Fair funding for rural areas

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The City of London and the Northern Powerhouse are obviously major contributors to the engine room of the country's economy, but so too are rural areas.

Greater digital adoption in rural areas could add between £12 billion and £26 billion to the UK economy annually, according to recent research by the Rural England Community Interest Company (CIC). Studies for the County Councils Network have demonstrated the huge value of investing in shire areas.

Almost a quarter (24 per cent) of all registered businesses in England are based in rural areas, with an annual turnover of £434 billion. But a consistent flow of investment and fair funding deals are needed in our rural areas to strengthen resilience and enable the rural contribution to our national economy to grow.

Average earnings in rural areas are around 10 per cent lower than in urban areas. Rural residents suffer higher costs of living and pay, on average, £91 per head more council tax.

Property prices in rural areas are typically 7.6 times average annual earnings, compared with 6.5 in urban areas. 'Affordable rents' are not affordable. Rural families struggle to find affordable housing to remain in their local communities.

If they find housing, families can still face a 'rural penalty' in simply sending their children to school. School transport costs are almost 10 times higher than in cities.

Meanwhile, access to health services is becoming increasingly challenging for rural residents. GP practices are often merging to become more sustainable, which can put them at greater distance from vulnerable rural residents without access to cars or public transport.

Older people make up a significantly higher percentage of the total population in rural areas (29 per cent) than in urban areas (21 per cent). Projections indicate a doubling of the rural population aged 85-plus over the next 20 years.

Research by Rural England CIC into issues facing providers of social care at home has highlighted several worrying factors. Lower population density in rural areas prevents economies of scale, resulting in higher per unit costs. Distance from providers to users involves higher travel costs, lost opportunity costs and unproductive time for staff.

Nevertheless, all is not gloom and doom. An ageing society is one of the four great challenges in the UK Industrial Strategy and rural areas are finding innovative ways to improve care in the community through working with digital technology and health and social care providers.

There is huge potential for sustainable growth within rural areas. Tech start-ups present an important opportunity to bring new vitality and dynamism to complement existing rural sectors, particularly food and drink production.

In addition to digital adoption, government needs to think about how bespoke funding packages can support innovative business solutions in rural areas. A comprehensive approach is needed – energising the rural economy will not succeed without adequate services, housing, transport, connectivity, access to education, healthcare and support services.

A new ad hoc House of Lords Select Committee has called for written evidence on the rural economy by 10 September (see **www.parliament.uk**). It understands that a thriving rural economy relies on a successful interdependence of the multiple factors mentioned above, to avert deprivation, inequality and rural isolation.

The Rural Services Network understands that the government piggy bank is shrinking every year. But to enable the rural economy to achieve its potential and contribute alongside the Northern Powerhouse and the City of London, the 2019 Spending Review must ensure we get fair treatment.

i **'Delivering services differently in rural areas',** the Rural Services Network's national conference in Cheltenham on 4-5 September, will be discussing the above challenges and more, see **www.rsnonline.org.uk/rsn-rural-conference-2018**