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## RSN DRAFT

### Section 1 Digital Connectivity

#### Why it matters

Digital connectivity is a key enabler of business innovation and an important driver of productivity growth. Rural based businesses in all economic sectors and of all sizes (including the self-employed) need access to fast and reliable broadband and mobile networks if they are to thrive, compete and reach new markets.

Digital connectivity creates new opportunities for businesses to set up in or locate to rural places, bringing jobs and wealth to those areas. It also provides opportunities for homeworkers to operate virtually, yet efficiently, from rural settings.

Digital connectivity allows those who are on the move to stay in contact, download information and work remotely, in keeping with modern day expectations of business people, residents of all ages and (crucially, from a rural perspective) those visiting or holidaying in an area.

Digital connectivity offers rural residents the option to access many services without having to make long or complex journeys. It has rapidly become a key means for accessing banking, education and even healthcare, to name just three examples. It can also help address rural loneliness and isolation.

Digital connectivity will allow the aspirations of and benefits from the Industrial Strategy's Grand Challenges to be realised in rural areas. This will include developments such as agri-tech for crop or livestock management, virtual health consultations and augmented reality at visitor attractions.

In short, if rural communities are poorly connected, digitally, their ability for productivity growth will be constrained, causing them to fall further behind economically and to face disadvantages.

#### The national policy context

Key elements of national policy include:

- Broadband USO – a right giving households or businesses with a slow internet connection (i.e. a download speed below 10 Mbps) the ability to request a free upgrade, if the cost for BT Openreach does not exceed £3,400. They may have to pay costs above this threshold.
- Future Telecoms Infrastructure Review – a Government strategy from 2018, which set a timeframe and approach to roll out full fibre networks delivering

ultrafast connectivity. It aims to cover all areas of the UK by 2033, with public funds allocated for an ‘outside in’ policy, so rural areas start to benefit in parallel with commercially viable urban areas. This will be commenced by the £200 million Rural Gigabit Connectivity programme, which will test a deployment approach based around public sector hubs, such as schools.

- Shared Rural Network – an agreement signed by the UK’s four mobile network operators, to share masts or permit roaming (between their networks) at locations where this can plug gaps in 4G coverage. This will occur mainly in remoter rural areas and, using public funds, will build new infrastructure at some ‘not spots’ currently unserved by any network.
- 5G test beds and trials programme – a series of pilot projects using emerging 5G mobile technology, to test its application at differing locations and in various economic sectors. It includes 5G Rural First projects trialled in Shropshire and Somerset, and a 5G Rural Integrated Testbed project trialling tourism and agriculture applications.
- Legislation – further upcoming legislation was announced in the December 2019 Queen’s Speech. Amongst other things, this is expected to require that all new homes are built with gigabit capable connections.

### **The rural dimension**

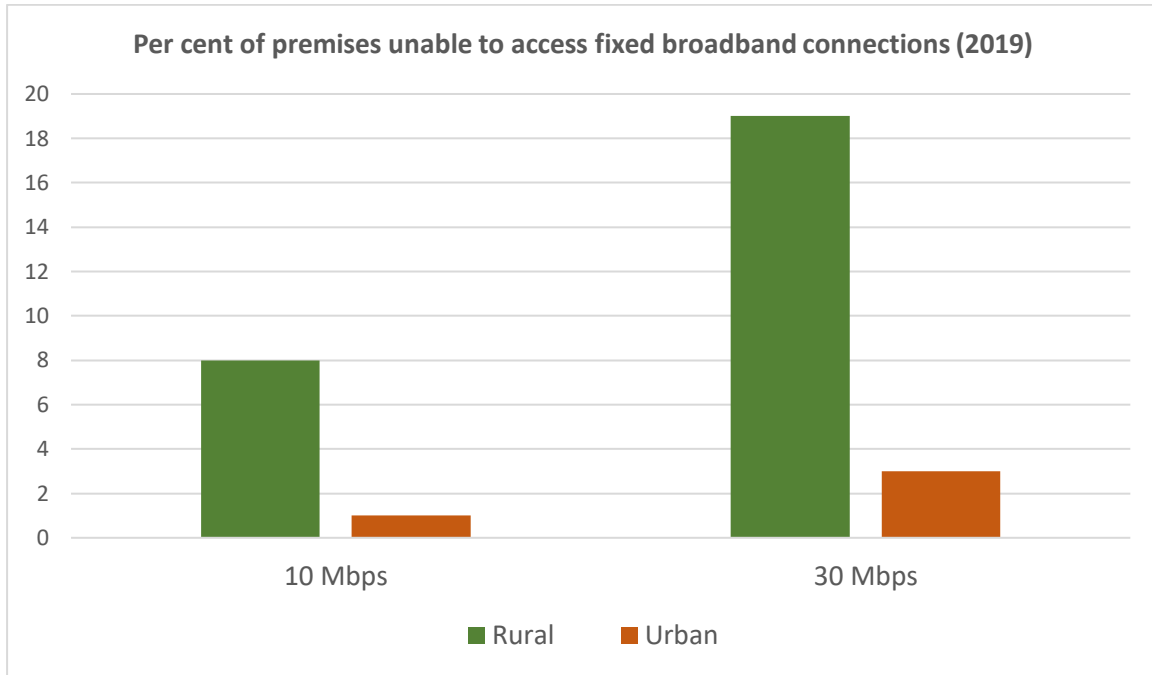
Broadband and mobile networks are clearly more widely available in rural areas than they were a few years ago. However, there remains some notable connectivity challenges to resolve.

Some 8% of rural premises (or 274,000 households and businesses) in England cannot access a decent fixed broadband connection of 10 Mbps<sup>1</sup>. This is the threshold set for the broadband USO, which the regulator (Ofcom) considers necessary for everyday use, though it is likely to prove inadequate for many business’ users.

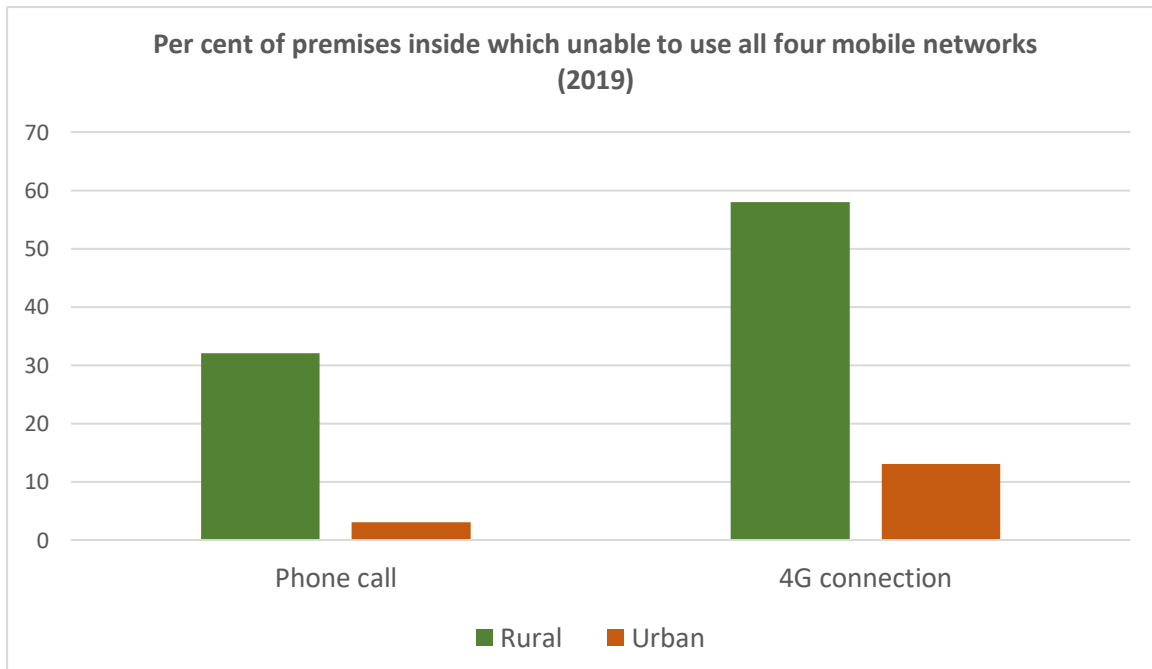
Some 19% of rural premises in England cannot access a superfast broadband connection of 30 Mbps. A fifth of rural premises cannot yet benefit from superfast speeds.

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<sup>1</sup> *Connected Nations – England report*, Ofcom (2019) for all broadband and mobile connectivity statistics



There remain significant issues with mobile connectivity in rural premises. Some 32% of those in England are premises where it is not possible to make an indoor phone call on all four of the mobile networks (EE, O2, Three and Vodafone). Similarly, it is not possible to get an indoor 4G connection on all four networks at a majority (58%) of rural premises.



The outdoor signal is notably better. However, complete ‘not spots’, where no 4G signal is available from any operator, make up 3% of England’s rural landmass. Across 22% of that rural landmass it is not possible to access a 4G signal from all four networks.

During 2019 mobile network operators launched 5G at 40 UK locations on a commercially funded basis. All 40 of these locations were in large cities or towns. Unless public sector funding starts to flow soon, rural areas will fall behind in the 5G roll out.

Research from 2018 estimated that if rural based businesses could resolve their connectivity and other digital constraints, that would add a minimum of £12 billion annually in Gross Value Added to the UK economy<sup>2</sup>.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

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<sup>2</sup> *Unlocking the digital potential of rural areas across the UK*, Rural England and SRUC (2018)

## Section 2: Energy Infrastructure and Renewables

### Why it matters

Rural communities and businesses depend day-in, day-out on having reliable and affordable energy supplies, whether that is for lighting, for heating or to power home appliances, office equipment and workshop machinery. This matters more than ever, at a time when the approach to generating, distributing and using energy has, perhaps, never been higher up the policy agenda.

Net zero policies to decarbonise the economy imply both challenges and opportunities for rural areas. Despite the drive for energy efficiency, demand for electricity is expected to grow, not least as consumers switch to driving (chargeable) electric vehicles. One question which arises is the capacity and robustness of local infrastructure in electricity distribution networks in rural areas.

Inevitably, onshore wind farms and solar farms are now and will be predominantly sited in rural locations. They are expected to expand in scale, as the nation continues seeking to derive more of its energy from renewable sources.

At the same time, there are long standing issues for properties (mostly found in rural settlements) which are off the mains gas grid and which rely on heating sources such as LPG, electricity, oil and solid fuels. These will need to be addressed appropriately in a low carbon future.

Public charging points for electric vehicle must become far more widely available in rural locations. Unless they are, rural drivers will be discouraged from going electric and any driver of an electric vehicle will find it hard to use away from larger population centres or main transport corridors.

### The national policy context

Key elements of national policy include:

- CO2 emissions reduction targets – the Climate Change Act 2008 set an initial target for the UK to reduce its greenhouse gas emissions by 80%<sup>3</sup>. In 2019 that ambition was raised, when Government set a statutory target for the UK to become net zero by 2050. The Committee on Climate Change monitors progress and advises Government about actions needed to achieve this target, not least in the power generation sector.
- Energy Company Obligation – under the 2018-22 version of this policy, known as ECO3, more vulnerable households are eligible to apply to have installed

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<sup>3</sup> Carbon dioxide (CO2) is the most common greenhouse gas emission, but there are others such as methane.

energy efficiency measures which cut carbon emissions and tackle fuel poverty. 15% of these measures are expected to be delivered in rural areas. ECO3 is funded through a charge on the energy supply industry, so will ultimately be reflected in consumers' bills.

- The Green Deal – is an official advice service, providing information to homeowners about energy saving measures, approved suppliers and available grant funds. These include the Renewable Heat Incentive, which offers grants to encourage the take-up of certain renewable home heating technologies.
- Electric vehicle charge points – the Electric Vehicle Homecharge Scheme offers grants up to 75% of the installation cost for a charge point at a residential address. Businesses and other employers can apply for vouchers towards installing charge points at their premises under the Workplace Charging Scheme. Highways England is investing so that motorways and trunk roads will have a public charge point at 20 mile intervals (or less).
- The Road to Zero strategy – underlying this are Government aims to bring about cleaner road transport, by incentivising the production and take-up (by consumers) of low or no emissions vehicles. All new cars and vans are expected to be zero emission by 2040 (and half of them so by 2030).

### **The rural dimension**

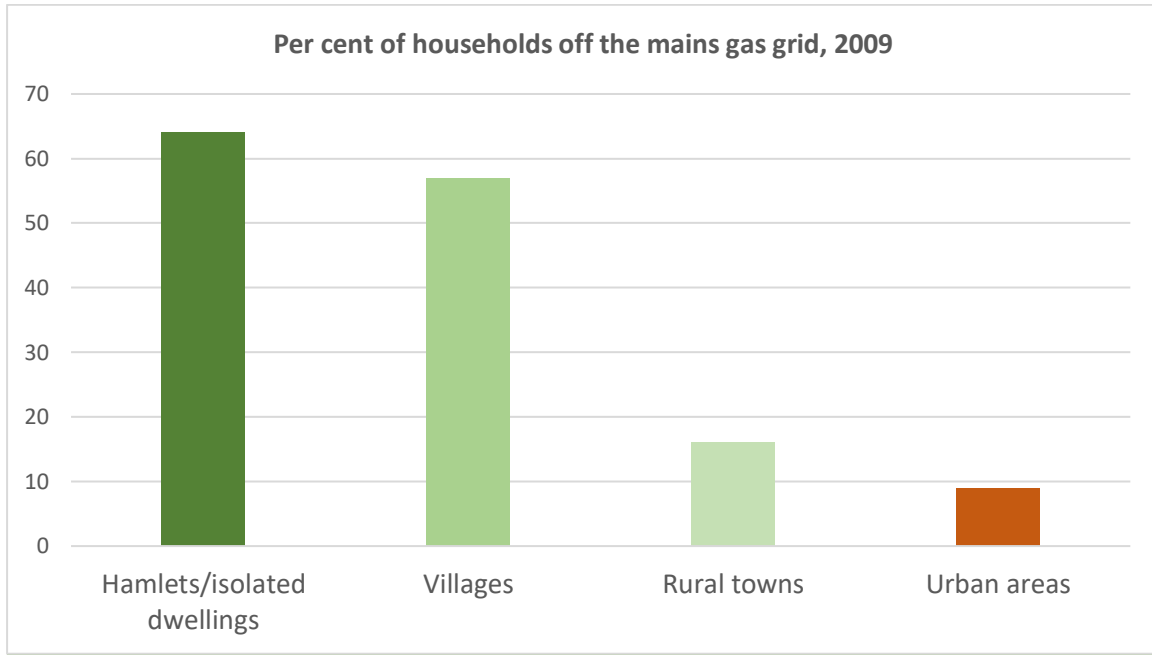
The power generation sector has been by far the main contributor to recent reductions in the UK's emission of greenhouse gases<sup>4</sup>. Over the five year period from 2013 to 2018 emissions from the power generation sector have decreased by 56%. By comparison emissions from buildings remained virtually unchanged and emissions from transport (excluding aviation) increased by 4%.

In 2010 some 36% of all households in rural areas were located off the mains gas grid<sup>5</sup>. The comparable figure for urban areas was 8%. The chart below shows that this issue is one that is especially relevant for the smaller rural settlements.

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<sup>4</sup> From *2019 Progress Report to Parliament*, Committee on Climate Change (2019)

<sup>5</sup> From *Statistical Digest of Rural England 2013*, Defra and Government Statistical Service (2013)



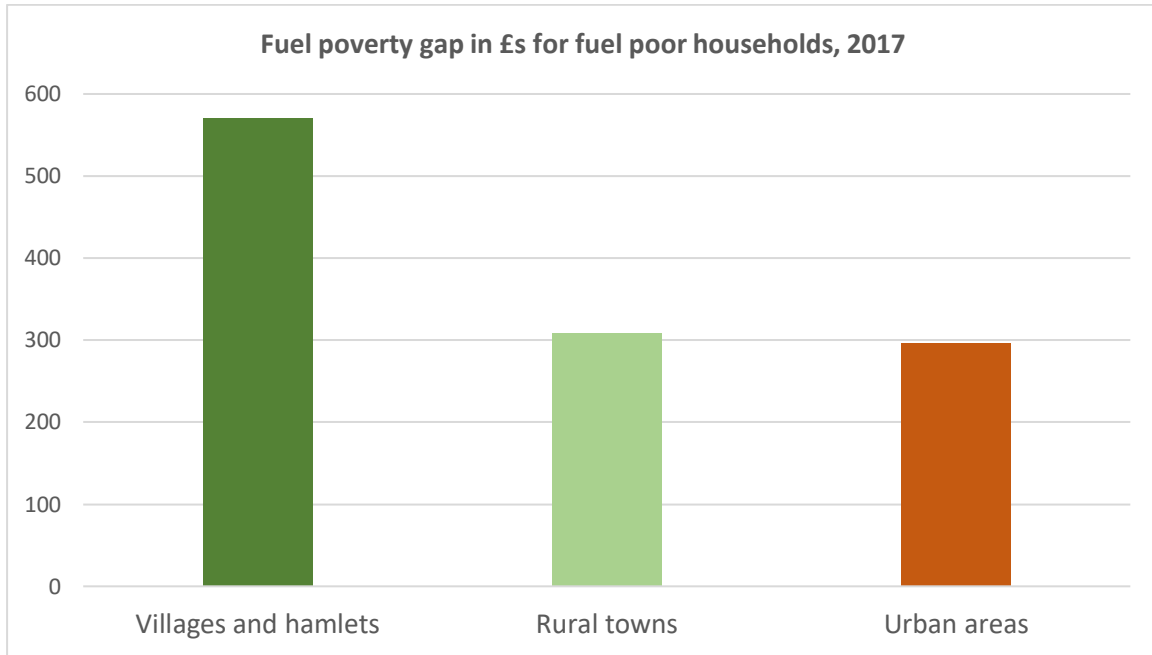
Although these rural figures are somewhat dated, figures up to 2018 for England as a whole show that there has been little change. Similarly, mapped data for 2018 shows that areas with more than 25% of properties off the gas grid are most notable across the South West, East Anglia, The Marches and the northern uplands<sup>6</sup>.

In 2017 some 434,000 or 10% of households in rural areas were classified as being fuel poor<sup>7</sup> (that is, they faced high fuel costs which could leave them below the official poverty line). This is a reduction from the 12% of fuel poor rural households five years earlier (in 2012). However, the ‘fuel poverty gap’ is especially large for those households in smaller rural settlements i.e. the extra income they would need annually to move them out of fuel poverty.

<sup>6</sup> From *Sub-National Electricity and Gas Consumption*, BEIS (2019)

<sup>7</sup> From *Statistical Digest of Rural England 2020*, Defra and Government Statistical Service (2020)





Local authority areas classified as Predominantly Rural are the location for 60% of England’s renewable energy capacity<sup>8</sup> (almost three times their share of England’s households). This equates to 16,555 Megawatts or MW of generating capacity. The table below also gives figures for the three main onshore renewable energy sources – photovoltaics, onshore wind and plant biomass.

**Installed energy capacity, in MW, from renewable sources in 2018 (per cent of England total)**

Type of local authority area	Households	Photovoltaics	Onshore wind	Plant biomass	All renewable sources
Predominantly Rural	22%	60%	64%	87%	60%
Urban with Significant Rural	13%	16%	14%	3%	17%
Predominantly Urban	65%	24%	22%	10%	23%
England totals	100%	100%	100%	100%	100%

There were just over 11,000 locations in the UK which had public charging points for electric vehicles by February 2020<sup>9</sup>. These charging points had almost 31,000 charging connectors (a figure which had increased by 843 in the previous month). No rural analysis has been found, though of interest is that more than a quarter are in the Greater London area. Taking the two most rural of English regions, 8%

<sup>8</sup> Secondary analysis of data from *Renewable electricity by local authority*, BEIS (2019)

<sup>9</sup> From *Zap-Map*, website accessed February 2020 ([www.zap-map.com](http://www.zap-map.com))



## REVITALISING RURAL – REALISING THE VISION

(2,469) of connectors are in the South West and 6% (1,937) are in the Eastern region.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

### **Section 3: Transport and access to jobs and opportunities**

#### **Why it matters**

Transport options provide communities with better access to employment opportunities and vital services, as well as to leisure or social opportunities. This matters most of all to those individuals without ready access to their own means of transport, whether because of their age, health or income.

The inverse is equally true. Transport options provide employers with access to a workforce and make retail outlets, service providers and others accessible to all their customers or clients. They are important for local economies and improved transport networks can help rural areas to level up.

One group for whom transport matters a great deal is young people who, from age 16 to 18, must attend further education, an apprenticeship or work based learning. Rural young people (who are unlikely to own their own transport) require realistic options to give them a chance to follow their career or education ambitions.

A lack of transport options can also contribute towards loneliness, not least among older people, where it leaves them physically isolated in smaller rural communities. This can lead to or exacerbate health problems. Transport options often assist wellbeing and social inclusion.

A lack of transport options encourages car dependency (and for some makes it all but essential). This is detrimental to the environment, adding to air pollution and contributing to greenhouse gas emissions, contrary to the Government's net zero objective.

Transport is likely to undergo massive change over the next decade or two, as explored by the Government's Future of Mobility grand challenge. This may embrace a rapid shift to electric and ultra-low emission vehicles, self-driving vehicles and micro vehicles. However, to avoid replacing one congestion problem with another, policies will also need to encourage a move away from individual vehicle use. Enabling innovation to happen outside large urban centres may be key to its nationwide success.

#### **The national policy context**

Key elements of national policy include:

- Bus services – since deregulation in 1986 bus routes and timetables have largely been set by bus operators. The majority of routes are run on a commercial basis by those operators. However, local authorities (county or

unitary councils) can subsidise loss making routes or services that run at loss making times of the day. Subsidised services have been an important feature of rural provision, where passenger numbers are lower. The 1985 Transport Act puts an obligation on local authorities to identify and provide services they deem to be socially necessary. They may, however, conclude that none meet that criteria, not least when under severe budgetary constraint.

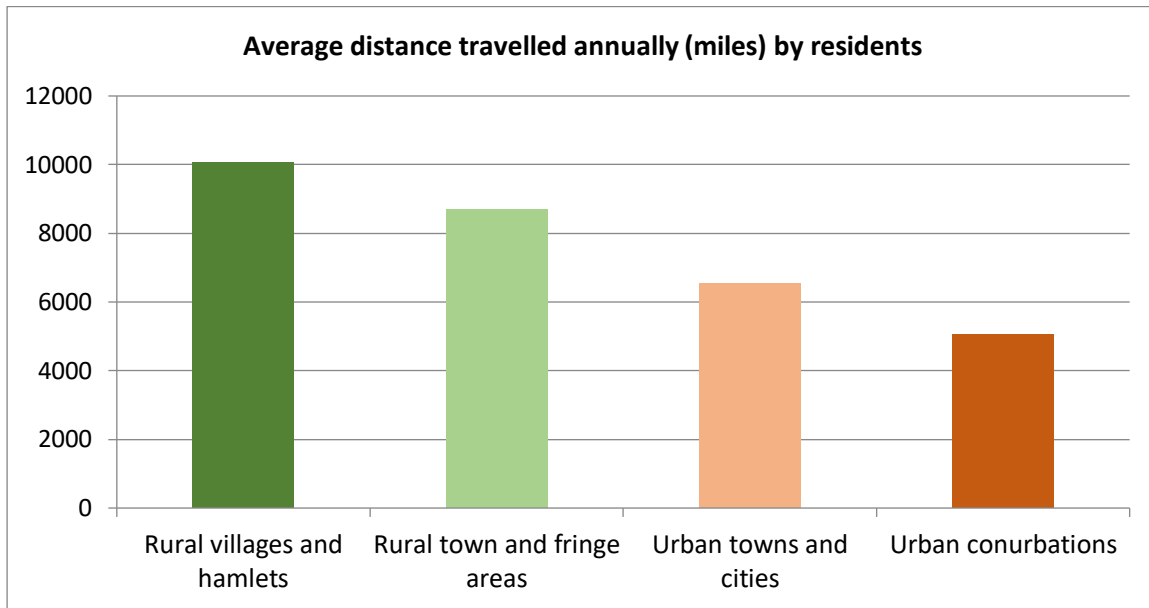
- Better Deal for Bus Users – this Government initiative announced a package of measures and £220 million for actions aiming to meet the needs of bus service users. It includes £30 million for local authorities, so they can improve existing or restore lost services, plus funding for a Rural Mobility Fund (see below). It also announced that a National Buses Strategy for England would be produced, which is expected to review the way that services are funded and how local authorities and bus operators can work better together. The risk now is that this funding is used to restart routes that ceased during the Covid-19 lockdown, rather than reinstating routes lost some time ago.
- Concessionary fares – the national statutory concessionary fares scheme provides free travel on local buses to those aged 65 or over or with a disability (outside peak times). Children up to age 16 are also eligible for free bus travel to school for journeys over 3 miles. Local authorities may fund extensions to the concessionary fares scheme, though this has become less frequent as their budgets have reduced. 17 and 18 year olds are not covered by any statutory scheme, despite now having to remain in education or training.
- Community transport – services run by community transport providers can provide complementary services or routes, typically using minibuses or cars to assist particular groups (such as older people). They often rely on grants and use volunteer drivers to reduce operating costs. In early 2020 the Government announced a £20 million Rural Mobility Fund, offering grants to local projects which will pilot demand-responsive transport solutions in areas where there is a dispersed settlement pattern.
- Future of Mobility – this is one of the grand challenges within the Government’s Industrial Strategy. It seeks to support innovative transport technologies which improve accessibility, make travel safer and reduce greenhouse gas emissions from the sector.

### **The rural dimension**

Rural residents travel further than their urban counterparts. Those living in small rural settlements (villages and hamlets) on average travelled 10,055 miles in 2016/17. That is 54% more than the average resident from an urban town or city<sup>10</sup>.

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<sup>10</sup> *National Travel Survey 2017* statistics, Department for Transport.



Travel times required to reach a workplace or services are typically longer for rural than for urban residents. This time difference is most marked for those who rely upon public transport, as the statistics below for the year 2017 show<sup>11</sup>.

***Average minimum travel time by public transport or walking to reach nearest service or centre***

To reach the nearest:	From rural areas	From urban areas
Employment centre (with 5,000+ jobs)	56 minutes	27 minutes
GP surgery	23 minutes	11 minutes
Further education institution	37 minutes	18 minutes

In 2017/18 passengers made 1,223 million journeys by bus in non-metropolitan areas of England<sup>12</sup>, down by 7% since 2009/10. Over the same period bus vehicle mileage has remained fairly stable for commercially run services, but has more than halved for local authority subsidised services. What these figures may mask is some operators taking a commercial risk to maintain a service where the subsidy is withdrawn.

This trend coincides with a 43% reduction in local authority expenditure on subsidy for bus services. Several local authorities have cut their supported bus expenditure to zero. Furthermore, local authorities in predominantly rural areas have less

<sup>11</sup> Travel time statistics 2017 (revised), Department for Transport.

<sup>12</sup> *The Future of Bus Funding*, Campaign for Better Transport (2019), using Department for Transport statistics.

funding available to them for spend on bus services<sup>13</sup> (than equivalent urban local authorities).

***Budgeted local authority expenditure per resident on bus service provision (2019/20)***

Budgeted spend on:	Predominantly rural local authority areas	Predominantly urban local authority areas
Subsidised bus routes	£7.53	£39.41
Concessionary bus fares	£13.84	£25.38

Many bus routes financially supported by local authorities have been withdrawn or reduced<sup>14</sup>. This is thought to have affected over 3,000 services since 2009.

Disaggregated figures for shire areas (alone) are available for 2016/17, showing that:

- 202 services were withdrawn altogether; and
- 191 services were in some other way reduced.

Research in two English regions concluded that many small rural towns were at risk of becoming transport deserts, with infrequent bus, rail or public transport services. 72 out of 110 small towns in the South West and 20 out of 50 small towns in the North East met the transport desert definition<sup>15</sup>.

A good half (52%) of all community transport organisations either wholly or mostly serve rural communities<sup>16</sup>. However, those serving rural areas tend to be smaller in scale and to rely more heavily on fares revenue (as they receive comparatively less grant income).

**Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

(Potentially from the calls to action in the Rural Services APPG paper)

<sup>13</sup> Analysis of Local Authority Revenue Account Budget data set, RSN (2020)

<sup>14</sup> *Buses in Crisis* annual reports, Campaign for Better Transport.

<sup>15</sup> *Transport Deserts*, CPRE – The Countryside Charity (2020).

<sup>16</sup> *State of the Sector - England*, Community Transport Association (2014).

## **Section 4 - Accessible health and care services**

### **Why it matters**

The health and wellbeing of the nation's population is as relevant to and important for rural communities as it is to those who live elsewhere. This universality is embedded within the vision that led to the creation of our National Health Service.

Surveys of rural residents or of those who represent them consistently find that health and care services are one of their top priorities. That this is so may, in part, reflect the older demographic in rural areas (which is not to overlook health and care issues affecting younger age groups).

Health services that serve rural populations need to be safe and of high quality. They also need to be geographically accessible. This can lead to a dilemma, often not well resolved, where services become more specialised and centralised, but are then more distant from rural communities. This has been exacerbated by significant cuts made to rural bus routes.

On the other hand, there is a drive to expand the range of (non-acute) services which are provided away from main hospitals sites at community hospitals or health centres. Digital adoption and telehealth also have rural potential, assuming there is fast and reliable network connectivity.

The importance of mental wellbeing is increasingly recognised across all age groups. If common mental health problems are included, they are widely experienced and have costs for society at large (including lost working days). Whilst levels of mental ill-health are not especially high in rural areas, there are concerns such as access to relevant support services and for isolated farming communities.

For many rural people receiving regular care support is vital. It allows many to continue living at home. This includes support from statutory services, voluntary organisations and (informally) from family or friends. Rural areas typically have fewer or less accessible day care centres and the like.

### **The national policy context**

Key elements of national policy include:

- NHS Long Term Plan – the ambition of this ten year plan, published in 2019, is to create a NHS fit for the future. It puts considerable emphasis on treating more patients outside main hospital settings, preventative action so people stay healthier, increasing local collaboration between primary and community health services, growing capacity of mental health services and accelerating

digital adoption within the NHS. It also signals a modest return to real terms growth for the NHS budget over the coming five years.

- Local Long Term Plans – these translate and implement the national plan at a local level for the period 2019 to 2024. They are produced by Sustainability & Transformation Partnerships (STPs) or, where they exist, by Integrated Care Systems (ICSs). One notable element is the formation of Primary Care Networks, bringing together groups of GP practices with other providers in the primary, community, social care and voluntary sectors, at a locality level.
- NHS People Plan – this plan seeks to address some notable workforce issues, matching skills to evolving service requirements, addressing workforce shortages and building leadership capability. It acknowledges the extent of vacancies in the health sector, setting an ambitious five year target to halve the vacancy rate for hospital nurses.
- Prevention Green Paper – this looks to shift the focus of the health system from one which simply treats illness, to one which prevents problems arising in the first place. The aim is to help people live healthier for longer. Its objective is to deliver “prevention at scale”, making use of health checks, screening, predictive prevention, a vaccination strategy, genomic analysis and initiatives that target childhood obesity and smoking amongst others.
- Forward Plan for Mental Health – this announced a growing budget for mental health services. It seeks to expand the size of the mental health workforce and improve integration with physical health services. It also looks to expand 24/7 care for those in crisis and to create more comprehensive mental health services for children and young people.
- Adult Social Care – this complex sector is the statutory responsibility of both the NHS and upper tier local authorities, the latter managing longer term care packages. On top of that are residential care homes, most run in the private sector, and support services from a wide range of voluntary or community sector organisations. However, most care is given informally by family members, friends and neighbours. Proposals for major policy reform of the way that social care is funded are once again under discussion.

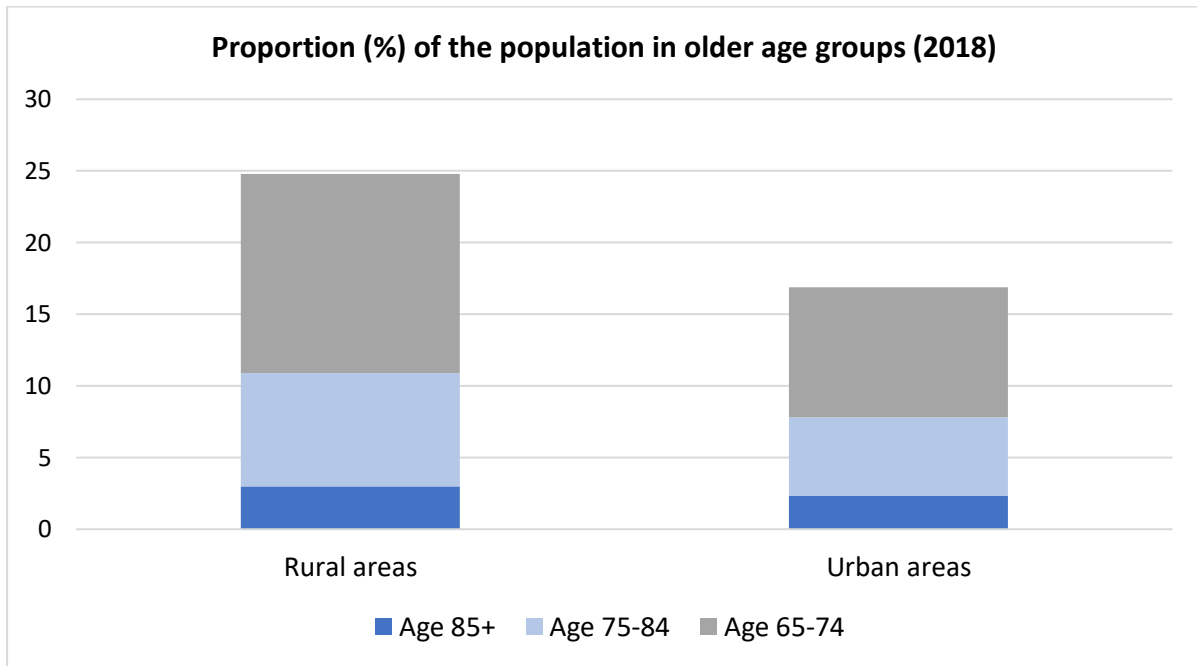
### **The rural dimension**

Older people form a significantly larger proportion of the population in rural areas than in urban areas<sup>17</sup>, a point which matters since age is the main determinant of demand for health and care services. Furthermore, the proportion of older people within the overall population is increasing fastest in rural areas. This trend is very marked for those aged 85 or over whose care needs tend to be most complex.

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<sup>17</sup> 2018 Mid Year Population Estimates, Office for National Statistics.





Getting to health facilities can be more time-consuming and complex for rural residents. This is especially so for those who need to use public transport, as statistics below for the year 2017 show<sup>18</sup>. What these travel time figures overlook is the infrequency of much public transport in rural areas.

***Average minimum travel times by public transport and by car to reach nearest health facilities***

To reach the nearest:	By public transport/walking		By car	
	Rural areas	Urban areas	Rural areas	Urban areas
GP surgery	23 minutes	11 minutes	11 minutes	8 minutes
Hospital	61 minutes	34 minutes	26 minutes	18 minutes

There are other important services to access, of course, such as community pharmacies. In rural areas where they are not present the role of dispensing GP surgeries can plug a crucial gap.

Research has identified a number of workforce (or recruitment and retention) issues that particularly impact rural areas<sup>19</sup>, including difficulties with:

- Recruiting a range of staff, including doctors and consultants, to posts in rural settings, including at smaller hospitals;

<sup>18</sup> Travel time statistics 2017 (revised), Department for Transport.

<sup>19</sup> *Acute care in remote settings: challenges and potential solutions*, Nuffield Trust (2016).

- Maintaining consultant hospital teams with all the required skills, given the trend towards sub-specialisms; and
- Ensuring that health professionals have sufficient access to training, networking and compulsory development opportunities.

Shortages within the social care workforce may explain (at least, in part) the higher rate of delayed patient transfer from hospitals found in rural areas. Some of these will be people requiring a care package when returning back home<sup>20</sup>.

### ***Rates of delayed transfer of care from hospitals in 2016/17***

Predominantly rural areas:

Rate = **19.2** cases per 100,000 adult population

Predominantly urban areas:

Rate = **13.0** cases per 100,000 adult population

Analysis by the Rural Services Network shows that, if compared with their predominantly urban equivalents:

- Predominantly rural local authorities receive significantly less grant funding per head to pay for services such as social care;
- Predominantly rural local authorities receive significantly less grant funding per head to pay for their public health responsibilities; and
- The more rural NHS Clinical Commissioning Group areas receive similar funding per head, which does not seem to account for their notably older demographic.

Almost 12% of all residents who live in a rural area are providing informal care to someone else on a regular basis<sup>21</sup>. Indeed, 24% of older people who live in a rural area are providing such informal care. Both of these figures are higher than the national average.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>20</sup> *Issues Facing Providers of Social Care at Home to Older Rural Residents*, Rural England CIC (2017).

<sup>21</sup> 2011 Census, Office for National Statistics.

## Section 5: Sustaining Village Schools and Local Assets

### Why it matters

Local service outlets and facilities provide a focus for village life. Once they close residents have no option but to travel elsewhere for their everyday needs and something fundamental has been lost. That something is often referred to as community vitality or even sustainability.

Local services and facilities provide residents with easy access to groceries, banking, leisure and social activities among others. This can be especially important for older people and those without a car. Village schools, meanwhile, encourage younger families to stay or move into rural communities.

Local services and facilities also contribute economically, providing valuable jobs and retaining some expenditure at the settlement level. Many also offer volunteering opportunities.

Local services and facilities act as informal meeting points, where people get to know each other and maintain friendships, whether at the school gate, the pub counter or the queue in the shop. Village halls also enable more organised social activities to thrive. These combat isolation and loneliness.

Local services and facilities reduce the need for rural residents to travel (what can be quite long distances without a public transport option) and they thereby deliver environmental benefits, by reducing road traffic, pollution and greenhouse gas emissions.

### The national policy context

Key elements of national policy include:

- Village schools – a long-standing Government policy is the presumption against rural school closures (other than in exceptional circumstances). This policy recognises the wider social cost for communities where a school closes. A National Funding Formula for schools was introduced a few years ago, benefitting some (though not all) small rural school budgets. Without economies of scale, small schools have proportionately higher underlying running costs.
- Village shops and pubs – the Plunkett Foundation provides guidance through its advisers and online resources to communities that wish to take over and run their local shop or pub. Advisers at Pub is the Hub provide guidance to pubs (commercial or otherwise) who want to broaden the range of local

services that they offer. Grant funding has been made available for such initiatives from various sources, including the National Lottery.

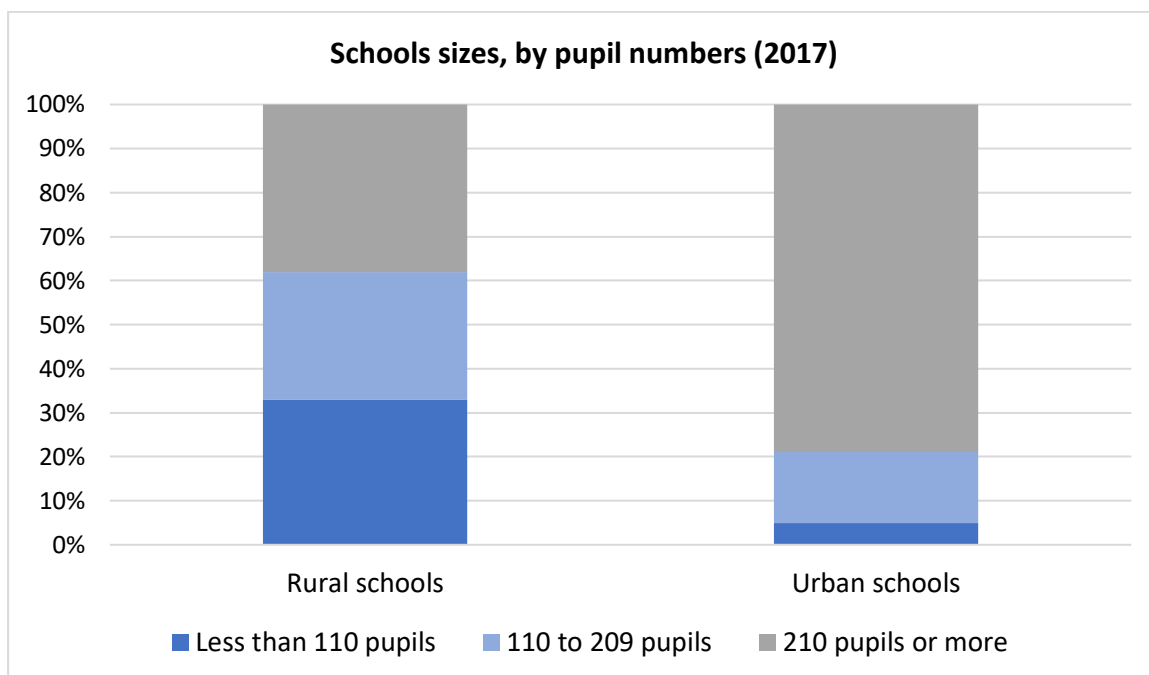
- Post offices – Post Office Limited is required to adhere to some ‘access criteria’ and must maintain a network of around 11,500 outlets (both urban and rural). It must meet a target, that 95% of the rural population live within three miles of an outlet. The Post Office network receives £370 million of Government funding for the period 2018 to 2021, to help it retain otherwise uncommercial outlets. Many rural outlets are now Post Office Locals, with services provided at a main shop counter. A growing number are outreach Post Offices, set up for a few hours per week at a community venue. The Banking Framework Agreement allows customers of banks and building societies to access their accounts at a Post Office.
- Village halls – Defra provides £700,000 for a Rural Community Buildings Loan Fund, which is administered by ACRE. Loans are available to help local groups renovate, refurbish and construct village halls, community centres and church halls. ACRE similarly manages the Village Hall Improvement Grant Fund, offering match-funding to improve or update halls, so they can be used for activities which impact positively on wellbeing and loneliness, the environment or the local economy. Other non-Government funding sources also exist.
- Rate Relief Schemes – in settlements with a population below 3,000 small businesses are eligible for Rural Rate Relief where they are the only shop, post office, pub or petrol station. Other businesses (including those in rural areas) with a rateable value below £15,000 will be eligible for Small Business Rate Relief. Village halls receive 80% mandatory rate relief and may be able to seek Discretionary Rate Relief for the remaining 20%.

### **The rural dimension**

There are around 5,300 schools located in rural areas<sup>22</sup>. They comprise 27% of all schools in England. It is notable that 53% of schools run by the Church of England are located in rural areas. Some 33% of rural schools meet the ‘very small’ definition, with a roll of fewer than 110 pupils.

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<sup>22</sup> *Embracing Change: Rural and Small Schools*, Church of England (2018)



In 45% of rural schools all classes contain pupils from different age groups (school years). In another 24% of rural schools some classes contain pupils from different age groups.

There are just under 17,000 convenience store shops in rural areas of the UK<sup>23</sup>, the majority located where there are no other shops. These stores provide 146,000 full and part time jobs in rural areas. Typically, they offer a wide range of services to their communities.

<b>Percentage of rural convenience stores that provide the following facilities:</b>	
Mobile phone top-up	85%
Bill payment services	75%
Cash back	66%
Free to use cash (ATM) machines	45%
A post office counter	28%
Parcel collection point	27%

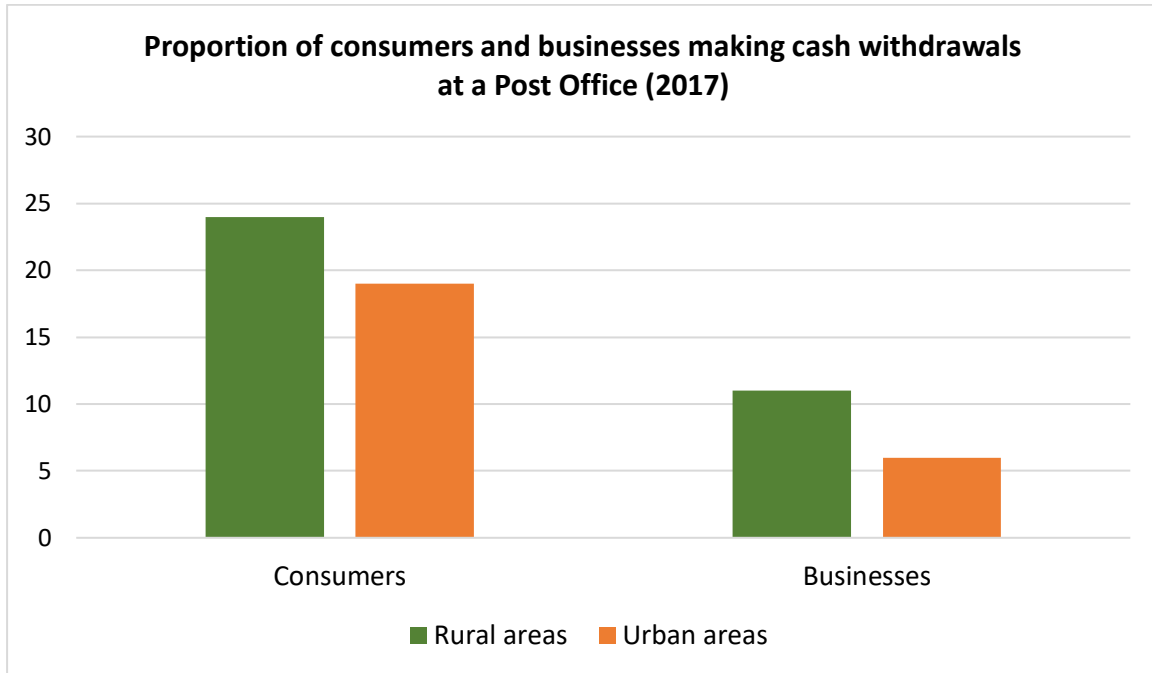
By the end of 2018 the number of community-run shops in the UK had risen to 363, the great majority of them in rural locations<sup>24</sup>.

In 2019 there were 6,131 Post Office outlets in rural locations across the UK. These comprise 53% of all outlets in the Post Office network<sup>25</sup>. Rural consumers and businesses are significantly more likely than their urban counterparts to make use of a Post Office to access cash (including from a bank account).

<sup>23</sup> *The Rural Shop Report 2020*, Association of Convenience Stores (2020)

<sup>24</sup> *Community Shops: A Better Form of Business*, Plunkett Foundation (2019)

<sup>25</sup> *Post Office Numbers: Briefing Paper*, House of Commons Library (2020)



There are roughly 10,000 village halls or community buildings across rural England, the bulk of which are run as charities by some 80,000 local volunteer trustees<sup>26</sup>.

They host:

- Events such as private parties, public meetings and wedding receptions;
- Activities such as fitness classes, dancing lessons and social clubs; and
- Services such as childcare, WI markets and outreach post offices.

78% of these halls are used as a polling station and 75% are used for Parish Council meetings.

Across the country the number of pubs has been in long term decline, though the trend varies considerably between different types of area. Figures<sup>27</sup> for the period 2001 to 2019 show that:

- Those predominantly rural areas with the fastest rate of decline in pub or bar numbers are Selby (-39%), Rutland (-38%) and West Lindsey (-35%);
- Only 15 local authority areas experienced an increase in pub or bar numbers. Of these, 3 are predominantly rural, being West Somerset (25%), Daventry (8%) and South Lakeland (4%);
- A further 11 local authority areas experienced no change in pub or bar numbers. Of these, 5 are predominantly rural.

## Policy solutions

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>26</sup> *The Changing Use of Rural Community Buildings*, ACRE (2009)

<sup>27</sup> *Economies of Ale: Changes in the UK's Pubs and Bars Sector 2001 to 2019*, ONS (2020)

## Section 6 - Local Enterprise Partnerships and Local Industrial Strategies

### Why it matters

Local Enterprise Partnerships (LEPs) have significant policy responsibilities for supporting and investing in economic growth. They are, therefore, important bodies for the future wellbeing of rural economies and communities.

It is a widely held view that the track record of LEPs addressing the economic needs of their rural areas is mixed. Their preference for large strategic developments and projects has often led to a focus in or around urban centres.

Productivity levels in rural businesses are below the national average. By narrowing this productivity gap the national economy would receive a considerable boost (as would local rural economies).

The character of rural economies, heavily reliant on small and medium sized businesses, needs to be reflected in any business support. That includes micro-businesses, sole traders and social enterprises.

Creating better quality and more productive jobs in rural areas would bring widespread benefits and, properly targeted, could significantly help those left behind rural places.

### The national policy context

Key elements of national policy include:

- Economic growth and productivity – there are 38 LEPs which, between them, operate across the whole of England. For central Government they are the main vehicle to deliver local economic development. By 2021 Government will have used LEPs as the channel to invest £12 billion in local businesses and economies (including for infrastructure). That funding was assigned as Government signed Growth Deals with individual LEPs to agree their local priorities. LEPs help co-ordinate business support and guidance through local Growth Hubs.
- LEP governance – the Government intends that LEPs are local partnership which are business led, though their funding streams are often local authority managed. A review conducted in 2018 streamlined the governance arrangements for LEPs and introduced an expectation that two-thirds of their Board members should come from the private sector. Following the review all LEPs must publish an annual delivery plan and end of year report, setting out their activities and progress made during the previous period.

- Local Industrial Strategies – from 2020 all LEPs (or Mayoral Combined Authorities, where they exist) have been required to publish a Local Industrial Strategy (LIS), based upon evidence and consultation, and setting out an economic vision for their area. They should coordinate and align local economic policy and national funding streams with that vision. The overarching objective of a LIS is to grow investment in skills, industries and infrastructure in order to boost productivity and create quality jobs. Unless rural evidence is properly reflected in LIS documents there is a risk that they understate rural needs (a point not helped by the paucity of small area data).
- Business grant support programmes – LEPs have been the delivery vehicle for grant funding from EU Structural Funds. When these are replaced by the UK Shared Prosperity Fund, LEPs will assume responsibility for managing its grant streams (see the section on UK Shared Prosperity Fund and business grants).
- Skills Advisory Panels – these partnerships have been established to help LEPs meet the upcoming skills needs of their areas, taking account of the LIS. The Panels comprise representatives from local employers, local authorities, colleges and universities (see the section on access to business advice and training).

### **The rural dimension**

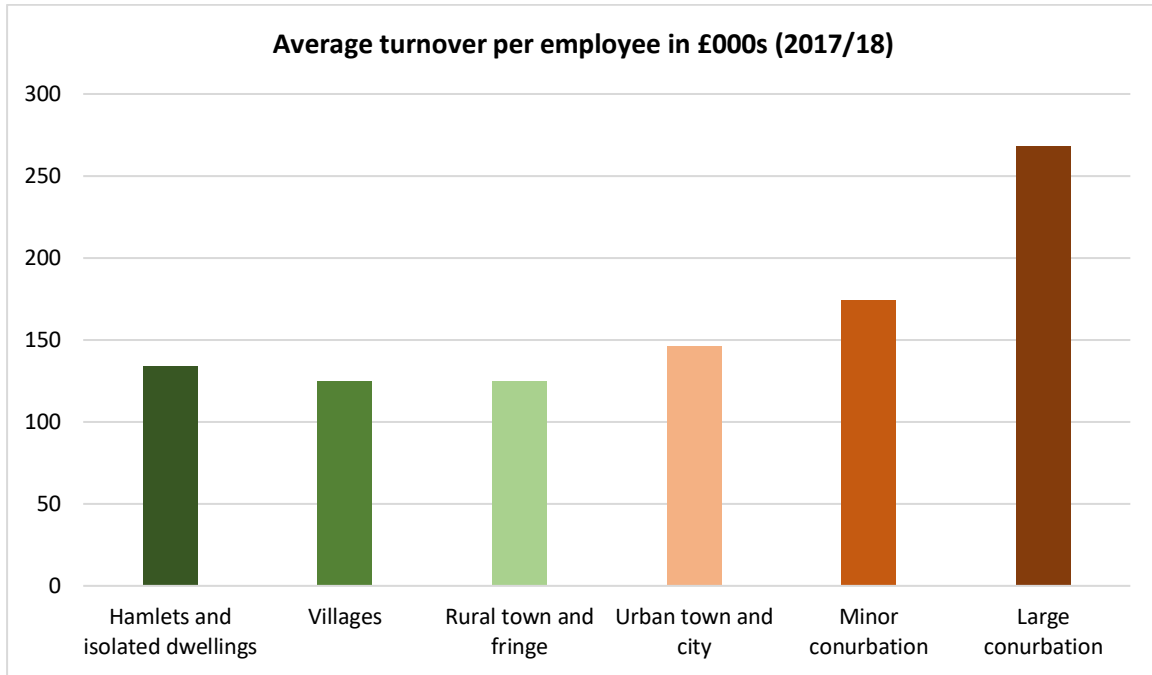
There are 545,000 businesses registered in predominantly rural areas. This is 24% of all businesses registered in England<sup>28</sup>. The number of unregistered micro-businesses (for PAYE or VAT) is probably at least as great again.

Those registered rural business have a combined annual turnover of £459 billion. This is a sizeable contribution to the national economy. However, business turnover per employee is lower in rural areas than it is in urban areas.

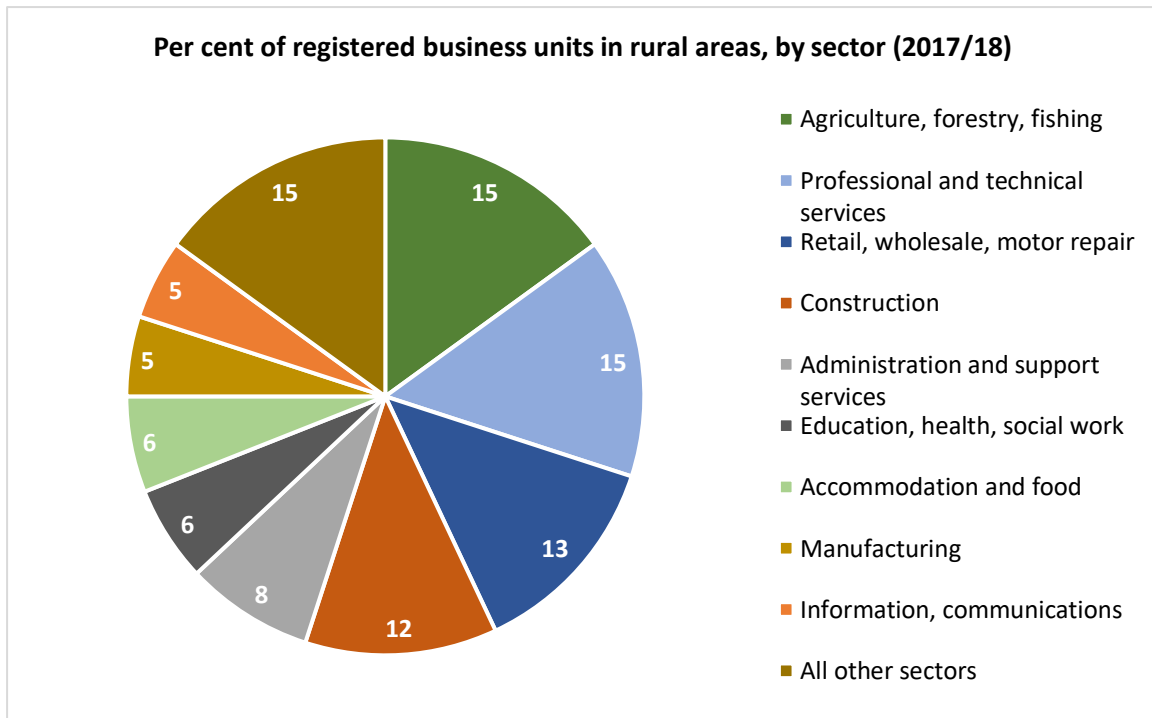
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<sup>28</sup> *Statistical Digest of Rural England*, Defra, based on 2017/18 data from Inter-Departmental Business Register

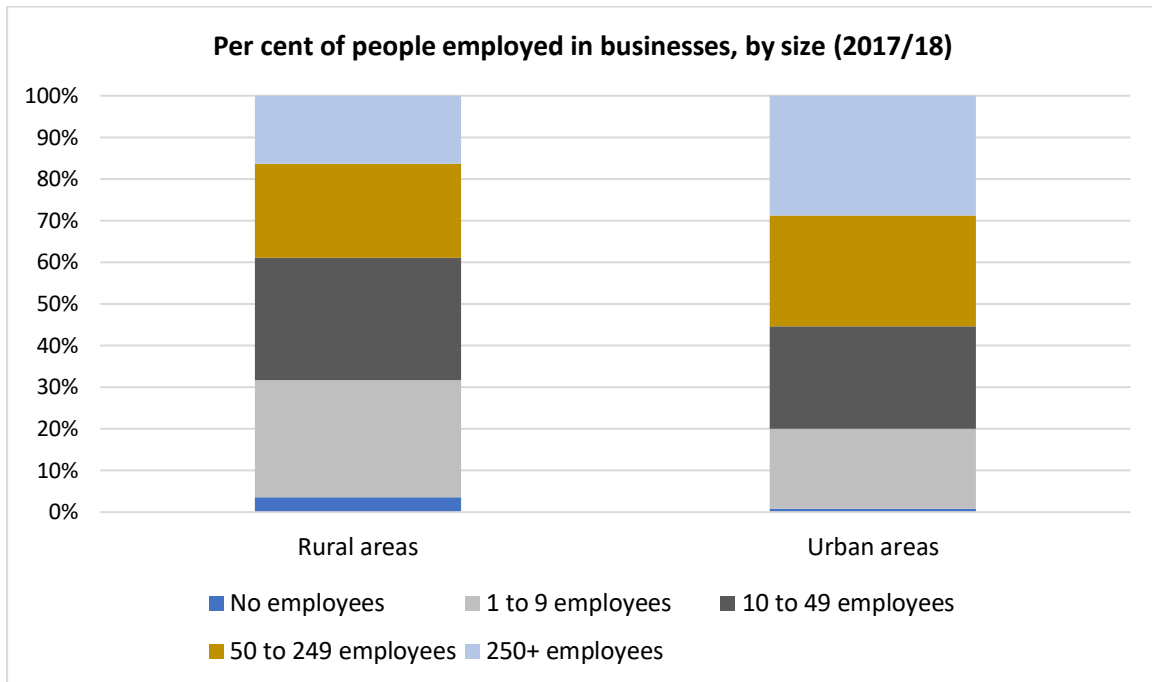




Rural economies are diverse, hosting a wide range of businesses. Land-based businesses (including farming) are important, but 85% of rural businesses are from other sectors. Other key sectors are professional services, retail and construction. The picture will vary in different types of local rural areas, with some being heavily dependent on tourism, for example.



Small businesses are especially important in rural economies. Measuring those people who are employed in registered business units, 84% of them in rural areas work for a SME. Indeed, 32% of them work for a micro-business.

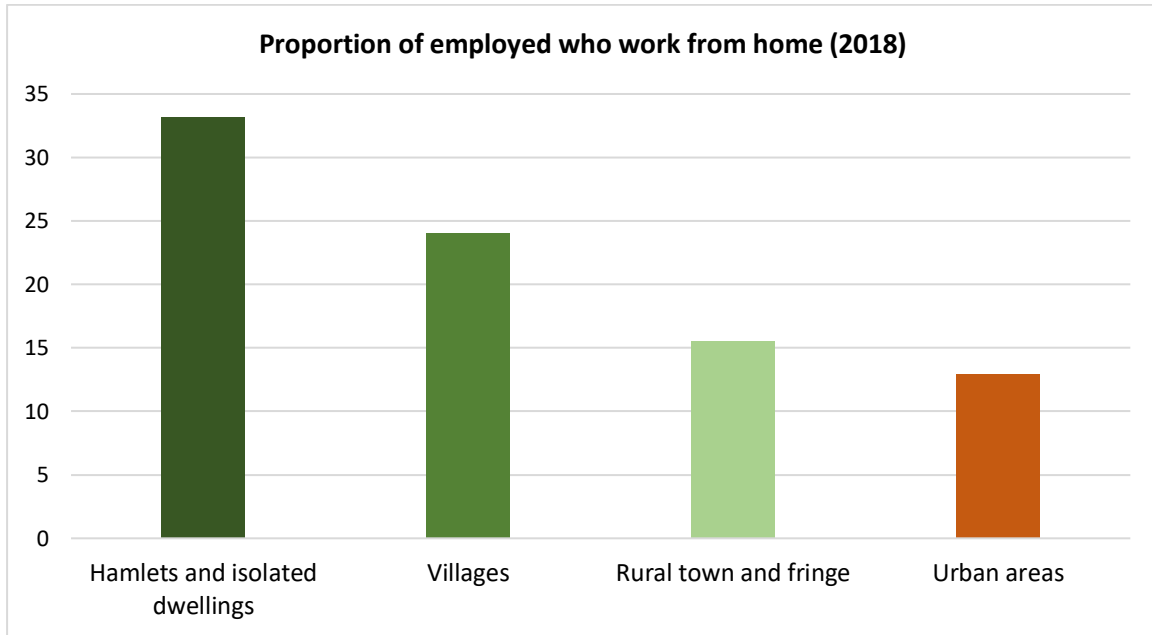


Just over 4 million people are employed in registered business units in rural areas<sup>29</sup>. They comprise 15% of all people employed in registered business units across England.

Home working (including by the self-employed) is significant in rural areas and particularly so in the smallest settlements<sup>30</sup>. 22% of those who are employed in rural areas work at least half their working week at home, compared with 13% for those employed in urban areas.

<sup>29</sup> *Statistical Digest of Rural England*, Defra, based on 2017/18 data from Inter-Departmental Business Register

<sup>30</sup> *Statistical Digest of Rural England*, Defra, based on data analysis from the Labour Force Survey



Earnings (mainly from wages) for jobs which are based in rural areas are lower than for jobs based in urban areas<sup>31</sup>. Even if London is excluded, average earnings in predominantly rural areas are £1,800 or more than 7% below the predominantly urban equivalent.

<b><i>Workplace based median gross annual earnings (2019)</i></b>	
Predominantly rural areas	£22,500
Predominantly urban areas (excluding London)	£24,300
Greater London	£36,800

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>31</sup> *Statistical Digest of Rural England*, Defra, based on data analysis from Annual Survey of Hours & Earnings

## **Section 7: Land Use Planning System**

### **Why it matters**

To maintain their sustainability rural communities must meet a range of economic, social and environmental needs. One key role for the planning system is to balance those needs, both when defining appropriate plan policies and when deciding on individual planning applications.

Rural communities need a mix of housing which suits their evolving populations, not least in terms of its tenure, dwelling size and suitability for different age groups. They also need workspaces that can meet the needs of businesses, recognising that some will seek to expand and some to relocate.

The planning system also has a role to support the retention of existing or plan for enhanced services, community facilities and town centres, thereby contributing hugely to rural quality of life. Where large scale development is planned, schools, health facilities and utilities should keep pace.

The quality of their nearby environment is valued highly by rural communities, who look to the planning system to protect them from inappropriate development. Moreover, the English countryside is a massive draw, underpinning rural tourism and the visitor economy.

### **The national policy context**

Key elements of national policy include:

- National Planning Policy Framework – the NPPF sets out the Government’s planning policies and how it expects them to be applied through the planning system at a local level. Its overarching stated aim is to promote sustainable development. Further detail how to interpret policies in the NPPF is provided by National Planning Practice Guidance.
- Local Plans – local planning authorities (district, borough and unitary councils, and National Park Authorities) produce Local Plans for the coming decade or two and must keep them up-to-date through regular revisions. These set out policies that proactively shape development and reactively decide planning applications, having been written to reflect local circumstances whilst conforming with the NPPF.
- Neighbourhood Plans – a growing number of Parish and Town Councils (or Neighbourhood Forums in unparished areas) have opted to produce a Neighbourhood Plan, with policies which reflect the land use and development

priorities of their residents. These must conform with both the area's Local Plan and the NPPF.

- Housing need – a key Government objective is to increase the rate of new house building. Its ambition is for delivery of 300,000 new homes per year by the mid-2020s. This includes both market and affordable housing (see the section on Affordable Housing). All Local Plans include a housing target and local planning authorities must demonstrate a supply for the next five years. Government has introduced a Housing Delivery Test which penalises authorities if their area falls far behind with the annual rate needed to hit that target. Housing and other development is subject to a Community Infrastructure Levy (CIL), to help cover associated costs of upgrading infrastructure and expanding public services.
- Countryside protection – new development is strictly controlled in the highest value landscapes which are designated as National Parks or Areas of Outstanding Natural Beauty. The countryside around major cities is also, in some cases, protected by Green Belt to avoid urban sprawl. So too are sites designated as important for at-risk species or their habitats, such as Sites of Special Scientific Interest. More widely, Local Plans seek to manage the scale, type and character of development in smaller rural settlements and to restrict development in open countryside. Conversely, many rural towns have large extension sites allocated for housing development.

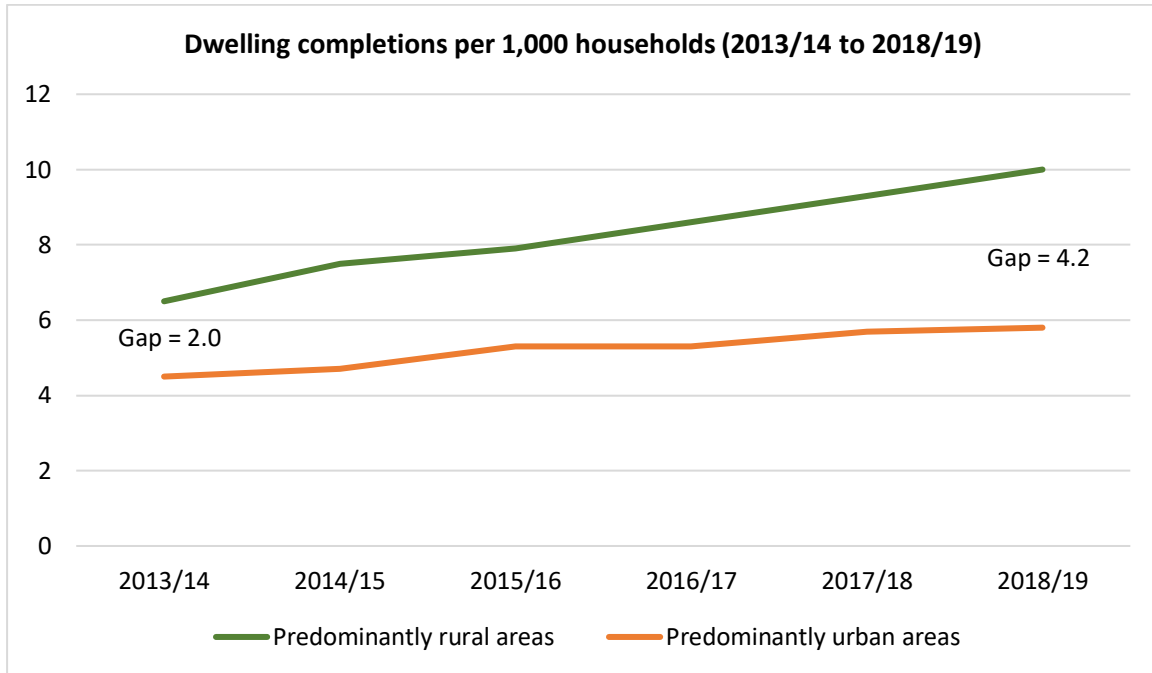
### **The rural dimension**

On a proportionate basis, significantly more new homes are being built in predominantly rural areas than in predominantly urban areas<sup>32</sup>. The number of new homes completed has been increasing over the last five years. By 2018/19 the annual rate in predominantly rural areas was 10 completions for every 1,000 households.

In predominantly rural areas 89% of new additions to the housing stock are as a result of new build developments. A further 10% are due to change of building use and 1% due to conversions.

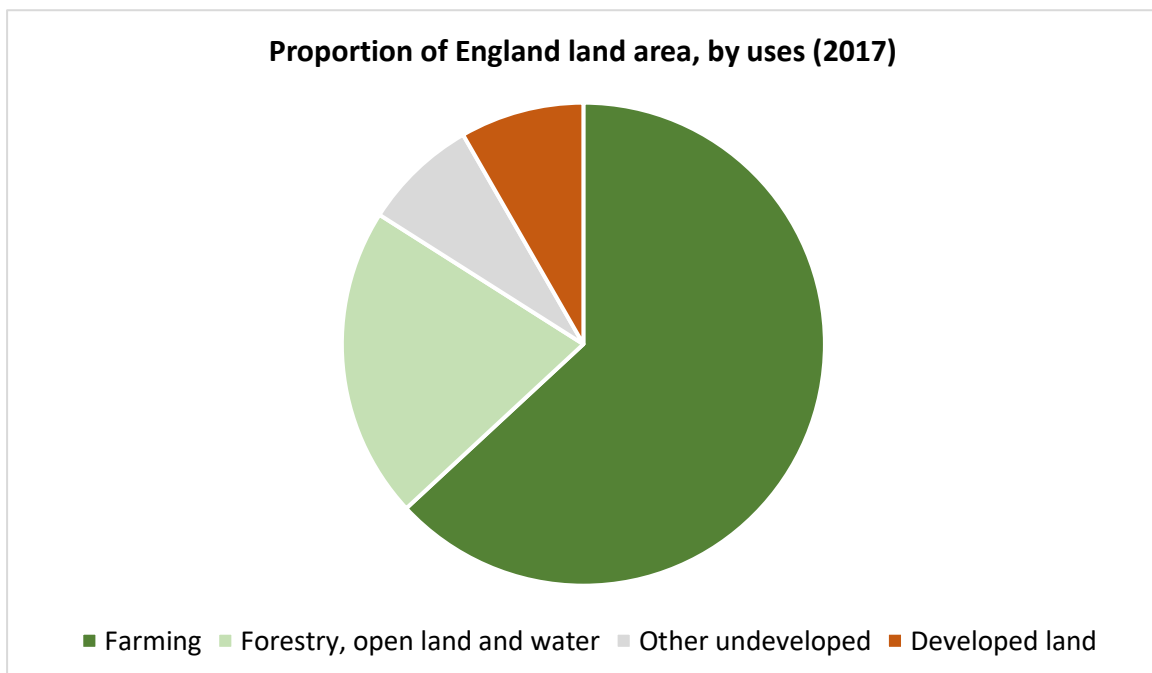
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<sup>32</sup> *Statistical Digest of Rural England*, Defra, based on data from MHCLG Live Tables on House Building



Just over 8% of the land area of England is taken up by developed uses<sup>33</sup>. These include residential, industrial, commercial, transport and utilities, mineral extraction and landfill.

Almost 92% of the land area of England is taken up by undeveloped uses. These include farming, which comprises 63% of England’s land area. Some of the undeveloped land lies within urban settlements e.g. as parks, playing fields and residential gardens.



<sup>33</sup> Land Use in England 2017, MHCLG (2019)

There are ten designated National Parks in England, which collectively cover over 9% of the country's land area<sup>34</sup>. The largest of these is the Lake District National Park at 2,362 square kilometres. Some 334,000 people live in a National Park, more than a third of them in the South Downs National Park.

There are thirty-four designated Areas of Outstanding Natural Beauty in England, which collectively cover almost 15% of the country's land area<sup>35</sup>. The largest of these is the Cotswolds AONB at 2,038 square kilometres.

A further 13% of the land area of England is designated as Green Belt, these being around the urban fringe.

By mid-2019 there were 839 completed Neighbourhood Plans which had resulted in a successful referendum, many of them in rural locations<sup>36</sup>. Local authority areas with the largest number of Plans having reached that stage were Herefordshire, Cornwall, Wiltshire, Cheshire East and Aylesbury Vale.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

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<sup>34</sup> *National Park Facts and Figures*, National Parks UK (website accessed 2020)

<sup>35</sup> *The UK's AONBs – Overview*, National Association of AONBs (website accessed 2020)

<sup>36</sup> *Notes on neighbourhood planning – edition 23*, MHCLG (2019)

## Section 8: Further Education, Training and Apprenticeships

### Why it matters

To pursue their aspirations, young people brought up in rural areas need education and training opportunities. At age 16 that means having access to a wide range of further education (FE) subjects or courses, most likely made possible by having access to a number of high quality sixth form or FE colleges.

To prosper and grow rural-based businesses need good access to training providers, so that their workforce can gain and update necessary skills. Without doubt this includes digital skills. It can mean on-site training, attending one-off sessions or longer-term courses e.g. one day per week.

Having access to apprenticeship opportunities is important for those wishing to follow a practical vocation, whether straight out of school or later in life. Equally, this provides rural businesses with a route to bring in and train up promising new employees.

Land-based sectors, such as agriculture, forestry and environmental management, must be able to acquire people with specific practical and administrative skills, which are often gained from specialist training or education providers.

### The national policy context

Key elements of national policy include:

- Further Education – young people must remain in education, training or an apprenticeship until age 18. Remaining in education, which the great majority do, means attending a school sixth form, a further education college or a sixth form college. For young people one key consideration is the choice of academic or vocational courses they have and what FE schools or colleges are accessible to them. This can be determined by the availability and cost of transport options (see also the section on transport).
- Workforce training – the Government’s Industrial Strategy seeks to enhance the technical training system, so it matches the more respected educational system. It announced extra funding to boost skills in STEM subjects<sup>37</sup> and to help reskill the workforce (through a National Retraining Scheme). Funding sources for training and skills have been fragmented, hence (mostly urban) Devolution Deals have often sought to combine them at a local level.

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<sup>37</sup> STEM subjects are science, technology, engineering and mathematics.



## REVITALISING RURAL – REALISING THE VISION

- Skills Advisory Panels – these partnerships have been established locally to help Local Enterprise Partnerships (LEPs) meet skills needs in their areas, taking account of LEP Local Industrial Strategies. The Panels comprise representatives from local employers, local authorities, colleges and universities (see also the section on LEPs).
- Apprenticeships Scheme – in 2018 the Government reformed this scheme, seeking to improve the standard of apprenticeships and to plug gaps in provision. New employer-designed apprenticeships are due for introduction during 2020. The Scheme is part-funded by an Apprenticeship Levy which larger businesses must contribute towards. A quarter of the funding raised by the Levy should cover apprenticeships based in SMEs.
- Land-based training – specialist land-based colleges offer further (and sometimes higher) education courses in land-based occupations. Examples can include courses in agriculture, arboriculture, animal science and welfare, conservation, horticulture and related business administration. There are also apprenticeship standards in aspects of agriculture, animal care and environmental management.

### The rural dimension

Just over half a million young people, aged from 15 to 19, live in rural areas<sup>38</sup>. They comprise 5.3% of the total rural population (which is slightly less than the 5.5% figure for England as a whole). It is the following cohort, aged 20 to 24, where evidence shows a large outmigration from rural areas.

The working age population is skewed towards older age groups in rural areas, compared with the England average. Only 13.5% of the rural population is aged 20 to 34, whereas 22.6% of the rural population is aged 50 to 64.

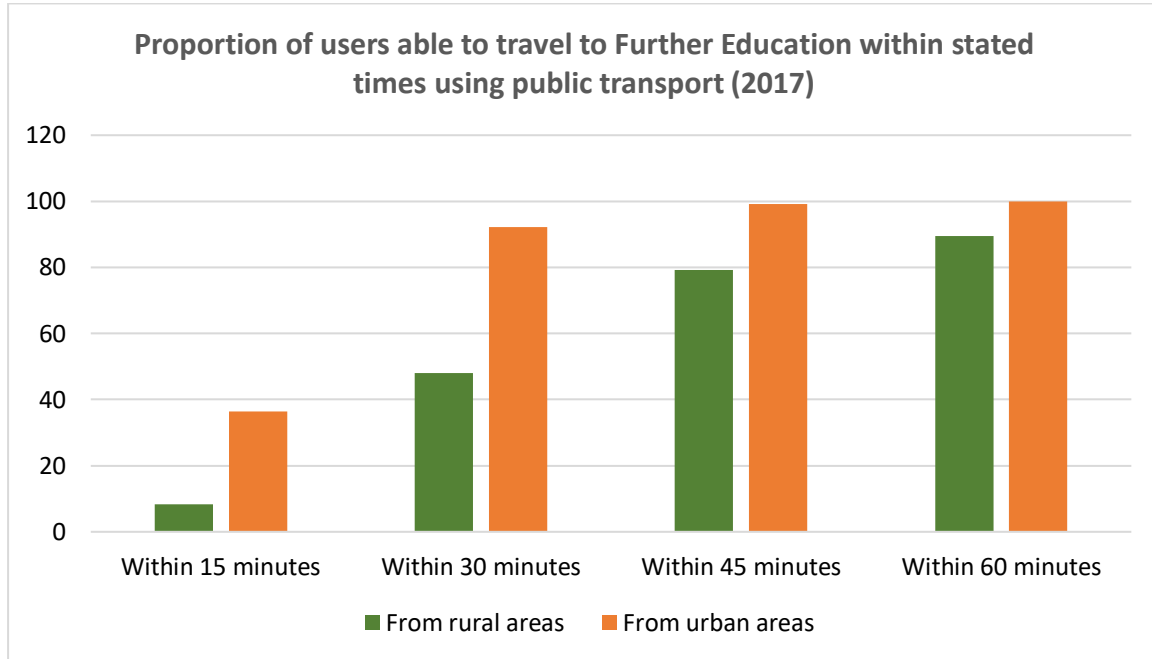
#### ***Proportion of the total population within working age bands (2018)***

	Rural areas	England
Age 20 to 34	13.5%	19.9%
Age 35 to 49	17.9%	19.5%
Age 50 to 64	22.6%	18.8%

Note: Columns do not add to 100% because other population groups are below age 20 or over age 64.

<sup>38</sup> *Mid Year Population Estimates 2018*, Office for National Statistics

Students living in rural areas have longer journeys to access FE institutions than their urban counterparts, especially if using public transport<sup>39</sup>. More than a tenth of rural students must travel for over one hour in each direction (and this data does not measure the frequency of any public transport option).



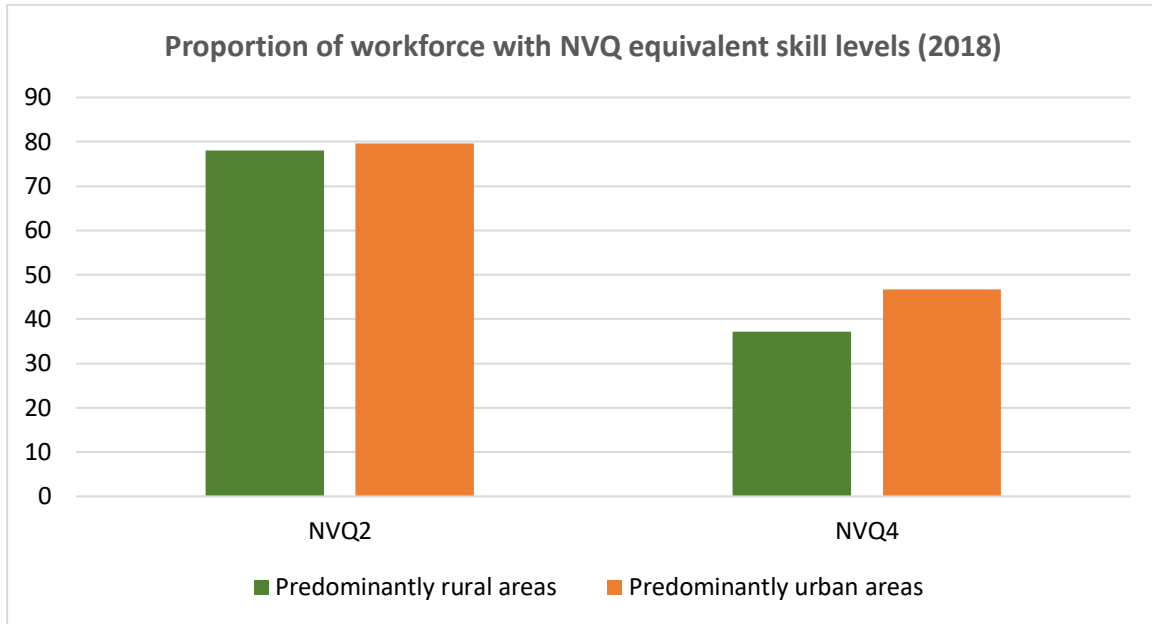
Students from rural areas often face a limited choice (or even no realistic choice) of FE provider. On average:

- Students from rural areas can travel to 1 FE institution within 30 minutes and 5 FE institutions within 60 minutes using public transport or walking; while
- Students from urban areas can travel to 4 FE institutions within 30 minutes and 9 FE institutions within 60 minutes using public transport or walking.

On average those working in predominantly rural areas have somewhat lower skill levels than those working in predominantly urban areas, based on National Vocational Qualification (or equivalent) standards<sup>40</sup>. This is workplace-based information and probably indicates that some better qualified rural residents commute to urban jobs.

<sup>39</sup> *Statistical Digest of Rural England*, Defra, based on Journey Time Statistics from Department for Transport

<sup>40</sup> *Statistical Digest of Rural England*, Defra, based on ONS Annual Population Survey 2018



Research<sup>41</sup> which considered apprenticeships (though only in respect of young people) found that:

- A slightly higher proportion of 16 year olds go into an apprenticeship from predominantly rural areas than from predominantly urban areas;
- Young people in apprenticeships in rural areas often find those opportunities through a personal contact rather than via any formal application process;
- The paucity of larger employers in rural economies can limit the variety of apprenticeships that are on offer, both in terms of their sector and skill level.

### Policy solutions

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>41</sup> *Challenges Facing Rural 16-18 Year Olds in Accessing Appropriate Education and Work Based Training*, Rural England CIC (2018)

## Section 9: Parish Councils and Community Action

### Why it matters

Parish and Town Councils form the most local tier of governance and are present across the great majority of rural England. As such, they help represent the views and needs of rural communities (alongside principal local authority Councillors and MPs).

Parish and Town Councils frequently manage local services, such as open spaces, allotments, leisure facilities and litter bins, contributing to rural wellbeing and quality of life. Larger Town Councils tend to manage a wider range of services and assets.

Community action equally plays a critical role, not least where it plugs local gaps in provision by running projects, initiatives and services that address local needs. These typically are needs unlikely to be met either by the statutory or private sectors.

Action at the community level often delivers support to tackle isolation and loneliness among older or more vulnerable residents in rural areas. This can include informal neighbourliness and more organised befriending or good neighbour schemes.

Community based and charitable action creates a range of volunteering opportunities for rural residents, providing many who take part with satisfaction, new skills and new networks.

### The national policy context

Key elements of national policy include:

- Parish and Town Councils – most of rural England is parished and this usually means having a Parish or Town Council<sup>42</sup>. A key source of income, used by most, is to levy a precept which is collected through household Council Tax bills by District or Unitary Councils. Parish and Town Councils have gained additional powers in the last decade. Their discretionary powers were enhanced by a General Power of Competence, giving broad scope to manage services, assets and other initiatives. They may also use the Community Right to Challenge (as may community groups) to request their principal local authority formally considers delegating delivery of specific services to them (on a procurement basis).
- Volunteering – rural action by volunteers happens in a myriad of ways, some of it organised by charities, trusts and other not-for-profit organisations, and

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<sup>42</sup> In law all are 'Parish Councils', though some use names such as Town, Community or Neighbourhood Council.

some of it taking place by unincorporated groups. Government has sought to encourage volunteering by funding various support organisations and initiatives, including the National Citizen Service for 16 to 17 year olds and the DO-IT.org website (which advertises volunteering opportunities).

- Community-run services – a growing number of community groups have taken on and managed local services or assets, such as village shops and pubs. These typically rely on volunteers to reduce operating costs and maintain viability. Organisations assisting rural community groups with such initiatives include the Plunkett Foundation and Pub is the Hub (see also the section on local assets). Communities now have a legislative right to register assets, such as a pub, as an Asset of Community Value, providing them with an opportunity to bid for that asset if it comes up for sale.
- Infrastructure bodies – various bodies and networks offer support to community groups, in the form of guidance, advice, networking and training opportunities. They include the ACRE Network, with its 38 county-based organisations, which have a particular focus on support for rural groups. Such support helps to build the capacity and effectiveness of community groups in areas such as governance, finance, managing volunteers and project delivery.

### **The rural dimension**

According to the National Association of Local Councils, which represents the Parish and Town Councils sector<sup>43</sup>:

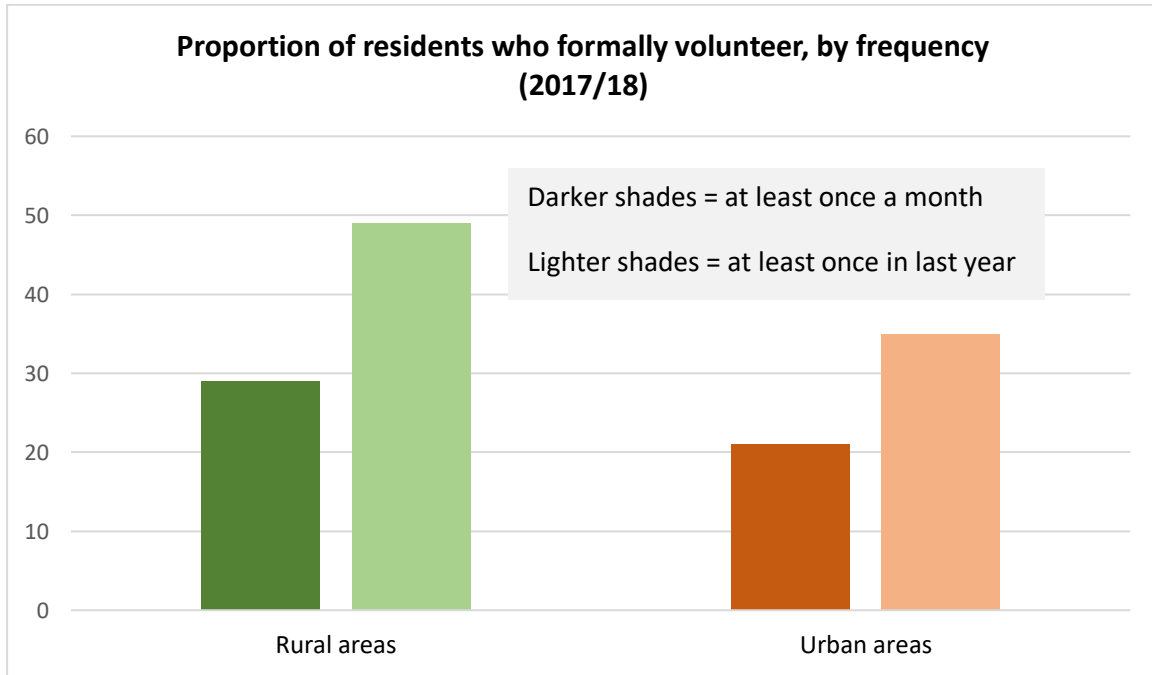
- There are roughly 10,000 Parish and Town Councils active in England, mostly in rural areas;
- Parish populations range from less than 100 to well in excess of 50,000 (and so urban);
- Between them these Councils have around 120,000 serving Councillors;
- They raised an average precept from a band D property of just over £64 (2017/18).

Those living in rural areas are more likely to volunteer than those living in urban areas. Statistics which measure formal volunteering, indicate that this remains true both for regular and occasional volunteers<sup>44</sup>. Almost half of all rural residents (49%) volunteered during the last year.

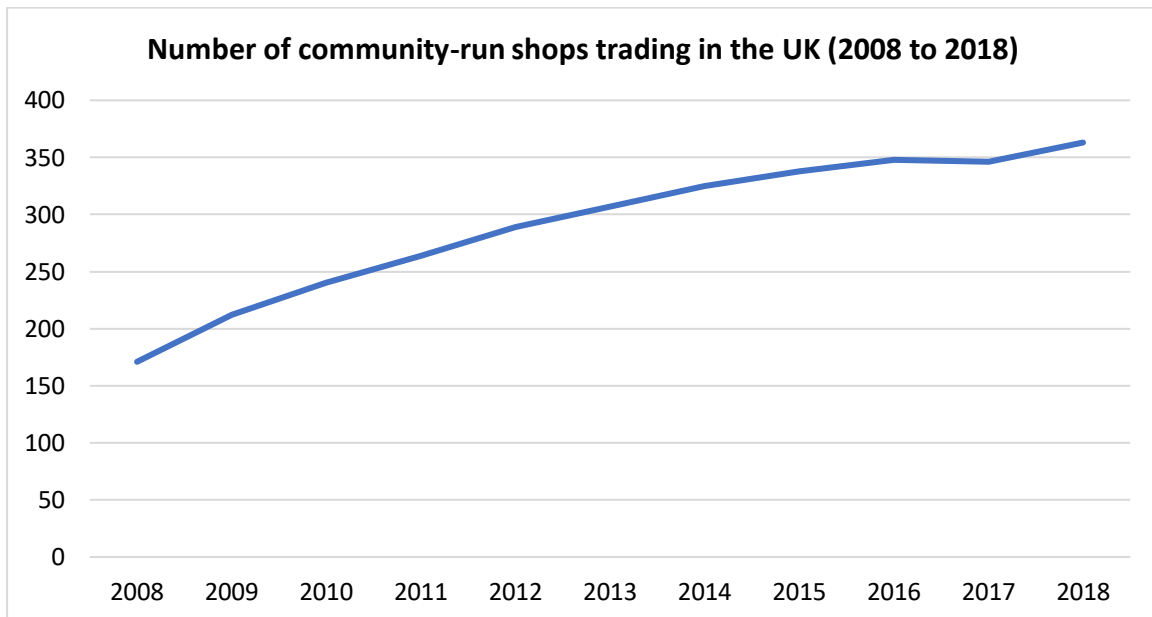
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<sup>43</sup> *All About Local Councils*, National Association of Local Councils (2018)

<sup>44</sup> *What are the Demographics of Volunteers?* NCVO, based on 2017/18 data from DCMS Community Life Survey



The number of community-run shops that are trading in the UK has increased from 171 in 2008 to 363 in 2018. This represents a 112% growth over the decade<sup>45</sup>. The great majority of these shops are found in rural locations.

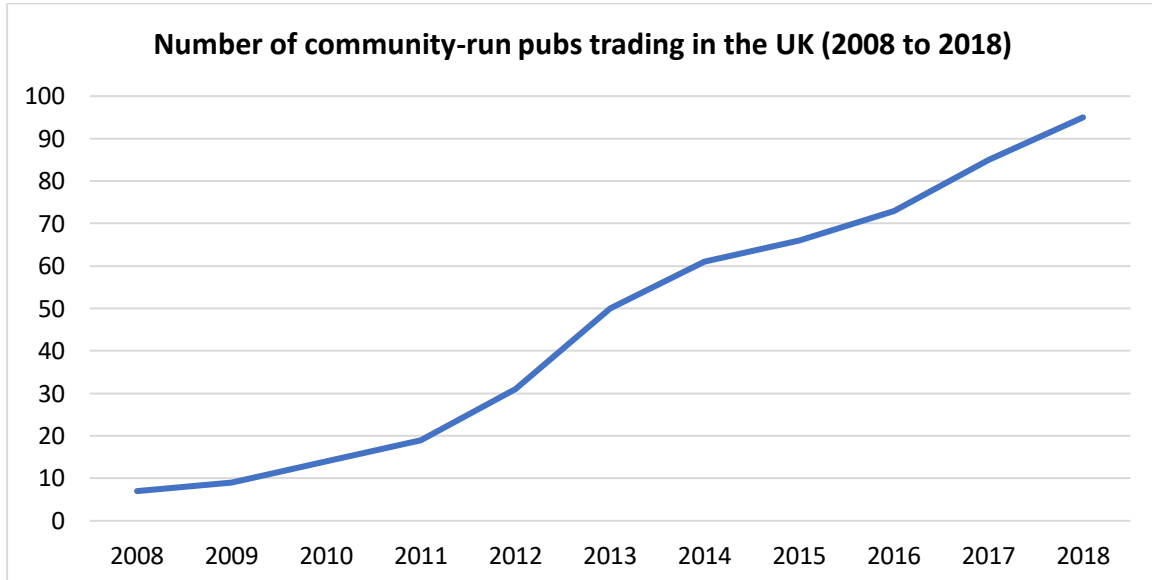


Those community-run shops which opened during 2018 raised start-up funding from four sources:

- 43% from grants awarded by grant giving bodies;
- 42% from shares bought by their local communities;
- 9% from loans or mortgages; and
- 6% from donations and other fund raising activity.

<sup>45</sup> *Community Shops: A Better form of Business*, Plunkett Foundation (2019)

The number of community-run pubs that are trading in the UK has increased from 7 in 2008 to 95 in 2018. This represents a more-than twelvefold growth over the decade<sup>46</sup>.



Analysis has shown that in 82% of cases the local community owns the pub building and in the remaining cases it leases the pub building.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

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<sup>46</sup> *Community Pubs: A Better form of Business*, Plunkett Foundation (2019)

## Section 10: Rural Town Centres and High Streets

### Why it matters

Rural or market towns perform a unique function within rural economies and rural life, acting as a focal point and supporting, not only their own residents, but those from a hinterland of smaller villages and hamlets.

They are typically where a range of important public and private services are clustered, including supermarkets, medical centres, secondary schools, leisure centres, arts venues and banks. They frequently host a plethora of small independent retailers.

In addition to providing for local residents, rural and market towns often meet the needs of day visitors or tourists, who generate additional, if seasonal, income. Many of these towns will host events, such as arts festivals or local food festivals.

Rural or market towns are also centres of employment for the rural workforce, providing job opportunities, many of them in town centre services or on nearby trading estates.

Yet many town centres face challenges and some are run-down, with vacant or underused premises. Retail outlets are often undercut by online competition and some public services have centralised. Other challenges they may face include traffic congestion, a poorly maintained public realm and sites requiring regeneration.

### The national policy context

Key elements of national policy include:

- Future High Streets Fund – one element of the Government's *Our Plan for the High Street* initiative, launched in 2018, is a £675 million fund into which town partnerships can bid. It can help fund infrastructure, land acquisition or assembly, transport access, building change of use and high street adaptation. Bids must be match-funded by the private sector.
- Business Improvement Districts – BIDs are specific areas within which businesses have agreed to pay a levy (on their Business Rates) for up to five years in order to fund certain projects. These are designed to enhance the area and so to benefit the business community, bringing about more footfall and trade. Most (though not all) BIDs are in town and city centres.
- Planning – the Government recently extended permitted development rights, removing the need (in many cases) for planning consent where it is intended to change a building's use from retail to other uses, such as office or



residential. A more established policy in national planning guidance gives some protection through a town centre first policy. This prioritises new retail development within or adjoining town centres over retail development at out-of-town locations.

- Business taxation – from April 2019 most retail properties have received a business rates discount which reduces their rates bill by a third for a period of two years. This benefits a range of shops, pubs and restaurants (though it excludes the highest value properties and those which are occupied by professional services). Some of these will, anyway, have been eligible for Small Business Rate Relief.

### The rural dimension

There are 5.2 million people who live in settlements or areas classified as ‘rural town and fringe’ in England<sup>47</sup>. This figure is based on a definition where rural towns are places with a population under 10,000 and which have a population density pattern distinguishing them from smaller settlements. Rural town and fringe areas therefore represent 9% of the country’s population.

If settlements are instead sorted by size band, there are 615 small towns which have a resident population<sup>48</sup> between 3,000 and 10,000. (Some smaller settlements could be considered as being functionally towns.) At the other end of the spectrum, some larger towns have been classified by statisticians as rural ‘hub towns’, because they perform a significant role as service and employment centres for surrounding rural areas. There are 176 settlements listed as rural hub towns.

### ***Rural towns by population size (2011)***

Settlement population size band	Number of small towns	Resident population
3,000 to 4,999	321	1,130,700
5,000 to 6,999	159	939,000
7,000 to 9,999	135	1,250,500
Rural hub towns (up to 30,000)	176	
Total	791	

<sup>47</sup> *Statistical Digest of Rural England*, Defra (2020)

<sup>48</sup> 2011 Census built up area statistics, Office for National Statistics (from the NOMIS website)

Rural town and fringe areas are the location for over 180,000 registered businesses, which between them employ almost 1.25 million people<sup>49</sup>.

They are also the location for almost 33,000 business units within the retail, wholesale and motor repair sector, which between them employ approaching 0.25 million people.

### ***Businesses and employment in rural town and fringe areas (2017/18)***

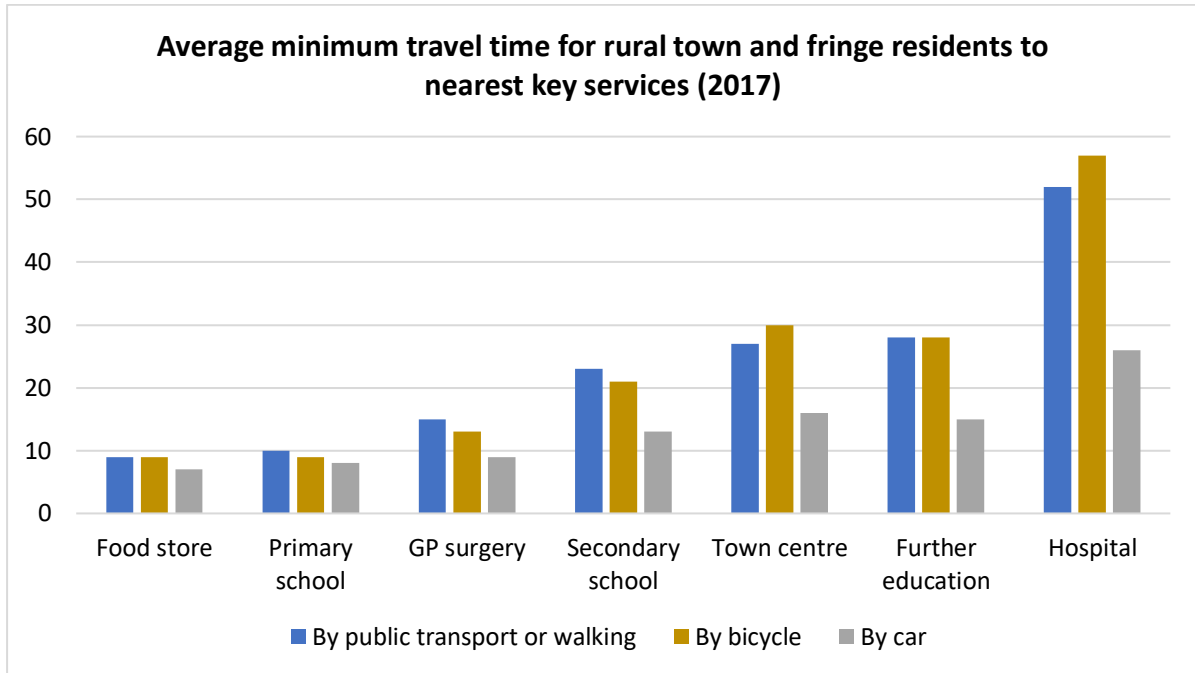
	Number	Share of England total
All registered businesses	182,660	7.9%
People employed in all registered businesses	1,240,000	4.6%
Business units in retail, wholesale and motor repair sector	32,520	7.5%
People employed in business units from retail etc sector	235,155	5.8%

Accessibility data shows the typical minimum travel time for residents of rural town and fringe areas to reach the nearest facility or outlet for various service types<sup>50</sup>. Unsurprisingly, travel times are shortest by car. Travel times by bicycle and by public transport/walking are similar, though this does not take account of public transport frequency.

The shortest travel times are those to the nearest food store, primary school and GP surgery. The longest travel times are those to the nearest hospital, further education and town centre. It is likely that hospitals for many are located in another (larger) town and not the one where they live.

<sup>49</sup> As footnote 1 above.

<sup>50</sup> Accessibility Statistics, Department for Transport (2017)



One service which has pulled back from town high streets is bank branches. Analysis found that 124 of the branches which closed in 2014 (over a quarter of all closures) were the last bank branch in their community<sup>51</sup>. This was a trend which particularly impacted rural town and coastal communities.

In December 2019 the first 14 places to win funding as a pilot scheme under the Future High Streets Fund were announced<sup>52</sup>. Two of these places were rural hub towns, namely:

- Cheadle in Staffordshire; and
- Kendal in Cumbria.

### Policy solutions

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>51</sup> *Annual Report 2014: A Year of Change*, Campaign for Community Banking (2015)

<sup>52</sup> Ministry of Housing, Communities & Local Government press release, December 2019

## Section 11: Availability of Affordable Housing

### Why it matters

Rural communities should be diverse and inclusive places where people of all ages and backgrounds can live together. A supply of affordable housing helps to ensure that is the case. Without it, rural communities become places where only the more affluent (who are disproportionately from older age groups) can afford to live. There is a risk that the cost of open market housing rises further in rural areas if more people move there from urban areas following the recent pandemic.

Equally important is that those who grow up or have connections in rural communities have the option to live there. This includes young people forming new households, typically with limited financial resources. A supply of affordable housing keeps families and local support networks intact which, in turn, helps to address isolation and loneliness.

Businesses in rural areas need access to a workforce, including for jobs which typically attract or can only sustain modest pay rates. This includes many of those who are classed as ‘essential workers’. A supply of affordable housing benefits the rural economy, with employers able to recruit and retain staff across a range of jobs.

Nationally, there is a widely acknowledged shortage of housing which is affordable. Rural areas – including small towns and villages – should contribute to meeting that need and form part of the solution.

### The national policy context

Key elements of national policy include:

- Market approach – the Government target has been that by the mid-2020s the UK should be building 300,000 new homes each year. To support that aim, in 2017 it announced various funding mechanisms, including a Home Building Fund to assist small housebuilders and a Land Assembly Fund to bring forward development sites. The Government hopes that by increasing supply and the quantum of homes, the whole housing market will become more affordable.
- Affordable housing definition – over the years Government has broadened its definition of ‘affordable housing’ to embrace new tenures. These are set out in the National Planning Policy Framework. They include traditional social rent housing, plus ‘affordable rent’ (set at 80% of market rental value), shared ownership or part-rent part-buy tenures and discounted starter homes to buy. Social rent remains the most affordable option and for those on the lowest

incomes the only realistic one. Despite the name ‘affordable rent’ is above what many in rural areas can afford.

- Affordable housing quotas – planning authorities use Local Plan policies to set the share of homes on development sites they expect to be affordable. However, for some time Government has exempted sites of fewer than 10 dwellings from such policies. This is problematic as most rural sites are small. The small sites restriction has now been relaxed, giving planning authorities some flexibility in designated rural areas<sup>53</sup>, but it remains in place across most of rural England.
- Rural exception sites – local planning authorities can permit development of small affordable housing developments which meet locally identified needs on rural sites that otherwise would be protected from development. These rural exception sites can be especially useful in villages where there is strong countryside protection. Government recently introduced another similarly-framed policy, called entry level exception sites (ELES), where homes for sale at below market value to first time buyers can be built. Following concerns that were raised, Government committed to monitor whether the new ELES policy has a detrimental impact on delivery of rural exception sites.
- Right to Buy schemes – the established Right to Buy scheme has given tenants living in local authority owned housing the right to buy their property at a discount (which reflects the length of time they have lived there). Whilst popular with tenants, the level of discount on offer has been increased over time, aiming to boost take-up further. Local authority income derived from Right to Buy sales is meant for reinvestment in affordable homes (see later). A voluntary Right to Buy scheme for housing association tenants has been piloted in the midlands.

### The rural dimension

Housing is relatively expensive to buy or to rent privately in rural areas and can be beyond the means of many. The average house purchase price is £44,000 higher in rural areas than it is in urban areas<sup>54</sup>.

As a result of this plus relatively low local wages, housing is less affordable in rural than in urban areas (excepting London). This remains true for those buying at the cheaper end of the housing market. The housing affordability index measures the cost of bottom quartile housing as a multiple of bottom quartile annual earnings<sup>55</sup>. In 2018 that multiple or ratio was:

- 8.8 in predominantly rural areas, having risen from 8.1 in 2015; and

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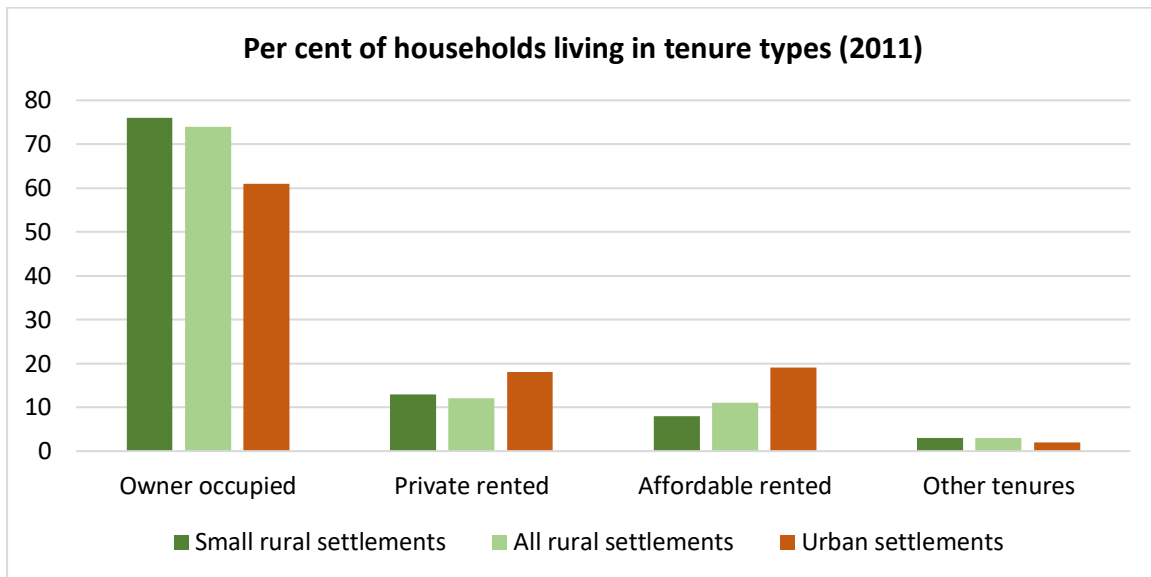
<sup>53</sup> Designated rural areas are those in National Parks, Areas of Outstanding Natural Beauty or listed under Section 157 of the Housing Act 1985. These comprise around 30% of all rural parishes.

<sup>54</sup> *Halifax House Price Index*, Halifax Building Society (2017)

<sup>55</sup> *Statistical Digest of Rural England*, Defra (2020), based on Office for National Statistics data

- 7.5 in predominantly urban areas (excluding London), having risen from 6.8 in 2015.

The mix of housing tenures found in rural areas is fairly distinct, with less social rented housing available, especially in the smallest settlements. Just 8% of households from villages and hamlets lived in affordable rented housing, contrasting with 19% of households from urban settlements.



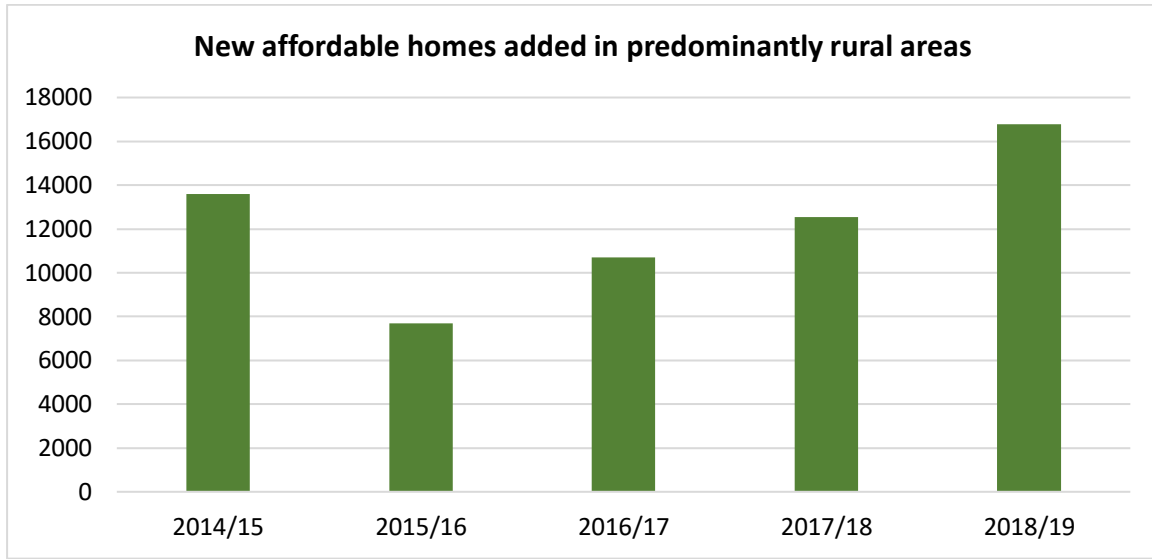
The number of social rented homes in predominantly rural areas has reduced further with the Right to Buy scheme. By 2015 sales of local authority housing were running at 1% of that stock per year<sup>56</sup>. Although the sale income generated is intended for reinvestment, in rural areas only 1 replacement home was built for every 8 homes sold (with replacements rarely in the same settlement).

A previous estimate<sup>57</sup> is that 7,500 new affordable homes need building each year just in England's smaller rural settlements (i.e. villages), a figure which is now considered an under-estimate. Around 3,700 such homes were completed in villages in 2015/16 and just over 4,000 in 2016/17.

More recent figures show how many affordable homes have been built or added to the affordable housing stock in predominantly rural areas (of which small rural settlements are a part). Taking all tenures within the official affordable housing definition, the number of homes added to the stock fell sharply in predominantly rural areas in 2015/16. However, since then the trend has moved in the other direction and in 2018/19 some 16,770 affordable homes were added.

<sup>56</sup> Analysis of Ministry of Housing, Communities & Local Government data

<sup>57</sup> *A fair Deal for Rural Communities*, Rural Housing Policy Review group (2015)



A notable feature, though, is that very few of these added affordable homes in predominantly rural areas are for social rent i.e. the most affordable tenure category. In 2018/19 they comprised just 6% of the new affordable homes (or half the 12% figure in predominantly urban areas).

***Additions to the affordable housing stock by type of tenure (2018/19)***

	Predominantly rural areas		Predominantly urban areas	
	Numbers	Per cent	Numbers	Per cent
Social rented housing	1,090	6%	3,880	12%
Affordable rent housing	9,490	57%	16,360	52%
Intermediate tenures	6,200	37%	11,430	36%
All affordable tenures (total)	16,770	100%	31,680	100%

Homes England has other investment programmes for new affordable housing provision, including to enable development on larger and largely urban development sites.

**Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

## Section 12: UK Shared Prosperity Fund

### Why it matters

The UK Shared Prosperity Fund will become the main means through which Government channels economic and social development grant funding to areas in the early 2020s, when it replaces existing EU funding streams.

As such, it will replace two funding streams which have been targeted specifically at supporting rural economic growth, namely the LEADER programme and a sizeable part of the European Agricultural Fund for Rural Development (EAFRD)<sup>58</sup>.

It will also replace funding streams which were not rural-specific, but which some rural areas tapped into, namely the European Regional Development Fund, the European Social Fund and the European Maritime & Fisheries Fund.

Forthcoming decisions about the UK Shared Prosperity Fund will determine how funds are allocated (including to rural areas of England), what types of project or business can benefit, how adaptable the fund is to local needs and what local arrangements are created to manage delivery. Such considerations will determine the scale, scope and effectiveness of future rural funding.

### The national policy context

Key elements of national policy include:

- Exiting the EU – the UK’s decision to leave the European Union, which has placed it into a transitional period throughout 2020, means that funding streams operated from 2014 to 2020 at an EU level are being wound up, though with project commitments honoured. In 2017 the (then) Government committed to create a domestic replacement to be known as the UK Shared Prosperity Fund.
- Shared Prosperity Fund – whilst the Government has committed to establish this Fund, it has yet to confirm whether the level of funding will match that received before from EU funds. Ministers have said that the Fund (in England, at least) will be used to help reduce inequalities between communities by strengthening the foundations of productivity. This would appear to align with the Government’s ‘levelling up agenda’, to assist those places which have not shared in the country’s economic growth and have been left behind.

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<sup>58</sup> The LEADER programme was a part of the Common Agricultural Policy. All the other funds mentioned above collectively formed what were known as the EU Structural & Investment Funds.



- Rural policy context – the LEADER programme, managed by Local Action Groups, and relevant parts of the EAFRD programme, managed by Local Enterprise Partnerships, were delivered across rural England during the period 2014 to 2020. They offered small grants to support SME growth, job creation and innovation, including farm diversification. A feature of LEADER, praised by many commentators, was its bottom-up approach (being locally managed by partnerships drawn from the public, private and civil society sectors and with promising applicants assisted to develop proposals via a process known as animation).

### The rural dimension

The LEADER programme for the period 2014 to 2020 had a value of £138 million in England. It was delivered by 79 Local Action Groups. Priorities for the programme funding have been: supporting micro and small businesses and farm diversification; boosting rural tourism; increasing farm productivity; increasing forestry productivity; providing rural services; and providing cultural and heritage activities.

The EAFRD programme for the period 2014 to 2020 had an overall value of £3 billion in England, of which roughly £400 million was apportioned to its economic objectives for SME competitiveness, innovation and employment.

Analysis<sup>59</sup> of committed project spend from other EU funding streams shows that from 2014 up until early 2019:

- 14% of the European Regional Development Fund spend in England (worth about £520 million) was taking place in predominantly rural areas; and
- 3% of the European Social Fund spend in England (worth about £83 million) was taking place in predominantly rural areas.

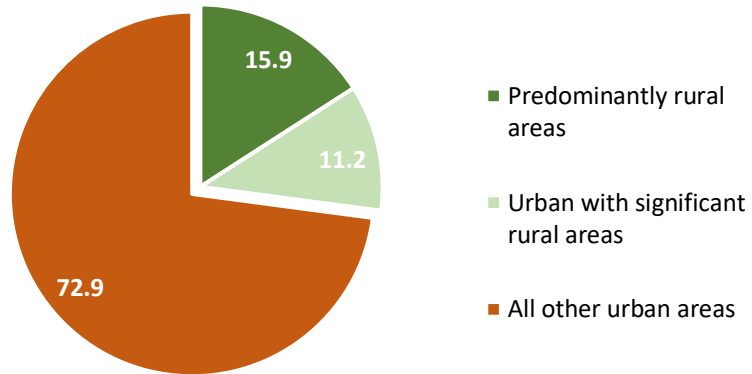
Predominantly rural areas in England contributed £260 billion of Gross Value Added productivity to the national economy during 2018. This accounts for almost a 16% share of England's productivity<sup>60</sup>. That rural share has reduced somewhat over time, from 16.4% in 2010 to 15.9% in 2018, as London has expanded further its share of the country's productivity.

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<sup>59</sup> *Assessing the Scale and Effectiveness of ERDF and ESF Funding*, Frontier Economics (2019)

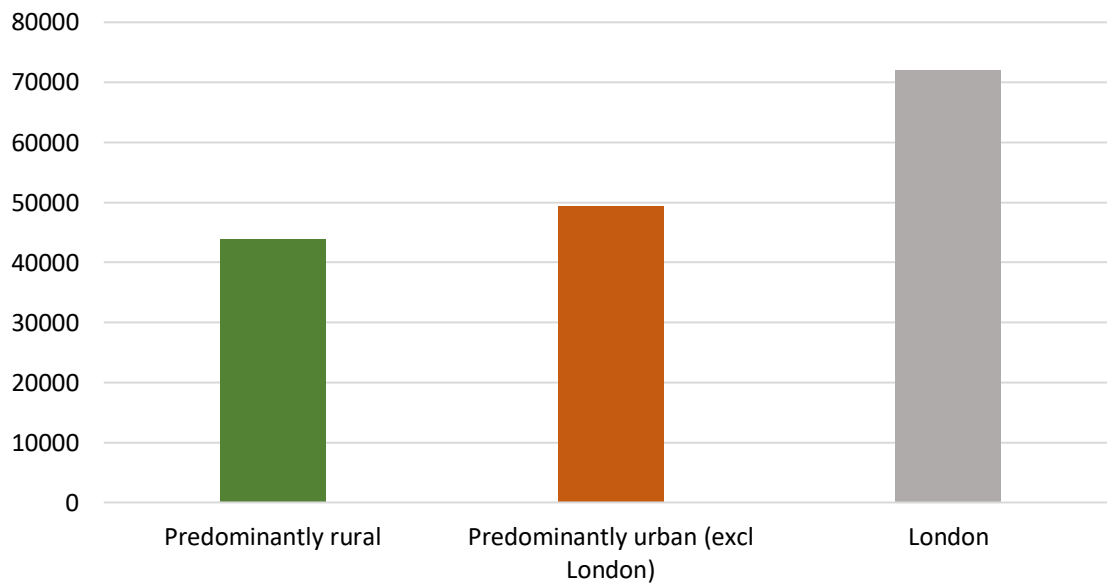
<sup>60</sup> *Statistical Digest of Rural England*, Defra (2020), based on Office for National Statistics data on GVA for 2018

Per cent of England Gross Value Added by area type (2018)



Gross Value Added per workforce job is £43,900 per annum in predominantly rural areas. This is 18% less than the figure for England as a whole. There is therefore a sizeable productivity gap between rural and urban areas.

Gross Value Added per workforce job, in £s per annum (2018)



Capital investment by businesses in predominantly rural areas was £5,100 per employee during 2016. This was lower than the England average of £5,500.

**Capital investment per employee, by type of area (2016)**

	In £s during 2016	As % of England average
Predominantly rural	£5,100	93%
Predominantly urban	£5,300	96%

(excluding London)		
London	£6,500	120%

More rural facts and figures about rural businesses and employment are provided in the section on Local Enterprise Partnership and Local Industrial Strategies.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

## Section 13: Managing an Older Population

### Why it matters

Rural communities should be places where people of all ages live together and experience a good quality of life, with fair access to services and a range of opportunities. That includes people from older age groups, who typically form a large cohort within rural communities.

As people grow older there is an increasing risk that they become isolated and vulnerable as their day-to-day needs are not met. For many avoiding this risk means having access to some alternative means of transport, should they no longer be able to drive.

An ageing population also has implications for service providers, who must address their needs. If it is not fully factored and costed in, there is a high risk that demand will overwhelm statutory services, in particular health and social care systems.

People's housing requirements change as they age, especially if they develop long term conditions which impede their mobility. Giving older people the option of moving locally to more suitable accommodation will benefit them and free up housing stock for younger age groups.

Many older people remain fit and active, contributing significantly to their communities. This much is clear from their involvement in volunteering and local activities or societies. Indeed, growing numbers continue to participate in the labour market beyond traditional retirement ages.

### The national policy context

Key elements of national policy include:

- Health and care – the Government published a Prevention Green Paper in 2019, the main goal of which is (by 2035) to extend, by five years, how long people live healthy and independent lives. It seeks to achieve this with various initiatives, some which could be seen as applying more to older age groups, such as health checks and screening, and some which apply across all age groups, such as encouraging healthier lifestyles. Major reform of the adult social care system (and not least its funding) has been promised for some time, with Government proposals awaited. This can be expected to have implications both for care provided to clients in their own home and for that provided at care homes.
- Loneliness Strategy – the Government published a loneliness strategy in 2018. Whilst this potentially applies to people of all ages, it is recognised that

Loneliness and isolation affects many older people, especially those living alone. The strategy identifies the link with poor health and it announced that, by 2023, GPs would be able to refer anyone experiencing loneliness to community activities or voluntary services.

- Housing and planning – a Lifetime Homes Standard was drawn up by the Joseph Rowntree Foundation, given concerns that so many homes are unsuited for and hard to adapt to the needs of those with limited mobility or worsening health. It set 16 design principles covering issues such as parking, doorways and service controls. National Planning Policy Framework expects local planning authorities to account for the housing needs of older people in their Local Plans. However, authorities must provide strong evidence should they want new build housing to exceed existing regulations (and so approach the Lifetime Homes Standard).
- Concessionary travel scheme – when people reach the state retirement age for women, they are entitled to apply for a pass which allows them to travel free on local buses, except at peak travel times. This England-wide scheme is nationally funded through a reimbursement paid to bus operators that carry concessionary passengers. The national scheme is topped up in some areas by the local authority, extending it to cover peak travel times.

### The rural dimension

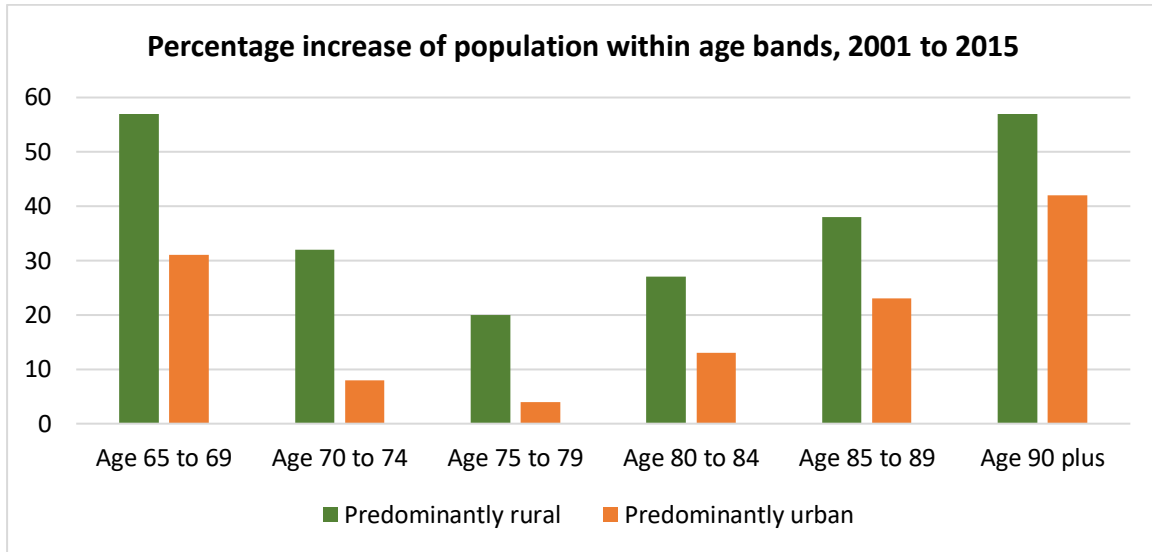
Older people form a significantly larger proportion of the population in rural than in urban areas<sup>61</sup>. Just under a quarter of England’s rural population (or 2,366,000 people) is aged 65 or over. Indeed, 3% of the rural population falls into the very elderly or age 85 plus category.

#### ***Share of the population within older age groups, by type of area (2018)***

	Age 65 to 74	Age 75 to 84	Age 85 plus	All aged 65 plus
Rural areas	13.9%	9.1%	3.0%	24.8%
Urban areas	7.9%	5.5%	2.3%	16.9%

Over time, older age groups are forming an increasing proportion of England’s population. However, this demographic trend is most pronounced in predominantly rural areas. Over the period 2001 to 2015 the number of people aged 90 or over increased by 57% in predominantly rural areas.

<sup>61</sup> 2018 Mid Year Population Estimates, Office for National Statistics.



Indeed, official population projections<sup>62</sup> show that the share of the population in predominantly rural areas which is aged 65 or over is expected to rise to just under 30% by the year 2035.

Local authority expenditure on adult social services is 5% higher in predominantly rural areas than in predominantly urban areas (as measured on a per resident basis)<sup>63</sup>.

Those predominantly rural local authorities also face paying relatively high hourly charges where they commission home care for clients in need.

**Local authority expenditure and costs for adult social care services (2018/19)**

Type of local upper tier authority	Net total expenditure on adult social care per resident	Average hourly cost of home care by an external provider
Predominantly rural areas	£298	£17.82
Predominantly urban areas	£283	£15.96
Additional rural expenditure or hourly cost	£15 or 5%	£1.86 or 12%

Older people living in rural areas are more likely to be caring informally (on an unpaid basis) for someone else than their urban counterparts. Statistics show that:

- 24% of older people who live in rural areas provide unpaid care; whereas
- 18% of older people who live in urban areas provide unpaid care.

<sup>62</sup> *Subnational Population Projections for England: 2018-based*, Office for National Statistics (2020)

<sup>63</sup> *Adult Social Care Activity and Finance: England 2018-19*, data tables from NHS Digital (2019)

Almost 4,400 sheltered housing developments are located in rural areas or a fifth of the England total<sup>64</sup>. They hold 16% of dwellings on such developments, indicating that rural sheltered housing developments tend to be smaller than average. Developments in rural areas are less likely to have a warden than those elsewhere, although having a resident warden is still the most common set-up.

***Number of sheltered housing developments and dwellings in rural areas of England (2010)***

	Number in rural areas	Rural share of England total
Sheltered housing developments	4,384	20%
Dwellings on these developments	98,307	16%
Dwellings with a resident warden	46,808	15%
Dwellings with a non-resident warden	33,650	16%
Dwellings without a warden	17,849	20%

Some 75,000 residents are living in care homes in rural areas of England<sup>65</sup>. They comprise just over a fifth (21%) of all residents living in care homes in England. The largest group are those that live in care homes which are run outside the public sector and which have no provision for nursing care.

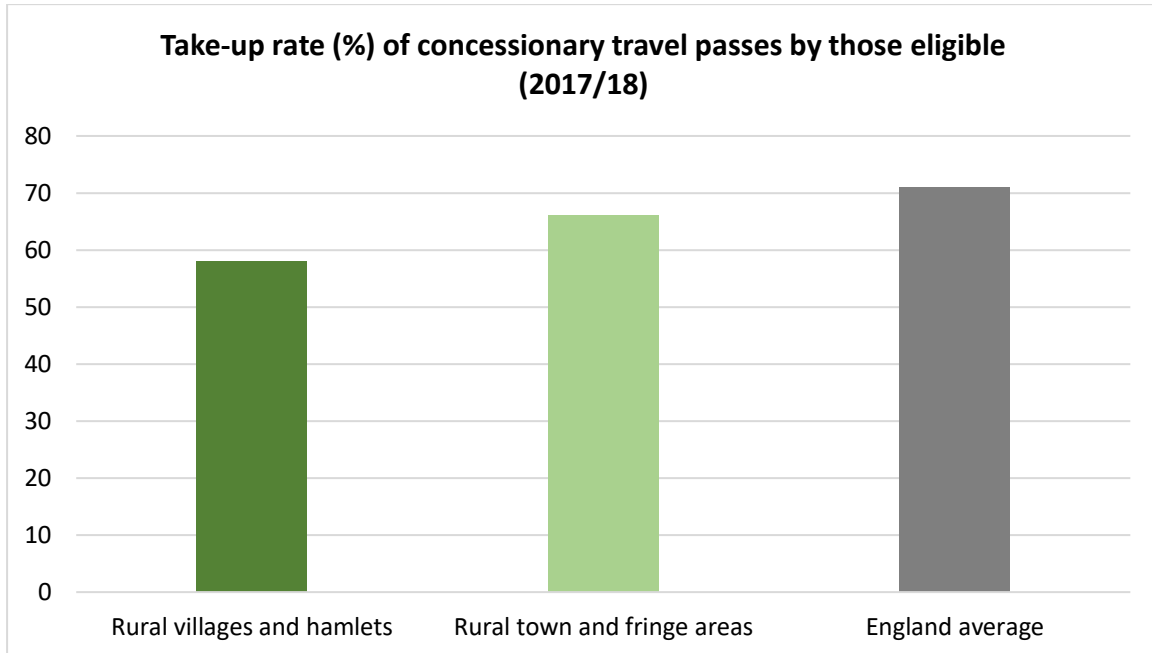
***Residents living in care homes in rural areas of England, by type of care home (2011)***

Type of care home	Rural areas: number of residents	England: number of residents	Rural share of England total
Local authority run with nursing care provided	228	1,539	15%
Local authority run without nursing care	1,849	12,907	14%
Run outside the public sector with nursing care provided	29,701	140,547	21%
Run outside the public sector without nursing care	43,252	205,360	21%
Total: living in all care homes	75,030	360,353	21%

<sup>64</sup> Elderly Accommodation Council database, analysis from 2010

<sup>65</sup> 2011 Census of Population, Office for National Statistics

The take-up rate of passes giving concessionary travel on local buses is relatively low in rural areas. Among residents who are eligible for a pass (of whom nine in ten are eligible due to older age), 58% of those living in smaller rural settlements have acquired one<sup>66</sup>. This low figure doubtless reflects the availability and frequency of bus services in many rural areas.



Moreover, evidence shows that those who do take-up a concessionary bus pass make less use of it if they live in a non-metropolitan or shire area<sup>67</sup>. The average pass holder in a non-metropolitan area used their pass for 62 journeys over the course of a year (compared with 228 journeys by Greater London pass holders and 110 journeys by those in other metropolitan areas).

Although there are no rural-specific figures, survey findings show that the age group which is most likely to volunteer is the 65 to 74 age group<sup>68</sup>. Some 67% of them said they had volunteered within the last year and 46% had volunteered within the last month.

### Policy solutions

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

<sup>66</sup> *National Travel Survey 2017/18*, Department for Transport (2018)

<sup>67</sup> *Bus Statistics*, based on survey of travel concession authorities, Department for Transport (2019)

<sup>68</sup> *Community Life Survey 2018-19*, Department of Digital, Culture, Media & Sport (2019)



## Section 14: Sustainable Farming and Land Management

### Why it matters

Food on the plate is something we (in England) have tended to take for granted. However, one thing learnt from the Covid-19 lockdown is that some foodstuffs depend highly on imports, delivered on a just-in-time basis. Whilst trade in food can bring many benefits, there is growing interest in the ability of the nation to feed itself.

Farming remains an important source of employment in many rural areas, even after decades of change bringing efficiency gains. It supports many other rural jobs in the supply chain, too, such as those upstream producing farm inputs and those downstream in food processing. Indirectly, it also helps support other rural employment, as farmers and farm employees use local shops and services.

Many farms have diversified their businesses, particularly into retail and tourism. As a result, they contribute to the wider economy through enterprises like farm shops and visitor accommodation.

Farmers, foresters and other land managers fundamentally shape our countryside. In the well-worn phrase they are stewards of the land. It is a countryside variously enjoyed by both nearby residents and by visitors for its openness, beauty, peacefulness, wildlife and leisure opportunities.

### The national policy context

Key elements of national policy include:

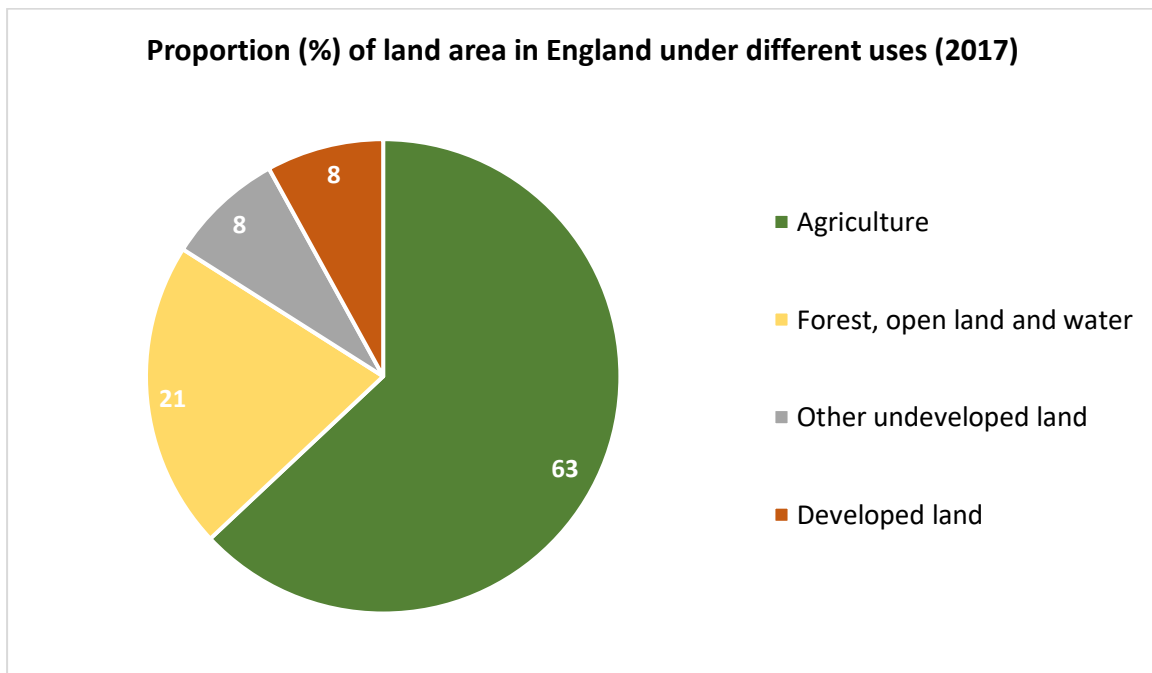
- Post-EU reforms – preparing for departure from the EU and its Common Agricultural Policy, the UK Government published proposals in 2018 which would shift agricultural subsidies so that they fund public goods in future. This shift is expected to happen over a seven-year period, whilst the EU farm subsidy scheme is phased out. It will align subsidies with goals set out in the 25 Year Environment Plan, such as those for clean air, clean water, flood mitigation and thriving wildlife. Development of the proposals is being progressed under the policy banner, The Future for Food, Farming and the Environment. Government has said that the overall funding level for farm subsidies will not reduce, though there will inevitably be some redistribution that creates winners and losers.
- Agriculture Bill – this legislation will make provision for payments under the replacement subsidy scheme. In England, those subsidies will be paid through an Environmental Land Management (ELM) scheme, which is due to start major trials in 2021 and to be fully operational by 2024. Some tests are already being run. It is proposed that ELM should operate at three levels, with

grants to support individual farm practice, local area priorities and landscape scale projects. Additional grants will be available to help farmers invest in equipment, technology, infrastructure, value added products and new business models.

- National Food Strategy – an independent review has been taking place to inform the Government’s plan for a National Food Strategy. This is looking at the whole supply chain, from food production through to food purchasing. It is also exploring issues such as food security, health impacts, environmental impacts and economic value. The report from the independent review is due to be published during 2020.
- Workforce – UK farming has been highly dependent on seasonal labour from EU member states, especially the edible horticulture sector. Future access to that labour force will alter, perhaps radically depending what agreement is reached between the UK and EU. A UK migration system which seeks to attract higher earning migrants is unlikely to favour farm workers. The Government has meanwhile run a pilot Seasonal Agricultural Workers Scheme (SAWS), to test giving vegetable and fruit growers access to a temporary workforce, subject to certain conditions.

### The rural dimension

Agriculture is easily the predominant land use in England. Just over 63% of its land area is used for agriculture<sup>69</sup>.



<sup>69</sup> *Land Use in England 2017*, Ministry of Housing, Communities & Local Government (2019)

The agriculture, forestry and fishing sector accounts for:

- 4% of all registered businesses in England as a whole; and
- 15% of all registered businesses in the rural areas of England<sup>70</sup>.

There are 350,000 people employed in England in registered businesses which fall within the agriculture, forestry and fishing sector. Although they comprise only 1.3% of employment nationally, the sector is an important part of rural economies and especially so in areas which have a sparse population.

### ***Employment in agriculture, forestry and fishing sector in England registered businesses (2017/18)***

	Number employed in sector	As per cent of all employment
Across England	349,345	1.3%
In all rural areas	303,155	7.5%
Just in sparse rural areas	30,885	14.2%

The UK is 75% self-sufficient in the food and drink products which can be grown in the country (due to climate, etc) and 61% self-sufficient in all food and drink products that are consumed in the country. Across the whole of the food and farming sector, the UK:

- Exported £20 billion worth of food and drink products; and
- Imported £43 billion worth of food and drink products<sup>71</sup>.

Over the period from 2014 to 2020 farmers across the UK were allocated around £22.3 billion in direct subsidy payments, offering income support under pillar one of the EU Common Agricultural Policy (CAP). Typically, these CAP payments made up around 50% to 60% of a farm's income in England, though this proportion is likely to be higher in places with difficult farming conditions, such as upland areas.

The agriculture sector (and, indeed, the food sector) have been heavily reliant on migrant labour. This is especially so for short-term summer tasks, such as fruit and vegetable picking<sup>72</sup>. The great majority of this labour force has come from countries which joined the EU from 2004 onwards.

### ***Migrant labour working in the UK food and agriculture sectors (2016)***

Migrant labour groups (from other EU states)	Numbers estimated in 2016

<sup>70</sup> *Statistical Digest of Rural England*, Defra (2020), based on Inter Departmental Business Register 2017/18 data

<sup>71</sup> *Brexit: Future UK Agriculture Policy*, House of Commons library briefing paper (2018) – figures are for 2016

<sup>72</sup> *Migrant Workers in Agriculture*, House of Commons library briefing paper (2017) - based on Quarterly Labour Force Survey data for 2016

Working long-term in the agriculture sector	27,000
Working in the food manufacturing sector	116,000
Working temporarily for summer in agriculture	75,000

**Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

## Section 15: Decarbonising Rural Communities and Economies

### Why it matters

The impacts of dangerous climate change will affect all communities. This is already clear from the rural impacts of increasingly frequent storm damage, flood events and periods of drought. Minimising man-made climate change matters just as much to rural communities and businesses as it does to any others.

Rural areas, which host more than a sixth of England's population and which cover most of its land area, must play their full part if the UK is to rapidly reduce its carbon footprint and achieve its net zero target. An approach focussed on urban areas alone would fail.

There are opportunities as well as challenges for rural areas that arise from the decarbonisation agenda. There will, for example, be growth sectors in the green economy and new opportunities for community enterprise.

It is important that rural communities receive direct benefits where they host development such as new renewables infrastructure. There is likely to be local resistance if the countryside is perceived as being seen just as a solution to emissions from (mainly urban) consumers.

### The national policy context

Key elements of national policy include:

- Net Zero target – as noted in the section on energy infrastructure and renewables, the Climate Change Act 2008 set an initial target for the UK to reduce its greenhouse gas emissions by 80%<sup>73</sup>. However, in 2019 that ambition was raised, when Government set a statutory target for the UK to become net zero by 2050. That long-term target has been translated into (decreasing) carbon budgets for forthcoming four-year periods. Progress which is made against those targets is being monitored by the independent Committee on Climate Change, which also advises on further actions needed to achieve them.
- National Adaptation Programme – the NAP sets out risks and opportunities which should help steer the UK towards its Net Zero target. The Committee on Climate Change has stated that it needs further development to identify appropriate actions and to manage risks<sup>74</sup>. Monitoring of emissions data shows there has been very significant progress made by the power

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<sup>73</sup> Carbon dioxide (CO<sub>2</sub>) is the most common greenhouse gas emission, but there are others such as methane.

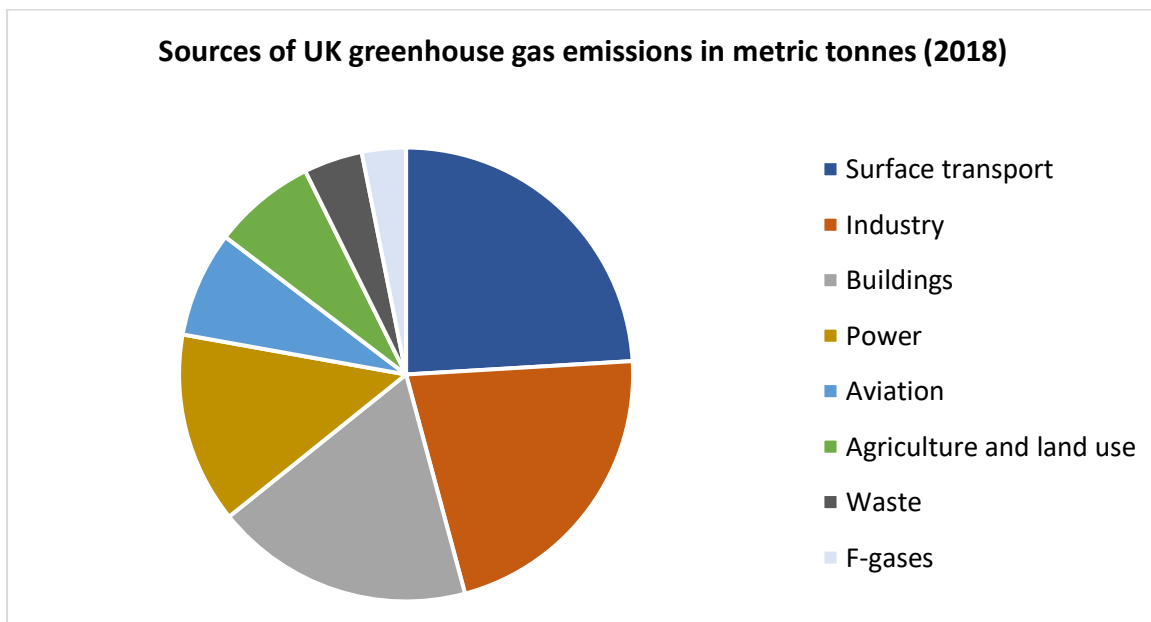
<sup>74</sup> *Reducing UK Emissions – 2019 Progress Report to Parliament*, Committee on Climate Change (2019)

generation sector, some progress by industry, limited progress with housing and no progress with land management, whilst the position with transport has worsened.

- UK Clean Growth Strategy – this document is the Government’s plan to deliver economic growth whilst cutting greenhouse gas emissions, in line with ambitions set out in the Industrial Strategy. This seeks to capitalise on the 430,000 jobs which are now said to exist in low carbon businesses and their supply chains. It cites the UK’s existing expertise in areas such as offshore wind technology, electric or low carbon vehicles and green finance.
- The Road to Zero – is the strategy specifically for reducing emissions from road transport. It seeks to incentivise the production and take-up (by consumers) of low or no emissions vehicles. There is a target for all new cars and vans to be zero emission by 2040 (and half of them so by 2030). That target is under formal review and could be brought forward.

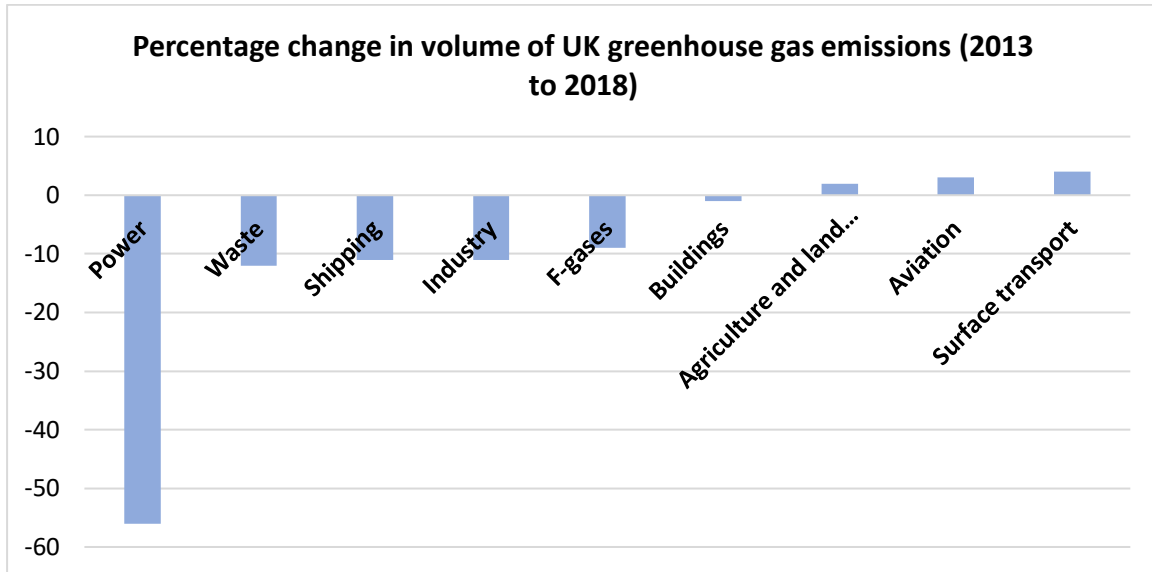
### The rural dimension

Estimates for the whole of the UK – both its rural and urban areas – show that the main sources of greenhouse gas emissions are surface transport, industry, buildings (including housing) and the power sector<sup>75</sup>.



The five-year trend amongst these different sectors varies hugely. Most show a reducing output of greenhouse gas emissions (with the power sector at -56% the outstanding performer), but some are still increasing their output.

<sup>75</sup> Reducing UK Emissions – 2019 Progress Report to Parliament, Committee on Climate Change (2019)



As the section on energy infrastructure and renewables notes<sup>76</sup>:

- Predominantly rural areas are the location for 60% of England’s renewable energy generating capacity, which equates to 16,555 Megawatts (MW);
- In particular, these areas are the location for 64% of capacity from onshore wind and 60% of capacity from photovoltaics – two key renewable sources;
- This is out of all proportion to their 22% share of the country’s households.

A good deal of the existing housing stock in rural areas does not easily lend itself to being made more energy efficient. Buildings tend to be older and many are off the mains gas grid. It is notable that those local authority areas with the highest level of CO2 emissions per property are all predominantly rural<sup>77</sup>.

**Top six English local authority areas for CO2 emissions per property per year (2017-20)**

Local authority district	CO2 emission per property per year
Eden (in Cumbria)	7.39 tonnes
Ryedale (in North Yorkshire)	6.53 tonnes
West Somerset	6.17 tonnes
Richmondshire (in North Yorkshire)	6.14 tonnes
West Devon	6.04 tonnes
Derbyshire Dales	5.85 tonnes

<sup>76</sup> Secondary analysis of data from *Renewable electricity by local authority*, BEIS (2019)

<sup>77</sup> Analysis of home Energy Performance Certificate data from 2017 onwards, BBC Shared Data Unit (2020)

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.



## **Section 16: Business Advice and Guidance**

### **Why it matters**

Setting up in business or self-employment can be a daunting task. Initial guidance about the basics of establishing and running a business can prove invaluable, not least to ensure that a credible business proposition is developed, with sufficient understanding of budgeting, marketing, taxation, legal structures and the like.

Businesses will also, generally, benefit from access to expert advice and guidance, where they are seeking to expand or innovate. This can bring additional risk for businesses, for example if they take on a loan or recruit new employees.

Formal or professional advice may be more difficult for businesses in rural locations to access, at least where it is provided face-to-face. This may be especially so where delivered through group workshops or sessions, which are likely to be held in larger settlements. However, some rural businesses may also face limitations accessing guidance due to poor digital connectivity.

### **The national policy context**

Key elements of national policy include:

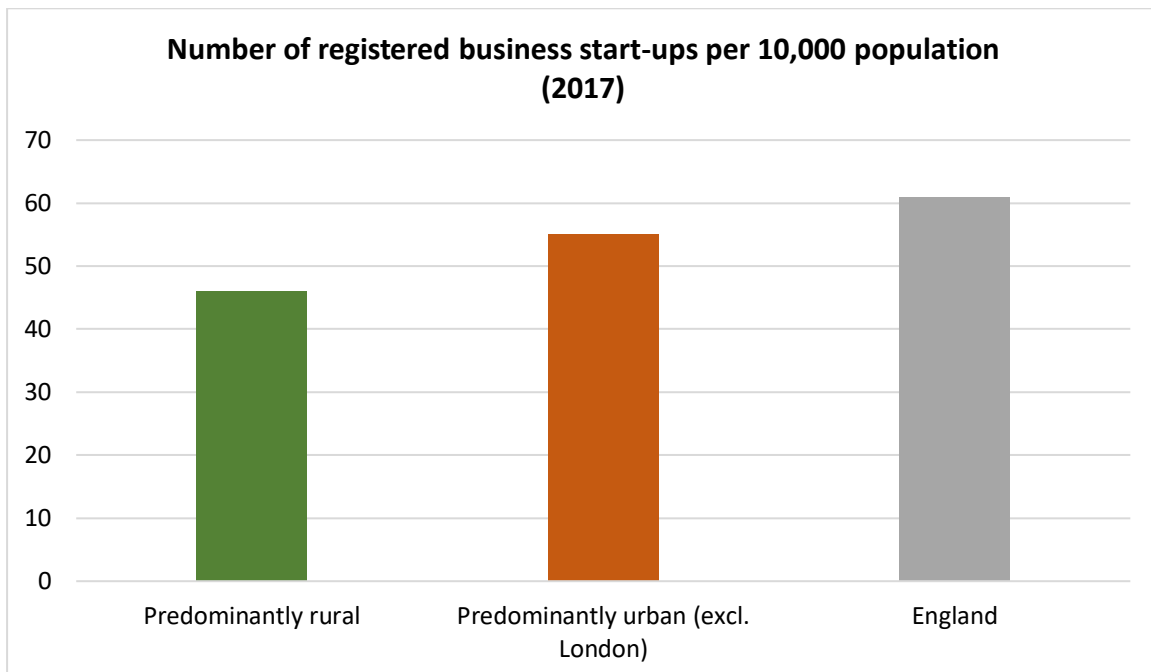
- Business Growth Hubs – advice and guidance services (and in some cases grant support) are available across England from the 38 Local Growth Hubs, which are public-private partnerships that are led by each area's Local Enterprise Partnership. They will typically focus on enabling successful business start-ups and helping established small businesses that have ambitions and growth potential.
- Business Support Helpline – this Government helpline provides free advice and signposting to further guidance for new or existing businesses across England. It includes a webchat facility with business advisers.
- Social enterprise support – there are a number of organisations which deliver tailored advice and guidance to the social and community enterprise sector, which plays an increasingly important role in rural areas. They include Locality, the Plunkett Foundation and Un Ltd.
- Online advice – various bodies and networks (some sector specific) offer general business advice and guidance using online resources. This includes advice for businesses wishing to make better use of digital itself, such as that available on the Digital Boost platform (supported by DCMS), primarily designed to assist operating through Covid-19 restrictions.

- Wider sources – it should be acknowledged that most small businesses, which are the mainstay of rural economies, say they get the bulk of their advice informally from local professionals (such as high street accountants), from their business peers and often from relevant family members. Another source, which can play an important role, are Local Chambers of Commerce or similar business groups.

### The rural dimension

The start-up rate for registered businesses is 46 new such business per 10,000 population in predominantly rural areas<sup>78</sup>. This 2017 figure is lower than the comparable figure for predominantly urban areas outside London and lower still than the England figure (which includes London). Up until 2012 the position was different, with the rural rate slightly higher than the urban rate (outside London).

It should be noted, though, that these figures only refer to businesses which are registered either for PAYE or VAT. They therefore exclude many micro start-ups. On the other hand, they include existing micro businesses which grow to a point where they become registered.



One way to view business expansion is from data about high growth businesses. These are defined, statistically, as those which have grown their employee numbers by at least 20% over each of the previous three years<sup>79</sup>. It should be noted that

<sup>78</sup> *Statistical Digest of Rural England*, Defra (2020), analysis of ONS Business Demography dataset

<sup>79</sup> *Business Demography 2017*, Office for National Statistics, secondary analysis of high growth businesses data

micro-businesses are excluded from this particular data set on the grounds they could distort the calculation<sup>80</sup>.

In an average year there are 2,218 registered businesses (excluding micro businesses) in predominantly rural areas which meet the above definition of high growth businesses. They comprise 4.3% of all such businesses in predominantly rural areas. High growth businesses are therefore slightly more common in predominantly urban areas.

***High growth registered businesses as a proportion of all businesses (annual average 2015 to 2017)***

	Number of high growth businesses (annual average)	Rate of high growth businesses (annual average)
Predominantly rural	2,218	4.3%
Urban with significant rural	1,480	4.7%
Predominantly urban	7,667	4.9%
England totals	11,365	4.7%

Another proxy measure, this time for businesses seeking to grow, is business innovation. Figures are available<sup>81</sup> showing whether a business was involved in innovation, over a three-year period, which could include changes made to its products, services, processes, structures, strategies, marketing and machinery, as well as R&D activity.

Those figures show there is little difference between the levels of innovation undertaken by businesses in rural areas and in urban areas. Well over half of the rural based businesses were involved in some form of innovative activity during the three-year period.

***Proportion of businesses involved in broad innovation activities (2012 to 2014)***

	Innovating businesses	Non-innovating businesses
Rural areas	58%	42%
Urban areas	57%	43%

<sup>80</sup> For example, a business starting off with 2 employees only needs to take on 1 more employee each year to meet the 20% growth criteria. This methodology follows ONS advice.

<sup>81</sup> *UK Innovation Survey 2015*, Department for Business, Energy & Industrial Strategy (2016)

Analysis of 2015 survey data provides some information about access to and use of business advice by rural based businesses<sup>82</sup>. It finds that:

- Around a third of all rural businesses seek access to some form of business advice or information during any single year;
- Accountants are the leading source of the advice that is being sought by these businesses;
- Financial management is the main topic of the business advice being sought by these businesses (though few turn to banks or professional financial advisers for it);
- Rural firms with no employees are more likely to seek advice from business networks or trade associations than their urban counterparts. That pattern is reversed for businesses with employees;
- Rural firms are comparatively more likely (than urban firms) to seek advice about improving business efficiency or productivity, but less likely to seek advice about marketing.

A survey<sup>83</sup> conducted with rural based businesses from across the UK, which focussed specifically on digital adoption, finds that:

- 30% of the businesses had experienced difficulty finding external or outsourced support with their digital needs; and
- 14% of the businesses had experienced difficulty in accessing appropriate external digital or IT training.

These types of challenges were felt most acutely by micro-businesses, who were unlikely to be able to call upon in-house expertise.

### **Policy solutions**

TO BE IDENTIFIED AND ADDED AT A LATER PROJECT STAGE: three or four practical policy ideas.

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<sup>82</sup> Phillipson J et al, *What's holding rural businesses back?* CRE at Newcastle University (2017)

<sup>83</sup> *Unlocking the Digital Potential of Rural Areas Across the UK*, Rural England CIC (2018)