



The Rural Services Manifesto

Seeking the best for rural England, 2015 to 2020

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About the Rural Services Network

The Rural Services Network (RSN) is a membership organisation devoted to safeguarding and improving services for rural communities across England. Some 200 organisations from a range of services are in full membership, including local authorities, public bodies, charities and voluntary groups. Many others are associate members. It is the only network to focus specifically on service provision in rural England.

The RSN has three main purposes:

- **Representing** the case for a better deal for rural service provision;
- **Exchanging** useful and relevant information; and
- **Developing and sharing** best rural practice.

The RSN exists to ensure that services delivered to communities in rural local authority areas are as strong and effective as possible.

Why a rural Manifesto?

Some 9.3 million people or almost a fifth of England's population lives in its rural towns, villages and countryside. These areas contribute a similar share of the national economy. It is therefore our firm view that policy makers cannot afford to overlook this significant constituency when developing and implementing policies or programmes.

Rural and urban areas share much in common and are frequently linked through commuting patterns, business supply chains, natural resource use and so on. However, rural areas clearly have some distinctive features and face particular policy challenges.

It is imperative they are not seen simply as places to be visited for a day out or a weekend break. The RSN supports the notion of living, thriving rural places, which can sustain mixed communities and compete in today's fast-changing economic climate. Fast broadband has become as important as the village shop.

Rural areas offer many residents a good quality of life, yet this should not obscure the reality for others. There is real poverty, hardship and isolation within rural communities. Some 17% of rural households fall into the official poverty definition¹. This is typically hidden and scattered, so is less obvious than urban poverty.

The RSN is pleased to note that its membership played an active part in the development of this Manifesto document. A survey to gather their views elicited 363 responses.

¹ Households in absolute low income, according to Defra's Statistical Digest of Rural England 2014.

Summary

Almost a fifth of England's population lives in its rural areas and rural businesses make a huge contribution to the nation's economy.

The Rural Services Network and its 200 member organisations believe it is vital that the needs of rural areas are addressed, therefore, by an incoming Government in 2015. Its communities and businesses must benefit fully from new policy initiatives. Meeting rural needs must not be seen as solely an issue for Defra: rather, it is one for all Whitehall departments and agencies.

In particular, we call upon an incoming Government to:

The planning system:

Recognise that the complex process of producing an up-to-date Local Plan takes time and is often extended by factors outside a planning authority's direct control. More weight should be given to draft and submitted Local Plans, especially at planning appeals.

Affordable housing:

Abandon the poorly thought through proposal to exempt all small development sites from planning agreements which require developers to include some affordable housing within them. In smaller rural settlements this is how most new affordable homes are delivered.

Local government funding:

Revise or replace the formulae used to allocate funding to local authorities, ensuring a fairer outcome which takes proper account of the high service delivery cost in rural areas. As a start, by 2020 the £178 per resident gap between funding for rural and urban local authorities should be closed by at least 10%.

Public transport:

Provide sufficient extra funding for local authorities to enable them to provide home-to-school transport for 16 to 19 year olds still in education. Protect Bus Service Operators Grant (BSOG) beyond 2017, as any further erosion of this grant could have a significant impact on marginal rural services.

Access to health facilities:

Pursue rigorously the stated wish to see more of the NHS budget spent locally, so that rural communities gain easier access to non-specialist treatments. Review funding allocations for Clinical Commissioning Groups, so they more closely match local levels of demand for NHS services. Also ensure that local authority funding allocations for public health are put on a fairer footing, based on demand and needs, and taking proper account of sparsity costs.

Older people's services:

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Ensure that where such support services are subject to competition, new providers cannot cherry pick and deliver only in urban centres where it's easier to keep costs down. Back local initiatives, such as Village Agent and First Contact schemes, which help older people to remain in their own homes and improve their quality of life.

Tackling fuel poverty:

Press energy providers to meet the existing rural target for the Energy Company Obligation (ECO) scheme and to focus on solid wall homes. Fuel poverty is a particular rural issue, yet the rural fuel poor, who contribute to ECO through their energy bills, are largely missing out.

Viable village services:

Commit that there will be no post office closures programme during the lifetime of the 2015 to 2020 Parliament and retain access measures for the post office network. Support Local Plan and Neighbourhood Plan policies which try to keep village services in their current use.

Broadband and mobile connectivity:

Announce an ambitious target for universal broadband provision (set considerably higher than the current 2Mbps target). Focus Government interventions to extend coverage where there is no broadband available or in prospect, rather than diverting funds to places likely to be commercially viable.

The rural economy:

Insist that all Local Economic Partnerships or successor bodies whose geographies include rural communities and rural based businesses are clear how their strategies and plans will benefit them. Their monitoring should demonstrate what their rural impact has been.

Rural proofing:

Recommit to the important principle of 'rural proofing' by Whitehall and its delivery agencies, to ensure that policy developments take proper account of rural needs and circumstances. Make clear that this commitment comes from the top and has the backing of the Prime Minister and Cabinet.

The case that underpins these and other calls is set out in the remainder of this manifesto document. It is not special pleading and is not an unrealistic call for more public spending. It is a call for equity of treatment for rural communities and fair access to opportunities for rural businesses. They deserve no less.

The planning system

The Rural Services Network wants to see positive planning which allows rural communities to adapt and thrive. This must offer policies that reflect local circumstances and provide a workable planning system, which both engages and gains the trust of rural communities.

The land use planning system has undergone substantive change, including the introduction of the National Planning Policy Framework (NPPF) in 2012. Its operation and success is of huge importance to the future of rural England. The planning system is expected to take tough decisions about our built and natural environment, to meet a range of needs and to balance priorities.

Rural communities must remain vital and sustainable places in which people can live and work. This means allowing them to evolve by permitting appropriate development. It also means respecting landscapes and natural resources which make the countryside special. Without that balance, key sectors such as agriculture and tourism, would wither.

Much rural housing and employment growth is likely to be focused in and around small towns or market towns. However, small-scale and well-designed development is equally important in villages to cater for local needs. This should include affordable homes and workspace. It should consider the housing needs of an ageing rural population.

Local authorities across rural England have been working hard to ensure they have in place up-to-date Local Plans which promote sustainable development, as well as a five year housing land supply. Preparing these plans is a complex and lengthy process, requiring substantial analysis, assessment and consultation. That is especially true for small planning teams within rural district councils.

It is therefore unfortunate that the current system takes planning decisions according to national criteria – its presumption in favour of sustainable development – where Local Plans or a land supply are not yet in place, largely bypassing local considerations.

Nor is it wholly within the gift of local planning authorities to ensure there is a five year housing land supply. Because of the way supply must be measured, it depends too on landowners and developers bringing forward development sites. The economic downturn has therefore left some rural authorities without an adequate supply of deliverable sites.

All of which can be hugely frustrating for rural communities, who have taken part in consultations about draft Local Plans only to see them and their views overridden. We agree with the Government objective for a plan-led approach, so development takes place in the best locations. Unfortunately, the system often encourages speculative development applications in rural areas and leads to decisions taken on Appeal.

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We similarly agree the aspiration to see local communities more involved with the planning system. It is sad to see communities' trust in the planning system undermined, resulting in local conflict and disengagement. Delays to Local Plans being finalised (or adopted) frequently arise from decisions taken by Government Planning Inspectors.

The Rural Services Network welcomes the advent of statutory Neighbourhood Planning. It could be seen as an approach which is particularly suited to rural circumstances. Many rural local authorities have been at the forefront of supporting such localism. That said, we recognise Neighbourhood Planning is not the right tool for every community. Government should not be fixated on numbers of communities engaged with Neighbourhood Planning, when their quality and impact are of greater relevance.

It is important that draft Neighbourhood Plans are given weight by the planning system, so communities do not see their hard work ignored by decisions taken before the due process for finalising them can be completed.

Grants given out to support the preparation of Neighbourhood Plans have been and remain important. It is a considerable undertaking for any local community and neither should we underestimate the role expected of local planning authorities, who assist communities and manage various statutory tasks.

The Rural Services Network calls upon an incoming Government to:

- Respect that planning authorities need the flexibility to write and interpret Local Plan policies which can reflect local priorities and circumstances. The shortened NPPF is welcome. Any temptation to reintroduce more national policies should be resisted.
- Relax its unreasonable timescales for putting up-to-date Local Plans in place, in view of the complexity of the plan preparation process.
- Give greater weight to draft and submitted Local Plans, especially where the Government's Planning Inspectorate is hearing Appeals.
- Identify a fairer way to calculate the five year housing land supply figures. Shortfalls from previous years, due to weak market conditions, should not simply be added on.
- Rethink the proposed exemption of single plot self-build homes from the Community Infrastructure Levy. In the smallest settlements they may be the only developments and form a key income source for Parish Councils. It also risks games playing, with developers splitting sites into single plots.
- Give draft Neighbourhood Plans some weight at an earlier stage than is currently the case. For example, when they are submitted to the local planning authority.
- Ensure there is continued grant funding both for Neighbourhood Planning groups and to cover the additional costs that they bring for local planning authorities.

Affordable housing

The Rural Services Network wants rural communities to remain places where people from a range of age groups and backgrounds can live. Housing (in)affordability is a key concern and there is an urgent need for more affordable homes to meet rural community needs.

If rural communities are to remain functioning places, where households from a range of age groups and backgrounds live, they must offer homes at affordable prices, both to buy and to rent. Yet the reality is young people and families with local connections are all too frequently priced out.

Rural house prices are typically high. According to Defra statistics, lower end house prices in rural areas are around eight times lower end annual wages². Although down from their peak in 2007, rural house prices remain substantially above the national average.

Social rented homes comprise only a small proportion of the rural housing stock. One issue facing registered landlords, such as housing associations, is that building costs can be high, because rural development plots are typically small while design standards and infrastructure costs are high. 'Exception sites' can be an important delivery mechanism, granting planning permission where it would not normally be given, for affordable housing to meet local needs.

This matters when public sector grants, available through the Homes & Communities Agency (HCA), have reduced from an average £40,000 to an average £21,000 per dwelling. Unsurprisingly - indeed, inevitably – the number of grant-funded housing starts in smaller rural settlements (with under 3,000 population) has reduced quite dramatically.

An increasing emphasis is therefore placed upon affordable housing delivery by the private sector, within sites of otherwise open market homes. According to Government figures³ for 2011-13, this now delivers two thirds of affordable housing in smaller rural settlements.

A recent consultation sought views on proposals to exempt small sites, with fewer than 10 homes, from planning agreements that require developers to include some affordable housing⁴. If implemented, the proposal could decimate rural affordable housing provision. There is scant evidence that such planning agreements undermine development site viability and, where local authorities conclude that it would, they can already reduce the burden. The proposal contradicts Government objectives to encourage private sector subsidy, in order to reduce the need for public sector grants.

² Statistical Digest of Rural England, Defra (2014)

³ Local Authority Housing Statistics Returns, DCLG

⁴ It would also exempt small sites from energy efficiency standards which would cut rural fuel bills.

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The spare room subsidy (or bedroom tax) seeks to move under-occupying households in the social rented sector into smaller homes or to reduce housing benefit for those who remain under-occupying. This is proving complex in rural areas, where opportunities for moving are few due to the small size of the social rented sector and social providers having built larger homes to create flexibility in their limited rural housing stock. The evidence shows a sizeable increase in rent arrears in rural areas. A Government scheme to assist the most rural local authorities with this issue (Discretionary Housing Payment) only applies to 6 English authorities.

The drive to reduce waiting lists means increasingly Allocation Schemes, which local authorities use to prioritise those waiting for social housing, appear to be downplaying the relevance of a local connection. Households who may have lived in rural communities for many years, and who have a housing need, are losing out to those measured as having acute need but who don't have a local connection. This is starting to undermine community support for affordable housing and landowners' willingness to release land, especially where it happens on 'exception sites' explicitly intended for those with a local connection.

Rents charged by housing associations are controlled by the Target Rent regime, which permits a maximum annual increase of RPI plus 0.5%. Whilst we have no wish to add to tenants' costs, an unforeseen outcome of this regime is that it can dissuade housing associations from investing in energy efficiency measures. If they had the ability to increase rents slightly more, they would be more willing to invest, which in turn would reduce tenants energy bills and save them money overall. As noted later, rural areas have many energy inefficient homes.

The Rural Services Network calls upon an incoming Government to:

- Reinststate a rural target in the HCA's Affordable Homes Programme, to ensure that investment is available to meet needs within rural communities.
- Recognise the additional cost of building social housing in smaller rural settlements, when the HCA assesses value for money of schemes and awards grants.
- Drop the proposal to exempt all small development sites from planning agreements which require developers to include some affordable housing.
- As proposed by the EFRA Select Committee and Rural Housing Alliance, exclude social housing tenants in smaller rural settlements (with under 3,000 population) from the spare room subsidy (or bedroom tax). This would align with the exemption from the Right to Acquire policy, which also applies to these settlements.
- Reinforce the message in central Government guidance that local authority Allocation Schemes should take into account whether prospective social housing tenants have local connections, especially in rural areas.
- Provide housing associations with some further flexibility to increase tenants' rents, so long as it is clear that this will be directly reinvested in energy efficiency measures and lead to tenants paying less overall.

Local government funding

The way Government distributes grant funding to local authorities across England means rural people end up paying higher Council Tax bills than urban people, yet still have less money available to fund local services and so receive fewer of them. This is fundamentally unfair. The system should take full account of higher service delivery costs in rural areas.

The way that local government gets funded is not just a technical issue, but has profound implications for rural communities and businesses that rely on everyday public services. It determines the amount available to pay for schools, care for the elderly, provide refuse and recycling collection and fund local buses (to name just four). It therefore needs to distribute resources fairly, so residents in one part of the country are not disadvantaged compared with those in another. This is especially important when public sector budgets are being reduced.

The stark fact is, however, the amount of grant which central Government gives to local authorities is consistently less in rural areas than it is in urban areas. Indeed, that difference is substantial, with predominantly urban authorities receiving 47% more than predominantly rural authorities. In 2014/15 rural authorities receive an average £329 per resident of Settlement Funding Assessment (SFA), compared with £483 in urban authorities.

Reasons for this disparity lie with the formula used to allocate Government grant, which:

- Takes significant account of needs measures that favour urban areas;
- Steers a large share of the grant funding pot into London; and
- Takes only limited account of extra costs of delivering services in rural areas.

One obvious outcome is that those living in rural authorities end up paying higher Council Tax bills than those in urban areas, to counteract some of the funding gap. In 2014/15 Council Tax (per head) is an average £427 in rural authorities and an average £348 in urban authorities, leaving a rural resident paying £79 more.

Even with Council Tax bills that are significantly higher, rural authorities cannot make good all the funding gap left by lower Government grant. In 2014/15 there is still £99 per head less available to spend on local authority services in rural than in urban areas.

Central Government likes to quote the £99 gap in 'spending power' when it defends the current allocations. The real issue, though, is the much wider disparity in Government grant, before rural Council Tax payers have plugged some of the gap.

This situation is grossly unfair and unjustifiable. Rural residents (many earning low wages in the rural economy) are left paying more Council Tax but receiving fewer services than their urban counterparts. They also face greater costs to access services.

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Local authority budgets have been cut very significantly since 2010. Rightly, the initial focus was on making efficiency savings through actions such as restructuring and sharing services. Little if any scope for efficiencies now remains and cuts are inevitably hitting frontline services, particularly those defined as discretionary. These financial pressures are particularly hard for small rural district authorities which have the least scope for cutbacks.

It is widely accepted that those delivering services to scattered rural populations face some extra costs. Services such as refuse collection or home care for the elderly must travel further and for longer between homes and settlements. Services such as schools and libraries cannot achieve urban economies of scale and it may require several small facilities to be accessible across a rural authority area. It is unfortunate that the current formula used to allocate Government grant gives little weight to sparsity (rural) costs.

Government recently introduced an additional measure known as the Rural Services Delivery Grant. Whilst it is welcome, this £11.5 million pot is worth £1.10 per head in rural authorities – tiny when set alongside the £178 per head funding gap in Government grant.

The Rural Services Network acknowledges that Government has now commissioned research to examine the cost of service delivery in rural areas. If it is consistent with earlier research findings it will find a significant rural premium.

A growing share of local authority income now comes in the form of retained Business Rates. The more an area's business base grows, the more its local authority will receive. Similarly, a growing portion of Government grant for local authorities comes from the New Homes Bonus. The size of the bonus depends on how many new homes have recently been built. The effect of these fairly new funding sources is as yet difficult to assess, though given environmental and infrastructure constraints they seem less likely to benefit rural areas. There is a risk they widen the funding gap further.

The Rural Services Network calls upon an incoming Government to:

- Implement in full the findings of the research which has been commissioned by the Department for Communities & Local Government and Defra to examine the unit cost of service delivery in rural areas.
- Revise or replace the grant allocation formulae, ensuring that their successors are fairer and take proper account of the rural cost premium. A reasonable starting point would be closing the £178 per head funding gap by 10% by 2020.
- If changes to the formula will take time to implement, make a substantive increase in the Rural Services Delivery Grant as a stop gap measure.
- Monitor the effect of introducing retained Business Rates to understand implications for the distribution of local authority funding and test whether all local authorities have fair opportunities to benefit from it. Change may be needed, if some types of authority lose out as a result of factors beyond their control.

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- Monitor the effect of the New Homes Bonus on the distribution of Government grant, to understand the implications and test whether all local authorities have fair opportunities to benefit from it. This should consider authorities largely covered by National Parks and AONBs, where there are major constraints on house building.

Public transport

The Rural Services Network sees public transport as critical because its paucity is a key cause of rural disadvantage and isolation. The subsidy that so many rural bus routes depend upon is under threat. Innovative solutions will help, but funding can't be overlooked.

It is a fact of rural life that those who live there have to travel further than their counterparts elsewhere to carry out everyday activities. Government figures⁵ show that residents from villages travel 45% more miles than the national average.

Public transport allows people to access employment, training, services and leisure opportunities. It is of particular importance for those without access to a car, whether because of age or income or some other reason. It is no coincidence that poor access to services and isolation are key facets of rural disadvantage. We therefore concur with the conclusion of the Transport Select Committee⁶ that transport provision for those in more isolated communities should be a concern for many Whitehall Departments and agencies.

However, public transport services in rural areas can be infrequent or non-existent. Whereas 91% of residents nationally had access to a regular bus service near to where they lived, this 2009 figure stood at just 47% for those residing in villages.

Concessionary fares can be of very significant benefit to pensioners and disabled people entitled to them, but are of no value where bus services are absent.

Car ownership is, of course, higher in rural areas. Village residents made 87% of their journeys as a car driver or passenger (compared with 79% nationally). One notable feature is the number of low income households in rural areas who own a car, indicating that this is an extra cost they face. Rural households spend far more on travel than those elsewhere. Many would be unable to access employment and services without owning two or more cars.

Bus services in rural areas are less likely to be commercially operated and are more likely to depend upon local authority subsidy than bus services in other areas. As a consequence many are now at risk as local authority budgets come under ever greater pressure – not least, as bus service support is discretionary.

Information collated by the Campaign for Better Transport shows that cuts of 25% in shire local authority supported bus budgets are not unusual over the two years to 2013/14. Reviews of bus service provision are now widespread.

⁵ National Travel Survey, DfT

⁶ Passenger Transport in Isolated Communities, Transport Select Committee (2014)

The largest impacts are likely to be on evening and Sunday services. Other impacts include the scaling back of concessionary fare schemes to the statutory minimum and of non-statutory school transport.

The compulsory (minimum) leaving age from education or training has recently risen to 18. However, the position with school transport remains unaltered. Local authorities are not obliged to and are not being funded to provide school transport for those aged over 16. This can leave parents of older rural children facing a hefty bill⁷.

The community transport sector plays an important role and more than 600 community transport schemes operated⁸ in rural England by 2012. Rural schemes – compared with those elsewhere – are smaller operations, relying heavily on volunteers, depending more on fares revenue for their income (41%) and less on public sector grants for their income (17%). Typically they offer a flexible approach, if not a regular service. As such, these schemes tend to work best as feeders into regular bus routes or as gap fillers reaching outlying settlements.

The Rural Services Network calls upon an incoming Government to:

- Encourage and incentivise bus operators, local authorities and communities to work in partnership, so they can find local solutions that reduce the frontline impact on services that are a result of tightening public sector budgets.
- As noted in the local government funding section above, amend the formula used by DCLG to distribute Government grant, to make it fairer and to take full account of the rural cost premium.
- Reform the statutory concessionary fares scheme so it applies to and is funded by central Government to apply to the public transport that is actually available in a local area (including community transport). It should not be restricted to bus travel.
- Provide sufficient extra funding for local authorities to enable them to provide transport to 16 to 19 year olds still in education.
- Protect Bus Service Operators Grant (BSOG) beyond 2017. Any further erosion of this grant could have a significant impact on marginal rural bus services.
- Extend the Local Sustainable Transport Fund beyond 2015, to enable innovative schemes in rural areas and elsewhere that will deliver economic, social and environmental benefits.
- Incentivise and remove any barriers there may be to local authorities and other public bodies working together, so they make best use of the transport fleets that already exist e.g. for health care, social services, schools.

⁷ The RSN has a local case study, available on request, illustrating this concern.

⁸ Community Transport Association, 2012

Access to health facilities

The Rural Services Network wants to see rural communities provided with access to high quality health care services, delivered locally wherever that is possible and effective. This should reflect the ageing demographic of rural populations.

Access to high quality healthcare is a basic expectation in any modern society. In most instances this means being able to visit health services and facilities either close to home or by making a straightforward journey.

Compared with the national average, a large proportion of the rural population consists of older age groups and this differential is projected to grow further over time. At the time of the 2011 Census 21% of the rural population were aged 65 or over. Older people are the predominant users of health services, so demand for NHS services can be expected to increase among rural communities.

Department of Transport accessibility indicators show that significant parts of the rural population would find it difficult to reach healthcare facilities by public transport or by walking. Those in the smallest rural settlements have the poorest levels of access. This holds true for GP surgeries, but is especially so for access to hospitals. The paucity of public transport to hospitals is widely cited by rural communities and transport user groups.

Whilst centralising healthcare provision may assist the development of centres of excellence, it should be recognised that it also leaves many rural residents with long, difficult and costly journeys to reach care services. This impacts both on patients and those who support them or visit them. Accessing regular treatment can prove especially arduous.

There are fears that a number of smaller hospitals, which serve largely rural catchments, are struggling to meet inflexible targets and to fund historic debts within the NHS system. This can have implications for the number of medical and other staff employed. Even such general hospitals could be at risk of downgrade or closure unless action is taken. This would be at odds with comments made by the new Chief Executive of NHS England about the value of locally delivered healthcare.

Research shows that rural areas lose out under the system through which NHS funding is allocated to individual Clinical Commissioning Groups. Places with the highest burden of chronic illness, disability and mortality are those with the oldest populations. In many cases these are rural and coastal. However, the way funding allocations are worked out leaves them with far less funding per head than many areas with younger populations, where demand for NHS services is lower.

Furthermore, those funding allocations take no account of sparsity costs. Certain health services, especially those which are delivered in the community, will face additional delivery costs as a result of travel distances and the downtime involved for staff.

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Funding for public health has transferred to local authorities. Its allocation is still based upon historic patterns of spend, which greatly disadvantages rural areas. Funding differences can be huge, with some areas receiving over five times as much per head of population as other areas. These allocations take no account of costs that accrue from delivering services across geographically large counties. [This paragraph will need amending when the new formula, due Autumn 2014, is announced. It is expected to improve things.]

The Rural Services Network calls upon an incoming Government to:

- Ask its Advisory Committee on Resource Allocation (ACRA) to review the NHS resource allocation formula for Clinical Commissioning Groups, so that their funding more closely matches local levels of actual and predicted demand for services.
- Pursue rigorously the stated wish to see more of the NHS budget spent locally, so that rural communities have easier access to non-specialist treatments.
- Seek to resolve the financially unsustainable situation facing many smaller NHS district hospitals by removing their historic debt burden and allowing them more flexibility.
- Take more account of accessibility by public transport, including for rural communities, in NHS service planning and review exercises.
- Support investment which can pilot and roll-out models of care delivery that are shown to be cost-effective and well suited to rural circumstances, such as tele-medicine and outreach services. The Airedale Telehealth Hub is an exemplar and access to fast broadband is, of course, key to such innovation.
- Resolve the threat facing a small number of GP surgeries that is a result of the phasing out of the Minimum Practice Income Guarantee, where their closure would create access problems for patients because no other surgery is close by.
- Identify ways to incentivise newly qualified GPs to practice within rural surgeries (including through secondary care), so that the predicted rise in GP retirement does not leave rural practices short-handed.
- Ensure that the formula for allocating public health funding to local authorities is put on a fairer footing, based upon local demand and needs (rather than historic patterns of spend) and taking proper account of sparsity costs.

Older people's services

Rural areas are home to a high and growing share of the older population. This has positive aspects, but will also put pressure on public services such as health, social care and transport. Policies must plan now for this trend and address high rural delivery costs.

Rural areas have a demonstrably older demographic than other areas. Some 21% of the rural population is aged 65 or over, compared with 16% of the national population. In rural areas defined as 'sparse' 25% of the population is aged 65 or over. Looked at another way, almost a quarter of England's older population is living in a rural area.

Moreover, the population is ageing and this trend is most marked in rural places. Between 2011 and 2021 the number of people in the 65 and over age group is projected to grow by 20% in urban areas, but by 27% in rural areas⁹. An increasing number of people aged 85 and over is similarly more pronounced in rural areas.

This demographic creates both opportunities and challenges for rural communities and policy makers.

Many, especially among the recently retired, have time, energy and expertise to offer. They may become active members of their local community. They may contribute through formal volunteering or informally by helping friends and neighbours. Almost a quarter of older people in rural areas provide some form of care to another person.

Inevitably, though, the age group places demands upon resource intensive services, such as health care, social services and transport. Evidence shows that in rural areas social isolation can impact on physical and mental health. Delivery organisations working in rural areas face the difficult task of providing for the needs of an expanding vulnerable population, whilst at the same time managing static or declining budgets.

The rise in demand for adult social care services is perhaps the largest cost pressure now facing county and unitary authorities. One Cabinet Office study estimated a 70% increase in the number of people requiring social care support in rural areas over twenty years.

Despite that, supporting older people at home or within their local community remains a cost-effective option, as well as being the preferred choice for most. Unidentified or unaddressed issues can lead to worse physical and mental health outcomes, and so result in higher costs for public services including the NHS. Further integration of health and social care services, funded by the Better Care Fund, is in principle a good thing.

Home-based care, supported independent living and adapting people's homes to their circumstances or needs are all potentially important solutions for the rural elderly. There is

⁹ Office for National Statistics, 2011-based population projections

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also little housing in rural areas that is specifically geared to older age groups, such as sheltered housing.

Without easy access to key services, such as food shops and primary health care, older people risk being isolated and vulnerable. In rural areas especially, no longer being able to drive a car can become a turning point. Public or community transport provision can therefore make a huge difference to quality of life.

There are many excellent local community and voluntary sector initiatives which help older people in rural communities. They play a key role and offer good value for money. However, they are not cost-free to operate and the best complement public services.

The Rural Services Network calls upon an incoming Government to:

- Ensure, as noted earlier, that the formula used to allocate local government finance properly takes better account of the additional cost of delivering services such as adult social care in rural areas.
- Ensure that where older people's support services are subject to competition, new providers cannot cherry pick and simply deliver in urban centres where it is easier for them to keep costs down.
- Ensure that opportunities presented by the Care Act, Children's and Families Act, and funding mechanisms like the Better Care Fund, take account of rural issues, such as gaps in primary care capacity which can impact on adult social services.
- Decentralise more health services to primary care settings, to improve their rural accessibility, and offer more preventative services within GP surgeries.
- Identify and promote delivery models such as outreach provision, which take services to users. More services could be delivered to older people's homes or nearby outlets, for example repeat prescriptions taken to village post offices.
- Support and promote local initiatives, such as Good Neighbour, Village Agent and First Contact schemes which help older people remain in their own homes and improve their quality of life. Ensure such schemes have routes to grant funding to establish and sustain them.
- Promote a market-led approach to specialist housing development, which offers older people a choice of both market and affordable homes where they can continue to live independently. This would also release more housing for younger rural households. Enabling the development of 'granny annexes' or similar, would similarly help.

Tackling fuel poverty

Rural areas have a high proportion of households in fuel poverty, with many off the mains gas network or living in solid wall homes. Advice to help fuel poor households must reach rural communities and policies like the Energy Company Obligation need revising to meet rural needs.

Rural households are more deeply affected by fuel poverty than households elsewhere. That is, there are many households with an income below the poverty line and higher than typical energy costs¹⁰. As such, they struggle to afford to keep their homes at an adequate temperature, placing their health and wellbeing at risk. Rising energy bills are a particular worry for these households.

Although the incidence of fuel poverty is no greater in rural than in urban areas, the depth of fuel poverty is significantly greater in rural areas. On average the fuel poverty gap – or the extra income a household needs to move out of fuel poverty – is over £800 in rural areas compared with £332 in urban areas.

This is partly explained by the number of rural properties which are off the mains gas grid and which therefore rely upon more expensive oil fired, electrical or solid fuel heating. Whereas nationally almost 85% of households have a (mains) gas fired central heating system, in villages fewer than half do. Moreover, those without mains gas cannot benefit from dual fuel discount packages (for gas and electricity bills).

Homes which depend on heating fuels other than gas have much lower energy efficiency than those with gas central heating. Almost half of those without gas are rated as F or G on the EPC scale (where A is best and G is worst). Less than 10% of gas heated homes fall into these categories.

Another explanation is the relatively high number of older properties in rural areas which are solid wall construction, and so harder and more expensive to insulate. A third of oil heated homes are also solid wall homes.

The fact that local wages are often low in rural areas is a further contributory factor.

The Government has published a new fuel poverty target: *“To ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency standard of Band C by 2030, with interim targets of Band E by 2020 and Band D by 2025.”*

¹⁰ The Government’s definition of fuel poverty was changed in 2014. According to the previous definition, some 18.4% of all rural households were in fuel poverty (DECC statistics for 2010), there being particularly large numbers in the smallest settlements and in sparsely populated areas.

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There is a history of Government policies to address fuel poverty and energy efficiency which, while well intentioned, have been poorly designed for rural needs and insufficiently delivered to rural communities.

The Energy Company Obligation (ECO), which should help, puts a legal obligation on large energy suppliers to deliver energy efficiency improvements to eligible customers. However, suppliers have full discretion regarding the extent of support and the measures delivered. Evidence suggests they are offering only a limited range of measures to eligible households in rural areas, if at all. As ECO is funded from a levy on consumer bills, the cost burden is being felt by vulnerable rural consumers who are failing to benefit from the scheme.

Delivery of energy efficiency schemes such as ECO appears to be disappointing. Awareness amongst rural householders is low and there is widespread confusion about the options. It is apparent that households need access to sound, independent advice. The Calor FREE rural fuel poverty initiative has shown that additional effort is needed to get messages and advice out to rural communities.

The Rural Services Network calls upon an incoming Government to:

- Recognise that fuel poverty is a significant rural issue and that rising fuel prices hit many rural households hard. Policy initiatives should therefore target rural needs and be designed to suit rural circumstances.
- Maintain the current value of the Winter Fuel Payment for pensioners. This is hugely important for a vulnerable segment of rural society, who might otherwise worry about fuel bills.
- Amend eligibility criteria for any future Green Deal Home Improvement Scheme so it applies to oil and LPG boilers.
- Press energy providers to meet the rural target for ECO (15% of the community obligation to go to rural households) and to refocus their efforts on solid wall homes. The rural fuel poor, who contribute to ECO through their energy bills, must start to see more benefits.
- Ensure that free advice about energy saving measures is both available to and reaches rural communities. Work with and support the local authorities and organisations (such as Calor, NEA and the ACRE Network) who seek to provide it.
- Support and promote those organisations and communities which establish practical help through Oil Bulk Buying schemes to cut bills for households that have oil central heating systems.

Viabile village services

The Rural Services Network believes that local services – such as village shops, pubs and post offices – are at the heart of functioning communities, as well as offering a lifeline to many vulnerable residents. Their steady erosion needs to be addressed and reversed.

When the last outlet closes, it is often no exaggeration to say that a tipping point has been reached. A focal point in the community has gone and a place where residents would meet has disappeared. There is now little option but to climb in the car and go elsewhere. Those who find it hard to travel may become isolated. Job opportunities in those local outlets no longer exist and the money that was spent in them flows out of the community.

According to CAMRA the (net) number of pub closures during 2013 was 28 per week. These, of course, were both in rural and urban locations. Closures can arise from a combination of factors, including competition from retail sales of alcohol. Other factors can include costly leasehold and tenancy agreements, and freeholders seeking to realise the value of their assets by converting pubs into residential property.

The Post Office offers a wide range of postal, financial and government services locally to communities. It claims to sell or deliver around 170 products, albeit not all will be available at a rural sub-post office. Many of these outlets are co-located with a village shop or general store, with each helping to sustain the other.

Over the long term the rural post office network has shrunk markedly, as a result of network restructuring, the loss of business to competitors and online services, and difficulties replacing sub-postmasters/mistresses when they retire. Closure rates have been modest in recent years and there are access criteria which aim to ensure that 95% of the population continues to live within 3 miles of a post office outlet.

In March 2013 there were 6,429 UK post offices located in a rural area – 55% of the total network – which illustrates how much they remain an opportunity for rural service delivery.

Many rural post offices are becoming a Post Office Local, which is not only co-located with another outlet but which also shares a counter and staff. This has pros and cons. Whilst some customers like having different services under one roof, others feel discomfort at the lack of privacy and security for banking or financial transactions. Post Office Locals also offer a more limited range of post office products.

Commercial village shops have been closing at a rate of around 400 per year. However, a rural success story of recent years has been the growth of community-run shops, pubs and other local enterprises. According to the Plunkett Foundation there are now 316 community-run shops. There are also around 150 community-run pubs, some assisted by the Pub is the Hub initiative. Such initiatives can bring a community together and these shops appear to have a very good survival rate.

The Rural Services Network calls upon an incoming Government to:

- Commit that there will be no programme of post office closures during the lifetime of the 2015 to 2020 Parliament and the access measures for the post office network will be maintained. Statistical access measures are inevitably quite crude and it is important that the Post Office identifies and seeks to plug particular geographic gaps within its network.
- Evaluate the strengths and weaknesses of the Post Office Locals model, seeking to make improvements where necessary to meet customers' needs. This should test the long-term viability of the approach, since it makes the payment of post offices entirely based on their sales and it does away with the fixed core payment.
- View the still extensive rural post office network as an opportunity for government and public service delivery. Establish a Post Bank, owned by the Post Office, to offer a full range of banking services through its network.
- Encourage the public sector to look to local rural retailers and outlets to improve access to their services. Examples include library drop-off points and prescription pick-up points within village shops. Anyone living more than five miles from a dispensing chemist should be offered some nearer or alternate means of collection.
- Support and uphold Local Plan policies and Neighbourhood Plan policies which seek to retain vital village services and facilities by placing restrictions on their permitted change of use e.g. into residential. Consider splitting the use class for shops (A1) in two, so rural places at risk of losing their last local food shop or pub have the option of seeking to protect them from conversion into other (non-essential) types of retail.
- Review experience to-date with the Community Right to Bid, to assess how well it has worked and whether improvements can be made.
- Monitor and analyse information about pub closures and the reasons for those closures. If this indicates a problem with leasehold and tenancy arrangements, initiate a review in order to address the concerns.
- Seek to enhance the support and seedcorn funding that is available to communities, including from the National Lottery. The Village SOS learning programme, which gives £1.4 million over two years to the ACRE Network, is a helpful start. Funding needs to provide both direct project grants to rural communities, and grants to bodies or networks which can advise and support communities with their endeavours.

Broadband and mobile connectivity

The Rural Services Network wants all rural businesses and communities to share in the opportunities available with a fast broadband connection. Public sector programmes should set more ambitious targets and focus investment on places which are being left behind.

Access to a fast broadband connection has become a factor helping determine both an area's and a community's prospects. It is a 'must have' of modern life. Business competitiveness is boosted through efficiency and innovation opportunities. It enables household access to services, home working, employment searches and applications, children's education and homework, as well as social interaction among families, friends and citizens. Broadband has the potential to address constraints that arise from rural geography.

Significant numbers of rural businesses and households do not have access to a superfast broadband connection (defined as 24 Megabits per second or Mbps). Figures for 2013 from the regulator, Ofcom, show that just 25% of premises in small settlements, with a population of less than 2,000, had the option of superfast broadband. The commercial roll out of these networks has focussed on urban centres where 88% of premises had the option.

There are still rural areas without a basic broadband connection (defined as 2 Mbps). Ofcom figures for 2013 show that 3% of all households do not have this available to them. Those households will be concentrated in deep rural or sparse rural areas.

The position is changing rapidly as operators extend their superfast broadband networks. Nonetheless, it remains the case that the most rural areas are losing out. Some 28% of rural residents and 63% of rural businesses indicate dissatisfaction with the speed of their broadband connection (Europasat and Federation of Small Businesses surveys).

The Government's Rural Broadband Programme is investing £780 million, match-funded by local authorities (and another cost burden not faced by urban authorities), to help meet its 2017 targets of superfast broadband reaching 95% of premises and all premises having at least a 2 Mbps connection. £10 million is now being used to fund innovative broadband technologies in hard-to-reach areas.

This investment is certainly to be welcomed. However, a remaining 5% without a superfast connection would represent a very sizeable proportion of premises within the most rural areas. The fallback, of having at least 2 Mbps, looks increasingly dated and problematic.

Certain issues have delayed the investment to-date, including difficulties with value for money and match-funding in the most rural areas, and inadequate information about the largest network provider's coverage. There is a need for more fine-grained information about broadband provision, at a premises level. Current information is only at a postcode area level and does not identify all the gaps in provision.

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There is scope to better promote the take-up of superfast broadband including, from a business perspective, its exploitation to drive economic advantage and rural growth.

The use of mobile devices to access the internet has increased exponentially and this looks set to continue with the roll out of high-speed 4G networks. The Government's Mobile Infrastructure Project is helping procure networks in some places ('not spots') where there is no signal from any provider. However, Ofcom analysis finds that 1% of premises are without any 3G signal that would be required for mobile internet access. A far more common issue is rural places having some mobile coverage, though not from all Mobile Network Operators.

One of the licences awarded for 4G networks is intended to provide for 95% of the population by 2017. Whilst helpful up to a point, again this implies many rural communities being off the map.

Two issues demand urgent resolution, these being to:

- Permit greater flexibility in what its agency, BDUK, allows to be counted as match funding for Government broadband investment programmes, so that local projects with allocations can actually proceed.
- Demand that providers (who receive public funds) release detailed information about superfast broadband availability at a premises level and costs, so that public programmes have the information needed to target investment and community-led schemes can proceed with more certainty.

The Rural Services Network then calls upon an incoming Government to:

- Recognise that modern broadband infrastructure is now of fundamental importance to rural economies and communities. Without it the nation's rural areas will be at a significant disadvantage.
- Introduce a more ambitious target for universal provision, set higher than 2Mbps. Explore the scope for an up-to-date Universal Service Obligation for broadband.
- Focus its broadband strategy and investment on achieving coverage where there is genuine market failure, with no broadband available or in prospect, instead of diverting funding to places which are likely to be commercially viable.
- Lobby hard for a relaxation of State Aid rules applied to networks built with public subsidy. The current rules present both technical and commercial barriers to providing solutions in the deepest rural areas.
- Examine how improved mobile phone network coverage can be achieved in rural areas, by encouraging more mast sharing between operators and by arguing for regulated access to BT's backhaul infrastructure for other 4G operators.

The rural economy

Rural economies are a significant part of the national economy and have considerable potential, if also some weaknesses. It is vital that grant programmes and business support programmes reach into and benefit rural areas if their potential is to be realised.

Predominantly rural districts account for almost a fifth of England's economy. In 2010 they generated 19% of Gross Value Added¹¹ or £211 billion. A further 12% derived from districts which are defined as significantly rural. It is therefore imperative for a healthy national economy that rural areas are able to thrive and contribute.

Rural economies are also surprisingly (to some) diverse. The pattern of employment, when broken down by economic sector, is broadly similar to that found in urban areas. Leisure and tourism is a key employer in many rural areas.

Agriculture is some way from being the main employer, but it remains locally important, especially in remoter and upland areas, and when considered alongside food production businesses. Farm land is also the primary land use.

A specific issue is the proportion of farmers approaching retirement age. It is estimated the agricultural industry will need an extra 60,000 new entrants over the coming decade. Specialist colleges play a crucial role in training new and recent recruits, matched to the needs of the industry.

Small businesses make up the vast majority of rural based businesses. Hence, 26% of English businesses are registered in a rural area, but they account for 13% of employees and 9% of business financial turnover.

Wages tend to be low in rural areas, particularly in more peripheral geographies. There is a need to attract higher value and more secure employment into many areas.

All the evidence shows that businesses in rural areas have the same needs as those based elsewhere in order to start-up, grow and survive. Issues such as broadband connectivity and the land use planning system, covered earlier in this document, are of great importance.

They also need access to a suitably trained workforce and will benefit from accessible business support and advice services. Whilst this can pose challenges, a Federation of Small Businesses survey found 37% of its rural members had used some form of central government funded support and 38% some form of local government funded support.

Local Enterprise Partnerships (LEPs) are the main current vehicle for delivering economic growth at a local or sub-regional level. It is vital, therefore, that their Growth Plans take full

¹¹ Statistical Digest of Rural England 2014, Defra

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account of rural needs and design programmes accordingly. Focussing on local priorities must not mean overlooking the smaller scale interventions typically required in rural areas.

EU funding streams for the period to 2020, such as the European Agriculture Fund for Rural Development and the LEADER programme, will undoubtedly prove valuable, though the Rural Services Network wishes they had been given a larger slice of the EU funding pot. They should be used to bend other (larger) programmes and lever in additional resources to rural areas. Any further guidance issued by Government guidance e.g. that due to LEADER groups, should offer them as much flexibility as possible to meet local rural needs.

The Rural Services Network then calls upon an incoming Government to:

- Recognise the important contribution that rural areas make to the nation's economic wellbeing and reflect this explicitly in its growth policies.
- Insist that all Local Economic Partnerships (LEPs) whose geographies include rural communities and rural based businesses are clear how their Strategic Economic Plans will benefit them. This should apply to LEPs whose areas are mainly urban, as well as to those in more obviously rural locations.
- Ensure these LEPs appoint someone to their Board whose role is to act as a rural champion. When monitoring the impacts of their programmes, LEPs should measure and publish figures about the impacts on their rural communities and businesses.
- Continue its funding for the 'Wheels to Work' scheme coordinator posts. This is a simple and cheap way to support local projects that help young people in rural areas with transport to access training and employment opportunities.
- Ensure that it learns lessons from the Rural Growth Pilots which have been funded by Defra and implement the findings from their ongoing evaluation.
- Maintain funding support for the specialist colleges that are central to the supply of skilled personnel ready to enter the agricultural sector.

Rural proofing

The Rural Services Network wants to see all Government policy making being subject to rural proofing, so sufficient early thought is given to how those policies will benefit rural communities and so any unintended rural consequences can be identified.

There are few specifically rural policies or programmes. In most cases the policies delivering to rural communities and businesses are national or mainstream policies. This is evident, for example, in areas as diverse as education, health and social care, policing, transport, taxation, business support and land use planning. How those policies play out and are delivered in rural areas is therefore of critical importance.

It is far from a given that their impact will be the same in different types of neighbourhoods, from city centre to rural village. Even within rural areas there will be differences. National or sub-national policies that have been designed with the (urban) majority in mind may not suit rural circumstances and may not prove effective there.

This can be especially true when policies seek to target needs by focussing on places with concentrations of needy people – area-based policies. Because rural needs are typically scattered they are frequently overlooked by geographic measures or indicators of need.

Rural proofing of policies, starting early at the policy development stage, is therefore of considerable importance. Whilst there is still progress to be made, the Rural Services Network acknowledges that Defra and its Rural Communities Policy Unit has played a key role in helping civil servants in other Whitehall departments to think rural.

As a general rule, the more flexible policy design is and the more devolved its delivery is, the more likely it will be suited to local circumstances and bring about benefits for rural communities. The Rural Services Network stands ready to assist central Government with rural proofing and to comment on emerging policy proposals.

It has followed closely the review of rural proofing recently undertaken for Defra by Lord Cameron of Dillington. **[Need to say more when we know its findings.]**

The Rural Services Network calls upon an incoming Government to:

- Recommit to the principle of rural proofing by Whitehall and its delivery agencies, to ensure a fair outcome for rural communities. Make clear that that commitment comes from the top and has the backing of the Prime Minister and Cabinet.
- Apply rural proofing rigorously to its post-2015 programme for Government. In particular, to think carefully about the targeting of needs-based policies to ensure they reach rural communities.

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- Ensure that Defra's Rural Communities Policy Unit (or any future equivalent) is given both the clout and resources to work across Whitehall, supporting other departments with their rural proofing. Its co-ordination and promotional role will be vital.
- Ensure that consultation during policy development includes rural stakeholder organisations (like the Rural Services Network and ACRE) and rural communities.
- Enforce better the system, whereby departments assess the likely rural impacts – among other impacts – of proposed policy developments in Impact Assessments.
- Produce an annual report on its rural proofing work for scrutiny by the Environment, Food & Rural Affairs Parliamentary Select Committee.
- [Add something based upon the Cameron Review recommendations.]

Membership of the Rural Services Network

[Add list of members]

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