?**

The causes of rural deprivation and inequality are multi-faceted as are the solutions. One way to achieve improvement is to increase general employment opportunities but more particularly increase high quality, high value employment.

To facilitate increased employment opportunities vastly improved transport (including road, rail and air modes of travel) and communication connectivity is required.

Improved transport connectivity is required to help the physical movement of people from isolated rural locations to centres of employment and amenity. Transport connectivity is also required to facilitate the movement of raw materials and finished goods around regions, to major urban areas and centres of economic activity and to export hubs.
Fast and reliable communication connectivity is essential for any modern economic activity and increasingly all aspects of normal day to day life. Enhanced broadband connection, speeds and reliability will aid increased economic activity in rural locations.

Hand in hand with a need to increase employment to reduce deprivation is a vital need to increase access to affordable homes in rural areas. Increased employment will only take place if there is adequate housing for people living and working in rural locations. In agriculture the lack of affordable housing is a key inhibitor to farm succession and the development of farming businesses.

**Recommendation. The NFU is calling for government policy to encourage increased access to affordable homes in rural areas. Affordable housing is a key inhibitor to farm succession and the development of farming businesses.**

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

There are barriers to entry for young farmers looking to establish their own enterprise as a new entrant. A key factor is the lack of mobility of capital, whether that is the availability and cost of land for farming or access to finance to invest in a new enterprise.

In looking to address the access to land issue, greater incentives to encourage availability of land for new entrants includes better use of all land type arrangements including FBTs, Contract and Share Farming type arrangements. For example sourcing and marketing of share-farming schemes and promoting the potential for partnerships between established farmers and new entrants through vehicles such as matching schemes. An example of this is the Fresh Start Land Partnerships Service which has seen limited uptake but the approach has potential to mobilise new talent into farming. Strong affiliations of land matching schemes with potential talent pools such as agricultural colleges has the potential to provide progression from the learned environment into practical application and entrepreneurship thereby encouraging settlement in rural areas. New entrants are ambitious and are likely to want to increase their stake in a business if driven and this will provide a career trajectory and longer term security thereby attracting talent to the area.

The EU Young Farmers Scheme has an important objective of incentivising greater mobilisation of younger farmers into a controlling position in farm businesses, supporting those that are ready to take ownership to step-up and drive decision making. The last reform of the CAP in 2013 resulted in the UK introducing this scheme as mandatory support scheme for young farmers (EU Regulation 1307/2013). The scheme provides 25% uplift on the average value of BPS entitlements held by the young farmer to a maximum of 90 entitlements and is targeted at farmers between 18-40 years of age. This provides some additional financial benefit for new younger business owners.

Government could help family farming businesses to look into business succession planning earlier by setting up a scheme and this may be through Fresh Start to fund professional advice on succession planning whether within a
farming family owner occupied business or trying to succeed to an AHA tenancy. There also needs to be support for farmers looking to exit the industry. This would include suitable housing and we hope that under the revised NPPF it will now be possible for farming businesses to accommodate the needs of family farming members. There is though still a lack of clarity over retirement dwellings. Without a suitable exit strategy for those farmers wishing to discontinue their involvement in the business opportunities will remain limited for younger entrants.

In regards to financial capital, financial instruments in the form of government loans and guarantees have the potential to play an important role in empowering young enterprising farmers to establish a farming business or invest in existing enterprises. Whilst many farmers currently have a positive relationship with the banking industry, there exist potential investment gaps in British agriculture where commercial banks may be reluctant to lend due to the risk profile of the projects. This includes lending to tenant farmers and new entrants who may lack the credit history or assets to provide as collateral for loans. Whilst young farmers may lack either assets for collateral or have insufficient credit history they offer new innovative ideas for diversification and increasing productivity which could generate significant returns.

**Recommendation.** There needs to be support for farmers looking to exit the industry in order to encourage more younger farmers to enter the industry and create successful businesses. This includes suitable housing and we hope that under the revised NPPF, it will now be possible for farming businesses to accommodate the needs of family farming members.

In terms of encouraging new entrants in to farming, support for financial instruments as described in the NFU’s Vision for a New Domestic Agricultural Policy, in the form of loans and guarantees would be beneficial. This will help young people to establish a meaningful career in their rural

**11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

Lack of mobile coverage can have disproportionate impacts on rural communities. The rural population is not only located within a more dispersed geography - it is also older and hence has different service requirements, including access to skills and medical advice. The average farmer age remains constant at 59. More needs to be done to ensure that these older rural communities can access the whole range of digital services they need and that digital services are in place to attract young people and families back to rural areas, to pursue farming and other rural careers.

Crime, and the fear of crime, is leading to emotional strain and a loss of confidence, particularly among young people, families and farmers and contributing to social isolation. The [2018 Rural Crime Survey](#) – busts the myths
about who we tend to think of as vulnerable when we think of rural crime, and shows that farmers, young people and hard working families are most affected and feeling most vulnerable. A third of rural people believe that crime has a moderate or great impact on their lives.

Ultimately, rural communities are not understood, and services do not match need – too often rural communities are considered safe and prosperous places, this preconception stops serious needs analysis being done. When the lid is lifted it is clear rural people and businesses are fundamentally misunderstood. We believe this is true of many areas, not just crime and policing, and further work needs to be done to assess community safety and service provisions policy across the board in a specifically rural context.

Rural residents often are socially and economically isolated and not able to access amenities. There are many causes of this including:

- A trend to reduce the provision of smaller scale amenities in rural locations and replace them with bigger centralised facilities in urban areas. This can be seen in the ongoing closure of facilities such as village shops, banks, schools and cottage hospitals.
- Poor transport and communication connectivity contributes to social isolation and rural residents do have greater travel times to access key amenities compared to those living in urban areas. A government report published in 2016 found that travel time to a hospital was 50% greater for rural compared to urban residents for example.358

If rural residents are disadvantaged in accessing amenities because of poor connectivity, the same deficiency will restrict the ability to deliver services to residents in their home. This barrier to the provision of services is in addition to access issues as a result of a lack of funding for services such as social care. We are of the opinion that improved transport and communication connectivity will help to reduce social isolation in rural areas.

**Recommendation. Rural areas need improved transport and communication infrastructure that will help to reduce social isolation in rural areas. Further work must be undertaken to assess community safety and service provisions policy across the board in a specifically rural context. This will lead to a better understanding and policing of rural areas in order to reduce the levels and adverse effects of rural crime.**

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Rural housing is generally more expensive than urban housing for a number of reasons:

- Scarcity
- Desirability for lifestyle buyers
- Houses and gardens are larger
- Occupants are often able to commute easily.
- Second home owners
- More expensive building materials are required in order to allow a new house to blend in.
- Retirees have no suitable alternative housing to move to.

Affordable houses are defined in the National Planning Policy Framework as being those which are rented or sold at a discount of at least 20% below the local market value. Even at prices 20% below market price these are often still too expensive for many people wishing to live in rural locations. On average rural homes are 20% more expensive than urban homes putting those wishing to live rurally at a disadvantage.\(^{359}\). Predominantly rural workplace based average earnings in 2017 were 7% less than predominantly urban.\(^{360}\)

**Recommendation. Affordable housing policy should to be rural proofed, to reflect actual wages earnt locally and the housing needs of rural workers, families, elderly people and carers.**

**13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

The latest version of the NPPF provides for housing for essential rural workers to live at or near their place of work including those taking the majority control of a farm business. To a degree this helps facilitate retirement of an older farmer but it does not assist in situations where offspring work on a farm business (but is yet to take control) has reached an age where it is no longer suitable for he or she to reside in the main farmhouse with their parents.

The present NPPF Paragraph 79 also does not appear to allow for a retirement home to be built rather than one for a worker meaning that a retiree remains in a large house whilst their successor or buyer of the business technically has to live in a smaller worker dwelling.

There is no definition of what is classed as an essential worker and Local Planning Authorities often therefore use the previous guidance contained in Annex A to PPS7, guidance which assumed abuse of the planning system and utilising the onerous functional need test which usually only saw success in holding on which livestock or sensitive crops were present. Annex A also clearly stated that agricultural needs do not include the provision of retirement dwellings for farmers. The Government could give clearer guidance on what constitutes an essential worker to allow for farming enterprises which do not involve sensitive crops or livestock.

\(^{359}\) Halifax Rural Housing Review 2017  
\(^{360}\) Official Statistics – Rural earnings statistics
Previously security purposes have not been considered reason enough to receive permission for a dwelling on site. With rural crime increasing sharply and costing the UK £44.5m in 2017 this should be something which is given serious consideration by planners.

Class Q Permitted Development – increases to the number of conversions allowed on a farm holding may help to provide some rural housing. Because there is no requirement that the converted dwellings be occupied by someone working on the farm or in agriculture it can cater for the wider rural community. However Class Q is still reliant on there being existing buildings to convert which the Local Planning Authority deems as suitable. It does not apply in National Parks, AONBs and Conservation Areas which account for many rural areas so is of no benefit to many communities. There has also been limited uptake to date of Class Q (before the 2018 updates) with applications and permissions far exceeding actual conversions. 42% of applications have also been refused. Planning authorities need to be more positive about applications under Class Q. They need to look at the positive elements that a proposal can offer instead of looking for reasons to refuse.

**Recommendation.** Planning authorities need to be more positive about applications under Class Q. They need to look at the positive elements that a proposal can offer instead of looking for reasons to refuse. The Government could give clearer guidance on what constitutes an essential worker to allow for farming enterprises which do not involve sensitive crops or livestock.

**14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

The NFU is seeking a clear signal from Government about the importance and value of food and farming and the rural economy that allows the farming sector and rural economy to flourish. Currently there is a clear danger that the countryside is seen as a place to visit, and is something that is valued for its landscape and environmental characteristics, rather than being a living and economically vibrant place and one that produces the majority of the nation’s food. Agriculture needs to be recognised for its strengths including land-use / environmental benefits and regionally specific characteristics, which through the wider rural economy drives growth across the whole of the UK.

The NFU confidence survey has highlighted how medium-term confidence and future investment intentions has been dented by increasing uncertainty following UK’s decision to leave the EU and prospects of higher cost base (see graphs, below).

The farming industry needs greater certainty and firm commitments from government if the country is to feel the benefits of a thriving food and farming industry. NFU members want to deliver on a vision shared with Government for an increasingly profitable, competitive and sustainable food and farming sector.

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361 NFU Mutual – Rural Crime Report 2018
NFU Confidence Survey 2017. Business Confidence Time Series: 1 year & 3 year Outlook

How has the EU Referendum result changed your investment intentions over the next 12 months, if at all?

- Will increase investment: 20%
- No change in investment plans: 10%
- Will decrease investment: 60%
- Don’t know: 0%

NFU Confidence Survey 2017. Investment intentions.

The NFU supports the case for the agri-food sector to be recognised for its contribution to growth across the whole of the UK, adopting new ‘disruptive’ technologies as well as building upon its traditional strengths. The government commissioned an independent review of rural proofing led by Lord Cameron of Dillington. As a result, the new Industrial Strategy must reflect ‘rural-proofing’ of government policy and should build upon existing policy, including the previous administration’s 2013 Agri-Tech Strategy, to embrace advances in autonomous vehicles (drones, tractors), other robotics applications (crop picking, livestock management), biotechnology, advanced genetics, data science and the bio-economy. This must be supported by infrastructure that will enable uptake of the latest 5G technology. Farmer and growers are also playing an increasing role
in providing land-based renewable energy, enabling the decarbonisation of the British economy. Harnessing the huge potential of 'agri-renewables' is very much in our national interest, contributing to national energy security and bringing additional benefits to the environment. We strongly back Defra's stated ambition for the UK to become one of the most resource-efficient, resilient, sustainable, low-carbon economies in the world.

For example, farmers need a simpler and more responsive planning system that enables growth in a sustainable rural economy, helping to manage risk in farm businesses, supporting NFU members to invest in new efficient and resilient buildings, operations (including energy services) and rural homes. Access to infrastructure (roads, digital communications, energy networks) is key to making these investments. Policy measures are required such as low-cost loans, enabling farmers and growers to invest in new technologies like robotics, and a 'fit-for-purpose' regulatory framework, e.g. for new technologies like drones (which should distinguish between legitimate business use, possible trespassing and potential nuisance from hobby use).

Recommendation. The government must recognise the importance and value of food and farming and the rural economy that allows the farming sector and rural economy to flourish. British agriculture provides over 60% of the nation’s food and it also needs to be recognised for its strengths in managing land use and environmental benefits that also provide regionally specific characteristics. Future farming policy must ensure the industry thrives by also encouraging investment. Farmers also need a simpler and more responsive planning system that enables growth and investment in farm businesses and helping to provide a sustainable rural economy.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Certain parts of the Rural Development Programme for England (RDPE) capital grant funding has been through the Growth Programme which is administered through the Local Enterprise Partnerships (LEPs). Essentially RDPE capital grants funding is to support productivity improvements on farm and within rural businesses. Growth Programme funding provides grants for areas such as Food Processing, Business Development and Rural Tourism. The budget for the Growth Programme is £210m over seven years (2014-2020), and in addition extra money has been provided for the Rural Broadband Infrastructure grant scheme – although the NFU believes this will only go a small way to solving connectivity issues in rural areas. In addition, further grants for farm and wider rural productivity are available through the Countryside Productivity Scheme (£120m) and through the Leader Scheme (£139m), the latter administered through the Local Action Groups (LAGs).

The RDPE, which includes the schemes highlighted above, has been bedevilled with problems such as launch delays, and there is a recognised underspend on RDPE. Although the NFU acknowledges that vital funds to benefit farmers are
finally being released, and the recent funding guarantee until December 2020 should ensure funds are fully appropriated within the original budget timeframe.

However, the delivery of future grant funding needs to be more accessible and reliable if it is to fulfil the role of contributing towards an improvement in agricultural productivity (and ultimately benefitting the wider rural economy).

The NFU outlined how future grant funding could operate for farming and rural areas in its outline for future productivity funding under its Domestic Agricultural Policy. The NFU’s policy operates under three cornerstones – Productivity, Volatility and the Environment.

As soon as the UK is outside the scope of EU Regulations, all geographic areas should be included in funding availability (this is not always the case with LAGs).

There is too much variation in performance across LEP and LEADER LAG groups; some have performed well with good distribution of funds. Others are performing poorly with a risk that funding will not be allocated during the timescale allowed. Government needs to improve the performance of targeted funding. This could be improved by offering financial incentives to LAG chairmen (such as being paid a day rate) and committee members to improve the calibre of those involved and as a mechanism to hold meetings and make funding decisions.

Furthermore, funding for productivity measures should be increased during the transition, in the first instance by making full use of existing underspent RDPE funds. Productivity improvement is cited as an ambition within the Command Paper and increased funding with the productivity umbrella must be seen as a priority.

A simplified application scheme should be adopted within the RDPE. This could be modelled on the recent round of Countryside Productivity small capital grants which have allowed farmers access to equipment according to a standard cost list. Where this is not possible for more complex applications such as with LEADER or Countryside Productivity large capital grants, simplification is still possible. This could include reducing the conditionality regarding funding requirements, the number of quotes required or reducing the long lead times from application to a funding decision. This has hitherto acted to put off or delay applicants from applying from opportunities that would be most beneficial. In addition this would reduce the third party cost implications for farmers (e.g. through agricultural agents and consultants), allowing more working capital to be maintained in the farming business.

**Recommendation.** The design and delivery of future grant funding needs to be more accessible and reliable if it is to fulfil the role of contributing towards an improvement in agricultural productivity which will ultimately benefit the wider rural economy. The NFU welcomes and looks forward to the opportunity to work with government to advise on scheme design and focus.

**Concluding remarks**
The NFU is seeking a clear signal from Government about the importance and value of food and farming and the rural economy that allows the farming sector and rural economy to flourish. Farming is the bedrock of the food and drink industry which is worth £111 billion to the UK economy and employs 3.9 million people. Brexit poses uncertainty for the farming sector in terms of trade and future farming support. Government needs to put in place measures to encourage and support investment in the farming sector, which will have widespread implications for a healthy rural economy. These include supporting full broadband capability to maximise productivity gains and to help improve access to services and reduce rural isolation. Fiscal measures are needed to encourage investment and planning rules that enables this to happen. A seasonal workers scheme is also required to address worker shortages on farms in the countryside.

10 September 2018
National Federation of SubPostmasters – Written evidence (REC0040)

About the NFSP

1.1 The National Federation of SubPostmasters (NFSP) is a professional trade association representing post office operators. Around 98% of the post office network is operated by franchisees.

1.2 Our 8,000 members are predominantly independent small business people, they operate approximately 9,300 post office branches and employ approximately 40,000 people across the UK.

1.3 We are a member-led organisation, supporting members to operate post office and retail outlets. Our members often run a single shop within which the post office is one part of their wider offer. It is our view that this format will become increasingly prevalent as reduced mail volumes, increased competition, and reductions in post office pay make it virtually impossible for subpostmasters to earn a living solely from their post office business.

1.4 With this in mind, the NFSP has broadened the scope of its activity to include providing bespoke support to subpostmasters wishing to build and develop a suitable retail solution. We deliver this alongside the more traditional activity of representing subpostmasters’ interests on all post office related matters.

2. The NFSP’s interest in the rural economy

2.1 A significant proportion of our members are based in rural areas; Citizens Advice (CA) reports that 55% of the 11,600 post offices in the UK are in rural areas.

2.2 Additionally CA has found that people in rural areas use post offices more frequently than those in urban areas (one in three people in rural areas say they use the post office weekly compared to one in five in urban areas).

2.3 Rural businesses are twice as likely to use banking services at the post office compared to those in urban areas, the CA report states.

2.4 Finally, CA found that nine in 10 residents and business owners in rural areas expect to use the post office just as much in two years’ time.


3. The NFSP’s response to the call for evidence
3.1 As requested we have kept our response to the areas in which we feel we have a particular insight to share which may be of use to the committee. These are:

Q6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Q7. What can be done to support local shops, community pubs, and other rural amenities at risk of closure?

Q8. How can rural businesses be helped to thrive and how can new industries and investment be supported? How might labour and skills shortages be overcome?

4. **Addressing Q6. What can be done to improve and maintain provision for essential services such as healthcare, education, and banking in rural areas?**

4.1 Our response to this question focuses solely on banking. Many banks are choosing to close their branches as operating costs rise and customer numbers fall. Post Office Ltd, UK Finance and the Government rightly see post office branches as a potential solution for communities suddenly left without branch facilities. Subpostmasters see this as an opportunity to serve their communities, offer new services in branch and increase footfall to their own stores.

4.2 However, subpostmasters face the same challenges as the banks in terms of rising operating costs. Banking transactions can be labour intensive and time consuming for subpostmasters and the amounts paid for these transactions are very poor. For example, banks charge business customers between £6 and £10 per £1,000 deposited - but only a tiny proportion of these charges filter down to subpostmasters who are paid either 24p or 37p (depending on their contract type) per £1,000 deposited.

4.3 The NFSP does not believe this is a sustainable model. We have carried out observational research that indicates subpostmasters are paid less than £2 per hour for business banking transactions – which doesn’t even come close to covering the costs of delivering these services. The only way many of our members will survive is if they receive fair pay for the work they do.

4.4 The banks have moved much of the risk of handling large quantities of cash (e.g. shortages and counterfeits) on to subpostmasters, they are small business people and they are simply unable to absorb these risks. As the volume of cash they are handling increases we are concerned that their offices will become a target for thieves. The NFSP is doing all it can to support subpostmasters to mitigate these risks as well as lobbying Post Office Ltd to increase transaction rates, and to push for better security equipment and training.

4.5 We have welcomed the creation of the Banking Framework and the commitment from Post Office Ltd and UK Finance to improve the promotion of
the different banking transactions available within post office branch
(https://www.ukfinance.org.uk/banks-and-post-office-to-raise-greater-
awareness-of-banking-services-available-in-local-post-office-branches/).

4.6 Importantly subpostmasters are not yet able to carry out the full range of
transactions our customers expect (e.g. providing mini-statements) and they
would like to be able to do more transactions. Access for business customers
is not widespread and largely depends upon the type of post office the branch
is deemed to be (by Post Office Ltd) which subsequently dictates the nature
and value of the transactions they are able to do.

4.7 We welcome Government intervention on this matter, the banks have not
been forthcoming in their support for post offices delivering banking services
and we urge Government to keep applying pressure so that rural communities
know that they are still able to access banking services through the post
office.

4.8 For the Banking Framework to be successful we believe the following steps
should be taken:
➢ All high street banks must sign up to the Banking Framework;
➢ Subpostmasters must have the necessary tools to carry out a broad range
of businesses and retail transactions;
➢ Post offices dealing with substantial sums of cash must be properly
secure;
➢ Subpostmasters must have appropriate training;
➢ Retail and business customers must be made aware of the banking
services on offer, especially when a local branch closes.

4.9 Additionally, we see the provision of banking services within post office
branches as having a part to play to enable social and financial inclusion. The
post office network is the largest retail network in the UK. It has more
branches than all of the UK’s banks and building societies put together. The
Government’s access criteria means that 99% of the UK’s population are
within three miles of a post office branch (98.7% of the rural population).
This makes the post office network ideally placed to serve our communities,
particularly in rural areas.

4.10 However, social and financial inclusion are about more than just access to
services. They are also about what happens to people, particularly vulnerable
people, when they try to access those services. More often than not our
members are part of the communities they serve. They have a vested interest
in supporting local people because they are local people.

4.11 Citizens Advice found that post office branches play a vital community role
providing information, help and advice as well as a focal point for people to
gather. These ‘community services’ are particularly used by more vulnerable
groups such as older people, lower socio-economic groups and remote rural
residents. Please see the Consumer Use of Post Offices report here:
https://www.citizensadvice.org.uk/about-us/policy/policy-research-
topics/post-policy-research-and-consultation-responses/post-policy-
research/consumer-use-of-post-offices/
4.12 Subpostmasters want to continue to provide these community hubs, and to continue to contribute to social and financial inclusion in the UK but they need Government support to do that. The community subsidy is vital, it supports those branches which would not otherwise be commercially viable. We know that Government is committed to reducing its subsidy to the post office however, we’d urge Government to consider retaining the community subsidy. We are concerned that if Government removes its subsidy entirely that community offices will be supported by profits made on the backs of other subpostmasters. It cannot be right that a small business person in London subsidises an entirely separate small business person in Skye. We are asking Government to protect our post office services, and continue to promote social and financial inclusion, by providing funding to enable Post Office Ltd to meet the access criteria Government has set without using the income of small business people to do so.

5. Addressing Q7. What can be done to support local shops, community pubs, and other rural amenities at risk of closure?

5.1 There are a number of reasons why a rural post office branch may be facing closure. However, we believe two of the most common are financial pressures and the resignation/departure of the existing subpostmaster.

5.2 If the reason for closure is a financial one the NFSP takes a two-pronged approach to supporting the branch to stay open. Firstly, we work with subpostmasters to identify ways to maximise their income, this might be refurbishing their store to make it more modern and welcoming, and/or reviewing the products they stock to make sure they are tailoring their offer to the needs of the community. We seek ways to make the shop stand out so that people will go out of their way to visit it. Often we are able to build upon the wealth of good feeling towards shopping local by helping the subpostmaster to find local produce to stock, this approach can work particularly well in rural areas where farm produce may be in abundance. The second element of our approach is to support the subpostmaster to minimise their costs and to manage their outgoings effectively.

5.3 For those at risk of closure for financial reasons there are two ways in which Government can help, firstly providing access to finance to fund refurbishments and/or other improvements (e.g. improved signage) and secondly providing relief schemes such as rent and rate relief to help subpostmasters to manage their costs.

5.4 A further pressure on subpostmasters’ finances is the reduction in the amount of work the post office now processes for the public sector. This has had a significant impact on remuneration; post office turnover from government services fell by £13 million between 2015 and 2016. DVLA turnover fell by a further £10 million. These changes have been driven by the increase in online services and increased competition, developments which are ostensibly good for consumers. However, the NFSP would like greater consideration to be given to two factors when new contracts are issued: Firstly, value over cost, the post office has a vast network and subpostmasters are frequently recognised for the quality of the service they
provide. Our members pride themselves on good customer service, and in part it is that quality you are paying for when you contract services to the post office. Secondly, when contracting services to post office it is important to recognise the broader support this provides to vital local services and in turn to our communities. We believe Government can and should take these indirect benefits into account when making commercial contract decisions.

5.5 The second common reason a rural post office branch may be facing closure is that the existing subpostmaster has chosen to leave the network and a new operator cannot be found. The possible solutions to this are covered in our response to question eight below.

6. **Addressing Q8. How can rural businesses be helped to thrive and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

6.1 Our members say the feature they value most about the NFSP is the ability to contact people in the same position as themselves. Many of our members operate a single office and can feel quite isolated, being able to network with other small business people is a lifeline for many.

6.2 Networking is a skill and we encourage Government to offer training for both new and existing small business people to learn how to network both real world and online.

6.3 The development of social media is a real opportunity for small businesses to connect with their peers and their customers. Appropriate support and training can help small business people improve their networking skills and grow their business.

6.4 The power of networking applies beyond the subpostmaster community to small business people generally, and we know many of our members get involved in local networking events and business focused organisations. Any formal support which can be extended to these groups can have a significant impact. Support could take the form of funding or access to other resources such as premises, speakers, and Government produced information and toolkits. The Government can have an important role in supporting local groups to identify worthwhile support, often business support groups are operated by volunteers and securing and vetting speakers can be a time-consuming process.

6.5 Talent-drain from rural communities is a recognised issue. We believe that building links with young people could help to retain talent in rural areas, and importantly for our members, ensure that there are people willing to take on established small businesses. Our members often have a lot of experience which they are willing to share with others, and they are very open to participating in community based activities. We encourage Government to consider ways in which to bring small business people and school and college pupils together to share ideas and practical experience in projects which benefit all parties.
6.6 Additionally providing support for people seeking to take on a rural business (both practical advice and guidance and financial support) can mean the difference between success and failure. The NFSP delivers practical assistance to those taking on a post office which includes:

- Mentoring from experienced small business people;
- Help to analyse their local area and the markets in which they operate;
- Access to practical support such as developing a business plan, raising finance, employment and legal matters delivered through training toolkits and workshops;
- Access to approved suppliers providing relevant products and services.

6.7 Running a small business can be both incredibly difficult and very rewarding. Financial support can help to get new businesses off the ground but it is also important that they have access to basic tools, like broadband, which they rely upon to operate their businesses. Too often our members’ efforts are hampered by poor quality internet connection. We strongly believe further investment is required to ensure rural areas are not disadvantaged by poor quality connections.

6 September 2018
I am writing to supply the further information requested following my appearance in front of Rural Economy Committee on Tuesday 6 November. Thank you again for the invitation to speak to your committee on behalf of the National Housing Federation about the role of affordable housing in contributing to thriving rural economies. Please find enclosed the further information requested in the session.

1. **A copy of the Rural Housing Pledge.**
   Please find this included as appendix 1.

2. **Copies of correspondence to and from Homes England on the subject of the rural housing target.**
   Various discussions have been held with Homes England regarding the reinstatement of rural housing targets. These requests have come from both the Rural Housing Alliance and the National Housing Federation but have not progressed. The National Housing Federation held face to face conversations and so cannot provide correspondence in this instance.

3. **The National Housing Federation’s proposals on land value capture.** Please find this included as appendix 2.

4. **Further detail on the rules around the Voluntary Right to Buy, when it does and does not apply, and our views on any necessary reforms** Please find this included as appendix 3.

5. **Further thoughts on reforms that could be made to rules around second home ownership.**
   Please find this included as appendix 4.

Once more, I would like to welcome your interest in affordable housing as a critical part of the rural economy and to repeat the National Housing Federation’s call for more thorough rural-proofing of policy.

Kind regards,
Monica Burns
Head of Member Relations

3 December 2018

**Appendix 1**

**The Rural Housing Pledge**

This pledge, drafted by housing associations with a specific focus and understanding on affordable rural homes, offers a clear set of guarantees. It underlines the commitment of Rural Housing Alliance members to working in partnership with local communities in order to ensure high quality homes and services.

We pledge to:

- Work closely with the local community and Parish Council to find the right site
• Always give qualifying local people in housing need first priority for every home

• Ensure that affordable homes always remain affordable

• Build sensitively designed, high quality homes to high environmental standards

• Provide good quality and locally sensitive management services to our residents

• Always respond positively to the local community

The Rural Housing Alliance work to promote this pledge to rural local authorities and parish councils.

Appendix 2

National Housing Federation’s proposals on land value capture

The cost and availability of land remains the single biggest barrier housing associations face to building more homes at the speed required. The complex interactions between the planning system, the developer-led ‘speculative’ homebuilding model, and the laws around land ownership and purchase have created a dysfunctional and inefficient land market. The solution is careful public intervention at national and local level to reorient the land market towards homebuilding.

The National Housing Federation is calling on the Government to reform the 1961 Land Compensation Act to ensure a fairer proportion of the uplift in land value is shared by the community, including for affordable housing.

Agricultural land in England becomes 275 times more expensive once it receives residential planning permission, according to research from the Centre for Progressive Policy. When undeveloped land is sold for homes, it is the landowner or speculators that capture most of this uplift in value. This amounted to £13bn in profit for landowners in 2016/17.

We believe that more of this profit could be shared with the community to provide vital infrastructure and affordable housing. This proposal has widespread support and would contribute to the Treasury’s main objective of placing the public finances on a sustainable footing. Alongside the Government’s response to its consultation on ‘Supporting housing delivery through developer contributions’, we would encourage the announcement of a further consultation on our land

value capture proposal, and other longer-term reforms suggested by the Housing, Communities and Local Government Select Committee\(^363\).

**Appendix 3**

**Voluntary Right to Buy and rural areas**

The guidance on the Voluntary Right to Buy (VRTX) pilot in the Midlands is intended to provide landlords responsible for processing tenants’ applications with information and best practice advice, and assist in the processing of applications in an efficient and effective way. It will also help landlords consider how to determine their local policies. The full guidance can be read here.

In keeping with the VRTB deal struck with the Government, it is at the discretion of boards of housing associations participating in the Midlands VRTB pilot to determine what homes they choose to sell.

Agreement has been reached with Government for just general needs homes to be included in the Midlands pilot, but boards can then determine the general needs homes they will not sell, with tenants having the opportunity to ‘port’ their discount to another housing association home.

In the rural context, you can expect to see different housing associations adopting different approaches, albeit with some common themes. In the case of rural exception sites, homes will be affordable in perpetuity so these will clearly be excluded. Some Section 106 sites also have similar affordable in perpetuity clauses, especially in rural areas. Although Section 106 agreements can be renegotiated, both housing associations and local authorities must agree to this. We know that, due to the short lead-in time for the pilot, renegotiations have not been taking place, so again most of these homes will be excluded and tenants offered portable discounts.

Other participating housing associations may decide to exclude general needs homes in rural areas to safeguard against the loss of scarce social homes in small rural settlements. Other housing associations may decide not to exclude rural properties and this is permissible and in keeping with the principles of the VRTB deal.

**Appendix 4**

**Reforms to rules around second home ownership**

In some rural areas, second homes can have a detrimental effect on the local economy. Even occupied rented second homes are unlikely to support some essential services, such as schools, post offices, healthcare, banks, even if they are good for the tourism sector.

It would be useful to review the impact of recent changes intended to address this problem, such as the right to levy full council tax on second homes and empty housing since 2013, and more recently the 100% surcharge on empty housing.

\(^{363}\) Housing, Communities and Local Government Select Committee, Land Value Capture, HC766, [https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/766/766.pdf](https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/766/766.pdf)
The National Housing Federation believes the key to addressing the impact of second homes on communities is to boost the supply of genuinely affordable homes for local people, giving them an option to remain in their community. This could be done by:

- reviewing rules preventing the collection of affordable housing contributions via Section 106 on non-major developments. This disproportionately affects rural areas, where developments are smaller.
- improving the effectiveness of the Rural Exception Site policy – which should be a popular route to organic development in rural areas for the benefit of local people.
- incentivising faster coverage of proper local plans, including small sites’ allocations. Clear housing land allocations also help Rural Exception Sites as they reduce landowners’ expectations of securing planning permission for speculative development where local plans are not in place.
- directing Homes England to allocate money and targets for rural housebuilding (as has been the case in the past).

Reforms to the rules around second homes that could be worth exploring are:

- Council Tax rules could be further amended to allow councils to charge additional Council Tax on second homes, as for empty homes. Welsh councils have been charging additional council tax, it would be worth reviewing their experience, noting also the business tax loophole below.
- local planning policy could include policies requiring new homes to be primary residences. This provision was included in St Ives neighbourhood plan and withstood a legal challenge.
- business tax rules could be changed to close the loophole costing Cornwall £10m+ pa. The Government has just announced a consultation on this until 16 January. In Southwold, Suffolk, a council by-election was fought and won last month by a campaigner on this single issue.

Monica Burns
Head of Member Relations

3 December 2018
National Parks England – Written evidence (REC0161)

Summary

1. National Parks England (NPE) is the umbrella body that brings together the views of the nine English National Park Authorities (NPAs) and the Broads Authority. As Authorities we have a significant role as place shapers, working alongside our rural communities. The communities of National Parks are intimately connected to the landscape around them, and NPAs are similarly intimately connected with their local communities.

2. The statutory framework recognises that our National Parks are national assets for their beauty. Economic activity in National Parks is underpinned by the high-quality environment – more recently referred to as their natural capital. We do not see a conflict between the achievement of environmental and economic objectives; but creating the conditions where nature, people and business flourish requires careful management and a long-term view. The NPAs and Broads Authority (hereafter referred to together as NPAs) have considerable experience of successfully doing this - experience that we believe can be helpful for rural areas beyond our boundaries.

3. A National Park provides a focal point for recognising the relationship between the quality of the environment and the economy. There are many examples of successful businesses operating in and exporting internationally from bases within England’s National Parks. Between 2012-16 the number of businesses in England’s National Parks grew by more than 10%, and over 21,000 jobs were created over the same period. The turnover of businesses in England’s National Parks in 2016 was £13 billion, with Gross Value Added being somewhere between £5.5-£8.7 billion per annum, making it comparable to those of a smaller city such as Plymouth or Swindon.

4. Whilst traditional industries such as farming and land management will always be core to National Parks, we have witnessed a general decline over the past 50 years, whilst service sector industries (including tourism) have seen significant growth. We hope the Committee will consider the needs of the visitor economy as part of its deliberations.

5. National Parks Authorities work closely with communities, businesses and others helping them add value and grow, supporting skills development, investing in infrastructure, and attracting visitors while maintaining a high-quality landscape and environment. The Government’s 25 Year Environment Plan, highlighted the importance of maintaining natural capital, as a key for underpinning economic activity. The successful rural economy of the future must acknowledge the importance of this natural capital and take advantage of the opportunities it offers.

6. Lack of accessibility and transport options remains a considerable challenge for rural communities, and for many visitors too. While there are
many innovative ideas for transport, these are predominantly urban focused and the experience of many rural residents is one of managed decline in services. National Parks England believes finding solutions requires the active participation of a range of partner bodies and investment. As CNP note in their report on accessibility, “given that the National Parks are national assets, there is a case for providing more public resources to ensure that they are available to everyone”.

7. Poor digital connectivity is another major challenge for rural businesses, the visitor economy and many rural communities. Whilst there are successful examples in England’s National Parks of achieving 96% coverage of superfast broadband, many deep rural areas remain with poor provision. Recent welcome announcements from the Government should be supported by a recognition in value for money criteria that delivery to remote rural areas will incur higher initial capital costs. Local organisations and communities should be empowered to be more actively engaged in delivery of both broadband and mobile solutions, with a requirement placed on service providers to work constructively with communities. Government should also undertake a thorough analysis of the implications for different rural communities from the proposal to retire the copper networks in order to stimulate use of full fibre, and to promote convergence between Full Fibre and 5G.

8. For mobile coverage specifically, the Government should ensure the needs of the visitor economy are embedded into investment decision making processes for 5G infrastructure; ensure opportunities to improve coverage from the roll out of the Emergency Service Network Upgrade benefits rural communities too; and commit in the short term to a 3G universal service obligation to ensure 100% mobile coverage, supplemented by the 95% 4G target.

9. Brexit means we have an opportunity to reshape how rural development is facilitated in this country. A key part of NPE’s vision for environmental land management post Brexit is for local delivery of integrated solutions to deliver a triple dividend: enhanced environment, improved productivity and farm profitability and more vibrant communities. We explain how this might be achieved and the role of NPAs in helping to deliver this in more detail.

10. Equipping young people with new skills is an essential element of supporting thriving rural economies. NPAs are enthusiastic supporters of apprenticeships and have devoted considerable energy into developing new apprenticeship standards, as well as the number of apprentices. National Parks England would be interested to explore whether suitable employers who are unable to spend their apprenticeship levy funds may wish to transfer funds to National Parks to support the provision of apprenticeships, offering new opportunities for young people in some of our more remote rural areas.

11. In addition to the new industries and apprenticeships that are required for rural areas, it is also important that traditional skills are not lost that are vital to the maintenance of the countryside and its assets. The maintenance of such traditional features as buildings, hedgerows and walls contribute to the fabric of the countryside which is the underpinning for much economic activity. As one example, we would like the Government to commit to reduce VAT on repairs to historic buildings at the earliest opportunity following Brexit – to deliver tangible
benefits for the conservation of the historic environment in National Parks and the maintenance of the traditional crafts and skills.

12. Affordable housing in National Parks is a key issue where the availability of suitable land is low, land costs are high, and local incomes generally low. Our evidence provides detail on why a market led approach will not deliver affordable housing in protected landscapes, as well as some of the other decisions that have undermined provision in National Parks. National Parks England would encourage future housing policies to be tested for their applicability to protected landscapes with bespoke arrangements made as necessary. NPAs would be happy to work with Government on this in order that NPAs were in a better position to support national park communities’ needs.

13. We propose a number of measures that would contribute towards affordable housing provision in National Parks. We advocate the Government empower NPAs to increase the total stock of affordable housing for families and young people through additional financial support, and associated restrictions on holiday and second homes in order to ensure the future viability and sustainability of rural communities. Greater support should be given to Community Land Trusts which empower communities to provide solutions to meet their needs. And the Government should introduce a pilot for a Revolving Rural Land Bank to bring forward affordable housing in housing stress areas. The Government’s 25 Year Environment Plan included a commitment to test a revolving land bank to promote rural affordable housing and NPAs are working with MHCLG, Homes England and delivery partners to develop pilots in Hampshire, Exmoor, Dartmoor, North Yorkshire and the East Riding and Northumberland. Providing greater support (through a higher level of grant per housing unit) for the delivery of houses that are managed by RSLs in National Parks would also help.

14. As recent studies have indicated, many of the challenges to housing supply rest outside of the planning system, yet it has often been cited as an obstacle. The NPAs, as local planning authorities, take their planning responsibilities very seriously and this includes balancing sometimes competing needs. The NPAs facilitate housing development and the rural economy by focusing new housing delivery on affordable housing to meet identified local needs; resisting inappropriate development in the open countryside which may impact upon the special qualities of the national park; promoting high quality and more sustainable design; and supporting the delivery of community infrastructure through planning gain. Through a particular emphasis on proactively supporting clients with pre-application advice, and working in partnership, we have been able to get to a position where the likelihood of approval for a planning application is higher in a National Park (at 90%) compared to the English average.

15. The Committee asks how the rural economy and rural voices might be better heard. We detail in our evidence how this needs a multi-pronged approach, sustained over time in order to deliver systemic change. In the short term we encourage the Committee to examine the extent to which the Government’s Single Departmental Plans reflect thinking about the aspirations and needs of rural communities; and would advocate greater support be given to
facilitating visits by officials to rural areas to better understand the issues facing rural communities and public bodies operating within these areas.

16. Fundamentally, the Government has an important role in supporting a change in emphasis towards a rural economy which protects and enhances the natural environment – in common with the goals in the Government’s 25 Year Environment Plan. To do this requires flexibility in policy, and a degree of devolution to allow for the diverse situations facing different rural areas to be recognised. We recommended, therefore, that implementation of national frameworks be devolved to local areas to ensure the best approach can be shaped to suit local circumstances.

17. The Committee ask what is being done by local government and LEPs to support rural economies. In our view, supporting our rural economies is not a task for one organisation: if we are to provide coherent, effective support then councils, LEPs and others must work together in a co-ordinated manner. We would recommend the Government’s policy statement on the development of Local Industrial Strategies makes an explicit requirement to consider the needs of different rural areas and size of businesses in setting policies and allocating resources; that these strategies are rural-proofed; that some of the funds being given for capacity building amongst LEPs be used to enhance understanding of the needs of SMEs in rural areas; and for LEP Boards to include rural businesses and in some places those knowledgeable in the visitor economy. National Parks England has prepared an offer to LEPs which has been designed to increase the impact of the LEPs’ rural economic development programmes in a way that is fully compatible with the statutory purposes of National Parks. Given National Parks cover almost 10% of the country, including some of our remotest areas, we hope the Committee might endorse this initiative.

18. Finally, National Parks England would recommend the proposed UK Shared Prosperity Fund be rural proofed given it could be the source of funding for many support structures and networks to encourage innovation and entrepreneurship in rural areas.

**Introduction**

1. National Parks England (NPE) supports the policy-making process by co-ordinating the views of the nine English National Park Authorities (NPAs) and the Broads Authority. It is governed by the Chairs of the ten authorities. We welcome the opportunity to contribute to this inquiry. Our response represents the collective view of officers who are working within the policies established by the NPAs and Broads Authority and follows internal consultation amongst officers.

2. The National Park Authorities and the Broads Authority (hereafter referred to together as NPAs) welcome the latest inquiry into the Rural Economy. As Authorities we have a significant role as place shapers, working alongside our rural communities. Approximately 326,900 people live within England’s National Parks, and many millions visit. Below we set out what we see as our

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364 Source: ONS October 2017
role in this area, before answering a number of the questions posed by the Committee where we have most experience.

The role of the National Park Authorities and our Vision

3. National Parks are known for being our finest landscapes, with iconic archaeological and historical sites and valuable wildlife habitats. They are visited by millions of people every year and are home to strong communities who care passionately about these beautiful areas.

4. The statutory purposes of the National Parks are to:
   - Conserve and enhance the natural beauty, wildlife and cultural heritage of the areas; and
   - Promote opportunities for the understanding and enjoyment of the special qualities of the National Parks by the public.

5. In addition, the National Park Authorities (as distinct from the National Parks) have a duty, in pursuing these purposes to seek to foster the social and economic well being of their local communities. As Local Planning Authorities for their area, the NPAs also have a statutory duty to promote sustainable development.

6. The communities of National Parks are intimately connected to the landscape around them, and NPAs are similarly intimately connected with their local communities. In 2010, the NPAs collectively worked with the Department for Environment, Food and Rural Affairs (Defra) to prepare a Vision for National Parks. This was set out as a series of destination statements, to be achieved by 2030 and was included in the Government’s Vision and Circular for England’s National Parks 2010. The Vision is set out below. It includes an ambition in which “Sustainable development can be seen in action. The communities of the Parks take an active part in decisions about their future”. But it is crucial to recognise that the achievement of all of the other aspects of the Vision require the involvement of local communities, farmers, land owners and businesses.

7. The statutory framework recognises that our National Parks are national assets for their beauty. Economic activity in National Parks is underpinned by the high-quality environment. We do not see an automatic conflict between the achievement of environmental and economic objectives; but it requires careful management and a long term view. The NPAs have considerable experience of doing this, and we elaborate on this in answer to question 2 asked by the Committee. We believe this experience can be helpful for rural areas beyond our boundaries. Indeed National Parks England specifically asked for the NPAs to benefit from having a Functionally Specific Power of Competence, to enable to them to work more effectively over their boundaries.

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365 Section 11A of the National Parks and Access to the Countryside Act 1949
366 See Section 33A of the Planning and Compulsory Purchase Act 2004
367 This remains extant and is available on the Government website
368 This was included as Section 22 of the Cities and Local Government Devolution Act 2015
Supporting the rural economy requires investment and dedication to the people and businesses operating inside the National Parks, linking to those businesses that are not located within but reliant on the produce of the National Parks; and working in partnership with others whose area may cover all or only part of the National Park yet who can make key decisions that will influence their future. The most obvious example is the Local Enterprise Partnerships. We develop this point in answer to Question 15 by the Committee.

In 2015, National Parks England published *National Parks Open for Business – An offer to the Local Enterprise Partnerships from National Park Authorities in England*[^369]. Just over three years on, this remains relevant in setting out where we believe NPAs add value, and what can be achieved through working together. It also explains what we hope to achieve in more detail than the Vision quoted above. Specifically, it suggests that together, NPAs and LEPs can:

- create more, good quality jobs in some of the most remote rural areas;
- make National Parks better for business by improving infrastructure and skills;

[^369]: Available on National Parks England’s website and [here](#).
• help entrepreneurs and local businesses to become more sustainable and resilient;
• grow a high quality, more resilient visitor economy by linking world class environmental assets with world class customer service;
• give a major boost to land-based industries and markets, including by supporting the development of supply chains;
• use the National Parks’ superb landscapes to enhance people’s quality of life and attract new businesses and the highly skilled workforce they require; and
• demonstrate how distinctive high-quality environments can be a driver and inspiration for thriving businesses.

10. The Committee’s Inquiry is wide ranging and we have, therefore, focused on those issues where NPAs have greatest experience or contribution to add.

Lines of Inquiry

Q1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

11. Whilst policy making processes might refer to “the rural economy”, in practice it is a number of “rural economies” operating within a space. Making sure public and private bodies have a good understanding of how these operate and inter-act is important for sound decision making. Individual NPAs undertake monitoring to support the development of their State of the Park Reports and to inform statutory National Park Partnership Plans and Local Plans. In addition, in 2013 National Parks England published a report examining the economic profiles of the English National Parks collectively. This work, undertaken by Cumulus and ICF GHK consultants revealed that:

• While tourism, recreation, farming and forestry make a large contribution to National Park economies, other sectors are still significant and provide around 50% of National Park employment overall.
• There are around 22,500 businesses in the National Parks with a combined turnover of £10.4bn employing 140,000 people.
• Over 90 million people visit the English National Parks each year – this compares with 5 million visitors a year each to the British Museum, Tate Modern, the National Gallery or the Natural History Museum – the four most popular free visitor attractions in England.
• Visitors to the English National Parks spend at least £4bn, contributing about one third of the spend from rural tourism in England.
• Public spending on National Parks via the National Park Grant is less than £1 per person per year. National Park Authorities increase the value of this spending by bringing in around 50p per person in funding from other sources.

12. Many businesses within the National Parks comprise small firms. In the Peak District National Park, for example, 90% of firms employ fewer than 10 people. Whilst data is not available across all the National Parks, it would appear
that traditional industries such as farming and land management have seen a decline over the past 50 years, whilst service sector industries (including tourism) have seen significant growth.

The Visitor Economy

13. An area that is not covered within the Committee’s questions but which nevertheless is very important to rural economies, and particularly in National Parks, is the visitor economy. Our latest data\textsuperscript{370} shows that:

- each year there are 94m visitors to NPs and surrounding areas each year;
- and
- they spend more than £5 billion and support 75,000 FTE jobs

14. In March 2016 the Government published an \textit{Eight Point Plan for England’s National Parks} in conjunction with National Parks England. This includes a number of ambitions connected to drivers of the rural economy (as it was expressed). These were to drive up international tourism, support the creation of apprentices, and promote the best of British food sourced from the National Parks.

15. Recent data obtained suggests the number of visitors to all ten National Parks has increased from 90m in 2012 to around 95m in 2016, after areas of influence have been accounted for. The economic value of this increase in visitor traffic is affected by the proportion who are day visitors. Research\textsuperscript{371} commissioned by the UK National Parks Tourism Officers Group suggests that average spend across the 15 National Parks is £66.42 per trip, though there is wide variation between the National Parks. That same research found that the scenery and ability to enjoy the countryside was by far the main reason for visiting. And within England, the study found 17% of visitors to England’s National Parks were new (rather than repeat) visitors.

16. An important issue is managing visitor flows in order to avoid environmental damage. This can be achieved through careful recreational management and dispersal techniques; supporting sustainable transport and visitor behaviour; and encouraging visitors during the shoulder periods. The latter is particularly important in providing an income for local businesses for more of the year, as well as managing environmental impact.

17. Work by NPAs on local food and drink promotion and events, cultural events and the expansion of Dark Sky activities across all the National Parks is helping extend the tourist season. Figures received from VisitEngland show that overnight staying visitors for 2014-2016 has increased from 4% for all visitors to 9% and this increase was driven mainly by The Broads, North York Moors and Peak District. Overnight staying visitors tend to contribute far more to the local economies than day trippers. The two examples below illustrate how NPAs are supporting rural businesses \textit{and} enhancing people’s appreciation of the natural environment.

\textsuperscript{370} Source: National Parks England, \textit{National Parks National Assets} 2017
\textsuperscript{371} Source: Team Tourism Consulting (2017): \textit{UK National Parks Visitor Characteristics}
CASE STUDY: Peak District National Park – Pedal Peak

In terms of the visitor economy, one of the things that has proved particularly important in the Peak District has been the investment in new / improved cycle routes that the Department for Transport provided to NPAs in 2010 and 2013.

In 2010, The Peak District NPA received £2.5m in 2010 from Cycling England and the DfT. The project centred on the reopening of four railway tunnels along the Monsal Trail to create an 8.5 mile multi-user trail. Following the reopening of the Monsal Trail in May 2011, there was an increase in cyclists using the route of more than 400% - representing a large increase in people getting active outdoors. In addition to the infrastructure element, a key part of the project was marketing and awareness raising, including encouraging new and returning cyclists. The success of the Pedal Peak project and the increase in popularity of cycling both locally and nationally led to a desire from a number of partners including the Peak District NPA to extend the trails.

In 2013, the creation of a partnership, led by Derbyshire County Council, supported by the NPA led to additional funding – Pedal Peak II. This project has seen cycle networks enhanced, a marketing campaign that has reached over 100,000 people, and hugely popular routes for both local residents and visitors. In 2015 it was voted the nation’s favorite short trail. The NPA has continued to build on this, hosting a project aimed at encouraging businesses to provide cycle friendly infrastructure to boost their trade.
CASE STUDY: Northumberland National Park – Dark Skies extending the visitor shoulder periods

The key to improving the visitor economy of our National Parks is to see them as year-round visitor destinations; able to offer an appealing and accessible range of unique authentic experiences to as wide an audience as possible. Because of their rural nature and frequently being sparsely populated, all our National Parks are fortunate to have dark skies relative to the urban areas in England, where most of our visitors live, and where light pollution prevents them from seeing the stars above. Northumberland National Park happens to have the darkest skies in England, and since securing International Dark Sky Park Status in 2013, it has literally become a ‘game-changer’ with recent developments making a tangible and positive impact to the local rural economy, as well as to residents’ quality of life. Exmoor National Park has experienced a similar effect since it secured International Dark Sky Reserve status in 2011.

Kielder Observatory is regarded as being the jewel-in-the-crown of the Northumberland International Dark Sky Park. In 2015, more than 18,000 visitors from the world over flocked to this unique award-winning facility and its continuing success has spurred other local businesses to improve their offer. The owners of the Battlesteads Hotel, located on the edge of the Dark Sky Park, responded to the zeitgeist and built a new observatory in their own back-yard. Battlesteads was busy in summer, but much quieter in winter. Long nights are a bonus for stargazing – the owners saw that astronomy could draw in visitors year-round, nature tourists as well as amateur astronomers. Winter bookings for 2016 were said to exceed expectations of 70% occupancy. Smaller self-catering and cottage lets elsewhere in the National Park are also welcoming visitors who come from all over the UK to experience something special and unique in the depths of winter, and they love it.

Northumberland Tourism has now developed new criteria for accommodation providers (Dark-Sky Friendly & Stay & Gaze) that will help them minimise light pollution around their properties and market their businesses to new interested audiences. To date, more than 40 businesses have signed up for accreditation.

Other English National Parks are recognizing the growing potential of astrotourism. 2016 saw the Yorkshire Dales and North York Moors National Parks hosting their first joint Dark Skies Festival in February, and Dartmoor is hosting its own dark Skies Exhibition at the High Moorland Visitor Centre at Princetown. Meanwhile, the South Downs National Park also successfully received dark skies reserve status.

Creating lasting memories is what the National Parks are about, and stargazing in places of darkness and tranquillity is one that people want to experience. English National Parks could be regarded as gateways to our Universe, providing enhanced learning opportunities that will inspire the next generation. In addition, it has increased staying visitors and income to some of our remotest rural communities.
Q2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

18. The special qualities that can be found in our National Parks underpin the economic activities— from traditional farming to tourism, food and other businesses. National Parks provide an excellent example of thriving rural economies based on sustaining a high-quality environment. For example:

- Between 2012-16 the number of businesses in England’s National Parks grew by more than 10%
- Between 2012-16 over 21,000 jobs were created
- The turnover of businesses in England’s National Parks in 2016 was £13 billion, employing 140,000 people
- Gross Value Added for England’s National Parks is (depending upon the methodology adopted) somewhere between £5.5-£8.7 billion per annum, making it comparable to those of a smaller city such as Plymouth, Coventry, Swindon or Sunderland.372

19. There are a range of exciting SME and entrepreneurs who are thriving within National Parks, and exporting their goods and services. See for example – *Business Meets Beauty in Britain’s National Parks* 373.

20. National Parks Authorities work closely with communities, businesses and others helping them add value and grow, supporting skills development, investing in infrastructure, and attracting visitors while maintaining a high-quality landscape and environment. Some examples follow that illustrate how this is done and what has been achieved.

- The involvement of the Broads Authority in the development of *Strong Roots, New Growth – The Norfolk Rural Strategy 2017-2020* which highlights amongst other things the need to develop links between distinctive Norfolk landscapes and tourism, food and cultural development.
- Supporting businesses coming together through a private/ public partnership *Business Peak District* that supports the sustainable growth of the area’s economy, including through the use of the *Inspired By the Peak District* branding. The latter saw an increase from 54 to 366 businesses using the brand within its first 15 months.
- The *Green Halo Partnership* involving the New Forest National Park Authority and a host of other partners. This initiative aims to be a global exemplar of how our most precious landscapes can work in harmony with a thriving, economically successful community, integrating the National Park into its surrounding areas: environmentally, economically and socially. This is summed up as “where nature, people and business

flourish” and is a good example of the local economy finding ways to benefit from the National Park’s advantages while retaining its special character.
CASE STUDY – The Dartmoor & Exmoor Economic Prospectus, and Rural Productivity Networks Proposal

Published in Autumn 2015 the prospectus demonstrates the pioneering role National Park Authorities have played to support rural economic development and further outlines investment opportunities that will help to deliver sustainable rural growth in the future. The Prospectus identified 4 key areas of economic potential that offer opportunities for growth:

- Improve Connectivity – broadband, mobile and road and rail infrastructure
- Promote Place and Product – recognise the value of NPs as quality destination brands
- Support for key sectors such as tourism and farming
- Sustain the resource – essential foundation for future sustainable growth

A summary is available, as well as a full copy of the prospectus here. Following publication of the prospectus, the two NPAs developed a Rural Productivity Networks (RPN) proposal and submitted it to DEFRA in 2016. The RPN proposal builds on the strongest assets: the people, communities and spectacular environment of the National Parks. Their current networks (eg the Dartmoor and Exmoor Hill Farm Projects) are pioneers of collaborative approaches and the NPAs want to extend this approach to all rural businesses. It offers the opportunity to pilot a new approach that will help demonstrate how:

- Rural productivity can be improved through, for example, collaborative action to foster entrepreneurship, promote innovation and knowledge transfer
- A high quality, resilient environment and cultural heritage can be at the heart of rural growth and productivity
- New models of service provision and delivery can be developed to ensure the long-term sustainability of our rural communities
- Rural areas can provide effective and economic services to other areas (for example, health and water management)
- Traditional land-based industries can be developed to improve productivity and growth but also to deliver a range of environmental services

The ambition is for the initiative to become a recognised model of good practice that others can learn from. The proposal has the potential to fill a ‘market gap’: many of the examples of potential productivity and growth opportunities identified by local businesses are unlikely to happen without the capacity to support micro and small enterprises and help them to work together. The Network would provide capacity to do this.

Q3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
21. The Government’s 25 Year Environment Plan, highlighted the importance of maintaining natural capital, as a key underpinning for economic activity. The key is to recognise the contribution that nature makes through the ecosystem services it provides to society. The successful rural economy must acknowledge the importance of this natural capital and take advantage of the opportunities it offers. There will be, for example, opportunities to create new businesses and jobs by investing in the management of natural habitats to protect and enhance natural capital. We believe this aspect of the rural economy should be supported.

22. In addition, we believe the findings of the South West Rural Productivity Commission (2017) will be particularly pertinent to the inquiry. The Commission found huge potential for economic growth if key opportunities are seized and challenges addressed and the report shows examples of tangible projects that will deliver benefits throughout the 4 LEP areas. Many are replicable throughout rural England. The most important themes that emerged from the work are:

- Digital connectivity presents a game changing opportunity but without further urgent action businesses and communities will become left behind
- Smart technologies have the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale has the ability to create higher value jobs
- The rural South West hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, can become a hothouse of enterprise
- The agri-food-tourism economy is a strength upon which we can build globally recognised propositions as THE place to start and build and grow a food business
- There are genuine concerns that our rural communities are spiralling downwards towards ‘fossilised retirement villages’ unless Government and local leaders take prompt action. Local and national policy must move away from the ‘one size fits all’ approach that fail to recognise that rural areas are different.
- Brexit has the potential to shake the foundations of our rural economy – providing either a much-needed boost or sudden economic shock, both scenarios requiring swift action.

**Q4. How can access to transport be improved in rural areas?**

23. There are no shortage of suggestions for how transport is going to be improved over the next ten years plus. These include autonomous, connected and ULEV options. However, in reality much of this innovation will be focused on urban areas and the strategic road network ahead of rural areas.

24. Whilst there are a number of good initiatives to promote public transport and the use of more sustainable modes, these tend to be small scale and/or temporary in nature. The more familiar picture for many communities is of

declining opportunities caused by a managed decline in public transport provision. This can be a particular problem for young people.

25. As an example, the Peak District National Parks is surrounded by urban areas, all with commercial bus services operating in and around them. There are some commercial bus services operating in the Peak District, but loss of subsidy for some services can make operators disinclined or unable to run other services, often withdrawing them at short notice. This clearly has a substantial impact on the resident communities of National Parks and the options open to them, but it also inhibits people visiting.

26. The Campaign for National Parks (CNP) has produced a report, *National Parks for All – Making Car Free Travel Easier* [375](#) (2018). This highlights that improved access will assist those who don’t own a car, as well as increase options for resident communities. It also indicates that it will boost rural economies, citing evidence that “buses generate between £2 and £2.50 in benefits to local communities for every £1 of local authority spend”. Increasing the availability and frequency of sustainable transport options is proposed, as is ensuring it remains affordable. Providing more and better information about the existing options is advocated, as is developing integrated ticketing, real time information, and incentives. National Parks England believes there is merit in many of these proposals. However, they require the active participation of a range of partner bodies and investment. We note that CNP say in their report, “given that the National Parks are national assets, there is a case for providing more public resources to ensure that they are available to everyone”. The case study of the Peak District (see earlier) clearly shows what can be achieved when funding is available.

Q5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

27. The problem of poor connectivity for rural businesses and communities has been well rehearsed, see for example the latest report, *Recharging Rural* (2018) by the Princes Countryside Fund. This identifies poor connectivity as among the top three challenges for rural areas. A rural business survey by Rural England and the SRUC (2018) [376](#) found high rates of dissatisfaction with connection speed and reliability amongst rural businesses. National Park Authorities too, see poor digital connectivity as a key challenge. Business surveys, for example in the New Forest National Park identify improving digital networks as a key business requirement. Given our National Parks contain some of our remotest rural areas, they can often be the least attractive when it comes to commercial decision-making. Decisions by private companies based solely on number of residences will tend to steer investment to urban areas. Yet this can undermine the many exciting entrepreneurs who wish to base themselves in National Parks, and also overlooks the huge temporary population generated through the visitor economy.

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[375](#) See: [https://www.cnp.org.uk/sites/default/files/uploadsfiles/National_Parks_car-free_travel_HIRESDPS.pdf](https://www.cnp.org.uk/sites/default/files/uploadsfiles/National_Parks_car-free_travel_HIRESDPS.pdf)

28. We recognise that Government programmes have sought to address the inequality of broadband provision. National Parks England welcomes, in particular, the recent announcement on 29 August 2018 to allocate £95 million from the Local Full Fibre Networks Challenge Fund, with an emphasis on rural areas. We also welcome the announcement by Defra Minister Lord Gardiner of £11m funding for North Yorkshire and his clear message that “rural areas should not be left behind in the connectivity slow lane”. DCMS’s Future Telecoms Infrastructure Review (2018) also contains welcome commitments to ensure the needs of rural areas are addressed. For example, it says “rural areas, must not be forced to wait until the rest of the country has connectivity before they can access full fibre networks” (page 8). To reinforce this point, the strategy includes an “outside-in approach to deployment” to ensure no areas are systematically left behind.

29. In order to support these welcome commitments and build on existing programmes, we believe there are a number of other things that the Government could do to improve the current situation facing rural areas:

- Securing provision for the remaining ‘5%’ and future proofing network provision will be a game changer for rural areas, not only for businesses but also for service provision. Fundamental to achieving this will be a review of ‘value for money’ criteria, building in a recognition that delivery to remote rural areas will incur a higher initial capital cost.

- Local organisations and communities should be empowered to be more actively engaged in the delivery of both broadband and mobile solutions, with a requirement placed on service providers to work constructively with communities. Confidentiality, state aid and competition issues have prevented community engagement with broadband programmes reducing confidence and acceptance of infrastructure and technological solutions. In our view community schemes, crowd funding, voucher aggregation, grants and other alternative financial models all have the potential to deliver cost effective innovation.

- Undertake a thorough analysis of the implications for different rural communities from the proposal to retire the copper networks in order to stimulate use of full fibre, and the policy of promoting convergence between Full Fibre and 5G.

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377 The DCMS announcement can be found here: [https://www.gov.uk/government/news/95-million-full-fibre-broadband-boost-for-local-authorities](https://www.gov.uk/government/news/95-million-full-fibre-broadband-boost-for-local-authorities) and indicates that rural areas is one of the key criteria for allocation.

Mobile Connectivity

30. NPAs recognise (as the Government does) that it will not be practically possible to get 100% broadband coverage through fibre. NPAs have been working with mobile operators for some time to seek to ensure the needs of communities, businesses and visitors in our remoter parts of National Parks are not overlooked (see above case study). There can be challenges brought about by pressure for new masts and larger infrastructure. NPAs are keen, however, to find pragmatic solutions through quality design and early dialogue with operators. The Peak District NPA has, for example, worked with mobile phone companies in the past to approve over 90% of masts in the National Park. And earlier in 2018, National Parks England agreed a new Accord with Mobile UK to facilitate closer shared working.

31. The DCMS Future Telecoms Infrastructure Review notes that deployment of 5G will be "in phases rather than a big bang, and will likely vary by geography" (page 11). It goes on to describe a realistic scenario that sees a low capacity layer covering the country, with higher capacity in areas of high demand “such as towns and cities” (page 11). This rather suggests a divergence in service provision between urban and rural areas in the future and a scenario where rural areas are continually playing catch up. At the very least, National Parks England would look to the Government to ensure the needs of the visitor economy are embedded into future decision-making processes for investment decisions for 5G infrastructure. The population of some towns and cities within National Parks and other attractive areas swell significantly as a consequence of visitors and their needs and those of the businesses that rely on them should be addressed.

32. As a safety net, and in the shorter term we believe the Government should also commit to a 3G universal service obligation to ensure 100% mobile coverage, supplemented by the 95% 4G target.

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379 Source: Peak District National Park Authority – Peak District National Park Management Plan Topic Papers
380 See: National Parks England and Mobile UK Joint Accord 2018
Emergency Service Network Upgrade

33. NPE believes there is an opportunity to improve connectivity through the current upgrade programme by the Home Office of the Emergency Services Telecommunications Network and have met with officials to discuss this. The provision of new or larger masts as part of the upgrade, particularly in our most beautiful landscapes obviously has the potential to spark controversy. We have agreed an Accord with the Home Office that seeks to support the network upgrade sensitively through early dialogue between the agents working for Home Office and the NPAs as the relevant Local Planning Authorities. The upgrade of the emergency service network provides an excellent opportunity to ensure the infrastructure can support both the emergency services and publicly available services for local communities.

34. Currently EE, as the contractor, are tasked with building the infrastructure for the ESN after which they and other commercial operators can make a case for using it for public service. This may also involve some enhancement of the infrastructure to facilitate this. Where this is economically advantageous to providers they will no doubt seek to do so on the back of this publicly paid for infrastructure. However, this potentially still leaves large swathes of our National Parks without coverage, despite the infrastructure effectively being put in place, because of decisions over economic payback. The Conservative Government’s manifesto committed to improving high speed broadband to the whole country, and 5G coverage for the majority of it. The rugged landscape of many of our National Parks means this can be challenging and mobile satellite technology can help plug the gap. We have therefore suggested to the Home Office that in not-spot areas, the infrastructure to enable a public service element is installed, and providers are then obliged to take it up. This would serve National Park communities and have the benefit of reducing the need for additional infrastructure by different providers.

Q8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

35. As set out above, we believe that land owners and managers should be supported where they deliver “public goods” in the form of protection and enhancement of the environment. A key requirement, therefore of support programmes for rural businesses should be a demonstrable benefit to the natural environment from that investment in public money. A National Park provides a focal point for recognising the relationship between the quality of the environment and the economy.

36. High value jobs are also important for rural communities and will reduce the very high levels of out-commuting and travel to work movements across the national park which put a strain on our rural road infrastructure. This will require action on two fronts: creating (and protecting) more employment space within our boundaries and supporting the growth of the knowledge economy which is weak and could potentially decline as the high growth areas nearby in towns and cities continue to attract the higher value, high tech companies.
37. We would also like to draw the Committee’s attention to two areas in particular: the next rural development programme, and apprenticeships.

The Next Rural Development Programme

38. A significant mechanism for shaping rural development to date has been the England Rural Development Programme. A criticism that NPE (and many others) would make of the current system, is how the funding streams have been silo-based and poorly integrated. The architecture of the Common Agricultural Policy and its two ‘Pillars’ has shaped our delivery arrangements: environmental payments separate from farm productivity and wider rural development. A key part of NPE’s vision for environmental land management post Brexit is for local delivery of integrated solutions to deliver a triple dividend: enhanced environment, improved productivity and farm profitability and more vibrant communities. Too often England has developed a linear, top-down approach to rural development. Our collective experience of delivering the Sustainable Development Fund, facilitating partnerships to agree a vision for each National Park and a management plan to deliver that vision, demonstrates the value of networked rural partnerships.

39. National Park Authorities are well placed to facilitate community-led local development programmes that link environment, economy and community. These programmes could include grants but should also include loans (ie a revolving fund rather than one-off injections of capital). There should also be the opportunity for revenue spend. In terms of farm businesses and the farmed landscape this means having the ability, capacity and funding to ‘make the connections’, for example:

- Farm business innovation groups that bring together farm businesses, research institutions and other businesses; making sure that the high environment value of many National Park farming systems is of market value.
- Programming of spend to maximise the local economic impact eg. programmes for the restoration of stone walls, hedgerows are linked to an apprenticeship/skills programme to ensure there is local skilled labour.

40. In our experience, the isolation of rural communities and dominance of time poor micro businesses requires a bespoke intervention of skills support focusing on local place-based facilitation.

Apprenticeships

41. National Park Authorities within England are very positive about the prospects of apprenticeship programmes to equip young people with the skills they need for work. Our experience has been that in addition to helping their own development, they contribute significantly to the working of the NPA and are an excellent addition to the team.

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381 For more details on NPE’s views on the next Environmental Land Management system, see *Farming in the English National Parks* 2017
42. The Government’s 8 Point Plan for England’s National Parks (co-written with National Parks England) included a target to double the number of apprenticeships within the National Parks by 2020, and to bring forth new apprenticeship standards. Latest figures for March 2018 suggest there has been a 91% increase in the number of apprenticeships, and that the number of NPAs hosting an apprentice has doubled since 2016. In addition, the Institute for Apprentices (IFA) has recently approved a new *Countryside Worker* apprenticeship – that has been developed by an employer group led by the North York Moors NPA. NPAs are also involved in supporting groups working up an *Outdoor Activity Instructor* standard; an *Archaeological Technician* standard; and an *Assistant Historic Environment Advisor* standard.

43. As of the 6 April 2017 any employer with a pay bill over £3 million each year must pay the apprenticeship levy. It is possible for a group of companies to pay the levy together, and pool the levy funds, by setting up a single shared apprenticeship account. From April 2018, it has been possible for levy-paying employers to transfer funds to other employers, through the apprenticeship service. Employers receiving transferred funds will only be able to use them to pay for training and assessment for apprenticeship standards. National Parks England would be interested to explore whether suitable employers who are unable to spend their levy funds may wish to transfer funds to National Parks to support the provision of apprenticeships, offering new opportunities for young people in some of our more remote rural areas.

**Q10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

44. National Parks have a much older age structure than the rest of the population. This can impact on communities where services are no longer provided locally, and vulnerable people may struggle as they can’t travel to get them easily. The culture/social life of villages is often dominated by the interests and needs of older people. It is generally older/retired people who run village clubs and institutions, including parish councils. Some NPAs are interested at looking at whether there could be initiatives to encourage younger people (aged 30 and below) to get involved in community life.

45. The demographics of the National Parks differ between National Parks and this is shaped, in part, by their geography, accessibility and the services available. Some National Parks, such as the Yorkshire Dales, are facing depopulation and the NPA has been working with others to address this. The solution to some of these challenges requires the involvement of a wide range of partners who have either access to funding or other levers. The *Attracting Families initiative* includes the Yorkshire Dales NPA, the County and District Councils covering the area and involves the Chief Executives and Leaders working through what they can do to reach agreement on a joint programme of activity to attract more families and people of working age to move to the National Park.

**Q11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care**
provision? What opportunities are there for the older retired population to help support the rural economy?

46. This topic has been examined by a number of bodies, notably recently by the Office of National Statistics in a publication Living longer - how our population is changing and why it matters. The ageing population is important for National Parks too. The ONS publication, Small Area Population Estimates in England and Wales: Mid 2016, highlights that:

- National Parks have an older age structure than the wider population of England and Wales.
- In mid-2016, the median age for National Parks within England and Wales varied from 48.3 in the South Downs to 56.4 in Exmoor. In contrast, the median age for England and Wales as a whole was 39.9.
- In mid-2016, the population of England and Wales aged 65 or over was 18.0%, compared with 23.5% in Northumberland, 33.9% in Exmoor and 33.4% in The Broads.
- Conversely, 19.0% of the population in England and Wales were aged 0 to 15 compared with only 10.7% in The Broads and 11.5% in Exmoor.

47. In our role as Local Planning Authorities we recognise the need for local plans to promote sheltered accommodation, for housing developments to consider the needs for carers within the development, and for community nurses to be able to be based within the community and housed.

48. It is important to recognise too that National Parks provide many exciting opportunities for people (of all ages) to volunteer. National Parks have benefitted substantially, over the years, from dedicated and knowledgeable volunteers. Many are retired and keen to "put something back", as well as to continue to reap the health and well-being benefits of being in some exceptionally beautiful countryside and doing something worthwhile in the company of others. NPAs promote volunteering opportunities and the Government’s 8 Point Plan for England’s National Parks says, “we will work with National Park Authorities to make sure that we are doing all we can to promote and enable volunteering” (Defra, 2016, 8 Point Plan, page 17).

Q12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Q13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

49. The National Park Authorities are sole planning authorities for their area. Parliament has granted them planning powers in recognition of this being a vital

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382 ONS (2018): Living longer - how our population is changing and why it matters
means by which to further National Park purposes and the duty. They do this by:

- Focusing new housing delivery on affordable housing to meet identified local needs
- Resisting inappropriate development in the open countryside which may impact upon the special qualities of the national park
- Promoting high quality and more sustainable design
- Supporting the delivery of community infrastructure through planning gain

50. The NPAs take their planning responsibilities very seriously and this includes balancing sometimes competing needs. We place particular emphasis on proactive client centred approaches where pre-application advice is prioritized, and through working in partnership. It may come as a surprise to some to learn that:

- The likelihood of approval for a planning application is higher in a National Park (at 90%) compared to the English average\(^\text{384}\).
- For minor development – the NPAs approved a higher proportion of applications (5% more) than the English average.
- For major residential development specifically, the NPAs (despite their constraints) have a higher approval rating (85% against an English average of 81%).
- On average, applications for minor residential development will tend to take longer to determine in National Parks than elsewhere though they are more likely to be approved.

51. The availability of affordable housing for local people is of significant concern to NPAs. All National Parks attract a premium on house prices – in the New Forest National Park this is 22% above average. In Dartmoor National Park, house prices are currently 12 times average wages. The importance of the environment means that land availability is low, land costs are high, and there is significant demand from those seeking to move into the area with greater financial capacity than many of those working locally.

52. The primary purpose of land use planning in national parks is the conservation of landscapes for their enjoyment by the nation as a whole so it is not sustainable to increase housing supply to try and suppress house prices and thereby improve affordability. Our National Parks are protected landscapes and there needs to be an appreciation that a market driven approach to housing development is not suitable in a National Park. This requires policy to be developed in ways that test their applicability to protected landscapes. If this does not happen the risk is that either National Park and AONB statutory purposes are actively undermined, or alternatively the policy fails to address the specific needs of national park communities, with the young disproportionately affected.

\(^{384}\) All figures from MHCLG Live Planning Tables as of year ending March 2018
53. We have seen a number of events or decisions made over the years that have made it harder to deliver affordable housing in National Parks. These include:

- Since 2010 the investment in social housing from central government has been cut to levels that have made it increasingly difficult for some Registered Social Landlords to deliver housing. Many rural housing associations do not have stock to sell under voluntary right to buy schemes and could not backfill houses sold by this method even if they wanted to because the sites to do so do not exist.

- The availability of credit from banks is severely restricted as a result of lender caution post financial crash, and the size of some rural associations means they do not have the reserves to fill the gap in lending.

- The right-to-buy policy which, according to the Rural Services Network (RSN) has reduced the stock of affordable rented properties with the intended reinvestment not replacing those properties lost. RSN estimate that only 1 replacement home was built for every 8 sold in rural areas between 2012-2015.

- The current threshold for affordable housing undermines delivery in small rural communities where most affordable housing is delivered on small sites to meet community needs. This exacerbates affordable housing issues and its associated economic consequences as well as discouraging communities from supporting housing delivery as they cannot see the direct local benefit through affordable housing provision.

- The more limited scale of development in rural areas, combined with the focus upon affordable housing delivery means Community Infrastructure Levy (CIL) is often not viable. S106 needs to remain sufficiently flexible, through LPA’s ability to seek planning obligations and pool funds, to accommodate the needs of more disperse rural development.

- Many communities want or expect sustainable design and build in housing. The government circular and vision for National Parks sees the National Parks as exemplars for sustainable development. However, the inability to require sustainability standards beyond building regulations stymies this and frustrates those who wish to pursue climate change goals and recognise that reduced living costs can contribute to affordable housing aims.

54. More recently, we have been encouraged by the increasing recognition of the importance of social housing within wider housing policy, and the recognition in the recent Housing Delivery Test Measurement Rule Book that the test is not appropriate within National Parks. Addressing rural housing issues will require alternative and innovative approaches and the flexibility for Local Planning Authorities to deliver locally acceptable and appropriate solutions. In addition,

the Letwin Review of Build Out Rates\textsuperscript{386} also suggests that there are many other actions, beyond the sphere of planning that need to be addressed in order to increase housing numbers.

55. Looking to the future, National Parks England hopes that the Government will:

- Empower National Park Authorities to increase the total stock of affordable housing for families and young people through additional financial support, and associated restrictions on holiday and second homes in order to ensure the future viability and sustainability of rural communities. Looking at limiting second home ownership through taxation may also be controversial, but necessary to save some parts of National Parks from becoming ghost villages in the off-season.

- The Government to acknowledge that National Parks should remain as exceptions to the general planning and regulatory framework when it comes to housing policy and the extension of Permitted Development Rights – with our highest quality landscapes acting as exemplars for design of high quality local needs affordable housing.

- **Support Community Land Trusts** which empower communities to provide solutions to meet their needs, reflecting and building on the Government’s localism agenda. They are particularly suited to meeting housing need in rural areas, delivering resilient innovation in rural housing often utilising local construction SMEs. Some recent examples in Dartmoor National Park can be found at Chagford and Christow.

- Introduce a pilot for a Revolving Rural Land Bank to bring forward affordable housing in housing stress areas. The Government’s 25 Year Environment Plan included a commitment to test a revolving land bank to promote rural affordable housing and NPAs are working with MHCLG, Homes England and delivery partners to develop pilots in Hampshire, Exmoor, Dartmoor, North Yorkshire and the East Riding and Northumberland. NPAs believe that such an initiative could ultimately be self-financing, and improve the quantity and speed of delivery of a range of different tenures of housing that meet local needs in rural communities. This could include self and custom build and mixed developments that provide homes for those on low incomes currently excluded from the housing market.

- Providing greater support (through a higher level of grant per housing unit) for the delivery of houses that are managed by Registered Social Landlords in National Parks to enable them to let or part sell the properties at prices that are affordable to those who are in housing need.

Q14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

56. The Committee’s question is one that has been frequently asked. This is indicative of the fact that, despite many efforts and initiatives from Governments of different political persuasions, it is not yet embedded in Government thinking.

57. Many are quick to rush to the process of ‘rural proofing’ to provide an answer. Whilst this undoubtedly has a role to play, it can end up being a tick-box exercise that lacks depth of understanding or purchase on the decision-making process. In NPE’s view, it needs to be part of a wider framework that seeks to integrate the needs of rural areas (environment, economy and society) into decision making. This requires '6Ps':

- Political leadership – consistently applied to move things forward
- People – with the necessary expertise
- Place based approaches to decision making with sufficiently flexibility
- Pounds – ensuring investment is available to address long standing inequalities
- Processes – to hard-wire a consideration of rural areas into decisions by Ministers and officials
- Partnership – to bring people and institutions together to make progress and learn from the experience

58. Success in the long term requires action on all these fronts simultaneously. Progress will be hampered if only some are addressed at any one time (eg. processes are put in place but resources are unavailable to respond to what the assessment says is needed). There is a tension too, between breadth and depth. A lack of resources in this area means that those responsible for rural proofing have focused on one or two areas in order to make tangible progress. Whilst this is probably the right thing to do in the circumstances, it doesn’t lead to systemic change.

59. In addition to evaluating whether progress has been made against the 6Ps outlined above, National Parks England would:

- encourage the Committee to examine the extent to which the Government’s Single Departmental Plans\(^ {387}\) reflect thinking about the aspirations and needs of rural communities;
- recommend greater support be given to facilitating visits by officials to rural areas to better understand the issues facing rural communities and public bodies operating within these areas. Whilst (almost by their definition) remote rural areas can be hard to reach this should not mean policy makers are blind to their needs.

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\(^ {387}\) The Single Departmental Plans have been prepared by each Government department and set out their objectives, actions and indicators of progress. They can be found [here](#).
Exciting opportunities for the rural economy from nature require devolution

60. National Parks England believes there are exciting opportunities for the rural economy to build new, innovative enterprises by recognising the economic opportunities the goods and services nature provides offer. The Government has an important role in supporting this change in emphasis towards a rural economy which protects and enhances the natural environment. National policies such as those outlined in the 25 Year Environment Plan and the Health and Harmony Command Paper are essential in setting a framework. However, national policy must recognise the diversity of England’s environment. The natural capital of an area such as the New Forest is very different from that in the Lake District or Peak District uplands. There must be flexibility in policy, and a degree of devolution to allow for this diversity to be recognised. It is recommended, therefore, that implementation of national frameworks be devolved to local areas to ensure the best approach can be shaped to suit local circumstances.

Q15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

61. Supporting our rural economies is not a task for one organisation: if we are to provide coherent, effective support then councils, LEPs and others must work together in a co-ordinated manner. In addition, the Government’s 25 Year Environment Plan calls for natural capital to be integrated into decision making. It is important to recognise that natural capital is not constrained by administrative boundaries, and this requires all sectors with an interest in place making to work together to achieve the best environmental, economic and social outcomes for our communities.

62. That said, as mentioned in paragraph 8, the NPAs do see LEPs as vital partners in supporting the rural economy within National Parks and beyond. The nature of National Parks and our more remote rural areas means that providing support to small and micro businesses is crucial to create the jobs, growth and prosperous, resilient and sustainable rural communities that are grounded in the wonderful landscapes they rely on. In our experience the nature of rural areas means that traditional economic interventions are rarely a good fit. This is illustrated by current LEP approaches where the desire to reach more impressive numbers and focus on a few projects has drawn LEPs to rely heavily on major infrastructure projects, often within urban areas. The argument is that a level of trickle down will permeate to reach rural areas, yet in practice this is rarely realised. Growth in rural areas is more often likely to be achieved through multiple interventions as opposed to a single ‘big bang’ opportunity. Local place-based initiatives that respond to the fine grain of businesses evident in rural areas will be a more effective mechanism to enable sustainable rural growth.

63. We appreciate that the pressures on LEPs come from many quarters – but to date we believe rural communities have been overlooked, and access to finance to grow local businesses remains an issue. On the 9 August the MHCLG issued a written ministerial statement on Local Growth. This covered changes to
stirnetch the Governance and operation of LEPs, and a little more detail on the UK Shared Prosperity Fund. The Committee may wish to explore how these changes further the rural economy?

64. NPE would recommend that consideration be given to:

- ensuring the policy statement on the development of Local Industrial Strategies that the Government says will be published over the summer makes an explicit requirement to consider the needs of different rural areas and size of businesses in setting policies and allocating resources;
- in providing £20m for capacity building amongst LEPs to ensure some of this funding addresses enhanced capacity for understanding the needs of SMEs in rural areas in places where the geography of the LEPs makes this significant, or where the LEP may currently lack the expertise;
- MHCLG/BEIS in reviewing the Local Industrial Strategies (that are to be prepared for all areas by 2020) to have rural-proofed them;
- in asking the Boards of LEPs to be representative “of the businesses and communities they serve”, the Government should ensure this includes rural businesses and in some places those with knowledge of the visitor economy; and
- rural proof the proposed UK Shared Prosperity Fund which alongside any future rural development programme could be the source of funding for many support structures and networks to encourage innovation and entrepreneurship in rural areas.

65. In addition, NPE’s offer (that attracted the support of Lord Heseltine at the time of its launch), has been designed to use the strengths and the structures already in place to increase the impact of the LEPs’ rural economic development programmes in a way that is fully compatible with the statutory purposes of National Parks. Given National Parks cover almost 10% of the country, including some of our remotest areas, we hope the Committee might endorse this initiative.

66. Finally, despite the many challenges that undoubtedly face rural economies and their communities, it is reassuring to know that residents continue to enjoy living in National Parks. For example, 90% of residents in the latest survey by the Peak District NPA said that the Peak District National Park was a good place to live.

10 September 2018

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388 See https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships
389 NPE, National Parks – Open for Business (2015)
Dear Lord Foster

Thank you again for inviting me to take part in your Committee’s work into the rural economy and to give me the opportunity to comment further on this subject.

As the National Police Chiefs’ Council lead for Wildlife Crime and Rural Affairs, I frequently receive numerous correspondences from Police forces, landowners and representatives from the NFU, Countryside Alliance and the CLA. The communication invariably raises concerns regarding sentencing of convicted criminals, an understanding of the impact criminality has on rural communities and the low level of Police officers in rural areas compared to their urban counterparts.

In response to these concerns and at the invitation of the Select Committee, I have articulated these below, along with the issue of funding in rural areas;

**Sentencing Issues**

Hare coursing is illegal under the section 1 of the Hunting Act 2004 (hunting wild mammals with dogs) as well as section 5 of the Hunting Act 2004 (involvement in a hare coursing event). Due to various issues, witness participation and intimidation and corroboration of offences. Police struggle to successfully prosecute under this legislation. In many cases, the only crime for which the police have sufficient evidence to secure a prosecution is poaching (section 30 of the Game Act 1831 - offences of trespassing in daytime on land in search of game). This only attracts a level 3 fine, the maximum being £1,000 for one participant, rising to a level 5 fine (unlimited fine) for 5 or more persons involved. Police have advised that many fines are significantly less than £100, with some as low as £60. These fines do not act as a deterrent and are insulting to the land-owners whose fields are invariably damaged by the illegal activity. There is rarely any compensation paid to the landowner. This is further compounded in that after conviction, the dogs are returned to the owners meaning they can return to coursing almost immediately. The coursers can and do use these same dogs to raise the funds necessary to pay their fines, through further unlawful activity.

In respect of sentencing for rural crime types, and particularly hare-coursing, there appears to be a large discrepancy in the financial penalty imposed by the Courts versus the amounts of money that hare coursers can make as a result of the betting that takes place (which can be tens of thousands of pounds). The fines do not act as a deterrent.

There is a now real opportunity to either update the legislation that is over 180 years old, or introduce new laws that represent the current climate in which hare-coursers operate, to include the cyber and digital elements and to include a facility for Police forces to recoup kennelling costs. Additionally, an aggravated aspect where witnesses have been threatened or intimidated or there is an element of organised crime group involvement would go some way to help re-
build the trust and confidence in the Police and Criminal Justice System from rural communities who are feeling increasingly isolated.

As seen with coursing, fly-tipping sentencing does not truly reflect the cost of the crime. The average financial impact to rural businesses to clear up fly-tipping is £1,000 and can be in the £10,000’s if the waste is deemed hazardous. Far greater than the fines or penalty notices imposed on offenders. Partnership working is key to tackling this area of offending, especially as there is evidence that this crime type attracts organised crime groups who use it as a significant revenue stream to profit from.

**Difficulties in Rural Policing**

By the very nature of rural crime and the vast areas involved, there are inherent challenges in the response to and subsequent investigation when crimes are committed.

In the first instance, when responding to immediate or urgent incidents, there’s the issue of travelling to the location affected which can severely affect the golden hour enquiries, scene and evidence preservation. Unless an officer is in the immediate vicinity, the likelihood of catching offenders ‘in the act’ is rare. Officers in large rural police force areas are spread very thinly, with on average only 2.3 officers employed per 1000 hectares – an area roughly the same size as Heathrow Airport. Of course when you allow for shift patterns and other functional deployments this equates to considerably less than one officer on duty per 1000 hectares. As a consequence large rural areas are frequently served by a single officer and back up, whether this is specialist or patrol officers, are frequently miles away, leaving victims and officers alike at risk of harm when dealing with high risk and high harm incidents. Officers working in rural isolation need to develop strong interpersonal skills in order to avoid unnecessary conflicts or to reduce emerging tensions. Supervision is also challenging and often undertaken remotely increasing officers sense of isolation.

This sense of isolation has also been increased by the closure of satellite Police Stations in rural communities due to the reduced funding. The thin spread of rural policing has been made even thinner by the national reduction of Police officer numbers (more than 20,000 since 2010).

Investigations are also hindered by the lack of infrastructure commonly found in urban areas, for example, Local Authority CCTV, ANPR, street lighting and electrical supply access, including broadband and fibre optic availability. Combining this with the sparse population associated with rural areas, limits the potential of witnesses to the crimes and evidence gathering capabilities, which all conspire to bringing less offenders to justice.

Prevention and early intervention is more challenging in part due to the challenges associated with identifying the vulnerable in communities and also due to the lack of available support from partner agencies. Vulnerability remains a focus of rural policing, in exactly the same way it is in more urban communities. In urban communities the links between deprivation and vulnerability are marked, as they are in rural communities. Rather than finding vulnerability in high rise estates, in rural areas the
vulnerable are to be found among the isolated, the elderly and mobile home parks. These communities present distinct challenges to the service when trying to identify and engage with them.

Another challenge is the type of criminal. Many travel from urban conurbations to commit crime in rural areas due to the perception that they are less likely to be caught and the opportunities available in our isolated rural outposts.

**Funding**

Central government funding distribution disproportionately impacts on rural police force areas whatever measures of demand, service or need are adopted\(^{390}\)\(^{391}\).

On average the 12 most rural police forces receive £100 per head of population compared to £158 for the 12 least rural forces. This represents a difference of £58 per head of population or 37% less funding for the most rural police forces. In the most rural police forces there are on average 175 police officers per 1000 population as compared to 215 in the least rural police forces areas.

A key driver of this effect is the current Police Allocation Formula. It is a complex formula that academic analysis has identified is heavily weighted towards volume crime rather than harm or vulnerability and is based on socio-demographic indicators of deprivation that are not readily measured in rural areas. The formula incorporates a factor intended to account for the additional costs of

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\(^{390}\) Data shown is taken from 2018/19. The precept flexibility provided in the provisional police funding settlement for 2019/20 makes comparison between forces difficult on this data until PCCs have declared their intentions about exercising the flexibility.

\(^{391}\) City of London data has been excluded from the chart.
providing a service in a large sparsely populated geographic area, however the factor is applied in a way that specialists in public sector funding have perversely demonstrated provides a net negative effect on funding for rural forces\(^{392}\). Taken together these issues with the Police Allocation Formula have resulted in a long-standing skew in the distribution of central government funding away from rural police forces in a way that is disproportionate to need.

This imbalance in the distribution of central government grant has resulted in rural communities paying more for the police service that they receive through local taxation, yet the evidence suggests that however you look at the data; they receive a much reduced service compared to their urban counterparts. In other words, they are paying more for less.

Yours sincerely

Craig Naylor
Deputy Chief Constable

17 January 2019

\(^{392}\) \url{https://link.springer.com/article/10.1007%2Fs10479-013-1475-4}
Dear Lord Foster,

Thank you again for inviting me to take part in your Committee’s work into the rural economy. As you know, I and many of my PCC colleagues are very worried about the continually poor feedback we receive from rural communities about the quality of policing. This is now very well evidenced by the two surveys undertaken by the National Rural Crime Network (NRCN), which included the feedback from around 35,000 rural residents and business across the two surveys. Feedback from rural residents is significantly worse than their urban counterparts, and it continues to worsen.

Given this feedback, the NRCN has made ten recommendations to government, policing and other partners. These would address both the strategic and tactical concerns of the NRCN and would ensure there is equity in the policing of both rural and urban communities. These are accessible via our Living on the Edge report.

DCC Craig Naylor, National Police Chief Council’s lead on rural crime has also spoken to the Committee and his evidence will go into specific detail around sentencing and the impact on policing. The NRCN support his view, but also have concerns about the wider understanding of the criminal justice system and how a number of failings lead to a large tranche of communities up and down England and Wales feeling let down. Therefore, I will speak more broadly about the recommendations found in our Living on the Edge report, which I hope compliments DCC Naylor’s evidence.

Some of the recommendations focus on the criminal justice system, which the Committee appeared keen to understand, but were not covered in the evidence session itself. These related to the criminal justice system doing more to understand rural communities, and the rural community seeing justice being done.

On the former, the still appears to be lack of real understanding of the impact and harm done by rural crime. It is repetitive and organised, but is often considered in isolation to be ‘lowlevel’ and of minimal harm. The failure to understand this impact only furthers the lack of confidence in policing in rural communities. To combat this, the NRCN recommends that those involved at all levels of the criminal justice system should receive training, from magistrates to senior prosecutors, as well as other decision makers. As of yet, the Ministry of Justice has not responded to correspondence from the National Rural Crime Network.

On the latter, and arguably more important recommendation, the focus is more about the deterrent and punishment related to rural crimes. There are several crimes which almost exclusively relate to rural areas such as poaching, hare coursing, private land fly-tipping and organised theft of farm machinery. These
are often seen as victim-less e.g. poaching, or ‘low level’ e.g. power tool theft from rural businesses. This does a disservice to the impact these crimes have, not only for example by a farmer losing a quad bike at lambing season which goes far beyond the cost of the quad itself, but the cumulative impact of these crimes is overlooked. This means the harm, often understood in crimes which affect urban areas e.g. violence, is not reflected equally in rural crimes. This in turn affects sentencing. It is also well understood in policing that many rural crimes are a gateway crime. For example, hare coursing is often followed in the days after by burglary. It is beyond the criminal justice system to link those crimes, understandably, but the criminal justice system could do better to recognise the individuals undertaking rural crimes like poaching are often linked to other, more serious, crimes. The system also often doesn’t recognise the vulnerability of rural communities and how each act of theft and burglary inevitably feels targeted (and most will be, sometimes via other crimes as explained). Most importantly, most crimes affecting rural communities have minimal sentences and fines attached to them, meaning the risk for criminals is low. Poachers, for example, more often than not receive suspended sentences and low fines, which criminals will see as a cost of doing business and a risk worth taking. They also know burglary conviction rates are relatively low. Looking at the sentencing guidelines in particular, such as non-dwelling burglaries, there are categories of harm which then affect sentencing and rural communities are very unlikely to meet the requirements of category 1. The guidelines state, "Premises or victim deliberately targeted (to include pharmacy or doctor’s surgery and targeting due to vulnerability of victim or hostility based on disability, race, sexual orientation and so forth)". It is clear to those representing rural communities that these burglaries are very much targeted, not only because criminals know there will be high value items available, but the remote isolated nature of these businesses means they are less likely to get caught. The criminal justice system has the means to refer to rural premises as ‘deliberately targeted’ but fails to do so because it fails to fully understand the nature of crime. There is an argument that ‘rural’ should be included in a revised sentencing guideline for burglary non-dwelling, so prosecutors and the judiciary must proactively consider the scale and harm of the criminality involved.

Taking all this into account, it is no wonder rural communities are suffering at the hands of organised criminals, who know the crimes they need to commit to make money are both low risk, low punishment and difficult to prosecute. That is not to mention the lower policing presence. Given the complex range of issues at hand, all of which adversely impact on rural communities, the NRCN recommends the judiciary take proactive steps to understand the interconnected and serious nature of rural crime and those who commit it, as well as the impact on individuals and communities. Key issues need to be specifically taken into account at sentencing such as isolation, vulnerability, premeditation, or indeed sentencing guidelines themselves need to change. Equally, the impact on individuals and businesses of being unable to operate due to theft of machinery, needs to proactively be taken into account and the cost to policing of dealing with these crimes e.g. recovering kennelling costs and greater effort in understanding the 'means' of criminals, with too many being assumed to have no means and therefore receiving the lowest fines.
Given the concerns of the NRCN and the well evidenced impact the collective approach of policing and the criminal justice system has on rural communities, this requires collective effort across a range of issues. Without action, confidence will reduce even further and there is a risk of rural communities having a wholesale distrust of ‘the system’.

Julia Mulligan
NRCN Chair
North Yorkshire PFCC

21 January 2019
The National Trust is a charity founded in 1895 by three people who saw the importance of our nation’s heritage and open spaces and wanted to preserve them for everyone to enjoy. More than 120 years later, these values are still at the heart of everything we do. We operate a large rural business with an annual turnover of more than £450 million and more than 11,000 employees based predominantly in rural areas. We own and manage over 250,000 hectares of countryside, 3,620 listed buildings, and more than 770 miles of coastline across England, Wales and Northern Ireland, making us the nation’s largest private landowner. More than 100 million visits are made every year to the properties in our care.

The Trust also has Europe’s largest network of holiday cottages and gift shops, are a large-scale landlord and farming enterprise, with over 1,800 agricultural tenancies. On occasion we also act as a developer, creating visitor facilities, converting farm buildings for business use and constructing housing with the ultimate aim of supporting our conservation work. Our business activities support our work as a charity with charitable purposes to protect special places for ever, for everyone.

Introduction
The National Trust’s core purpose is to protect special places for ever, for everyone. The majority of the places that we care for are located in rural areas, and we are embedded within many rural communities: as an employer of people from local areas, a landlord to housing, farming and business tenants, and a partner working with local authorities, LEPs, charities and other stakeholder groups, including 60,000 volunteers directly supporting our work.

Rural communities face a range of challenges, but also opportunities. Nearly 87% of the land area of England, Wales and Northern Ireland is considered rural, and nearly one third of the population lives in rural communities. These communities have particular needs and concerns, and the economy of rural regions does not necessarily respond to the same drivers and levers for growth as in urban areas. The focus from policy-makers needs to be on the factors that drive local economies and how these can be used to can support what communities need and want.

Then Secretary of State for Digital, Culture, Media and Sport, Matt Hancock commented earlier this year that “the places we live and raise our families in are not an adjunct to the real business of the community, a liability on our national balance sheet. They are the assets that deliver our nation’s success”. Policy regarding the rural economy must take an approach which recognises the importance of place. At the core the challenge is to help people to live and work in rural places and provide the infrastructure and support to enable rural communities to thrive, while also protecting the sustainability of the natural and historic assets that are unique to rural landscapes that help support and drive their businesses.

393 ONS 2010/11 Rural and urban areas: comparing lives using rural/urban classifications"
Questions

We have answered the questions to which we feel able to provide a substantive response.

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

There is a tendency to refer to the “rural economy” as a single concept, hoping to capture the economic success and health of all non-urban areas. This neglects the diversity and variation of the rural environment in terms of rural geography and landscape, natural assets, culture, infrastructure, forms of economic activity, proximity to urban centres, and population densities that all create very different economic challenges and opportunities in different localities. Relatively accessible areas of countryside which are on the fringes of large urban areas will have a very different economic picture compared to the more acute challenges of connectivity and availability of services faced by very sparse rural areas such as Northumberland and Cumbria. Therefore, while in general terms local rural economies are broadly different to those in urban locations, they are not necessarily homogenous in their difference, and may require different types of support and intervention.394

It is also unhelpful to consider the rural economy as entirely separate from the urban economy, and a 2017 report by the British Academy outlined the value of the rural economy in the north.3 It made the case that the rural economy is often thought of as separate to the urban economy, and that it is assumed to be less significant to driving economic growth. Rural areas are instead more often seen as a barrier to growth in the North, preventing infrastructure and development. In fact, the British Academy found that unemployment was lower in rural locations and economic activity and self-employment was higher. Whilst rural businesses were more likely to be small or micro, a number of entrepreneurial businesses are growing significantly based on the attractiveness of their rural location and use of local skills (specific examples include Tebay (service station, Penrith); Dipstick Research (Hexham); The City Secret (financial software, Richmond); Inov-8 (outdoor equipment/clothes, Staveley). The extent to which this economic activity interacts with that in urban centres is also less understood, and there is little discussion how rural and urban economic activities might support one another at a regional or national level. Consideration of the economic contribution rural areas in the north was largely absent from the Northern Powerhouse narrative as a result.

There can be a perception that the economics of rural areas is all about agriculture and land-based activity. In fact agriculture forms a relatively small proportion of employment in the rural economy, but it is the foundation for many

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394 It is possible to capture more data on different types of rural area – for example in Northern Ireland, urban-rural classifications are based on population and service provision such as drive times to a town centre of a settlement with a population of at least 10,000. More details at: https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/review-of-the-statistical-classification-and-delineation-of-settlements-march-2015%20%281%29.pdf 3 British Academy, August 2017, “New Deal for the North”
other larger rural sectors - such as tourism, food and drink, hospitality - which in turn underpin the quality of life that attracts people to live, work and visit the countryside. Research shows that the broader categories of employment in rural areas are in fact similar to urban (e.g. manufacturing, public services, etc). Land-based activities such as farming and agriculture are essentially additional sectors which are specific to rural areas, and these also can deliver a wide range of public services which may be taken for granted and not fully monetarised by the market at present (e.g. clean water, flood reduction, biodiversity). A recent publication of the UK natural capital ecosystem service accounts aimed to highlight the importance of services provided by the UK’s natural assets. It estimated the potential asset value of UK natural capital to be £761 billion in 2015.  

The Government’s recently published 25 Year Environment Plan acknowledged the need to better reflect this natural capital in terms of public policy and in particular in future financial support to farmers after the UK leaves the EU. We provide more detail on this in our answer to Question 3.

Measuring the health of the rural economy, and determining appropriate policy interventions and investment can be difficult, given the above considerations. Focusing on what is measurable, such as on levels of productivity has been the approach of many Local Enterprise Partnerships (LEPs), which has led them towards big infrastructure projects like Hinckley Point C in Somerset, or large road infrastructure schemes rather than engaging with more complex SME based economies such as tourism and agriculture where the benefits more dispersed but far bigger in terms of places and people’s lives. LEPs’ focus on capital investment as approach to productivity is also driven by the availability of funding for investment of this type. But the danger for rural economies in the long term is that this focus on large infrastructure projects can cause damage to the natural environment, which is a key asset for rural communities. For example, in the South West of England, more than a quarter of the land is within National Parks or Areas of Outstanding Natural Beauty in England. This natural beauty and the attractiveness of rural towns and villages drive tourism and attract people to the region to live and work, and bring with them skills and investment. Environmental damage also has an impact on the natural capital of these areas, which can have a much wider impact for the region, or even the country as a whole.

Rural economies therefore operate in different contexts, with unique assets and drivers of growth, which may vary from location to location. Strategies for economic development that focus on place, with an understanding of the interaction of landscape and community with wider regional contexts are essential. We believe that protecting, enhancing and building more natural capital, and restoring the natural and historic environment can be a mechanism for thriving prosperous communities. Cornwall Council is an example of a local authority that has embraced this approach in practice. Their recently published Environmental Growth Strategy, which sets out a vision that:

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397 https://www.cornwall.gov.uk/environmentalgrowth
‘In 2065, Cornwall’s environment will be naturally diverse, beautiful and healthy, supporting a thriving society, prosperous economy and abundance of wildlife.’

This strategy is a first of its kind, and aims “to encourage businesses, communities and individuals to work together to increase environmental, social and economic prosperity in Cornwall.” We support this approach to understanding and supporting rural the rural economy, and are putting a priority on reversing declines in biodiversity, creating and restoring habitat, and ensuring that in the long term all our estates are farmed to a high nature standard. We also want to see use made of the historic environment to support economic activity in the form of tourism, cultural offer, and reuse of buildings and facilities to support housing, business and economic activity. This holistic approach can support economic growth and development, and ensure that rural communities have a long term future for the people that live there. National and local policy in relation to business, investment, infrastructure, planning, agriculture, and the environment all need to work together to support this sustainable approach.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Case Study – South West Coastal Path

For a number of years we’ve been working with the Ramblers and the Government to support the creation of a coast path all the way around England’s coast. The impact of creating public access, alongside crucial environmental conservation is starting to be seen for local economies, and the work in the South West is a good illustration.

Nearly 40 per cent of the coastline we look after is in the South West, where we’re guardians for 300 miles of coastline in the region – a third of its coast. This includes 185 miles of the South West Coast Path, England’s longest National Trail, which stretches for 630 miles from Minehead in Somerset to Poole Harbour in Dorset. The vision for the Coast Path was to create a corridor for nature and people, making the South West coast one of the best places in Europe to experience coast and marine wildlife. We work closely with the South West Coast Path Association and other organisations in the South West such as local tourist bodies, to ensure that path is maintained and provides the best possible experience for visitors. This does involve investment and resource; our rangers and volunteers carrying out tasks like strimming back long grass, repairing and installing posts, signs and benches, fixing steps and levelling uneven paths. We also provide facilities such as car parking, cafes and toilets for visitors, and undertake nature conservation and restoration activities on our coastal land, which supports wildlife and plants.

The South West Coast Path Association’s 2015 impact report outlined some of the key economic benefits provided by the path between 2010 and 2014. During that period the number of path users grew by 11%, up to 8.7 million visitors per

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398 [www.southwetscoastpath.org.uk/research](http://www.southwetscoastpath.org.uk/research)
year. Those path users brought £468 million to the local economy in 2014 in terms of money spent locally – up from £86.7 million in 2010. That translates to 10,610 full-time equivalent jobs supported by expenditure incurred by coast path walkers – from just 1,877 in 2010. While many of the paths’ users will be visitors from other places, there is also significant benefit to local residents beyond the economic value, as a facility available to them for free. The path helps connect communities and can reduce reliance on car journeys. Other non-direct benefits are harder to capture, but there is lots of evidence to suggest that health and wellbeing are improved by access to nature and from physical activities such as walking and hiking. It is likely therefore that the nearly 9 million users of the path gain other benefits to them individually – with knock-on impacts to health and other public services.

Case Study – Brockhampton Brewery

The historic built-environment is a key part of rural landscapes. Most rural environments have a history of human activity, and the evidence of this is present in the buildings structures and monuments that make rural places unique – from stone circles to dry stone walls, to barns and agricultural buildings. Making use of historic buildings for new purposes is a fantastic way to ensure their protection and conservation in the long run, but also a way to support local businesses and industry while retaining local character.

In 2005, a brewer approached the National Trust looking for buildings suitable for a microbrewery business. We suggested the vacant Oast House Barn on the Brockhampton Estate in Herefordshire, which had once housed cattle, might be the ideal space for a microbrewery. National Trust investment was needed to convert the building for modern use. For example, it needed to be made entirely frost-proof, and services such as water, telecoms, and power needed to be installed. Provision also had to be made for the resident bats and their roosts to ensure they still had somewhere to live and that an act of building conservation did not negatively affect the conservation of bat habitats at Brockhampton. However, none of these adaptions were prohibitive, and the building looks unaltered in its setting and maintains a sense of church-like space within. The size of the barn meant we were also able to create staff offices and a visitor viewing area – adding further facilities to the building.

The current tenants have been in place since 2014, and use the space to make a range of beers which are sold locally. This is one example of our support for finding new uses for historic buildings – in this case both supporting local small business, and bringing a redundant building back into economic activity.

Both of these case studies illustrate examples of development which is in the spirit of the places within which they are set. Both directly provide economic benefit to communities in the form of jobs and income, and also support wider business activity within the region, seeking to minimise impacts on the environment, or even improve and conserve habitats around them. We see this approach to sustainable economic development as key to protecting and promoting the rural economy.

399 http://publications.naturalengland.org.uk/category/127020
The National Trust – Written evidence (REC0116)

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The future for the rural economies has both challenge and opportunity. Uncertainty due to Brexit is having a significant impact on the rural economy, and impacts of leaving the EU on issues such as labour supply (in agriculture, manufacturing and services) are likely to have longer term effects, particularly as housing and transport affordability in some rural areas may limit the ability to recruit more widely from local populations.

However, there are also opportunities. We envisage that growth might come from two areas in particular which will be of interest to the Committee:

- New forms of farming, which are adaptable to future opportunities, and help to deliver more for the environment and create new local supply chains. Eg. new food offers based on higher quality and local branding, funding for delivery of natural capital, private sector working with public sector to enable farm businesses to adapt;
- High quality of place and improved infrastructure to support diversification of the rural economy – creating opportunities for new businesses and activities, and attracting ‘wealth creators’ in growing sectors to living and working in rural communities.

Farming and agriculture

The importance of the agriculture sector for the wider rural environment is one that has to be recognised. Farmers are the guardians of much of the rural landscape which is the basis for attracting people to live in and visit the countryside, and although the numbers of those employed directly in agricultural activities are lower than the historic level, the way that they farm still underpins much wider rural economic activity within rural areas.

When the UK leaves the EU we will also leave the Common Agricultural Policy, presenting an opportunity to reform the way that public money support farmers and the rural environment. At present, large proportions of the subsidies paid to farmers are tied to land. While there have been some benefits for the environment in recent years, on the whole these payments have failed to help our wildlife and declines of farmland birds and other species continue apace, alongside degradation of assets like soil and water. Soil degradation in England and Wales costs £1.2 billion per year and agricultural management is the single biggest cause of pollution incidents in England. Since 1970 farmland birds have declined by 54%.

Sustainable and profitable farming is underpinned by a healthy environment, which is in turn dependent on a farming system that is sensitive to its needs. If action is not taken, not only will we see the degradation of our natural environment, but the long term future of farming itself will ultimately be under question. Given the role of farming in maintaining the rural landscape, and its role in driving wider economic activity, this would pose a significant wider threat to many rural communities.
The National Trust believes that public funding for agriculture can continue to be justified, if it is linked to the delivery of public benefits. This will enhance the environment upon which food production depends, provide much greater access to nature and the outdoors (which we know promotes physical and mental wellbeing), and open up new opportunities to farming and the countryside to build a more sustainable and financially viable sector and vibrant rural economy.

There are several key elements the National Trust believes should be part of any new land management system:

• Public money should be directed towards public goods, particularly environmental outcomes, access and protecting heritage assets, a large number of which are found on farmland;
• A strong regulatory baseline is required for everyone to ensure that there is no degradation in environmental standards;
• New market-based mechanisms, such as payments for ecosystem services, can help to drive private finance into the farming sector to buy outcomes such as reduced flood risk;
• New learning and training opportunities should be provided to attract new entrants, increase productivity, and help upskill all those who take part in the new system;
• In order to meet existing environmental objectives and provide the wider support needed for agriculture, the current £3.1bn annual level of public funding needs to be maintained. For future funding an independent assessment of scale of need should be commissioned;
• Provision of locally based, good quality and broad advice is needed to help farmers adapt to the new system and integrate the environment into their business model;
• Research and development will be needed to plug any gaps in knowledge and to support the changes needed in farm practice to deliver the new scheme;
• Farmers in the uplands and other marginal areas may need dedicated support to improve and re-position their businesses;
• Farmers and other land managers should be encouraged to take part in the design, testing and delivery of future environmental schemes.

Tourism and diversification

The tourism sector is a substantial contributor to rural economies. The UK Government estimates that in 2016 Gross Value Added from tourism in Predominantly Rural areas was worth an estimated £11.5 billion, contributing 5 per cent of total GVA in Predominantly Rural areas, and accounting for 11% of all registered businesses in rural areas. It is also a sector that has been growing: the economic output of the tourism industry as a whole has increased each year since 2010, and by 34% in total between 2010 and 2016.

The National Trust has a significant interest and role in the tourism industry. In 2016/17 we had a record total of 24.5 million visitors to houses and gardens,

and an estimated 200 million visits to coastal and countryside sites. Our crosscutting interest in heritage and historic sites as well as the natural environment gives us a unique perspective on tourism and its impacts and benefits to a wide range of communities and places.

In 2016 the Anholt GfK Nations Brand Index ranked the UK fifth out of the top 50 tourism destinations in the world in terms being rich in historic buildings and monuments. Heritage tourism and the role of historic sites in attracting visitors, both from within the UK and internationally, is also significant for rural communities, and the majority of the National Trust’s historic houses and mansions are in rural settings. 73.2% of adults visited a heritage site at least once in 2015/16, and it’s also notable that in 2011 48% of international visitors visited a castle or historic house during their stay – higher than those visiting museums or art galleries. It is therefore clear that the heritage offer of the UK is a significant attraction to both domestic and foreign visitors. In 2010, research commissioned by the HLF estimated that for every £1 spent as part of a heritage visit, 32p is spent on site and the remaining 68p is spent in local businesses: restaurants, cafés, hotels and shops. The impact therefore of heritage tourism is therefore substantial for communities, and likely to grow as visitor numbers increase.

Using heritage tourism as a vehicle for supporting local economies is one of the potential outcomes of Historic England’s Heritage Action Zones, which seek to “achieve economic growth by using the historic environment as a catalyst. A Heritage Action Zone will provide a targeted response to the economic, social and environmental needs of a particular area”. Individual projects under that scheme, such as in Appleby, and the Stockton and Darlington railway, have a significant focus on encouraging visitors in or around rural settings. The outcomes of these projects may provide further evidence for the economic (and perhaps social) value of heritage tourism to local communities.

The health and beauty of the natural environment, including its biodiversity, are also key parts of the rural tourism offer. Natural England estimates 79 million day trips are made each year to the English countryside and coast for wildlife viewing – and the economic impact of the Coastal Path in Cornwall which supports tourist access to natural spaces and wildlife has already been discussed. However, in terms of the Anholt GfK Nations Brand Index, the UK ranked 18th in terms of being rich in natural beauty (though this has improved in recent years from 25th in 2009). If the UK is to grow tourism outside the main cities, then the UK’s tourism brand needs to be strong in terms of being rich in natural beauty, as well as for culture and heritage. Pursuing sustainable agricultural practice and supporting farmers to manage our environment in a way that promotes and restores nature has great potential to also benefit the rural tourism offer.

Tourism can also support farming in return. Evidence from the Defra Farm Business Survey suggests although 61% of all farms accommodate some type of diversified activity, only 5% host tourism accommodation or catering and only 12% sport and recreation (Defra Farm Business Survey 2014-2015). This represents an average enterprise income of £7,700 for tourism accommodation.

https://historicengland.org.uk/services-skills/heritage-action-zones/
or catering and £4,600 for sport and recreation. This suggests opportunities are being lost. The NFU noted in Evidence to the Defra Select Committee in 2016:

"With farm incomes falling by almost 30% in 2015, the need for diversification is increasing, with Defra figures for 2014/15 suggesting that 61% have a diversified activity on farm. Effective business support is essential for any tourist enterprise, with an online presence essential. Funding streams also need to be tailored so farmers can access them easily."

The loss of EU funding to support tourist businesses, particularly in rural areas, is a concern for the sector. Rural tourism and businesses have benefited from EU funding in the past LEADER and other EU funds have provided support to marketing activities and rural diversification (such as farm B&Bs) to support growth and job creation.

Tourism is a significant driver for the rural economy in Northern Ireland, generating wealth and employment for these areas. With 75% of international tourists accessing Northern Ireland via the Republic of Ireland, Brexit negotiations in relation to the border will have an impact which is still unclear.

As with most of the areas we discuss in this response, efforts to grow and expand the UK’s rural tourism offer must be balanced against the need to protect the wildlife and landscapes that actually draw people to the UK countryside – and support for the people that live there. Increased access and improved infrastructure to support tourism must be sustainable, and support the protection of those key natural and historic assets. Development which undermines the very natural or historic features which attract visitors will have a counterproductive impact in the long term.

**Role of LEPs and public funding**

Capitalising on these areas of potential will require the Government, local authorities and LEPs to look holistically at rural economies and understand the way that different economic factors interact in order to promote sustainable growth in these areas. The Government’s Industrial Strategy has potential to offer greater support to rural enterprise, and investment using future funding grants. A key concern for rural sectors will be in clarifying what support there will be for rural enterprise post-EU. With loss of EU funding, there will be much more competition for a national or regional growth funding. In their 2017 election manifesto, the Conservative party pledged to create a UK Shared Prosperity Fund to replace the money local areas currently receive from the European Union, but there has been little subsequent detail as yet on how this fund will be administered and operate, or how much money will be made available to enable diversification in rural economy in ways which enhance the quality of environment.

There is significant potential to increase LEPs’ appreciation of the rural economy and the role that they play. At present not all LEPs recognise key rural sectors such as agriculture, food and drink and tourism in their Strategic Economic Plans. The Cheshire and Warrington LEP area is the most successful economy outside of the South East, and research by KPMG for the LEP found that the quality of place was a key factor in the economic prosperity of Cheshire, and a top reason for skilled professionals and ‘wealth’ creators to choose to live and set up businesses in Cheshire. The National Trust worked with Cheshire East Council to understand Cheshire’s Spirit of Place, based on what people felt was special about the area. This showed strongly that accessible countryside, alongside attractive market towns, was a key reason people enjoyed living in Cheshire. This provides further evidence of the importance of place, and the need to maintain and protect the natural and historic environments that help create distinctiveness, and a sense of identity for rural areas.

Infrastructure and services

4. How can access to transport be improved in rural areas?
5. What barriers to growth are created by poor digital connectivity?
   How can connectivity be improved across the board?

Improving infrastructure in rural communities, such as broadband and mobile networks and public transport goes hand in hand with supporting diversification and rural businesses – and where infrastructure is developed sensitively it can also support the protection of the countryside and our environment. For example, good availability of public transport, cycle and footpath links are important to help reduce environmental impacts, particularly in high footfall areas, and digital connectivity can potential reduce the need for car journeys to access key services in rural areas. Focusing on sustainability is key, and the balance must be met between improving infrastructure and maintaining individuality and character of place (including natural and historic environmental factors), as part of a holistic approach to supporting rural economies.

Transport

Transport and access continue to provide challenges for growth in rural economies. In terms of tourism, at present visitor access in rural areas is dominated by car and coach travel, providing accessibility for many people, but also contributing to traffic congestion, harming local environments and impacting on local communities. Poor road links, limited public transport and lack of joined-up provision for cyclists and walkers also limits opportunities – not only for visitors, but also for those who live in rural areas to access employment, education and other services. However, the full benefits of investment will only be realised if an integrated approach to transport planning in rural areas is adopted. Better public transport would bring benefits to the rural economy, broaden accessibility across different community groups and benefit the environment.

However, for rural public transport to be financially sustainable, this cannot simply be a case of throwing money at the problem (though the context is of
The National Trust – Written evidence (REC0116)

significantly less money), and a partnership approach, accompanied by effective promotion and community involvement, is essential if initiatives are to succeed long term.

Alternatives to car travel are often inadequate or poorly integrated, costs of public transport are perceived to be high, and where cycle and walking provision is implemented piecemeal this reduces the incentive for visitors to switch to low carbon alternatives. People who do not have the use of a car may find it difficult to visit rural locations. We have had limited success in the rural transport projects that we have been involved in, (e.g. mini bus connections to our properties). Financial sustainability is an issue, and many examples of local attempts to provide public transport connections to key tourist attractions have not endured long-term (for example the Henge Hopper in Wiltshire).

There are some examples of innovative public transport solutions through strategic investment and planning. For example, we offer a Park and Ride service at Bushmills to the Giant’s Causeway in partnership with Causeway Coast and Glens Borough Council and Translink. In addition, the Lake District’s GoLakes Travel programme was a £6.9m sustainable transport programme was funded by Department of Transport through the Coalition Government’s Local Sustainable Transport Fund, and delivered in partnership by Cumbria County Council, the Lake District National Park Authority and Cumbria Tourism. The report on the programme’s achievements found that between 2010 -2015 over 50 miles of cycleway, five bus services (carrying over 20,000 people), and two new jetties on Windermere were created. The jetties enabled use of boats to carry commuters across the Lakes, and innovative bike bus and bike boat services supported mixed forms of transport. Overall the programme led to a reduction in vehicle mileage in the GoLakes Travel area of 14.5% (2011 – 14), which equates to 4.8 million miles, and a 7.8% reduction in carbon emissions from visitor travel, a saving of 41,000 tonnes CO2.

The Lakes have a higher concentration of visitors (approx. 18 million p.a.) than is typical in other areas, but some of the solutions used there (e.g. better use of cycleways and mixed approaches to transport) could be transferable. However, at present many rural areas outside of the National Parks and other key recognised tourist areas are relatively undeveloped in terms of their visitor economy and are more likely to suffer from poor transport links than the more popular areas. Visit England (in its Rural Tourism Action Plan) has identified the importance of finding local solutions to transport issues in rural destinations to avoid longer term difficulties for the rural tourism economy. Despite these calls, local transport planning in England has increasingly focused on developing and implementing sustainable urban transport, generally linked to growth in large urban areas and increased focus on city based economies.

Local transport authorities work within their administrative areas, and whilst travel-to-work areas are increasingly seen as a driver for local transport strategies, there is often a lack of coherent transport planning based on tourist areas in particular, especially outside the National Parks. There is a case for requiring local transport authorities to work closer with rural tourism stakeholders to develop transport and access strategies and new public transport schemes. Authorities and other funding bodies, such as LEPs, should be paying equal attention to their area’s rural economy and its transport needs, as well as their main urban areas. Funding needs to be both capital and revenue, in order to support rural transport services themselves as well as better information and planning of services.

One of the main constraints on rural connectivity is the poor provision of safe walking and cycling routes in rural areas. Comprehensive approaches, such as the Cambridgeshire Green Infrastructure Strategy, have provided good examples of joined-up approaches to improve access to the countryside, but implementation of such strategies can be held back by lack of funds.

The safety of pedestrians and cyclists on rural roads remains a challenge. Investment in cycling infrastructure has been focused primarily on urban areas, but some excellent rural routes for walkers and cyclists have been developed, resulting in increased use. Many form part of the National Cycle Network (NCN) or associated routes. However, whilst generally supported by transport authorities, the NCN and promotion of rural tourism are not always well linked. The Trust supports green infrastructure as a way to connect rural communities, however this must be appropriate to the landscape setting.

Rail operating companies in the East of England have encouraged cycle hire provision at a number of stations, although success has been limited. Again, this points towards the need for a much greater emphasis at the strategic level for integrated strategies linked to rural economic growth.

The National Trust has worked with local authorities to promote cycle access to its properties and provide hire facilities and routes in and around some properties. We’re currently trialling a new low cost cycle hire scheme in partnership with British Cycling and HSCBC UK at Osterley Park in West London, the Blicking Estate in Norfolk and Wallington in Northumberland. Under this scheme people will be able to hire bikes and make use of cycle paths on our properties. At Wicken Fen and Blickling, cycling and walking routes have also been developed both within the property and providing links to neighbouring communities. At Wicken we supported the creation of the Lodes Way, linking our places at Wicken Fen and Anglesey Abbey, and we’ve worked with Sustrans and local authority partners to create connections with the NCN and Cambridge. The connected routes demonstrate how growth areas and major conurbations can be linked to their rural hinterland, benefitting local businesses and residents as well as visitors.

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405 https://www.nationaltrust.org.uk/wicken-fen-nature-reserve/trails/the-lodes-way
Too often, infrastructure lags behind development and, whilst the Community Infrastructure Levy provides a mechanism to ensure funding is spread more widely, high quality improved rural access is often seen as a lower priority than enabling infrastructure for new developments. Transport and access should be seen as an integral part of spatial planning to ensure that access is considered as part of rural development strategies.

There may also be room for innovation in transport based on new technology – e.g. the Lake District Partnership is currently carrying out a feasibility study on the potential for driverless cars to provide more sustainable travel options.

**Digital connectivity**

Visitors increasingly rely on electronic media to access information. This includes transport and access information, information on visitor attractions, self-guided walks, availability of pubs and restaurants etc. Good electronic connectivity is essential to provide accessibility to data. There are many rural areas, especially coastal areas, where broadband is poor and mobile signals inadequate to access data. Poor broadband connectivity impacts on the National Trust as a tourist business and also on the offer we can provide to visitors. We have been exploring with BT Openreach and DCMS how we can work together to improve connectivity which might also benefit local businesses and communities. We look to work constructively with providers to find solutions where the demand for physical infrastructure to support telecommunications has the potential to interact with our land. Again, the need to balance conservation and protection of statutorily designated landscapes, listed buildings and conservation areas is important, and each case has to be judged individually.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

9. **How can deprivation and inequality in rural areas be tackled?**

National Trust places are often at the heart of their local communities and our staff and volunteers are largely drawn from the local area. We seek to ensure that we are supporting our neighbouring communities, and that we are providing as much benefit to the public as possible. Our properties play host to a range of shops, pubs and businesses – some of which we manage directly and some of which are managed by tenants. We seek to ensure that these partnerships support enterprise and economic activity, as well as helping us look after our places. For example, the Periwinkle Team Room in Selworthy is part of our Holnicote Estate, managed by independent tenants. The property is National Trust owned, and we have built a good relationship with our tenants which allows

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us to work together, but also maintains their freedom to operate the business that they want to run. Periwinkle Cottage tea rooms recently won National Best New Business Awards 'Tourism Business of the Year' 2018, demonstrating the potential of this partnership.408

In other places we run businesses directly, with a view to supporting the wider community. For example, Sticklebarn in Cumbria is a hydro-powered pub that offers free film screenings and live music, quiz nights and other events, which are open to local residents as well as Members and visitors.409 The pub makes use of local suppliers of ingredients and serves beer from local breweries, and is a great example of the complimentary nature of the environmental, economic and community benefits that can be delivered through careful and appropriate management of a single site.

National Trust places also operate local partnerships with community groups, which allow them to better tailor their offer to local people. Many of these partnerships span multiple sectors, reaching beyond the Trust’s core purpose into areas such as health and wellbeing or education. Partnerships enable us to reach different or new audiences, and benefit partners by allowing them to grow their offer. Some recent partnerships include:

- Farming Memories at Wimpole Home Farm in Cambridgeshire, a partnership with Care Network that supports those in the early stages of dementia and their carers with a background in agriculture through supported farming activities
- The Human Henge project at Avebury and Stonehenge in Wiltshire, a partnership with the Restoration Trust, English Heritage and Bournemouth University, exploring the mental health benefits of facilitated access to heritage
- Potter and Ponder, a partnership with local special schools and the Heritage Lottery Fund at Croome in Worcestershire, which co-created a new sensory experience in conjunction with 35 children with profound learning, physical and medical needs
- Various partnerships at Berrington Hall in Hereford with groups such as the Hereford College of Art, Royal National College of the Blind, and the Brightspace Foundation’s Orchard Art project, through which we have offered a range of events and opportunities to support students and young people.

Clearly this direct support for local businesses and amenities will not be replicable everywhere. The impact of Brexit on the availability of funds to support rural businesses and provide crucial investment and regeneration as yet to be seen, and risks making it more difficult for businesses to grow. Potential skills and labour shortages are also a concern, and the Industrial Strategy’s focus on skills may be one way of addressing this need. Once again, the tourism and hospitality sector is one growth area for rural areas, and boosting skills and

408 https://www.nationaltrust.org.uk/selworthy/features/meet-the-tenants
showcasing jobs within the sector to improve recruitment and retention could support employment and economic growth.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

The National Trust looks after an eclectic range of places in rural areas, including all kinds of historic buildings, estates, landscapes, gardens and other features. Taking care of these places requires specialist skills, and we need to ensure that these skills are passed on in order to help protect and look after them for generations to come. We’re therefore very conscious of the need to create opportunities for young people to get involved in the work that we do - to benefit from the fantastic careers that are available at our places, and also to help build the pool of knowledge and experience for the future. We do this through a range of activities: for example, over the last 5 years we’ve worked with Wales YFC to offer an annual 13 month paid scholarship to young farmers, to help them gain practical experience of upland farming in Snowdonia. The Ilyndy Isaf Scholarship is an opportunity to help young people with an interest in farming get hands on experience in managing a nature-friendly farm, and help them on the first steps to a career in farming. Our National Trust Academy training schemes offer entry-level opportunities for people to get involved in countryside management and horticulture. These trainee roles support people to gain a range of knowledge and practical skills, and also gain qualifications (the National Trust Diploma in Countryside Management (level 2 qualification) or the Heritage Botanical Gardens Bursary Scheme (RHS level 3 qualification)) along the way. These schemes are open to everyone of all ages, not just young people. However, they do provide a path particularly for those at the start of their career.

In a similar vein, we are also expanding the range of apprenticeships that we offer in various roles, including gardening, countryside management, heritage building conservation, curation, and catering to name just a few. This follows the recent changes to apprenticeship schemes in England with the introduction of the apprenticeship levy, and there are some challenges to address in relation to implementing these schemes. Some of the roles we want to offer are up and running already with apprentices in post in IT, gardening and catering; however, some are awaiting the finalisation of standards for the roles before we can go ahead. It may be a number of years before we have all apprenticeship levels required to meet our needs. To get the best out of apprenticeships, we are aiming to have a range of apprenticeship levels, across a wide range of job families that match to our job grades, so we can career plan through our professions – and support not only entry-level staff, but also those further through their careers, which in turn helps attract and retain staff. However there is much work still to be done to get standards in place and make sure the system can deliver for everyone. An additional challenge for us is also the difference that now exists between apprenticeship policy between England, and Wales and 

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410 This scholarship has been running since 2011 as an annual placement, but we are now working with our partners to decide how to take this forward for the future to offer the best possible opportunity for young people. We are trialling a three-year experience with the current scholar. For more information: [https://www.nationaltrust.org.uk/features/snowdonia-shepherdess](https://www.nationaltrust.org.uk/features/snowdonia-shepherdess)
Northern Ireland, which is making ensuring consistency between what we’re offering apprentices in different Trust locations difficult.

In autumn 2018 we will be announcing further moves to test how we can develop improved career paths for local young people which should help them to stay in or return to their local rural community.

The career opportunities and lifestyle that the countryside offers is also something that should be open to young people who haven’t necessarily grown up in rural settings. There are many who might have an interest in joining rural communities and who could bring new skills and ideas, but for some young people, accessing the countryside in order to learn about the possibilities that exist is the first barrier. In 2009, the Trust first piloted the Green Academies Project. At this stage, it offered training and volunteering opportunities to young people aged 11 to 19 in south Birmingham, working in partnership with Birmingham City Council’s Parks and Nature Conservation department and Birmingham Youth Services. A dedicated training programme gave young people aged 16-19 who were not in employment, education or training the chance to gain NVQ-level equivalent experience in nature conservation management. Between 2009 and 2015, young people spent more than 20,000 hours volunteering at National Trust properties and local green spaces in Birmingham. Former volunteers, as well as going on to careers in horticulture and nature conservation, were able to positively improve their natural environment.

Alongside gaining formal qualifications, young people were involved in planning and delivering community events and acted as young leaders: they became advocates for their local natural environment, galvanising others in the community. In 2016, a £1 million grant award from the Big Lottery Fund’s Our Bright Futures programme enabled us to expand it into five more places: Morden Hall Park, Gibside, Erddig, Quarry Bank Mill and Dunham Massey. These incorporate the learning from the Birmingham experience, but also adapt the approach to fit the unique circumstances of each place and its community context. Each place will train a cohort of young people to take responsibility for conservation, maintenance, planning and implementation of projects at local outdoor sites. This helps develop young people’s practical skills as well as offer environmental improvements to their local environments.

The Green Academies Project focuses on three main areas: volunteering, community engagement and training. We sought to support volunteering opportunities for different age groups, from 11 up to 25, and co-create volunteering opportunities to meet the needs of the local community. Volunteering would be rewarded through special activities such as Wild Camping, day trips with a volunteering element at sites further afield and, where possible, working residential to sites such as Snowdonia National Park. The goal is to create a sustained passion for the outdoors among young people, and give them the necessary skills and confidence to undertake work on, develop a sense of ownership of and champion their local green spaces in a way that is relevant to them and their local community. In doing we hope to encourage all young people to think that looking after nature is something that they can do – and also engage them in their communities and the things that matter to them.

411 http://www.ourbrightfuture.co.uk/
11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

We’ve already mentioned a few ways in which the Trust looks to work with communities to help meet some of the key social challenges being faced, including those posed by an ageing population. For example, our partnership with Care Network on the Farming Memories scheme at Wimpole Home Farm in Cambridgeshire is particularly aimed at supporting those in the early stages of dementia or memory loss and their carers who have a background in, or an interest in, agriculture.\(^{412}\) We are always considering new ways in which we can engage and support communities and use our places to bring people together, and indeed research we published with the University of Surrey last year demonstrated the measurable positive impact of our connections with place.\(^{413}\) The growing interest in social prescribing and the Government’s recent announcement of new funding for such schemes\(^ {414}\) also has the potential to help charities across a numbers of sectors work with healthcare providers to support health and wellbeing, including for older people.

Another area where we engage with people of all ages, including older generations, is through our volunteers. We are supported by over 60,000 individuals every year, including a great many people who are retired or over 65, and their contribution makes a hugely significant difference to our work. Volunteering offers many great benefits for individuals as well as for us. There is some evidence that people who volunteer are more likely to have better mental and physical health,\(^ {415}\) and the opportunity to contribute positively to society is something that many volunteers say is important to them. Volunteering also provides an opportunity to meet new people and develop new skills. Volunteering can therefore be a powerful tool to help tackle issues such as social isolation, and to help people in their communities.

**Rural housing and planning**

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

A recurring theme in our approach to the rural economy is our belief that if we want rural areas to thrive it is important that we celebrate and care for those

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\(^{412}\) A short video of some of the participants in this group is available on our website https://www.nationaltrust.org.uk/wimpole-estate/features/explore-wimpole-home-farm

\(^{413}\) https://www.nationaltrust.org.uk/stories/why-do-places-mean-so-much


features that make them different from urban areas, and valuable for their natural capital. Wildlife, landscapes and cultural heritage help make our rural areas distinctive and attractive for tourists, and provide real economic benefits to rural communities. However, these special qualities could be damaged by insensitive development. This means having an effective planning system, which ensures high quality, sustainable development, protects and enhances wildlife, landscapes, access to green spaces, and cultural heritage, is essential. Similarly, this system must ensure that the countryside can provide multiple public benefits, such as clean water, healthy soils and carbon capture in peat bogs and forests, as well as making a major contribution to the economy.

The Government’s overall aim should therefore be to use the planning system to protect the countryside for the sake of its intrinsic character and beauty, the diversity of its landscapes, heritage and wildlife, and the wealth of its natural resources, so it may be enjoyed by all. New building development in the open countryside away from existing settlements, or outside areas allocated for development in development plans, should be controlled. That said, we also recognise the clear need to balance maintaining the qualities of place that make a rural area special to those that choose to live and visit, against the need for communities to be sustainable with homes for people to live in.

The pursuit of appropriate, well-planned development is key to finding this balance. That means development which is sensitive to the local environment, well designed and inclusive, in keeping and scale with its location, and sensitive to the character of the countryside and local distinctiveness. We believe that development to meet the housing need should come forward through local plans, in accordance with specific allocations, housing policies and defined housing policy areas that respect the nature and character of settlements. Planning tools such as Neighbourhood Plans can enable communities to have more of a say in making these decisions, and local authorities need the resources both to implement planning policy effectively, and to support their communities to participate in local planning decisions and strategies.

Changes of use and renovation of existing buildings should be encouraged, particularly where this helps to ensure the future upkeep of traditional buildings and it is supported by local communities. There are policy interventions that could support this approach – including considering the reduction of VAT on the restoration of historic properties. Since 2012 VAT on new-build houses has been zero rated, while the full 20% is charged on all construction work on existing buildings. This means that there is an incentive to demolish buildings rather than restore or convert existing properties. A reduction in VAT from 20% to 5% on renovation and repair of dwellings in private ownership could create significant economic, social and environmental benefits for the historic environment in England. Evidence from the Isle of Man and the Netherlands illustrates the economic benefits of reducing VAT by boosting the demand and spend on the labour for housing renovation and repair work.

The recent publication of the Government’s revised National Planning Policy Framework included provisions relating to rural development which caused us significant concern. For example, the introduction of a housing delivery test will limit the ability of local authorities to control sites for development. From 2020
the test will trigger a presumption in favour of sustainable development where delivery is below 75% of the housing required in an area. This means that there is an incentive to developers not to build, but to wait until delivery is below the required level to drive the release of additional greenfield sites, as a cheaper option than developing on more difficult brown-field sites. This could put pressure on environmentally sensitive areas; particularly those with statutory designations (National Parks and AONBS for example) which limit potential allocations of sites for development. The Test may not therefore result in increased home-building in reality, and could instead put greenfield sites at risk of inappropriate development. We would prefer to see the Letwin Review report and any recommendations on improving build-out rates implemented before the Test is introduced, rather than penalise local authorities for a failure to build which is not under their direct control.

Rural exception sites (small sites or plots of land which can be used in perpetuity specifically for affordable housing for local people) have been a really successful means of delivering affordable rural housing. However, we have serious concerns over the widening of the scope and meaning of “exception sites” by the revised NPPF by adding a new “entry-level exception site” provision, which could support building housing in urban as well as rural areas. This reference to “entry level” rather than “affordable” or “local need” housing is troubling, as in areas of high property values, “entry level” houses will not be “affordable” to the majority of first-time buyers. We would also express concern about the interaction between entry level and rural exception sites. Entry level exception sites, which could be up to 1 hectare, potentially present a more profitable opportunity than rural exception sites, and we believe some rural exception sites could be taken forward as entry-level sites instead, reducing the number of affordable homes delivered.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

We have partly answered this question under Question 1, and in our other responses. There is an argument that following the closure of agencies such as the Countryside Agency there has been little engagement in rural issues beyond Natural England’s focus on farming. Local authorities are the main form of support and planning for rural economy. Some are very focused on rural issues, and this is reflected in their approach to policy and support. However, all Councils face long term financial challenges based on changes to local authority funding, demand for services and demographic trends.

Local Enterprise Partnerships generally lack an understanding or focus on rural economies, other than where large employers or growth sectors happen to be in rural locations. There are exceptions as mentioned earlier – for eg. Cheshire and
Warrington LEP, but looking nationally there is more work for LEPs to do in understanding the drivers of economic growth for rural areas, the way that environment interacts with economy at a regional level, and the importance of place. They, along with other local authorities, need to take a more holistic approach to supporting enterprise and economic activity outside of urban centres.

Georgina Holmes-Skelton
Head of Government Affairs

10 September 2018
The National Trust Supplementary – Written evidence (REC0181)

The National Trust is a charity founded in 1895 by three people who saw the importance of our nation’s heritage and open spaces and wanted to preserve them for everyone to enjoy. More than 120 years later, these values are still at the heart of everything we do. We look after special places throughout England, Wales and Northern Ireland for ever, for everyone.

Introduction

The National Trust submitted written evidence to the Committee in September 2018 and Rebecca Burton, Regional Director for the South West subsequently gave oral evidence to the Committee on 30th October 2018. This supplementary written evidence provides additional information requested by the Committee on the following areas:

1. Rural jobs and skills
2. Transport solutions for rural tourism
3. Planning policy and decision-making
4. Any other areas of interest

Rural jobs and skills

1. The National Trust currently employs 9000 permanent staff, and around 4700 seasonal staff each year. The vast majority of these staff work from rural or predominantly rural locations across England, Northern Ireland and Wales in an extremely diverse range of roles. The bulk of these roles support our visitor business - either directly, or indirectly through helping us take care of the places that we look after. This includes people working in our cafes, shops, and sites, as well as those working in curation and visitor experience, leadership and operational roles, and support services, including subject specialists and experts, and those supporting our volunteers. We also have 850 people specifically in countryside roles (including for example our Rangers), and nearly 700 people working to look after our gardens and parks.

2. Our earlier written evidence contains information on a range of measures that we are looking at to ensure that our jobs in rural locations, including those in traditional tourism and hospitality areas like food and beverages, are attractive career options. This includes developing our apprenticeship and trainee schemes, and offering skills and learning opportunities through volunteering and programmes such as the Green Academies Project.

3. In addition to those we employ directly, the National Trust also has with over 1,800 agricultural tenancies, and a significant number of commercial tenants. These are often people right at the heart of local communities, whose businesses make a significant contribution to local economies, supporting employment and other businesses in the supply chain, and helping to shape the rural landscape that visitors enjoy. We look to
support our tenants, and work with them to help them build and develop their businesses. This can be in the form of advice or support, showcasing excellence (for example through our Fine Farm Produce awards – see below), or supporting work in partnership with other local farms or businesses.

**Rural Transport solutions for rural tourism**

4. The Committee was interested in examples of **successful transport solutions in rural tourism, how public transport should be delivered and by whom**. The National Trust is not a transport charity, and provision of public transport is rightly the responsibility of local authorities. However, we recognise the importance of public transport to local economies, and effective services support both our staff and our visitors to access our sites. Good local bus services are not only good for the environment, but they help those without cars or their own transport access our sites, who might otherwise be excluded.

5. We promised to provide additional information on the Tin Coast bus service we’ve been involved with in Cornwall, which is a particularly good example of the way that partnership can help support public transport provision, with benefits both to tourist businesses, and local communities.

6. Several years ago the Trust took on the lease of the former Tourist Information Centre in Penzance. It had been closed, and presented an opportunity for us to have a presence in the town and provide visitor information, accommodation bookings and promote the NT and sell membership. The building is next to the bus and train station - we call it the Welcome Centre.

7. Last year we began talks with First Kernow (Cornwall) Buses around ways that we could work together, and this has led to a partnership with a number of positive outcomes. First closed their information office at the bus station and now pay us to provide bus information and tickets from our Welcome Centre. This means visitors can access information, advice and services in one place, and we can help promote the bus service. In return, First offered us the backs of 21 buses that run on their 'Atlantic Coaster' route for free. We have branded these with different properties in a campaign called 'Adventures begin at the bus stop' (see Annex). We also created a web article with downloadable walks that get you from the bus stop to the property ([https://www.nationaltrust.org.uk/lists/walks-in-cornwall-you-can-get-to-by-bus](https://www.nationaltrust.org.uk/lists/walks-in-cornwall-you-can-get-to-by-bus)).

8. This partnership is beneficial for us in terms of advertising opportunities and in helping visitors access our places without having to rely on cars for transport (with the impact on traffic, pollution and pressures on rural roads and car parking space that goes with them). This is positive for the
environment, and supports a crucial service for the local community, with increased usage and income helping to ensure the sustainability of the bus route. We're hoping to continue to build on this partnership – potentially through the development of countryside walks accessible exclusively by bus, and also spread geographically to wider areas. In future there may be further opportunities around summer park and ride services and other transport links that we can explore.

9. In addition, we are partners in the Great West Way project, which aims to create one of the world’s premier long distance touring routes from London to Bristol. This project is being led by Visit Wiltshire, and is linking up transport providers, tourist and visitor attractions, environmental and public sector organisations, to help visitors explore the west of England. It offers suggested itineraries, and helps signpost not only the a wide range of a things to see, do and visit along the route, but ways to travel around and between locations – on public transport, and also by foot or cycle path. As part of the project GWR are offering a special Great Western Way Discover ticket, to help make travelling the route easy. It includes unlimited off-peak train travel from London Paddington/Waterloo along the route to Bristol Temple Meads via Reading and or Basingstoke routes with options to branch off towards Oxford and Kemble. It also includes unlimited travel on the bus services along the route. Seven National Trust properties are on the route, with a further eight within easy reach, and this is a great way to help introduce them to new visitors who might not otherwise have come across them. The project helps create connectivity between places in the region, and really brings alive the features that make this part of the country unique.

Planning policy and decision-making

10. The Committee was interested in receiving further information about the impact of planning policy on development. Our comments in our original written submission cover in some detail our approach to planning policy and some of our concerns about the planning system for rural communities. It is essential that local planning delivers to meet the needs of the community in a sustainable way. This means strong emphasis on neighbourhood planning which supports and conserves quality of place, as well as delivering the homes, community and commercial spaces that people need. Development must be undertaken in a way that is sensitive to the natural and historic environment to protect the very qualities which make rural communities attractive places to live, work and visit.

11. Historic buildings can provide excellent spaces for homes and businesses, and the adaptive re-use of historic farm buildings, for example, can deliver high quality tourist accommodation, or offer spaces to support small businesses or creative industries (see the example at Barrington below). However, it is important that the right advice and support is available to owners and developers to ensure that historic features are conserved, and changes are appropriate. Reduced local authority resource is a concern, and can lead to inappropriate development which risks long term impacts on communities and on the landscapes that people want to visit and enjoy.
Other areas of interest

12. There are a couple of additional points that may be of interest to the Committee. Firstly, our work to promote high quality, sustainable local produce, and secondly a case study of a project that we’ve been involved in which has benefitted from EU funding.

13. Great food should be one of the attractions of our rural communities for tourists. Our annual Fine Farm Produce Awards aim to celebrate the best local produce, and prove that sustainable food isn’t just better for nature, it tastes better too. Now in their 13th year, the awards celebrate the very best produce from the Trust’s 1,500 tenant farmers and estates, who look after more than 500,000 acres of grazed pasture, orchards and arable farmland. Competition entrants have to meet various environmental and welfare standards before their products are scrutinised and tested by a panel of judges. We award winners for best overall food, best overall drinks, and for farming with nature, as well as individual awards for drinks, meat, grocery and other products. We look to use the awards to showcase the best produce, raise awareness of the quality of British food, and help support farmers reach customers.

14. The Committee were interested in understanding ways in which tourism-related projects have benefitted from EU funding. We can share a few examples from our own experience, including a couple of very recent successful Growth Fund applications:

Barrington Court, Somerset

15. In 2012 we received a £100k investment through EU LEADER funding for development of farm buildings at Barrington Court. The project helped us convert part of the old farm buildings into new workspaces and retail outlets for traditional crafts and local food. We were able to create a creative cluster, and there are now five independent artisan workshops located in the old farm buildings along the avenue, specialising in a range of crafts including carpentry, textiles, pottery, woodcarving and jewellery. This adds a new element to our visitor experience, supports local artists and traditional skills, and makes great new use of old buildings, bringing them back to life and helping to preserve them for the future.

Overbeck’s, South Devon – grant awarded £69,004

16. This recently approved project will expand the existing car park, growing it from 47 to 68 spaces, including three fully compliant disabled bays and pedestrian pathways to the car park. Overbeck’s is a popular heritage attraction with stunning coastal views and a unique sub-tropical garden but we are currently unable to promote it as widely as we would like due to our current parking restrictions; we regularly have to turn away numerous cars on a daily basis. Enabling more people to visit Overbeck’s is therefore a priority, and we hope that by increasing the capacity for additional visitors, this project will increase revenues through the Overbeck’s café and shop (which will have a secondary positive impact on
the local business and suppliers we use) and that visitor spend will also increase in the wider local area.

17. Although Overbeck’s is closed to the public over the winter months, the extended car park will be open 365 days and so will provide year-round access to the South West Coast Path (SWCP) which can be easily accessed from Overbeck’s. The SWCP attracts over 8.6 million walkers a year and is one of the area’s most valuable natural assets (see further information in our original submission). This investment in our car park will therefore have additional benefits through increasing access to the SWCP, providing a year-round additional benefit to visitors and other local tourism providers.

**Marine drive, Woolacombe North Devon – grant awarded £92,256**

18. Woolacombe is a popular tourist destination centred around two miles of sandy beach and surrounded by a stunning coastal landscape and rich natural heritage. We have just been awarded a grant for a project to improve the visitor infrastructure provision in the Marine Drive carpark, located at the far end of Woolacombe village behind the Dunes and within the North Devon Area of Outstanding Natural Beauty (AONB). The project will provide:

- Year-round accessible public toilets and a new outdoor shower (toilets are currently only open between March – November and there are no shower facilities).
- A new year-round catering offer. Currently there is no permanent catering offer on Marine Drive (or within a mile) and due to the seasonal nature of Woolacombe village there are very few cafes nearby that are open all year round.

19. These improved and new facilities will significantly extend the visitor offer for families, surfers, walkers and runners between October to March, for visitors and locals alike.

Georgina Holmes-Skelton
Head of Government Affairs
30 November 2018

Annex
30 November 2018
NET Coverage Solution (NET CS) – Written evidence (REC0207)

Background

Historically it has not been financially viable for the Mobile Network Operators [MNO’s] to install mobile coverage to some rural communities because the initial Capex and long-term Opex costs outweigh the resultant revenue.

In February 2018 the National Church Institutions of the Church of England [CoE] and Her Majesty’s Government published a joint Accord associated with the potential use of church buildings and land, to support the increasing need for Internet and mobile signals throughout England.

- There is a CoE church in most rural villages and communities.
- A church is typically centrally located and is the tallest structure within a rural community.
- The NET CS antennas will be hidden behind GRP louvres with no unsightly visual impact on the church or community.
- The typical alternative MNO coverage option in a rural community would be to install a greenfield tower or multiple Small Cells located on the chimneys of private homes.

The NET CS Solution

Working closely with the CoE and Active equipment manufacturers NET CS have determined a technical solution to facilitate multiple MNO 4G & 5G coverage solution where coverage, not capacity is the critical factor at a fraction of the cost of a traditional standalone MNO Macro site or multiple Small Cells.

In basic terms, utilising the CoE portfolio of over 16,500 church buildings, NET CS will deploy coverage in groups of typically 6 church sites.

At each of the 6 church sites NET CS will install 4 wideband antennas (1 behind each louvre opening in the church tower) and a 4-Band Zenic8-CrossFire RRU routed via fibre connectivity to 1 of the 6 churches where the MNO’s BTS radio equipment will also be located together with a Zenic8 -CrossFire 4-Band AU and associated Attenuation used to separate and route the individual MNO frequency bands to each respective MNO BTS equipment cabinet/s.

At this location the MNO will install their own transmission links back to their respective network operational switch centres.

In simple terms, the NET CS solution is similar to a multiple MNO in-building Distributed Antenna System [DAS], such as East Village, the former 2012 Olympic Games athletes village where NET CS designed, installed and now maintain a DAS system where the MNO’s BTS equipment is located in a purpose built equipment room in the basement of one of the high-rise apartment buildings with circa 12.5km of fibre routed from that location to 37 other high-
rise buildings where NET CS have installed a DAS providing in-building coverage. The only difference with the NET CS rural solution is that instead of in-building coverage, the remote sites will be providing outdoor coverage – an ODAS solution.

Because of the nature of the coverage solution NET CS will offer the coverage footprint achieved at each antenna location to the MNOs and NET CS will be responsible for maintaining that coverage footprint within agreed KPIs. From the MNOs perspective, they will only require 1 lot of BTS equipment and only 1 transmission link for every 6 remote coverage locations. On this basis, with all capital and operating expenditure considered, compared to 6 standalone MNO Macro sites, NET CS estimate each MNO will save over £600,000 in capital and over £70,000 in annual operating cost for every 6 NET CS sites.

[MNO operating expenditure savings will be even greater if more than 2 MNOs are utilising each group of 6 sites].

On a nationwide scale, assuming 50 groups of 6 sites (300 Mobile Coverage Not-Spots), the individual MNO Capex savings will be over £30-million, and the Opex savings will be over £90-million over the 25-year term of each agreement. The MNOs will only be asked to pay the initial one-off Connection Fee and enter into a commercial agreement associated with the coverage footprint once NET CS have surveyed, designed and secured all the necessary CoE Faculty and Local Planning Authority approvals, therefore from the MNOs perspective the NET CS solution is risk-free.

From the CoE perspective, each church hosting the NET CS equipment will be providing a critical service to their local community, in accordance with the Accord, including the provision of Wi-Fi which NET CS will also facilitate, and the long-term rental income they will be paid will help each church to fulfil its wider local community mission, improving the sustainability of both the rural community and of its parish church.

Risks & Issues

NET CS’s principal risk is the availability and the cost of the dedicated fibre connectivity from each remote ‘Church Coverage Site’ to the central ‘BTS Hotel Church site’; to mitigate this risk NET CS have taken the following factors into account:
1. NET CS will initially concentrate its efforts on Not-Spot communities where there is poor or no mobile coverage but where fibre is available or can be made available at a reasonable cost.
   • It is hoped the DCMS funding for Broadband suppliers to install fixed fibre connectivity to rural communities will make fibre connectivity more readily available for NET CS to utilise.
2. At locations where Fibre connectivity is not currently available or where costs are too high, NET CS will work with the regional broadband suppliers to encourage them to bring forward their installation plans by contributing towards the initial installation Capex.
In such circumstances, from the Governments perspective the NET CS solution will not only help deliver 4G & 5G coverage nationwide, it will also make fixed broadband connectivity to rural communities more financially viable by providing rural broadband suppliers with a long-term high value singular customer with associated long term recurring revenue.

27 February 2019
Newent Town Council – Written evidence (REC0022)

The Council would like to know why the Government hasn’t fought harder to stop banks closing branches in rural towns. Newent has certainly suffered with the loss of its two banks.

28 August 2018
This submission is on behalf of NFU Mutual, the UK’s leading rural insurer.

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 As a UK-wide insurer, serving people who live and work in the countryside for more than 100 years, NFU Mutual has a network of more than 300 agency offices across the country. These offices, many of which are based in small, rural towns and are part of their local communities, are the face of our business to many of our customers and help us to provide the personal, local face-to-face service that our customers value. And our agents know and understand the rural community they serve and the rural economy they operate in – which will be different in each part of the country.

1.2 While farms, businesses and communities continue to adapt to how life in the countryside continues to change, in contrast, we’ve seen banks and post office closures in many rural areas leaving people without local access to many of the financial services that they need.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 NFU Mutual agents, working out of our network of agency offices throughout the UK, live and work in the same rural communities as our customers. They are well placed to recognise the issues facing many of our customers and this has led to pioneering work with police forces and other organisations to tackle some of the issues facing businesses in rural areas.

2.2 One of NFU Mutual’s tactics in the battle against rural crime involves joining forces with the police to fund and operate a number of security initiatives. Since 2010 we have invested over £1.2m to support schemes designed to reduce crime in the countryside. SPARC, the Scotland Partnership Against Rural Crime, is a good example of the difference such an initiative can actually make.

2.3 Founded in 2015 to target increasing rural crime across Scotland, SPARC encourages working partnerships between rural stakeholders and police forces. And so far NFU Mutual has provided more than £135,000 to fund the scheme.

2.4 This funding has gone towards training officers in the investigation and prevention of a range of rural crimes. It’s used to support operations to detect vehicle and livestock theft, and to establish new schemes to prevent dog attacks on livestock.
NFU Mutual – Written evidence (REC0118)

2.5 Tractor and quad theft costs in Scotland have fallen by almost half in the three years since SPARC was established. This is stark contrast to our latest claim statistics – which show that in 2017 the cost of rural theft across the UK as a whole rose by 13.4%.

2.6 This is just one example of how, the UK’s leading rural insurer, along with other organisations are working with public authorities to make the countryside a better place.

2.7 To deliver the SPARC initiative, Police Scotland and NFU Mutual work closely with a number of rural organisations in Scotland, including NFU Scotland, Scottish Land and Estates, the Scottish Business Resilience Centre, the Crown Office and Procurator Fiscal Service and Scottish Government.

2.8 Although SPARC is helping police to fight crime in the Scottish countryside and good schemes supported by police forces elsewhere are also proving effective, we would like to see more collaboration between forces, as one county’s rural crime initiative can simply displace crime to a neighbouring county.

2.9 We publish an annual rural crime report with estimates of costs along with crime prevention advice and examples of good practice from rural communities across the UK. However, while our estimates (which are based on our claims figures) help to raise the profile of this problem and highlight some solutions, the wider cost of rural crime to individual farming businesses and the rural economy as a whole, largely through disruption to businesses and loss of opportunity, is likely to be far greater.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 NFU Mutual insures around three quarters of the farms in the UK and many other businesses throughout the countryside. Many of our customers are looking at diversification as a way of increasing their revenues and protecting their businesses from market volatility. Increasing numbers of our customers are investing in retail – such as farm shops; hospitality and tourism – such as bed and breakfasts and glamping; renewables - like solar panels, wind turbines and anaerobic digesters,

3.2 However, while diversification is increasing consideration and activity, not all farmers are well-equipped to plan, introduce and manage diversification. We are working with our customers to help share best practice in many of these areas as we see diversification as the future for many farming businesses.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 NFU Mutual is proud to be a UK-wide insurer, recruiting from all corners of the country, and we acknowledge the importance of investing in the future of rural communities.
As the UK’s leading rural insurer, we champion education and awareness campaigns on a number of key issues affecting those who live and work in rural communities. We make a financial contribution to support the farming industry as well as funding the work of the NFU Mutual Charitable Trust.

8.2 The NFU Mutual Charitable Trust launched the Centenary Award in 2010 to provide bursaries to undergraduate students in the UK. The Award aims to give outstanding agricultural students the opportunity to continue their studies, supporting young people wanting to make a difference to both farming and rural communities. So far, 33 young people have received help through the award to further their education.

8.3 We work closely with the Prince’s Countryside Fund to support its Farm Resilience Programme - an initiative to help farmers discover new, more sustainable ways of working. The Programme helps family farms adapt their ways of working to the modern farming environment, offering workshops to improve management and identify new business opportunities. So far 450 farms have joined the scheme.

10 September 2018
Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

The House of Lords Select Committee on the Rural Economy was appointed in May 2018 “to consider the rural economy, and to make recommendations”. The Committee has already held a number of public hearings to get an overview of the subject and now seeks more in-depth evidence from stakeholders on how the rural economy can function better. The Committee aims to publish a report by the end of March 2019.

Response from Norfolk County Council and the Norfolk Rural Strategy Steering Group

This is a joint response on behalf of Norfolk County Council and the Norfolk Rural Strategy Steering Group, of which the Council was a founding member in 2013. The Steering Group is a private, public, and voluntary sector partnership, which includes representatives from CLA, NFU, LEADER Local Action Groups, Community Action Norfolk, farmers and other local business owners and seeks to deliver and promote initiatives that enable Norfolk’s rural economy to grow and flourish for the benefit of the whole rural population.

The Steering Group’s work is informed by the recently-refreshed Norfolk Rural Strategy and the joint consultation response reflects the priorities identified in the Strategy. Case study examples are provided to highlight good and innovative practice in the county.

There are a number of areas where Government intervention is needed to give rural areas true parity with urban areas and to ensure that, where deprivation exists, rural areas have equal access to support. The Committee is asked to:

- Provide robust challenge to ensure that, post-Brexit, there is a level playing field for farmers, in terms of an integrated food policy. Farmers are willing to invest and to innovate, but need assurance that they do not work from a position of disadvantage.
- Work to maximise continuity of trading conditions for rural businesses post-Brexit, and to monitor the impact of any trading difficulties on rural businesses and communities.
- Make the case within Government for rural funding which supports small-scale local community, skills and growth initiatives within the Shared Prosperity Fund, providing a single coordinated package of support for economic growth and skills. This will ensure the needs of rural communities are not lost alongside the greater volume of demand (and easier ability for programmes to evidence value for money) of urban areas.
- Recognise the value of locally-determined grant funding for the rural economy and work to ensure that future funding programmes enable this type of support.
- Make a strong and urgent case within Government for transition funding that ensures continuity of grant support for the rural economy while new programmes are developed.
Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

- Represent the needs of rural areas in the consideration of Fair Funding, to ensure equality of funding for services across the rural and urban landscape.
- Work across Government to identify interventions that will ensure sustainable, inclusive, growth in the rural economy and to ensure that this is delivered through policy and funding initiatives across all Departments.

Summary

יא An integrated policy for food
In our response to the Government’s consultation on the future for food, farming and the environment ('Health and Harmony'), we argued that an increased emphasis on animal welfare and an emphasis on farming approaches which benefit the environment are excellent goals, but many of the aspirations outlined in the consultation will make UK-grown food more expensive. The wider context in terms of trade, tariffs and food policy, integrating a vision for the food we will be selling in our shops with our vision for agriculture, are crucial. There is ongoing pressure to produce and sell cheaper food, with an increasing mark up from farm gate to retail sales. The Government’s vision and proposals for all aspects of growing, importing and selling food need to be articulated in full, together with a clear plan for investment, before farmers and food producers can make informed investment and diversification decisions.

The Committee is asked to provide robust challenge to ensure that post-Brexit there is a level playing field for farmers. They are willing to invest and to innovate, but need assurance that they do not work from a position of disadvantage.

יא Continuity of trade
As our response demonstrates, manufacturing industries are disproportionately represented in our rural areas, and are especially vulnerable to the trading uncertainties around Brexit. The collapse of a manufacturing business can have a particularly severe impact in a rural area where they may be the only significant employer, with availability of other similar jobs within feasible travel time difficult to achieve. The Committee is asked to work to maximise continuity of trading conditions for rural businesses post-Brexit, and to monitor the particular impact of any trading difficulties on rural businesses and communities.

יא A wide-ranging programme of rural investment
Agriculture is only one part of the rural economy, which is also characterised in Norfolk by significant manufacturing businesses, a high level of second homes, an ageing population, public transport challenges, and pockets of significant deprivation, alongside a thriving tourism economy and many other outstanding examples of business excellence.

Programmes like LEADER and the Rural Growth Programme deliver wide ranging support across the rural economy, although the emphasis is currently on support for growing SMEs. Post-Brexit, we believe that direct support for growth projects in rural businesses will be imperative for the future of many rural communities. A model which determines these projects locally enables funds to be directed where they will have the greatest impact.
Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

Alongside this we would like to see a stronger offer than we have currently of **effective grant support for community investment and initiatives.** Rural communities are often heavily dependent on the private and voluntary sectors for core services in rural areas – village halls, childcare provision, community transport and other similar services and facilities. These not only support the more vulnerable members of a community, but can make employment possible for rural residents, providing the childcare and/or transport that is needed to get someone to work.

We believe the **same funding offer should support small-scale local investment which deliver skills and employability projects in rural areas.** The success of our **LIFT Programme**, using LEADER Local Action Groups to award grants to small-scale skills and employability projects shows the huge impact modest investment can have in rural areas. The response below highlights the key issue identified in the Norfolk Rural Strategy around the low skill /low wage jobs which are particularly prevalent in some rural areas of the County and identifies a number of pressures which make raising skills among rural employees a key priority for our county.

**The Committee is asked to make the case within Government for rural funding which supports small scale local community, skills and growth initiatives within the Shared Prosperity Fund, providing a single coordinated package of support for economic growth and skills, to ensure the needs of rural communities are not lost alongside the greater volume of demand from urban areas.**

They are asked to recognise the value of locally determined grant funding for the rural economy and to work to ensure that future funding programmes continue to enable this type of support.

**Continuity of funding support**

We are very concerned at the lack of clarity for future financial support to the rural economy: Defra has set an earlier end date for the end of its schemes than every other EU funding programme (last commitment in March 2019 vs December 2020 in other programmes). The impact of this is that rural projects that are not in the pipeline now are unlikely to be able to meet the timetable for funding through the LEADER or EAFRD programmes. Yet it is entirely unclear what the future shape of funds will be.

Our staff are on fixed term contracts which will start to expire from March 2019. Without clarity around funding, staff, and the expertise that they hold, will be lost from the programmes. Equally, awareness of and interest in funding opportunities will be lost. This knowledge takes time to build up in rural areas where it is harder for publicity to reach potential applicants. For all of these reasons, it is imperative that transition funding is put in place from March 2019, with clear information available very soon so we can continue to develop a pipeline of projects. Otherwise, we may reach a point where we do not have established support in place for businesses trying to grow during the Brexit process, in other words at a time when the economy may be turbulent and support for economic growth will be especially needed.
The Committee is asked to make a strong and urgent case within Government for transition funding which ensures continuity of grant support for the rural economy while new Programmes are developed.

Fair funding for rural areas
The Fair Funding Review doesn’t currently give appropriate weighting to the additional costs caused by rurality and deprivation; the responses to questions 4 and 9 suggest the scale of the issue and how they might be remedied. This was also noted in the County Council’s evidence submission to the All Party Parliamentary Group on Social Mobility. Fair funding is also needed to ensure that people in rural areas have equality of access to core services with people in urban centres – access to a range of post-16 education, and access to training opportunities are examples.

The Committee is asked to represent the needs of rural areas in the consideration of Fair Funding, to ensure equality of funding for services across the rural and urban landscape.

Advocacy for the rural economy in Government
The rural economy needs strong advocacy across Government for success stories and best practice to be effectively heard, and for the particular needs of rural areas to be fully understood and covered in legislation and policy. One of the key aspects of this is to encourage solutions – from infrastructure improvements, to economic investment in strategic projects – which unlock sustainable growth and business innovation in rural areas. From this will stem the rural prosperity which helps us to tackle deprivation and employability issues in rural areas.

Areas which require particular rural advocacy include:

- The need to bring agencies and businesses together to develop environmental, farming and tourism policy to ensure a world class environment
- Specifically rural challenges around access to infrastructure, with particular issues for power and water management, which can limit business growth
- The need to move on from broadband delivery to imaginative use of technology in rural areas to grow high value businesses and to support the delivery of public services like social care which are especially high cost in rural areas.
- Advocacy in support of skills provision which fully enables those living in rural areas, with limited access to transport, childcare and other resources, to engage in the workforce.

We question below whether DEFRA, with an inevitable focus on agriculture, currently fulfil that brief.

The Committee is asked to work across Government to identify the interventions which will ensure sustainable inclusive growth in the rural economy and to ensure that this is delivered through policy and funding initiatives across all Departments.

Responses to Consultation Questions

Social Mobility All Party Parliamentary Group Inquiry report 2018.PDF
1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

The Norfolk Rural Strategy 2017-2020, launched in November 2017, considered how the rural economy of Norfolk differs from the urban picture. The overall balance of employment is broadly similar – 26-30% of employment in the public sector, 33-40% in building, wholesale, retail, transport, accommodation and catering, and 4-6% in arts, entertainment and recreation. The key differences lie in the **greater emphasis on primary industries (agriculture, energy) and on manufacture in rural areas** – 14% of the workforce of Breckland district work in manufacturing compared with 6% in Norwich. This means our rural economy is especially vulnerable to a period of uncertainty or poor trading conditions post-Brexit. Where a significant rural manufacturing business is lost, the impact on employment and deprivation across the local area can be especially severe, as there are often few alternative employment options locally.

There are significant opportunities for rural businesses in the growth of robotics, and the improvement in broadband coverage which is starting to unlock growth potential for many rural businesses, although connectivity speeds will be an ongoing challenge along with mobile coverage. **Micro and ‘nano’ businesses are especially significant in the rural economy**, their economic contribution often missed in statistics, and they are often dependent on good quality connectivity for effective business.

Some rural areas in Norfolk also have very low average wages, with a worse picture than many urban areas in North Norfolk district, the average wage for male full time staff is £11.03 per hour (20% lower than the English average) while in Breckland over 10% of the workforce is employed by temporary employment agencies (the 7th highest rate in the country). **Linked to the low wages prevalent in some rural areas is a skills deficit**, with a higher than average proportion of the workforce having low or no qualifications (25.7% of the Kings Lynn and West Norfolk population against a 14.5% national average) and a corresponding lack of high skilled roles. In one sector alone, however, the agrifood sector, we know that future demand will be overwhelmingly for higher skilled staff as low skilled jobs are replaced with automated solutions.

The Brexit vote and the National Living Wage, both of which were unforeseen a few years ago, are already having an impact on labour supply and skill needs in rural areas, with migration constraints leading to challenges on labour supply at the same time as wage costs. At the same time, a strongly ageing population in rural areas places particular demands on the health and social care sector while affecting the local availability of labour, especially in the tourist honeypots of the Norfolk Coast where businesses report difficulties in securing staff.

All of the above factors suggest that **in many rural areas, forthcoming demographic and economic change will create a ‘perfect storm’ of employment and skills challenges, as well as opportunities for new higher skilled jobs which rural workers need support to access.** We argue in later sections that locally developed, locally targeted programmes of investment are the most effective means of supporting rural people to develop their own skills and economic prospects. We would like to see this factored into
Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

the development of the Shared Prosperity Fund and if applicable, any future Defra rural economy funding. Delivering skills and employability schemes, and investment in rural business growth, will be needed to enable inclusive robust development in these rural areas. The Select Committee is also asked to keep a watchful eye on Government investment in digital connectivity to ensure that rural areas achieve parity of provision.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The Norfolk Rural Development Strategy was published by the private-sector led Norfolk Rural Development Steering Group in 2013 to support sustainable growth in the rural economy, with a new Strategy launched in 2017. The Strategy was accompanied by a dataset to provide the evidence to support its priorities. Since 2013, the Norfolk Rural Strategy Steering Group has worked on a number of project initiatives to support delivery. Notable successes include:

- **£9m LEADER funding secured for 5 LEADER Groups in Norfolk and North Suffolk** with an excellent track record of successful delivery of projects which support businesses to grow and projects which tackle community challenges. Many LEADER funded projects support the purchase of ground-breaking technology which has a significant impact on productivity.

  RD and J Burridge of Manor Farm, Fundenhall, were supported by LEADER to purchase a Herd Navigator milk monitoring system which is now used extensively across the EU but is still very new to the UK. The new system improves animal welfare, with early detection of health issues, and reduces medication and vet bills, as well as improving productivity and efficiency and enabling them to continue to compete.

- **LIFT, a £1.4m European Social Fund rural skills and employability project working through the LEADER Local Action Groups** is funding projects which deliver local targeted support

  Clinks Care Farm has been supported by LEADER to develop its facilities and by the LIFT Programme to deliver a package of employability support and work trials to local unemployed people. Their work has been recognised at the Countryside Alliance awards where Clinks Care Farm was declared National Champion in the Rural Enterprise category.
The award was presented to a team from the farm by Michael Gove, Secretary of State for Environment, Food and Rural Affairs.

- The establishment of the **Digital Divide Group** – led by Anglia Farmers, with the support of the Steering Group, has made considerable progress in raising the profile of broadband and mobile issues in rural areas and brokering solutions with providers.

- The **Silver Pound Conference held in May 2016** – this high profile conference focused on inspiring businesses to capitalise on the spending power of older people in rural Norfolk.

- **Community Land Trusts (CLT) workshop in November 2016** – run in partnership with North Norfolk District Council and Community Action Norfolk to generate new CLT projects in areas with a shortage of affordable housing.

Norfolk County Council and the Norfolk Rural Strategy Steering Group are strong advocates of funding solutions which address the particular needs of rural areas, and in particular support for locally driven projects which deliver a tangible economic and/or social benefit with a highly targeted approach. **Relatively modest funding, when targeted in rural areas, can have an excellent cost-effective impact on skills and growth.**

In our response to Question 14 we consider the question of effective advocacy for the rural economy in government and linked to this is the need to consider where the criteria for success in rural projects may be different. **The rural economy needs strong advocacy across Government for success stories and best practice to be effectively heard** - the quality of the intervention, rather than its size, is most significant here. There will always be more millions invested, and more people assisted, in urban projects, but **apparently low ‘numbers’ in rural delivery can have a transformative impact – this is what we need to capture and celebrate** to make the case for ongoing targeted funding interventions to benefit the rural economy.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

A high proportion of the Norfolk rural economy is in the manufacturing, hospitality and care sectors, all of which have large numbers of relatively low paid, low skilled jobs, with the added complication in tourism and hospitality of seasonality and part time working. **Automation presents huge**
opportunities to make these industries more efficient and cost-effective, but whilst new jobs will be created, to integrate, install, maintain and manage automation, the new jobs will demand new or higher skill levels.

Investment in skills, education and training is needed to ensure that the existing workforce is well placed to take on the roles of the future. Such programmes are best developed and provided at a local level, mitigating transport and access issues and targeting particular skills needs on a localised basis. At the same time, many businesses may need grant funding to help them make the step change to new automated systems.

Robotic flower processing improved efficiency at J A Collison and Sons by 30%, with funding from Agritech Grants.

Norfolk is the home of the Norwich Research Park, a globally significant R&D centre for food and agri-tech, and showcases some outstanding examples of the implementation of new technologies on farm, many funded through the region’s exemplary Agritech Grants programme. The Norfolk Rural Strategy has identified agri-food competitiveness as a key area of potential growth and innovation for the area in the future, with the likely significant change in farming funding and increasing need for home-grown food with trade uncertainty in the light of Brexit. New technologies will be a key driver of change and resilience.

Linked to this, in the light of Brexit uncertainty, projects and activities which shorten supply chains can help make businesses more resilient, and improve profit margins. LEADER has a good track record in our area of funding projects of this type, as in the following case study.

Swannington Farm to Fork is an on-farm farm shop and butchery awarded £54,000 LEADER funding for an expansion project which enables them to supply local pubs and restaurants direct with their meat as well as growing their farm shop trade to the public.

Improved connectivity and the increasing flexibility of the labour market and working practice also means that an increasing number of businesses can be located anywhere, with rural locations often popular for lifestyle reasons, although availability of suitable business premises can be an issue. It is
Norfolk County Council and Norfolk Rural Strategy Steering Group – Written evidence (REC0087)

important to recognise the importance of micro businesses and sole traders in this context, and to ensure they have access to the full range of business support where needed.

Many businesses need business support from specialist advisers to grow, but this is inevitably more costly to provide one to one advice in more remote rural locations. **Future funding programmes need to be able to ‘rural proof’ their outputs and value for money calculations to take into account the increased cost of providing support for business growth on a rural basis.**

*Infrastructure and services*

**4. How can access to transport be improved in rural areas?**

The lack of rural public transport has been identified in the Norfolk Rural Strategy as one of the contributors to a lack of social mobility and is an impediment to business growth in Norfolk by limiting employer access to a wider labour pool. There are some solutions that could be implemented to support increased productivity, and provide access to employment and learning centres:

- Financially supporting rural bus services to enhance frequency including later evening and Sunday services
- Implementing or supporting dial a ride and similar flexi-bus schemes
- Further funding and promotion of moped schemes to enable more young adults to access employment etc.
- Work with car sharing firms to set up car share schemes in the market towns
- Further/enhanced promotion and development of Liftshare opportunities, and encouragement of further private sector, sustainable initiatives which deliver sustainable transport solutions

**Funding opportunities which make it possible for businesses to develop sustainable funding models to support rural transport, building on the success of Norwich-based company Liftshare, would be welcomed.**

Liftshare began in Norwich in 1996 with Ali Clabburn, a university student pinning a request for a lift on a student message board. In 1998 Liftshare was founded in his parents’ spare bedroom with the aim of overcoming the cost of travel. By 2000 Liftshare began Liftshare for Business. Liftshare now has over 450,000 active users, with their typical user saving over £1000 a year on travel costs.
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5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Poor digital connectivity creates many barriers to rural economic and inclusive growth. Norfolk County Council and the Norfolk Rural Strategy Steering Group have therefore been proactive in seeking investment in improvements, partly through the cross-sector Digital Divide group.

Norfolk County Council has bid to DCMS for a Local Full Fibre Network (LFFN) to enhance public sector sites rurally - a classic example of overcoming disadvantage. **We believe funding for this and similar initiatives should be made nationally available, rather than through a competitive scheme in which some areas lose out.** The Rural Broadband Grants scheme from Defra has also been very helpful and we welcome the announcement of more funding for the scheme, which will hopefully enable most projects to be supported.

Major roll-out of broadband schemes continues to address connectivity challenges, but with ever greater speeds required by modern businesses, and linked issues with mobile connectivity proving harder to solve, support from government to enable small-scale targeted solutions in rural areas, such as through voucher schemes, will continue to be needed, and **ongoing investment will be needed to ensure rural areas have parity of digital connectivity in relation to urban centres of population.**

The Norfolk Rural Strategy Digital Divide lobbying group has also worked closely with mobile providers to improve mobile connectivity in rural areas. While this is improving, there are still significant issues to overcome, especially for those without the latest handsets. **The Select Committee is asked to monitor delivery of improved mobile connectivity with groups representing rural areas**, such as the Norfolk Rural Strategy Steering Group, to test the rural experience and to ensure that the major providers are delivering effectively.

6. What can be done to improve and maintain provision for essential services?

One of the points discussed below in relation to rural businesses is the need for imaginative pooling of resources between services and effective use of community hubs to deliver a range of activity.

Handyperson Service, supporting independent living

The **South Norfolk Help Hub** is a good example of this principle in action in relation to essential services – combining police, healthcare services, mental health support, debt advice and employability support under an umbrella scheme with Community Connectors who signpost people to the right service. They are increasingly based in GP surgeries, thus providing a range of service access from one single physical point of contact.
Schools are a key essential service which Norfolk County Council maintains in rural areas, often through creative solutions around leadership and resources (joint headships). However, **national policy can make it difficult to operate effectively on the smaller scale.** The development of central education policy can be a barrier for small rural schools because it appears to be predicated on a much larger and urban based model meaning that its application to smaller rural provision could be difficult/impossible. For example, Curriculum changes that are conceived and based around individual year groups cannot be applied if a class has 2/3/4 year groups being taught together in a two teacher school.

**Post 16 education is an ongoing challenge in rural areas** where young people have a very limited range of choices due to lack of transport. This can result in some students choosing a course that isn’t right for them because it is closer to home – this could be demonstrated in the fact that in Norfolk we have good participation at 16/17 however this is not sustained into the 17/18 age group. If we are to ensure rural young people have equality of opportunity with their urban counterparts, access to education is a key area to address.

**The Committee is asked to ensure that the needs of rural schools and rural young people are considered fully in the development and implementation of education policy and funding.**

**7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

<table>
<thead>
<tr>
<th>Sarah Campbell-Jones from the Half Moon at Rushall, Norfolk</th>
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<td>Rural Community Council village hubs and the Pub Is The Hub (PITH) scheme are proven means of providing or enhancing a central rural resource. PITH is a highly effective and inexpensive means to support local pubs to reinforce their role in the community, whilst enhancing the services offered. Norfolk County Council has partnered with PITH for the past few years and helped over 15 pubs, with grant support of c£100,000 but leveraging in over £300k of investment, creating jobs and valuable services.</td>
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Government support and encouragement for similar targeted initiatives in rural areas could have a significant positive impact on the resilience of rural communities at relatively low cost.

**The economic difficulty of maintaining a full range of individual services can be mitigated by effective pooling of resources, such as post offices and/or shops hosted in local pubs.** Rural Post offices can also help reduce the impact of the loss of rural banks, providing some of the lost services.
support to kick start projects of this type is often highly cost-effective, with multiple benefits for local service provision, as well as less tangible outcomes like a reduction in rural loneliness and better community connectivity.

Sometimes regulation is needed to ensure that small independent local businesses have a fair opportunity to develop and grow. One of the issues facing rural pubs is the prevalence of large pub chains. Many pubs in any rural area are under the same ownership, leading to rationalisation and pub closures by the owners. Better regulation of such firms is needed to improve the way they operate and ensure that the hospitality market remains open and accessible to independent businesses.

**The Committee is asked to note the value of targeted initiatives such as Pub Is The Hub in supporting the development of sustainable rural businesses, and the importance of encouraging imaginative combined community resources through support and investment. They are asked to work to ensure that local businesses are supported to become sustainable and resilient in future.**

**Business, employment, skills and demography**

8a How can rural businesses be helped to thrive, and how can new industries and investment be supported?

As discussed in earlier sections, many rural businesses need business advice and/or grant support to enable or to accelerate growth. Investment in new equipment and technologies, in improved or new business accommodation, in developing new markets or products, or in diversifying into different activity, can all be of immense value in helping businesses grow and thrive. The LEADER programme has a proven track record of delivering this type of grant support in rural areas alongside Rural Community Council funding, Pub is The Hub (PITH) and other similar initiatives. Providing support to businesses in rural areas can have higher travel and time implications, and requires strong local knowledge. Urban-based schemes very rarely provided parity of coverage or delivery in rural areas, so the ability to deliver bespoke schemes to rural communities is vital. We would also argue that bespoke rural business advice could sit alongside grants to ensure businesses maximise their potential.

The same applies to skills development and training, where a historic preference for major national schemes can leave rural areas with very limited provision. Locally determined and delivered schemes with a single funding solution for business support, grants for business growth and skills in rural areas the best way to cross-fertilise effective delivery for rural growth and resilience. **We hope this support will be provided in future through the Shared Prosperity Fund but there will need to be specific provision to ensure that rural projects and initiatives are encouraged and supported. The Committee is asked to test how proposed new funding programmes can deliver effectively against the particular needs of rural areas.**

b) How might labour and skills shortages be overcome?
In Norfolk there are a number of interventions which currently seek to address labour and skills shortages in our rural communities. These include programmes specifically designed to support rural communities and co-investment into training solutions between private and public sector partners.

Some of the key challenges faced in effectively implementing these interventions are:

- **Short-term funding opportunities** with programmes of support live for a maximum of three years. In rural areas, where businesses can be spread out and very small, engaging with new interventions year on year is untenable.

- **Contracting and commissioning requirements** which don’t take into account the additional challenge of delivering in rural areas. If this is not built into contracts, in particular regional or nationally commissioned projects, then providers will always focus their efforts on the areas where they can most easily and cheaply achieve their targets. Specific targets for provision in rural areas should also be established.

- **Constraints in the funding regime for colleges and training providers** which can make it difficult to deliver flexibly to meet the needs of rural employers.

The Committee is asked to provide challenge to policy and funding initiatives for skills to ensure that the needs of rural areas are met, in particular delivering a flexible funding regime to enable responsive and pilot schemes, rural proofing in the commissioning of support, and longer-term major funding initiatives.

### 9. How to tackle inequality and deprivation

Norfolk is around 93% rural and half of Norfolk’s population live in rural areas. Currently more than 120,000 people in Norfolk live in areas categorised as being in the most deprived 20% in England. The county has issues around health, inequalities, deprivation and poverty; plus children’s educational attainment and the further impacts on people’s skills and employment opportunities.

Key areas where the Government can make an impact include:

- Support for **rural initiatives which enable parents to get into work or to progress out of low paid jobs**, including through retraining programmes; linked to this, provision of childcare and transport solutions which unlock these opportunities is needed.

- Family support and health services: **ensuring that low-income families in rural areas have access to support** from pregnancy onwards, with more intensive support where needed.

- **Good quality affordable housing is a significant issue in rural Norfolk**, especially in areas with a high level of second homes and tourism accommodation.

- **Support for transitions into adulthood** ensuring rural young people have equality of opportunity with urban cohorts. With the right flexible funding provision, this can be achieved through work with employers and training providers.
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The Fair Funding Review doesn’t currently give appropriate weighting to the additional costs caused by rurality and deprivation. Rurality is an important cost driver that affects the delivery of all our services. It is important that the formula is not based on past spend, as it will not reflect unmet needs common to many rural areas. For example, many rural authorities like Norfolk have had to reduce or stop subsidising bus routes for rural areas, but this simply means that the cost of subsiding these services is not sustainable within the current funding allocation.

Current deprivation measurements provide a larger weighting to urban authorities; we would call for rural indicators of deprivation such as health inequalities, lack of social housing, car dependency, poor public transport and lack of access to health and social services to also be included within the formula. To pick out one of these examples, owning a car is essential in a rural location, particularly where public transport is infrequent or non-existent. Access to social housing and travel times can be more urgent issues for those living in rural areas, where alternative options are considerably reduced.

Some other factors that could be used to determine deprivation funding are:

- IDACI - Income Deprivation Affecting Children Index
- Income Deprivation Affecting Older People (IDAOpI)
- Free school meals (FSM) and
- Free school meals ever 6 (based on eligibility at any time in the last 6 years, even if not eligible for FSM currently).

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

To encourage more young people to live and work in our rural communities, we need to ensure a healthy rural economy with a wide range of job and career opportunities across multiple sectors. The case is made elsewhere in this document for support for rural business growth and the need to maintain sustainable rural communities is a key reason for this.

It is also important to ensure that rural young people have access to good careers information from an early age so they can make informed decisions based on a clear understanding of the local labour market. Encouraging robust transport solutions and vibrant rural communities is also important, and approaches to supporting these are considered elsewhere in this response. The reductions in numbers of small rural schools, independent pubs and businesses can erode communities and encourage people to look outside rural areas for services from a very young age.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

As indicated in the County Council’s response to the Fair Funding Review, transport costs and increased time needed to provide rural support make the cost of providing care in a rural setting higher. In Norfolk the spot price for
home support is 25% higher in more rural areas and can be difficult to source. Recruitment of lower paid workers in more rural areas is also particularly difficult due to the correlation between rurality and higher cost of living. The higher cost of social care provision in a rural context needs to be reflected in funding, while at the same time support for projects which explore the use of technology and combined services to reduce costs of rural delivery would be welcome. Start up support for micro care businesses setting up in rural areas would also be welcome.

Social isolation can be widespread in rural areas. Access to transport is key here, but there are also issues arising from retirement settlement (people making their home in an area without extended family and friends nearby). Support for local and community initiatives, and for the effective use and development of community facilities are key in this context.

Older people are a key element of the voluntary workforce. Local community-owned business are doing well and as well as supporting the local economy, they help reduce social isolation and promote independence. More support, both in terms of grants and advice, to help start up these ventures could usefully be made available.

Older people also play a key role in caring for elderly relatives and neighbours. In Norfolk there are over 94,000 unpaid carers in total; the value of this work is estimated at £500 million. Barriers to undertaking this role in rural areas can be due to transport, time constraints and risk concerns; enabling networks and support routes could help in rural areas.

The Committee is asked to investigate the contribution of older people to community life in rural areas and to consider how these can be supported and encouraged, alongside initiatives which reduce isolation in rural communities. They are also asked to work to secure adequate funding to meet the higher costs of social care in rural areas.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

More affordable housing could be effectively provided through public investment either through Registered Social Landlords or direct provision by local authorities; using Compulsory Purchase Orders where exception sites do not come forward. The National Planning Policy Framework 2018 (NPPF2018) intends to allow for greater local influence over the type and tenure mix of market housing development and will hopefully ensure more, smaller, and therefore cheaper, homes can be provided in rural areas.

Housing needs to be well related to services. This has a number of benefits including: supporting these services; limiting the impact on the public purse (for example the revenue costs of school transport and social care); and providing health benefits through exercise and social interaction.

The Norfolk Rural Strategy Steering Group held an event in 2016 to encourage the development of Community Land Trusts in rural Norfolk, building on the
success of Homes for Wells on the North Norfolk coast. Ongoing support for this type of housing provision in rural areas would be especially beneficial in our high second home areas, where local people want to ensure affordable housing can be retained for local people.

**The Committee is asked to monitor the delivery of the National Planning Policy Framework 2018 to ensure that it delivers smaller schemes which meet the needs of rural areas. They could also usefully ensure that the value of Community Land Trusts and other small-scale interventions is understood in Government and that funding continues to be made available for community-led affordable housing initiatives.**

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

NPPF2018 appears to provide for a sufficiently flexible planning framework and neighbourhood planning gives local communities the choice to provide for additional growth.

**The Committee is asked to monitor its implementation to ensure that it delivers for rural areas.**

*Government policy, devolution and local government*

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

In every area of major policy, public investment or private sector enterprise, there are specific rural issues or opportunities which can be overlooked without high level rural advocates making the case. Examples include:

- The need to bring agencies and businesses together to develop environmental, farming and tourism policy to ensure a world class environment
- Specifically rural challenges around access to infrastructure, with particular issues for power and water management, which can limit business growth
- The need to move on from broadband delivery to imaginative use of technology in rural areas to grow high value businesses and to support the delivery of public services like social care which are especially high cost in rural areas.
- Advocacy in support of skills provision which fully enables those living in rural areas, with limited access to transport, childcare and other resources, to engage in the workforce.

All of these areas require significant public/private/ voluntary sector partnership groups to drive improvements and change. At a local level here in Norfolk, the Norfolk Rural Strategy Steering Group is a private-public partnership which seeks to unlock some of these challenges with positive action at a local level.
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We believe this is vital and unique work, which should be reflected in central Government with a voice for rural issues at the highest level in Government. It might be helpful to consider whether DEFRA, with an inevitable focus on the environment and agriculture, is able to fulfil this advocacy role across the full breadth of rural affairs, or whether a grouping of ministers from a variety of departments might be charged collectively with advocacy in the rural agenda.

Across all areas of the public sector, fair funding for rural areas, as advocated through the Rural Services Network campaign, is essential, and government interventions need to take into account the different (often higher costs) of delivering interventions in rural areas, as well as the more localised nature of effective rural programmes. A role within Government, at Department, Minister or cross-department level, expressly designed to take into account the needs of the rural economy is vital to ensure that initiatives designed for major cities are not inappropriately or ineffectively rolled out across rural areas.

15. What is being done in local government to support rural economies? How effectively do other public bodies, such as Local Enterprise Partnerships, operate in rural areas and how might coordination between bodies be improved?

Norfolk County Council works in close partnership with the rural district councils to deliver a range of initiatives in support of the rural economy, from SME support and funding, to training programmes, transport projects and health and social care initiatives.

Norfolk County Council is partnering with HCT Group, a transport industry social enterprise, in a social investment funded project to provide better transport options to children with special educational needs, especially in rural areas. They are the rural partner in this project to gather evidence on the impact of this type of intervention. The provision of a mentoring programme should lead to better outcomes for rural families who need access to specialist support in education.

Norfolk County Council are also piloting a county-wide social prescribing project to support individuals with long term health conditions through signposting them to community-based services that support self-management of those conditions. This should mean individuals do not need to travel long distances to meet their health needs.

However, rural issues and opportunities inevitably cut across departments in a local government context, which is why Norfolk County Council also coordinates the private-sector led Norfolk Rural Strategy Steering Group, which provides a strategic focus for rural projects and initiatives, and has also provided the evidence base for successful funds bids, including £9m LEADER funding for 5 Norfolk Local Action Groups coordinated by Norfolk County Council,
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and an innovative £1.4m European Social Fund programme, LIFT, delivering skills and employability projects in rural areas.

**New Anglia Local Enterprise Partnership is supportive of, and involved in, the above initiatives.** They also run the New Anglia Growth Hub, which is an important source of support for rural and urban businesses alike, and are taking an increasing interest in the voluntary and community sector. However, the brief for all LEPs is to focus on key sectors which have the potential to deliver the greatest possible economic growth, which can be difficult to reconcile with rural economic health, where small projects in rural SMEs can have the greatest impact (as evidenced through a range of LEADER case studies).

*10 September 2018*
1. **Background:**

1.1 Norfolk is a county with a population of 892,900. Covering 550,835 hectares, with nearly 100 miles of coastline, Norfolk has a balance of urban and rural districts with Norwich the most urban and North Norfolk the most rural.

1.2 56% of the population aged 75+ live in a rural area. The rural nature of Norfolk presents opportunities in providing access to natural greenspace but higher risk of being killed or seriously injured on the roads and provides significant challenges to the delivery of services, including libraries.

2. **Libraries in Norfolk:**

2.1 We have a network of 47 libraries in Norfolk, managed and developed by Norfolk County Council. It also manages a fleet of 8 mobile libraries specifically to deliver libraries into rural areas. Recently, the opening hours of more than 30 branch libraries in Norfolk have been increased to 69 hours per week via a technology system called Open Library. Open Library gives customers access to their local library, its books, computers and quiet, creative spaces to meet or study even while the building is unstaffed. Making the building available at times that are convenient to customer lifestyles. Including evening and weekends. This gives libraries in Norfolk opportunities to become community hubs in rural areas.

2.2 Libraries in Norfolk change lives for the better. They not only provide access to information but also help people to help themselves and improve their opportunities, bring people together, and provide practical support and guidance. As a locally accountable service, they are well-placed to respond to local needs and issues, including issues relating to rurality.

3. **Libraries contribute to:**

- cultural and creative enrichment
- increased reading and literacy
- improved digital access and literacy
- helping everyone achieve their full potential
- healthier and happier lives
- greater prosperity
- stronger, more resilient communities

All of which are vital in Norfolk’s rural areas.

4. **Economic development in Rural Areas:**

4.1 In 2014/15 the Norfolk and Norwich Millennium Library entered a partnership relationship with the British Library and 10 other major city libraries to create a
Business and Intellectual Property network across England modelled on the British Library’s flagship Business and Intellectual Property Centre (BIPC). The BIPC is a business and innovation advice centre which provides support to small businesses, inventors and entrepreneurs.

4.2 In 2017 the Norfolk and Norwich Millennium Library also became a member of the national network of Patent Libraries (PATLIB) offering intellectual property advice and information to support business growth.

4.3 While based in Norwich, enterprises can access BIPC services via the rural branch library network.

5. **Barriers to growth created by poor digital connectivity:**

5.1 The Committee should be aware that barriers are not simply about connectivity. They are also about skills and confidence in taking advantage of digital technology both for individuals and enterprises.

5.2 In 2018 Norfolk County Council adopted its digital inclusion strategy which will result in every Norfolk resident having the ability to take full advantage of the opportunities and benefits of accessing online services and harnessing internet technology.

- Improving people’s economic and life chances – through employment, education, saving money, creativity and entrepreneurialism
- Supporting health and social progress – healthy lifestyles, communicating and connecting, leisure and entertainment, democratic and civic participation
- Supporting social inclusion and equality

5.3 Digital exclusion has an obvious rural dimension see map below
5.4 Libraries in Norfolk are taking a lead in improving digital inclusion through the provision of free wifi in all locations, free to use computers, extended opening hours (using Open Library Technology) to increase availability of wifi and computers, plus a learning programme, delivered by library staff, volunteers and partners. A strong driver of digital exclusion is age and almost 60% of the Norfolk population aged 65+ live in rural areas in Norfolk.

5.5 Norfolk Library and Information Service now provides access to the CISCO Networking Academy, which has developed a range of courses aimed at people wishing to build their skills or seek a career in the IT profession. https://www.norfolk.gov.uk/libraries-local-history-and-archives/libraries/whats-on/freeonline-it-courses, irrespective of where people live.

5.6 For the past year BIPC Norfolk has been has been working with Google to get more businesses online. There have been sessions in rural libraries across the county supporting micro businesses to fully understand the potential for growth and success by being more digitally focussed. 48 local businesses have already benefitted and have an increased awareness of online trading, marketing, and customer service, enabling them to remain competitive.

6. Maintaining provision of essential services:

6.1 There are opportunities to take advantage of advances in digital technology to reduce the impact of the decline in rural services.

6.2 This is dependent on residents having the skills., confidence and ability to take advantage of digital technology to access services. Libraries in Norfolk have a role in supporting digital inclusion which is referenced elsewhere in this document. A new partnership is being established with the Norfolk Federation of Women’s Institutes and their Get Comfortable Online programme. The Federation has recruited a Digital Team of nationally accredited volunteer WI members, who’s remit is "to inspire, enthuse, educate and guide members to develop their digital skills". Norfolk County Council is supporting the delivery of the programme by offering space in rural libraries to run courses and through the donation of ex-local authority laptops to the Federation to assist in training.

6.3 Norfolk County Council Library and Information Service has invested in increasing the opening hours of many libraries in the County via Open Libraries – see http://www.norfolk.gov.uk/libraries-local-history-and-archives/libraries/your-local-library/open-libraries

6.4 Norfolk Library and Information Service continues to run a mobile library service, primarily aimed at rural libraries. The fleet of 8 vehicles currently visits 1568 rural locations. A route review is currently underway and there are proposals to reduce the number of vehicles in the fleet. As part of this review innovative ways of delivering library services to rural communities are being investigated including pop-up libraries in village locations such as village halls and community centres, partnering with other organisations and services to make this a community event, as well as investigating transport options to take people to building based libraries, supported Volunteer Community Libraries,
expanding the Home library service and promoting the Norfolk Library service digital book/magazine offer

7. Deprivation and inequality:

7.1 Currently more than 120,000 people in Norfolk live in areas categorised as being in the most deprived 20% in England, these include pockets of deprivation in rural areas, coastal villages and market towns. Using IMD as a tool, however, to identify deprivation does mask deprivation linked to rurality.

7.2 Libraries in Norfolk are key players in the delivery of local services: via the Norfolk County Council Local Service Strategy (in development).

7.3 Norfolk Library and Information Service offer the Norfolk Reading Pathway – a volunteer led service which helps people who are struggling with literacy and reading. Poor literacy is an equalities issue.

7.4 Norfolk Library and Information Service has an award winning Healthy Libraries offer. Working with Norfolk Public Health to support healthier lifestyles across the county. Poor health related lifestyles are strongly associated with deprivation, and so there are marked health inequalities across the county.

7.5 Information, at the right place and at the right time helps people make informed choices and helps to reduce inequalities. Libraries in Norfolk offer face to face opportunities for people in rural areas to access high quality, timely and effective information. A County wide directory of services, both statutory and community based has been developed to help people find out about services offered locally. https://communitydirectory.norfolk.gov.uk/

8. Social Isolation/ageing

8.1 In 2015, Norfolk County Council’s Managing Director Wendy Thomson launched the In Good Company campaign to help combat loneliness in Norfolk. The award-winning campaign is inclusive, involving a wide range of partners. It promotes the message that no-one in Norfolk should have a lonely day unless they choose to, and that everyone can do their bit to tackle the problem.

8.2 The campaign is designed to galvanise more action at local level and recognise great work being done locally to tackle the problem. Norfolk Library and Information Service has increased the number of activities in all its libraries, many in rural areas, that support people who are socially isolated which include: reading groups, boards games groups, ‘just a cuppa’, conversation groups, seated exercise, scrabble clubs, drop in and draw, colour me calm, learning groups and craft groups

8.3 Most of the activities listed above are led by volunteers. Volunteering is another way of reducing social isolation. Norfolk Library and Information Service works alongside more than 700 volunteers of all ages.
8.4 Norfolk Library and Information Service has been recognised as an exemplar of good practice in relation to supporting people who are lonely and socially isolated – see: https://www.artscouncil.org.uk/sites/default/files/download-file/Combined%20older%20people%20report%2017%20July.pdf

8.5 Social isolation is not simply an issue linked to ageing. Libraries in rural North Norfolk have been commissioned to deliver a two year programme aimed at young people experiencing a lack of things to do and to combat negative stereotyping of young people. This will address social isolation issues.

7 September 2018
Norfolk Rural Strategy Steering Group and Norfolk County Council – Written evidence (REC0087)

Norfolk Rural Strategy Steering Group and Norfolk County Council – Written evidence (REC0087)

Submission to be found under Norfolk County Council
North Devon Council – Written evidence (REC0123)

North Devon Council – Written evidence (REC0123)

Call for Evidence: Select Committee on the Rural Economy

North Devon Council is keen to respond to this call for evidence on the rural economy given our rural peripherality and the positive opportunities, but also economic challenges that brings with it.

We face key issues with an ageing population and a loss of young people from the area. Attracting new business to a rural area faces strong competition from well-connected urban conurbations – and we are trying to address this with partners through improved road access, digital connectivity and higher skills provision.

We would value continued involvement in this discussion and are always happy to contribute further to support policy review and resource distribution that is appropriate in addressing difficult rural economic issues.

Please see our full response to the call for evidence set out below.

Yours faithfully
Councillor Des Brailey
Leader
North Devon Council

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?
   a) North Devon, the local authority, is designated as rural by Government despite the larger settlements of Barnstaple and Ilfracombe (populations over 10,000) sitting within the district and providing an important economic centre for the rural hinterlands (for Barnstaple this provision extends to the neighbouring district of Torridge)
   b) North Devon also has rural ‘coastal’ areas which differ from inland rural areas, a different mix of economies, housing issues and community issues that often require different interventions from inland rural areas
   c) North Devon’s economy has historically focused on agriculture and tourism, and these continue to be stalwarts for employment in the area. However, the nature of these industries is changing and for agriculture in particular we are seeing more diversification away from core agriculture and land given over to alternative energy uses, tourism provision, business uses and more recently through updated planning policies conversion of redundant farm buildings to residential use.
   d) Uncertainty around future agricultural subsidies and emerging trade deals for food and drink and tourism is leading to a reluctance in these sectors to make investment decisions or growth
   e) Many rural pubs, post offices and bus services have been closed or been cut, leaving rural communities with no local amenities or ‘heart’ to the community. Isolation has increased due to the lack of public transport options

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?
North Devon Council – Written evidence (REC0123)

a) Release of land at Pathfields, South Molton. Public sector finance used to provide infrastructure to make plots more attractive to potential businesses. Tendered plots let immediately – just one unallocated after first tender process

b) North Devon has had a successful injection of funding for small businesses and community ventures through the current LEADER programme. These small grants provide a good incentive for businesses to take the risk of growing, taking on more staff and developing new products, markets and supply chains

c) Emerging North Devon and Torridge Local Plan has identified a category of ‘rural settlements’ in the settlement hierarchy (smaller than identified Villages) where limited growth may be allowed where it fulfils a need identified for that particular community (not speculative open market housing). These settlements are in the countryside where policy restrictions would normally prevent any new residential development

d) Emerging North Devon and Torridge Local Plan also provides a flexible approach to economic development in the countryside – providing more adaptable approaches to rural areas that are not uniform and not assessed against ‘urban’ policy frameworks

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

   a) Growth agenda for North Devon – planning for growth beyond 2031 could be very exciting. It could allow opportunity for existing business to grow alongside new entrants to the market. It would focus on industry that is not location dependent and so would need to ensure the digital infrastructure is in place – this is being addressed through our digital strategy

   b) If the digital industry does grow and the digital infrastructure to support it, then working from home could increase exponentially

   c) For a peripheral area encouraging businesses in the knowledge based and digital sector could be a key asset to strengthening our existing business base

   d) Harness opportunities for health and wellbeing and living in a high quality rural environment – identify and market the USPs for rural areas

Infrastructure and services

4. How can access to transport be improved in rural areas?

   a) Community Transport/wheels to work schemes

   b) Car Share

   c) Subsidised bus services

   d) Better integrated cycle/walk ways from housing to recreational/educational and employment sites

   e) Works buses provided by employers

   f) Some of these ideas should/could be negotiated through the planning process – ensuring that the connections are made within and through developments. There needs to be a clear link between our strategies and the development management team to ensure opportunities are not missed
5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
   a) Lack of consistent high-speed broadband reduces the possibilities of attracting innovative, high growth businesses to the area
   b) Existing businesses struggle to grow and fall behind competitors who have the benefit of efficiencies that digital potential can bring
   c) Inconsistent access to good mobile signals also causes inequality across a rural district such as North Devon

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?
   a) Access to hospital but key services are based in Exeter or Plymouth (cancer care in particular)
   b) Planning policies can protect essential community services from conversion to more profitable uses (typically housing) but cannot retain services where closed or proven to be unviable
   c) Government policy facilitates barn conversion in unsustainable locations as permitted development (class Q) resulting in more dispersed and sporadic patterns of residential development further away from essential services which is exacerbating the issues of access to key services

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?
   a) Look at best ways of delivering services under one roof – create multi-functional community hubs, shops, health care, library services etc.
   b) Register key community assets (Community Asset Register) to map their use and provide some support for their continuation
   c) Support limited growth in rural communities to provide homes for local families and enhance demand for local community facilities e.g. primary schools
   d) Principal residence homes support services throughout the year better than holiday and second homes which can be seasonal and less likely to use some services (e.g. primary schools) – a particular issue for our rural coastal areas

**Business, employment, skills and demography**

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?
   a) Providing the right type of business facilities – start-up, grow on, sector specific, innovation, coupled with good quality business support services
   b) High quality skills providers operating across the area, meeting the needs of the business community. Providing a skilled workforce to meet the demand of existing businesses and to attract inward investment

9. How can deprivation and inequality in rural areas be tackled?
   a) Provide solutions that recognise the dispersed nature of rural businesses, increasing logistical issues of supply chain and distribution. Shortage of skilled workforce in these areas makes it difficult to attract staff. This may mean interventions are more of a priority and at a higher cost to deliver such as business support and infrastructure

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?
a) Provide the right progression routes from skills development to employment opportunities for young people
b) Support entrepreneurial spirit through provision of business support services and business units, from start up to grow on space
c) Public services should seek to better understand the reasons young people leave the area – work with organisations such as Petroc (college) and secondary schools to understand the push factors and how we may address them
d) Provide homes that are more affordable for local communities

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?
   a) North Devon is the 3rd largest district by pensioners in Devon (24,250, from a population of 94,615)
   b) Care sector is a growing potential for the economy – provision has to be the right kind and a mixture. Possible town-centre provision which could reduce the social isolation associated with provision in rural areas, or outside main settlements
   c) Use of the natural environment to provide volunteer activities for older retired population – maintaining fitness levels, supporting the natural environment and reducing levels of rural isolation
   d) Provide mix of homes (not all 4 bed detached open market) which facilitate mixed communities with retention of younger people providing a better social mix rather than retirement communities

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?
   a) Much of the existing housing stock in North Devon is not affordable for first time buyers. But re-developments or new developments could provide a solution to this
   b) The changes in planning policy have made delivering affordable housing in more rural areas very difficult. The government changed policy to prevent affordable housing being secured on schemes of 5 or less and only off site contributions on schemes between 5 and 10 (from the written ministerial statement). Schemes in rural areas are rarely larger than this
   c) No emerging neighbourhood plans in North Devon have identified sites for additional housing (or identified an intention to do so); they are seeking to prevent further development. In part this is due to NPPF’s site size thresholds. They would be more willing to allocate small sites (5 homes) if at least some of these were to be affordable for local people
   d) Affordable housing can be secured on exception sites and starting point 100% affordable housing but viability concerns and sustainability concerns if not well connected to settlements which in itself can cause problems for those on low incomes (lack of transport etc.)
   e) Different tenures could be more attractive to the market i.e. low cost home ownership/shared equity. If the Council could provide social rent on our land – but some further Government subsidies/grant funding to local authorities would be needed to allow this to happen as the budgets don’t currently exist locally for this option
13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

a) In rural areas we need to be able to secure affordable housing on all schemes – see point above about disadvantages caused by current policy.

b) As above – Remove the NPPF’s (formerly written ministerial statement’s) introduction of size threshold for delivery of affordable housing.

c) Amend Use Classes Order so second homes are a different use class to principal residence dwellings, thereby reducing/preventing new homes from being purchased as second homes.

d) As above – Amend the Class Q permitted development rights for conversion of redundant barns where they are in unsustainable locations to avoid more dispersed and sporadic patterns of residential development.

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

a) Government often apply urban based models of economic outputs and measurements that don’t translate well for a rural area. This can lead to a skewed reporting of the GVA output from an area and disadvantage rural communities when it comes to Government support via finance.

b) Separate framework for rural areas to measure economic output and recognition of the different business sectors that provide different outputs than purely jobs created/productivity gains.

c) Normal economic performance indicators (such as productivity) are less relevant in rural sectors such as tourism and agriculture compared to manufacturing and financial services. Need indicators relevant to rural sectors.

d) Recognise, quantify and value what land managers/farmers can and do provide in managing the countryside by delivering a range of ecosystem services within the countryside e.g. reducing the risks of flooding downstream, reducing erosion, improving water quality, enhancing biodiversity, producing food and fibre, maintaining cherished landscapes.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

a) Growth Agenda – which is looking at a positive growth for North Devon beyond 2031, providing vibrant business infrastructure to encourage growth of existing stock and new/start-up businesses alongside inward investment.

b) Town visions/masterplans to maximise the existing assets and map gaps in provision as identified by the communities living in these areas.

c) HoTSW Partnership Productivity Strategy 2018 – consulted with the district to ensure the issues from across the area were highlighted.

d) Appropriate use of public funds to accelerate employment and housing sites across the district.

e) HoTSW LEP coordinating sector profiles for the area to take forward to Government.

10 September 2018
North Lincolnshire Council – Written evidence (REC0164)

General

1. **What do you understand by the rural economy? How has it changed over recent years, and what has been the impact of these changes**

Whilst traditional rural industries, such as farming and tourism, continue to be of critical importance to the rural economy of North Lincolnshire, other sectors also play a large role in the economic development of these areas such as construction and perhaps more surprisingly, professional, scientific and technical services. Indeed, the table below highlights the strength of the rural economy within North Lincolnshire with nearly 60% of businesses located in rural areas, the majority of which are micro enterprises.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Micro (0 to 9)</th>
<th>Small (10 to 49)</th>
<th>Medium-sized (50 to 249)</th>
<th>Large (250+)</th>
</tr>
</thead>
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<tr>
<td>Rural</td>
<td>3240</td>
<td>2900</td>
<td>285</td>
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<tr>
<td>Urban</td>
<td>2170</td>
<td>1850</td>
<td>245</td>
<td>45</td>
<td>10</td>
</tr>
</tbody>
</table>

*Source: Nomis UK Business Count 2017 (please note geographies are MSOA not Ward) Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.*

A number of North Lincolnshire’s business and industrial parks are located in rural locations, and while these offer important employment opportunities for the rural population, they also bring their own specific challenges in terms of rural business growth and inward investment (see below). In addition, the Humber Estuary is hugely important to the local and regional economy attracting large employers to the region across a range of industries.

The rural economy of North Lincolnshire is incredibly diverse and it is therefore important not to view its challenges purely in terms of farming, farm diversification and tourism. The challenges faced by its businesses are many and varied and any policy response needs to reflect this. This is not to say however that we should not focus on increasing the competitiveness of traditional rural industries which often face their own challenges of skills, labour availability and low wages.

The graph below illustrates that there are large contrasts between the activities of enterprises in rural and urban areas. In the Rural area, an expected spike occurs in Sector A: Agriculture, forestry and fishing, but also in Sector F: Construction and Sector M: Professional, scientific and technical activities.
2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Businesses in the rural economy are constantly looking for ways to diversify, to sustain, and grow their business and the following are a few examples of support both given and available.

The farming community in general have been supported by way of the North Lincolnshire LEADER funding grant in a number of ways:

- Benefit to the environment, help with funding the implementation of more eco-friendly farming methods and equipment to reduce damage to the soil over a variety farming procedures and reducing the carbon footprint.
- Diversification to increase sustainability to the business and to the benefit of the rural tourism economy, converting little used outbuildings to create a unique variety of accommodation properties. Most of these projects are to the benefit of local tourism and cultural heritage, approved applications receive support to the value of 40% of the project cost.

A prime example of continued support provided to rural business in North Lincolnshire is the Belton Visitor Centre Café which was recently the subject of a tender for services bid.

The business awarded the contract has been supported by the UKSE kickstart grant for new business to assist with equipment, marketing and advertising costs to give the best possible start with the venture. Support is ongoing to assist with business sustainability and planned growth. Providing a valuable service to the area for residents, visitors and local schools.
3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The Economic Growth Plan for North Lincolnshire identifies 7 high value growth sectors, of which two probably have the most potential for growth in the rural economy. **The Food Sector** in North Lincolnshire represents a huge opportunity for our rural economy situated as we are, within the core food belt of the region as the map below illustrates. Within the sector the area demonstrates core strengths of growing, harvesting, processing, distribution and markets of food products and their derivatives, and a strong food product manufacturing sector employs 3,000 people. The Food Sector is also a key sector for the sub-region with both LEPs identifying food or agri-food as a priority sector which offers the most competitive advantage for the area. It is in the farming and food sector where technological changes, such as increased automation, might lead to some of the biggest increases in productivity and indeed, local farmers have been able to benefit from the current LEADER funding programme for the purchase of new equipment and technology. Alongside this however, it is important to consider the challenges that increased use of technology might bring to the sector such as changes to working practices, a reduced need for labour and differing skills to what might have been required in the past.

As the map also illustrates, North Lincolnshire also lies within the heartland of what is one of the greatest clusters of energy related activity within Europe and as such, is another of North Lincolnshire’s identified growth sectors with significant potential for the rural economy, perhaps particularly in the renewable energy sector such as wind and photo voltaic.

The visitor economy will also continue to play a key role in the strength and growth of North Lincolnshire’s rural economy. Tourism and visitors to North
Lincolnshire generated £169.3m for the local economy in 2016, a 38.2% increase since 2009 and supporting an average 2,300 jobs (Full Time Equivalent), a significant number of which will be in our rural areas.

**Infrastructure and Services**

1. **How can access to transport be improved in rural areas**
   Without significant funding subsidies, it is unlikely that access to public transport in rural areas will increase in its traditional form. There are however, some alternative services that run across North Lincolnshire which connect rural communities to each other and to the large urban centres. It is important that these are supported to continue as they provide residents with vital connections to areas of employment across the authority.
   Call Connect for example, is a unique bus service whose timetable is not fixed but responds to passenger requests. Routes are different each day depending on bookings made and journey requests can be made by telephone or on-line. The service is designed to improve transport opportunities in rural communities where there is an infrequent conventional bus service. Operating since 2001, the service has proved extremely successful and is an excellent example of how a flexible approach to transport can provide significant benefits to rural communities.

2. **What barriers to growth are created by poor digital connectivity?**
   **How can connectivity be improved across the board.**
   North Lincolnshire Council, in partnership with BDUK and BT, has successfully delivered a superfast broadband project in Northern Lincolnshire, the outcome of which being 29,191 businesses and residents benefitting from access to a superfast broadband solution. Despite this success, 5% of Northern Lincolnshire’s rural premises remain without access to Next Generation Access despite a significant demand for improved connectivity in these areas. This 5% is made up of the hardest to reach isolated areas in the most rural enclaves of Northern Lincolnshire, where market failure is most acute. There are no current plans to upgrade these properties because it is simply not economically viable to do so. In today’s economy, the barriers to business growth created by poor digital connectivity cannot be underestimated. Businesses conduct a huge amount of activity online from sales, to banking to marketing and to be limited in your ability to do these things puts rural businesses within the 5% without NGA provision at a significant disadvantage. Rural populations will also be at a disadvantage in respect to accessing on-line skills and training provision which puts further constraints on the growth of the rural economy.
   In order to address this, there has to be a recognition from within Government that digital connectivity is not a luxury but should be considered a basic utility that everyone should have access to. Connecting those premises that remain without access to superfast solutions will inevitable cost substantially more than previous programmes so the ability to demonstrate value for money should be relaxed.

**Business, employment, skills and demography**

1. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**
   In order to support businesses to succeed and grow in North Lincolnshire, we need to address the issues around supply of utilities to rural businesses. We have
the example in Elsham Wolds Industrial Estate where there is demand for further expansion from businesses, however, due to infrastructure costs associated with the site this is very unlikely to happen. There is insufficient electrical supply to the site and therefore expansion requires a business and/or landowner to pay to upgrade the substation which would cost significantly more than the land is worth and therefore, without further support, make expansion unlikely and could lead to businesses relocating to urban areas.

The vast majority of North Lincolnshire’s rural businesses are micro and small enterprises and in fact, the rural areas of North Lincolnshire support more of these businesses than the urban areas of the Local Authority. Prior to the start of the current LEADER programme in 2015, rural micro and small business told us that access to finance and business support was a barrier to growth and, with both the Northern LEADER and EAFRD programmes due to end in 2020, a dedicated rural business support programme should be considered to follow these. The development and delivery of the UK Shared Prosperity fund should be ‘rural proofed’ at a national and LEP level to take account of the specific challenges of the rural economy.

*Rural Housing and Planning*

1. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed? How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

National planning policy seeks to deliver mixed and inclusive residential development in sustainable locations and supports rural housing where it will maintain or enhance the vitality of rural communities. Its main focus is on delivery in sustainable locations and particularly local needs housing (affordable housing). In practice rural housing is often difficult to deliver in villages due to objections from existing residents who don't wish to see further development in their idyllic settlements and the impact on existing infrastructure of their community. Objections are sometimes overcome if developer contributions to infrastructure (such as schools and drainage etc.) are provided, however these are often removed where viability discussions are undertaken and the developer demonstrates the scheme will not be viable with all the contributions.

The newly adopted NPPF includes reforms, such as site viability set by the allocations in the development plan; 10% of site allocations on sites of one hectare or less; and cross-subsidy allowances for exceptions sites. Whilst these are welcome, it is felt that these will not overcome the main issue as the NPPF is still primarily focussed on sustainable locations, and rules out residential development in many rural communities. Furthermore, it provides no greater mechanisms for the LPA to negotiate greater infrastructure provision and overcome the local communities concerns. The NPPF needs to include policy that allows LPAs to allocate growth in rural communities where there is a need for more houses for local needs (not just affordable) and the appropriate infrastructure provision can be planned alongside the growth.

*5 September 2018*
1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 The rural economy can be defined by a number of parameters. For the purposes of our work in North Yorkshire we would tend to define the whole County as more or less rural given that there are no major cities although there are direct economic relationships with Leeds and York and to a lesser degree Teesside, the Humber and Lancashire. The County’s three largest settlements are Harrogate, Scarborough and Selby which might be considered urban or non-rural. When we are looking at the economy of North Yorkshire as a NUTS level 3 territory however we would generally focus on the whole county as this territorial unit provides relatively comprehensive statistical data.

1.2 North Yorkshire does contain two National Parks and three Areas of Outstanding Natural Beauty and clearly there are areas which are very sparsely populated and this provides a further or alternative definition of rural. Equally we might point to specific economic sectors or activities and build a definition of a rural economy as one characterised by agriculture, rural tourism, small scale food production, some small scale manufacturing and market town retail and services.

1.3 When we do analysis of the whole of North Yorkshire we find striking similarities to the UK in terms of skills, unemployment and business size. In terms of GVA there are sectorial differences most notably tourism and agriculture related but equally there are interesting similarities in manufacturing, wholesale and retail and construction. Even professional and financial services do not lag too far behind national levels and while agriculture and fishing is much higher it a small proportion of the economy overall. North Yorkshire is also home to some very high quality international businesses such as Taylors of Harrogate, Severfield in Thirsk, and Rosti Engineering in Pickering – with Rosti making plastic moulded car binnacles for Jaguar Land Rover, and Severfield the steel framework for the Shard for example.

1.4 Consequently we might argue that the economy of North Yorkshire as a whole is not much different from the rest of England and the UK and that in some respects making a distinction between urban and rural is not all that helpful. For the purposes of this submission we will primarily be referring to the economy of North Yorkshire unless for specific purposes such as housing and sustainable communities we are considering smaller localities such as villages and other small settlements.

1.5 The main changes over recent years have been as a result of new communications technologies. Market towns have experienced a similar impact
on the high street as urban centres although they tend to have been a bit more resilient than some city centre locations. Technology is having positive impacts also in terms of enabling home shopping deliveries to rural locations, allowing more people to work from home and be based in rural areas and supporting tourism through online booking and information provision. In North Yorkshire connectivity is generally quite good despite some market failure to deliver in parts, and the County Council is undertaking measures to improve both fibre broadband provision and mobile phone coverage.

1.6 The population of North Yorkshire continues to age and long term trends which see an outward migration of younger better educated residents continues. This is exacerbated by high house prices and low wages which are also perhaps more characteristic of rural economies as opposed to urban ones. Some further consideration is needed to redressing the loss of younger families from rural areas in order to ensure that local rural communities are sustainable in the medium to longer term.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 A specific notable success story in North Yorkshire is that of Severfield PLC. Based at Dalton Park Industrial Estate just outside Thirsk, Severfield has provided the steel structures for a series of iconic building developments in Central London including the Shard and the Olympic Stadium. Recently NYCC and the Local Enterprise Partnership has delivered improved road access to the industrial site allowing significant expansion on the site itself and also greater resilience against flooding for the businesses located there. The success of Severfield is in part due to the availability of a large enough site, something not often available in urban locations, and to the specialist skills of the company itself.

2.2 In addition there are a number of specialist advanced manufacturing and engineering businesses located in rural parts of North Yorkshire. Initially site availability may have been a factor in their location but the long term development of a local skills base has been critical to long term success and clustering of some similar businesses.

2.3 North Yorkshire also has a strong food manufacturing cluster which includes Taylors of Harrogate, McCains and Karro Food Group. Food manufacturing relies often on good local raw materials and these local supply chains are key to maintaining the success of these businesses.

2.4 In the future there may be challenges connected to maintaining these businesses as skills become scarcer and house prices continue to increase above wages and continue to force younger workers out of the County and the countryside.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
3.1 Technology will enable the rural economy to function in an integrated way so that the distinctions between rural and urban will be greatly lessened. As a consequence rural communities will become more viable and sustainable along with more flexible working practices that allow those individuals who would like to, to live and work in rural locations. Taking a sectorial based definition of the rural economy creates the following response:

3.2 Tourism – continues to thrive and grow in the rural economy as UK holidays become more appealing, the £ weakens and summers warmer.

3.3 Agriculture / farming – the post Brexit implications for the farming sector are currently uncertain. Potentially it may get a boost as some imported foodstuffs become more expensive, however under other scenarios there is the potential for markets to be flooded with cheaper food products produced to lower regulatory and welfare standards. Potentially, post CAP arrangements might better support upland farming where margins are much tighter, and as subsidy moves to a model whereby it is focused around delivering a wider range of environmental and public goods. In the longer term farming will continue and may provide a higher proportion of the food we buy and eat.

3.4 Food manufacturing may well also continue to grow due to proximity of high quality raw materials.

3.5 Small manufacturing / engineering – industries which require high level specialist skills may start to decline unless issues connected to rural housing are effectively dealt with. Skills will be lost if young people can’t afford housing in rural areas and wages are uncompetitive.

3.6 Market towns – retail and catering. Market towns could see further difficulties in the near future as more and more retailing moves online and traditional market place shoppers decline and are replaced by an online generation. Market towns will need to continue to adapt to new norms. Malton in North Yorkshire is a good example of a town which has reinvented itself as Yorkshire’s food capital and has developed a destination offer based on food and catering, moving away from traditional retail.

3.7 New Technologies and service industries. New Technology will allow the rural economy to diversify further with an increase in occupations such as digital marketing, software development, creative content provision. Creative industries will also grow in rural locations where people can choose to live and work but the industries / companies themselves will be based in cyberspace but freelances and employees can work in rural locations providing there is suitable connectivity.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

4.1 Technology may provide the solution to low cost accessible safe travel into remote areas. Continuing development of electric cars and battery technology, alongside driverless solutions can potentially create affordable autonomous transport for many people but the appropriate technology needs to be developed
further so that range, charging times and safety are all significantly improved. Meanwhile the decreasing availability of public transport (allied to a lack of affordable housing) within rural areas is hampering the ability to service key sectors, including in relation to tourism and adult social care.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1 Poor digital connectivity creates barriers at almost every level. Practically all businesses and organisations rely to some degree on the internet for processing payments, online banking, communications with customers and clients, sending out finished work, tendering for contracts, recruitment etc. At the present time there is some distinction between fibre broadband and mobile 4G connectivity, however the advent of online calling and apps such as WhatsApp, which provides a free digital messaging service, means that the distinction between voice / sms / data is not significant and that all applications can use all channels regardless. The solution therefore is to deploy fibre or mobile whichever is the best fit in any given location. This solution also removes issues of different network providers as internet service providers can provide the same services using shared infrastructure. Mobile phone operators will have to embrace this.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1 Again, digital solutions will become increasingly important. Strides are being made forward in digital healthcare and diagnostics that can be linked directly to GP records. As the quality of both connectivity and content improves learning can be delivered in digital environments and education can be delivered in a number of ways probably a mixture of face to face and online. Banking already is moving online at pace. The challenge is ensuring everyone can access online services by having the infrastructure, hardware and skills they need to do this.

6.2 However, some functions cannot be delivered digitally and require to be physically undertaken by human beings, for example in relation to adult social care. The double-whammy of inadequate rural public transport, plus high housing costs means that sourcing workers to support key services is a major challenge. Within attractive rural areas such as North Yorkshire there is significant competition for those key workers from the likes of seasonal tourism which further exacerbates the recruitment and retention challenge.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1 Communities need some critical mass to maintain local bricks and mortar services. Housing costs in rural areas can be relatively high and consequently there is less disposable spending power overall. Social habits have also changed so that drinking in pubs is not as common as in the past. An effective rural affordable housing policy and delivery programme at scale, together with a political appetite to support the delivery of homes within rural communities can help give them the critical mass they need to sustain services such as pubs,
shops, POs and primary schools. Developers too have their part to play, as better design and technological solutions could be more widely deployed so that, for example, new homes in National Parks might generate more of their own power and therefore be built so as to have a reduced lasting impact on the environment.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

8.1 In order to be successful businesses require relatively straightforward access to markets, supply chains and skills. Typically in rural areas these are less prevalent and therefore need to be supported. Transport infrastructure and digital infrastructure is important in doing this. In addition the tax system might recognise where trading conditions are more challenging and provide relief for rural businesses, at least in respect of new businesses in rural areas. Labour and skills shortages need to be understood in terms of local housing provision and transport. In addition ensuring that local agencies provide training that is relevant to local employment opportunities is important in terms of generating a supply of the right skills to support local rural industries.

9. **How can deprivation and inequality in rural areas be tackled?**

9.1 In North Yorkshire acute examples of local deprivation tend to be coastal rather than rural, although there are still pockets of relative deprivation even in settlements such as Harrogate and Selby. In many respects, the drivers of disadvantage within rural and urban areas are the same. However the specific challenges of rural living as outlined above exacerbate the issues for those living there. This should be more readily recognised and taken into account in public policy making, and the concept of ‘Rural Proofing’ has long been championed as a means of identifying, highlighting and addressing those particular issues that are accentuated as a consequence of rurality.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

10.1 People need jobs and homes to support themselves and their families and the central focus of this submission is the recognition of the need to build more homes which are more affordable in rural areas. Many young people would doubtless like to move to rural locations but often it’s simply not affordable or the nature and quality of employment opportunities available are unattractive. Good quality transport networks, digital connectivity and some local community and cultural identity are also important along with good quality local schools and services.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**
11.1 Keeping older people active and healthy, living in their homes as long as possible is a key aspiration for North Yorkshire County Council. Technology is developing to support this alongside provision of ongoing support for older people in their homes. Again a vibrant local community has a role to play. Greater flexibility in the workplace can enable older people to work for longer perhaps by part time working. The importance of a greater provision of affordable / key worker accommodation to support the health and welfare sector in the delivery of essential services has already been highlighted.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1 High house prices within attractive rural areas such as North Yorkshire is a function of demand. However, simply increasing house building rates will not guarantee that adequate levels of affordable homes will be delivered, or that prices will fall to a point at which affordability ceases to be an issue for significant parts of our communities. The higher associated unit cost of delivery and management means that many Housing Associations have pulled out of, or ceased to invest further into, rural areas. Whilst within North Yorkshire the Rural Affordable Housing Enabler programme has had success in delivering units and persuading local communities to accept them, the number of units involved remains small in relation to the scale of the issue. A concerted public programme to support the delivery and management in perpetuity of affordable units within rural areas is required. As part of this, public sector landowners including County Councils could be incentivised financially by Government to enable the delivery of affordable homes alongside those for the wider market, and to compensate for any loss of income foregone in ensuring a more positive balance of affordable v market homes.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Recent changes to national planning policy have further tilted the balance; of support towards the development industry. As such, this could result in the ability to deliver higher numbers of units within rural areas. However, it is questionable as to what extent the planning system has constrained delivery over recent years. Evidence from developers highlights issues such as a shortage of key skills and materials; the availability of mortgage finance and customer confidence; local / political opposition to development; and the ability of public bodies to fund the key infrastructure needed to support higher levels of growth as being equally, if not more significant, constraints.

13.2 Planning policy could better help to address three key growth related issues within rural areas: ensuring that developers are required to deliver a higher proportion of affordable units where viable; ensuring the means to secure financial contributions to fund the delivery of infrastructure (by for example withdrawing the Community Infrastructure Levy and enabling the pooling of S106 contributions to address cumulative impacts of smaller developments); and
ensure a better quality of design and place that moves developers away from their standard offerings and results in developments that rural communities are more likely to readily accept.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

14.1 Many rural areas would appear to perceive that public policy is disproportionately focused upon urban areas, especially in the south. The view is that urban areas are seen as being much more significant economically than rural areas and with higher productive. The extent to which urban and rural areas have each benefitted from new devolved governance arrangements would perhaps lend some credence to this perception. However, as highlighted above, the evidence in North Yorkshire is that the fundamentals of our economy are not so different in many respects from those of many urban areas, and because of our scale we contribute greatly to, and support the wider growth of, the northern economy. Providing a fairer access the devolved governance arrangements, plus a wider application of the Rural Proofing of public policy, could do much to support and unlock the potential of the rural economy.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

15.1 North Yorkshire is a rural county, and local government here is focused upon addressing rural challenges and unlocking potential. The County Council has underpinned the establishment and success of our LEP, and has recently developed and embedded a ‘Plan for Economic Growth’ which takes an ambitious approach. Increasingly however the ambition and ability of local government to support rural growth are not matched by the levels of resources being made available to it to enable delivery. Innovative approaches to service delivery are being pioneered and implemented, but the increasing pressure on resources drives an inevitable focus upon the delivery of statutory services. The challenge is how to continue to find ways to deliver our positive ambitions to support the local economy against this backdrop. Local Government funding is not keeping pace with the changing demographics and housing affordability issues in rural areas which are resulting in greater strain being placed on core services particularly adult social care. A fair funding settlement which recognises the disproportionately increasing challenges of rural Councils needs to be implemented to enable adequate services to maintained going forwards.

15.2 LEPs vary considerably in their make-up, nature and focus. Within North Yorkshire we are fortunate that the York, North Yorkshire and East Riding LEP covers a predominantly rural area and therefore has also had rural issues at the forefront of its actions. With support to key sectors such as agricultural technology and the bio-economy, alongside its support for local housing delivery and a ‘Natural Capital’ approach to policy making we are confident that our LEP understands and places great emphasis on helping to tackle the barriers holding
back rural growth, and supporting the rural economy more generally. It’s current ‘Grow Yorkshire’ campaign and programme is an example of this in progress.

20 August 2018
NTC Touring Theatre Company – Written evidence (REC0170)

NTC’s purpose and activities

NTC Touring Theatre Company Ltd is a professional small-scale rural touring theatre company and registered charity (number 509251) based in Amble, Northumberland which has delivered high quality theatre to intergenerational audiences in village hall and community venues nationally since 1978. This year is NTC’s 40th year of trade.

NTC’s mission is to make professional touring theatre accessible to those communities who are theatrically disenfranchised through geographic, economic, or social constraints. Theatre which is accessible and relevant, is innovative and entertains with integrity and humour.

NTC reaches community venues across the country, some of which have historically developed audiences for our work over many years, some which rely on NTC for their annual family winter play and some which are completely new to performances by professional theatre companies. We tour the length of the country covering Northumberland extensively, Scotland, the Scottish Borders and south to Lincolnshire, Worcestershire and anywhere in between. Some venues are through focussed collaboration and some are through relationships with National Touring Schemes, such as NEAT (Aberdeenshire) and Live & Local. NTC builds solid relationships with volunteer promoters within each community, creating a personal, familiar link, resulting in the whole community coming together.

NTC aims to provide around 90 performances per year reaching approximately 60 different communities, with an anticipated audience reach of 5,000. Maximum capacity in many of the community venues is around 80 people and often our shows reach this limit.

NTC’s work addresses a number of issues within rural or post-industrial communities: limited access to the Arts; limited number of professional theatre buildings in rural areas; restricted public transport if you don’t own a car – the last bus to Alnwick from Newcastle is at 21.13 there are few theatre performances finishing earlier than this; affordability – whilst ‘rural’ has a pre-conceived image of affluence some ‘rural’ communities are in post-industrial areas of deprivation and have limited resources to spend on the arts.

The key issue is isolation – NTC brings real and immediate contact, not only with other members of the community but with an engaging, inspiring theatre performance in an intimate, familiar, local space - enriching the quality of life of individuals within that community and thus the community as a whole. This community ‘event’ or ‘night out’ which NTC offers aims to re-enforce the idea that theatre is a shared experience across generations and not a building which is only accessible in towns and cities.
“Privileged to have watched such a quality performance in this area otherwise I would have had to travel 30-50 miles.” Audience member Barnaby Rudge

“My first, and most vivid memory of seeing an NTC show was many years ago now in Roadhead, in deepest Cumbria. It was between Christmas and New Year and when I saw the hall, cold and windswept, I thought ‘This is never going to happen. Where will they find an audience?’ But by the time the set was up, the seating laid out, the lighting focussed, and the costumes aired an audience had come from out of the various far-flung farms and villages. They packed the hall and they ranged in age from babes in arms to old people in wheel chairs, and right across the social classes. I thought then, and I still do, that this is how theatre should be. It produces a transformation that is intense and profound and brings communities together.” Mike Kenny, Award Winning Playwright for Children and Young people.

HISTORY
NTC was established in 1978 under Artistic Director Martin Houghton as Theatre in Northumberland Schools at Backworth Drama Centre. In the early 1980s Northern Arts provided additional funding for the company to tour to community venues throughout Northumberland providing an educational and theatrical resource for the county as part of their strategic arts provision. In 1984 NTC bought the then derelict Alnwick Playhouse (originally built in 1926 and operated as a Cinema and occasional Music Hall until changing public tastes led to its decline and eventual closure in 1979), which was saved from demolition and refurbished using The Manpower Services Commission scheme. The Playhouse became NTC’s home base until 2018 providing a studio theatre/rehearsal room, offices, workshop and wardrobe facilities. The remainder of the building was leased to Alnwick District Playhouse Trust as a multi-purpose Arts venue and centre for the whole community.

In 1993 Northumberland Theatre Company applied for and won one of only two drama franchises from Northern Arts securing their funding under its current Artistic Director, Gillian Hambleton. In order to reflect its position as a provider of professional small-scale touring theatre for the entire Northern region and its national touring profile, whilst still maintaining product recognition, the company changed its name to: NTC Touring Theatre Company.

In 2002 with additional funding from Northern Arts, NTC created InterACT: The Northern Region’s Theatre Training Ensemble 2002 - 2012 a unique, award winning, paid, theatre training programme, to endow young people with the skills to enter the theatrical profession 80% of its graduates are still working in theatre.

In 2012 NTC had its Regularly Funded Organisation status from ACE cut including funding for InterACT and has since been reliant on project funding through Grants for the Arts (Lottery Project Grants), Trusts and Foundations and more recently Theatre Tax Relief.

In February 2018 NTC sold The Alnwick Playhouse to Northumberland County Council (NCC), in order to secure the future of the company and moved to The Dovecote Centre, Amble.
NTC Touring Theatre Company – Written evidence (REC0170)

"NTC’s productions may be small-scale and done on a shoestring but they are backed by a team which can match anything done by much bigger, purpose built theatres and whose imagination and ability to weave a storytelling magic as they transform unpromising spaces into theatres for the night is second to none”
Lynn Gardner The Guardian

REACH
In the past 10 years NTC has reached over 75,000 people throughout the UK, delivering over 1,250 performances and gaining the invaluable support of over 2,500 volunteers. 50% of NTC’s productions have been either new writing or imaginative adaptations of classic texts NTC’s venues are predominantly village halls, small-scale theatres and community centres in rural towns and villages throughout England, North-East Scotland and the Scottish Borders. The majority of the touring is one-night stands.

NTC’s touring work continues to address a need for professional performances in isolated areas. There is a proven demand for the company’s work attracting family audiences aged from 3 – 90 and developing new community venues year on year. NTC has the privilege of being able to draw audiences to its productions at community venues because of its reputation for accessible, challenging theatre which is always a good night out. By touring to these venues many more people will be able to see productions that they may never choose to visit in a town or city. People will attend at their local hall because it is on their doorstep and they know that they will have an entertaining, quality evening out, at a reasonable cost.

“Rural areas already suffer from a lack of cultural services, and both national and local government intervention is essential in maintaining such services. The free market does not naturally serve rural areas, as venues are often too small to be economically viable. Rural touring of performing arts, for instance, is an essential service in these areas, provides good value for money (compared with subsidy of theatres in city centres), helps with social cohesion, overcomes isolation for both young and old, and provides a focus for local communities” Culture, Media and Sport Committee Houses of Parliament

Touring theatre builds community engagement and involvement. NTC works directly with, and supports volunteers, village-hall committees and other local organisations which have immediate involvement in the delivery of the project, enabling them to raise funds, increase their skills base and further their aims. NTC relies on continued relationships with touring schemes, local volunteer promoters and connections with other community hub managers. They in turn connect to members of their own community to help to promote the show – often selling tickets on doorsteps, in church, in the local pub etc - with a shared purpose with NTC of bringing communities together for an entertaining, thought-provoking evening out.
“The NTC have provided theatre of exceptional quality to a host of small, rural communities for whom art access is very, very limited. In some communities, including ours, they provide one of the few cultural community gatherings of the year” Longformacus Community Council.

The experience and ownership of the performance becomes part of the shared history that is a basis for community - it enables the youngest members to experience theatre, possibly for the first time, sharing the experience with their families whilst also enabling older members of the community to keep in touch and meet new people, overall providing a sense of belonging for everyone, it goes well beyond the performance. NTC’s work has a positive effect on its audiences both socially and artistically, making a real difference to society through engagement in the arts by providing an affordable, entertaining event for the whole community. Reducing social isolation and enhancing well-being.

Over 75 young people have benefited from NTC’s training and education programmes, developing professional and life skills through InterACT and more recent on-the-job training opportunities.

**FUNDING**
The 2012 decision by The Arts Council to cut NTC and 75% of all the other rural touring theatre companies was a decision taken in London with no reference to the actuality of what was going on in the regions. A decision was made to fund theatre buildings in Hexham and Berwick, not Alnwick on the basis that if you looked at a map that would serve the whole of Northumberland. People in rural areas are not always able to travel long distances to access the arts as buses stop at 7pm necessitating a car and a journey of 80 mile round trip minimum.

‘The costs of making work to reach and engage with audiences in rural areas, in a meaningful way, requires that theatre must be subsidised’: Charlotte Jones ITC

‘Rural touring is the backbone of touring theatre in the UK’: The Future of Small-Scale Touring Independent Symposium January 2014

Lottery Project Funding (previously Grants for the Arts) from ACE is supposed to fund work of this kind. In the past 2 years we have been unsuccessful in every funding application we have made with no adequate explanation: ‘comparatively weaker than other applications received’ without specific detail, basically boiling down to not enough money to go around. These projects were for new writing, new writers, musicals, work for children and young people, new audiences and new community venues. We have succeeded in producing all these productions despite the lack of funding support but the actors have suffered as we have had to reduce their wages to basically the living wage as opposed to industry standard wages (ITC) which is not acceptable. All of these productions have been very well received by audiences and press alike:

"This imaginative retelling of the life and times of Harry Hotspur is a gripping, absorbing and powerful tale, there are moments of real humour but this is a dark and emotive show about troubled marriage and the lengths you'd go to defend the people you love.” Heartspur Northumberland Gazette
"Absolutely outstanding! Impeccable casting, comedic timing & energy. I laughed the whole way through, brilliant " The Princess and The Goblin - Audience member Dinnington

The diversity that ACE strives to fund seems to be restricted to BAME work and not to deprived working class urban and rural communities, only 1.6% of the population of Northumberland class themselves as non-white.

RURAL ECONOMY

NTC is based within the community that it serves, its staff live within and are part of that community. Freelance actors and staff are accommodated within this community and spend money within the community on food and drink. NTC purchase the wherewithal to build its sets, make costumes and props from within the community. The touring truck is serviced and fuelled within the community. The venue sources workmen and resources from within the community. The relationship between a small scale theatre company and its community is symbiotic.

FACTS

- 97% of Northumberland is classed as rural. 1/5 of the population of England live in rural England (areas with less than 10,000 people), currently London receives approximately 75% of all Arts Council funding. Although the population of London receive proportionally the greater funds it appears this does not actually increase their levels of engagement, which are no greater than the nationwide average so why do they receive such large subsidies (p.29 Rebalancing our Cultural Capital)? The current arguments seem to be that London based organisations need to exist because they attract tourists to the capital, these organisations are the envy of the modern world and that these organisations are subsidised in part to tour nationally.

Points to consider:
- Is it right that 75% of the population of the country should be excluded from Great Art for Everyone.
- Regarding national touring, this assumes the ability to access the venues where they are touring nationally, these organisations rarely get to rural venues. The availability of transport and night time travel frequently exclude rural people from attending larger venues, this is particularly hard on the elderly and young and can lead to social and cultural exclusion.
- There is much talk about sustainability, we as a theatre company are required to be ‘sustainable’; we have increased prices where possible, we have succeeded in raising donations and funding from Trusts and Foundations but due to the nature of the work we do we now live a hand to mouth existence. A re-distribution might also help the figures in Rebalancing our Cultural Capital, p36, point 4.2 about creative productions. If organisations such as the British Museum were required to charge a modest entry fee, were the top 5 NPO organisations able to re-think their sustainability, how much money might this release to other organisations country-wide? The Royal Opera house will have received £77,000,000.00 during this
current 3 year NPO cycle. Perhaps profits from successful, publicly-funded, shows such as ‘War Horse’ and ‘Matilda’ could go back into the pot to support new writing for example? The burden of sustainability currently seems to be suffered by smaller organisations disproportionately in comparison to larger funded organisations.

- Subsidy per head for a touring theatre company is naturally high, the actors, stage manager, props, lighting and promotional gear are all packed tightly into a truck and it visits each venue. Venues range from village halls, working men’s clubs and schools holding audiences of 60-120, small arts venues, we have performed works on beaches, castles and treehouses. The alternative is expensive:

For example, the village of Kielder in Northumberland.

Current model: NTC truck - which holds up to 9 actors/set/sound/costumes travels 46 miles (each way) to Kielder Community Centre and regularly plays to 90 adults/children in the audience. Affordable ticket price: £8/£5. Many walk to the community centre. Free parking. Cost to Village Hall £395 +VAT

The alternative for people living in Kielder is a long trip to Newcastle or Hexham:

- Kielder is at least 35 miles from the nearest theatre – and this takes 1 hour 25 minute drive each way. This would be 270 hours travelling.
- If 30 cars taking 90 people were to go to Newcastle Theatre Royal 47 miles away – taking into account petrol, parking, food/drink/babysitting this would cost each carload £92 each. **Total cost = £2,760**
- Environmental impact for 30 cars travelling is 30 times greater than one van fitted with AdBlu filter to restrict emissions
- Ticket price difference for 90 people is £40 per ticket (Kinky Boots prices are £47.50 per seat this week). Total extra spent on tickets = £3,600

"I live in the most remote village in England (Kielder) and the NTC come every year to our school to perform their Christmas production. For some of the children, it will be the only chance they get to see live theatre, and for all of them it is an excellent opportunity to be very close to the action. For a community such as ours, where the nearest theatre is 35 miles away, the NTC is vital to capture children’s imagination. It brings together people who might not usually come together and gives us a shared experience to discuss. This is a theatre that reaches out to remote and otherwise culturally devoid areas." Melanie Pepper

The reality is that if a touring company, whether it be theatre, dance or music does not go then it just doesn’t happen, this ultimately excludes a
large proportion of the population from cultural activities which are a social right.

On a population per head basis Northumberland would appear to be directly underfunded through the NPO project by approximately £3m.

\[
\frac{\text{Population of Northumberland}}{\text{Population of England}} \times \text{total funding} - \text{funding already received direct to Northumberland} = \\
(316,300/56,100,000) \times 1,011,210,663 - 2,360,992 = £3,340,362.
\]

- Audiences like to see a variety of work both old favourites and new work, there currently seems to be a bias towards only funding new work. Experience shows that known titles are a good way of getting into a new market, engaging with new audiences and yet there seems to be a constant requirement to supply new work, new is not always appropriate and may explain the lack of engagement in some areas of the population.

- A move towards funding the venues rather than the creators or the work is leading to an imbalance in the market which is leading to an increase in low-rate or voluntary work for actors. The current method of funding means that the monies have left the hands of the creators of the work and gone to those who are buying the work, this has led to a large burden of cost-cutting on the providers of the work, this in turn has seen a significant increase in low-rate contracted or voluntary work for actors. There have to be concerns about the number of people able to sustain a career in the acting industry which will then impact on future productions everywhere, in particular those from working class back grounds unable to fund access to professional training courses. Can we recommend viewing of the day in the life of an NTC actor:

https://www.youtube.com/watch?v=G2_w7l_e6d4

Changes in how Art and Culture is perceived within government and made available within schools also has an effect on people’s ability to enter the industry. See article 'A working-class hero...', Observer 26 January 2014

- There is a requirement to increase philanthropic giving, this has proven very difficult in rural areas. There is an assumption that philanthropy would step into the breach that has been left by recent government cuts. That has not been our experience, the size of the organisation and its profile seem to directly affect its ability to entice such funders. However, we have been amazed by the support many members of the public, themselves strapped for cash, have donated to help us to continue to deliver live theatre to their communities.

Lyn Gardener reporting in her theatre blog about the recent conference on the future of small-scale touring:

'After all, as the former RSC executive director Vikki Heyward pointed out in the keynote speech, we all have to stop thinking about "my audience" and think about "our audience". The audience nurtured and cherished in village halls and tiny arts centres yesterday is the audience for the NT's sell out tour of War Horse today. Maybe it's time to say thank you.'
NTC Touring Theatre Company – Written evidence (REC0170)

It means a rethink. – and rebalancing the outrageous inequalities between funding for London and the rest of the country (which were not tackled last time around but can no longer be ignored).

If you do not invest in the roots, then you will not have a strong plant.

NTC is a tribute to the hard work, dedication and passion for the arts of all those involved.

Gillian Hambleton
Artistic Director
Northumberland Theatre Company

The following is a response from Stewart Howson actor and playwright working with NTC on a regular basis:

**Theatre in Rural Areas:**

**Context**

My name is Stewart Howson. I studied Drama at Bretton Hall and have a B.Ed. Hons in Drama in Education. I am an actor & playwright, my plays have been toured to community venues in rural areas by Northumberland Theatre Co, New Perspectives, Forest Forge and the touring arms of York Theatre Royal, Cheltenham Everyman, Chester Gateway and Northampton Theatre Royal. They have brought me an LWT Plays on Stage Award, a TMA/Martini nomination for Best Tour and a Northern Arts /Northern Electric Award. I have performed as an actor in small-scale rural touring to venues all over the UK. However, my experience is not confined to small-scale rural touring as I have also played the lead in London’s West End, worked in International Seasons of Theatre both in London & abroad and I belong to that select band of performers offered work at the RSC without ever auditioning for them. I have written for radio & television and appeared in radio, television and mainstream films. I live in rural Northumberland, I know about those particular issues that affect only those of us who live in places like this but also how National and International issues impact upon us.

The provision of all arts in rural areas is very important indeed but I will restrict myself to my area of expertise the provision of high quality theatre to small communities with particular reference to how the actions of the Arts Council in 2012 decimated what was a thriving part of British artistic life and how though many companies folded or moved into towns and cities some companies such as NTC, Northumberland Theatre have resolutely “fought on.”

Obviously Arts and theatre should be an important part of any community’s fabric, providing an opportunity for the “exercise of imagination”, validating, celebrating and questioning identity, examining important issues and also at times equally importantly providing entertainment which lifts the spirit amongst the drudgery of the everyday routine.

However rural communities have a special need for deliberate provision which travels to them due to the obvious reasons of their being isolated both geographically & socially.
There is the obvious issue of physical geography. On a map it may seem there is only a small number of miles to an Arts-providing building and so it may be easy looking at that map for someone to say "People can go there" ignoring the fact that the brown bit in between is a range of High Hills with a few narrow lanes or that the windy blue bit is a major river. This factor seems blindingly obvious but it can and has been ignored by those with a metro-centric viewpoint.

**Transport:**
There may be several theatres in a city 30 miles away but if there is no train link and/or bus back afterwards then only those with cars have access to them. That also actually applies to the small arts centre in the town 10 miles away. Indeed, it is likely that there isn’t a bus to get there in the first place or only a long journey involving changing buses and taking a tortuous route.

**Social/subcultural boundaries**
"Where do you belong?" is still a question that a stranger might be faced with in Northumberland and The Borders. People from Metropolitan area often find it difficult to believe in the 21st Century the extent to which “rural” people see themselves as “belonging” to a very small area and still unwilling to travel what would seem short distances or to even consider that travelling that distance is an option. There may be people sharing their village with people who commute a 60 mile round-trip to work by car everyday living by a major motorway or by the side of the main coast railway who do not register its existence.

A BBC producer looking for a radio play about Foot and Mouth was bewildered by the fact that no-one from the rural community turned up to her workshop at a theatre in the city.

“ I’ve driven 4 hours ..it would take them, what, 35 minutes to get here” I had to inform her that it would be nearer 35 years…and that had she gone out to them and taken five minutes to find out who and where they were, there would have been plenty of people eager to tell their story.

This is the same with Theatre in Rural areas you have to reach out to them, not as a missionary taking in something that would be good for them but as someone prepared to find out who they are and what their concerns are. Or be part of that community yourself and be recognised as such.

**Rural touring requires specific knowledge & skill sets**

Firstly, knowledge of how small communities work. It is best not just to turn up as “Missionaries” booking a venue but to find a local village-hall promoter to work with, ensuring that the community see it as an event belonging to them that they should support. Yes ,the work has to be tailored to the community, at least one of your shows per year should be for all ages and be very much an event for all the community. But the community seeing the performance as their event in their space does bring its boundaries. The subject matter will have to dovetail with that. You can push the envelope subtly both in terms of subject matter and style but it cannot be escaped that there is a difference between a theatre company inviting people into their own base on conditions that the punter has to accept and that of a theatre company being invited into a
community venue as part of the community’s activities and on its terms. Recently some community venues have complained that they have been coerced by Rural Touring Schemes to accept material which has so offended their community that this has ruined years of getting people in to see any theatre and now they have lost their audience.

Practical knowledge & skill is required on the day.

The piece of theatre must be able to have a get–in of no more than 3 hours and a get out of less than an hour and a half. Taking two days to get in and a day to get out will severely restrict the venue’s use as a nursery, elderly persons drop in centre, bowling green etc. Doing that is a certain way to cheese off an entire community who will then probably not come to see the show. The show must fit in the hall and allow room for sufficient audiences. The set will have to go in via single doors, stairs and narrow corridors. There will not be room for big scene changes so the set will have to work artistically in a way that imaginatively makes the most out of a little. This requires a particular vision and skillset from a designer. There will not be great space for exits & entrances or for lots of unseen costume changes so a fluid and adaptable performing style is best adopted. The electrical equipment must be able to function within the limits of the venues electrical capacity.

Obvious factors yes ...yet when non-small-scale touring companies such as Reps have attempted small-scale touring they have committed some if not all of the above mistakes.

It is also a very valuable side product of a theatre company visiting a small venue that they do get to meet people different to them, be it different ethnicities or people doing something outside “usual” gender roles. NTC’s audiences were sometimes amazed that the Asian actors in “How to Make a Killing in Bollywood” were very Glaswegian or that a 5ft 2” young woman could reverse a HGV Mercedes through the eye of a needle.

Prior to 2012 the “Pride of Place” movement of Rural Touring was flourishing with several companies such as NTC, Eastern Angles, Forest Forge, New Perspectives etc meeting to share ideas on best practice and having biannual Pride of Place Festivals where work was shared and symposiums were held with speakers. Following 2012 many of these companies had their grants cut and ACE support for Pride of Place withdrawn. In some cases, the cuts were made on the grounds of the closeness of the geographical location of the company’s headquarters to another Arts Building or company without any reference to the purpose of the rural touring company i.e. that its effect was on rural communities nationally. Many companies collapsed although some have fought on.

A great body of practical experience was thrown away, largely it seems out of metrocentric ignorance rather than malice or a deliberate policy to curtail theatre in rural areas. An ACE spokesman when challenged about the effect of the cuts on rural touring theatre countered with the riposte that they would be funding Propellor Theatre an all-male, London based Shakespeare company to visit Sunderland Empire thus indicating a confusion between rural touring and regional touring. (Sunderland being a city and its Empire being one of the largest No 1 scale venues in the country!)

The subject matter can be important, issues can be raised and discussed but also just a Fairy tale for Christmas can be some very rural children’s only experience
of anything vaguely “artistic” that year. I know these days it’s possible to stream
digital versions of London shows to small rural venues but it’s not the same as
THE EVENT and being in the same room as the live actors.

The issue of Diversity
There is a very big elephant in the room when it comes to discussion of the
provision of and funding for small-scale theatre touring to rural venues and that
is that some people see it as deliberately lacking diversity and provision for
ethnic minorities.
There is also a feeling that some people (usually young and living in Metropolitan
areas if not a Mega city) with responsibility for funding, see those of us who
advocate supporting theatre provision in rural areas as implicitly racist. They are
also invariably white.
“What are you doing for your local Black & Asian community?” comes the
question.
The honest answer for a company in North Northumberland and other similar
rural areas is: “We do not have one”. Not a local one. Looking at the census will
confirm that.
It is a fact. Our rural audiences are usually white and some will trace their
ancestry back to Celts & Scots, although too in some parts of Northumberland
they are not long “settled” from the Traveller & Irish communities that followed
the harvests doing the manual labour and in S. E. Northumberland came in their
thousands in the late 19C & early 20C to work the pits.
But our villages have not deliberately set themselves up as white or
monocultural, the history of immigration tells us that most 20C immigrants went
to British towns & cities where other racial minorities were already. They also did
not particularly want to work in low paid agriculture. They and their ancestors
had had enough of that thank you.

Theatre for rural audiences must include material and performers/writers that
make them aware of the lives of people very different to themselves but they
should not be deprived of Arts provision because of where they live and who they
are. There is rural-deprivation in this country, whilst there is money in large
scale agri-business at the other end of the scale particularly in hill-farming
there are very low incomes in small-scale farming and allied industries, lack of
access to facilities and to services, and there is the remains of a metro-centric
view which does not hold rural people in high regard. “Hodge” was always a
figure to be looked down upon and ridiculed. I sometimes feel that those who
automatically assume that an interest in rural affairs and rural lives means a
right wing bias have forgotten that the Tolpuddle Martyrs were Agricultural
workers and have forgotten the work of those like Joseph Arch. Is it too much of
a leap of imagination to say that with the rise of Mega cities the people of “rural”
communities are actually somewhat different and part of diverse, which should
be realistically addressed in terms of funding and provision?

On a personal level I can say what an amazingly effective kind of theatre rural
touring can be. And after travelling a long way up a valley or across a forest,
and arriving in a bleak and apparently uninhabited isolated spot to then find what
appears to be every living soul in the community out there in front of you
engaged in a conspiracy with you to transport them to ....wherever it is that piece
of theatre takes them.
Transfers and remote advice

Small, particularly rural, hospitals need to be part of a robust network for receiving and giving advice that supports the safe and rapid transfer of patients. These networks are also important for education and training. The main principle is that there should be ready and rapid access to telephone advice when it is required.

Our assessment is that the scope of many smaller hospitals to deal with more complex patients can be safely extended by the ability to exchange images and other information, and to discuss patients with a trusted expert based remotely. For transfers, the principle is that the answer is ‘yes’, rather than the often difficult and protracted negotiation that frequently happens now. These approaches require a standardised set of patient pathways understood by both hospitals, with a mechanism for ensuring the system runs smoothly. This does not necessarily mean that the hospitals need to be under common management, but the system does need to be set up on a formal basis with appropriate oversight and governance, and with managerial mechanisms for ensuring the smooth operation of the system. Our international interviewees and participants in our research thought that the development of a system-wide control room function to support these networks was a useful component.

International experience with transfers

This section explores the experience of transfer systems in other countries identified as part of our research work on acute medicine.

Almost all interviewees commented on the critical importance of robust mechanisms for ‘treat and transfer’ for both emergency presentations and deteriorating inpatients. They described two main models:

- tiered, where patients are transferred to the closest unit with appropriate services
- straight to the centre, where all patients are transferred to a nominated unit, regardless of the originating hospital and bypassing other hospitals en route.

Interviewees heavily involved in supporting ‘treat and transfer’ put forward positives and negatives for both models – both have been demonstrated to improve patient outcomes, but both risk patients ending up in the wrong place. They thought that transferring patients to the centre likely produced better results for more unwell patients, as it minimised the number of patient moves, but that it was potentially damaging to smaller hospitals over the longer term. The flow of cash following the patient back to the centre is problematic, and interviewees also observed that once the challenge of caring for very unwell patients is removed from smaller organisations, they become less attractive places to work for certain groups of staff, particularly surgeons and those with an interest in critical care.
Regardless of which ‘treat and transfer’ model was in use, interviewees were consistent in describing underpinning principles that are essential in making systems successful. They emphasised the paramount importance of high-quality local delivery of care to critically unwell patients. They thought that hospitals, rather than individual staff, should be able to deliver appropriate care for the first four to six hours after presentation. For even very rare conditions, the hospital should be able to respond “like riding a bike”.

Interviewees said that high-quality infrastructure, at both the sending and receiving organisations, is critical. Investment in telemedicine – particularly of the types that allow patients to be seen remotely, access to real-time investigations and ‘hands-free’ discussions – is seen as especially important.

Ease of access to advice and elimination of the need to ‘ring around’ were considered to be the main way of reducing many of the frustrations attached to the transfer process. In Queensland, there is now a single number for any physician in remote areas seeking advice, which connects to a control room in Brisbane and is staffed 24/7 by consultants. When questions cannot be handled immediately, it is the responsibility of the receiving consultant in Brisbane to contact an appropriate specialist for advice. Where the decision is that a patient needs to be transferred, the onus for finding an appropriate bed and initial liaison with the appropriate specialty receiving team rests with the control room.

Interviewees thought that control rooms are desirable because of the accompanying centralised oversight of assets (that is, staff, different types of transport and available beds) across whole geographical regions. The ability to make decisions about competing patient priorities, as well as individual patients, and to mobilise diverse resources was considered not only to be highly efficient, but also to relieve individual clinicians and ambulance staff of considerable logistical and ethical burdens.

Particularly if centralised control systems were in place, interviewees said that the response of receiving hospitals should be ‘yes, not no’ to all requests for patient transfer. They thought it wasn’t moral nor reasonable if large teaching hospitals refuse transfers from much more poorly resourced organisations. Moreover, they said that the hours between the notification of a transfer and the arrival of the patient are sufficient for any larger organisation to manage any logistical issues. In the United States, the ability of receiving hospitals to refuse transfers was removed as part of the federal Emergency Medical Treatment and Active Labor Act 1986 (EMTALA).

Although not essential to the safe transfer of patients, retrieval teams were considered highly desirable when patients require intervention before transfer, or where transfer times are particularly long.

While there was no argument that the onus of responsibility for accepting and facilitating transfer should rest on the receiving hospital/centralised control, clear demarcation around the boundaries of clinical responsibility was considered necessary, along with robust patient handovers. Rigorous audit and feedback around patient transfers were thought essential at hospital (sending and receiving) and whole-system levels.
Interviewees thought that, due to the complexity and resource-intensive nature of transfers, it is not always the best solution for hospitals or patients. Stabilising patients, arranging transfers and then making the transfers usually equate to many hours of staff time. Requiring staff to accompany patients on out-of-hours transfers also potentially jeopardises already fragile cover. Hence, other solutions (such as waiting for staff to come to patients) may actually be preferable to transfer, particularly when those transfers are delayed.

Despite the insistence on high-quality local care, interviewees were clear that hard thresholds for transfers are not desirable, as the need for transfers is often dependent on the treating clinician’s level of skill.

Nigel Edwards
Chief Executive
Nuffield Trust

Education and training

Here, we explore the lessons from some other countries about education and training for rural and remote settings. This has been shown to be very different from that required for the urban environment, as underlined by the major changes to medical education in Australia, Canada and New Zealand (Strasser and others, 2016; Tesson and others, 2005). Both Australia and Canada have rural medical schools with generalist-based curricula (James Cook University and the University of Northern Ontario, respectively), while New Zealand’s undergraduate programmes have taken on a more generalist hue. Although the focus tends to be on preparing medical students for, or exposing them to, ruralist-general practice, the generalist approach extends across the core medical disciplines, particularly medicine, surgery and paediatrics.

Pedagogic methods used to promote both medical generalist and remote/rural training include:

- ‘distributed’ education, with multiple campuses including smaller hospitals
- ‘longitudinal integrated clerkships’, where students are placed with GPs for six to 12 months – selected patients are followed beyond the GP practice into the community and the hospital setting
- ‘flipped’ medical education, where students undertake clinical placements in rural centres from near the start of their studies, with contact with traditional tertiary teaching hospitals limited to the final year only (Hogenbirk and others, 2015).

At postgraduate level, Australia has developed substantial graduate-orientated educational infrastructure, with all states having rural training programmes. It has founded the Australian College of Rural and Remote Medicine (ACRRM) and it plans to establish imminently a national Rural General Training Pathway (Gillespie, 2017: Nichols and others, 2008).

The ACRRM training pathway is heavily orientated around ruralist general practice. However, the advanced part of the pathway asks trainees to choose one
of the 11 specific areas of expertise, which includes hospital-based disciplines, such as adult internal medicine, emergency medicine, obstetrics and gynaecology, and surgery. The programme has been so successful that specialist trainees in these disciplines who envisage a career in a provincial town are able for a time to rotate into the ACRRM programme to expand their skill set.

**Credentialing for extended practice**

Australia, Canada and New Zealand have all introduced credentialing to ensure that doctors in all settings, not just rural/remote ones, are appropriately trained to provide care within specified scopes of practice. It applies where doctors wish to work in a scope of practice or provide procedures not covered by standard sub-specialty training.

The three countries vary substantially in the development and boundaries of credentialing. In Canada, for example, credentials are granted only to those who have undertaken a diploma in one of a number of specified ‘areas of focused competence’. By contrast, credentialing in Australia and New Zealand is undertaken at organisational or jurisdictional level, and is tailored to the individual clinician.

Of the three countries, New Zealand has the most established and widely used programme of credentialing. Overseen by the Medical Council, credentialing essentially has three components for vocationally registered clinicians in the country (that is, those belonging to a specialist college).

The first component is the establishment of a scope of practice for each clinician at each organisation in which they practise. This includes a review of all previous training and continuous professional development.

The second component is an extension of the scope of practice, whereby the organisation defines, in conjunction with the clinician, which new skills are to be gained and how this might be verified (such as through the completion of a specified training course). Doctors undertaking work that falls within the vocational scope of another college are required to form a ‘collegial relationship’ with a member of that college who can provide additional oversight and mentorship.

Third and finally, in addition to fulfilling all the requirements of the college’s continuous professional development programme (discussed below), doctors are required to undergo a review of their practice each year before they can be certified to practise.

The review covers all aspects of practice and performance. New Zealand has been working towards a data-rich environment to drive quality improvement and so clinicians should expect to have their comparative performance, with regard to both patient volumes and outcomes, presented both within their own department and at regional and/or national levels. The review also covers behavioural and pastoral issues.
Continuous professional development

Australia and New Zealand see robust continuous professional development processes as going hand-in-hand with credentialing. Both countries insist, in a manner similar to the UK, on a minimum number of hours spent in educational activities, such as conferences and grand rounds. However, they also mandate additional time spent in quality improvement activities, while New Zealand also includes a minimum of 10 hours of peer review.

The basic building blocks of peer review in New Zealand are similar to those found elsewhere – morbidity and mortality meetings, clinical audit and so on. However, it differs in that a clinician’s whole practice is meant to be explored in some detail each year, including comparison with and by peers. In larger hospitals, this can be achieved within departments. Specialists in smaller organisations instead participate in regional peer review networks. The agendas of individual peer review meetings vary – some are structured around morbidity and mortality, while others focus on outcomes for specific diseases or interventions, or on a review of a single clinician’s entire practice.

Credentialed skills are also supported by continuous professional development processes in Australia and New Zealand. Highly complex, risky or rarely performed skills usually require yearly updates and/or training to ensure continuing competency, while others may only require further training every three to five years.

Incentives to recruit and retain clinical staff in rural settings

Experience from Australia shows that considerable benefits can be gained from the introduction of specific rural teaching and training programmes – including actively recruiting students from rural areas, as rural-origin students are more likely to be rural practitioners – and increasing training opportunities in rural areas (Greenhill and others, 2015).

A recent review by the Organisation for Economic Co-operation and Development (2016) identified a range of other measures that could be used to sustain a rural workforce, including financial incentives for staff, implementing regulations to restrict choice of practice location and promoting innovations in health service delivery.

These innovations include the transfer of competences from doctors to other health care professionals, and the use of technology including telemedicine to connect patients and doctors in remote settings. Preliminary findings from the Making it Work: Recruit & Retain project (http://rrmakingitwork.eu/) emphasise the importance of the following (see Figure 1):

- aligning the service model with local patient need
- creating stable teams and robust networks
- supporting families and investing in staff training and skills
- creating regularly reviewed governance structures.

Figure 1: Making it Work Framework for Remote & Rural Recruitment and Retention
Source: Making it Work, [http://rrmakingitwork.eu/?page_id=287](http://rrmakingitwork.eu/?page_id=287)

References


Nigel Edwards
Chief Executive
Nuffield Trust

22 January 2019
RURAL ECONOMY COMMITTEE

Thank you for inviting Openreach to contribute to the Committee’s ongoing inquiry into the rural economy. When I appeared before the Committee to give evidence, I promised to follow up on several points.

First, during the evidence session, some Committee Members raised specific local issues. I’m grateful to individual Members and the Committee Clerk for providing further details to allow us to investigate. I’m in contact with individual members and we are progressing the cases raised.

You also highlighted a delay with a Community Fibre Partnership in Hampshire, involving the chairman of a parish council. My team have since been in regular contact with the chairman and we are providing an updated quote, with a meeting scheduled for January.

There were two further specific queries raised in the committee.

Lord Carter of Coles asked about the cost of installing overhead fibre, using our existing pole network. As I explained to the committee, building overhead fibre using poles in a rural area can be considerably more expensive than towns and cities. While the cost of cabling is a fixed cost per metre and the componentry used will be no different in an urban or rural location, installing in rural areas invariably involves longer spans of cable, which is why it costs us more. Put simply, we need to deploy more overhead fibre in a rural environment as it’s going further, hence the increased cost. More poles along those distances may also require more kit and fixtures.

I also explained that we are in contact with a number of organisations to help promote the benefit of Superfast and Ultrafast broadband for small and medium-sized rural businesses, as well helping to facilitate rural connectivity. This can be through promoting available funding, such as broadband vouchers, as well as support with practical measures like wayleaves, covered below. It is critical that as a nation we increase take-up of Superfast and then the Ultrafast network as it is built. Ofcom’s recently published 2018 Connected Nations report said that while 94% of UK homes and businesses are in areas where Superfast, or better, broadband is available, only 45% of homes are subscribing to these services. We believe that improved connectivity is particularly important in rural areas, helping businesses there compete fully.

Bringing the benefits alive

We actively promote the benefits and ways we can connect rural businesses through case studies on social media and the Openreach website. Examples include the remote community of Altnaharra in Sutherland, Scotland. Today,
around 60 Altnaharra households and businesses can order more reliable, Ultrafast, full fibre broadband over a network capable of carrying services up to 1Gbps – around 22 times faster than the current UK average. As part of the engineering work, local people and workers from the Altnaharra Estate helped to dig in around 4,800 metres of cable.

Pieter Bakker is estate manager of the 36,600-acre Altnaharra Estate, with a range of interests from environmental land management, renewables and holiday home rentals to forestry, farming, deer stalking and fishing, a vital source of employment for the surrounding Sutherland community. Pieter says that, ‘The difference the fast connection has made is massive. For the first time, I can download and upload documents and forms from work-essential websites like the Scottish Government’s Rural Payments and Inspections Division and Scottish Natural Heritage and send emails in seconds.’

In Wales, reliable broadband made a huge difference to Halen Môn, a rural business that creates artisan salt products, a six-hour drive from Cardiff. They saw their speeds increase from just 6 Mbps to over 300. In their own words, they say that fibre broadband has ‘really transformed our business’, with connectivity having previously been the ‘single biggest brake’ on the firm’s growth.

You can view a film featuring Halen Môn on our YouTube channel here.

Openreach also supported the Rural Business Awards, which recognise businesses operating across the rural sector, from engineering through to artisan food producers and professional service organisations. There are awards in a range of categories, celebrating the dynamic businesses and hardworking talented people that are making them a success. Following a series of regional finals, the national finals take place in February 2019.

Wayleaves – NFU & CLA

When Openreach builds network on private land we need agreement from the landowner and we ask them to sign a wayleave, which sets out the rights and obligations of both parties. It is vital that the process for gaining agreement is as quick and easy as possible as any delay can hold up fibre deployment. Openreach recognises that landowners need to have a fair deal when we access their land or install equipment on it (including when we supply a third party), and it is important to us that they receive appropriate financial consideration.

To this end, Openreach worked closely with the National Farmers Union (NFU) and the Country Landowners Association (CLA) to agree both appropriate national payment rates and to agree the best way to work together. We have a joint Memorandum of Understanding which sets out the process for Openreach requesting access and what landowners can expect from us. We have also agreed to review how things are operating on a regular basis and improve the process based on feedback from both landowners and our own teams. This joint working is important if we are going to have a process that works for all parties.

The rates we have agreed with the NFU/CLA are our national rates and we will apply them in all cases. This gives both us and the landowners certainty and we hope this should avoid any unnecessary delay in agreeing a wayleave.

We’ve made good progress with rural coverage across the UK, but I’m clear that there is more to do, and we appreciate the frustration of people living and
working in so-called ‘not spots’ in the countryside [NB there are also ‘not-spots’ in towns and cities, it isn’t only a rural issue]. It is complex to deliver connectivity into rural areas. However, we’re proud to have delivered Superfast speeds to over 5 million rural homes, with a Superfast footprint of over 27 million homes. We played a significant role in helping the Government achieve their ambition of 95% coverage within the UK, by December 2017.

Community Fibre Partnerships

We’ll never say no to offering a solution. We’re working with hundreds of communities to get fibre to their area via joint funding arrangements, through our Community Fibre Partnership scheme. Openreach will draw down available funding to help reduce costs. Self-dig can also be a way to further cut costs, particularly for farmers/landowners with appropriate equipment.

To date we’ve done more than 700 community deals, benefitting over 90,000 premises. 55% of those deals are in rural areas, touching 35,000 premises.

Delivering full fibre across the UK

Openreach has the ambition to deliver Fibre to the Premises (FTTP) connectivity to 10 million homes and businesses by the mid-2020s - if the right regulatory and policy changes are in place. This builds on our initial plan to pass three million homes and businesses with FTTP by the end of 2020. Looking beyond this, our ambition is to build a large scale FTTP network for most of the UK by 2033. These goals are ambitious and will be challenging to achieve, even with the right regulatory structures and enablers in place. Given we already have a presence in every part of the country, coupled with our engineering experience, Openreach is the only infrastructure provider who will realistically be able to deliver a nationwide FTTP footprint.

We are very clear that with the right regulatory and policy environment, we can connect more homes – including in rural parts of the UK. This in turn stands to benefit the rural economy and crucially, the people and businesses that drive it. The more reliable and faster connectivity will not just bring economic benefits, it will enable new ways of delivering healthcare, education and entertainment and support the roll out of 5G and the Internet of Things.

There are important measures which are needed to reduce our deployment costs – allowing us to reach more premises faster. We are responding to the Government consultations, announced alongside the Budget, on mandating FTTP in new builds and reform of wayleaves, to make accessing Multi-Dwelling Units easier. We will also need to see the rapid adoption of full fibre services by residential and business consumers, which will require demand stimulation from a range of different stakeholders.

What do we need?

- **New builds:** The consultation on mandating full fibre connectivity for new build premises closes today. Whilst we are concerned that the consultation does not go far enough and could lack teeth, it is an
We are urging the Government to be bold to deliver the future-proofed connectivity needed. Openreach already has a voluntary agreement with members of the Home Builders Federation and smaller housebuilders whereby we offer to install FTTP to all new premises for free if the development is above 30 premises. We announced last month a new cost-share model for all developments below 30 premises and we are now in talks with many builders about connectivity in these smaller sites. One idea we have asked the Treasury and DCMS to looking into is reforming the CML certificate (which is required before a mortgage can be taken up on a property) to include telecoms connectivity, at present only water and power are included. We believe such reform, if championed by the Government, could make a swift difference. We also believe that the Government should go further and not just mandate FTTP into new builds but also when properties are being refurbished, otherwise there is a danger of perpetuating a digital divide.

- **Streetworks:** Continuing work with different local authorities to improve streetworks. At a national level, we need improved permitting, exemption from lane rental schemes and simpler rules around reinstatements. DCMS is planning to issue best practice guidance to local authorities which we welcome, at present there are significant disparities between different councils.

- **Broader wayleave reform:** Further reforms to wayleaves are needed, including: a standard wayleave agreement for permission to install and maintain infrastructure; a change in the law allowing third parties like Network Rail to provide infrastructure builders with easy access to upgrade and maintain our network; standardised national planning permission pack covering everything from streetworks, wayleaves, risk assessments and regulation.

### Cumulo rates reform

One of the most important challenges we face comes from the cumulo business rates regime. We need to see reforms which avoid increasing the tax burden for operators who want to invest in FTTP – other infrastructure providers also need to see reform to enable their continuing investment.

The existing cumulo rates regime imposes significant costs on full fibre deployment, generates uncertainty for investors, and ultimately will lead to additional prices for consumers. This will depress demand, reducing the economic benefits that full fibre could deliver. Increased costs, higher uncertainty, and lower demand all harm our ability to create a robust business case for long term FTTP investment.

We therefore need to see broad reform of the system to reduce the tax burdens for operators delivering full fibre. Failing this, an extension of the existing rates relief will help incentivise investment in the short term. This support will help us to make the case to build full fibre across the UK, including rural areas. In their Budget statement on 12th December, the Scottish Government announced that
they would extend the relief period – which is a positive commitment to long term investment.

This system applies across England and Wales but will impact our ability to deliver across the UK. The committee’s support in delivering reforms at a UK level will help us deliver for rural communities across the UK.

**Impact of the cumulo business rates system**

The 2017 revaluation saw our rateable value increase significantly. This inevitably undermines capital investment and risks higher prices for customers, putting at risk Openreach’s ability to enable the UK to maintain its position as one of the world’s leading digital economies.

Openreach’s plan to roll out FTTP at scale and enable customers to access faster broadband will also drive additional increases in cumulo rates by the late 2020s. This is because FTTP’s rateable value is deemed higher than that for copper or Fibre to the Cabinet (FTTC) and yet the calculation does not take into consideration the significant investment costs of FTTP.

Beyond this, the mechanism for calculating business rates is highly complex. This means that we struggle to estimate that the actual impact of deploying FTTP will be. This uncertainty makes it difficult for us to produce a robust case for future investment.

**How can the Rural Economy Committee help?**

We’ve been engaging with HM Treasury, DCMS and MHCLG to identify potential reforms which will help Openreach and others meet the Chancellor of the Exchequer’s ambition to fully fibre the UK by 2033. We face the challenge that any reform needs to be compatible with case law and existing precedent to avoid the need for new legislation.

We would very much welcome support from the Committee for reform of the cumulo business rates regime, when you publish recommendations for the Government, as well as broader backing for a fuller set of policy enablers. These changes would help us accelerate fibre deployment, which in turn stands to the benefit the UK economy, including the rural economy. We remain ambitious about improving rural connectivity and are engaged with BDUK and others to look at new ways of working, as well as innovations that could help boost deployment.

I would be more than happy to provide the Committee with further detail on any of the points set out in this letter.

Yours sincerely,

Kim Mears
Managing Director
Strategic Infrastructure Development
The Orkney LEADER Local Action Group appreciates the opportunity to respond to the call for evidence by the House of Lords Select Committee on the Rural Economy.

With regards question 2 – the Orkney LEADER Local Action Group wishes to highlight the success of the LEADER Programme in our area. The LEADER Programme supports bottom up community development in our rural community.

The Orkney LEADER Local Action Group (LAG) is responsible for the strategic direction and implementation of the LEADER Programme in Orkney, including making decisions on applications for funding. The LAG represents a wide range of interests and is made up of representatives from Orkney’s public, private and voluntary sector.

Orkney communities have benefited from LEADER funding from the European Union since the 2000 to 2006 Programme to the current 2014 to 2020 Programme period, which totals over £2.5M. Seventy-five local projects benefited from the 2006 to 2013 Programme securing over £2M. Projects ranged from Community halls to development workers, from cruise guide training to new business start ups.

The current Orkney LEADER Programme focuses on support for Orkney’s tourism, cultural heritage, crafts and food and drink sectors; support for Orkney’s community services and facilities, support for Orkney’s natural environment and sustainable energy and support for small business growth and diversification, all sectors of great importance to our rural economy.

As a result of Brexit, projects under the current Programme must be approved by March 2019 and have until December 2020 to spend and claim; however, we are concerned there is little discussion taking place on what will replace LEADER post 2020. Even if a replacement Community-led local development Programme opens to applications in January 2021, which is very unlikely, communities will be facing a gap of two years in being able to apply for funding for new projects. To be effective, local development needs to be continuous, reacting to local opportunities and threats rather than the periodic availability of funding.

We therefore urge the Committee to consider what alternative funding will be made available for the rural economy post Brexit.

Phyllis Harvey
Vice Chair
Orkney LEADER Local Action Group
28 August 2018
QUESTION RESPONSES

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 'Isolated rural and coastal towns and former industrial areas feature heavily as social mobility coldspots. Young people growing up in these areas have less chance of achieving good educational outcomes, and often end up trapped by a lack of access to further education and employment opportunities.' There is clearly a challenge for equity in education in rural communities. This is best understood by considering how urban communities with high level of disadvantage, such as London, have achieved improved educational outcomes for children and young people from similar economic backgrounds.

6.2 London, and other urban settings, experienced a transformational shift in educational outcomes between 2003 and 2016 (Hayes and Gul 2017). The role of the Department for Education’s London Challenge in supporting the rise of London as an education superpower, succeeding despite high levels of deprivation, cannot be underestimated. Other factors also played a role in London’s sustained success in terms of educational outcomes, such as the relationship between local and national government; the growth of academies and school accountability; school-to-school support in close proximity; investment in facilities; and changes in teacher training.

6.3 Schools in more educationally isolated circumstances – isolated geographically, economically, culturally and socially (in its simplest form they are remote from other schools, funding and quality employment opportunities and facilities) – appear to face continuing challenges that have impacted on their performance (Social Mobility Commission, 2017). Rural schools are educationally isolated. Ofsted Annual Report (2016) identified issues for schools in isolated and deprived areas: “There is also considerable evidence that it is schools in isolated and deprived areas where educational standards are low that are losing out in the recruitment stakes for both leaders and teachers.”

6.4 Teacher recruitment and retention is challenging for rural schools (Ovenden-Hope and Passy, 2016; 2015)\(^{421}\). Rural schools (particularly secondary schools) are typically isolated from other schools, which not only impedes easy access to school to school support, but also opportunities for professional progression. Primary schools within locally organised Multi Academy Trusts (MAT) are working hard to establish in-MAT opportunities for staff development and progression, with school collaboration being key to student attainment (Muijis, 2015\(^{422}\), Social Mobility Commission, 2017; Ovenden-Hope, 2018\(^{423}\)). This mitigates some of the requirement for teachers and school leaders to move house for promotion and progression, which in sequestered schools is sometimes the only option. It does not solve all the issues for teacher recruitment and retention in rural communities, with difficulties for networking remaining due to size and distance of schools (Luke, 2016; Church of England, 2018)\(^{424}\).

6.5 Housing is an issue for school recruitment and retention of teachers in rural areas. Housing costs can be at both ends of the spectrum depending on the ‘idyll’ the rurality presented to second home owners and gentrification; or the socio-economic deprivation on seasonal/low/no employment opportunities. Both high and low house prices in rural communities present a problem to school teacher recruitment and retention. High house prices and rental costs make it challenging for early career teachers to move to teaching positions in the countryside. Low housing costs typically indicate a socio-economically deprived and culturally isolated community, which may ‘put off’ (Ovenden-Hope and Passy, 2015) teachers and senior leaders in investing in a new home/moving to these areas.

6.6 The issue with house prices, particularly low house prices, can also result in lack of ‘churn’ (Ovenden-Hope and Passy, 2015) in rural schools. Established teachers are often retained in rural schools for longer periods than would be expected; the challenge being selling a property to afford relocation for a promotion in another school not geographically close.

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6.7 Newly qualified teacher turnover is high in rural schools (DfE, 2016)\(^{425}\), isolation from social opportunities and access to affordable and/or appropriate housing proving a real challenge to retaining early career teachers.

6.8 It is also difficult to attract middle and senior leaders to schools in rural areas where there are few opportunities to earn a dual income for family members (Ovenden-Hope and Passy, 2015; 2016). Lack of employment opportunities within a reasonable travelling distance for the spouse of a teacher can result in poor recruitment in rural areas.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Please see 6.6, 6.5, 6.6 and 6.7

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 Education should be included in all discussions on rural economy. With the education policy focus on the conversion of all local authority schools to academies, schools now constitute businesses within the rural economy. Supporting rural schools, regardless of size, is crucial to sustaining and developing rural communities. The school is the heart of the rural community, providing education for future community member who will contribute to the economy of that community in the future. Rural communities deserve a well-resourced, easy to access, high quality primary, secondary and post-16 education.

14.2 Many rural communities in England are also coastal, and there is evidence (Lords Select Committee on Seaside Town Regeneration) that these areas require a clear strategy for educational support that understand the specific challenges (Ovenden-Hope and Passy, 2015, 2016; Ovenden-Hope, 2018). We need to invest in rural and coastal towns to help their economies grow and reduce unemployment and deprivation (Department for Communities and Local Government, 2012\(^{426}\)). Separating rural and coastal as entities for regeneration may not be helpful in England. The schools’


performance watchdog Ofsted (Ofsted, 2013\textsuperscript{427}) identified a link between student performance and ‘deprived coastal towns’, with a realisation that these areas have ‘felt little impact from national initiatives designed to drive up the standards for the poorest children’ (Ofsted, 2013). Children from white British socio-economically deprived backgrounds do better in London and the cities than they do in coastal towns and rural deprived areas.

10 September 2018

Introduction

The Pharmaceutical Services Negotiating Committee (PSNC) promotes and supports the interests of all NHS community pharmacies in England. We are recognised by the Secretary of State for Health and Social Care as the body that represents NHS pharmacy contractors including those operating within the rural economy.

Our goal is to develop the NHS community pharmacy service, to enable community pharmacies to offer an increased range of high quality and fully funded services that meet the needs of their local communities and provide value and good health outcomes for the NHS and the public.

We are keen to respond to this consultation and consider that measures to ensure the adequate provision of community pharmacies in rural areas are vital. Our answers to the questions are as follows.

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

   No comment.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

   The Essential Small Pharmacy Local Pharmaceutical Scheme (now closed) was a success story for the rural economy; relevant issues are discussed in our responses to later questions.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

   The community pharmacy network provides considerable health and social benefits. Community pharmacies embrace technology and over 60% of prescriptions dispensed are now electronic; however, it is important that technology continues to be harnessed for the benefit of the patient and the patient’s health and local healthcare provision. More detail is included in our responses to later questions.

Infrastructure and services
4. How can access to transport be improved in rural areas?

In some rural areas, public transport services are provided infrequently or only for part of a week. In the absence of adequate public transport, the public, particularly the elderly with mobility challenges and persons with disabilities, without access to private transport, can have difficulty accessing community pharmacy services; although many patients do benefit from home deliveries by community pharmacies.

Access to healthcare services could be improved if the health needs of the rural population were considered as part of planning relevant public transport services.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

The electronic prescription service (EPS) enables prescribers to send prescriptions electronically to a pharmacy of the patient's choice and currently approximately 60% of all prescriptions dispensed by community pharmacy are electronic prescriptions. This is likely to increase in the future as EPS is enhanced.

Benefits of EPS include avoiding unnecessary trips to the GP and enabling community pharmacy to manage workflow better and reduce the time patients wait for their medicine to be dispensed.

If connectivity in rural areas is poor, this can be a barrier to the introduction of EPS.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

To improve and maintain the provision of pharmacy services in rural and other areas, community pharmacies need to be remunerated adequately for pharmacy services.

There was a scheme to support essential small pharmacies in rural areas, but this was closed. The Essential Small Pharmacies, Local Pharmaceutical Services (ESPLPS) Scheme, had for many years sustained predominantly rural pharmacies that would otherwise not have been financially viable. The arrangements continued in some form until March 2017 when it was closed.

Current community pharmacy remuneration arrangements include the Pharmacy Access Scheme (PhAS), which seeks to protect patient access to eligible community pharmacies in areas where there are fewer pharmacies. Broadly, PhAS maintains their remuneration at pre-December 2016 levels; subject to a 3% efficiency cut. (I.e. remunerations levels prior to the cuts in remuneration introduced in December 2016). However, the way PhAS payments are calculated means that although some rural pharmacies may be ‘eligible’ for PhAS, they do not receive any PhAS payments.
To improve and maintain health services in rural areas, a credible successor to the ESPLPS scheme should be introduced, to safeguard patient access to smaller pharmacies in rural areas, with additional funding.

Community pharmacies in rural areas provide wider health and social benefits and assist other parts of the health sector, for example:

**Health prevention and urgent care**

An example of community pharmacy’s current and future offering is highlighted by Public Health England’s 2017 report *Pharmacy: A way forward for Public Health*, which include the following statements:

*Executive summary*

Community pharmacy teams play a pivotal role as a community and health asset in communities. High quality public health and clinical interventions drive delivery that is focused on prevention, health improvement and protection of local communities. Delivered through integrated pharmacy team, working coherently in a local primary care and public health network.

*....

Healthcare professionals, including pharmacy teams working in all sectors can play an important role in supporting people to make small and sustainable changes that improve their health. Brief and very brief interventions by healthcare professionals have been shown to be effective ways of supporting sustainable behaviour change and consumer research suggests that most people feel it is appropriate for healthcare professionals to ask about these behaviours and offer help.

*....

Community pharmacies are often embedded in some of the most deprived and challenging communities, providing daily contact for individuals seeking ad hoc and unplanned health advice alongside picking up prescribed medicines or purchasing over the counter health related products. England has 1.2 million visits to a pharmacy for health related reasons every day, this presents a huge opportunity to support behaviour change through making every one of those contacts count.

Community pharmacy teams are well placed to support patients with long term conditions to reduce their risks through healthy behaviours, as these patients will be in regular contact with community pharmacies to collect their prescribed medicines. This provides a unique opportunity for secondary prevention as well the wider opportunities for primary prevention through their daily customer base.

*And (page 33)*

**Community pharmacy teams can help maximise the impact of contact with the general public by:**

*....*
Pharmaceutical Services Negotiating Committee (PSNC) – Written evidence (REC0157)

- recognising people who are socially isolated and lonely, particularly those living in rural areas, supporting them and signposting to local services and opportunities


**Social Isolation**

We echo other studies and reports on loneliness including the report by Rural England in 2016 ‘*Older people in rural areas: Vulnerability due to loneliness and isolation paper*’ which includes the following:

**Main Findings**

....

There are clear links between acute loneliness and poor health. Social isolation is related to negative impacts on health and well-being

.....(page 1 of the Report)

**Loneliness and isolation affect the quality of life, happiness and health of many older people and those living in rural areas face particular challenges.** These include: demographic change; family dispersal; mobility; access to services; and financial constraints on service providers. (Page 1 of the Report)

There is extensive research indicating that loneliness can affect health and has cost implications for health and social care. The adverse health effects of loneliness may include:

- increased risk of heart disease
- Impacts on blood pressure
- links to depression
- greater risk of blood clots
- increases the risk of onset of disability
- increased likelihood of early admission into residential or nursing care
- increased the risk of developing dementia
- exercising less and drinking more alcohol

(Dept for Health 2102, UCL et al [ELSA], ONS2013, Scie 2012, Jopling 2015) (Page 3 of the Report)

**The services available in small rural communities are often extremely limited. The absence of shops, Post Offices and Pubs in many hamlets and small villages limits opportunities for**
interactions between older people within their own communities and the lack of public transport is an obstacle to them meeting elsewhere.

(The Page 4 of the Report)


7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Local community pharmacies in rural areas sometimes require support to be financially viable in smaller communities.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

No comment other than to highlight our understanding that recruitment of pharmacists in rural areas in an increasing problem.

9. How can deprivation and inequality in rural areas be tackled?

We seek to highlight that community pharmacies can play a part in tackling inequality:

a) NHS England is under a duty to have regard to have “regard to the need to reduce inequalities between people in England with respect to the benefits they can obtain from the health service”.

b) The inverse care law: The Kings Fund https://www.kingsfund.org.uk/publications/articles/inverse-care-law describes it as follows:

The inverse care law was suggested thirty years ago by Julian Tudor Hart in a paper for The Lancet, to describe a perverse relationship between the need for health care and its actual utilisation. In other words, those who most need medical care are least likely to receive it. Conversely, those with least need of health care tend to use health services more (and more effectively).

Inverse laws are of course commonplace, and essentially arise because of income inequalities. In most areas of life (politics of envy aside) most of us are reasonably happy with this state of affairs. The fact that the rich have more clothes than they strictly 'need' is not too great a cause for concern. But the fact that an inverse law applies to health care offends against most people's views about fairness - a view which forms the basis for the existence of the NHS.
The concern about fairness arises from a deeper view about the distribution of health. Inequalities in health arise, not only from variations in access to health services, but also variations in the quality of health care from area to area. And of course, variations in factors outside the control of the NHS - wealth, lifestyle, genetic and environmental considerations - will all affect people's health status.

There is considerable evidence that many populations, particularly those living in areas of high socio-economic deprivation, suffer on all three counts: they use poor quality services, to which they have relative difficulty securing access and they suffer multiple external disadvantage.

c) The important role community pharmacies play in bucking the inverse care law, particularly in rural areas. A study on ‘The positive pharmacy care law: an area-level analysis of the relationship between community pharmacy distribution, urbanity and social deprivation in England’ can be found at https://bmjopen.bmj.com/content/4/8/e005764 and the implications for policymakers were:

**Implications for policymakers**

This is the first study to systematically explore the spatial distribution of community pharmacies in England. It is also the first study that examines the relationship between accessibility of community pharmacies and social deprivation and to explore the idea of an inverse pharmacy care law. The paper shows that community pharmacies are easily accessible by the majority of the population in England, with 89% able access a community pharmacy within 20 min walk. **Our study also shows that there is no inverse pharmacy law for community pharmacies in England: access to a community pharmacy is greater in areas of higher deprivation compared to more affluent areas—a positive pharmacy care law.** This is a very timely finding as a recent initiative led by NHS England—the Call to Action—is seeking to develop local strategy for community pharmacy initiatives and inform strategic policy making in terms of commissioning community pharmacy services. Our work supports this initiative and shows that community pharmacies are uniquely placed in the community to deliver healthcare interventions. In addition, as the accessibility of community pharmacies is greatest in areas of highest deprivation, they may have an important role to play in reducing inequalities in priority public health conditions in England.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

No comment.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care**
provision? What opportunities are there for the older retired population to help support the rural economy?

Social isolation has been addressed primarily as a health issue, as above.

In addition, it is notable that rural community pharmacies support patients with home delivery services which are not NHS services and are often provided free of charge. They are of significant benefit to housebound patients and those with disabilities who couldn’t otherwise access the community pharmacy.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

No comment.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

No comment.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

and

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

We seek to demonstrate that appropriately remunerated community pharmacy services contribute significant additional benefits to health and social care.

A PWC report on ‘The Value of Community Pharmacy’ in 2016 indicated that for the 12 community pharmacy services considered, every £1 of public money spent on community pharmacy created £21 worth of value.

The key findings from the report were:

Through the services considered in this report, in 2015 community pharmacy in England contributed a net increase of £3.0 billion in value in that year, with a further £1.9 billion expected to accrue over the next 20 years.
The in-year benefit in 2015 of £3.0 billion is net of the £247 million in compensation which pharmacy received through funding from national and local sources for the 12 services evaluated. Even considering just this limited list of 12 services, and applying conservative assumptions, the single year net benefit identified exceeds the total £2.8 billion community pharmacy was paid by NHSE in 2015.

On top of this, we estimate that indirect health system cost savings could be worth up to a further £2.5 billion in 2015 from the knock-on effects of self-care and medicines support.

Apportioning the single year net benefit evenly across all the 11,815 pharmacies which operated in England at the end of 2015 leads to a benefit of more than £250,000 per pharmacy in 2015 alone. This rises to more than £410,000 when considering the long term effects as well, and up to £625,000 per pharmacy when potential knock-on health impacts are included.

The NHS itself is the biggest beneficiary: community pharmacies contributed a net value of £1,352 million in the short run; this is net of the funding received by community pharmacies for the 12 services, both directly from the NHS and from local commissioners (which was £247 million – hence the gross value was £1,599 million). Of this net value to the NHS, the majority was direct NHS cash savings as a result of cost efficiencies, worth £1,111 million in 2015. In addition, the NHS saved an extra £242 million as a result of avoided treatment, and a further £172 million in avoided long term treatment costs.

Further, 55% of in-year benefits and 91% of long run benefits (69% of total benefits) accrued outside the NHS. Other public sector bodies (e.g. local authorities) and wider society together received over £1 billion of benefits in 2015 as a result of the community pharmacy services covered. A further £1.7 billion is expected to accrue over the next 20 years.

In addition, patients experienced around £600 million of benefits, mainly in the form of reduced travel time to alternative NHS settings to seek a similar type of services as the ones provided by community pharmacy.

The report is at: https://psnc.org.uk/our-news/pwc-report-quantifies-value-of-community-pharmacy/

We seek adequate remuneration and if necessary additional support for rural community pharmacies.

17 September 2018
General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

For me, the rural economy refers to the economic activity that occurs in areas that are taken to be rural. This definition clearly implies some recognition of which areas are taken to be rural, which is not necessarily clear cut in so-called rural-urban fringe areas and which clearly can change over time with the expansion of urban settlements and construction of associated infrastructure (see Table 1).

Table 1: Land Use Change 2006-2012

<table>
<thead>
<tr>
<th>Land use change</th>
<th>Area (Hectares)</th>
<th>% of UK land area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Converted to urban</td>
<td>23297</td>
<td>0.0961</td>
</tr>
<tr>
<td>From forests, semi-natural &amp; natural area</td>
<td>8754</td>
<td>0.0361</td>
</tr>
<tr>
<td>From agriculture</td>
<td>14543</td>
<td>0.0600</td>
</tr>
<tr>
<td>Converted to agricultural</td>
<td>3294</td>
<td>0.0190</td>
</tr>
<tr>
<td>From forests, semi-natural &amp; natural areas</td>
<td>20</td>
<td>0.0001</td>
</tr>
<tr>
<td>From urban to</td>
<td>3274</td>
<td>0.014</td>
</tr>
<tr>
<td>Conversion to forest, semi-natural &amp; natural area</td>
<td>3233</td>
<td>0.013</td>
</tr>
<tr>
<td>From urban</td>
<td>1898</td>
<td>0.008</td>
</tr>
<tr>
<td>From agricultural</td>
<td>1335</td>
<td>0.006</td>
</tr>
</tbody>
</table>


A more significant aspect of my understanding of the rural economy is that it does not privilege particular activities as being constituents of a rural economy (e.g. farming and forestry), and hence other activities as not being. Whilst this is often how the term 'rural economy' has been defined, for me it is an outdated way of considering it, because in many rural areas, these activities now make relatively small contribution to the economy. This is illustrated by Figure 1 which makes use of the 2011 Census workplace dataset to plot the proportion of people working in areas classified as rural. The maps clearly indicate how in the majority of these areas, service sector employment far exceeds employment within agriculture. Looking at the UK as a whole, Frontier Economics (2014: , p. 24 original emphasis) remark that "[o]ver 80% of rural employment is in sectors other than agriculture or tourism".
An important implication of my way of understanding the term rural economy is that the economic activities that occur in rural areas should neither be seen as necessarily distinct from those occurring in other areas, nor as being disconnected from such areas. Frontier Economics (2014: , p. 3), for example, state that "rural and urban economies are very similar in terms of sector composition", whilst even for the activities that have been seen by some as the definitional constituents of a rural economy, such as farming, it has been long established that what happens within a farm is conditioned by practices and institutions that lie well 'beyond the farm gate', and indeed in many instances, beyond the nation-state.

**Infrastructure and services**

4. How can access to transport be improved in rural areas?

Recent research I have been involved in has indicated that there is a high level of dependency on private motor vehicles travel amongst rural residents, and low use of public transport (Phillips and Dickie, forthcoming). The latter is in part a reflection of the former, with rural residents clearly valuing the flexibility, reliability and personal freedoms that private motor vehicles afford. Research I have conducted recorded that 97 percent of adults who were interviewed had access to a private motor vehicle, and between 86 and 91 percent had never used public transport from their place of residence (Phillips and Dickie, 2015; forthcoming). Having said this, it was also evident that people without reasonable access to private motor vehicles often felt severely disadvantaged. People who were unable to drive as a result of being under-age, or unable or unwilling due to disabilities (including ones related to ageing), or were unable to afford to purchase or run a car, become reliant on public transport or the support
of others for the mobilities that are required, often at an increasing scale, for the conduct of everyday rural living. There are clearly people who have, or are contemplating, leaving rural areas due to the difficulties of accessing employment and educational, financial, health, retail, recreational and welfare services. Skerrat (2018), for example, highlights that across all the constituent countries of the UK, employment related movement of young people from remote rural areas was perceived as a major issue by people within these areas, whilst research I have been involved in has identified both the presence of this concern within areas of seemingly ‘accessible countryside’ and also a concern about the ability of elderly people to continue to reside in the countryside should they become unable to drive their car (Phillips and Dickie, forthcoming). It is also important to recognise that having access to transport does not necessarily equate with transport use, with some people limiting their mobility due to the costs associated with transport use, or alternatively spending a high proportion of their income on transport costs. Chatteron et al. (2018) suggest that people living in low income rural area spend about twice as much of their income of motoring cost as do people living in high income areas. There are also significant, and often unacknowledged, environmental costs associated with the transport demands of rural living: analysis of per capita CO₂ emission data, for example, has suggested that these were over 25 % higher for rural areas than urban areas in England and Wales (Phillips and Dickie, forthcoming).

There clearly are schemes that have been created to try to address rural transport problems. In the course of recent research, I have encountered examples such as dial-a-bus-services, community car-sharing and mini-bus schemes, as well as subsided regular bus services. Whilst some of these appear to operate successfully, many run on a very infrequent basis and/or give travellers limited periods of time at destinations. As a consequence, many rural residents come to rely heavily on friends, relations and neighbours, if they are available, or on the hire of taxis, which clearly is costly and raises issues of affordability, particularly given that many of the people who seek to use such services may be amongst the less well-off rural residents.

Many rural residents have already found ways to minimise transportation burdens. In recent research I have found not only an increase in people working for at least part of a week at home, but even more widely an increase in use of on-line shopping, as well as increased use of the internet, emails and social media to conduct social transactions and communication. These practices clearly raise issues of a digital divide reinforcing transportation difficulties for some rural residents: as Skeratt (2018: , p. 18) observes broadband and mobile connectivity often layer onto transportation issues, whereby "one deficit builds onto the other". However, the growth of practices such as home-working and on-line shopping and communication, clearly highlights that there may not always be a need for people to travel out from rural areas if goods, services and work can travel physically or virtually into these areas. There is also evidence that people may use social media and personal GPS tracking on mobile phones to share information and advice about transportation systems and strategies to work around their limitations, although such practices are reliant on mobile and internet access (Velaga et al., 2012). Having said this, it is also evident that service as well as transportation rationalisation tends to impact rural residents disproportionately, as a consequence rural residents may have to travel to access key services and may in the case of some services such as doctors surgeries,
have little choice over which services to access (Phillips and Dickie, forthcoming). Decision making about service rationalisation, and also house construction, might usefully incorporate consideration of transport impacts: a frequent complaint I’ve heard from residents in rural areas experiencing housing expansion has been that services and improved transport infrastructure have not been provided alongside the construction of new areas of housing, with the consequence that there has been an increasing need for people to travel from these areas along a transportation system that had seen minimal, if any, improvement. Skerratt (2018) has also observed that many people in remote rural areas feel that there is insufficient investment in the maintenance of rural roads.

There clearly may be scope for technological innovation, and wider application of existing technologies, to help with rural transportation. As Vegla et al. (2012: p. 102) observe, technologies such as the provision of real-time bus arrival information at bus stops can improve the usability of transportation system but whilst these have been extensively employed in urban and suburban areas, "their application in rural and remote rural locations has been very limited". Looking to areas of emergent technologies, driverless-vehicles, for instance, might provide a cost-effective way of providing transportation services where there are relatively low numbers of users, although there clearly may well be economic inclusivity issues for such services particularly at their onset, as well as a potential urban focus in their development.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Not only do some 10 percent of household UK still remain disconnected from broadband connectivity (Office for National Statistics, 2018), 2 percent of premises lack indoor mobile phone connectivity (Ofcom, 2018) and 30 percent of the landmass of the UK lack outdoor connectivity (Ofcom, 2018), but even connected rural areas tend to be reliant on lower-tech mobile and broadband systems of connectivity, with people experiencing lower speed and less reliable connections than those widely available in urban areas (see Skerratt, 2010; Philip et al., 2017). Rather than talk of a simple digital divide, studies now recognise the formation of a series of digital divides or inequities which may be increasing in scale as "the faster areas with getter connectivity are getting faster, faster" (Farrington et al., 2015: p. 6), whilst those areas with slow connections are seeing small increases implemented at lower frequencies. Philip et al. (2017), for instance, estimate that mean average broadband speeds in remote, as they call it, 'deep', rural areas of Great Britain was only 7.3 Mbits per second, which was well below the access speed designated by DCMS (2016: p. 11) as the minimum necessary to enable "full participation" in contemporary digital society. As Salemink et al. (2017 #9697, p. 363) have noted, even if rural areas prove profitable locations for private investment in telecommunications there is a clear tendency for "urban areas to offer still higher returns on investment", and it therefore seems clear that reliance on market mechanisms will inevitably act to increase inequities in digital infrastructure provision even if they may deliver small increases in rural digital access. To achieve equalization in connectivity across the board would therefore seem to require some form intervention, be this by central government or local private and community initiatives/partnerships. With current levels of digital inequities it appears likely that in many, although by no means all, rural areas, businesses and
organisations, as well as individual residents, will continue to be disadvantaged in comparison to urban located counterparts (although digital inequities also exist within urban spaces).

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

As discussed in relation to question 4, rural areas have tended to be disproportionately impacted by service rationalisation, both by private and public sector organisations. This has left many rural areas completely devoid of healthcare, education and banking facilities, and as discussed in relation to question 4, has thereby required people to travel further to access these services. There are cases of periodic provision of such services, as in doctor's clinic, library or post office and banking facilities being open once or twice a week, perhaps within co-located in a premise used for other activities as well so as to produce a 'multi-service outlet' (Moseley, 2004), as well as the provision of mobile outlets. Such outlets may provide a useful point of access to facilities, particularly for those with limited transport access, as well as a valuable hub of social interaction in a rural area, although they fail to cater for unexpected service demands and their opening times are often unsuited for people in employment.

As discussed in answer to question 4, many people have developed strategies to cope with the demise of rural service provision, including making use of on-line services and product delivery systems. This is not restricted to rural areas, there being a clear increase in the use of on-line shopping and banking facilities within urban areas as well. It appears likely that these trends will continue, although inequities in digital infrastructure provision discussed in relation to question 5, as well as socio-economic and demographic variations in access to and engagement with digital/on-line technologies may limit the opportunities for some people to fully engage with such modes of service provision.

Many forms of service provision involve a high degree of personal interaction if they are to be effectively delivered, and there is a clear risk that movements to on-line provision may fail to provide such interaction. There have been attempts to mitigate such impacts, through for instance the use of video connections, but has yet there has not been extensive roll-out of such services and there is also evidence that many of the people most in need may be the ones least likely to make use of such services. It is also important to recognise that there may none technology-based solutions to issues of service provision. As well as the period/multi-service outlets mentioned above, there have been attempts to deliver at least some non-technical services through community forms of provision. These include community transport services, which may allow access to more technical services, as well as the provision of community shops, cafes, pubs and post offices (which may include banking facilities). My own research has encountered many examples of such schemes emerging, often in response to closure of existing services. Often the driver for a community response is as connected to a feeling that important hubs of social interaction are being lost as it is to the loss of a particular service, although concerns over provision of services to people will low levels of transport mobility also figure strongly in many instances. Such initiatives can provide important modes of access to such
groups, although my research has also found instances where there were concerns over the reproduction of community participation in the long-term.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

As discussed in answer to question 6, there are many forces at work which put rural service providers at risk of closure. Many of these are part of drivers of change that have impacts across the whole of the economy, although may become particularly acute in rural areas where there may be smaller market opportunities linked to lower population densities.

**Business, employment, skills and demography**

9. How can deprivation and inequality in rural areas be tackled?

This is a huge and very difficult question to answer. Snelling (2017) and Skerrat (2018) are recent instances of a long running series of studies (e.g. McLaughlin, 1986; Lowe et al., 1986; Cloke et al., 1994; 1995; 1997; Woodward, 1996; Cloke et al., 2000) that have highlighted how issues of deprivation and inequality are often assumed not to be present in rural areas. An important issue is therefore to recognise the extent and forms that deprivation and inequality or inequities can take in the countryside. The Government's indices of deprivation (DCLG, 2017) recognise, to an extent, that deprivation has multiple dimensions, although research has highlighted a series of further dimensions, the problems of applying area-based classifications to the study of households, individuals and rural areas, the complexity of processes that create conditions of deprivation and inequality (e.g. Martin et al., 2000; Cloke and Milbourne, 2006; Milbourne and Cloke, 2006; Fecht et al., 2018). As with many issues, the processes establishing rural deprivation and inequalities within rural areas are also those that establish these features in urban areas, although they may be experienced and reacted to in quite different ways due to the character of rural space and communities, which can both make such issues both less visible and actively hidden by people (see Cloke et al., 2000). There is a clear need for policy makers and agents of welfare and economic support to recognise the differential responses and experience of rural deprivation and inequality as well as connect actions to wider initiatives to address their causes.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

The out-migration of young people from rural ideas has been a long-established feature, and since the 1970s has widely been accompanied in the UK by immigration of people in middle and later age groups (Stockdale, 2011). As with most migration streams, the out-migration of young people from rural areas has a range of cause. In many instances, it can be viewed as a product of life course transitions that are both wide-spread and widely promoted (Stockdale, 2004), with much of the out-migration occurring when young people are either entering higher education or the job market. However, as discussed in response to question 4, it is evident that in some cases, movement away from rural areas stems from lack of employment, or indeed educational, opportunities that can be accessed from an existing place of rural residence. It is also evident that young
people also move away from rural areas because of difficulties in accessing rural housing markets, with a series of studies identifying cases of such 'reluctant' movement (e.g. Stockdale, 2002; Cloke et al., 2003; Phillips et al., 2018). It is also clear that youth outmigration is stimulated by the appeal that urban spaces and lifestyles hold for many young people (Vanderbeck and Dunkley, 2003; Rye, 2006), as well as by images and experiences of living in rural areas, which as studies such as Leyshon (2011) have highlighted, may include senses of being marginalised within rural communities.

Given such a diversity of reasons for rural out-migration by young people, it is important that responses to this should not adopt a normative focus that implies that it should be an expectation that young people will remain within communities. My own research on the migrational experiences of rural residents has highlighted how many people have complex biographies of migration between rural and urban places at different points in time, and hence people who leave rural areas at one point in their live may well return at other points in time. Having said this, there are clear instances of reluctant out-migration and a focus on the factors underlying the formation of this would be a valuable policy focus.

References


Professor Martin Phillips – Written evidence (REC0149)


10 September 2018
Follow up question 1: Further information about rural business innovation, and staff development in rural businesses (p11, Chairman)

a) Rural Business Innovation

Innovation is a multifaceted phenomenon which can take many forms including developing new products and services, working in new ways, and applying new techniques to old problems. Our urban-rural analysis of the Government’s Longitudinal Small Business Survey\(^\text{428}\) (LSBS) shows that on some innovation indicators rural businesses perform at an equivalent or comparatively higher level of performance to urban firms. As a whole in England, rural and urban firms are more likely to introduce new or improved services than goods. Similar percentages of rural and urban firms (30.2% cf. 30.2%) have introduced new or improved services in the last three years. However rural firms are more likely than urban firms to have introduced new or improved goods (18.8% cf. 16.5%). Product innovation is therefore an additional indicator of the important contribution that rural firms make to national economies. Whilst similar percentages of rural and urban businesses have introduced new or improved processes for producing or supplying good or services (19.2% cf. 17.7%). England’s rural firms are also more likely than urban firms to feel that they have very strong capability in developing new goods or services (21.4% cf. 18.9%).

To capture more disruptive innovations, firms were asked in the LSBS whether they had introduced goods or services that were new to the market. Across England on this indicator there were no significant differences between rural and urban firms. However, significantly fewer enterprises in Mainly Rural Local Authority Districts report ‘new to the world’ innovation in the form of goods or services new to the market, which suggests that enterprises in the ‘most rural’ areas may face greater difficulties in realising the commercial development of ‘breakthrough’ innovations.

Innovation opportunities and challenges also vary regionally which requires a tailored response within local industrial strategies. For example in the South East significantly higher levels of rural than urban firms have introduced goods or services new to the market, but fewer have cooperated with universities or other HEIs in the innovation process or consider their business capability for innovation to be strong. In Yorkshire and Humber relatively more rural than urban firms have introduced new or improved processes, believe they have very strong business capability for innovation, and have collaborated with universities or other HEIs in the innovation process. In the North West urban firms were more likely than rural firms to be service and process innovators, but rural firms were

more likely to perceive their business capability for innovation to be very strong. More rural than urban firms in the North East had introduced new or improved processes for their goods or services, however significantly higher levels of new to the market innovation were found among urban firms, and rural firms were less likely to report strong or very strong capability for innovation.

Whilst the evidence shows that rural firms can match or be more innovative than England’s urban firms, rural areas and their micro and small business economies can appear marginal to formal innovation systems focused on R&D. Outmoded perceptions can lead to the assumption that rural economies lack dynamism and are dependent on the transfer of growth and innovations from urban centred investment. It follows that consideration should be given to the reach of innovation support and advice to rural firms, and to providing more targeted information and advice services for those wanting to develop new products or services. Such a review should encompass the rural footprint of the Industrial Strategy’s Grand Challenges. Given the role of rural areas in several socio-economic trends and with the challenges of operating in a rural environment often stimulating innovative responses, the delivery of the Industrial Strategy Challenge Fund, innovation clusters and other investments should address the role and potential of rural economies as sites and test beds for innovation: for example their role in pioneering society’s response to an ageing population, the challenges of mobility of goods, services and people, and realising the value of natural capital to clean growth.

**b) Staff development in rural businesses**

Many rural challenges in relation to staff development and skills are long standing and structural. In many rural areas people often have poorer choice of jobs, get paid less for jobs requiring fewer work place skills, and experience less on-the-job training. There is therefore an overarching need for more choice and variety in rural labour pools, especially for young people and skilled employees.

Moreover, rural firms that create skilled employment opportunities can have difficulty recruiting or retaining skilled staff. Our analysis of the Longitudinal Small Business Survey shows this is an issue for a third of England’s rural small firms who employ staff. It is also a concern that we found significantly fewer rural employing firms are planning to improve their leadership capabilities over the coming years, compared with their urban counterparts. Attention is therefore needed within local and sector skills strategies to support rural firms’ staff development, including the potential role of collaboration among firms in meeting their recruitment gaps and training needs.

Apprenticeships requirements, for example, often appear to have been designed with little recognition of the higher financial and time costs of many non-land based rural business sectors to fulfil formal training requirements for apprentices. Local FE college and training infrastructures in rural areas are either few in number or distant, and offer limited variety in industry courses for sectors such as construction, manufacturing, transport, and professional and business services, so placing higher burdens on small rural firms and their apprentices. Whilst larger firms in more urban areas have often been able to reduce these burdens by gaining accreditation for in-house training centres and programmes. Another limitation in rural areas relates to stipulations linked to
apprenticeship age limits, given the higher proportion of older people in rural areas and with some rural industries attracting working age people at a later stage in their careers. Some progress towards meaningful alternatives for rural and small firms has been made in recent years, especially in Wales, through development of shared apprenticeships in which trainees are shared by several local firms to gain fuller breadth of skills and work activities, benefitting both owners and trainees, and through apprentices 'employed' by formal training bodies such a Sector Training Boards, Machinery Rings, Colleges etc for areas of dispersed geographies. This needs to be more widely promoted and supported.

More broadly, evidence has consistently shown that in contrast to urban firms, rural hard to fill vacancies have less to do with skills shortages and gaps per se, and more to do with lack of affordable or suitable housing and transport. Differences in the density and frequency of public transport often make rural jobs less accessible with take-up contingent on car ownership. For low paid workers especially, the costs of car ownership, maintenance and fuel can make rural jobs less attractive. Moreover, while rural England has witnessed counter-urbanisation, this has inflated rural house prices and been skewed to older workers and retirees. Concurrently, the outmigration of young people to urban areas, in search of higher education, affordable housing and more lively social environments is a persistent issue for rural firms seeking to recruit and retain energetic and enthusiastic younger staff. These broad challenges linked to housing and transport emphasise the need for joined up rural proofing of the range of policies that impact in a place based way in rural areas. Lessons could also be drawn from previous approaches that have focussed policies and interventions in rural towns, such as the Market Towns Initiative, as well as Wheels to Work schemes which offer a practical response to accessing employment for young people. Could government also consider extending tax reliefs and allowances to rural firms, aligned to key stages in their business cycle, to incentivise employers to help new employees’ access accommodation or transport to the workplace?

Follow up question 2: A “considered response” on the resilience of rural economies and their ability to deal with future change (p14, Baroness Mallalieu)

The resilience and adaptability of rural economies have often been highlighted in past crises. Rural business coping and adaptive responses have been shown to be dependent on the availability and use of assets (financial, physical, social, human etc.) within business households and supporting community networks. This was shown clearly during the FMD outbreak in 2001. More recently the Commission for Rural Communities’ monthly reports to government after the 2008 recession showed that rural unemployment rose more slowly, and fell more quickly than in most urban areas, as out of work rural people took up self-employment, or changed their work locations, rather than staying on unemployment benefits or government training schemes. It is also clear that many rural places continue to be at the vanguard of community and social enterprise solutions to challenges linked to service delivery or withdrawal.

However there is also a need to avoid overgeneralisation or an assumption that their resilience means rural communities can be left entirely to their own devices. Capacities to withstand and adapt to change are highly variable both between and within communities. Moreover coping and resilience processes themselves often generate secondary social and economic consequences for household members and business employees. Research for Carnegie Trust has highlighted the uneven distribution of assets and capabilities, with some places thriving and others facing deepening challenges, warning of a ‘two-speed countryside’ if communities that are presumed to be resilient are simply left to themselves. The research reemphasises the imperative for enabling support for community capacity building through a successor programme to Leader Post-Brexit.

Follow up question 3: List of three government policies that have had the worst/best impact on the rural economy (p16, the Earl of Caithness)

Given the diversity of rural economies and the full range of policies that affect them (business, education, health, housing, infrastructure, local government, transport, planning, environment, agriculture etc) it is difficult to identify a shortlist of policies that have had the Worst or Best impacts. Policies impact in complex and contrasting ways for people and communities. Moreover problems may not necessarily rest with a policy per se, but in its implementation, where responsibilities are often distributed across multiple agencies and levels of governance.

It follows that all departments, agencies, and authorities at national and sub-national levels should show that they have acknowledged rural needs and opportunities in their strategies, programmes and investments. There is an overarching necessity to avoid the past predicament whereby rural economies have fallen between a stream of rural development funding heavily focussed on agriculture and the environment (EAFRD) and streams of European structural funding and other growth and national capital investment funds which have assumed rural was being dealt with by Defra and RDPE. The rural affairs agenda is not entirely derivative of farming and land based sectors or environmental policy. Land management is one among many drivers that impact alongside industrial development, housing, services, transport, education, broadband etc. Rural policy cannot therefore be tackled through farming policy alone and decisions on the purpose, targeting and allocations of future priority setting and funding should be cross departmental. A key priority will be to ensure all government agencies understand that their interaction with businesses has an effect on rural firms’ success and coordinate their engagement accordingly.

Among the policy areas deserving further focus by the committee I would highlight the following:

1. Leader and community-led local development

Reviewing its contribution and developing a successor initiative to Leader and its role in social and economic innovation will be critical to underpinning ongoing

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capacity building and resilience within and between places and to putting in the foundation for future growth and development. Though Leader has not been sufficient on its own in tackling the full range of rural issues given its scale of investment and governance, the programme has been successful in underpinning bottom up and locally responsive development. However through successive phases of the Leader programme Local Action Groups have been subject to increasing constraints that have blunted their creativity and impact. Furthermore, the growing focus on improving business productivity and growth has underplayed vital community or service values that owners of many small rural businesses seek to provide. This goal should be incorporated within a more flexible future approach to community-led local development.

2. Land use planning policy and its impact on the rural

Safeguarding the countryside from inappropriate development has been a preoccupation of successive Governments since the late 1940s and continues to be a priority, as shown in recent plans to review National Parks and Areas of Outstanding Natural Beauty (AONBs). While this focus has led to the protection of the special qualities of many nationally important landscapes, it can be argued that these policies have also contributed to a range of economic and social problems through the restrictions that they place on development. Even in the countryside outside of these protected areas the presumption is generally against development. One controversial exception to this in recent years, has been the erosion of green belt land (which covers around 13% of land area in England) where, despite the stipulation that housing should only be built under ‘exceptional circumstances’, an increasing number of new houses are being built.

Land use planning is about more than development control and should also be used as a vehicle to promote economic growth and social well-being in rural areas. This is not always the case, and while large-scale infrastructure projects like the HS2 rail-link are likely to cut a significant furrow through the countryside, many smaller-scale developments offering benefits to rural communities and businesses fall foul of a range of complex planning regulations such as those around affordable housing and permitted development on farms. On the other hand, finding an appropriate balance is key. Maintaining high quality rural landscapes can benefit the wider economy by providing attractive places for people to live, work and visit. Rural tourism is an important source of income in many areas and landscape character and quality underpin the marketing of many local goods and services from artisan foods to outdoor activities. These same landscapes also deliver a range of important ecosystems services that benefit both the economy and the natural environment, the loss of which could have serious economic consequences as documented in the recent National Ecosystems Assessment.

3. Policy for rural proofing

Rural proofing continues to be a work in progress, both nationally and locally. Given that many of the most important policies shaping rural economies are led by a range of departments, it is important that the formation, delivery and evaluation of these mainstream policies equitably take into account the needs and opportunities of rural areas. This will demand coherent policy and evaluation within departmental portfolios, improved and sustained cross government
working at the intersections of policies, and a mechanism for holding departments and agencies to account for their rural proofing responsibilities\textsuperscript{432}.

Implementation of rural proofing appears to be variable. Progress was made, for example in developing the recent UK Industrial Strategy, where BEIS and Defra joint-working and substantial voices from rural stakeholders led to more visible treatment of rural economies between the Green and White Papers, with addition of examples, references and plans that embed and infer opportunities for Britain’s rural economies. Here the critical test will be to ensure an inclusive approach throughout the implementation of the Strategy at all levels and across the Strategy’s foundations and challenges, including a need for all Departments, agencies, LEPs and sector councils to show that they have acknowledged rural needs and opportunities in their related strategies, programmes and funds\textsuperscript{433}.

In contrast rural areas are explicitly excluded from the recent DCMS / Arts Council Cultural Development Fund and its support for \textit{urban} places to invest in culture-led economic growth and productivity. Rural areas have been similarly disadvantaged within the eligibility criteria of other place focussed policies in recent years, such as programmes aimed at boosting high street shops (Town Centre Partnership Fund) and addressing poverty and unemployment in seaside and coastal resorts (Coastal Communities Fund), leaving rural economies having to make the case after announcements of new policies and programmes for equity by inclusion. Further examples relate the lack of rural visibility within regional growth corridor strategies such as the Northern Powerhouse and Midlands Engine, oversights which represent a missed opportunities for regional growth\textsuperscript{434}.

A key task of rural proofing is in ensuring policy metrics and priorities reflect the smaller scale or longer time frames at which rural improvements can be achieved. Metrics, investment criteria and VFM assessments should not discriminate by default against rural businesses. However experience and research suggests rural proofing requires a clearer purpose and coherent vision, as well as strategic commitment, monitoring and oversight through all stages of the policy process to avoid patchy and tick box delivery. Sufficient evidence, resourcing and capability is necessary, but may be currently insufficient, to underpin “rural proofing” nationally, and to equip agencies and authorities outside of government and at sub-national levels.

\textbf{4. Enterprise zones and Rural Growth Networks}

Enterprise Zones (EZs) and associated mechanisms have been deployed with the intention of boosting growth within or adjoining larger towns and urban areas, through a combination of easier planning applications for infrastructure, rates relief, focused public sector support and local devolution of decision making, but

\textsuperscript{432} See Rowe, F., Hejnowicz, A., Penn, A., Martin, J., Rios-Wilks, A., forthcoming, Evaluating complex policy for rural development at a time of dynamic change, CECAN Evaluation Policy and Practice Note.


have traditionally proven to be largely irrelevant to rural areas. Recent rounds of EZs have included rural examples, with their design criteria made more meaningful for rural economies by being applied to wider geographical areas rather than single sites. A review of their delivery and impacts in rural areas would be timely, alongside consideration of lessons from other spatially-targeted growth and regeneration zones, including the extent to which they have been able to encourage new firm creation and overcome problems of business displacement that have befallen previous initiatives.

Alternative approaches may be needed involving a more distributed package of business support and advice to encourage rural firm start-up and address barriers to growth, accompanied by dispersed networks of local business hubs, drawing on the lessons from the Pilot Rural Growth Networks in England. Lessons from the RGN Pilots have largely disappeared from view however may prove valuable as Local Industrial Strategies are developed and as the Government devises its UK Shared Prosperity Fund. CRE research435 and national evaluation shows that hubs have been a flexible approach for overcoming local constraints, lack of critical mass, and the dispersed nature of rural firms – and in enabling growth and grow-on premises for home based firms. They have generated a good return of investment, especially where they have been accompanied by proactive management and animation. There is also evidence that they have helped to build a wider strategic commitment to the rural within the local growth deal funding of some LEP strategies.

5. Small Business Rate relief and business rates retention

One longstanding policy and programme that has benefitted service industries and micro-businesses in many rural areas and market towns has been Small Business Rate Relief, which has removed or reduced this burden from new businesses and from key service businesses such as village shops. However given changes to local government funding arrangements, perversely this relief mechanism may also serve to contribute to rural inequity. Recent developments allow local authorities to retain business rate revenue as an incentive to encourage business growth. Given that many rural and small authorities have a smaller base of rateable businesses, lower inward investment potential, a lower public sector grant and revenue base, and less funds for matching private investment, yet often a higher cost base, it follows that rate retention is weighted in favour of larger local authorities with a record for attracting new medium to larger inward investor businesses. It adds little for mainly rural local authorities that have lower rates of business formation and higher numbers of very small businesses that can claim up to 100% Small Business Rate Relief. In response to this challenge should government introduce a specific investment fund for rural local authorities to promote business growth?

7 September 2018

The Plunkett Foundation – Written evidence (REC0078)

About Plunkett Foundation

1. The Plunkett Foundation helps rural communities UK-wide to tackle the issues they face, through promoting and supporting community business. Community businesses are enterprises that are owned and run democratically by members of the community and others, on behalf of the community. They come in many forms, including shops, pubs, woodlands and anything which lends itself to community ownership. In addition to developing and safeguarding valuable assets and services, community businesses address a range of issues including isolation, loneliness, wellbeing, work and training.

2. Plunkett’s role is to advocate and champion the concept of rural community business to ensure communities throughout the UK are aware of the model and its potential; feel empowered to take action themselves; and operate in a supportive environment. Plunkett provides practical advice, support and training to help rural communities establish and run successful community businesses with long term survival rates.

3. Plunkett is proud of its roots; it was founded by the great Irish co-operative pioneer, Sir Horace Plunkett, in 1919. For almost 100 years, it has supported rural communities to thrive through community business and to improve the quality of life for all. Today, it represents the interests of over 600 rural community businesses that it has helped to establish and a further 400 in the process of setting up, as well as those who are just starting on the path.

4. In response to this call for evidence the Plunkett Foundation wishes to respond specifically to questions 1 – 4, 7, 9 and 14.

Q1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

5. We understand that the rural economy needs to be made up of diverse business sectors. As stated by the Rural Coalition, whilst agricultural production is important, it must be remembered that it is only one part of the picture. There are in fact 523,705 registered businesses in rural England employing 3,374,000 people. Plunkett regards a multi-industry rural economy as a key component to sustaining the countryside through job creation, retention of services and enriching people’s lives through social interaction.

6. What has changed in recent years, and causes Plunkett Foundation concern, is the number of rural businesses that remain at threat of closure as a result of market forces and the lack of government intervention. Banks, post offices,

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shops, pubs, in addition to public sector services such as schools, health care and transport services are all in retreat. Whilst government subsidy exists for many private and public industries, there is a bias towards urban infrastructure to the detriment of rural communities.

7. Community businesses, such as the ones supported by the Plunkett Foundation are having an increasing influence on the rural economy as more communities seek to retain, sustain or reintroduce services locally. Throughout the UK, Plunkett has supported the creation of over 600 community owned shops, pubs, cafes, and libraries, through to woodlands, farms, and harbours. These enterprises are a positive story against a backdrop of rural business closures. The Prince’s Countryside Fund “Recharging Rural” report (published July 2018) quite rightly points out that collective action; such as setting up a community business, empowers local residents to strengthen a sense of place and local belonging.

8. Power to Change research estimates that there are at least 6,600 community-run businesses in England, with roughly 30% of community businesses in rural locations. They further argue “with only 17% of the population of England living in rural areas, community business could be more relevant to rural communities than better served urban areas.” It is disappointing therefore, that the majority of government investment in community business is channelled into urban communities as a result of place-based investment strategies that favour areas scoring as most deprived under the commonly used Indices of Multiple Deprivation measures.

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

9. Plunkett Foundation produces annual “Better Business” reports which denote, the performance, health and impact of the rural community business sector, particularly focusing on shops and pubs. The 2017 reports identified 348 community shops which were providing essential services to 1,400 rural communities, creating 1,114 employment opportunities and 9,605 volunteer and training positions. Community shops generated a combined turnover of £54m throughout 2016 and donated £125,000 to local community projects. A key success factor of community businesses is their resilience to market conditions and their ability to achieve longevity. The long-term survival rate of a community shop, for example, is 95%, and no community pub has ever closed indicating a 100% survival rate.

10. Community businesses have a track record for going beyond their primary trading activity. Shops, for example, often host post offices, cafes, meeting rooms, and act as a stimulus for new social clubs and societies. Power to Change and the Ministry of Housing Communities and Local Government (MHCLG) recently supported Plunkett, through the More than a Pub project to

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437 Power to Change “Supporting analysis of the Community Business Market in 2017” (published December 2017)
support community businesses, such as pubs to explore the additional role they could play in promoting health and wellbeing in rural communities through similar examples of diversification and partnership with health providers. The project is ongoing to support the growing sector.

11. English Rural Housing Association and Esmee Fairbairn Foundation have also supported Plunkett recently to deliver an awareness raising campaign called #TheLittleThings which promotes the potential for community business to revitalise rural communities and specifically address social issues including isolation and loneliness.

12. Plunkett promotes a wide range of case studies to illustrate the different community business models which are adapted to meet the bespoke needs of their host communities. The Dog Inn community pub in Belthorne, Lancashire, is one such example of a “success story” which we would like to bring to the attention of this Select Committee.

13. In February 2015, the Dog Inn was put up for sale by auction, and a highly motivated group of villagers came forward with the idea of buying and taking over the pub. Although listed as an Asset of Community Value they were unsuccessful in agreeing a deal with the pub company at that time, and the pub was sold prior to auction to a local developer. Undaunted the community steering group, supported by local residents negotiated a deal with the new owners and a Community Benefit Society was set up with the aim of raising £180,000. Two months later the money was raised through a community share offer, contracts were exchanged and on 1 September 2015, The Dog Inn officially became Lancashire’s first community-owned free house. We wanted to highlight this example to the committee to show how local determination, matched with appropriate expert support from the Plunkett Foundation achieved the aim of safeguarding this local asset for future generations.

14. The pub is now a sustainable community business which also incorporates a shop, post office, restaurant, café, meeting rooms community garden and allotments. The business provides employment and work experience for several local people, and their latest initiative will give 15 young people the opportunity to run a pop-up restaurant on three nights of the week.

15. As a UK-wide organisation, Plunkett Foundation receives approximately 500 new enquiries each year from communities considering setting up a community business. Whilst awareness of this model could always be higher and we welcome support in doing so, awareness and promotion is not the key barrier limiting the number of communities succeeding in setting up community business. What is needed is more support for infrastructure bodies

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438 More about the #TheLittleThings campaign can be read on the Plunkett Foundation website.
439 As part of the “Inspire” work that Plunkett Foundation carries out with new community business projects we use a range of case studies to promote learning and experience from other businesses we have supported. A full range of the case studies we have can be found on the Plunkett Foundation website.
such as Plunkett, Locality, Co-operatives UK who are providing the support to community businesses, and grant finance available to community businesses directly. MHCLG has helpfully supported the growth of community pubs via loan finance on the More than a Pub project but in reality, there is sufficient loan finance available – it is the grant finance that is in short supply. We have also advised MHCLG on how the localism act could be strengthened to support more communities save vital assets through community ownership.

16. The best way that successful community businesses can be replicated across the country, is through effectively facilitated peer-to-peer / business-to-business learning. This is already achieved in part by Plunkett and the partners we work with who also have a national reach, but to achieve full nationwide and consistent communication and learning there needs to be a large scale, rurally-focussed funded programme which covers the whole of the UK which there has not been seen since the Big Lottery Fund’s Village SOS440.

Q3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes? Infrastructure and services

17. The development of community businesses is on an upwards trend and Plunkett Foundation believes that this will continue. The community shop sector has seen large growth since 2000, with over 300 shops opening in the last 18 years441. With a 95% long-term survival rate442 – compared with an average of 45% average survival rate for SME – it shows that this model is very robust in terms of sustaining services locally. Also with 150 community owned shops also hosting a post office, or post office services the role of these businesses has a more positive impact on the wider area.

18. Community businesses are generally adaptable to meet local need, meaning that they often provide more than just the core function they were original set up for. For example, shops commonly offer additional services, such as prescription collection, cafes and parcel drop off points and pubs are hosting rural cinemas, luncheon clubs and local meetings. The trend for businesses to be multi service centres, be they community or privately owned is likely to be the future model adopted by many more proprietors.443

19. Improvements to broadband and mobile phone connectivity will only have positive effect on the rural economy and will enable more businesses to offer an even greater range of services, including improved connectivity to banking services in areas where a bank is no longer open and there is no post office.

Q4. How can access to transport be improved in rural areas?

440 End of programme report for Village SOS from ACRE (published May 2017)
441 There were just 70 community shops in 2000 and there is currently 371 community shops open across the UK (according to Plunkett Foundation records)
442 Plunkett Foundation Better Business report 2016
443 The Association of Convenience Stores “Rural Shop Report 2018” (published January 2018) clearly shows that shops are valued highly locally and that an increasing number of looking to bring in new services to diversify their business offer.
20. Transport is one of the main problems facing those living in rural areas. Plunkett Foundation would support the recommendations included in the Citizens Advice report in terms of sustaining current levels of transport provision and working towards improvement in future. It is clear that with rural services not being commercially viable, there needs to be increased government subsidies to support local authorities in rural areas to run public transport. Community transport, or informal community-led initiatives appear more frequently to be meeting local demand and to enable this sector to continue to grow increased funding and development support should be made readily available to local groups. Although community transport also needs to operate on commercially viable routes and seek cross subsidy for services, they are more flexible to adapt to the specific needs of the communities they serve.

21. The Department for Transport is currently considering legislative changes to what are known as ‘Section 19’ and ‘Section 22’ permits. We support the Community Transport Association’s analysis of the potential negative impact of the proposed changes on this important sector.

Q7. What can be done to support local shops, community pubs and other rural amenities at risk of closure? Business, employment, skills and demography

22. Groups looking to establish a community business require support, at every stage of their journey from project inception, through to opening and then ongoing as they begin to trade. This is also true for private businesses. Plunkett Foundation proudly present ourselves as the first point of contact for all rural community businesses seeking any advice and guidance. Through a network of independent advisers and other external partners such as Power to Change, Co-Operatives UK, Locality, the ACRE Network we provide bespoke support to groups in the most effective manner. This kind of support provided by infrastructure bodies requires finance to operate and therefore a large-scale funded programme, as referenced in paragraph 16 is required.

23. As well as funded support for business, the availability of grant funding needs to be readily available to enable local level projects to grow. Plunkett Foundation, with the support of Power to Change and the Ministry for Housing and Local Government has for example successfully run the More than a Pub programme over the past 4 years. This project has enabled 28 to open with both grant and loan finance available to them. To date no community pub has shut after opening.

24. In preparation for this Call for Evidence the Plunkett Foundation engaged community businesses we work with and there was strong feeling that there

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444 As was highlighted in the Citizens Advice Rural Issues Group report “Ticket to Ride” report (published January 2017)
should be more flexibility relating to application of business rates for rural businesses. Given that they have less choice in terms of suppliers (of services for the business) they are less able to negotiate competitive deals, there is a feeling that this should be reflected in rate charges.

25. Most of all greater levels of education is required to inform national lenders and high street banks about the community business model. Repeatedly there are issues and delays caused for community business projects by a lack of available loan funding, at competitive rates. As well as this there can be issues with setting up a business bank account, which when a project is timebound such as within the moratorium period for an Asset of Community Value Order any delay can be hugely detrimental to the whole project. Given the withdrawal of many rural banks and the expectation that remaining businesses such as post offices, and local shops hosting post offices then pick up the banking services it seems that there is a disconnect within the sector that could be resolved with greater national leadership from within government.

Q9. How can deprivation and inequality in rural areas be tackled?

26. Plunkett believes that community businesses are a key resource available to residents in tackling inequality in rural areas. As an organisation we promote the Community Benefit Society model, as our preferred operation structure because this encourages mass membership and ensures that it is one member, one vote regardless of how much you have invested in the business. Our experience shows that some Community Benefit Societies allow membership for as little as £1.00 and in some cases some residents have invested as much as £1000.00 (or more).

27. Supportive local and central government empowers the community business sector. Their leadership, support and provision of funding can encourage more effective linkages with other public services such as; libraries, child care, information bureaus or transport. In a number of communities these key services are being sustained via community-led solutions. The role of communities in local economic planning must not be neglected and we have concerns about the future administration of the planned Shared Prosperity Fund – this Fund will replace substantial EU funding that previously supported the community sector. Current thinking is that LEPs will play a major role in distributing these funds.

Q14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

28. Plunkett Foundation, along with our colleagues of the Rural Coalition, have been making a case for consistent rural proofing of policy, across all

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446 Many community pub groups that the Plunkett Foundation support have utilised Asset of Community Value Orders in order to progress the purchase of their local pub.
government departments. Disappointingly, the BEIS Industrial Strategy failed to recognise the unique challenges faced by rural communities and included no specific actions relating to business residing in rural areas.

29. Brexit is likely to both present challenges and opportunities for those living and working rural areas. It is vitally important that European Investment which has been previously accessed by some community businesses, enabling them to set up and operate for the benefit of their local areas must be replaced and remain available to support local action.

30. Government should encourage more collaborative efforts amongst rural infrastructure organisations and reduce the overlapping of networks and groupings that currently exist. Government can encourage closer partnership work through resourcing rural partners such as Plunkett Foundation, Action with Communities in Rural England, Rural Services Network, Community Transport Association, Power to Change and Locality to run programmes of support which will continue to see the community business sector grow to meet locally identified need. Centralised funding would enable a core service of ongoing support to remain available for community businesses throughout their life time.

10 September 2018
Power to Change – Written evidence (REC0076)

About Power to Change

1. Power to Change is an independent trust, established in 2015 with funding from the Big Lottery Fund. Our funding is used to strengthen community businesses across England. We help local people come together to solve problems for their community, reviving local assets, protecting the services they rely on, and addressing local needs. We provide practical and financial support to them as they run businesses which help their whole community and recycle money back into the local area. In our first two years of operation, we invested over £40m in over 500 community-run businesses, across a wide variety of economic sectors such as pubs, shops, community centres, transport, energy generation, and sports facilities.  

2. In 2017, we made a strategic decision to become a place-based funder and invest in a number of priority places. Among these is Suffolk, where our aim is to understand the support needs of rural community businesses. We also co-invest with the Ministry for Housing, Communities and Local Government, in the More Than A Pub programme – which offers support to those wanting to take pubs into community ownership, two-thirds of which are in rural locations. We have drawn on learning from these initiatives, as well as on data from our research programme, in our response to this call for evidence.

About community business

3. Community businesses are established and run by local people who want to make a difference in their area. Unlike charity, private business or even other social enterprises, community business brings together a unique combination of entrepreneurialism, social purpose and local community ownership. Communities are running rural bus services or community shops, developing community-led housing schemes, and delivering health and wellbeing services to deprived or isolated populations. When a community centre is run as a community business, it generates its own income from trading and provides services for everyone in the surrounding area. See Appendix A for a more detailed definition of community business, and Appendix B for a case study profile of a successful community-run pub offering a range of local services.

4. Our research estimates that there are over 6,600 community businesses across England, with their numbers growing each year. These businesses are estimated to employ 35,500 staff and engage nearly 120,000 volunteers, generating more than £1.2bn income each year.

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447 Our grant awards data is available online at http://grantnav.threesixtygiving.org/funder/GB-CHC-1159982
Q1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

5. **The relevance of community business to the rural economy is growing.** The rural economy, like the UK economy overall, has seen recent growth in social enterprise and community-run business. Government estimates now set the number of social enterprises in England at approximately nine per cent of the small business population.\(^{449}\) Within this statistic sit many businesses established and run by local communities. Our research estimates that there are at least 6,600 community-run businesses in England, with roughly 30% of community businesses in rural locations.\(^{450}\) With only 17% of the population of England living in rural areas\(^ {451}\), this suggests that community businesses could be more relevant to rural communities than better-served urban areas. The majority of community businesses offer services to the local community (rather than, for example, producing goods).\(^ {452}\) For rural populations these services are likely to be of increased importance due to the reduced access to services in rural locations, and the impact of local government budget reductions.

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The following are two examples of entrepreneurial success stories in rural locations, which we have supported.

**The Cheese and Grain, Frome, Somerset**

About 10 years ago, Frome Parish Council set up a trust to ensure a recently refurbished 1800s agricultural building would become sustainably run. The Cheese and Grain, as the building is now known, is on a 25-year lease to a non-profit, member-owned community business. The business runs predominately as a music venue, hiring out spaces for functions, providing office spaces for local businesses and running a café and bar. By being open seven days per week, the Cheese and Grain has increased its income to £365,264 in 2016-17. Surplus revenue goes towards enabling local health professionals, charities and community groups to use their facilities cost effectively. In this way, the business is increasingly successful in its aim to enhance the social, cultural and economic environment for the community of Frome.

**Cuckmere Community Bus Ltd, East Sussex**

Since 1976 this community transport company has provided reliable, accessible means of transport to Cuckmere Valley residents. It now has eight 16-seater low

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\(^{450}\) Diamond et al 2017.


\(^{452}\) Diamond et al 2017.
floor, fully accessible mini buses servicing 25 local bus routes seven days per week. The bus routes have been diversified to not only be passenger-led but also aligned with where the business can get the most revenue. This has been very effective; the vast majority of Cuckmere Community Bus Ltd’s revenue comes from passenger fares. The business is run entirely by 70 volunteers, including a board with strong business acumen.

Q3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

6. We see strong potential for growth in the rural community business sector – in particular, in community-run shops, pubs, transport, housing, and in hubs and village halls. Community pubs, for example, have increased in number from 6 in 2010 to 61 today, at least in part due to targeted support funded by Government and Power to Change, through the More Than A Pub programme. A further 288 are in the pipeline, where communities have received development support towards the opening of a new community pub. Two-thirds of these are in rural areas. Community pubs had a 100% survival rate in 2017.

7. Rural community shops in the UK have grown from 70 in 2000 to 348 in 2016. These are predominantly in England, with the highest density in the south west. Alongside the valued retail service offer, they provide a range of services to their local communities – for example, 59% of rural community shops offer postal services via Post Office Limited, and some provide consulting rooms for visiting GPs and nurses. Rural community shops have a 99% five-year survival rate.

8. Recent research on village halls highlighted their enterprising nature. In a 2017 survey, 80% of village halls responding reported that they traded for the benefit of the local community, with income coming from room hire (60%) and a mix of other services, such as cafés, bar sales, clubs, hot desking, business workshops (30%).

Q4. How can access to transport be improved in rural areas?

9. The community transport sector plays a significant role in transport provision in England, and services are mainly based in rural areas. Of the estimated 6,600 community businesses in England, 1,200 are community transport organisations - the largest sub-sector, after community hubs. Government, local and central, can support this important sector in the following ways:
   - Local (and health) authorities are usually key stakeholders for community transport businesses, and can support the sector by providing access to premises or inviting community transport businesses to bid for contracts – such as for hospital transport services. The introduction of the Bus Services Act 2017 has given local authorities powers to intervene in their

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local bus markets. This creates opportunities for community transport businesses to partner with local authorities in the provision of integrated transport services.

- The Department for Transport is currently considering legislative changes to what are known as ‘Section 19’ and ‘Section 22’ permits. We support the Community Transport Association’s analysis of the potential negative impact of the proposed changes on this important sector.

Q7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

10. **Local authority buy-in**: Proactive support from local authorities is key, such as in Suffolk where we are partnering with the Council to grow their local community business sector. Local government can transfer surplus assets - such as buildings - to community groups, providing an asset base for sustainable growth. We estimate that up to £7bn of local authority assets could be transferred to community ownership under Community Asset Transfer (CAT). The legislation around Assets of Community Value (Localism Act, 2012) could be strengthened, giving the community more time to raise funding to take over a valued local asset, as recommended in 2016 by the House of Commons Communities and Local Government Select Committee.458

11. **Funding and support**: As recognised by the Government’s Civil Society Strategy (July 2018), there is a role for strategic grant-making to help stabilise a growing movement. There is also an important role played by sector support bodies - such as the Plunkett Foundation, ACRE and Locality. Community pubs have benefited from dedicated central government funding and support over the past three years, resulting in strong growth in the number of community pubs across England, and to date no pub closures. As mentioned (para 2) above, the More Than A Pub programme is an example of how targeted help and the creation of a peer network can build resilience in a growing sector.

12. **A rounded approach to local economic planning**: Enlightened areas should involve community groups, businesses and the wider third sector in local economic planning and the development of local industrial strategies. The recent Review of Local Economic Partnerships (LEP) and policy paper on strengthening LEPS were disappointing in their lack of emphasis on inclusive growth and the benefits of wider thinking around local economic actors and partners.459

Q9. How can deprivation and inequality in rural areas be tackled?

13. As mentioned in paras 11-13 above, supportive local and central government can help grow an entrepreneurial culture and service provision that can be integrated with, and work alongside, public services, such as library or transport services. The role of communities in local economic planning must not be neglected, and we have concerns about the future administration of the planned Shared

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Prosperity Fund – this Fund will replace substantial EU funding that previously supported the community sector. Current thinking is that LEPs will play a major role in distributing these funds.

Q11. What opportunities are there for the older retired population to help support the rural economy?

14. The community business sector provides many meaningful volunteering and employment opportunities for an older population, as well as providing a range of services (such as community transport) that support that population to live independently.

Ailbhe McNabola,
Head of Research and Policy,
Power to Change

10 September 2018

Appendix A: Definition of community business

There are many types of community business. They can be shops, farms, pubs or transport organisations, among many other types of business. What they all have in common is that they are accountable to their community and that the profits they generate deliver positive local impact. They share much with social enterprise more broadly; what sets them apart is that they are rooted in a particular place and local community.

The four key features of a community business are:

Locally rooted: They are rooted in a particular geographical place and respond to its needs. For example, that could be high levels of urban deprivation or rural isolation.

Trading for the benefit of the local community: They are businesses. Their income comes from things like renting out space in their buildings, trading as cafes, selling produce they grow or generating energy.

Accountable to the local community: They are accountable to local people, for example through a community shares offer that creates members who have a voice in the business’s direction.

Broad community impact: They benefit and impact their local community as a whole. They often morph into the hub of a neighbourhood, where all types of local groups gather, for example to access broadband or get training in vital life skills.

Appendix B: Case study – The Angler’s Rest, Bamford [http://anglers.rest/](http://anglers.rest/)

Faced with the potential loss of the last remaining pub in the village, local residents in Bamford decided to take action. They launched a community share offer and raised over £260,000 from local residents to purchase the pub. It now turns a profit and incorporates a post office and café.

When communities lose their local services, such as pubs, shops and post offices, they are at risk of becoming dormitory towns and villages where people leave the community for work and return to their house. The Anglers Rest is a community pub in Derbyshire which was established in 2011, when 300 members of the rural Bamford community clubbed together to buy their local pub to prevent its closure. Together, the residents of Bamford ensured that the village did not become just a commuter town for Sheffield and Manchester. Today, the village has a new focal point and a renewed sense of community.

The pub is now a key community asset, providing a wide variety of services for local people, including a post office and café. The hub employs local people (6 full-time and 19 part-time), uses locally sourced produce and reinvests its profits in the community.

**Community ownership**

Bamford Community Society Ltd. has over 300 members, primarily drawn from the local area, who feel genuine ownership of the business. They have a say in how the business is run and are regularly consulted on future plans.

**Reducing isolation**
Bamford risked becoming a dormitory commuter village. The hub has given it a new social heart where villagers meet and get to know one another. It hosts numerous local groups and societies and offers a post office, café and IT services.

**Financial information**

The following table provides an overview of Bamford Community Society’s income, expenditure and assets for the period 01/09/2015 to 31/08/2016.

<table>
<thead>
<tr>
<th>Income*</th>
<th>£484,364</th>
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</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>£478,351</td>
</tr>
<tr>
<td>Difference between income and expenditure</td>
<td>£6,013</td>
</tr>
<tr>
<td>Surplus/(deficit) on ordinary activities before taxation</td>
<td>£1,962</td>
</tr>
<tr>
<td>Annual income from grant or subsidy**</td>
<td>£122,596</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>£297,074</td>
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<tr>
<td>Current Assets</td>
<td>£77,926</td>
</tr>
<tr>
<td>Net Assets</td>
<td>£333,370</td>
</tr>
</tbody>
</table>

*Income includes revenue and other operating income.
**Includes donations and fundraising, revenue grants received, and capital grants

_We're much more than a pub. We're a community running a business that local people need._

Sally Soady, Company Secretary, Bamford Community Society

**Media**

Featured on BBC Breakfast, 7 August 2018: 
[https://twitter.com/BBCBreakfast/status/1026728439137501184](https://twitter.com/BBCBreakfast/status/1026728439137501184)

Ailbhe McNabola,  
Head of Research and Policy,  
Power to Change

_10 September 2018_
Introduction

The Prime Minister’s Rural Dementia Task and Finish Group, chaired by Ian Sherriff, Academic Partnership Lead for Dementia at the Faculty of Medicine and Dentistry, University of Plymouth, is made up of organisations working in our rural communities across the UK. It is a sub group of the Prime Minister’s Dementia Friendly Challenge Group, co-chaired by Angela Rippon CBE and Jeremy Hughes CBE, Chief Executive of the Alzheimer’s Society.

The aim of the Prime Ministers Rural Dementia Task and Finish group:

To identify the challenges facing people at risk, individuals with dementia and their family carers living in rural communities, and provide solutions

It is widely acknowledged that there are groups of people at risk living in the countryside can experience a wide range of issues including: loneliness and isolation; lack of transport; poverty; fuel poverty; broadband connectivity issues; inability to access health and social care and inadequate living conditions. The lack of appropriate services in rural communities makes life more difficult for people at risk, individuals with dementia and those who care for them.
The search for ways to enrich the quality of life for people at risk and those affected by dementia is a constant and complex one. The three projects chosen out of the fourteen from the Prime Minister’s Rural Dementia Task and Finish Group provide innovative solutions to these issues.

**Ian Sherriff**
*Chair of the Prime Minister’s Rural Dementia Task and Finish Group*
*Community and Primary Care Research Group*
*University of Plymouth*

**Care Farms**

**Dr Fiona Marshall, Alzheimer’s Society Senior Research Fellow, University of Nottingham**
**Mrs Gill Thwaites, Farming Community Network**

1. Care farms provide therapeutic care in predominantly rural agricultural areas. In the UK there are estimated to be 300+ farms which cater for young people, ex-offenders, mental health users and people with dementia. Typically they provide meaningful activities such as animal husbandry, horticulture, woodcraft and domestic work. Regarding dementia, these farms provide an alternative to standard day care in ways which are relevant to the users and families. In the absence of coherent rural health policies regarding care for older people, care is located in places which often fail to follow the demographics and distribution of ageing. Consequently, many rural families are unable to access regular dementia support and care, since the majority of care is urban centric. This leads to isolation, loneliness and a sense of disconnection from being a part of their local community.

2. Economically, care farming has demonstrated how it can address the local needs of rural communities by the provision of social care which is not entirely dependent on formal funding routes. Many providers continue to run their core business as a commercially viable businesses but recognise that care farming can also provide regular year round income, generate employment for local people and also support the local community. Modelled on the idea of multi-functionality, these innovative care farms draw on the skills of social care and farming which sustains the workforce. Social care is often characterised as low satisfaction with high turnover of staff, yet care farms retain their staff and are not solely dependent on volunteers. Evidence suggests that younger people with few job prospects develop sound work skills and go onto permanent employment. This contrasts with the often seasonal work associated with tourism and agriculture. Established care farms have demonstrated that they can maximise income by adopting innovative business practices which support sustainability. However, for those emergent care farms, difficulties remain in the absence of coherent rural economic support mechanisms.

3. Recommendations:
The Prime Minister’s Rural Dementia Task and Finish Group – Written evidence (REC0167)

- Consultation within local rural communities to develop nuanced approaches to developing realistic solutions
- Funding mechanisms to support local businesses to diversify in a timely manner. This may include providing expert business advice, planning applications, funding sources, work skills, managing volunteers, safeguarding and general legal care requirements.
- The development of “shared skill and sites” apprenticeships to support younger working age people who may wish to work in care and/or agriculture in rural settings
- Financial support to enable newly qualified apprentices to continue to be employed
- The development of key collaborative workings beyond statutory health and social care to maintain sustainable care farming
- Consideration of mandatory registration of care farms with the Care Quality Commission
- Establish a common commissioning framework across the UK which enables the inclusion of care farms as service providers of older people services
- Research to determine the contribution care farms make in mitigating isolation, loneliness, mental and physical health issues and formal service usage among beneficiaries.

Radio Me

Project Co-ordinator: Alexis Kirke, Senior Research Fellow in Computer Music
Broadcasting Partner: Mark Grinnell, BBC Radio Devon & Cornwall

Demographic data

1. “Radio Me” is aimed at people living alone with mild to moderate dementia, that have at least one carer (who does not live with them), and who have shown instances of agitation. In the UK, care for people experiencing agitation as a result of Alzheimer’s costs around £2 billion each year. Older people living in isolated rural locations are at risk of being in this situation. The use of electronic diaries has been recommended by some for people with dementia, but they can find such technology hard to operate.

2. The radio is a common, if impersonalized, in-home technology used by older people and can reduce feelings of loneliness. In particular, the audience of BBC local radio focuses on the over 50 population in which dementia is prevalent. UK radio listening per week in the first quarter of 2016 was around 10 hours more for over 55s than for under 24s according to OFCOM.

Radio Me Project

3. Mainstream radio has two components: played music, and spoken voice. Thus, it provides an interface involving voice and music, and one that is
familiar to older people. Radio Me maps these natural voice and music elements onto integrated aids for memory and agitation. Radio Me is real-time radio remixing for people with mild to moderate dementia who live alone, incorporating music-based agitation reduction, and spoken diary reminders. Part of the aim is to relieve the time burden on visiting carers – both unpaid and paid – a particular problem in isolated communities.

4. Note: Radio Me output is constructed by remixing the live BBC station locally and dynamically on a computer installed at the listener’s home, not constructed by the BBC at the transmitter end. Loudspeakers will be connected to the installed computer. The person with dementia wears a light-weight wrist band that transmits their biological data live to the computer in their home. An artificial intelligence algorithm in the computer detects incidences of agitation, and also keeps track of diary appointments. The diary appointments are spoken out loud by the computer using a human-sound speech synthesizer.

5. An example of functionality (note this is an example, output will differ for different people): Radio Me switches on in the morning, and the output initially sounds like their local station. However at some pre-decided point (decided by the person with dementia with their carer), and near the start of a song, a DJ-like voice seamlessly overrides the real DJ and reminds the listener to hydrate. Later, the radio reminds the listener to eat lunch. Next Radio Me detects that the person with dementia is becoming agitated, via a worn bio-bracelet. It overrides the next DJ song choice and selects a song from the user’s personal library, known to be likely to calm them. It can keep playing calming material until it detects the listener has calmed. Radio Me can give more frequent date / time checks for listeners than normal radio, and remind them to take medication, to attend a Memory Café, etc.


7. Partners: University of Plymouth (Interdisciplinary Centre for Computer Music Research), Brighton & Sussex Medical School (Centre for Dementia Studies), University of Glasgow (Human-Computer Interaction Research Group), Anglia-Ruskin University (Music Therapy Research Group), BBC Radio Devon, BBC Research & Development, NHS Sussex, MHA Homes, Bauer Media, Cereproc Speech Synthesis.

What actions need to be taken?

8. The project was submitted for UK Research Council funding originally in 2017 and EPSRC requested an (exceptional) resubmission based on reviewers’ comments. This resubmission was completed in September 2018. Further funding partners will be approached. Once £2M funding is obtained the project research will begin, lasting 50 months. This will be followed by a funding application to the National Institute for Health Research for full medical testing.
Recommendations

Recommendation 1

On 26th September 2018, the Health Secretary Matt Hancock reiterated the Government’s commitment to further funding of the NHS and the need for investment in improving technology (this was in relation to an interactive TV show for adult social care). “Dementia technology” often involves simplified technology designed for use by people with dementia or in an older demographic. We encourage the application of advanced tech such as AI and machine learning, to help those in rural environments who are unable to have frequent visitors or access to regular services (or indeed those in other potentially isolating environments, such as fishing communities). We believe that projects such as Radio Me point the way to the need for “thinking out of the box” when addressing the needs of isolated people with dementia.

Recommendation 2

“Dementia technology” also often refers to invasive technology involving cameras in homes and data being sent to outside organisations. Radio Me keeps all the data within the home of the person with dementia. It can be tempting when looking at rural communities to focus on dementia technology for remote medical monitoring (due to isolated locations). We believe, that a person with dementia’s right to privacy should be taken into account when designing high tech solutions and support.

Recommendation 3

Radio Me raises the question: how can the needs of people with dementia who are isolated be better addressed by the broadcast media, such as radio and TV? We would encourage broadcasters to consider this, as people with dementia in rural communities tend to spend more and more time in front of the television and radio as their condition progresses.

Recommendation 4

Finally, we want broadcast companies and TV/radio manufacturers to combine broadcast media and technology to support isolated people with dementia. The BBC has technology for allowing programmes to be customised in the home, including for people with special needs. To enable this to be implemented requires broadcasters and manufacturers to take on board the vital role they play in the lives of isolated older people, and work together to implement solutions.

Dementia Friendly Parishes around the Yealm

Mrs Liz Hitchins, Chairman, Brixton Parish Council, Devon

The 10,000 parish and town councils in England with their 100,000 local councilors are the first tier of government. In rural areas, they provide neighborhoods, villages and towns with a democratic voice and a structure for taking local action to influence, participate and directly deliver services,
contributing over £2 billion of community investment, including over £0.5 billion from their small share of council tax.

Local rural town and parish councils build strong, vibrant, and resilient communities, which deliver an ever growing, more ambitious and innovative range of activities, as well as supporting the devolution agenda and taking over more and more services, assets and facilities from principal (county, district and unitary) councils.

In recent years, local rural town and parish councils have been growing in role, profile and importance, responding positively to the social, economic and environmental needs of local communities despite limited capacity, growing demands and increasing fiscal challenges including:

- supporting adult social care and the NHS though social prescribing, building dementia friendly communities and reducing loneliness isolation through social networks and other projects;
- working with principal councils to provide and support discretionary and other services under threat from spending reductions such as libraries, public toilets, parks and open spaces and youth services;
- championing their local place to influence and work in partnership with other organisations and agencies
- using neighborhood planning and other tools to promote housing and create sustainable communities.

The National Association of Local Councils (NALC), the national voice of local councils, has signed a strategic commitment with the Alzheimer's Society to promote dementia friendly communities across England, recognising that local councils and county associations can and do have a key role to play in achieving this.

Dementia Friendly Parishes around the Yealm is an example of parish councils working together in a rural area to promote inclusion and to reduce isolation and loneliness for people with dementia, their families and other people at risk. This project is a collaboration between five Parish Councils in South Devon, working together to raise awareness about dementia, reduce stigma and create opportunities in their communities for people with dementia, their families and other people to have fulfilling lives. Using the general powers of the Localism Act 2011, the five parish councils of Wembury, Brixton, Yealmpton, Newton & Noss and Holbeton are working in partnership to change and improve the lives of people with dementia, their families and other people at risk living in these parishes.

The key aims of Dementia Friendly Parishes around the Yealm are to benefit people with dementia, their families, other people at risk and the communities they live in by:-

- promoting individual and community based inclusive activities and services for people with dementia, their carers and families and other individuals at risk across the 5 parishes;
- ensuring that people with dementia, their carers, families and other people at risk have a voice and are able to maintain and, where necessary, increase their social contacts within their local community;
developing or contributing to the development of suitable inclusive social activities and services locally for people with dementia and their carers;
working in collaboration with local groups and organisations;
ensuring people with dementia, their carers, families and other people at risk have access to all community activities.

It empowers people with dementia, their carers and other individuals at risk to remain in their own community with support, to reduce unnecessary and disruptive admissions to hospital, or unplanned respite and emergency call outs.

Recommendations

- In developing their resilience, rural parish and town councils look to promote open and responsive models such as Dementia Friendly Parishes around the Yealm to develop inclusive and empowering sustainable dementia friendly communities in collaboration with local statutory and voluntary agencies, reducing isolation and loneliness. This model can be adopted by individual or groups of parish councils to create sustainable dementia friendly communities, which are culturally aware of the needs of people with dementia, their families and other people at risk in their communities
- Rural parish and town councils are actively involved in promoting dementia awareness, social inclusion and good practice in all activities for all people at risk in their geographic areas
- People with dementia, their families and other individuals at risk are actively involved, engaged and have a voice in the development of all community services
- NALC adopts an overall monitoring role of how dementia friendly communities are progressing and is able to promote good practice to councils and their geographic area.

9 October 2018
1. What do you understand by the 'rural economy'? How has it changed over recent years and what has been the impact of these changes?

The strength of the rural economy lies in the connection, collaboration and support of people of all ages who live in, work in and visit rural areas.

Factors such as food and farming, the environmental sector or housing provision, along with less prominent, but equally vital provisions such as local services and activities, small businesses, schools, healthcare and bus services, all combine to ensure that local needs are recognised and provided for.

There has been a growing feeling of abandonment in rural locations in recent years, as important local services have closed, often to suit remote shareholders rather than local users, and with the justification of a lack of financial viability, rather than recognising the value of social returns.

As a result, a dramatic ‘Pick-A-Stick’ effect follows, with some areas described as ‘dropping to bits’ after the closure of a service. A bank closure can lead to the closure of the village store, or the loss of a library, school or healthcare, with enormous impact, particularly on the vulnerable. For example, the impact of closure of the single bank with ATM and cash machine in Pateley Bridge High Street, North Yorkshire, was so serious that customers stopped spending in the local shops and a number of smaller businesses closed.

Logically, these closures must impact on housing and health if no local services or facilities exist, and if transport ceases, or no services exist after 5 pm, residents feel trapped unless they own a vehicle, which is an essential in rural areas today, but impacted by the high cost of fuel.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

We have found from our specialism that Pub is The Hub schemes can help a small business or enterprise, such as a pub with a willing licensee, to diversify to provide services and activities which support and revitalise
their neighbourhood and in welcoming surroundings which are open long hours.

Our network of regional advisors supported by regional Hubs is essential to provide support throughout a project. Life can be hard and hours long, therefore applications for support would never get completed as they can be complex exercises.

We are seeing a sharp increase in demand for our help to provide this wide variety of activities, which gives residents the opportunity to participate, socialise with all age groups and thereby grow in confidence. There are now 30 different types of services and activities, which Pub is The Hub has helped provide from rural pub locations.

A good licensee, who is able to provide such a welcoming environment, can work with their community to make a huge difference, not only in addressing essential services provision locally, but by offering activities such as community cafes, play areas or IT training, to appeal to all ages and address issues of loneliness.

It is essential for the future that relevant organisations be supported and encouraged to collaborate and work together on a national basis, sharing skills and best ideas rather than confining their activities to their locality or specialism. Small businesses and enterprises are a wonderful solution for strengthening the rural economy and with national support can be helped to help others. This objective could be assisted by relevant Government departments being seen to work together on major rural issues.

The needs and desires of rural residents tend to be immediately apparent, but the solutions and lead-in times are usually longer term, as is the effective measurement of outcomes for a clearer understanding of the issues.

Our role is to find local solutions with enthusiasm, rather than complain about changing circumstances.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth and what might be the impact of technological and other changes?**

We believe there is great untapped potential, if only the message could be delivered, that the future of the rural economy relies upon ensuring that existing small rural businesses, workers residents and services are well connected and supported.

There should not be an over-reliance on everything being left to volunteers. They may have lots of enthusiasm, but little practical experience or sustainability over the longer term and unpredictable and competing demands for their time. Community/voluntary schemes may offer a short term fix, but not a long term sustainable outcome.
At present, perhaps too much attention appears to be given to relying on funding these projects run by communities, with little enthusiasm for supporting small businesses with their wealth of local knowledge and experience. For example, in the East Riding of Yorkshire it was found recently that nearly 80% of local services are actually provided by small enterprises employing less than 5 people.

Pub is The Hub has worked for 15 years with communities and local authorities to ensure the development of sustainable services and activities, which meet local needs and give opportunities to local suppliers of food, equipment etc., while considering important aspects such as heritage and demographics to ensure the longevity of the project.

We work collectively and happily with local authorities and local stakeholders, to achieve an agreed strategic plan for action based on the mapping of priority areas that do require urgent support. This approach ensures that a project is for the whole neighbourhood and is achieved with local direction and decision making, so that local priorities are actively addressed rather than national ones. The money can then be spent much better, rather than being directed towards areas who may eloquently shout the loudest.

If you want to create an alluring place to live, you need policies to promote small, independent businesses and an agreed strategic plan.

Infrastructure and services

4. **How can access to transport be improved in rural areas?**

We have little experience of improving transport, although we do help fund community buses through our Community Services Fund for residents in rural areas who find the decline alarming.

Small rural operators need to be able to cross-subsidise their activities from profitable urban routes. Otherwise, the demand for buses in the future caused by falling retirement incomes may not be able to be met.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Through our work, we are very aware that life is more and more digitalised. To participate in life in the 21st Century, everyone is forced to be connected because large organisations run their businesses, perhaps arrogantly, on the assumption that everyone is connected and competent in the digital world. Very many are not and one can feel even more disadvantaged by poor technological service.

We find local IT training courses, which can be held in a homely pub environment, have proved to be a success, where people may feel at ease learning in friendly surroundings alongside local acquaintances.
There should be a standard set to ensure that if rural residents and rural businesses are really to be supported in the changing business and consumer world, then connectivity standards should be of the highest quality. There is nothing worse than feeling isolated and abandoned to then find that IT connectivity is unavailable or the skills to access services online are difficult to learn.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

These services, with the exception of banking, are not our specialist remit, but working in rural areas, it is clear one does need a code of conduct and best practice in any industry that ensures local people have been consulted before essential local services are just removed and also best practice for the manner in which they are being consulted. In order to ensure that the needs of rural areas are recognised and addressed, a more ‘joined up’ approach needs to be encouraged. This rationale is based on our view that rural areas appear to have long been the poor relation in respect of many major funding opportunities, in the face of apparent prioritisation of urban areas where needs are more readily identified and the range of outcomes is visible. (Hence the launch in 2013 of our own Community Services Fund as a ‘fund of last resort’.

Rural communities face a variety of hidden economic, social and environmental challenges, which can be interlinked. There is a need to encourage an evidence base for social values; values which help to build a stronger and more confident rural society. This lack of evidence, particularly in terms of deprivation, results in low priority being given in grant aid to major charities or supporting funding streams.

As mentioned, the growing requirement for residents or small enterprises to be self-serving, operating in a digital economy, is done against a backdrop of poor connectivity and these challenges are exacerbated by an ageing population, poor road infrastructure and often seasonal rises in services demand created by tourism. Growing evidence demonstrates that rural isolation can cause major health and well-being issues for people of all ages. This is why collaborative working by the private, public and business sectors offers real potential to build long term solutions for these issues.

We would suggest there is a strong need to build relationships between the public, private, small business and voluntary sectors to facilitate projects that can address the challenges and fill gaps in service, including the development of local funding. This could be brought about by increased collaborative working and developing innovative ways to deliver essential services, as we have seen through Pub is The Hub projects supported through our local Hubs.

However, we must recognise that the shrinking of the state as a consequence of public sector austerity means that to preserve this effective level of local services in rural areas, where distance increases cost, new ways of service delivery have to be created and operators encouraged to become even more resilient.

It is notable that, in recent years, the registration of properties seen as providing essential uses as assets of community value (ACVs) has particularly affected public houses. Perhaps this status should be assigned
to other essential services and premises such as banks, which are seen as vital to rural community cohesion overall!

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

Again, the listing of essential services can encourage innovative ways of working to deliver services and enhancing sustainability. The measurement of outcomes, mentoring and sharing of best practice could help small enterprises to become even more resilient by encouraging partnership working. This will also raise awareness about rural services funding programmes and initiate more collaborative funding applications.

We must also point out that we should be careful of the description ‘community pub’, which tends to give the impression that the pub is owned or run by the community. Since 2001, there are still only around 80 pubs actually owned by their community out of a total of over 42,000 pubs nationwide (with 14,000 of those being rural).

We give a warning that it is very hard work running a pub and the novelty can soon wear off when people realise the commitment involved, dedication required and competition to face. ‘Pubs in the community’ is more representative of the role that the majority of pubs could play with a good licensee, whatever the ownership model, and existing staff can also play an important role in welcoming the community and diversifying to provide other activities and services, hosted by familiar faces.

Large businesses today find adapting hard. A big business always struggles to reinvent itself, frequently with a culture of complacency. Start-ups and more entrepreneurial local companies can be more flexible and have fewer historic/legacy issues. They can be better at evolving to cope with changes in rural areas and new technology.

In addition, certainly local authorities could provide rates relief for small local businesses and enterprises providing these agreed essential services and amenities, and a greater provision and awareness of funding should be made available for rural business development and support in order to be effective.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

Rural businesses should be helped to thrive, firstly by recognising the importance and collective support they provide and help should be given to support local businesses, which in turn support local suppliers, who then provide local full-time and part-time jobs.

For example, 10 years ago, people were unaware of local produce. There has been an awakening in awareness of diversification in local produce, e.g. cheese, milk, flour, bread, but there are many more opportunities to
explore. However, one has to support these all the way through, not only by creating jobs, but suitable housing, schooling and health provision.

We find from our research that small rural pubs cannot viably survive in financial terms with only neighbourhood or village support and they need to appeal as a ‘destination’ to a wider market.

The diversity of villages is also changing and becoming more middle class; there are more second home owners, more pensioners and probably fewer rural poor in villages. This indicates a transition to a new kind of community. Each village tends to have its own unique cultural terrain and population numbers can determine a variety of services to be supported.

For example, approximately 500-900 population can support a pub, possibly a village store and school with 30-50 pupils. Yet a doctor needs to have at least 2,000 patients, i.e. for 3 doctors, 6,000 patients. So some services will need to support several villages at once. Population numbers therefore significantly set the stage for which rural amenities are most at risk.

9. **How can deprivation and inequality in rural areas be tackled?**

Both deprivation and inequality in rural areas can be addressed by the creation of local employment opportunities. These need not only be full-time positions, as often we find the creation of part-time opportunities is what is needed with the demands of rural life. As an example, a good rural pub can often provide job opportunities for between 10 and 14 young people. It is important that people are made to feel they are needed and given the opportunity to contribute to and participate in local life through work, socialising with a sense of pride in the local neighbourhood and building relationships with both residents and businesses.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

It is particularly important to attract young people to return to rural areas to live and to work and local employment opportunities can be increased by support for essential services, local businesses and enterprises.

We can appeal to youngsters to continue their education and training, and to bring new skills back to their community (where they will be aware of any shortcomings). Young people need to feel that their neighbourhood is vibrant, with potential opportunity, and they can choose to return to the area they grew up in, achieve their goals and contribute to the economy. Higher or subsidised salaries could be offered to those returning to work in their local area who have particular skills.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**
Our projects at Pub is The Hub have proved to be particularly helpful with older members of the population. Statistics gathered after completion indicate that the gender split of users over 100 projects nationwide is around 40% male and 60% female, with age brackets as follows: 0-24 years 15%, 25-64 years 40% and 65+ years 45%.

Examples are IT training, help with access to online banking (which may be the first introduction to IT for many elderly folk), libraries, community cafes, lunch clubs for the elderly and even neighbourhood nights, which stimulate more activities in the area. Pub is The Hub projects can make a real difference to local life and we are able to demonstrate that if pubs are given guidance and advice they can play a vital role in keeping their communities strong. The introduction of travelling theatre, for example, seems to have a universal appeal, but particularly with older, retired residents.

From an analysis of 99 recently completed projects, 17 different types of activity are being provided and which are of interest to older residents, ranging from allotments, library services to community cinemas etc., and these 17 types from 99 projects are providing in total a variety of 90 activities. (Bear in mind that other services such as village stores and Post Offices are also being provided).

Again, whilst the provision of services can create part-time jobs, which are particularly attractive to people in early retirement, there do tend to be pressures on retired people to visit family, develop other interests or travel.

From our experience, we believe it is risky and unpredictable to base too many activities on the voluntary hours of an older population. Using existing business premises with available staff to partner new or extra activities is perhaps a more sustainable approach.

Rural Housing and Planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

To develop suitable affordable housing requires closer liaison between local authorities and builders, to ensure the correct proportion of affordable homes is built, along with the provision of sufficient essential support services. The creation of an overall rural Master Plan, with parcels of land then let to separate house builders/service providers could encourage clearer focus and collaborative working. Certainly more new build homes should be offered to local first time buyers so they can benefit from local employment etc., and avoid the prevalence of purchases as second homes in attractive rural or coastal areas.

It has to be recognised that all the services and activities essential for life and to generate community spirit must be paramount in the design and
development of new housing, otherwise residents will suffer the same feeling of loneliness and abandonment now being felt in existing deprived rural areas.

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

Planning policy reform is not an area in which we have any comment to make, except to recommend the use of a strategic plan to identify priority areas for special attention (See answer 14).

**Government policy, devolution and local government**

14. **Do the government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that government and other public bodies hear and act on rural voices?**

We feel insufficient attention may have been paid to the future of the rural economy and the role of small businesses and enterprises and that their vital contribution seems to be overlooked, with the spotlight being on community ownership or farming related activities.

Rural areas have been the poor relation in respect of recent major funding opportunities, with priority being given to urban areas of deprivation as these needs are more publicised, identified and measurable in terms of outcomes.

Budgetary constraints in rural areas and the ease with which local services (banks for example) seem to be able to cease trading with little local consultation, creates a need for residents to be much more self-sufficient, particularly in this digital age but against a backdrop of poor connectivity.

We must also be aware that one can no longer rely on remote national businesses or organisations to be aware of or care about local issues and that is why you need collaborative working.

Collaborative working between public, private, small business and other sectors appears to provide real potential to build local solutions, but only if this access to services and facilities can be achieved collectively and without imposing a ‘one size fits all’ national master plan. Central government should certainly listen much more to local government, but local government must take an active stance with a clear picture of where their priorities lie, to be able to suggest partnership solutions and ideas which address the problems in their area on the front foot.

We have been amazed at how few local authorities possess a basic strategic map of where local services exist, with priority areas where services are needed or at risk clearly marked and regularly updated. Used in conjunction with freely available demographic data (for example, from
the Office for National Statistics) such information is a very powerful planning tool.

We have worked now with over 15 local authorities to identify priority areas, but some negativity exists due to a lack of funding. As a voluntary organisation, we must pay for this strategic mapping ourselves – we are certain that without it you cannot prioritise those most in need or build local solutions.

A priority map would act as a plan for many organisations to collaborate both nationally and specifically in identified areas, rather than impose a ‘top down’ solution which is the approach at present.

With very little funding or recognition for small businesses trying to help in their neighbourhood, it is clear that unless residents, local business and suppliers, the local authority are enthusiastic and resolute, a scheme will not happen. We would suggest that support for small businesses in rural communities should be one of the core objectives for the future.

We have been impressed by the support of the DCLG, now the MHCLG, and the recent involvement of DEFRA and DCMS in the growing spotlight on social values and returns, but there are many other departments and relevant associations with whom Pub is The Hub are working and could help to link up - for example, the Treasury, the Department of Health, the DWP, the Home Office, Library Services.

The example can be set by government, encouraging all departments to share information and work together.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas and how might coordination between bodies be improved?**

There is sometimes a feeling that Local Enterprise Partnerships exist to enforce ‘top-down’ plans rather than focus on the specific needs of a local area ‘bottom-up’. Perhaps there are too many large and detached organisations involved and small local businesses should be enabled to take the reins.

We believe this may highlight the need to encourage and support greater collaboration across government and its associated organisations, who are genuinely concerned and ready to help with rural issues in the future. Rural Britain can create complicated and intertwined challenges and it is never just a pretty view on a sunny day.

However, by everybody working together, we can make great improvements at very affordable costs.

Attitude problems can be overcome and creative solutions inspired.
Being seen to care, taking interest and responsibility, will encourage communities to work on issues and make a difference, ensuring that although each neighbourhood may present different problems, finding the best solution quickly can still be supported by a national plan before enthusiasm wanes.

One needs, therefore, the involvement of organisations who are actively experienced in delivering projects and who enjoy their work, rather than talking or lobbying for projects.

An ambassadorial chain would help to share local/regional project experiences and benefits on a national basis. For example, if it has worked in Cornwall with libraries, why not share the experience and best practice across the whole country?

In order to get this collective approach to tackling the variety of challenges facing rural issues, it is important that local priorities are identified and the measured outcomes of completed initiatives are fed through to both regional and national strategic plans. In this way, local priorities and total progress and improvement can be measured across the whole country.

The use of strategic plans and mapping would encourage the achievement of agreed national standards and, in particular, illustrate a clear need for and the benefits achieved from the provision of funding support by both national and charitable organisations for rural issues in the long term.

John Longden OBE
Chief Executive, Pub is The Hub

10 September 2018
Our rural economies have the potential to make a substantial contribution to economic growth, but only given the right conditions. Ribble Valleys’ rural economy is dominated by small businesses. However, rural businesses face challenges not encountered by their urban counterparts. They struggle against the odds of poor communications, unreliable broadband services, and patchy transport services that exacerbate the distance they often are from their markets.

There are more businesses per head of population in most rural areas compared to the majority of urban areas. Nonetheless, rural businesses need to be further encouraged and removing the barriers to their future growth.

Government should produce a comprehensive strategy for rural areas and ensure rural businesses and rural communities are given due consideration and to make sure that wider strategic policy, such as that set out in the Industrial Strategy and ensuing Local Industrial Strategies, properly reflect the issues and identify specific measures to build on the rural opportunities that exist.

The Government has a role with local institutions in creating the right conditions for prosperity. To ensure an enduring approach strategy will need to identify proposals and opportunities to close those gaps. This should be evidence based and should provide clearer explanations of the causes to ensure future interventions build on our strengths, close the productivity gap and make the UK one of the most competitive places to start or grow a business.

Investment in infrastructure and skills in rural areas are major contributors to improved productivity. In particular, transport infrastructure in the Borough and surrounding areas of Lancashire are under considerable pressure with many key routes either at or approaching capacity during peak business and travel times. Businesses consistently tell us that under investment in infrastructure blocks growth and can hamper inward investment.

The communication infrastructure is lagging behind that of large urban areas. Many of the companies based in this rural area are heavily dependent on fast, reliable communications, yet broadband connections are not complete and sometimes fail to reach minimal broadband standards because of lack of investment in the cabling infrastructure. Mobile phone usage is patchy and unreliable due to lack of masts.

Public transport is also a key issues issue, where availability and cost continue to hinder opportunities for rural areas, as is the quality of the road infrastructure because not enough investment has gone into improving the infrastructure. Rural residents need to travel further than their urban counterparts in order to access employment, services other activities. Financial cuts over recent years have affected public transport provision and rural areas.
Another area is that of affordable housing, an important factor towards assisting the rural economy. Average house prices are higher in rural areas than urban areas and therefore housing is less affordable.

The Government’s Rural Planning Review call for evidence published in February 2016 stated the following:

“England’s rural areas make a substantial and vitally important contribution to the economy, accounting for around £210 billion, or 16%, of England’s total output. Taken as a whole, the structure of economies in rural areas is now reasonably similar to that of urban areas. Manufacturing represents 13% of GVA in predominantly rural local authority areas compared with 8% in predominantly urban areas. The service sector is also significant across rural areas with business services, for example, representing 10% of rural output.

“Rural areas host around half a million businesses, over 25% of all registered businesses in England. Many of the businesses operating in rural areas are small or medium sized enterprises. Economic activity in rural areas is increasingly diverse, with significant manufacturing and services sectors, alongside more traditional farming. Knowledge-based and creative industries are also growing rapidly.”

However, whilst there is some recognition of the needs of rural areas, there is a risk that the potential opportunities presented by rural economies are significantly underestimated. The Government should properly recognise the existing and potential economic contribution of rural areas to the nation’s growth and success. This should be embedded throughout the Strategy, recognising the location of many innovative and growth potential businesses located across rural areas. This is not confined by traditional views of rural economies and stretches across all sectors.

However any activity cannot be considered in isolation and must link to housing, environmental and social policies, if growth is to be driven across the whole country there needs to be full consideration of the issues and opportunities facing rural communities. Growth needs to be sustainable and cannot be at the cost of other areas concerning social and economic wellbeing. Successful growth should be dependent on creating sustainable, vibrant communities that build upon the wider environment where we live and work. This directly relates to our health and wellbeing and subsequent productivity and can also have an impact on where companies invest or locate (i.e. attracting the right skills for their needs and the overall social and economic wellbeing of an area generally).

In relation to the aspirations towards developing skills, it is estimated that only half of rural users can get to a FE College by public transport or walking in a ‘reasonable travel time’ (as defined by the Department for Transport) and just 39% of rural users can get to a school sixth form by public transport or walking in a ‘reasonable travel time’ (and that transport may be infrequent). In seeking to develop skills whilst driving growth in all parts of the country, the Strategy should acknowledge the accessibility issues faced by residents in rural areas.

In relation to new business growth, the Government should recognise the presence of a diverse range of new and existing business activity in rural areas
and the opportunities this presents. Rural economies are incredibly diverse and make a significant contribution to national economic performance. Farming and tourism are of critical importance but to pigeon-hole rural economies as being solely about these sectors would be a mistake. The environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted – from manufacturing and service industries to knowledge intensive and creative sectors. Enterprise and opportunity are abundant with rural areas often providing a breeding ground for high growth businesses which can migrate to more populated areas as expansion plans require. This should be clearly recognised by the Strategy.

Businesses in rural areas are often remote from government and other institutions. Business support is often seen as either confusing or urban centric. Constant changes to organisations and programmes has the potential to further confuse businesses and, therefore, improvements to existing structures is preferred to any wholesale restructuring in order to begin to provide continuity and certainty.

Local Authorities, both members and officers, are well placed to work with local businesses, and for some time concern has been expressed that there are too many institutions often leading to uncoordinated and unfocused activities and funding streams. The Government has acknowledged in its work with LEPs and devolution deals that bringing a local focus to this work can be advantageous. Institutions play a role but increasingly it is the ability to deliver for local people by bringing public and private partners together. There is greater opportunity to streamline and bring partnerships together linked with the LEPs to deliver the growth needed in local areas.

Local Enterprise Partnerships also are now enacted as key delivery organisations and whilst some have an effective approach to rural areas, too frequently we are seeing LEP programmes that have little consideration for the opportunities and needs presented by existing and new business located in rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by our rural economies.

For example, a report commissioned by Defra (working in conjunction with BIS) in 2013 and produced by the Institute for Employment Studies (supported by the Countryside & Community Research Institute) investigated the degree to which rural businesses access national employer skills and government business support programmes. A key finding of the report was that: “Access to national mainstream employer skills programmes and government business support programmes among rural businesses may be improved if information and advice on how to apply for support is proactively provided (ideally face-to-face or by telephone) by a stable set of intermediaries.” LEPs and others should take account of the need for such intermediaries in delivering skills development and business support programmes to ensure that the full potential of rural businesses is realised.

There is a clear need for special attention to be paid to the opportunities of rural businesses in delivering future programmes. Lessons can be learned here from
community-driven approaches, such as that delivered as part of the LEADER approach, should be considered. Over many years, LEADER programmes, such as those here in Ribble Valley and Lancashire, have demonstrated the value of local engagement and a rounded view of local economies where social and community support is an invaluable mechanism for ensuring economic development and growth are maximised. This is of particular importance in rural areas where a mixture of local knowledge and making the connections between the environment, social and economic needs of an area are of huge importance. The Industrial Strategy should make it clear that locally driven economic strategies have a role to play, building on the lessons learned from the delivery of Leader programmes over many, many years.

10 September 2018
The Royal Institution of Chartered Surveyors (RICS) is pleased to assist the Select Committee with its inquiry exploring the rural economy.

RICS promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction, infrastructure and related environmental issues. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve.

As an independent Chartered organisation, we accredit 125,000 professionals worldwide and represent over 80,000 professionals in the UK, where our goal is to deliver a healthy and vibrant property and land sector as a key pillar of a thriving economy.

As part of its Royal Charter, RICS has a commitment to provide impartial advice to the Government of the day and has an obligation to bear in mind the public interest. RICS is therefore in a unique position to provide a balanced, apolitical perspective on issues of importance to key sectors.

General Comments

We welcome the opportunity to contribute to the Committee’s inquiry into the future of the rural economy.

Rural communities have experienced some of the most significant long-term challenges relating to transport and digital isolation, demographic changes and employment and skills gaps. While rural communities continue to face ever increasing challenges, the role of rural communities in supporting broader economic output via the diverse range of economic activity which takes place in the rural economy is often underappreciated. This includes the agricultural sector and its contribution to food security and the role that those in the sector play as guardians of the UK’s natural environment. The contribution of the rural economy to national prosperity and growth should not be undervalued, particularly as Brexit draws nearer.

As we approach the 29th March deadline for the UK’s withdrawal from the European Union, these communities continue to face challenges that will demand robust government intervention to insulate the rural economy and support rural communities to thrive.

In January 2017 RICS released seven rural priorities for exiting the EU, as well as specific regional recommendations, recognising the differing challenges facing England, Scotland, Wales and Northern Ireland individually. We engaged with DEFRA on our priorities, as well as with relevant representatives from the devolved assemblies.
Our seven priorities are:

- **Agriculture and Horticulture**: RICS calls on government to ensure frameworks are in place to guarantee the availability of labour for the agriculture and horticulture sectors to assist them achieve resilience post Brexit.

- **Ecosystem services**: RICS calls on government to establish the necessary frameworks for publicly funded bodies to provide financial incentives to reward the provision of ecosystem services and public goods that contribute to wider governmental and societal objectives.

- **Education, knowledge and technology**: RICS calls on government to enhance funding immediately for UK applied agricultural and horticultural research and agritech development.

- **Land Use**: RICS calls on all UK nations to follow Scotland’s lead and develop land use strategies that consider the best use of land as a fundamental resource for the UK.

- **Natural resources and the environment**: RICS calls on government to draw up outcome-led agri-environment measures beyond 2020 to support land management activities which enhance the environment, contribute towards a reduction in emissions and support rural businesses.

- **Rural businesses**: RICS call on government to “rural proof” all national polices, recognise the highly diverse nature of rural land-based businesses and ensure rural development funding is available to support and develop the establishment and growth of rural businesses post Brexit.

- **Trade**: RICS calls on government to ensure the food sector (incorporating both primary production, food processing and manufacturing) has full access to markets and the UK’s high production and environmental quality standards are duly recognised in any negotiations.

RICS has welcomed the UK Government’s priorities for farming and the rural economy after Brexit outlined in DEFRA Secretary Michael Gove’s remarks at the 2018 Oxford Farming Conference. We welcome the convergence of views between our seven priorities and the priorities identified by the government.

However, more broadly, while the agriculture and horticulture sectors are critical for the UK’s long-term food security, the rural economy is more diverse than simply food production. While its reach also extends to the tourism, forestry and leisure sectors, there are also a wealth of businesses not traditionally viewed as rural located in rural areas. Ultimately, the government’s goal should be supporting growth in the rural economy to create sustainable rural communities and a sustainable rural economy.
General Issues

What do you understand by the “rural economy”? How has it changed over recent years and what has been the impact of these changes?

The ‘rural economy’ is a broad-based concept covering a range of businesses and services from retail in small market towns to the land-based industries that support UK food security, managing our natural environment and producing public goods.

The former Commission for Rural England previously reported that rural communities matched the economic potential of the UKs eight core cities, excluding London. In spite of the impact of the global economic recession, the rural economy has proved one of our most resilient resources, weathering volatile markets better than urban based sectors.

Each of the principle industries within the rural and coastal economy – farming, forestry, fishing and tourism – faces its own unique and significant challenges in the immediate future. These challenges will require the government to invest in good quality physical and digital infrastructure as well as carefully managing emerging trade issues and ensuring adequate resource streams for land management. One of the most significant challenges posed by Brexit, however, remains securing a reliable supply of skilled long-term and seasonal labour.

Each sector also has a unique opportunity, however, to adapt to the challenges posed by the UK’s withdrawal from the European Union and innovate to improve productivity, sustainability and growth.

Where do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The rural economy is one of the sectors most exposed to the impact of withdrawal from the European Union. For example, uncertain trading relationships with the EU and other nations, including standards of production coupled with changes to the system of direct payments and regulatory upheaval in the farming industry.

While food production has been the perceived primary purpose of the rural economy by successive governments, and an area of significant policy intervention, it’s critical that the breadth and scale of rural business and land management is reflected in Brexit-related policy.

The seven priorities listed above are designed to minimise risk and give rural businesses the best possible start following Brexit. RICS will continue to monitor progress on the government’s Agriculture Bill as it passes through the legislative process.

Many farms in the UK are not viable businesses and many are supported by income from off the farm, diversification, direct payments and Pillar 2 support
payments. The optimal use of land is not always recognised and cropping and stocking can be inappropriate for the physical characteristics of the land. This leads to land which, for example, could be used for growing a range of fruit and vegetables being used for growing of annual crops for bio gas plants. A national food policy linked to a national land use policy needs to be developed to make best use of our land resource and ensure that our food is healthy and of sufficient quantity to contribute to better food security and sufficiency.

Forestry services have significant space for growth. The public has a widespread appreciation for woodlands and the habitats they provide for indigenous wildlife and wildflowers. The UK’s woodlands remain an attractive tourist product and are likely to grow with the right support and investment in technology.

Well-managed forests can increase energy security by providing materials for renewable biomass production, while contributing to tackling climate change by providing a valuable carbon sink. Forestry Commission England’s corporate plan reveals that 42% of woodlands in England, however, remain unmanaged. This represents a significant untapped resource for commercial forestry activities, with the potential to create new businesses and new jobs in commercial timber production as well as the renewable energy potential outlined above.

Changes in technology present the opportunity to streamline processes within rural industries. However, there are significant barriers to new-technology uptake. Equipment costs remain prohibitively high in many cases and the low supply of young people with advanced IT skills to develop and operate technological advances is a critical constraint. As discussed below, much more support is needed to make agriculture, horticulture, forestry and environmental land management attractive career profiles for talented young STEM graduates.

**Infrastructure and services**

**How can access to transport be improved in rural areas?**

Transport in rural communities remains a significant impediment to retaining skilled young people and attracting new talent in these areas. Department for Transport statistics reveal that 40% of people living in rural areas cannot access the nearest food store within 15 minutes using public transport, 46% are unable to reach their local town centre within 30 minutes. In urban communities less than 5% of people are unable to access these services in the same timeframes. New transport initiatives and new investment in infrastructure are critical to maintaining rural communities.

In Northern Ireland, research is currently being commissioned on a ‘Financial and Social Capability’ criterion to be included in government infrastructure prioritisation exercises. The aim of this measure is to compel Executive Departments, and their agencies, to evaluate the economic capacity of specific regions and use the information as a scoring tool when preparing new infrastructure investment plans. A change of this nature would naturally favour communities with reduced or neglected transport capacity.

**What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
All rural organisations have been calling for better coverage of broadband and mobile services. It is important for the economic viability of rural businesses and communities. The new Communications Code should be reviewed after a period of, 2-5 years, to establish if it has been successful in delivering improved service and that landowners and occupiers are being fairly recompensed for the presence of infrastructure on their land and property.

The Universal Service Obligation (USO) should be a means through which rural businesses are given access to a standard broadband speed to meet their basic needs. Any more complex needs requiring increased speeds may not be met however.

Roll out of Broadband to the first 90 to 95% of premises appears to be making good progress, however there is still doubt as to how and when the final 5% will be reached in some areas.

There are concerns among rural businesses that despite the promise of the USO, that all premises may not be connected by 2020. This would have a disproportionate impact in rural areas where the infrastructure demands in providing 10Mbps broadband are more intense.

While the USO is technologically neutral, the preferred approach has been fibre installation. This raises significant concerns about the threshold for payment following a reasonable request. The maximum installation cost to be absorbed by the provider is £3,400 per premises. This may leave those in isolated, remote rural communities facing significant installation bills if they want to upgrade their connection. Alternative technologies, including satellite provision, may reduce costs but further advice should be made available to consumers and providers to ensure that everyone who may be entitled to a high-speed connection is able to avail of the USO at no disproportionate personal cost.

**Business, employment, skills and demography**

**How can rural businesses be helped to thrive, and how can new industries be supported? How might labour and skill shortages be overcome?**

A review of the skills required in agriculture, horticulture, forestry, marketing and other key sectors for the future should be undertaken as soon as possible. Training for these skills need to be included in the UK educational system from an early age. In addition, further relevant skills training for labour already in work with employer and employee incentives (such as tax relief) to encourage such training could be introduced.

Particular skills gaps exist around new technologies, as outlined above. Rural industries should be marketed to STEM graduates.

Ahead of the UK withdrawal from the European Union, and with no firm deal on future migration policy, it’s difficult to project the skills shortages that may develop in the coming years. It’s clear, however, that rural industries will need a reliable supply of permanent and seasonal labour.
How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

The key to rural adhesion for younger generations is raising average income to be comparable with urban areas, affordability of rural housing and access to the full range of social benefits that the 21st century offers.

The rural proofing of all government policy needs to be addressed so that all departments are aware of the benefits and scope of a well-managed rural economy.

Rural careers should be better promoted to school leavers. This needs to be done in an interesting and integrated manner which encompasses food production, forestry & environmental management as appropriate. Horticulture, in particular, should be promoted & supported more widely as one of the few affordable ways of entering the rural land-based sector. Many successful rural businesses benefit from excellent marketing and promotion and government support for these skills would be useful both for new entrants and existing rural and farming business.

The agriculture/land-based sector needs to be encouraged to widen its appeal to those reading degree level subjects that link to the land - for example, biology, geography, chemistry and geology.

Barriers to new entrants must also be addressed if the sector is not to be seen as a poor career choice. The most pressing barrier to new entrants is the cost and availability of land. The wider use of Share Farming Agreements may help younger entrants without large amounts of capital to enter into farming and also help the older generation who do not want to leave the farm but who wish to retire from active physical work.

Reviving the County Council small holding estate will help to provide some opportunities for those who are not fortunate to inherit a farm or land.

Financial incentives and professional advice on retirement options for older farmers should be available in conjunction with encouragement of young farmers into farming. ‘The Succession Farm Partnership Scheme’ in place in the Republic of Ireland and administered by Teagasc gives a tax incentive where the farmer and successor enter an approved partnership which culminates in the transfer of at least 80% of the farm assets to the successor.

Ultimately, rural communities must be attractive and profitable places to live and work in. This is a very broad challenge to provide a good income, affordable housing, good quality public services, better transport infrastructure, routes into employment and a vibrant retail and social offering. The Agricultural Community is pivotal to the vitality and sustainability of

Rural Communities and without a thriving network of family farms Parish Councils, Village Halls, Churches, the voluntary and charitable sectors will all struggle to find willing volunteers.

Rural Housing and planning
How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

The challenge to provide good quality, affordable homes is often more significant in rural communities than urban environments. Higher competition for a smaller number of properties means that prices are inflated, lower wages within rural industries places workers in a more difficult position and the volume of homes being built in comparison with urban communities is lower. This position is often made worse in attractive rural and coastal areas by competition from holiday and retirement home buyers.

Rural estates and holdings could be encouraged to release land, where possible, to assist with the construction of new sustainable and well-designed houses which are locally distinctive and could be based on long leaseholds, guaranteeing the estate owners a longer-term interest in the local community, stimulating employment within the local construction sector and resulting in financial/social return on investment. Beyond planning consent, further consideration should also be given to models which would allow estates and holdings to make such property available at affordable rents to local people, incentivising residents to remain within rural communities and contribute to the life and social fabric of the area.

As an alternative to Class Q Permitted Development rights for conversion of modern agricultural buildings (which are often in the wrong place and of inferior structural quality and design) Permitted Development Rights could be given for 3 to 5 rural cottages built to a local design guide and used for agriculture/forestry/equestrian/conservation occupation or let to people living or working in the locality.

Government policy, devolution and local government

Do the government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

The seven RICS priorities listed above request that government should ‘rural proof’ all national polices, guarantee profitability for agriculture to maintain rural communities, ensure food security, promote the highly diverse nature of rural land-based businesses through rural development funding and enable growth of rural businesses. These asks apply to government both before and after withdrawal from the European Union.

Space should be taken in the Agriculture Bill and Environment Bill to reinstate and reinforce agriculture and land management in rural policy by rural proofing all other relevant legislation. This should be accompanied by a positive statement from the Cabinet Office that rural needs are seen as a priority and future legislation will evaluate its impact on those communities and businesses.
RICS would be happy to offer further assistance or clarification on any of the points raised in this submission. If you have any queries, please do not hesitate to contact me directly.

Martin McAuley MCIPR
RICS Policy Manager (Northern Ireland)

22 October 2018
Dear Sir, I work along side the Nottingham to Skegness line at Ancaster virtually every train that passes has hardly any passengers. Very few trains stop at Ancaster. Passengers who do use the line at Ancaster say often no one asks for the fare. Peak fares apply in the early part of the day. No attempt is made by any one to encourage use of the station meanwhile the roads are packed with traffic. Can your Committee grip this problem. Thank you.

10 September 2018
Royal Town Planning Institute (RTPI) – Written evidence (REC0175)

What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1. The rural economy is diverse, composed of agriculture, mineral extraction, fishing and forestry, tourism, professional services, manufacturing, science and technology. It forms a significant part of the national economy, with around 24% of all registered businesses in England located in rural local authority. When compared to urban economies, rural areas tend to incorporate more land-based sectors, along with higher rates of home working and small and micro-businesses. The interests of rural communities are also diverse, including affordable housing, healthcare, education, skills, jobs, transport and broadband.

2. The government’s statistical methodology defines areas as rural if they are outside settlements with more than 10,000 resident population. Within this, variations in the rurality of settlements can be made according to different levels of population density and sparsity. Rural economies often also fall within wider functional economic areas which incorporate towns and cities. The importance of strategic planning across both urban and rural areas is a particular focus of the RTPI’s work.

Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

3. The RTPI champions good practice in rural planning through our annual Awards for Planning Excellence, our Better Planning projects, and our ‘England’s Great Places’ competition. We can also share success stories through our membership of the Rural Coalition, which is composed of twelve national organisations who have come together to call for a living and working countryside in England, along with our regional programme of events and training.

How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

4. In addition to the sectors outlined in para 1, there is potential for rural economic growth in:

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461 rtpi.org.uk/events/awards/awards-for-planning-excellence
462 rtpi.org.uk/betterplanning
463 rtpi.org.uk/events/awards/englands-great-places-2015
• The provision of ecosystem services, such as carbon sinks, flood mitigation and biodiversity gains, supported by advancements in tools and methodologies for assessing and valuing natural capital.

• Low-carbon and renewable energy generation and distribution, supported by their rapidly declining cost, advancements in energy storage and smart grids, and the need to achieve legally-binding decarbonisation targets.

5. As the UK negotiates leaving the European Union it is critical that the voices and needs of rural communities are taken into account. Rural issues should inform both the terms on which we seek to leave the EU and UK/England laws, regulations and funding programmes that are subsequently put in place.

How can access to transport be improved in rural areas?

6. Rural housing and economic growth has to be coordinated with transport policy that delivers maximum accessibility by public, shared and active modes. This is a particular challenge in rural areas with dispersed populations and low-density urban form, due to the level of subsidy required to support viable and attractive bus networks, and the difficulty in maintaining viable local services. Local bus spending and route coverage has been declining in many rural areas, and while this has been replaced by community buses in some cases, it has generally resulted in reduced accessibility for those without access to a car.

7. National transport policy has tended to favour investment in the road network to meet rising demand and tackle congestion. However, this has paid insufficient attention to role of transport as a driver of land-use change. Induced demand can result from additional road capacity, as people change their behaviour in response to improved traffic conditions, making more frequent journeys, travelling by car instead of public transport, choosing more distant destinations, or making new journeys. This generates additional traffic and congestion, which in turn creates demand for increased road capacity, improving accessibility to more peripheral areas. This can lead to car-dependent urban sprawl into rural areas, encouraging people and businesses to relocate to areas which are poorly served by public transport, and creating markets for new development in those areas. Over time this increases the cost of providing infrastructure and services (e.g. roads, utility lines, school transport, waste collection, policing and emergency response) across a more dispersed population. This can in turn decreases the level of funding available to rural public transport and other services.

8. Rural developments often come with residential densities and land use mixes which are too low to support a range of shops and facilities, which in turn limits options for walking and cycling. To support public and active travel within more rural areas, new development should be concentrated in a small number of strategic locations, prioritising brownfield sites within the

464 For an example, see: ncptool.com

larger existing rural settlements or immediately around them, before expanding smaller rural settlements. Improving access to transport in rural areas in the context of limited revenue funding could be improved with improved digital connectivity, which can mitigate the need to travel, along with interventions like smart-ticketing and better real-time information, and the devolution of bus franchising powers to rural areas.

If current technological barriers can be overcome, then Connected and Autonomous Vehicles (CAVs) may also play a role in improving future rural accessibility where the absence of a human driver and greater route flexibility makes public/shared transport more affordable. However, this would also require preparatory investment from government in rural digital infrastructure (e.g. roadside sensors) and road maintenance which allows CAVs to 'read' the road (e.g. fixing potholes, painting white lines). Coordination by a strategic transport authority, dealing with both urban and rural areas, would also help to ensure that rural CAVs are integrated into the wider public transport network.

What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

While the number and proportion of older residents is projected to increase in all types of settlement, the largest increase will be felt in small towns and rural areas. The most significant demographic change will be an increase of older people aged 70 and above. Within this, the over 85 age group is also projected to increase by 186% in rural areas as soon as 2028, compared to 149% in the UK as a whole. While part of this will be caused by natural population growth, it will also be driven by retirement migration.

While young people are less likely to own a car and drive less, owned cars are the most common mode of transport for older people, and there is evidence that road mileage from the elderly is increasing. For elderly people living in more rural areas, car use is difficult to replace with more environmentally sustainable modes of transport due to lack of public transport options, perceived or actual unsuitability of public transport, and difficulties accessing public transport stops. However, as people age, it also becomes harder to drive. Losing access to a car or a driver can have serious negative impacts on wellbeing and health, which have been estimated as similar in magnitude to the loss of a job or spouse over the long-term.

Those living in more rural locations often struggle to find alternative modes of transport, especially as local bus spending and route coverage has declined in many rural areas. While this has been replaced by community buses in some areas, it generally makes it difficult for older people to access both preventative and critical healthcare. This harms individual quality of life and creates additional costs for the NHS. Those in the worst health and with the lowest incomes found it the most difficult to travel to health

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466 RTPI. Settlement Patterns, Urban Form and Sustainability. Available from: rtpi.org.uk/media/2822766/settlementpatternsurbanformsustainability.pdf
services. Social isolation is thought to affect between 7% and 17% of older adults, and is becoming more prevalent. Those in more rural areas are thought to suffer more from social isolation, although more research is needed. Social isolation is associated with higher rates of illhealth and mortality – for example people with a high degree of loneliness are twice as likely to develop Alzheimer’s as people with a low degree of loneliness. Living in car-dependent locations also reduces levels of walking, and there is evidence that this is also linked to increased rates of cognitive decline and dementia.

14. The implications for public health infrastructure are also significant in terms of providing care at home for a more dispersed population. Care workers overwhelmingly use private cars to access patients, and often visit the same household multiple times in one day to provide services such as a morning wash, lunch, and help to bed in the evening. This means they spend a significant proportion of the day travelling, leading to high fuel costs and related transport emissions. The costs of these journeys accrue to local government adult social care budgets which are already stretched. If a growing proportion of older people live in more dispersed and rural communities, and fuel prices increase, then local authorities will face increased costs for the provision of care at home.

15. Through the Rural Coalition we have called on government to ensure that the extra costs of delivering services in rural areas are properly reflected in any funding formula, such as those used for local government, education and the NHS, and for the provision of a comprehensive community infrastructure support programme, which recognises the pressures on volunteers, helps those places with less capacity and spreads existing good rural practice.

How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

16. Rural communities are particularly affected by the lack of affordable housing, with house prices around 26% higher in rural than urban areas (excluding Greater London). This is due to a number of factors, including lower average wages rural areas, a lower proportion of socially rented homes, and fewer new affordable houses being built. In certain areas, especially rural coastal locations and National Parks, demand for second homes also plays a role in driving up house prices. This means that young people and families can become priced out of rural communities, which raises the average age and leads to services like shops and post offices closing down.

17. Planning plays a key role in delivering affordable housing of various tenures and in different locations, and is integral to capturing uplifts in land value for the public where there is new development. Where planning is strong and well supported, it can ensure that the right housing mix is developed,
along with the social, physical, and environmental infrastructure needed to support it.

18. While better planning can help deliver social and affordable housing, it is crucial that the planning system is not seen as the main vehicle for funding this. Every UK Government in Westminster since 1990 has attempted to fund social housing primarily from developer contributions. This has put pressure on the planning system to deliver things it was never supposed to deliver and distracted politicians from the need to make larger changes to tackle the housing crisis (see para 24-26). It has also contributed to the tendency of Governments to focus on overall housing targets, believing that affordable housing contributions will solve the social housing issue.

19. Social housing was formerly properly built on council owned land by councils. There may have been problems with this approach, especially in terms of failing to integrate social housing with other types of housing. However, it was misguided to imagine this system could be replaced by requiring the planning system to extract contributions from developers to fund social housing, and to imagine that public grant could therefore be removed. Developer contributions like Section 106 agreements were never intended to fund affordable housing, instead being aimed at the infrastructure needed to support the developments. The following are some of the main failings of the current system:

- Huge transaction costs in working out how much affordable housing will be delivered. The negotiations around developer contributions are a major cause of delays in planning, and thus make it harder for planners to do their more strategic work. Both developers and councils are forced to spend large amounts of money on consultants, surveyors, and lawyers. Making social housing provision dependent on developer contributions in the planning system have directly led to current issues around viability negotiations. This is a particular problem due to resource imbalances between councils and developers. Research from CPRE and Shelter found that, in eight rural local authorities between 2015 and 2016, the use of viability assessments led to a 48% drop in affordable homes delivered\(^\text{468}\).

- The need to secure contributions for affordable housing drives out other potential beneficiaries of developer contributions. This includes infrastructure, which developer contributions were originally intended to be for. This in turn contributes to the unpopularity of new housing developments. Communities have legitimate concerns that developments will not come with sufficient investment in local infrastructure.

- The ability to provide a minimal amount of social housing from developer contributions allows attention to be drawn from needed reforms. Great attention is given to viability negotiations, and maximising affordable housing contributions. This attention would be better spent on achieving badly needed changes such as reforming council tax.

\(^{468}\) CPRE and Shelter. 2018. *Viable Villages*. Available from: cpre.org.uk/resources/housing-andplanning/item/download/5317
• The provision of affordable housing has also been subject to viability tests which can be used by developers to lower affordable housing contributions, based on the argument that changing market conditions have made the original plan unviable.

• In weaker housing markets, a lack of developer interest in building out the sites identified in their five-year land supply. This was particularly the case where Help to Buy schemes were operating successfully on sites in adjacent local authorities, and especially in rural areas where it can prove difficult to achieve development even on rural exception sites.

20. However, our recent research on the direct provision of housing from local authorities found that 65% of local authorities are directly involved in housing delivery and that only 9% were not involved at all. This suggests that there is a foundation on which to expand local authority housing provision through the traditional mechanism of the Housing Revenue Account (HRA).

21. Local authority housebuilding typically includes a range of tenures and in some cases are being delivered in partnership with others, both on local authority owned land and sites which have been subject to CPO or purchased by agreement. An example is North Kesteven, a rural district council in Lincolnshire. One of its major housing concerns is homelessness, and it has consistently been building homes through its HRA to replace Council stock which has been lost under Right to Buy. The council has also purchased commercial property to provide rents to run services over a long period of time. Councillors of the authority have become frustrated that the HRA debt cap has inhibited it from providing more housing for rent, and established a housing company - Lafford Homes. The main issue for the council has been finding land for housing development although a site was purchased by agreement through a local land owner. The council has approved additional funds to purchase more land to continue their developments. A key focus of the council’s delivery is on quality, building homes using both straw and Passivhaus design.

22. The government now plans to remove the HRA borrowing cap for all local authorities in the Autumn Budget should make it easier for other local authorities to follow a similar approach. If the Right to Buy policy is to continue, then local authorities should also be allowed to retain all receipts if they are using them to build replacement affordable housing. Government should review the relative weightings in the distribution of the £44bn housing subsidy to give more priority to social and affordable housing and less to market housing for sale.

23. It is also crucial to make the wider case for public subsidy of social housebuilding. This doesn’t all need to be ‘new money’ – government could instead redistribute some or all of the funds allocated for Help to Buy, which does nothing to help those in most need, and further drives up demand and prices. It is short-sighted to simply look at grant for social housing as a

469 RTPI and NPF. 2017. Local authority direct provision of housing. Available at: rtpi.org.uk/media/2619006/localauthority-direct-provision-of-housing.pdf
cost, compared to seeing loan financing as money the Government will get back. By investing in social housing, the Government should save money in the long term by reducing the housing benefit bill.

How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

Comments on planning reform

24. The past decade has seen almost continual changes to English planning policy and regulation, especially in relation to housing policies and initiatives, as a way to address the affordable housing crisis. However, reforms have often focused on boosting housing supply at the expense of tenure, design, quality, and location. A survey of English RTPI members in 2016 found that 73% thought that constant changes to planning were hindering their ability to deliver good places, 53% thought that changes were holding back housing development, and 70% thought that they were less able to deliver the wider benefits of planning compared to a decade ago.

25. There are numerous complex reasons for the general failure of planning reform to deliver more affordable housing, including in rural areas. This includes:

• The reduced role of local authorities in housebuilding

• A weak relationship between land supply, housing supply, and rates of house price growth, and almost no relationship between land supply and the other factors that impact affordability such as transport costs, energy bills, food expenditure, and access to employment

• The financialisation of housing, especially following the 2008 financial crisis, as quantitative easing has increased asset values and in relation to savings and wages, exacerbating inequality both between generations and between property owners and renters

• An emphasis on owner-occupation, including state-sponsored and debt-financed expansion of individual owner-occupation of housing, and the privileging of home ownership in the tax system

• A limited supply of land in optimal locations close to major employment clusters and transport infrastructure, amplified by the financial system and demand side policies, which means that land values tend to rise at a considerable rate over time.

• A lack of mechanisms for capturing the gain in land values delivered by the granting of planning permission and public investment in infrastructure, which can encourage strategic land trading rather than development, and which can in some situations result in landowners

470 RTPI. 2016. Delivering the value of planning. Available from:
rtpi.org.uk/media/1915891/rtpi_delivering_the_value_of_planning_full_report_august_2016.pdf
being the greatest beneficiaries of residential development – not developers, communities, or central or local government.

26. Through the Rural Coalition, we have recommended the government introduce an ambitious annual target for the number of new affordable homes built in rural areas and a dedicated rural affordable housing funding programme. We also believe that current methods of land value capture are adequate, and that there should be a fairer way of sharing land value uplift between landowners and the community, to fund the housing and infrastructure the country needs.

Viability

27. Recent changes to the treatment of viability in the revised 2018 National Planning Policy Framework and Guidance is positive. This makes it clear that viability should be assessed at the plan-making stage using site typologies, and that there must be very good reasons (i.e. exceptional circumstances) to diverge from the developer contributions specified in the adopted Local Plan policy. Guidance also clarifies that the cost paid for land cannot be used as a justification for failing to comply with policy requirements, and that viability assessments will be subject to greater transparency. We will monitor how these changes play out in practice.

Permitted development

28. The RTPI supports the view that the planning system should not be the way to control minor development, and we have always supported the existence of permitted development rights. However permitted development has a cumulative impact on issues like infrastructure and amenity, and it is important that local planning authorities are able to manage these impacts in line with the broader strategic objectives of the rural community. Proposals for further change should recognise that proper safeguards are still needed to ensure that permitted development does not result in poor quality development, strain on infrastructure, or neighbourhood conflict.

29. Re-using agricultural buildings is a good idea and it would be helpful to enable non-farm businesses to be able to expand within a given farm complex. However, it is vitally important that local planning authorities are able to restrict the change of these new businesses into housing. The conversion of agricultural buildings under permitted development can create a principle of residential development in locations with poor access to employment and services. In subsequent applications for development, or even prior approval applications, we believe these criteria should be factored into decision making. There are also no provisions to ensure that the homes created through permitted development are affordable, or to limit occupancy to those connected to the farm or local area, creating a risk that new houses would be of excessive price and not contribute to local housing need.

30. Previous changes to permitted development rights also reduced revenues to local authorities while providing little in the way of savings. We are concerned that any further relaxation of these rights would continue to negatively impact on local authority finances during a period of cuts.

Rural and entry level exception sites
31. The revised 2018 NPPF introduced entry-level exception sites as a mechanism to provide sub-market housing suitable for first-time buyers (or equivalent for those seeking to rent). While these sites are excluded from National Parks, AONBs and Green Belt land, close monitoring will be required to ensure they do not lead to a reduction in rural exceptions sites coming forward in non-designated rural areas, or an increase in the price of such sites.

**Integrated transport and land use policy**

32. The RTPI is concerned that the revised 2018 NPPF does not contain strong enough policies to ensure that housing delivery is coordinated with measures to ensure maximum accessibility by sustainable modes of travel. This integration is critical to tackling serious issues of congestion, air pollution, rising carbon emissions from the transport sector, and the negative impacts of car dependency on both individual health and wider place-making.

33. Our Location of Development study has explored changing settlement patterns and in twelve fast-growing English city-regions. The study mapped planning permissions for over 226,000 new houses granted between 2012 and 2017, focusing on major schemes of 50 or more units. It found that new housing is being located relatively close to jobs, with 74% of permissions within 10km of a major employment cluster. However, it found that over half of the houses permitted are not within easy walking or cycling distance of a railway, metro or underground station\(^\text{471}\). In some city-regions, this suggests that urban housing need is being met through dispersed patterns of development in more rural areas.

34. The recent Transport for New Homes report, published by the Foundation for Integrated Transport, also shows that a number of major housing developments and urban extensions, some of which are located in rural areas, are not located or designed to facilitate active modes of transport\(^\text{472}\).

**Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

35. There is a need to ensure that devolution deals between government and sub-regional bodies do not focus exclusively on large metropolitan areas. While there have been some examples of deals with more rural areas, most notably Cornwall, the current model of mayoral combined authorities may not be flexible enough to work in places without an obvious core settlement. Government should ensure that the devolution model is rural proofed so as to avoid exacerbating urban/rural inequalities.

36. Effective strategic planning across urban and rural areas can perform a vital role in ensuring that the benefits of economic success are shared more evenly. However, cooperation can be a challenge especially where there is a central city surrounded by more rural areas or outlying towns, as non-urban

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\(^\text{471}\) For more information see rtpi.org.uk/locationofdevelopment

areas can sometimes perceive little benefit in engaging with the process – perhaps due to concerns that the process will be dominated by the central city. In areas where cooperation has nevertheless worked, a central success factor is identifying how all contributing areas can benefit, and providing incentives for cooperation.

37. Rural communities should play an active role in planning for their future, and the government has strengthened the emphasis on Neighbourhood Planning in the planmaking process. In Cornwall, for example, the St Ives Neighbourhood Plan undertook a referendum to restrict second homes which was subsequently held up in court. However, smaller rural communities in remote areas, or without the necessary skills base, can lack the capacity to develop an effective Neighbourhood Plan. Continued support and resourcing will be needed to enable all communities to benefit from this opportunity.

What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

38. LEPs covering significant rural areas need to ensure that rural people and businesses have a strong voice, and that strategies contain specific programmes which address enterprise and employment in rural areas. A CPRE survey in 2017 suggested that the majority of LEPs were not taking sufficient account of the economic potential of rural communities, or their social needs and environmental quality. Emerging Local Industrial Strategies will also need to ensure they take sufficient account of the potential of rural communities to contribute to UK productivity.

29 October 2018

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473 CPRE. 2018. Next steps for LEPs. cpre.org.uk/resources/housing-and-planning/item/4894-next-steps-for-leps
1. We founded the Rural Business Awards in 2014 as a means to highlight the breadth and depth of businesses operating in the Rural Sector of the UK because we felt they were being unfairly overlooked in favour of urban businesses or didn’t feel confident enough to apply for mainstream awards. Rural we take to mean with either rurally based (in a location populated with fewer than 10,000 people) or businesses with a mainly rural customer base.

2. In our four years of operating the Awards we have engaged with over 1000 rural businesses and community organisations.

3. In 2017 we decided to form the Rural Business Group as a further way of bringing together rural businesses and those who value rural business, in order to communicate our challenges, successes and opinions via a collective voice, to support each other, to celebrate success and share best practice.

The “Rural Economy”

4. We take the term “rural economy” to mean ALL businesses and organisations who undertake activity which contributes to the success and upholding of rural communities or the rural way of life. This can be through commerce and enterprise, as well as activities which directly help communities through volunteering time and / or resources, or through skills swaps and contra deals to enable rural communities to thrive. Successful thriving rural communities are always underpinned by enterprise in many different shapes and forms.

5. The rural economy is definitely not solely based around land and agriculture - this perception needs to change.

6. What we have noticed over the last four years is an increased interest in ‘rural’ business. Policy makers are appearing to sit up and start to take notice of the ‘real people’ and grass roots who are often the ones who don’t make a noise and get involved, but who quietly and diligently go about their business with minimum fuss - they are the grafters.

7. We have been engaging with DEFRA to use our voice and DEFRA under Sarah Severn have been open minded and have listened well to our thoughts and concerns as have the Small Business Team at Downing Street where we engage with Niamh Mulholland who again has been incredibly supportive and encouraging.

8. We were invited in April 2018 to speak at the OECD Rural Development Conference in Edinburgh where I spoke as an entrepreneur and business owner about the challenges we face and how policy makers can better help rural business to thrive.

9. Unfortunately we have also seen a dramatic increase in people using ‘rural’ as a cynical marketing ploy to attract what they perceive to be an affluent and untapped market. This is often very far removed from reality - as highlighted in the Prince’s Countryside Fund report 'Recharging Rural’;

10. “Poverty is hidden: the beauty of the surroundings means decision-makers only associate the area with wealthy people.”
11. Anecdotally there is a perception that rural business people are wealthy and that they are potentially not as ‘switched on’ as city based or urban businesses. This is not true.

12. There is no difference in the quality of urban / city based and rural businesses - however rural businesses do face significant challenges that urban and city based businesses do not. In some cases rural businesses are not used to dealing with pushy, persuasive sales people promising the earth. In many cases the service offered to rural businesses are not in fact fit-for-purpose due to a lack of understanding of the challenges rural businesses face - therefore rural businesses are left unsatisfied and the distrust between urban and rural businesses continues to pervade.

Rural Success Stories and the Rural Business Group

13. We have many examples of exceptional businesses operating in the rural sector - success may however be measured in different terms than the traditional bottom line, and this must be born in mind. Businesses that support communities are as valuable as businesses who make millions.

14. **The Cotswolds Distillery**, established in 2014, is based on the edge of a tiny Warwickshire village, which is the first full-scale distillery in the Cotswolds Area of Outstanding Natural Beauty. It produces the award-winning Cotswolds Single Malt Whisky and Cotswolds Dry Gin, as well as a selection of other small-batch spirits and liqueurs, using local raw materials and traditional techniques, but approached with an innovative attitude.

15. Spent grains from the distilling process go to feed the cows at the farm four minutes up the road. Lots of local people from the surrounding villages play a role in the business, either working in the shop, taking tour groups round the distillery, or volunteering in the bottling room. They receive around 20,000 visitors a year and still sell more through their own shop than through any other retailer. From the solar panels on their warehouse roof to their replanting efforts around the distillery, everything they do is about celebrating the Cotswolds; operating ethically and being a force for good in the area.

16. **Hoe Grange Holidays** offer cosy log cabins and luxurious glamping pods set in a working farm amid stunning Peak District landscape. Over the past decade, Hoe Grange Holidays has become a specialist in accessible accommodation, winning many national awards. The log cabins are fully wheelchair accessible with wet room showers and a wide range of additional specialist equipment, such as a mobile hoist and electric profile beds. Guests with disabilities can also hire the Boma 7 off-road wheelchair.

17. When David and Felicity Brown first investigated self-catering tourism to supplement their dairy farm income in 2005, market research showed there was a large supply of standard self-catering properties in the Peak District but a lack of accessible accommodation. With nine million people registered disabled nationally, but only 1,000 National Accessible Scheme rated holiday properties, the couple spotted a gap in the market to provide quality accessible accommodation with a “home from home” feel. As farmers the Browns try to preserve and support the living landscape, and
with Hoe Grange Holidays they hope to inspire guests to adopt a more sustainable lifestyle both on holiday and at home.

18. **Middle Barton Stores** is located in a rural village in North Oxfordshire with two smaller villages nearby, neither of which have a shop of their own. It has the only Post Office and cash point within a 4 mile radius.

19. The community surrounding the store consists of farmers, gamekeepers, tree surgeons, estate workers, ramblers and many other people working in rural professions and countryside events. The customers largely favour local produce and many of them have their preferred suppliers already to hand. The public of Middle Barton simply wished for a closer connection between themselves and the goods and services with which they ultimately purchased, therefore the shop stocks local producers as much as possible.

20. Rather than focusing on financial success, Middle Barton Stores desires to continue providing certain services to the community irrespective of its profit margins. For example, although it is no longer profitable, they continue to run the tearoom. This space frequently hosts groups of the elderly, mothers with young children and cyclists. It creates an environment where these communities can come and enjoy themselves without any obligation to spend money.

21. **Derriere Equestrian Ltd** are equestrian underwear experts who are the first in the world to have designed the Equestrian Padded Support System providing the perfect seat on a horse! It was founded by dressage rider Claire Galer, who found no truly supportive and non-chafing product on the market so resolved to create one herself. From their small base outside Broadway in the Cotswolds, Derriere Equestrian now sells into 35 countries and has more than 300 retail shops across the world stocking and selling its products. Since the company launched its business premises has expanded and it is proud to be boosting not only Britain’s rural economy but that of Tunisia – a country with a struggling economy which houses one of its production sites. They are also the Winner of the SPOGA Horse International Silver Innovation Awards.

22. **herdysleep** was launched in February 2017 and is the first mattress of its kind to combine luxury craftsmanship with the convenience of a bed-in-a-box. Founded by Lake District brand Herdy in collaboration with luxury British mattress makers, Harrison Spinks, the herdysleep is made using wool from local Herdwick sheep, which is superb at regulating body temperature, is naturally anti-bacterial and hypoallergenic.

23. Each herdysleep mattress is tufted and finished by hand and contains up to 6,000 pocket springs plus cotton, cashmere and wool from local Herdwick sheep – the Lake District native breed which is the only sheep that can live in England’s highest mountains. It takes a year to farm a Herdwick fleece and there’s at least one that goes into each herdysleep mattress. The business pays twice the market rate per kilo of Herdwick wool in order to support the local farming community of the Lake District and help to preserve this pastoral tradition.

24. **Rural Maps** is based in a working farm yard in the South Downs National Park in Hampshire. Producing fine and functional bespoke maps for landowners around the world, from British farms to US ranches, the company is as rural as it gets with director Anthony Pelly also managing a mixed 1,300-acre farm from the same office – a dual role which brings with it invaluable understanding of rural industry and farming.
25. With limited broadband speed in their area, Rural Maps produced maps to aid a local fibre optic broadband company roll out services in the area. In return, they got a free fibre to the premises installation, and a lightning fast connection which has been essential for the growth of their business.

26. **Mini Explorers Nursery** is believed to be the UK’s only farm school nursery offering early years childcare on the family’s 260-acre arable farm on the edge of the Yorkshire Dales. Founder Steph Pybus wanted a nursery for her own six children that would offer the same carefree outdoor lifestyle they led at home, so sold her textiles business and took over the tenancy on two office units at her husband’s family farm at Crabtree Hall to create a unique farming-focused childcare nursery.

27. Since 2012, they have gone from a couple of derelict Victorian barns to a trail-blazing early-years childcare facility which is now home to over 115 (slightly muddy and very happy!) children. Not only does the nursery provide valuable employment opportunities to its local rural community, it is also allowing hundreds of local families to immerse themselves in an otherwise largely-inaccessible farming world. The nursery has also provided much-needed new revenue stream for the small-scale arable farm.

28. The very reason we formed the Rural Business Group (which is currently going through the CiC application process) was because we identified the need for businesses to share best practice, support each other and to promote success through our network and Group activity.

29. Our network includes rural businesses themselves in all regions of the UK and all sectors, community organisations, policy groups, lobbying groups, big businesses who see value in supporting small rural business either as part of their CSR obligations or who have a commercial interest in the rural sector. Our target members range from one man micro- businesses to multi million pound corporations such as Amazon and Openreach. We will be launching the Group publicly in February 2019.

30. We need to be the change we want to see - this is what rural people do. We don't wait for policy makers and governments to gift us opportunities; we get on and create them. Policy makers, Quango’s and big businesses need to get on board with support.

**The Future of the Rural Economy - Infrastructure and services**

31. If we are able to access technology this creates a more level playing field for rural businesses to compete with urban ones. Once we are able to access reliable broadband and 4G/ 5G mobile phone networks business will need to spend less time on issues that urban businesses don't even need to consider.

**Access to Transport**

32. Vehicles are essential to rural businesses - they move stock around, allow people to get to work, to access suppliers and vice versa.

33. One of debilitating costs of running our rural business is the cost of trains! In order to effectively represent our members, entrants and winners we need to travel to London frequently for engagements with government and some partners. At over £100 return for a peak time ticket these costs add up.
34. If there was a scheme for rural businesses to apply to bulk buy tickets at a subsidised rate and call off journeys throughout the year and / or pay in installments that would facilitate better access to opportunities for training, networking and commerce. Hotel accommodation is also debilitating and we find ourselves often stuck between a rock and a hard place - pay to travel twice in a week or pay for a hotel. Access to safe and pleasant accommodation at less than £200 per night is a rarity especially if travelling at late notice. As a single female travelling alone on business feeling safe is a major factor.

**Digital Connectivity**

35. How can you expect rural businesses to compete with urban businesses without the same baseline access to digital infrastructure? The barriers are well documented. And it’s no longer just growth in the economy it’s growth and sustainability of rural communities.

36. Research commissioned by our partners Amazon and undertaken by Rural England and Scotland’s Rural College highlights that “**Greater access to online tools and services in Britain’s rural regions could be worth as much as £26.4bn to the economy, with micro business owners predicted to benefit most significantly from digital adoption.**”

37. “Setting aside issues with online connection speeds and reliability, more than half (52%) of rural businesses face some other type of constraint that holds back their digital take-up and hence their performance. For the smallest businesses the key constraint is finding external or outsourced digital or IT support. For larger businesses a more important issue is recruiting people with appropriate digital skills.

38. The benefits from the public sector’s sizeable investment in superfast broadband and mobile networks will only be properly realised if these other constraints are addressed in parallel.

39. The full report can be found here:


**Productivity and Communities**

40. The definition of productivity probably needs to change.

41. For rural businesses supporting communities may come at a cost to a businesses productivity but absolutely be the right thing to do. Peak b research via Michelle Ovens on how small businesses impact communities. The research will be launched on the 10th September 2018

**Government Policy, Devolution and Local Government The Attention of the Government and Other Public Bodies**

42. The government needs to begin looking outside of the traditional rural stakeholder organisations and letting go of the outdated notion that ‘rural’ is simply agriculture, farming and land owning.

43. To make change you have to do something different - to expect change whilst talking to the same people and operating in the same way is
ludicrous. Working with a wide range of organisations, businesses and community organisation is the only way to progress the rural agenda.

**Local Enterprise Partnerships**

44. In our experience both as a rural business seeking help and as an organisation wanting to work WITH them to promote their offering we have found the LEP’s incredibly hit and miss. They are also defensive and protectionist. They do not welcome the suggestion that they are not quite hitting the mark for rural business. There are some fabulous examples of how rural business can be supported for example in the North East of England.

45. However I believe there is a fundamental issue that they are perceived - at least rurally - as feathering their own nests. By recommending consultants and advisers who businesses need to pay for advice and guidance on how to navigate processes and or prepare plans and approaches to access funding! Even if this payment is made out of funds secured. Furthermore, LEPs often cover such large areas that they fail to acknowledge that rural is a ‘sector’ or stakeholder group in its own right.

46. As the Rural Business Group we were asked by DEFRA to present at the LEP Roundtable about our approach and how were offering to help the LEPs the navigate rural and to connect rural businesses to them. We were contacted by ONE LEP representative offering to work with us (North East) and by one individual seeking a non-exec position with our business. We were offering help, access, guidance and to give them a platform. They have been dismissive at best and hostile at worst. Many businesses will not engage with the LEPs, they fundamentally fail to consider and understand rural business.

47. Having absorbed the Industrial Strategy document so much of it is relevant to rural. There are challenges in every area relating to leveling the playing field for rural businesses.

**Rural Benefits for People**

48. ‘Rural’ can be a very positive place to learn, develop creativity and be innovative - the government and big corporations could consider investing in and developing opportunities to get young people out of cities for periods of time (a week or two at a time) where they can enjoy the natural capital the UK has to offer. Positive mental health has been linked with opportunities to access nature; young people today face more pressure than ever whilst working long hours in city based jobs, turning to alcohol and drugs as an escape mechanism for the stresses of everyday life.

49. If we could develop rural working hubs that were accessible to workers to go and spend some time at a slower pace and enjoy hobbies such as hiking, running, cycling etc. whilst living and working remotely and being connected digitally, you could introduce positive connotations with working in rural locations - whilst developing infrastructure, and supporting local businesses. This is clearly and aspirational view but could be a very positive move and whilst it doesn’t solve problems it does contribute positively to many issues.
Failure in the Business Environment

50. There is a notion with policy makers and funding bodies that failure is a bad thing. People are so afraid to fail that they do not try. Whilst clearly there is a need to mitigate risk there also needs to be a shift towards allowing businesses to fail. To learn from mistake and to start again. Entrepreneurs often fail. In order to encourage rural businesses to apply for funding there needs to be a greater acceptance of failure and an understanding that success is not always measured in pounds and pence.

Rural Industrial Strategy

51. A Rural Industrial Strategy should be developed. As we have seen with the rise of feminism against a backdrop of subconscious male bias throughout history, so do we see the same effect on rural. Everything is developed with urban and city based businesses in mind.

52. The time has come to make ‘rural’ mean something in its own right. This needs to happen to ensure that changes are enduring and that rural focus isn’t just a knee jerk reaction to politicians and policy makers looking inwardly following the referendum result. If and when the world settles down will rural once again slip entirely off the radar when everyone goes in search of the next new shiny cause?

53. At the very least there needs to be some specific representation for rural business (not farming, agriculture and land owners as I’m sure they will already be there) on the Industrial Strategy Council.

54. In government Rural cuts across so many departments that there is no joined up thinking and no one really understands or can mobilise a joint effort.

Anna Price

24 September 2018
Rural Coalition - Supplementary written evidence (REC0179)

The Chairman asked Margaret Clark for further detail on how a source of independent research and analysis into rural matters might be re-established

The Rural Coalition has identified a need for a source of independent research, analysis and advice on rural issues, on the lines formerly provided by the Commission for Rural Communities and its predecessor bodies, but Coalition members have not put forward a view on how this should be provided in future. The following suggestions are, therefore, my personal views and not those of the Coalition.

There are a number of options on how such research and analysis might be provided. One simple option would be for the Government to reinstate a statutory organisation with a similar remit to the Commission for Rural Communities. However, I am sceptical personally that this is a realistic option or that it would, indeed, have universal support. It would also need legislation, which is unlikely.

Another option would be for a separate, non-statutory, body to be established, at arms-length from government, but with a role to advise government on rural issues and, in particular, to advise on rural research and data needs. Given sufficient resources, it could itself undertake or commission research/data and publish results. It would require government funding but would need to be – and to be seen as – independent, so it could also raise or earn funding from elsewhere. It could be an entirely separate body or be built on to an existing body with a rural remit, such as ACRE, Rural England CIC, but would need to have the broad support of rural interests, economic, social and environmental. It would also need resourcing to carry out this role. Any such body, however, established, would need to liaise and work with existing rural bodies across a wide spectrum.

A third option would be to establish a broad rural sounding board – a rural forum – to advise government, not just on research and data needs, but also rural policy and practice. The Rural Coalition has made it clear that it would be willing to be a sounding board for rural proofing advice, helping with developing policy and practice across government. Its role could be widened and formalised to act as an advisory body to government. If so, its membership would need to be expanded and it would need additional resourcing in order to perform this broader function. In this scenario, the forum would not itself undertake or commission work but would advise what was needed and would report on the outcome of its advice. (it could also be responsible for producing annual rural proofing reports, which the Coalition has suggested elsewhere.) Such a forum would need an independent chair, who could be appointed jointly by the members and the Government. It would be essential to have government buy-in.
A further variation is for the Government to set up a Rural Advisory Council, along the lines of the Prime Minister’s Business Councils, to advise on rural research and rural policy/practice.

Whatever option adopted, the critical factor is for there to be political backing and support for it and, ideally, it should be set in the context of a broad rural strategy and vision for the rural economy and rural communities.

*Margaret Clark*

*29 November 2018*
Rural Community Council of Essex – Written evidence (REC0117)

Introduction

1. Rural Community Council of Essex (RCCE) is an independent, registered charity that has championed the cause of rural communities in Essex since its formation in 1929. We work to help rural communities achieve a thriving and sustainable future and to improve the life chances of people living in rural Essex today.

2. RCCE is a member of the ACRE Network of 38 county-based rural charities. It also has responsibility for managing the Essex Rural Partnership, a member of Defra’s Rural and Farming Network, which facilitates collaboration between key rural stakeholders and has produced an integrated rural strategy for the county – Respecting our Past, Embracing our Future: A Strategy for Rural Essex 2016-2020.

Q1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

3. Consideration of the ‘rural economy’ is frequently confined to agriculture and associated land-based industries. As the example of rural Essex shows this is increasingly misleading. 72% of the land area of Essex is designated as ‘rural’; the vast majority of this remains devoted to agriculture which continues to account for the highest proportion of the county’s 22,500 rural businesses. However, it is no longer the biggest employer, with sectors such as construction, tourism, retail, health and education all of growing significance. It is becoming more realistic to talk about the ‘economy of rural communities’.

4. The nature of employment in rural areas has changed significantly. In Essex, self-employment and working from home have become much more prevalent. The latter is likely to accelerate further if broadband and mobile connectivity is improved and transport links remain overcrowded.

5. Economic and community life in rural communities is becoming more interlinked, as volunteers step in to provide services such as shops, post offices, pubs, transport and libraries which were historically provided either by the public or private sectors and which would otherwise be lost to the local community.

6. Notwithstanding these changes, it is essential to recognise the health of agriculture and the land-based industries remains crucial to the wellbeing of the economy in rural areas. It also shapes the environment and impacts on the quality of life enjoyed by people who live in rural communities.
7. In some rural areas, there is a notable skills shortage and a continued dependence on low-skilled, seasonal sources of employment. In spite of its proximity to London, this remains as true in Essex as it does in more remote rural areas. In two significantly rural districts, Maldon and Tendring, the average level of workers with no qualifications is 13.2% and 16.4% respectively. The national average is 8.8%.

Q2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

8. The current LEADER programme, which has been operational since 2015 (interrupted by periods of purdah resulting from the two general elections and referendum) has been effective in supporting business diversification, economic growth and job creation across rural Essex. More than £2 million of LEADER funding has so far been invested in Essex businesses by the 4 Local Action Groups (LAGs) that cover the county. This investment has created more than 100 new jobs.

9. From the experience of the Essex Rivers LAG (run by RCCE), the availability of support and facilitation for applicants on a one-to-one basis has been crucial in achieving this level of investment.

10. Another important feature of LEADER is that it is able to support any business or enterprise operating in a rural area, so in this respect it is in synergy with the changing economic picture highlighted under Q1. As well as farming, businesses supported in Essex include food producers, manufacturers, heritage and tourism businesses, vineyards, pubs and community enterprises.

11. Dan Hull Prepared Foods Ltd. is a good example of a business in rural Essex supported by LEADER. Set up four years ago, it has built up a base of more than 70 customers spread over the eastern counties and London, which includes Selfridges and East of England Co-op. With the aid of a grant of £52,000 provided by the Essex Rivers LEADER programme, the business has been able to relocate its food preparation area to a much larger facility. This has created 12 new full-time jobs, enabling the company to increase its range and supply other national stores. Whilst remaining in a rural location, the move has brought them closer to all major road links.

Q3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

12. The principal factors that will impact on the future of the rural economy are demographic change, the availability of affordable housing and digital connectivity and policy towards rural areas post-Brexit.

13. The Defra consultation paper, ‘Health and Harmony: the future for food, farming and the environment in a Green Brexit’, published earlier this year, considers rural communities largely in the context of upland and
other remote areas which enjoy National Park, AONB or other protected status. These areas are of course important but the vision of “sustainable and multi-generational rural communities” and the challenges that must be addressed to achieve it are equally applicable in lowland counties such as Essex and indeed in all rural areas. We must avoid the creation of a ‘two-tier’ countryside, where policy and resources are primarily focussed on designated rural areas, but where the remainder have to content with an increasingly laissez-faire planning system.

Q4. How can access to transport be improved in rural areas?
Q5. What barriers to growth are created by poor digital connectivity?
How can connectivity be improved across the board?
Q6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?
Q7. What can be done to support local shops, community pubs and other amenities at risk of closure?

14. These questions are all closely interrelated, so we have considered them together. They relate to the ability of rural communities to access the essentials of everyday, modern life. People living in rural areas understand there is a cost implicit in living there and that some services must be centralised in order for them to survive at all. However, nobody should be unreasonably disadvantaged as a result of where they live. This is exactly what is happening, with the result that loneliness and social isolation is a real issue for many rural residents of all ages.

15. It is important not to be too prescriptive about the solution to inadequate access to services; a variety of responses will be needed. What is essential is that public bodies recognise that what works in urban areas is not necessarily suitable for a rural context, given the smaller more dispersed nature of the population, and fully engage communities in planning an appropriate policy response.

16. Community life in rural Essex, as throughout the country, is heavily dependent on volunteers not just to run clubs and societies but to provide care and support to the elderly and housebound, to manage facilities such as village halls, and increasingly to provide services such as shops, pubs, transport and libraries formerly provided on either a commercial or statutory basis. Rural people accept community action is invariably the only way to avert the irretrievable loss of a service but it must not be taken for granted. It requires support in terms of professional advice and facilitation, access to funding and a regulatory environment sensitive to volunteers.

17. Rural sub-post offices provide banking services that can mitigate the almost complete withdrawal of commercial banks from rural areas. This service needs to be fully developed and promoted.

Q8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?
18. Organisations more directly involved in business support will be able to comment more specifically here, but rural businesses will benefit from improved broadband connectivity and the elimination of the digital deficit vis-à-vis urban areas. Support for young people in terms of enhanced access to post-16 education and to affordable housing will also deliver benefits to rural businesses.

19. Brexit and the UK’s departure from the Common Agricultural Policy (CAP) will result in the closure of the LEADER programme which has been successful in stimulating business diversification, economic growth and job creation in rural areas. All funding under LEADER must be allocated by March 2019. This does, however, present an opportunity to create a new investment programme with the ability to address strategic economic, community and environmental concerns that is able to deliver integrated rural development. The new programme should draw upon the experience and lessons learned in delivering LEADER. It should replicate LEADER in being accessible to all rural businesses but with additional emphasis on community enterprise. It could also be administered more efficiently and be able to provide more support to applicants if it were delivered on a countywide basis (in Essex, LEADER is currently being delivered by four separate programmes) where the experience of Rural Community Councils (ACRE Network) and local Rural Partnerships could be utilised. An allocation of the proposed UK Shared Prosperity Fund could fund the new programme but this would need to be ‘ring-fenced’. Rural areas will lose out if they have to compete directly with urban areas for UKSPF funding and indicators such as the Index of Multiple Deprivation (IMD) are used as a guide to allocation.

Q9. How can deprivation and inequality in rural areas be tackled?

20. The first requirement is for deprivation and inequality in rural areas to be recognised. Many Government and other public sector bodies use the Index of Multiple Deprivation (IMD) to identify people and communities at risk of disadvantage. Within the various IMD measures the one covering access to essential services, which is of particular resonance to rural communities, tends to carry little weight in comparison to others.

21. Government and other agencies need to appreciate that initiatives to tackle deprivation and inequality in urban areas will not necessarily be effective in rural areas. The particular characteristics and needs of rural communities must be recognised when developing responses.

Q10. How can young people be encouraged to stay in or return to rural areas and contribute to their communities?

22. As has always been the case, there will be many young people growing up in rural areas who want to move to a city or large town. What is essential is that those wishing to remain have the choice to do so. As discussed elsewhere, the availability of jobs, affordable housing and post-16 education opportunities will be crucial in making this choice available. In Essex, RCCE, with other partners, has created a range of rural skills programmes that harness the benefits of the natural environment to
engage young NEETs and others who would not be suited to conventional further education courses.

Q11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

23. In paragraphs 15, 19 and 20, we have already stressed the importance of designing services in a way that is sensitive to the needs of rural communities. This is particularly the case for health and social care.

24. RCCE manages the Community Agents Essex service. This operates countywide but has its roots in the rural areas. The agents work in the community to help vulnerable elderly people retain their independence and to reduce social isolation. 94% of clients remain living independently 12 months after seeing an agent. This eases the burden on hard-pressed statutory services and saves public money.

25. As indicated in paragraph 16, volunteers are already active in many rural communities, providing initiatives such as Good Neighbour schemes and drop-in cafes to help tackle loneliness and social isolation. Incoming retired residents are often prominent in leading such initiatives and village halls are vitally important in providing an accessible location for them.

Q12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

26. We see improving the provision of affordable housing as critical to the future of the rural economy and to the overall sustainability of rural communities. Key considerations are:
   - affordable housing must be based on evidence of local need and be genuinely affordable in the context of locally earned incomes,
   - planning policy and funding must support a range of providers in order to deliver genuinely affordable housing,
   - local landowners will not make land available for affordable housing if there is doubt about it remaining available for local people in perpetuity, or if they believe that sites identified will in the future become available for open market housing.
   - providing affordable housing is a complex, sensitive and protracted process for a local community. It essential that specialist support remains available in the form of local Rural Housing Enablers and other similar services.

Q13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

27. The revised National Planning Policy Framework (NPPF) has responded to some rural concerns but it would have been helpful if it had:
- permitted local planning authorities to seek an on-site affordable housing contribution in their rural communities from sites of 10 dwellings or less,
- required local planning authorities to set a delivery target for housing in their rural areas, which includes affordable housing,
- enabled affordable rented housing to be provided by registered providers and other legally constituted bodies, such as Community Land Trusts,
- provided stronger protections for policies and allocations in adopted Neighbourhood Plans for at least 5 years after they have been ‘made’.

28. Many communities in Essex are looking to allocate development sites in their Neighbourhood Plans. These could impact on designated European conservation sites which would be in conflict with the provisions of Schedule 4B of the Town and Country Planning Act 1990. This anomaly requires clarification.

Q14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

29. The concept of ‘rural proofing’ has been endorsed by successive Governments over the past two decades but there is no evidence it has ever been applied rigorously or consistently across Government. For instance, the revised NPPF (ref: 26 above) would have benefited from ‘rural proofing’.

30. Defra has been encouraging the concept of public money for public benefits or goods, but it appears to be seeing this purely in environmental terms. It must also consider economic and community benefits.

31. Defra has established links with the ACRE Network (38 county-based Rural Community Councils) and with local Rural and Farming Networks (county or regional rural partnerships or networks) which it could use more extensively to gather local intelligence.

Q15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

32. Over the past decade in particular, Essex County Council has recognised that the county remains significantly rural. It has extended its support for Rural Community Council of Essex (RCCE) and for the Essex Rural Partnership, seeing the latter as a way of encouraging multi-agency collaboration on issues identified through an integrated, countywide rural strategy.

33. LEPs were set up to facilitate strategic economic development, so their focus has been on large-scale capital investment which is primarily urban-centric.
34. Essex is part of the South East Local Enterprise Partnership (SELEP) which also includes Kent and East Sussex. SELEP has produced a pan-LEP Rural Strategy, but because of the size and complexity of its area, which contains 35 local authorities, it now works on a federated model, with responsibilities devolved to the three individual counties. Essex, especially the more rural areas of the county, has always been much more integrated with the counties of East Anglia than with the SELEP counties, which presents an identity challenge for the LEP.

Nick Shuttleworth,
Executive Director,
on behalf of Rural Community Council of Essex (RCCE)

10 September 2018
The Rural Housing Alliance represents 40 housing associations working across England that collectively own and manage around 200,000 affordable homes in rural areas. Supported by its partners the Rural Services Network and National Housing Federation, the Alliance looks to offer a single and united voice of support for affordable rural housing delivery and management.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

The key to ensuring viable, mixed communities in rural areas is building more affordable housing. All too often, young people are forced to leave rural areas they grew up in because they cannot afford housing costs. Between 2014 and 2038, the working age population in rural areas is projected to decline by 75,000 people.

Groups such as Exmoor Young Voices have done fantastic work highlighting how the lack of affordable housing, in rural areas such as Exmoor, is forcing young people from Rural England. They have suggested four solutions to the problem of young people leaving rural areas like Exmoor:

1. Student-type starter accommodation
2. Starter flats for young workers
3. Plots for self-build
4. Homeshare

Young people need the choice of an affordable homes to rent in rural areas, while saving for a deposit for a more permanent home. They are unable to buy other open market properties which are bought by older residents or second home owners.

This is where the Rural Exception Site can play a key role as homes are reserved for local people and meet a local tenure need. It can offer the affordable rented homes which young people in rural areas need.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy? Rural housing and planning.

The population of Rural England is ageing rapidly. By 2039, nearly half of rural households will be aged 65 or over. The average age in rural areas is five and half years older than in urban areas and the gap is continuing to widen.

The Housing and Care for Older People APPG published the Rural Housing for an Ageing Population: Preserving Independence Report in April 2018. The report made recommendations on meeting the housing needs of an ageing rural population. These include:
MHCLG should strongly encourage all homes to be built to the Lifetime Homes standards of accessibility that serve the needs of people of all ages.

New schemes should be designed to HAPPI principles and Nationally Described Space Standards to allow for easy adaptation for an elderly population.

The Government should issue guidance to all Local Planning Authorities on meeting the needs of older people in rural communities.

Homes England should give special consideration to older people’s housing in rural areas when distributing grant funding.

Homes England should restore targets for housing in rural areas, increasing its share of funding until it reflects the population of Rural England (17%).

Local authorities should ensure specific sites are allocated for the older people across all tenures.

When disposing of public land, rural local authorities should consider prioritising housing suited to the needs of older people.

Stronger support for Home Improvement Agencies to help in improving the accessibility of homes in rural areas (often through the disabled facilities grant).

All masterplans for new settlements should incorporate a proportion of housing of different kinds specifically for older people.

The report also has some excellent case studies of homes for older people in rural areas, such as Gifford Lea retirement village in Cheshire and the Esk Moors Lodge in North Yorkshire. These homes incorporate professional on-site care to offer bespoke support to residents when they need it.

Some further excellent examples of developments that cater for the needs of older households can be found on the Rural Housing Alliance website - http://ruralhousingalliance.net/category/case-studies/older-people/.

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

Rural house prices are £19,000 higher than the national average. Excluding London, they are £87,000 higher. The recent research publication ‘A New Rural Settlement - Fixing the affordable housing crisis in rural England’ from Institute of Public Policy Research (IPPR) shows that a family with one child, earning one full-time and one part-time median wage in a mainly or largely rural area would spend 31 per cent of their income on rent, compared to 26 per cent or 19 per cent in most urban local authorities. Only in major conurbations is this higher. Potential solutions include:

Promoting Rural Exception Sites: The Rural Exception Site is a crucial way to capture land value and build affordable housing in Rural England. However, Rural Exception Sites are a tool that aren’t used enough. Only 1,071 homes were built on them in 2016/17. Some local authorities are very proactive, such as Cornwall. Just five local authorities built 45% of all affordable homes built on RES since 2011.
We need to promote widespread use of Rural Exception Sites through planning policy and guidance, to boost the delivery of affordable housing in Rural England. To increase take-up, the Government should exempt sales of land for Rural Exception Sites from Capital Gains Tax (CGT) when sites are developed to meet a proven need for affordable homes. According to the Country Land and Business Association, 38% of landowners would be more willing to sell land at a discount for affordable housing if the value of the land was exempt from CGT. We also need Government to actively promote the use of Rural Exception Sites to local planning authorities – either through guidance or a best practice guide - showing how local authorities like Cornwall, Norfolk and Devon are using them to deliver new affordable homes.

**Rural Housing Grant:** The Government should task Homes England with starting a significant rural house-building programme. This should include recalculating and reinstating the rural affordable housing target for grant allocation. This should be calculated using new analysis to assess the true cost of developing affordable homes in rural areas, including any rural premium in build cost. Ideally, Homes England Funding for rural areas should reflect Rural England’s share of the national population – i.e. 17%.

**Right to Buy:** The Right to Buy has depleted the social housing stock in rural areas. The proportion of affordable housing stock in rural areas fell from 24% in 1980 to 8% now. Losing the few social homes a village may have can have a significant impact on rural areas. The Government should give consider giving rural local authorities the discretion to repeal, suspend or reform Right to Buy in their area to prevent the loss of more precious affordable stock in Rural England.

**Second Homes:** There is a high prevalence of second homes and holiday homes in Rural England. In some areas, such as Southwold (Suffolk), as many as 60% of homes can be second homes, predominantly used for holiday lets. In some instances there are economic benefits to local employment and economy from second homes, but a consequence is to increase local house prices and force ordinary, working families to move away.

The Government should allow councils to charge a council tax premium on second homes. In Wales, councils can charge a 100% council tax premium on second homes. This has already been taken up by six of 22 Welsh local authorities.

**Ultra-High Energy Efficiency for New Homes:** Rural households are more likely to be in fuel poverty than urban households. The fuel poverty gap is higher too. Government should support the very highest standards of energy efficiency for new homes (or at least those built with Homes England funding). For example, using innovative design and construction techniques such as those highlighted by the Passivhaus method of building, where exceptional air-tightness and mechanical ventilation, cuts heating and hot water bills to as little as £150 per year. That’s a saving of £500 a year (excluding VAT), compared to the national average. This is affordability built into the fabric of the building, sitting outside of any welfare, or rent regime.
Supporting the retrospective improvement of property performance should also be encouraged and rural areas should feature fairly within national schemes used to encourage investment in upgrading the energy efficient of homes through property improvements or the use of renewable technology.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules? Government policy, devolution and local government

**Entry Level Exception Sites:** The Government has just introduced a new policy for Entry Level Exception Sites in the new NPPF. This is similar model to the Rural Exception Site, but there is no requirement for the homes to be for local people, to meet a local tenure need or to be available forever. The focus is on first time buyers and starter homes.

The policy is likely to raise land values as the focus is on sale and the criteria is weaker than the Rural Exception Site. There is a danger that the policy could replace the Rural Exception Site model as landowners seek a higher land value through the Entry Level Exception Site.

The Government has promised to monitor the impact of the policy in rural areas. It is vital this takes place if the policy is significantly damaging the provision or affordable homes in rural areas.

**Affordable Housing Contributions on Small Sites:** In 2014, the Government announced that small developments under 10 units would be exempt from Section 106 affordable housing contributions. A threshold of five units may be applied in some designated rural areas, with a cash payment sought for developments from 6-10 units.

This policy has had a very detrimental impact in rural areas as most site in rural areas are small. In 2012/13, 66% of affordable housing built in settlements of 3,000 or less was through S106 contributions. So, this 10-home threshold has cut off a key flow of affordable housing in rural areas.

The Government should exempt rural areas from the 10 unit S106 exemption and allow them to set their own threshold for affordable housing contributions.

**Viability:** The use of viability assessments has damaged the provision of affordable housing in rural areas. Research for Shelter/CPRE shows a 48% cut in S106 affordable housing provision in eight rural councils using viability assessments.

It is positive the latest NPPF and Planning Practice Guidance toughens up the rules on viability and makes clear that the price paid for land is not a justification to reduce the number of affordable homes provided. Moreover, affordable housing targets should be set up front and plan-making stage and maintained throughout.

It is still to be seen how the new guidance will work in practice in ensuring viability assessments don’t cut affordable homes. The Government should closely watch delivery and re-draft the guidance again if it is not closing the loophole.
Devolution: There is a real risk that devolution deals will marginalise rural hinterlands around larger urban settlements, with funding and investment being focused entirely on urban policy objectives. The Government should ensure that where devolution areas include rural settlements, these deals are scrutinised to ensure rural needs feature and that rural-proofing is evidenced.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

Far too little attention is given to Rural England in policy-making. Housing and planning policies, such as Entry Level Exception Sites or the exemption from small sites from S106 affordable housing contributions, are examples of policies that have not been thought-through in a rural context.

The Commission for Rural Communities, which previously made the case for Rural England in Government policy-making, was disbanded in 2010. Its replacement, the Rural Communities Policy Unit in Defra, has also been abolished. It is not clear how the voice of Rural England is heard in the creation of policy and legislation.

To remedy this, the Government should take up the recommendations of the House of Lords Select Committee on the NERC Act 2006 to set up a central rural policy unit, focusing on rural proofing policies and advocating for Rural England in government. The Unit should sit in the Cabinet Office, while working closely with representatives from Defra and MHCLG.

Specifically, in terms of housing and planning, the Government should give a breakdown of housing statistics with a specific figure for rural areas (currently settlements of less than 3,000). This would help to hold the Government to account on the number of homes on the delivery of new rural homes.

Finally, many rural groups have called for a statutory definition of a rural community that can be used across Government and help to differentiate rural and urban policy. The Rural Housing Alliance would advocate the following definition: Any settlement with a population of fewer than 3,000 people at the most recent national census, or any settlement with a population of between 3,000 and 10,000 people at the most recent national census, and designated as a rural area by the Secretary of State.

7 September 2018
1.1 This submission is made by Jo Lavis, Director of Rural Housing Solutions. I specialises in supporting the delivery of rural affordable housing across the UK. Projects include evidence collection and evaluation of practice to support rural proofing and better policy making at national and local levels; and providing technical housing support for national rural organisations. I also provided the Secretariat for the Affordable Rural Housing Commission and Lord Best’s Rural Housing Policy Review.

1.2 The submission is in response to questions 12 and 13. It expands on the points made in my presentation to the House of Lords Select Committee in June and extends into other policy areas relevant to these questions.

Question 12: How can affordability be improved?

2.1 The constraints on rural development mean that steps to improve affordability cannot rely simply on increasing supply. Whilst appropriately scaled growth is a step in the right direction, it will only have an impact on affordability if it increases the supply of housing available at a price or rent that is affordable to those dependent on locally earned incomes. Four factors, working in concert, have to be in place if this is to be achieved.

1. Supportive planning policy at national, local and neighbourhood levels
2. A supply of sites available at price that makes it viable to provide affordable housing
3. Access to finance
4. Arrangements to retain the supply in perpetuity

In answering Question 12 the focus is on factors two to five. The planning policy factors will be explored in the response to Question 13

Site supply

2.2 Without sites there will be no affordable housing. As importantly, the cost of that site has to be low enough to make it financially viable to provide housing at rents or sale price that are affordable to the intended resident.

2.3 This presents a conundrum. Most potential sites for rural affordable housing are privately owned and apart from some notable exceptions landowners will not dispose of their land at a price significantly below its market value. Their land is a business asset.

2.4 Planning policy can and has gone some way to set a ‘market value’ through requiring an affordable housing contribution as part of market housing developments, which until 2014 could be from any size of site, subject to viability. More radically, the rural exception site depresses the site value by limiting development to affordable housing to meet local needs.
2.5 However, planning policy cannot force sales of land or set its actual selling price. This will be dependent on the decision of the landowner and the price paid will be determined through negotiation between them and the developer, private or housing association.

2.6 There is a significant uplift in land values when sites are developed for market housing, which has the effect of raising landowner expectations of price (‘hope value’). This has a detrimental effect on affordability in two ways. A higher land price can alter the tenure balance towards higher value properties, including the tenure mix between affordable sale and rented housing. At its most extreme it makes it financially unviable to provide affordable housing.

2.8 As will be explored under Question 13 recent changes in national planning policy have increased the phenomenon of “hope value’, with a particularly heightened impact on the supply of sites for rural affordable housing.

2.9 **The following steps could help unlock a supply of sites at a price that provides truly affordable housing.**

- A soon to be published paper by the RICS sets out four proposals for changing the tax system to provide incentives to landowners, farmers and estates, to release land for affordable housing. These include: conditional exemption from Inheritance Tax, extending Capital Gains Tax business asset roll over relief, a raft of small changes to the tax regime where purchase or refurbishment of property results in additional affordable homes.
- Introduction into statute of an improved version of the Scottish Rural Housing Burden that ensures that the land is only ever used to provide affordable housing.
- Reforming the Land Compensation Act 1961 so that land that is purchased under Compulsory Purchase Orders is bought at its current use value, not its potential value.
- Formalising through national guidance the ability for providers of affordable housing to offer landowners nomination rights for one or two of the dwellings of an affordable housing scheme.
- Providing national funding that initiates and rolls out of Rural Revolving Land Banks, similar to that used in Scotland. This can incentivise land supply by taking out the costs and risks to the landowner of preparing the site for planning approval.

**Finance**

2.10 The cost, level and availability of finance, in the form of private borrowing and grant, from government and local authorities, influences how much affordable housing is built but also its tenure and its cost to the resident.

2.11 In recent years the combination of cuts in grant rates, restrictions on private borrowing and the introduction of Affordable Rent has seen the cost of rented housing rise to levels that are unaffordable to many rural
residents dependent on locally earned income. Their situation has been exacerbated by reduction in the Local Housing Allowance that sets Housing Benefit levels.

2.12 The announcement in June 2018 that grant would be available to fund social rented housing in areas of high affordability ratios is helpful. This covers most rural districts in the South East, South West, and East of England. But fewer in the Midlands and North where low rural wages and the rural house price premium can mean that affordability is still a challenge.

2.13 During the year 2016/17 government grant was solely available for shared ownership housing. As a consequence there was a shift in the tenure mix of rural schemes with shared ownership replacing homes for rent. This ran counter to meeting the evidenced need which local housing needs surveys persistently reveal to be for rented homes. This funding requirement was reversed in 2017/18.

2.14 Concerns have also been raised about the affordability of shared ownership housing, where service charges and rent on top of a mortgage payment based on an open market value of the equity share can make this an expensive route to home ownership. Currently, Homes England is only able to fund this form of affordable sale tenure.

2.15 **Changes to the financing of affordable housing that could improve affordability**

- A government grant rate for rural affordable housing that reflects the additional costs in developing these schemes, making it possible to provide truly affordable rented homes.
- Availability of government grant to fund social rented housing across all rural local authorities.
- Planning policies, such as that adopted in Cornwall, that require developers to demonstrate that any affordable sale housing offered at a discounted sale price with resale covenant is affordable to local people. (A tenure defined as affordable housing in the NPPF).
- Allowing an affordable housing contribution to be taken on site from developments of less than 10 dwellings in all rural areas. This would provide funding for affordable housing and stretch grant across more schemes, and/or support more social rented homes.
- Providing government grant to fund discounted market sale housing with a resale price covenant as a more affordable form of rural affordable sale housing.

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474 See JRF report Affordable Rents compared with social rents - June 2018-09-06 https://www.jrf.org.uk/report/affordable-rents-compared-traditional-social-rents
476 Delivering Affordable Housing: Low Cost Home Ownership - Equity Share - publ 2002 - Eden HA and Housing Corporation
• Government requiring local authorities to ring-fence for affordable housing investment the Right To Buy receipts gained from sale of homes owned by Large Scale Voluntary Transfer Housing Associations that have ‘protected RTB’.

**Retaining the stock of affordable homes**

2.16 Retaining affordable housing in perpetuity will increase supply and incentivise release of sites at a price that makes it viable to provide truly affordable housing.

2.17 The willingness of landowners to release sites at a price that facilitates the provision of affordable housing is heavily influenced by their confidence that the homes will remain affordable in perpetuity. This has been undermined recently by two trends.

2.18 Firstly, the introduction of Voluntary Right to Buy that extends the Right to Buy to housing association tenants. There are no rural exemptions, even though legal documentation in the form of a Section 106 agreement requires the homes to be retained as affordable housing in perpetuity.

2.19 Secondly, the demands from some housing associations on local authorities to waive the Designated Protected Area designation requirements for either capping the equity a tenant can buy to 80% or exercising a pre-emptive right of buy-back when the home comes up for sale into the open market. The housing association action is driven by the reluctance of lenders to offer mortgages on properties with perpetuity arrangements and so affects most forms of affordable sale housing in rural areas.

2.20 **Changes to perpetuity arrangements that could help improve affordability**

• Suspend the Right to Buy in rural areas
• In the short term ensure that the new flexibilities around the use of RTB receipts, currently out for consultation, support 1 for 1 replacement of council homes sold in rural communities.
• Exempt housing association properties in settlements of less than 3,000 population from the Voluntary Right to Buy. This would bring it into line with the statutory exemption from the Right to Acquire.
• Provide a Government under-writing mortgage guarantee for properties that are subject to perpetuity arrangements
• Support a national mortgage brokering service for properties subject to perpetuity arrangements. This is a project that is currently being explored by the National Community Land Trust Network

**Question 12: What are the other challenges associated with rural housing and how can these be addressed?**

**Providing homes for the ageing rural population**
3.1 Data provided by the recent HAPPI report shows that by 2039 half of rural households will be over 65 and that the population of rural areas is ageing more rapidly than urban areas. Yet, only 20% of sheltered housing is in rural areas and homes are less likely to be adapted for ageing. It is also the case that 80% of older people own their own homes. The dominance of family housing in rural areas and the limited supply of rural community based housing with care presents problems for those looking to downsize and/or to remain independent and safe within their own home. These problems are compounded in two tier authorities where housing and social care responsibilities are split between district and county councils, with the latter now responsible for administering Disabled Facilities Grant. The report included a large number of recommendations, some of which were common to general needs affordable housing delivery. One specific ask was that Sustainability and Transformation Plans should be rurally proofed. To this could be added that these plans should be devised with local housing professionals.

Homelessness

3.2 In 2017 IPPR published a report that highlighted the growth in rural homelessness and the additional challenges that differentiated this most acute form of housing need in rural areas. These included the lower levels of affordable housing, high prevalence of second and holiday homes, difficulties of providing services that prevent and relieve homelessness to a dispersed, isolated and often ‘hidden’ individuals. It offered six recommendations, which included that government should develop a new national cross-government homelessness strategy, taking the Homelessness Reduction Act 2017 as its lead. It should include an assessment of homelessness in rural areas, covering its scale and nature and the distinct challenges faced by rural areas. It should also provide comprehensive rural-specific guidance on how to prevent and relieve homelessness.

Tackling Fuel Poverty

3.3 There is a higher incidence of fuel poverty in rural than urban areas, often co-inciding with those 36% of rural areas that are ‘off-grid’. Age of housing stock, increased costs of building new homes to high energy efficiency standards on top of the high costs already associated with small affordable housing schemes.

Question 13: How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

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478 Rural Housing for an Ageing Population - Preserving Independence - April 2018  
479 Right to Home: Re-thinking rural homelessness - publ IPPR July 2017  
4.1 The following provides a headline response to Question 13. I have written a more detailed Briefing Note on the revised NPPF and would be happy to make this available to the Select Committee.

4.2 Overall, the revised NPPF is something of a mixed bag for rural areas. Its strategic underpinnings provide a positive basis for rural development in support of sustainable rural communities, but the ability to achieve this is undermined by some of its detailed policies, including the continued reliance on the rural exception sites to meet local housing need for affordable housing and the failure to re-instate the ability of all local authorities to take an affordable housing contribution from small sites in rural areas.

4.3 Rural communities could benefit from the continuing commitment to a plan-led system whose purpose is to contribute to sustainable development, with the social, economic and environmental criteria guiding development towards sustainable solutions taking local circumstances into account. Helpfully this is reflected in the specific policies for the rural economy and for the location of housing, which includes recognition that a sustainable community may be a cluster of villages as well as a single settlement. It is to be hoped that more Local Planning Authorities (LPAs) follow this guidance and move away from allocating development on the basis of settlement hierarchies defined by presence of services.

4.4 However, it is extremely disappointing that the rural exception site is the only route cited for providing affordable housing to meet local needs. As it name implies this is an exception to policy, not a plan led approach.

4.5 Equally disappointing is the lack of responsiveness to local circumstances demonstrated by the prohibition on LPAs taking an on-site contribution from sites of less than 10 dwellings. As evidence shows this policy has resulted in a reduction in the delivery of affordable housing in rural communities where most development sites are small. There is a rural exception to the policy, but it only covers around 38% of parishes and limits the contributions to be taken as commuted sums.

4.6 Other policies are likely to mean there are a dirth of sites in these communities on which commuted sums can be used. This includes the requirement for a rolling five-year land supply of deliverable sites. Whilst this is helpful, it does also mean that landowners are likely to withhold release of rural exception sites in the expectation of there land being allocated, triggering a higher land price.

4.7 On a more positive note, the threat to rural exception site supply from Entry Level Exception sites has been avoided. Their size is limited and they can only be developed for affordable housing, as defined by the NPPF.

4.8 Helpful too, the NPPF takes a robust line on viability assessments being made at the point of plan-making using the recommended methodology set out in the NPPG. It includes advice on benchmarking land values on Existing Use Value and a premium for the landowner. This should help reduce ‘hope’

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480 See Rural Services Network response to proposed amendments to the NPPF - 28th April 2017
value and ensure rural exception sites meet their purpose of providing affordable housing to meet local needs. The downside is that without being able to take an affordable housing contribution from small sites the market comparator value that informs the landowner premium, will mean that landowners are probably more likely to withhold possible exception sites in the hope they will be allocated as part of the 5 year housing land supply and attract a full market value.

4.9 A final concern is the change to the definition of affordable rented housing that requires the landlord to be a Registered Provider. Whilst high quality, fair and transparent management and maintenance is a necessity, limiting supply to Registered Providers could potentially rule out provision by Community Land Trusts and private landowners. Faced with this possibility the latter is likely to only offer affordable sale housing.

4.10 **The following steps could maximise the supportive aspects of the NPPF and overcome the negative elements.**

- Re-instate the ability of local authorities to take an on-site affordable housing contribution from sites of less than 10 dwellings, subject to viability, in all rural communities, defined as parishes with 3,000 or less populations.

- Require the Planning Inspectorate to test whether LPAs are meeting the NPPF objectives for a plan led approach to promote sustainable development in rural areas in line with the NPPG advice on Rural Housing.

- The NPPF should require LPAs to provide a breakdown of its housing need figure for its rural communities, with the accompanying analysis of the nature, type and tenure of housing that is needed. This should inform a target for delivery of housing and affordable housing in rural communities, which should be reported and responded to through the Annual Monitoring Reports.

- Make it a requirement of Neighbourhood Plans that they include policies that address the housing needs of their communities.

- Give communities that have a Neighbourhood Plan that has been made in the last five years the ability to withstand developments triggered by the operation of the Presumption in Favour of Sustainable Development.

10 September 2018
A thread that has run though the submissions and evidence that has been given to the Select Committee has been the weakness of rural proofing. An example of this is evidenced by the exchange of correspondence with the relevant Ministers following the publication of the NPPF in July.

An analysis of the NPPF published in July identified that little attention had been given to the evidence and points raised by rural organisations during the review process. In response and to understand better the process that was used to Rural Proof the NPPF a joint letter was sent by the Chairs of the Rural Housing Alliance and Rural Coalition and the Chief Officers of ACRE and Rural Services Network to the Secretary of State, at MHCLG, James Brokenshire, copied to Lord Gardener at Defra. A copy of the letter is provided at Appendix A. It welcomed that some amendments had responded to rural concerns, but expressed disappointment that the approach adopted did not go far enough in appreciating the impact that policies would have on rural areas and these had not been addressed by the amendments. To help them consider how to respond to the NPPF they requested that given the Government’s commitment to Rural Proofing and transparency, the full details of the approach to rural proofing the revised NPPF be made publicly available.

The response from the Ministers was somewhat perfunctory. They both stated that the NPPF had responded to rural concerns citing new sections on rural housing and the rural economy. The letters are attached at Appendix B. Lord Gardiner expanded this by stating that Government aims to ensure rural proofing is embedded in policymaking across departments, citing the Rural Proofing Checklist and that Defra is now working with nominated officials in each department to review how Rural Proofing is undertaken.

However, a comparison (available at Appendix C) of these paragraphs with those in the 2012 NPPF shows that apart from some slight amendments to the wording nothing has changed. They are in effect not new. Left unaddressed are the concerns that policies and requirements in other parts of the NPPF would undermine the achievement of the positive and welcomed objectives set out in these paragraphs.

These concerns were raised in many rural responses to the NPPF consultation and those relating to housing were directly conveyed during the review period to Defra officials and, at their suggestion, to their colleagues in MHCLG. Appendix D provides a copy of the e-mail I sent to officials alerting them to the potential negative impacts of this interplay of policies.

Jo Lavis
Rural Housing Solutions
4 December 2018
Appendix A

Pledged to work with and for rural communities

Rural Housing Alliance

Rt Hon. James Brokenshire MP
Secretary of State for Housing, Communities, and Local Government
Houses of Parliament
London
SW1A 2BQ

9th August 2018

Dear Secretary of State

Re: Rural Proofing / Revised NPPF

We were grateful that your Department released the revised National Planning Policy Framework (NPPF) in advance of the parliamentary summer recess. Along with other organisations who engaged with the NPPF consultation process, we are committed to supporting the government achieve the ambition to deliver the right homes in the right place. Including the provision of well-designed and affordable homes that help rural communities thrive.

The volume of responses to the NPPF consultation highlights the importance placed on securing the right approach to planning policy. We are aware that many responses were made on behalf of rural interest organisations and constituents. We also understand that the Department for Environment, Food, and Rural Affairs (DEFRA) will have directly provided comments and its Minister, in his role as the Government’s Rural Advocate, will have sought to ensure the NPPF meets the needs of rural communities.

In common with other rural organisations we were encouraged to see some amendments to the revised NPPF that reflected concerns raised during the consultation process. There was also some disappointment, where we felt the approach adopted did not appreciate the impact that policy would have on rural areas and that amendments did not go far enough to address these concerns.

Whilst considering our response to the revised NPPF it would be useful to understand how the review process undertaken by your department incorporated effective rural proofing. As a Secretary of State, you will be aware of the practical guidance prepared by DEFRA, which outlines a four-stage rural proofing process designed to ensure ‘policy makers and analysts in government... assess and take into account the impacts their policies would have on rural areas’.

Continued >>>

The Rural Housing Alliance, which works in partnership with the Rural Services Network and National Housing Federation, is a group of housing associations that develop and manage affordable homes in rural areas across England. http://ruralhousingalliance.net/
This approach to rural proofing is endorsed within the government response to the findings of the Lords Select Committee on the Natural Environment and Rural Communities Act. It stated, “Government has a clear approach to rural proofing - it is best mainstreamed into all policy making across government as well as delivery at the local level. The government remains committed to rural proofing all policies from the earliest stages.”

Given the government’s clear support of rural proofing and commitment to transparency, we would ask that full details of the approach to rural proofing the revised NPPF are made publicly available. We believe that publication would present an opportunity for the Department to demonstrate that rural proofing is a fundamental part of policy making as well being open and accountable. It will also give greater clarity to concerned rural interest groups and constituents, enabling them to better understand how their comments along with DEFRA’s featured within the policy making process.

Thank you for taking time to consider this matter.

Yours sincerely,

Graham Biggs, Chief Executive, Rural Services Network
Margaret Clark, Chair, Rural Coalition
Martin Collett, Chair, Rural Housing Alliance
Richard Quallington, Executive Director, Action with Communities in Rural England

CC. Lord Gardiner, Parliamentary Under Secretary of State for Rural Affairs

Return correspondence address:

The Rural Housing Alliance
/o/o English Rural Housing Association
7a Strutton Ground
London
SW1P 2HY

The Rural Housing Alliance, which works in partnership with the Rural Services Network and National Housing Federation, is a group of housing associations that develop and manage affordable homes in rural areas across England.  

http://ruralhousingalliance.net/
Appendix B

Graham Biggs
Chief Executive, Rural Services Network
Rural Housing Alliance
c/o English Rural Housing Association
7a Strutton Ground
London
SW1P 2HY

Kit Malthouse MP
Minister of State for Housing
Ministry of Housing, Communities & Local Government
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SW1P 4DF

Tel: 0303 444 3430
Email: kit.malthouse@communities.gsi.gov.uk

www.gov.uk/mhclg
Our Ref: 3898761

12th September 2018

Dear Mr Biggs,

Thank you for your letter of 9 August, on behalf of Rural Services Network, the Rural Coalition, the Rural Housing Alliance and Action with Communities in Rural England, enquiring about the application of rural proofing guidance during our revision of the National Planning Policy Framework, which was published on 24 July.

I note that the Lord Gardiner of Kimble, Parliamentary Under-Secretary at the Department for Environment, Food and Rural Affairs, to whom you copied your letter, will be responding separately in his capacity as Rural Ambassador, but I should make the following comments from a planning perspective.

The Government’s public consultation on the draft revised National Planning Policy Framework was held between 5 March and 10 May 2018. The Government responded to rural issues raised by respondents in the revised Framework, including a new section on rural housing. We remain committed to making home ownership in rural areas affordable. The Framework promotes sustainable development in rural areas, and ensures that the needs of rural areas are taken into account. It makes clear that local authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing. The Framework reaffirms the longstanding Rural Exception Site policy which allows local authorities to release land for affordable homes to meet local need in rural locations where housing would not normally be appropriate.

I hope that the Rural Housing Alliance will understand that, in the broader public interest, Government departments need to be able to discuss all aspects of policy freely, including suggestions, drafts and criticisms of policy later superseded.

Kit Malthouse MP
Thank you for your letter of 9 August to the Rt Hon James Brokenshire MP about rural proofing and the revised National Planning Policy Framework (NPPF). I am replying as the Minister responsible for rural affairs.

The Government aims to ensure rural proofing is embedded in policymaking across all departments and there is a range of advice available to develop and assess the implications of policies on rural areas. This includes Defra’s revised rural proofing guidance (March 2017), the Treasury’s revised Green Book (March 2018) and the Better Regulation Framework guidance (February 2018), in addition to Defra’s wide range of statistical evidence. As Rural Ambassador, I can assure you that Defra works with other departments to rural proof priority policies.

The Government recognises, however, that more could be done and Defra is working with nominated officials in each department to review how rural proofing is approached. Defra will be publishing a Statement of Rural Research Priorities later this year to stimulate research on the main issues affecting rural businesses and communities and this will provide further material for departments to draw on.

The National Planning Policy Framework (NPPF), was a result of close partnership between the Ministry of Housing, Communities and Local Government (MHCLG) and Defra. As a result, the draft NPPF has a new rural housing chapter with support for the rural economy. We are grateful for the response by the Rural Housing Alliance to MHCLG on the draft NPPF. The feedback from the sector informed discussions of the policies that affect rural communities and contributed to strengthening rural policy overall. I have attended a number of rural events to listen to stakeholders and practitioners views and I hope this dialogue will continue through the Rural Housing Round Table that I will convene later this year, to inform our Rural Research Priorities mentioned above, and ensure the expert insight of practitioners can be considered. Information about the aforementioned events will be available in due course.

Appendix C

Comparison of NPPF 2012 and Revised NPPF 2018 re: rural housing and rural economy sections
NPPF 2012

3. Supporting a prosperous rural economy

28. Planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. To promote a strong rural economy, local and neighbourhood plans should:

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

4. Promoting sustainable transport

29. Transport policies have an important role to play in facilitating sustainable development but also in contributing to wider sustainability and health objectives. Smarter use of technologies can reduce the need to travel. The transport system needs to be balanced in favour of sustainable transport modes, giving people a real choice about how they travel. However, the Government recognises that different policies and measures will be required in different communities and opportunities to maximise sustainable transport solutions will vary from urban to rural areas.

34. Plans and decisions should ensure developments that generate significant movement are located where the need to travel will be minimised and the use of sustainable transport modes can be maximised. However this needs to take account of policies set out elsewhere in this Framework, particularly in rural areas.

[ and included in 6. Delivering a wide choice of high quality homes.....]

54. In rural areas, exercising the duty to cooperate with neighbouring authorities, local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate. Local planning authorities should in particular consider whether
allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs.

55. To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are groups of smaller settlements, development in one village may support services in a village nearby. Local planning authorities should avoid new isolated homes in the countryside unless there are special circumstances such as: ● the essential need for a rural worker to live permanently at or near their place of work in the countryside; or where such development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets; or

● where the development would re-use redundant or disused buildings and lead to an enhancement to the immediate setting; or

● the exceptional quality or innovative nature of the design of the dwelling. Such a design should:

-- be truly outstanding or innovative, helping to raise standards of design more generally in rural areas;
-- reflect the highest standards in architecture;
-- significantly enhance its immediate setting; and
-- be sensitive to the defining characteristics of the local area.

NPPF 2018

Rural housing

77. In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.

78. To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services. Where there are groups of smaller settlements, development in one village may support services in a village nearby.

Planning policies and decisions should avoid the development of isolated homes in the countryside unless one or more of the following circumstances apply:
a) there is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside;

b) the development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets;

c) the development would re-use redundant or disused buildings and enhance its immediate setting;

d) the development would involve the subdivision of an existing residential dwelling; or

e) the design is of exceptional quality, in that it:

- is truly outstanding or innovative, reflecting the highest standards in architecture, and would help to raise standards of design more generally in rural areas; and

- would significantly enhance its immediate setting, and be sensitive to the defining characteristics of the local area.

Supporting a prosperous rural economy

83. Planning policies and decisions should enable:

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

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

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

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

84. Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads and exploits any opportunities to make a location more sustainable (for example by improving the scope for access on foot, by cycling or by public transport). The use of previously developed land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist.
Appendix D

E-mail alerting MHCLG officials on the negative impact of the interplay of policies within the revised NPPF

From: Jo Lavis <jo.lavis64@googlemail.com>
Subject: Rural concerns and offer to help rural proof the NPPF policies for affordable housing
Date: 16 May 2018 13:33:46 BST
To: Alexandra.Browne@communities.gsi.gov.uk
Cc: "Luke, Emma (DEFRA)" <Emma.Luke@defra.gsi.gov.uk>, "Morris, Louise (Defra)" <Louise.Morris@defra.gsi.gov.uk>, "Clayton, Jackie (Defra)" <Jackie.Clayton@defra.gsi.gov.uk>, "Duggan, Catherine (DEFRA)" <Catherine.Duggan@defra.gsi.gov.uk>

Dear Alex - Emma Luke at Defra has given me your name as the person to contact about the draft NPPF policies that affect delivery of rural affordable housing.

As a quick introduction to myself, I have over 30 years experience of rural affordable housing, working at local level and in national policy, including a short spell heading up the affordable housing work of Defra.

I have been in discussion with Emma and her colleagues about the significant and I suspect unseen negative consequences that the inter-action of the NPPF policies will have on the delivery of rural affordable housing, and in consequence on the ability of LPAs to meet the requirements placed on them in planning for their rural communities. In the hope that this might help you ‘rural proof’ the NPPF I offered to share my thoughts with you.

I understand from Emma that despite the wording within the draft NPPF it is intended that in designated rural areas LPAs will only be able to take affordable housing contributions from sites of 10 units or less in the form of a financial sum. And that although it does not appear in the glossary the proposed definition of designated rural area is the S157 1985 Housing Act Right to Buy designations. In effect a very limited extension of what was in the Written Ministerial Statement.

Being unable to seek an on-site affordable housing contribution from small sites in rural areas is in itself very problematic for delivery of rural affordable housing as has been consistently evidenced (I have attached the RSN response to the earlier proposals to change the NPPF, but you may also like to look at those of other rural interest groups and rural LPAs in response to the proposed changes to the NPPF and the briefings to Ministers by the Rural Housing Policy Review's, Chaired by Lord Best, after the Written Ministerial statement ). In essence it comes down to three factors.

• most development sites in rural areas are small,
• there are very few, often no other, alternative opportunities to use a financial sum in the village where it has been raised to provide affordable housing on site
• the S157 designations cover less than 40% of parishes

The situation is very likely to become even more problematic, potentially making it almost impossible to provide rural affordable housing in parishes of 3,000 population or less because of the interaction of policies within the draft NPPF.
policies aimed at supporting the delivering of rural affordable housing.

- The inability to take on site affordable housing contributions from sites of 10 units or less will significantly reduce the opportunities to provide a range of affordable homes in rural communities for the reasons noted above. Extending the provision to include sites of 5 units or less will not improve the situation. It will not make it any easier to use the resulting commuted sums in the community where they were generated because of a lack of site supply. This includes market led development sites of a size large enough to attract an on-site contribution and for the reasons set out below rural exception sites.

- Without an affordable housing requirement these small sites will attract a higher land value which coupled with the rolling need for a 5 year land supply will result in landowners holding on to potential rural exception sites (RES) in the hope they will be allocated.

- This will be heightened by the requirement that at least 20% of allocated sites are 0.5 hectare (i.e. likely to be sites of <10units). In rural and mixed urban and rural areas these are likely to be sites in rural communities.

- Entry Level Exception Sites - with a requirement to only provide a high proportion of entry level housing, with no affordable tenure split, perpetuity or local connection requirements will attract a higher price than rural exception sites and in consequence landowners are likely to be unwilling to release land for rural exception site development.

- The NPPF places a reliance on rural exception sites as the route to deliver affordable homes to meet local needs in rural communities. However, the consequences of the other policies within the draft NPPF are that the supply of these sites is likely to be significantly reduced as landowners will have a realistic expectation of gaining a much higher land value that that generated by a RES.

It is welcome that the draft NPPF restates that the planning system should be genuinely plan led (para 15) and the section on rural housing helpfully supports planners supporting housing developments that meet local housing needs (para 79); promote sustainable development by locating housing where it will enhance or maintain communities to thrive; identify opportunities for a range of rural communities to thrive (para 80) But the detail of the policies will prevent these objective being met. It does not offer a plan-led approach, instead it places sole reliance on RES to provide affordable housing. A route which as noted above will be severely undermined by other policies in the draft NPPF, but with no alternative options.

One way forward would be to use the same approach as that used in ODPM Circular 6/98 (sorry, yes I can go that far back). It set out national thresholds but allowed LPAs to set their own thresholds for their rural areas, which it did not define, but I would suggest are as parishes of 3,000 population or less. In addition, restrict the use of Entry Level Exception Sites to urban locations. The advantages would be as follows:

- Rural site supply would be supported with landowners more likely to release a site for allocation, or windfall, where it attracts a price commensurate with a
market led development with an on-site affordable housing contribution. This would be higher than that for an Entry Level Exception Site and a Rural Exception site.

- SME builders would have a greater opportunity to buy small sites and reduce their exposure to financial risk because the affordable housing will depress the value and there will be a guaranteed buyer for the affordable homes (usually a housing association).

- Rural Exception Sites could still operate, but they would be the exception not the principal route to providing rural affordable housing.

- Rural Communities would be able to grow and the range of their housing needs, including that for affordable housing, could be met.

If you would find it helpful to discuss any of the above I would be very happy to meet you.

Kind regards

Jo

Jo Lavis
Rural Housing Solutions
November 2018
The Rural Services Network (RSN) is the national champion for rural services, ensuring that people in rural areas have a strong voice. It is fighting for a fair deal for rural communities to maintain their social and economic viability for the benefit of the nation as a whole.

The RSN membership is 154 local authorities (counties, unitaries, districts and boroughs) from across England and over 75 other public, private and civil society sector organisations, such as fire and rescue authorities, housing associations, bus operators and land-based colleges.

Our entire membership is deeply concerned about the rural economy. We strive to ensure that the rural economy is properly considered and supported in relation to government and other policy and actions.

Our response to the questions raised by this call for evidence is set out below.

General Questions

What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Rural economies are incredibly diverse and make a significant contribution to national economic performance. Farming and tourism are of critical importance but to pigeon-hole rural economies as being solely about these sectors would be a mistake. The environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted – from manufacturing and service industries to knowledge intensive and creative sectors. Enterprise and opportunity are abundant with rural areas often providing a breeding ground for high growth businesses which can migrate to more populated areas as expansion plans require.

Rural areas are home to 9.4 million people according to 2016 population estimates. In other words, 17% of the population of England live in small rural towns, villages, hamlets and isolated dwellings – that’s more people than live in Greater London.

The contribution of the rural economy is all too often over-looked or miss-represented in national and regional policy making.

There are 547,000 registered businesses based in rural areas (and probably as many micro-businesses again which are unregistered). They are 24% of all the registered businesses in England, so form a vital part of the national economy.

Those registered businesses have an annual turnover of £434 billion and represent an incredible range of business activity – land-based industries
Rural Services Network – Written evidence (REC0031)

(including farming) are important but 85% of rural businesses are from other sectors.

Much business activity in rural areas goes unseen by policymakers and support providers due to scale. Indeed, almost 18% of rural businesses have no employees, being sole traders or partnerships (more than double the equivalent urban figure). Some 84% of employees in rural areas work in SMEs and 22% of all rural jobs are home-based (compared with 13% in urban areas).

Registered rural businesses, however, employ 3,500,000 people. They should not be ignored.

An excellent analysis of the current state of play of small businesses in particular, and the opportunities which exist in rural areas, is provided by work undertaken by Newcastle University: ‘Small Rural Firms in English Regions: Analysis and Key findings from UK Longitudinal Small Business Survey, 2015’ (Centre for Rural Economy & Newcastle University Business School, September 2017). For example, this states: “more rural firms have goods or services suitable for exporting than which currently export, and rural firms are less likely to expect to grow their workforce. Obstacles to rural business success are cited as regulations or red tape, staff recruitment and skills, and taxes, rates and National Insurance (NI) that concern significantly more rural than urban firms.” Other evidence shows that low wages and low productivity are clearly limiting factors as are skill levels.

**Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

There are countless reports regarding what works – and what doesn’t – in terms of supporting the rural economy. For example, SQW were
commissioned by Defra to evaluate the Rural Growth Network (RGN) 3 year pilot initiative which ran between 2012 and 2015 with £12.5 million from Defra and £1.6 million from the Government Equalities Office. The initiative was set up in response to barriers to rural economic growth identified in the Rural Economy Growth Review. The aims were to encourage rural economic growth and to generate and disseminate lessons on what works in this context.

The findings of the evaluation report produced by SQW point to a number of successful interventions which can help inform future policy and programmes including supporting both new and existing businesses to grow. ‘Final Evaluation of the Rural Growth Network Pilot Initiative’ (SQW, May 2016)

An additional example is provided through a report commissioned by Defra (working in conjunction with BIS) in 2013 and produced by the Institute for Employment Studies (supported by the Countryside & Community Research Institute). This investigated the degree to which rural businesses access national employer skills and government business support programmes. A key finding of the report was that: “Access to national mainstream employer skills programmes and government business support programmes among rural businesses may be improved if information and advice on how to apply for support is proactively provided (ideally face-to-face or by telephone) by a stable set of intermediaries.” LEPs and others should take account of the need for such intermediaries in delivering skills development and business support programmes to ensure that the full potential of rural businesses is realised. (‘An assessment of the degree to which rural businesses access national mainstream employer skills and government business support programmes’ (Institute for Employment Studies, September 2013) )

In terms of replication and promotion of successful rural economic development, RSN already seeks to promote good practice across its network through activities such as the quarterly ‘Rural Economy Spotlight,’ our regional seminar series and national conference. We are in an excellent position, and would be very willing, to assist government in spreading the word about what works across our entire membership, reaching right across rural England.

**How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The rural economy will continue to diversify. However, serious concern exists with respect to the impact of Brexit on farming and related activity. Whilst accounting for a relatively small proportion of rural employment and GVA, farming underpins the environment of rural areas, which is key to further diversification, and impacts on many other economic activities. Much of the financial support which is currently directed at farmers will be spent and re-spent within the wider rural economy. It is critical, therefore, that ongoing support for the industry is provided at the correct level.
Brexit could present an opportunity to increase food production and processing, both to serve export markets but also to serve the UK, regardless of any trade deals which are or are not put in place. Rural areas contain large numbers of businesses of all scales producing food and drink proving a robust platform for future development.

For example, since the designation of the South Downs National Park in 2010, visitor numbers to Lewes district have increased by over 12%, with visitor spending up by almost 15%. Existing farms and food/drink producers in the area have already diversified with significant prospects for further growth. In East Sussex, for example, the burgeoning brewing, distilling and viticulture scene has seen 1500% growth in the microbrewery sector in the last year alone with 33 breweries in the county.

However, as noted above, rural economies are incredibly diverse and make a significant contribution to national economic performance. There is no such thing as a single, homogeneous “rural economy” – indeed in most rural areas multiple economies operate with different needs and opportunities. This will continue in the future and will be further supported by technological change. The precise geography of this diverse, growing economy will depend on the geography of broadband, fibre and mobile connectivity development. It is critical that all rural areas keep pace with technological developments and any market failure in service provision is filled by government intervention.

The delivery of effective broadband, and its utilisation, is a clear area of opportunity for rural businesses. Useful research has recently been provided via a rural business survey carried out by Rural England and SRUC which found only 19% of rural businesses had a superfast connection and most (59%) relied on standard broadband. It also found high rates of dissatisfaction with connection speed and reliability. The survey estimates that if constraints to digital adoption, such as skills issues, could be overcome it would unlock at least £12 billion of extra productivity per annum (Gross Value Added). (‘Unlocking the digital potential of rural areas across the UK’ (Rural England and SRUC, March 2018))

Despite significant public investment, a sizable gap persists in relation to levels of connectivity in rural and urban areas. In England’s rural areas, for example, 15% of premises – households and businesses – are unable to access a broadband connection with a 10 Megabits per second download speed (industry regulator, Ofcom, considers this a necessary speed for everyday online tasks). Mobile connectivity has improved, but the indoor signal is poor in England’s rural areas, with phone calls on all four networks only possible at 59% of premises. Meanwhile, using 4G on all networks – giving fast internet access – is only possible inside 19% of rural premises.

The funding for 5G test bed projects announced earlier this year is welcomed but the funding commitment for these projects are for a year. A longer term commitment is required and the opportunity needs to be taken to ensure rural businesses are well represented in this testing.

The recent pledge by government to prioritise the connection of hard-to-reach rural areas in its future support for the roll out of full fibre broadband networks is hugely welcome and it is important that this pledge is seen through to fruition.
The planned introduction of a broadband Universal Service Obligation (USO) is welcome. However, the proposed level of that USO, at 10 Mbps, could be out-of-date by the time it comes into effect (2020). Ofcom should review this before its introduction, not least because there will be pressure to leave the USO unchanged for a while to bed down. When the USO is applied (from 2020) decisions about upgrading networks should be taken on a value for money basis and not just a cheapest solution basis. Whilst the cheap option may get premises or areas just over the 10 Mbps threshold, a value for money solution could deliver much higher speeds that result in greater and more sustained benefits. Long term solutions, such as full fibre broadband, should be encouraged wherever possible.

There is a clear opportunity, if connectivity issues are addressed, to see significant increase in the number of digital businesses located or being established in rural areas. Where connectivity issues have been addressed this is already beginning to happen and could be accelerated.

*Infrastructure and Services*

**How can access to transport be improved in rural areas?**

Local authorities in rural areas have far less funding to support bus services. In 2017/18 predominantly, rural areas spent £6.72 per resident to subsidise services, compared with £31.93 in predominantly urban areas. Figures for funding to cover concessory bus fares were £13.48 per head (rural) and £25.54 per head (urban) respectively.

There have been widespread cuts to rural bus services which depended on some public subsidy. During 2016/17 alone some 202 bus services were withdrawn altogether in shire areas and a further 191 services were reduced or altered.
There must be a fair funding deal for local government: this will significantly improve access to transport in rural areas. Given the geography of rural areas, it is inevitable that many bus routes require some subsidy in order to survive. The widespread cuts to rural bus services are primarily a result of the long-term squeeze on local government funding coupled with the ever increasing costs of providing statutory services, especially Adult and Children’s Social Care, driving funding away from other services such as public transport subsidy. That must now be brought to an end. Funding rural bus services would also be much easier if the distribution of funding between local authorities was fair.

There should also be a realistic concessionary fares scheme. The statutory concessionary fares scheme, which gives pensioners and the disabled free travel on buses, is overly restrictive in a rural context. It only covers travel after 9.30 am. Some villages are served by just a few daily buses and there may be no service for some hours after that time. Others are served, not by traditional buses, but by community transport schemes to which the current concessionary fares scheme does not apply. The statutory scheme therefore needs reform, to make it equitable in comparison to urban areas and of real value to rural users.

A more sustainable approach to community transport should be established in recognition that for many rural communities such services provide the only accessibility solution.

Young people from rural areas often experience difficulties getting to Further Education colleges or sixth forms. For some this means undertaking long or complex journeys to get there and back, whilst for others it means compromising on the course topics they take. This dampens young people’s aspirations and curtails their opportunities. One rural barrier would be removed if those travelling to post-16 education or training were entitled to subsidised bus fares, fully funded by central government. Indeed, it is hard to understand the rationale for the current situation, where those up to age 16 can travel free while those aged 17 or 18 cannot.

The state of local road infrastructure is also a cause for concern with local authorities often struggling to provide adequate maintenance. In addition to the national government focus on large scale infrastructure projects, such as HS2, local routes providing essential access for communities and businesses to wider geographies must be identified as a priority for government with adequate local resources provided.

**What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

See response above.

In addition, government and programmes could usefully encourage higher take-up of superfast broadband and support the development of the digital/IT skills of rural businesses (as identified in the report published by Rural England and SRUC: ‘Unlocking the digital potential of rural areas across the UK’ (*Rural England and SRUC, March 2018*)). The research showed that digital skills among their workforce and problems recruiting people with
digital skills were key rural constraints. The report suggested better local collaboration between education providers and employers, as well as providing retraining opportunities for the older workforce. Also, making online short training courses more readily available to SME owners. But the research recognised that businesses have to play their part and set aside some resources to upskill on digital.

**What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

Older age groups form a significant and growing share of the rural population. In 2011 29% of the rural population were aged 60 or over, up from 24% in 2001. Comparative urban figures were 21% in 2011 and 20% in 2001. Projections expect the population aged 85 and over to double in rural areas over the next twenty years.

Rural areas receive slightly less funding (per resident) than urban areas under the NHS allocations to Clinical Commissioning Groups (CCGs). This is despite them having an older population, which places more demand on NHS services due to chronic illness, disability and mortality.

In total 2016/17 urban local authorities received 40% more (£116 per resident more) in funding than rural authorities. This historic funding imbalance needs putting right, taking full account of the added (sparsity) cost of delivering services, such as supported bus routes, in rural areas.

With growing demand and reducing budgets, expenditure on social care provision risks overwhelming rural county and unitary council budgets (at the expense of their other services). Moreover rural residents are required, due to historic underfunding, to pay more in Council Tax for their local services than urban residents.

A fair allocation of funding is needed to rural areas. Funding for the NHS, for social care and for public health should each be overhauled to reflect actual patterns of demand for those services and to take better account of the extra costs of provision in sparsely populated areas. As a matter of principle, residents in rural and urban areas should receive equitable service provision. Local taxation has become unable to meet rising social care needs and there is now a case for financing the social care services managed by local authorities in a different way, with their statutory provision being fully funded by central Government. This would address the current unfairness in the system and would make it easier to cope with future demand.

A properly joined up approach to health and social care is also needed. In rural areas, perhaps even more than elsewhere, there is a need to achieve greater integration between health and social care services.

The upcoming Social Care Green Paper offers an opportunity to move to a more sustainable and effective approach. It is important that the issues especially pertinent in rural areas – including the costs of service provision – are fully addressed in the Green Paper and subsequent policy actions. It should also extend to addressing linked housing issues, such as access to specialist housing.
for older people and adapting the homes of those who live independently. This is important in rural areas where there are typically limited housing choices.

Business, employment, skills and demography

How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Businesses in rural areas are often remote from government and other institutions. Business support is often seen as confusing and urban-centric. Constant changes to organisations and programmes has the potential to further confuse businesses and, therefore, improvements to existing structures is preferred to any wholesale restructuring in order to begin to provide continuity and certainty.

LEPs are key delivery organisations and some have an effective approach to rural areas. However, too frequently LEP programmes have little consideration for the opportunities and needs presented by existing and new business located in rural areas with many programmes selecting the ‘lowest hanging fruit’ in relation to beneficiaries with little or no support available for the smaller business which predominate rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by rural economies. Specifically in relation to the recent government policy paper on LEPs, RSN suggest that:

- The planned Government statements on ‘the role & responsibilities of LEPs’ and 'Local Industrial Strategies' should include a specific reference to the need to consider rural areas within LEPs. This would help to ensure all LEPs take proper account of their rural economies.
- Rural Proofing should be included in the proposed induction and training programme for LEP members and officers. This would go a long way to helping to embed rural areas in LEP thinking. Defra could usefully deliver this training and take advantage of a potentially golden opportunity to put rural proofing into practice.
- RSN is very keen to help share good practice across LEPs in relation to rural economic development as set out in the document. RSN already works to share good practice and is in a fantastic position to help government achieve this end.

In addition, a dedicated rural business support programme should be put in place. In 2020 EU programmes, such as the LEADER and EAFRD initiatives, will come to an end. These have provided funding streams for rural business growth, diversification and innovation. They have, however, been fairly narrow in scope and modest in size. Government should replace them by designing a dedicated business support programme, as part of its proposed Shared Prosperity Fund. This should be flexible in scope – potentially open to all business types and sectors – enabling local delivery to be tailored to match locally decided priorities. There is an opportunity for Government to scale-up its ambitions for the rural economy by announcing a significant investment programme. Such a programme should include locally available skills training for small businesses, often
struggling to cope with the pace and complexity of change, in order to maximise the economic contribution such businesses can make.

In addition, opportunities exist in relation to incentivising investment in technology and innovation to reduce the dependency on low paid labour evident in many rural areas and investing in technology and new delivery models within the skills sector to support remote delivery. This will enable the retention of young talent and development of a higher skilled workforce.

The Industrial Strategy, along with Local Industrial Strategies, should be rural proofed. The Government’s Industrial Strategy is an important document. Many of its objectives are or could be highly relevant to the needs of the rural economy. However, in order for its benefits to reach into rural areas there will have to be careful ‘rural proofing’. New policy initiatives that emanate from the Industrial Strategy should be tested at an early stage to ensure they take account of rural economic needs, opportunities and circumstances. Rural examples should be included wherever initiatives are piloted and rural specialists should sit on groups that are tasked with taking forward parts of the strategy document.

What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

As set out above, a properly joined up approach to health and social care is also needed. In rural areas, perhaps even more than elsewhere, there is a need to achieve greater integration between health and social care services. To that end, the Better Care Fund has been a helpful (pooled) funding pot, despite giving less to rural than to urban areas. In 2019/20, the average predominantly urban resident will attract £37.74 per head in Improved Better Care Funding, £8.20 per head more than rural residents per head (of £29.54). In 2017/18 Adult Social Care Core Funding is met by Council Tax to the tune of 76% in rural areas compared to just 53% in urban.

The upcoming Social Care Green Paper offers an opportunity to move to a more sustainable and effective approach. It is important that the issues especially pertinent in rural areas – including the costs of service provision – are fully addressed in the Green Paper and subsequent policy actions. It should also extend to addressing linked housing issues, such as access to specialist housing for older people and adapting the homes of those who live independently. This is important in rural areas where there are typically limited housing choices.

In addition, there are many tried and tested approaches to addressing the issues of social isolation in a rural context both through local authorities and the third sector. Other organisations, such as ACRE, will be better placed to outline initiatives such as Village Agent and Good Neighbour schemes to the Select Committee. Such approaches should be supported, helping them become more widely available.

For example, the Daventry & District Forum (DDF) is an independent group run
by the over fifties to enhance the quality of life to those living in Daventry District, which includes the town of Daventry and 78 villages. The group has set up a Good Neighbour Scheme throughout the district to reduce social isolation and loneliness (www.daventrydc.gov.uk/living/good-neighbours-scheme) in partnership with Daventry District Council and Northamptonshire ACRE.

In rural areas the social care sector can and should be seen as an economic driver. If the associated costs of adult social care – including the trend for older people to migrate to rural areas – were properly funded by central government rather than local council tax payers, excellent quality of care and care facilities (including housing related issues) in rural areas could have a significant positive impact on rural economies.

*Rural housing and planning*

**How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

**How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

The affordability of housing is a key issue for the rural workforce and hence for rural businesses and the rural economy.

Average house prices are £44,000 higher in rural areas than urban areas (2017). Further, housing is less affordable in predominantly rural areas, where lower quartile (the cheapest 25%) house prices are 8.3 times greater than lower quartile annual earnings (2016).

Options for those on low incomes seeking social rented housing are typically very limited in small rural settlements. Only 8% of households in villages live in social housing. By contrast, 19% of households in urban settlements live in social housing (2011 Census).

The rural stock of social rented housing has shrunk under the Right to Buy policy, with sales quadrupling between 2012 and 2015 to reach 1% of the stock each year. Although the sale income is intended for reinvestment, only 1 replacement home was built for every 8 sold in rural areas during this period, and those replacements are rarely in the same settlement.

Second homes and holiday lets often add to rural housing market pressures, especially in popular tourist areas. They form a particularly large share of the housing stock in some local authority areas – Isles of Scilly (15%), North Norfolk (10%) and South Hams (9%).

It has previously been estimated there is a need to build 7,500 new affordable homes each year at England’s small rural settlements, a figure now considered an under-estimate. Around 3,700 such homes were completed in 2015/16 and just over 4,000 during 2016/17.
A significant issue affecting the delivery of affordable homes in rural areas in recent years has been the planning policy change which removed the requirement to deliver affordable homes on small sites. Most development sites in rural areas are small. Recent changes to planning policy exclude small sites (of less than 10 dwellings) from the requirement that private developers include a proportion of affordable homes within developments has had a significant and negative impact for the delivery of rural affordable housing. Indeed, this was the main way such housing was built and it required no public subsidy. A simple solution would be to exempt all small rural settlements from this policy change, allowing affordable housing quotas again where they are most needed.

A dedicated rural affordable housing programme would also ensure that sufficient focus is given to the affordable homes needed in smaller rural settlements. Given the scale of the housing issue facing all parts of the country, and the significant resources made available by government to address this need, there is a significant concern that government effort will be targeted at larger developments in larger communities where greater efficiencies can be generated rather than smaller sites in rural communities where proportionately more effort is often required to bring forward critical affordable homes for local communities. There is a need for a specific grant programme designed to boost delivery at small rural settlements by housing associations. This could be managed by Homes England and run at a scale which meets the shortfall in delivery identified by the 2014 Rural Housing Policy Review. The grant rates on offer should take account of the fact that undertaking small-scale development in rural areas is comparatively costly. Similarly, a fair share of the Community Housing Fund, which supports community land trusts, co-housing and self-build projects, should be allocated to rural projects, thus meeting the original objective for this fund.

**Government Policy, Devolution & Local Government**

**Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

There is an urgent need for government to set out how it will approach and support rural economies and rural communities in the future. Whilst the government’s ‘Health and Harmony’ consultation document begins to address such issues in relation to food and the environment, this represents a small subset of the entirety of the rural economy and the issues facing rural communities. Any suggestion that such wider issues will be addressed via ‘mainstreaming’ through other strategic documents, such as the Industrial Strategy, fail to recognise the bespoke attention required to meet the needs and build on the opportunities available in rural areas.

There must be proper consideration of all the critical issues facing rural communities and rural businesses. Government should produce a comprehensive, cross government and cross organisation strategy for rural areas. This is the only way to ensure rural businesses and rural communities are given due consideration and to make sure that wider strategic policy, such as that set out in the Industrial Strategy and ensuing Local Industrial Strategies, properly reflect the issues and identify specific measures to build...
on the wide rural opportunities which exist. Such a Rural Strategy is urgently required and warrants a separate consultation exercise.

It is time for a Rural Strategy which raises rural challenges and opportunities up the political agenda: which is forward looking and ambitious, recognising the contribution that rural areas make and those they could make to the wellbeing and prosperity of the nation as a whole. In the view of the RSN there is now a compelling case for such an approach.

In calling for a comprehensive fully funded strategy for at least the next 10 years the RSN also calls for rural proofing of government policies and legislation to be far more effective. Experience has shown that currently its application has been patchy and all too often applied only at a late stage. We commend the recent DCMS r proofing of the Future Telecoms Infrastructure Review as a good practice example. Roofing proofing needs to be applied to and by LEPS.

We trust that you find these comments useful and constructive and look forward to further development of policy and programmes which seek to build the role of rural areas in contributing to future economic growth.

Graham Biggs
Chief Executive

3 September 2018
By way of response to the Earl of Caithness’s question I would comment as follows

**How a rural strategy would work:**

The RSN is calling for Government to lead on producing a rural strategy. We believe there is a vacuum at present, in terms of Government vision and direction for rural areas, yet a need for this given developments like the switch from EU to UK funded programmes which are likely to have widespread ramifications.

The rural strategy would be a fairly high level document, setting out the Government's priorities for rural areas. It would outline policies or initiatives (new and existing) which will deliver on its priorities.

We believe it should be:

*Ambitious* - setting challenging objectives for rural England a decade or more from now.

*Comprehensive* - a cross-departmental document (and not just from Defra), that addresses key challenges and opportunities for rural prosperity, wellbeing and quality of life.

*Current* - ensuring rural areas benefit fully from current Government strategies, reviews and green papers, such as those for industry, connectivity and social care.

*Resourced* - providing realistic funding to deliver on the priorities, recognising that delivery typically costs more in rural areas.

*Supported* - commanding wide support across Whitehall and beyond. It should be produced working with key stakeholders, including (but not only) the local government sector.

**How far to push local decision making:**

There would, in our opinion, be value both in pushing policy delivery down to the local level and supporting action at the community level. Also, that policies made in Whitehall need to be sufficiently flexible in design to be tailored at the local level to individual rural economies and local circumstances.

Local Industrial Strategies are an obvious example. Post Brexit funding for rural (economic and community) development should also be designed to be delivered locally by partners who know what the priorities should be.

There is also scope to give local planning authorities more flexibility (not so hemmed in by the NPPF). For example, it should be for those authorities to decide whether or not to require affordable homes on small development sites, bearing in mind local housing needs and local housing markets. Similarly, local planning authorities could be given discretion to decide what types of affordable housing are most needed in their areas and to define policies accordingly.
There is undoubtedly scope for parish and town councils and community groups to do more, managing assets and running services. In some ways, this is a necessity because local government funding has shrunk to such an extent that many services will otherwise disappear. In order to do this, the threat (from Whitehall) that parish and town council precepts will be capped should be withdrawn. Those councils cannot possibly take on a greater role and run more services unless they can raise the necessary funds.

The RSN also recognises that community groups need access to small pots of funding and to support from expert bodies (such as Community Development Officers employed by District or Upper Tier Councils (as used to be the case) or the Plunkett Foundation, ACRE network and Locality). It is imperative that this funding and support continues (and ideally grows). It would be better if the funding for this was more secure and not so short-term.

What powers would need to be involved:

This is not so easy against the background of Lord Foster telling witnesses they should give the Committee ideas that don't require legislation or lots of funding.

In our view rural proofing should be given a stronger legislative basis. Given its poor record of application, there should now be a legal duty which places a responsibility on all public bodies to have regard for rural needs wherever they develop or revise policies, strategies and plans. This is already the case in Northern Ireland under its Rural Needs Act.

At a much more specific level changes to powers that could be considered include:
- Exempting land owners from Capital Gains Tax where they release land for rural exception sites;
- Expanding the statutory concessionary fares scheme so it applies to community transport etc (and not just traditional bus services, which may not exist in rural areas); and
- Extending the entitlement to subsidised travel to training and education to 17 and 18 year olds. The cost of travel to college is a real barrier for many rural 17 and 18 year olds.
- As I said in my evidence, requiring LEPS with rural areas to produce bespoke rural strategies with adequate funding and SMART targets to aid accountability and monitoring. In my view requiring them to introduce replacement bodies to LEADER groups, where appropriate, would also be a way forward.

Graham Biggs
Chief Executive
7 November 2018
Rural Solutions Limited – Written evidence (REC0043)

The future of the rural economy is bright. Rural areas host valuable and diverse economic activity, contributing to the whole of the UK’s economy as well as local, sub-regional and regional economies. Examples of notable rural enterprises include Rural Solutions’ client Bolesworth Estate Company, which includes ventures in farming, property, leisure and tourism. It is also home to Europe’s largest ice cream parlour – The Cheshire Ice Cream Farm – the most visited, free to enter, farm-based attraction in England. Rural successes such as the ice cream farm can be replicated but require factors such as the availability of sites, access to funding, entrepreneurial capacity and the positive application of national planning policy.

Rural areas are subject to issues such as poor access to public transport, although this can be improved in several ways, such as the roll out of electric charging points, improvements to and creation of cycling routes, and to encourage highway authorities and local planning to work with local bus operators to put in place the necessary services. Other issues relate to the closure of local shops and rural amenities which affects the future quality of life of the local community. The planning system can provide support for these services by enabling sustainable growth in rural settlements. Furthermore, landed estates can support community facilities by charging affordable rents and making repairs, although they are under pressure from structural change in agriculture as well as the potential impact of capital taxes. The ability to support community facilities would be improved were the assets to be treated differently for capital taxation purposes.

The planning system has a vital role to play in helping rural businesses thrive. One suggestion of improvement is a Ministerial letter, or communication for the Government’s Chief Planner, to planning authorities, stating the importance that the Government places on enabling rural businesses to thrive in rural areas, including those in Green Belt.

Challenges associated with rural housing, including affordability, could be addressed by delivery of blended schemes of open market housing and affordable housing in rural communities, and encouraging landowners to retain ‘nomination rights’ with affordable housing provided on their land. Recent national policy has had a positive effect on rural housing, specifically the objectives set out in paragraphs 83 and 84 of the NPPF, However, local politicking introduces barriers and delays to positive local planning outcomes. Anything the Government could do to remove the heat from local politics would be helpful, as well as the promotion of strong statements on the importance Government places on the delivery of rural housing.

The following evidence provides a detailed response from Rural Solutions on questions around rural businesses, affordability of rural housing and planning policy.
General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.0 The “rural economy” is simply all that economic activity and enterprise that takes place in the rural parts of the UK. As Defra statistics show, rural areas host valuable and diverse economic activity and enterprise and make an important contribution to local, sub-regional and regional economies as well as the UK’s economy as a whole.

1.1 Whilst the label “rural economy” is useful in some respects, it provides clarity about a distinction being made with the economy as a whole, it can also be prejudicial to enterprise and business in rural areas when it is used to suggest that the rural economy is fundamentally different and less diverse than the mainstream economy.

1.3 Certainly, there are differences between aggregated economic activity and outputs when measured at urban and rural spatial levels, but the differences are nuanced, and should be considered within the context of the economy as a whole rather than there being separate and distinct economies in the urban and rural parts of the country.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 I would point to our clients Bolesworth Estate Company [Bolesworth] as one notable success story.

2.2 Bolesworth is a multi-faceted rural enterprise that includes farming, property, leisure and tourism. The company owns a wide range of land and premises which it invests in and makes available to a wide range of operating businesses. These businesses are of all shapes, sectors and sizes and include a mountain boarding centre, cookery school, as well as farms, pubs, visitor attractions and holiday accommodation.

2.3 As well as the provision of land and premises Bolesworth also engages in its own enterprises which include events, renewable energy production and the supply of voice and data connectivity.

2.4 Another notable success story operates from one of Bolesworth’s sites. The Cheshire Ice Cream Farm is a farm based day visitor attraction which hosts Europe’s largest ice cream parlour and provides indoor and outdoor play facilities and experiences for children aged 2 to 10 and their carers. The attraction has been developed over a series of years, initially as a means to generate direct sales of ice cream produced on the farm to the public.

2.5 The attraction has been notably successful; it has grown to be the most visited free to enter farm-based attraction and one of the ten most visited free to enter sites in England. The business employs over 70 people, most of whom

481 DEFRA, 2018
482 Visit Britain, 2017
live in the local rural area and supplies over 1000 pubs, restaurants and retail units throughout the UK, attracting over half a million visitors a year.

2.6 A third example of a notable success is outdoor activity and adventure businesses such as Go Ape\textsuperscript{483} and Zip World. These companies have developed multi-site enterprises which attracts people [and their spending] to the countryside, making use of existing land use features [woodlands and quarries], some of which were previously derelict and in need of regeneration.

2.7 Rural successes can be better promoted in a number of ways including;

- the sharing of knowledge and learning within like minded groups and membership organisations\textsuperscript{484}
- the use of case studies and examples in communication materials produced by Defra
- presentations and workshops at relevant shows and conferences\textsuperscript{485}
- presentations, case studies and newsletters from sector supporting professionals [such as Rural Solutions]

2.8 Replicating successes will require a combination of factors and actions / actors which will include:

- availability of sites and premises [note this can be influenced by landlord / tenant arrangements for farms and agricultural holdings]
- access to funding [development and working capital]
- entrepreneurial capacity and demand
- the positive application of national planning policy [particularly NPPF paragraphs 83, 84 and 103] in local plan making and decision taking,
- increased awareness in central government, local authorities and local enterprise partnerships of the validity of enterprise of all kinds in rural areas, and;
- a positive and enabling attitude amongst parliamentarians and elected councillors [unitary, county, district, town and parish].

2.9 In areas designated as statutory green belt it will also be necessary to review and amend national policy relating exceptions from inappropriate development in green belt for agriculture, forestry, outdoor sport and recreation set out in NPPF paragraph 145 to reflect the evolution of land use and economic diversity experienced since the policy was first drafted in the 1950s.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

\textsuperscript{483} www.goape.co.uk; www.zipworld.co.uk
\textsuperscript{484} For example; Country Land & Business Association, National Farmers Union, FARMA [National Farmers Retail and Markets Association, National Farm Attractions Network, Royal Institution of Chartered Surveyors, Central Association of Agricultural Valuers, Agricultural Law Association
\textsuperscript{485} For example, the Farm Business Innovation Show
3.1 The future of the rural economy is bright. The countryside is an excellent and popular place to do business. It provides the opportunity to combine excellent workspace and working conditions with high quality environment and good living in rural communities.

3.2 The availability of data connectivity via high speed [and increasingly superfast] broadband networks across large parts of the UK’s rural area has enabled businesses of all kinds to operate in rural spaces and places. This trend is likely to continue and create more opportunity as internet based applications expand and develop further, and a new generation of entrepreneurs grows up in rural areas.

3.3 There is potential for growth in all sectors. Land, premises, finance, people and skills are the basic components of all business and these are abundantly available in rural areas. When combined with superfast internet connectivity, anything is possible.

At a more prosaic level, we believe there is significant potential for growth in:

- leisure
- tourism
- renewable energy
- farming
- creative industries
- food and drink [production and manufacture],
- robotics, and;
- advanced manufacturing.

3.4 There is also potential for a vibrant new economic sector, the production and delivery of ecosystems services from the management of and investment in natural capital.

**INFRASTRUCTURE AND SERVICES**

4. How can access to transport be improved in rural areas?

4.1 Access to means of transport other than the private car are becoming increasingly challenging in many rural areas. This has implications for the diversity of rural populations, and also for the ways in which proportionate and enabling growth can be delivered in all types of rural settlements. Lack of public transport can, if the planning system chooses, also create real barriers to economic growth and opportunity.

4.2 Recent experience has been of a widespread reduction and withdrawal of services as subsidies from local authorities to bus operating companies have been lost.

4.3 Access to public and sustainable transport might be improved in several ways, such as:

   a) the roll out of electric charging points and perhaps grant assistance or tax breaks to help encourage rural businesses to install charging points for use by their staff and customers;
b) an initiative to connect farm and land-based energy production and storage with electric charging points in local communities;

c) an initiative to encourage housing developers and local authorities to work with landowners to improve and create cycling routes from between villages and from villages to neighbouring larger settlements;

d) encouragement to local planning and highway authorities to work proactively with developers and bus operating companies to take opportunities to utilise contributions from planning obligations AND to encourage the Planning Inspectorate to accept limited term financial contributions [e.g. for five years from the date of occupancy] which lead to improvements in bus services as a planning benefit;

e) encouragement to local planning and highway authorities to work proactively with local bus operating companies to put in place a network of services which can support the proportionate development in rural areas, and;

f) a focus on multi-modal travel from rural areas via a programme to encourage landowners and local authorities to develop a series of smaller or satellite ‘park and ride’ sites where opportunities associated with smaller rural railway stations or alongside main bus routes can be found.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1 Poor digital connectivity is a major barrier to growth.

5.2 The limited weight given to online as opposed to physical connectivity in the planning system can also be a barrier to growth.

5.3 Connectivity can be improved in several ways:

a) by enabling community and local broadband supply businesses [of all kinds] to access points of presence and backhaul infrastructure controlled by major telcos [such as BT];

b) by excluding BT from delivery of ‘last mile’ programmes in favour of local operators where they exist and can demonstrate competency and financial surety;

c) by encouraging major landowners to invest in broadband infrastructure and establish ‘points of presence’ in villages and on rural business sites which can be used as centres of microwave networks, enabling wider access to high speed services486;

d) by enabling landowners and smaller telecoms businesses to benefit from the permitted development rights relating to telecommunications infrastructure currently reserved for those with ‘code powers’, and;

e) by educating planning decision makers, especially those in designated and protected landscapes of the importance government places on the ubiquitous availability of the fastest broadband services to all in rural areas and the weight that this should carry in planning decision taking.

486 This could be enabled by ensuring that HMRC treat the supply of internet connectivity by landlords to their tenants and neighbours as a trading rather than investment activity.
6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 The provision and retention of essential services in rural areas is of critical importance to the health, wellbeing and vitality of rural communities. This is a challenging area and requires the commitment of a number of actors if the trend of loss and withdrawal experienced over the last few decades is to be stopped and reserved.

6.2 First, services need people and people need houses. The ability of rural communities to retain services, and for providers to maintain services is predicated on the number, and type, of people that demand or wish to access them.

6.3 The best way to ensure that existing services are maintained is to enable sustainable growth in rural settlements of all kinds and sizes. Maintaining the status quo is not enough because as communities age the occupancy of houses reduces, meaning that the same number of households host fewer people.

6.4 The Government’s intentions in this regard are set out in national planning policy [paragraph 78 of the NPPF] and supported in planning practice guidance. The implementation of this intent in plan making and decision taking would be improved by a Ministerial Statement to local planning authorities reinforcing the importance that Government places on way the planning system can contribute to the retention of and support for local services in rural settlements and the weight that should apply to this objective in plan making and the planning balance considered in decision taking.

6.5 The retention of existing services also requires commitment from service providers [which includes private sector businesses, officers and politicians] and from government. This is particularly important in respect of village schools and smaller GP surgeries or consulting rooms.

6.6 Village schools are particularly important to the vitality of rural communities. That we are still losing small village schools is a tragedy. Each time a village loses a school it becomes a different place, both in terms of the type and quality of life that the community can expect, the population it attracts and the way it is treated by the planning system. We say this because very few settlements without primary schools will be accepted by local planning authorities, or planning inspectors, as places where it is appropriate to plan for proportionate growth [as envisaged by paragraph 78 of the new National Planning Policy Framework].

6.7 The closure of a village school should be considered as an absolute last resort. Before a village school operated by the Local Education Authority is allowed to be closed the Local Authority should be required to work with the governing body to approach other potential operators of the school [such as Diocese Boards of Education, existing Academy Schools, local private schools, Free School groups or other organisations considered appropriate by the Department of Education] to see if an arrangement can be reached to transfer operational responsibility of the school from the Local Education Authority to a third party.
6.8 Where a local school, GP surgery or bank is threatened with closure and such an accommodation can be reached the responsible authority should be encouraged to do all it can to work with the operator, the community and local landowners to see if a scheme to create more customers / users [through proportionate development] is achievable.

6.9 It might also be worth promoting community’s rights granted by The Assets of Community Value Regulations [2012] in relation to primary schools, healthcare facilities and banks.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Local shops, community pubs and other rural amenities such as playing fields and recreation grounds, sports pavilions, play areas and equipment, village halls, village greens etc. significantly enhance the quality of life of rural communities, and the ability of rural settlements to host people at all stages of life.

7.2 The loss of local shops, pubs and other amenities is keenly felt and makes a material difference both to the future quality of life and the prospect of the community be able to improve its position through proportionate development. This is because local planning authorities and the planning inspectorate are reluctant to plan for proportionate growth in settlements that without local shops and facilities such as pubs, community buildings and playing fields.

7.3 Support for these services can be provided through the planning system.

7.4 First, services need people and people need houses. The ability of rural communities to retain facilities and amenities [and for owners and providers of these services to maintain them] is predicated on the number, and type, of people that demand or wish to access them. It is also important to note with regard to community facilities that more people provide more opportunities for volunteer effort and direct financial support.

7.5 The best way to ensure that existing services are maintained is to enable sustainable growth in rural settlements of all kinds and sizes. Maintaining the status quo is not enough because as communities age the occupancy of houses reduces, meaning that the same number of households host fewer people.

7.6 The Government’s intentions in this regard are set out in national planning policy [paragraph 78 of the NPPF] and supported in planning practice guidance. The implementation of this intent in plan making and decision taking would be improved by a Ministerial Statement to local planning authorities reinforcing the importance that the Government places on the way the planning system can contribute to the retention of and support for local services in rural settlements, and the weight that should apply to this objective in plan making and the planning balance considered in decision taking.

7.7 Proportionate growth provides wider opportunities to support local facilities and amenities via planning obligations or by directing the granting of part of relevant CIL payments or New Homes Bonus receipts to local bodies, such as
Parish Councils, to create a fund that can be used to support identified facilities and amenities. Whilst it was always Government intention on the introduction of the New Homes Bonus that part be shared with the community hosting the development, our experience is that the application of this is inconsistent across local authorities [both in terms of proportion and direction].

7.8 It would also be possible to require local authorities to share a proportion of all CIL monies received each year across the authority area with all settlements rather than retaining all or the vast majority of funds for central allocation to specific projects [which tend to be focused on facilities and schemes in larger settlements].

7.9 The retention of existing facilities also requires commitment from owners and operators. These include private sector businesses and individuals as well as community groups and organisations.

7.1.1 One issue worth considering is that in many rural areas facilities such as local shops, pubs, village halls and playing fields are owned by local long-term landowners. A good example is the estate business referred to in our answer to Question 2 above, Bolesworth Estate Company Limited. Bolesworth owns the freehold of the village shop in the small settlement of Burwardsley, two pubs, the village hall [Barbour Institute], the playing fields and other retail units in the larger, Key Service Centre settlement of Tattenhall. This situation is far from unique to Bolesworth and is replicated in villages and smaller rural settlements across the country.

7.1.2 As owner, an estate company is able to support the retention of valued community facilities by charging affordable rent and undertaking repairs and appropriate improvements. Whilst many estate businesses support facilities in their communities in this way land-based businesses are under increasing pressure from impending structural change in agriculture, and, the potential significant impact of estate finances from capital taxes incurred on inter-generational transfer of assets [or associated with Trusts].

7.1.3 The ability for landed estates to support valued community facilities in this way would be substantively enhanced were the assets to be treated differently for capital taxation purposes.

7.1.4 To explain further, consider the example of the village shop, pubs and playing fields that the Bolesworth Estate Company owns in Burwardsley and Tattenhall. These property assets will be included at full open market value in the estate subject to inheritance tax should a death occur which triggered an inheritance tax charge. It is probable that the full open market value sought by the District Valuer is greater than the existing use value of these assets due to the potential for change of use or redevelopment to a far higher value use which is likely to exist [subject to planning].

7.1.5 This backstop position adds an imperative to the owner of the asset to secure a full return, or in the situation where, as is often the case, the asset is let below market value to limit the money spent on repairs and improvements.
7.1.6 The ability for landed estate companies, or indeed any owners of such sites or premises to support their ongoing use as community facilities would be significantly enhanced were an asset used to provide community facilities or amenities be given a nil value for inheritance tax purposes.

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 Rural businesses can be helped to thrive, and new industries and investment supported in several ways.

8.2 The planning system has an important role to play. National planning policy is very positive and enabling of the creation, operation and growth of rural businesses. The section of the NPPF entitled “Supporting a prosperous rural economy” [paragraphs 83 & 84] makes it clear that planning policies and decisions enable the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings.

8.3 Whilst national policy is positive and enabling the application of national policy objectives in both plan making and decision taking is in our experience patchy and in places partial and often begrudging. Too many planning authorities, and we are sorry to say, planning inspectors, appear to believe that economic activity in rural areas should be discouraged [in favour of urban locations] or restricted to farming, forestry or farm-based diversification [where it is subsidiary to the farming business].

8.4 This situation could be radically improved by a Ministerial letter, or formal communication from the Government’s Chief Planner to planning authorities and the planning inspectorate making clear the importance that the Government places on enabling rural businesses to thrive and attracting new industries and investment into rural areas. This communication could direct plan makers and decision takers to place great weight on achieving these objectives.

8.5 Whilst an important and valued means of maintaining separation between towns and cities and ensuring openness Green Belt designation and the application of Green Belt policy by decision takers is in our experience a significant constraint to rural business. The opportunities for sustainable economic growth are massively different for the same business on comparable sites within and outside Green Belt.

8.6 This situation would be best improved by reviewing and amending national policy relating exceptions from inappropriate development in green belt for agriculture, forestry, outdoor sport and recreation set out in NPPF paragraphs 145 and 146 to reflect the evolution of land use and economic diversity experienced since the policy was first drafted in the 1950s.

8.7 An interim improvement would be a Ministerial letter or formal communication from the Government’s Chief Planner to planning authorities and the planning inspectorate making clear the importance that the Government places on enabling rural businesses to thrive and attract new industries and
investment into rural areas, including Green Belt areas. The communication could
direct plan makers and decision takers to include the opportunity to contribute
towards achieving these objectives as ‘very special circumstances’.

8.8 The availability of land and sites equipped to host and enable business is also
critical. The ability of owners of sites to make the necessary investment to prepare, improve and make suitable sites available would be significantly enhanced by changing the treatment of revenues received from the letting of employment and business sites from ‘investment’ to ‘trading’. This brings with it a range of benefits to landowners from a taxation perspective so it would be important that this change is only made available for additional provision, and perhaps limited to provision of certain types of sites and premises deemed important locally.

8.9 Labour and skills shortages can be mitigated and overcome through the availability of housing [permanent and temporary]. The provision of housing to attract and retain labour and skilled workers for rural businesses might be enabled by extending the definitions used for restricted occupancy planning conditions to include those involved in [eligible] rural and land based as well as farming and forestry businesses.

9. How can deprivation and inequality in rural areas be tackled?

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1 By providing them with opportunities to set up independent households in or close to communities where they grew up. This can be done both by encouraging the creation of new homes suitable and attractive to young people, or by enabling greater ‘churn’ in relevant housing stock by providing opportunities for older people to move into new homes suitable for their needs within the community.

10.2 By ensuring that village schools and other services which support vitality are retained and supported.

10.3 As a further point we would ask that the committee support the opportunity for young people from all backgrounds to join rural communities regardless of previous connections.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

RURAL HOUSING AND PLANNING

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?
12.1 The affordability of rural housing can be improved in several ways:

a) by enabling the additional delivery via blended schemes of open market housing and affordable housing in as many rural communities as possible;

b) by supporting additional delivery by encouraging and enabling land owners to retain an involvement in ‘nomination rights’ associated with affordable housing provided on their land, perhaps working in concert with the local Parish Council and Local Authority rather then requiring the involvement of a Registered Social Landlord;

c) development and delivery of new affordable homes by long term landowners would be enabled by allowing occupancy of the new affordable dwellings by existing occupants of properties in the same ownership;

d) delivery of additional affordable housing would be enabled by extending the range of occupations which qualify for restricted occupancy exceptions [as referred to in our answer to Question 8 again].

12.2 Other challenges associated with rural housing relate to the planning system, which we address in Question 13 below and the shape of the house building industry.

12.3 The way the house building sector works directly affects the way in which rural housing is delivered and the opportunities to bring forward housing schemes which are likely to be of the type and scale that will be acceptable to local communities.

12.4 The house building sector in the UK has become substantively consolidated into larger businesses, often with public listings, who apply a proven and inflexible business model focused, not unreasonably, on driving value for shareholders [and management]. The consequences of this are a consistent approach across most of the land buying sector that is looking for scale [in terms of housing numbers] and delivers uniformity [in terms of product and design].

12.5 These objectives rarely fit with the sort of housing schemes that many rural communities will be comfortable with, which is why there is such resistance locally and so many political tensions in local planning authorities around delivering housing in rural areas.

12.6 It is hard to see how Government can influence the shape of the house building sector, and any intervention to interfere with the business model or penalise larger housebuilders is far more likely to reinforce current practice than change it. There is little doubt however that were more smaller local housebuilders in place it would be easier for landowners to bring forward the smaller, more bespoke schemes that many communities would prefer.

12.7 We understand from our experience that one of the key issues that constrains smaller house builders is access to development funding. The banks and mainstream financial institutions organise their approach to lending to fit that taken by the larger housebuilders, which can be difficult for smaller builders,

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487 A good example of the type of smaller local housebuilder that could make a difference is our client Abbeymill Homes [https://abbeymillhomes.co.uk/]
who want to take a more bespoke approach to deal with. One option might be to establish a government backed funding scheme offering loan funding to smaller house builders, or on smaller rural schemes.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1 Introduction of new national policy in the National Planning Policy Framework [2012 and revised 2018] has had a hugely positive effect on rural housing and the wider rural economy.

13.2 The delivery of rural housing has been substantively enabled by the introduction of the positive policy framework enshrined in paragraphs 77 & 78 [formerly 54 & 55] of the NPPF. The policy objectives set out in paragraphs 83 and 84 [formerly paragraph 28] have made a significant difference to the prospects of achieving planning consent to enable economic growth in rural areas. The reinforcement of the need to apply policy objectives relating to sustainable transport differently in urban and rural areas provided in paragraph 103 [formerly 29 & 34] have helped to create a more positive context.

13.3 Improvements have mainly been achieved in decision taking rather than plan making however, and despite this it is too often necessary for clients to appeal local refusals before securing the consent the scheme merited.

13.4 Sadly, we often find that local politicking introduces unnecessary and expensive delays and barriers to positive local planning outcomes. Just this week one of our Directors was involved in a planning appeal for a rural housing scheme where it became apparent that construction of a site granted outline planning permission in early 2016 had been delayed for over twelve months, as local people worked with district councillors to frustrate the process by requiring their officers to continually refuse to sing of a construction management plan, necessary for the project to begin.

13.5 Anything that Government could do to remove the heat from local politics [from parliamentarians as well local councillors] around the delivery of new housing in rural settlements would be beneficial. One route might be to introduce a rule that where a local council refuses a planning application [for certain schemes] that is subsequently granted on appeal, the local authority refund the applicant / appellant the planning fee paid to the local authority, and make a contribution [perhaps 50%] towards the applicant / appellant’s appeal costs.

13.6 The planning context for rural housing and economic development would be further improved by strong statements from Government to local planning authorities and the planning inspectorate of the importance that Government places on the delivery of rural housing [market and affordable] and the creation and growth of businesses and enterprise of all kinds in rural areas. These statements should emphasise the weight that delivering against these objectives should carry in the planning balance and of the importance [in a plan led system] of proving and enabling policy context rather than one of constraint, in local and neighbourhood plans.
Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1 Defra is aware of the importance and value offered by economic activity in rural areas but in our experience struggles to gain any traction in the rest of Government on rural issues. A major improvement would be for there to be recognition from key departments such as HM Treasury, of the role played by business and enterprise in rural areas. Other departments, such as Education, Health, Business and Innovation should also be willing to pay far more attention to rural areas, and the additional challenges associated with delivering and maintaining services in rural areas.

14.2 One way of raising rural issues up the Government agenda might be to create a team of rural champions in the Cabinet Office with a mandate to work with Defra to raise awareness and champion rural matters across relevant departments.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1 The main influence from Local Government on rural economic activity comes through the planning system and this is probably where they can do the most good. Where local authorities still have economic development or tourism officers these people can make a real difference by supporting local businesses in their engagement and interactions with the Council and Councillors, particularly on matters associated with planning.

15.2 In our experience few Local Enterprise Partnerships have really understood or engaged with rural economic activity effectively. Where they have it has very much been on the periphery. This is probably because many LEPs cover large areas, and work within a local authority led framework where priorities are driven by local agenda and it is easier to focus on a few large signature projects than to work assiduously with a diverse cohort of smaller businesses and projects.

15.3 In our view it is not really co-ordination that is the issue, but rather the question of interest and priorities. Most local authorities and Local Enterprise Partnerships do place sufficient importance on rural areas and issues to make them a priority. A strong steer from Government, and across Government [beyond Defra] would likely make a difference in this respect.

7 September 2018
The Rural West Sussex Partnership

A. The Rural West Sussex Partnership is the rural area partnership of the Coast to Capital.

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<th>RWSP Funding partners</th>
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<td>West Sussex County Council</td>
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<td>South Downs National Park Authority</td>
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<td>Arun District Council</td>
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<td>Horsham District Council</td>
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<th>RWSP Strategic Partners &amp; Stakeholders include:</th>
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<td>National Farmers Union (SE)</td>
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<td>Country Land &amp; Business Association (SE)</td>
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<td>Farming &amp; Rural Issues Group (SE)</td>
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<td>Surrey LEADER LAG</td>
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<td>West Sussex LEADER LAGs (x2)</td>
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<td>Sussex Local Nature Partnership</td>
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<th>RWSP adjacent rural LEP Stakeholders include:</th>
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<td>Surrey County Council</td>
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<td>Mole Valley District Council</td>
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<td>Tandridge District Council</td>
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<td>Lewes District Council</td>
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<td>Surrey Local Nature Partnership</td>
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B. Rural Context to Coast to Capital Local Enterprise Partnership sub-region

Defra classes Coast to Capital as a predominantly rural LEP area as shown by the maps below and the formal classification that out of the 12 District & Boroughs within the LEP, three are included in the ‘Rural 80’, two are in the ‘Rural 50’ and one is considered ‘significantly rural’.

Maps Defra, rural designations in Coast to Capital and area defined as rural in Coast to Capital

QUESTIONS as per Call for Evidence
General issues

1. A. What do you understand by the “rural economy”?

We understand the term ‘rural economy’ in its widest definition of the economy that is based within a rural spatial designation. The economy needn’t be land based, but could be in any sector but located within a rural area. E.g. a graphic designer based within a business unit within farm diversification scheme, or a home-based business such as a consultant or home-based artisan based in a rural location.

B. How has it changed over recent years, and what has been the impact of these changes?

The diversification of the rural economy has widened in recent years as more business space has become available through farm diversification schemes allowing redundant buildings to become offices, workshops and business units. The desire and need to work from home has also grown exponentially, but is largely unmonitored and unmeasured by Gov’t as there are few regulatory triggers to measure this.

The net impact is that the rural economy is no longer predominantly land based but is now broad and diverse, yet Gov’t and other bodies still have the ‘cream and cows’ stereotypical view of the rural economy. Policies and funding still fail to recognise that land based economy is now a minority generator of rural GVA. Many rural areas have a greater GVA contribution from technology, knowledge and manufacturing.

2. A. Could you give examples of notable success stories and good practice in the rural economy?

Our organisation (and others such as FRIGSE) are good examples of how the wider rural economy are lobbying hard both locally and nationally to change the stereotypical ‘land based’ view of the rural economy. By having such organisations we are holding policy makers such as local government and LEPs to task to ‘rural proof’ their policies and plans and funding investment. We have a number of good examples of where large or significant businesses have opted to locate within a rural location e.g. Rolls Royce, Hepworths Brewery.

B. How might rural successes be replicated and better promoted?

Defra currently have a distinct food, farming and environment bias, they should widen their remit to include the wider rural economy, thus embracing the changes to the rural economy and being able to disseminate best practice and influence other Gov’t departments. Initiatives such as Enterprise Zones should be looked at again with a new programme of rural EZ’s being considered by Government.

3. A. How do you see the future of the rural economy?
The recent diversification of the rural economy has made it more resilient to economic shocks than some areas. However significant limiting factors such as digital connectivity (broadband and mobile), lack of investment in road and rail infrastructure, shortages of affordable rural housing, aging of the workforce, and increasing shortage of skilled workers will hamper the growth of the rural economy.

B. Where is the greatest potential for growth?

There is significant growth potential if the rural areas were fully enabled with both ultrafast broadband, reliable fast mobile, a planning regime that would embrace and allow sustainable development and sustainable house-building for local workers. The biggest frustration for many successful rural based businesses are planning restrictions on them growing their businesses, poor connectivity and lack of skilled local workforce.

If these above factors were addressed then there is a huge potential for growth from the wider rural economy. There is also a huge underlying growth potential for both home based workers (employed by a third party) and home based businesses (owner managed). There is also a significant growth potential via the visitor economy both from domestic and international visitors.

C. What might be the impact of technological and other changes?

The significant technological changes would be ultrafast broadband and reliable mobile connectivity. Other changes such as AI and automation will come to the rural areas but need these key digital infrastructures to work. E.g. robotic ploughing and harvesting require GPS connectivity. Emerging technology such as driverless vehicles will be more challenging to roll-out into rural areas, through lack of digital coverage.

We expect to see fewer manual jobs and more knowledge based jobs. Home based businesses especially knowledge based and artisan/craft based will continue to grow parallel with improvements in broadband and mobile technology. The visitor economy will also benefit from technology as more rural based tourism and leisure businesses can market themselves digitally via international sites such as Tripadvsior, AirBnB and Google listings. Small and micro rural based export businesses can trade on international digital platforms such as Alibaba and Amazon Marketplace.

Infrastructure and services

4. How can access to transport be improved in rural areas?

The constant deprioritisation and reduction in funding for rural public transport especially bus services are making rural locations accessible only by private and commercial motor vehicle. Investment in road infrastructure needs to be maintained and increased. Innovative ways in making rural public transport need to explored, such as reintroduction of post-buses, consolidating publicly funded service vehicles to
make better use of assets. Looking at smaller more demand led bus services. Investment in safe vehicle-free cycle infrastructure from urban into rural areas. The lack of public transport will become an increasingly severe problem as the rural population ages and becomes unable to drive personal motor vehicles.

5. A. What barriers to growth are created by poor digital connectivity?

The lack of broadband with comparable speeds to urban (+100Mbps) and lack of high quality mobile coverage (ranging from voice 2G to data 4G) is a significant barrier to rural economic growth, even after recent Government investment via BDUK. The current (nearly complete) BDUK roll-out has already created a urban vs. rural ‘digital divide’ via priority funding urban and peri-urban ahead of true rural. The next Gov’t roll-out of Full-Fibre is likely to exacerbate this further to a rural vs. urban ‘digital chasm’ with many rural areas languishing at sub-30Mbps and urban soon exceeding +100Mbps (Ultrafast). The mobile 5G panacea, well-publicised by Gov’t is an urban centric solution, with at present little rural development potential unless funded by Government for use in rural locations.

B. How can connectivity be improved across the board?

Firstly the largely ‘fictitious’ coverage maps used by the main digital service providers both broadband and mobile need to be verified by an independent body to show the ‘true/real’ coverage of the UK. When this is ascertained, the businesses that have received substantial government funding to provide infrastructure (mainly BT Openreach) should be compelled to roll-out to cover what they should have done. The mobile phone operators likewise after independent coverage testing should be compelled to complete their rural coverage obligations to Gov’t. Once this is done the true rural ‘not spots’ can be assessed as to the cost benefit of funding broadband and mobile coverage to give as close to 100% coverage as possible. Any future subsidy or funding for broadband or mobile should be rural proofed at the front-end not allowing the more lucrative urban and peri-urban areas to be enabled first.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

In line with the above points on digital, if fully enabled then some of these services could switch to online provision. Some elements of health, education and most of banking can be achieved on-line. Multi-use public service centres incorporating, local democracy, libraries, emergency services, education and health, plus a degree of commercial (shop, bank, post-office) should be more viable than maintaining these individually. This would require a cross-cutting approach by all agencies, but could make the provision of these services cost effective in some rural locations.
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

With the commercial sector there will be a viability calculation that determines whether these services can be maintained within a rural location. However through tactical interventions some of these services could be made viable such as a special low or nil business rate for essential rural services. A targeted grant regime to help rural service business diversify and offer greater range of services for local areas. E.g. a pub becoming both the village shop and post-office as part of its offer.

Community owned assets such as local pubs and shops receiving special tax treatment and ability to invest at favourable VAT rates. Peri-urban housing developments charged with a portion of their CIL (community infrastructure levy) going to nearby rural communities to support rural assets such as post-offices and shops. Lastly the counter-productive PDR (permitted development rights) legislation should be amended to exclude rural assets such as pubs and shops. Speculative developers have used PDR to convert much needed rural assets to residential against local wishes.

Business, employment, skills and demography

8. **A. How can rural businesses be helped to thrive, and how can new industries and investment be supported?**

In the main any business needs to be financially viable to succeed, but it is in the Government’s gift to help create the right conditions to support the success and sustainability of rural based businesses. Therefore a business rates regime that supports rural businesses rather than penalising them would be a key starting point. A planning regime that supported sustainable growth rather than preserving the locality in ‘aspic’, acknowledging that our rural environment has been, and is still highly managed, giving these managers the freedoms to manage sustainably yet maintaining financial viability. The tax regime should recognise the specific needs of the rural economy, especially in terms of encouraging long-term investment. Future grant regimes such as the UK Shared Prosperity Fund should be fully rural proofed and contain elements specifically aimed at supporting our wider rural economy.

**B. How might labour and skills shortages be overcome?**

Further and Higher education need to recognise the value of our rural economy and have curriculum suitable for the wider rural economy. The apprenticeship scheme needs to have all the rural appropriate schemes fully developed and approved as soon as possible. New T-Levels need to include the essential rural training and skills needed by the rural economy.

The availability of affordable rural housing, protected for local workers is a key factor in labour and skills shortage. Many rural areas across the
The Rural West Sussex Partnership – Written evidence (REC0111)

country are becoming and have become unaffordable for local workers. The ‘dormitorification’ of rural areas by highly paid urban workers has effectively forced out many local workers, turning

rural areas into a commuters dormitory. New affordable housing needs to be built with protections to retain them for local workers.

The issue of loss of skills and labour as a result of Brexit needs to be factored into the Committee’s scope as we have seen already a significant loss of immigrant workforce across many sectors of the rural economy. This is likely to worsen post-Brexit especially for the land-based and visitor economy sectors.

9. How can deprivation and inequality in rural areas be tackled?

Deprivation and inequality can be largely tacked by having a broad successful and viable local rural economy, providing jobs at all levels. If businesses are encouraged to start, grow and remain in rural areas, they by their nature will employ people and spend locally via their own supply chains. Once rural areas lose their business base and become expensive urban dormitories, pockets of deprivation and inequality will remain and potentially grow, creating a ‘have and have-not’ scenario. Investment and on-going funding of core public services will remain critical to this, ensuring the wider rural population receive the essential public services they require.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

There will always be a natural inclination for young people to move to urban living and working. However to maintain a viable and sustainable rural economy there must be provision made to retain some young people via gainful employment and the ability to find suitable rented or bought housing accommodation. As per previous point the need to encourage businesses and to have a stock of affordable housing protected for local workers will help reverse the exodus to urban areas. We believe the availability of affordable rural housing accommodation is the key factor in retaining younger people in rural communities.

11. A. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision?

The exodus of young people as per point above is a critical issue, in relation to employment and housing accommodation. The ‘dormitorification’ of rural areas has led to an imbalance of wealthier older people moving to the desirable rural areas, however these are now ageing and requiring greater assistance, especially as they become unable to drive. Thriving local rural centres with a village shop, post-office and pub will by their nature help combat social isolation.
B. What opportunities are there for the older retired population to help support the rural economy?

Employers often overlook the value of employing older people above their target age-range yet these can often give significant added-value to a business. Older retirees can often make a contribution to the local economy with their skills and experience via volunteering or taking lower-paid employment in rural community assets such as post-office, shops, library etc.

Rural housing and planning

12.A. How can the affordability of rural housing be improved?

Substantial additional local small-scale housebuilding, that is protected for local workers and local people via mechanisms such as Community Land Trusts. Significant levy on housebuilders building luxury large scale accommodation for commuters. A government infrastructure challenge fund for small rural communities to bring forward housebuilding projects that are designed to be affordable for local people, the challenge fund addressing rural viability and infrastructure shortfall issues.

B. What are the other challenges associated with rural housing and how can these be addressed?

The key challenge for many rural communities is the ‘not in my back yard’ syndrome, people who have bought into a village life, often do not want to see the village expanded. The vociferous local objection to any local rural expansion often kills off good local housing schemes. This local attitude to no-growth is often mirrored by local plan policy that supports the no-growth agenda. The current and future housing targets should include a percentage that should be built in rural areas in proportion to rural nature of the local authority area. Viability of small sites in terms of providing infrastructure is also a challenge for many housebuilders.

13.A. How have recent planning policy reforms affected rural housing and the wider rural economy?

They have not gone far enough. Far more focus needs to be put on facilitating small sustainable rural housing developments both for ownership and rental. The current and future housing targets should include a percentage that should be built in rural areas in proportion to rural nature of the local authority area. Viability of sites in terms of providing infrastructure is also a challenge for many housebuilders.

B. What changes, if any, are needed to planning rules?

The planning system needs to be far more reflective of the needs of the local rural economy for housing, but to be cognisant of the much pervasive influence of nearby urban areas, commuters and ‘dormitorification’ of rural settlements. The planning rules need to reflect the demand for local
affordable housing, providing a stock of rental and owned units for local people in perpetuity.

**Government policy, devolution and local government**

14.A. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not?

Generally outside Defra they do not, the Industrial Strategy had just four references to rural within the whole document. The previous Lord Cameron review on rural proofing seems to have been widely ignored by this current administration. The key business facing departments within Government seem to in the main suffer from rural ‘myopia’, including MHCLG currently developing the UKSPF.

B. What might be done to ensure that Government and other public bodies hear and act on rural voices?

Rural proofing is not left to an advisory report (now quite aged) and past formal response but is put through the formal legislative process as a legal requirement of Gov’t policy to rural proof, both for national and local Gov’t including LEPs.

15.A. What is being done in local government to support rural economies?

This depends very much on whether the local government in question has a rural element to their area or not. Very few local authorities have a dedicated rural strategy or policies, very few have a dedicated rural political portfolio holder. The committee should consider whether local authorities that are designated by Defra as being significantly rural or greater should have a published rural strategy and a dedicated rural portfolio holder within their cabinet/executive. This would help ensure rural issues were formally rural proofed at a local level.

B. How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

As with Local Authorities this again depends very much on whether the LEP in question has a rural element to their area or not. Very few LEPs have a dedicated rural strategy or policies, very few have a dedicated rural LEP Board Member. The committee should consider whether LEPs that have significant areas within them designated by Defra as being rural, should have a published rural strategy and a dedicated rural portfolio holder within their LEP Board. This would help ensure rural issues were formally rural proofed at a local LEP level.

Simon Matthews, Executive Director
On behalf of The Rural West Sussex Partnership

10 September 2018
Sevenoaks District Council – Written evidence (REC0115)

Introduction

Sevenoaks District Council is an award-winning council, recognised nationally and by our peers as one of the best in the country. In recent years we have received the prestigious "Council of the Year" award from the Local Government Chronicle, (the first district council ever to do so), picked from a shortlist of city, county and unitary authorities. We were also The Guardian Public Sector Awards overall winner (and Finance Category Winner), the Grand Prix winner in the inaugural CIPFA Public Finance Awards, and are only one of a handful of organisations globally to have achieved Investors in People Platinum status.

We are pleased to submit this evidence to the House of Lords Inquiry and would be delighted to engage further with them on this matter.

General issues

1. What do you understand by the “rural economy”?

1.1. Sevenoaks District is located in West Kent, with the edge of Greater London to the north-west, Surrey to the west and East Sussex to the south. The District covers almost 143 square miles and 93% is designated Green Belt. There are four main towns and over 30 villages and smaller settlements.

1.2. The District has a high quality landscape with a mostly rural character: 60% of the District lies within the Kent Downs or High Weald Areas of Outstanding Natural Beauty. There are many areas of woodland much of which is designated as Ancient Woodland, two Country Parks and a large network of public rights of way. There are a high number of conservation areas and listed buildings, as well as many nationally recognised heritage assets including the historic estates of Knole, Chartwell, Hever Castle, Penshurst Place and Lullingstone Castle.

1.3. The District is a popular place to live, not least due to the above characteristics, but also because of its proximity to London and the continent.

1.4. The District has a strong rural economy, but issues of poor mobile telephone connectivity and slow or limited broadband are common. We understand the rural economy as it applies to Sevenoaks includes land-based businesses, tourism/visitor economy, and home-based working and SMEs within small settlements. Areas outside towns are served by local facilities within villages. These services are of great value to local communities and contribute to the District’s rural economy. This reflects the definition of a rural economy set out in a House of Lords Library Note of 22 April 2016.

1.5. The Library Note commented that “The rural economy is diverse and includes many different types of industry. It includes those industries traditionally associated with rural areas, such as agriculture, forestry and rural affairs. The rural economy also has much in common with other areas of the UK, with a high number of people employed in the service sector. In terms of gross value added (GVA), the largest sector in rural areas of England is public
administration, education and health, which contributed 20 percent of rural England’s total GVA. Agriculture, forestry and rural affairs contributed 2 percent of rural England’s total GVA. 488

### How has the rural economy changed over recent years, and what has been the impact of these changes?

1.6. The rural economy has had to weather many of the changes that the economy in general has undergone. These include:

- Pressure on employment sites for housing development and extension of permitted development rights to allow conversion of offices and other buildings including pubs to housing
- Aligned to this is the high cost of housing and challenges of new housing in relation to the constraints of the Green Belt in the district
- The high costs and availability of public transport
- Demographic factors including an ageing population and failure to retain younger workforce as opportunities for our relatively highly qualified young people are sought out beyond the district (proximity to London providing a significant draw)
- Changes in the use of technology including the rise of online shopping and delivery of services, the benefits of which have not been enjoyed equally by rural communities due to slow broadband and mobile telephone connections. These changes have also led to the closure of banks in smaller settlements within the District
- Since 2004, the free movement of people within the EU has led to bureaucracy-free access to cost-effective seasonal labour which has benefited several sectors including agriculture. Since the vote to Leave, and combined with the stronger eastern European economies, the agricultural sector has reported difficulties in recruiting labour, and is still awaiting the Government’s plans for a post-Brexit migration policy. This impacts on the ability to plan and to invest.
- The fiscal constraints operated by central government since 2010 affecting universal services such as education, health, transport and social services can have a pronounced effect on more remote communities in a less visible way than densely urban ones, but the impact can be just as great.

### 2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1. An announcement to stay open or early activation of a successor programme to LEADER that could deliver the same type of stimulus to the rural economy. Ideally, the decision making body – The Executive LEADER Action Group (ELAG) would be kept in place once the programme has closed, to serve as a window on the rural economy and that the West Kent Partnership will maintain a continuing focus on the needs of the rural economy.

2.2 The LEADER Programme is a bottom-up, community-led approach to the delivery of the Rural Development Programme for England (RDPE), which is

488 [House of Lords Library Note - Rural Economy: Key Statistics and Recent Developments 22 April 2016]
funded by Defra and the European Agricultural Fund for Rural Development (EAFRD) funds. The planning, decision making and implementation is done at a local level, carried out by a Local Action Group (LAG) which is made up of private, public and community sector volunteers with a wide range of experience and knowledge of local rural issues.”

West Kent LEADER is a source of funding available to farmers, growers, foresters, rural businesses and communities to help secure a sustainable future for rural West Kent. There are 9 projects in the District of Sevenoaks, with a total grant award of over £326,000 bringing an investment of over £800,000 to the rural economy, creating 16 jobs.

2.3 An example of a successful LEADER project is the Westerham Brewery and this is summarised below:

**Westerham Brewery:**
Employment gain: 3 fte
£49,992 grant award
Westerham Brewery, founded in 2004, produces craft beers for sale in Kent, Surrey, Sussex and London. The beers are available through many local outlets and have limited availability nationwide and internationally. Westerham Brewery has pioneered the new business of making gluten free beers using a proprietary method of removing the gluten from beer. Westerham now produces probably the widest range of gluten free beer.

In February 2011 we opened a retail shop in Westerham which operated very successfully until the lease ran out in March 2012. Application was then made to convert the barn at Grange Farm into a small retail shop. Unfortunately the plans could not be achieved and the brewery embarked on the long process of finding new facilities in Westerham so that retail activities, tours and brewery events could be carried out. Initial plans began in 2013 and planning permission was sought in January 2014

Planning permission was granted in April 2014 to convert a disused saw mill at Charmans Farm, Westerham into a production brewery with ancillary retail and office. Unfortunately the application had to be resubmitted in 2015 and final planning permission was granted in August 2015 and work began in March 2016 for expected completion in October 2016.

The building being supplied to the Westerham Brewery for the new brewery is a basic industrial building. This project will modify parts of the building to provide a retail and visitor centre. It will promote the brewery as a visitor attraction for the local area.

AIMS: to convert approximately 90m2 of the building to a shop and tasting room. The space will also have a display of the long history of brewing in the Town of Westerham. It will educate visitors in the production process of craft beer and provide facilities to sample beers. Tours of the brewery will be conducted from the new visitor centre. Shop facilities will allow visitors to purchase gifts, beers and beer related items.
OBJECTIVES: to open the new shop and visitor facilities by the end of 2016 or early 2017.

OPPORTUNITIES: we have already discussed with other local visitor attractions at Chartwell and Quebec House the possibility of joint visitor passes to the brewery with these established attractions. There are synergies to be found in all the major tourist attractions in Westerham. The Squerryes Estate and the Brewery are also looking at the feasibility of a Park and Ride system to facilitate the visitor experience for Westerham as a whole. Parking is an issue for visitors to Westerham at the moment.

The project objective has been successfully met and further information about the Tap Room and Shop can be found at: https://westerhambrewery.co.uk/tap-room-shop/

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1. Rural businesses already contribute a hugely significant £299bn in Gross Value Added (GVA) to the UK economy according to Rural England and Scotland’s Rural College, and there are over 750,000 rural businesses across the UK. There are now more than 10,000 rural businesses selling on Amazon Marketplace, for example, including small businesses and individuals. Research by Rural England Community Interest Company in March 2018 indicated that there is an additional £12bn to £26bn of GVA waiting to be unlocked that can fast track the rural economy and ensure our country remains globally competitive.

3.2. Our draft Economy Development Strategy for 2018 – 21 clearly identifies opportunities for diversification of the rural economy, including new live/work units in rural areas. We believe growth sectors such as creative and digital, tech start-ups, logistics and tourism could all benefit our economy as a whole, including the rural economy.

3.3. Rural businesses could benefit from efficiency gains by digital technologies, access to markets and suppliers, to business services and cloud computing. Although the Government is planning to introduce a broadband Universal Service Obligation, the issue of poor infrastructure needs addressing swiftly in order that new markets that may open up post-Brexit for the Agriculture sector in particular can be accessed in the run up to the end of the transition period.

3.4. The agriculture sector has been named as one of those that could stand to see the greatest impact of automation over the next 10 years. While this might in some part help with the skills gaps caused by EU workers either returning back to their country of origin or simply not coming to the UK in the first place, it may require a different skills set to operate and maintain new automated machinery. Larger machines require larger storage facilities – this can sometimes impact on planning decisions. These changes will also influence

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diversification plans for estates and farms, together with demand for skills and training for employees.

**Infrastructure and services**

### 4. How can access to transport be improved in rural areas?

4.1. The District is a popular place to live, partly because of its proximity to London and the continent. Major transport links are provided by the M25, M26, M20, A21, A20 and A25. Stations throughout the District provide rail access to London in under an hour. The District is also well located for Gatwick and Heathrow airports as well as the Channel Ports, Ashford and Ebbsfleet International stations. However, future investment in this transport infrastructure is needed to ensure it remains fit for purpose. The Kent & Medway Growth and Infrastructure Framework (GIF) 2018 Update produced by Kent County Council highlights that there is an approximate £4bn funding gap to meet future growth requirements across the County up to 2031.

4.2. Rural transport provides an essential service to those who do not have regular access to a private vehicle to access day-to-day facilities and services. Rural transport, especially rural bus services, have been in decline as they become more unviable due to rising ongoing costs and a decreasing number of people using them. To deliver and maintain rural transport, there needs to be greater funding available to the local transport authority to subsidise rural transport services to ensure that they remain viable. Also, greater partnership working between the local transport authority and service providers should be encouraged.

### 5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1. Poor digital connectivity means that businesses can’t access cloud computing, or goods, services and customers. Areas without good connectivity will not be attractive to inward investors or indeed to most families. It is no good to either customer or business trying to book a table at a ruraly-based gastro pub if your booking system drops out due to a loss of internet connection.

5.2. As tablet and smart phones usage increases over laptops so mobile network connectivity is as important. Whilst Government is piloting the use of 5G technology parts of the District have limited 3G coverage. A minimum of 3 or 4G coverage across the country should be achieved before further advances are made to ensure equality of provision.

5.3. Designing and distributing the National Productivity Investment Fund so demonstrates an understanding of how the rural economy works and targets rural areas accordingly.

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5.4. There should be a dedicated rural strand within the Government’s proposed Shared Prosperity Fund, capable of supporting digital skills and growth. This would recycle existing public funding.

5.5. It should also be borne in mind that connectivity is not the only online trading issue – some aspects of e-commerce such as insurance and copyright are still providing challenges in the expanding world of e-commerce.

5.6. The revised National Planning Policy Framework (NPPF) has emphasised the importance of improving digital connectivity both through the plan and decision-making process. Service providers should be encouraged to engage more proactively with local authorities to resolve any deficiencies, especially with rural telecommunications infrastructure.

5.7 As retailers and utility providers move to discounting for use of online billing or purchasing this disadvantages those consumers who can’t take benefit from reliable, fast broadband and mobile connectivity. Similarly rural residents and enterprises are disadvantaged as central and local government moves to online based services and administration.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1. Although we have good relationships with other public sector bodies and businesses in the district, a Duty to Co-operate across all public sectors including NHS and FE/HE would enable us to work across our respective services and make efficiencies. On a small scale, our One You Your Home project, where our officers are based in GP surgeries tackling the underlying non-medical reasons why some of their most persistent patients visit their GP, is having success. If this level of co-operation, and funding to enable it, was replicated, it could achieve both substantial savings and changes to peoples’ lives.

6.2. There has been an increasing shift in a range of public services including health care, and in banking, towards digital provision. Local government has been at the forefront of this, with a significant number of services now accessible via a smart phone and laptop. However, IT is not accessible, nor acceptable to everyone – either through lack of infrastructure or lack of knowledge or even trust – not everyone is happy to bank online via their smart phone even if they have one and are confident about using it.

6.3. A rural iteration of the One Public Estate approach could deliver flexibility for buildings as community hubs to incorporate a variety of uses such as education, health and wellbeing and other local priorities. They could also operate as digital hubs for businesses.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1. All of these are dependent on customers using them in preference to other providers. If they can’t compete price-wise, or in their product/experience from
larger competitors, it is hard to see how they could survive without significant subsidy.

7.2. Community Right to Bid is ineffective against high property prices and professional developers; the vast majority of Parish and Town Councils simply do not have access to the funds necessary to buy a community asset on the open market.

7.3. Local Plans can provide additional policy protections to rural amenities. Historical trends in converting rural amenities (i.e. local shops, pubs, other assets) into residential units which can significantly impact the day-to-day needs of the local community. However, changes to the NPPF and the General Permitted Development Order could provide additional protections for rural communities.

7.4. Local needs housing schemes, however, can assist with supporting local businesses, either in construction or the provision of services for new and existing communities.

7.5. The opportunity exists as part of the design of the new Shared Prosperity Fund to consider programmes for funding support for rural business development. This could include a LEADER type model targeted at community shops, pubs and community facilities; and support for community transport provided by the voluntary sector. See also point 6.3. above.

**Business, employment, skills and demography**

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

**What could Government do?**

8.1. The earliest and most detailed information on the terms of exit from the EU regarding trade is paramount for the rural economy. Unemployment rates in the UK continue to decline, as does the previously endless supply of relatively cheap migrant labour due to the vote to Leave and stronger EU economies. An early indication of post Brexit arrangements for seasonal workers in the agriculture and horticulture sectors would enable these businesses to plan more effectively for the future and prioritise investment. Depending on the nature of these arrangements, locally available advice on compliance with any new regulatory framework should be supported by Government and have a sector-specific focus.

8.2. Strategic bodies such as LEPs, National Productivity Fund and Shared Prosperity Fund and should have meaningful representation of behalf of the rural economy. Government should provide an early indication of priorities for the Shared Prosperity Fund and post-CAP arrangements so that there is not a gap between one regime ending and another beginning – new funding regimes generally take some time to bed in at both ends. Local networks that have been established over the course of EU funding programmes including shared
knowledge and common understandings will be lost should such a gap occur; starting again is time consuming and not cost effective.

8.3. The LEADER programme is designed to be a ‘lender of last resort’ when all other funding options have been explored – therefore it is demonstrably generating investment which would not otherwise have happened nationally. There is considerable concern as to why this key rural development programme is being brought to a close well ahead of other European funded programmes with no rationale provided as to why. The programme will be closed to applications within the next couple of months and all grants contracts must be approved and signed by 29th March 2019, although payments can be made up to December 2020.

8.4. Given the uncertainties faced by business in general, this early closure is penalising the rural economy and will stifle growth and investment. Early announcement of a successor programme could help to mitigate this.

**What we are doing in Sevenoaks:**

8.5. At Sevenoaks District Council we are supporting rural businesses through our “Team Around the Business”, providing a one-stop-shop approach where businesses, new or existing, can provide information and support on all relevant council services such as licensing, environmental health, planning etc., and signposting to other support.

8.6. We also meet regularly with the district’s rural landowners as a group, led by the Leader, Chief Executive, and Portfolio Holder for the Local Economy together with senior officers from Economic Development, Planning and Housing, to make sure we are communicating effectively and can hear their and address their concerns first hand.

8.7. We have also gathered intelligence from the Survey of (Sevenoaks) Employers’ Housing Needs in 2017 that identified the need for essential worker housing in the District. Such housing would give local essential workers a range of housing options. This would help to ensure that the District had a more sustainable economy by attracting and retaining businesses and employment through the provision of affordable housing for those workers providing essential services to the community.

8.8. A Local Essential Worker Housing Policy has been drafted and will form part of the suite of policies to accompany the final Local Plan and Affordable Housing SPD. The Policy provides a local definition of what constitutes an essential worker and sets out which forms of affordable housing essential worker applicants could access. Agricultural workers are included within the categories of essential worker.

8.9. Enterprise Adviser Networks are 50% funded by Careers & Enterprise Company and LEPs have different models for delivery. In West Kent we have brought forward a Network with the financial support of The Hadlow Group and The West Kent Partnership. The coordinator is hosted at Sevenoaks District Council, and works closely with economic development teams and businesses across West Kent. Rural businesses, particularly agricultural/horticultural
businesses who face real issues around availability of labour, have the potential through the Network to work with schools to highlight the career opportunities locally, supported by apprenticeships through the Hadlow Group and others. Perceptions of jobs in those sectors can be influenced highlighting the high level of technology to attract young people into the land based economy locally.

What Government could do:

8.10. Support digital hubs in rural towns which businesses can use or visit for better connectivity, start-up workspace, hot-desk space, digital training, and business support advice.

8.11. Local Government has a duty regarding the economic wellbeing of their area. At present, there is no corresponding Duty to Co-operate by Further Education or Higher Education providers. This feels like a significant missed opportunity, when councils provide significant business support as well as a wide range of other provision such as Planning, licensing, environmental health, waste and recycling.

8.12. Devolving skills budgets to more local areas would be another, welcome opportunity to join up business support. Education levels in Sevenoaks are higher than average: about 80% of all young people study at university. However for those who do not go down this route this can mean that other opportunities struggle to receive attention. The Apprenticeship Levy does not have enough flexibility at present, and Government should campaign more to persuade parents, schools and employers that apprenticeships are a viable and worthwhile alternative to higher education, with most still expressing a preference for university. Giving levy paying councils more flexibility over how their apprenticeship funding is spent, combined with a duty to co-operate on the part of FE and HE, would help to unlock opportunities for skills development and for young people.

9. How can deprivation and inequality in rural areas be tackled?

9.1. By taking services out to more remote communities, funding for projects and programmes that bring people together and reduce isolation and increasing the capacity and resources for Parish and Town Councils to bring services to their communities. Austerity has impacted on rural communities; inequalities and deprivation can sometimes be hidden in a way that urban deprivation isn’t. Affluent towns mask severe areas of deprivation causing major health inequalities with the life expectancy gap over 9 years across the richest and poorest wards.

9.2. Job Centres have reduced in number in West Kent generally (there is no JC+ in Sevenoaks). In addition, there has been a significant move to a much greater reliance on technology for job search and employment support, including Universal Credit. If broadband doesn't work, and mobile phone coverage is patchy, this adds an extra layer of difficulty for those requiring employment support, even if you assume a reasonable level of IT familiarity to start with.

9.3. Preventing homelessness and supporting people to remain in their own homes, whether in our rural or urban communities, private or social housing, is
therefore crucial, especially in light of the recently introduced Homelessness Reduction Act, which has placed extra responsibilities on local councils.

9.4. Our SuperHERO project, funded by Trailblazer funding from the Department of Housing, Communities and Local Government, has a particular emphasis on working with vulnerable people; we take our services out ‘on the road’ to local people in rural and deprived communities through a range of community locations including GP surgeries, Children’s Centres, and community hospitals. Referrals also come from the Early Intervention Team at Kent County Council, and veteran’s groups such as the Royal British Legion and SSAFA.

9.5. The project is developing new referral pathways and is enjoying considerable success; continued funding would embed these pathways and the project is easily replicable for other rural areas.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

10.1. Housing provision, including the reversal of the Written Ministerial Statement to allow us to secure new affordable housing on small sites, to accommodate and encourage essential workers to remain or settle in rural areas. See point 12.5 below.

10.2. Better jobs, high-speed broadband and mobile phone coverage and improved public transport. Involve them in decision-making. The high house prices in the district and challenges around affordable housing provision make it difficult for young families and first time buyers to remain here.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

11.1. Supporting people to remain living independently in their own homes is a priority for the council regardless of their location. Our unique Housing and Health Strategy “Wellbeing Starts at Home” supports the vital role that districts play in supporting and promoting public health as recognised by the King’s Fund Report in 2015: we are close to the communities we serve, and our role as “place shapers” means we have many tools to bring together in support of the health of our rural communities.

11.2. Our Private Sector Housing Team have adopted a new Housing Assistance Policy, which makes it easier to support people to remain in their own homes, allowing a speedier discharged from hospital and undertake works, adaptations and provision of equipment not provided by other services.

11.3. To support our work in getting people home from hospital more quickly, we have set up a new HandyHERO service, which helps us make the small changes in people’s homes quickly and efficiently so that people can leave hospital without undue delays. This could mean a key safe, handrails, or simply shopping. Handy HERO also prioritises requests for same day completion. A full time

occupational therapist works in the team to speed up assessments and the grant process, and makes sure applicants can access the support provided by social services.

11.4. Our innovative use of the Better Care Fund means we are not only working with NHS partners on facilitating an early hospital discharge scheme but using the funding on a preventative basis to minimise hazards, prevent them from escalating in the home using a variety of tools:

- **One You Your Home** is a partnership between the Council and Age UK, working with GPs in the district who have identified their 25 most persistent patients over the age of 55 years and is supporting them to tackle the non-medical reasons why they visit their GP so frequently, when the GP is not the best placed to help them. In most cases, the patients are not the most physically ill ones but those experiencing mental ill health, loneliness, and depression and debt problems. Mostly this calls for non-medical solutions, and the Council, using the Better Care Fund in partnership with Age UK, is now providing these.

- **The Pop Up Pop In** project, in partnership with West Kent Mind, aims to reach over 1000 older rural and socially isolated older people, providing access to housing and health support, reducing isolation and improving independence. For every £1 spent on befriending services, around £3.75 is returned in reduced spending on mental health services and general improvements in health.

- 2% - 5% of adults in the UK have symptoms of a hoarding disorder. The **New Beginnings Project**, also in partnership with West Kent Mind, expects to work with around 50 people with hoarding issues and improve their mental health through the work of a Declutter Buddy. It will aim to ensure that that 90% of people will complete 12 week decluttering and group therapy.

11.5. In addition, **SuperHERO**, funded through a HCLG Trailblazer grant, is visiting vulnerable people in our rural communities, providing integrated and personalised advice on a huge range of issues from debt to health to housing. Our **Men in Sheds** project works with isolated and vulnerable older men within the community, providing them with an opportunity to gain skills and produce items with a community use including street furniture (benches, planters, etc.).

**Rural housing and planning**

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

12.1. At Sevenoaks District Council we face considerable challenges in providing housing for people who live and work in the district. Property values are typically the highest in Kent and amongst the most expensive in the UK. Average house prices are up to 18 times higher than average income rates, with average house prices £428,070 at May 2018.
12.2. In respect of the identified housing need, the government has recently introduced a standardised methodology for assessing this, which will, when confirmed, replace the previous requirement for the District Council to assess its own needs. The Local Plan must take account of the new methodology, which is based on the latest published household projections produced by the ONS that are then adjusted to take account of affordability issues. For Sevenoaks, this means an increase from 12,400 homes to 13,960 homes over the plan period from 2015 to 2035.

12.3. To put these figures in context, this would need 698 homes to be built every year, tripling the approximately 250 homes which have been delivered each year over the past 10 years, and quadrupling our existing Core Strategy target of 165 homes per year. It is therefore very clear that our ability to meet our housing need within our District will be a key challenge. National planning policy sets out that we should aim to meet the ‘Local Housing Need’ figure provided by central government unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits. This is a highly constrained District with 93% Green Belt and 60% AONB and therefore it is very likely that these constraints will dictate whether we are able to meet our housing need in full.

12.4. How we are addressing these challenges in Sevenoaks:
   - Our draft Local Plan contains specific policies on Rural Housing and Local Essential Workers, the definition of which includes those in the agricultural sector.
   - We are working with major landowning estates in the district to develop new affordable housing which will be retained by the estates in perpetuity.
   - We have developed a new affordable housing company, owned by the Council.
   - We are focusing a significant amount of effort on supporting people to remain safely and comfortably in their own homes, through a range of support from adaptations to debt advice and energy savings, through our SuperHERO programme.

12.5. However the biggest impact the Government could have for the rural economy from a housing perspective is to rescind the 11 home threshold to trigger affordable housing provision. This would provide affordable housing (or contributions towards provision) on all developments. Most developments in the rural areas are small and below 11 units so currently, we can only seek a financial contribution towards affordable housing from developments of 6 units or more. Prior to the 2014 Written Ministerial Statement, we were securing affordable housing provision (or contributions) on any single net additions. Most of our rural area is covered by exemption to Right to Acquire and are Designated Protected Areas, so any new affordable homes could be protected for that use in perpetuity.

12.6. We would also welcome an amendment to the NPPF Glossary definition of Affordable Housing to proactively endorse the provision of new affordable housing through major landowning estates, as per the CPRE’s report, On Solid Ground, November 2016.
13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1. See point 12.6 above. The update to NPPF did not use the opportunity to endorse affordable housing provision via major landowning estates despite their centuries old experience – e.g. alms houses and workers cottages.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1. County (shire) Councils are often viewed to be largely rural and therefore representative of rural economies; however according to research in July 2017 commissioned by the County Council Network (CNN), their economy is not entirely, or even predominantly, rural. The research states that "it is true that the vast majority of rural England is contained within the CCN area. However, it does not follow that the CCN economy is largely rural. There is only one local economy in England which is even predominantly rural—Herefordshire. Everywhere else (and hence the vast majority of the CCN network) is classified as either predominantly urban or as intermediate between the two". It is the districts within Counties that are significantly more rural, and whose voice needs to be heard.

14.2. The report suggests that this is likely to have important implications for the Government’s Industrial Strategy, since it implies that ‘industry’ is broadly distributed across England and not confined to just locations. An industrial policy which is just a big-city or Combined Authority policy is unlikely to be effective, nor is a National Productivity Fund or a Shared Prosperity Fund.

14.3. At the time of writing there is still a lack of clarity over the reconfiguration and size of LEPS following the Government’s proposed reforms. It is highly likely that the Government will see LEPs as the delivery vehicle for any new funding for growth and renewal; it is vitally important that LEPS have significant district representation on them as it is this level of local government that can truly represent the rural economy and articulate its needs.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1. Currently funding to support economic growth is predominantly channelled through national agencies and, at a regional level, Local Enterprise Partnerships. The South East Local Enterprise Partnership (SELEP) which covers Kent, East Sussex and Essex includes Sevenoaks District within its geography. At a sub-regional level the Kent and Medway Economic Partnership (KMEP), on which the District Council is represented, is the interface between SELEP and businesses, partners and local authorities in Kent and Medway. The Industrial Strategy sees a

continuing place for Local Enterprise Partnerships in delivering its outcomes but their role, structure and geographical boundaries may alter.

15.2. Locally the West Kent Partnership, comprising the Sevenoaks, Tunbridge Wells and Tonbridge & Malling Councils, is delivering skills and business support projects with local partners, together with the European Union LEADER programme which provides opportunities for funding for rural enterprises. The Partnership’s vision is to sustain a dynamic and well connected economy and seeks to promote West Kent as a place to do business. In addition, in support of the rural economy we have

- Bi-annual meeting with rural landowners in the district
- Team Around the Business approach
- Business Support packages providing up to 12 hours of advice and guidance

15.3. Duty to co-operate from further and higher education bodies would do more to create a meaningful relationship that would enable strategic planning including local government, business and FE/HE.

**Summary of submission of evidence to the House of Lords Select Committee on the Rural Economy – 10th September 2018**

Sevenoaks District is located in West Kent, with the edge of Greater London to the north-west, Surrey to the west and East Sussex to the south. The District covers almost 143 square miles and 93% is designated Green Belt of which 60% lies within Areas of Outstanding Natural Beauty. There are four main towns and over 30 villages and smaller settlements.

The District has a strong rural economy, but issues of poor mobile telephone connectivity and slow or limited broadband are common. Our rural economy includes land-based businesses, tourism/visitor economy, and home-based working and SMEs within small settlements. Areas outside the main towns are served by local facilities within villages.

The District’s rural economy has weathered many of the wider economic changes including:

- Pressure on employment sites for housing development and extension of permitted development rights to allow conversion of offices and other buildings including pubs to housing. Aligned to this is the high cost of housing and challenges of new housing provision whilst constrained by the Green Belt
- The high costs and availability of public transport
- Demographic factors including an ageing population and failure to retain a younger workforce
- Changes in the use of technology including the rise of online shopping and delivery of services, the benefits of which have not been enjoyed equally by rural communities due to slow broadband and mobile telephone connections.

Examples of what we are doing in Sevenoaks:

- Our “Team Around the Business” model provides a one-stop-shop approach where businesses, new or existing, can provide information and support on all
relevant council services such as licensing, environmental health, planning etc., and signposting to other external business support opportunities.

The Employers’ Housing Needs Survey in 2017 identified the need for essential worker housing in the District. A Local Essential Worker Housing Policy has been drafted and will form part of the suite of policies to accompany the final Local Plan and Affordable Housing SPD. Agricultural workers are included within the categories of essential worker benefitted by the policy.

We are tackling inequality and deprivation through our SuperHERO project, funded by Trailblazer funding from the Department of Housing, Communities and Local Government with a particular emphasis on working with vulnerable people; we take our services out ‘on the road’ to local people in rural and deprived communities through a range of community locations including GP surgeries, Children’s Centres, and community hospitals.

10 September 2018
Rural proofing is a concept central to many of the Committee’s themes of enquiry. The Committee was critical of the commitment to rural proofing, how it is implemented, and who governs the policy in its 2018 report. Rural proofing as a policy instrument is frequently found deficient and has been subject to stinging critiques since the late 2000s\(^{494}\). Implementation is patchy, responsibility is shirked, and its objectives are unclear. England and Northern Ireland are the two governments who have implemented rural proofing in the UK, and following critiques the tendency is to revise rural proofing and relaunch a reinvigorated initiative. Northern Ireland is the only place in the world to have legislated for rural proofing, or as they call it, rural need. This evidence is based on research carried out on the Rural Needs Act Northern Ireland 2016, for the Department of Agriculture, Environment, and Rural Affairs Northern Ireland\(^{495}\). Our research details many of the points the Committee has heard and reported on about the failings of rural proofing. In this submission I will focus on three other areas of interest; first, that the actual policy of rural proofing is fundamentally flawed making it very difficult to implement successfully, second, it is possible to be regressive in presenting rural areas as uniformly in need, and third, in Northern Ireland there is little confidence that the Rural Needs Act or the process of Rural Needs Assessment (rural proofing) will address the needs of rural people.

1. **Rural proofing as a flawed policy**

Rural proofing is similar to the idea of gender mainstreaming; this is the idea that all policies can be proofed to ensure that they do not disadvantage the named group in any way. The appeal of such a policy approach is that it is universal – it can be applied to all policy issues and aims to cover everything. The limitations are that it can also mean it covers nothing, because there is no evidence relating to detriment in a specific policy issue that requires a specific policy response. Instead rural proofing covers the economy, housing, services (health, education, post offices and so on) with no differentiation in strategy. The lack of empirical evidence is a significant issue. Policy responses should be evidenced but rural proofing is not premised on a solid evidence base. In our research the evidence underpinning the Rural Needs Act was very thin. This makes the desired outcomes of the policy difficult to identify. Failures in rural

\(^{494}\) Shortall, S. and M. Alston. To rural proof or not to rural proof: a comparative analysis. Politics and Policy. 44 (2) 2016

proofing can be blamed for every rural issue that is not addressed, but more or better rural proofing does not mean these problems will be addressed. We must consider if the problem is the policy of rural proofing itself rather than the charge that rural proofing is not being properly implemented.

2. **Rural proofing presenting rural areas as uniformly in need**

   Rural scholarship in the global North has moved away from the rural-urban binary; the idea of rural and urban areas as fundamentally different and hermetically sealed. This was true of pre-industrial societies, and it remains true for much of the global South. Many people in England who live in rural areas now commute to urban centres for work, urban dwellers go to rural areas for recreational purposes, and interdependencies between rural and urban areas are crucial to innovation and productivity for rural economies\(^{496}\). Rural proofing does not account for this fluidity. There is also an assumption that rural proofing is needed to mitigate against rural need, as most clearly demonstrated by the Rural Needs Act Northern Ireland. This uses the rural-urban binary, and presumes rural areas are all the same and that urban areas are all the same. If for one moment the idea of urban proofing is considered, the problems of not accounting for different social class positions in cities is immediately obvious. So too are the regional differences between cities (Newcastle/London). The same is true of rural areas; different social class positions mean different issues for people in rural areas, and urban adjacent rural areas are very different to remote rural areas. Rural proofing is too general. It suggests that rural areas are homogeneous, which they are not, and it suggests all rural areas are in need, which they are not.

3. **Lack of confidence in the Rural Needs Act**

   For the Northern Ireland research, people responsible for implementing the Rural Needs Act (previously responsible for rural proofing) were interviewed\(^{497}\). There was a remarkable lack of confidence in the Rural Needs Act. People felt it would be used as a means of pretending to engage with rural issues while not taking them seriously. Others felt it obfuscated informed fiscal discussions about what services it is reasonable to expect in rural areas and obscured differences between desirable and essential services. A recent commissioned report by the Rural Development Council of Northern Ireland found that 76% of respondents do not believe that the needs of rural areas will be fully met by existing policies and legislation such as the Rural Needs Act\(^{498}\). In other words, legislation has not convinced people that there is a real commitment behind rural proofing.

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\(^{497}\) The Local Councils are a new additions since rural proofing and have responsibility for implementing rural needs assessments now.

In the interests of brevity, just a few aspects of the research on rural proofing are presented here. It is perhaps time to consider if the problem is with the policy of rural proofing rather than how it is implemented. As it stands, there is no evidence base and no clear policy goals are identified. It is premised on a rural-urban binary which presumesthe each category is homogenous, which is very problematic. Rural areas are presented as pre-modern. In Northern Ireland, where rural proofing has been legislated through the Rural Needs Act, local councillors and stakeholder groups report having little confidence in its ability to be an effective policy. Instead they believe it limits critical discussions that should take place.

Sally Shortall

January 2019
1.0 National Context

1.1 Shropshire Council is delighted that the Select Committee hopes to learn more about successes and opportunities and new ideas, as well as barriers and prospects for the future. In this response, we set out how this looks in Shropshire and the wider Marches LEP subregion, and will be happy to share more detail with the Committee to illustrate our views of the rural economy. We have also included examples of success stories and good practice at various points in our overall response.

1.2 The Committee will no doubt be aware of a related strand of enquiry initiated by the All-Party Parliamentary Group (APPG) on Post-Brexit Funding for Nations, Regions and Local Areas. The APPG Inquiry has been initiated to assess views of stakeholders in the parts of the UK that currently benefit substantially from EU funding. Its stated aim is to produce a report that will seek to influence the UK government’s proposals for a UK Shared Prosperity Fund (UKSPF), which are currently expected to be set out in a consultation towards the end of 2018. The submission deadline is 14th September 2018.

1.3 Submissions being made to this House of Lords Inquiry are framed in order to respond to both inquiries in ways that make optimum use of time and material. A Marches LEP Area response was completed for the latter with the above approach in mind, and is referred to in this response. The Marches LEP response was made in draft form in August 2018 to assist the Local Government Association (LGA), County Council Network (CCN) and Rural Services Network (RSN) with collective submissions.

2.0 Shropshire and Marches Context

2.1 The Government stated in July 2018 that local areas in England are being asked to prepare Local Industrial Strategies to prioritise long-term opportunities and challenges to increasing local productivity. Partners in the Marches have positioned the LEP to demonstrate its proactive and focussed approach towards economic growth, by initiating work to develop a Local Industrial Strategy for completion this autumn. This work involves colleagues within the West Midlands Combined Authority (WMCA), and builds upon common themes including the role of physical infrastructure in facilitating economic growth.

2.2 Shropshire is a predominantly rural large county, with just under one person per hectare (0.98 persons; 313,400 population; source ONS mid year estimates 2016), for a terrain covering 319,736 hectares.

2.3 The county size is approximately ten times that of all Inner London Boroughs (31,929 hectares; source ONS Census 2011). Around 34% of Shropshire’s population lives in villages, hamlets and dwellings dispersed throughout the countryside. The remainder live in one of the 17 market
towns and key centres of varying size, including Ludlow in the south and Oswestry in the north, or in Shrewsbury, the central county town.

2.4 The Marches LEP is geographically one of the largest in the country, covering 2,300 square miles, and looks west to Wales and across to the West Midlands, as well as north and south to neighbouring areas. As such, the region has a collaborative and collegiate approach to partnership working, typified by the three local authorities of Herefordshire, Shropshire and Telford and Wrekin working together with business and academia through the LEP and with the Marches Nature Partnership, which acts as environmental sounding board for the LEP.

2.5 In recent feedback to Government about national policy development, on the Agriculture Command Paper and the Industrial Strategy, we have collectively sought to emphasise the need for robust evidence about communities and their needs, and to articulate concerns that rural evidence does not appear adequately factored in to proposed policy intentions.

2.6 We have commented on the associated desirability of utilising rural proofing and other impact assessments tools to strengthen policy and make best use of evidence, in social, economic and environmental terms, as well as the need for alignment of central government budgets and policies.

2.7 These remain very much live issues as well as opportunities, and we accordingly very much welcome the scope of the inquiry and the opportunity it has presented for evidence to be collated and considered. We look forward to results and to Government response to any recommendations that the Committee may make, and would be happy to provide further evidence, in person or in writing. This should be directed in the first instance to the lead officer, as per below signature and contact.

Thank you

Gemma Davies
Head of Economic Growth
Shropshire Council

3.0 Shropshire Council response to key lines of enquiry

3.1 General issues

Q1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Q2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

Q3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**
3.1.1 We have set this out as a response to Question 3, covering key economic challenges and key economic opportunities.

3.1.2 In the Marches area, there are **key challenges** that Shropshire Council and local partners would want to see national government take into consideration to aid economic growth and productivity.

3.1.3 In strategic terms, these include:

- national recognition of local and regional rural and urban interdependencies including directly through Government departments, and in liaison between civil servants and local authorities and partners through bodies such as LEPs and Combined Authorities;
- equity of Government funding streams for rural and urban areas that recognise the varying patterns and pockets of deprivation within an area;
- the practical realities of delivering economic growth ambitions in a large rural area and an acknowledgement that there are viability issues around the delivery of such a programme which will not happen without public sector support. Shropshire has a focus on strategic locations and key market towns, some of which require a consideration of green belt sites where all other options have been exhausted;
- less research and development opportunities compared to metropolitan and urban centres, which we are actively seeking to address by attracting HE provision and collaborating with the SME base, and on which more could be achieved with support;
- porosity of borders between English local authorities and those of the Welsh devolved administration;
- commonality of transport issues for local authorities in both England and Wales around supply routes to Ireland and Europe, particularly heading towards Brexit, where dependency on key arterial routes presents particular challenges in adverse weather conditions for trade traffic as well as for local commuters and businesses;
- policy drivers including an ageing demographic, reduced opportunities to access services such as banking in our market towns, incomplete digital connectivity, and funding approaches towards physical infrastructure that are currently weighted towards sheer actual weight of traffic and size of roads rather than concepts of road safety, and acceptance of the lack of viable public transport alternatives.

3.1.4 In Shropshire, **digital connectivity** is a prime illustration of an infrastructure challenge or barrier to growth that cuts across all sectors from agriculture through to retail and tourism, across all sizes of business including SMEs and start-ups, and across a demography that is ageing.

3.1.5 We have noted that Government identified “ageing society” as one of the four “Grand Challenges”, and would absolutely concur, with local challenges of ensuring access to facilities and services including digital healthcare as well as around social isolation. The Council is keen to work with Government to rise to this grand challenge, being well placed in terms of our ageing population and our strong care sector to shape the
policy debate from an informed perspective and contribute towards solutions.

3.1.6 The stated policy aim is to seek to retain our young people and encourage others to move here. This necessitates policy and action to create and nurture the conditions in which there are a mix of sectors in which to work, opportunities to start and grow businesses and families, leisure and recreation activities to follow, and a range of housing tenures in which to live, across our market towns as social, well being and business hubs as well as in more rural locations. All of this requires sustainable long term assured digital connectivity.

3.1.7 Equally, our older people retain a reliance on landlines, not least for telecare, both in rural areas and in market towns, as well as making use of broadband, whilst our visitors and businesses need to be assured of the reliability of mobile coverage wherever they may be. However, the incomplete access to superfast broadband, and the inconsistent nature of mobile phone coverage, are challenges that are seen as affecting social isolation, inhibiting local growth and deterring investment and immigration. This has been articulated to Government and through parliamentary inquiries and responses to Ofcom calls for evidence, where for example we have needed to make the point on social inclusion grounds that healthcare needs in emergency situations continue to warrant landlines at household premises.

3.1.8 There are likewise key opportunities. These include:

- strategic linkages between the Marches LEP and other LEPs and local authorities through the West Midlands Combined Authority, for example on the welcome news that the WMCA is to be the national 5G digital connectivity testbed, with a focus including health. We have previously volunteered Shropshire as a rural pilot area for 5G in terms of practicalities etc;
- cross border linkages with Wales on issues as wide ranging as supply routes, healthcare provision, tourism, and adverse weather management;
- current regional and subregional activity to improve transport corridors including the M54,A5 ,A49 and the rail network through agencies such as the Midlands Engine and through optimisations of opportunities such as HS2 and consultation on major road networks, to improve supply chain reliability in terms of access to goods and materials as well as to improve mobility for education, employment, leisure and healthcare;
- the emerging role of the Marches Nature Partnership as the environmental sounding board for the LEP, in terms of assisting local consideration and optimisation of natural capital to aid economic growth;
- shared aims around higher and further education and training, including upskilling and ongoing career development, through vehicles including the WMCA and its Commissions and through local authority actions such as those set out in Shropshire’s Economic Growth Strategy;
- actions we are already taking as a Council through our One Public Estate work, leading the programme for Shropshire and Telford and Wrekin, to optimise land use with other public sector partners, use our assets and resources in a smarter way and use our own requirements to initiate
confidence and wider investment, such as in our forthcoming Paul’s Moss health and community hub development in the market town of Whitchurch.

3.1.9 In Shropshire, the Council has already undertaken activity in preparation for Brexit, via an all-party Member working group. This collated and considered available evidence, including that of the South West Rural Productivity Commission and the Welsh Assembly report into the agriculture sector and post Brexit scenarios, and heard from a range of expert witnesses. Taken together with the resultant recommendations of the working group in May 2018, these present timely evidence for wider consideration at national level and have been shared with the LGA Post Brexit Commission.

3.1.10 What both of these Shropshire examples have in common is the approach of the Council towards strengthening and building local evidence bases about local and regional need, to then contribute towards policy decisions at national level that are grounded in reality. The Council and partners in the Marches subregion and at national level, such as the Rural Services Network, have sought to emphasise to Government that there is a current paucity of such information at national level. This is exacerbated by a lack of commissioning of research into factors that impact adversely on not only rural productivity but also overall productivity of sectors for whom supply chains may cross the countryside as well as draw from it in terms of natural resources.

3.2 Infrastructure and services

Q4. How can access to transport be improved in rural areas?

3.2.1 Transport poses practical challenges within Shropshire and across its borders to Cheshire and Staffordshire to the north, Wales to the west, Herefordshire and Worcestershire to the south and east, and across its eastern flank to Telford and Wrekin and the West Midlands. This is due to dependence on key arterial road routes that are liable to flooding, limited public transport, and nature of the often hilly terrain. High transport costs and service delivery costs arise accordingly, given these digital and physical challenges, not only for householders and businesses but also for commissioners and providers of services including adult social care and community mental health care.

3.2.2 Consequential impacts upon social mobility, where we have made response to the APPG Inquiry into Social Mobility in Rural Counties, are thus not of our own making as a local authority, but could in our view to some extent be minimised through factors such as fair funding for rural authorities, including recognition of the need for national investment in roads that to us are major and routes that to us are essential. More urban-biased criteria such as congestion simply do not recognise rural realities including unlit roads.

3.2.3 Just 15.8% of households in Shropshire do not have a car compared with 25.8% nationally. They are, however, an economic and social necessity,
given limited public transport options and lack of assured digital connectivity for education, study, business and social usage. Cars are also a major drain on personal finances, exacerbated by lack of rural garages and fuel poverty considerations for households where the prospects of higher waged employment are in any case lower than in more urban environments.

3.2.4 Whilst projects such as the ‘Wheels to Work’ scheme have positive benefits, this also does not mask either the costs of actually learning to drive, or the recognised higher incidence of road traffic accidents for young people on the rural roads of England (Source: Road Safety Analysis; “Rural Young Drivers Research”; Michelin, 2013).

3.2.5 The Shropshire Economic Growth Strategy has identified strategic corridors and growth zones linked to the strategic infrastructure network:

- The M54 and rail link between Shrewsbury and Wolverhampton. As part of this the Council has commissioned an assessment of the opportunities for growth along the corridor;
- A5 west growth corridor including Oswestry, the second largest market town, which is in the north of the county;
- Central Shropshire with major development in Shrewsbury. This serves a much wider catchment including Mid Wales with opportunities within Shrewsbury Town Centre and major employment sites including two Sustainable Urban Extensions. The Shrewsbury West Sustainable Urban Extension proposals include the construction of the Oxon Link Rd which has potential to be extended to form part of the larger North West Relief Rd relieving congestion around Shrewsbury. The Council successfully bid for a feasibility study funding for the North West Relief Rd albeit was unsuccessful in a follow up bid for construction;
- North East Shropshire and the A41, linking to the M54, which is linked to Whitchurch and Market Drayton and the HS2 hub at Crewe;
- A49 for strategic north south road and rail links that connect Craven Arms, Ludlow, and Church Stretton in the south with the proposed Crewe Hub and to Herefordshire including Leominster and Hereford.

3.2.6 The Council also concurs with the response on transport being made to the Committee by Herefordshire Council. This sets out in some detail the work of the Marches and Mid Wales Joint Appraisal Framework commission, which is seeking to build on the recommendations of the Marches and Mid Wales Freight Strategy produced in March 2018. The Freight Strategy had identified a number of different types of road scheme that would improve rural road transport: the JAF commission has developed an appraisal framework to prioritise these different types of intervention to help in setting a long term investment plan. The appraisal criteria included delivery against a number of economic growth and community and environmental objectives as well as scheme value for money and deliverability:

Q5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
3.2.7 As indicated in our commentary about key challenges, digital connectivity is a continued barrier to growth as well as to social inclusion. Alongside actions we are already taking as a Council and with Government to seek to improve the position for ourselves and for other rural authorities, we continue to make a series of points through as many channels as possible to Government about digital connectivity in terms of mobile as well as broadband coverage.

3.2.8 A key example is our dialogue with DCMS about a Government focus predominantly on 5G in an area where 3G and 4G are not yet assured, given our stated view that the new technology development has limited opportunities in addressing infrastructure in rural areas. We said to DCMS in 2017, via a response on extending full fibre networks, that 5G was in our view a long-term technology that will predominately benefit urbanised environments rather than rural hinterlands. We would very much want to stress that, although 4G services have been available in some geographies since 2012, many rural parts of Shropshire and neighbour counties still have not spot or partial coverage areas.

3.2.9 We also said that there are potential benefits for LEPs to seek collaborative delivery plans to address poor 4G coverage and new 5G coverage in urbanised landscapes, including major shared highway routes.

3.2.10 We are accordingly heartened by the news that the West Midlands has been selected to become home to the UK’s first multi-city 5G test bed, making the region the first to trial new 5G applications and services at scale as part of the Government’s 5G Testbed and Trials Programme. In noting that the Urban Connected Communities Project will develop a large-scale, 5G pilot across the region, with hubs in Birmingham, Coventry and Wolverhampton, we will look forward to working with our neighbours through the WMCA to see what can be achieved given the rural and urban interdependencies across the region, not least on highway routes and corridors.

3.2.11 Whilst we applaud the Government for having a created a long term ‘full fibre’ ambition, through its recently published Future Telecoms Infrastructure Review’ (FTIR), it should be set within the context of the current infrastructure deployment challenges in rural counties. Superfast broadband will continue to meet many communities’ aspirations in the short to medium term (next 5-7 years). It is the ‘technology disrupters’, early adopters and key employers who will demand the next generation of ultrafast/gigabit infrastructure sooner. It is important that the Government considers prioritisation of the most rurally disconnected premises to superfast broadband. Undertaking an upgrade of superfast to ultrafast could potential damage the reputation of local bodies if the slowest connections in rural areas were not given priority in advance.

3.2.12 Shropshire Council is currently participating in the LGA/ADEPT Digital Connectivity Group. As part of this role we continue to articulate the importance of addressing the most rurally digitally displaced. We have also taken recent opportunity to respond to Ofcom on the 700 Mhz Mobile
Phone frequency consultation previously used for Digital Terrestrial Television. The aim of auctioning this new spectrum is to place an obligation on the MNO’s to improve mobile phone (voice/data) coverage in rural areas.

**Mobile Connectivity Context**
- No reliable voice services geography (outdoor) in Shropshire from any MNO = 2.14%
- Voice services geography (outdoor) from all 4 MNO’s in Shropshire = 77.5%
- No reliable 4G services, geographic (outdoor) from any MNO in Shropshire = 9.68%
- The Government MIP intervention project failed to deliver any new masts in Shropshire, despite 10 sites originally being planned.
- There have been previous attempts by Government to intervene where there is market failure to address mobile phones gaps but these have proved unsuccessful. The £150m Mobile Infrastructure Programme failed to deliver any sites in Shropshire, where 10 had originally been planned. The failure of the project in part was that the planning and coordination was undertaken nationally rather than locally with direct intervention from the local bodies.
- Sharon White, the CEO of Ofcom, recently shared a view that to provide good a 4G network across virtually all the UK landmass would cost up to £6 billion and is likely to require some form of cross subsidy.

**Recommendations made to Ofcom:**
- Voice coverage remains more important to rural communities than data coverage. Voice needs to take a higher priority than on data services although we appreciate that new phone technology relied upon data;
- MNO’s should be encouraged to share infrastructure. Asking MNO’s to make information available about locations of new sites in rural areas, available to the other operators at least 30 days in advance of a planning notification, is insufficient. 3 months noticing should be a minimum requirement. At best, 6 months to allow for coordination and planning;
- We would recommend that MNO’s are encouraged to share existing, publicly funded mast infrastructure being deployed for Fixed Wireless broadband deployment as part of the BDUK programme;
- Within the 700 Mhz obligations we would recommend that:
  - 60% premises obligation is proportionately cascaded downwards to the counties which have the widest gaps on coverage;
  - 92% landmass obligation is proportionately cascaded downwards to the counties which have the widest gaps on coverage;
- Following licencing allocation we would recommend that Ofcom assess final 4G gaps and report to Government on a proposal, using public intervention, to address final gaps. Any programme that looks to address final gap areas needs to be coordinated through Local bodies.

3.2.13 For communities and businesses who live and work here, and for those who visit here, we also commented in Defra consultation on the Agricultural Command Paper that mobile connectivity is crucial for the land based sector in terms of their day to day farming activities; for the tourism economy, including online promotion, use of mapping tools to reach
attractions and accommodation, and use of apps such as TripAdvisor; and for communities themselves in their day to day lives.

3.2.14 This is not an issue exclusive to uplands areas, and indeed in Shropshire a recent large scale consultation by BT into proposed removal of existing callboxes indicated continued need for their retention across the county due to the patchiness of mobile phone coverage; the isolated nature of the communities in which callboxes are located; and the physical challenges of the terrain. The Council as Local Planning Authority continues to hold to a default position of retention of operational callboxes very much because of the concerns over inconsistent mobile phone coverage, and inadequate national evidence about such coverage.

Q6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

Q7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

3.2.15 An area where the rural card could be played is via funding to retail or wholesale businesses which specifically aim to support isolated communities, with the rules around funds potentially changed to address differing community needs. Shropshire’s IMD is low in terms of access to services.

3.2.16 Post Brexit provides opportunity to address the inflexibilities of current grant funds and establish ways to support businesses serving community needs, whether these are in terms of banking services, currently noted as the topic of a Private Members Bill and the subject of some interest here in Shropshire, more broadly retail endeavours often linked with post office services, or more specifically services that focus on a building from which social as well as retail offerings may be available, akin to the “Pub is the Hub” initiatives. These are unlikely to be preferred growth sectors but enhance the quality of life.

3.2.17 Retail and services have not attracted the funding that other sectors have and have been ineligible for European funding for example. However, retail is a key employer for Shropshire and the importance of market towns to the place shaping agenda cannot be underestimated. Retail has changed significantly and will continue to change and town centres need to be able to adapt and change to ensure they can still meet the needs of communities and act as hubs – support to help diversification of town centres and their place in the economy would be welcomed.

3.3 **Business, employment, skills and demography**

Q8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

3.3.1 Shropshire Council’s response here is firstly that of the Marches LEP response to the APPG Inquiry, given that joint initiatives on this matter can then very much build on what has been achieved to date through the
Marches LEP in terms of EU funding management, and what can be achieved going forward through Local Growth Funds and a Local Industrial Strategy that will progress on from the Strategic Economic Plan of the Marches. We have said:

- "It is important to address the skills challenges. However, it will only work if they are planned and coordinated locally and aligned with other initiatives to target training and career development of the current and future workforce and recognition of constraints in rural geographies, such as transport and physical and digital access to further and higher education opportunities.

- "There needs to be recognition within UKSPF that economic development covers a wide spectrum of activity, including public service delivery, clean growth that will protect the environment as well as make use of natural capital, and social inclusion, which may offer less tangible outcomes than job numbers but are important for social cohesion. These likewise cut across a range of sectors within a rural economy, and are impacted by the challenges of an ageing demography, including succession planning as well as health and social care considerations.

- "There needs to be greater flexibility around how funding can be used for capital infrastructure and access to services including service migration, town centres and their changing focus and role in society, and online services which support viability of businesses including food-related (production, supply and retail) and the visitor economy, whether in rural areas or more urban centres."

3.3.2 The Council’s further response at this time is to highlight some of the ways in which we are already working with partners and through our Economic Growth Strategy 2017-2021 to achieve progress, whilst the Strategy was itself the product of extensive consultation with the community and with stakeholders allied to in-depth analysis of need.

3.3.4 Shropshire’s ambition for our economy is focused on productivity, quality and collaboration. We have particularly low unemployment (3.4%), a resident population that is becoming more highly skilled and a successful business base. We currently have 15,440 SMEs registered. The number of non SME (plus 250 employees) businesses registered is only 35, meaning that Shropshire is predominantly made up of small medium sized enterprises at a percentage of 99.8%. 90% of companies are micro businesses i.e. employing less than 10 people. This has pros and cons – we are diverse and arguably more resilient but critical mass, and attracting research and development is more of a challenge.

3.3.5 As outlined in our Economic Growth Strategy, we must increase our economic productivity and grow the current economy from £6.1 billion GVA. Having such a high percentage of SME businesses presents challenges around high growth. We are looking to grow existing businesses and attract new businesses and investment into the county, by focussing on higher value added sectors, encouraging greater innovation,
supporting collaboration between education and businesses, and encouraging higher skilled professional and technical occupations.

3.3.6 The strategic focus is on three key objectives, underpinned by priority actions:

- Retain, support and grow new and existing businesses;
- Attract new investment from outside of the County;
- Develop and retain talent and skills.

3.3.7 We are supporting innovation and advancing solutions in our identified sectors, to enable growth in a competing global economy and within the context of Brexit. We have identified six existing sectors where there is strong growth potential, particularly with an emphasis on high growth and digital technologies:

- Advanced manufacturing including engineering & agri-tech
- Food and drink including processing, packaging and supply
- Health and social care
- Visitor economy (including heritage based businesses)
- Environmental science and technologies
- Creative and digital industries

3.3.8 Following the launch of Shropshire’s Economic Growth Strategy, one of the key target actions was the development of a local growth strategy for each of our key market towns (Oswestry, Whitchurch, Shifnal & Cosford, Bridgnorth, Market Drayton and Ludlow, with the Big Town Plan covering Shrewsbury).

3.3.9 These strategic documents sit beneath the Strategy and set out Shropshire Council’s economic delivery plan and priorities within these key localities, as well as being a ‘proposition’ type document to encourage growth and attract new businesses and investment into the area. There is a programme of engagement being undertaken across the county to help develop them, which includes engagement with local members, town councils, surrounding parishes and wider stakeholders including businesses and local business forums. The intention is for them to be complete by November 2018.

Q9. How can deprivation and inequality in rural areas be tackled?

3.3.10 One way the Council would like to comment upon is through equitable allocation of central Government funding. We commented as follows in response to the APPG about allocation of UKSPF funds across the country:

- Funding formulae needs to be equitable;
- The most accepted economic development measure is GVA, but it should not be used in isolation;
- The allocation of funds should be based around socio-economic profiles and data, including a range of indices that are as equitable as possible and that take due account of demographic factors, such as rural sparsity;
All measures need to be rurally-proofed, to enable that all areas are compared fairly in respect to socio-economic performance. For instance, certain indices to assess deprivation, including those in relation to car ownership, are urban weighted and do not take fuel poverty, including lack of access to rural garages, into account;

- Poverty rates, productivity levels, economic inactivity rates and more specific measures such as the proportion of the population with low skills levels should be considered important measures of relative need for allocation of resources;
- Increasingly, the gap between wages and housing affordability is also an issue.

3.3.11 Another way is through collaboration. We have said that there needs to be greater opportunity for collaboration across devolved nations, particularly in relation to border areas. The Marches area is a prime example, with Welsh and English authorities sharing a border. Current EU funding programmes, for example, actively prevent this activity taking place.

Q10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

3.3.12 Given that Shropshire has an ageing population and an ageing workforce, the demographic for the county is skewed. The number of children in the county is only now slightly increasing again after a decline. At 18, for young people going to University, there will be a drift out of the county for the perceived or actual greater opportunities in urban areas, albeit there is now University Centre Shrewsbury, our joint project with the University of Chester, as well as Harper Adams University. The universities attract students with the potential to retain them on graduation including opportunities through closer working with the business community and funding for collaboration on research projects related to the key sectors.

3.3.13 The acuity of rural isolation presents its own productivity challenges for young people, including access to and from education and employment, and skills opportunities that can enable qualifications to be attained, employment to be realised, and careers to be progressed. The housing offer and models are crucial here. e.g. role of private rented sector, alongside centres of activity and quality of life.

3.3.14 We have made the following observations to a current APPG and CCN Rural Counties Inquiry into Social Mobility:

- "If a young person lives in a town or village that has a decent public transport service, then physical access to the labour market is relatively easy. For young people that live in the more rural areas, accessibility can be a very practical issue. For many, the only option is to learn to drive and get a car, if they can afford it. Post 16 providers will run their own transport routes into college etc. For some, whilst there may be a bus route, it may not run at the times of day required to get to work/college/apprenticeship."
• "It can be hard to fill an apprenticeship vacancy if an employer is not easy to get to or requires a working hours pattern that does not fit with public transport. A Shropshire example here is of businesses at Stanmore in Bridgnorth, which currently struggle to get apprentices to work or to training. Examples have been cited of senior managers driving their apprentices to work."

• "There are limited opportunities for young people to access employment and/or apprenticeships in higher paid sectors. Whilst our key employment sectors are in agriculture, care, tourism and leisure, which are usually lower paid sectors, the Council’s Economic Growth Strategy is focused on higher value sectors and higher skilled and therefore paid roles. Ensuring that young residents can see they could enjoy a successful career in Shropshire is one of our key challenges, and working with education providers is important in this work.”

Q11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

3.3.15 The percentage of the population of Shropshire that are aged 65-84 is 20.3%, which is significantly higher than the England average of 15%. This is national data from the ONS Census 2011 and mid year estimates for 2016.

3.3.16 The care sector is therefore of some significance in Shropshire, not least with regard to employment, where care workers are drawn from Europe as well as England, with consequent implications for this sector identified through the work of the all-party Brexit Working Group. We have also noted commonalities of views on this from the work of the South West Rural Productivity Commission.

3.3.17 A report produced by the Council in 2017, “The Economic Impact of Adult Social Care in Shropshire”, demonstrates that the Adult Social Care sector makes a significant contribution to the economy of Shropshire, a contribution which will continue to grow as the sector responds to the rising demands for care of an ageing population and for people with a range of long term conditions, especially those in isolated rural communities. Whilst public sector funding constraints have presented challenges to deliver services and meet demand, it also presents the sector with opportunities to develop innovative solutions to further grow the economic and social importance of the care sector in Shropshire.

3.3.18 Headlines from the Council’s report as are follows:

• Nationally, over 4.2 million people are employed in the human health and social care sector. 8% of these are employed in the West Midlands. There are 21,500 people in paid employment in this sector in Shropshire, which is the equivalent of 0.5% of the national total and 6.4% of the regional total. Taken together, the health and social care sector employ more than any other sector both in Shropshire and in the UK.
The sector generated Gross Value Added (GVA) to the value of £117,336 million in 2016, of which 7.8% (£9,095 million) was attributable to the West Midlands. The value of the sector in Shropshire is £593 million (6.5% of the West Midlands total).

Adult social care accounts for 52.7% of employment in the sector in Shropshire, which equates with 11,300 job, and the economic impact associated with this workforce is estimated at £313 million.

Adult social care contributes a higher level of GVA to the Shropshire economy than agriculture.

Looking more broadly at the adult social care market to include the value of unpaid care as well as the spending power of recipients of those benefits specifically associated with the sector, it is evident that the economic impact is much more far-reaching than the value attributable to those that occupy paid jobs within the sector. The overall value of £647.1 million is the equivalent of more than £2,000 per head of population.

3.3.19 We have also made the following observations to the APPG and CCN Rural Counties Inquiry into Social Mobility, about volunteering, which could be looked at as an opportunity for older retired people to help the rural/local economy as much as for younger people:

- "Volunteering can facilitate social mobility, given the opportunities for those with decent qualifications, albeit without transport the ability to maximise these chances is limited unless people move from their home locality.

- "Shropshire has a large and active voluntary sector, supported by a county-wide voluntary and community sector assembly. National data as reported by the Almanac statistics from the NCVO suggest that educational qualifications of volunteers, paid or unpaid, are higher than average (on a par with qualification levels in the public sector and notably higher than the private sector). Applying national data on volunteer qualification levels to the local level would suggest that 44% of all Shropshire volunteers are educated to degree level and that just 1% have no qualifications at all.

3.3.20 Finally, we have referred to the Paul’s Moss development in Whitchurch as an example of a key opportunity to optimise land assets and create a new health and community hub on a single dedicated site in one of our larger market towns.

3.3.21 The Council agreed in August 2018 to invest in the project as part of plans to regenerate the town. The Council will now work with the Shropshire Clinical Commissioning Group (CCG) and The Wrekin Housing Trust to regenerate and redevelop the Pauls Moss site into a hub of housing, healthcare and community activity that will meet the needs of the local community and reflect the future design and delivery of health and social care services. Work is expected to take around three years and be completed by 2022.

3.3.22 The project will be funded by Shropshire Council, The Wrekin Housing Trust, Homes England, NHS England, Shropshire CCG and the One Public Estate programme. The Programme Director for the latter has commented
that:“Shropshire’s One Public Estate Partnership have worked at pace to bring this project forward since receiving the OPE funding earlier in the year. We look forward to seeing this rural health project progress and support the people of Whitchurch.”

3.4 Rural housing and planning

Q12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

3.4.1 The main issue for rural counties such as Shropshire is the adoption of the thresholds for contributions towards affordable housing that was introduced by the Ministerial Statement (Brandon Lewis) of 28th Nov 2014. This nationally applied arbitrary number/percentage ignores any local housing market intelligence and ignores such diversity, nuances and complexities within local housing market areas. Local expertise championed by a localism approach to planning should determine appropriate local policy.

3.4.2 Shropshire’s affordable housing contributions are almost exclusively delivered by development sites of 10 or less and without viability issues: over 85% of all Shropshire’s annual housing planning applications and housing delivery are on sites of 10 homes or less. We are a rural county, and most of our market towns and villages do not have development sites of 10 or more. This fundamentally restricts our abilities to deliver affordable homes and shifts the burden of provision back on to a small minority of developers and landowners.

3.4.3 Shropshire’s current local plan policy (since 2011) requires an affordable housing contribution on all domestic house building development (inc single units). To date through this policy, Shropshire has a current accrued development pot of £7.1m, an anticipated sum of £7.2m on permissions granted to date but yet to be implemented, and have already spent £4.3m from enacted permissions to help local Registered Providers and Local Entrepreneurs to deliver an additional 421 local needs affordable homes.

3.4.4 Shropshire, despite being a large rural County, has been ranked in the top 28 of 330+ English Councils every year (7 years) for housing delivery, demonstrated through the published New Homes Bonus payment tables. Only the South East and larger Metropolitan Councils have delivered more. To evidence that this contribution, which until the ministerial statement was adopted in Shropshire was paid by all, has not hindered development, we refer to Shropshire’s delivery performance and subsequent NHB settlements.

3.4.5 We can ably demonstrate that by understanding the local housing markets and engaging with development professionals to reach a consensus, this Localism approach has consistently brought sites forward and continues to develop local needs affordable housing through the generated s106 contributions. A national approach that ignores local housing expertise and
the capacity for the local housing market to deliver open market housing and s106 contributions, will deny LA’s such opportunities.

3.4.6 This level of delivery has now started to decline and will do so quickly as most developments are restricting their numbers to either less than 5 or 10 to avoid affordable housing contributions and in most cases will fill sites with larger units perpetuating the affordability problem in rural areas. As the contributions also dry up, the delivery we can directly facilitate will also reduce.

Q13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

3.4.7 The introduction in the latest NPPF that a larger percentage of sites are to be delivered on smaller and medium parcels of land, which can be developed out quicker will only exacerbate the issue of developers completing small number of units. It should be noted that the revised NPPF refers to the provision of affordable housing should not be sought for residential developments that are not major. Major developments are defined as 10 or more or 0.5 hectares. This is in direct conflict with the Ministerial Statement of November 2014 which referenced the threshold of 10 units or less.

3.4.8 The NPPF does assist with the delivery of different types of affordable tenures with the introduction of Entry level homes, Build to rent and Essential local worker homes but with the thresholds as they are these are considered to be equally hard to provide.

3.4.9 We are working with communities to produce more community led schemes, cross subsidy models and utilising the Right Home Right Place initiative that Shropshire Council launched in May 2018 to truly capture what communities need and more importantly what they can afford to pay for them. These developments are time and resource intensive for a small number of units, but without the thresholds being abandoned exception sites are our only option to meet the increasing affordable housing need.

3.5 Government policy, devolution and local government

Q14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

3.5.1 We have set out our response as three interrelated strands of commentary:

- Evidence;
- Rural proofing and equality impact assessments;
- Alignment of central government budgets and policies.
3.5.2 In terms of the importance of timely and robust evidence, we commented in the Marches response to the APPG Inquiry with regard to the overall budget for the UK Shared Prosperity Fund and how this should or could link up Government Department policies. This emphasises points we have previously made to the House of Lords NERC Act Inquiry with regard to policy linkages that appear to be weak at Cabinet level in terms of genuine understanding of the genuine challenges at local level for rural businesses and communities.

3.5.3 There is some appreciation in Government about the needs of the agriculture sector, and the willingness by Defra to engage in meaningful consultation on the Agriculture Command Paper was very much apparent and welcome.

3.5.4 However, some of this will have accrued from the experience of civil servants in working with farmers, and some will have derived from the backgrounds and constituencies of MPs. What these do not necessarily account for is the range of sectors within a rural area, where the land based sector is part of the picture but not the whole story.

3.5.5 Turning to rural proofing and equality impact assessment, the point we wish to make here is that whilst rural proofing of Government policy by and across Government can help to interpret the rural narrative and change the direction of the story, it is no different to equality impact assessments, in that screenings of planned policy developments are only helpful if actions are then taken to either mitigate negative impacts or enhance positive impacts of policy changes, against a background of ongoing consultation and engagement.

3.5.6 In Shropshire, we use an Equality and Social Inclusion impact assessment approach with the specific addition of a category for social inclusion that brings rural households into the policy equation. The aim is for all voices across all sectors and demographics including rural to be part of the conversation. We would like to recommend to the Committee that there is closer linkage between rural proofing and equality impact assessments.

3.5.7 The final part of the triumvirate of points is that of alignment of central government budgets and policies, where the Council’s response echoes that of the Marches LEP response to the APPG Inquiry:

- "There should be some form of strategic alignment between the UK Industrial Strategy and other government policies, including those around productivity, clean growth, skills and social inclusion, to ensure that work to reduce inequality and economic imbalances works alongside the growth agenda.

- "One approach is a single pot investment programme that can achieve an holistic approach to economic development that is efficient, focussed and has a maximum impact at the local level. A single pot could be implemented that builds in to UKSPF other Government funds such as from DWP, Lottery, Innovate UK and Growth Deal funds."
• “The UKSPF can help to align skills and infrastructure funding better but it is important that Government departments recognise the need to align LEP skills plans with local industrial strategies to allow for programmes of investment that fund skills alongside business support.

Q15 What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

3.5.8 Shropshire Council has noted the following recent statement by Government:

• “In line with the Industrial Strategy, we will set all Local Enterprise Partnerships a single mission to deliver Local Industrial Strategies to promote productivity. This should include a focus on the foundations of productivity and identify priorities across Ideas, People, Infrastructure, Business Environment and Places. In certain parts of the country this may involve an emphasis on skills whilst in others it may be land supply, congestion or working with relevant local authorities in the delivery of housing where it is a barrier to growth. In others, it may involve harnessing distinctive strengths to meet the Government’s Grand Challenges. And for others, it may involve identifying weaknesses in productivity across their local areas or communities and promoting inclusive growth by using existing national and local funding, such as in isolated rural or urban communities. This focus will ensure the benefits of growth are realised by all and that there are the right conditions for prosperous communities in an area.”

3.5.9 Whilst this is the only instance in the policy paper where rural isolation is cited, it is right for Government to also cite isolated urban communities.

3.5.10 In the Marches, collective work is already underway on Local Industrial Strategy development, working in close liaison with partners in the sub-region and with the WMCA, whilst the Council has also held a special Shropshire Business Board meeting to brief businesses on the Industrial Strategy White Paper and continues to work with businesses and through such channels.

3.5.11 There are three Business Boards in operation in the Marches, one in each local authority area, with these then represented by their Chairs on the Marches LEP Board. The chair of the Shropshire Business Board heads up a residential care company and works closely with the Council as well as across the LEP region with the other Chairs.

3.5.12 Each of our sectors has active representation on the Shropshire Business Board which gives a private sector perspective and also acts as an effective communication channel to key businesses and leaders in the county.
3.5.13 Improving productivity and growth of our SME base is a core part of the Invest in Shropshire offer and growing indigenous businesses. Business Support provision to the wider SME base in Shropshire is delivered primarily through the Marches Growth Hub, with Shropshire having its own physical hub, resourced by the Local Authority.

3.5.14 The Council is also playing an active role in the Challenge Fund set up by the Midlands Investment Hub that are relevant to Shropshire’s key sectors, i.e. agri-tech and food processing. The aim is to ensure Shropshire’s specific needs are communicated and fed in to ensure that our growth businesses have the opportunity to benefit from investment and innovation expertise.

3.5.15 This is also where Government funding streams can also be absolutely crucial, alongside what the Council is doing already through our Economic Growth Strategy and associated strategy and policy.

3.5.16 In terms of where local authorities should or could therefore fit into management of central government funding such as the UKSPF, we would make the following comments, made to the APPG and applicable to other funding streams as well as to central Government policy overall towards working with local authorities.

- "Local authorities have a key role in the local delivery of UKSPF, both in contributing towards the local industrial strategy as a LEP partner and in delivering projects through UKSPF. Government should consult with local authorities when designing the UKSPF because of their role in delivery of ESIF previously and the local knowledge they have around the economy."

- "Scrutiny and probity are key areas where the elected Members of local authorities are well placed as community leaders to help ensure necessary openness and transparency both in the strategic decisions to be made at local level about funding priorities and in the rigour applied to programme delivery."

- "This also brings in and optimises their role in liaising with local MPs on local, regional and national issues around economic growth and productivity across sectors in ways that account for not only rural and urban interdependencies such as supply chains but also the continued need for robust evidence bases about local needs."

10 September 2018
Somerset is distinctively rural and relies heavily on its market towns for employment and services. According to ONS data from the 2011 census, 48.2% of Somerset’s population live in rural areas, making it one of the ten most rural authorities in England.

Somerset’s rurality has both positives and negatives. It is an attraction for many and a natural asset, but creates challenges, most notably regarding physical and digital connectivity, which among other things are associated with issues of rural isolationism and, in places, social immobility.

Somerset has an ageing workforce and population. With a net increase of retirees and a net out-migration of younger people far more pronounced than is the case nationally, the county experiences skills and labour force challenges as well as increasing pressures on local services. As the Rural Services Network has regularly pointed out, rural areas receive proportionally lower levels of funding than urban areas, despite the fact that in certain instances (e.g. social care) the costs are proportionally higher.

Responses are set out below to a number of the Select Committees’ questions. The responses are based on views and evidence collated from across Somerset County Council (SCC).

**Key Asks of Government:**

1. **Rural Infrastructure and Services**: Ensure that any criteria set (e.g. those defining the Major Road Network, or those required for passenger transport legislation) are rural proofed and flexible. By this we mean taking into account: transport and economic seasonality; rural population profiles and their dispersed distribution; the difficulties faced by commercial services and a reliance on the voluntary sector (e.g. Community Transport); consideration of Nationally Significant Infrastructure Projects; and an area’s desire to grow economically.

2. **Rural Digital Connectivity** – It is vital for Somerset’s rural economy that government honours its commitment to the Universal Service Obligation (USO).

3. **Long term investment in Social Mobility issues** – The Opportunity Area status given to West Somerset based on its very low social mobility promises to bring forth valuable investment in the area. However, such programmes need longer-term horizons, recognising the fact that social issues like this require protracted investment. Unlike with Opportunity Areas, it is also necessary to take a more holistic view of the remedial actions required to redress social immobility besides investment in education and skills only.

4. **Rural Economic Development Funding** – The LEADER programme has made a valuable contribution to rural economic development in Somerset.

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499 In 2017, 24.2% of Somerset’s residents were aged 65 or over compared to 18.2% nationally, with figures for 20-34 year olds standing at 15.2% and 20% respectively (ONS Population Estimates, 2017). In the last 20 years (1997-2017) the percentage growth of over 65s has been 42.8% in Somerset, compared to 29.7% nationally (ONS Population Estimates 1997; 2017).
This has been funded by Pillar 2 of the Common Agricultural Policy (CAP). The Health and Harmony consultation in the Spring of 2018 set forth no consideration of LEADER alternatives post Brexit and CAP.

5. **Rural proofing of the Shared Prosperity Fund** – It is imperative that future funding streams (including any allocation mechanisms put in place) are sensitive to the different dynamics of the rural economy, including the fact that costs of intervention are often higher.

**Infrastructure and Services**

**Question: How can access to transport be improved in rural areas?**

Somerset is dissected by key road and rail links, which are a significant strength for us in terms of inter-area connectivity, but there still remain notable challenges for intra-area connectivity.

As a rural region with dispersed settlements the current Strategic and Major Road Networks do not address the critical importance of some of the regions roads to support economic growth. The South West is hungry for economic growth and the road networks form a critical part of enabling growth and improving productivity. Classification of the network doesn’t always reflect the seasonality of our region which plays a very important part in the economy of the region and puts significant pressure on the road system. Nationally Significant Infrastructure Projects in the region (such as the Hinkley Point C development) should also be considered in any network development.

**Local & Community Transport**

A significant transport challenge is the viability of the bus market, with only one large bus operator in Somerset, despite the council’s work to encourage new entrants. Increased costs through changes to bus service operators grant, increasing accessibility and emissions requirements, driver training requirements, maintenance and licencing requirements, running costs and driver availability all act to discourage viability for bus operators.

Rural areas rely on community transport (CT) in the absence of other services. The potential change to section 19&22 permit issued to ‘not for profit’ community organisations (that use these permits to undertake transport contracts) will result in increased costs for CT groups and will reduce the volunteer driver pool due to enhanced training requirements. Many CT groups will struggle to remain viable and their withdrawal from the market will lead to significantly increased costs for delivery of statutory school and social care transport services.

In Somerset the number of paid passengers on public transport has diminished with approximately 75% of trips now undertaken by concessionary pass holders. An unintended consequence is lack of frequency and convenience. Through local consultation many concessionary pass holders have said they may be prepared to pay a proportion of the cost of travel in order to ensure that a service is available to their community. Pressure will remain unless Government changes its national policy.

Rural cycling networks vary in quality and are generally focussed around the leisure cycling market which means they are less likely to be used for commuting
or other essential journeys. Many of the most direct roads carry high speed traffic which is barrier to use for many cyclists.

The lack of alternatives means that most trips in rural areas are made by car; for those without access to a car this locks them in to a position of social isolation and poor wellbeing.

The Total Transport Project

The Department for Transport's Total Transport Pilot Fund awarded Somerset CC £305,000 towards the development of a transport journey planning and booking web portal. This is intended to be a ‘one-stop-shop’ for all passenger transport related services in Somerset and provide functionality to journey plan with ‘alternative’ transport such as community transport and community car schemes, as well as public bus services. Development is soon to commence, with an estimated launch date in autumn 2018.

Rail Transport Network

SCC does not provide rail services, but does have an influencing role to play with regards improving services. The South West is dependent on a limited strategic transport network, and this is particularly so to the west of Taunton. The network suffers from deteriorating infrastructure resulting from a history of underinvestment and damage caused by extreme weather such as the flooding on the Somerset levels. Network Rail warns that there will be an increase in disruption and closures while the south west already suffers from fewer than 50% of long distance trains arriving on time. The network currently has no alternative route in the event of the mainline west of Exeter being closed for maintenance. Improvements to the diversionary route between Exeter and Castle Cary, allowing for use by both London and local services could create economic benefits of £50m over 30 years. The development of future freight, distribution and of logistics hubs such as seen in Bridgwater, and indeed the continuation of existing activity, can only occur if the network is resilient.

Question: What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Digital connectivity is at the heart of the modern economy and essential for growth. Significant progress has been made across Somerset in terms of digital infrastructure, however, the premises that remain are those that reside in the most rural parts of the county, which are the most difficult and costly to connect.

The barriers to growth created by poor digital connectivity include:

- An inability to reach wider markets and suppliers through digital access. Rural England reports that growth of the digital economy has the potential to reduce traditional rural constraints (e.g. distance from markets, business services, lost economies of scale).
- Digital connectivity can increase productivity across the majority of businesses through efficiency savings as processes are computerised.
Arthur D Little Consultants have suggested that “productivity can uplift by up to 0.3% if broadband speeds double\(^500\)”.

- Digital connectivity enables collaborative working with individuals and other organisations that are not in a business’ locality. For some businesses digital connectivity is vital to keep pace with developments in their sector (Rural England).
- Social media is central to brand promotion and growth, but it is not possible to exploit this opportunity in the absence of strong digital connectivity. 75% of rural businesses surveyed by Rural England confirmed they use social media.

Digital connectivity in rural areas can be improved through the following:

- **Further investment in infrastructure, which is future-proofed.** A survey of UK rural businesses shows those businesses which have superfast connectivity are most positive about the benefits that digital take-up has delivered in terms of business efficiency, turnover and profitability compared to those businesses without a superfast connection. Arthur D Little Consultants report that we need to be looking at FTTP/H if we are to have a digital infrastructure fit for future need.
- **Investment from central government** is required to improve digital connectivity in rural areas as it will not be done through commercial programmes alone. Greater investment in digital technologies and connectivity in rural parts of the UK could add between £12bn and £26.4bn annually to the British economy, and increase business turnover by £15bn, according to a study conducted by think tanks Rural England and Scotland’s Rural College (SRUC) on behalf of Amazon.
- **Private investment.** The cost of providing a future-proof digital solution across the UK runs into tens of billions according to industry experts, this cost cannot be met purely by central and local government.
- **Investment in digital skills and IT support for rural areas.** A report by Rural England (March 2018) confirms Investment in Digital Skills training for individuals and businesses goes hand in hand with investment in infrastructure. Without digital support rural communities are unable to maximise the benefits of digital connectivity once in place. Rural and market towns should explore the scope to create or support viable enterprise hubs, offering high-spec connectivity, training space for local business people, and rentable workspace for home workers, flexi-workers and start-ups.

**Business, Employment, Skills and Demography**

**Question: How can deprivation and inequality in rural areas be tackled?**
Since 2010 there has been a slight shift towards greater deprivation in Somerset relative to the rest of England, particularly in relation to the quality of housing. The majority of areas that were considered to be deprived in 2015 were in West Somerset, with relatively small pockets of deprived areas ranging throughout the area. “Nine Somerset LSOAs are now amongst the most deprived

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10% nationally, up from five in IMD 2010\textsuperscript{501}. Somerset is ranked as being between the 98th and 116th most deprived upper-tier local authority in England (of 152 local authorities). Somerset is an area that is consistently performing worse than other areas in encouraging social mobility and this is especially pronounced in the most rural of Somerset’s districts, West Somerset, which has the lowest social mobility of all local authorities in England according to the ONS. Our West Somerset Social Mobility Evidence Base points to unemployment and inactivity, low pay and poor career progression, and a lack of opportunities within the area, as key factors.

The main reason for 20-39 year olds’ economic inactivity was caring for home or family, whilst amongst 40 to 54 year olds long term sickness/disability were the most frequently given reasons for inactivity; this suggests that interventions to improve the health are important in helping older people to return to work. Somerset also has a higher than average rate of working age people not gaining a Level 2 (GCSE or equivalent) qualification and this is highly correlated with low skilled, low paid, insecure employment. A survey conducted in 2018 illustrated that deprivation and inequality can be tackled by a number of changes,\textsuperscript{502} including increased adult education, transport improvements between the rural and urban areas of the county and increasing child care facilities. Making childcare services more affordable and flexible should work to assist single parent families and gender equality by helping both parents go back to work.

**Question: What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

According to Somerset Intelligence, “around 1 in 10 people aged 65 or older are thought to experience chronic loneliness at any given time”\textsuperscript{503} and “about 1 in 6 social care users aged 75 or older in Somerset said they had insufficient social contact and/or felt socially isolated”. While some work is being attempted to solve this issue, greater efforts are needed. Older people are particularly vulnerable to feeling socially isolated due to the poor public transport system (see above). Moreover, attitudes to the employment and training of older people need to be improved so that they are seen as an asset to the rural economy. The Promising Approaches\textsuperscript{504} plan published by AgeUK, explores multiple different solutions for decreasing loneliness, including among others neighbourhood approaches, education for elderly people in technology, volunteering and community based transport development. Investment in improving the lives and health of older people will save public money on the longer term.

**Rural Housing and Planning**

\begin{footnotesize}
\textsuperscript{501} Indices of Deprivation 2015 – Somerset Summary, p. 3
\textsuperscript{502} Indices of Deprivation 2015 – Somerset Summary
\textsuperscript{503} http://www.somersetintelligence.org.uk/older-people/
\end{footnotesize}
**Question: How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

Under the current planning system, the subsidy that creates affordable homes can either be from reduced land values (as happens on rural exception sites) or via access to public funds / grants.

Accordingly, private land owners need to be incentivised to bring forward housing land at an affordable price. Instead they are holding back in the hope of higher returns at a later date. Alternatively one could look towards “rural proofing” for improved access to government grant in order to reduce the over reliance on rural exception sites.

The current financial mechanisms present real challenges to the delivery of affordable homes.

In various forms, the lack of access to government grant has placed an over reliance on rural exception sites. Continual changes in government policy to the definition of “affordable housing” (e.g. “starter homes”) have in effect allowed “market” housing to be built on rural exception sites. Changes to national policy on site-size thresholds below which the local planning authority cannot seek affordable housing combined with muted discussion on government policy that would have resulted in the properties not remaining affordable in perpetuity have thus undermined their very purpose. It has resulted in a situation where in rural areas land which can be developed for affordable housing is harder to come by.

When set against known rural need as documented in District Housing Needs Surveys / Housing Registers, local authorities are expected to be active housing enablers but our capacity to deliver new affordable homes also presents real challenges. In common with many shire areas, financial pressures are reducing the capacity and skills across the local government sector to support such planning and economic development. It requires a fairer funding deal for rural areas and County Councils such as Somerset.

House building by Local Authorities is not a realistic option. The general shortage of publicly available land in the right locations limits the effectiveness of this option. The delivery of new affordable homes across Somerset is likely to involve the Registered Providers (e.g. Housing Associations).

**Question: How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

It is too early to say how revisions to the National Planning Policy Framework (NPPF (July 2018) will affect rural housing and the wider economy. As advised below, continual changes to the definition of affordable housing have in effect undermined their very purpose.

There is no allocated development land for housing in any village, or any community land trust in Somerset in order to empower communities into bringing forward rural exception sites for affordable homes (see http://www.communitylandtrusts.org.uk/what-is-a-clt/success-stories). Further relaxation of permitted development rights could make planning permission
easier to obtain and would act as an incentive for private house builders to enter the market. However, after a series of planning reforms, current regulations are essential.

Further innovative ways of providing the affordable homes in rural communities needed without interfering with the legitimate rights of existing residents to make comments on planning applications can be considered. For example, more neighbourhood plans could set out limits to restrict “change of use” of homes to holiday lets, or as a second home. Removal of the site-size thresholds below which the local planning authority cannot seek affordable housing who also assist.

The rural housing crisis is part of a wider issue. It also transcends planning. For example, it could be deemed necessary to consider fiscal policies to regulate demand and encourage borrowers to fixed long-term interest rates. In this case, repayments would be constant, and the impact of interest rate changes on the housing market, and the rest of the economy, would be greatly reduced.

10 September 2018
Thank you for the opportunity to present evidence to the Select Committee. The two Councils share services and, with being rural Councils in the south west, share the same views on this matter. The Councils agree with and support the responses that have been submitted from the Rural Services Network. The Councils would make the following supplementary comments:

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The rural economy is characterised by groups of small and interdependent, but physically separated settlements. In our areas farming and tourism are the most significant elements of the economy, although a key characteristic is a high degree of self-employment within a diverse economy.

Retail tends to be smaller scale with many of those living in rural economies relying on trips to urban centres or online services.

The combination of seasonal variations in employment and relatively low pay combine with poor retention of school leavers (leaving for larger settlements with more diverse opportunities and more affordable housing options) as a self-perpetuating break on productivity and quality in the economy.

Education achievement is relatively and generally good – yet due perhaps to poor retention of the young and lack of specialists education and training, employers can struggle to fill niche employment roles. This may be a key factor in limiting the growth potential of the many start ups, which are possibly driven by older, educated, experienced and wealthier people moving to the area later in life.

Rural isolation is also in a negatively re-enforcing cycle: lack of demand for local services can lead to closure. Closure of pubs, shops and post offices are having a negative impact on the character and vibrancy of settlements, particularly smaller hamlets and villages.

At this time the impact of technology on the patterns of working; retail and service consumption / provision and community are mixed, but mainly negative. A co-ordinated, well planned and resourced response could reverse that trend and / or even make (some?) rural areas more attractive than some urban locations in terms of locations to work, live and access services.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Projects catalysed through Community Land Trusts, Neighbourhood Plans and the Coastal Communities Fund demonstrate how co-ordinated, planned and
resourced actions led by communities can have significant positive benefits. Most projects are transferable – the same issues, similar solutions, it would just be the size and scale that would need to change depending on the areas.

South Hams and West Devon Councils have delivered Affordable Housing through the Village Housing Initiative (the Council supporting ‘exceptions sites’ for development) and are bringing forward community housing projects utilising the Community Housing Fund. Truly AFFORDABLE housing is rarely delivered, however. A key problem is that the Government definition of what constitutes AH appears to be a model based on what might work in the south east of England. In SW Devon 80% market value is not affordable.

Neighbourhood Plans can be a significantly positive tool, but the experience in this part of the world is that these groups can become dominated by the affluent, educated retired people who have a vested interest / personal preference (entirely legitimate, of course) in resisting development whereas the younger population and those who find the planning system complex and intimidating (those more likely to support pro-active measures to improve access to housing and services) find it difficult to get involved in any meaningful way. The Government could help make NPs more inclusive by improving funding and rewarding an innovative agenda; and requiring (and funding) greater involvement by all local agents / service providers / LPAs.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

The rural economy in South West Devon has many advantages that would be prized by footloose companies. This includes the high quality environment, a well-educated workforce and a potentially strong brand association with an area that has a positive national and international image.

Technology is key to the rural economy hosting the footloose. Start-ups rely on technology, access to larger than rural markets and skilled workers. In respect to the latter poor access to affordable housing is a major constraint.

Specific sectors that is both needed and might flourish given the right technological support is well-being and creatives. Again, the environment lends itself to positive circumstances for effective services; and there will be strong demand for services to help older people live independent lives for longer. The opportunity to develop an education and skills hub around this agenda is very strong and very much necessary.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

Rural areas are largely dependent on the private car to access services. This is a key factor re-enforcing the trend that rural living is a viable option only to the wealthy.
Bus routes and frequency are limited, making it unreliable and inconvenient in many part of West Devon and South Hams. Public solutions require subsidy – either directly from Government or through funds secured through section 106 legal agreements. A proactive community led approach to development (see NPs / CLTs, above) is more likely to secure the latter than the current system where housing delivery is dominated by private interests with an over-riding objective of maximising financial reward.

Communications technology provides a potential solution, but again needs funding. Easy and affordable access to live information can facilitate on demand bus, taxis or other services such as electric segways. The latter is perhaps more fanciful in terms of viability, but is certainly deliverable if co-ordinated with a concerted effort to link rural settlements (sharing services) through investment in foot / cycle paths.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Poor digital connectivity is a significant barrier to economic growth in that it removes the possibility that footloose companies can locate within them and enjoy equal access to information and markets.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

One stop shops and companies working together can be a solution, particularly for the private sector. The local government agencies in our areas are already working together to deliver services in the most rural areas. This can be done achieved by agile working in shared touch down locations throughout the area.

Shared services across linked villages – see answer to 4, above.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

Community Land Trusts (CLTs) and Neighbourhood Planning groups are encouraged to be proactive. Many CLTs start with housing and they then have a constituted legal vehicle to move on to other ventures such as community shops, post offices and pubs. This can maintain employment and continue to support the local area to ensure that villages continue to thrive.

**Business, employment, skills and demography**

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

Measures to equalise access to services (see above) and affordable housing can break the current cycle of rural living becoming a less viable option for the less wealthy.
In addition linking education and business opportunities.

9. **How can deprivation and inequality in rural areas be tackled?**
See previous answers.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**
In addition to the above, rent to buy models for housing provide an opportunity for people to remain in the rural areas. It is not just the housing type / tenure that is important: layout and design of development is also a key factor that can re-enforce mutually beneficial inter-dependent living, particularly intergenerational.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

Our local authority is keen to work with providers both private and public to consider alternative models of delivery. The issue with the ‘extra care’ model means that the quantum of development is only achievable in the main towns. These are also expensive schemes to deliver and viability often is brought in to question. In terms of affordable housing, many of the RPs who operate in our area are withdrawing from providing this type of accommodation.

In many cases our communities are looking at a very small number of properties to be delivered through their neighbourhood plans. The developable land in many of our rural locations is restricted due to special land designations such as AONB and National Park making numbers limited.

More ambitious, but of potentially significant benefit, are projects linking welfare to community service and education / mentoring of older generations to younger (see also 10, above)

*Rural housing and planning*

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

The predominant housing delivery model (and one enshrined in our emerging development plan) requires 2 open market houses to be built to finance 1 affordable. In an area with significant environmental constraints this is not a viable long term strategy – typically when the limited land that becomes available is marketed it is sold through auction (resulting in an inflated value) to
private developers, who then seek to maximise financial returns. A different delivery model is needed.
The council is currently trying to bring forward several community housing schemes which could improve the affordability of homes to rent and purchase by delivering sub market products for both of these tenures. The fact that they are re-sold or let with these restrictions will enable them to be affordable in perpetuity. The government has also announced that social rent will be targeted in several rural locations, south Hams and West Devon are included in this. The issue will be around the willingness for RPs to deliver social rent – an acute problem in parts of South Hams.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

The reduction in on site provision of housing in the rural areas has been noticeable due to the changes in the thresholds of on-site delivery and the ability to collect financial contributions in lieu of housing. The launch of the NPPF 2018 (noting paragraph 63) will hopefully address this and allow the authorities to take contributions from smaller development and / or to provide on-site housing. The impact of the previous thresholds saw a decline in the numbers of properties being delivered and therefore many people will have had to move away from jobs and family support in order for them to secure more affordable housing.

In the South Devon AONB the problem is possibly more acute since land for housing is severely restricted. It may be necessary to allow Councils to compulsory purchase land for development at values that offer a return to landowners, but allow substantial payment to accrue through s106 agreements.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?
No further comment

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?
No further comment

10 September 2018
South Lakeland District Council – Written evidence (REC0148)

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

Rural economy in South Lakeland (district administrative authority), and further afield through Cumbria (county authority and LEP boundary), largely consists of three sectors: agriculture (rural), tourism (visitor) and advanced manufacturing. This makes for a diverse and resilient economy, in South Lakeland especially, a large part of which exists in ‘rural’ areas, though there is some confusion as to what is defined as ‘rural/semi-rural’, ‘urban/semi-urban’, or ‘hub towns’. South Lakeland (population 103,000) largest settlements (principle services centres) are Kendal (population 28,300) and Ulverston (11,600), which are set to grow considerably over the next 25 years due to our Local Plan Land Allocations. These are followed by three key service centres of Grange-over-Sands (4,100), Kirkby Lonsdale (1,800) and Milnthorpe (2,000), also experiencing projected growth. These are complimented by key service centres and showcase areas within the Lake District National Park Authority of Windermere (8,300), Bowness (3,800) and Ambleside (2,600). Again, South Lakeland has ambitions to grown as a district, to support business growth in the private sector.

The word ‘rural’ can be synonymous with disconnected, remote and isolated. South Lakeland does not prescribe to this, and we work actively to showcase the area as the ‘best place to live, work and explore’. The rural economy is often overlooked by central government when it comes to infrastructure projects and improving connectivity. South Lakeland’s economy is semi-rural, well-connected and growing. Connectivity is crucial to this, both physical and digital.

Cumbria LEP Rural Economy Growth Priorities:
1. Maintaining and enhancing the special qualities of Cumbria’s rural areas;
2. Capitalise on our rural strengths: Exploiting our brand; Adding value to under-exploited rural resources; and Deepening existing rural supply chain/clusters;
3. Building a location for future businesses;
4. Exploit the major new project opportunities for local rural supply chains.
2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

   The Rural Growth Network delivered by Cumbria LEP, Cumbria County Council and Cumbria Chamber of Commerce. This funded supported the delivery of new or enhanced business facilities throughout South Lakeland, including The MintWorks, Kendal; Clawthorpe Business Hub; Sedbergh Business Hub; Marl Business Hub in Ulverston; and The Beehive and Hub at Ambleside Campus (University of Cumbria). The market has since seen an increase of small business units and incubation units due to this RGN funding, as since these hubs have been delivered, new private sector developments and facilities have been brought on to the market in location such as Windermere, Staveley, Prizet (outskirts of Kendal), Ulverston, various Kendal town centre locations, proving that there is a huge demand for smaller business units.

   Small business rates relief is a genuine positive initiative that is well received in the district; many of our shop units in the high street are quite small, a major contributing factor to our high percentage of independents, SBRR therefore helps the eclectic mix on the high street.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

   South Lakeland District Council is a small yet ambitious authority of approximately 103,000 residents, striving to be the best placed to live, work and explore. We do not just focus internally, but rather are working with our neighbours in Barrow-in-Furness and Lancaster, as together, we make up a functioning economic geography where 96% of the residents both live and work between these three administrative boundaries, based around the spectacular Morecambe Bay.

   The liveability offer in South Lakeland and across the Morecambe Bay is second to none, and more and more it is clear that London is no longer the centre for commerce in the UK. South Lakeland’s future lies with Lancaster and South Cumbria (population 313,000 combined, 154,000 economic active people), driving growth together with an economic partnership, at the forefront of innovation and growth, embracing the changing face of industry and welcoming new business. Lancaster and South Cumbria is pivotal to the Northern Powerhouse, with a £7bn economy and GVA growth between 2010 and 2016 of 34% (some of the fastest in the UK).

   Opportunities for growth in Cumbria (Cumbria LEP Rural and Visitor Economy Growth Plan):
   - supporting farming skills development and best practice including use of technology
   - facilitate the process of succession in our farms to provide opportunities for young people
- support transition to new post-Brexit model of sustainable farming
- towards a future proofer model of sustainable farming
- re-invigorate work to use Cumbria/Lake District brand to sell the best of our produce
- increase processing of dairy products in Cumbria
- expand the production and use of Cumbria’s forestry resources
- expand renewables on farms
- develop the cluster of agricultural supply, technology and advice businesses
- developing and expanding expertise in environmental land management
- become major supplier of adventure capital goods and services
- develop a vision of Cumbria as the ‘Rockies of the UK’
- develop Cumbria as test bed for the application of new technologies in rural areas
- secure developer contributions to mitigate the impacts of major developments and maximise economic benefits.

Localism offers an exciting opportunity for communities to address their own challenges and speak out about their struggles as well as their unique offer as visitor destinations, as places to relocate business, and as homes for young families. For this to happen, however, communities must understand the need for change, be empowered to deliver changes for their own communities, and have the backing of local authorities and business to implement change and improvements.

**Infrastructure and services**

4. **How can access to transport be improved in rural areas?**

South Lakeland is restricted by its geographical landscape in terms of infrastructure interventions. Existing walking and cycling infrastructure can be upgraded to encourage resident and visitors to drive less and utilise sustainable methods of transport including public transport. There are a number of key transformational cycling and walking infrastructure projects in South Lakeland that would both offer more suitable transport routes for commuters and leisure seekers, whilst simultaneously offering visitor attractions that are second to none. Rural transport services have experienced severe funding cuts over recent years, which has encouraged more people on the roads in cars, and does not support the exemplar sustainability initiatives, such as SLDC’s Active Travel agenda, that are encouraging people out of their cars.

Improved transport interchanges throughout the district will improve access to transport in the district (highlighted in the Kendal Masterplan and Transport Study, and Windermere Station Vision).

Severe flooding in December 2015 highlighted the need for upgraded infrastructure worsens the effects of flooding, particularly in the River
Kent catchment (Kendal, Burnside, Staveley). A quarter (25.5%) of damage to the PROW network within the National Park occurred in South Lakeland, with 140 items damaged. In total, 71 bridges and 69 paths and associated structures were affected across 28 parishes, costing an estimated £1.50m to repair. Many damaged structures have been restored, though many are awaiting repair works and funding, cutting off communities from services and schools. Lakes (Grasmere) parish was the worst affected of South Lakeland’s parishes, with 20 damaged PROW items and repair costs estimated to the in the region of £283k. Without crucial infrastructure repairs, access to transport becomes more difficult.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

Poor digital connectivity is one of the most important drivers when deciding to set up a rural-based business, both for start-ups and those choosing to relocate. There are also significant barriers for homebuilders and home owners when building and selling houses, as demands from consumers are changing in terms of an expected level of digital connectivity and availability of these services, which can be difficult to deliver in a rural setting.

The opportunities arising from technological advances are endless, though there is an aversion from some industries, local SME’s and family businesses to embrace these opportunities. More and more aspects of rural and agricultural businesses are completed online and therefore rely on reliable and steady internet connection, therefore rural businesses may find themselves disadvantaged in basic services (for example, increasingly access via ‘the cloud’). Digital enabling and upskilling in rural communities and businesses are needed for those who don’t have digital skills, so to better engage when rural services are lost or closed.

South Lakeland is well placed with its aging population, rural isolation and scaled back health and social provisions, to trial new digital health initiatives that both enable aging populations to learn new digital skills whilst also addressing their health needs in the community.

Where digital infrastructure has been upgraded, better engagement is needed in areas with particularly low uptake, where there may be barriers due to costs being prohibitive or residents and businesses not appreciating the opportunities that come with fibre broadband.

In South Lakeland, 93.4% of properties can access standard broadband speeds over 10Mbps, with 90.5% access to superfast services. These are predicted to increase to 98.7% and 95.1% respectively, by the end of September 2018. Those small percentages that fall outside of the coverage tend to be the most rurally isolated, and innovative solutions are needed to address these rural areas that are told they will never benefit from upgraded broadband infrastructure. The likes of ‘Broadband 4 the Rural North’ (B4RN), a community model offering mega fast broadband, reliant on easement
from rural landowners, are challenging commercial providers by offering low cost connections that are some of the top speeds in the world, and also contribute to community projects.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

Second homes, particularly within the National Parks (Lake District and Yorkshire Dales, though there are signs of this more and more on the periphery of Parks), have a detrimental impact on communities, business and rural services, particularly on the decline of core services such as education, healthcare and banking, whilst also artificially inflating house process so that local residents have no prospect of getting on to the housing market in towns they have grown up in, work, and call home. This does not make for resilient, sustainable and vibrant communities.

A change to council tax applicable on second homes, which could be retained and put back in to community housing scheme and projects for affected communities. There has been recognition in more recent years of this problem in South Lakeland, though there is little thinking nationally about what can be done to combat this, including the effects it has on communities decimated by houses that are not occupied for large swaths of the year. Tackling this would bolster local services will be bolstered and making them more sustainable if people lived in these communities and used these services regularly.

South Lakeland’s main hospital, Westmorland General Hospital, has faced severe cuts, which, if fully operating (which it has not done for some years now), could be providing a wealth of high paid job opportunities in the health sector that would benefit the area and demographic, whilst crucially providing a vital service that is lacking for not only the population of 103,000 residents, but also serving the 18 million visitors that descend on our infrastructure on an annual basis.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

Place making initiatives that showcase towns and villages for their unique characteristics, their rich industrial heritage and vibrant cultural offers, that bring high street businesses under one collective and recognisable banner and enable individuals to shout loud about what it is that makes their town great, of which their business is part of this vibrant community. This sense of pride is essential, as often it is easy for business owners to get caught up in the negativity of ‘failing high streets’. Vital rural services need to be retained so that communities can be resilient and sustainable.

*Business, employment, skills and demography*
8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

Innovative solutions are needed to tackle the fatal mix of labour and skills shortages. Rural development funding is difficult to access, can be short notice, some businesses are put off by the criteria, or find the criteria difficult to engage with, for small businesses monitoring and applications can take too much time from business as usual, and therefore there are many missed opportunities in the rural economy purely down to lack of resource or disengagement.

9. **How can deprivation and inequality in rural areas be tackled?**

South Lakeland’s natural landscape make it one of the country’s most liveable districts, though the large visitor economy relies on low wages. A true living wage reflective of real costs of living is needed to help alleviate deprivation and inequality. Those living off the minimum wage can be reliant on welfare to top up their outgoings, which is not sustainable. A recent local council-led initiative (‘Building Financial Resilience’) has highlighted the need for tackling poverty in rural areas, though this goes hand-in-hand with rural isolation and...
12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

South Lakeland District Council Affordability criteria including local occupancy clauses can be a barrier for access to commercial mortgages. Mortgage lenders should take in to account local planning policy and account for this, particularly when lending to first time buyers.

There is local community support and pressure for the Council to consider planning policies restricting second home ownership on new rural housing – the bar seems to be set extremely high for Councils to consider this approach in planning policies – only aware of St Ives Neighbourhood Plan having succeeded. It will no doubt be an issue that is raised in consultation on our new Local Plan – as will restricting new homes for local people only.

Key challenges revolve around access to transport, facilities, services and employment opportunities – these challenges all result in increased living expenses and/or poorer economic opportunities for those living in rural area, thus exacerbating affordability issues. Improved digital connectivity clearly has a role to play in enabling people with remote access to services and employment in rural areas. Rural areas have suffered in recent years through public sector budget pressures – e.g. the removal of County Council subsidies from many rural bus services left many communities isolated, with people unable to access employment opportunities or facilities without the use of a private car.

In terms of new affordable housing provision, we are often told that registered providers are not able/willing to take on affordable rental properties in rural areas, and that they are difficult to let.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

SLDC planning policy has 35% affordability criteria for all new housing developments. It is 100% in LDNPA and 50% affordable or 33% local occupancy and 33% affordable in YDNPA.

Affordability criteria can make schemes less viable to housebuilders, though there is a serious need for affordable housing in South Lakeland. This means that there can be a polarisation of housebuilding, offering a better range of housing all of which benefit from a better quality design, opposed to affordable homes that are of poorer quality, subsidised by the executive homes on the other end of the spectrum.

Increased scope of permitted development rights for changes of use from agricultural buildings to homes has resulted in more scope for rural housing, but often in unsustainable locations that are poorly served by facilities and services, and restricts Councils’ ability to seek contributions from these developments to improve local infrastructure.
The widened definition of affordable housing particularly in respect of ‘other routes to home ownership’ in the revised National Planning Policy Framework may put pressure of local planning authorities to accept “affordable” housing in proposals that is not truly affordable for local people in rural areas. Local authorities should have more power to define the type of affordable housing that is considered affordable in their local area and not be forced to accept other types of housing that do not meet local need.

The new site size thresholds for affordable housing requirements restrict new affordable housing provision on smaller sites in rural areas, but the lower threshold for designated rural areas lowers this impact – in South Lakeland the impact of this policy has been fairly limited based upon an assessment of recent schemes.

**Government policy, devolution and local government**

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

Rural services should not be looked at as an opportunity for cost saving by Government. These services are critical to residents, and also visitors, and to foster a vibrant economy, you need support services to complement businesses and communities.

15. **What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?**

South Lakeland operate a business support programme through the Cumbria Chamber of Commerce, which is specifically funded to support all businesses in the district, including start-ups and existing businesses, some of whom fall outside of the ERDF criteria. This business support is crucial for existing businesses, who may be struggling to diversify or adapt in a changing world which if affecting business operations.

In Cumbria, the LEP has struggled to operate across a landscape which is effectively cut in two by geographical attributes, and when looking at the North and South of Cumbria and migratory patterns for workers, they do not create a functioning economy and have few links besides an administrative boundary. South Lakeland are taking a different route, working with two LEPs (Cumbria and Lancashire), alongside neighbouring authorities who do form a functioning economic area, to better support our rural economy and coordinate with strategic priorities across boundaries, which needs to be supported by Government to strengthen the Lancaster and South Cumbria growing economy.
References *(copies of documents available upon request)*

South Lakeland District Council Economic Profile, Mickledore, June 2016
Morecambe Bay Geography Study, Mickledore, June 2017
Cumbria Rural and Visitor Economy Growth Plan 2017, Cumbria LEP
Flooding in Cumbria December 2015 Impact Assessment, Cumbria Observatory, August 2018
Connecting Cumbria Statistics (website), 2018
Yorkshire Dales National Park Local Plan 2015-30

*10 September 2018*
Submission to be found under Broadland District Council
The rural economy is about creating rural communities that are sustainable, vibrant and thriving. South Northamptonshire Council (SNC) works hard to help strengthen the rural economy and make it sustainable. In its most general sense, the rural economy consists of businesses, enterprises and individuals who generate wealth and employment and who operate within areas designated as being rural.

SNC’s approach includes a number of aspects:

Firstly; distinguishing between different village types as a one size fits all approach is not appropriate at a local level and should not be considered appropriate at the national level either. We use a settlement hierarchy approach to retain distinctiveness of our 85 villages and 2 Market Towns of Brackley and Towcester.

Secondly; by adopting strategies for transport, conservation, economic growth and housing which all aim to reflect the distinctiveness of our myriad of villages, with 2 Masterplans for our two main Market Towns

The impact of changes on the rural economy can be seen in rural settlements where pubs, shops and post offices have closed removing basic services. This has resulted in residents who do have cars, travelling to larger settlements which are at odds with the climate change agenda and seeking to reduce the need for travelling long distances. There is a ‘use it or lose it’ contradiction at play and schemes to halt or even reverse this trend need to be effectively promoted.

It also compounds the lack of access to services for residents who rely on public transport that is itself often limited. These facilities are often the heart of a rural community and their loss creates dormitory settlements and therein lays the problem: no local services affect those who are less mobile (including those with a disability, older persons or low incomes with limited transport). More support is needed to provide and protect these essential rural services.

The rural economy, as with the rest of the UK economy, generally, has changed significantly over recent years. There has always been a tension between the need for economic growth and the imperative to protect the countryside for future generations, and this tension persists. The rural economy is inextricably linked to the rural communities and in some ways the changes are inter-linked. This relationship is far more pronounced and critical when compared to urban or metropolitan environments. The changes within the rural economy include:

- Challenges facing land based business including farming – leading to good things (greater diversification and innovation) and not so good things (farmers struggling, funding issues associated with EU and future funding fears associated with Brexit) can have impacts upon future viability.
- Diversification in all sorts of enterprises within the rural economy may be held back through Government policies via the planning system for
instance restrictions enabling more imaginative approaches towards sympathetic leisure and commercial development

- There is pressure to convert viable commercial property in the rural areas to residential (PDR).
- Proliferation of new and different businesses such as craft (for instance artisan brewing, cheese making and other such industries) and creative industries (and others) put differing demands upon infrastructure and the various other systems that were appropriate and fit for purpose ten or twenty years ago may not still be so relevant and this causes issues and potential bottlenecks
- New generation businesses and entrepreneurs like to be situated in rural locations due to the quality of life and benefits of rural living but a lack of access to superfast broadband and reliable mobile signals significantly disadvantages rural businesses.
- Villages struggle to sustain viable local commercial services such as pubs, shops, post offices, banks and garages etc. – this is a significant issue and one that needs to be addressed.
- Pressure upon public sector budgets can mean that rural maintenance of rural road network may be compromised.
- Reduction in public transport services can harm the ability of the rural economy to function as well as it might.

2. Examples of best practice and successes include:

Kislingbury Parish Council in partnership with South Northamptonshire Council won an award at The Planning Awards 2018 for its Neighbourhood Plan. Its plan was recognised as leading the way in its robust policy approach to ensure a sustainable village for the future. [http://www.planningawards.com/results-2018/](http://www.planningawards.com/results-2018/)

The Butchers Arms in Green Norton was recently rescued by a group of local people. It is owned by a consortium of local villagers and investors it has been completely refurbished and is a hub for a wide range of community activities as well as supporting local clubs and groups. [www.thebutchersarms.pub/](http://www.thebutchersarms.pub/)

Tove Valley Broadband (ABBA Ltd) which is a not for profit limited company has been delivering broadband to the local communities since 2003. Through the use of Government grants to deliver an ultrafast 1000 MBPS fibre optic service to local villages using radio and for more remote properties including farms and businesses this is achieved via radio pipelines. Tove Valley Broadband currently serves nearly 630 rural households in the district. [https://www.tovevalley.com/](https://www.tovevalley.com/)

South Northamptonshire Job Clubs have been operating for nearly nine years and have supported just under 500 jobseekers back into employment through working with partner organisations and individuals who provide their services free of charge. The district is predominantly rural and therefore the Council have shaped the service it provides to fit, including the use of outreach sessions at the 5 local Children’s Centres as well as providing a mobile JobClub service through its partnership with South Northants Volunteer Bureau who have a Rural Information vehicle that regularly visits villages within the district. [https://www.southnorthants.gov.uk/info/13/jobs/117/job-clubs](https://www.southnorthants.gov.uk/info/13/jobs/117/job-clubs)
Impact the Economic Growth Team has across the rural economy in South Northamptonshire – Business Support, planning application responses to support/object to effects on the rural economy.

We are seeking to secure sustainable communities and some growth in our villages is clearly needed to meet local needs, to strengthen the local economy and sustain local services.

3. The Rural economy in South Northamptonshire is diverse and has a high percentage of homeworkers as well as a wide range of companies on its 66 business parks. The district has a high level of entrepreneurial activity as well as more traditional farming and related activity.

Although farming in the district has a relatively small proportion of rural employment the level of farm diversification in the district has been high and impacts on other rural economic activities and this will be an important factor in the future.

Food and drink as a sector is well represented in the district and the impact of Brexit is not yet known but there are both opportunities (increase in food production) and threats (funding of farming and related activity).

A common theme that will keep recurring is digital connectivity, both superfast and mobile. The gap between rural and urban areas is sizeable and even through interventions such as Superfast Northamptonshire to ensure the whole district has connectivity, the number of Businesses who have access to Superfast speeds on our Business parks is only just over 50% when this was last surveyed. However, a further compounding issue is that even when connectivity has been upgraded to the latest codified speed rural areas have to contend with lag factors over urban areas.

Another potential issue: as digitisation increases and the rural areas become more broadband enabled there may be a training need to assist farmers and rural workers to use the technology which they may not, currently be familiar with.

The announcement of the Broadband Universal Service Obligation is a step in the right direction but again for rural areas the issue will be around the lag factor and how quickly the proposed level of 10MBPS will become out of date.

As a Council we are well placed through our Economic Growth Team to work closely with rural businesses to provide a customised business support function as it should be recognised that one strategy will not fit all local rural economies.

4. In rural areas supporting local connectivity is the key is access to services and networks to access. Our larger villages are key hubs for services with public transport links. But there is also a need for new routes and connections between our villages and towns, with improved links to rail stations too.
We do not believe that the needs of rural Districts are reflected in the current transport system, in terms of policy support, funding of routes, the cost of concessionary fares in rural areas or the support for demand response transport.

There is a need for a better public transport network across the District and between the villages, together with a better network between the District, Northampton, Daventry, Banbury and Milton Keynes to access further education, hospitals as well as the leisure and social facilities which the towns do not currently have.

It is clear that public funding will not support new transport provision required at the sub-regional level and it is clear that developer contributions will become more limited, resulting in a limit on the provision of upfront infrastructure for transport and associated contributions to support new train and bus services.

There is a need to address concerns with transport providers to extend public transport provision and to provide ‘dial a ride’ to improve access.

The reduction in bus services is continually seen across the rural areas and this impacts many rural villages that are then reliant on taxis or private car ownership.

5. A key issue is Broadband, particularly ensuring full high speed broadband coverage and speed levels and full mobile coverage to enable people to work in the countryside more effectively supporting growth of home working and reducing the out commute.

Over 12% of South Northamptonshire District’s working population work from home and this is likely to increase and also regionally and nationally. The design and size of homes needs to change to accommodate this option and create enough space to allow opportunities to work from home and recognise this form of employment. Spaces and designs need to be adaptable.

Here are some suggestions to improve digital connectivity:

- Positive government intervention and funding to enable 30Mbps availability to rural areas especially rural business parks, estates and commercial premises – even if it looks expensive in the short term it will be an important “speculative enabler” that may stimulate more “low environmental impact” rural businesses (like creative businesses) to set up in rural locations
- Promote the adoption and take-up of superfast broadband to all rural communities and businesses (installing the infrastructure is one thing, encouraging the use of that technology is another thing altogether)
- Deliver digital awareness training for different groups within the rural communities
- Encourage (incentivise?) mobile telephone providers to wider coverage of voice (2G) and data (3G and 4G) and 5G, when available, to rural areas.
- Eliminate mobile operator “not-spots” throughout rural areas.
6. There is a major challenge of remoteness and distance from health provision, especially hospitals as service reconfiguration leads to bigger, more specialist regional centres at greater and greater distances from rural populations.

Hospitals serve much wider rural catchments and the question of accessibility is a real challenge for the South Northamptonshire District. The nearest hospitals need to be accessible by all modes of transport for the South Northamptonshire District (The Horton at Banbury, Milton Keynes Hospital and Northampton General Hospital). There needs to be a shuttle service to these hospitals especially for the elderly and parents of young children. People attending hospitals are either sick or visiting and are limited by appointment times or visiting times, so there is a need for high frequency and regular accessible services well into the evenings.

There needs to be the provision of multi-use health centres in accessible locations that enable a potential patient to get the majority of their needs met within one location rather than having to drive to another location for treatment. For example wellbeing centres can be designed as dual use functions with indoor leisure facilities that promote wellbeing; undertaking a promotional and educational aspect, encouraging prevention as well as cure.

There is a need for more mobile support on essential services in rural areas such as banking.

7. In South Northamptonshire local communities have proved keen to get behind government initiatives such as the ‘communities right to bid’ and there are examples in the district where pubs have been saved from closure through this mechanism.

South Northamptonshire Council have been proactive in providing a range of services to business to support groups looking to run local shops and amenities through its Economic Growth Team but also with advice from Development Management and Public Protection.

A key area for consideration is the increasing number of applications for change of use that the Council receive and this ranges from proposals to convert old farm buildings or barns to residential to change of use of rural businesses, again on the whole to residential. The Council work very hard to ensure the right balance is maintained in the district especially the villages and larger settlements.

The Councils Economic Growth Team have dedicated Officers for both rural and tourism support as well as for Business Advice and there is a case to argue that Local Authorities should increase the provision of such support especially in the most rural areas of Country as through the provision in the district many businesses have been saved from closure but also have gone on to grow and thrive.

One initiative by the Post Office that has seen the retention of essential services has been its Essentials programme, whereby Post Offices identified at risk of closure are incorporated into existing shops within rural communities and South Northants has successful examples of where this has occurred.
8. Our Economic Development Strategy aims to secure increased rural employment and strengthen the rural economy through the reuse of rural buildings for economic activities – such as business units, offices and business uses.

We are also working to increased tourism in the District through promotion of our heritage, the provision of touring and access trails, extended access through walking trails, cycling routes and equestrian activities; as well as the wider use of our forests and woods for tourism use and investment in public facilities and interpretation.

We aim to maintain and improve the quality of virtual connections throughout the District to support an increase in home working and reduce the level of the out commute; as well as extending accessibility to employment centres through new public transport links.

South Northamptonshire is an affluent district with a low unemployment level but in certain sectors (High Performance Technology and Motorsport, Logistics, Food and Drink) and in general this means that there may be a lack of available workforce to fill vacancies which can sometimes lead to local labour wage inflation pressures or companies having to provide transport to pull skilled workers in from a wider geographical area. SNC provide directly delivered services to support its residents within the district and also rural businesses through its Job Club, Job Match Service and Enterprise Clubs.

From a broader perspective, rural businesses are often unaware of national initiatives or funding streams so SNC provide a range of Business Support Services to ensure rural businesses do not miss the opportunity for business support or funding to grow their businesses. This means close collaboration with a wide range of Stakeholders, Partners and Organisation, especially the South East Midlands Local Enterprise Partnership.

SNC have an Economic Growth Strategy that recognises the rural nature of the district and comprehensively addresses the features as well as the strengths, weaknesses, opportunities and threats that South Northamptonshire presents.

The Council works actively to not only ensure businesses are retained and have the opportunity to grow through its Services to Business programme but also promotes the district to attract inward investment and encourage further investment into the district.

So SNC have sought to rural proof its strategy and Policy and is in the process of reinforcing this with its new 10 year Economic Growth Strategy which will be launched in 2019.

9. South Northamptonshire is one of the least deprived districts in the country based on existing Index of Multiple deprivation data but there are pockets of deprivation that exist within the area and rural deprivation in itself is very difficult to quantify.
Deprivation and inequality in a rural setting are often hidden and affect different user groups, in particular those seeking employment, older people or those with medical conditions. Issues that can affect all residents in rural areas include poor digital connectivity, poor transport connectivity and lack of access to essential services.

In terms of essential services healthcare in rural areas is particularly problematic and although this could be potentially mitigated by the increasing use of digital technology such as telehealth and assistive technologies which again is impacted by poor digital connectivity in some rural locations.

It will be important for Councils to ensure that inequality and deprivation can be countered by robust Local Plans and Planning Policies so that public infrastructure where new house building occurs can be maximised through developer contributions and S106 agreements for new schools, medical Centres, sporting facilities and other public amenities. South Northants has some recent examples of how a robust planning regime can provide these benefits in its rural areas/villages.

South Northamptonshire was included on the final phase of the Children’s Centres national programme and benefits from five ‘light touch’ centres. The District Council has used these facilities to run an outreach programme (by definition all residents are within ‘pram pushing’ distance of a Centre) to run its directly delivered services such as Job Clubs and Enterprise Clubs to mitigate rural inequality.

10. South Northamptonshire Council has run a successful youth Council for many years, working closely with local schools and providing a range of Events to ensure that young people are engaged in all aspects of local living.

The Council has also seen a small increase in young people becoming District Councillors which is a trend that should be harnessed along with promotional drives to encourage public service and civic duty to young people locally but especially in rural areas.

A key element of ensuring that young people are encouraged, and more importantly have the resources to stay or return to rural areas, is that the right balance of housing and employment growth is delivered within the district.

11. Social care and health need to be fully joined up as services and in rural areas need to be as fully integrated as possible to enjoy economies of scale. One area for consideration is the relative weighting on funding that is given to rural and non-rural areas.

Residents in rural areas can have the effect of less per capita funding on health and social care compounded by the higher cost of providing some services in non urban areas.

Specialist housing for older people is an area for consideration and especially in rural areas where older people who are looking to downsize may not have a stock of appropriate housing to choose from meaning they leave the area.
Issues around providing living support for older people have in some respects been mitigated by the number of local companies and franchises that provide care in the home such as ‘Home Instead’ who match local people (who may live in the same village as the care recipient) operate locally. However, there is evidence that some of the many providers may fall short of the required standard as it is difficult to monitor levels of care in remote or isolated settings.

Allied to this is the use of easily adaptable housing provision and modern technology that will enable residents to stay in their rural homes for longer and remain safe whether through physical aids such as ramps and grab rails to 24 hour monitoring provided locally by South Northants Homes whose pendant call out scheme has been very successful for a modest cost.

Other services that local people may be able to provide (i.e. Garden services Business Start-up) will enable rural residents to access services that they will find increasingly difficult to do themselves so there are opportunities here that the Councils Economic Team have pursued through their Enterprise Club. Not for profit organisations locally provide services such as transport to hospital appointments.

12. We work to provide:

- Affordable Housing by working with developers and Registered Social Landlords. In this District we look to secure 40% affordable and social housing that is tenure blind in order to build one single community which everyone can value and everyone has a stake.
- We provide choice through our housing options service, work to tackle homelessness and fund the CABs to support residents of the District.
- We provide tenure choice to enable people to access housing that meets their needs throughout their life or at different stages and to secure more sustainable communities.

With the District facing substantial growth pressures, shaping that growth is fundamental. We wish to retain the character of the District, a mix of market towns and villages and many conservation areas. We want to meet local housing needs and because of the importance we place on the nature of our District we expect high quality design standards to preserve the special character of our towns and villages.

We work to secure transport links, support for the local economy and other public services alongside housing development so that local investment builds sustainable communities.

13. More affordable housing needs to be available in rural areas as for example the average house price in South Northamptonshire precludes many first time buyers from getting on the property ladder and so the alternative is to rent to live in the area. Typically, when a rental property comes onto the market in Towcester or Brackley it is very quickly taken, sometimes in a matter of days.

This affordability issue then translates into a further issue of providing skilled rural labour where it is needed and the need for workers to travel (predominantly by car) to their place of work. South Northamptonshire has 66
Business parks with a very low vacancy rate which means a vibrant local rural economy but with potential imbalance in locally sourced skilled labour.

Whilst the National Planning Policy Framework 2018 now goes further in addressing the rural issues for affordable housing, Local Authorities need to build positive relationships with Developers to ensure that the correct balance is being achieved in terms of affordable housing against their expected profits and also for local neighbourhoods to have more involvement in ensuring this balance is appropriate through such mechanisms as Neighbourhood Plans.

14. There is no policy coherence across Government policy on why rural communities matter and why villages, market towns and the countryside around them are important in their own right as areas to be respected and protected. There is no policy recognition that because of the distinctiveness of rural areas development should only take place in a sensitive manner.

15. SEMLEP’s Rural Sub Group come together to support the Sector’s involvement, including Board representation and the development of SEMLEP’s rural inclusion strategy, and to offer a cross section of rural expertise and local intelligence in order to challenge and be a critical friend.

In large rural areas, partnership working is critical to secure services through shared resources. South Northamptonshire has robust relationships with Parish and Town Councils as a means to engage with our communities.

Authors are acting on behalf of South Northamptonshire Council:

Robert Jolley, Assistant Director for Place and Growth
Greg Ward, Senior Economic Development Officer
Julian Raven, Economic Growth Officer

6 September 2018
South Somerset District Council – Written evidence (REC0045)

Thank you for the opportunity to comment on the rural economy, we have not commented on all areas so have detailed below the questions we have considered and our responses for each.

4. How can access to transport be improved in rural areas?

4.1. Improved transport connectivity, particularly to the strategic road network via the dualling of the A303 and A358 are identified funding commitments. The improvement of road infrastructure and capacity is a key requirement for South Somerset, particularly for supporting future growth in the agric-food and tourism sectors, and wider inward investment.

4.2. Improved access to public transport is a continual challenge in South Somerset, where our population is dispersed over a wide area. For the same reasons, providing community transport is also very challenging. And yet, allowing our residents to travel for work and for leisure is critical to our economic wellbeing. Improving bus connectivity with key rail hubs would be of benefit in improving access to work. There is also a lack of transport for things such as hospital and doctor appointment to meet the needs of the ageing population.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

5.1. Digital connectivity is essential for promoting and supporting economic growth across our District. Our residents and businesses identify the need for high-speed digital infrastructure and broadband coverage as a priority, particularly for our rural areas. This will help to support our existing enterprises and encourage enhanced opportunities for rural diversification, self-employment and high potential growth sectors. Despite best efforts, many of our areas still do not have superfast broadband access. We have a good level of self-employment in micro and small business, which we wish to encourage further but this becomes more difficult without improved digital connectivity.

6. How can rural businesses be helped to thrive, and how can new industries and investment be supported?

6.1. Within South Somerset, there is a need for new start up and expansion space and appropriate workspace for SME’s, particularly in the rural areas. We would ideally encourage the delivery of supported floor space to encourage the continued growth of the micro business sector, which is of key importance to our district economy. This is important for maximising commercial flexibility and meeting existing business needs.
and potential growth sectors, such as the food and drink, health and social care, and tourism.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

10.1 A number of Housing Need Surveys have been conducted in South Somerset and a common theme when asking if anyone has had to leave the village due to lack of housing has been that there is not enough affordable housing or it’s too expensive and they have had to move to somewhere more affordable. So providing affordable housing in these communities would help encourage young people to stay in these rural locations.

10.2 Some work is already being done on this by the Government for example the introduction of the Community Led Housing fund with additional phases being introduced and the Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP) which provides grant funding for the provision of affordable housing but this could be expanded further to make funds available for things such as social rented dwellings which is not currently available to all local authorities.

11. **What can be done to address the challenges associated with an ageing rural population such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

11.1 Strategies for tackling social isolation and loneliness need to be developed with key partners in the council area, particularly the CCG, GP’s and those in the Voluntary and Community Sector. This can take the form of such things as participating in local Health and Wellbeing forums such as we have in South Somerset.

11.2 District Councils can enable and invest in low-cost, place-based initiatives being run by grass roots community groups and other specialist voluntary sector organisations. It can do this in a number of ways including:

11.2.1 Prioritising the availability of discretionary grant funds for initiatives tackling loneliness and social isolation.

11.2.2 Commissioning/joint commissioning specialist services such as Village Agents/Community Connectors

11.2.3 Supporting volunteer brokerage infrastructure in the local area

11.2.4 Making available council facilities for activities such Lunch Clubs and Social/Activity Groups at a nil or low cost

11.3 They can also utilise their own provision such as council run Leisure Centres, Healthy Lifestyles/Sports Development teams and Countryside services to lever in external funding and provide activities that bring people together and promote positive physical and mental health.
11.4 Training of staff, particularly front-line customer focused staff, that enables them to identify isolated residents and signpost them to appropriate sources of help.

11.5 It can also mobilise its own workforce to engage with the issue through promoting volunteering opportunities such as befriending, dementia friends etc. It can also look at introducing employee volunteering initiatives, releasing staff in work time to support community projects.

11.6 Opportunities for the older retired to support the rural economy include:

11.6.1 Volunteering with local voluntary and community sector organisations that are proven net contributors to the local economy. Volunteering could be in the form of supporting the operational activities of organisations or by using particular professional skills to improve organisational governance, effectiveness and financial sustainability by becoming a trustee.

11.6.2 Mentoring – either as business mentors to support the development of new and/or growth of existing businesses or mentoring individuals, particularly young people, to improve their life skills and employability.

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

12.1 Some of the challenges we encounter in rural areas are:

12.1.1 Rent levels, (Private rent levels are higher in rural areas) we have a high need for social rent dwellings within the district). The SHMA states:

“There are further considerations when looking at the tenures of affordable homes to be provided. This includes the cost to the public purse of Housing Benefit and also the extent to which households might get caught in a benefit trap if rent levels are too high (which could act as a disincentive to seek employment). Differences in the pricing and availability of housing in rural areas will also be a consideration when deciding what mix of housing is most appropriate (e.g. rural housing is more expensive, and these areas typically have a lower proportion of social rented homes currently)”\(^{505}\)

“With regard to the use of Housing Benefit (particularly to assist households affording affordable rented homes) it should be noted that there are a number of implications. The most obvious one is that the higher rents potentially charged will see a greater burden on the public purse. Additionally, with households being

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\(^{505}\) [https://www.southsomerset.gov.uk/media/862544/somerset_final_shma_oct2016_revised.pdf](https://www.southsomerset.gov.uk/media/862544/somerset_final_shma_oct2016_revised.pdf)
subject to the tapering of Housing Benefit as their income rises, the higher rents potentially provide for a longer ‘benefit trap’.”.506

12.1.2. Level of discount for discounted market dwellings, this is covered later in question 14.507 Homes England are now able to grant fund social rent dwellings under the SOAHP (Shared Ownership and Affordable Homes Programme 2016 – 2021) but only for areas that have an average gap between social rent and private rents of over £50. By taking average (mean) figures this completely masks the differentials that exist in different settlements. Whilst the average for social rent will probably vary slightly from one settlement to another, the average for private rent shall demonstrate a marked difference, and greatly so. Therefore in districts such as South Somerset, the overall differential in (mean) averages may well be below £50 but in many settlements the actual outcome rents may vary by a much greater differential; but this will be masked by the effect of the unweighted inclusion of a larger cohort of properties in the larger settlements which (probably) have a lower command of prices in the open market. Hence, whilst a large swathe of rural districts have been included in their entirety, some rural areas have been excluded.

12.1.3. Land availability - maybe incentives for land owners to release land for a development where there is an identified need?

12.1.4. Disposals policy - Housing Associations dispose of dwellings in rural locations and these are not always replaced which further reduces the numbers in rural locations. Having more control over this and introducing some restrictions or incentives to keep these houses would help.

12.1.5. Amending the SOAHP programme to include social rent in all areas and not just those listed so we are able to provide social rent in these areas where rents are high

12.1.6. Off Site Contributions – ring-fencing these to ensure that they are spent in rural areas.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

13.1. There have been a few changes which has had an impact on the provision of rural housing:

506 https://www.southsomerset.gov.uk/media/862544/somerset_final_shma_oct2016_revised.pdf
507 http://cip.southsomerset.gov.uk/Planning/StreamDocPage/obj.pdf?DocNo=8547848&PageNo=1&content=obj.pdf  (Note: You need to copy and paste this link to view)
13.2. The change in qualifying for policy HG3 which covers the provision of affordable housing. Previously the criteria covered developments of 6 or more dwellings or 0.2 hectares. However government guidance imposed since our Local Plan was adopted effectively increased the threshold to over 10 dwellings or more than 1000sq metres. This has reduced the number of affordable homes that can be requested on developments. The sale value of land for housing in a rural setting is significantly higher than in urban areas, generating a disproportionately higher land profit or developer profit. We have had a situation where a developer submitted a planning application for 10 dwellings so no affordable housing was required on site but the developer still proposed to provide 3 affordable rented dwellings (for a fixed term of 15 years) as there was an identified need in the village. On the other hand we have also had occasions when a planning application is submitted which is over 1000 square metres; when they realise they are liable for affordable housing a revised application is submitted to make sure that they are under the threshold.

13.3. If the national threshold was lowered it would increase the opportunities to gain more affordable housing in rural areas but as this can then have a viability impact it may be worth considering if grant funding could be made available for sites where the provision of affordable housing makes the site unviable.

13.4. The introduction of CIL also has an impact on the provision of affordable housing. The developer has one pot of money to cover CIL and other contributions such as affordable housing, leisure, open spaces etc. These contributions can also result in a site potentially becoming unviable and this can result in a reduction or removal of affordable housing.

13.5. The other area to consider is vacant building credit, we do have planning applications where vacant building credit is applied for and accepted impacting on the provision of affordable housing on these otherwise qualifying sites. This guidance could be made clearer to help ensure there is a consistent approach when dealing with this.

14. Do the government and other public bodies pay sufficient attention to the rural economy and if not why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1. One of the main concerns would be the lack of rural proofing of policies for example:
   1. Homes England are now able to grant fund social rent dwellings under the SOAHP (Shared Ownership and Affordable Homes Programme 2016 – 2021) but only for areas that have an average gap between social rent and private rents of over £50. By taking average (mean) figures

508 https://www.southsomerset.gov.uk/planningdetails/?id=1702545FUL
this completely masks the differentials that exist in different settlements. Whilst the average for social rent will probably vary slightly from one settlement to another, the average for private rent shall demonstrate a marked difference, and greatly so. Therefore in districts such as South Somerset, the overall differential in (mean) averages may well be below £50 but in many settlements the actual outcome rents may vary by a much greater differential; but this will be masked by the effect of the unweighted inclusion of a larger cohort of properties in the larger settlements which (probably) have a lower command of prices in the open market. Hence, whilst a large swathe of rural districts have been included in their entirety, some rural areas have been excluded.

2. The lack of rural proofing of the policy for voluntary disposals within the Housing Association sector. Our evidence is that this policy is having a disproportionate effect on the provision of affordable housing in rural (population under 3,000) areas. After raising this some time ago it seems to be more about the local relationship with the local authority and the housing association with little scope for the government to get involved.

3. In respect of the introduction of Starter Homes as detailed in the Housing and Planning Act 2016 and amount of discount provided to the purchaser. We strongly believe 20% discount is insufficient

2. We recently won a planning appeal regarding affordable housing which dealt with the level of discount for a discounted market dwelling (similar to a starter home but the discount is passed on in perpetuity). The inspector ruled that a 20% discount was not enough to be able to afford a house in this rural location. In this case we had asked for a 35% discount based on the evidence we had for a similar rural location, whilst the developer had wanted to provide a 20% discount for the purchase.

3. The inspector stated:

“I recognise that the proposal involves the demolition and conversion of existing buildings and structures within the site and I have no doubt that this would add to the costs of development, particularly in comparison to a greenfield site where build costs are likely to be lower. However relatively little information has been provided to show that the 35% discount being sought by the Council would result in the proposal becoming unviable. In the absence of compelling evidence (such as a residual valuation or similar estimates of land and build costs) I am unable to determine with any
certainty that the proposed 20% market discount would be reasonable in this instance.\textsuperscript{509}

4. All of these examples reinforce the need for rural proofing to be contained in all policies that are implemented to preserve the rural economy especially rural housing.

Submitted by Leisa Kelly, Specialist - Strategic Planning
On behalf of South Somerset District Council

7 September 2018

\textsuperscript{509} Source
South West LEPs – Written evidence (REC0104)

Cornwall and the Isles of Scilly
Heart of the SW
Dorset
Swindon and Wiltshire

The South West Rural Productivity Commission was established by four LEPs in the South West to explore and understand how the economy in rural areas of the South West is performing and identify opportunities to stimulate growth in rural areas. The commission opened with a call for evidence, which was promoted by all four LEPs over a three month period and received 67 responses and over 200 items of evidence. This was supported by five panel sessions with one in every county covered by the commission, where we heard over 40 hours of testimony from a broad range of witnesses. This has been distilled into 10 key themes. Many of these themes align with the questions currently being explored through the House of Lords Committee and therefore we believe that the Committee will find both the main report and supplementary evidence base invaluable in pursuing its agenda. The two reports can be found here:

The four LEPs are continuing to work together during 2018 to implement recommendations from this report and we are currently in discussions with Government with a view to agreeing a partnership based approach to implementation.

We hope you find this evidence helpful and if you require any further information or clarification, please do not hesitate to contact me

Kind regards,

Emma Buckman
Consultant supporting the implementation of the SW Rural Productivity Commission Findings on behalf of the four commissioning LEPs:
- Cornwall and the Isles of Scilly
- Heart of the SW
- Dorset
- Swindon and Wiltshire

10 September 2018
LEADER The Local Delivery Mechanism for Grants to Rural Areas

This paper is submitted by Sir Christopher Lees Bt, Chair of Southern Dorset Local Action Group.

Introduction

This purpose of this paper is to remind the Select Committee as to one of the methods by which grant money is distributed under LEADER principles, and its relevance to future grant distribution to rural small and medium enterprises (SME), micro business, farmers and the providers of local services and amenities.

LEADER

The LEADER approach to grant distribution is to involve local representatives to decide the priorities and quantum of grant available to applicants within the rules of the grant. Southern Dorset LAG will have distributed approximately €1,800,000 during the last 4 year period of this particular grant (2016-2019).

The present grant comes directly from the European Union. The criteria by which the grant is distributed can be paraphrased into two parts.

1. To support the development of rural businesses, farming, forestry, culture and heritage, tourism and rural services
2. To produce jobs in the rural economy, both direct and indirect.

The Local Action Groups and their Executive Committee decide how these criteria are carried out.

Method

The method by which grant is distributed is undoubtedly laborious with a number of checks and balances to ensure compliance with EU, Government and Local Government regulations. The route from project inception to grant distribution can take as little as 4 months or in more complicated projects requiring planning permission, for example, up to a year. The steps required are set out below.

1. The applicant discusses with the Programme Officer their project, and is directed towards the appropriate grant stream. If this is LEADER then the applicant fills in an online Expression of Interest (EOI) form.
2. This EOI form is quality checked and scored as to its fit with LEADER priorities by the Programme Officer and presented to the Executive Committee of the Southern Dorset LAG. This Committee consists of individual members of the LAG, representatives from the Local Authorities, appropriate officers from the Local Authorities and Co-opted members. The committee discusses the application and using local knowledge and the priorities decides as to whether they support the applicant to full application.
3. The applicants then have to undergo the process of completing the full application, in this they are supported by an application support officer, who checks their project, business plan and which items are eligible. (The Dorset LAGs believe this to be a vital and unique service offered by this particular grant.)

4. Once the form is complete, an independent appraiser then checks the project. The form and assessment are sent to the RPA and concurrent with this the project can be presented to the Executive Committee and the project accepted or not and set the level of grant. This is dependent on the appraiser’s report and RPA acceptance. Grant is awarded up to 40% of the capital cost for businesses, or between 80-100% for “non for profit” projects.

5. The project can start, and money distributed. Dorset County Council who are the sponsoring authority and known as the Accountable Body has the right and duty to check the projects and their out-comes for the relevant period of the grant.

The process through which the applicant has to pass is rigorous in order to provide good value for the Government, that the grant provides a good match to the criteria and aims to reduce fraudulent applications to zero.

Relevance of the LEADER approach post Brexit

The unique approach offered by LEADER enables grants to reach deep into the rural community through the LAGs. The search for suitable projects to support can be targeted easily down to the appropriate level. This can be at District, Parish or through individual business sectors. LAG Executive Committees with the appropriate expertise from Individual volunteer members and co-opted members from local authorities and local business sectors can provide a rigorous interrogation of potential grant aided projects.

The approach that we Dorset have taken to provide “in house” advisors the help applicants produces several benefits. It enables applicants to look hard at their business plans to ensure that these are robust and realistic.

It provides a deeper insight into the applicants businesses and this helps the Executive Committee in their decisions and it weeds out spurious applications. I would commend this approach to this Committee.

The use of a Programme Officer running the publicity, being the first point of contact and directing applicants to the correct grant stream is key to this process. Micro businesses (those employing less than 10 staff), which are the backbone of the rural economy, are better targeted through a local programme working out of a local council office. At present the LEADER programme officers sit within the economic development departments, though autonomous, enabling the exchange of information and ideas.

Finally this program is cost effective, the administration being less than 18% of the total budget distributed.

Future of LEADER in Dorset
At present the Dorset LEADER programme is on target to deliver approximately €3,500,000. Some of the latest grants can be found on the Dorset LEADER website at https://www.southerndorsetlag.org.uk/projects/case-studies/

Using LEADER to distribute grants provides a well-tried and robust method of grant distribution. It could act as the delivery mechanism by which the LEPs, Local Government or RPA, for example, could deliver grants to rural areas post Brexit.

**Conclusion**

LEADER programmes can be tailored to specific aims. It brings together local knowledge, local councils, both members and officers, and trade bodies. It is an ideal mechanism to seek out projects that create jobs, foster social cohesiveness, support farm diversification and productivity and help develop new opportunities for employment in rural areas.

10 September 2018
1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

1.1. Staffordshire County Council defines the rural economy in two ways. Firstly, all businesses and economic activity taking place in areas defined as being rural regardless of industrial sector. A large proportion of our rural areas nationally and within Staffordshire would actually be defined as peri-urban given their close connection with urban areas; this can be a useful distinction in considering how rural areas support urban areas and vice versa. Secondly, businesses and the economic activity of rural sectors regardless of the nature of the area they operate within. An example of this is the agri-food sector which begins with farming but supports a significant number of food production companies which are located across the county, including within areas defined as being urban.

1.2. Staffordshire County Council has produced various assessments and pieces of work based on both of these definitions of the rural economy. Generally we have seen a strong period of growth in the number of jobs in rural areas across various industrial sectors, although this has largely been driven by the development of edge of settlement employment sites. Further jobs growth in rural areas will continue to be dependent on the allocation of good-quality employment sites, supported by the right infrastructure. We recognise that there are a significant number of opportunities with regards to the growth of rural sectors and this is something we are looking to take full advantage of through the Agri-Tech-West partnership, as part of our and three other Local Enterprise Partnerships (LEPs). This partnership recognises that there is a need for traditional rural sectors, including farming, to diversify and innovate to a greater extent, thereby improving productivity with work already underway to improve support to such businesses with these issues.

2. **Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?**

2.1. The Superfast Broadband Programme has been a recent success story for rural areas in Staffordshire with the vast majority of premises in the county now having access to superfast broadband. This has also been helped by the uptake of Staffordshire County Council’s Community Fibre Partnership Support Fund which matches any money raised by households and businesses in an eligible community for the provision of full-fibre broadband. This will become increasingly important to the economic vitality of rural areas in the future and ensuring that all parts of the county and country have the same levels of digital connectivity will avoid creating ‘economic not-spots’, of which there are still 4% of premises within Staffordshire that do not have access to superfast broadband. In this regard we were pleased to see the recommendations of the recently released National Infrastructure Assessment (NIA) advocating the rollout of full-fibre, starting with the areas that are hardest to reach. We agree with this
whole-heartedly and would like to see Government support and adoption of these recommendations.

2.2. The various European Union funding allocations specifically for rural areas and sectors have also supported a vast number of successful projects in Staffordshire including the development of premises, supporting diversification and enabling innovation such as through the purchase of equipment. The future of such funding is obviously uncertain but we believe that there is a need to consider these issues and how best to support the rural economy through the Shared Prosperity Fund and we look forward to being involved in the development of this in due course.

3. **How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

3.1. As referred to in Q1, we see far greater levels of innovation being not only an opportunity for rural sectors but a necessity for their future sustainability and survival. In particular the slow uptake of technologies has meant that farming practices have changed little in decades and there is a clear need for farmers to make far better use of technological advancements in order to improve their productivity. At the moment many rural industries are reliant on low-skilled, low-wage labour whilst we believe that reduced access to such labour, through migration or changes in the skill levels of the indigenous population, will drive innovation but many businesses will need to be supported to embrace this change.

3.2. Whilst cities continue to offer a good proposition for younger people, particularly through their 20’s, the quality of life offered by rural areas has become increasingly attractive and enabling people to live within rural areas by offering appropriate housing and good-quality infrastructure and services is an opportunity to grasp to ensure the vitality of our rural areas in the future. Without this, there will be a lack of skilled labour outside of the cities which will stifle further growth of the rural economy.

4. **How can access to transport be improved in rural areas?**

4.1. There has clearly been a degradation of transport within rural areas in recent years, particularly bus services due to reducing levels of public subsidy. It would be easy to say that there is a need for local authorities to have appropriate levels of funding to ensure that there is good transport connectivity to jobs and services but we believe that this may in fact be a bit backward looking, in the longer-term at least, although there is clearly a need to continue to invest in the road network and consider funding for local roads outside of the Strategic Road Network and forthcoming Major Road Network.

4.2. Rather than simply advocating that bus services and other modes of travel need to be reinstated, there has to be recognition that there are other opportunities too, particularly with regards to the digital agenda. In the future services will be delivered digitally to a greater extent, whilst working practices are changing rapidly with home-working becoming far more prevalent, reducing the need to
travel. There is of course a balance to be struck as we would not want our most elderly to become isolated, but this shift in the way that services are delivered and the economy operates should at least be recognised.

4.3. There are specific opportunities related to HS2 and particularly the released capacity on the existing classic network. Within Staffordshire we are considering how released capacity could support better local rail services and the potential for opening new stations in order to support future housing and employment growth.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1. This follows on from our response to the previous question as services can only be delivered and people can only work from home if there is good digital connectivity. The National Infrastructure Commission has already set out why it believes digital connectivity is such a vital part of the future infrastructure needs across the UK, including in supporting economic growth, and we agree entirely with their comments on this. Digital connectivity will become increasingly important not just in terms of being able to do business, but also businesses being able to access an appropriately skilled workforce (such as through enabling staff to work flexibly). As stated within our response to Q2, we very much support the recommendations of the National Infrastructure Assessment that full-fibre should be rolled out across the county and, “Government should part subsidise rollout to rural and remote communities, beginning by 2020, starting with the hardest to reach areas and community self-build.”

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1. As already alluded to in our responses to previous questions, we believe that there is a need to consider different delivery models for the provision of services in rural areas. Ensuring that all parts of the country are covered by high-quality digital infrastructure will help to support the move to many more services being delivered digitally. Whilst it needs to be recognised that many of our eldest residents are less likely to want make use of digital services, this is something that we expect will become more prevalent as time progresses.

6.2. Of course there is also a funding aspect to this question and as a County Council the delivery of services, including social care, has become more challenging as a result of public sector austerity. This is obviously a significant national issue at the moment, and ultimately there is a clear need to provide a fair level of funding for local organisations to deliver local services. There also needs to be the critical mass to justify the direct provision of such services, although we cover this to a greater extent in our response to the next question.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1. There have been good examples across the country of services and amenities collocating and the community contributing to or taking over the running of
amenities in order to ensure their sustainability. This can of course only be a good thing and is to be encouraged; however it often requires a significant amount of time and assistance to enable this to happen – in relation to various issues including fundraising, acquisition and management of assets, or help in supporting volunteers and developing community capacity to deliver the services in question.

7.2. In circumstances where this is not a suitable option this is clearly more of a difficult problem to solve. Ultimately we believe that there is a need to ensure that amenities are well used. The size of areas is likely to be an important consideration in this regard and some areas may need to consider supporting the development of further housing and businesses in order to create the critical mass that will be needed to make services and amenities viable. This could be done through the neighbourhood planning and local plan process.

8. **How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

8.1. In general the support required by businesses within rural areas is likely to be similar to that of all businesses. All businesses require good connectivity, appropriate premises, a skilled workforce, high-quality business support, etc. In this regard the national industrial strategy sets out how economic growth will be supported whilst our own strategies and the Stoke-on-Trent and Staffordshire LEPs Strategic Economic Plan closely align to this approach.

8.2. However there are likely to be some specific instances where rural businesses are more specialised and require something different to thrive. Within the farming industry for instance, we believe that the move to more innovative farming methods and the use of technology will make the industry a far more attractive career option. This is an opportunity to grasp and needs to be considered as part of our careers advice service. The development of appropriate skills will of course be vital and this is something we and our partners are supporting such as through the development of the AgriSTEM Academy at South Staffordshire College in Rodbaston which provides for a range of diplomas, apprenticeships and traineeships in subjects including land-based technology, agriculture, horticulture, construction, engineering, motor vehicles and motorsport.

8.3. More widely, labour and skills shortage issues will need to be addressed in two main ways. Firstly by developing homes where people want to live in locations that are accessible to job opportunities. Secondly by enabling people to work more flexibly and supporting changes in working practices including through the rollout of full-fibre across the country.

9. **How can deprivation and inequality in rural areas be tackled?**

9.1. We believe that deprivation and inequality are two very separate issues and should be considered as such. As evidenced by the Indices of Multiple Deprivation, overall levels of deprivation tend be far higher in urban areas. The only deprivation domains that tend to be worse in rural areas relate to access to
services and housing. We have already covered how we believe these issues may be addressed in our responses to other questions.

9.2. However, we believe that across the country inequality has become more of an issue, linked to the productivity problem. Productivity has been driven by London and the South East whilst many other areas, many of which are primarily rural in nature, are now lagging behind. There is clearly a need to boost productivity across the country to begin to address this issue of inequality, a key aim of Government through the industrial strategy. The Local Industrial Strategies present a good opportunity to show how LEPs, local authorities, Government and other partners will work together and invest in achieving this aim and we look forward to working with Government on this.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

10.1. This is a fundamental issue to the vitality of rural areas and having a local skilled workforce as we have discussed in our responses to other questions. Ultimately the answer to the question is by creating areas where young people can and want to live.

10.2. Alongside issues such as the access to employment opportunities, services and quality of life, the type and cost of housing in many rural areas is an undoubtedly an issue with many young people simply being unable to afford a house in such areas. Whether private housing developers want to develop smaller, more affordable homes suitable for younger people in these areas needs to be considered. Where this is a problem there is the potential for local government to step in; Staffordshire County Council is currently considering our potential role in housing development and these types of issues as part of that process.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

11.1. Social care is of primary concern to the County Council at the moment and there is a clear need for local authorities to have adequate funding to be able to meet the increasing demand for these services. Whilst the County Council is taking steps to prioritise how it meets this demand in the future, this approach can only go so far and sufficient social care funding, accommodating for rural sparsity of provision, is something we will want to see within the final funding settlements. Increased funding pressures will only make the delivery of services more challenging, reducing the time social workers can spend with residents (especially when factoring in the sometimes long distances travelled between client visits across rural areas) and creating greater issues of social isolation.

11.2. Within Staffordshire we have seen substantial increases in the number of people aged over 65 in employment. This will be partly down to the increase in the state pension age, but we believe that there has generally been an increase in the number of older people who want and can carry on working after 65. This
may also be due to changing working practices with more flexible and part-time job opportunities being available. We can only see this continuing and in areas where labour supply is more restricted, creating suitable job opportunities for older people is likely to be beneficial to businesses being able to access an appropriately skilled workforce.

12. **How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

12.1. As per our response to the question regarding young people, affordability is an issue and this is simply due to the type and quantum of housing currently being delivered. The many schemes to help address housing affordability, such as Help-to-Buy, do indeed help with affordability to a degree but there is a clear need to simply build more houses. Many rural areas are becoming more unaffordable due to restrictions in supply, both in terms of type and quantity.

12.2. Housing, regardless of where it is, needs to be supported by appropriate infrastructure although this can often be challenging for small-scale rural developments. An issue for upper-tier authorities is being able to deliver infrastructure improvements, such as schools and roads, across areas where there are many small scale developments rather than few large strategic sites. There therefore needs to be a stronger role for County Councils in the strategic planning process, something which has been raised recently by the County Councils Network (CCN). The Statement of Common Ground is a step forward but the effectiveness of this policy will be very much dependent on how it is used by the Planning Inspectorate. In order for the policy to be effective, concerns raised by County Councils over infrastructure viability should be a means to find a plan unsound and treated as such.

13. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

13.1. As per our response to the previous question, some of the recent changes to planning policy such as the Statement of Common Ground are a step forward. However, as ever with such policy documents the success of such changes will be dependent on how the reforms are enacted and used.

13.2. In terms of the specific changes related to rural areas, the support for appropriate housing and employment developments in rural areas is positive and should allow areas to best decide how rural areas can grow and thrive, if appropriate, thereby supporting local services. However, if we as a country are to build the number of homes we need then recent reforms need to be even stronger. Local authorities should be directed to allow more rural housing and include a mix of larger and more affordable units. The historical model of hamlets could be an appropriate approach with a balance of sustainable housing and making full use of fibre-to-the-premise. Green Belt is also an issue that needs to be considered in many rural areas and can act as a constraint to growth. The support of rural development and the strengthening of Green Belt
policies are juxtaposed in many areas, and how these policies interact needs to be considered.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

14.1. In our response to the inquiry in 2017 we made the point that often rural policies and programmes seem to be reactive to policies from other Whitehall departments – add-ons have been created, or existing Government initiatives have been rebadged as rural without any real additionality. Rather than being reactive, Defra should be actively engaged in collaborating with other Whitehall departments on policy development from the outset. Defra should have an overview of wider policy implications upon rural areas, but with ‘rural’ policy frequently being mainstreamed across government, without the need for it necessarily being lead from within Defra itself. There is a need for counties and rural areas to be considered to a much greater extent by all Whitehall departments. This will be vital to driving growth and community sustainability across the country in the coming years and particularly in light of Brexit and the significant sums of money that are currently distributed to rural areas through the EU. It is our belief that organisations and partnerships such as the CCN and The Rural Coalition are well-placed to offer the functions of advocate, adviser and watchdog for rural areas in the future.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

15.1. Staffordshire County Council recognises the importance of rural areas, their economies and communities and all of our politicians and officers work to support rural areas. We still maintain our own County Farms estate and also have our own dedicated Rural County team which has responsibility over a number of areas including rural development, country parks and rights of way. Our LEP is also very committed to supporting the rural economy and, as per our response to Q1, is currently part of the Agri-Tech West partnership. A number of the LEPs EU-funded programmes are also specifically targeted at the rural economy. However, at a national level we believe that it has been debatable as to the support for rural economies in recent years. Government’s policies around combined authorities and devolution have primarily targeted and benefited major cities and urban areas. The current LEP review and a clear desire to strengthen LEPs is a significant opportunity to recommit support for rural areas and their economies, such as Staffordshire. Cleaner governance amongst bodies is something we have been strongly advocating for some time and this would support better coordination between bodies.

Submitted by Matthew Shufflebotham on behalf of Staffordshire County Council

10 September 2018
BACKGROUND INFORMATION ABOUT THE AUTHOR

Professor Terry Stevens is Founder and MD of the multi-award winning, international, tourism consultancy, Stevens & Associates. This Wales-based consultancy has now worked in over 50 countries around the world specializing in destination development, marketing and place-making. He has worked in the industry since 1970 holding a number of senior positions in the public and private sectors prior to establishing his consultancy. Stevens & Associates clients include many of the major international development agencies (including the UN World Tourism Organisation, UNESCO, The World Bank, European Bank of Reconstruction, European Investment Bank, The UK Department for International Development and USAID) as well as national, regional and city governments. Terry is currently working on strategic destination development projects in New Zealand, Slovenia, Ireland, England, Northern Ireland and in Scotland.

He has recently completed a review of international best practice in sustainable rural tourism destination development for the Government of New Zealand and has just been commissioned to undertake a masterplan for the future development of Maori Tribal lands near Rotorua; he is working on the Dingle Visitor Experience Development Plan and the Dublin Docklands VEDP for Fáilte Ireland and has completed studies for new National Planetarium for Wales, a new Visitor Centre for the Welsh Rugby Union, The Frigate of Jutland in Denmark and a luxury tourism resort in Herefordshire. He has just been commissioned to prepare a review for Fáilte Ireland on transformational projects in tourism.

He is a member of the UNWTO’s Global Tourism Performance Barometer Monitoring Group. The UNWTO’s Technical Expert on Sport and Tourism and is currently part of the UNWTO and World Tourism Cities Federation Research Group looking at performance areas in city tourism. Terry has been Vice Chair (Strategy) of the Wales Tourist Board and is a regular keynote speaker at global and international summits, including, most recently: The UNWTO Global Ministerial Summit on Sports Tourism in Sochi and Moscow; the Global Wellness Summits in Istanbul and Morocco; the Global Stadia Business Summits in Dublin, Barcelona and Madrid and the Advances in Destination Management Summit in Vail. He has written extensively on the subject of tourism development (over 300 books and chapters in books as well as articles in magazines and journals). His new book: “LANDSCAPE WALES” was published in April 2016 and he is now writing a book on great destinations of the world.

INTRODUCTION

The focus of this evidence is on tourism and tourism-related activities within the rural economy but what is the composition of the ‘rural economy’ in the twenty first century? The ‘rural economy’ has increasingly become a complex fusion of different types of interrelationships and interactions between many different strands of economic, social and cultural life. The traditional model of the rural economy
based on forestry, fishing, agriculture and mineral extraction has been replaced by a fluid, dynamic, and multi-layered approach to rural resource and asset management within which tourism and recreation has become a major force for driving the economy. The geographic area defined by DEFRA as being rural is large in scale (80% of the land area of the UK), diverse in its character and, in the main, accessible to large domestic and international visitor markets.

For many years the extensive moorland estates of Scotland and the English and Welsh uplands have recognised the importance of harnessing the interests of good conservation and land management with the potential to develop the lucrative business of countryside sports. This activity continues to thrive and contributes significant economic value to the rural economy. For example, according to research in 2014 shooting is involved in the management of two-thirds of all rural land in the UK and is valued at £2bn (GVA), it supports the equivalent of 74,000 jobs, involves over 600,000 participants who spend over £2.5bn per annum. Angling is estimated to be worth more than £3bn to the UK economy generating 37,000 jobs and involving over 3.5m participants on a regular or occasional basis.

Similarly, the 1960’s witnessed the burgeoning of the opening of stately houses for public access as a means of diversifying their sources of income to help sustain their buildings and land holding. Today, of course, the individual members of the Historic Houses Association and the rural land holdings of the National Trusts of Scotland and England, Wales and Northern Ireland represent a major tourism asset attracting millions of domestic visitors and enhancing Britain’s international touristic appeal. Today there are many examples of where all the traditional economic cornerstones of the rural economy have now embraced the opportunities to develop and grow revenues from tourism. For example:

(a) **Mining and the Extractive Industries**
- The highly acclaimed Eden Project in Cornwall is located in a former china clay quarry;
- Edinburgh’s Ratho International Climbing Centre is in a former stone quarry;
- The innovative and award-winning Zip World and Bounce Below in North Wales are in former slate quarries.

(b) **Fishing**
- Newquay Sea Safaris in Cornwall
- Mull Charters in Scotland
- The Ramsey and Skomer Island Tours in Pembrokeshire

(c) **Agriculture**
- The Big Sheep in Devon
- Folly Farm in Pembrokeshire
- Mabie Farm Park in Dumfries

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510 PACEC, 2014, *The Value of Shooting in the UK*
In addition to these specific attraction-type developments, there has been the dramatic rise in the number of rural enterprises offering overnight accommodation ranging from simple camping to the more sophisticated style of ‘glamping’; from traditional bed & breakfast to exclusive use of whole houses; and, the provision of purpose built, well-designed tree-houses, rural spas and serviced accommodation.

Closely aligned to these trends has been the rise of food and drink producers being especially innovative and creative in developing new types of visitor experiences associated with their products. This ranges from the plethora of farmers markets and food and drink festivals (such as the Armagh Food and Cider Festival), the mergence of the farm shop (such as the Bodnant Food Centre in North Wales and Sheppey’s Cider experience in Somerset) and the area wide promotions (such as the Dorset Food and Drink Initiative). Indeed, in England alone, DEFRA estimates that, in 2013, the total tourism spending on food and drink was £2.6bn of which £1.4bn (54%) was spent in rural areas.

As a result, we are rapidly moving to a holistic and highly integrated rural economic system where revenues generated by tourism is a mechanism for driving new money into the local economy and bolstering the size and the scale of demand and the spending power of the overall market.

In terms of international best practice of this integrated we wish to highlight the approach taken in Istria (Croatia), The Island of Arran with Taste of Arran (Scotland), in the Franschhoek Valley (Western Cape, South Africa) and in the Margaret River region (Queensland, Australia) are recommended as exemplars worthy of further investigation by the Committee.\footnote{Stevens & Associates can provide detailed information on each of these examples if required.}

**RURAL TOURISM - THE CURRENT SITUATION**

It is generally regarded that tourism has been at the forefront of the UK’s economic recovery from 2008. It has proved to be a resilient and positive area of growth despite a general climate of turbulence and uncertainty in the political and general economic environment.

It is estimated that tourism is currently worth over £127bn to the UK economy each year (7.1% of GDP), directly supports over 3.1m jobs (9.6% of the workforce) and involved some 250,000 businesses of which 95% are categorised as SME’s. The Country Landowners Association, in their 2016 evidence to the EFRA Select Committee on ‘Rural Tourism In England’ suggested that rural tourism contributes £176bn in terms of GVA. When writing to Lord Garner of Kimble in April 2017, the Chair of the House of Commons Environment, Farming and Rural Affairs Committee indicated that tourism in the UK generated some 20m overnight trips and 335m days visits per annum to rural destinations.
the majority for holiday purposes and visiting friends and relatives (VFR). Visit Britain forecasts and early evidence from the International Passenger Survey suggests that in 2018 the UK will continue to see an increase in tourism demand in both the domestic and international markets.

Travel and tourism make up the world’s largest industry and is an industry that is in growth. For the first time in the history of mankind, there were over 1bn international tourist arrivals in the world in 2017\textsuperscript{513} with the UN World Tourism Organisation\textsuperscript{514} estimating that by 2025 this will rise to over 1.6bn. Global tourism is no longer very competitive it is uber-competitive and Europe, whilst still being the largest attractor and generator of international tourist trips is rapidly losing market share to other regions of the world. As a result, Europe as a whole and the UK in particular, must invest significantly in efforts to retain its competitive position in the world.\textsuperscript{515}

**FIGURE 1: UNWTO FORECASTS FOR INTERNATIONAL ARRIVALS TO 2030**

Our rural areas and the development of appropriate tourism products and experiences can make a major contribution to achieve this goal.

**THE POTENTIAL TO FURTHER DEVELOP TOURISM’S CONTRIBUTION TO THE RURAL ECONOMY**

Tourism has the potential to impact positively on the economy of all rural communities, including in the remote peripheral areas of the UK. Our work of the New Zealand government earlier this year has highlighted many global examples of successful policy development has secured a sustainable approach to successful rural tourism destination development. Examples of best practice range from government programs in Ontario, Croatia, Slovenia, Catalunya, The Basque Region and Ireland.\textsuperscript{516}

\textsuperscript{513} See the World Travel and Tourism Council [www.wttc.org](http://www.wttc.org)
\textsuperscript{514} See: [www.unwto.org](http://www.unwto.org)
\textsuperscript{515} See: The World Economic Forum ‘Global Tourism Competitiveness Index’ [www.weforum.org](http://www.weforum.org)
\textsuperscript{516} Stevens & Associates can provide detailed information on each of these examples if required.
The potential of the spatial dispersal opportunities is highlighted by the simple fact that, at present in terms of international tourists to the UK, only 17% leave London and the major cities to visit the rural areas. Mechanisms, services, promotions and infrastructure will continue to need to be available to ensure that this can happen.

Mega-trends in tourism demand are aligned to supporting the further growth of tourism in rural areas of the UK, in particular we would like to highlight the following key trends that can stimulate and motivate both domestic and international tourists to visit the countryside or coast:

✓ The growth of wellness and well-being tourism with markets interested in experiences that will enhance their overall quality of life / lifestyle and to satisfy the mind, body and soul; the implications of the ‘biophile effect’ – that of enhanced levels of physiological and psychological wellbeing, as a result of exercise in the outdoors, especially high-quality scenic landscapes, is a major factor in this demand;

✓ How to deliver unique, extraordinary, memorable tourist experiences to target tourists and maintain a sustainable, competitive, advantage in destinations that are complex amalgams of products and services and other influences is the key to long-term success in the market place. The key job is to facilitate the development of an environment (destination) that enhances the likelihood of tourists being able to create and co-create their own memorable experiences

✓ Tourists are now seeking the lure of the local, the intense ‘local’; increasingly they want the very local stories, products and do what local people do. A new generation of travellers is renewing the tourism concept. The tourist is increasingly wanting to be and to act like a local. Although they are global nomads they seek out difference in each destination. They are, in effect, a ‘temporary local’:

"We now welcome the arrival of a new kind of tourist = the temporary LOCAL seeking the emotional connection with your destination and enjoying shared experiences with local people and their culture (especially food and drink) and stories."

Wonderful Copenhagen
A Tourism Strategy for the Next Ten Years
August, 2016

✓ A major trend being identified is what has become known as ‘re-enlightenment’ – the desire and willingness amongst visitors to think about new ideas, to try new things, to experiment in pursuit of self-expression, self-discovery, self-actualisation and self-development. This phenomenon is described by The Future Laboratory in the following quote:
✓ There is the desire to find meaning in a visit that visitors can share with those in their group and talk about to their peer groups. The trend is well described in this quote which highlights that intelligence, integrity and imagination will be the watch-words of the evolution of tourist experiences where the quality will no longer be measured by its cost:

> “Something is happening as various societal shifts impact on the way we think about hospitality. They take great design and quality for granted. They expect hosts to be friendly and helpful. They are now searching for originality and meaning, for experiences that broaden their horizons (the soul), opens their minds, and satisfies the body.”

Claus Sendtlinger
Directions
March, 2017

✓ This is resulting in a fast-growing trend for people to develop a new interest or skill and to harness a leisure visit in order to ‘become a better person’, a visit to a museum, a heritage site and a cultural centre is stimulated by a desire for self-improvement. In this context the educational content of the experience becomes very important as is reflected in this quote:

> “Travel is finding it larger purpose in our lives and in the world = changing mindsets. Experience development is key and an essential and highly sought-after part of the travel eco-system but the concept has spread so widely that experience tourism as we know it today has lost its edge.

To compensate we need to start going deeper: towards the transformational value and how it helps the traveller become the person they aspire to be. It is all about customer centricity delivering personalisation and personal fulfilment.”

‘Megatrends Defining Travel’
THE OPPORTUNITIES TO GROW THE CONTRIBUTION OF TOURISM TO THE RURAL ECONOMY

✓ The public sector to create an environment that recognises and supports tourism in rural areas through the appropriate and sensitive understanding of the needs of developers, investors and operators which is then applied to the planning system, infrastructure planning and uplifting the status of tourism as an economic force;

✓ Encouraging and promoting a better understanding and recognition of the multiple benefits of tourism for the rural community embracing everything from: helping to sustain local amenities, creating jobs, the retention of young people and local talent, creating long supply chains for locals produce, reduce the current high levels of economic leakage, developing new forms of creative collaboration and networks, enhancing community pride and complementing other forms of rural economic activity;

✓ Ensuring a strong, consistent and reliable digital infrastructure for all rural areas;

✓ Through the various layers of education and business support systems to provide training, advice, investment and mentoring for new tourism business start-ups and those existing businesses who need to innovate and collaborate;

✓ The need to learn from international best practice about policies, programs and actions to support a vibrant and balanced approach to sustainable rural destination development – including the opportunity to recognise and sign-up up to the principles of a balanced approach and community involvement as set out in the Barcelona Declaration (2018) ‘Better Places to Live, Better Places to Visit’.\footnote{517 See the work of NECSTouR www.necstour.eu}

✓ The willingness to introduce a new form of local destination management governance models involving a PPP approach to oversee the strategic development and asset management of rural destinations in line with international best practice and to shift away from the traditional and tired approach of destination marketing which still prevails in the UK in which local authorities tend to dominate the organisational structures. In this area the UK is significantly out of line with all our competitor countries and paradigm shift is long-overdue and badly needed;

✓ Tackle the current highly fragmented and institutional approach to tourism and rural affairs within and out-with governments across the UK; including the development of a more synergistic approach to the marketing, promotion and recognition of the distinctive component parts of the UK as offering unique and compelling rural tourism assets (culture, landscape, heritage, etc.);
APPENDIX ONE

FULL BIOGRAPHY

Professor Terry Stevens
Founder and Managing Director, Stevens & Associates;
Professor of International Dynamic Destinations, School of Management, Swansea University

Professor Terry Stevens is Founder and MD of the multi-award winning, international, tourism consultancy, Stevens & Associates. This Wales-based consultancy has now worked in over 50 countries around the world specializing in destination development, marketing and place-making. He has worked in the industry since 1970 holding a number of senior positions in the public and private sectors prior to establishing his consultancy. This included time with the Wales Tourist Board, The US National Parks Service, Welsh Historic Monuments and the Coke Estate.

Stevens & Associates clients include many of the major international development agencies (including the UN World Tourism Organisation, UNESCO, The World Bank, European Bank of Reconstruction, European Investment Bank, The UK Department for International Development and USAID) as well as national, regional and city governments. The private sector clients have included Coca Cola, The Buccleuch Group (Britain’s largest private land owner), The Duke of Devonshire, Scottish Racing, the Welsh Rugby Union, The European Arenas Association and many other blue-chip companies.

Terry is current working on strategic destination development projects in New Zealand, Trinidad & Tobago, Ireland, Northern Ireland and in Scotland. Over recent years he has worked closely with the cities of Belfast (N. Ireland), Galway (Ireland), Cardiff and Swansea (Wales) and Linz (Austria). In total Terry has overseen some 350 destination development projects over the last 26 years. He is a member of the UNWTO’s Global Tourism Performance Barometer Monitoring Group. The UNWTO’s Technical Expert on Sport and Tourism and is currently part of the UNWTO and World Tourism Cities Federation Research Group looking at performance areas in city tourism.

In 2004 / 2005 he was commissioned to undertake a series of international best practice and benchmarking studies for the Scottish Government, including a review of the world’s best mountain destinations. This work was transformative in its impact on the way tourism has subsequently been organized across Great Britain. This led to further destination benchmarking of wellbeing / wellness destinations; post-industrial port cities; national park destinations and small / medium cities. At the heart of this work is a destination comparator model developed by S&A in conjunction with the University of Calgary.

Terry is, and has been, Visiting Professor at a number of Universities including: Reading, the Dundee Business School, Bergamo (Italy), Maribor, Slovenia, Granada (Spain), NHTV (Holland), Krems and MODULE (Austria), Brighton, Cardiff Metropolitan and the Centre of Culture in Barcelona. He has also taught and examined postgraduate research at many universities including Bournemouth, University of the Highlands and Islands, Texas A&M and Ohio State Universities. In September 2015, he was invited to join the School of Management at Swansea University on an advisory basis and to establish
‘International Dynamic Destinations’ – a new global knowledge sharing initiative centred upon international best practice in destination management.

He has been Vice Chair (Strategy) of the Wales Tourist Board and is a regular keynote speaker at global and international summits, including, most recently: The UNWTO Global Ministerial Summit on Sports Tourism in Sochi and Moscow; the Global Wellness Summits in Istanbul and Morocco; the Global Stadia Business Summits in Dublin, Barcelona and Madrid and the Advances in Destination Management Summit in Vail. He has written extensively on the subject of tourism development (over 300 books and chapters in books as well as articles in magazines and journals). His new book: “LANDSCAPE WALES” was published in April 2016 and he is now writing a book on great destinations of the world. He is a Trustee of the Dawes Twine Works Restoration Project and the Coker Canvas herniate initiative in Somerset.

7 September 2018
Suffolk County Council – Written evidence (REC0113)

Suffolk County Council – Written evidence (REC0113)

General issues

1. What do you understand by the "rural economy"? How has it changed over recent years, and what has been the impact of these changes?

   1. Suffolk is composed of urban, rural and coastal communities that have both shared and unique assets, priorities and needs in terms of economic ambition. 32.2% of jobs in Suffolk are in rural areas (ONS BRES 2016) and 39.2% of Suffolk’s total population and 37.8% of our working age population live in rural areas (ONS 2016 population estimates).

   2. Consequently, connectivity is important to Suffolk’s economy. This means physical (road/transport) connections, digital and mobile connections and connection to the rest of the UK and internationally (for example, via Felixstowe, the UK’s busiest and biggest container port). There are also connections between key sectors, businesses, travel to work patterns and supply chains. Therefore, it should be recognised that the 'rural economy' will be different in different places.

   3. For example, the Economic Strategy for Norfolk and Suffolk published by the New Anglia LEP last year highlights advanced agriculture, food and drink as a key economic sector, along with tourism and culture. Both are linked to Suffolk’s natural capital as 36% of the county either nationally or locally designated for its wildlife or landscape value. This natural environment is an important part of our existing infrastructure. Sectors such as tourism, agriculture and manufacturing are represented in the rural economy also have the challenge of traditionally being lower paid, lower skilled work.

   4. However, the rural economy is more diverse than these sectors, for example, with many Small and Medium Sized Enterprises, for example, in creative and digital businesses. As a result, digital and mobile connectivity is increasingly important to developing these. Equally, transport is important to the rural economy. The trend of declining public transport services means that the rural economy risks making harder to reach communities more isolated (which, also emphasises the importance of digital and mobile provision to help these communities stay connected).

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

   5. We are pleased to highlight success stories for Suffolk’s rural economy, for example:

      • Framlingham Technology Centre – is a high tech hub in a rural area of the County: [https://newanglia.co.uk/eastern-agri-tech-grants](https://newanglia.co.uk/eastern-agri-tech-grants)
Suffolk County Council – Written evidence (REC0113)

- **HGP rural diversification scheme that supports farmers with free planning advice and guidance to bring disused farm buildings into use as business premises or tourist accommodation.**
- **Agri Tech East scheme between New Anglia LEP and Greater Cambridgeshire Greater Peterborough - [https://newanglia.co.uk/eastern-agri-tech-grants](https://newanglia.co.uk/eastern-agri-tech-grants)**

6. Both Framlingham Technology Centre and the rural diversification scheme have secured investment from the Rural Development Agency as well as the New Anglia LEP. Consequently, the LEP’s strategies include clear aims and support for the rural economy.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

7. **Technology is absolutely vital for economic growth and a key theme in the Government’s Industrial Strategy. Digital and mobile connectivity is extremely important in enabling businesses to successfully grow. In Suffolk, there is a gap of around 12% in terms of the percentage of premises with superfast broadband in rural and urban areas (85% vs 97%). Under the government’s “Superfast Extension Programme”, we now have a contract in place for Openreach to extend fibre broadband coverage to 98% of all Suffolk premises by 2020. Beyond this, we are committed to reaching 100% superfast broadband coverage in Suffolk as quickly as possible.**

8. **For Suffolk, technology is embedded in its key sectors particularly ICT, tech and digital creative, life sciences and biotech. Technology and automation also has potential to reduce the risk of labour shortfalls or variations. The Industrial Strategy’s focus on technology supports its potential; however, this can only be realised if accompanied by sufficient funding (for example, via Innovate UK).**

9. **To grow the visitor economy requires planning to support diversification for example, through start up loans/grants and investment in infrastructure including high quality broadband and mobile connectivity.**

10. **Broadband and mobile connectivity is also important to facilitate homeworking in a quality environment. This can provide valuable input into the rural economy. However, it also needs to be balanced against migration from urban to rural communities that may, in turn, inflate house prices beyond the reach of local residents.**

**Infrastructure and services**

4. How can access to transport be improved in rural areas?

11. **Improving access to transport in rural areas provides economic benefits by enabling access to work, training and education; improving supply chain and delivery and in terms of reducing social isolation that can reduce**
people’s health and wellbeing often leading to demand on local public services.

12. For public transport, there following options could be explored:

- A review of bus regulation to enable community buses, offering smaller vehicles, the ability to operate appropriately to meet customer needs. e.g. sometimes offering scheduled services and demand responsive on the same day with small vehicles.
- Sorting out the current permit situation for community transport so they have more certainty and can make forward plans.
- Consider continuation of all funding streams to the bus industry, ensure Bus Service Operators Grant (BSOG) continues for commercial services and that the BSOG for supported bus services continues to be ring-fenced for local authorities.
- Consider boosting apprenticeship scheme to encourage more younger drivers into the bus industry, to see this as a career opportunity.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

13. As outlined in the response to question 3, digital and mobile connectivity is vital to local growth and we are working closely with partners to improve this.

14. For transport, the use of digital technology to offer bookable services is restricted due to lack of reliable comprehensive digital connectivity. We suspect this is one factor that is impacting the piloting of a digital website called RIDE in rural Suffolk that is offering an on-line transport booking service, designed to give greater visibility to community transport demand responsive services.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

16. Good, visible transport connections would certainly assist along with digital and mobile connectivity. A more devolved and place based approach would assist targeting of resources and decision making and also ensure that such infrastructure is invested to maximise benefits.

17. Community Ownership is also key. As the composition of market towns and villages’ high streets change (eg, bank branches close) communities should be encouraged to list them as a community asset so it can be used to meet the needs of the local community. ‘Pub is the hub’ is a good scheme, it can utilise the pub throughout the day as a post office, library, swap shop, café etc. and become the very heart of a community. These assets can also as tourism information points e.g. the Visitor Info Point initiative which operates in Waveney’s market towns.
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

18. A relatively low level of grant scheme combined with specialist advice from a rural retail professional can have a significant impact on the long term use and sustainability of rural assets such as shops and pubs. The former Suffolk Village Shop Scheme offered low level grants of less than £2,000 for new fridges, counters, shelving etc and advice from a rural retail adviser. Often the business only required the guidance from the adviser to see their business in a fresh light and make the necessary changes (without requesting the grant element).

19. Promoting local amenities, such as shops and pubs when working with communities (for example, if developing tourist accommodation under the HGP scheme highlighted in question 2) will be important. Often the most sustainable and innovative ideas for maintaining local amenities can come from local communities. However, the public sector does have a role in helping to make connections such as encouraging local shops to promote community/demand led travel options.

20. A reduction in red tape and bureaucracy particularly relating to funding would also support rural businesses. For example, the GDPR regulation has cost smaller and micro businesses time and resource to comply with the legislation.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

21. Rural businesses experience greater difficulty in recruiting and upskilling staff due to reduced local working age populations and easy access to training. This is particularly acute when training to support growth and innovation, as this is often technical in nature and requires specialist tutors and equipment to ensure quality. To help address this the County Council has been working with New Anglia LEP, education providers and employers to develop sector skills plans (eg: in construction, health and social care, digit-tech and agri-food tech.

22. Size and type of rural business must also be considered, so the key aspect of provision of training or support for success is flexibility. This means flexibility and choice is included as part of the local offer which is put together by a range of public sector and private support organisations across Suffolk and also flexibility in the range and location of training available.

23. The skills and training arena in particular is complex and multi layered, so buy in and support from providers and businesses around providing and using coordinating services such as the New Anglia Growth Advisors and related online portals is particularly beneficial as a ‘one stop shop’.
24. Another example of businesses coming together with training providers to solve a common skills gap or barrier is the New Anglia Skills Deal which has created a number of innovative training opportunities matched to the needs of business, as these programmes are already in operation it is now important that rural businesses are aware of the opportunities and how to access them.

25. Business communities such as in Brightwell Barns community and Old Jet at Bentwaters demonstrate that rural business space can be hugely successful and popular (both are expanding) if the right environment is on offer. They are ‘on trend’ business environments with an urban feel but in the heart of the countryside. These are spaces that have also created secondary economies of experience-based businesses, health/fitness businesses and even specialist markets and cultural events.

26. Once again, connectivity (transport, mobile and digital) is vital in supporting development of skills and maximising employment opportunities. This is a cross generational issue, for example, the lack of strong rural transport impacts on young people wishing to access out of school sport/cultural activities. Anecdotally, County Councillors have heard that some youngsters chose college courses because they operated on days they could get to college rather than the benefits of the course itself.

9. How can deprivation and inequality in rural areas be tackled?

27. One of the barriers to tackling deprivation and inequality in rural areas is that often need is hidden. For Suffolk, the 2015 indices of multiple deprivation showed that 8.1% of the rural population experience deprivation related to low income compared to 13.6% of the urban population and that rural areas of Suffolk suffered the largest relative increases in deprivation from 2010 to 2015. This was highlighted in the Suffolk Community Foundation’s Suffolk Hidden Needs Report 2016 and 2011. These two reports provide both a baseline and an update on our most pressing rural concerns, including: social mobility, deprivation and low wage levels and meeting the needs of an ageing population. Whilst local partners work collaboratively to address this, it is made more difficult as local government and its public sector partners face increasingly challenging budget pressures. Including some measures/indicators of rurality in the resource calculations under the fairer funding review would help mitigate some of this pressure.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

28. As a result of the Suffolk Foundation’s Suffolk Hidden Needs Report 2016 a rural movement was created by 4 of our key Community Sector Organisations, supported by Suffolk County Council, to highlight specific areas of concern and raise awareness. This movement was called ‘Flourish’ and called on community and public-sector organisations to work together to address many of the areas highlighted in the report. One of the
thematic strands for Flourish was Skills and Employment and a ‘Young Flourish’ project was created to gather the thoughts and opinions of young people from rural communities about their plans for the future, and to identify where they saw barriers to gaining employment and training and any innovative solutions they may have to supporting young people to live and work well within their communities.

29. One key benefit to come out of Flourish and the young person’s research was funding from third parties for a local charity to offer a Rural Apprenticeship and Mentoring Manager role which has supported young people in rural areas to access employment support locally.

30. Another charity led, and Suffolk Local Authorities funded opportunity for young people right across the county to access information and guidance in particular employment opportunities is the web-based portal icanbea. This website explores employment industries, sectors and individual local employers in Suffolk so young people can hear directly from them about what their skills needs are, who they want to employ and where the future employment trends are likely to be.

31. Provision of subsidised transport for those without cars to enable them to access employment would also be effective.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

32. Whilst social isolation and provision of social care can present challenges arising from an ageing rural population, older people also represent an important asset to local communities. Their skills and experience can be used to great effect in local communities through voluntary and community based activities. In addition, many older people that are retired remain socially and economically active.

33. In relation to the challenge of care provision, technology provides opportunities to better connect with more isolated individuals as well as promote ways to help people to help themselves to stay as healthy and independent as possible. In addition, direct payments, create opportunities for older and disabled people in rural communities as people have their own money to spend on meeting their social care (and health) needs, which in turn, can input into local rural economies.

34. Care, and particularly, domiciliary care is an important contributor to the rural economy. In Suffolk providers are represented by a mix of larger more countywide provision and smaller more localised providers (for example, employing carers from a particular village that in turn, care for local older people in need of home care). It is a particularly interesting example of the diversity of the rural economy whereby a very local care need and a very local employment need can be matched.

35. It should also be noted that social isolation and social care provision can also be issues for younger people living in rural areas.
Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

36. Along with affordability, diversity of type and tenure can also be an issue for rural areas. In terms of housing affordability, in rural areas in Suffolk median house price to median income ratio is around 8.5:1, whereas in urban areas it is 7:1. (ONS house price data year ending December 2017, Experian Mosaic median income data).

37. As a public sector, there is potential to better maximise our own assets (eg, land and buildings) to improve scale and pace of housing delivery. There is also a challenge to positively engage local communities to help influence the design and type of developments proposed so that they create a sustainable community for the future, as acknowledged by the Minister in July when launching the Community Housing Fund.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

38. It is currently too early to provide empirical evidence on the impact of the latest National Planning Policy Framework; however, as highlighted in the response to question 12, the Council welcomes opportunities to unlock developments that meet local need.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

39. As highlighted in previous answers, the local economic strategy reflects the importance of the rural economy’s contributions to Suffolk’s ambitions for inclusive growth (growth that delivers both economic and social benefits). Earlier responses have also emphasised the need to unblock key barriers to developing the rural economy such as mobile and broadband connectivity and that a more locally led, place based approach would help to facilitate this.

40. The Fair Funding Review currently taking place provides an opportunity for Government to acknowledge rurality both in terms of resourcing service delivery but also in resourcing infrastructure that would support the rural economy to flourish and grow. More widely, greater devolved decision making to local areas would enable resource and activity to be better targeted at local needs – for example, supporting the rural economy.
41. In terms of transport infrastructure, the lack of clarity from Government on s19 and s22 licensing has hindered provision to rural areas. Although a direction of travel has been suggested, some community transport operators do not have the ability (eg, money/skills) to respond and are in danger of closing as a result. This is because they are in a limbo position and are not actively doing much to change. Any loss of these operators would further reduce accessibility in rural areas, particularly for the older generation, leading to increased pressures on social care and health care as a result of the mental health effects of rural isolation.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

42. Examples of how Suffolk’s public sector partners, including its local authorities and LEPs are collaborating to support the rural economy is included in previous answers. However, given the Government’s recent LEP review recommendations, it will be important to ensure that local democratic accountability continues to have a role and voice in LEPs, in order to ensure that the needs of local communities and partners (including businesses) are reflected in strategic economic planning and that subsequent investment and activity connects back to them. As LEPs develop Local Industrial Strategies, this will provide an opportunity to maximise the contribution of local rural economies.

43. In terms of transport infrastructure, Suffolk County Council has tried to protect transport services by keeping cuts to sponsored services to a minimum and resisting change to the Children and Young People’s school travel policy. However, the extreme budget pressures have resulted in some budget reductions and the school travel policy will change to provide travel to the nearest school only from September 2019. Consultation took place on removing the County Council’s role in the provision of any travel for Post 16 (as is the statutory minimum) but it was eventually agreed to retain the offer of travel to the nearest suitable 6th form or college in recognition that there really are no travel options in some areas and that the County Council would continue to offer access to its closed contracts for home to school journeys in an attempt to reduce NEETS. However, this comes at an increasing cost, as the County Council will charge for such travel, starting at £750 per year in Sept 2019, rising by £30 per term until the annual figure equals the average cost of a seat (currently £966 pa).

10 September 2018
**We are only responding to one question.**

**Question 8 - Business, employment, skills and demography** - How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

1) The problem: Youth brain drain and rural emigration. The solution: Specific training, support, grants/loans, and access to land for small-scale food production.

2) SustEd has developed several projects to successfully help young adults (18 to 30 year olds) to focus on rural business development opportunities. For example our latest project – YOOF Youth, Food and Multimedia, in partnership with WWOOF-Espana in Cantabria, is a two year project that has supported and trained 20 young adults to look at business development opportunities and approaches in multimedia related to rural food production. The technical and multimedia skills of young adults can enable them to develop enterprises which could, for example, provide marketing services to farmers and food producers. In general terms urban, university-educated, technically-skilled young adults could explored and develop rural enterprise opportunities where lower costs of living, and often lack of business competition, could provide a good platform for rural enterprise development as well as rural immigration by educated young adults.

3) But what is needed is support and onsite training in rural areas for recent graduates showing them enterprise opportunities in tourism, marketing for food production, small-scale, cooperative food production, social enterprise development etc. Low-cost social or affordable housing and small rentable properties are obviously also required. We focus on social and cooperative enterprises as an attractive way for young adults to support local rural communities and share the risks and responsibilities for first-time, young entrepreneurs – both approaches that are attractive to recent graduates with an interest in rural living and social giving.

4) In terms of small-scale food production and processing, the main limiting factor to rural enterprise development by young adults is access to land and technical support and start-up loans/ grants. A recent project [www.accesstoland.eu](http://www.accesstoland.eu) has focused on the problems and solutions to land access for new rural enterprises started by young adults. The Soil Association and Landworkers Alliance have shown how technical support can be provided. The new Agricultural Policy of the Government should consider start-up loans, grants for farmers to provide 2-5 acre plots on short-term let, alongside technical support for young food producing entrepreneurs, especially in planning and marketing.
5) These approaches to training, support, access to land and loans/ grants could attract more recent graduates to rural areas, partly stemming the youth brain drain and emigration from rural areas.

Adam Cade
Director

13 August 2018
Swindon and Wiltshire Local Enterprise Partnership (SWLEP) – Written evidence (REC0139)

Introduction

About Us
The Swindon and Wiltshire Local Enterprise Partnership (SWLEP) is one of 39 Local Enterprise Partnerships (LEP) established across England since 2010. The area has a highly competitive economy and is ranked 12th out of the 39 LEPs in England. The SWLEP was established in July 2011 as a private sector led partnership between Swindon Borough Council, Wiltshire Council and local businesses. Its primary role is to drive economic growth, by creating jobs, attracting new investments and supporting new and growing businesses across Swindon and Wiltshire.

SWLEP's Rural Economy Sector Group (RESG) provides SWLEP with a forum for rural businesses, the public and voluntary sectors to come together to identify the barriers and create the strategic support necessary for economic growth.

The Rural Economy of Swindon and Wiltshire
Approximately 80% of the geography of SWLEP is classified as rural. Rural businesses make a significant contribution to the economy of the area and therefore the LEP has a wide interest in the outcomes of this Call for Evidence. Approximately 48.9% of the total SWLEP population (341,762 people) lives in rural areas. Since Swindon BC is a largely urban authority, most of the LEP’s rural geography, population and economy is within Wiltshire.

SWLEP acknowledges the importance of the rural economy and champions it through its Rural Economy Sector Group (RESG)\(^{518}\). In 2017 RESG commissioned a Rural Economic Study for Swindon and Wiltshire (RES 2017)\(^{519}\). Subsequently, SWLEP collaborated with three other South West LEPs to establish a South West Rural Productivity Commission (SWRPC 2017), the findings of which were published in 2017\(^{520}\). Leading on from this SWLEP collaborated with these same LEPs in three task groups which sent proposals to BEIS and DEFRA in August 2018 relating to improving the productivity of the Food & Drink sector, Digital sector and Tourism sector. These studies and others have informed our response to this Call for Evidence.

Productivity

Productivity and GVA in rural areas across England are lower than in urban areas. In Wiltshire GVA/filled job is about 80% of the UK average.

Summary

\(^{518}\) https://growthhub.swlep.co.uk/programmes/SWLEPRuralEconomySectorGroup
\(^{519}\) https://swlep.co.uk/docs/default-source/strategy/swlep_final-res-31-5-17-(1)_ex-photographs.pdf?sfvrsn=165fa482_4
\(^{520}\) https://swlep.co.uk/docs/default-source/publications/sw-rural-productivity-commission-report-2017.pdf?sfvrsn=e283fd5f_4
Swindon and Wiltshire Local Enterprise Partnership (SWLEP) – Written evidence
(REC0139)

1. Approximately 80% of Swindon and Wiltshire is rural, most of the rural areas being within Wiltshire Council’s geography, hence most SWLEP rural data relates to Wiltshire. 64% of the SWLEP population lives in these areas and 51.8% of businesses are rural. Our rural areas contribute 43.5% of our total SWLEP GVA, demonstrating their importance to the whole economy.

2. The representation of business sectors in our rural areas is similar to urban areas except for the presence of the three core rural sectors: farming, forestry and fishing; food and drink; and rural tourism. All types of rurally based businesses face specifically rural challenges which result in lower productivity than urban areas.

3. Brexit will disproportionately impact rural areas and the three core rural sectors. Leaving the EU without a deal could cause a massive economic shock to our economy, as well as having wider implications for food security. We need the UK government to provide clarity on transition and longer term arrangements for migration, trade, agricultural subsidies and other successor programmes.

4. SWLEP and Wiltshire Council have provided a range of successful support to rural areas, much of it funded through EU programmes such as ESIF and LEADER. We are keen for clarity about future funding through the UK Shared Prosperity Fund or other national programmes.

5. Improvements to digital communication infrastructure are a top priority for our rural economy and potentially game-changing. Rural businesses are currently at a competitive disadvantage and our core rural sectors have specific demands for connectivity to allow adoption of the latest technology.

6. We need government (at all levels) to properly implement Rural Proofing of all strategies and plans.

7. Improvements to roads infrastructure are one example of the need for Rural Proofing by the Department for Transport to ensure that future plans meet the needs of dispersed rural businesses and communities.

8. New approaches to providing public transport are critical to support our rural economy, especially to enable young people to reach employment, education and training.

9. Government should review the way it funds essential rural services such as health and education. Rural authorities and communities are significantly disadvantaged by the higher costs and challenges of provision in rural areas.

10. Charities and social and community enterprises are important providers of rural services, but they need public funding to under-pin their services. Many of these organisations and services have depended on EU funding and government needs to address the gap that Brexit will cause.

11. Digital communications are essential rural services, and investment is required to ensure that our rural areas are not disadvantaged.

12. Many local shops, pubs, libraries, banks, Post Offices and other services and amenities have been lost from our rural areas. The knock-on impacts on our economy and communities are much greater than might be
expected at face value. It causes a loss of sense of place, making our rural communities less attractive to visitors and residents, especially the young. Again, much of what investment there has been to these services has come from EU funding, through LEADER for example.

13. SWLEP and Wiltshire Council have provided a range of well-received business support services including business advice and funding, start-up and grow-on workspace. The Swindon and Wiltshire Growth Hub has provided a valuable one-stop shop for information and support. Much of this has been facilitated through EU funding.

14. New national funding such as the UK Shared Prosperity Fund should include ring-fenced rural funding. LEADER (the early programmes rather than the current one) provides a good model for future rural funding.

15. Shortages of labour and skills are significant challenges for rural businesses. We have sought to address this through programmes such as Higher Futures and the development of an agri-innovation centre at Wiltshire College.

16. We need to do more to encourage young people to remain or come to live and work in rural areas. Improvements to infrastructure, access to higher education, training, affordable homes and transport are important factors.

17. Farming, food and rural tourism industries depend on a significant proportion of migrant workers. We need government to negotiate a Brexit deal that will ensure workable arrangements for migrant workers.

18. Deprivation and inequality are being addressed through Wiltshire Council’s Health and Wellbeing Strategy, Community Area Boards and initiatives such as Building Bridges and Links to Work. Rurality is not currently identified as a specific deprivation and inequality factor, highlighting the need for effective Rural Proofing.

19. Encouraging young people to stay in rural areas is a significant challenge. Inadequate access to transport, education, training and affordable housing are key factors.

20. Health and social care funding formulas need to be adjusted to take better account of the needs of rural areas and our aging population.

21. Improvements to rural digital connectivity are needed to facilitate provision of services for the elderly, providing benefits for the public purse and justifying public investment.

22. Local authorities need more encouragement for housing provision, especially to build and improve social housing.

23. There should be severe restrictions on housing developments that are not affordable to local people.

24. Community Land Trusts should become a mainstream and fully funded resource for local areas.

25. The revised NPPF includes helpful policies on building a strong competitive economy:

26. Government does not pay sufficient attention to the rural economy. Defra is seen as a weak department within government and there needs to be
Swindon and Wiltshire Local Enterprise Partnership (SWLEP) – Written evidence (REC0139)

more joined-up policy making with proper implementation of Rural Proofing across all departments.

27. We need an England Tourism strategy with a clear approach to supporting the rural tourism economy and linked sectors such as food and drink.

28. EU funding has been an important part of local government support for rural development, through ESIF, LEADER and other programmes.

Responses to Questions

General Issues

1. What do you understand by the "rural economy"?

1.1. Traditionally three sectors – farming, forestry and fishing, food and drink, and tourism - have been thought of as the rural economy. Due to their particular challenges, and the fact that they are usually unable to relocate to urban areas, these three sectors remain the focus of much of our rural economic development attention. However, the representation of other sectors is broadly similar for rural and urban areas (SWRPC Evidence 2017, p9521), and all these business sectors face many of the same challenges and opportunities that come with a rural location. For SWLEP and Wiltshire Council as a predominantly rural authority, it is vital that we address these rural challenges and opportunities for the good of our whole economy. Hence the RES 2017 and the SWRPC 2017 regarded the rural economy as all businesses located in areas defined as rural. In the SWLEP area, 51.8% of businesses are in our rural areas. The nature of the SWLEP partnership with the largely urban authority of Swindon Borough Council means that most of that rural area comes under Wiltshire Council.

1.2. The RES 2017 identified that the rural economy of Swindon and Wiltshire contributed 43.5% of SWLEP’s total GVA; a figure that indicates the importance of the rural economy.

1.3. The "rural economy" whilst real in terms of value and activity, is also a construct of governments made to delineate areas that are able to attract public funding, support and subsidy.

1.4. The Common Agricultural Policy has determined our understanding of rural economy as something that can be subsidised due to the related factors of land-based industries and market and environmental failures associated with production.

1.5. The rural economy is therefore something that works under slightly different rules from the rest of the economy, and requires classifications, such as population size of rural towns, annex 1 products, etc.

1.6. As the UK comes out of the CAP, the definition of rural could change, but this is dependent on the future trading relationship with the EU, and whether subsidy to producers will be allowed or be desired under any new trading rules.

1.7. The current position (Chequers proposal) indicates that the UK will not diverge much from the CAP rules (even if it does in practice reduce subsidy for production) due to the proposal for a single trading block for agricultural goods.

1.8. Presumably this means maintaining the overall quotas and allowances for subsidised food production with the WTO which if it is the case, will likely lead to continued patterns of production, with the skills, labour, infrastructure and environmental factors of production remaining much as they are.

1.9. However, only once the proposed changes are agreed in a proposed Withdrawal Agreement, established and understood, will the UK be in a position to define its rural economy in real terms, and not as a construct of the CAP.

1.10. For economic assessment purposes, our understanding of ‘rural’ is based on the DEFRA/ONS 2011 Rural-Urban Classification which defines areas as rural if they fall outside of settlements with more than 10,000 resident population. However, the classification was extended in the Rural Economic Study of Swindon and Wiltshire (RES 2017) to include rural hub towns such as Calne and Devizes. Approximately 80% of the land area of Swindon and Wiltshire is rural. These factors in determining a ‘rural economy’ will need to be addressed in the post-Common Agriculture Policy era.

2. **Success stories and good practice**

2.1 The Enterprise Network (TEN)\(^{522}\) takes a new approach to rural economic development that aims to nurture new and developing businesses with growth potential through their formative stages, raise the entrepreneurial confidence and ambition of the rural community, and support military leavers, military partners and women keen to start or grow a business in Swindon and Wiltshire. TEN offers affordable office space, hot desks and co-working space at four Enterprise Centres across Wiltshire (at Ludgershall, Royal Wootton Bassett, Salisbury and Trowbridge), free business support & advice, information about business grants, meeting/training rooms, business networking and virtual office facilities. TEN has also supported the development of satellite centres\(^{523}\) including the Glove Factory\(^{524}\) which provides workspace for businesses specialising in digital media, design and communications.

2.2 Major benefit and growth of the rural economy have been achieved through two successive EU LEADER programmes under the Rural Development Programme for England (RDPE). Wiltshire Council acted as Accountable Body for three Local Action Groups (LAGs) under the 2007-2013 LEADER Programme. The success of these programmes led to the establishment of four LAGs under the 2014-2020 LEADER programme, covering all the rural areas of Swindon and Wiltshire as well as parts of neighbouring counties. The current LAG programmes are all on course to spend their full allocations, by December 2020, bringing over £6 million of investment to the rural economy, supporting development and creating jobs in over 110 rural businesses to date.

\(^{522}\) [http://www.theenterprisenetwork.co.uk/index.php](http://www.theenterprisenetwork.co.uk/index.php)

\(^{523}\) [http://www.theenterprisenetwork.co.uk/enterprise-centres/sat.html](http://www.theenterprisenetwork.co.uk/enterprise-centres/sat.html)


3. **The future of the rural economy**

3.1. Brexit is the dominant issue for the future of the rural economy. It is likely to have a disproportionate impact on rural areas, because of the intent to leave the ‘Common Agricultural Policy’ and develop a new UK agricultural policy and associated support mechanisms. It also has major implications for the availability of labour and skills (see Q8), opportunities for trade and funding for rural development. These changes will disproportionately impact on the three bedrock rural sectors of farming, forestry and fishing, food and drink, and tourism. There is a real possibility of a massive economic shock to our rural areas and to our national food security. The lack of progress in achieving a Brexit deal after two years of negotiations is of cause of great concern for the whole of our economy. We need the UK government to provide clarity on transition and longer-term arrangements for migration, trade, agricultural subsidies and other successor programmes.

3.2. Digital Infrastructure was the single most important issue raised by contributors to the Swindon and Wiltshire Rural Economic Study (2017) and the South West Rural Productivity Commission (2017) due to its game-changing potential for rural productivity across all sectors. Rural businesses are currently at a disadvantage to urban businesses because of inadequate broadband and mobile connectivity. In 2017 Defra provided an additional £30m EAFRD funding for rural broadband which was increased to £75m in July 2018. However, the time scales for project completion imposed by Brexit made this funding inaccessible to many local authorities including Wiltshire Council, hence creating a funding disparity between Local Authority areas. We would like to see the government correct this disparity through future national funding opportunities.

**Infrastructure and Services**

4. **How can access to transport be improved in rural areas?**

4.1. Wiltshire Council is working with neighbouring authorities and the Highways Agency to improve road infrastructure, particularly the A303. Nevertheless the RES identified that road infrastructure and maintenance remains a challenge for the business sector. Improvements to the major strategic road and rail network are important to the productivity of both urban and rural areas. A-Roads and trunk roads are of particular importance to connect businesses in rural areas with the major strategic road networks. We urge the Department for Transport to consider the needs of the dispersed economies of rural areas by ‘Rural Proofing’ its plans (SWRPC 2017).

4.2. A 2016 FSB study[^525] found that public transport was inadequate for many rural businesses. SWRPC 2017 found that only 49% of households in the most rural areas have access to a regular bus service compared with 96-97% of households in urban areas (SWRPC Evidence P59). Although access to a car is higher in rural areas than urban areas, 28% of low income rural households have no access to a car. Lack of access to public transport is a particular problem for young people, restricting their access to education and training, apprenticeships and employment. This contributes to the loss of young people from rural areas and the labour and skills challenges that rural businesses experience. Public transport in rural areas is rarely commercially viable, so in

the absence of sufficient public funding, new and innovative approaches are needed. The Wiltshire Wheels to Work\textsuperscript{526} scheme run by Community First is linked with the Building Bridges\textsuperscript{527} programme and helps young people access training and move towards employment. The Transport Systems Catapult\textsuperscript{528} should support development of new approaches for rural areas.

4.3. SWRPC 2017 identified the value of recreational transport infrastructure such as national trails and sustainable transport routes benefits rural productivity and jobs.

5. \textit{What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?}

5.1. Broadband and mobile connectivity are now regarded as essential utilities. A large number of rural businesses interviewed for the SWLEP RES 2017 research identified access to high speed Broadband and mobile phone connectivity as a significant barrier (RES 2017). The South West Rural Productivity found that improvements to digital connectivity would be a game changer, helping businesses to overcome challenges associated with rurality. Every contributor who gave evidence to the SWRPC 2017 raised digital connectivity as one of the most important ways to improve rural productivity. Contributors commented that broadband roll-out had put rural businesses at a competitive disadvantage as it had proceeded more quickly in urban areas. Agriculture and rural tourism businesses face particular challenges. Both crop and livestock farming are increasingly reliant on smart systems and Defra has been pushing farmers to increase use on-line systems to provide statutory data such as livestock movements. Rural tourism businesses are affected because on-line booking systems are now the norm, visitor use rates are putting pressure on bandwidth and customers are increasingly discriminating against sites where digital services are poorer.

5.2. SWRPC (2017) found that community broadband schemes could be part of the solution, and Government (DCMS) should improve rural broadband provision by:

- 5.2.1. Ensuring the Universal Service Obligation is achieved by 2020 in rural areas, without a cap on costs
- 5.2.2. Commit to raising the Universal Service Obligation to >30Mbps by 2025.
- 5.2.3. Commission an independent review of broadband delivery costs to ensure value for money is being achieved.
- 5.2.4. Government (DCMS) should improve rural mobile provision by developing and committing to a Universal 3G Service Obligation to ensure 100% mobile coverage in homes and premises by 2020. And government should require mobile operators to ensure maximum mobile data coverage in rural areas. (SWRPC 2017)

\textsuperscript{526} http://www.communityfirst.org.uk/transport/wheels-to-work/
\textsuperscript{527} http://www.communityfirst.org.uk/building-bridges/
\textsuperscript{528} https://ts.catapult.org.uk/
6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1. Delivering essential services in rural areas is recognised as more costly than in urban settlements. There are a number of ways seen in the area that these can be made affordable, but it is often the case that public intervention and investment is required, and often other motives than profit need to be built into business models in order to maintain services.

6.2. Fair funding for schools and alternative education provision is key. Funding for general services and education funding from the ESFA / DfE would need to take more account of rural / geographical factors in order to not penalise those who live in rural areas.

6.2.1. Children and young people who live in rural areas often have much less accessible local school provision and education services under the current funding levels. This is particularly pertinent for vulnerable groups such as those with special or additional needs especially where home to school transport may lead to a considerably extended school day to reach the provision which best suits their needs.

6.2.2. There are a significant number of schools in Wiltshire which are deemed as rural schools, many of whom also have less than 100 pupils on roll. With a falling birth rate in many of these rural areas the schools will inevitably face falling rolls. Wiltshire Council recognises the government’s presumption against the closure of village schools and will only bring forward proposals to close a village school where it can be demonstrated that one or more of the following criteria can be met:

- There is only very limited demand for places at the school from children living within the designated area.
- Surplus places at the school exceed 25%.
- Standards are low and there is little confidence in the likelihood of improvement.
- Recruitment of a head teacher has not proved possible.
- The necessary improvements to the school accommodation are either not possible or not cost effective.
- The school has a deficit budget without realistic prospects of recovery.

6.2.3. We recognise that schools act as a focus for the local community in a way that extends beyond the education of children who attend the school. For all schools with fewer than 90 pupils on roll Wiltshire Council will actively encourage the governors of the school to consider further collaboration and ultimately federation or amalgamation with one or more neighbouring schools or by joining a Multi Academy Trust.

6.3. The health services funding formula for England should be adjusted to take account of additional rural costs. Scotland, Wales and Northern Ireland already use formulas weighted for rural factors. An All-Party Parliamentary
6.3.1. The cost of health and social care provision increases as people age. Since rural communities are older than urban ones, the costs of provision are higher.

6.3.2. Rural provision costs are also increased by the nature of more dispersed communities and greater travelling time.

6.3.3. The funding formula has used socio-economic deprivation as a proxy indicator for additional needs (over and above age-related). But the way this deprivation is measured has been more sensitive to urban than rural deprivation than rural deprivation.

6.3.4. The funding formula is dominated by acute service rather than community services. Community hospitals and services are even more important in rural areas due to the distance from general hospitals. These smaller community hospitals cannot achieve the same economies of scale as general hospitals and the funding formula needs to take account of this to appropriately allow for the extra cost incurred when patients are discharged from acute to community hospitals.

6.3.5. Rural areas have specific and additional mental health services needs which result in higher costs of provision. These needs are partly due to the higher age profile and increased incidence of dementia, but also due to social isolation issues specific to rural and remote areas. The farming community has the fourth highest suicide rate of any professional sector.

6.3.6. Low incomes and lack of public transport increase social exclusion due to lack of access to social facilities, particularly for women with children and the elderly.

6.3.7. Rural communities have less access and choice of shops. Small rural shops tend to be more expensive and this can lead to health disadvantages and extra costs.

6.3.8. Remoteness means that transport costs are higher in rural areas. This increases the cost of service provision when medical staff need to visit patients in their own homes – and the higher age profile of rural areas increases this demand. The inadequacies of public transport in rural areas means that patients find it harder to access health services and in some cases the extra costs of providing transport in order to provide ‘equal access for equal need’ has to be borne as an additional cost by the PCT.

6.4. The loss of banking facilities in rural areas has significant impacts on rural businesses and communities, as identified in an FSB 2016 report530 and Which?

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research (June 2018)\textsuperscript{531} reported that loss of cash machines is hitting rural areas especially hard.

6.5. A large number of social enterprises and charitable bodies are involved in maintaining essential services, often around poverty alleviation and tackling disadvantage which rely on insecure income streams. Contributing finance to these organisations from public sources can underpin essential services in rural areas that are unaffordable from the public purse alone. For example, a large number of volunteers have been recruited in recent years to ensure libraries remain open across the county. However, this still requires skilled and able publicly-employed managers to coordinate and ensure quality.

6.6. The Chalke Valley Community Hub\textsuperscript{532} invested a LEADER grant to convert part of the local under-utilised church to co-locate a number of retail and leisure facilities together with the post office. Reliant on volunteers, it has become a new focus for village life.

6.7. The MS Therapy Centre in Warminster\textsuperscript{533} also received LEADER funding to extend its premises and treatment capacity for Multiple Sclerosis sufferers.

6.8. To some extent, reliable connectivity to internet-based services can mitigate the loss of some physical assets that have become unaffordable and unviable to run due to a range of factors.

6.9. As a key enabler, digital technologies are increasingly essential to delivery of services, as banking and other services become on-line activities. It is therefore a paramount priority for Wiltshire to continue to roll-out superfast and ultrafast broadband to all premises, and work towards full fibre solutions wherever possible.

6.10. Services which need to be personalised, such as health and education will to some extent join banking and the myriad of online services that can be accessed today – a similar experience to urban areas. The prevalence in rural areas for higher rates of home-working and flexible employment will also continue.

6.11. Investment is required to ensure rural residents are not disadvantaged in comparison with urban communities. Without full and further public investment in broadband infrastructure at least 9,000 Wiltshire households will be left behind due to not having a connection that meets the Universal Service Obligation. Whilst the situation in Wiltshire is quite positive in comparison with other areas, the remaining residents will not be able to access essential services which have migrated online.

6.12. And as smaller mobile devices become the normal method of accessing online services, investment in mobile technology is required. Given the failures of private mobile network operators to work on standard and agreed ways to provide 3, 4 and 5G coverage, and the reluctance of some communities to agree to infrastructure for better coverage, government and regulators have a continuing role to ensure that rural communities can access services.

\textsuperscript{531} https://www.which.co.uk/news/2018/06/revealed-300-cash-machines-disappearing-every-month-from-the-uk/
\textsuperscript{532} http://www.chalkevalleystores.co.uk/about/
\textsuperscript{533} https://www.wessexms.co.uk/
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7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1. The privatisation of the Post Offices has led to many village post offices becoming unviable and closing. Many villages have also lost shops, banks, libraries and petrol stations leaving them without local services. This combined with lack of public transport causes hardship for older and disabled residents and those on low incomes. This loss of services also damages the local economy as such villages are less attractive to young people, visitors, new residents and new businesses.

7.2. Market forces are not a good way of valuing these rural services as they do not take account of the wider value they provide in creating a sense of place, and the knock-on effects on the economy and community when they are lost. Government needs to review the way such rural services are provided and funded taking full account of the wider benefits that investment in rural services could bring to the whole economy.

7.3. There has been some beneficial support for rural services through rural development funding programmes such as LEADER. But this funding will soon come to an end as Brexit approaches and the government must make new funds available. Programmes like LEADER have mainly provided capital funding for improvements to premises, but other forms of support are needed for these vital services that often have very marginal turnover levels and higher costs than in urban areas.

7.4. Government should review business rates and tax levels as these are prohibitive for small businesses such as village shops.

*Business, employment, skills and demography*

8. **How can rural businesses be helped to thrive and how can new industries and investment be supported? How might labour and skills shortages be overcome?**

**Workspace:**

8.1. The RES identified a lack of appropriate business grow-on space in SWLEP’s rural areas. Wiltshire Council’s Employment Land Review (May 2018) also identified a potential undersupply of office space, industrial workspace and logistics space across the county including rural areas and rural hub towns such as Malmesbury and Melksham.

8.2. Wiltshire Council will act on the recommendation of the review to maximise the match between supply and demand for workspace.

8.3. Local Plans are being revised, and it is paramount that changes are made so that employment land in rural settlements is protected and that planning authorities can prevent villages becoming dormitories with nowhere to establish and run a business.
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8.4. Wiltshire Council has already taken significant steps to increase the availability of affordable workspace through The Enterprise Network.⁵³⁴ TEN provides a network of rural and urban based Enterprise Centres, providing start-up and grow-on space for micro and small businesses as well as light industrial units at Castledown Business Park.⁵³⁵

8.5. A new health and life science incubator has been opened at Porton Down Science Park.⁵³⁶ This was funded in part by Government alongside ERDF

8.6. Extra funding for creation of workspace has recently been made available through DEFRA Rural Growth Programme (part of European Structural Investment Funds). This is allowing the construction or conversion of offices and light industrial space, providing space for a wide range of tenant businesses to start up and grow in Wiltshire’s rural areas, and providing additional income for landlords who are often farm businesses.

Business support

8.7. Business support to, and funding for, rural business is important, but is at risk of being lost in the changes to policy and practice on farming subsidies. Rural development needs to be decoupled from the agricultural economy in light of the new definitions for rural expected as the UK moves from CAP to Common Rulebook for agriculture.

8.8. Swindon and Wiltshire LEP’s £3.9m Rural Growth Programme has indicated that providing funding without allied support may not have the effect desired by government. Investment of funding is unfocused and proposals are susceptible to cultural bias by decision makers because the investment case is not framed by realistic parameters for value for money, strategic fit, or agreement over demand-side/supply-side paradigm. One result is the introduction of barriers between business and government when trying to support growth.

8.9. Experience of the Rural Growth Programme ought to be compared to LEADER where an agreed vision for the area helps decisions that are focused around agreed benefits from economic development, and business investors can be more certain about the process, due to the dedicated support for investment made available. The experience of earlier LEADER programmes was much better than the current programme, which has suffered from increased bureaucracy and reduced local decision-making

8.10. The Swindon and Wiltshire Growth Hub was Launched in 2017 providing a one-stop-shop for business support and funding. Business support and related Growth Hub services operate throughout the area and rural businesses make use of the services. However, in decision making, any new funding schemes such as the proposed UK Shared Prosperity Fund, ought to build-in ability to identify and make awards of direct finance or support rurally located businesses by dedicating and ring-fencing funds for rural areas.

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⁵³⁴ http://www.theenterprisenetwork.co.uk/
⁵³⁵ http://www.castledownbusinesspark.co.uk/
⁵³⁶ http://wiltshire.gov.uk/news/articles/work-begins-on-multi-million-pound-science-park-for-wiltshire
8.11. ESIF has shown that when strategic fit, value for money and impact of investment is considered, it is investment in urban areas that wins through due to the overall value to the whole economy – evidenced or perceived.

8.12. It will therefore be important to ring-fence funds or dedicate a programme to the rural economy, so that business support, finance and investments are made, even when a neighbouring urban area or large town offers a higher return on investment.

8.13. However, there is also evidence from the ESIF programme that rural areas have attracted less ESF and ERDF funding than might have been expected, perhaps because the separate EAFRD funding led to the other two funds being seen as ‘Urban’. So whilst ring fencing of Rural Development funding is important, future programme structures must ensure that this does not restrict access to generic urban-rural funding.

8.14. Rural areas have a high proportion of micro and small businesses and self-employment. Wiltshire Council provides business advice and support through TEN, as well as conferences, networking opportunities and B2B support.

8.15. TEN also supports business relocating to or within Wiltshire by helping them find suitable business premises and helping to coordinate services and utilities.

8.16. Incoming and existing businesses have also identified the high cost of connecting to an electricity supply as a significant barrier to relocation and expansion and in rural areas, as well as lack of access to sufficiently high capacity 3-phase supply. Poor coordination between water companies and the Environment Agency and high cost of water provision to new premises has also been cited as a problem for rural businesses (RES 2017).

8.17. Digital connectivity is a key issue for all businesses (as described in section 5).

8.18. The ESIF-funded SME Growth Programme has provided valuable business support and small grants to rural and urban businesses.

8.19. SWLEP’s is actively delivering a Better Business for All (BBfA) initiative. BBfA aims to provide advice and support to business whilst simplifying the local regulatory system and processes. It also aims to strengthen the relationship that regulatory services have with local businesses and with other local authority services such as building control, economic development and planning.

8.20. Wiltshire Council acts as Accountable Body for four LEADER Rural Development Programmes bringing over £6million EU grant funding to help our rural business start-up and grow.

Labour and skills

8.21. Both the RES (2017) and the SWRPC (2017) found that the availability of labour and skills was a significant challenge facing rural businesses. Underlying factors influencing this shortage included housing affordability, transport and an ageing population. Brexit also poses a significant challenge – particularly in the agri-food and tourism sectors. Attracting higher skilled individuals was a particular challenge influenced by the loss of younger people from the area to

537 https://growthhub.swlep.co.uk/programmes/better-business-for-all-(bbfa)
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study, as well as a ‘cul-de-sac’ effect which prevents higher skilled people from re-locating to the area. For young people living in rural areas, poor transport accessibility limits choices and opportunities to access education, training and apprenticeships.

8.22. Wiltshire does not have a university so young people tend to leave the area to study. SWLEP’s Local Economic Assessment (May 2018)\(^{538}\) found that 57.1% of students leave the area and do not return, compared to an UK average of 33.1%. So there is a large loss of young people with higher level skills.

8.23. Wiltshire College\(^{539}\) provides Further Education at four campuses across the county. In 2017 the College was awarded more than £20million of government Local Growth Fund money via the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) to invest in its Salisbury and Lackham campuses. The plans include redeveloping the Salisbury campus and introducing a new Life Science curriculum there, while Lackham will see the construction of an Agricultural Technology Centre and the introduction of a higher education centre which will house incubation space for land-based businesses.

8.24. SWLEP’s ‘Higher Futures’ service was established to help businesses tackle skills shortages and gaps.

8.25. Brexit creates further challenges for the availability of labour and skills. SWLEP’s Local Economic Assessment (May 2018)\(^{540}\) found: ‘Swindon and Wiltshire’s economic vitality is reliant upon a large and internationalised migrant labour force. Over the period 2002-2015, migrant labour made up nearly 50% of the change in WAP size, with half of this supply of migrant labour coming from outside the UK. Swindon has seen a greater influx of migrant labour, with approximately 75% of coming from locations outside of the UK. The reverse is true in Wiltshire, with 76% of migrant labour emanating from within the UK.’ Although this indicates a more significant issue for urban Swindon, it still indicates that 24% of Wiltshire’s workforce is derived from migrant labour, much of this in rural businesses. And loss of urban-based migrant labour, such as in the food and drink processing sector, will have repercussions for rural-based businesses within the same supply chain.

9.   \textit{How can deprivation and inequality in rural areas be tackled?}\n
9.1. SWLEP suffers from pronounced deprivation across its geography (Local Economic Plan May 2018, Chapter 4\(^{541}\)). Generally, deprivation is more concentrated in urban areas, but large parts of the rural areas are among the 40-60% most deprived areas nationally. Ironically, poor quality living environment is a greater problem in our rural communities, as measured by housing quality, air quality and road traffic accidents.


\(^{539}\)https://www.wiltshire.ac.uk/rss/aboutus/campuses/campus_development


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9.2. SWLEP and Wiltshire Council are tackling inequality in rural areas through a number of initiatives.

9.3. The Council and its partners are currently beginning a refresh of the Health and Wellbeing Strategy. The strategy seeks to reduce inequalities. Rurality is not specifically identified as an inequalities factor in the 2015 strategy, so this again illustrates the need for Rural Proofing across all central and local government strategies.

9.4. The Building Bridges programme is Swindon and Wiltshire’s local implementation of the ESF funded Building Better Opportunities programme. The local focus for the programme is on supporting those furthest from the labour market in accessing the skills, development, education and/or experience they need to achieve and sustain ongoing employment. Our target group is those who are unemployed or economically inactive and facing multiple, complex challenges and barriers. Participation in the programme is entirely voluntary and free to users. **The programme started in July 2016 and will run to the end of September 2019.**

9.5. Swindon and Wiltshire Links to Work is another ESF programme which supports people to get back to work.

9.6. **Wiltshire Council has a network of Community Area Boards** which aim to bring local decision making back into the heart of the community. Local Community Engagement Managers facilitate and enable closer working between the council, the community and area boards. Meetings take place locally once every 8 weeks and between meetings task groups consisting of local people, Wiltshire Council staff and councillors tackle local issues and find solutions to take forward at the next area board. A key role of the area boards is to provide grants (up to £5,000) to community groups e.g. South West Wiltshire Area Board recently awarded £1,000 for improvements to Studio Theatre – an award winning community theatre which has its own Youth theatre and provides opportunities for schools and community groups. The Area Boards also provide revenue funding grants for those wishing to provide positive activities for 13-19 year olds and those aged up to 25 with special educational needs and/or disabilities. Projects delivered in the past include arts, music, sports, leisure and other after school activities where young people can make friends in a fun and safe environment.

10. **Encouraging young people to stay in or return to rural areas**

10.1. Access to transport, education, training and employment are some of the main issues, already described above, that affect retention of young people in rural areas. The lack of a university in Wiltshire has also been identified as a contributing factor, as the most highly skilled young people leave and few return. Lack of access to recreation facilities and general amenities is a further barrier along with the lack of affordable housing.

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544 [https://www.linkstowork.co.uk/swindon-and-wiltshire](https://www.linkstowork.co.uk/swindon-and-wiltshire)
11. **What can be done to address the challenges associated with an aging rural population, such as social isolation and social care provision. What opportunities are there for an older retired population to help support the rural economy?**

11.1. The cost of health and social care provision increases as people age. Since the average age of rural communities is six years older than urban communities, the costs of provision are higher. Rural provision costs are also increased by the nature of more dispersed communities and greater travelling time. A 2013 report by the Commission for Rural Communities on social isolation in rural communities called for a change in the health funding formula (see Q6 also)

11.2. The funding formula for England should be adjusted to take account of these additional rural costs as it is in Scotland, Wales and Northern Ireland.

11.3. Like many industries, the social care sector will need to go through a period of transformation to a more digital-based business model in order to deliver services more efficiently. Whilst this is very possible in urban areas, as it will require homes and places to be digitally enabled - support for super and ultra-fast (next generation access) to full-fibre connectivity is paramount in underpinning the productivity gains. Since these gains are largely to the public purse, or as private provision offsets the draw of elderly people on the public services, the government should see any investment in connectivity as a medium to long term cost-saving, as well as more immediate gains in technology and practice development.

**Rural Housing & planning**

*How can affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?*

11.4. SWRPC 2017 found that the Housing Affordability ratio was above the national average in all rural districts of Wiltshire and the other three participant LEPs. This is a significant barrier to the recruitment and retention of staff by rural businesses and a particular barrier to the retention of young people. There is evidence that more development land would be made available by landowners but that this is sometimes unnecessarily prevented by planners on sustainability grounds.

11.5. Wiltshire Council has been housebuilding in recent years. More encouragement and a wider competence for housing provision, particularly building and improving social housing should be afforded to local government

11.6. Government should work to ensure that rural (and urban) tenants are provided with stronger tenure and rights to increase housing security over the long-term, allowing families to establish and thrive.

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11.7. Planning for housing should severely restrict numbers of homes built that are not affordable to local people. This will encourage developers to consider more mixed housing and a different range of housing types on developments.

11.8. Community Land Trusts should become a mainstream and fully funded resource for local areas giving them the capacity to compete with developers for sites in and around small settlements.

11.9. Wiltshire Council is developing a new Green Infrastructure Plan. This aims to address environmental barriers in order to speed up the planning and development processes, whilst also making wildlife habitats more sustainable and creating recreational spaces that will support local economies. Bath and North East Somerset\textsuperscript{547} and Warwickshire\textsuperscript{548} have already developed similar strategies.

12. **How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

12.1. The revised NPPF includes helpful policies on building a strong competitive economy:

12.1.1. Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

12.1.2. Planning policies should:

- set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period (including making provision for clusters or networks of knowledge driven, creative or high technology industries)

12.1.3. Planning policies should also support a prosperous rural economy, noting that:

- Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found outside existing settlements, and in locations that are not well served by public transport.

**Government policy, devolution and local government**

13. **Do the government pay sufficient attention to the rural economy?**

13.1. The lack of consideration of rural issues in the Industrial Strategy Green Paper is one example of how government fails to understand the importance and needs of our rural economies. An exacerbating factor is the silo nature of governmental departments which means that ‘rural issues’ are largely thought

\textsuperscript{547} [http://www.bathnes.gov.uk/sites/default/files/e2389-app.1_draft_qi_strategy_0.pdf](http://www.bathnes.gov.uk/sites/default/files/e2389-app.1_draft_qi_strategy_0.pdf)

\textsuperscript{548} [https://www.warwickshire.gov.uk/greeninfrastructure](https://www.warwickshire.gov.uk/greeninfrastructure)
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of as Defra responsibility and often poorly considered by other departments. Meanwhile Defra is a very weak champion for the rural agenda among government departments. There needs to be more joined up thinking and active rural proofing across all departmental policies. This was also a recommendation of the SWRPC 2017.

14. What is being done in local government to support the rural economy, LEPs?

14.1. SWLEP and Wiltshire Council are predominantly rural authorities with 80% of geography being rural, so many of the services are generic to both rural and urban areas. The Council’s Economy and Planning Directorate provides a range of services including business support and affordable workspace.

14.2. EU Rural Development Funding has been an important aspect of rural delivery through local authorities. The Council has acted as an Accountable Body through a number of LEADER Rural Development Programmes and is running four LEADER Local Action Groups in the current programme, bringing over £6 million of EU funding to the area and also benefitting parts of the rural areas of neighbouring authorities. The Council contributes a significant amount of staff resource at its own expense to provide the AB services and this reflects the importance of the importance of the rural economy.

14.3. SWLEP delivers funding to rural areas through the ESIF programme.

14.4. The Brexit process has been extremely disruptive to delivery of these programmes and it is vital that the UK government quickly establishes clear plans for future rural development funding.

14.5. We need an England tourism strategy with a clear approach for supporting the rural visitor economy (currently there is only a one-page action plan).

14.6. Swindon and Wiltshire LEP supports the emerging Government proposal to create new Tourism Zones. This could have a positive impact on our rural economy if the Great West Way was designated as one of the pilot tourism zones.

10 September 2018
Teignbridge District Council – Written evidence (REC0028)

GENERAL ISSUES

1. Question 1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 The rural economy should be recognised for its diversity, with a growing number of innovative companies outside the traditional sectors of tourism and agriculture. This is encouraging, as it shows the potential for non-traditional sectors to gain further ground, furthering the attractiveness of rural areas for young people who may otherwise be tempted to leave for larger towns and cities.

1.2 Unlike urban areas, it can be easy for the inequalities between rural areas to be masked by the spread and beauty of the natural landscape. The degradation of public services across rural communities has also been challenging, often having an adverse effect on those who require the most support. The cutting of public transport services is a core example of this. As such, the rural economy in 2018 should be understood as a place of great potential yet facing challenges of greater intensity.

2. Question 2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 In Teignbridge, the LEADER programme has been very successful in encouraging innovation, creating jobs and helping the rural economy to grow. This program is funded by the EU – ensuring funding schemes like this continue after Brexit is imperative. In addition, offering loans and grants below the £2,500 threshold (of the LEADER programme) can give a boost to the smallest of enterprises.

2.2 Enabling small (often self-employed) businesses to scale up is essential for rural growth. The Teignbridge Business Centre in Heathfield for example, has been a testbed for multiple businesses. One example is Wi-Fi SPARK, which started at the TBC as a ‘one-man-band’ and eventually relocated to Exeter as a major employer. This is just one example of how businesses can grow in a rural setting, but are driven away to urban areas to take advantage of better access to skills and infrastructure. Another example of a successful rural Teignbridge business is Amulet Hotkey. This business was started in an old house in Chudleigh, a small town on the edge of Dartmoor by a husband and wife team. Amulet offered quality jobs on good pay. The business grew and wanted to relocate to a rural location as they felt this would be a better fit for them than an industrial estate. It was not possible to find a suitable location within their desired timescale and they are now located on Heathfield Industrial Estate, a large estate at the edge of Dartmoor.
3. **Question 3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?**

3.1 The future of the rural economy depends upon its ability to attract new and exciting businesses. Notable success stories in Teignbridge include companies such as Grey Matter and SRA Developments in Ashburton, both being highly innovative within a largely rural setting. The former is a software developer with the latter specialising in ultrasonic medical products. These examples show how technological change can benefit rural economies, providing opportunities for local residents and making rural locations more attractive places to live and work. The growth of more innovative companies such as these can be encouraged by ensuring adequate infrastructure (physical and digital) is in place, sufficient employment space is brought forward and highlighting the benefits of rural living.

**INFRASTRUCTURE AND SERVICES**

4. **Question 4. How can access to transport be improved in rural areas?**

4.1 Funding was secured for a Wheels 2 Work service in South Devon from July 2009 to March 2012 through the SDC LAG program. A similar project in the Dartmoor area was also supported. Both projects were generally successful and have proved invaluable in helping young people access work and training opportunities particularly where they either live or work in isolated locations where there is limited or no public transport. The basis of the scheme is to provide a moped and all the protective gear and equipment on an affordable loan basis (with the option to buy), plus training to enable them to pass the driving test and advanced training to enhance their safety. In South Devon, £41,000 was invested to support this project, resulting in the creation of a part time job in the area to run the scheme and 47 scooter loans set up for young people. Future projects should be welcomed and funded to boost opportunities for young people, in order for them to access higher education, an apprenticeship or other forms of employment and training.

4.2 It is clear that many rural transport services, such as bus routes, will be unable to survive without some form of subsidy. Many have already met the fate of local authority cuts, with many surviving services under continued strain. Community transport charities have been successfully operating within Teignbridge, although this will not be able to completely supplement all services which have been cut across the board.

4.3 Recent improvements like the South Devon Link Road can show how effective infrastructure projects can be. Enhancing this further in our rural hinterlands, where realistically possible, is a key step towards furthering productivity.

5. **Question 5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**
5.1 One particular issue is that although broadband coverage is gradually expanding, it is not being matched by take-up. Also, in areas deemed to be ‘commercially covered’ the Connecting Devon and Somerset programme (covering the Heart of the South West LEP) will not intervene, leaving some areas with ‘not spots’ or having to change provider, as they may be with BT but only Virgin has the Superfast speeds in that location for example. Promoting superfast and ultrafast take-up and ensuring the market is competitive is essential in determining further investment in broadband infrastructure.

5.2 Mobile coverage remains an issue across the rural economy, with certain communities not being covered by certain providers. Encouragement from Government to the operators for ‘passive mast sharing’, where operators install equipment on competitors’ masts, can ensure that not-spots are eliminated.

6. Question 6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

6.1 Banking is a particularly important case study. Allowing rural businesses to do more of their banking through local Post Offices can save time and money. With more and more local banks closing in smaller towns and villages, businesses which are still ‘cash heavy’ are having to spend time and money traveling to more distant localities on a regular basis to do their banking. This is having a detrimental effect on rural economies. Accessing banking services through the Post Office is one solution – the PO in Ashburton has shown how this can be done successfully in a rural location. More collaboration between the PO and the UK banks is needed, as not all business accounts are covered. This also means ensuring Post Offices remain open and supporting community groups to take over struggling Post Offices before they close.

7. Question 7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1 Teignbridge is currently looking into the prospect of developing a peripatetic town centre manager for Ashburton, Bovey Tracey, Buckfastleigh, Chudleigh and Moretonhampstead town centres. TCMs have a positive effect in keeping our high streets occupied with both shoppers and shops. They also help to brand the town and run events to increase footfall, ensuring the town centre remains a community hub. For smaller towns where a single TCM may not be financially viable, a peripatetic TCM who supports various town centres could be more practical and cost-effective.

BUSINESS, EMPLOYMENT, SKILLS AND DEMOGRAPHY

8. Question 8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

8.1 Within Teignbridge District, large swathes of the rural hinterland are governed by the Dartmoor National Park. Owing to the cost of opening up employment estates and the return to the developer being considerably less than
if it were residential, developers are reluctant to invest in employment land. This means that the demand for commercial space far outstrips supply. Other barriers are local opposition, generally those living in rural areas want to protect the land around them and will object to most forms of new build, but commercial in particular. The cost of adding infrastructure and accessing main services can be more expensive than in urban areas. Another barrier to developing new sites is the large cost of installing utility connections, such as power and broadband for example. Sites in Teignbridge which have been held back due to this include Peamore and Drumbridges. Costs for opening up sites can reach as high as £5m, with commitments to install electricity connections from Western Power taking years, holding back the delivery of the site and potentially prohibiting it altogether. Giving LEPs the ability to offer gap funding for new sites would help to replicate success stories like Gidleys Meadow.

8.2 Gidleys Meadow is a wonderful example in our district of a developer who, having searched for a unit close to his home in the very rural Teign Valley, built a speculative small unit scheme on land he already owned. The planning process was onerous, but undeterred and with our help and support he was successful and the units let, almost immediately to a wide range of small businesses all offering employment and adding to the local economy..

8.3 One proposal would be to better promote employee buyouts for retiring business owners considering their succession options. As employees gain a slice of the profits, topping up their wages, they now have an incentive to work more efficiently. Recent research has shown that employee owned firms are more productive, enjoy lower rates of staff turnover and find it easier to recruit. Riverford Farms in Buckfastleigh is a recent, rural and local example of how this model can work effectively.

8.4 The demand for differing types of commercial space is changing, with micro offices and shared space becoming more and more popular. Enterprise pods, like those at Hexham Enterprise Hub in Northumberland National Park, could be replicated in rural areas where larger sites may not be appropriate. Teignbridge is already looking into the possibility of replicating this project on our own assets. Developing new commercial sites requires funding. The need for gap funding for larger sites has already been mentioned (see 8.1). For smaller sites, such as enterprise hubs, LEADER funding (see 2.1) could be extended for the use of delivering these new types of micro units.

9. Question 9. How can deprivation and inequality in rural areas be tackled?

9.1 There are multiple ways to help tackle deprivation and inequality, many of which have already been mentioned. Enabling young people to access education and employment opportunities through initiatives such as Wheels 2 Work (see 4.1) is one solution. This, of course, also depends on the availability of quality educational opportunities and well paid and high skilled employment opportunities. Expanding employee ownership (see 8.3) can help to resolve income inequality and boost local spending.

10.  **Question 10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**

10.1 Teignbridge has lower real wages compared to many other parts of the South West, which is itself lower than the national average. This has a knock-on effect in the local labour market, enticing high-skilled young people to move to higher-wage (often urban) parts of the region. Rural areas need to boost their attractiveness to innovative high-wage high-skilled companies if young people are to move or return to rural areas. Rather than accepting the rural brain-drain we should instead look towards developing a brain-port, similar to what has been developed the Netherlands. Cross-collaboration between anchor institutions – like local authorities, universities, major employers, etc. – could enable focused public-private initiatives to develop across rural and urban areas.

**RURAL HOUSING AND PLANNING**

11. **Question 12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

11.1 Average earnings in Teignbridge rural areas are ranked in the bottom 10% of predominantly rural authorities, and house prices in rural Teignbridge are higher than average (especially in the DNPA parts of Teignbridge). This makes rural affordability for housing in rural Teignbridge very difficult. Teignbridge requires increased levels of grant funding to ensure new affordable housing can be delivered at social not affordable rents.

11.2 The Community Housing Fund has provided additional resources for enablers to work with rural communities – however continuity is required for long term work, and this funding stream needs to be continued. Rural communities are keen to focus energies to make affordable housing provision for genuine local need.

11.3 Teignbridge is implementing affordable housing scheme allocation which encourages flexibility in local allocation criteria, in order to allow rural affordability (financial and community contribution assessment) to be acknowledged as a genuine local housing need. The challenge is to keep rural communities a thriving place to live and work – rather than lose residents to nearby towns because this is their only realistic housing option. It is not socially sustainable to have housing in rural areas only affordable to higher income earners or those with sufficient capital/assets.

12. **Question 13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

12.1 There is concern that new NPPF initiatives for entry level exception sites without regard to local connection may not be supported by rural communities, and potentially undermine support for other types of rural affordable housing delivery. It is also possible that the new entry level exception sites set out in the NPPF may inflate land value expectations for affordable housing exception sites, and deter land availability for other affordable housing exception sites to come
forward. The scale of any entry level exception scheme should be predicated on local needs, and it will be important to ensure local connection criteria for entry level homes to retain local support. The rural affordability crisis has extended the cohort of people unable to afford to buy their own home and who are in need of good quality entry level homes, yet not qualifying for rented affordable housing.

12.2 There is serious concern about the potential impact of para 63 NPPF statement on rural affordable housing thresholds. Interpretation alongside the WMS does not appear to allow provision for onsite affordable housing delivery for developments less than 10 dwellings. Residential development delivered without affordable housing will compound problems in already unaffordable rural parts of Teignbridge and will not help social sustainability. In such cases where there is provision of an offsite affordable housing payment, it may not be possible to find suitable land or housing to re-invest this money in the local area. In order to avoid paying back this money to developers - off site affordable housing payments from rural areas may need to be spent at some distance from the local community where the development takes place, thereby further undermining rural sustainability. Planning guidance notes should clarify that in rural areas where there is local evidence of housing need, LPAs should be allowed to set a lower affordable housing threshold for onsite provision in rural areas.

GOVERNMENT POLICY, DEVOLUTION AND LOCAL GOVERNMENT

13. Question 15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

13.1 Teignbridge is currently in the process of renewing its Economic Development Plan. This plan sets out what we intend to do to support the local economy, with many of the commitments already in place. Some of the most relevant commitments for the rural economy include:
- To explore the possibility of introducing free public Wi-Fi for town centres.
- To seek to facilitate a peripatetic town centre manager role for Ashburton, Bovey Tracey, Buckfastleigh, Chudleigh and Moretonhampstead town centres.
- To bring forward our own commercial sites where appropriate, trial new types of workspace and generate additional income to the council.
- To support transport infrastructure projects to reduce journey times for employees and accelerate local supply chains.
- To be proactive wherever possible, for example by championing business rate relief and exemptions for those who are eligible.
- To run a ‘New Tenants Leaflet’, where all new business rates payers will receive a business support leaflet with their first business rates related letter.

13.2 The Heart of the South West (HotSW) LEP area is the largest in England, covering a hearty chunk of the South West’s rural hinterland. Larger cities and towns are islands of urban in a vast sea of rural, yet despite this the majority of

projects undertaken by the LEP are focused on these core urban areas. As such, the LEP is largely absent from the majority of the rural areas it covers. Realigning its focus to supporting economic development in rural areas could include the introduction of rural growth deals. This would be an effective means of distributing funding to local infrastructure projects, gap funding for small commercial developments such as Gidleys Meadow (see 8.2) and other local priorities.

Neil Blaney
Economy Manager
Teignbridge District Council

29 August 2018
Tenant Farmers Association – Supplementary written evidence (REC0182)

I was pleased to provide the Select Committee with oral evidence alongside the President of the NFU, Minette Batters and the Director of the RSA Food and Farming Commission, Sue Pritchard on Tuesday 13 November.

During the evidence session you asked me to write to you with some further information about areas of concern relating to a lack of joined up working across Government. I am pleased to provide you with this letter in answer to your request.

The first area I would direct you to consider is the regulation of the retail supply chain. Currently the Department for Business, Energy and Industrial Strategy (BEIS) is responsible for the oversight of the Groceries Code Adjudicator (GCA) which enforces the Groceries Code between the biggest 12 retailers domestically and their direct suppliers. In a recent consultation, BEIS looked at the possibility of extending the remit of the GCA to include more of the retail supply chain and, in particular, to include within the remit relationships between farmers, first purchasers and processors. Despite DEFRA being concerned about unfair trading practices impacting the farming community, BEIS decided there was insufficient merit in arguments being made to extend the remit of the GCA. However, more recently, DEFRA has produced the Agriculture Bill which has completed its Committee Stage in the House of Commons and which contains extensive provisions on the regulation of the relationship between farmers and first purchasers. Considering the decision of BEIS in not wishing to extend the remit of the GCA DEFRA is intending to give oversight of this new legislation to the Rural Payments Agency which the TFA and other organisations within the farming industry believe would be an inappropriate regulator. The more obvious place for the regulation to sit is within the GCA but this appears to be unachievable given the impasse between BEIS and DEFRA on this point.

Secondly, in the summer of 2017 DEFRA commissioned the Tenancy Reform Industry Group (TRIG), which includes representative bodies for rural landlords, farm tenants and professionals, to come forward with recommendations that would improve the sustainability and resilience of the tenanted sector of agriculture, particularly in the context of the decision of the UK to leave the European Union. In October of last year TRIG presented DEFRA with a substantial report covering changes that could be made to the underpinning legislation for farm tenancies and the taxation environment within which decisions are made as between landlords and tenants.

As a result of those reports DEFRA is proposing to conduct a consultation exercise in the New Year specifically on some of the legislative proposals contained within the report from TRIG. However, there is to be no consultation on any of the proposals made in relation to taxation because, we have been informed, this is a matter that only the Treasury can conduct and it currently appears to have no interest in looking at these very important issues for the tenanted sector of agriculture.
A third area to look at is policy on renewable energy. Again, BEIS has responsibility for promoting renewable energy technologies through various mechanisms including the provision of feed in tariffs. Feed in tariffs for anaerobic digestion utilising crops, including maize, as their feedstocks have been very popular and very lucrative. It is understood that the original intention was to support anaerobic digestion systems using waste products, but it has become apparent that more efficient generation can be achieved through using crops specially grown for the purpose. However, this has led to a significant inflation in land rents in areas where there are heavy concentrations of anaerobic digestion plants and has also caused issues for soil health and water quality which is contrary to other Government policy which is attempting to promote sustainable business planning and environmental management.

Fourthly, I would direct the Committee to consider policy towards County Council Smallholding Estates. These are estates owned and managed by local authorities which offer opportunities to individuals who wish to be farmers in their own account. Individual local authorities are responsible for developing policies for their estates and have the authority to dispose of them if they consider that would deliver best value for council taxpayers. The legislation covering the management of these estates is contained within the Agriculture Act 1970. However, the rules surrounding best value are set out in local government legislation which is the responsibility of the Department for Housing, Communities and Local Government (DHCLG). Again, this is an area where DEFRA has been attempting to encourage better practice by local authorities in the management of their estates and in providing evidence of best value, particularly when there are decisions to sell estates. However, this does not appear to be a priority area for DHCLG and therefore local authorities are able to take inappropriate decisions to sell estates without the proper scrutiny. I would point the Select Committee to consider the recent decisions made by both Herefordshire and Somerset in this regard.

Fifthly, the labour requirements of farming and food processing post Brexit appears to lack consistent, cross Government thinking. Again, DEFRA appears to be alive to the real issues that will be faced by farmers, growers and the food processing sector when our access to seasonal and permanent/semi-permanent labour from the European Union becomes restricted. A large proportion of our labour force in abattoirs, for example, is Eastern European. However, the Home Office, backed by the recent report of the Migration Advisory Committee seems to believe that there is an available supply of UK born labour able to take up the slack. This is not the case. Reported vacancies are almost in line with claimants of jobseeker’s allowance indicating that we are virtually in a situation of full employment and there is a real cultural problem in attracting domestic born workers into some of the employment roles available within farming, growing and food processing. The suggestion of the Migration Advisory Committee that only highly skilled individuals (typically with a university degree) earning over £30,000 should be given visas to work in the UK, will spell disaster for many farm, horticultural and processing businesses within the rural economy.

As a final example I would refer the Committee to the current debate over the environmental and animal welfare standards required of domestic agricultural production. A huge concern for domestic producers is the potential for being undermined in the domestic market by food imported from abroad produced to
standards which are outlawed in the UK and which could give foreign producers an unfair cost advantage. It would also massively undermine the efficacy of the standards imposed on domestic production which would be against the public interest. The agricultural industry has been arguing that the same standards required of domestic production must also be required of products imported into the UK, underwritten by primary legislation within the Trade Bill currently wending its way through Parliament. Whilst DEFRA ministers have made encouraging public statements about ensuring that food produced to lower standards is not allowed to be imported into the UK, without the statutory provisions to enforce that, it is difficult to see how this could be achieved. To date, the Department for Trade has rejected calls for standards to be included within legislation and the Government has resisted attempts to amend both the Trade Bill and Agriculture Bill to bring the promise to reality.

These are just some examples, amongst many, where we need to see the Government acting in a more joined up way for the benefit of the rural economy and I hope this is of assistance to the Committee. If I can be of any further help, I would be delighted to provide it.

Yours sincerely

George Dunn BA MSc FRAgS
Chief Executive

5 December 2018
The Policy Context for Rural Community Development in Scotland

1. Key Milestones

1.1 Rural Scotland People, Prosperity and Partnership
The first White Paper produced by Government on rural development in Scotland, ‘Rural Scotland People, Prosperity and Partnership’ was published in 1995. Prior to this we have to go back to 1942 and the Scott Report ‘Land Utilisation in Rural Areas’ to find a comprehensive review of rural needs and something approaching a policy. What the White Paper did was to announce a range of new measures which provide opportunities for local communities to more effectively engage in rural community development. The main measures were:

- funding to support the establishment of Local Rural Partnerships;
- establishment of the Rural Challenge Fund for community groups and organisations to apply for project funding;
- provision for the employment of ‘Community Development Agents’;
- preparation of a Rural Charter Checklist within the framework of the Citizen's Charter;
- a presumption in favour of using a partnership rather than sectoral approaches to problem solving; and
- a commitment to enhancing and building in community participation in rural decision making.

1.2 In essence what was occurring was a transition in the nature, content, and administration of rural policies not just in Scotland but across many EU and other OECD countries (Bryden, 2000). As John Bryden noted the specifics relate to:

- a shift from sectoral to territorial policy involving attempts to integrate the various sectoral policies at regional and local levels, and define over-arching policy goals, particularly of ‘sustainable rural development’;
- the decentralisation of policy administration and, within limits, policy design to those levels;
- an increased use of partnerships between public, private and voluntary sectors in the development and implementation of local and regional policies;
- the introduction of mechanisms to ensure better co-ordination of different policies affecting rural areas and people at central government levels;
- the encouragement of a ‘bottom-up’ approach to rural development;

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552 Lord Justice Scott (1942), Report of the Commission on Land Utilisation in Rural Areas, Cmd 6378 HMSO: London
553 Bidwell, L and Downie, A (1996), Local Rural Partnerships: Issues for those Involved in Community Work, Research and Practice Report 1, Community Government Exchange: Edinburgh
The Coalfields Regeneration Trust – Written evidence (REC0084)

• the evolution of means to transfer experience and learning from decentralised initiatives, with central levels playing a role in organising and encouraging exchanges and information networks;
• greater emphasis on diversification of rural economies with a particular stress on direct and indirect support for small and medium sized enterprises and local initiatives which build on existing resources and skills and stimulate networking between enterprises;
• a focus on local specificities which may provide new competitive advantages, such as amenities of an environmental or cultural nature;
• more attention to transport and communication infrastructure and to education and training as quasi public goods which can support enterprise indirectly; and
• more generally a shift from an approach based on subsidising declining sectors including agriculture, fishing and mining, to one based on strategic investments to develop new activities.

Bryden, 2000

2. Rural Scotland: Better Still, Naturally
2.1 The policy statement ‘Rural Scotland: Better Still, Naturally’ reinforced the need to address ‘modest local participation’ making commitments to promote social and economic inclusion, build resilient, sustainable rural communities and improve stakeholder engagement.

3. Community Planning
3.1 In March 2001, to inform the debate on new Local Government legislation a Community Planning Task Group was set up by the Scottish Executive. As part of their work they commissioned NFO System 3 Social Research to report on progress across Scotland. With the Local Government in Scotland Act 2003 community planning became a statutory responsibility for local authorities to initiate and lead the process and for certain other agencies to participate. In subsequent guidance the two main aims of community planning were described as;

• Making sure people and communities are genuinely engaged in the decisions made on public services which affect them; allied to
• A commitment from organisations to work together, not apart, in providing better public services

Scottish Executive, 2004

3.2 Community Planning as it has become established with its statutory base went some way to replace the need for strategic rural partnerships. The Audit Commission in Scotland reported in 2016 that Community Planning Partnerships continue to build on the positive progress they reported in 2014. In particular, they are improving leadership and scrutiny and are using data to set clearer priorities. CPPs also continue to implement a range of projects targeted at specific groups or communities. But we have yet to see CPP partners sharing, aligning, or redeploying their resources in significantly different ways and on a larger scale to deliver the CPPs’ priorities, in line with the 2013 agreement on joint working on community

555 Scottish Executive (2007), Rural Scotland, Better Still, Naturally, Scottish Executive: Edinburgh
556 Community Planning Task Group (2001), Community Planning in Scotland Progress in Developing Community Planning in Scotland’s 32 Community Planning Partnerships, CPTG; Edinburgh
planning and resourcing. The Statement of Ambition was clear that communities have a key role to play in shaping local public services, but involving communities fully in planning and delivering local services still remains at an early stage in many CPPs.


4.1 The main instrument in force till 2013 exclusively in rural Scotland was the Scotland Rural Development Programme 2007-2013\(^\text{558}\) (Scottish Government, 2008), a £1.6 billion programme of economic, environmental and social measures delivered through:

- Crofting Counties Agricultural Grant Scheme
- Food Processing, Marketing and Co-operation Grant Scheme
- Forestry Commission Challenge Funds
- The LEADER initiative
- Less Favoured Area Support Scheme
- Rural Development Contracts
- Skills Development Scheme

4.2 It is different from its predecessor in that it includes measures to address economic and social goals as well as environmental measures and links to the National Performance Framework (NPF)\(^\text{559} \text{ 560}\). The NPF provides a focus and direction for policy action across the public sector as a whole. Progress towards achieving this vision was measured through a range of economic, health, social and environmental Indicators. Importantly, the NPF transformed the way public services were delivered in Scotland into an outcomes based approach.

4.3 The broad conclusion from a review of rural policy in Scotland undertaken through the OECD\(^\text{561}\), after the launch of the plan, was that the approach to rural policy is innovative and rapidly evolving but it is still suffering from a sector-by-sector focus. The Scotland Rural Development Programme is overall a sound strategy, setting clear objectives. However centralisation and the lack of adequate bottom-up participation to rural policy hamper the design of measures adapted to the different parts of rural Scotland. Specific weaknesses included;

- weak integration of rural, regional and sectoral policy design;
- complex delivery mechanisms at both national and local levels and a plurality of operational classifications of rural areas for policy purposes;
- high level of public expenditure for agriculture and a predominantly environmental focus chosen for this sector in the future;
- modest local participation.

Donnelley, 2008

5. Scotland Rural Development Programme 2014-20

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\(^{559}\) https://www.gov.scot/About/Performance/scotPerforms

\(^{560}\) http://nationalperformance.gov.scot/

5.1 The Rural Development Programme (RDP) for Scotland (UK) was formally adopted by the European Commission on 26th May 2015, and last modified on 20 February 2018, outlining Scotland’s priorities for using the €1.52 billion of public money that is available for the 7-year period 2014-2020.

5.2 In addressing the challenges of rural development in Scotland the RDP will fund action under all of the six Rural Development priorities – with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as Resource efficiency and climate.

- Knowledge transfer and innovation in agriculture, forestry and rural areas. Under this priority the RDP aims to support knowledge transfer and information actions, advisory services, and co-operation.
- Competitiveness of agri sector and sustainable forestry
  Almost 16% of the Scottish agricultural holdings will be restructured and modernised. A certain number (0.27%) of holdings will benefit from support specifically targeted at young farmers. Competitiveness of agri sector and sustainable forestry
- Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture
- The focus lies on the promotion of the food chain organisation. This will be achieved by supporting more than 15% of the agricultural holdings through investments and cooperative actions.
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry
- This is being addressed directly or indirectly by all the programmed RDP measures.
- Resource efficiency and climate
  The programme will focus on investments and co-operation aimed at reducing greenhouse gas and ammonia emissions from agriculture through supporting 23% of the agricultural land
- Social inclusion and local development in rural areas

6. **Community Empowerment**

6.1 Engagement while contributing to, does not equate to governance, giving local people power over services, decisions, facilities. Scottish Government carried out a national consultation on ways in which to empower communities and national working group was set up to take forward the community empowerment agenda. This led to the publication of a ‘Community Empowerment Action Plan in March 2009 (Scottish Government and Convention of Scottish Local Authorities, 2009).

‘Community empowerment is a process where people work together to make change happen in their communities by having more power and influence over what matters to them.’

**Scottish Government and Convention of Scottish Local Authorities**

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562 European Commission (2015), *United Kingdom - Rural Development Programme (Regional) – Scotland*, 2014UK06RDRP003

6.2 The plan outlines how in some areas empowerment might involve owning assets, controlling budgets or generating income to re-invest. In others communities may want to take action around an injustice or to protect valued resources. Others may want an enhanced role in shaping the services delivered on their behalf by others. Much of this was subsequently included in Community Empowerment Act\textsuperscript{564}. Of particular note in relation to rural development is the transfer of public sector assets into community ownership. In rural Scotland local asset management is best undertaken locally. Similarly having more say in services has strong resonance in rural areas.

7. Land Reform
7.1 Historically land ownership was severely concentrated among a limited number of private landlords through enclosure of common lands thereby excluding their tenants from using them and through the Highland Clearances where tenant farmers were forcefully evicted in order for landlords to use their lands for more profitable businesses. The first major development in reforming land ownership and use was the Scottish Land Fund\textsuperscript{565} founded in 2000. Its goal is to help communities buy their land from their landlords. The initial fund was 10,000,000 GBP and this was later increased to 15,000,000 GBP. By June 2005, the SLF had assisted roughly 200 communities\textsuperscript{566}.

7.2 2003 saw the first major piece of legislation to transform land ownership, the\textit{ Land Reform (Scotland) Act}\textsuperscript{567}. The Act has three parts. The first part formalises the tradition in Scotland of unhindered access to the countryside. The second part establishes the community right to buy, allowing communities with populations of up to 10,000 first right of refusal should the owner put the land up for sale or intend to transfer ownership. Finally, the third part establishes the crofting community right to buy which allows crofting communities to purchase crofts and associated land from existing landowners.

7.3 Ten years later the Scottish Government launched an Agricultural Holdings Review which led to the\textit{ Land Reform (Scotland) Act 2016}\textsuperscript{568}. The most radical and controversial provision of the act was the creation of the Community Right to Buy for Sustainable Development.

7.4 Land reform in Scotland is unusual in its emphasis on community land ownership, with the Scottish Government adopting the target of seeing 1 million acres of land under community ownership by 2020. Most other land reforms have focused on giving land ownership rights to individual farmers. In contrast, the Land Reform (Scotland) Acts of 2003 and 2016 grant a collective right-to-buy to entire communities living in a geographical area.

\textit{10 September 2018}

\textsuperscript{565} https://www.biglotteryfund.org.uk/funding/programmes/scottish-land-fund
\textsuperscript{567} HMSO (2003), \textit{Land Reform (Scotland) Act 2003}, The Stationary Office: London
\textsuperscript{568} HMSO (2016), \textit{Land Reform (Scotland) Act 2016}, The Stationary Office: Norwich
The Coalfields Regeneration Trust (England) – Written evidence (REC0082)

1. Coalfield Communities within an Urban and Rural Context

1.1 Rural areas are associated with sparsity of population, and spatial peripherality associated with higher costs of services and consumer goods, or greater car dependency. Overall in rural areas agriculture has dominated producing a low wage economy and limited council housing.

1.2 What distinguishes coalfield communities is how they suffer uniquely - as displayed below - in that they have industrial characteristics but are frequently located in rural/remote locations.

1.3 "The coalfields are unique in character. Neither rural nor urban, their run down housing estates are like the worst urban areas while their isolation is comparable to rural areas.” Joseph Roundtree Foundation 2000

2. Coalfield Deprivation

2.1 The Coalfields are a distinctive part of England, Scotland and Wales with a combined population of 5.5 million. This represents 9% of the entire population of Great Britain. In all since the beginning of the 1980’s the British coal industry has shed some 250,000 jobs with deep coal mining now at an end. After making substantial progress in job replacement the onset of recession post 2008 hit former mining communities very hard with a disproportional effect compared to other parts of the country.

2.2 These are uncertain times and many of our communities continue to experience high levels of worklessness, low levels of skills and poor health compared with national averages. Forty three per cent of all neighbourhoods in the coalfields fall into the worst 30 per cent in Britain, according to Indices of Deprivation.

2.3 All the statistical evidence provides a compelling case that most of the coalfield communities of England, Scotland and Wales still require support.

2.4 For the purposes of illustration we have chosen 3 rural communities in former coalingmining areas in three different regions, categorised by the following statistics:

<table>
<thead>
<tr>
<th></th>
<th>Horden, County Durham</th>
<th>Shirebrook, Bolsover</th>
<th>Thurnscoe, Barnsley</th>
<th>Average England % (if relevant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>4,245</td>
<td>11,620</td>
<td>8,895</td>
<td></td>
</tr>
</tbody>
</table>
3. How can deprivation and inequality in rural areas be tackled? (Qu. 9)

3.1 The Coalfields Regeneration Trust’s (the Trust) current strategy 2016-19 has strategic objectives which respond directly to the evidenced problems in former coalfield communities. The Trust is committed to changing the outlook for people in former coalfield communities and recognises that improved health, skills and employment prospects will greatly contribute to this aspiration.

3.2 Employment: Many people want to work but need bespoke support or the removal of barriers before they can take the first steps to get a job. We redirect training and work based opportunities into the communities to encourage more people into part and full-time employment.

3.3 Health: The coalfields have some of the worst levels of health and the highest cases of long-term illness in Great Britain, where appropriate, we seek to address these challenges with programmes that focus on encouraging people to adopt a healthy and active lifestyle. We recognise the impact that mental health has on a person’s ability to take up opportunities and will continue our support for work in this field.

3.4 Skills: Through learning new skills people are able to access new opportunities whether that is to develop as leaders, secure training and employment or to start up a business of their own. Fundamentally skills improve confidence and give individuals self-belief, which subsequently impacts on family and friends around them.

3.5 The Trust’s programmes address the strategic objectives in different ways in order to maximise impact and achieve real and longer-term outcomes, that seek to meaningfully address entrenched deprivation and inequality.

3.6 From the Trust’s own research obtained from consultation with over 200 member organisations across the former coalfield regions in England, information obtained from funding applications and statistical research the following issues have been highlighted:

<table>
<thead>
<tr>
<th>Highest Level of Deprivation (100% is the most deprived)</th>
<th>98.79%</th>
<th>92.88%</th>
<th>98.47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of children living in poverty</td>
<td>35</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>% of people with limiting long-term illness</td>
<td>33</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>% of people with no qualifications</td>
<td>41</td>
<td>41</td>
<td>43</td>
</tr>
<tr>
<td>% of people in full-time employment</td>
<td>32</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>% of households with no car</td>
<td>41</td>
<td>33</td>
<td>35</td>
</tr>
</tbody>
</table>

The Level of Deprivation is based on the most deprived Lower Layer Super Output Area in the specific community according to the Indices of Multiple Deprivation 2015.
• Rural coalfield areas are less resilient to cuts in local services. For example, the loss of a community transport project in Bolsover has meant that vulnerable adults either have to pay more to access other forms of transport such as private taxis or they cannot afford to travel as much therefore increasing social isolation.

• As many service delivery organisations, in both the public and third sector, have had to make cuts to services these cuts are often made to satellite services in smaller communities based purely on cost savings and economies of scale. As car ownership in the 3 communities illustrated is significantly lower than the England average people experience difficulty in travelling to access services further afield.

• Cuts in local authority spending has resulted in significantly reduced grants and contract income to third sector organisations at a time when demand for services has increased. The Trust has seen 6 of its practical support member organisations close in 2018 with many more organisations in a vulnerable position and often using reserves to support the continuation of service delivery.


4.1 The property market is failing to deliver good quality commercial accommodation in coalfield communities and this has been confirmed in an independent viability report from property consultants, BNP Paribas, for development prospects in five typical coalfield communities.

4.2 “Within many northern market places we have seen a return of speculative development, however this is almost always driven by the B8 “big shed” market, where lower build costs, combined with strong occupier and investor demand, have created market conditions conducive to development. Whilst demand for nursery or “start-up” units, typically 2,000 to 5,000 sq ft, has also re-emerged – quite strongly in certain locations – the development market is not yet delivering speculative accommodation to satisfy this growing requirement. This is creating a shortage of high quality “start-up” space suitable for the needs of a modern economy. Re-emerging northern economies are therefore being starved of accommodation. In our opinion, without intervention, the current viability gap will continue to frustrate the delivery of much needed high quality light industrial stock into these markets”. Mark Thompson - Senior Director Valuation BNP Paribas Real Estate

4.3 Based on current build costs, the market rent only yields 6%, whereas a commercial developer would require at least 8.5% to break even, hence the viability gap that means intervention funding is required to correct the market failure in coalfield areas. We are proposing to fill the gap left by commercial developers in our targeted communities. It is our commitment to deliver 400,000 sq. ft. of new development across 12 separate geographical schemes, constructed over a phased four year timescale. In addition, many challenges linked to the levels of deprivation often go under the radar of the Local Enterprise Partnerships, where the main focus is urban centric business growth and job creation. The benefits, in many instances, simply bypass our
communities. The proposed developments will focus specifically on the requirements of SME’s. The units will be suitable for start-up and growing organisations. Typically, these will be made up of 2,000 to 5,000 sq. ft. units. They will be complementary to existing developments, providing feeder and incubation units to larger schemes or provide space to those unable to access more sizeable premises. While each scheme will be different, we envisage each will be approx. 33,000 sq. ft. with three developments delivered each year to be completed by November 2022. The overriding assumption is that all the sites chosen for development will be in targeted coalfield regeneration areas. We will carry out pre-appraisal viability assessments to find sites that are suitable in terms of location and demand. In addition, we will hold discussions with local councils or agencies in terms of potential strategic alliance with regards to specific skills, user requirements and possible surplus land usage.

4.4 We are looking for a commitment of £30 million - £10 million per year across three years - from government and we will source the balance of the required £40 million funding; £3 million CRT capital and £7 million bank funding. We have modelled the investment required and returns generated based on the current market conditions with regards to land acquisition, build costs and rental income levels. We have based delivery of our proposal on a phased basis, commencing three schemes per year over four years. A typical scheme will take around nine months to build out. Once completed, the properties will produce a sustainable net income of circa £2 million each year, after paying bank interest. The Trust will use this to invest in social impact projects in our communities.

5. Examples of Notable Success Stories and good practice in the rural economy (Qu. 2)

5.1 In each of the 3 communities identified the Trust has made small scale funding awards over the past year through our Coalfields Community Investment Programme (CCIP) with favourable outcomes as illustrated below. Each of the organisations mentioned is also a member of CCIP practical support programme and will continue to be supported by the Trust and will have access to resources and services such as help with funding applications, bespoke local statistical reports, to tips on effective promotion and marketing.

5.2 **Horden, County Durham - North East region**

Horden Youth & Community Centre provides a range of essential services for local residents. The local community is deeply affected by economic inactivity and the associated consequences of deprivation such as low self-esteem, lack of confidence and social isolation. While access to digital inclusion is a priority, a recent survey in partnership with Newcastle University indicated that over 60% of residents have no access to the internet or a computer, compounded by reduced library access and limited computer access.

The Trust awarded Horden Youth & Community Centre £9,104 to expand an existing job club, offering employment advice to local residents. Drop-in sessions took place on one full day and a 2-hour Saturday morning session per week, run by a qualified IAG tutor who also delivered UK-online courses, provided benefit advice and supported users to progress into education and training.

5.3 Outcomes Achieved:
Number of people entering full-time employment = 7
The Coalfields Regeneration Trust (England) – Written evidence (REC0082)

Number of people entering part-time employment = 2  
Number of participants provided with general training for a job = 40  
Number of people assisted in skills development = 40  
Number of adults gaining relief from anxiety/depression = 50  
Number of people regularly volunteering = 7

5.4 The Trust further invested in Horden through the purchase and redevelopment of a former end terraced house into a community ‘hub house’. In partnership with East Durham Trust the hub house will provide a community engagement resource for a 2 year period to build relationships with residents, community groups, local agencies and services and identify local priorities/issues and develop activities that respond to these.

5.5 Shirebrook, Bolsover - East Midlands region
In the last five years the Brook Community Church and Centre has operated an emergency foodbank and supplied over 3,000 bags of food to community members. Whilst the organisation has been able to provide an emergency response, people are still in poor health and make poor food choices and are experiencing food and health poverty. The Trust awarded £9,900 to The Brook Community Church and Centre for a project to deliver a pilot ten week programme “HealthWell” which will promote preventative health initiatives and affordable healthy lifestyle choices to 80 people.

5.6 Planned Outcomes:
Number of people assisted in skills development = 80  
Number of adults gaining relief from anxiety/depression = 20  
Number of people regularly volunteering = 10

5.7 Ongoing Local Issues: Despite the Trust’s best efforts to support a local organisation the local Clinical Commissioning Group, Hardwick CCG, has recently given notification that it plans to stop providing funding to voluntary and community sector organisations in the area which will further contribute to health inequalities in the most deprived communities.

5.8 Thurnscoe, Barnsley - Yorkshire region
Consultation with the local community undertaken by Dearne Electronic Village Hall indicated local people are deterred from formal/informal educational opportunities mainly due to not having a direct bus route to the nearest college coupled with the sense of apathy, lack of confidence and self esteem that is prevalent in Thurnscoe. As all jobseekers undertake jobsearch through the Internet/UJM this has caused problems, stress and hardship as many people have no computer at home or basic ICT skills and many lack basic skills to cope with DWP’s most basic of requirements. The Trust awarded £9,970 to Dearne Electronic Village Hall to deliver an updated, fully accredited ICT/Employability Skills programme for unemployed people in the local area. The project aimed for all learners to achieve 2 qualifications (Award in ICT/Life and living skills) and to receive 1 to 1 or small group employability skills support.

5.9 Outcomes Achieved:
Number of people entering full-time employment = 6  
Number of people entering part-time employment = 3
Number of participants provided with general training for a job = 42  
Number of people assisted in skills development = 42  
Number of people regularly volunteering = 3

5.10 Ongoing Local Issues: The closure of the job centre in neighbouring Goldthorpe has meant many people seeking work have to catch 2 buses to attend the nearest job centre in Wath-upon-Dearne.

10 September 2018
General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1.1 At its most basic - the production and consumption of goods and services and the supply of money in rural areas. This is shaped by economic growth, productivity, earnings and the gender gap, access and convenience of services, travel patterns and housing. These we can to a large extent measure and take quantitative and qualitative steps to shape. What we are less good at is dealing with natural and human capital, ecosystem services or the wider public benefits supplied to or by businesses in rural Scotland.

1.2 Trade in mining and resources, food and agriculture, forestry and tourism have driven rural prosperity. In recent years we have seen a slow modernisation of agriculture and adoption of more sustainable means of production. Tourism also has grown in different forms, adventure tourism, nature, culture and history, food and drink. This is partly driven by the ease of information and visitor services through the internet.

1.3 Overall the impact has been positive but transport costs and poor broadband connectivity has meant that urban and semi-rural have benefitted more than rural and remote rural areas.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

2.1 CRT’s Coalfields Community Futures programme has been running since 2011. It engages former coalfield communities in a community action planning and participatory budgeting processes. The process has been designed to deliver the plan, build the capacity of the community and be empowering. It identifies issues and opportunities locally and brings together public and private sectors with local people to drive social and economic development.

2.2 The Dalmellington Community Action Plan was developed in 2012/13. 41% of the population of the village participated in community surveys. 1/6 of the population attended workshops. By the end of the plan (5 year horizon) £240,000 of additional investment had been attracted to the village. This has included the establishment of a Dark Sky Observatory, increased policing, environmental improvements, improved village and tourist signage, town centre improvements, a community woodland and new paths and cycleways, new and improved youth services and a series of community events. The local post office was closing, not uncommon in rural Scotland. The community action group took it over and are running it as a social enterprise and training programme for young people based on the post office services and a retail shop. The Doon Valley Museum was closed by the local council and negotiations are ongoing with the council for a transfer of the asset to community ownership.
2.3 Netherthird Community Action Training (NACT) in Cumnock provides young people with training and employment opportunities in garden maintenance and landscaping across Cumnock and surrounding areas. It was established in 2012 following on from the success of being the Coalfields Community Challenge 2011 Winner. Since starting it has provided a variety of training placements, modern apprenticeships and work placements to young people not already in training, employment or education. Many young people who served their time during their apprenticeship have secured employment, whilst others on work experience have gone onto further education. NCAT has successfully tendered for maintenance contracts at the Barony A Frame, a local factory outlet and East Ayrshire Council.

2.4 Both these examples illustrate what can be achieved when local people lead rural development. They have a deeper understanding of issues, problems and opportunities, benefit more from results and show greater stewardship of those results and an appetite for change.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

3.1 Research by the OECD has shown that manufactured goods and tradable services are strong drivers of productivity growth in rural areas.

3.2 Distributive manufacturing has the potential significantly impact on rural economies both from large centralised factories being decentralised into much smaller units in rural areas with a co-ordination point and existing small manufacturing, often homebased, manufacturing, marketing and selling as a single concern.

3.3 Globalisation and the worldwide web have revolutionised trade and has been a big driver of rural economies across the world. Connectivity, cloud computing, the internet of things are almost prerequisites for benefitting from these advances, yet we are still blighted by very poor connectivity in some rural areas.

3.4 We also need to get much better at sub regional development based on place. Place-based policies relying on multi-sector co-ordination and multi-level governance are necessary to unleash growth potential that is grounded in rural specific assets. Technologies that create more deconcentrated and network-based distributive production systems have the potential to reshape the geography of economic activity. In this context upgrading skills will be paramount for rural people to seize these transformative opportunities.

4. How can access to transport be improved in rural areas?

4.1 With ongoing cuts to local bus services, people are forced to increasingly rely on alternative transport solutions - often car-based. For those lacking their own transport, including the young, the elderly, and those with mobility issues, access to services and facilities is a very real challenge. These are often the least able to afford high costs of public transport and research shows that, on average,
people on lower incomes in rural areas pay a higher proportion of their income on travel costs.

4.2 CRT has experience of supporting community mini-buses but to solve the problem solutions need to be tailored to community needs. They include demand responsive buses, car-based taxis, ‘good neighbour’ schemes, car shares.

5. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

5.1 The main barrier is still no connectivity in some parts of rural Scotland and very slow broadband speeds. Scottish Government is pushing ahead with a programme to bring access to fibre broadband to 95% of homes and businesses by the end of 2018. Funding is being targeted on areas with the lowest speed coverage, meaning that premises in very rural areas who do not currently benefit from any uplift in speed, as well as some ‘new build’ premises constructed between 2012 and 2014, will now all be able to access superfast broadband. However it will be 2021 before it is forecast all will have access to superfast broadband.

6. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

6.1 Technology is a key to better deliver educational services, particularly in remote rural areas. In a similar vein virtual health services for monitoring health particularly those at risk, diagnosing and prescribing can help the wellbeing of the rural population.

6.2 Reliable digital connectivity is vital for the above and to support small business growth and make it easier for rural communities to get online.

7. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

7.1 CRT have been involved over the last 3 years since Scottish Government introduced the Community Empowerment Act giving local communities to chance to take control of local assets, in asset transfers where the amenity is manged or owned by local people, We have also been involved in supporting initiatives like in the village of Glenboig where the Post Office, fruit and vegetable shop are now located within the community centre. In Twechar the local pharmacy in also now in the community centre. Initiatives like this are win win. The village retains these shops and services and the community centre benefits from a much stronger flow of people.

9. **How can deprivation and inequality in rural areas be tackled?**

9.1 Rural place based, development approaches, are able to mobilise sufficient participation and coordination between local stakeholders, communities and various multi-level actors and offer the most favourable means of gaining a better understanding of the many social, economic, institutional assets within a region. They can then be harnessed to drive brands of regional development that are not only sustainable, but also more equitable and inclusive across different segments of the population and territories.

10. **How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?**
10.1 It is almost a sine qua non of the coalfield community action plans we have completed that more services and facilities are required both for the wellbeing of young people in rural areas and to encourage them to stay.

10.2 Allied to that is the need for affordable housing and the support in terms of training, job opportunities, enterprise to enable them to contribute.

11. **What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?**

11.1 Part of an answer lies in changing social attitudes and values. Older people are sometimes perceived as a demograph apart, rather than an integrated part of any community and a drain on services and resources.

11.2 Third age universities are a step to keeping mental wellbeing, developing skills and interests and combatting social isolation and are to be encouraged. Exploring ways in which older peoples skills and experience can be used; coaching, mentoring, teaching, engaging with the wider community need also to be encouraged.

14. **Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

14.1 Historically not, but this is an improving position in Scotland (see separate policy development account).

14.2 CRT in Scotland is adopting a more place-based view of rural development that considers the different conditions and needs of communities depending on their geographies/linkages and their local specific assets, such as human and natural capital. Government, central and local should also implement integrated approach that maximises complementarities across policy sectors ensuring that policies enhance one another. Replacing top-down prescriptive approaches by result-oriented policies with room for local experimentation.

14.3 Government also needs to develop better rural-urban linkages to improve regional performance, achieve effective public service delivery and improve quality of life for residents.

14.4 Our approach is based on empowering communities and building community capacity, leadership and organisation to better understand and address the conditions and challenges they face in order to support community-led efforts. This is in line with Scottish Government policy but more needs to be done to monitor and encourage these developments. Local government has a role in making this happen.

*10 September 2018*
In view of the fact that Highland is the largest rural area of the UK comprising 30% of Scotland’s and 13% of the UK’s land mass, the Highland Council welcomes the opportunity to contribute views to the Select Committee on the Rural Economy.

Highland faces a number of challenges related to aspects such as geography rurality, peripherality, a dispersed population, distance from markets and the higher costs of living or doing business. Any future policy needs to recognise and address these challenges yet at the same time capitalise on any economic opportunities presented. In pursuit of this the Council, working together with partner organisations, has recently produced a Highlands & Islands Regional Policy position paper and has itself responded to the Scottish National Council of Rural Advisers consultation on the future of the Scottish rural economy. These documents outline our concerns and recommended approaches to tackling many of the issues you refer to in your call for evidence such as transport connections, digital infrastructure, provision of essential services, rural business challenges and demographic challenges.

It is also the case that the health of the agriculture sector (including crofting which is the most prevalent form of agriculture in many parts of Highland) is inextricably linked with the rural economy and, again with Highlands & Islands partners the Council has considered this in relation to the potential impacts of changes to CAP funding following the UK’s exit from the EU.

The Council would therefore ask that you consider these documents, copies of which are attached as appendices as our response to the call for evidence.

Yours Sincerely

J Stuart Black
Director

Appendix 1: Highlands and Islands European Partnership - Regional Policy Position Paper

Summary

After exiting the EU, UK regions will no longer be able to access EU structural funds. A new Regional Policy is therefore required for the UK as a replacement and to help maximise the economic potential of our regions. The Highlands and Islands European Partnership (HIEP) recognises the importance and value of effective Regional Policy and seeks a future Regional Policy that is:

- Nationally aligned and regionally responsive, focusing on regional competitiveness and socioeconomic inclusion
- Long term and strategic in nature, with resources commensurate with the scale of challenge and opportunity
- Regionally flexible, driven by the involvement of local partners in development, delivery and evaluation
- Aligned with wider delivery mechanisms and, in particular, UK / Scottish Rural Policy Highlands and Islands European Partnership Regional Policy
**Introduction**
by Councillor Jimmy Gray, Chair of the Highlands and Islands European Partnership*

In the past three decades, EU Regional Policy has transformed our economic and social well-being. It has enabled investment in transport and broadband connectivity, business growth, community development, research capacity and skills, helping to develop the region’s first university. It has addressed low and sparse population, peripherality, insularity and complex geography — delivering population growth and business success, encouraging vibrant communities and enabling the Highlands and Islands to make its contribution to wider prosperity in Scotland and the UK. As we look to the future, new opportunities are emerging, but familiar challenges remain. A new regional policy, nationally aligned but regionally responsive, is essential if we are to enjoy prosperity and well-being across all of the region and fulfil the region’s potential in contributing to Scotland’s success.

**Highlands and Islands European Partnership Regional Policy: The Highlands and Islands - a region with ambition**

The Highlands and Islands of Scotland is a region with ambition – innovative businesses and growth sectors, thriving and resilient communities and resourceful people. However, it is also a region of contrasts, characterised by remote rural mainland and over 90 inhabited islands, sparsity of population, challenging geography, social and economic fragility and peripherality. It is a region of outstanding scenery, with a rich natural environment and diverse cultural heritage which makes it unique. While the Highlands and Islands covers half the landmass of Scotland, its 478,000 inhabitants represent under 8% of the national population. Although the population of the region has increased over recent years, some areas are still challenged by depopulation, ageing population and youth out-migration, which impacts on communities and the local economy. Future projections in many of these areas are not promising and our response is likely to be hampered by the impact of Brexit on migration and investment.

Our environment and natural resources are assets that can contribute significantly to regional and national prosperity. The region is among the best in the world for marine energy potential. With a coastline longer than that of France, the opportunities in the wider marine economy – fisheries and aquaculture, marine biotechnology, marine tourism – are extensive. Driving these opportunities is the research excellence in institutions such as the Scottish Association for Marine Science (SAMS) UHI and NAFC Marine Centre UHI in Shetland, both part of the University of the Highlands and Islands, and the European Marine Energy Test Centre (EMEC) in Orkney. Each has benefitted from EU regional funding to develop infrastructure and research expertise.

Established industries such as whisky and aquaculture are ranked first and second in the UK’s food and drink exports. Over half of all Scotland’s distilleries are based in the Highlands and Islands, and the area is the third largest salmon producer in the world. Our diverse rural economy is also home to globally competitive
businesses in life sciences, business services, and has unique assets in the creative and cultural industries.

**What does future Regional Policy need to deliver for the Highlands and Islands?**

The Highlands and Islands is unique within the UK, with its mix of economic, social and cultural assets presenting opportunities and challenges. It will require concerted and coordinated effort from a wide range of stakeholders to catalyse development across the whole of the region. The region is an exemplar, attracting interest from across Europe for its success in building a diverse rural economy and vibrant communities where increasing numbers of people live, work, study and invest.

Our successes have been delivered with local stakeholder involvement in development, delivery and evaluation, ensuring that Regional Policy opportunities are responsive to regional challenges and focus on regional opportunities to bring about a shared prosperity.

Future Regional Policy needs to empower the region to contribute to UK and Scottish economic growth, while recognising permanent and long term challenges. Undoubtedly, EU Regional Policy and funding have had a major impact in terms of reducing social and economic disparities, levering in substantial levels of funding. Looking forward, however, there are new opportunities for greater autonomy in determining the region’s priorities, whether through investment from the Shared Prosperity Fund or any other domestic regional policy measures and mechanisms.

This is an exciting time for the region and its communities. Future Regional Policy, with development and delivery led by devolved administrations and regional stakeholders, can bring a long term strategic focus, maximising regional economic potential that is sustainable and inclusive. Our view is that key characteristics of future policy should be:

- Improved regional competitiveness and inclusion, recognising and responding to regional disparity
- Focussed on regions with the greatest challenges – not all regions will benefit to the same degree. Clear and objective criteria are required, considering spatial scale and definition of selected regions
- The opportunity to consider more sophisticated selection criteria, beyond GDP per capita, (for example, population sparsity, employment / participation rates, average wage levels, skill levels, economic concentration, “remoteness”, “fragility”)
- Delivered with funding that is available over the long term at a level commensurate with the scale of challenge and opportunity, rather than short term, one-off allocations of funding
- Adopting a more flexible approach, with a high degree of input from regional stakeholders, to address the specific regional challenges and opportunities in the region
- Through simple, streamlined and, as far as possible, aligned with wider delivery structures
- Ensuring that UK / Scottish Regional Policy is closely aligned with UK / Scottish Agriculture and Rural Policy (also replacing existing EU policy), bringing together the two most significant placebased development policies
Characteristics of Future Regional Policy

It is important that lessons learned from our collective experience of EU programmes are captured and inform the development and delivery of successor domestic programmes. Some of our key opportunities for further investment and development, supporting a distinctive “place-based” approach include:

• Enhancing the region’s physical and digital connectivity
• Investment in sectors / clusters where the region has competitive advantage, such as marine energy and life sciences – regional Smart Specialisation
• Investment in new technologies, particularly those that enhance our competitive strengths and respond to our regional challenges, for example the “Local Energy Economy”
• Talent attraction and retention, recognising that this is multi-faceted, including employment, education, housing, connectivity and transport
• Investment in education and skills infrastructure and provision to match the future needs of the regional economy
• Investment in community capacity building and resilience, leading to strong, vibrant communities
• Growing as a world class tourism destination

Time, however, is running out. The current structural funds programmes end in 2020 and now is the time to develop future regional policy to avoid a damaging hiatus in Regional Policy and support. The Highlands and Islands of Scotland is indeed a special corner of the country, with an abundance of natural resources, a diverse business base, world renowned environment and vibrant, confident communities. An effective regional policy will enable the region to make a full contribution post Brexit towards economic and social growth. That’s good for the Highlands and Islands. It’s also good for Scotland and the UK.

Appendix 2: ‘A Rural Conversation: Together We Can, Together We Will’ - National Council of Rural Advisers Consultation Response by The Highland Council

The consultation is shaped around three themes (Vision, People, Infrastructure). The Council offers a general and specific comments for each as follows:

VISION

The vision for a flourishing rural economy that offers the potential for growth and new opportunities, and is built around people and natural assets, is one that is shared. The aspiration of National Council for Rural Advisers (NCRA) to engage urban Scotland in a conversation about a shared economic future is also welcomed. Representing, as it does, both urban and rural Scotland, the Council is uniquely placed to offer comment.
The Highland Council is concerned that in the Scottish Government’s February 2018 ‘Understanding the Scottish Rural Economy’, Highland is now classified in terms of measuring rurality as a ‘Mainly Rural area’. It is therefore grouped with other areas such as East Lothian, Clackmannanshire and Moray. In contrast, Argyll and Bute and the island authorities are classified as ‘Islands and Remote Rural’. It is understood that remote rural areas of Highland have not been recognised as such because the required data was not available below local authority level and thus the City of Inverness skewed the measurement of rurality facing large areas of Highland. This ‘Mainly Rural area’ classification is by any rational understanding and assessment of the rurality facing large areas of Highland is therefore incorrect and it is critical that this is recognised before such flawed classification is used to influence public policy and finances.

The Highland Council therefore requests that the National Council of Rural Advisers seek:

(i) a review of the rurality classification adopted by the Scottish Government in their February 2018 ‘Understanding the Scottish Rural Economy’ research paper,

(ii) confirmation from the Scottish Government that this classification will not be used to influence policy and future funding for rural Highland.

1. The development of relevant Scottish Government mainstream policies should consider the effect upon a new Rural Economic Strategy and its consequent policies
   - How should policy makers in Government make sure that the economic needs of rural Scotland are taken into account?
   - Should there be an ability to call to account Scottish Government and their Agencies to ensure collaboration and actions to meet the objectives of the Rural Economic Strategy?

2. Create quality job opportunities (that are well paid, flexible, and purposeful) to promote skills and opportunities, but also deal with inequalities in the rural labour market (such as the gender pay gap)
   - What employment opportunities do we need to meet the current and future needs of our changing rural economy? Where should these be? (either by location and/or sector)
   - How do we tackle the inequalities we face in rural Scotland? i.e. challenges faced due to age, gender, socio-economic, educational and ethnic background

3. Build on existing work to gather evidence and data to measure the true value of the rural economy and monitor its growth
   - Going beyond the economic contribution of rural businesses, what positive examples of social (i.e. community cohesion), cultural (i.e. protection of heritage and traditions) and environmental (i.e. carbon reducing) impacts of rural businesses can you think of?
• What specific outcomes of rural businesses should be measured and why?

Strong economies typically have other attributes in addition to the people and natural assets as outlined in this consultation paper. These attributes include being connected places, places which have land for homes and business, where businesses are productive and innovative, and where there is a strong and attractive cultural environment. Across Scotland and across Highland different places have different needs and opportunities.

The Scottish Government Economic Strategy recognises this and sets out an approach to Inclusive Growth which seeks to provide economic opportunities across all of Scotland. Allied to this the Strategy argues for the need to target economic policies to competitive strengths and support growth across local economies.

The National Council of Rural Advisers is clear in their goal of the creation of a defined and ambitious Rural Economic Strategy. It is unclear whether this Strategy is considered as separate to or an integral part of Scotland’s Economic Strategy. It is understood that separate Scottish Government Directorates are responsible for Scotland Economic Strategy and Scotland’s Rural Economy.

Allied to its concern as detailed above over rural classification, the Highland Council is wary that rural Scotland could, if it has a separate rural economic strategy, be considered as separate and different, rather than as an integral part and contributor to a successful Scottish economy which uses the assets of rural Scotland to best effect. Highland Council therefore requests that responsibility for economic policy rests with the one Scottish Government Directorate.

As part of the Scottish Government Skills and Enterprise Review Phase 2, it was concluded that evidence demonstrates "... that national economies can benefit from an effective regional tier of governance, that can tailor policy and delivery to suit an economically diverse nation". To this end the Scottish Government wished to see Regional Partnerships in place across Scotland, to provide leadership across partners with a clear and compelling economic vision and strategy, based on a good understanding of the assets, challenges and constraints faced. It also sought that its Agencies introduced regional equity/impact in project appraisal; they tailor national products/services to region; proactively engage over resources deployed/ regional priorities, and support regional assets.

The rural community is also made up of a range of non-business actors who are responsible for developing and sustaining local economies by building capacity and identifying needs through community led local development. As such, there also needs to be a local dimension to regional partnerships, for example, the LEADER approach and its associated local structures offer real examples of how this approach could be delivered across large geographic areas such as Highland.

While in practice such Regional Partnerships are still in development, this demonstrates that economic policy and existing/evolving structures seek to ensure that all parts of the economy and all parts of Government are taking an inclusive approach to regional needs/opportunities – be they rural or urban.
Highland Council requests that the Scottish Government is aligned across its Directorates and engages with regional partnerships/existing structures to ensure that this takes place.

In the Consultation foreword, the NCRA Co-Chairs describe the rural economy as diverse, having undergone significant change, how it has embraced diversity and has evolved etc. Accordingly the corresponding skills sets of the people of rural Scotland have changed and continue to change. Today in many respects the skills needs of rural Scotland match that of urban Scotland, albeit clearly, certain land based sectors have specific skills needs.

Scotland’s skills system is underpinned by regional and sectoral skills strategies which seek to respond to the existing needs of business and to anticipate future skills needs. This in turn influences public investment in education and training, be that in higher or further education or work based learning.

For this system to work correctly in rural Scotland requires skills evidence to be gathered and for it then to be used to influence the provision of education and skills. Across rural Scotland, where businesses are small and dispersed it is typically difficult to establish business skills needs and operationally challenging to deliver the education and training required. This places particular challenges on the public sector, for example, Skills Development Scotland and the Scottish Funding Council, together with business organisations and rural businesses, to ensure they have the mechanisms in place to ensure the skills needs for rural Scotland are identified, accessible and delivered.

Much of the above is true when the challenge of inequality in the labour market is also considered. Small client numbers and large geographies, make service delivery challenging and, in relative terms, more expensive than urban areas where economies of scale can be beneficial for service delivery and, for example, outcome payment models, work best. Unfortunately, as is the case with the recently (April 2018) Scottish Government’s Fair Start Scotland employability programme, a one size fits all approach is often adopted which is considered fit for purpose at the national level, but considered locally as unresponsive to local remote rural Highland client needs.

The Inverness and Highland City Region Deal has a commitment from the Scottish and UK Governments to work with the Council to pilot an innovative approach to employability and skills in Highland. Work is ongoing to scope out this innovative approach. It is anticipated however, that to be responsive to Highland needs (both rural and urban as it is impossible in practice to separate), national programmes and delivery mechanisms will need to change and be delivered in a co-ordinated manner with local provision including, for example, community led solutions and delivery options.

PEOPLE

The Highland Council area, while having a growing population, also has an ageing one and thus by 2029 will on current projections it will have experienced a reduction of some 9% in its working age population. Once new and replacement jobs are factored in, Highland will experience a major shortfall in its labour force with adverse implications for all aspects of life. The challenges posed...
by BREXIT and the adverse impact this may have on migrant labour in particular in a Highland context for tourism, food and drink processing and the public sector, simply brings this issue into early and sharp focus.

To this end Highland Council together with partners across the Highlands and Islands is participating in a collaborative talent attraction and retention programme. The Council is also, with partner local authorities, making the economic and social case for migrant labour and the contribution it brings to Highland life.

See also above for reference to skills system and interrelationship with jobs.

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<tr>
<th>4. Encourage future entrepreneurship by ensuring the Scottish Government's rural skills action plan meets the needs of the Rural Economic Strategy</th>
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<tbody>
<tr>
<td>- What skills are required to have a vibrant rural economy?</td>
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<tr>
<td>- How do we best ensure that people of all ages, genders, areas, socio-economic, educational and ethnic backgrounds receive appropriate support?</td>
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<tr>
<th>5. Develop opportunities for the businesses of urban and rural Scotland to share ideas and work together</th>
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<tr>
<td>- How do you think we could do this? (for example through schools or membership organisation groups)</td>
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<tr>
<td>- Facilitating learning/sharing between urban and rural areas to improve and have a better understanding of the opportunities that are available would be new for Scotland. What would interest you in this approach? Are there any benefits/drawbacks?</td>
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<tr>
<th>6. Create communities of interest (digital, physical) where businesses and people can come together to solve problems, share ideas and understand opportunities</th>
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<tr>
<td>- Is there any place that you can think of in your community where people already do this? Can you please tell us about it?</td>
</tr>
<tr>
<td>- What might be the benefits of this approach?</td>
</tr>
<tr>
<td>- What things would your local community need to help people in your local area come together</td>
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As detailed above successful economies typically have clusters of innovative businesses and clearly the geographic challenges and large distances involved make networking more difficult. There will always be at times a need to meet face to face and across the Highland area, the large number of destination management groups in existence for example, demonstrate the willingness of business to do so. Opportunities however exist to add to this through digital means. The Council’s Business Gateway service has recently organised an online webinar with five networked workshops on business opportunities afforded by the success of the North Coast 500 tourism route. This has usefully demonstrated that innovative thinking and use of existing facilities and infrastructure (facilities and online platform afforded by the University of
Highlands and Islands) can be used to enable business to overcome the challenges of geography, to access experts and to network to mutual benefit.

The existing Highland LEADER Programme and its devolved structure (one strategic LAG with 7 Local area partnerships), also provides an excellent example of local control, inclusion and local decision making, ensuring that all citizens have the opportunity to contribute to their local area/economy.

**INFRASTRUCTURE**

The consultation paper states the obvious that infrastructure often proves to be one of the greatest challenges facing rural Scotland. It recognises that at times it cannot be overcome and thus adversely impacts on the people and businesses of rural Scotland to realise their full potential. It argues that a national conversation is needed on a new model for infrastructure investment and development.

The Highland Council agrees with this statement and thus is consistently making the case for infrastructure investment, be that investment secured by the Inverness and Highland City Region Deal, or European Structural Funds, or investment it can make itself.

Digital connectivity in particular is now an essential utility and its provision at an acceptable standard is critical for economic growth and wellbeing. In Highland good progress has been made with fibre provision but efforts remain, for example, via the Scottish Government’s R100 Programme, to ensure that “not-spots” in rural Highland or indeed in urban Highland are addressed and serviced.

In addition to the above, infrastructure should not only be seen as that needed for businesses to prosper, but also the infrastructure needed to support local communities and wellbeing such as community halls, leisure facilities etc.

### 7. Help ensure there are the same opportunities and access to services between urban and rural areas

- For people living and working in rural areas there are often big differences compared to urban areas in what services might be available (things like broadband, childcare, transport, community development etc.) What do you need to enable you to choose to live and work in rural Scotland?

### 8. Make sure Government policies, regulations, planning and support mechanisms help local businesses

- What types of policies, regulations, planning and business support need to be strengthened or removed to help a wide variety of small and micro businesses in rural areas?
- Can you think of any problems in transport, housing, social care and digital infrastructure that prevent economic growth for your industry sector, business or community

### 9. Make sure that community resources that contribute to our economy (like tourist attractions) also deliver benefits to their communities.

- Can you think of any examples of resources in your community e.g. that attract visitors and make money but do not benefit the community?
• Are there examples of attractions in your community that you would like to promote? What could help you do this?

The infrastructure and service challenges listed, cross rural and urban Highland and therefore the Council consider that the distinction made between the both is not necessary or beneficial. If you are a working parent with young children, you need childcare wherever you live. If your business has a digital dimension, and most increasingly do, then broadband connectivity is critical wherever your business is based. This list of core infrastructure and service provision could go on. Their relative importance across different areas and the manner in which they are delivered may vary but not the fundamental need for them if you choose to live and work in rural Scotland.

In Highland, as is the case across much of rural Scotland, communities are increasingly empowered and have been more involved in identifying solutions and delivering infrastructure and services for themselves. Sometimes this is direct by communities themselves, while other times this is achieved in partnership with the public sector. This is to be applauded and supported going forward. Programmes like LEADER need to be sustained over time, encouraging communities not only to deliver projects and services themselves, but to be proactive, setting out and being part of the vision for their community.

It is unclear within the consultation document what is meant by popular tourist attractions not performing better for local communities/the rural economy. Possibly this reflects the day trip market to more accessible rural areas as opposed to the Highland situation where most visitors stay overnight and thus immediately have a wider involvement and beneficial impact on the local economy. Accordingly, a more positive approach would be to celebrate such assets and encourage the tourism supply chain and attraction providers to work collaboratively to mutual benefit, for example, via Destination Management Organisations/local business organisations.

10. Please tell us if there are any issues you believe we may have missed.

The nature of the consultation and breath of subject means that it is difficult to capture all relevant issues in detail. It is anticipated that this will be true to differing degrees across Scotland, with certain areas wishing to see more prominence given to, for example, crofting, forestry, high levels of employment/labour dependability, importance of tourism as a growing import and a key driver for change in certain rural economies etc.

Appendix 3: Highlands and Islands - Agriculture Crofting and Land Management

Summary
Land in the Highlands and Islands is the primary asset upon which rural communities and economies depend. It underpins the tourism industry and brings quality goods to the market in the form of food and drink, whilst delivering a host of ecosystem services which are internationally and nationally recognised.
Land and its management have many cultural and aesthetic values. Farmers, crofters and land managers are the guardians of these assets.

Brexit poses a threat to farming and wider rural development on a number of fronts:
- Uncertainty about the scale of the agriculture and rural development budget post Brexit.
- The extent of autonomy the Scottish Government will have over all aspects of future agriculture policy
- The nature of future trade deals with the EU and others

Extensive livestock grazing (the predominant land use across the region) is highly vulnerable to these potential changes, particularly price reductions, removal of income support and changes in agricultural policy.

**Current Situation**
Agriculture across the Highlands and Islands is incredibly diverse ranging from productive arable in the east to extensive grazing and part time crofting in much of the west coast and islands. Over 20,000 people in the Highlands and Islands are engaged in agricultural activity contributing to the economies and social fabric of dispersed rural communities.

Unlike other areas in Scotland/UK most farming in the Highlands and Islands operates under some form of production or biophysical constraint. This is due to remoteness, which leads to substantial increased costs, and to the constraints of poor climate and upland, often mountainous, terrain, which restricts income. This means that for most farmers and crofters low intensity production is the norm.

The agricultural industry is therefore highly dependent on the current largely EU sponsored support framework to survive. Without support the extensive agriculture system is likely to fail, i.e. it is unable to return profits leading to land abandonment, declining agricultural activity and declining agricultural workforce/succession planning, with knock on effects into the wider rural environment and economy (supply chains, population, availability of workers, food, drink, tourism etc).

**Post BREXIT**
Most recent studies on how Brexit will affect agriculture in the UK, predict poor outcomes for those parts of the industry that are net exporters. The predictions for sheep production in particular are the worst in most trading scenarios and those for beef production, subject to the trading arrangements entered into, could equally be as bad. As extensive sheep and beef production are the staple aspects of agriculture in the Highlands and Islands, it is anticipated that there will be significant falls in farm gate prices.

Continuing agricultural support is therefore essential to sustain sheep and beef production. Therefore any post-Brexit agricultural support reduction in the UK would be felt most severely in the marginal farming areas such as the Highlands and Islands.
The Highland Council – Written evidence (REC0047)

The land managed by crofters and farmers in the Highlands and Islands is vast, and the way in which it has been managed has given rise to areas of significant public importance in respect of species, habitats and landscapes including nationally important carbon sinks. The Highlands and Islands alone contain 75% of priority habitats in the UK and 40% of the UK’s priority species. The historic production orientated support provided through the Common Agriculture Policy did not effectively reward public goods, although more recently there has been a shift towards supporting woodland and the environment. There is an opportunity for post Brexit agricultural policy to focus greater attention on supporting these fragile and important lands.

In view of the growing concerns about a probable massive decline in post-Brexit agriculture in the Highlands and Islands, the five Councils, working with RSPB, have published a report entitled “Post-Brexit Implications for Agriculture in the Highlands and Islands”. The report provides an analysis of all available data and confirms how serious the situation is likely to be for agriculture in the region following Brexit unless the UK and Scottish Governments are prepared to introduce a framework of agricultural support that promotes active agriculture and safeguards the environment in the vulnerable farming areas.

Developing a Framework of Measures to Support Agriculture in the Highlands and Islands Brexit
The UK and Scottish Governments need to accept that the distinctive environmental and cultural characteristics of the Highlands and Islands region, along with the exposure of its dominant land use (extensive beef and sheep grazing) to Brexit induced price pressures, provide a compelling case within a UK/Scottish context for distinctive and targeted policy interventions.

While the scope for appropriate policy support may be constrained by external factors, mitigating Brexit impacts requires both income support to maintain active and viable land management plus more targeted support for providing specific public goods/value.

Income Support
It is essential in Highlands and Islands to retain a basic level of income support targeted at the most vulnerable farming areas. This should be along the general lines of the current Basic Payment Scheme and Less Favoured Areas Support Scheme.

A UK/Scottish version of the Areas of Natural Constraint scheme needs to be brought in to replace the Less Favoured Areas Support Scheme.

Any income support programme must include higher payments on smaller units and then a tapered system of lower payments and/or payment caps on any additional hectarage.

In addition consideration should also be given to maintaining coupled payments schemes such as the Beef Calf Scheme and the Sheep Scheme, to target income support to the most vulnerable farms.

Public Goods/Value
A scheme of outcome focused specific environmental measures has to be introduced to protect nationally important species, habitats and landscapes, recognising that the environment and natural resources are assets that contribute significantly to regional and national prosperity.

Any reduction or lack of support will impact negatively on a range of unique and internationally important environmentally and cultural public goods maintained by extensive and small scale agriculture/ crofting.

*7 September 2018*
1) What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The evidence we are submitting in regards to the rural economy was collected through our “Recharging Rural” research which sought to understand how rural communities can be helped to be self sufficient and viable into 2030 beyond. Over 3,000 responded to our invitation to “Have your say” throughout March and April 2018, with a map of responses demonstrating coverage the length and breadth of the rural UK.

It is people’s lived experience of their rural communities which has advised our response and helps to define our understanding of “the rural economy”. http://www.princescountrysidefund.org.uk/downloads/research/recruiting-rural-full-report-final.pdf

Clearly we have a rich mine of information in this report which has been impossible to capture in this written response and as discussed we would hope to be able to provide oral evidence.

The clear picture coming through is of a stretched rural infrastructure which is vulnerable to individual losses of schools, shops and services, with these losses building one on another to leave rural communities feeling increasingly isolated. These individual losses are not recent but have gradually built over time so that those who once felt part of their community and were actively involved have gradually seen their community slip away from them. It might be as little as street lighting being reduced so they are more afraid to go out in the evening. It might be that the young people have moved away because there are no jobs, or that the last bus service has disappeared and the shop or pub has closed, but undoubtedly the challenges for those in rural locations are getting increasingly difficult to overcome and there is a multiplier snowball effect which is not seen as improving effect.

The top three challenges faced now by communities are poor broadband and mobile phone coverage, poor road and transport networks, and a poor variety of employment opportunities with little scope for progression. Outmigration of young people is also a key issue across the UK being seen as a natural result of poor job prospects and weak digital connectivity. Looking to the future it is agreed that the top challenge is the lack of affordable housing because it is fundamental to everything else- people say that they cannot be a part of the community when they cannot afford to live there.

2) Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?
There are many examples of notable success stories where communities have taken it upon themselves to collectively take action to reinvigorate their own environment. We have many, many stories of community initiatives shops pubs transport and others which we have helped to fund through our grant giving over the past eight years.

We have highlighted a few of the organisations below which are addressing the issues we identified in Recharging Rural and responded to our own call for evidence.

**Rural Coffee Caravan**
The Rural Coffee Caravan (RCC) is a charity set up in 2003 with the aim of reducing the stress of rural loneliness and helping to provide information and services to rural areas. The caravan and campervan travel around rural communities to act as a meeting place and allow access to life-improving information in a friendly nonthreatening environment. They also hold bigger events such as themed cream teas and Golden Age Fairs. These act as a one-stop shop for local people and are attended by representatives of the agencies offering these helpful services. Ever creative in their ways to combat loneliness, the RCC has launched MeetUpMondays. Based on an idea dreamt up in a London pub, hospitality businesses are invited to help address isolation by inviting their local community into their pub, café, or hotel on a Monday, for a couple of hours of free tea and coffee and a bite to eat. It’s purely social, and it’s always in a commercial venue that is open most days. This makes it a very consistent offer and leads to a robust strengthening of the community. This kindness is spreading with gifts of theatre tickets, boat trips and cakes being offered to ‘MeetUpMondayers’! It seems that Suffolk has really taken this latest RCC idea to its heart as there are now over 30 hosts with more in the wings.

[www.ruralcoffeecaravan.org.uk](http://www.ruralcoffeecaravan.org.uk)

**The Plunkett Foundation**
Plunkett is recognised as the leading voice for community business support in the UK, with 500 active members running vibrant community businesses for the benefit of their whole community. Alongside this, Plunkett works closely with other organisations in the sector and government. They aim to give rural communities a national voice, championing their achievements and highlighting their needs. Their aim is to bring lasting, positive change to all rural areas in the UK. In a climate that sees around 400 commercial village shops close each year, they believe that community-owned businesses represent a better form of business, and respond directly to some of the challenges facing rural areas today such as a lack of services and isolation.

**C.L.O.W.N.S.**
C.L.O.W.N.S. in West Somerset was set up in 1995, with the aim of supporting the needs of parents and carers living in isolated areas, by providing activities such as ‘Tumbling Toddlers’ and ‘Pop-Up Play’, and mobile services through their Outreach Van. The activities they offer are affordable and accessible, and the Outreach Van acts as friendly, safe environment where parents and carers can relax with their children, offering support, advice, or a listening ear.
Flicks in the Sticks
Flicks in the Sticks is the touring cinema branch of Arts Alive, taking big screen films to rural communities whose access to the cinema is severely limited. Through Flicks, these communities have access to great films on their doorstep, at affordable prices and in a friendly and familiar atmosphere. As well as Shropshire and Herefordshire, Flicks also works in Mid Wales, the Malvern Hills region and areas of Cheshire. www.artsalive.co.uk

B4RN
Broadband for the Rural North was launched in 2011 as a volunteer group led by industry expert Barry Forde. B4RN has connected over 3270 properties, laying fibre-optic cables to bring broadband to communities who traditional broadband companies are unable to reach, through community investment and the cooperation of local landowners. www.b4rn.org.uk

Exmoor Hill Farming Network
The Exmoor Hill Farm Network is a farmer-led network bringing information, training, demonstrations, grants, and opportunities to upland farmers across Exmoor. The Network is open to anyone farming in the Exmoor Severely Disadvantaged Area or Exmoor National Park, and it is free to join and receive their ‘Agri-Update’ e-bulletin and notice of their activities; the network is also active on Facebook. The independent network works in partnership with local farmers, agencies, and the wider Exmoor community to provide a long-term information and support ‘hub’ for Exmoor’s farming community. They also encourage socialising and knowledge transfer through their Peer Support Groups, such as their Women in Farming group and their Forward Farming group. www.exmoorhillfarmingnetwork.org.uk/ .

Devon Communities Together ‘Rural Enterprise Solutions’
The Rural Enterprise Solutions project delivers free advice and support to would-be entrepreneurs, new businesses, and community enterprises across rural Devon. The project involves networking events, 1-2-1 mentoring and training sessions, and access to an in-depth training programme. More than 70% of companies in Devon employ fewer than four people.. http://devonhub.org.uk/pcf/about/

Vista Veg
VistaVeg is a grower’s cooperative in Crosby Ravensworth, Cumbria, where the nearest village shop is 4 miles away and inaccessible by public transport. They grow high-quality, responsibly grown vegetables for people who care about where and how their food is produced, selling to local families through a box scheme, as well as wholesale to local businesses. The veg bags can be delivered, negating the need for people in rural area to have access to a shop to do their grocery shopping. The growing cooperative is based in three villages and the majority of their deliveries are in very rural areas and down lanes. Most people sign up through word of mouth, and many are single car owners so can’t access shops in other villages when their vehicle is in use.
Next Door
NextDoor is a website that connects local communities, allowing them to communicate and share knowledge. It is a private social network that links residents to their neighbours, and a respondent to the #HaveYourSay survey said that it helped them to feel connected to people from their village, and surrounding villages.
www.nextdoor.co.uk

Beehive Honiton
The Beehive centre in Honiton, East Devon, houses many community projects, including the dementia friendly Nostalgic cinema. Respondents to the survey said that enjoying a film helped people with dementia and their carers to feel less isolated, and also challenges the stigma associated with the condition.
www.beehivehoniton.co.uk

Ulva Ferry Housing Project
Just six years ago, Ulva Ferry on the Isle of Mull was under threat of losing its primary school due to long-term population decline, brought about by the lack of affordable housing options for young people. Two family homes were designed in accordance with the specific needs and demands of the local community, which are now occupied by local families. By providing secure, affordable houses, there has been a knock-on effect of wider social and economic benefits as people can continue to live, work, and go to school in the area. The buildings are ‘Passive Houses’, meaning that they have very low fuel bills – alleviating fuel poverty, which is so prevalent in rural west coast Scotland.
http://www.mict.co.uk/projects-services/ulva-ferry-housing-project/

Mull Musical Minds
Mull Musical Minds was established by Mull and Iona Community trust, in response to a number of requests from residents for a group to provide support to people living with Dementia, Parkinson’s disease and Strokes. The project helps to address a number of issues including social isolation, care in the community and community transport. With support from Alzheimer Scotland, Mull Musical Minds takes place every fortnight, bringing people together from all over Mull via a network of volunteer drivers and community transport providers. The singing is led by Elizabeth Jack who is also the leader of the Mull Gaelic Choir, assisted by a number of loyal and enthusiastic volunteers and “guest” musicians. The project is very rewarding, giving people the opportunity to have a good sing-song, make new friends - and eat cake!
www.mict.co.uk

Stories in Stone
A project run by the Yorkshire Dales Millennium Trust, Stories in Stone brings together a range of public, private, and community bodies to conserve, enhance, and celebrate the unique historical and natural elements of the Ingleborough Dales’ landscape. It combines conservation and community projects, such as the Sellside Village Green enhancements and conservation works to the Thorns Gill Bridge, a Grade II listed stone-built packhorse bridge.
www.storiesinstone.org.uk
**Shetland Livestock Marketing Group**  
The Shetland Livestock Marketing Group has worked to promote self-sufficiency within the islands, and to promote added value to products from Shetland so that they can be marketed uniquely elsewhere, as well as being available to local communities at a competitive price. They were set up in response to the dependence of islanders on meat from the mainland, despite the high-quality beef and lamb being produced on Shetland. The promotion of produce from Shetland also reduces food miles and the carbon footprint and gives precedence to local abattoirs in similar remote communities such as Skye, Lochaber, and Caithness. [www.slmg.org.uk](http://www.slmg.org.uk)

**Carmarthenshire Food Assembly**  
The Carmarthenshire Food Assembly opened in March 2017, bringing local producers and buyers together. Produce available depends on the season, but varies from eggs, to charcuterie, to gin and includes gluten free and Vegan produce. Buying in this way guarantees a fair price for producers, and reduces barriers between consumers and those who produce their food. [https://thefoodassembly.com/en/assemblies/9395](https://thefoodassembly.com/en/assemblies/9395)

**Transport 4 Tongue**  
Transport for Tongue is a community transport organisation, which provides a pre-bookable door-to-door car service, links to public transport systems, disabled access to vehicles and group access to local and regional events. T4T is based on the north coast of Scotland. [www.transportfortongue.co.uk](http://www.transportfortongue.co.uk)

**Irish Men’s Sheds Association**  
The men’s sheds concept originated in Australia in the mid-1990s. Broadly defined, men’s sheds are community spaces where men can come together, make new friends, share skills and reconnect with their communities. The shed is a non-judgemental, co-operative environment where inhibitions break down and camaraderie is fostered and encouraged. The motto of the men’s sheds movement is, “Men don’t talk face-to-face, they talk shoulder-to-shoulder”. Crucially, the shed is not a formal or clinical environment, but an entirely voluntary and secure space where men can truly let their guard down. However, the shed is not an insular, self-contained space. For many men, it’s a window on the world. Men’s sheds are noted not just for their considerable impact on individual members’ wellbeing, but for their positive knock-on effects for families and communities. It is this broad social impact that has garnered such a huge amount of goodwill for the concept of men’s sheds. The Irish Men’s Sheds Association is a crossborder initiative, with 400 member sheds spread throughout the entire Ireland (approximately 50 in Northern Ireland). The U.K. Men’s Sheds Association also supports sheds in Northern Ireland, as well as those in Great Britain. [www.menssheds.ie](http://www.menssheds.ie)

**How might rural success stories be better promoted?**  
The Prince’s Countryside Fund looks to publicise many of the success stories to which it contributes and is conscious that it is extremely advantageous for communities to be able to learn from one another and understand for themselves what can be achieved. Clearly the fragmentation of local communities means that they are not always aware of the good things which have been achieved in
other parts of the country or indeed, increasingly in other parts of the UK. It is important for UK wide organisations like the PCF to help to bridge this knowledge gap. Indeed The Plunkett Foundation uses this peer to peer learning as part of its model of community development. The Fund is looking to publicise a “Village Survival Guide” over the next year which will be a practical guide to tackling the issues we have addressed as an organisation and include signposting to other organisations and case histories for information.

3) How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes

At the heart of sustaining the rural economy must be the drive to attract jobs and business to rural areas. Without the infrastructure in place to attract them, the cost of housing and the loss of schools and services, however this is a very difficult task and the snowball of decline seems set to continue.

Recognising the disproportionate advantages that technology can bring to rural areas, communities are keen to maximise the opportunities from technology, but they need reliable resilient highspeed broad band and mobile coverage to do so. Many in the community need training to be able to take advantage of technological opportunities and there is also the issue of resilience - having the capacity to keep digital services up and running once in place. There is however a belief by rural people that they can innovate and “a bright future of “digital possibilities“ awaits. We have many examples of communities going the extra mile with volunteers, digging trenches to connect their own fibre cabling and examples of hubs and digital training to help take businesses further.

On a social and welfare basis there are new opportunities which can help the elderly and isolated to manage better. The Fund would like to ensure however that digital opportunities are used to bring people together on a real as well as a virtual basis- to reduce rather than underscore isolation.

The Prince’s Countryside Fund is undertaking a Digital Villages project which gets underway this autumn bringing together digital and rural expertise to explore ways in which digital technologies can be harnessed to address isolation and remote rural service delivery strengthen and attract rural business and drive the economy eg rural apps on demand for shuttle services, mobile apps for delivery from local shops, , pharmacies and other services, connecting to web based resources such as business advice and learning.

6) What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas
From those who responded to Recharging Rural, it is clear that provision of services is at a low ebb. It was noted that a car was an absolute necessity in rural areas to access services but indeed that the disrepair of the roads was widespread and chronic.

From the grants we have given there appear to be a number of ways that provision can be assisted.

1) Looking to connect several rural areas to work together as a “cluster” to ensure that they can work together to get to the necessary tipping point to achieve provision of services

2) “Pop up” and visiting services – Banks Post Offices (see Coffee Caravan example in 1)

3) Multi-use spaces – eg pubs as libraries, churches as shops, schools for after schools clubs

4) Many volunteers assist the running of these services but there was a feeling that their help was taken for granted and there was a sense of “exhaustion”. There needs to be a recognition of the work that they carry out in rural areas.

NB: It is often a very small amount of money that is needed to keep services like village shops sustainable – for example they may not be quite able to break even on an annual basis by as little as £500. But the loss of their presence can be immeasurable in terms of the negative effects on social welfare.

It might be appropriate to recognize this – perhaps in some form of stewardship grant or allowance which recognizes the huge benefit such local services provide and which their volunteers contribute.

10 September 2018
My name is Anthony Trollope-Bellew. I am the Leader of West Somerset District Council, but I am submitting this as a personal submission.

I was a Somerset County Councillor between 2001 and 2013. Last year I retired from farming sheep cattle and cereals. I own various rented properties and also the local village public house and the building where the community run village shop operates.

I served in the army for six years but otherwise I have always been resident in West Somerset. I have always been registered as an elector in West Somerset. My submission is based on my experience in West Somerset.

1. It is important to differentiate between the rural economy and the economy that operates in rural areas. The former is based on agriculture, forestry and tourism. The first of these two have become very much more manpower efficient than they were in the past. Where as my father employed three men on a 300 acre home farm when I retired last year I employed one full-time worker. Moreover my farming operation extended to over 1000 acres on which area in my father's day there would have been 10 full-time workers. A similar contraction in the labour force has been seen in forestry as well. These two and tourism are generally low paid jobs. This has led to it being necessary to develop different employment than traditionally had been carried on in rural areas. The effect on rural villages is that they have become far more middle-class.

2. Two notable success stories in West Somerset are Shearwell Data at Wheddon Cross and Singer Instruments at Roadwater. The former started to supply the local farmers with sheep and cattle tags and livestock handling equipment. It has now expanded worldwide. The latter used the natural flexibility of the local workforce to produce electronic equipment that again is sold worldwide. The former developed from a local need that is unlikely to be replicated in future. The latter because a local entrepreneur decided that West Somerset was a good place to work and live. There are other examples of this.

3. For 18 months I was portfolio holder responsible for highways at Somerset County Council. Therefore I realise that the chances of getting at least one decent road into West Somerset are remote. We will have to continue to operate down what I have christened "macadamised mediaeval cart tracks". Therefore employment based on internet connection is the way forward. West Somerset, and I would guess, all really rural areas need to push the fact that they are lovely places to live and work. If you can operate on the internet why not live and work here rather than a traffic choked urban area. When West Somerset District Council was looking into improving internet connections we discovered that in a West Somerset village there was a firm translating Mandarin. I have heard it suggested that Exmoor should become the Silicon Valley of Britain. Sounds far fetched I know. This is the way forward.

4. Access to transport in West Somerset can only be improved by improving the highways network. This needs government funding.
5. As I have already stated connectivity is the key to the rural economy. This can only be improved by a move from old-fashioned copper wiring to fibre. Also the mobile telephone coverage needs to be improved by the erection of more masts.

6. Healthcare and educational services can only be improved and maintained by better transport connections. Banking needs to become more reliant on the existing post office network which would also help to maintain rural post offices.

7. Local amenities can be helped by reductions in business rates. Local residents must support local providers. I do not believe that in most parishes a village shop is a commercial proposition. So community provided ones similar to the village shop run by volunteers here in Crowcombe is the answer. Community amenities depend on the will of the local population. Higher authorities can only help by removing barriers.

8. Skill shortages need to be overcome by the availability of more training. To overcome labour shortages rurally raised young people need to realise the advantages of living in rural England.

9. Deprivation and inequality can only be tackled by funding rural local authorities better. At the moment funding gap between rural and urban authorities is far too wide and needs to be addressed.

10. West Somerset has suffered depopulation of its young people for at least 60 years. They have been replaced by retired people from other parts of England. How to keep the young in rural areas is more of a problem. They see the attractions of the "bright lights" of the city but fail to realise the advantages of where they have been brought up. Better transport connections so they can access the" bright lights" would help. Also better internet connection to allow the improved use of social media. Provision of wider employment opportunities that are perceived to provide greater interest and career development is also a priority.

11. Somerset has developed a mini business model for helping the ageing population. This model not only provides local employment but saves the county council money. Many of the older retired population contribute a great deal to local life. Whether it is running small-scale almost hobby businesses that provide one or two jobs, helping in the village shop or running local activities like the cricket club.

12. Unaffordability of housing in rural area is caused by a shortage. Classic market response. The answer is to build more houses. This can only be done by encouraging small and medium-sized building firms which have taken the greatest hit in the recession. In villages developments of a maximum nine houses are normally the largest that is acceptable. The large builders are not interested in schemes of this size.

13. One of the Parish Councils which I represent developed a Neighbourhood Plan. One of their objectives in doing this was to increase house supply. To this end one of the policies they wish to put in their plan was to build in the hamlets of the parish. However when the plan was submitted to the inspector he stated
that building in the hamlets was contrary to the NPPF as they were classified as open countryside. So if the policy was not deleted the plan could not be passed. This is a classic case of Whitehall thinking it knows best. If one house was built in every hamlet in England this would not solve but would help alleviate the national housing shortage. Also it would disperse the traffic problems of new housing while encouraging small and medium-sized builders. I wrote to the previous Secretary of State along these lines but have received no answer to date.

14. Government more especially the civil service never mentally expands outside the M 25. How to address this I know not.

15. As the leader of a district council I do all I can to support the rural economy but due to the unfair distribution of funding to rural areas I am highly limited to what I can do. For example if West Somerset District Council's finances permitted I would buy potential industrial land and develop business units. However our finances do not permit such speculative schemes. Local Enterprise Partnerships try their best to help the local economy but they suffer from one problem. The composition of their boards. Small rural businesses where one person is the chairman, managing director, sales director, production manager and finance director do not have the time to attend meetings and so do not put themselves forward for nomination. These small businesses are the backbone of the truly rural economy.

28 August 2018
UK and Ireland Rural Community Network – Written evidence (REC0156)

1. **The UK and Ireland Rural Network** was formed between independent NGO representatives of rural community organisation during the Edinburgh OECD Rural Development Conference in April 2018. The network members are Scottish Rural Action, Action with Communities in Rural England, the Rural Community Network (Northern Ireland), PLANED (Wales), Irish Rural Link and Irish Local Development Network (Ireland) and the European Rural Parliament.

2. The group identified the need for a UK and Ireland wide rural communities forum to examine the barriers, challenges, resources and changes faced by rural communities and to raise greater awareness and clarity of the ways in which rural communities contribute to the UK and Ireland as a whole.

3. Although only at the early stages of the development and working of this network, the Lords Select Committee on the Rural Economy has offered an opportunity for us to articulate some early and emerging themes and potential issues that we have identified. In our response we will focus on ‘National and local government policy, and devolution’ identified as an issue in the call for evidence.

4. The aims of the network are to collaborate, advise and advocate on rural community and socio-economic policy development post Brexit, and to engage with the emerging UK Shared Prosperity Fund (UKSPF) negotiations and consultation. The group wished to highlight some of the themes and issues that area already apparent and are causing concern at a national level.

5. **Definition of Rural.** Across the four UK jurisdictions there are different definitions of what defines a rural area or settlement with 8 different classifications for parameters in England, Northern Ireland and Scotland (each country with differing population sizes, nomenclature and rationale though), whilst in Wales there is no classification, but local authorities are subdivided into four categories (rural, valley, urban and other)\(^{569}\). This complexity and diversity of definition (which recognises the very different nature of the rural population in each of the four administrations) needs to be respected but will inevitably create issues when working across the UK as a whole and specifically as how funds and resources can be fairly and equitably distributed across rural communities.

6. **Indices of Deprivation as a comparable measure.** Although still under development it is likely that the UKSPF will use an Index of Multiple Deprivation (IMD) as a measure and rationale for the allocation of resources. Our first issue is that there is not a common UK wide IMD. Each of the four

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\(^{569}\) Definitions of rural in the four UK jurisdictions can be found in [Recharging Rural Appendices, Princes Countryside Fund](https://www.princescountrysidefund.org.uk/) - July 2018. While Ireland does not have a single official definition of 'rural areas', the Census of Population designates all those living in settlements of less than 1,500 inhabitants as the 'rural population'.
administrations produces its own version of the IMD albeit using similar methodologies. However, differences in the indicators used, the time periods covered (Wales 2014 to Northern Ireland 2017) and the sizes of their small areas (ranging from 2,100 people in Northern Ireland to 760 people in Scotland) mean that it is not possible to make direct comparisons between these indices. Our second issue is that IMD is acknowledged as being wholly unsuitable for recognising rural need, as has been well documented, and yet this is frequently still the measure applied when allocating funds, IMD identifies deprived areas – not people. This is further compounded by the very different methodologies used in each of the four administrations for the ‘access to services’ measure which is the main domain that is critical for understanding the needs of rural areas.

7. Devolved rural policy. Each of the four administrations across the UK is, or has, consulted on their own successor to the Common Agriculture Policy which has included an element of de facto rural community development policy framework (although different administrations have taken a different approach to further detailed policy implementation). The key theme of each of the consultations though has been in relation to food, farming, land use and the environment. However, to differing levels in each, questions and factors impacting on rural communities and the rural economy (outside of food, farming and land use/environment) are consulted on. Our concern is how and where rural communities fit into this new policy framework (which is focusing around food, farming and land use/environment) and the relationship with the UKSPF which sits outside this food, farming and land use agenda and is ‘owned’ by other government departments.

8. Boundary area issues. These three related areas of the difference between rural definition, consistency of IMD and rural policy devolution creates issues on the borders between England/Wales and Scotland/England both of which are predominately rural. For the rural communities in these border areas there could be differing funding, access to services or overarching policy decisions that have a profound and unintended impact and may create local tensions. (Issues relating to the border between Northern Ireland and Ireland are not covered by our response but clearly have major implications for rural communities. By including Irish Rural Link and Irish Local Development Network in our network, we are able to support the two neighbouring organisations in this complex area and to learn from their rural experience, perspective and concerns especially in relation to cross-border and LEADER cooperation).

572 The consultation papers are; England – Health and Harmony: the future for food, farming and the environment in a Green Brexit February 2018; Scotland - Stability & Simplicity: proposals for a rural funding transition period June 2018; Northern Ireland - Northern Ireland Future Agricultural Policy Framework August 2018; Wales - Brexit & our land: Securing the future of Welsh farming July 2018
9. **Rural Funding within a UK Shared Prosperity Fund.** From the limited information currently available\(^{573}\) about the emerging UKSPF we understand that it will predominantly be to replace the European Regional Development Fund (ERDF) and the European Social Fund (ESF), known as ‘structural funds’ and a small element of the European Agricultural Fund for Rural Development (EARDF) known as LEADER and Community Led Local Development (CLLD). This EARDF part is the only specific ‘rural’ element and accounts for less than 2% of an overall €20 billion fund for the United Kingdom structural fund in the 2014-2020 programme period\(^{574}\). Our concern is given the very small element of the dedicated rural development funding within a much larger pot, rural community interest and relevance will be side-lined and lost within the desire to raise productivity and delivery of an industrial strategy.

10. **Proportion of local match and technical support.** In the current EU Investment programme the proportion of funding provided by local administrations as match to the EU funds varies. On average approximately 55% of structural funds were provided by EU, however an average of approximately 72% of EU funding was allocated for LEADER and CLLD (although this did range from 27% through to 100% across the four administrations). Additionally the rate of support offered by the LEADER programme for technical assistance (delivering the programme and supporting applicants in delivery) is considerably higher due to rurality and small scale interventions. We are concerned that this higher level of investment and support for technical assistance will not be reflected in the UKSPF which will be based on the larger scale structural fund model.

11. **Transnational and inter-territorial cooperation.** We are concerned that post Brexit there will be a loss of transnational and inter-territorial cooperation (TNC) which is currently available to rural communities through the LEADER Programme\(^{575}\). This has become increasingly important for rural stakeholders as it has been demonstrated that pan European cooperation is an effective mechanism for helping rural areas to jointly develop. TNC can also improve the competitiveness of participating rural areas by enhancing links between businesses, achieving a ‘critical mass’ for the introduction of new methods and approaches, which strengthens the innovative character and effectiveness of local development. The current ESF and ERDF programmes do not include TNC and this may now be outside the scope of the UKSPF.

12. **The future for a National Rural Network.** Under the current CAP member states are required to use funds to establish and operate a national rural network\(^{576}\) which shall aim to: increase the involvement of stakeholders in the implementation of rural development; improve the quality of implementation of rural development programmes; inform the broader public and potential beneficiaries on rural development policy and funding


\(^{574}\) Data from [https://cohesiondata.ec.europa.eu/countries/UK](https://cohesiondata.ec.europa.eu/countries/UK)


opportunities; and foster innovation in agriculture, food production, forestry and rural areas. Our concern is that this network (which has had mixed delivery and effectiveness during the current CAP Round) will not be funded by the UKSPF despite the increased need for UK wide support and learning to maximise effective investment of funds.

13. This response has been jointly issued on behalf of the members of The UK and Ireland Rural Network and we would be happy to discuss any of these issues in more detail with the committee as your Lordships enquiry develops.

14. The network members are:
   - Action with Communities in Rural England [http://www.acre.org.uk/](http://www.acre.org.uk/)
   - Irish Rural Link [http://www.irishrurallink.ie/](http://www.irishrurallink.ie/)
   - Irish Local Development Network [http://ildn.ie/](http://ildn.ie/)

12 September 2018
Dear Lord Foster,

During our oral evidence session on 4 December 2018, you asked for more information on UK Research and Innovation’s rural proofing activities, our engagement with the Skills Advisory Panels and whether we inform the standards for apprenticeships.

UKRI’s rural proofing mechanism (Q243)

UK Research and Innovation works in partnership with universities, research organisations, businesses, charities and government to create the best possible environment for research and innovation to flourish. This includes partners in rural settings and those engaged on issues that impact the rural economy. By way of example, representatives of organisations with a stake in the rural economy serve on UKRI-BBSRC’s Strategy Advisory Panels, which advise on key areas of our business and research portfolio. In the last few years, South Norfolk Council, the Agriculture and Horticulture Development Board (AHDB) and the Game and Wildlife Trust have been represented on these panels. Similarly, Defra’s Chief Scientific Adviser, Professor Ian Boyd, attends meetings of BBSRC’s and NERC’s councils in a personal capacity. Council members provide input, intelligence and feedback from their communities and stakeholder groups, and support and challenge our Executive Chairs to ensure the effective delivery of their responsibilities.

While we do not require applicants specifically to address rural proofing, we support Responsible Research and Innovation, an approach which encourages consideration of the broad social impacts of research and innovation to ensure that it creates value for society in an ethical and responsible way. We are not prescriptive about how Responsible Research and Innovation is embedded in the research and innovation process, and the factors to be considered will naturally vary depending on the area of research or innovation under consideration, but we would expect researchers to consider rural impacts where relevant. The ‘Pathways to Impact’ statement that grant applicants to the research councils must complete also encourages researchers to consider the wider impacts of their work.

Beyond this, particular programmes supported by UKRI’s councils have engaged with rural stakeholders. For example, the Digital Economy programme, led by EPSRC in partnership with ESRC and AHRC, supported the £11.8M dot.rural research hub, which tackled the specific challenges rural areas face around issues such as quality of life and wealth creation. Through the user-led application of digital technology, rural areas of the UK could be more economically, socially and environmentally sustainable. dot.rural combined the Hub’s expertise with the experiences of a range of partners to realise this ambition, and innovative technology solutions were developed across a range of
sectors, including public transport, health, cultural heritage and the natural environment.577

Engaging with different stakeholders and publics has also helped to rural proof the Industrial Strategy Challenge Fund (ISCF). The Transforming Food Production challenge includes funding for a programme aimed at addressing the disconnect between R&D and practitioners and strengthening connections between research and practice, in particular by:

- facilitating the development of partnerships around farmer-identified challenges;
- supporting collaboration between researchers and businesses with practitioners; and
- providing tailored information on outputs of activities to enable knowledge exchange with end-users.

The Audience of the Future challenge has been engaging in the rural sector and continues to seek to broaden its rural engagement and drive interest in creative rural economies. As an example, the challenge is liaising with ruralculture.org who have attended a range of engagement events and will reciprocate when they attend ruralculture.org’s research seminar at the Tate in February 2019.

Finally, the NERC-led Strategic Priorities Fund (SPF) programme ‘Landscape decisions: Towards a new framework for using land assets’ was developed with rural stakeholder engagement. In developing the programme, Defra was engaged from an early stage in working groups that developed the programme scope and need. There was further engagement with wider parts of Defra, which was designing its own programme around the future of rural land use. This resulted in the Defra Chief Scientific Adviser strongly supporting the SPF bid, which was successful. With the programme now active, engagement with Defra and its relevant programmes continues, and we expect Defra, the Environment Agency, devolved governments and relevant wider parties to be represented on an advisory group being established. One of the first completed activities of the programme was a workshop held by the Isaac Newton Institute. This workshop identified decision-making challenges by a range of rural users and decision makers. Going forward, a major task of the Programme Coordination Team (to be appointed) will be to engage with rural users and decision makers to understand land use tensions and challenges and derive a new decision-making framework.

Skills Advisory Panels and apprenticeships (Q247 and Q250)

Building the capacity and capability of our entire research and innovation workforce is vital to meeting the government’s target of increasing economy-wide expenditure on research and development to 2.4% of GDP by 2027. We work closely with colleagues across government, including the Department for Education, to ensure that the necessary skills pipelines are in place to achieve this goal. Through this we will continue to be engaged in wider aspects of the skills agenda, including those involving technical education and apprenticeships

UK Research and Innovation supplementary (REC0196)

and emerging information on local and regional skills arising from the Skills Advisory Panels.

Our councils and the institutes they support are well placed to inform and drive forward the development of technical and apprenticeship programmes in specific sectors and disciplines. For example:

- STFC are working with the UK Atomic Energy Authority and Oxfordshire Advanced Skills to train apprentices in engineering and advanced manufacturing at its training centre in Culham. Over 150 apprentices have been trained since 2015, going on to work at STFC’s sites and industrial employers in rural Oxfordshire.\(^{578}\)

- MRC has been developing trailblazer apprentice programmes in animal technology (with the support of major employers in the field)\(^{579}\) and has supported the development of the Bio-Informatics apprenticeship standard (subject to final ministerial approval).

- The Catapult centres train hundreds of apprentices and doctoral students in the high-level technical skills required by industry. For example, in 2017 the Cell and Gene Therapy Catapult was awarded £1.5m of Industrial Strategy Challenge Funding from UK Research and Innovation (Innovate UK) to develop a first-of-its-kind apprenticeship in Advanced Therapy Medicinal Products, to build the necessary skills base in this emerging sector.\(^{580}\)

Yours sincerely,

Professor Melanie Welham  
Executive Chair of UKRI-BBSRC

21 January 2019

\(^{578}\) https://www.oas.ukaea.uk/amtc-appointed-to-provide-skills-training-for-oas-phase-2/  
\(^{579}\) https://mrc.ukri.org/research/research-involving-animals/supporting-animal-welfare/  
UK Rural Skills - Supplementary written evidence (REC0189)

9. **What recommendation would you like this Committee to make to Government? Ideally, the recommendation would not require any new legislation or additional funding.**

- Recognise the fact that bespoke vocational training provides hands on job-specific technical training preparing young people for jobs. Employers/legislation demands it. To recognise that independent training providers are offering this solution already and do a good job at providing training that maps directly with the needs of the employer and learner. Employers/legislation demands it. Recognise that independent training providers are offering this solution already. That we exist and do a good job!
- Need to have a major recruitment campaign for skilled industry experienced trainers and make the process easy and affordable to encourage them to convert job roles.
- Recognise that funding is needed for all skill types that are not legislative. Don’t get hung up on level 3+. Training levels and types are irrelevant, sometimes back to basics is just as important. Consider ploughing, without a good foundation how will poor soil affect the crop? It’s also the softer skills with no obvious financial benefit that are hard to sell to employers – succession planning, benchmarking, time management! etc. We need a way of showing the cost savings/benefits of management training. Financial incentives/funding would obviously help.
- Investment/funding in new technology like eLearning course content which is visual, relevant, maintained and kept up to date and current. Customers are now finally asking for alternative ways to train. eLearning is recognised finally as an alternative. Yet with no funds available to build up a resource of visual content (professional videos) we are doing our best to build new courses with text and photos but they are bland and not very engaging.
- All young people at school to be able to hear from and be inspired by employers.
- Consultation with employers and rural industries to establish what the barriers are.
- Need a way to match training to economic demand.
- Investment in broadband across all areas of the UK incl rural/remote areas.

**For Apprenticeships –**

- Relaxing the complex and restrictive Apprenticeship Levy rules
- Keep the apprenticeship system simple and transparent, with a single accountable agency.
• The Institute for Apprenticeships should be resourced to bring forward apprenticeship standards more quickly and take on end-to-end responsibility for the successful funding, execution and monitoring of apprenticeships policy.
• Have a single body responsible for apprenticeship external quality assurance, to build trust and reduce cost and complexity for employers.

5 December 2018
Preamble

**Uppingham First** is the award winning ‘all sector’ elected Community Partnership for the market town of Uppingham in Rutland and its rural hinterland. It brings together the voices of community, business and statutory sector forums in the area. It incorporated as a limited company in January 2009. The objects for which the company was established are, “To protect and promote the interests of Uppingham Town and its rural hinterland helping to sustain their vitality and economic viability ensuring they remain an attractive place to live work and play.”

The Partnership comprises a board of thirteen directors made up from the three sectors recognised by central government, these being business, the state sector and the third/voluntary/civil society sector. Uppingham First is recognised by Rutland County Council and is active within the county’s Local Strategic Partnership, Rutland Together and the commercial area of the former Greater Cambridge Greater Peterborough Local Enterprise Partnership. The Uppingham First Community Partnership is a member of Locality and the Community Transport Association and is chaired by international businessman Robert Wills. Uppingham First led the very successful Uppingham Neighbourhood Plan, a government front runner and the town has reached the top five in the Great British High Streets Awards. The Partnership was also instrumental in the establishment of a, currently expanding, Gigaclear FTTP broadband network in Uppingham.

**Select Committee Questions**

**General issues**

1. **What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?**

Uppingham’s heritage and rural economy is that of a sustainable community having a vibrant high street of ‘independent’ traders serving around 3000 dwellings in the town and surrounding villages. Its market place heart can be viewed during the day through the online Uppingham Webcam on the Uppingham First website. Over recent years its physical visitor footfall has tended to diminish but its virtual footprint is growing. Business premise occupancy has remained above 90% and Uppingham retains a successful weekly market. In recent years the town has lost one of its two banks (HSBC) and a number of long established retailers have retired. Positive developments include the development of a strong antiques, arts, books and creative crafts commercial skills base, the refurbishment of its historic town centre hotel linked to a developing night time economy and the establishment of a Harley Davidson Dealership. Uppingham is building more homes and is steadily growing. Many regard it as Rutland’s success story and it has been visited by a number of Ministers.
2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Uppingham successes include:
   a) Outstanding engagement with the rural business community and its local customer base through elected business and community forums which meet quarterly. An all sector Vanguard Board meets twice a year to which commercial and housing developers are invited together with the Education, Skills, Health and Blue Light sectors
   b) Successful promotion of the high street and local economy via the Uppingham Webcam
   c) The establishment of a free integrated transport community bus service run entirely by volunteers and funded by the local community, linking employment zones and the high street to residential areas
   d) The attraction of over £200k worth of Community Infrastructure Levy via its Neighbourhood Plan
   e) A developing FTTP Fibre network offering up to 1Gb symmetrical broadband to homes and businesses
   f) The development of a number of rural/commercial tourism trails to raise footfall including a heritage trail, a tree trail and an Antiques, Arts, Books and Creative Crafts Trail
   g) The promotion of electric car ownership, tourism and vehicle charging via a joint private/public sector initiative
   h) The ongoing development of new and existing commercial zones
   i) Attracting private sector investment into its high street.

Many of the above initiatives could be duplicated elsewhere but no market town agency now exists to champion small rural economic centres. Local Enterprise partnerships should be required to develop growth targets for, and allocate finance to, small economic centres and market towns.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

Uppingham First has submitted an EU Leader Fund bid to support the development of a new virtual high street portal and an associated smart phone app to stimulate rural economic growth, promote rural tourism and create new jobs. A new Town Centre & Business Zones Plan (see www.uppinghamneighbourhoodplan.info) has set a 2% growth target for Uppingham with enhanced housing figures linked to rural skills development. The Partnership believes that the rural economy has a bright future if it embraces technological development and integrates it into strategic projects in the health and wellbeing, transport and commercial sectors. The voluntary sector is seen as critical to the future of the local rural economy and it has strong democratic voices and messages from civil society in the community’s forward plans. Effective localism with funding following devolved services is seen as a key driver in generating sustainable growth. More needs to be done by government to pressure principal local authorities to more fully engage with the policy and financial implications of rural devolution. Government has allocated much time and money to urban city regions and combined authorities, but little has been done to incentivise and stimulate economic growth in rural centres and
small market towns. Few LEPs have specific targets for rural centres despite a large percentage of the population living in such areas. FTTP broadband, a guaranteed minimum mobile signal of 4G (but preferably 5G) together with smart phone app integrated rural centre/market town online portals are the way forward for the rural economy. This is the business plan for Uppingham. The Select Committee are invited to further investigate the potential of this area for growth. The Partnership would be happy to offer further oral evidence on the issue.

Infrastructure and services

4. How can access to transport be improved in rural areas?

By government recognising the economic, environmental, health and community safety benefits of locally led community transport. The current D of T enquiry into Sections 19 and 22 permits is relevant here. Rural economies can be invigorated by effective community transport schemes. The volunteer led Uppingham Hopper community bus service, recently featured by the BBC, is an exemplar in this respect being entirely funded by the local community. The government’s recent community bus grant scheme should be repeated, perhaps with a bias toward electric vehicles, but also with an emphasis on funded vehicles providing a service to the general public rather than simply the bidding organisation’s membership. Promoting (and supporting with grant schemes) electric vehicle ownership will be vital to the future of viable and economically sustainable rural transport. The current, expensive to operate, commercial bus services may not remain viable for much longer without substantial public funding. If this is accepted by the Select Committee, it would be better use of public funds to promote and tax exempt community owned bus companies perhaps operated by community or parish councils. Legislation currently prevents this!

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Only a full fibre to the premise connected rural economy will meet the nation’s needs for the future. The disgracefully wasteful over-building by BT of local fibre networks should be outlawed. Future growth will demand such a response. So will next generation healthcare, education and commerce. The evidence shows that rural communities which have been proactive in this matter are now starting to reap the benefits. Uppingham is such an example.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

Empower rural economic centres with the infrastructure needed to become next generation communities. Make greater use of the voluntary sector and the localism agenda. Encourage the creation of more rural credit unions and community banks. Devolve more funding and powers to parish councils. Introduce a ‘duty’ for larger parishes to create and operate a community bank or credit union in collaboration with others. Introduce tax incentives. Legisl ate to require banks to open ‘white’ branches in rural towns (branches offering basic banking transactions to customers of all banks at one location).
7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Create a tax regime that incentivises community ownership. Create a new level of lower business rate for rural economic centres and market towns. Enable retention of business rates locally. Introduce a new class of community mortgage for rural/market town shops.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

With pump priming/development funding repayable with a low interest rate. Introduce a British Leader Fund post Brexit. Create a rural employment tax subsidy for businesses willing to train/create more jobs. Create a nationally accredited market town traineeship scheme.

9. How can deprivation and inequality in rural areas be tackled?

Build publicly owned housing to rent. Create a legal right to rent as in right to buy. Pass public funding for the deprived direct to where it is needed rather than through principal authorities.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Initiate a major build of prefabricated dwellings for young people to rent as was done after WW2. Create a new community leadership force for the under 35s with the help of Rotary International. Offer a rural retention incentive/grant for the first two years of work in a rural area.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Ensure support for a social meeting point in every community. Ensure online connectivity. The elderly represent a huge pool of talent to support the rural economy but their skills are undervalued. Charities are being funded to employ paid workers to supervise volunteers doing the actual work. This business model should be reversed. Use volunteers as supervisors/managers and insist that older volunteers are properly valued and paid for what they do.

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?
Build low cost prefabricated houses (not expensive brick) of a design that favours the young. Encourage Neighbourhood Plans to include an allocation of land for such housing. Legislate to ensure a landowner receives attractive incentives to release land for such dwellings.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

Government is moving in the right direction by creating the opportunity for Neighbourhood Plans. Progress is being impeded by principal authority planning departments. Strengthen the ‘right to build’ legislation. Encourage larger parish councils to become housing authorities.

Government policy, devolution and local government

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

No they do not, because many do not understand rural economics. Introduce public participation time and the right to speak in all public body meetings as has been done with parish council legislation. Consider extending the concept of directly elected Mayors to Market Towns.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

Not enough. Many LEPS have no targets or economic strategies directed at their market towns and rural centres. This should be a mandatory requirement for public funding. Too many local businesses are not engaged with their LEP. Publication of agendas and minutes online should be mandatory. LEPs should be required to publish regular engagement reports.

Summary

We trust the Select Committee finds the above helpful. Please let us know if we can be of greater service.

Ron Simpson BEM
Uppingham First

10 September 2018
Clarification on 10Mb/s broadband as Universal Service Obligation UK

I have consulted with a range of organisations and business representatives to ask about this. A summary of their comments is as follows: “Up to 10 Mb/s” offered by DCMS means that many premises would in fact get a good deal less. In addition, 10 Mb/s refers to download speeds and is asymmetrical - upload speeds are much slower. It is important for all rural businesses to have a service providing fast upload speeds as well as downloads. They propose a minimum of 10Mb/s and a symmetrical service as a USO.

Rural Action pointed out that since the Scottish Government (under the R100 programme) are offering 30 Mb/s FTTP by 2021 in what is a more difficult terrain, why can't this be offered throughout the UK?

Examples of what can and can't be achieved on speeds of 10 Mb/s

1. Tourist facilities could be booked online but the system would not work if there was more than one person booking at one time on 10 Mb/s. Tourist facilities need fast up as well as down loading as customers want to check in and post materials during the day.

2. Wifi projected around an area from a router would generally be weaker the further away from the router and depending upon the number of people using it. Even camp sites are expected to provide wifi so tourist facilities are disadvantaged if they cannot provide wifi services to guests. 10 Mb/s to the router/telephone socket would mean much lower speeds elsewhere.

3. Creative industries need higher speeds than 10 Mb/s and good upload speeds.

4. Businesses that are synchronising with other businesses would need a symmetrical service for this to work.

5. Livestock registration would be possible with 7Mb/s (for farmers) if it were consistently available – that is not guaranteed under the current USO offer.

6. Fish farms in Norway use 4k streaming to monitor fish stocks but this cannot be done on 10 Mb/s.

Contributors:
Scottish Enterprise, Scottish Rural Action, Aberdeenshire Council, Classlochie Digital CIC, Smartrural Coop, Scottish Agricultural Organisation Society
12 December 2018
Warwickshire Colleges Group (WCG) - Supplementary written evidence (REC0186)

Additional written evidence requested by the Committee following the oral evidence session on Tuesday 4 December 2018

How do colleges and other education and training facilities decide and plan on what courses to provide?

The Committee asked for follow-up views on the introduction of Skills Advisory Panels (SAPs).

These Panels should in my view (1) build on existing structures; (2) place Colleges at the heart due to their expertise in curriculum planning/LMI; and (3) should be set up to link with other sector based groups where intelligence at regional/national level is important in decision-making. These will be important to ensure that the new SAPs have the capability and capacity to identify all parts of a local economy, both current and projected, and to avoid sole focus on some areas of a local economy.

What recommendation would you like this Committee to make to Government?

In addition to my verbal comments in response to this question, the Committee asked for information about the challenges of staffing in Colleges.

The disparity between pay in schools and pay in Colleges presents a challenge in attracting teachers from schools to colleges where this may be possible, for example English and mathematics teachers. The average teacher pay in a school is £37,000 and in a college £30,000. College funding disparity makes it almost impossible to address this inequity (average funding per student in a school is £6,693, a university £8,250 and a college £5,118).

At Warwickshire College Group, the average number of teaching vacancies for last three academic years is 110 (this includes both new and replacement posts). The average length of time to fill a vacancy from post approval point to appointment was 60 days in 2017/18 and is 39 days to date in 2018/19.

The following have been and continue to be, hard-to-fill vacancies:

- Motor Vehicle
- Construction
- Arboriculture
- Veterinary Physiotherapy
- Horticulture (specialisms)
- Digital & Cyber

The key issue in all of this, which is shared by most other colleges, is that we are all looking in the same pool for industry experienced specialists who want to
teach in the FE sector. This, coupled with the inability to compete financially with
industry salary levels, makes filling some aforementioned vacancies near
impossible. We have no quantitative evidence that our more rural location
influences our ability recruitment. However anecdotally our Colleges are in very
pleasant rural locations which does create cost of living challenges for some.

**Question on Fair Funding Review**

The AoC has provided this response to the query about Colleges’ inclusion in the
fair funding review.

The fair funding review is a Government initiative to reassess the way in which
local government is resourced. Although local councils have a key role in
education, the funding for schools and post 16 education is managed via two
separate systems which are outside the scope of the fair funding review. The
Department for Education is putting a national school funding formula into place
but this is a slow process that started in 2010 and may not finish until the mid
2020s. There have been national funding formulae for post 16 education since
the early 2000s. Although these systems, budgets and rules are separate, there
is good practice that could be shared. The funding formula for local government
and schools each include a sparsity factor but the post 16 funding system does
not include a sparsity factor.

Angela Joyce
CEO
Warwickshire College Group (WCG)

*20 December 2018*
Warwickshire County Council – Written evidence (REC0055)

General issues

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

In producing Warwickshire County Council’s Rural Growth Plan (RGP) 2017-2020, we used the following definition: “The businesses and enterprises in the rural area and the people, activities and environment that support their wellbeing and success.”

Changes include diversification of businesses and lifestyles, with corresponding impacts on the physical and social fabric of rural areas. The diversity and strengths of Warwickshire’s rural economy include a concentration of “growth” sectors in rural Warwickshire -40% of all manufacturing companies in Warwickshire, 37% of all Advanced Manufacturing Engineering, 36% of digital media, as well as more traditional "rural" businesses. Warwickshire’s rural areas and the links between urban centres mean we also exhibit "peri-urban" structure and characteristics. The recognition of the importance of Biodiversity Offsetting is increasing – this helps support the Rural Economy through habitat management from development and biodiversity net gain objectives.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Our Rural Growth Plan includes 21 case studies of success and good practice, see accompanying document. Specifically The Rural Growth Network (one of only five pilots in the country) and the EAFRD grants programme are notable successes. Further information on these can be provided. Coventry Solihull Warwickshire Broadband and the Local Full Fibre Network (one of only 13 areas) are also notable successes. A central Government portal would assist promotion and sharing of success and good practice.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other change?

There will be challenges as we exit the EU; challenges dealing with an ageing population and challenges in providing employment opportunities to retain or attract young people. Our Rural Growth Plan sets out what we see as main challenges, alongside our key actions under 7 key topics – Rural Business Support, Skills & Training; Rural Tourism; Digital Connectivity; Research & Development; Natural Assets & Heritage; Access & Communications. Rural areas should benefit more from advances in technology than their urban counterparts. They are less at risk of automation (due to the nature of the businesses generally found in rural areas). In particular, the roll-out of superfast...
broadband and 5G etc should address issues of rural isolation and increase agglomeration affects.

Agriculture is one of the sectors which stands to benefit most from advances in technology. However, the downside is probably a reduction in the numbers employed (due to increased productivity etc).

**Infrastructure and services**

4. How can access to transport be improved in rural areas

Access to public transport in rural areas can be extremely limited and depends on location. If the rural community is on the line of route of an inter-urban bus route it will probably benefit from a high quality, frequent bus service. If not then it is likely to have a financially supported bus service providing very limited access. In Warwickshire the minimum level of service provided is loosely based on population size of a community. It ranges from a once a week service for communities with a population of more than 50 to an hourly bus service for communities with a population of 2500+.

Funding is the fundamental issue in providing improved access to transport in rural areas. Current funding for public transport is decreasing. There would need to be a real change of emphasis towards funding bus services to make a real difference in rural areas. One additional bus operating between 0700 and 1900 on Mondays to Saturdays costs around £130,000. Warwickshire's revenue support budget for providing socially necessary services is currently around £2m per annum (around 15 vehicles across the whole County).

A network of rural bus services will only ever be fully sustainable if using a private car becomes really expensive or unattractive. Some consider demand responsive transport is the answer in rural areas. It can work in certain areas where the geography suits and significant funding is injected into the project. Some schemes are poorly patronized as they only suit passengers that can be flexible around pick up times.

More work could be done to consider what role private hire vehicles and taxis could play in improving access in rural areas particularly at times of the day when they are not being used for school runs.

**In addition close working with Partners to identify needs and seek funding for solutions, including maximising S106 and Community Infrastructure Levy can deliver improvements.**

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Disruption to business continuity, inhibits growth and contact to clients / markets. Improvements are listed in our Rural Growth Plan under Digital Connectivity. Good broadband connectivity should be considered to be the 4th utility available to all regardless of location. This is not yet the case. Lack of good broadband connectivity leads to loss of business competitiveness and opportunity in an increasingly global world. It also leads to social isolation; lack of access to services (particularly in the rural areas); lack of educational opportunities and
resources; lack of job and career opportunities; poorer health outcomes and increasing costs to public services.

The reason that the BDUK programme has worked well is that there are co-ordinated contracts which have been let following rigorous Open Market Reviews and supplier engagement processes. The projects are clearly focused and target those areas where there is no commercially planned broadband provision. The projects also require that infrastructure should be made available on a wholesale basis, meaning that any ISP can provide broadband services. A competitive market therefore drives down prices and increases the range of packages on offer. The wholesale network can also be used in the rollout of 5G.

The Government has stated that the full fibre revolution is coming and that there will be a rural focus on future projects. We would encourage gaining state aid approval (or whatever the post Brexit equivalent will be) so that BDUK –style projects can be run to take full fibre networks into our most rural areas.

The Gigabit Voucher Scheme works well, but the website is difficult to navigate for those on a poor connection (i.e. those who will be applying for the scheme), and little information is given about each supplier. Furthermore, if a community wishes to get together to set up a project, which represents best value for money due to critical mass, then they are expected by the supplier to have an accountable body. Information should be given on the website about this, together with links to relevant organisations that can offer advice and help to set up such bodies.

Further evidence can be provided on this if required.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

With Partners, identify local needs and look at options to improve access; support Market Towns to remain viable – linked to other actions e.g. Warwickshire Towns Network.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Support rural communities to become more self-sustaining, through programmes such as Warwickshire’s Spacehive Programme- which helps to enhance, improve and enliven towns across Warwickshire. We support projects which transform shared space, inspire visitors and increase footfall, bringing more people into our towns to support the local economy. E.g. Studley on the Map, Coleshill Arts project (CASPER). www.spacehive.com/profile/warwickshirecountycouncil

Availability of specialist technical support to shops, pubs and other rural amenities, of the type funded by the Countryside Agency and SRB and delivered by the Rural Community Councils in the early 2000s.

Financial and technical support to voluntary and community groups wishing to establish community shops, pubs etc. – business planning, legal and governance structures, policies etc.

WCC has assisted with community asset transfer.
Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

By successful delivery of rural focussed business support programmes (as part of wider programmes) and investment in the roll-out of superfast broadband. WCC’s successes, referenced above, include the Warwickshire Rural Growth Network, funded by DEFRA, the EU / RDPE, led by WCC on behalf of the Coventry & Warwickshire Local Enterprise Partnership; delivered by a partnership of 12 Partners and specialist delivery organisations. Our Rural Growth Plan sets out actions for addressing skills shortages, under Skills & Training. Tourism in rural areas is a key sector which can both attract and retain jobs through diversification of land-based businesses. WCC’s Rural Growth Plan recognises and supports this. WCC’s work developing a Visit Local project is a practical example of how we're trying to help rural communities and business partnerships to work together to sustain vibrant local economies. It is also important that Government and funders recognise the additional costs of delivery in rural areas. WCC’s our approach of setting "rural" targets has worked well, otherwise, providers can often deliver their targets without leaving the main urban centres.

9. How can deprivation and inequality in rural areas be tackled?

Allocation of available resources to highest priority neighbourhoods. Targeted community development work in priority neighbourhoods. Enhanced role of local VCS/Third Sector/Social Sector in priority neighbourhoods.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Make it easier for young people to travel to employment, education and training. Match opportunities for young people to gain employment skills and training locally. Access to meaningful and rewarding civic service and volunteering opportunities.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for older retired population to help support the rural economy? Additional investment in volunteering infrastructure to promote and broker older residents into volunteering and civic positions. Promotion and investment into community giving schemes such as time banks. Embedding into social care contracts, e.g. domiciliary care, the need for providers to encourage more service users to engage in community activities. Recognition of and investment into VCS/Third Sector/Social Sector provision in rural areas applicable to older people, e.g. lunch clubs, befriending schemes, coffee mornings.
Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed? Examine supply and demand, including starter homes in rural areas, as well as provision in situ or close to rural businesses.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules? Government policy, devolution and local government?

More explicit support for the rural economy, as part of Government Policy and Strategy e.g. Industrial Strategy Building a Britain Fit for the Future.

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

As per previous answer. Many of Local Government’s services impact on rural areas and there is a direct focus on the rural economy. Direct links with Councils, Local Government Association and the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) are important.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

As per previous answer. Many LA services impact on rural services. Many LAs like Warwickshire are proactive in supporting rural economies. There is a great variety amongst LEPs in terms of operation in rural areas. LAs are proficient at coordination with a wide range of Partners.

Submitted by:

Mandy Walker,
Infrastructure & Regeneration Group Manager

7 September 2018
Re: Rural Issues

1. We live in a city rather than rural now for "convenience" and spend weekends in the countryside. This does not preclude observation since 1992 Scotland, and living in rural Cornwall 2014, Somerset 2015. As self-employed couple for 50 years we are experienced observers from a business perspective.

2. Some areas are on the up, people club together and save the local community centre or post office cum general store, generally upscale and not always 100% affordable to less affluent locals requiring basic goods. The imbalance of services and goods to match needs from basic foodstuffs to not only appropriate internet access but better use of internet to sell, to job opportunities need addressing. There is no single solution, each situation is unique so one cannot say, bring back the buses, trains, post office. In a natural symbiosis, as an area resolves/improves, the support services should be made available whether through local authority or business providers or a team approach. Commitment is required!

3. County or local authority run rubbish bins and pay loos are sorely needed. Long gone are the days of so many carparks having facilities that locals and weekenders could rely on. It's not worked closing facilities, it sends folks into the local pub which doesn't appreciate the added cost and it certainly has increased village and roadside litter. Locals and passers through deserve a rest stop before doing their shopping or visiting and will stay longer and spend more. Local requirements need defining locally so plans can be formulated, action set in motion.

4. Varied websites tout for sales and dispense information of "what's on" albeit rarely well. Local support to create and run better dissemination of online information will bring in more money without fail: if you don't know what is on or where to buy what you need you don't spend but in town or online. This applies to residents and weekenders like ourselves. Folks flock to the country side and will help support the economy if they have more information on their phones when they are on the road. Most everyone already plans online before doing much so the habit is in place: its the quality of information that needs improving if more money is to be spent rurally.

5. Everything to improve rural life can succeed being unwritten by government and commitment of local residents, the former lacking, the later available in spades. Every community has its entrepreneurs, they are the third leg of stool or improvement. Appropriate advertising for what is lacking generally finds the appropriate party or item lacking: communication, again, the internet can turn things around. It is simply not enough that the quality of life is better outside of cities, people must live and work locally. The syndrome of move to the country, buy a house, raise the children, move back to the city only weakens the community and doesn't create foundations.
Housing is a national minefield and in the rural setting, to prevent isolation, the village itself is best for new build. The surfeit of dis-used agricultural buildings may never all be converted or upgraded as the number of people wishing to live the rural drive lifestyle will always be less than huge inventory of buildings. Affordability is best achieved by partnerships with owners of derelict properties, local building firms and underwritten by guaranteed low cost construction and mortgage funds. Builders need to be transparent with costs especially wages paid and percentages O&P which should be limited by the authority. Honest firms will have no qualm providing their project accounting.

7. Light industry is always an answer and has been successful all over the country, generally focused on farm buildings, the trick is to get government support to bring the business and its owners into the picture which in turn creates the all important opportunities to keep younger workers. The whole scenario harks back to build the castle and the village appears; we just need to start the process again. It is not about new cities and new rail lines, which is alright in it's place; it is the rebirth to the previous pattern of a community. Here again, internet dissemination of information to alert people to the opportunities to go rural. Communication, funding, and commitment to locally derived plans. Lay the foundations, build the future.

8 As lifetime construction industry owners we translate most solutions to the design build form: hence, again, lay the foundations, build the future. And the all important communication, there is no life without it, anywhere.

Best of luck y'all, it's a long road,

The Wellmans, Renee & Michael formerly of Austin Texas now dual citizens and firm believers in our parent's country of birth

6 September 2018
West Coker Parish Council – Written evidence (REC0018)

West Coker is a village with a population of about 2000 some 3 miles west of Yeovil in South Somerset. It is fortunate to have retained most of the essential facilities – primary school, GP surgery, garage, shop, butcher, Post Office, Church, hotel and 2 pubs. It has a few small businesses, and is surrounded by very good agricultural land. Many residents work in nearby Yeovil. The typical internet download speed is 14MHz. The village lies on the busy A30. It has limited, and generally declining bus services.

This response has been prepared by members of West Coker’s Parish Council, who welcome the opportunity to submit their views.

QUESTIONS

General issues
1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The rural economy covers any interaction in and around villages where money changes hands. In recent years –

- Agriculture has become more dominated by larger enterprises, and councils have sold off farms which were valuable as ‘starters’ for young people wanting to enter agriculture
- Second homes have become more common; often these are the smaller cottages, attractive for weekends away, but now out of the price range of local young people as permanent homes
- Larger homes in attractive country places are often bought by people retiring from SE England who have sold valuable homes there.
- Builders etc have often profited from the housing evolution described above

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

- Some new small businesses have succeeded, but they need a workforce with appropriate local skills, transport links and of course, good internet access
- High quality specialist food producers (wine, meat smokers, ice cream makers, artisan bakers, etc) have been established

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

- Not a bright future without further encouragement and money.
- Food production – agriculture and horticulture – not only provides the highest number of rural jobs, but is vital to the nation and should therefore be supported at the national level
- It’s vital to stay focussed on our aims, notably –
West Coker Parish Council – Written evidence (REC0018)

- Making it possible for young people to live in villages and find work
- Making it possible for old people to remain living in their home villages

**Infrastructure and services**

4. How can access to transport be improved in rural areas?
   - Arrest the spiral descent where bus services are cut, fewer people then use them because the new times are inconvenient, and further cuts are then justified by the reduced usage.
   - Offer free/cheap bus passes to people under 35, job seekers, those in receipt of benefits – thereby allowing them to seek and keep work. Maybe fund this by charging OAPs 50p instead of nothing.
   - Investigate ‘taxi’ style transport on demand, especially for those travelling for medical appointments.
   - Apply sense to school bus services to eliminate the cases where children in a village are expected to walk up to 3 miles along narrow lanes to school (or their parents have to drive them) while their friends who live just over 3 miles away pass them on their free bus.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?
   - Just implement what has long been promised by government and county and local councils.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?
   - Increase the funding per child in rural areas to that enjoyed by those in London
   - Support FE courses which offer skills relevant to the rural economy
   - Local part-time degree courses must be affordable (not the case now)
   - Require banks and/or the Post Office to provide coverage for villages and small towns – as joint enterprises if necessary
   - Support rural GP practices – and recognise that their needs will be different from those in urban centres
   - Make much better provision for people in rural areas to travel for medical appointments OR, better still, arrange for travelling clinics, nurses, specialists etc to come to a local centre every 2-4 weeks.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?
   - Find economic means which assist the rural businesses at some expense to the largest retail corporations (including those operating on-line), but not smaller high street businesses. This may include starter loans, and redistribution of the rates/tax burden

**Business, employment, skills and demography**
8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

- See answers to Qus 4, 6 and 7 above
- Reverse the local authority farm sell-off policies and process. This country must encourage measures to reduce our dependence on imported food.
- Without the huge potential customer base available in large towns, many rural businesses can only ever operate on a small scale, and some regulations are therefore impractical or require unaffordable outlay. There should be specific limited exemptions to allow such businesses to survive and serve their communities.

9. How can deprivation and inequality in rural areas be tackled?
- Only by making the rural economy, notably agriculture, thrive

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

- See Section 12. Also the education comments in 6, the transport comments in 4 and the accommodation comments in Sections 1 and 12

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

- See Section 12

Rural housing and planning

12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

- In our village of about 2000 people, our local housing survey clearly showed that the supply of medium and larger houses is in balance with the demand. The need is for:
  - One and two bedroom flats and small houses which are affordable for young single people and couples
  - One and two bedroom flats and small houses (including bungalows) which are affordable for old couples and elderly on their own, thereby allowing them to remain in their home area, but not in family houses which they no longer need.
- Meeting these two requirements, above, will result in healthy mixed supportive communities.
- People local to available rural affordable housing should have priority for allocation. It is wrong that areas which are not providing new affordable housing are allowed by the priority system to take housing elsewhere from those who do.

13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

- Rural developments are usually small scale, and these are mostly exempt from ‘affordable housing’ requirements.
- Local Councils often favour single large town developments over multiple small rural building, seeming to write off the rural areas as places for the
wealthy to retire to. This approach then removes the obligation to provide or maintain good local services for the less well-off. Our District Council is applying a zero rate of CIL to three large developments to make them viable – so they are being subsidised by other small rural developments where CIL is being levied at £40/m² – yet it is the large developments that need the new infrastructure that CIL is supposed to fund.

- S106 and CIL levies have to be passed on to the house buyers, thereby fuelling the house price spiral and making homes even less affordable. There is a case for funding infrastructure from national taxation.

**Government policy, devolution and local government**

14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

- Most government policy and action seems to be based on the perceived needs of London and the South East – e.g. the expenditure on Crossrail, HS2 and the very high targets for housing which, in many rural areas, are in excess of the real need.
- Why not? Probably because there are fewer votes to be won, and because London’s financial services activities are protected at the expense of other parts of the economy (e.g. manufacturing, agriculture).

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

- Not enough. County and District Councils overseeing rural areas pay more attention to the needs of the larger towns than rural areas. See Section 13.

*24 August 2018*
West Devon Borough Council and South Hams District Council – Written evidence (REC0159)

Submission to be found under South Hams District Council
West Sussex County Council – Written evidence (REC0166)

Key points

• The development of the rural economy requires a holistic approach which links the key components of the rural economy, addresses the infrastructure and housing needs of rural areas and the connectivity, including digital connectivity, between rural and urban areas.

• Local Government and partners are uniquely placed to facilitate economic growth in both rural and urban areas. However, ongoing cuts to local authority budgets by Government and increasing demand for social care services means that local authorities will have less resource to allocate to rural economic development. The conclusions of the Fair Funding Review and upcoming Social Care Green Paper must rectify the historic underfunding of local authorities.

• There is a need for a range of rural business support and grant programmes to be put in place by Government to replace EU programmes. In 2020 EU programmes, such as the LEADER and EAFRD initiatives will come to an end.

• In rural areas the causes of inequality can only be addressed in a co-ordinated way, led by the Strategic Authority, which has ambition for the place and the levers and influence over partners in the NHS, LEP and education system and other partners.

General issues

What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

1. West Sussex covers 768 square miles and the characteristics of areas within the county vary significantly between and within districts and boroughs. Over half of the land area of West Sussex is designated as protected countryside. This high percentage is due to a large part of the county falling within the South Downs National Park, which cuts a large swathe right across the county, and two other designated Areas of Outstanding Natural Beauty: Chichester Harbour and the High Weald.

2. Using the ONS rural/urban classification 42% of the county’s population reside in rural areas, and over half its businesses are located in rural areas. West Sussex is a “small firm” economy, with over 80% of businesses employing up to 49 people. In rural areas, this increases to 88%. 87% of the rural population live in small towns and villages with 13% living in hamlets and dispersed farms. Chichester and Horsham districts are categorised as ‘largely rural’ with between 50-79% of their populations in rural areas.
3. The West Sussex rural economy is incredibly diverse and makes a significant contribution to the economy of the county. In terms of numbers of businesses there are a greater proportion in rural areas in agriculture, forestry and fishing, as expected. The professional, scientific and technical services, manufacturing, and tourism and recreation sectors are stronger in the county’s rural areas than the urban areas. Farming and tourism are of importance and the environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted. However, it is difficult to drill down to understand the socio-economic characteristics of rural areas and the performance of our rural economy in detail because of the limited availability of up to date data at relevant geographical areas, a gap which we would welcome ONS and other data providers to address.

4. It is also important to recognise that in a place like West Sussex, many rural settlements and market towns lie within the hinterland of larger towns and cities, may be relatively well connected by road, and will accommodate a range of employment opportunities – including in higher value sectors. For example, in Horsham several of the market towns are home to established business parks and several of the district’s major businesses are located in these areas.

Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

Visitor economy

5. Developing the visitor economy is a key priority of West Sussex County Council’s new Economic Growth Plan. The county is home to a broad range of small micro food and drink producers, including local food and farm shops, restaurants, pubs and cafés, vineyards, breweries and food producers who sell directly to the public. West Sussex County Council has been very proactive in supporting the sector through Taste West Sussex initiatives.

6. West Sussex County Council brought together many of the key businesses and organisations in the county for the successful first Box of Delights event earlier this year. Future events will be held to capitalise on the success of this event and the diverse range of small micro food and drink producers, restaurants, pubs and cafés, vineyards, breweries and food producers within West Sussex.

Agriculture

7. The West Sussex Growers Association (WSGA) brings together those around the area who have a strong interest in horticulture including large businesses or individual consultants who are involved in the land-based industry. They estimate that the horticulture industry in West Sussex produces over £1bn in annual sales of fruit, vegetables, salads and plants
and employs more than 9,000 people. They have expressed their concerns over continued access to the EU Labour Market post Brexit, as well as future trade with the EU

8. West Sussex County Council is the accountable body for two LEADER groups. So far grants totalling £1.5m have been approved for 44 projects which will create more than 51 new jobs. Of these, £355,000 has been awarded to agricultural productivity improvement projects and £410,571 to diversification projects to generate non-agricultural income. Projects include:

Agricultural productivity

- Robotic milking units for R D Renwick Ltd to increase milk yield and efficiency with high welfare standards
- Purchase of a minimum cultivation strip tillage seed drill for F de Boer & Partners
- Two beef monitor units linked to EID to allow real time monitoring of daily weight gain at A R Peters & Son
- LED lighting and variable speed vacuum pump at Huddlestome dairy farm.
- Straw shredding and pelleting equipment for Easy Pack Haylage at Tickfold Farm to produce pellets for biomass boilers and animal bedding.
- An auto teat dipping and flushing system, automatic shedding gates and dairy EID system for Woodhorn organic dairy farm.
- A single bank plate cooling system and variable speed vacuum pump to increase efficiency of Houghton dairy farm.
- A slurry separator and a hygenizing biocell which supports an aerobic process of biological degradation of the organic substances present in cow manure and ensures hygienisation of the material through a pasteurisation process at Hill House Farm.
- A Super Profis fertiliser spreader at B D Harris Farm Trust to enable more precise application of fertiliser which will result in cost savings and be better for the environment.

Support for farm diversification

- A new, more energy efficient, walk in meat freezer at Adsdean Farm Shop
- A new e-commerce system for Plants4Presents to increase sales of their plants online
- New e-commerce system for Ridgeview Winery to increase online sales and tour bookings
- Creation of a new micro-brewery and brewing school at Chiddinglye Farm
- Luxury lodges at Tinwood vineyard to promote wine tourism.
- Farm bunkhouse accommodation at Houghton Farm near the South Downs Way for cyclists and walkers.
- Extension of the existing farm shop at Rushfields Plant Centre to provide a new production kitchen, retail area, plus purchase of new refrigeration displays, kitchen equipment and a mobile catering trailer.

How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
9. There are unknown and uncertain factors and potential opportunities that will influence economic growth within the county including the outcome of the Brexit negotiations, technological change and national government policy. These factors are largely outside the control of the West Sussex County Council but will require openness, agility and flexibility.

10. Promoting West Sussex as a Place to Visit and Work is one of West Sussex County Council’s five priorities in the West Sussex Economic Growth Plan and will have a strong impact on the rural economy.

11. Visitor behaviour has changed considerably in recent years. Visitors are looking for experiences rather than individual ‘products’ or geographies and it is the marketing experiences and tailored propositions that return a higher-level visitor spend, with improved accommodation occupancy rates. Many destinations are using digital marketing campaigns to reach target audiences, and booking platforms and user generated digital review sites have a dominant role in shaping the visitor’s decisions on where to visit and stay.

12. Working closely with rural businesses, West Sussex County Council seeks to promote, encourage and support links between the visitor economy and the local food and drink sector, through Taste West Sussex food and drink experiences as part of the diversification of the visitor offer. The first Box of Delights event held in March 2018 brought together local businesses to develop the West Sussex experience offer.

13. West Sussex County Council is working closely with the District and Borough Councils to ensure a common understanding of the digital infrastructure ambition and a range of projects are currently underway. The roll out of high speed internet across rural areas will encourage the launch of start-up businesses usually associated with urban areas and will aid the expansion of existing small businesses.

14. The success of the LEADER programme in West Sussex suggests that there is an ongoing need for agricultural modernisation and diversification within the county. Greater automation in farming is likely to be required post-Brexit to mitigate the impact of disruptions to migration and access to the EU’s large agricultural labour market.

15. As part of the diversification and modernisation of the agricultural sector, there will be a growing need for rural workers to have the skills needed for changing roles. The importance of re-training opportunities to be available and easily accessible will continue to grow. Skills forms an important component of the Enabling a workforce priority within the West Sussex Economic Growth plan.

Infrastructure and services

How can access to transport be improved in rural areas?
16. Given the geography of rural areas, it is inevitable that many bus routes require some subsidy in order to survive. The national trend of cuts to rural bus services are primarily a result of the long-term squeeze on local government funding coupled with the ever increasing costs of providing statutory services, especially Adult and Children’s Social Care, driving funding away from other services such as public transport subsidy.

17. Connection to major road networks link rural economies to urban economies and international markets, allowing rural producers to export their products and for tourists to easily visit rural areas. West Sussex County Council is a member of Transport for the South East (TfTSE). The recent Economic Connectivity Review of the South East was published 25th July; the first part of a transport strategy for the South East. The review identifies the economic priorities for strategic transport in the region and the growing importance of the South East as the UK’s international gateway.

18. As part of the review 22 transport corridors in the South East were ranked against Economic Impact, Enablement and Feasibility criteria. Against these criteria the A27-M27/West Coastway Line corridor was prioritised as the third most attractive opportunity scoring highly against the economic and enablement criteria.

19. The A23-M23/Brighton Mainline corridor was ranked fifth, moderately fitting many of the economic and enablement criteria whilst also not being scored lowly against the feasibility criteria. The ranking of corridors will guide where further and more extensive investigation of transport corridors is carried out. Improvements to both the A27-M27/West Coastway Line corridor and the A23-M23/Brighton Mainline corridor will positively impact upon adjacent rural economies.

20. As well as major transport corridors, rural economies also depend on reliable and well maintained local road networks. In rural areas these roads connect towns and villages and also link communities to the major road network. According to the latest Asphalt Industry Association (AIA) ALARM survey, English councils have seen a marked decrease in the frequency of road resurfacing. On average, for all classes of road, this has dropped from once every 55 years to once every 92 years. This is due in part to the long-term squeeze on local government funding coupled with the ever increasing costs of providing statutory services. West Sussex County Council will be responding to the Transport Select Committee inquiry into Local Roads Funding and Governance inquiry in October 2018.

What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

21. Digital infrastructure is a vital requirement for modern businesses and residents alike. It also facilitates home working and enables businesses and employees to operate more flexibly. Areas with relatively poor infrastructure will become increasingly less attractive. For example, the visitor market, a key part of the West Sussex rural economy, is increasingly moving online.
West Sussex County Council – Written evidence (REC0166)

and without access to online booking portals, local accommodation providers may struggle to compete with better connected areas.

22. The roll out of 5G (the next generation of mobile connectivity), will also present new opportunities for connecting to the internet. Levels of mobile infrastructure are currently uneven which presents challenges for businesses and residents. This is primarily a rural issue in West Sussex.

23. West Sussex County Council are working closely with the District and Borough Councils to ensure a common understanding of the digital infrastructure ambition and a range of projects are currently underway. These include Better Connected, West Sussex Gigabit project and the Business Connection Vouchers (all of which are being delivered in partnership with central government) In relation to the projects currently being delivered:

- **Better Connected** - By the end of 2018 the West Sussex County Council will have invested nearly £10 million as part of a £30 million programme to push superfast fibre broadband coverage as far as possible. We will have reached more than 95% of the premises in West Sussex, building on the current commercial deployment by fibre broadband suppliers. That does mean that 5% of premises are not connected and have poor digital infrastructure which is very expensive to improve.

- **West Sussex Gigabit project** – This project will deliver ‘ultrafast’ speeds in our public buildings and the West Sussex County Council is leading the procurement on behalf of all seven District and Borough Councils in West Sussex. This programme is funded following a successful bid to wave 1 of the Government’s Local Full Fibre Network Programme.

- **Business connection vouchers** – This is a pilot scheme, to be delivered in partnership with DCMS that will offer incentives to businesses to order new ‘gigabit’ capable fibre broadband services. West Sussex County Council is working with Economic Development colleagues in District and Borough Councils to identify likely areas of demand and to raise awareness amongst the SME business community of the opportunity.

**What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas? What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision?**

24. Independence in Later Life is one of West Sussex County Council’s five key priorities in the [West Sussex Plan](#).

25. The population of West Sussex is projected to grow from 828,398 in 2014 to 997,684 in 2039 an increase of 169,286 people, or 20.4%. By age, the majority of this increase (71%) is predicted in the 65+ age group, and projected to rise by 121,224 people between 2014 and 2039. Indeed the growth in this age group is over three times as much as within the 16-64
year age group. It is well documented that a large number of people seek to retire to West Sussex. Net migration of individuals aged 65 and over (numbers of people moving into West Sussex minus numbers moving out) is projected to rise from 1,600 per year in 2017 to 2,200 per year by 2037, adding additional pressures.

26. West Sussex County Council will be responding to the Government’s Adult Social Care Green Paper when it is published in the autumn. It is important that the issues facing rural areas – including the increased costs of service provision – are fully addressed in the Green Paper and subsequent policy actions. It should also extend to addressing linked housing issues, such as access to specialist housing for older people and adapting the homes of those who live independently. This is important in rural areas where there are typically limited housing choices.

27. Due to the rural nature of the county West Sussex County Council faces severe workforce issues and significant issues relating to distance/travel times, housing costs for staff and poor broadband connectivity in some areas impacting on potential digital solutions.

28. Community hubs, such as libraries can play an important role in rural life by providing an opportunity for clubs to meet and residents to access information.

29. Typically, academy trusts look to convert sustainable schools, usually 2 forms of entry (420 pupils) or greater. Within the rural context of West Sussex there are many small primary schools which are unlikely to attract interest from an academy chain and therefore fall to the County Council to support through a dwindling central budget. Smaller school sizes and distance from neighbouring academies act as unique obstacles in rural counties.

30. As well as delaying the conversion of underperforming schools into academies and limiting the options of high performing schools to voluntarily convert to academies, the availability and identification of a sponsoring body also has a significant impact on school place planning. Local authorities have a legal duty to ensure that there are sufficient school places in their area but since February 2012 schools must be established as academies and require a sponsor.

31. West Sussex County Council are working with Nat West to provide access to banking services and financial advice in communities where the banks have shut at some rural libraries.

What can be done to support local shops, community pubs and other rural amenities at risk of closure?

32. West Sussex County Council works closely with the district and boroughs, and Rural West Sussex to support local communities. West Sussex County Council supports the provisions within the Localism Act (Part 5, Chapter 3) and the Assets of Community Value (England) Regulations, which together
deliver the Community Right to Bid. This Right allows local groups to nominate a building or other land for listing by the local authority as an asset of community value.

Business, employment, skills and demography

How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

33. Rural West Sussex (44%) possess proportionally more residents with NVQ4+ than the national (38%) and regional (41%) averages and has more residents in Managerial, Professional or Associate Professional occupations (SOC 1-3) than the national and regional averages. However, residents who commute outside of West Sussex tend to earn a higher amount than those who stay inside West Sussex suggesting that rural parts of the county accommodate residents who are employed in neighbouring economies.

34. The West Sussex Economic Growth Plan includes enabling a workforce for the future as one of its five priority areas. West Sussex County Council is looking to explore opportunities to better connect our skilled older residents to employment opportunities within the county – particularly among smaller businesses who will have more limited resources for recruitment activity. West Sussex County Council will also work with Coast to Capital LEP, TftSE and other relevant stakeholders to make the case for investment in the county’s strategic transport and digital networks to improve the access for residents to employment and training opportunities.

35. There is a need for rural business support and grant programmes to be put in place. In 2020 EU programmes, such as the LEADER and EAFRD initiatives, will come to an end. These have provided funding streams for rural business growth, diversification and innovation. As part of the Government’s proposed Shared Prosperity Fund these schemes should be replaced by a dedicated business support programme. This should be flexible in scope – potentially open to all business types and sectors – enabling local delivery to be tailored to match locally decided priorities.

How can deprivation and inequality in rural areas be tackled?

36. In rural areas the causes of inequality can only be addressed in a co-ordinated way, led by the Strategic Authority, which has ambition for the place and the levers and influence over partners in the NHS, LEP and education system and other partners.

How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

37. West Sussex, like many rural counties, faces difficulties in retaining and attracting young people.
38. On average there is projected to be net outward migration of more than 2,800 18-20 year olds every year from West Sussex to other parts of the UK, primarily for higher education. There is projected to be net inward migration of less than 1,400 21-25 year olds each year into West Sussex from other parts of England and the UK, as many people do not return following higher education.

39. Net outward migration for the whole 18-25 year age group is projected to rise from around 1,000 people per year to just fewer than 1,500 people per year in the early 2030s, before decreasing slightly to 2039.

40. West Sussex County Council has made attracting people to the county as a place to live, work and visit one of its five priorities within the West Sussex Economic Growth Plan 2018-2023. The Experience West Sussex campaign contributes towards meeting this priority.

41. Rural areas will only attract young people if they offer attractive opportunities and affordable housing within vibrant communities.

*Rural housing and planning*

**How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed? How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

42. The affordability of housing is a key issue for the rural workforce and hence for rural businesses and the rural economy. The average house prices compared to median annual salary of employees who live in the local area index gives a good indication as to how affordable homes are within an area.

43. There is a pronounced disconnection between the housing market and labour market within West Sussex. The average salary by resident has remained fairly static since 2012 (with a small increase of £1,440). However, House prices have seen an increase since 2012 (an average increase of £83,029) at a rate of 57.6 x times higher than the average salary rate. Currently the affordability ratio in West Sussex is 10.9x times higher than the average salary. The affordability ratio is more pronounced in West Sussex than neighbouring counties with the exception of Surrey, which directly borders the London housing market. All of the West Sussex rural districts affordability ratios are more adverse than the regional and national averages.

44. Second homes and holiday lets often add to rural housing market pressures, especially in popular tourist areas. Chichester District has the highest number of second addresses in West Sussex and (excluding the City of London) ranks 8th nationally with more than 1 in 10 of the dwelling stock (14%) used for holiday, working or other purposes.
45. A significant issue affecting the delivery of affordable homes in rural areas in recent years has been the planning policy change which removed the requirement to deliver affordable homes on small sites. Most development sites in rural areas are small sites (of less than 10 dwellings) impacting on rural affordability.

46. A key challenge associated with providing rural housing are about ensuring it is accessible and sustainable and has access to community amenities including shops and services. Ensuring the developer contributions, through either Section 106 contributions or Community Infrastructure Levy (CIL) are effectively and rigorous collected is therefore of particular importance.

Government policy, devolution and local government

What is being done in local government to support rural economies?
How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved? Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

47. West Sussex County Council adopted the West Sussex Economic Growth Plan in June 2018. The Economic Growth Plan has five priority themes which have been agreed from a detailed assessment of the key issues and opportunities identified in the Evidence and SWOT Report, and which reflect where the County Council is best positioned to achieve economic growth outcomes. The five priority themes are Strengthening the coastal towns, Maximising the opportunities from Gatwick, Growing the green energy county, Promoting West Sussex as a place to visit and work and Enabling a workforce for the future.

48. The Plan was designed to meet the needs of a mixed geographic area, containing urban and rural areas. The identified priorities which most closely align to the rural economy are:

- **Growing the green energy county** – Working with partners, including the University of Chichester, West Sussex County Council will position West Sussex as a hub for innovation and testing solutions for businesses investing in the sector. West Sussex County Council will explore and promote investment opportunities in new technologies, such as micro-grids, battery storage, and hydrogen, and explore opportunities to connect our strategic employment sites to green energy solutions.

- **Promoting West Sussex as a place to visit and work** – Work is underway through Experience West Sussex, and partners have agreed to work collaboratively through a countywide partnership to maximise the opportunities afforded by a focus on the visit economy. Working with businesses will be key, and many local destinations have business networks and forums to draw on, and the County Council itself has
brought together many of the key businesses and organisations in the county (the `Box of Delights`) to engage them in the Experience West Sussex ambition. An enhanced visitor economy will help boost the vibrancy of our town centres and market towns, supporting the wider priority of creating attractive places for people to live and work and for business to locate and invest.

- **Enabling a workforce for the future** – The potential to better utilise our ageing workforce is particularly important to the rural economy. With an ageing workforce and increasing life expectancy there will be an expectation and desire for people to work longer. Switching jobs and careers later in life will become increasingly common and it will be essential that people have access to training and support to ensure that such changes are possible. Supporting the retraining of people through all stages of their life, and particularly in middle and later stages of employment will ensure that the economic capacity of the county is not unnecessarily constrained.

**Coast to Capital LEP**

49. West Sussex forms part of the geography of Coast to Capital LEP (C2C) which also includes rural Lewes. Over a fifth of C2C businesses are in rural locations, accounting for 27% of economic output. The rural economy includes a traditional agriculture base and a growing viticulture sector. Rural businesses in the leisure and arts sector have an international reputation, such as the Goodwood Estate, Glyndebourne and Epsom Downs Racecourse.

50. The rural C2C is also home to world-leading manufacturing businesses, such as Rolls Royce, AJW Group and Tesla Engineering. The LEP has recently published its [Strategic Economic Plan](https://www.lep.coasttocapital.org.uk) (SEP) which prioritises:

- Priority 1: Deliver prosperous urban centres
- Priority 2: Develop business infrastructure and support
- Priority 3: Invest in sustainable growth
- Priority 4: Create skills for the future
- Priority 5: Pioneer innovation in core strengths
- Priority 6: Promote better transport and mobility
- Priority 7: Improve digital network capability
- Priority 8: Build a strong national and international identity

51. The SEP will be used as the foundation of the C2C Local Industrial Strategy which will be agreed through negotiation with Government. To date the Government has prioritised developing Local Industrial Strategies with large, urban areas and have not yet announced when the first rural/mixed economic area, such as C2C, will be able to work with Government to agree their strategy.

**Government**

52. Government should prioritise the development of Local Industrial Strategies where there are mixed economies such as to Coast to Capital, to ensure that there is balanced growth across the UK. These Strategies should reflect the
needs and ambitions of urban, suburban and rural economies, how they should be connected and how the LEPs performance should be monitored against different geographies and sectors.

53. Local Government and partners are uniquely placed to facilitate economic growth in both rural and urban areas. However, ongoing cuts to local authority budgets by Government and increasing demand for social care services means that local authorities will have less resource to allocate to economic development. This is because a greater percentage of local authorities’ budgets will be required to deliver statutory (social care) services.

54. Although all local authorities’ budgets are under pressure, at present rural authorities face greater pressures than urban authorities due to the Government’s current funding formula. The demographics of rural areas also mean that there is a greater demand for adult social care. West Sussex County Council awaits the results of the government’s Fairer Funding Review and whether this will rectify the historic underfunding of local authorities serving rural and mixed areas.

17 September 2018
1. My research focuses on understanding the reasons behind rural inequality, and exploring practical means to improve rural economies in an inclusive way. I have worked with academics, policy-makers, and economic development practitioners across the UK and in parts of mainland Europe and the United States. Key academic publications include Bosworth and Willett 2011, Giles, Bosworth and Willett 2013, Willett 2013, Willett 2016, Willett and Tredinnick-Rowe 2016, and Willett and Lang 2018. These studies have led to an interest in the governance of peripheral, rural locations, and my research in this field explores political decentralisation and devolution (Willett and Giovannini 2014; Willett 2016), and the role of community government (Willett and Cruxon, Forthcoming). More recent (as yet unpublished) research considers rural marginalisation with regards to the vote to Leave the European Union, in particular from regions which benefited substantially from EU Structural Funding; and considers rural peripherality in the United States, taking a case study of the Mount Rogers Planning District in the South West of Virginia. In this latter study I consider some of the tools that are used in order to combat rural decline, focussing on education, training, and skills gaps. I have worked closely with local and national policymakers and organisations in the UK, the European Union, and in the United States.

2. My response to this inquiry cuts across many of the questions and themes under investigation, speaking of rural economies rather than the rural economy. This better reflects the diversity within rural economies. In particular, I address how rural regions are perceived and discussed in popular discourse; the impacts that this has on ongoing rural development; and some practical tools that we can use to combat this. The primary area to which I contribute relates to your section on Business, Employment, Skills and Demography. In particular, I look at how rural businesses and industries can be helped to thrive, how we can address skills shortages and tackle deprivation and inequality. This includes how more young people can be encouraged to stay in/return to rural communities. I also discuss rural development with regards to government policy, devolution, and local government, presenting both notable success stories of good practice, but also key challenges.

Headline arguments

- In the UK we tend to consider rural economies as a ‘problem’ set in opposition to the dynamic modernity of urban areas. Indeed, frequently we imagine the key contribution of rural spaces to be in terms of their amenity value for leisure or tourism. This urgently needs to be challenged if rural inequality is to be tackled.
- We need to recognise the unique value of rural spaces, supporting the ability of local enterprises to adapt to, and thrive in, contemporary economic opportunities and challenges.

- One of the problems of rural development is that many members of the public just do not know what is happening at a strategic level. This means that they are unable to engage with exciting new developments, risking deepening inequalities.

- Policy urgently needs to improve how information flows throughout rural regions. Some suggestions are to -
  - Improve the strength of, and participation in, community level councils (ie, town and parish councils).
  - Co-create development projects with local people at the earliest stage
  - Provide specific advice to school students, parents and job-seekers about where local skills gaps are, and the training routes required in order to meet these needs.

3. There is a strong body of evidence that people and policy tend to imagine rural regions in ways that are harmful to local economies. Typically, people come to associate with notions of the ‘rural idyll’, which constructs rural places, people, and economies as being slower than their urban counterparts, less dynamic, modern, or up-to-date (Murdoch et al 2012). Whilst this means that rural places are fondly thought of for their amenity value for tourism and leisure, this can have a detrimental effect on how rural businesses are able to function on the national, or international arena (Willett 2016). Bürk et al. 2012 call this ‘stigmatisation’, claiming that peripheral regions are subject to discourses and narratives that literally stigmatise the activities and enterprises of that location. To illustrate the point, a participant in a study that I conducted spoke of a networking event that they had participated in in London. In conversations it became clear that their London-based industrial counterparts believed that because they were from Cornwall, this participant’s firm finished working in the mid-afternoon to go surfing, and were basically focussed more on play than on being productive. It later transpired that the rural business had to work significantly harder than their London-based counterparts in order to function at a high level of productivity. For this reason, a global tech firm that was based in a rural area refused to state where their business was based on any of their informational materials. This was because they wanted to be taken seriously, and felt that it would be impossible if customers knew that they operated from a rural location. These examples demonstrate how the values that we assign to rural amenities are transferred to rural enterprises, hampering the ability of even our strongest rural business to compete nationally and internationally.

4. Part of the problem relates to how the characteristics of urban regions become imagined as being ‘good’ for economies, whilst the characteristics of rural spaces are assigned as being ‘bad’ for
economic development Willett and Lang 2018. Whilst clearly, urban regions can also experience economic difficulties (see Kühn et al. 2017), the fact that rural economies can struggle is often attributed to factors that naturally differentiate themselves from their urban counterparts. For example. Rural areas are characterised by low population densities, and often are some distance from, or with poor connections to, urban centres. These ‘not urban’ characteristics then become part of the reasons given for rural problems – which policy needs to address.

5. However rural places do not have to be imagined in this way. I recently conducted fieldwork in the South West of the Virginia, in the US. Before making the trip, colleagues and acquaintances often commented on how it was a considerable distance to travel, questioned the rationale for devoting time to such a rural location, or made very uncomplimentary comments about the people that live in the region. Once there, I basically started asking people working in local government and economic development how they dealt with their rural peripherality. I was met with the retort that the region has 6 different state capitals within a 5 hour drive, 40% of the US population within one day’s drive, and 1 million people within a 1 hour travel to work area. Policy-makers also told about examples of local businesses and branches of national chains that had performed exceptionally on a national scale. The enterprises that thrived in this Appalachian region, working through a decline in traditional manufacturing and extractive industries, were the businesses which were best adapted to the ways that local economies work, the needs of local people, and the specificities aligned to operating in an extremely rural region.

6. For policy in the UK, a key learning point lies in the need to support businesses to adapt to economic challenges and opportunities, by drawing on local strengths. Local enterprises need to fully understand the niche within which they operate, and policy needs to provide the infrastructure for businesses to be able to best exploit that niche. For this to be best effective, it has to appreciate that some local knowledges and understandings are of vital importance to successful operation within the local economy, whilst at other times new knowledges need to be sought from outside of the rural area (Willett 2016). This can be quite a fine balance between development elites understanding that rural knowledges have a significant value, and knowing when new ideas enhance, rather than override rural knowledges (Eriksson 2018)

7. Part of the solution to the problem of how rural areas are perceived lies in creating new narratives. Intuitively, one would imagine that successful rural economic development would help to do this. However, in recent (as yet unpublished) research funded by the ESRC, myself and Dr Garry Tregidga (University of Exeter) found that despite the measureable success of recent economic development funding (Di Cataldo 2017) participants in our case study region had a minimal knowledge of and understanding about the impacts of the support. Consequently, they were able to claim that (EU structural funding) had ‘done nothing’ for the locality. This is a problem for two reasons. Firstly, it means that local people in rural regions are unable to challenge harmful rural stereotypes –
and indeed often take them on board and reproduce them themselves. But it also means that rural inequalities become perpetuated as many people within the workforce are unable to access new opportunities. For local narratives, ‘stigmatising’ ideas become perpetuated, masking discussion about regional or rural strengths.

8. In our case study, this had significant consequences for rural businesses. When asked about the regions’ current economy, participants could generally list only tourism and a number of traditional industries that have declined heavily in recent decades. They were unable to talk about the many and exciting new sectors which have become integral to the local economy. As a result, many school leavers are not even considering training opportunities in new and dynamic sectors, and persons seeking to re/upskill or looking to alternative career options do not understand where skills gaps lie. This perpetuates inequalities within the region because individuals and families that are not exposed to new networks of knowledge do not know how to access new opportunities; and it stunts the growth of local businesses, who must either recruit from elsewhere or forgo development plans.

9. The policy solution to this problem is to find better ways of sharing information within rural areas. One straightforward way to do this would be to provide information about local skills gaps and training routes. Currently, schoolchildren and adults considering their career options within their locality receive information from schools, colleges and the job centre about the kinds of careers, training and apprenticeships that they might follow. However there is no adequate guidance about whether the skills acquired will be marketable in the local labour market. For example, a young person in our case study region might be introduced to the idea of training in web development, but dismiss it because not knowing any persons working in this sector, they may not realise that the region has a serious shortage of persons with these skills. Instead, the young person might choose a more traditional route, heading to the building industry or to the hair and beauty sector. This does little to fill local skills gaps and raise rural productivity.

10. The United States has an interesting approach towards fixing this problem. Job seekers are able to access very detailed Labour Market Information for their locality. This provides data for the number of job openings for each sector, the number jobs per occupational group, and the number of candidates per job in this group. This can then be examined for occupational type. For example, we learn that there is a real skills gap for healthcare practitioners. However, there were no openings for dental hygienists (despite it being a national high growth occupation) in the past year, but there were 3 openings for nutritionists (for which there were 5 candidates). There were 0 candidates for the 13 advertised nurse practitioner vacancies (where wages are typically $92,000). On the same page, we can also see that the shortage of nurse practitioners is acute throughout the State. The labour market information in the US could be more user-friendly, but it provides an example of a nationally driven scheme to support the needs of local businesses and jobseekers. This is not a facility currently on offer by central government in the UK.
11. A further measure to improve how much people know about new developments in their area lies in the capacity of community government (such as town and parish councils – PC’s) to share information. Following the Localism Act of 2011, this layer of government has an increasing amount of executive decision-making capacity, and provides a growing range of services to the community. However, despite that most people know about the work of PC’s, people are not getting involved to the extent that would be desirable (Willett and Cruxon forthcoming). This compromises the ability of PC’s to adequately share information. In a recent study, I claim that the use of new mobile technologies such as Facebook and Mobile App’s provide one way to reconnect PC’s with citizens (Willett and Cruxon, Forthcoming), but more research needs to be done in order to improve participation and thereby utilise the possibilities within local governance and strong political participation.

12. Finally, following our ESRC research, Dr Tregidga and myself contend that one way to ensure that local people both know about new developments, and feel that these developments are relevant to their lives, is to ensure that new projects are co-created with local citizens. In practice, this would mean that decision-makers involve the community at the project development stage. This would mean working with the general public as equal partners in rural development, which we would expect to both improve awareness about changes in the rural socio-economy, but also would improve the level of power and control that citizens have to shape their locality. It is our assertion that the belief that individuals are unable to shape the localities within which they live, contributes to an overall dissatisfaction with recent economic development. This risks creating negative feedback loops with the above aspects of rural policy.

31 August 2018
Wiltshire Council – Written evidence (REC0131)

(Economy & Planning Directorate)

Introduction

About Us

Wiltshire Council is the unitary authority for most of the ceremonial county of Wiltshire in the South West of England, created in April 2009. The council is led by Baroness Jane Scott (Conservative). The Council is responsible for delivering social services, environmental management, economic development and planning services.

The Rural Economy of Swindon and Wiltshire

Wiltshire Council is a predominantly rural authority with approximately 80% of its geography classified as rural. Rural businesses make a significant contribution to the economy of the county and therefore the Council has a wide interest in the outcomes of this Call for Evidence. The Council is a partner with Swindon Borough Council in the Swindon and Wiltshire Local Enterprise Partnership (SWLEP). Approximately 48.9% of the total SWLEP population (341,762 people) lives in rural areas. Since Swindon BC is a largely urban authority, most of the LEP’s rural geography, population and economy is within Wiltshire.

SWLEP acknowledges the importance of the rural economy and champions it through its Rural Economy Sector Group (RESG)\textsuperscript{581}. In 2017 RESG commissioned a Rural Economic Study for Swindon and Wiltshire (RES 2017)\textsuperscript{582}. Subsequently, SWLEP collaborated with three other South West LEPs to establish a South West Rural Productivity Commission (SWRPC 2017), the findings of which were published in 2017\textsuperscript{583}. Leading on from this SWLEP collaborated with these same LEPs in three task groups which sent proposals to BEIS and DEFRA in August 2018 relating to improving the productivity of the Food & Drink sector, Digital sector and Tourism sector. These studies and others have informed our response to this Call for Evidence.

Productivity

Productivity and GVA in rural areas across England are lower than in urban areas. In Wiltshire GVA/filled job is about 80% of the UK average.

Summary

29. Approximately 80% of Swindon and Wiltshire is rural, most of the rural areas being within Wiltshire Council’s geography, hence most SWLEP rural data relates to Wiltshire. 64% of the SWLEP population lives in these areas and 51.8% of businesses are rural. Our rural areas contribute 43.5% of

\textsuperscript{581} \url{https://growthhub.swlep.co.uk/programmes/SWLEPRuralEconomySectorGroup}
\textsuperscript{582} \url{https://swlep.co.uk/docs/default-source/strategy/swlep_final-res-31-5-17-(1)_ex-photographs.pdf?sfvrsn=165fa482_4}
\textsuperscript{583} \url{https://swlep.co.uk/docs/default-source/publications/sw-rural-productivity-commission-report-2017.pdf?sfvrsn=e283fd5f_4}
our total SWLEP GVA, demonstrating their importance to the whole economy.

30. The representation of business sectors in our rural areas is similar to urban areas except for the presence of the three core rural sectors: farming, forestry and fishing; food and drink; and rural tourism. All types of rurally based businesses face specifically rural challenges which result in lower productivity than urban areas.

31. Brexit will disproportionately impact rural areas and the three core rural sectors. Leaving the EU without a deal could cause a massive economic shock to our economy, as well as having wider implications for food security. We need the UK government to provide clarity on transition and longer term arrangements for migration, trade, agricultural subsidies and other successor programmes.

32. Wiltshire Council and SWLEP have provided a range of successful support to rural areas, much of it funded through EU programmes such as ESIF and LEADER. We are keen for clarity about future funding through the UK Shared Prosperity Fund or other national programmes.

33. Improvements to digital communication infrastructure are a top priority for our rural economy and potentially game-changing. Rural businesses are currently at a competitive disadvantage and our core rural sectors have specific demands for connectivity to allow adoption of the latest technology.

34. We need government (at all levels) to properly implement Rural Proofing of all strategies and plans.

35. Improvements to roads infrastructure are one example of the need for Rural Proofing by the Department for Transport to ensure that future plans meet the needs of dispersed rural businesses and communities.

36. New approaches to providing public transport are critical to support our rural economy, especially to enable young people to reach employment, education and training.

37. Government should review the way it funds essential rural services such as health and education. Rural authorities and communities are significantly disadvantaged by the higher costs and challenges of provision in rural areas.

38. Charities and social and community enterprises are important providers of rural services, but they need public funding to underpin their services. Many of these organisations and services have depended on EU funding and government needs to address the gap that Brexit will cause.

39. Digital communications are essential rural services, and investment is required to ensure that our rural areas are not disadvantaged.

40. Many local shops, pubs, libraries, banks, Post Offices and other services and amenities have been lost from our rural areas. The knock-on impacts on our economy and communities are much greater than might be expected at face value. It causes a loss of sense of place, making our rural communities less attractive to visitors and residents, especially the young. Again, much of what investment there has been to these services has come from EU funding, through LEADER for example.
Wiltshire Council – Written evidence (REC0131)

41. Wiltshire Council and SWLEP have provided a range of well-received business support services including business advice and funding, start-up and grow-on workspace. The Swindon and Wiltshire Growth Hub has provided a valuable one-stop shop for information and support. Much of this has been facilitated through EU funding.

42. New national funding such as the UK Shared Prosperity Fund should include ring-fenced rural funding. LEADER (the early programmes rather than the current one) provides a good model for future rural funding.

43. Shortages of labour and skills are significant challenges for rural businesses. We have sought to address this through programmes such as Higher Futures and the development of an agri-innovation centre at Wiltshire College.

44. We need to do more to encourage young people to remain or come to live and work in rural areas. Improvements to infrastructure, access to higher education, training, affordable homes and transport are important factors.

45. Farming, food and rural tourism industries depend on a significant proportion of migrant workers. We need government to negotiate a Brexit deal that will ensure workable arrangements for migrant workers.

46. Deprivation and inequality are being addressed through Wiltshire Council’s Health and Wellbeing Strategy, Community Area Boards and initiatives such as Building Bridges and Links to Work. Rurality is not currently identified as a specific deprivation and inequality factor, highlighting the need for effective Rural Proofing.

47. Encouraging young people to stay in rural areas is a significant challenge. Inadequate access to transport, education, training and affordable housing are key factors.

48. Health and social care funding formulas need to be adjusted to take better account of the needs of rural areas and our aging population.

49. Improvements to rural digital connectivity are needed to facilitate provision of services for the elderly, providing benefits for the public purse and justifying public investment.

50. Local authorities need more encouragement for housing provision, especially to build and improve social housing.

51. There should be severe restrictions on housing developments that are not affordable to local people.

52. Community Land Trusts should become a mainstream and fully funded resource for local areas.

53. The revised NPPF includes helpful policies on building a strong competitive economy:

54. Government does not pay sufficient attention to the rural economy. Defra is seen as a weak department within government and there needs to be more joined-up policy making with proper implementation of Rural Proofing across all departments.

55. We need an England Tourism strategy with a clear approach to supporting the rural tourism economy and linked sectors such as food and drink.
56. EU funding has been an important part of local government support for rural development, through ESIF, LEADER and other programmes.

Responses to Questions

General Issues

15. What do you understand by the “rural economy”?

15.1. Traditionally three sectors – farming, forestry and fishing, food and drink, and tourism - have been thought of as the rural economy. Due to their particular challenges, and the fact that they are usually unable to relocate to urban areas, these three sectors remain the focus of much of our rural economic development attention. However, the representation of other sectors is broadly similar for rural and urban areas (SWRPC Evidence 2017, p9\textsuperscript{584}), and all these business sectors face many of the same challenges and opportunities that come with a rural location. For SWLEP and Wiltshire Council as a predominantly rural authority, it is vital that we address these rural challenges and opportunities for the good of our whole economy. Hence the RES 2017 and the SWRPC 2017 regarded the rural economy as all businesses located in areas defined as rural. In the SWLEP area, 51.8% of businesses are in our rural areas. The nature of the SWLEP partnership with the largely urban authority of Swindon Borough Council means that most of that rural area comes under Wiltshire Council.

15.2. The RES 2017 identified that the rural economy of Swindon and Wiltshire contributed 43.5% of SWLEP’s total GVA; a figure that indicates the importance of the rural economy.

15.3. The “rural economy” whilst real in terms of value and activity, is also a construct of governments made to delineate areas that are able to attract public funding, support and subsidy.

15.4. The Common Agricultural Policy has determined our understanding of rural economy as something that can be subsidised due to the related factors of land-based industries and market and environmental failures associated with production.

15.5. The rural economy is therefore something that works under slightly different rules from the rest of the economy, and requires classifications, such as population size of rural towns, annex 1 products, etc.

15.6. As the UK comes out of the CAP, the definition of rural could change, but this is dependent on the future trading relationship with the EU, and whether subsidy to producers will be allowed or be desired under any new trading rules.

15.7. The current position (Chequers proposal) indicates that the UK will not diverge much from the CAP rules (even if it does in practice reduce subsidy for production) due to the proposal for a single trading block for agricultural goods.

15.8. Presumably this means maintaining the overall quotas and allowances for subsidised food production with the WTO which if it is the case, will likely lead to continued patterns of production, with the skills, labour, infrastructure and environmental factors of production remaining much as they are.

\textsuperscript{584} \text{https://heartofswlep.co.uk/wp-content/uploads/2017/10/Evidence-Report.pdf}
15.9. However, only once the proposed changes are agreed in a proposed Withdrawal Agreement, established and understood, will the UK be in a position to define its rural economy in real terms, and not as a construct of the CAP.

15.10. For economic assessment purposes, our understanding of ‘rural’ is based on the DEFRA/ONS 2011 Rural-Urban Classification which defines areas as rural if they fall outside of settlements with more than 10,000 resident population. However, the classification was extended in the Rural Economic Study of Swindon and Wiltshire (RES 2017) to include rural hub towns such as Calne and Devizes. Approximately 80% of the land area of Swindon and Wiltshire is rural. These factors in determining a ‘rural economy’ will need to be addressed in the post-Common Agriculture Policy era.

16. **Success stories and good practice**

2.3 The Enterprise Network (TEN)\(^{585}\) takes a new approach to rural economic development that aims to nurture new and developing businesses with growth potential through their formative stages, raise the entrepreneurial confidence and ambition of the rural community, and support military leavers, military partners and women keen to start or grow a business in Swindon and Wiltshire. TEN offers affordable office space, hot desks and co-working space at four Enterprise Centres across Wiltshire (at Ludgershall, Royal Wootton Bassett, Salisbury and Trowbridge), free business support & advice, information about business grants, meeting/training rooms, business networking and virtual office facilities. TEN has also supported the development of satellite centres\(^{586}\) including the Glove Factory\(^{587}\) which provides workspace for businesses specialising in digital media, design and communications.

2.4 Major benefit and growth of the rural economy have been achieved through two successive EU LEADER programmes under the Rural Development Programme for England (RDPE). Wiltshire Council acted as Accountable Body for three Local Action Groups (LAGS) under the 2007-2013 LEADER Programme. The success of these programmes led to the establishment of four LAGs under the 2014-2020 LEADER programme, covering all the rural areas of Swindon and Wiltshire as well as parts of neighbouring counties. The current LAG programmes are all on course to spend their full allocations, by December 2020, bringing over £6 million of investment to the rural economy, supporting development and creating jobs in over 110 rural businesses to date.

17. **The future of the rural economy**

17.1. Brexit is the dominant issue for the future of the rural economy. It is likely to have a disproportionate impact on rural areas, because of the intent to leave the ‘Common Agricultural Policy’ and develop a new UK agricultural policy and associated support mechanisms. It also has major implications for the availability of labour and skills (see Q8), opportunities for trade and funding for rural development. These changes will disproportionately impact on the three bedrock rural sectors of farming, forestry and fishing, food and drink, and tourism. There is a real possibility of a massive economic shock to our rural economy.

\(^{585}\) [http://www.theenterprisenetwork.co.uk/index.php](http://www.theenterprisenetwork.co.uk/index.php)

\(^{586}\) [http://www.theenterprisenetwork.co.uk/enterprise-centres/sat.html](http://www.theenterprisenetwork.co.uk/enterprise-centres/sat.html)

areas and to our national food security. The lack of progress in achieving a Brexit deal after two years of negotiations is of cause of great concern for the whole of our economy. We need the UK government to provide clarity on transition and longer-term arrangements for migration, trade, agricultural subsidies and other successor programmes.

17.2. Digital Infrastructure was the single most important issue raised by contributors to the Swindon and Wiltshire Rural Economic Study (2017) and the South West Rural Productivity Commission (2017) due to its game-changing potential for rural productivity across all sectors. Rural businesses are currently at a disadvantage to urban businesses because of inadequate broadband and mobile connectivity. In 2017 Defra provided an additional £30m EAFRD funding for rural broadband which was increased to £75m in July 2018. However, the time scales for project completion imposed by Brexit made this funding inaccessible to many local authorities including Wiltshire Council, hence creating a funding disparity between Local Authority areas. We would like to see the government correct this disparity through future national funding opportunities.

Infrastructure and Services

18. How can access to transport be improved in rural areas?

18.1. Wiltshire Council is working with neighbouring authorities and the Highways Agency to improve road infrastructure, particularly the A303. Nevertheless the RES identified that road infrastructure and maintenance remains a challenge for the business sector. Improvements to the major strategic road and rail network are important to the productivity of both urban and rural areas. A-Roads and trunk roads are of particular importance to connect businesses in rural areas with the major strategic road networks. We urge the Department for Transport to consider the needs of the dispersed economies of rural areas by ‘Rural Proofing’ its plans (SWRPC 2017).

18.2. A 2016 FSB study\(^\text{588}\) found that public transport was inadequate for many rural businesses. SWRPC 2017 found that only 49% of households in the most rural areas have access to a regular bus service compared with 96-97% of households in urban areas (SWRPC Evidence P59). Although access to a car is higher in rural areas than urban areas, 28% of low income rural households have no access to a car. Lack of access to public transport is a particular problem for young people, restricting their access to education and training, apprenticeships and employment. This contributes to the loss of young people from rural areas and the labour and skills challenges that rural businesses experience. Public transport in rural areas is rarely commercially viable, so in the absence of sufficient public funding, new and innovative approaches are needed. The Wiltshire Wheels to Work\(^\text{589}\) scheme run by Community First is linked with the Building Bridges\(^\text{590}\) programme and helps young people access training and move towards employment. The Transport Systems Catapult\(^\text{591}\) should support development of new approaches for rural areas.

\(^\text{588}\) https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-rural-transport.pdf?sfvrsn=0
\(^\text{589}\) http://www.communityfirst.org.uk/transport/wheels-to-work/
\(^\text{590}\) http://www.communityfirst.org.uk/building-bridges/
\(^\text{591}\) https://ts.catapult.org.uk/
18.3. SWRPC 2017 identified the value of recreational transport infrastructure such as national trails and sustainable transport routes benefits rural productivity and jobs.

19. **What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?**

19.1. Broadband and mobile connectivity are now regarded as essential utilities. A large number of rural businesses interviewed for the SWLEP RES 2017 research identified access to high speed Broadband and mobile phone connectivity as a significant barrier (RES 2017). The South West Rural Productivity found that improvements to digital connectivity would be a game changer, helping businesses to overcome challenges associated with rurality. Every contributor who gave evidence to the SWRPC 2017 raised digital connectivity as one of the most important ways to improve rural productivity. Contributors commented that broadband roll-out had put rural businesses at a competitive disadvantage as it had proceeded more quickly in urban areas. Agriculture and rural tourism businesses face particular challenges. Both crop and livestock farming are increasingly reliant on smart systems and Defra has been pushing farmers to increase use on-line systems to provide statutory data such as livestock movements. Rural tourism businesses are affected because on-line booking systems are now the norm, visitor use rates are putting pressure on bandwidth and customers are increasingly discriminating against sites where digital services are poorer.

19.2. SWRPC (2017) found that community broadband schemes could be part of the solution, and Government (DCMS) should improve rural broadband provision by:

19.2.1. Ensuring the Universal Service Obligation is achieved by 2020 in rural areas, without a cap on costs

19.2.2. Commit to raising the Universal Service Obligation to >30Mbps by 2025.

19.2.3. Commission an independent review of broadband delivery costs to ensure value for money is being achieved.

19.2.4. Government (DCMS) should improve rural mobile provision by developing and committing to a Universal 3G Service Obligation to ensure 100% mobile coverage in homes and premises by 2020. And government should require mobile operators to ensure maximum mobile data coverage in rural areas. (SWRPC 2017)

20. **What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?**

20.1. Delivering essential services in rural areas is recognised as more costly than in urban settlements. There are a number of ways seen in the area that these can be made affordable, but it is often the case that public intervention and investment is required, and often other motives than profit need to be built into business models in order to maintain services.

20.2. Fair funding for schools and alternative education provision is key. Funding for general services and education funding from the ESFA / DfE
would need to take more account of rural / geographical factors in order to not penalise those who live in rural areas.

20.2.1. Children and young people who live in rural areas often have much less accessible local school provision and education services under the current funding levels. This is particularly pertinent for vulnerable groups such as those with special or additional needs especially where home to school transport may lead to a considerably extended school day to reach the provision which best suits their needs.

20.2.2. There are a significant number of schools in Wiltshire which are deemed as rural schools, many of whom also have less than 100 pupils on roll. With a falling birth rate in many of these rural areas the schools will inevitably face falling rolls. Wiltshire Council recognises the government’s presumption against the closure of village schools and will only bring forward proposals to close a village school where it can be demonstrated that one or more of the following criteria can be met:

- There is only very limited demand for places at the school from children living within the designated area.
- Surplus places at the school exceed 25%.
- Standards are low and there is little confidence in the likelihood of improvement.
- Recruitment of a head teacher has not proved possible.
- The necessary improvements to the school accommodation are either not possible or not cost effective.
- The school has a deficit budget without realistic prospects of recovery.

20.2.3. We recognise that schools act as a focus for the local community in a way that extends beyond the education of children who attend the school. For all schools with fewer than 90 pupils on roll Wiltshire Council will actively encourage the governors of the school to consider further collaboration and ultimately federation or amalgamation with one or more neighbouring schools or by joining a Multi Academy Trust.

20.3. The health services funding formula for England should be adjusted to take account of additional rural costs. Scotland, Wales and Northern Ireland already use formulas weighted for rural factors. An All-Party Parliamentary group on Rural Services (2010)\textsuperscript{592} identified additional costs of provision in rural areas.

20.3.1. The cost of health and social care provision increases as people age. Since rural communities are older than urban ones, the costs of provision are higher.

20.3.2. Rural provision costs are also increased by the nature of more dispersed communities and greater travelling time.

20.3.3. The funding formula has used socio-economic deprivation as a proxy indicator for additional needs (over and above age-related).

But the way this deprivation is measured has been more sensitive to urban than rural deprivation than rural deprivation.

20.3.4. The funding formula is dominated by acute service rather than community services. Community hospitals and services are even more important in rural areas due to the distance from general hospitals. These smaller community hospitals cannot achieve the same economies of scale as general hospitals and the funding formula needs to take account of this to appropriately allow for the extra cost incurred when patients are discharged from acute to community hospitals.

20.3.5. Rural areas have specific and additional mental health services needs which result in higher costs of provision. These needs are partly due to the higher age profile and increased incidence of dementia, but also due to social isolation issues specific to rural and remote areas. The farming community has the fourth highest suicide rate of any professional sector.

20.3.6. Low incomes and lack of public transport increase social exclusion due to lack of access to social facilities, particularly for women with children and the elderly.

20.3.7. Rural communities have less access and choice of shops. Small rural shops tend to be more expensive and this can lead to health disadvantages and extra costs.

20.3.8. Remoteness means that transport costs are higher in rural areas. This increases the cost of service provision when medical staff need to visit patients in their own homes – and the higher age profile of rural areas increases this demand. The inadequacies of public transport in rural areas means that patients find it harder to access health services and in some cases the extra costs of providing transport in order to provide ‘equal access for equal need’ has to be borne as an additional cost by the PCT.

20.4. The loss of banking facilities in rural areas has significant impacts on rural businesses and communities, as identified in an FSB 2016 report and Which? research (June 2018) reported that loss of cash machines is hitting rural areas especially hard.

20.5. A large number of social enterprises and charitable bodies are involved in maintaining essential services, often around poverty alleviation and tackling disadvantage which rely on insecure income streams. Contributing finance to these organisations from public sources can underpin essential services in rural areas that are unaffordable from the public purse alone. For example, a large number of volunteers have been recruited in recent years to ensure libraries remain open across the county. However, this still requires skilled and able publicly-employed managers to coordinate and ensure quality.


594 https://www.which.co.uk/news/2018/06/revealed-300-cash-machines-disappearing-every-month-from-the-uk/
20.6. The Chalke Valley Community Hub invested a LEADER grant to convert part of the local under-utilised church to co-locate a number of retail and leisure facilities together with the post office. Reliant on volunteers, it has become a new focus for village life.

20.7. The MS Therapy Centre in Warminster also received LEADER funding to extend its premises and treatment capacity for Multiple Sclerosis sufferers.

20.8. To some extent, reliable connectivity to internet-based services can mitigate the loss of some physical assets that have become unaffordable and unviable to run due to a range of factors.

20.9. As a key enabler, digital technologies are increasingly essential to delivery of services, as banking and other services become on-line activities. It is therefore a paramount priority for Wiltshire to continue to roll-out superfast and ultrafast broadband to all premises, and work towards full fibre solutions wherever possible.

20.10. Services which need to be personalised, such as health and education will to some extent join banking and the myriad of online services that can be accessed today – a similar experience to urban areas. The prevalence in rural areas for higher rates of home-working and flexible employment will also continue.

20.11. Investment is required to ensure rural residents are not disadvantaged in comparison with urban communities. Without full and further public investment in broadband infrastructure at least 9,000 Wiltshire households will be left behind due to not having a connection that meets the Universal Service Obligation. Whilst the situation in Wiltshire is quite positive in comparison with other areas, the remaining residents will not be able to access essential services which have migrated online.

20.12. And as smaller mobile devices become the normal method of accessing online services, investment in mobile technology is required. Given the failures of private mobile network operators to work on standard and agreed ways to provide 3, 4 and 5G coverage, and the reluctance of some communities to agree to infrastructure for better coverage, government and regulators have a continuing role to ensure that rural communities can access services.

21. **What can be done to support local shops, community pubs and other rural amenities at risk of closure?**

21.1. The privatisation of the Post Offices has led to many village post offices becoming unviable and closing. Many villages have also lost shops, banks, libraries and petrol stations leaving them without local services. This combined with lack of public transport causes hardship for older and disabled residents and those on low incomes. This loss of services also damages the local economy as such villages are less attractive to young people, visitors, new residents and new businesses.

21.2. Market forces are not a good way of valuing these rural services as they do not take account of the wider value they provide in creating a sense of place,

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595 [http://www.chalkevalleystores.co.uk/about/](http://www.chalkevalleystores.co.uk/about/)
596 [https://www.wessexms.co.uk/](https://www.wessexms.co.uk/)
and the knock-on effects on the economy and community when they are lost. Government needs to review the way such rural services are provided and funded taking full account of the wider benefits that investment in rural services could bring to the whole economy.

21.3. There has been some beneficial support for rural services through rural development funding programmes such as LEADER. But this funding will soon come to an end as Brexit approaches and the government must make new funds available. Programmes like LEADER have mainly provided capital funding for improvements to premises, but other forms of support are needed for these vital services that often have very marginal turnover levels and higher costs than in urban areas.

21.4. Government should review business rates and tax levels as these are prohibitive for small businesses such as village shops.

Business, employment, skills and demography

22. How can rural businesses be helped to thrive and how can new industries and investment be supported? How might labour and skills shortages be overcome?

Workspace:

22.1. The RES identified a lack of appropriate business grow-on space in SWLEP’s rural areas. Wiltshire Council’s Employment Land Review (May 2018) also identified a potential undersupply of office space, industrial workspace and logistics space across the county including rural areas and rural hub towns such as Malmesbury and Melksham.

22.2. Wiltshire Council will act on the recommendation of the review to maximise the match between supply and demand for workspace.

22.3. Local Plans are being revised, and it is paramount that changes are made so that employment land in rural settlements is protected and that planning authorities can prevent villages becoming dormitories with nowhere to establish and run a business.

22.4. Wiltshire Council has already taken significant steps to increase the availability of affordable workspace through The Enterprise Network. TEN provides a network of rural and urban based Enterprise Centres, providing start-up and grow-on space for micro and small businesses as well as light industrial units at Castledown Business Park.

22.5. A new health and life science incubator has been opened at Porton Down Science Park. This was funded in part by Government alongside ERDF.

22.6. Extra funding for creation of workspace has recently been made available through DEFRA Rural Growth Programme (part of European Structural Investment Funds). This is allowing the construction or conversion of offices and light industrial space, providing space for a wide range of tenant businesses to

597 http://www.theenterprisenetwork.co.uk/
598 http://www.castledownbusinesspark.co.uk/
start up and grow in Wiltshire’s rural areas, and providing additional income for landlords who are often farm businesses.

Business support

22.7. Business support to, and funding for, rural business is important, but is at risk of being lost in the changes to policy and practice on farming subsidies. Rural development needs to be decoupled from the agricultural economy in light of the new definitions for rural expected as the UK moves from CAP to Common Rulebook for agriculture.

22.8. Swindon and Wiltshire LEP’s £3.9m Rural Growth Programme has indicated that providing funding without allied support may not have the effect desired by government. Investment of funding is unfocused and proposals are susceptible to cultural bias by decision makers because the investment case is not framed by realistic parameters for value for money, strategic fit, or agreement over demand-side/ supply-side paradigm. One result is the introduction of barriers between business and government when trying to support growth.

22.9. Experience of the Rural Growth Programme ought to be compared to LEADER where an agreed vision for the area helps decisions that are focused around agreed benefits from economic development, and business investors can be more certain about the process, due to the dedicated support for investment made available. The experience of earlier LEADER programmes was much better than the current programme, which has suffered from increased bureaucracy and reduced local decision-making.

22.10. The Swindon and Wiltshire Growth Hub was Launched in 2017 providing a one-stop-shop for business support and funding. Business support and related Growth Hub services operate throughout the area and rural businesses make use of the services. However, in decision making, any new funding schemes such as the proposed UK Shared Prosperity Fund, ought to build-in ability to identify and make awards of direct finance or support rurally located businesses by dedicating and ring-fencing funds for rural areas.

22.11. ESIF has shown that when strategic fit, value for money and impact of investment is considered, it is investment in urban areas that wins through due to the overall value to the whole economy – evidenced or perceived.

22.12. It will therefore be important to ring-fence funds or dedicate a programme to the rural economy, so that business support, finance and investments are made, even when a neighbouring urban area or large town offers a higher return on investment.

22.13. However, there is also evidence from the ESIF programme that rural areas have attracted less ESF and ERDF funding than might have been expected, perhaps because the separate EAFRD funding led to the other two funds being seen as ‘Urban’. So whilst ring fencing of Rural Development funding is important, future programme structures must ensure that this does not restrict access to generic urban-rural funding.

22.14. Rural areas have a high proportion of micro and small businesses and self-employment. Wiltshire Council provides business advice and support through TEN, as well as conferences, networking opportunities and B2B support.
22.15. TEN also supports business relocating to or within Wiltshire by helping them find suitable business premises and helping to coordinate services and utilities.

22.16. Incoming and existing businesses have also identified the high cost of connecting to an electricity supply as a significant barrier to relocation and expansion and in rural areas, as well as lack of access to sufficiently high capacity 3-phase supply. Poor coordination between water companies and the Environment Agency and high cost of water provision to new premises has also been cited as a problem for rural businesses (RES 2017).

22.17. Digital connectivity is a key issue for all businesses (as described in section 5).

22.18. The ESIF-funded SME Growth Programme has provided valuable business support and small grants to rural and urban businesses.

22.19. Wiltshire Council is fully engaged with SWLEP’s Better Business for All (BBfA) initiative. BBfA aims to provide advice and support to business whilst simplifying the local regulatory system and processes. It also aims to strengthen the relationship that regulatory services have with local businesses and with other local authority services such as building control, economic development and planning.

22.20. Wiltshire Council acts as Accountable Body for four LEADER Rural Development Programmes bringing over £6million EU grant funding to help our rural business start-up and grow.

Labour and skills

22.21. Both the RES (2017) and the SWRPC (2017) found that the availability of labour and skills was a significant challenge facing rural businesses. Underlying factors influencing this shortage included housing affordability, transport and an ageing population. Brexit also poses a significant challenge – particularly in the agri-food and tourism sectors. Attracting higher skilled individuals was a particular challenge influenced by the loss of younger people from the area to study, as well as a ‘cul-de-sac’ effect which prevents higher skilled people from re-locating to the area. For young people living in rural areas, poor transport accessibility limits choices and opportunities to access education, training and apprenticeships.

22.22. Wiltshire does not have a university so young people tend to leave the area to study. SWLEP’s Local Economic Assessment (May 2018) found that 57.1% of students leave the area and do not return, compared to an UK average of 33.1%. So there is a large loss of young people with higher level skills.

22.23. Wiltshire College provides Further Education at four campuses across the county. In 2017 the College was awarded more than £20million of government Local Growth Fund money via the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) to invest in its Salisbury and Lackham campuses. The plans include redeveloping the Salisbury campus and introducing a new Life Science curriculum there, while Lackham will see the construction of

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600 [https://growthhub.swlep.co.uk/programmes/better-business-for-all-(bbfa)](https://growthhub.swlep.co.uk/programmes/better-business-for-all-(bbfa))


602 [https://www.wiltshire.ac.uk/rss/aboutus/campuses/campus_development](https://www.wiltshire.ac.uk/rss/aboutus/campuses/campus_development)
an Agricultural Technology Centre and the introduction of a higher education centre which will house incubation space for land-based businesses.

22.24. SWLEP’s ‘Higher Futures’ service was established to help businesses tackle skills shortages and gaps.

22.25. Brexit creates further challenges for the availability of labour and skills. SWLEP’s Local Economic Assessment (May 2018) found: ‘Swindon and Wiltshire’s economic vitality is reliant upon a large and internationalised migrant labour force. Over the period 2002-2015, migrant labour made up nearly 50% of the change in WAP size, with half of this supply of migrant labour coming from outside the UK. Swindon has seen a greater influx of migrant labour, with approximately 75% of coming from locations outside of the UK. The reverse is true in Wiltshire, with 76% of migrant labour emanating from within the UK. Although this indicates a more significant issue for urban Swindon, it still indicates that 24% of Wiltshire’s workforce is derived from migrant labour, much of this in rural businesses. And loss of urban-based migrant labour, such as in the food and drink processing sector, will have repercussions for rural-based businesses within the same supply chain.

23. **How can deprivation and inequality in rural areas be tackled?**

23.1. SWLEP suffers from pronounced deprivation across its geography (Local Economic Plan May 2018, Chapter 4). Generally, deprivation is more concentrated in urban areas, but large parts of the rural areas are among the 40-60% most deprived areas nationally. Ironically, poor quality living environment is a greater problem in our rural communities, as measured by housing quality, air quality and road traffic accidents.

23.2. Wiltshire Council and SWLEP are tackling inequality in rural areas through a number of initiatives.

23.3. The Council and its partners are currently beginning a refresh of the Health and Wellbeing Strategy. The strategy seeks to reduce inequalities. Rurality is not specifically identified as an inequalities factor in the 2015 strategy, so this again illustrates the need for Rural Proofing across all central and local government strategies.

23.4. The Building Bridges programme is Swindon and Wiltshire’s local implementation of the ESF funded Building Better Opportunities programme. The local focus for the programme is on supporting those furthest from the labour market in accessing the skills, development, education and/or experience they need to achieve and sustain ongoing employment. Our target group is those who are unemployed or economically inactive and facing multiple, complex challenges and barriers. Participation in the programme is entirely voluntary and free to users. The programme started in July 2016 and will run to the end of September 2019.

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23.5. Swindon and Wiltshire Links to Work\textsuperscript{607} is another ESF programme which supports people to get back to work

23.6. \textbf{Wiltshire Council has a network of Community Area Boards}\textsuperscript{608} which aim to bring local decision making back into the heart of the community. Local Community Engagement Managers facilitate and enable closer working between the council, the community and area boards. Meetings take place locally once every 8 weeks and between meetings task groups consisting of local people, Wiltshire Council staff and councillors tackle local issues and find solutions to take forward at the next area board. A key role of the area boards is to provide grants (up to £5,000) to community groups e.g. South West Wiltshire Area Board recently awarded £1,000 for improvements to Studio Theatre – an award winning community theatre which has its own Youth theatre and provides opportunities for schools and community groups. The Area Boards also provide revenue funding grants for those wishing to provide positive activities for 13-19 year olds and those aged up to 25 with special educational needs and/or disabilities. Projects delivered in the past include arts, music, sports, leisure and other after school activities where young people can make friends in a fun and safe environment.

24. \textbf{Encouraging young people to stay in or return to rural areas}

24.1. Access to transport, education, training and employment are some of the main issues, already described above, that affect retention of young people in rural areas. The lack of a university in Wiltshire has also been identified as a contributing factor, as the most highly skilled young people leave and few return. Lack of access to recreation facilities and general amenities is a further barrier along with the lack of affordable housing.

25. \textbf{What can be done to address the challenges associated with an aging rural population, such as social isolation and social care provision. What opportunities are there for an older retired population to help support the rural economy?}

25.1. The cost of health and social care provision increases as people age. Since the average age of rural communities is six years older than urban communities, the costs of provision are higher. Rural provision costs are also increased by the nature of more dispersed communities and greater travelling time. A 2013 report by the Commission for Rural Communities\textsuperscript{609} on social isolation in rural communities called for a change in the health funding formula (see Q6 also)

25.2. The funding formula for England should be adjusted to take account of these additional rural costs as it is in Scotland, Wales and Northern Ireland.

25.3. Like many industries, the social care sector will need to go through a period of transformation to a more digital-based business model in order to deliver services more efficiently. Whilst this is very possible in urban areas, as it will require homes and places to be digitally enabled - support for super and

\textsuperscript{607} https://www.linkstowork.co.uk/swindon-and-wiltshire
\textsuperscript{608} http://www.wiltshire.gov.uk/council-democracy-area-boards
Wiltshire Council – Written evidence (REC0131)

ultra-fast (next generation access) to full-fibre connectivity is paramount in underpinning the productivity gains. Since these gains are largely to the public purse, or as private provision offsets the draw of elderly people on the public services, the government should see any investment in connectivity as a medium to long term cost-saving, as well as more immediate gains in technology and practice development.

Rural Housing & planning

26. How can affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?

26.1. SWRPC 2017 found that the Housing Affordability ratio was above the national average in all rural districts of Wiltshire and the other three participant LEPs. This is a significant barrier to the recruitment and retention of staff by rural businesses and a particular barrier to the retention of young people. There is evidence that more development land would be made available by landowners but that this is sometimes unnecessarily prevented by planners on sustainability grounds.

26.2. Wiltshire Council has been housebuilding in recent years. More encouragement and a wider competence for housing provision, particularly building and improving social housing should be afforded to local government

26.3. Government should work to ensure that rural (and urban) tenants are provided with stronger tenure and rights to increase housing security over the long-term, allowing families to establish and thrive.

26.4. Planning for housing should severely restrict numbers of homes built that are not affordable to local people. This will encourage developers to consider more mixed housing and a different range of housing types on developments.

26.5. Community Land Trusts should become a mainstream and fully funded resource for local areas giving them the capacity to compete with developers for sites in and around small settlements

26.6. Wiltshire Council is developing a new Green Infrastructure Plan. This aims to address environmental barriers in order to speed up the planning and development processes, whilst also making wildlife habitats more sustainable and creating recreational spaces that will support local economies. Bath and North East Somerset610 and Warwickshire611 have already developed similar strategies.

27. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?

27.1. The revised NPPF includes helpful policies on building a strong competitive economy:

27.1.1. Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be

610 http://www.bathnes.gov.uk/sites/default/files/e2389-app.1_draft_qi_strategy_0.pdf
611 https://www.warwickshire.gov.uk/greeninfrastructure
placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

27.1.2. Planning policies should:

• set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.

• set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period (including making provision for clusters or networks of knowledge driven, creative or high technology industries)

27.1.3. Planning policies should also support a prosperous rural economy, noting that:

• Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found outside existing settlements, and in locations that are not well served by public transport.

Government policy, devolution and local government

28. Do the government pay sufficient attention to the rural economy?

28.1. The lack of consideration of rural issues in the Industrial Strategy Green Paper is one example of how government fails to understand the importance and needs of our rural economies. An exacerbating factor is the silo nature of governmental departments which means that ‘rural issues’ are largely thought of as Defra responsibility and often poorly considered by other departments. Meanwhile Defra is a very weak champion for the rural agenda among government departments. There needs to be more joined up thinking and active rural proofing across all departmental policies. This was also a recommendation of the SWRPC 2017.

29. What is being done in local government to support the rural economy, LEPs?

29.1. SWLEP and Wiltshire Council are predominantly rural authorities with 80% of geography being rural, so many of the services are generic to both rural and urban areas. The Council’s Economy and Planning Directorate provides a range of services including business support and affordable workspace.

29.2. EU Rural Development Funding has been an important aspect of rural delivery through local authorities. The Council has acted as an Accountable Body through a number of LEADER Rural Development Programmes and is running four LEADER Local Action Groups in the current programme, bringing over £6 million of EU funding to the area and also benefitting parts of the rural areas of neighbouring authorities. The Council contributes a significant amount of staff resource at its own expense to provide the AB services and this reflects the importance of the importance of the rural economy.

29.3. SWLEP delivers funding to rural areas through the ESIF programme.

29.4. The Brexit process has been extremely disruptive to delivery of these programmes and it is vital that the UK government quickly establishes clear plans for future rural development funding.
29.5. We need an England tourism strategy with a clear approach for supporting the rural visitor economy (currently there is only a one-page action plan).

29.6. Swindon and Wiltshire LEP supports the emerging Government proposal to create new Tourism Zones. This could have a positive impact on our rural economy if the Great West Way was designated as one of the pilot tourism zones.

10 September 2018
In May 2017 the Tenant of the village pub gave notice to leave. Wadworth decided that in their view, the business was not sustainable and decided to sell the property.

A number of us were so concerned over the potential future of the pub and the potential for it being sold to a developer that we formed a community project to save this key community asset.

Our fears were confirmed during an open day when 5 developers were looking over the property.

This galvanised the village, and after registering the premises as an Asset of Community Value, we sought to raise funds. We then set about forming a company, during this phase we benchmarked other successful community pubs and found the best approach was to form a Community Benefit Society, and with the help of the Plunket Foundation we established this in February this year. (We believe at this time we are the UK’s smallest community village group to have purchased a pub!) maybe the worlds!!
The property was for sale at £325,000, plus VAT, plus £12,000 for fixtures and fittings. The village raised through a share offer £283,000 and we were also granted £50,000 from the Plunket Foundation and sought further loans of £100,000.

We would like to put on record how supportive and patient, Wadworth were during this phase. Due to an unplanned early closure of the pub, the building began to deteriorate, we therefore re-approached Wadworth to renegotiate a reduction in price, finally buying the pub for £288,000 plus £12,000 for the fixtures and fittings.

Our refurbishment budget was circa £105,000 with a small contingency for emergency share buyback. (Although all shareholders are committed for three years under the CBS rules) At this point shares can only be sold at or below their original face value. No one can make profit from a CBS structure. It does test people’s motives for investing.

The objective of the community was to restore the ageing building and to enhance its offering, as the same old pub will only fail again! We have to add value to the project.

We had to install a new roof, replace the entire kitchen, as if you saw it you would question how the cook actually produced anything! Renovations were needed externally and internally, just to get it operational, along the way we found many unplanned costs, and problems.

Whilst we had planned a level of spend, the unplanned projects have now taken us near to exhausting all our funds, we therefore have a need to focus our funds on the vital few that will enable the pub to reopen, in a fit state to trade.

This will get the business trading again, its long-term success is dependent on enhancing its offer, and make the pub a place for all social groups and a meeting space for all. To achieve that, we have identified a number of key projects, some vital and others for future development that will enhance the business and underpin its future as an asset to the community, plus ensure its viability and continued availability for the community.
The primary objective is to embrace the "More than a Pub programme", by adding services and community centric activities beyond a typical pub. We firmly believe failure to deliver these new services will risk its future. The Snug area has been identified as a comfy, soft furnishing area to allow coffee mornings in a homely comfy environment, the bar is being reinvigorated and fresh colour schemes added.

We have developed a social impact statement of the types of services and enhancements we will deliver, such as coffee moorings, pensioner lunch promotions, friends of the pub Loyalty program, as well as young farmers meetings, book club, church PCC meetings and walking groups, Brit stop and Amazon parcel drop off are also being considered. We also plan to encourage other community groups who could not access the facility in the past.

To achieve our longer-term enhancements, we identified a number of key investments, in addition to the new roof.

These include:
- A new must have kitchen. Circa £42,000
- A new entrance porch, that will allow for wheel chair access and improve the thermal efficiency of the building through an airlock. The wheelchair access will include a new ramp to the carpark this is currently on hold.

Others unfunded
- New fresh look to furnishings, with informal seating and comfy chairs in the snug, low coffee tables. New cleaner dining area with new chairs and tables.
- Children's Playground. This will provide both a local village play-ground and customer attraction to encourage families to the pub.
- Electric Car installation. provide 4 car park spaces with Electric power hook up, this will attract Electric car drivers now and into the future.
- Within 2yrs. a Microbrewery/Shop and Meeting room; There is an old out building that is basically dangerous and needs to be demolished, in its place we wish to install a Microbrewery, this will generate tourist interest, create increased footfall for the pub, drive employment, both in the pub and Brewery, and underpin the pubs operating costs through low cost supply. There are a number of retirees who have seen this as a great way to reengage themselves in this activity. The small shop would be used to sell direct beers and local produce to the public. The meeting room would provide a much-needed village meeting space for local societies and provide a revenue income from corporate off-site meetings.
• We would like to invest in renewables, to help support the economic viability and underpin the Microbrewery, plus make it a carbon neutral business utilising solar and wind generation. (No estimates have been done on this yet)

Our goal is to try and work to deliver an ongoing reinvestment strategy, to both improve the community offering through improved customer levels, generate community jobs, enhanced services and activities and to safeguard our pubs future.

Please follow us on Facebook at Winterbourne Basset Community Bub. Please join us at our next opening days, as we would like you to come and see the work and drink some of our beer and wine as we are raising funds through sales. Thank you.

1 August 2018
Worcestershire County Council – Written evidence (REC0172)

1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

The traditional view of the rural economy is somewhat outdated. Rural economies are now made up of a range of businesses in many sectors. Worcestershire is an interesting mix of urban and rural with a great deal of manufacturing, tech companies based around Malvern and emerging sectors such as med tech, and cyber companies. Worcestershire is one of the fastest growing economies in the Country.

There are both agricultural/land-based industries and non-agricultural businesses in Worcestershire. Changes in farming businesses have occurred as they are not as profitable as previously and this has seen a move towards diversification (e.g. farm parks, farm shops, nurseries, fisheries, cafes, equine etc.) in order to support farming business. Diversification also forms part of succession planning for farming families. It is harder for young budding farmers to find land/purchase their own farms with the move towards larger farms. There are lots of micro and small businesses and self-employed people. Small businesses find it hard to set up in local rural areas due to lack of small business units. Tourism is an important sector for Worcestershire and one of its key sectors. Small rural amenities are closing such as shops and post offices. Sometimes replaced with community run initiatives such as many community shops and facilities (e.g. Alfrick Community Shop, Kempsey Post Office)

One of the impacts is that in some areas it makes for a low wage economy and there are fewer opportunities for some young people which exacerbated outward migration.

Rural businesses have to continually adapt to change. In contrast there are some large developments taking place at sites such as Worcester Six and the Malvern Hills Science park which have brought good opportunities and high wage jobs to local young people.

2. Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

The LEADER Programme has been very successfully delivered in Worcestershire for 10 years and has made a significant difference to rural businesses and communities. Through guidance and financial support the programme has helped to build capacity within communities and support
micro and small businesses to grow and develop in new ways. The ethos of the programme is to provide support through the grant process, to signpost and encourage links between like-minded businesses and community groups and to identify examples of best practise through networking. The second programme started in 2015 and has already achieved the creation of new rural jobs. Many of these jobs have been created in sectors which are traditionally difficult to grow in employment terms. These businesses also often report additional outcomes to those forecast – for example a vehicle vinyl wrapping business (Ultimate Wraps) has taken on two employees, rather than the forecast one job, enabled them to look into the possibility of employing apprentices and become a preferred supplier for a large UK wide company.

The community projects have also had significant successes, not only in terms of creating employment but also in making a wider impact on the local rural economy – buying locally and offering local young people their first taste of work within their own community.

The businesses and organisations that come through the programme regularly site the additional support they receive from the programme team as very beneficial and the application process useful in encouraging review of current business procedures.

Plunkett Foundation support for community shops has been extremely helpful across the country. Equally, Big Lottery grant funds like Making Local Food Work were very helpful in kick starting community ownership, while also encouraging the sale and promotion of locally produced food.

Community shops see themselves as a movement across the country, not just individual enterprises. That gives people a sense of ownership, pride and being part of something of national importance and could be replicated for other sectors.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

The proposed CAP reforms and loss of EU funding in EAFRD will have a significant effect on the rural economy. Many rural businesses such as farming and tourism attractions are supported through EU funds and in turn make a massive contributions to the economy through growth and jobs and attracting visitor investment. This will need to be supported if the rural economy is to prosper.

The UK Government has pledged to maintain CAP levels of support for farmers until the end of the Parliament, expected to be 2022. This still allows for a change in approach when the current CAP ends in Europe in 2020 and the end of the Parliament when the same cash funds may be allocated differently depending on the agricultural and environmental practices which the Government wishes to prioritise.
This means that farmers may receive the same funds overall but they are distributed differently and different land management practices are incentivised. Ultimately, farmers will need to know how the funds will be distributed after withdrawal and what form they will take. In the short term these may look similar to the CAP system and be at similar levels but the UK Government has, over many years, lobbied in the EU for lower subsidies to make farming more competitive and deliver more ‘public goods’ for the tax payer.

The government needs to create a new framework delivering a vision of a productive, progressive and profitable farming industry which delivers jobs, growth and investment.

The NFU (England) has said that it wants a domestic agriculture policy aimed at helping farmers to mitigate volatility, enhance productivity and to deliver environmental benefits post-CAP. This includes having a transitional period where the UK trades within a customs union. The NFU has said that a farmed environment scheme should be a key feature of a future domestic agricultural policy. It has also highlighted that this should do more than currently to encompass: flood management, air quality, health and wellbeing as well as landscape benefits, climate change mitigation, soil management, water resources and biodiversity.

Farming unions across the UK continue to highlight that uncertainty in the industry will deter farmers from making long-term improvements and investment decisions.

As we reform the system of agricultural support we have at the moment, we can have a system that incentivises both better care for the environment and innovation in food productivity.”

The impact of Brexit on UK agricultural trade will depend on any trade deal negotiated with the EU and will have different impacts across different sectors under different scenarios. The impact will also depend on how agriculture fares in trade-offs with other sectors.

The UK Government must ensure that producers, are not exposed to the severe risks arising from restrictions on access to EU markets and the imposition of tariffs.

Our own experience of the potential for growth has been in supporting the mechanisation of farming through GPS, drills and sprayers etc that assist productivity. One of the issues our growers in Worcestershire will face is loss of migrant workers which is already impacting on growers.

Wychavon is home to Pershore College, which includes an agri tech centre. For the aspirations set out in this section of the command paper to be fulfilled, there needs to be better linking between the Industrial Strategy and the Challenge Fund, Innovate UK and the announcement of £90 million within the Challenge Fund for agri tech. There is a real opportunity to use centres of excellence such as Pershore College to help create the ‘Translation Hubs’ outlined by the Business Secretary, that aim to bring together farmers, growers, businesses, scientists and Centres for Agricultural Innovation and to apply the latest research to farming practice.
In addition to support for rural businesses a key element of growth going forward would be to provide continued support for inward investment of new companies into the rural economy such as is happening in Malvern in Worcestershire. This will help provide sustainable well payed employment which would enhance County GVA and will help address the issue of outward migration of young people.

Setting aside the challenges of getting decent broadband and mobile phone coverage, technology now makes it possible for many people to trade from anywhere. However the lack of ultrafast broadband and 5G for example will hold back the rural economy and the gap will continue to widen as stated in the broadband section of this paper.

This should make it easier to grow businesses and jobs in rural areas. However, networking and support opportunities are important for these small business owners, to overcome feelings of isolation.

Service hubs are one way of creating critical mass to make the costs of service provision affordable and to make best use of expensive physical facilities.

Infrastructure and services

4. How can access to transport be improved in rural areas?

The reach, frequency and operating days/ hours of the bus network in rural Worcestershire have all been reducing over recent years, seriously curtailing rural accessibility. Unfortunately, this has been matched by a contraction in Community Transport.

Sustained, significant funding of both would be the best way to improve rural access.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Worcestershire has a clear and exciting vision that has been agreed and signed up to by all its Stakeholders – Public, Private and Third Party sectors – we are one team that is committed to the delivery of one vision: Building a connected, creative, dynamic economy that delivers increased prosperity for all who choose to live, visit, work and invest in Worcestershire.

We aim for Worcestershire to be an internationally recognised, highly competitive and innovative business location by stimulating investment, improving productivity and supporting the creation of sustainable economic growth and employment in Worcestershire. Underpinning this vision are key objectives such as, creating an internationally competitive and innovative business base; supporting the development of innovative, competitive sectors/clusters; and increasing the development of premier business locations and infrastructure.
Connectivity is a necessity, it is seen as a right, it is a true enabler and deployment of faster broadband is vital to enabling this vision and the objectives to be met, particularly in rural communities were broadband speeds have been traditionally much lower than more urban areas.

Access to Superfast Broadband can transform rural communities and both SME's and large businesses alike; enabling rural businesses to compete with City based competitors, opening up new markets and opportunities as well as the opportunity for more flexible working practices and the use of the cloud.

At our Worcestershire LEP Conference in December 2017, we focussed on Connectivity and it's importance to the local economy; there was much support in the room for our '5G project' and our wider vision. It was accepted that ubiquitous access to fast and reliable broadband was imperative to allow businesses to grow, expand and engage with future technologies.

We would encourage government to consider the positive impact the success of this superfast and ultrafast broadband and the impact it would have on the rural businesses and communities in Worcestershire, who are not yet expected to benefit. Not just in terms of the bottom line and expansion for the companies who are likely to benefit, but the quality of life it offers to both rural workers, rural commuters and entire communities who require faster broadband speeds to ensure they are not left behind when the vast majority of the country is set to benefit from a fibre rollout.

The main barrier to growth is market failure whereby broadband providers see investment in rural areas as uneconomical. Given the number of number of businesses in rural areas and an increase in homeworking whether self-employed or working for a company this is a barrier to markets and efficiency.

Rural areas should not be the poor relation, with the advent of 5G which is being tested in Worcestershire we need to ensure rural areas have 5G and Full Fibre ultrafast being the future, if rural areas find themselves on makeshift temporary solutions the gap and barrier will only get bigger.

Barriers for rural areas are also that other services are decreasing and therefore digital connectivity is lifeline. Rural areas still have large gaps, are costly to build to and if not have to rely on other solutions such as satellite, mobile and other alternative technologies. That whilst have a purpose and place can often have data limits, speed restrictions and be higher cost.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?

The creation of multi-service hubs has great potential but in some cases these may need incentivising. For example, some community shops operate Post Office counters but some have been reluctant to do so because of the
extra burden on volunteers and concerns about security and being a ‘soft target’.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

The main reason for rural amenities closing is the declining sense of community in rural areas – rural areas are becoming commuter areas and/or retirement villages. As a consequence most do not value the local amenities enough to use them and they therefore struggle to continue to be profitable. To support local amenities the approach needs to be twofold, firstly measures need to be taken to maintain rural communities as vibrant hubs, made up from a wide demographic with an investment in the local area. Secondly those that run rural amenities need to be supported to recognise how best to operate to meet the changing needs of their local community (e.g. longer opening hours to accommodate commuters returning from work) and how to be flexible to encompass a wide range of services – such as offering Post Office services in a pub. This point could be addressed through access to support from existing network organisations such as Pub is the Hub, ACRE and Plunkett Foundation.

The first point is harder to address as it takes a holistic and targeted approach to supporting rural areas. Key points include encouraging young people to stay in rural areas, supporting rural businesses, improving broadband and mobile signals, enabling better transport links and building affordable housing. These key issues are key in ensuring that our rural areas continue to thrive, grow and require essential services.

It is also worth noting that programmes that support and enable community ownership of local amenities and help to build capacity have a significant beneficial impact in enabling these services to remain available to the local community. Giving people easy access to case studies of how other communities have managed to keep local facilities is very valuable. Pump priming to help with the purchase of community facilities and to incentivise local fund raising is useful. Easy access to loans also helps.

Plunkett Foundation operated a centralised information hub which was very helpful to shops (and now pubs) in the early days. They also had a web-based notice board service for shops but this could be done much better. The same questions and challenges have been faced shop organising committees time after time but it’s been difficult to find out how others have resolved problems.

There are also opportunities for bulk purchase, including utilities deals, that are completely missed at the moment.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?
There are currently a number of rural programmes that help rural businesses to growth such as the EAFRD growth programme and LEADER. Replicating these programmes in the in the future would help support rural businesses. In addition, under Defra funding there are currently no programmes to provide business support to rural SMEs as ERDF does in urban areas.

The local LEADER programmes are supporting rural SMEs and rural growth and this local approach should be adopted going forward. In Worcestershire this has been a tremendous success especially with regard to improving productivity of farmers and SMEs through innovation, supporting rural SMEs in the food and drink and forestry sectors.

At present as many areas considered to be rural in nature do not have a version of the SUD programmes and this stifles regeneration and a new flexible fund should allow for the regeneration of areas and the development of enterprise zones/areas and clusters.

There needs to be financial and political support for ambitious plans. For Example. Worcestershire LEP, in conjunction with Worcestershire County Council has identified four strategic investment or ‘Gamechanger’ sites that are starting to come to fruition.

- Malvern Science Park
- Redditch Eastern Gateway
- South Kidderminster Enterprise Park
- Worcester Six

The development of enterprise zones in rural areas would encourage inward investment.

The LEADER Programme has been very successfully delivered in Worcestershire for 10 years and has made a significant difference to rural businesses and communities. Through guidance and financial support the programme has helped to build capacity within communities and support micro and small businesses to grow and develop in new ways. The ethos of the programme is to provide support through the grant process, to signpost and encourage links between like-minded businesses and community groups and to identify examples of best practise through networking. The second programme started in 2015 and has already achieved the creation of rural jobs. Many of these jobs have been created in sectors which are traditionally difficult to grow in employment terms. These businesses also often report additional outcomes to those forecast – for example a vehicle vinyl wrapping business (Ultimate Wraps) has taken on two employees, and enabled them to look into the possibility of employing apprentices and become a preferred supplier for a large UK wide company.

9. How can deprivation and inequality in rural areas be tackled?

Official statistics have failed to capture the reality that many residents scattered across rural communities face deprivation, poverty and poor health. Within a rural
community there are significant inequalities between parts that actually are very wealthy and parts that are quite deprived.

Young people suffer social isolation, lack of well paid job opportunities and are hampered by poor public transport making it difficult to get to work without a car. We need to recognise that not only urban areas can benefit from regeneration programmes, what rural areas need are a full scale programme of support for business growth, job creation, training, employment and training to counter this. We must also recognise that the loss of ERDF, ESF and EAFRD funding in areas such as Worcestershire will only exacerbate the divide in deprivation and inequality of opportunity.

Published by the Local Government Association (LGA) and Public Health England, research sheds light on a number of issues affecting the health and wellbeing of rural communities, including low-paid work, unemployment of young people, high costs of housing and fuel poverty.

Access to health services is also of concern, the authors note, with GPs, dentists and other services further away than in urban areas. Indeed, while 97% of urban households lie within 8km of a hospital, the figure for rural households is just 55%.

In addition, rural areas often lack of public transport, while poor broadband and mobile phone network availability hinders communication and access to online health services, banking, and shopping.

Social isolation is a particular problem for older people – a sector of society that is larger in rural communities.

An ageing rural population brings a number of challenges. These include the fact that older people often have poorer health and greater care needs, issues compounded by the greater distances to healthcare services and poor public transport. Financial poverty in rural areas is also highly concentrated amongst older people, with around one-quarter of those in poverty in pensioner households.

The statistics for Worcestershire re older people are below.

### Older People (65+) Population Projections

<table>
<thead>
<tr>
<th>Area</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2023</th>
<th>2028</th>
<th>5 year % change</th>
<th>10 year % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bromsgrove</td>
<td>22,264</td>
<td>22,671</td>
<td>22,973</td>
<td>23,964</td>
<td>26,104</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>21,779</td>
<td>22,155</td>
<td>22,480</td>
<td>23,710</td>
<td>26,199</td>
<td>9%</td>
<td>20%</td>
</tr>
<tr>
<td>Redditch</td>
<td>15,511</td>
<td>15,911</td>
<td>16,228</td>
<td>17,217</td>
<td>18,517</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Worcester</td>
<td>17,372</td>
<td>17,666</td>
<td>17,928</td>
<td>18,746</td>
<td>20,742</td>
<td>8%</td>
<td>19%</td>
</tr>
<tr>
<td>Wychavon</td>
<td>31,290</td>
<td>32,040</td>
<td>32,690</td>
<td>34,781</td>
<td>38,878</td>
<td>11%</td>
<td>24%</td>
</tr>
<tr>
<td>Wyre Forest</td>
<td>24,900</td>
<td>25,278</td>
<td>25,547</td>
<td>26,410</td>
<td>28,238</td>
<td>6%</td>
<td>13%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>133,116</td>
<td>135,720</td>
<td>137,847</td>
<td>144,828</td>
<td>158,678</td>
<td>9%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Table 3: Projected number of older people living alone

<table>
<thead>
<tr>
<th>Area</th>
<th>2018</th>
<th>2030</th>
<th>% change 2018-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65-74</td>
<td>75+</td>
<td>65-74</td>
</tr>
<tr>
<td>Bromsgrove</td>
<td>2,940</td>
<td>5,285</td>
<td>3,220</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>2,910</td>
<td>5,136</td>
<td>3,060</td>
</tr>
<tr>
<td>Redditch</td>
<td>2,400</td>
<td>2,931</td>
<td>2,400</td>
</tr>
<tr>
<td>Worcester</td>
<td>2,360</td>
<td>3,962</td>
<td>2,660</td>
</tr>
<tr>
<td>Wychavon</td>
<td>4,230</td>
<td>6,805</td>
<td>4,620</td>
</tr>
<tr>
<td>Wyre Forest</td>
<td>3,470</td>
<td>5,387</td>
<td>3,320</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>18,270</td>
<td>29,655</td>
<td>19,280</td>
</tr>
</tbody>
</table>

Official statistics need to look more closely at conditions experienced by those living in the countryside, and at different areas within it, as current approaches don’t pick up small pockets of deprivation, and tend use measures that are more relevant in urban areas, such as car ownership.

We believe that the following initiatives should be included within a Rural Strategy for a fair deal on health and social care:

A fair allocation of funding to rural areas: funding for the NHS, social care and public health should each be overhauled to reflect actual patterns of demand for those services and to take better account of the extra costs of provision in sparsely populated areas. As a matter of principle, residents in rural and urban areas should receive equitable service provision. Rural residents should not be paying higher Council Tax for fewer services. Local taxation has become unable to meet rising social care needs and there is now a case for financing the social care services managed by local authorities in a different way, with their statutory provision being fully funded by central Government. This would address the current unfairness in the system and make it easier to cope with future demand.

A rural proofed model for health care delivery: in many areas the NHS Sustainability and Transformation Plans (STPs) propose reconfiguring secondary and tertiary health care services, including A&E, elective and other hospital provision. Often these plans would result in more centralised services. Whilst there can be a medical case for specialising at one NHS location, this needs to be balanced against the need for patient (and visitor) access to services, not least from outlying rural areas. STPs should also emphasise delivering things such as clinics locally in health centres or community hospitals, whilst seeking to improve hospital patient transport.

A stronger focus on filling vacancies: a growing number of rural GP surgeries report problems recruiting to fill vacancies for family doctors and other professional members of staff. Working in smaller or rural surgeries appears to be less attractive to trainees and younger health care professionals. The NHS
now manages a fund to help attract recruits into hard-to-fill posts. It is important that rural provision benefits sufficiently from this initiative. The level of rural vacancies should be carefully monitored by the NHS and, if the recent trend is not reversed, further action will be required.

A joined up approach to health and social care: in rural areas, perhaps even more than elsewhere, there is a need to achieve greater integration between health and social care services. To that end, the Better Care Fund has been a helpful (pooled) funding pot, despite giving less to rural than to urban areas. The upcoming Social Care Green Paper offers an opportunity to move to a more sustainable and effective approach. It should aim to address rural service cost issues. It should also extend to tackling linked housing issues, such as access to specialist housing for older people and adapting the homes of those who live independently. This is important in rural areas where there are typically limited housing choices.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

Migration into and out of the county, as well as between districts within Worcestershire, conforms to the established national pattern of migration, with most movement being from rural to urban areas (urbanisation). Over 85% of Worcestershire's population live in our main urban areas, or the main transport corridors that link them together. Much of the projected household growth (over 33%) is due to an increase in one-person households. The number of such households is projected to rise by almost 5,500 over the 10-year period from 2014 to 2024, increasing the county’s total by almost 8%. The number of couple households with no children is also projected to rise steeply, by almost 30% over the same time period.

The way to encourage people to stay or return to local areas is to ensure rural areas have affordable housing and good job opportunities and training. They will then provide the wealth communities need to thrive. In terms of affordable housing innovative solutions should be explored such as the conversion of buildings in market towns which would help the local economy.

11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

Workforce - Ability to identify and recruit people in rural areas who can support people to remain independent at home e.g. home care staff, carers. The cost to home care providers of travelling to people's homes in rural areas is a major factor in the cost of domiciliary care.
Housing – need to ensure housing is affordable and fit for purpose and is designed to enable people to remain at home for longer
Transport – support people to access local transport e.g. development of sustainable voluntary transport groups
Demographics - Understanding the level of ageing in a rural population (often hidden) and the social/economic status of this group of people.
Social isolation - getting people out from their houses into the community – social isolation is a major issue.
Ensuring people remain active as they get older - need to be able to access services and that the local infrastructure supports this
Technology - Supporting people to engage with the opportunities provided through the use of Technology. We need to ensure that people can access the internet and that internet speeds support the easy access to services or service suppliers. Also the use of technology to monitor people in their homes to better understand people’s needs.
There needs to be major investment in technology to support the aging population and the innovative companies that will make this happen.
Worcestershire County Council is already working with private companies to take this forward and this should be encouraged across the Country and would be a cost effective investment for government.

Our community shops couldn’t operate without the older ‘retired’ population and that applies to most community shops. Some of our small food producers are also retired from full time employment. There is a massive amount of experience and expertise amongst the retired community that could be of massive benefit to small businesses and passing on their experience to young rural people as mentors.

**Rural housing and planning**

**12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

Rural housing needs is exacerbated by multiple generations living in the same property, and homes being either used as holiday rentals or holiday homes. Agricultural and tourism workers are relatively low paid and can be seasonal. Both market and rented housing is needed for rural workers, with the use of ongoing local occupancy clauses. These need to be preserved for lifetime of any development to prevent out of area occupancy with subsequent sales etc. A mix of market rent and affordable rented properties are needed, plus intermediate products such as shared ownership.

**13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

Planning needs to maintain rural exception sites for the delivery of small scale housing to meet local housing needs, across all age ranges. Older people’s housing (C3) is particularly needed, along with family housing and support for community services and infrastructure to support developments. Housing policy doesn’t differentiate between rural / urban settlements in terms of density, style or types of housing and any specific issues such as rural exception sites which could be helpfully amended to provide greater support for rural matters.

**Government policy, devolution and local government**
14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

The government does not pay significant attention to the rural economy as it may underestimate the contribution the rural economy makes to the UK economy. Whilst Defra once has a rural proofing paper this was never really an enforceable document. Whilst the industrial strategy is an excellent document it has little focus on the rural economy although it states:

- *Invest in ways that support all the objectives of the Industrial Strategy: increasing innovation, developing skills, growing business, and driving productivity and earning power in urban and rural places across the UK;*

It also pledges 5G and connectivity to rural areas and states in relation to food and farming:

- *By using precision technologies we can transform food production whilst reducing emissions, pollution, waste and soil erosion. By putting the UK at the forefront of this global revolution in farming, we will deliver benefits to farmers, the environment and consumers whilst driving growth, jobs and exports.*

Our SEP and ESIF strategy have a rural focus although the government could have put greater emphasis on the rural economy in the requirements of the SEPs. All local authorities in Worcestershire support the rural economy as does the Worcestershire LEP. Worcestershire County Council runs the LEADER programme and the Local Action Group consists of all local authorities and the LEP. The LEP has provided support through the growth deal to Pershore College which has seen the college recently transformed with the key feature being the addition of a contemporary new glass building which houses a new science and technology centre, a new Collections house, new teaching rooms, project spaces and library and a state of the Art Agri-Tech Centre. Wychavon Council provide significant support to the Vale of Evesham growers who operate in the areas around the college and links are in place. The ESIF Cttee has been proactive in SMEs accessing EAFRD growth funds to support their growth plans.

Businesses based in rural areas make a significant contribution to the UK economy. This is recognised in several government publications. For example, the following extract is taken from the government’s Rural Planning Review call for evidence published in February 2016:

“England’s rural areas make a substantial and vitally important contribution to the economy, accounting for around £210 billion, or 16%, of England’s total output. Taken as a whole, the structure of economies in rural areas is now
reasonably similar to that of urban areas. Manufacturing represents 13% of GVA in predominantly rural local authority areas compared with 8% in predominantly urban areas. The service sector is also significant across rural areas with business services, for example, representing 10% of rural output.

“Rural areas host around half a million businesses, over 25% of all registered businesses in England. Many of the businesses operating in rural areas are small or medium sized enterprises. Economic activity in rural areas is increasingly diverse, with significant manufacturing and services sectors, alongside more traditional farming. Knowledge-based and creative industries are also growing rapidly.”

It is critical, therefore, that the rural strategy recognises the existing and potential economic contribution of rural areas to the nation’s growth and success. This should be embedded throughout future Strategy and public sector support models, recognising the location of many innovative and growth potential businesses located across rural areas. This is not confined by traditional views of rural economies and stretches across all sectors.

Rural economic diversity

The rural strategy should recognise the presence of a diverse range of new and existing business activity in rural areas and the opportunities this presents. Rural economies are incredibly diverse and make a significant contribution to national economic performance. Farming and tourism are of critical importance but to pigeon-hole rural economies as being solely about these sectors would be a mistake. The environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted – from manufacturing and service industries to knowledge intensive and creative sectors. Enterprise and opportunity are abundant with rural areas often providing a breeding ground for high growth businesses which can migrate to more populated areas as expansion plans require. This should be clearly recognised by the Strategy.

Rural business profitability

Analysis of rural firms in the English regions shows rural businesses to be significantly more likely to be profitable than businesses in urban areas. A report based on this analysis has been published by the Centre for Rural Economy and Newcastle University Business School, entitled ‘Small Rural Firms in English Regions: Analysis and Key findings from UK Longitudinal Small Business Survey, 2015’ (March 2017). This is available online via this link. The executive summary to the report states the following:

“England’s rural firms are significantly more likely to be profitable, but have lower annual £turnover, than businesses in urban areas outside of London. This finding emerges from our rural-urban analysis of 13,403 small firms in England, including 3,555 rural firms, interviewed for the UK Small Business Survey in 2015. It cannot be explained or attributed to oft-rehearsed differences between
rural and urban economies, as the analysis controlled for differences in sectors, size, age and other business characteristics of rural and urban areas.

“Although rural and urban firms share many plans and expectations for future growth, rural firms were significantly stronger exporters of goods and services, were more likely to have introduced new or improved goods in their businesses, and were more able to secure external funds, especially for capital investments in machinery and buildings, than were businesses in urban England.

“Nevertheless, there is also clear evidence of Untapped rural potential (for example, more rural firms have goods or services suitable for exporting than which currently export), Weaknesses (for example, rural firms are less likely to expect to grow their workforce) and Obstacles to business success, particularly Regulations or red tape, Staff recruitment and skills, and Taxes, rates and NI. that concern significantly more rural than urban firms.”

Access to business support

Businesses in rural areas are often remote from government and other institutions. Business support is often seen as confusing and urban centric. Constant changes to organisations and programmes has the potential to further confuse businesses and, therefore, improvements to existing structures is preferred to any wholesale restructuring in order to begin to provide continuity and certainty.

LEPs are key delivery organisations and some have an effective approach to rural areas. However, too frequently LEP programmes have little consideration for the opportunities and needs presented by existing and new business located in rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by rural economies.

For example, a report commissioned by Defra (working in conjunction with BIS) in 2013 and produced by the Institute for Employment Studies (supported by the Countryside & Community Research Institute) investigated the degree to which rural businesses access national employer skills and government business support programmes. A key finding of the report was that: “Access to national mainstream employer skills programmes and government business support programmes among rural businesses may be improved if information and advice on how to apply for support is proactively provided (ideally face-to-face or by telephone) by a stable set of intermediaries.” LEPs and others should take account of the need for such intermediaries in delivering skills development and business support programmes to ensure that the full potential of rural businesses is realised.

The review should clearly identify the need for special attention to be paid to the opportunities of rural businesses in delivering future programmes.

10 September 2018
York, North Yorkshire and East Riding Local Enterprise Partnership – Written evidence (REC0138)

Summary

This consultation response has been prepared by the York, North Yorkshire and East Riding Local Enterprise Partnership on behalf of local businesses and business networks, in collaboration with partners from Local Authorities, National Parks, the Yorkshire Farming Food and Rural Forum, Yorconsortium, and Community First Yorkshire. This has been a useful opportunity to collaborate in outlining our strategic vision and shared understanding.

Our response paints a picture of profound changes which are driving innovation and opportunities that are distinct to rural areas, along with a host of organisations making the most of these based on their local understanding and connections. Much of this innovation is in order to realise market opportunities, such as new circular economy business models and emerging markets for bio based products and environmental services vital to the quality of life in urban areas.

The highly connected nature of rural businesses, communities and institutions manifests itself in a strong sense of place and community spirit, of both businesses and residents, which is sustaining innovation in service delivery models. However, we also cite numerous examples of innovation driven by the necessity of responding to the challenges and threats, particularly digital disruption, social imbalances and political decisions.

We highlight the striking double bind in which rural areas are caught, losing out in the digital revolution, yet unable to take advantages that the modern digital world affords.

The rural housing market is shown to be having profound effects on the availability of rural workforces, limiting economic growth and making the provision of care for the increasingly ageing population a real problem. As rural areas adapt to the rolling back of public services resulting from the austere funding environment we demonstrate how they are also facing up to the threat of further upheaval as we withdraw from the EU and Common Agricultural Policy.

Our response demonstrates how local organisations, businesses and communities are creating their own innovative solutions, such as the Grow Yorkshire project which is using the stimulus of CAP withdrawal to drive positive change in the industry.

We conclude that there is more to be done to enable innovation, particularly in providing equitable access to digital infrastructure and affordable housing, which are enablers of more resilient and sustainable businesses and communities. Collectively and individually we pioneering new approaches. We are willing and able to do more, and would welcome the Government’s support.
1. What do you understand by the “rural economy”? How has it changed over recent years, and what has been the impact of these changes?

There is no neatly defined ‘rural economy’. There is economic activity in a range of places which distinguish themselves by the sparsity of their population and distance from urban centres. However in our area alone this includes urban hinterlands, market towns, accessible lowlands, remote uplands (and remote lowlands in the East Riding), and coastal communities.

Rural areas are characterised by stronger and more apparent interconnections between economy, society and environment. For example activity delivered by the private sector in an urban setting, such as a local shop, is increasingly delivered by charities and community groups in rural areas, trading on the stronger sense of place and community found in rural areas.

It is also the case that rural areas are fundamental to the quality of life of people living in city regions, a connection which is easy to overlook in the modern world. Without the goods and services that rural areas provide, life would not be possible in urban areas.

The drivers of change in rural areas are the same as those in urban areas: Technology, Climate Change, Demography and Politics. However their rural impact is distinct:

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Rural communities have borne the brunt of changes wrought by disruptive business technologies. This has driven cost saving measures by businesses, particularly the closure of physical outlets. And yet they have secured fewer of the upsides of these technologies, given slower connection speeds and persistent mobile and broadband not-spots.</td>
</tr>
<tr>
<td>Climate Change</td>
<td>Local and global climate change are shifting patterns of food production, and population distribution, increasing risk and volatility particularly in agriculture. However the policy response is generating new forms of rural income streams in the mitigation of, &amp; adaptation to, climate change.</td>
</tr>
<tr>
<td>Demography</td>
<td>Global population increases and increasing affluence is exerting pressure on food chains, creating both threats and opportunities. Locally, an ageing population is putting pressure on housing and services, whilst businesses repeatedly find themselves struggling to recruit the workforce they need.</td>
</tr>
<tr>
<td>Politics</td>
<td>The closure of rural services driven by disruptive technology has been compounded by a parallel retrenchment of the public sector in the face of</td>
</tr>
</tbody>
</table>
funding cuts. The decision to leave the EU, and thus the Common Agricultural Policy will have a fundamental and systemic impact on rural economies, both due to changing agricultural subsidies, and a further reduction in rural workforce as numbers of seasonal migrant workers decline.

2. Could you give examples of notable success stories and good practice in the rural economy?
Our part of Yorkshire is ambitious to seize the opportunities available to us, whilst mitigating any threats. We have some excellent examples of people overcoming challenges and grasping opportunities, including some things that could not, or would not happen in urban areas, such as the largest private sector investment in the North of England: the £2bn investment in Scarborough’s Silversmith potash mine by Sirius Minerals.

The approach of York North Yorkshire and the East Riding has been to provide real local leadership in trying to find innovative ways to resolve local issues, and grasp opportunities. The LEP has played a leading role in this, working highly collaboratively with public and private partners, who in turn have been proactive about working with others in pursuit of shared goals.

Innovative new policy delivery

The Yorkshire Dales National Park have been pioneering Payment by Results agri-environment scheme, which is enabling farmers to be more enterprising and make better use of their understanding of their land to provide benefits to the environment. The behavioural change in farmers has been marked.

Local colleges have used LEP funding to establish new virtual learning programmes breaking down geographic barriers to the provision of education that meets students’ needs without the need to travel.

The LEP has brought partners together to establish the Grow Yorkshire project to use Brexit as a stimulus for positive change.

Innovative public & private partnerships

Dalton Industrial Estate saw £2m LEP funds alongside Business Improvement District model to secure private sector contribution to a £4m bridge which resolved flooding of the access, leading to £20m+ investment in the in the first year.

Our local broadband infrastructure rollout providers, NYNet are connecting public sector premises in market towns with ultrafast broadband, with the specific aim of using these as nodes and adding spurs to provide connection opportunities for rural businesses and community groups.

The North York Moors Tourism Network was founded in 2012, when visitor numbers and value were at their lowest. It now has well over 600 members and has been particularly effective at enabling collaboration and increasing incomes:
between 2012 and 2016 cumulative growth of +13% has been seen in the value of tourism (index-linked) to reach £650million, +17.6% in the volume of visitors (7.9million), +15% in visitor days (12.3million), and growth of +8% in FTE employment (10,923).

The LEP is working with our Local Nature Partnership, the National Trust, the Woodland Trust and businesses to understand how the production of goods are reliant on value from the landscape. For example, Nestle have a strong interest in its long-term supply of biscuit flour from the East Riding area. Based on this we will establish mechanisms for groups of businesses co-invest in better landscape outcomes to secure long-term business growth.

**Innovative business & community led solutions**

North Yorkshire County Council has transferred 31 out of its 42 rural libraries to full community ownership and management. Supported with the provision of books and ICT the charities are developing the libraries in to community hubs that offer a whole range of local services and many have increased both opening times and membership.

Local company Dale Power Solutions have completely turned around an ageing and male dominated workforce, through actively embracing apprentices and pushing hard to alter the gender imbalance.

Businesses in Scarborough have been working collectively to tackle both short and long term issues through initiatives such as the Scarborough Construction Skills Village, providing on-site training as housing is developed on major sites & Scarborough Engineering Week which is inspiring the workforce of the future and demonstrating the high quality careers available locally.

The Yorkshire Cycle Hub at Great Fryup Up Dale provides a great example of a modern business providing jobs, recreational opportunities and, increasingly, serving as a community hub.

Communities are now embracing community-led housing models, with the first development of its type completed in Hudswell in Richmondshire and more in the pipeline with planning permission and in the development stages. Several of these align with existing services delivered by the community including pubs, shops and bus services.

**Making success go viral**

The North York Moors National Park have embraced an apprenticeship programme to overcome staffing and skills shortages, and gone further to share their learning about the benefits by becoming active ambassadors advocating the benefits to other businesses.

The Sustainable Futures Programme, led by local agricultural consultancy Future Food Solutions, is demonstrating real success through peer learning amongst farmers. Having initially worked horizontally across specific landscapes, they have recently been commissioned to work vertically through supply chains by Yorkshire Water to improve water quality.
York, North Yorkshire and East Riding Local Enterprise Partnership – Written evidence (REC0138)

Our Growth Hub & the Grow Yorkshire Farm Business Advice and Skills service have designed in peer learning and promotion to add a viral element to accelerate the sharing of learning and success.

How might rural successes be replicated and better promoted?

| Ways of working (see also Opportunities below) | An understanding of what is unique and distinctive about rural areas is fundamental to success. We have outlined some of that understanding in our detailing of the drivers of change, however is extends to other considerations such as:
| Understanding rurality | • the increased cost of service delivery to small populations over large geographies
| | • the strong sense of community and connection to place
| | • the unique relationship between business, communities and the environment.
| Understanding people and behaviours | A good understanding and articulation of who the ‘customer’ is and how they behave and can be influenced is vital for success. Designing services and solutions around the needs of the customer, using the principles of Service Design, is an approach that the LEP have worked hard to embed in their practice and share with others.
| Collaborative local organisations tasked with understanding, enabling and delivering | With the breadth of organisations working in rural areas, effective collaboration is key. Organisations tasked with enabling others, and helping them coordinate effectively as our LEP has, are vital.
| Entrepreneurial approach | At the heart of success lies an enterprising approach, which recognises opportunities, is willing to take risks and try new things, and is always learning. This is one of the benefits of the public and private sector working together.

The LEP have combined their understanding of what makes for success to establish Grow Yorkshire, a collaborative approach working with the entire range of agriculture and environmental stakeholders such as NFU, CLA, FERA Science, National Parks and many others. The project is using the stimulus of Brexit to drive positive change, by growing the incomes of farming and food businesses to counter any reduction in subsidies. We are keen to work closely with Government in the transition period to the withdrawal of CAP subsidies to demonstrate how policy delivery can be radically improved by making the most of local understanding, capacity and connections.

3. How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?
York, North Yorkshire and East Riding Local Enterprise Partnership – Written evidence (REC0138)

Our area is working collectively towards a vision of thriving rural businesses, which support vibrant, functional communities and high quality environments providing valuable goods and services.

Our rural areas are unique places, which provide the space to do things which are impossible in urban areas, whilst providing goods and services essential to the quality of life of urban dwellers. They are ripe with opportunity because they are experiencing fundamental change. Without proactive measures this change could pose a significant threat, however these times of change undoubtedly present opportunities which we intend to realise together.

Rural economies are about to undergo tremendous structural changes as we leave the EU and withdraw from the Common Agricultural Policy. Whilst this could pose a significant threat to rural people and businesses (North Yorkshire & East Riding alone benefit from over £200m in CAP subsidy each year) we are determined to use this massive stimulus to positive effect through the Grow Yorkshire project.

The most fundamental determinant of the future success of rural areas will be the extent to which the benefits of the digital world, which are taken for granted by urban dwellers, can be delivered to rural residents and businesses. We need to be ambitious, treating broadband connections like the essential utility they have become, and aiming for 100% broadband and mobile coverage. In turn better digital connectivity will become an enabler of innovative service delivery and better business models in rural areas.

Rural areas have always traded on their connection to the natural world, producing goods and services for urban consumers. In the face of environmental shifts driven by climate change, and the policy responses aimed at adapting to and mitigating this, rural businesses will be at the heart of a new boom in circular economy innovations as we replace fossil fuel derived products with more sustainable bio-based alternatives, make better use of resources by moving towards circular business models and establish new market mechanisms for environmental services such as flood mitigation, carbon sequestration and biodiversity. We already have some great examples of such circular innovations within our area, for example, Toast Ale, which uses local surplus bread that would have otherwise gone to waste to brew beer.

Having outlined these three fundamental changes, we need to acknowledge one of the great assets of rural communities that endures over time: their real strength in community spirit and connectedness between public, private and third sectors. It is this which has enabled them to cope with the rolling back of services, as public and private institutions implement cost saving measures resulting in the closure of banks, post offices, shops, libraries, bus services, schools etc. In response, rural communities and businesses have come together and established their own locally based innovative solutions to maintaining a viable level of access to services.

4. How can access to transport be improved in rural areas?
York, North Yorkshire and East Riding Local Enterprise Partnership – Written evidence (REC0138)

The issue is not about improving access to transport. It is rather about improving access to services and opportunities, of which transport is just one possible solution.

However, in the light of significant cuts to Local Authority budgets for subsidised transport services, and little sign of this changing, it is clear that subsidising transport is an unsustainable approach to meeting access needs. Innovative means of providing access need to be established which do not rely on the costly option of taking the person to a remote point of access.

Therefore, the most pressing and cost effective means of improving access to services and opportunities for rural residents is to invest in improved digital infrastructure, enabling all rural residents to participate effectively in the digital world. This may mean some services, such as healthcare and education, can be accessed remotely. Other forms of service provision may be delivered locally to the customer, through arrangement with local businesses or institutions, however this will also demand a robust digital infrastructure underpinning.

We have some excellent examples of the types of community led solution which can be established by combining community initiatives with digital platforms, such as the Masham Lift Share project, which NYCC have been actively supporting through their Stronger Communities programme. This demonstrates what is possible when the digital infrastructure exists to enable innovative solutions.

NYCC have also established ‘Go Local’ an innovative new initiative to facilitate over 20 independent community led transport operators to work as a ‘family’ of providers through the provision of shared digital resources such as a promotional video and a branded Go Local website.

The final mile is a considerable issue when it comes to growing the visitor economy, particularly for international visitors. Red tape deregulation has not yet occurred with accommodation providers who wish to provide a pickup service to their guests from the nearest public transport station/stop still requiring a private hire vehicle (PHV) licence. Deregulation would remove this barrier.

5. What barriers to growth are created by poor digital connectivity? How can connectivity be improved across the board?

Digital infrastructure improvements are essential to the future of our rural areas. 100% connectivity, mobile and broadband, is the only solution.

We live in a digital world, with most people using their mobile phone/laptop or smart device to communicate on a daily basis. However this is not possible in many rural areas. This disadvantages rural residents, particularly at a time when many services are moving toward a digital platform.

Rural economies are repeatedly hindered by poor digital connections. We have sought to draw out some of the many ways in which this happens in the following table, but would illustrate with the example of the North Yorkshire B&B, voted the best in the world on Tripadvisor suddenly inundated with email requests to stay, but only able to access the internet via dial-up modem, and taking nearly an hour to respond to each enquiry.
The public in rural areas are desperate for better digital access, whilst opportunities abound to make more of existing and new public infrastructure and investments to drive digital improvements.

To illustrate with a local example, the Home Office are currently rolling out a programme of new communications masts for the emergency services in the Yorkshire Dales and across remote parts of our region. However no account has been taken of the added value they could provide by co-installing other mobile services.

The same reticence for shared infrastructure exists in the private sector, with Mobile Operators routinely pursuing independent installations rather than shared solutions. Planning regulation has a clear opportunity to intervene here for the benefit of all rural residents and businesses.

North Yorkshire is starting to show the way here, with the NYNet programme installing ultrafast connections into public buildings in 12 market towns, specifically with the aim of creating spur services from this core backbone.

There is much than can be done through having a clear vision, leadership and collaboration without needing additional funding. A more joined up strategy, purposefully seeking every opportunity to add value to public sector infrastructure investments, mandating a more joined up approach from mobile phone companies in rural areas and establishing clear responsibilities for pushing to 100% connection is a must to deliver the levels of innovation that our rural businesses and communities urgently need.

6. What can be done to improve and maintain provision for essential services such as healthcare, education and banking in rural areas?
York, North Yorkshire and East Riding Local Enterprise Partnership – Written evidence (REC0138)

As we have outlined, we need a fundamental upgrade to our digital infrastructure to enable the innovation needed to deliver access to essential services for our rural residents.

That said, we already have some excellent examples of local businesses and community groups stepping in to provide services, such as that being driven by the NYCC Stronger Communities initiative.

For example, NYCC are working in Sleights, a village in Scarborough district, on a digital village concept. The aim is to add digital technology to some everyday services to help residents be more resilient and independent. Examples of their initiatives include developing meals on wheels type services using the ‘Alexa’ app, live streaming sporting events, setting up a digi-hub in the church and using Alexa in homes of house bound people.

Social action and voluntary effort are playing a major part in filling the gap to make services that are unviable by the market, deliverable through the ‘social economy’. But this needs support, back up, training and greater sensitivity in regulation and legislation.

Funding to kick start local cooperatives and/or empower local not-for-profits and charities to provide these services, is proving highly effective at establishing sustainable services such as Community Libraries, Digital Hubs in community halls and churches, digital neighbour initiatives and community led delivery of affordable homes.

The approach needs to investment now to establish innovative service solutions, which place a lower burden on the public purse in future. Health, social care and education also face a key issue in the availability of the workforce, which has the lack of affordable housing and low wages at its root. We will address this in more detail later, as we cannot ignore the fact that more could be done to enable a better social balance to provide the workforce vital services continue to require.

7. What can be done to support local shops, community pubs and other rural amenities at risk of closure?

Businesses are a crucial part of rural communities, helping define the look and feel of high streets in market towns, and providing valuable services in villages. Yet as we have outlined, businesses large and small are caught in a pincer movement by the disruptive effects of the internet: unable to compete and unable to innovate. Large businesses such as banks are closing their rural outlets, whilst smaller businesses are unable to compete selling products against online retailers. Those businesses which are managing to survive are either those which provide a service, event or activity which cannot be provided online, or those which have diversified their offer substantially to aggregate the provision of additional services into their operation. The economic difficulty of maintaining a full range of individual business services can be mitigated by effective pooling of resources, such as post offices and/or shops hosted in local pubs. Rural post offices can also help reduce the impact of the loss of rural banks, providing some of the lost services.
Unfortunately business rates, which are so essential to Local Authorities as Government funding is reduced, are a further financial burden on rural businesses with a physical presence which is not placed on online businesses. This is a further example of how rural areas are facing a double whammy from digital disruption.

Grant support to kick start diversification and consolidation of service provision are often highly cost-effective, with multiple benefits for local service provision, as well as less tangible outcomes like a reduction in rural loneliness and better community connectivity.

The LEP has been working to support informal local business networks, which are common in towns and villages across our rural areas, and are another example of how the sense of community in rural areas enables rural businesses to be highly self-reliant and resilient. In the past this has seen the LEP partnering with local business networks to provide Popup Business Cafés, where local business professionals volunteer to provide free drop in advice sessions within their local community. Latterly the LEP have built on this model, and taken the great practice emerging from business networks themselves to establish the Business Connections project which helps businesses find ways to collaborate with each other, and provides an opportunity to jointly market themselves to their local customers.

Business, employment, skills and demography

8. How can rural businesses be helped to thrive, and how can new industries and investment be supported? How might labour and skills shortages be overcome?

As we have observed, rural businesses have some real opportunities for growth. However there are a number of market failures which are preventing this being realised. These include:

- Poor digital infrastructure impacting on productivity, access to markets, supply chains, adoption of new business models and practices
- Increased competition from businesses able to drive efficiencies using digital technologies
- The impact of Brexit on changing agricultural subsidies and reductions in seasonal migrant labour and highly specialist migrant knowledge
- Lack of available workforce
- Lack of a skilled workforce
- Geographic remoteness from sources of support and industry clusters

The most common reason businesses cite however for their lack of growth is the difficulty of recruiting the right numbers of staff, with the right skills. This stems from the social imbalance of rural communities, driven principally by the housing market, but also increasingly the lack of attractiveness for many families and young people because of the lack of modern digital living and local services. Once again, this highlights the point that better digital infrastructure would be an enabler of growth and vibrancy in rural areas, and demonstrates the connected nature between rural society and economy.

Work by NYCC to understand recruitment to social care positions, which provide a good proxy measure for other modest salary roles and key workers, paints a stark picture of the difficulty in recruiting staff. There are only small pockets
around market towns and urban fringes where it is considered ‘easy’ to hire care workers.

There are opportunities for innovation to resolve these issues, which hark back to times when farms would provide tied accommodation for their labourers. There is real potential for businesses and rural landowners to do more to address housing issues, by helping to provide a range of types and tenures of homes to attract and retain the workforce which meets their needs.

There are however ways of helping businesses, by taking a twin track approach of helping them understand that whilst they may not be able to recruit the staff they need from the market, they have real assets in their existing workforce which they can make more of through upskilling and concurrently providing the help that businesses and individuals need to allow recruitment from the ‘wider workforce’ of people who face some manner of impediment to accessing the working world, either due to health issues or caring responsibilities.

As we will highlight in the section on young people, we are starting to see real success with matching workforce skills to the needs of businesses, by placing entrepreneurs in schools as Enterprise Advisers and by working with colleges to ensure their curriculum is meeting the needs of local industry.

In terms of market and business opportunities, there is real potential for rural businesses to capitalise more on the need to replace fossil fuels with bio-based products, creating new markets to waste and by products as well as growing novel crops. Rural areas provide the space to innovate in the establishment of circular systems, which seek to prolong the life of resources beyond the current cycle of production and disposal. Through the Grow Yorkshire project we are also investigating better approaches to generating income (not subsidy) from the
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provision of public goods like high quality environments and higher levels of biodiversity, as well as generating income from conventional markets.

Productivity is a major issue in rural areas. Digital technology can help almost every business become more efficient and more productive, whether this is through automation or simply through building a better relationship with their customers.

Access to finance is generally no more of an issue for rural businesses than it is for urban businesses. Indeed, given their land holdings, farming businesses can find that finance is relatively accessible given the security they can provide. However, the provision of other forms of business support is more complicated in rural areas. As a result of their geographic isolation, rural businesses have been forced to become highly resilient and self-sufficient, because they are more remote from sources of help, typically based in urban settlements, and from industry clusters. Accordingly it is vital to provide support based around an understanding of their need, and the most appropriate way to access it. The large workshop or conference that may work in a city is less viable in an area when travel times can be several hours in each direction. This is why Service Design, the discipline which develops services based on the needs of the customer, has formed such a central part of our Growth Hub and the Grow Yorkshire project

9. How can deprivation and inequality in rural areas be tackled?
Increasingly the LEP are focussing on generating ‘Good Growth’, which shares the benefits of economic growth in a socially inclusive, and environmentally just, manner.

There is a strong connection in rural areas between deprivation and the issues businesses have with finding the right workforce: it is in both the economy and society’s interest to solve these issues and help people develop the right skills to enable them to take fulfilling and rewarding employment, and for businesses to recruit the staff they need.

We need to help business owners and managers reach a better understanding of the real benefits from more ethical and inclusive employment practises (e.g. the Real Living Wage, training and development of staff, more secure contracts/hours, staff wellbeing initiatives). We plan to do this through awareness-raising campaigns, however there are further opportunities to be explored by building it into procurement processes for public sector contacts. NYCC is currently piloting a Wellbeing Charter for Employers which could be integrated into the assessment of what a “good” employer looks like.

There needs to be a commitment to the tackling the root causes of deprivation, with long term solutions which accept some of these challenges are generational. Short term funding and a project approach doesn’t support this. It needs to be a holistic approach for the individual addressing health and barriers to work together with a long term plan. Novel long term funding mechanisms need further development, such as the use of assets, social insurance and income tax or potential hypothecated taxes.
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Rural deprivation is made more difficult to address by the problems of identifying, and remediing the dispersed deprivation found in rural areas, in comparison to the concentrated pockets of deprivation in urban areas. For example North Yorkshire missed out on Big Lottery Talent Match funding to support NEET young people, as numbers were not as concentrated as in more urban areas although deprivation may be more acutely felt.

The costs of owning, renting and running homes in rural areas relative to incomes are much higher than in more urban areas, leading to hidden inequality, homelessness and health issues. As well as a lack of affordable homes, there are large areas of fuel poverty and many ‘asset rich, cash poor’ households who cannot afford to heat and run their homes leading to health and income inequalities.

10. How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?
To a degree we need to accept that rural areas have always been characterised by an outflow of young people seeking experiences and lifestyles unavailable to them in rural areas. This is a natural pattern and in many cases rural areas benefit from returnee’s at a later life stage.

However some of this outflow is the result of a lack of information about the career opportunities afforded in rural areas. As noted previously, we have many businesses struggling to recruit, these opportunities need to be brought together to sell the opportunities in rural area. The LEP is working to re-shape careers advice to better articulate the local opportunities and Labour Market Information as to future skills needs (for example the pressing need for more skilled engineers), and to engage with key influencers of young people including parents and peers.

The public sector has an important role to play in leading the way in demonstrating the great careers available in rural areas. For example the North York Moors National Park Authority has pursued a policy of taking on apprentices - 15% of its employees are apprentices, and most apprentices go on to secure permanent jobs across the area.

Once again, we need to recognise that particularly for young people, access to digital infrastructure is an essential part of modern life, and the lack of such access makes rural areas increasingly unattractive.

Similarly, we need to highlight again how the housing market is a major determinant of young people remaining in, or returning to, rural communities where their housing options are few and what there is, is largely unaffordable. This relates back to the lack of availability generally, and the lack of diversity in the type and tenure of housing stock, which is not meeting the needs of this section of rural residents in particular.

Our area has seen innovation in this sphere, such as the team of six Rural Housing Enablers across the area, jointly funded by Local Authorities and Housing Associations, tasked with working with communities, landowners and housing providers to bring forward more affordable homes. We have also seen the locally based Housing Association Broadacres working with large local
11. What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

The ageing population in rural areas is a significant issue, which will exacerbate over time, reflecting the ageing trend in society, only at a greater extreme and with additional problems around the provision of health and social care.

Once again we see twin in challenges of the operation of the housing market, limiting the workforce in health and social care, local family support and the lack of digital infrastructure, as real inhibitors of innovation.

A related challenge lies in the economic viability of providing visiting carers and residential care, which face additional pressures in rural areas in securing a workforce, driving up wages and costs in order to provide competitive salaries, at a time when Local Authority funding is facing additional cost pressure.

However, the retired population are the well-spring from which much of the social capital which is powering community owned services is drawn. Their capacity for contributing to community benefits is significant, providing a real opportunity to continue with the shift to community ownership models, providing they are appropriately supported with training and a supportive regulatory environment by the public sector. Greater linking of blue-light and NHS with voluntary sector would ease pressure and lead to greater community strength. There is still great potential to be realised in health and social care from the resource provided by an empowered, trained voluntary sector.

Older people and retiree’s also possess other resources of real benefit to rural communities, such as spare housing capacity. There are local examples of older people offering spare rooms in their homes to young person as a lodger. In return for below-market rent, the young person would then provide a level of support to the landlord. These models are already operating in Leeds and York, there is possibly greater potential for community benefit of rolling them out to neighbouring rural areas.

As well as the need for more suitable accommodation for older people in rural areas, which would free up family sized homes, existing housing stock in rural areas could also be better suited to enable older people to live independently for longer such as investment in private housing to ensure that it is affordable to heat and helps prevent trips, falls and illness associated with cold, damp, homes.

The ‘Grey Pound’ is a significant economic income stream which many rural businesses are increasingly tapping into, recognising both the spending potential alone of retiree’s who benefit from significant capital assets. Related to this, there has been a major uplift in the visitor economy from visiting friends and family as a rationale for visits, with commensurable opportunities for businesses to adapt their offering to benefit from serving larger family groups en mass. There is more to be done to encourage market towns to become the destination
of choice for the older/disabled community with simple initiatives such as a chair in a shop reserved for OAPs to take a rest, shop/café toilets open to older/disabled shoppers, dementia friendly or disabled friendly town centres.

Rural housing and planning

**12. How can the affordability of rural housing be improved? What are the other challenges associated with rural housing and how can these be addressed?**

Our LEP started out with targets to double house building in York, North Yorkshire and the East Riding and to treble affordable home building. Whilst the house building target has been comfortably reached, rates of affordable housing have unfortunately continued to languish behind. The inevitable conclusion is that the current model for delivering affordable housing, primarily by piggybacking on market developments, has failed. As we have articulated repeatedly in this response, the lack of affordable housing is having profound detrimental effects on our rural communities, services and businesses. To deliver the thriving communities and economies we aspire to, we need radical innovation in delivering affordable housing, freeing up land and supporting communities in recognising this.

This may involve some or all of the following proposals:
- Supporting, enabling and encouraging businesses, either individually or collectively, to provide land and affordable housing for key workers, such as care workers
- Practical support through the planning system for the development of smaller sites and community led housing and self-build models
- Penalties for developers who fail to start house-building based on agreed timescales
- Enhancements to the current Rural Housing Enabler programme already working North Yorkshire and East Riding to make the funding for this more secure and sustainable
- Dedicated/ring fenced Homes England funding for rural affordable housing and higher grant rates in rural areas and the continuation of the Community Housing Fund and the ability to use this flexibly
- Allowing land to be built out whilst retaining a long term and ongoing financial benefit for the land owner, for example by returning a proportion of value uplift on each sale to the original landowner.
- Provision of a Revolving Rural Land Bank (N&E Yorks have bid for pilot status) and the ability to package sites to provide the necessary economies of scale required to manage and deliver new homes.

**13. How have recent planning policy reforms affected rural housing and the wider rural economy? What changes, if any, are needed to planning rules?**

Proposals for ‘entry-level exception sites’ in the new NPPF threaten established rural exception site policy, which is well used in this area. Entry-level exception site values are likely to be higher than rural exception sites, making the chances of securing rural exception to meet local needs sites even harder.
Also in the new NPFF, the Government maintained the exemption on affordable housing contributions from small sites (i.e. fewer than 10 homes). This makes the challenge of providing affordable even greater in rural areas where market developments tend to be smaller and so fewer affordable homes are delivered as a result.

The higher land price of small sites without an affordable housing contribution, coupled with the rolling need for a 5 year land supply and the likely possibility of Local Authority failing the NPPF’s new ‘housing delivery test’ will result in landowners holding on to potential Rural Exception Sites (RES) in the hope they will be allocated or built out following the winning of an appeal against grant of permission. The consequence will be a reliance on rural exception sites but the supply of these will be reduced by the above and the introduction of Entry Level Exception sites because landowners will choose in preference to RES because of their higher land value.

Given our comments about the need for radical innovation in the provision of affordable housing, the limitations on exception sites and the failure of the current market led model, changing the thresholds or allowing local discretion would be a step in the right direction.

Amending NPPF footnote 7 to add the line ‘this does not include applications for permission for affordable housing on rural exceptions sites’ would be a similarly welcome step.

**Government policy, devolution and local government**

**14. Do the Government and other public bodies pay sufficient attention to the rural economy and if not, why not? What might be done to ensure that Government and other public bodies hear and act on rural voices?**

We don't feel that government pays sufficient attention to rural, which is why we have led locally in the creation of approaches such as Grow Yorkshire, which use our intimate understanding of rural issues to provide solutions for them.

When we began discussions about the impact of withdrawal from the Common Agricultural Policy that led to Grow Yorkshire it was incredible that there were no data available from Defra or it's agencies on the CAP subsidies being paid. Given the significant impact on rural businesses and communities, this was a startling strategic oversight which we were able to remedy locally by calculating for ourselves the amount of subsidy we benefit from. The final total was in the region of £230m per annum, a hugely significant figure, particularly when the circularity of rural incomes are taken into account, which could easily see this recirculated up to five times (some reports suggest circulation of up to 12 times of incomes in rural areas). This would amount to a billion pound impact on our local economy, worth £25bn in total. We make this point to highlight our shared local understanding and concern about the tremendous impact that leaving the CAP may have, and the apparent lack of understanding of this within Government, or at least an unwillingness to include local actors in creating solutions.

Turning to wider economic policy, it is telling that first round of Local Industrial Strategies were all urban based. Clearly we understand that city regions are the
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drivers of growth. However, we cannot divorce the essential functions and services of rural areas from our city regions. The risk is fundamentally unbalanced approaches to growth and development, which ultimately prove unsustainable, and the lack of a diversified approach to economic growth which encompasses the unique growth, particularly in circular and bio-based business models, which our rural areas can provide.

On housing policy, this has tended to focus on increasing supply and on urban markets, ignoring the various challenges, costs and specific needs in rural/high value areas in northern England, such as in National Parks.

National priorities and allocations for funding are often based on population size or deprivation levels, which are more concentrated in urban areas. They do not factor in the fact that deprivation in rural areas is more dispersed, hidden or in much smaller “pockets”, or that it often more expensive to deliver services in rural areas due to things like travel time/costs and housing affordability.

For example, a recent audit by North Yorkshire County Council (NYCC) found that Adult Social Care workers in the county spend 45 minutes on average as “downtime” – for each visit in rural areas. This compares with 20 minutes in urban areas. This “rural premium” costs the council over £2.5m per annum for domiciliary costs and a similar amount for residential services. Our conclusion is that the solution is a better funding formula to reflect additional costs of rural delivery, and more devolution to local decision makers rooted in local community and economy who are best placed to understand and act on rural issues.

15. What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

We understand that LEP’s have been variable in their embrace of rural issues, as particularly in city regions there are other pressing concerns. Whilst other LEPs such as York, North Yorkshire and the East Riding have matured to the point of having an excellent understanding and connection to rural institutions and issues. Accordingly, we feel it would make sense to recognise the specialisms of LEPs and enabling more cross border sharing. We don’t need LEP’s to become jacks of every trade. We need to allow them to make the most of their distinct specialisms in supporting surrounding areas.

In relation to this, particularly at the current time as the LEP Review is driving changes to LEP geography, it needs to be recognised that changes to LEP boundaries may result in rural areas being absorbed into larger more urban-dominated LEPs. Protection needs to be built in to ensure that rural issues are not side-lined in any urban-rural mergers.

10 September 2018