

---

## Agenda

### Rural Economy Sub-Group meeting

---

Venue: [The LGA](#), 18 Smith Square, London, SW1P 3HZ  
Date: Monday, 27<sup>th</sup> of January 2020  
Time: 1.00 pm – 3.00 pm

[Please follow this link for the map of the venue.](#)

---

#### 1. Attendance & Apologies

#### 2. Notes from the previous Rural Economy Sub-Group meeting. (Attachment 1)

Held on 24<sup>th</sup> of June 2019 to consider any relevant updates and approve the minutes.  
Main issues discussed were:

- (a) Presentation by Fadekemi Abiru, Department for Business, Energy & Industrial Strategy – An Introduction to LISA Analysis and Evidence.
- (b) Discussion of the sections of the House of Lords' Select Committee Report into the Rural Economy which are most directly related to the Rural Economy; namely chapters 1, 2, 4 and 6 (including the Conclusions and Summary of Recommendations for each).
- (c) The Call for the Rural Strategy.

#### 3. "It's Time for a Rural Strategy" – progressing the campaign. (Attachment 2)

During the 13<sup>th</sup> of January 2020 RSN Executive meeting the future of "It's Time for a Rural Strategy" campaign was discussed. The decisions of the Executive are set out in the attachment.

#### 4. Local Industrial Strategies.

##### 4.1. "How LEPs can maximise their contribution to UK Productivity by including rural business". (Attachment 3)

Report prepared by the RDPE External Working Group. Charles Trotman – CLA Senior Economic Adviser – will attend to speak about this report.

##### 4.2. Presentation by Ian Cass (Managing Director, Forum of Private Business).

**Providing a voice for rural communities and service providers**

- 4.3. Leicester and Leicestershire Enterprise Partnership Local Industrial Strategy.** (Attachment 4)  
To consider the document supplied by Helen Harris (Economic Growth Manager at Leicestershire County Council).
- 4.4. RSN Chief Executive Graham Biggs to update members on the proposed work between the RSN and the Institute for Economic Development in “Rural Proofing” Local Industrial Strategies.**
- 5. “Land of Opportunity. England’s Rural Periphery”.** (Attachment 5)  
To consider report prepared by the NLGN in collaboration with Cornwall Council.
- 6. Any other business.**  
The next meeting date of this group will be Monday 1<sup>st</sup> of June 2020 (to be confirmed).

**Providing a voice for rural communities and service providers**

David Inman, Director  
Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693  
[www.rsonline.org.uk](http://www.rsonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsonline



**MINUTES**  
**Rural Economy Group**

**Venue:** The LGA, Smith Square, London SW1P 3HZ

**Date:** Monday 24<sup>th</sup> June 2019 at 1 p.m.

The meeting was held at the **LGA, 18 Smith Square, Westminster, London, SW1P 3HZ.**

**Attendance**

An attendance list is attached as **Appendix A** to this note

**1. Apologies for Absence**

An apologies list is attached as **Appendix B** to this note

**2. To Confirm the Minutes of the Last Meeting**

Held on the 28<sup>th</sup> January 2019 and agreed as a correct record.

**3. Presentation by Fadekemi Abiru, Department for Business, Energy & Industrial Strategy – An Introduction to LISA analysis and evidence**

Fadekemi explained the purpose and thinking behind the LISA exercise which would be undertaken by LEPs throughout the country. Her presentation can be reached through the following link:

[https://rsnonline.org.uk/images/meetings/specialist-subject-meetings/rural-economy-group/24.06.19/Fadekemi\\_Abiru\\_presentation.pdf](https://rsnonline.org.uk/images/meetings/specialist-subject-meetings/rural-economy-group/24.06.19/Fadekemi_Abiru_presentation.pdf)

This was an ambitious plan. It was felt this would give local areas the opportunity to take responsibility for their own areas. Analysis through the plan would ensure they were quality assured. It was understood the exercises should be valid until 2050.

It would be a LEP Economic Report in conjunction with a Capability exercise and an Engagement Programme. The exercise involved working through a (national) Policy Prospectus Pack setting out ground rules and allowing Ministry input as the exercise proceeded.

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



This was seen as an exercise involving and integrating public and private sector thinking. It should set out mapping equalities and evidence about the LEP area and incorporate what was felt to be relevant data.

There appeared no requirement for rural proofing at the moment and Fadekemi agreed to feedback the Group's concern about that.

Local Chambers of Commerce would be asked to analyse and say what they felt were the drivers and the obstacles.

Policies should be long-term and ambitious and the supply side should be commented upon. It was important to join the evidence with the negative influences.

Adjacent LEPs might also be involved to allow the exercise to consider how the proposals would fit with wider planned aspirations.

The Group felt that the rural considerations might be being missed with the way the exercise had begun. It was felt that LEPs should be being required by the national framework to rurally proof – and make the evidence that they had done so – and conclusions reached publicly available for wider scrutiny - matters in their area in any event.

Fadekemi would report back and the Group would be kept informed. She said the pack was constantly being updated as LISA was intended as a long - term exercise.

Local Authorities, she said, would be kept informed of proposals as they emerged. Members were keen to point out that rural considerations should not just be as after-thought. Rural areas could play a very positive role to the national economy as a whole in their view.

#### **4. To discuss the sections of the House of Lords' Select Committee Report into the Rural Economy which are most directly related to the Rural Economy; namely Chapters 1, 2, 4 and 6 (including the Conclusions and Summary of Recommendations for each)**

#### **The Call for a Rural Strategy**

#### **Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693  
[www.rsonline.org.uk](http://www.rsonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsonline



Graham Biggs explained in detail how the RSN had arrived at its present position in making this call and how advisory papers had been formulated to assist the exercise. These papers had been presented to the Group at previous meetings and approved.

Graham reported that the process had received an enormous boost as the House of Lords, through Select Committee, had themselves produced a Report and Recommendations to the Government entitled “Time for a Strategy for the Rural Economy”. The title suggested this was a little narrower than the RSN “Call” as it was based around the rural economy but in practice it covered many aspects not normally associated with an economic strategy and there was a large percentage of common ground between the two processes. RSN had given verbal evidence to the Lords’ enquiry on two occasions and there was much common thinking. The Government were by law obliged to respond to this Lords’ report by the end of the coming week. The report, it was felt, would be a challenge for Government as it covered a very wide areas in some depth. It was then up to the Lords to decide when they would publicise this response.

The Lords’ report would, in many areas, provide some of the depth and texture the RSN required to push on with its own Representations to Government

Graham explained that three or four (depending on budget/resources) Roadshows would be organised after an initial event which had been held in Taunton in the South West in the early spring. It was hoped that sponsorship would be obtained for these shortly.

The Roadshows planned were being organised in a partnership with ACRE, The Rural Coalition and the Plunkett Foundation and would consider two things:

- What were the reasons and the thinking behind the RSN Call?
- What was required to assist the process?

At this stage, Councillor Giles Archibald, Leader of South Lakeland District Council, offered to sponsor an event in the North West at their offices. This kind gesture was willingly accepted and a North West Roadshow would be

#### **Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

[www.rsonline.org.uk](http://www.rsonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsonline



added to the programme. It would be available to Cumbrian and Lancashire authorities and organisations.

The first Roadshow would be on Thursday 11<sup>th</sup> July in the North East. The Northern Rural Network at Newcastle University had agreed to assist with this.

Political Meetings around the Party Conferences in the autumn were being held at the Liberal Democrat and (hopefully) at the Labour conferences. A meeting with Conservatives Rural Issues Group might be held (in London) in November. An exercise would be undertaken looking at the Lords' report asking

- Where have we common ground
- What is omitted
- How can we deal with issues where there might be some variances?

A document setting out the above would be sent to Members of the Group for comment – especially on the issues raised in the Lord's Report where there was no established RSN policy.

### **House of Lords' Report**

To assist the exercise just described, the Group were then asked to discuss the section of the Lords' report:

Chapter 1 – The Importance of the Rural Economy

Chapter 2 – The Rural Economy and Public Policy (combined)

Chapter 4 – Digital Connectivity

Chapter 6 – Access to Skills and Rural Business Support

They were asked as follows:

- Are there any of the Lords' recommendations the Group disagree with?
- Are there any of the recommendations which it is felt should be prioritised?
- Is there any more evidence needed to progress the case to Government?

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



- Do members have any case studies/evidence they could offer in support?

The Lords' response was then looked at thoroughly by the Group and the following comments were made:

Funding	It was absolutely essential successor funding was established allowing similar exercises to the ones facilitated by the EU funding to properly continue community involvement schemes.
The Challenges	The Group totally agreed with the report. Evidence was however going to be important. All authorities were asked if they could consider whether they could provide such evidence
Economic Performance Distinctiveness	Totally agreed. It was felt the economic importance of rural areas was being very much understated by Government. There were massive opportunities but Government had a major role to play.
Crime	It was felt there had been a clear and significant erosion of essential services.
Crime	It was felt the extent of rural burglary should be sought to be properly quantified and given far more attention.
Crime	National Rural Crime Network would be considering this chapter.
Crime	The penalties for illegal dumping should made considerably more severe. The present fines were woefully inadequate and a very poor deterrent. It was unfair to expect Land Owners to pay for clearing sites
Rural Economy	It was suspected that loss of services was having a very adverse impact on the rural economy. Remedial

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



Transport	measures were in the national as well as the local interest.
Rural Economy Transport	It was felt that studies needed to be undertaken about emerging options facilitated by advancing technology. Better transport arrangements were necessary to kick-start the economy.
Defining a successful rural economy	It was felt t the definition given was a strong one
Box 2 Key Aspects	It was felt that these made really important points.
Objectives	Again, it was felt this was really strong drafting.
Economy (General)	It was felt that work was necessary evaluating how a rural area can benefit from large scale national infrastructure schemes that took place and the degree of adaptability required to take full advantage of any such schemes.
Rural Policy in England	This was a key paragraph. Its importance could not be understated. It was felt the points made needed to be expanded as this constituted the crux of the case.
Design	It was considered that all public buildings in rural areas should now be required to be constructed with fibre to the premises
Case for a Rural Strategy	It was felt the outcomes of the recent DEFRA Select Committee Inquiry would also provide important evidence towards this Call.
Rural Strategy	It was felt that all LEPs with a rural area should by law be required to rural proof all of their considerations. Too often decisions were unfortunately solely urban based and rural issues were often masked by whole area data.
Rural Strategy LIS	Rural Strategy and Rural Policy needed to be fed into the LISA work straight away.

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline





Essential Elements	These were fully agreed and it was felt the drafting was strong.
Replacing EU Funding	There was total agreement with the final bullet point. This was felt essential if rural economic potential was to be unlocked and that would clearly be in the overall national interest.
Conclusions Replacing EU Funding	A scheme where universal credit had been successfully employed re Hill Farming in Eden was referred to. It was felt it would be a good case study.
Conclusions	Rurality checks on all legislation and policy changes would be in the national interest. The importance of a buoyant rural economy was not fully appreciated and its importance not appreciated.
Conclusions- Threats.	Absence of data. The Group felt the report was very sound on and totally agreed. This was a very significant problem.
Points 58, 59 & 60	The point was made that this however needed to be a comprehensive package which including suitable resources to accompany it . It was felt these points needed to be developed by further wider consideration and proposals by Government.
Rural proofing.	The plurality of rural views was noted. It was felt the point here was an important one.
Box 3	The bullet points on rural proofing however had not been universally adopted by government and --- this was THE problem.
Minister working between	This was felt to be an important and valid point.

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



Treasury & DEFRA	
Components of Rural Proofing	The importance of the limited scale of rural operation was yet again emphasised.
Pg. 26 Point 89	There was total agreement with the point made by Sarah Lee. It summed up the position well.
Apprenticeships	The group were in total agreement with the point being made by the Lords' report.
Arts Council operation	Whilst the Arts Council were congratulated there was still a need for some rural proofing over grant allocation.
National Parks	There appeared to be maybe a lack of consideration over how National parks and other protected areas should be considered. The degree of rural proofing necessary here perhaps needed to be even greater.
EFRA Select Committee	It was felt the EFRA Select Committee considerations might again be relevant. There clearly should be an attempt to incorporate their views when they were known into this chapter. in taking forward our own work. Combining three thought patterns would be really powerful.
Vocational Education	There appeared to be a decline in vocational education. Presumptions seemed to be made about the levels of skills and learning. This might not be the same as in an urban context.
35	Essex CC offered the expertise gained by their Skills Board. They could offer some best practice here.

### Providing a voice for rural communities and service providers

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



Pg. 61 & 62 Loneliness in rural areas	Again, the Group felt there was a need for a specific rural approach in this area. It was time to re-think things but there was also a need for money to support initiatives. They could not occur otherwise.
Diversity	The role of rural areas in climate change and providing diversity of services were not necessarily appreciated nationally. There should be more emphasis on the importance of these considerations and how rural areas could be playing a yet wider role in the national interest.
Tourism Zone	These could be brought back if it was felt necessary. They had had merits.

It was agreed that these minutes as a draft would be circulated to all nominated members so that they could input any further information they wished to include at this stage.

The meeting closed at 3:15pm.

#### **Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline



## **Rural Services Network Executive Meeting**

**13<sup>th</sup> January 2020**

**Progressing the “Time for a Rural Strategy” Campaign – outcomes from the RSN Executive meeting.**

### **A MENU FOR FUTURE ACTIVITY**

**(1) In terms of progressing the call for a Rural Strategy, Chief Executive Graham Biggs considered we should carry on as previously agreed, namely:**

- Meeting the Lord’s Select Committee members, and other Peers we more regularly engage with, to agree “tactics” to keep the issue of a Strategy alive date agreed as 3<sup>rd</sup>.
- Agree a programme with the APPG to consider the Lords recommendations, call for discussions with Ministers, etc. It is likely the APPG will want to prioritise issues in the Queen’s Speech and Conservative Manifesto.
- Continue the Regional Roadshows – although varying the format and content somewhat to reflect current circumstances.
- Carry out the proposed Video Conferencing sessions with RSP members representing the relevant sectors.
- Take whatever opportunities present themselves to promote to Government the need for a Strategy.

### **(2) Developing the Case: Suggested Approach.**

- ✓ We select a small number of big policy issue of strategic importance and develop a narrative around a theme of “Unleashing Rural England’s Potential”.
- ✓ In respect of the above we can address both: the perceived disadvantage/unfairness of the present policies etc. and advance the case that resolving those issues will unleash England’s rural potential. In this we seek to draw out the link between well-being, services/social issues and the ways they impact on rural economies (including innovation and enterprise).  
     The recently formed National Innovation Centre for Rural Enterprise (NICRE) – which has accessed £3.7m over three years from the Research England Development Fund and has CCRI/Gloucestershire University as a key delivery partner – will be carrying out research into this link.
- ✓ It perhaps makes sense to focus on the Grand Challenges of the Industrial Strategy (although bearing in mind that was a Strategy produced by the Theresa May’s Government). Those Grand Challenges are expressed as
  - Artificial Intelligence and data;



- Ageing society;
  - Clean growth;
  - Future of mobility.
- ✓ The above will pick up RSN priorities on Broadband/Mobile Connectivity, Adult Social Care, Transport/Accessibility as well as Net Zero/De-Carbonisation.
  - ✓ In addition to the above we must add Fair Funding (priority being local government funding but to include all public services), Rural Housing, Business Support, Skills and Training to meet RSN priorities and those of its membership.
  - ✓ Of course, we will continue our activity around the Fair Funding Review for local government – including Adult & Children's Social Care and Fire and Rescue services. Education Funding also needs to be kept under review
  - ✓ We are working with other rural interest groups on rural housing issues to put to the Treasury following last year's meeting with the then First Secretary
  - ✓ We must review legislation as it comes - not just relating to the above topics. (Devolution proposals could have implications for rural areas – we need to ensure rural implications are put forward and re-enforce the need for a comprehensive strategy so as to avoid unintended consequences.)
  - ✓ **I would stress that the above relates to preparing high level strategic documents which essentially re-enforce the links between them and the economic potential of rural areas.**

We may also, over time, be able to produce a number of lower level, more detailed, service specific points, if supported to do so by our membership with input, evidence and case studies.

## How Local Enterprise Partnerships can maximise their contribution to UK productivity by including rural businesses

December 2019

The purpose of this paper is to make the case that the overall economic performance of your Local Enterprise Partnership (LEP) will be improved if all businesses in your area are properly supported – large and small, urban and rural.

This can only be achieved if your Local Industrial Strategy (LIS) gives equal weight to the businesses in rural places that support the overall economic performance of your LEP.

### At a glance

<p>Urban and rural businesses do not work in isolation. They support and trade with each other.</p> <p>Rural places are home to 24% of businesses in England, employing 3.6 million people<sup>1</sup>.</p> <p>Rural businesses generate 16% of GVA in England, worth £246bn, which is the same as the country's ten leading cities outside London.</p>	<p>Rural businesses are diverse in type and have the potential to deliver even more, but they face a small number of particular challenges – digital connectivity, employment, access to services and infrastructure.</p> <p>These challenges can be reduced and overcome by LEP actions and policies.</p>	<p>This paper makes the case that the overall economic performance of your LEP will be improved if:</p> <ul style="list-style-type: none"> <li>(i) Policies in your LIS help overcome the rural challenges, and</li> <li>(ii) Facilitate better links and relationships between urban and rural businesses in your area.</li> </ul>
---	--	---

### About the authors

This paper has been produced and is supported by the following organisations (in alphabetical order), who are members of the Rural Development Programme for England (RDPE) External Working Group facilitated by DEFRA:

ACRE	<a href="mailto:keith.harrison@ruralkent.org.uk">keith.harrison@ruralkent.org.uk</a>
Central Association of Agricultural Valuers (CAAV)	<a href="mailto:alice@caav.org.uk">alice@caav.org.uk</a>
Country and Land Business Association (CLA)	<a href="mailto:charles.trotman@cla.org.uk">charles.trotman@cla.org.uk</a>
CPRE	<a href="mailto:GraemeW@cpre.org.uk">GraemeW@cpre.org.uk</a>
LEADER Local Action Groups	<a href="mailto:john.turner@lonsdale-estates.co.uk">john.turner@lonsdale-estates.co.uk</a>
Local Enterprise Partnerships	<a href="mailto:simon.matthews@ruralwestsussex.org.uk">simon.matthews@ruralwestsussex.org.uk</a>
National Farmers' Union	<a href="mailto:Andrew.Francis@nfu.org.uk">Andrew.Francis@nfu.org.uk</a>
National Trust	<a href="mailto:alan.bullivant@nationaltrust.org.uk">alan.bullivant@nationaltrust.org.uk</a>
Peak District National Park (representing national parks and AONBs)	<a href="mailto:suzanne.fletcher@peakdistrict.gov.uk">suzanne.fletcher@peakdistrict.gov.uk</a>
Royal Institution of Chartered Surveyors	<a href="mailto:Jason.beedell@struttandparker.com">Jason.beedell@struttandparker.com</a>
Yorkshire Food Farming & Rural Network	<a href="mailto:janthornton03@gmail.com">janthornton03@gmail.com</a>

<sup>1</sup> Defra. [Rural proofing. Practical guidance to assess impacts of policies on rural areas](#). March 2017.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

### 1. Introduction

The majority of people in England live in and businesses operate from urban areas. However, they would not be able to operate in the same way without the surrounding rural areas to support them. Many people commute from towns to work in rural places. Many urban businesses rely on rural businesses for goods and services to enable them to operate. Those rural businesses are often highly innovative – often more so than their urban counterparts<sup>2</sup>.

The interconnectedness of urban and rural areas goes beyond business. They are interdependent for food production; public services; waste management; reducing flood risk; clean water supplies; capturing and storing carbon dioxide; and generating and storing energy. Rural places are also important contributors to the quality of life, well-being and leisure pursuits of both rural and urban citizens alike<sup>3</sup>.

These relationships already work well but they could work even better. For example, the Zero Carbon Humber partnership<sup>4</sup> is a new initiative which will boost the economic performance of the whole area, provide jobs and deliver clean growth. Wessex Water runs a groundwater catchment management scheme which pays farmers to prevent the pollution of drinking water supplies; it saves Wessex Water money on water treatment and provides an economic boost to farmers<sup>5</sup>.

To enable this to happen, all relevant policies and proposals within a LIS should work as well for businesses operating in rural areas, which face a different set of challenges to urban businesses. The challenges are not insurmountable – on the contrary, they can be easy to overcome if they have been considered.

#### The challenges facing businesses operating in rural places

Digital connectivity	Many rural places do not have reliable, business-suitable broadband or mobile <sup>6</sup> .
Employment	The variety of employment opportunities, availability of people with the right skills, and access to training can be lower in rural areas.
Access to services	Distance, weaker transport links and low population density make providing and accessing services more difficult and expensive. There are smaller benefits from agglomeration <sup>7</sup> .

<sup>2</sup> The UK Longitudinal Small Business Survey (LSBS), commissioned by BEIS, shows that the economic performance of rural firms has at least matched, and in measures such as innovation and access to finance, outshone that of firms in urban areas in England outside London.

<sup>3</sup> See Monitor of Engagement with the Natural Environment (MENE) headline report 2019, pages 9 – 11.  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/828552/Monitor\\_Engagement\\_Natural\\_Environment\\_2018\\_2019\\_v2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/828552/Monitor_Engagement_Natural_Environment_2018_2019_v2.pdf)

<sup>4</sup> <https://www.zerocarbonhumber.co.uk/>

<sup>5</sup> <https://www.wessexwater.co.uk/environment/catchment-management/groundwater>

<sup>6</sup> According to Ofcom's Connected Nations 2017 report almost a fifth of rural premises cannot access a basic 10 Megabit per second (Mbps) internet connection. Satisfaction with internet coverage is lowest amongst businesses located in remote rural areas and amongst people whose jobs require them to travel. Rural England and SRUC estimate that UK GVA could increase by at least £12 billion per annum if digital constraints in rural areas were overcome (March 2018).

## How LEPs can maximise their contribution to UK productivity by including rural businesses

Infrastructure	The Federation for Small Business's rural members cite improved infrastructure as their priority. Whether transport or broadband, infrastructure is an enabler that allows all of the other things to happen, including international linkages and opportunities.
----------------	---

Future UK funding is expected to be aligned with the local economic priorities in LISs, so it is vital that they are adequately targeted, from the largest to the smallest businesses, to emphasise the importance of rural economy activity and to ensure that rural economies are not allowed to fall even further behind major urban economies.

All LEP and Combined Authority areas are developing LISs to demonstrate how their areas will raise productivity. The rationale for places developing LISs is to:

- Ensure a long-term strategy for raising productivity in places, based on clear evidence and aligned to the national Industrial Strategy.
- Set out long-term, clearly defined priorities for **how cities, towns and rural areas will maximise their contribution to UK productivity**.
- Allow places to make the most of their distinctive strengths.
- Support better coordination of economic policy at the local level and ensure greater collaboration across boundaries.
- Inform local choices, prioritise local action and help to inform LEPs approach to any future local growth funding deployed through them.

The government expects the needs, challenges and opportunities of rural businesses and communities to be properly considered in LISs, as there should be detailed local consultation.

### How you can achieve this in your LIS

Ensure that smaller businesses operating in rural places are adequately represented within LEP boards and committees. An effective way of doing this is to have a separate rural board that reports to the main board.

Ensure that your LIS has properly considered how to maximise the potential of all businesses, including smaller and rural ones, by testing each of your proposals with the government's 'rural proofing checklist'<sup>8</sup>.

<sup>7</sup> Local Government Association. The future of non-metropolitan England. Moving the conversation on. [Interim report](#). June 2018.

<sup>8</sup> Rural proofing is about understanding the impacts of policies in rural areas. It ensures that these areas receive fair and equitable policy outcomes. There is a concise and well-established four-stage process to achieve this objective, that includes a 9-point checklist. The purpose of doing this is to set appropriate targets, outcomes, or goals on what the policies in rural areas are supposed to achieve. A starting point would be to agree whether there is a social and political commitment to maintaining the environmental and social fabric of the rural areas and writing down what it is. See Defra. [Rural proofing. Practical guidance to assess impacts of policies on rural areas](#). March 2017 and Shortall, S. [To Rural Proof or Not to Rural Proof: A Comparative Analysis](#). Politics and Policy. 2016.



## How LEPs can maximise their contribution to UK productivity by including rural businesses

### How to rural proof:

#### 1. Understand the situation:

- Do you have evidence to support your understanding about the current situation in your rural areas?
- Do you have access to the views of rural stakeholders?

#### 2. Define the outcome:

- What is the outcome to be achieved?
- What will constitute fair treatment in your rural areas? Rural communities do not expect the same level of service as urban ones, but they do expect to be treated fairly.

#### 3. Develop and appraise the options:

- Do your LIS objectives encompass your rural areas?
- Do the necessary delivery mechanisms exist in your rural areas?
- What steps can be taken to achieve fair rural outcomes?

#### 4. Implementation and monitoring:

- Understand it will cost more to deliver LIS objectives in rural areas.
- Record and monitor actions taken in your rural areas.
- Learn lessons from actions taken in rural areas to inform future delivery.

### Rural proofing checklist – suggested actions:

1. **Ensure the needs of smaller businesses are specifically addressed.**
2. **Use small area data** to identify social, economic and environmental differences that need to be accounted for in the policy.
3. Engage with rural stakeholders and their networks so you can **gather evidence and test your proposals.**
4. Look at **alternative means of providing and accessing the services in rural areas**, e.g. through community involvement.
5. **Reduce the need to travel by using outreach**, mobile services or localised delivery.
6. Consider **better integration or improvement of transport links.**
7. Allow local delivery bodies flexibility to find the best local solution(s); **avoid a ‘one-size-fits-all’ approach.**
8. **Use the rural networks and meeting points that exist**, for example post offices, village halls, parish notice boards.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

### 2. The economic landscape outside urban areas

As part of evidence gathering, LEPs should look across their whole area and consulting all businesses, including smaller ones outside urban areas, to gain a better insight into their economy.

Outside towns and cities, the national picture is<sup>9</sup>:

NUMBERS OF BUSINESSES	TYPE OF BUSINESSES	PEOPLE
<b>24%</b> or 544,000 businesses are located outside towns.	They are <b>diverse in type</b> – and include large, high-tech businesses. It is not just agriculture, fisheries and forestry!	There are <b>more businesses per person</b> in rural areas than in urban areas.
They contribute <b>16%</b> (£246 billion) of England's economy in GVA.	Rural businesses <b>tend to be smaller</b> (70% have 9 employees or fewer and 18% are sole traders).	Responsible for <b>13% of total employment</b> (3.6 million people). 71% of employees within rural areas are employed in SMEs.
	They <b>tend to invest less</b> in capital per employee than urban businesses (£5,100 in predominantly rural areas, compared with £5,300 in predominantly urban areas excluding London and £6,500 in London).	<b>21% work from home</b> (compared with 13% in urban areas). This cuts travel, which contributes to the Clean Growth Grand Challenge <sup>10</sup> .
	Matching analysis shows <b>rural firms are as innovative (for product and process) as their urban counterparts</b> <sup>11</sup> .	<b>33% are homeworkers in rural hamlets so good connectivity is vital.</b>

Given appropriately focussed support, rural businesses have the potential to contribute significantly towards the ambitions of the Industrial Strategy.

By understanding the rural economy in your area and providing specific support through your LIS, you will enable thriving, vibrant rural communities and businesses for the benefit of all.

<sup>9</sup> Defra. Statistical Digest of Rural England. September 2019.

<sup>10</sup> Defra. Statistical Digest of Rural England. April 2018.

<sup>11</sup> [Drivers of rural business productivity - evidence and reflections](#). Professor Matthew Gorton, Rural Enterprise UK, Newcastle University. Presentation at the Rural Enterprise UK event on Industrial Strategy: Progressing Rural Contribution, held at Newcastle University on 27th March 2019.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

### CASE STUDY: Optare - an urban manufacturer goes rural<sup>12</sup>

Optare is the world's 4<sup>th</sup> largest bus builder. It set up a new factory in a rural location in 2011, combining activities from three sites in Leeds, Manchester and Rotherham. One of the benefits to employees is less commuting time. The factory employs 360 people in total. The firm has invested £90m across the business to date.

It is easy to gather the evidence you need to understand how your economy works and what the priorities for action are. However, to date, many LEPs have not sufficiently taken into account the issues in their rural areas<sup>13</sup> although there are some notable exceptions such as Cumbria, Coast to Capital, Enterprise M3, Greater Lincolnshire and Heart of the South West LEPs. Reducing the potential contribution of rural areas to the wider economy is an opportunity missed.

DEFRA has provided LEPs with statistical information on their individual areas, by the categories in the table below and by urban and rural classifications. Contact Matt Willcock ([matt.willcock@defra.gov.uk](mailto:matt.willcock@defra.gov.uk)) for the data and further information:

BUSINESSES	PEOPLE
Business numbers and employment by type of industry <sup>14</sup>	Population by age profile
	Deprivation in terms of income, employment and education
Productivity by Gross Value Added (GVA) and employment, compared with similar LEPs	Earnings, compared with similar LEPs
Broadband speed and availability	Accessibility to employment centres, schools, doctors, hospitals, food and city centres

The Local Government Association has also produced a concise report on how to produce a successful LIS, which includes a useful section on developing an evidence base<sup>15</sup>.

<sup>12</sup> Future of Mobility. Graham Belgium, President of Optare PLC Presentation at the Rural Enterprise UK event on Industrial Strategy: Progressing Rural Contribution, held at Newcastle University on 27th March 2019.

<sup>13</sup> <https://research.ncl.ac.uk/ruralenterpriseuk/events/industrialstrategyprogressingruralcontribution/presentationsandsummary/>

<sup>14</sup> A CPRE survey of Local Enterprise Partnerships' approach to the environment and rural economy

<sup>15</sup> <https://www.cpre.org.uk/resources/next-steps-for-leps/>

Local Government Association. [Developing Successful Local Industrial Strategies](#). June 2019.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

Some LEPs have recognised the importance of good evidence for the whole of their areas and approached it in a number of ways:

### Examples of good practice on rural evidence

The [South East Midlands LEP \(SEMLEP\)](#) has examples of evidence gathering on its web site.

The [South of Scotland Economic Partnership \(SoSEP\)](#) was created in part as a recognition of the weakness of evidence.

The [South West Rural Productivity Commission](#), supported by four LEPs, generated relevant evidence for its rural areas.

The [Cambridgeshire and Peterborough Independent Economic Commission \(CPIER\)](#) report has had meaningful engagement with rural issues and has put forward some recommendations for growing the agricultural industry.

The **Coast to Capital LEP** commissioned a consultant to gather rural evidence to feed into the development of its LIS, e.g. more construction and manufacturing businesses in rural areas and fewer IT businesses.

## Metrics

Rural businesses and communities deliver more than economic goods and services, yet many of the measures used just focus on economic outcomes, including those for the Industrial Strategy.

LEPs should use some additional metrics to assess the contribution of rural places to the four Grand Challenges, for example the contribution of rural areas to developing natural capital.

This will result in a different assessment of '*what success looks like*' that fully reflects the contribution of the whole LEP area. It will enable LEPs to show the full contribution that rural places make to the LEP area, and to design policies, for example in housing, services and transport infrastructure which have an impact on employment, quality of life and home working opportunities.

Good practice is to involve rural stakeholders in the collection of the evidence base and development and implementation of the LIS. This would include NGOs and those from 'hard to reach' communities.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

### Metrics that reflect rural areas

House prices<sup>16</sup>: Average house prices are £44,000 higher in rural areas than urban areas (2017). Housing is less affordable in predominantly rural areas, where lower quartile (the cheapest 25%) house prices are 8.3 times greater than lower quartile annual earnings (2016).

Options for those on low incomes seeking social rented housing are typically limited in small rural settlements. Only 8% of households in villages live in social housing. By contrast, 19% of households in urban settlements live in social housing. There is a need for the right housing tenure at the right cost.

Second homes and holiday lets often add to rural housing market pressures, especially in popular tourist areas and can form a large proportion of housing stock in some local authority areas e.g., 15% of houses on the Isles of Scilly are second homes and 10% in North Norfolk.

Access to services: The Department for Transport published statistics in 2014 on the minimum travel time by public transport / walking to reach the nearest eight key services, such as schools (primary and secondary), healthcare (GP and hospital), employment, food store and town centre.

The average minimum access times ranged from 21 minutes from 'town and fringe' to 58 minutes for hamlets and isolated dwellings in sparsely populated areas.

The average public transport / walking time was nearly double in rural compared to urban areas.

<sup>16</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/485222/jts-access-2014.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/485222/jts-access-2014.pdf)  
(page 4)

### 3. The Grand Challenges and rural areas

Rural places can make significant contributions to addressing the four Grand Challenges within the Industrial Strategy. But to do this, there is a need to change the mind-set of decision makers to recognise the positive contributions rural places can make, including social benefits<sup>17</sup>. Rural areas provide the foundations of quality of place and contribute to inclusive growth.

The government has identified some of the opportunities below:

#### Artificial Intelligence and Data Economy

- Hyper-digital connectivity will contribute to the solutions to many of the UK's major social and economic challenges. This is one of the most significant opportunities to raise productivity as rural areas cannot reach their full potential due to currently poor broadband and mobile coverage in many areas. To achieve this, public investment must be assessed on a long-term basis.
- The way our food is produced, processed and sold must be made more efficient if national climate change targets are to be met. Agricultural technology (or agri-tech) has already been identified as a priority sector, with a particular focus on research and development (or R&D) to transform food production and cut waste using AI and robotics.
- AI and data is one of the keys to productivity growth, and will benefit rural businesses just as much as urban ones.

#### Ageing Society

- The ageing society provides both opportunities and threats for rural economies.
- Rural areas are already home to a greater proportion of older people, and this trend is expected to continue. Rural areas can offer an ageing population many of the things they want – high quality and accessible health and leisure services as well as employment.
- Rural areas would prefer to be seen as places where solutions to ageing populations can be developed or tested, but jobs to support ageing populations are often low productivity ones such as in social care.
- The National Innovation Centre for Ageing is driving innovation and business partnerships for the North.

#### Clean Growth

- Rural places have a major contribution to make here – in fact, towns and cities depend on rural areas to make them liveable, in terms of delivering natural capital and ecosystem services such as enough clean water, reducing air pollution, flood risk management and storing carbon. Urban areas benefit from these services and currently do not fully recognise (or pay) for them.

<sup>17</sup> <https://research.ncl.ac.uk/ruralenterpriseuk/events/industrialstrategyprogressingruralcontribution/>

## How LEPs can maximise their contribution to UK productivity by including rural businesses

- There are significant new opportunities for rural businesses to provide:
  - Low carbon energy, produced and stored locally, and distributed through smart grids.
  - Food that is produced sustainably by efficient farmers, and at the same time improving the countryside for everyone to enjoy.
  - Carbon storage in natural sinks like soils, hedgerows and trees to help implement the net zero carbon agenda.
  - Green building materials such as timber for structural use and fittings, and plant and wool fibres for insulation.
  - Valuable therapeutic services such as using the natural environment for care farming and social prescribing.
  - Circular economy gains like growing woodlands for sustainable energy from biomass and anaerobic digestion; this also reduces waste from forestry, cuts the need to move fuel to where it will be used and reduces reliance on fossil fuels.

### Future of Mobility

- Greater connectivity will increase productivity and can support home working and so reduce need for and expense of daily travel.
- It can also provide better access to services as well as safer, more inclusive transport and new jobs. The Transforming Cities Fund is available to help improve connections between cities and commuter areas, including rural routes.

## 4. Ideas to incorporate into your Local Industrial Strategy:

The following table provides some ideas, or ‘food for thought’, that can be included in your LIS. We have used the five foundations of the Industrial Strategy to order the ideas – business environment, ideas, people, places and infrastructure. We have emboldened key points.

	Subject	Ideas to incorporate into your Local Industrial Strategy
BUSINESS ENVIRONMENT	The business environment	<p><b>Publish the evidence</b> of the contribution of rural areas to the economic performance in your LEP area.</p> <p><b>Produce a vision</b> for how the ‘rural contribution’ can grow over the next 10 years, including the actions and milestones needed to deliver it.</p>
	Local integration and inclusive economies	<p>The LEP, business organisations and forums should be able and committed to <b>represent all businesses in all places</b>. This should inform all aspects of LEP work on the Industrial Strategy.</p> <p><b>Ensure that rural businesses are adequately represented</b> within LEP boards and committees. An effective way of doing this is to have a separate rural board which reports to the main board and represents a diversity of rural businesses from micro / small to large.</p>
	Business networks	<p>There is currently a lack of capacity in rural business networks. LEPs can <b>encourage better networking and collaboration between businesses</b>. This can help spread best practice, support technology demonstrators and hands-on business support as well as aid development of new products and services.</p> <p>Not all the support required is about technology or requires significant investment. Managerial capacity in smaller firms can be limited, and poor processes can become embedded over time. Providing perspective on how processes could be improved can therefore make an important difference.</p> <p>Current networks include the Local Enterprise Partnerships (LEPs) Rural Group, Scotland’s Rural Enterprise Roundtable, English regions’ Farming and Rural Networks, and more local networks such as the East Riding of Yorkshire Rural Partnership and Leicestershire Rural Partnership.</p>
	Business growth and support	<p>Business support programmes for micro, small and medium-sized enterprises will be vital post-Brexit, particularly if a LIS is encouraging more businesses to develop overseas markets or attract foreign investment.</p>



## How LEPs can maximise their contribution to UK productivity by including rural businesses

		<b>Set out in your LIS the actions needed to encourage business growth and exploit best practice</b> , for businesses from small to large.
	Productivity (agricultural and rural)	<p>The business people who run some of the farms in your LEP are among the most entrepreneurial.</p> <p>The successor arrangements for the EU Common Agricultural Policy, with the government's 25-Year Environment Plan, present an opportunity to consider the future of land use and to better join-up funding streams related to agriculture and other forms of land management with the broader operation of the rural economy.</p> <p><b>New businesses in rural places should be encouraged, as well as encouraging businesses to diversify.</b></p> <p>The LEP should review <b>what actions could be most effective in improving the productivity and growth of micro, small and medium-sized businesses</b>, including how to address the 'long tail' of lower productivity businesses.</p>
	Trade policy and supply chains	<p>The design of future sub-national export support programmes must be rural-proofed<sup>18</sup>.</p> <p><b>Identify the opportunities to further develop local and UK supply chains</b>, such as supply chain collaboration from producer to processor to retail, and to develop new food products and add value.</p>
IDEAS	Research and development	<p>Encourage and <b>facilitate connections between businesses and further and higher education institutions</b> to support business innovation.</p> <p>Promote and <b>encourage businesses in your LEP to take part in the £725m Industrial Strategy Challenge Fund programmes</b>, to assist them to capture the value of innovation.</p>
PEOPLE	Skills and knowledge transfer	<p>Raising business productivity is not exclusively the preserve of technology investment or larger companies. Smaller companies can achieve significant increases in their productivity through better processes, and through improving how they sell their products.</p>

<sup>18</sup> Local Government Association. The future of non-metropolitan England Moving the conversation on. [Interim report](#). June 2018.  
 Local Government Association. The future of non-metropolitan England The freedom to lead local places. [Final report](#). June 2019.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

		<p>LIS' can <b>put in place effective programmes to raise skills awareness</b>. A number of LEPs are starting to work collaboratively to develop digital skills partnerships to improve businesses skills, such as the West Midlands Local Digital Skills Partnership.</p> <p>Approaches are needed within skills strategies to <b>support rural firms to recruit, retain and develop skilled staff and apprentices</b>, such as skill share schemes and collaboration among firms in meeting their recruitment gaps<sup>19</sup>. Your LEP may want to take part in the new National Retraining Scheme that supports people to re-skill.</p> <p>Any support for skills by LEPs should also consider how to provide good quality jobs across their areas so people do not have to move for work (e.g. the <a href="#">Work Local</a> approach) and particular support for young people in terms of workforce retention, training and retraining.</p> <p>Explore the role that <b>further and higher education institutions can play in developing skills and a better trained workforce</b>.</p>
	Rural apprenticeships	Consider how to <b>encourage rural businesses to take on more apprentices</b> , who will provide a skilled labour supply in the future.
	Ageing population	LEPs can promote enterprise, including community enterprise, as a response to an ageing population and challenges of mobility of goods, services and people. LIS' should recognise the vital community or service values that owners of many small rural businesses seek to provide.
PLACES	Local decision making and institutional structures	<p>There needs to be meaningful sub-regional devolution of many Industrial Strategy measures. This builds on the importance of its places foundation<sup>20</sup> around which, for rural areas, there needs to be greater evidence, understanding and activity.</p> <p>This needs to be accompanied by local solutions and local delivery. <b>LISs imply local delivery, not just local planning, so more capacity is needed to enable local 'place'-defined delivery of priorities.</b></p>

<sup>19</sup> Employment as a percentage of the working population (aged 16-64 years) in 2018 was 75% in urban areas and 79% in rural areas as a whole, but slightly lower in 'rural in a sparse area' at 76%. In 2018 the unemployment rate overall in rural areas was 2.6% and is lower than urban settlements (4.5%), but the opportunity to access work should be available to all.

<sup>20</sup> <https://www.gov.uk/government/publications/industrial-strategy-the-foundations/industrial-strategy-the-5-foundations#places>

## How LEPs can maximise their contribution to UK productivity by including rural businesses

		<p>There is value in retaining, adopting or extending the existing community-led model of Local Action Groups and Fisheries Local Action Groups for identifying local priorities and then making local decisions<sup>21</sup>.</p> <p>Experience and achievements in rural areas have demonstrated that community-led local development, for example through LEADER, has delivered good value-for-money, as well as proper local level understanding. <b>Incorporating Local Action Group and Fisheries Local Action Group representatives into LEPs will embed their local knowledge and expertise.</b></p>
	Broadband and mobile connectivity <sup>22</sup>	<p>Every LIS should be working towards <a href="#">full Gigabit connectivity</a> for all businesses and residents<sup>23</sup>, <b>setting out how the government's 'outside-in' approach (by connecting rural areas first, to connect the hardest to reach 20%) can achieve this.</b></p> <p>There is a need for awareness raising and training support for all businesses, but especially rural ones, to understand the opportunities afforded by better digital connectivity.</p> <p>LEPs should <b>objectively assess whether mainstream government programmes are likely to deliver the improvements in connectivity that their rural businesses and areas need</b> and, if not, develop alternatives. A number of rural areas have used innovative ways to improve their connectivity, rather than through mainstream government programmes e.g. <a href="#">B4RN</a>; <a href="#">WiSpire</a>.</p>
	Housing and planning	<p>Planning policies in local plans and strategies should promote mixed and balanced communities and workforces in rural areas. The policies should support rural businesses to innovate, diversify, develop and grow to deliver sustainable economic development. This will provide good quality jobs, improve local skills and services and community well-being and contribute to maintaining the character and productivity of the rural environment.</p> <p><b>Vibrant rural communities need a greater supply of affordable housing, available in perpetuity, to meet</b></p>

<sup>21</sup> <https://research.ncl.ac.uk/ruralenterpriseuk/events/industrialstrategyprogressingruralcontribution/>. Locality. Powerful communities, strong economies. Final report. November 2017. This report concluded that not only do local organisations have the skills and capacity to deliver public services, there are huge benefits to the local economy when they do.

<sup>22</sup> <https://www.gov.uk/government/publications/rgc-programme-key-information>

<sup>23</sup> Ofcom report December 2018 <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2018/getting-rural-areas-connected>.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

		<p><b>the needs of the local workforce.</b> Affordable housing is vital to retain a younger workforce in rural areas, as well as to maintain their diversity, vitality and services.</p> <p><b>All new housing in rural areas must deliver net gain to biodiversity</b> and enhance the special natural and built heritage environments of rural communities.</p> <p>So LEPs should work with their local authorities and other stakeholders to secure genuinely affordable high quality housing to meet local needs by ensuring that targets for affordable housing are met.</p>
	Tourism	<p>A national Tourism Sector Deal is currently being developed and creates an opportunity for economic growth. In rural places, the tourism sector can be very fragmented. Yet it is often the quality of the natural and built heritage in rural areas that is the cornerstone of tourism businesses. LISs should <b>support local initiatives to reduce the fragmentation through collaboration, joint marketing, and business support programmes.</b></p> <p>LISs should support initiatives to enhance and improve the quality of natural and built heritage assets and visitor infrastructure to deliver sustainable growth. The national sector deal should be rural proofed to ensure it addresses the challenges facing rural tourism. Whilst not everywhere is lucky enough to have a National Park, Cumbria demonstrates the value a large visitor economy can have<sup>24</sup>.</p>
	Environment	<p>The UK is one of the most environmentally degraded countries in the world. The government, and many local authorities, have formally recognised both the climate and environmental crises the whole of society faces. <b>A high quality countryside and natural environment is vital for public well-being and is an integral part of a strong and resilient rural economy.</b></p> <p>The LEP can ensure that the way land is used and managed benefits residents and the local economy: from ensuring greater resilience to flooding, improving air quality, restoring functioning ecosystems that support food production and wildlife, to supporting areas to be attractive places to live, work and visit.</p> <p>LISs should <b>ensure that their environmental impact has been fully considered, quantified and that they</b></p>

<sup>24</sup> <https://www.cumbriatourism.org/what-we-do/research/economic-impact-of-tourism/>.

## How LEPs can maximise their contribution to UK productivity by including rural businesses

		<p><b>are based on the natural capital principles accepted by the government</b> in its 25-Year Environment Plan:</p> <ul style="list-style-type: none"> <li>• There should be a net environmental gain from all development so there is no more overall reduction in natural capital assets.</li> <li>• All five of the environment principles in the 25-Year Environment Plan are adopted, including that all policies should be based on a polluter pays principle.</li> </ul>
INFRASTRUCTURE	Transport and connectivity	<p>Ensure that your LIS has considered how <b>all places it covers can have the quality of transport they need</b> (in terms of frequency, accessibility and cost) to support your ambitions for economic prosperity and social cohesion. It should take into account the need to work towards net zero carbon and sustainable forms of transport, including transport of light and heavy goods.</p> <p>The LEP should <b>support the rapid transition to electric vehicles, through supporting applications to install charging infrastructure.</b></p>
OVERALL		<p>Commission an <b>annual economic outlook to independently measure economic performance across all types and size of business in your LEP area.</b> This would match central government's commitment<sup>25</sup>.</p>

<sup>25</sup> [Ministry of Housing, Communities and Local Government. Strengthened Local Enterprise Partnerships. July 2018.](#)

### **Leicester and Leicestershire Enterprise Partnership (LLEP) Local Industrial Strategy**

The Leicestershire Rural Partnership (LRP) is a partnership of key stakeholders, with mutual interest in the rural economy of Leicestershire

In 2014 the LLEP and LRP agreed a statement of joint working outlining how the LRP could support the LLEP to maximise the potential of the rural economy. This included:

- Collating evidence and intelligence on the rural economy
- Rural proofing strategies and programmes
- Leading on rural specific projects and programmes
- Representing rural issues on the ESIF Committee
- Influencing national policy, responding to consultations and attending the Defra LLEP Rural Round table.

Key activities have included:

- Commissioning of a Market Towns Study looking at the economic contribution of town centres and priority interventions to enhance this.
- Rural evidence base 2018 <http://www.lsr-online.org/reports,846741.html>
- Rural input to the Strategic Economic Plan and ESIF Strategy and commissioning
- Delivery of LEADER and advisor on EAFRD.

For further information regarding the LRP please go to; <https://www.oakleaves.org.uk/>

The LLEP was part of the second phase of LEPs to submit its LIS to government. The main focus of the Leicester and Leicestershire LIS is around “A Healthy Climate for Growth” with the key themes, Healthy Growth, Healthy People and Healthy Business. Although there is not a specific section on Rural issues there are references throughout the place section relating to Tourism and Market Towns in particular. A number of the key issues raised by the Leicestershire Rural Partnership such as poor Broadband speeds and mobile connectivity are included in the draft LIS.

The LRP acting as an advisory group to the LLEP provides an opportunity for organisations such as the NFU, CLA, Rural Community Council and National Forest Company to receive updates on LLEP activity and actively influence the work of the LLEP.

As part of the call for evidence issued by the LLEP, the LRP submitted its Rural evidence base and our Lead member Mrs Louise Richardson who is Chair of the LRP was interviewed by the consultants producing the LIS evidence base and as such was able to make comments regarding rural issues and their need for inclusion within the LIS.

Comments received from DEFRA highlighted that the LIS ideally should show how natural assets contribute to growth and give our area a competitive advantage. Comments also indicated that ‘natural capital was not referenced positively enough and needed to be expressed as a strength/opportunity’.

The LRP have been asked by the LLEP to compile a “Natural Capital Evidence Base” for inclusion in the LIS evidence base. Two meetings have been held to date involving partners including the City Council, Leicestershire and Rutland Wildlife Trust, the National Forest, County Council and District ecologist and the NFU. We are in the process of assessing what information we already have on Natural Capital before commissioning consultants to analyse the data.

Partners would like to see the evidence base be utilised to produce an investment plan in the future, in order that if there is any future funding available, it can be directed to the most appropriate place. Given the high levels of Housing Growth proposed in Leicestershire (96,580 homes and 367-423ha of employment land between 2011-2031, together with a predicted 90,500 homes in the period 2031-2050) this represents an opportunity to ensure that our Natural capital benefits from the proposed growth, rather than being destroyed.

<https://www.llestrategicgrowthplan.org.uk/>

In order to cement the relationship between the LRP and the LLEP further, an LRP Board Member who is from the private sector, now sits on the LLEP Business Board and the LRP is to become a formal member of the new LLEP Company when it is formed.

Officer to contact; Helen Harris Economic Growth Manager 01163057025

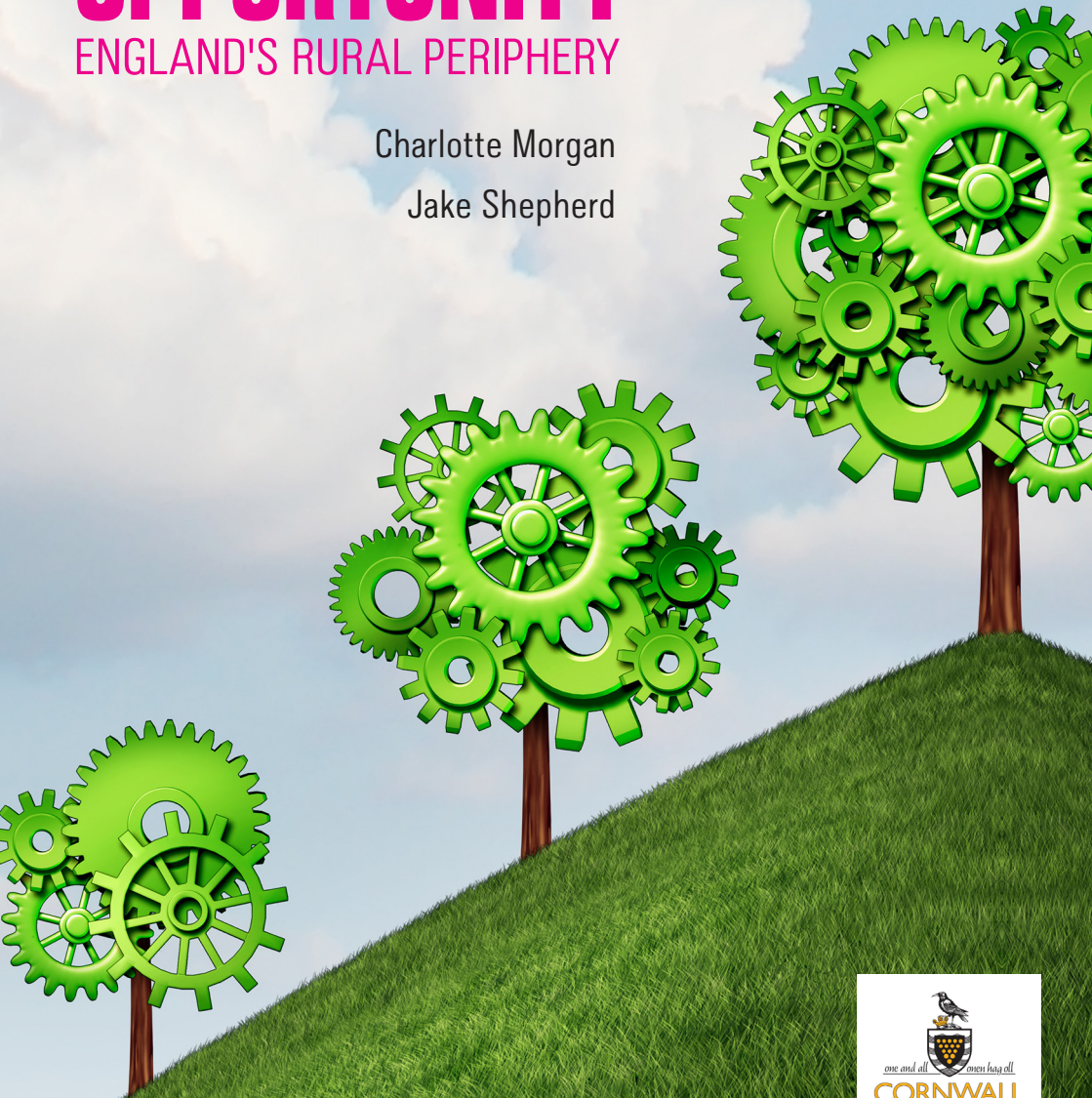
[Helen.Harris@leics.gov.uk](mailto:Helen.Harris@leics.gov.uk)



# LAND OF OPPORTUNITY

ENGLAND'S RURAL PERIPHERY

Charlotte Morgan  
Jake Shepherd





New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

© NLGN January 2020

All rights reserved

Published by NLGN

The Rain Cloud Victoria

76 Vincent Square

London, SW1P 2PD

Tel 020 7148 4601 . Email [info@nlgn.org.uk](mailto:info@nlgn.org.uk) . [www.nlgn.org.uk](http://www.nlgn.org.uk)

# CONTENTS

ACKNOWLEDGEMENTS	4
FOREWORDS	5
EXECUTIVE SUMMARY	8
REDEFINING RURAL	10
ENGLAND'S RURAL PERIPHERY: THE CASE FOR CHANGE	12
THE LAND OF OPPORTUNITY	18
CONCLUSION	27
APPENDIX 1: ENGLAND'S RURAL PERIPHERY	28
APPENDIX 2: GVA PER HEAD PER LOCAL AUTHORITY	29
CORNWALL COUNCIL	30

# ACKNOWLEDGEMENTS

**We would like to thank the local authority cabinet members and senior officers who generously gave their time to take part in interviews and meetings to contribute to this research. We are particularly grateful to individuals from Cornwall Council, Cumbria County Council, East Riding of Yorkshire Council, Isle of Wight Council and Shropshire Council for their insights.**

NLGN staff past and present have supported the production of this report in various ways. Our thanks go to Vivek Bhardwaj, Adrian Harvey, Molly Jarritt, Sarah Lawson, Adam Lent, Richard Nemes, Katy Oglethorpe, Claire Porter, Vanessa Schneider, Jessica Studdert, Jane Swindley, Pawda Tjoa and Trinley Walker. A special note of thanks goes to Jake Shepherd, who led the research and drafting of this report as an intern with NLGN between January and June 2019.

Finally, we are grateful to Cornwall Council for the funding that made this project possible. We would particularly like to thank Steven Ford, Jessie Hamshar, Alex Pesic, Stephanie Vandike and Carl Warom for their input and support.

Any errors or omissions are our own.

**Charlotte Morgan**

NLGN

# FOREWORDS

## Adam Lent

Director, NLGN

**Today, regional inequality is a dominant feature of the UK's social, economic, and political landscape, and it is well known that rural areas face a number of unique policy challenges. Yet, there is a significant amount of untapped potential that rural authorities can demonstrate to Government – and from which the nation as a whole can benefit.**

With a vast array of natural landscapes, town centres, and distinct economies, rural England is a land of great opportunity. From the possibility of new, highly specialised industries to the utilisation of green space in the cause for environmental engagement, the potential for a more proportionate form of rural growth already exists – it just has to be harnessed collectively.

There is now an opportunity for a new and improved rural agenda: an agenda that brings together the diversity and strengths of rural England under a shared vision for regional cohesion and growth. A common rationale and relationship would allow for rural local authorities to make the asks that matter to them, whilst ensuring that their communities enjoy the benefits of 21st century England.

We hope this report can provide the basis for a meaningful attempt to develop that new agenda and that it marks the beginning of what can be a mutually beneficial, prosperous relationship between rural England and the Government.

## **Cllr Julian German**

Leader of Cornwall Council

**Whatever the outcome of the EU Exit process, it is down to us to decide what kind of a country we want to be. It presents a unique chance for us to take control of persistent regional differences by ensuring that all areas prosper and play their part in creating a vibrant and sustainable economy.**

This is more complex than a simple north/south issue, with untapped potential scattered throughout the whole country. Delivering inclusive growth matters: spatial gaps risk entrenching a geography of discontent, marked by places and people that are left behind and taken for granted. This will not disappear with EU exit itself, as it is far deeper and more longstanding.

Harnessing the opportunity of rural areas must be a key part of ‘levelling up’ all parts of the UK. Tapping into the distinctive potential of rural areas is long overdue; and it is replete with natural and social capital ideally suited to power, connect, feed and support the country. With the development of Government’s Local Industrial Strategy, and the commitment to be carbon neutral by 2050, we can wield our significant natural capital – from geothermal to offshore wind – to drive clean growth ambitions. With our population being older, we are the natural home to pioneer solutions to the challenges of our ageing society. And building upon our solid agriculture and food manufacturing industries, we must be at the core of any strategy for resilient and sustainable food systems.

Recognising that our common challenges are best voiced in coalition, networks such as the RSN and CCN are vital voices on rural needs. Taking inspiration from them, and in acknowledgement of the differences even between rural areas themselves, we want to further enable us all to pull together and make the case for our areas’ shared promise. That’s why we’ve taken the lead in establishing a new collaboration of 12 local authorities, Britain’s Leading Edge, of largely or mainly rural without major cities.

Unlocking a new economy that delivers prosperity for the whole country must begin with understanding the missed opportunities associated with treating rural areas as just a peripheral concern. We need to reframe our conception of the rural offer: not as 'hinterlands' to which benefits are hoped to trickle down, but as turbines for powering and feeding the country; not as a mere after-thought of tick-box rural-proofing, but as places at the core of solutions to wicked challenges.

We are optimistic that Government is beginning to show receptiveness to the need to break out of a stale city-focused approach, instead emboldened by the fresh promise of rural prosperity as foundational to a sustainable and resilient 21st century economy. It is our hope that by further clarifying the rural offer through reports such as this, we can support Government to go further.

# EXECUTIVE SUMMARY

**A large part of the UK's regional investment and infrastructure funding is focused on major urban areas and their hinterlands. This has created a 'policy corridor' cutting across the centre of England.<sup>1</sup> Outside the policy corridor lies the 'rural periphery', which comprises most of England's predominantly rural areas and many rural and coastal towns.**

England's rural periphery is the UK's Land of Opportunity. The national economy will only become rebalanced if the policy corridor ceases to exist, which makes a renewed emphasis on nurturing growth in the rural periphery paramount for all levels of government. Places in the rural periphery face significant challenges, including weak productivity, poor social mobility and high costs to deliver services owing to a growing elderly population and dispersed settlement patterns. Yet, with support to address these challenges, the rural periphery offers huge potential to deliver stronger economic growth and greater social prosperity, underpinned by responsible environmental management, for its residents and the UK as a whole.

## POLICIES FOR THE UK'S LAND OF OPPORTUNITY

A bespoke policy programme is required to fulfil the untapped potential of England's rural periphery. Although rural-proofing has helped to tailor national policies to the specific needs of rural areas, it has clear limitations as a policy development approach as it is largely based on converting policies designed for urban areas into policies that might work in rural areas. Rural-proofing alone will not provide the rural periphery with the policy and fiscal levers needed to close the gap with places in the policy corridor.

Local communities in the rural periphery are ready and eager to work with the UK Government to develop a policy programme that accelerates growth and prosperity. As a basis for further discussions, the following commitments should be included in the programme to enable:

---

<sup>1</sup> See Appendix 1 for a map illustrating the location of England's policy corridor.

**1. A STRONGER, REBALANCED NATIONAL ECONOMY.** This will involve:

- An Industrial Strategy that works for both urban and rural areas.
- A UK Shared Prosperity Fund that minimises regional inequalities.
- More political and fiscal devolution to England's rural and peripheral areas.

**2. IMPROVED SOCIAL COHESION AND MOBILITY.** This will involve:

- The creation of a new Rural Social Mobility Fund.
- Employment and skills devolution (including budgets) to rural areas.
- Improvements to transport infrastructure outside the policy corridor.

**3. 21<sup>ST</sup> CENTURY LIVING AND WORKING.** This will involve:

- Excellent digital connectivity in all rural and peripheral areas.
- More innovative approaches to improving mobility within rural areas and linking them with the rest of the UK.
- The establishment of a high-profile 21<sup>st</sup> Century Rural Commission.



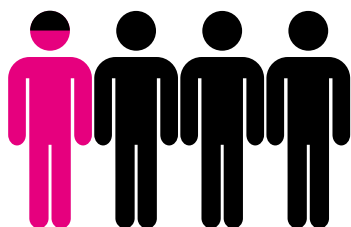
# REDEFINING RURAL

England's rural periphery is commonly associated with its picturesque countryside, its market towns, and, of course, with agriculture, but it also offers so much more than this tranquil stereotype. Huge amounts of potential lie within rural places. In no other parts of the country do national and local governments have the opportunity to nurture an ecosystem that delivers sustainable economic growth, supports new and traditional industries, protects our natural and heritage-based assets, and enables thriving local communities to have greater autonomy over decision-making in their area.

In order to properly appreciate the full potential of rural areas and the rural economy, it is important to understand what 'rural' means in the 21<sup>st</sup> century.

- Just over two-thirds of the total territory of England is rural.<sup>2</sup>
- Predominantly rural areas include hub towns as well as open countryside.<sup>3</sup>
- 11.6 million people live in predominantly rural areas, approximately 21 per cent of the population of England.<sup>4</sup>

Rural Areas = **11.6m** people



**21%** of  
England's  
population

<sup>2</sup> BEIS and DEFRA. 2018. 'UK Industrial Strategy: Rural Opportunities and Challenges.' p.6. Available at: <https://research.nci.ac.uk/media/sites/researchwebsites/ruralenterpriseuk/Rural%20productivity%20presentation%20-%20BEIS&Defra%20workshop.pdf>

<sup>3</sup> 'Predominantly rural' and 'predominantly urban' defined in accordance with the 2011 Rural-Urban Classification of Local Authority Districts. See: <https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

<sup>4</sup> 2017 figures from: DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*. p.22.

- In 2017, predominantly rural areas of England contributed an estimated £246 billion to the UK economy, approximately 16 per cent of England's GVA.<sup>5</sup>



16% of England's GVA

- The 'Professional, scientific and technical services' sector is one of the most dominant sectors in all rural areas, accounting for 14.8 per cent of the local units of registered businesses. Other dominant sectors include: 'Agriculture, forestry and fishing' (15.2 per cent), 'Wholesale & retail trade, repair of motor vehicles' (13.0 per cent) and 'Construction' (11.9 per cent).<sup>6</sup>
- 24 per cent of all registered businesses in England are registered in rural areas. These businesses employ 3.6 million people.<sup>7</sup>
- 71 per cent of people employed by registered rural businesses work for SMEs, compared to 41 per cent in urban areas.<sup>8</sup>

<sup>5</sup> DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*. p.48.

<sup>6</sup> Ibid. p.58.

<sup>7</sup> Ibid. p.55.

<sup>8</sup> Ibid. p.72.

# ENGLAND'S RURAL PERIPHERY: THE CASE FOR CHANGE

**Nations are unions, built on the sum of all their constituent regions and localities. At a time when the UK faces unprecedented economic, social, and environmental challenges, it is more important than ever that all parts of the country come together to design and implement solutions that enable all places to prosper.**

In recent years, however, not all areas in the UK have had the same opportunities to contribute to this endeavour. On the contrary, a large part of the UK's regional investment and infrastructure funding is focused on major urban areas and their hinterlands, resulting in the development of a 'policy corridor' that cuts through the centre of England (see Appendix 1). Here, discrepant funding intensities of programmes such as Growth Deals and fundamental issues such as the amount of public funding per head by region create a concentration of policy attention and development. Outside of this policy corridor lies England's rural periphery, along with the many policy challenges associated with it.

England's rural periphery comprises most of England's predominantly rural areas and many of England's rural and coastal towns. Four of the five regions of England that would have qualified for support as 'less developed regions' in 2021/27 by EU standards are located outside the policy corridor.<sup>9</sup>

England's rural areas want to play their part in the UK's efforts to find answers to major challenges associated with Brexit, the productivity puzzle, climate change, and growing regional economic and social divisions. But, without the same policy and fiscal levers at their disposal as those enjoyed by areas within the policy corridor, the contribution that England's rural periphery makes to help resolve these challenges can only ever have a limited impact. It does not have to be this way.

---

<sup>9</sup> Under EU cohesion policy, 'less developed' regions are defined as regions where GDP is less than 75 per cent of the EU-27 average (Croatia not taken into account). For more details, see: [https://ec.europa.eu/regional\\_policy/en/faq/](https://ec.europa.eu/regional_policy/en/faq/) and Appendix 1.

In the Industrial Strategy, the UK Government acknowledged that adopting a one-size-fits-all approach to economic development in all parts of the country has not worked.<sup>10</sup> The failure of these blanket policy frameworks is laid bare in the finding that local authorities in England with the lowest GVA per head are more likely to be situated outside the policy corridor.<sup>11</sup>

Major national challenges can only be addressed by supporting and coordinating the distinctive strengths of every region and local area. One reason for the UK's faltering response to its economic, social and environmental challenges to date is that significant regional inequalities have hindered England's rural periphery from developing solutions tailored to the needs of their communities and places.

There does not need to be a policy corridor in England. The rural economy offers different, but no less important, opportunities for economic growth in comparison with cities: opportunities that are more focused on promoting sustainability and community well-being. The UK economy will only fulfil its true potential if the Government works with local authorities on the rural periphery to unlock these opportunities.

## POLICY CHALLENGES

Rural and peripheral areas face a number of significant and interrelated challenges. Of these challenges, there are three broad areas which pose the largest barriers to local economies and livelihoods and which therefore require vital policy attention. Productivity, social mobility, and efficient service delivery are all qualities which the Government values immensely; but they are also important policy decisions in which rural and peripheral areas currently have minimal input.

---

<sup>10</sup> BEIS. 2017. *Industrial Strategy: Building a Britain fit for the future*. Cm9528. p.219.

<sup>11</sup> See Appendix 2.

# COMMON POLICY CHALLENGES FACED BY RURAL AND PERIPHERAL AREAS

## 1. WEAK PRODUCTIVITY

- In 2017, the productivity of predominantly rural areas was around 85 per cent of that for England as a whole.<sup>12</sup>
- Rural areas of the UK have on average 10 per cent lower productivity than rural areas across the EU.<sup>13</sup>
- Fewer than 50 per cent of public transport users in rural areas have access to places with 5,000 or more jobs within 45 minutes (90 per cent in urban areas).<sup>14</sup>
- To access services and work from home (33 per cent of people in rural hamlets and dispersed areas work most of the week from home), good digital connectivity is vital for rural dwellers.<sup>15</sup> But there remain many rural 'not-spots': 6.2 per cent of premises in predominantly rural areas are unable to receive 10Mbps, compared to 1.4 per cent of urban premises.<sup>16</sup>

## 2. SOCIAL MOBILITY COLD SPOTS

- In 2017, the Social Mobility Commission described remote rural areas as the UK's "new social mobility cold spots."<sup>17</sup> This means that young people growing up in remote rural areas face more obstacles to social mobility compared to their peers in cities.
- Only 14 per cent of young people in remote rural areas go to university, as opposed to 27 per cent from social mobility 'hotspots'.<sup>18</sup>

<sup>12</sup> DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*.p.52.

<sup>13</sup> BEIS and DEFRA. 2018. 'UK Industrial Strategy: Rural Opportunities and Challenges.' p.8. Available at: <https://research.ncl.ac.uk/media/sites/researchwebsites/ruralenterpriseuk/Rural%20productivity%20presentation%20-%20BEIS&Defra%20workshop.pdf>

<sup>14</sup> DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*. p.105.

<sup>15</sup> Ibid. p.42.

<sup>16</sup> Data taken from Ofcom. 2017. 'Fixed local authority 2017'. Available at: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2017/data-downloads>

<sup>17</sup> Social Mobility Commission. 2017. *State of the Nation 2017: Social Mobility in Great Britain*. p.v.

<sup>18</sup> Ibid.

- A low supply of affordable housing is a key barrier to rural areas' efforts to improve productivity and social mobility. Average house prices are more than eight times higher than average incomes in over 90 per cent of rural local authorities.<sup>19</sup> This places rural businesses at a disadvantage when seeking to recruit skilled workers, particularly young economically active workers, as high housing costs and limited public transport options make it difficult for young people and families to afford to live in rural areas.

### 3. HIGH COST OF SERVICE DELIVERY

- Service providers based in rural areas have to factor in longer travel times. The average minimum travel time to a hospital using public transport is approximately one hour in rural areas and 30 minutes in urban areas.<sup>20</sup> This implies that ambulances and other emergency response vehicles have longer to travel to attend calls in rural areas.
- Longer travel distances to provide services incur higher costs for service providers. Yet funding to deliver public services does not adequately take this into account, with county authorities receiving an average of £182 per resident from the UK Government compared to £351 per resident for metropolitan councils.<sup>21</sup>
- The population of rural areas is older compared to urban areas and ageing more quickly. In 2017, 52 per cent of inhabitants of predominantly rural areas were over the age of 44, compared to 40 per cent of urban dwellers. The number of people aged over 65 living in predominantly rural areas increased by 37 per cent between 2001 and 2015 (17 per cent increase in predominantly urban areas), while the number of children aged 0-4 increased by only 7 per cent in the same period (22 per cent increase in predominantly urban areas).<sup>22</sup>

<sup>19</sup> Lane, L. 5 July 2018. 'Five steps to fix the rural housing crisis - Campaign to Protect Rural England'. *PoliticsHome*. Available at: <https://www.politicshome.com/news/uk/communities/housing/opinion/campaign-protect-rural-england/96580/five-steps-fix-rural>

<sup>20</sup> DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*. p.105.

<sup>21</sup> County Councils Network. 31 October 2018. 'Unfair' council funding holding back social mobility in rural counties, MPs warn'. Available at: <https://www.countycouncilsnetwork.org.uk/unfair-council-funding-holding-back-social-mobility-in-rural-counties-mps-warn/>

<sup>22</sup> DEFRA. November 2019. *Statistical Digest of Rural England: November 2019*. p.246

## RURAL PROOFING: A FAILED POLICY

**The answer to supporting the rural periphery to overcome its challenges and fulfil its potential does not lie with rural proofing.**

As it stands, rural mainstreaming is a commitment made by Government to ensure that people and locations in predominantly rural areas of the UK receive comparable policy treatment to those in more urban parts of the country.<sup>23</sup> Rural proofing is the method and auditing procedure used to guarantee that treatment takes place. Though rural proofing processes are useful in principle and do show positive intent, they are ultimately flawed interventions.

In the UK, the Department for Environment, Food, and Rural Areas (DEFRA) is charged with being the 'rural champion' of the country to ensure that other government departments are committed to the rural mainstreaming agenda. DEFRA's role as championing rural proofing is to take account of the specific challenges and opportunities for rural businesses so that those who live, work, and travel in rural areas are not disadvantaged.<sup>24</sup> In alignment with the UK Government's stance on ensuring fair and equitable policy outcomes for rural areas, DEFRA has published practical guidance on how to assess those policies across government departments and throughout local authorities, agencies, and delivery bodies.<sup>25</sup>

Despite DEFRA having updated its rural proofing guidance in 2017 and asserting that "government policies are required to take these [challenges to deliver policy in rural areas] into account at all stages of development",<sup>26</sup> there have been two serious flaws in the Government's approach to rural proofing:

---

<sup>23</sup> Shortall, S. and Alston, M. 2016. 'To Rural Proof or Not to Rural Proof: A Comparative Analysis'. *Politics & Policy*. 44. 1. pp.35-55.

<sup>24</sup> House of Lords Committee on the Natural Environment and Rural Communities Act 2006. 2018. *The Countryside at a Crossroads: Is the Natural Environment and Rural Communities Act 2006 Still Fit for Purpose?*. HL Paper 99.

<sup>25</sup> DEFRA. 2017. *Rural proofing: Practical Guidance to assess impact of policies on rural areas*.

<sup>26</sup> DEFRA. 2017. 'Rural proofing'. Available at: <https://www.gov.uk/government/publications/rural-proofing>

- 1. INCONSISTENT APPLICATION OF RURAL PROOFING GUIDANCE,** as many national policy frameworks and strategies do not include adequate rural proofing measures, and some do not consider rural proofing guidance at all.<sup>27</sup>
- 2. INCONSISTENT CONSIDERATION OF RURAL NEEDS AND IMPACT IN NATIONAL POLICY,** because when a national policy framework or strategy includes many policies targeted at urban areas and very few for rural areas, rural proofing guidance becomes redundant. This is particularly the case for growth strategies: it is difficult to rural-proof a national strategy that focuses much of its attention on supporting growth in city regions rather than across the nation.<sup>28</sup>

Although rural-proofing is in theory very important when it comes to securing fair treatment for rural areas, in reality it is merely a continuation of wider policy neglect. As a principle, rural-proofing is inherently deficit-based and therefore serves as a restrictive fallback process. Instead, government policy and relations should allow rural areas to flourish – both in their own right and as part of a strong United Kingdom.

---

<sup>27</sup> See: DfT. 2018. *The Inclusive Transport Strategy: Achieving equal access for disabled people.*; And: MHCLG. 2019. *National Planning Policy Framework*. Both strategies recognise regional differences and needs, but they fail to address those differences through monitoring or evaluation.

<sup>28</sup> See: BEIS. 2017. *Industrial Strategy: Building a Britain fit for the future*. For example, one of the three key policies under the 'Places' section outlined the Government's plan to create a £1.7 billion Transforming Cities Fund to support projects that drive productivity by improving connections within city regions (p.216). However, the Industrial Strategy has no specific fund or scheme dedicated to improving transport infrastructure in rural areas that are not located within the boundaries of a city region.



# THE LAND OF OPPORTUNITY

Reinvigorating rural proofing measures so that they are fit for the modern rural economy is not sufficient. In order to progress the full range of opportunities that working more closely with rural areas will offer to the UK Government, there must be a turn toward the *possibilities* of this relationship. Therein lies a strong argument for the development of rural and peripheral areas as an integral part of ‘strengthening the union’: not just thinking about economic growth and productivity, but also about improving social cohesion and reducing spatial inequality at a national level.

Within the context of Brexit, these opportunities can become manifold. The UK’s departure from the EU could create leading spaces for self-sufficiency and growth within rural and peripheral areas, particularly where the agricultural and food production sectors are concerned. Leaving the EU and its many institutional structures, budgets, policies, and practices can allow for a rebalancing of rural and regional policy. If harnessed appropriately, rural areas can be the key driver of a countrywide transfiguration of production and subsistence.

There are already three broad areas of opportunity in rural and peripheral England that can be used to propel the nation towards a more productive and equitable future:

## 1. A STRONGER, REBALANCED NATIONAL ECONOMY

In England, there is an emerging pattern of urban-centric policymaking that creates disadvantage amongst rural and peripheral areas. A large number of local authorities without a major urban hub fall outside the central policy corridor boundaries. By looking at GVA growth (see Appendix 2), there is a clear pattern of spatial inequality. Areas enveloped within the corridor have a demonstrably higher GVA than those that sit on the periphery. As

evidence suggests that Government concentrates the majority of its regional investment and infrastructure funding in those central areas, a rebalancing of policy can allow for growth to be more equally distributed and more prosperous for the country as a whole.

The growth priorities and support currently used for cities will not work for all parts of the country. The growth narrative in rural and peripheral areas has to be told differently for it to succeed, and an emphasis has to be placed on cooperation, rather than competition. Here, opportunities for local and national government collaboration include:

## AN INDUSTRIAL STRATEGY THAT WORKS FOR BOTH URBAN AND RURAL AREAS

As it stands, the Government's Industrial Strategy largely ignores the economic challenges and ambitions of rural areas. Although the Strategy is designed to help places in all parts of the UK to fulfil their potential, and although it includes a broad policy aim to "match local needs"<sup>29</sup> through the distinctive characteristics and strengths of places, there are no policies targeted specifically at rural areas. Local Industrial Strategies will help rural areas to deliver more bespoke economic growth policies, but there is more that can be done to support growth in the rural periphery with a strengthened national Industrial Strategy.

Rural and peripheral areas need an Industrial Strategy that directly and effectively grapples specific issues, such as enhancing productivity, wages, and career progression in their areas. In doing so, the vast amount of available land and resources in rural and peripheral areas can be utilised so that housing, businesses, green assets, and high-value industries prosper.

---

<sup>29</sup> BEIS. 2017. *Industrial Strategy: Building a Britain fit for the future*. p.217

## A UK SHARED PROSPERITY FUND THAT MINIMISES REGIONAL INEQUALITIES

The UK would have been entitled to €13 billion (over £11 billion) of regional development funding between 2021 and 2027 had it remained a member of the EU.<sup>30</sup> For the country's least developed regions, most of which are positioned outside of England's central policy corridor, ensuring that replacement regional development programmes and funding are established and ready to launch on Brexit Day is a key priority. While the Government has outlined its commitment to the creation of a successor UK Shared Prosperity Fund (UKSPF), it has not yet revealed proposals for its purpose, value, or structure. Here, there is huge potential for a fund that tackles regional inequality and which allows for a more sustainable and inclusive national economy.

To be successful, the UKSPF must be explicitly focused on tackling inequality at a strategic level and the distribution of funds must go to the areas that need it most. A fair way of doing this would be via measures such as GVA per head, disposable income levels, and indices of deprivation.

<sup>31</sup> <sup>32</sup> The UKSPF should also be designated as a long-term investment to allow for stronger strategic planning, and it should support both large-scale infrastructural investments and social investments in neighbourhoods.<sup>33</sup>

## MORE POLITICAL AND FISCAL DEVOLUTION TO ENGLAND'S RURAL AND PERIPHERAL AREAS

As well as a strengthened Industrial Strategy and the design of a well-distributed Shared Prosperity Fund, devolution will help move the UK away

---

<sup>30</sup> Conference of Peripheral Maritime Regions. 2019. 'Analysis: UK entitled to to €13bn regional funding if it remains in EU'. Available at: <https://cpmr.org/wpdm-package/uk-allocation-for-cohesion-policy-for-post2020/?wpdmid=20524&ind=1550570009760>

<sup>31</sup> Locality. 2018. *Future Places: How replacing EU funds can unlock the power of community*. pp. 7. Available at: [https://locality.org.uk/wp-content/uploads/2018/05/Locality\\_EU-Replacement-Fund\\_Future-Places\\_FINAL.pdf](https://locality.org.uk/wp-content/uploads/2018/05/Locality_EU-Replacement-Fund_Future-Places_FINAL.pdf)

<sup>32</sup> IPPR. 2019. *Regional Funding after Brexit: Opportunities for the UK's shared prosperity fund*. p. 18. Available at: [https://www.ippr.org/files/2019-02/1551278444\\_regional-policy-post-brexitlefeb19.pdf](https://www.ippr.org/files/2019-02/1551278444_regional-policy-post-brexitlefeb19.pdf)

<sup>33</sup> Ibid. p. 24.

from high political and fiscal centralisation towards a more balanced and developed regional landscape. By devolving more decision-making and revenue-raising powers to the local level, councils in rural and peripheral areas will be better equipped to work with local partners to deliver growth strategies that are more effectively tailored to the needs and ambitions of their communities. Not only would more devolution allow councils to handle budgets gained from funding mechanisms such as the UKSPF,<sup>34</sup> but it would also enable them to take responsibility for the regional, place-based concerns associated with industry, economic development, and local transport services.

Political and fiscal devolution is already advancing in city region areas under the mayoral combined authority model,<sup>35</sup> but Government must diverge the devolution debate beyond cities and towards rural and peripheral areas if gains to growth and the potential of Local Industrial Strategies are to be realised in all parts of the country.

## 2. IMPROVED SOCIAL COHESION AND MOBILITY

In addition to their 2017 report highlighting that remote rural areas are among the UK's "new social mobility coldspots", the Social Mobility Commission has produced findings showing that people now think social mobility is getting progressively worse in Britain.<sup>36</sup> A significant majority of the public (73 per cent) believe that there is a large difference in the opportunities available in different parts of Britain today.<sup>37</sup> In a study conducted by the Hansard Society, 50 per cent said that the main parties and politicians do not care about people like them and 56 per cent think Britain is in a state of decline.<sup>38</sup> With these figures in mind, it can be said that the country faces stark internal divides, whilst a lingering sense of pessimism hangs over much of broader society and politics.

---

<sup>34</sup> Ibid. p. 21.

<sup>35</sup> ResPublica. 2017. *Devo 2.0: The Case for Counties*.

<sup>36</sup> Social Mobility Commission. 2017. *State of the Nation 2017: Social Mobility in Great Britain*. p.v.

<sup>37</sup> Social Mobility Commission. 2018. *Social Mobility Barometer: Public attitudes to social mobility in the UK*. p.31.

<sup>38</sup> Hansard Society. 2019. *Audit of Political Engagement* 16.

Improved interregional, national cohesion will help to bridge the huge social divides across England today. The UK's impending exit from the EU has foregrounded (and emboldened) some of the country's most extreme differences, many of which derive from notions of inequality and political neglect, and highlighted people's desire for increased influence and control over their own lives.<sup>39</sup> A more united England would help to address and alleviate these deep-seated antagonisms. Opportunities for local and national government collaboration include:

## THE CREATION OF A NEW RURAL SOCIAL MOBILITY FUND

Social mobility is high on the Government's agenda and there is recognition that regional disparities have rendered 'left behind' parts of Britain as being "socially hollowed out".<sup>40</sup>

A Rural Social Mobility Fund would enable areas most susceptible to social inequality and low social mobility to look toward alternative forms of community building and change, with the potential to eventually disseminate learnings and successes throughout rural England. By concentrating funding to rural and peripheral localities with the specific aim of harnessing local assets, innovations, and institutions, funds can stay within communities to effect sustainable growth and improve the life chances and opportunities of residents.

## EMPLOYMENT AND SKILLS DEVOLUTION (INCLUDING BUDGETS) TO RURAL AREAS

Current employment support is primarily designed, commissioned, and controlled through a national system, leaving councils with little power to influence their own provision.<sup>41</sup> This central, top-down approach essentially serves as a barrier to equipping people with the skills and progression they need. But rural and peripheral areas have specific challenges that are often

---

<sup>39</sup> Zoega, G. and Arnorsson, A. 2018. 'On the causes of Brexit'. *European Journal of Political Economy*. 55. pp.301-323.

<sup>40</sup> Social Mobility Commission. 2017. *Time for Change: An assessment of Government Policies on Social Mobility 1997-2017*. p. 4.

<sup>41</sup> Local Government Association. 2018. *The future of non-metropolitan England: Moving the conversation on*. p. 16.

distinct from the broader national landscape, and so they require particular attention and response. Much like devolving decision-making and funds to the local level for the pursuit of growth and Local Industrial Strategies, devolution can help provide agency to communities.

By taking a place-based approach to employment and skills policy, authorities can be better equipped both financially and strategically to help people enter and flourish at work. The Government should provide rural and peripheral councils with devolved powers and funding so that they can work with partners to deliver support for individuals and employers under a single, joint service. Not only will this help people attain better skills and gain employment, but it will also create huge fiscal benefits in savings.<sup>42</sup>

## IMPROVEMENTS TO TRANSPORT INFRASTRUCTURE OUTSIDE ENGLAND'S POLICY CORRIDOR

Transport is essential for the promotion of interregional and local accessibility, the provision of services and facilities, and the access to social interactions, networks, and activities. But the Government's Inclusive and Investment Transport Strategies fail to address regional differences and needs, leaving rural and peripheral areas in the midst of a huge policy gap.<sup>43 44</sup>

Government should provide funds that look to directly improve transport infrastructure in those areas that sit outside of England's central policy corridor, particularly where the most rural regions are concerned. Not only will such investment help to connect England's centre to its peripheries and improve access to and reduce the costs of vital local services in rural areas, but it will also contribute to the reduction of transport disadvantage and, therefore, to greater social and economic inclusion.<sup>45</sup>

---

<sup>42</sup> Local Government Association. 2017. *Work Local: Our vision for employment and skills*.

<sup>43</sup> DfT. 2018. *The Inclusive Transport Strategy: Achieving equal access for disabled people*.

<sup>44</sup> DfT. 2017. *Transport Investment Strategy: Moving Britain ahead*.

<sup>45</sup> London City Airport. 2019. *Building Better: The role of transport infrastructure and services in improving mental health*.

### 3. 21ST CENTURY LIVING AND WORKING

Cities will always have the highest concentration of jobs, but the need for people to move to urban areas in order to look for fulfilling and well-paid employment is dissipating. The internet allows someone to work for global businesses and connect with customers all over the world from the comfort of their own home. High-value STEM sectors are as prevalent in rural areas as professional services. Generations of young workers now value quality of life as much as quality of employment. Under this image of contemporary work, rural and peripheral areas have a huge potential to become hotbeds for 21st century living and working.

In alignment with the Government's 25-year Environment Plan, rural and peripheral areas can also serve as the ideal places in which to systematically connect people with the environment and improve health and wellbeing.<sup>46</sup> By offering clean air and close proximity to the coastline and stunning landscapes, rural England can serve as a genuine alternative to the pollution and frenetic pace of urban life.

In terms of cultivating the modern rural lifestyle and making it even more viable, opportunities for local and national government collaboration include:

#### EXCELLENT DIGITAL CONNECTIVITY IN ALL RURAL AND PERIPHERAL AREAS

In today's technological age, there are a multitude of ways in which people can engage in and carry out their work. With the internet, geographical boundaries have become flattened by instantaneous communication and interconnectivity. As digital technology has developed – and continues to develop – so have the means, methods, and meanings of work. In rural and peripheral areas, the full extent of this digital potential still has to be unlocked.

The local availability of high-speed broadband is closely associated with rural economic performance as it allows economic activity to take place almost anywhere, not just in central office spaces.<sup>47</sup> Yet, in predominantly

---

<sup>46</sup> HM Government. 2018. *A Green Future: Our 25 Year Plan to Improve the Environment*. p. 73.

<sup>47</sup> Frontier Economics and DEFRA. 2014. *Drivers of rural business employment growth, decline and stability*.

rural areas, 6.2 per cent of residences are unable to receive 10Mbps.<sup>48</sup> The Prime Minister's commitment to ensure that everywhere in Britain will have access to full fibre broadband by 2025 is very welcome as it will enable all residents in the rural periphery to access key public services and employment and skills development opportunities from their homes.<sup>49</sup>

## MORE INNOVATIVE APPROACHES TO IMPROVING MOBILITY WITHIN RURAL AREAS AND LINKING THEM WITH THE REST OF THE UK

In contrast to cities, which are typically associated with pollution, crime and stress, rural regions' wealth of natural spaces is conducive to more active and social lifestyles. Although the benefits of such vast green space are renowned, they are not always realised – especially for those more accustomed to living within urban areas. To ensure that rural and peripheral areas appeal to everyone – most notably young people – it must be positioned as a truly viable place to live. Here, the real and perceived liveability of rural and peripheral areas can be given a considerable boost.

By funding and improving rural and peripheral England's infrastructural connectivity issues, bolstered transport and broadband will allow for better access to work, education, medical appointments, shops, and leisure facilities. Research indicates that improvements to transport infrastructure can lead to significant positive impacts on wellbeing and mental health.<sup>50</sup> Mobility is one of the most pressing issues to affect rural residents today,<sup>51</sup> so public transport and its alternatives have to be more readily accessible if the beauty and vastness of rural and peripheral areas are to be navigated – and enjoyed – with ease.

---

<sup>48</sup> Data taken from Ofcom. 2017. 'Fixed local authority 2017'. Available at: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2017/data-downloads>

<sup>49</sup> Hope, C. 17 June 2019. 'Boris Johnson pledges fast internet for every home by 2025'. *The Telegraph*. Available at: <https://www.telegraph.co.uk/politics/2019/06/17/boris-johnson-pledges-fast-internet-every-home-2015/>

<sup>50</sup> Ibid.

<sup>51</sup> Rural Services Network. 2018. *State of Rural Services Report 2018*.



## THE ESTABLISHMENT OF A HIGH-PROFILE 21<sup>ST</sup> CENTURY RURAL COMMISSION

Many place-based strategies put considerable emphasis on the regeneration of high streets, retail spaces, and town centres.<sup>52</sup> Though these approaches are important, they do not always address the unique challenges and changes affecting rural town centres and villages.

On the back of the highly successful Grimsey Reviews,<sup>53</sup> a 21<sup>st</sup> Century Rural Commission would offer a timely and in-depth analysis into the challenges and opportunities for the delivery of services in modern rural communities.

Rural town centres and market villages are important hubs for local residents and a major draw for tourists. As with larger city and town centres, shops and community facilities in rural towns and villages have struggled under pressure from out-of-town retail centres and the digitalisation of core services such as shopping and banking. However, the dispersed nature of rural settlements means that, when a service is forced to close in a rural community, residents are forced to travel long distances to access that service in another community. This adds to the feeling of isolation to which residents of remote rural places are already vulnerable. A 21<sup>st</sup> Century Rural Commission would address specific challenges, such as the impact of struggling town centres on remote rural communities, and make recommendations to the UK Government and rural local authorities to breathe new life into the UK's cherished rural town centres and market villages.

<sup>52</sup> Most recently, the Future High Streets Fund. See: <https://www.gov.uk/government/news/675-million-fund-to-transform-high-streets-and-town-centres-opens-to-communities>

<sup>53</sup> For the most recent review, see: Grimsey, B. 2018. *Grimsey Review 2*.

# CONCLUSION

**The UK's regional policy does not work for rural areas. The very existence of a 'policy corridor', where a high proportion of England's policy attention and funding is concentrated, and a 'rural periphery', where four of England's five 'less developed regions' are situated,<sup>54</sup> serves to underline the failure of domestic regional policy to support growth and well-being in all parts of the country.**

The UK needs strong urban and rural economies in order to deliver Brexit and address the unprecedented economic, social, and environmental challenges the country faces. But strong rural economies will not be built on urban policy hand-me-downs. As a policy development tool, rural proofing is ultimately a detriment to rural areas and rural communities. On the occasions when it is applied by the UK Government, rural proofing merely involves attempting to convert policies designed for urban areas into policies that might work in rural areas. Unsurprisingly, this approach is ineffective and holds rural areas back.

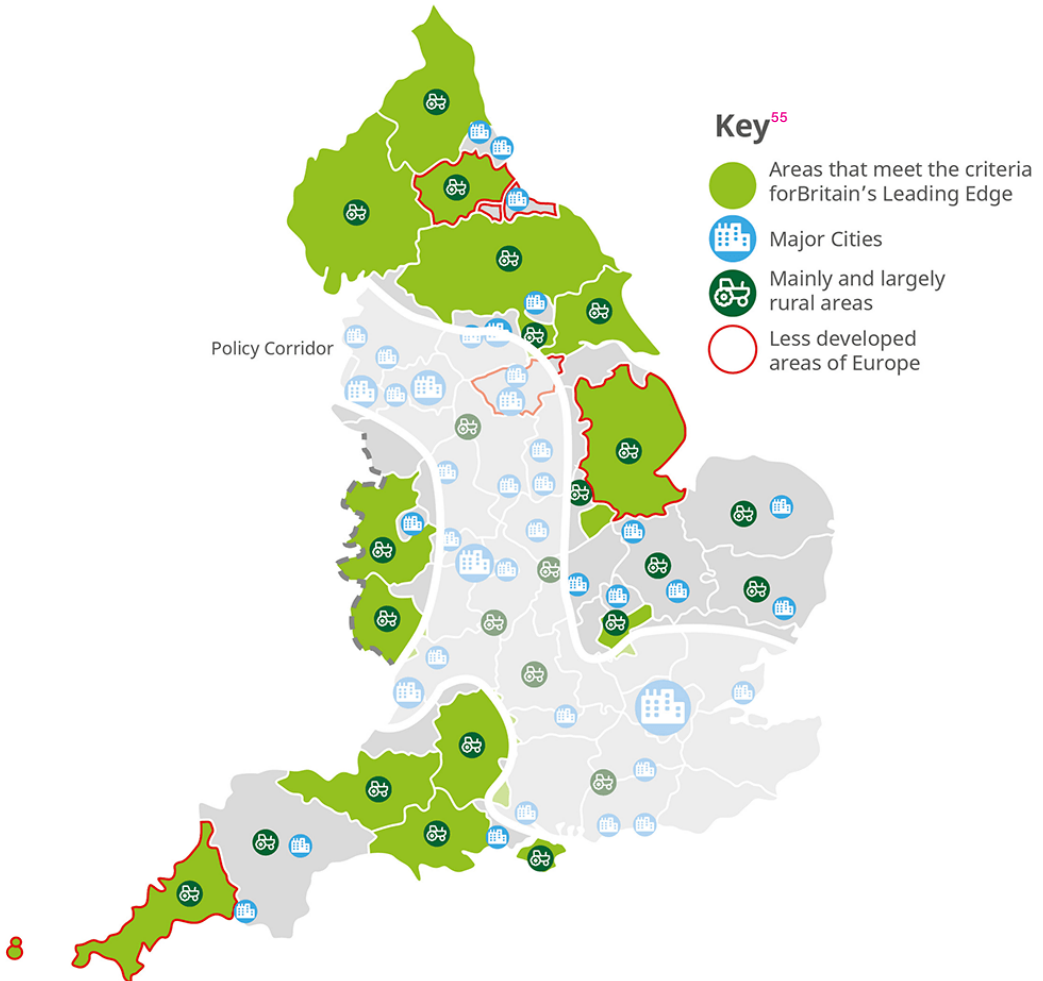
More innovative and radical approaches are required to eliminate the spatial inequalities highlighted by the existence of a policy corridor. These approaches need to ensure that rural policy and investment decisions are designed specifically with and for rural areas and their communities.

Seas of change are much harder to navigate if some members of the crew are given oars and some are forced to make do without. The UK is at its best when all parts of the country work and strive together for common goals. With greater policy attention and funding, rural areas will have the tools they need to be at the centre of the UK's efforts to deliver greater prosperity for its nations, regions and localities for decades to come. Rural and peripheral areas are the UK's land of opportunity. Now is the time to unlock their unique potential.

---

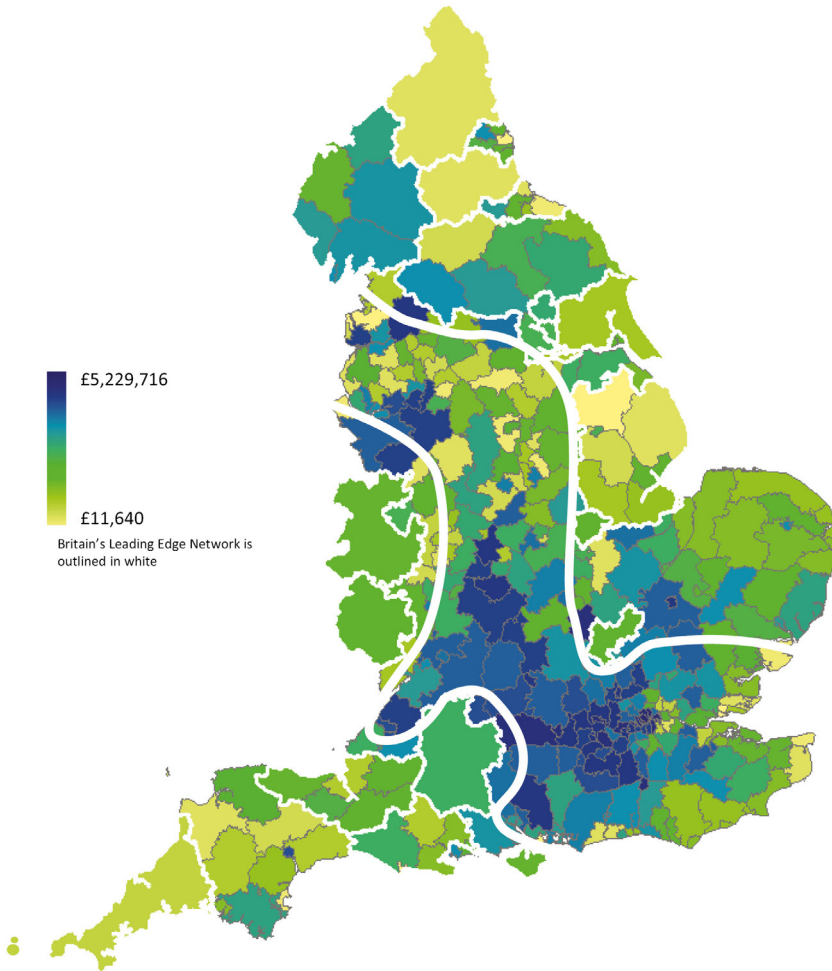
<sup>54</sup> Under EU cohesion policy, 'less developed' regions are defined as regions where GDP per inhabitant is less than 75 per cent of the EU average. See note 9 for more details.

# APPENDIX 1: ENGLAND'S RURAL PERIPHERY



<sup>55</sup> To qualify for membership of Britain's Leading Edge, local authorities must be: either a unitary authority or county local authority; considered largely or mainly rural as classified in the 2011 Rural-Urban ONS; an area with no towns that would meet the Centre for Cities criteria, which is daytime population of over 135,000.

## APPENDIX 2: GVA PER HEAD PER LOCAL AUTHORITY



# CORNWALL COUNCIL

**Cornwall Council is the largest rural unitary authority in the UK, serving a population of just over half a million people. It has 123 elected members, set to reduce to 87 in 2020.**

It was established on 1 April 2009, when six former district councils and Cornwall County Council were abolished and were replaced by Cornwall Council.

In a relatively short time, Cornwall Council has been recognised as one of the leading unitary authorities in the country, delivering many award-winning services to half a million residents as well as Cornwall's 5 million annual visitors.

The council's priorities are set around working with the people of Cornwall to use resources wisely to protect and enhance our unique environment, create more homes and jobs for our residents and ensure everyone can live well and safely together.

Cornwall has a strong identity and the benefit of a straightforward single geography, with the majority of our key public sector partners focused exclusively on serving the people of Cornwall.

It is the only place in the country with a comprehensive Devolution Deal that does not require a directly elected Mayor. Crucially, Cornwall functions as a single economic entity, which negates the need to establish a Combined Authority as the vehicle for devolution.



England's rural periphery is the UK's Land of Opportunity. The national economy will only become rebalanced if the policy corridor ceases to exist, which makes a renewed emphasis on nurturing growth in the rural periphery paramount for all levels of government. Places in the rural periphery face significant challenges, including weak productivity, poor social mobility and high costs to deliver services owing to a growing elderly population and dispersed settlement patterns. Yet, with support to address these challenges, the rural periphery offers huge potential to deliver stronger economic growth and greater social prosperity, underpinned by responsible environmental management, for its residents and the UK as a whole.

### *Supported by*

