

Environment, Food & Rural Affairs, Commons Select Committee, inquiry into Rural Communities

Submission of evidence from the Rural Services Network

Introduction

1. The Rural Services Network is pleased to have this opportunity to submit evidence to the EFRA Committee for its inquiry into rural communities.
2. The Rural Services Network is a membership organisation devoted to safeguarding and improving services in rural communities across England. That membership includes over 100 principal local authorities from predominantly rural areas. It also includes around 120 other service providers – police authorities, fire and rescue authorities, housing associations, health trusts, bus operators, etc. Our community group then consists of some 6,000 local (parish and town) councils and other community-based organisations. We therefore represent a wide spectrum of those who speak for rural communities and deliver services to them.
3. Our inquiry response focuses on those issues which we feel are of greatest importance for rural communities going forward, given that a Rural Statement is due from Government this autumn and rural proofing is to be re-launched.

Rural proofing and the RCPU

4. A commitment to rural proof policies across Whitehall has existed since 2000. However, it is widely acknowledged that its application has been patchy and its impacts often hard to measure. That in no way invalidates rural proofing, especially to meet the needs of the most sparsely populated areas. Most national policy decisions which impact on the quality of life for rural communities happen outside of Defra in other Whitehall departments with responsibility for housing, transport, healthcare, policing and so on. Rather, the way rural proofing operates needs improving and (although we haven't yet seen details) Defra's intention to 'refresh' its approach is to be welcomed.
5. Having observed rural proofing over many years, we consider there are various features which, rigorously employed, can make it more successful. They include:

Cross-Government commitment: Defra and its Rural Communities Policy Unit (RCPU) clearly have a lead role, but all Whitehall departments should state their commitment, including those which themselves have a cross-cutting role like Treasury and Cabinet Office;

Ministerial and senior buy-in: rural proofing is more likely to be taken seriously if it is driven from the top. Visible buy-in from Departmental Ministers and senior civil servants will make a real difference;

Understanding of rural circumstances: weak rural proofing is often due to insufficient knowledge of rural circumstances and policy considerations within policy-making teams. Training and resources tailored to departmental areas of responsibility could certainly help. Good practice might also clarify what rural proofing looks like;

RCPU support for other departments: strong links will need to be developed between RCPU and other Whitehall departments to support rural proofing. The RCPU might – for example – raise awareness, improve understanding, help supply rural evidence and offer a within-Whitehall rural view on policy options or proposals;

Sound use of the evidence base: rural proofing should make full use of the rural evidence base which has been developed, including Defra's Rural Digest and databases. Other organisations (like the Rural Services Network) produce survey data, statistical analysis, good practice material and the like. Departments should analyse their own datasets according to the rural-urban definition or classification;

Consultation with rural communities and interests: when policy proposals are consulted upon departments should ensure that relevant rural stakeholders and interest groups are included. When analysing responses to public consultations they should consider identifying those received from rural areas;

Transparency about rural proofing decisions: rural proofing deliberations which feed into policy appraisals should be in the public domain. Including rural proofing within the Equalities Impact Assessment process remains a potentially useful way to achieve this;

Monitoring of rural outputs and outcomes: when departments monitor the success of policy measures they should include spatial analysis which identifies their (relative) success in rural areas. They should ensure rural lessons are learnt, with policies and regulations being adjusted where necessary.

6. We wonder if the EFRA Committee itself has a key role to play in scrutinising the success of rural proofing. It obviously has limited resources, but might be able to consider a few policy developments each year. Organisations such as the Rural Services Network should be able to input evidence, where this was helpful.
7. In general, the more flexibly policies are designed at the national level, the easier it will be for local policy makers and delivery organisations to tailor what they do to suit local rural circumstances. Those circumstances vary from one rural area to another and it should be for local authorities or delivery bodies to determine the best solutions for their territory.
8. To this end, the Rural Services Network recognises that rural proofing undertaken at the local level also has an important function. Most local administrative areas contain a mix of place types (often both rural and urban). We were pleased to help promote the local rural proofing resources which Defra published in July 2012. Hopefully they

will be widely used: we look forward to hearing from those testing them (including one or two of our members).

Government policy and priority issues

9. The Rural Services Network wishes to see the Rural Statement published as soon as possible and was disappointed by its delay into autumn 2012. We hope Government uses it as an opportunity to set out its rural priorities, along with the actions it intends to pursue to help deliver on them. It needs to be a cross-Government document with buy-in from all relevant domestic departments. We do not mind if it re-iterates some existing Government policies and actions (including those from the Rural Economic Growth Review), but we hope it also announces new actions.
10. Below are ten policy issues we view as priorities, where we would like to see Government focussing its Rural Statement and rural proofing effort. These include Government Ministers' five currently stated rural priorities. Publication of the Rural Statement is an opportunity for Government to raise the profile of rural community considerations overall and to build the profile of Defra's RCPU across Whitehall.
11. *Local government funding*: a satisfactory conclusion to DCLG's review of the local government funding formula would (at least) reduce the current unfairness, whereby rural communities pay higher Council Tax bills, receive lower levels of Government grant and so have access to fewer public services than their urban counterparts. In 2012/13 predominantly rural local authorities receive £147.81 in Government formula grant per head or 52% less than their urban counterparts. The extra cost of delivering services in sparsely populated areas (due to greater distance and lost economies of scale) is massively under-accounted for in the formula. We welcome current DCLG consultation proposals to adjust the sparsity weighting, but because DCLG propose to 'damp' these changes about 75% of the theoretical gain will be lost. The 'damping' proposal needs reconsidering: if, as Ministers clearly accept, there is a case for changing the formula, then it should be implemented in full.
12. In general, rural areas will not benefit from either the retention of (some) business rates growth or the New Homes Bonus to anything like the same extent as is possible in urban areas. The development constraints of National Parks and AONBs, plus infrastructure limitations, impact on economic and residential development opportunities in many rural areas (particularly in more remote areas). The gap in spending power between rural and urban areas can again be expected to widen.
13. *Health and social care reforms*: the Public Health duties transferring from the NHS to local government next year will, based on the latest figures, see some 25% less funding per head in rural areas than in urban areas. At the very least, there should be a sparsity weighting applied to that formula, based on the sparsity weightings being proposed for other local government services. We would also argue for greater recognition of rural deprivation within funding formulae and health care regimes; dispersed rural patterns of deprivation are often overlooked, because they are not as obvious as area concentrations of deprivation.

14. *Affordable housing*: there is an urgent need to increase the supply of affordable housing for local people in rural communities. Average rural house prices on the open market are well above the national norm and affordability ratios (local people's earnings in relation to house prices) are far worse in rural than in urban areas. There is a very limited supply of social housing available in rural areas. This situation undermines the future sustainability of many rural communities with young people, in particular, often finding it hard to remain in their local area. Solutions should include the provision of mixed tenure homes, as an entry level option to the housing market.
15. There is concern about one potential impact of the Welfare Reform Act 2012. Housing benefit will be reduced for social housing tenants deemed to be under-occupying i.e. with spare bedrooms. The social housing stock in rural areas comprises more large homes, so proportionately more will be affected. Moreover, as rural areas typically have few available social homes nearby, tenants could be asked to move greater distances away from friends and family. The legislation needs careful rural monitoring.
16. *Planning and neighbourhood plans*: the recently introduced National Planning Policy Framework contains potentially useful wording, aiming to help rural communities grow in sustainable ways. We support its emphasis upon sustainable development. How it plays out in practice, through Local Plans, applications and appeals, requires careful monitoring to ensure rural needs are being met. Equally, we recognise that neighbourhood planning could play to some rural communities' strengths, given the presence of local (parish and town) councils and widespread experience of parish and town planning. Ongoing support to advise communities involved will be crucial. Neighbourhood planning again needs careful monitoring to ensure the process (which is quite complex for local communities) actually delivers.
17. *Localism Act measures*: other measures introduced by this Act, such as the community rights to bid and to challenge may prove useful means by which to sustain more services and facilities in rural areas. There has been a growth in community-owned or managed services. Support for communities engaging and careful monitoring of their implementation will be needed.
18. *Public transport*: rural bus services are under severe financial pressure from the combined effect of rising fuel prices, reducing local authority revenue budgets, less reimbursement for concessionary fares and a 20% cut to Bus Service Operator Grant. Rural operators also say that 'red tape' is still increasing e.g. Passenger Rights, DDA deadlines, Bus Stations Order. Action to try and sustain rural transport networks – especially for those without a car or unable to drive – is vital to the social and economic fabric of rural communities. Local authorities and bus operators are managing as best they can (e.g. seeking lower cost transport solutions), but there is a limit to their room for manoeuvre given such financial and regulatory pressures. The Government should examine sustainable alternatives to the current mandatory free national concessionary travel scheme, and support innovative proposals put forward by local partnerships of operators and authorities where they have the clear potential to generate patronage growth, by means of suspension or modification of individual regulations on a local basis, within the existing de-regulated framework

19. *Fuel poverty*: rural areas have a high proportion of hard-to-heat homes and many are off the mains gas grid. Fuel poverty is therefore particularly prevalent in rural areas. The link between fuel poverty and poor health is well documented, so reducing it should result in savings to health care budgets. We welcome the focus of the Energy Company Obligation (ECO) on helping the most vulnerable and those in hard-to-heat housing. The Green Deal is intended to create a market in accredited suppliers who can assess energy efficiency and install energy saving measures. Government should monitor how well the market develops in rural areas, where customers are more scattered. It is worth noting that many RSN members have direct experience of local schemes to address fuel poverty. A linked issue is the impact of fast rising fuel prices, which has implications for rural people's access to jobs and services.
20. *Broadband*: rural areas continue to fall behind with access to fast broadband, with implications for businesses, service providers and households alike. The Government target, that 90% of the population has a fast connection by 2015, means many rural areas (in the remaining 10%) will miss out. BDUK plans to meet this target also seem likely to start in near-commercial areas, leaving more rural areas until last. We concur with the House of Lords Communications Committee assessment, that Government strategy and funding places too much emphasis on providing even faster connections in places which already have a fast connection and too little on achieving geographic coverage i.e. assisting where there is clear market failure. The Rural Communities Broadband Fund is in principle useful, though some of our members report it being hard to access and with State Aids issues as yet unresolved.
21. *Growth Review*: measures in the rural strand to this review are broadly welcomed, though inevitably it is hard to assess their effectiveness at this early stage. We will be particularly interested to see how the Rural Growth Networks perform as a sort of rural equivalent to urban Enterprise Zones. However, arguably more important is the effective rural proofing of the rest of the Government's Growth Review, since this operates across a wider policy front and with more resources. One specific issue is the extent to which smaller rural projects are able to access the Regional Growth Fund, which appears to favour larger (and so usually urban) projects. Various measures and funding streams to support young people into employment or training also require further rural proofing.
22. *Local Enterprise Partnerships*: we acknowledge that the RCPU has facilitated a rural LEPs group. However, rural issues do not, in general, seem to be reflected well in LEP's strategies and priorities. If rural areas are to benefit to any extent, rural groups need to be more than simply LEP consultees (as they are in some areas). Rural business groups and rural local authorities need to be fully engaged and represented on LEP boards.
23. We consider these to be the policy priorities. They should not be understood (or in many cases taken forward) in policy silos. The over-arching policy aim should be to retain and create sustainable rural communities through joined-up policy thinking.

Joint delivery arrangements between services, organisations and sectors are often highly beneficial.

Rural Services Network
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