

**MINUTES
Rural Economy Group**

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

Date: Monday 28th January 2019 at 1 p.m.

The meeting was held at the **LGA, 18 Smith Square, Westminster, and 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. (a) To Confirm the Minutes of the Last Meeting

Held on the 25th June 2018 and to discuss any matters arising.
Agreed as a correct record.

(b) Matters arising

Members expressed concern about the apparent misunderstanding about how desperate matters actually were in relation to public transport in rural areas. There was a need for current legislation standards to be altered to allow a proper transport system to grow across rural communities. It was felt that the present system set arbitrary limits that worked against any proper system coming into operation. Members were particularly critical of the mini-bus capacity restrictions which had to operate when voluntary drivers were used. It was also felt that rules needed to be altered for it to be easier for 'retained' drivers to be utilised.

3. Presentation by Rob Elder- Bank of England

Rob was one of the heads of regional teams who took economic soundings from bodies and businesses around the country. The data collected fed information into the decision making teams at the Bank who considered issues like the level of interest rates etc.

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 email: admin@sparse.gov.uk twitter: @rsonline

He stated that economic growth had been around 1 to 1.5% per annum. It was felt that pay increases would stabilise around 3.5%.

Left alone such a pattern might suggest a small increase in interest rates every 6 months or a total 1.5% increase over a number of years. However, that assumed a deal with the E.U. and the position was likely to be markedly different in the event of the UK leaving the EU with no deal at the end of March.

Some of the bigger businesses now had contingency plans in place, but not all, and smaller businesses did not.

The Bank had devised a UK Banking and Insurance system stress test to try to calculate how much money would, in the short term, be lost in such a scenario. Various best and worst case scenarios had been calculated. In the worst case one up to a third of imports might be affected at some stage. In that case the fall in output could be as much as 7%. It might however be able for that to be limited to 4% if some arrangements were put in place.

Some retraction was already occurring but in the event of no deal Demand and Supply would certainly decline and price increases were likely to occur.

The Bank had a duty to review preparedness. The situation would need to be carefully monitored and various measures might have to be taken to support demand if it fell too far from the anticipated track.

In terms of rural areas, they may find it quite difficult as smaller businesses operating here would not necessarily have the benefit of careful business planning.

It was very difficult to make full assessments given the lack of knowledge, and in terms of Bank rates it was particularly tricky because rates were already historically low and the amount of flexibility was therefore pretty limited.

Mr Elder emphasised that the position was a very difficult one and it was the Bank's job to try to take the right measures at the right time.

4. Presentation from C.Co-Challenges that face the Rural Economy and the Organisations, and People that work in rural England

The Company were a subsidiary of CIPFA, a charity, that is the membership trade body of public finance. They were working with various Local Authorities, including a number of rural ones, who they were supporting with their development.

They were, as a company, very keen on changing the local authority model, taking full account of digital transformation and looking to engage communities wherever

Providing a voice for rural communities and service providers

possible – locality and outreach solutions. They felt these were even more important now where services were reducing with new local authority modelling necessary. New ways of doing things were becoming necessary for sustainability. They felt trading companies, staff owned mutuals, and bringing ownership through involvement of people within community were important avenues to be examining. C.Co were currently undertaking research for the Local Government Association on ‘ethical commercialism’ and would welcome any contributions and examples and case studies from RSN members. Please contact: John.knight@wearec.co or 07491688057. Or visit www.wearec.co

5. Discussion of the three chapters of the RSN’s “It’s Time for A Rural Strategy” document and the progression of this work.

- A Thriving Rural Economy
- A Digitally Connected Countryside
- A Place everyone can get around

The Chief Executive, Graham Biggs, updated the meeting about the current situation. The intention here was not to write a detailed strategy ourselves but through a campaign and illustration of the areas that required tackling to encouragement for government to do so. At this stage despite Brexit having a fundamental impact in rural areas and on rural communities Government had made no commitment to do that.

Members agreed that a Rural Strategy at this time was a fundamental requirement and were totally supportive of this initiative to try to get Government to give special attention to rural areas and to set up, through a Strategy, the essential ‘ground work’ from which rural consideration and growth could come forward over the next decade.

A suggested approach and a possible timetable were discussed although much could depend on the timings and outcomes of the current parliamentary discussions and debates. The papers presented were agreed as suitable drafts.

Amongst the points members made were:

- The need for proper recognition and action planning around social mobility in rural areas. The current situation left after the austerity measures disadvantaged very many people, both young and old.
- Rural businesses and the part they could play was simply not being picked up by government who seemed to just look at rural matters in the old - fashioned way as just being farming and food production

Providing a voice for rural communities and service providers



- The system of Local Enterprise Partnerships did not necessarily serve rural well. LEPS covered, out of necessity, large areas and they could therefore become urban focused. Measures needed to be introduced into systems to ensure there was always some rural focus where LEPS covered both urban and rural areas.
- Members were keen to see RSP development to enable it to give service to rural small businesses and their grouping through The Rural Small Business Group
- It was felt that in many areas the European encouraged LEADER Schemes had been very successful - stronger than many of the other initiatives. It was felt that this form of initiative should be continued (but with much less bureaucracy) and that Government should be planning to do this.

The meeting closed at 2.45 p.m.

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 email: admin@sparse.gov.uk twitter: @rsnonline