



Reigniting rural futures

Rural communities' capacity to boost economic growth

SUPPORTING ANALYSIS REPORT

May 2024

pragmatix
advisory



Reigniting rural futures

A supporting analysis report for The Rural
Coalition

Disclaimer

This report has been commissioned from Pragmatix Advisory Limited and funded by The Rural Coalition.

The views expressed herein are those of Pragmatix Advisory Limited. They are not necessarily shared by The Rural Coalition.

While every effort has been made to ensure that the data quoted and used for the research behind this document is reliable, there is no guarantee that it is correct, and Pragmatix Advisory Limited can accept no liability whatsoever in respect of any errors or omissions. This document is a piece of socioeconomic research and is not intended to constitute investment advice, nor to solicit dealing in securities or investments.

Cover photo by Zoltan Tasi on Unsplash.

Pragmatix Advisory Limited. enquiries@pragmatixadvisory.com. 020 3880 8640. pragmatixadvisory.com
Registered in England number 12403422. Registered address: 146 New London Road, Chelmsford, Essex
CM2 0AW. VAT Registration Number 340 8912 04




Contents

Executive summary	5
An economy with productivity potential	12
An economy with aspirations	25
An economy with improved health and wellbeing	38
A better-connected economy	48
Communities empowered to deliver	57

Executive summary

Pragmatix Advisory has been commissioned by The Rural Coalition evaluate the potential contribution of rural communities to the economic growth of the United Kingdom, including the challenges, benefits and national impact of the Rural Coalition's principles and actions.

Time for change in the rural economy

	Now	2040 (existing trend)
 Non-rural GVA	6 x rural	6½ x rural
 Productivity	82% of non-rural	79% of non-rural
 Rural economic inactivity rate	40% of residents aged sixteen and over	48% of residents aged sixteen and over

Outcomes for the rural economy if existing trends continue
England, based on 2011 to 2021 ten-year trend

Throughout this report, 'rural' includes mainly and largely rural local authorities, as classified by the Department for Environment, Food and Rural Affairs. 'Non-rural' includes the remaining four classifications of local authorities.

The rural economy in England has been underperforming for decades, but the current environment presents an opportunity for change.

Over the past several years, the rural economy has grown at a slower pace than that of the non-rural economy. Currently, the non-rural economy is around six-times the size of the rural economy. Based on recent trends in economic growth, the non-rural economy will be 6.5-times the size of the rural economy by 2040. In 2021, productivity of the average rural worker was 82 per cent of that of a non-rural worker. If recent trends continue, we expect that to decrease to 79 per cent by 2040.

This is of course the business-as-usual base case – things could get better, or they could get worse. If the rural economy declines in comparison to non-rural due to a failure to address current issues, the cost to the national economy could be far greater. Doing nothing will be costly, with spiralling healthcare bills for an ageing population, a shrinking working age population, and the burden of maintaining ever more unsustainable communities.

But an ever-widening gap in productivity is far from inevitable, and there is significant potential and demand for change. The changing structure of the United Kingdom economy in the new normal, with shifting preferences and priorities of households, offers the chance to narrow the productivity gap and for rural areas to contribute even more to the national economy.

Unmet potential worth billions to UK economy

Potential additional productivity per rural worker
England, 2021 (2023 prices)



With policies to support growth, rural economies could add £5,000 to £11,000 per worker to current rates of productivity.

Rural and non-rural areas have distinct characteristics and, although there is some diagnostic value in looking at the differences between their rates of productivity, there is no sense in using non-rural performance as the target for rural.

Instead, to assess the potential scale of opportunity available to rural communities, we have calculated four alternative target benchmarks:

1. Rural productivity grows as fast as in cities - This benchmark examines the scale of productivity growth that could be achieved going forward.
2. Rural achieves the England average performance (excluding the benefits experienced by metropolitan areas) - Rather than compare against non-rural productivity rates, a more meaningful benchmark for rural areas is the national rate excluding the estimated benefit of the economies of scale and agglomeration achieved in metropolitan areas.
3. Rural achieves the relative productivity performance of the other G7 countries - Comparison with other countries provides another perspective on the scale of opportunity. Rather than compare absolute productivity rates, which fail to account for contextual differences, we examined the ratio of rural to non-rural rates of comparable nations.
4. Rural achieves the relative productivity performance of the Scandinavian countries - Norway, Sweden, Finland, and Denmark share several similarities with rural England, making them useful benchmarks for its potential.

Treasury would expect to see between £9 billion and £19 billion more a year in tax receipts.

Growth in the rural economy would not only benefit rural communities and the national economy but would have significant tax implications for the Treasury.

If rural productivity growth rates had been equivalent to that of cities over the last three decades, HMRC’s tax receipts would have been £9 billion greater in 2021. Our England average performance (excluding agglomeration) scenario suggests the additional tax benefit would have been around £11 billion.

And if England had experienced Scandinavian relative rural performance, central government would potentially have received additional taxes totalling £19 billion in 2021.

Additional HMRC tax receipts with increased rural productivity

England, 2021, £ billion 2023 prices



	Growth equal to cities	England average performance (excluding agglomeration)	G7 relative rural performance	Scandinavian relative rural performance
Nurses	236,000	299,000	430,000	514,000
Teachers	216,000	275,000	395,000	472,000
Dentists	171,000	218,000	313,000	374,000

Public spending equivalents to additional HMRC tax receipts with increased rural productivity
Salaries per year

Additional taxes could fund much-needed public services.

The scale of additional tax receipts that a more prosperous rural economy could generate have the potential to fund significant national priorities.

Our estimates suggest that the additional tax raised could pay the annual salaries of between 250,000 and half a million NHS nurses. In other words, if the rural productivity ratio in England was equal to that of Scandinavian countries, the additional tax raised could pay the annual salaries of 514,000 nurses.

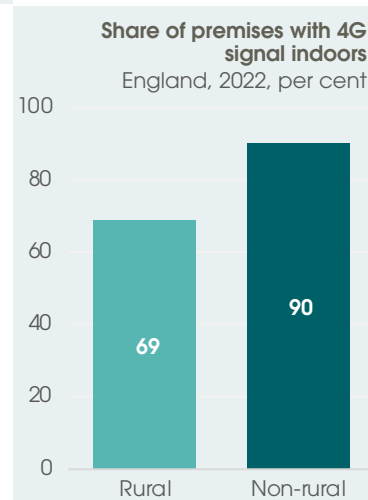
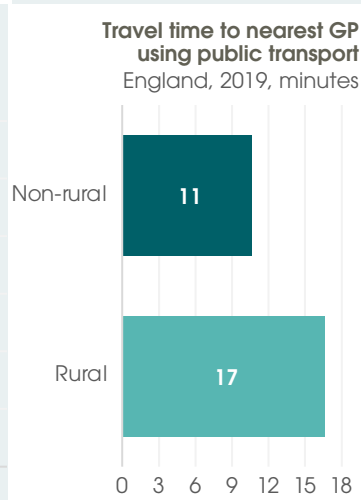
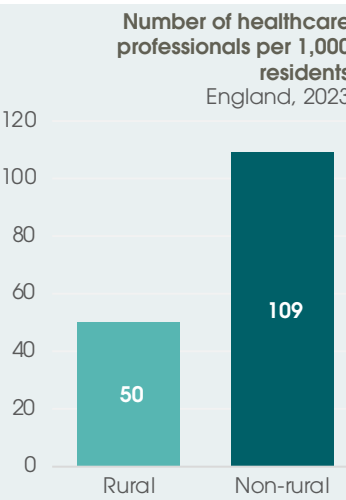
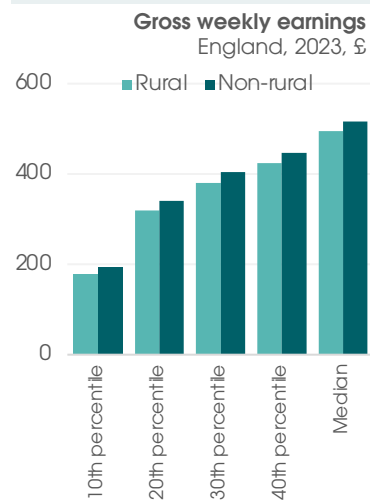
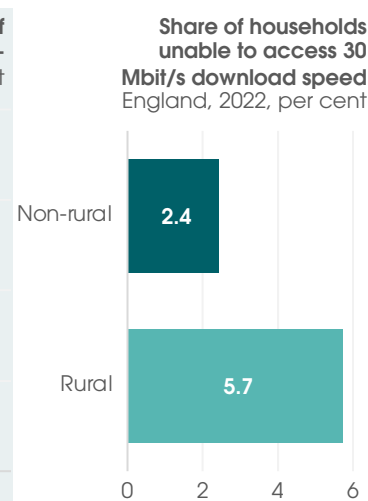
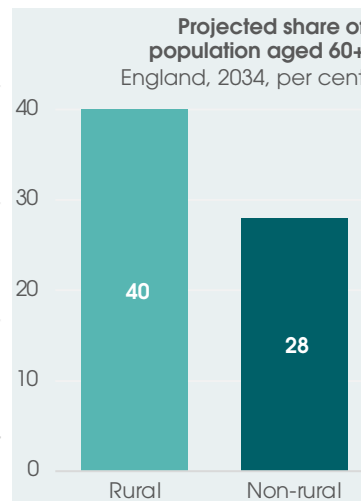
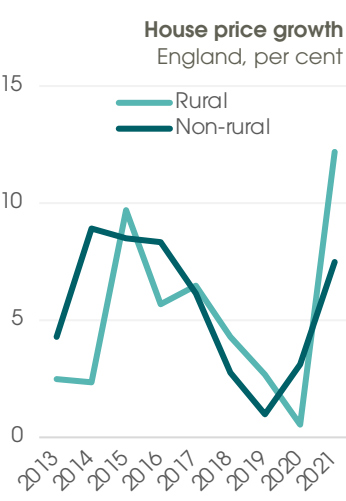
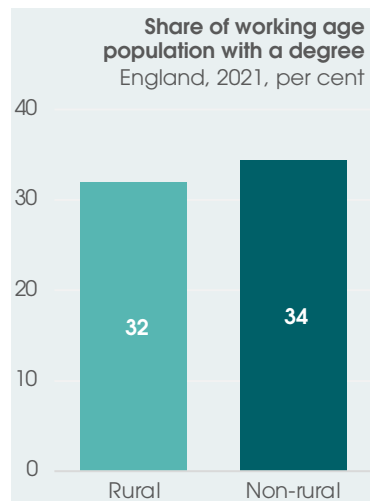
Alternatively, under our most conservative scenario, the additional tax revenues could pay the average yearly salaries of 216,000 teachers or 171,000 dentists.

Addressing challenges will boost productivity

Rural England is facing a series of challenges after years of underinvestment.

The differences between rural and non-rural communities underpin the productivity gap, and these issues need to be addressed if rural England is to achieve its true productivity potential.

Without change, the challenges being experienced by rural communities will only worsen, and the opportunity for them to contribute more to the United Kingdom economy will be missed.



Getting governance right is catalyst for change

The Rural Coalition's policy principles:

1. Demonstrate leadership by producing a comprehensive rural strategy
2. Ensure fair funding which takes proper account of rural costs
3. Invest in rural infrastructure that is fit for the future
4. Adapt and mitigate for climate change
5. Create the conditions for a prosperous rural economy
6. Design services so they meet rural needs
7. Deliver services as locally as possible
8. Support the key contribution of the voluntary and community sector
9. Devolve decision-making powers closer to communities

More effective governance has the potential to help narrow the productivity gap between rural and non-rural areas. By prioritising fairness and local autonomy, central government can lay the groundwork for a more productive, inclusive, and resilient rural economy.

If the rural economy is to reach its productivity potential, there is a need to acknowledge the unique challenges and circumstances faced by rural areas and develop a system which allocates funding accordingly to support their sustainable development and prosperity. In rural areas of England, the challenge of achieving satisfactory returns on investment, both socially and commercially, is amplified due to greater distances and smaller markets. Delivering services or capital projects frequently incurs higher costs in comparison to non-rural areas, and often the capacity to deliver capital schemes and programmes, as well as bidding into competitive revenue funding streams, can be a challenge. There is an urgent need to distribute resources equitably, but also to address the systemic funding discrepancies needed to alleviate the financial pressures faced by rural communities. Without fair funding, cost-cutting through service level reductions, closures, and centralisation of local services by the public sector will likely continue. Inaccessible services will lead to a more unbalanced community, a reduced local workforce, and ultimately increased costs for public services. Regeneration and delivery of all services, for example planning, will become harder as local government's capacity is hollowed out.

Giving communities, local authorities, towns, and parish councils more control over decision-making promotes social cohesion and strengthens community bonds, as residents and local government work together towards common goals and priorities. Elected local representatives are integral to facilitating community empowerment and empowered communities are better positioned to pursue sustainable development practices that prioritise environmental conservation, resource management, and resilience to external challenges. Empowering local communities, if effectively supported, presents a clear opportunity to leverage local resources and commitment to help increase productivity. Community wealth building and place-based, community led solutions can pay back far more than the cost of catalysing them.

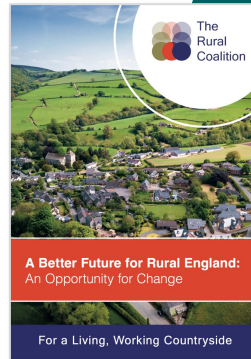
Change won't happen in isolation

Intervention is required across all policy areas, underpinned by fair funding, and local decision making.

There are a multitude of challenges and opportunities inherent in narrowing the productivity gap between rural and non-rural areas in England. Recognising the complexity and interconnectedness of the issues is pivotal.

Businesses will not have access to skilled workers if there are not homes to house them or education and training accessible to them. Young people cannot take advantage of green job opportunities if courses aren't accessible, or the transport networks aren't adequate to get them there. Health and social care services can't be delivered locally if there aren't the workers living in rural areas because housing is unaffordable for them.




By implementing policy changes to help achieve The Rural Coalition's ten-year vision set out in its roadmap, 'A Better Future for Rural England: An Opportunity for Change', rural communities have the potential to narrow the productivity gap with non-rural areas, while contributing more to the entire nation's economic prosperity.



An economy with productivity potential

In this section, we explore the potential scale of growth that could be achieved by the rural economy.

Time for change in the rural economy

	Now	2040 (existing trend)
 Non-rural GVA	6 x rural	6½ x rural
 Productivity	82% of non-rural	79% of non-rural
 Rural economic inactivity rate	40% of residents aged sixteen and over	48% of residents aged sixteen and over

Outcomes for the rural economy if existing trends continue
England, based on 2011 to 2021 ten-year trend

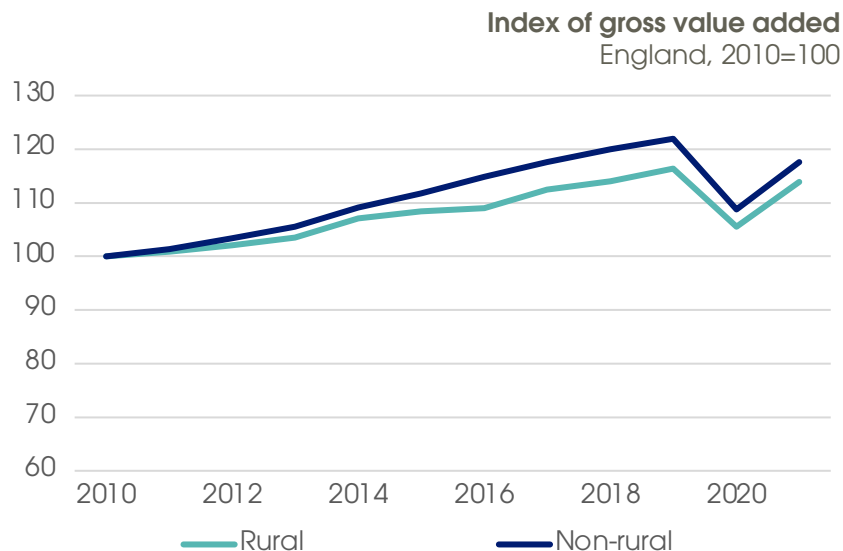
Throughout this report, 'rural' includes mainly and largely rural local authorities, as classified by the Department for Environment, Food and Rural Affairs. 'Non-rural' includes the remaining four classifications of local authorities.

The rural economy in England has been underperforming for decades, but the current environment presents an opportunity for change.

Over the past several years, the rural economy has grown at a slower pace than that of the non-rural economy. Currently, the non-rural economy is around six-times the size of the rural economy. Based on recent trends in economic growth, the non-rural economy will be 6.5-times the size of the rural economy by 2040. In 2021, productivity of the average rural worker was 82 per cent of that of a non-rural worker. If recent trends continue, we expect that to decrease to 79 per cent by 2040.

This is of course the business-as-usual base case – things could get better, or they could get worse. If the rural economy declines in comparison to non-rural due to a failure to address current issues, the cost to the national economy could be far greater. Doing nothing will be costly, with spiralling healthcare bills for an ageing population, a shrinking working age population, and the burden of maintaining ever more unsustainable communities.

But an ever-widening gap in productivity is far from inevitable, and there is significant potential and demand for change. The changing structure of the United Kingdom economy in the new normal, with shifting preferences and priorities of households, offers the chance to narrow the productivity gap and for rural areas to contribute even more to the national economy.



Rural England contributes £231 billion a year to the national economy.

In 2021, rural authorities were responsible for fourteen per cent of the country's gross value added.

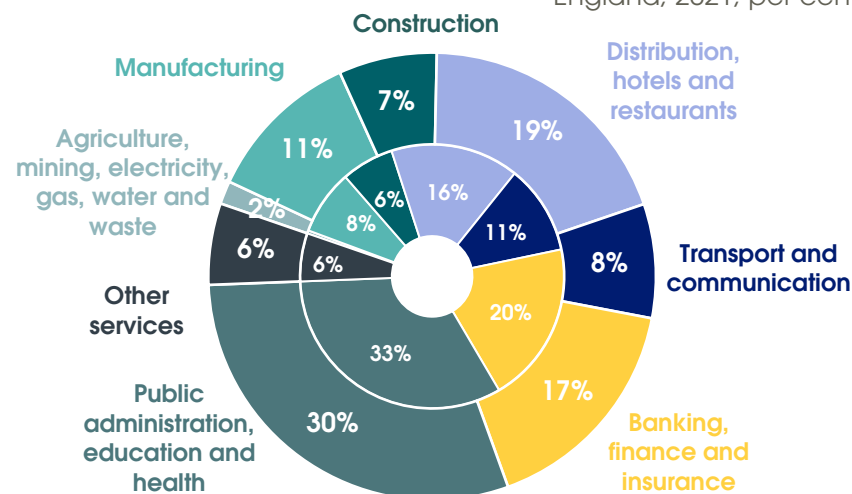
Between 2010 and 2020, gross value added in non-rural areas grew at a faster rate than rural authorities. Gross value added was impacted significantly across the whole country during covid, but the drop was marginally less in rural authorities.

Different mix of industries in rural and non-rural.

Rural economies have traditionally been built on industries like agriculture and manufacturing. These continue to be important, but they are only part of a diverse mix.

Easier access to natural resources and agricultural land often attracts manufacturing activities including food processing and textile production. Space intensive advanced manufacturing also thrives in such locations. Rural areas also frequently rely on seasonal tourism as a major source of income, leading to a higher concentration of businesses in the hospitality sector to cater to visitor needs. Non-rural authorities tend to have higher rates of employment in the likes of banking and finance, transport and communication, and public administration, education, and health.

Share of employment by sector in rural authorities (outer ring) and non-rural authorities (inner ring)
England, 2021, per cent

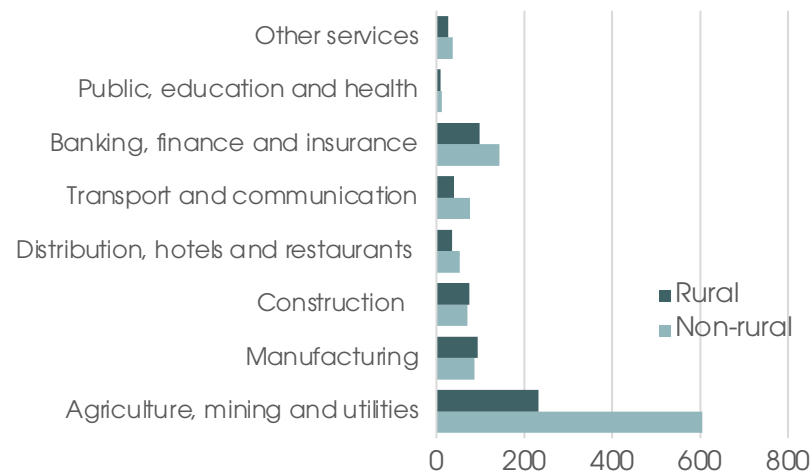


But the difference in industry mix doesn't explain the productivity gap.

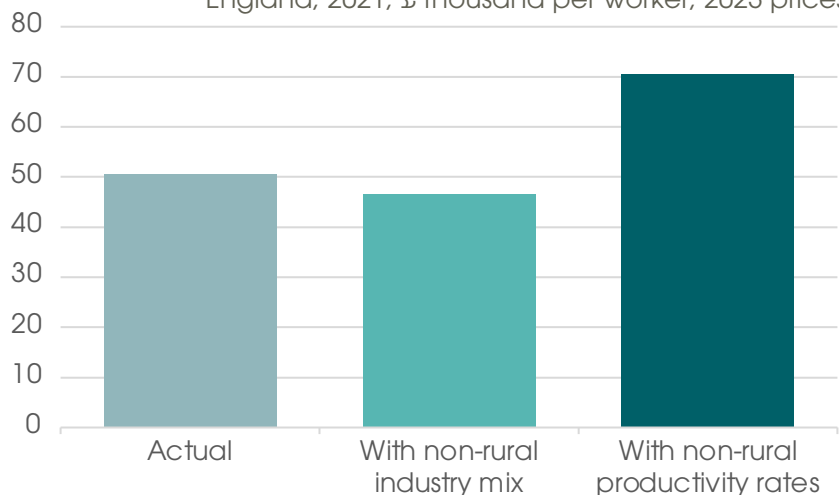
In all sectors but manufacturing, there are lower rates of gross value added per worker in rural authorities than there are in non-rural. This means that the overall gap between rural and non-rural areas isn't simply down to the types of businesses operating in rural areas.

The significant gap between the gross value added contribution of non-rural and rural workers in the agriculture, mining, and utilities sector can be at least in part explained by the profits generated by businesses in rural areas being registered at their headquarters, more likely located in non-rural areas. While there is a deficit in the productivity of rural workers employed in banking, finance, and insurance sectors, in the new post-covid flexible working and improved technology world, the gap needn't be as large in future.

Gross value added by sector
England, 2021, £ thousand per worker, 2023 prices



Rural gross value added with non-rural industry mix or with non-rural productivity rates
England, 2021, £ thousand per worker, 2023 prices



If productivity rates were equivalent to non-rural, rural workers would be generating £62,000 each.

With the current industry mix in rural authorities, the average worker generates £50,500 a year in gross value added. If the industry mix in rural areas was the same as non-rural, productivity rates would actually be lower, suggesting that aiming for an industry mix closer to that of non-rural is not necessarily the way to grow rural productivity.

When the rates of productivity being achieved in non-rural areas are applied to the current rural industry mix, productivity of the average rural worker is £20,000 more. This suggests interventions which support growth in existing sectors, as well as emerging industries, can help to close the productivity gap.

Better productivity adds £87 billion to rural GVA

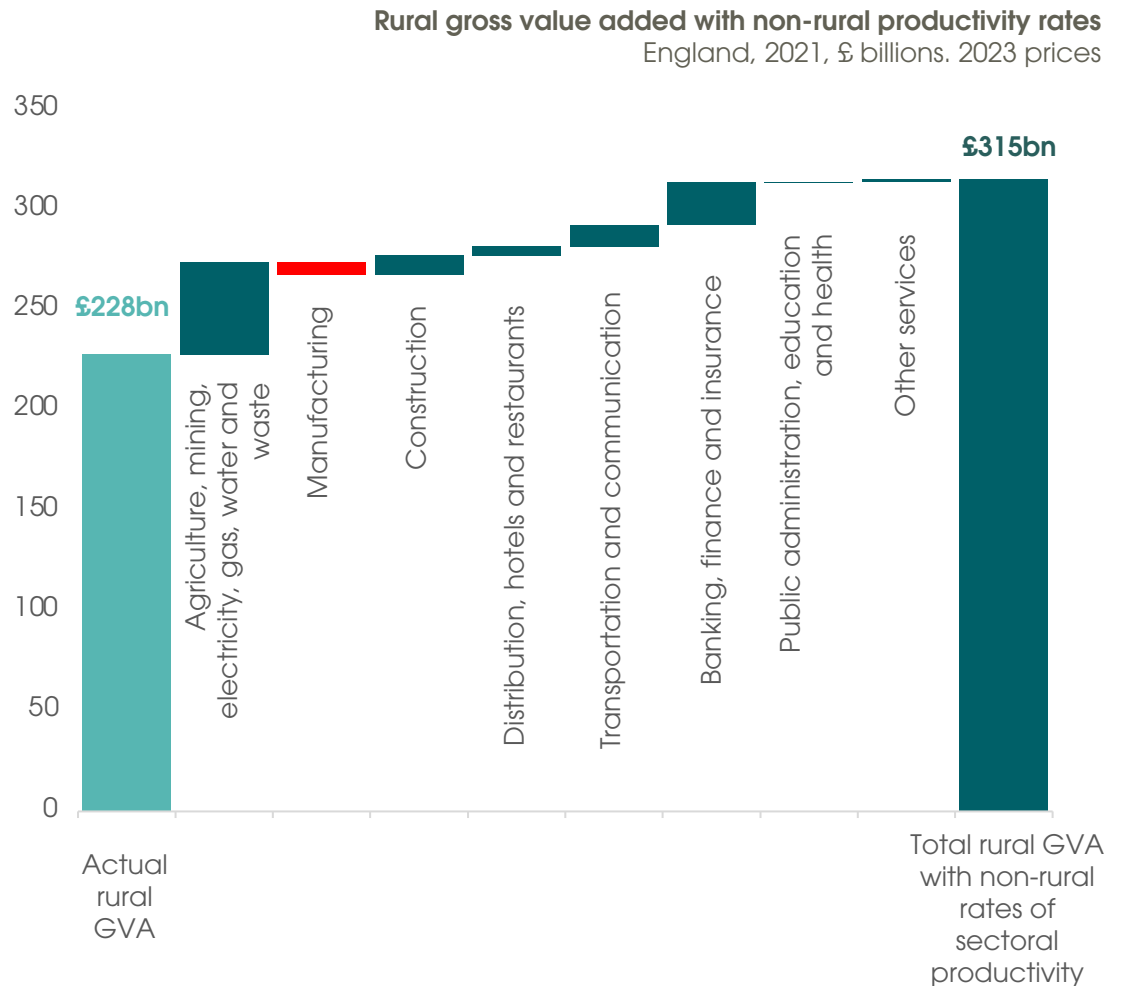
With non-rural rates of productivity, the gross value added of rural authorities would be £87 billion (in 2023 prices) higher.

This would be equivalent to a 38 per cent increase in the gross value added contribution of rural areas.

With rates of productivity equivalent to that in non-rural areas, rural productivity rates would be higher across all industries bar manufacturing.

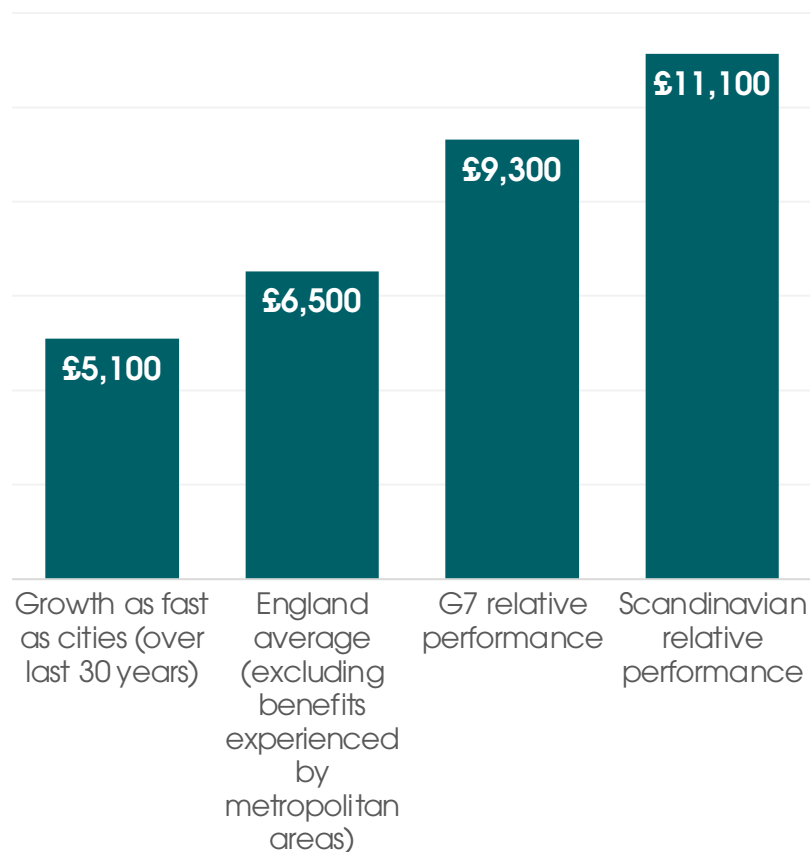
But the benchmark on which we measure the potential growth level of rural productivity can't just be the performance of non-rural sectors. Non-rural local authorities benefit from economies of scale and agglomeration, which rural areas simply cannot access.

Businesses operating in non-rural authorities have the advantages gained from the concentration of economic activities across a smaller geographical area. This concentration allows them easier access to suppliers and customers, shared infrastructure and resources, and a larger labour pool with diverse skills.



Unmet potential worth billions to UK economy

Potential additional productivity per rural worker
England, 2021 (2023 prices)



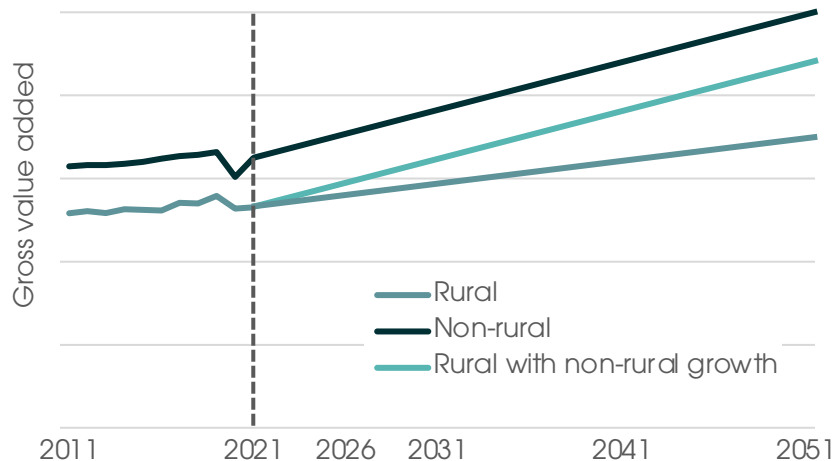
With policies to support growth, rural economies could add £5,000 to £11,000 per worker to current rates of productivity.

Rural and non-rural areas have distinct characteristics and, although there is some diagnostic value in looking at the differences between their rates of productivity, there is no sense in using non-rural performance as the target for rural.

Instead, to assess the potential scale of opportunity available to rural communities, we have calculated four alternative target benchmarks:

1. Rural productivity grows as fast as in cities
2. Rural achieves the England average performance (excluding the benefits experienced by metropolitan areas)
3. Rural achieves the relative productivity performance of the other G7 countries
4. Rural achieves the relative productivity performance of the Scandinavian countries

Stylised rural England gross value added with growth equal to cities
2023 prices



With non-rural rates of growth, gross value added in rural could grow by an additional ten per cent in 30 years.

Potential productivity benchmark 1: Growth equal to cities.

The 'new normal' environment of technological advances, changing preferences, and shifting priorities offers an opportunity for rural areas to grow at the same rate of non-rural areas. This benchmark examines the scale of productivity growth that could be achieved going forward.

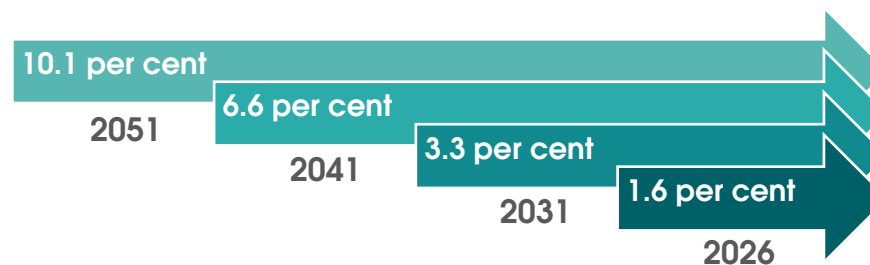
When applying productivity growth of non-rural industries, in 2026, rural industries could see around two per cent in additional growth to productivity. By 2051, additional growth in gross value added for rural industries would be ten per cent greater than it otherwise would've been.

Rural could eventually reach non-rural levels of productivity with non-rural rates of growth.

The productivity differential between rural and non-rural underscores an existing imbalance in economic output and efficiency. This productivity gap signifies both a need and an opportunity for targeted interventions and support mechanisms to unlock the latent potential within rural economies. By addressing the underlying factors contributing to this gap, policymakers can create an environment conducive to rural prosperity and sustainable growth.

Recognising and addressing this disparity is essential, not only for the economic vitality of rural communities, but also for achieving broader regional development goals and fostering social equity across the country.

Additional growth to rural England gross value added with rural productivity growth equal to cities

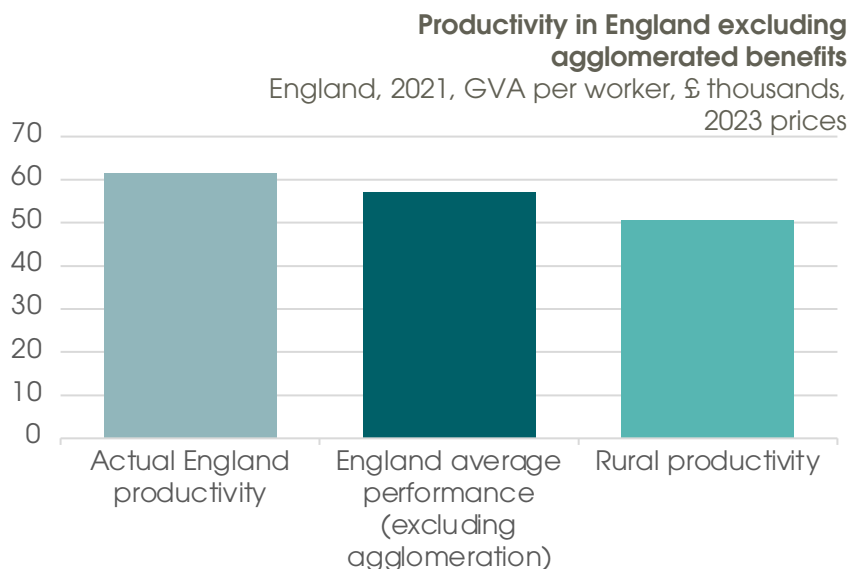


Non-rural productivity rates benefit from agglomeration.

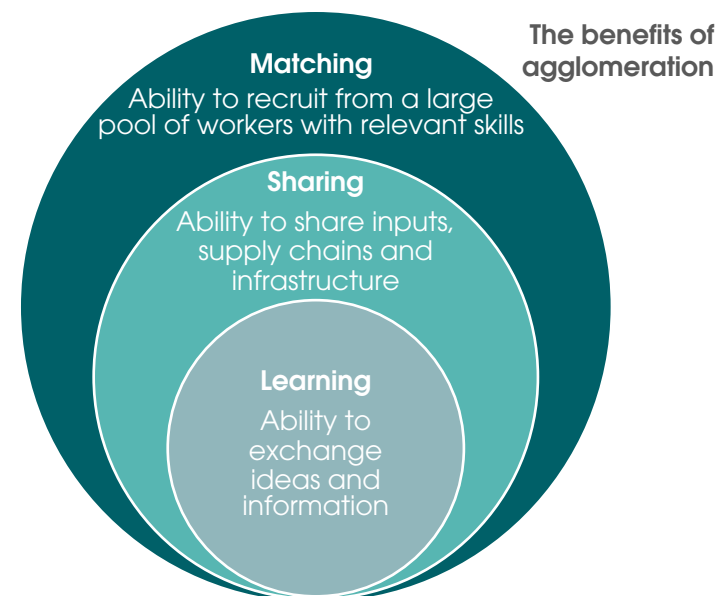
Agglomerated benefits are the added combined advantages that come from businesses and resources being grouped closely together in one area, such as in metropolitan cities in England. While these benefits strengthen urban centres and nearby areas, rural areas, being more distant, will never achieve the advantages of agglomerated economies.

Potential productivity benchmark 2: Achieve England average performance (excluding agglomeration).

Rather than compare against non-rural productivity rates, a more meaningful benchmark for rural areas is the national rate excluding the estimated benefit of the economies of scale and agglomeration achieved in metropolitan areas.



Source: Centre for Cities (top right); Pragmatix Advisory analysis of Office for National Statistics and *Agglomeration, Productivity and Transport Investment* by Daniel Graham (bottom left)



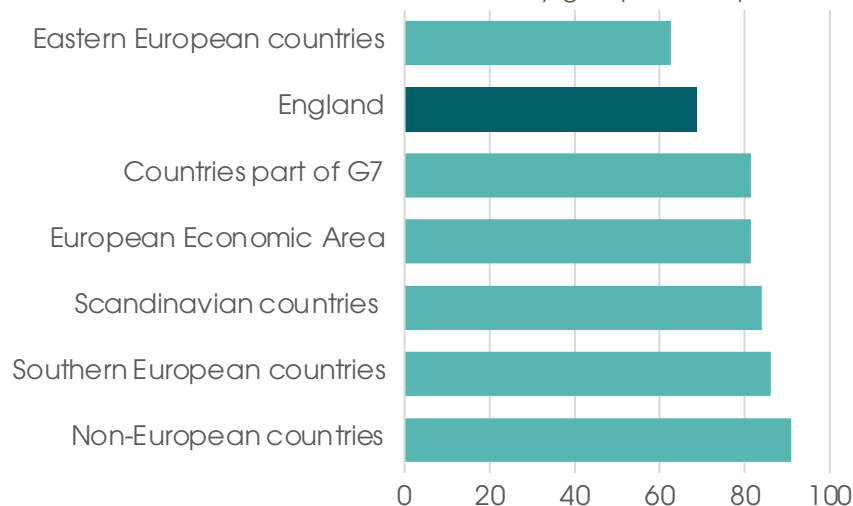
Productivity could be thirteen per cent greater.

Academic literature on agglomeration in the United Kingdom suggests there is an associated benefit from agglomerated economies that impact productivity rates, although it is less clear as to the scale of these benefits. On the basis of the limited evidence available, it is not unreasonable to assume that England's economy is around seven per cent larger than it would otherwise have been because of the economies of networks, scale, and scope created by its conurbations. As such, rates of rural productivity are around thirteen per cent behind those of England once these 'agglomeration' benefits are removed.

If rural productivity matched national rates, excluding agglomeration impact, an additional £29 billion in gross value added would be created each year. This would see rural authorities' contributing £257 billion a year.

Rural productivity as a share of non-rural productivity

Selected country groups, 2017, per cent



England is underperforming internationally.

With the exception of eastern Europe, rural England's ratio of rural to non-rural productivity lags behind the rest of the developed world for countries for which data are available. On average, productivity rates are twenty per cent less than comparator countries.

Unlike other countries where rural productivity typically accounts for at least 81 per cent of non-rural productivity, in England, rural productivity is only equivalent to 69 per cent of non-rural levels.

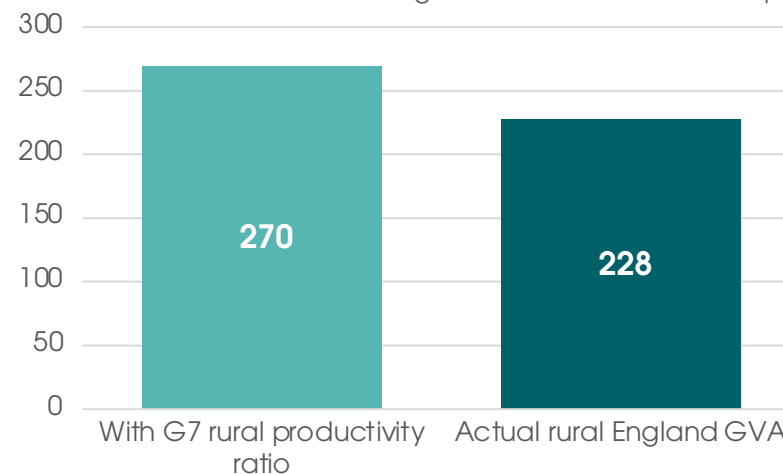
International peers demonstrate scope for growth.

Comparison with other countries provides another perspective on the scale of opportunity for England's rural communities. Rather than compare absolute productivity rates between countries, which fail to account for contextual differences, we examined the ratio of rural to non-rural rates of comparable nations.

Potential productivity benchmark 3: Achieve G7 relative rural performance. If rural productivity was equivalent to the ratio of rural to non-rural productivity in the G7 countries, rural England would generate £270 billion in gross value added - £42 billion more than it does now.

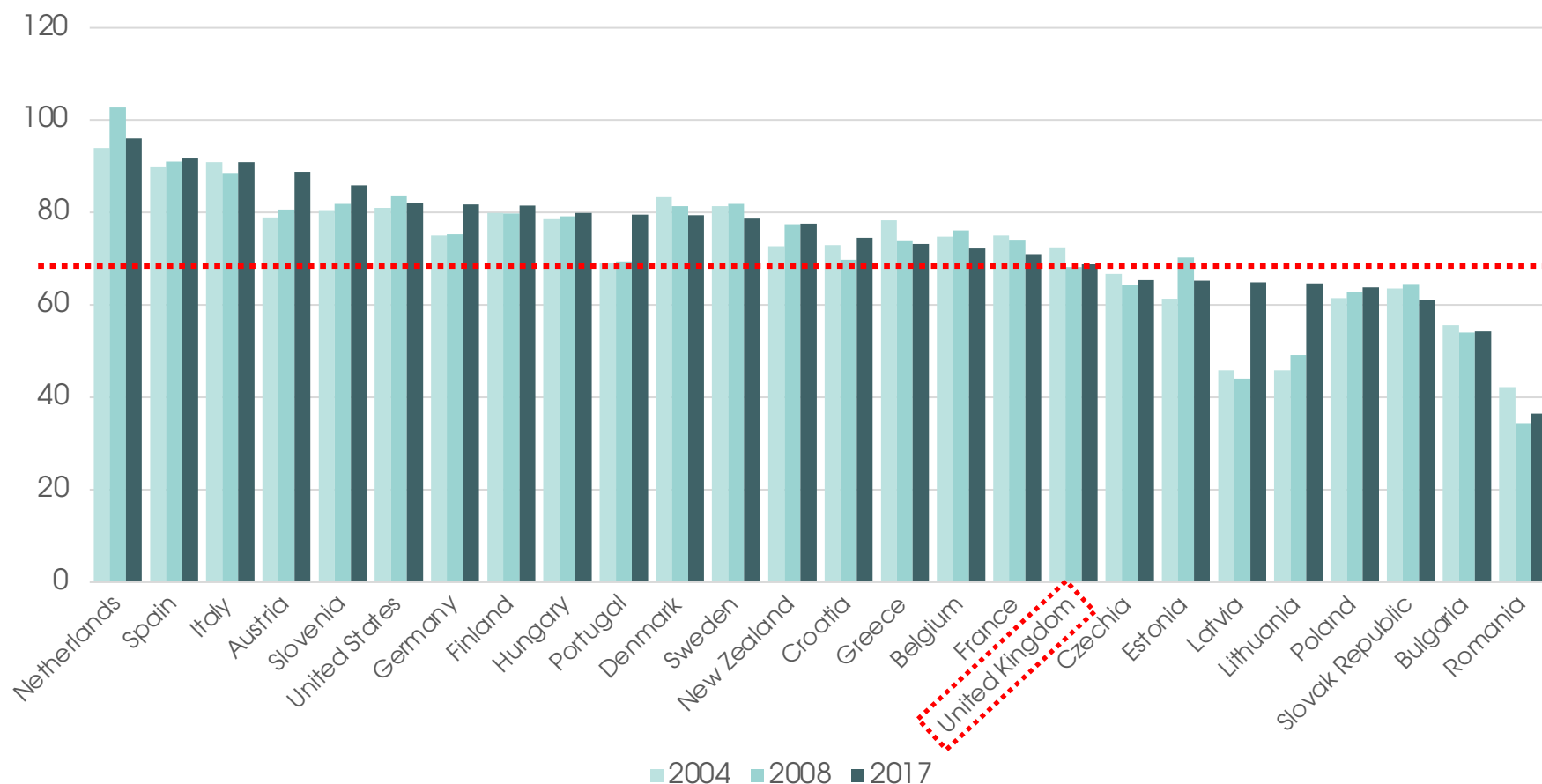
Potential rural gross value added with G7 relative rural performance

England, 2021, £ billions, 2023 prices



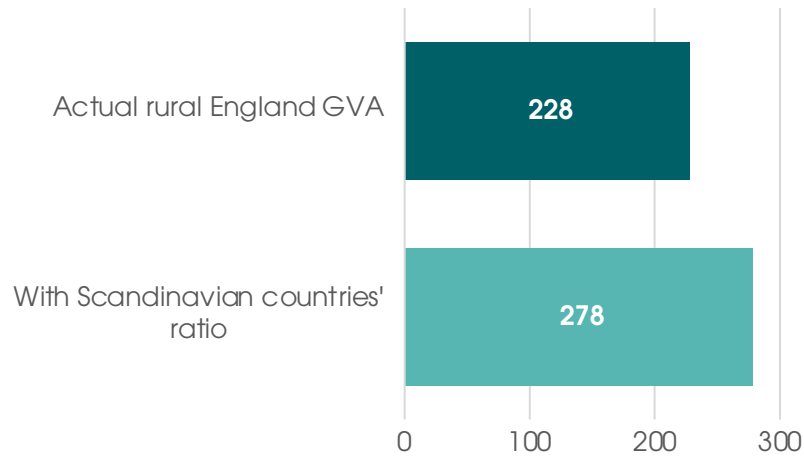
Comparable nations are more productive

Rural productivity as a share of non-rural productivity
Selected countries, per cent



Potential rural gross value added with Scandinavian relative rural performance

England, 2021, £ billions, 2023 prices



Productivity could be £11,000 greater per rural worker.

If rural England’s productivity was equivalent to the ratio of rural to non-rural productivity in Scandinavian countries, rural workers would have generated £62,000 each in 2021.

Further investigation into the factors influencing rural productivity in Scandinavian countries, such as rural housing, public transport, and digital access, and their comparison with rural England would be valuable.

Performance of Scandinavian nations provides an achievable target for rural England.

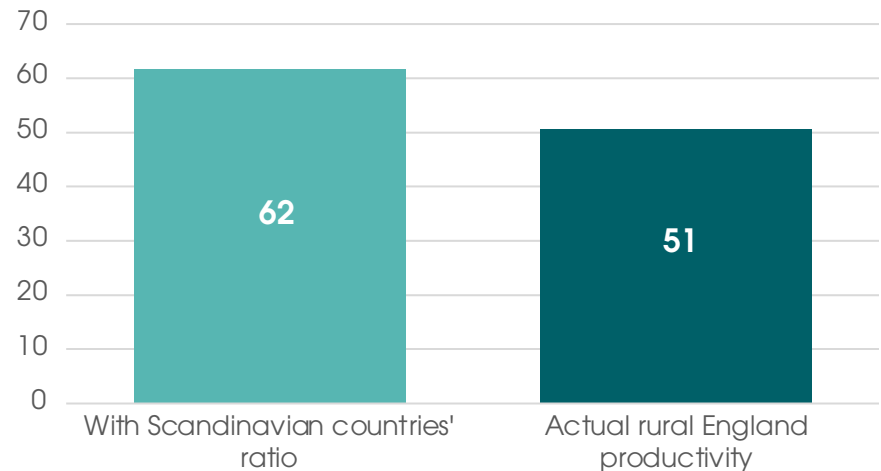
Potential productivity benchmark 4: Achieve Scandinavian relative rural performance.

Norway, Sweden, Finland, and Denmark share several similarities with rural England, making them useful benchmarks for its potential. Commonalities include natural resources, agriculture, tourism, food processing, and a prevalence of small business entrepreneurship.

If rates were equivalent to the ratio of Scandinavian countries, gross value added would be £278 billion a year.

Potential productivity per rural worker

England, 2021, £ thousand, 2023 prices



Treasury would expect to see between £9 billion and £19 billion more a year in tax receipts.

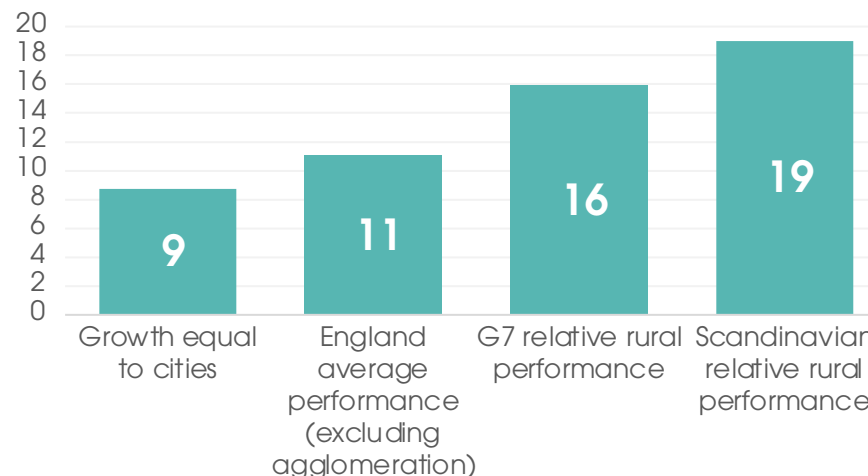
Growth in the rural economy would not only benefit rural communities and the national economy but would have significant tax implications for the Treasury.

If rural productivity growth rates had been equivalent to that of cities over the last three decades, HMRC’s tax receipts would have been £9 billion greater in 2021. Our England average performance (excluding agglomeration) scenario suggests the additional tax benefit would have been around £11 billion.

And if England had experienced Scandinavian relative rural performance, central government would potentially have received additional taxes totalling £19 billion in 2021.

Additional HMRC tax receipts with increased rural productivity

England, 2021, £ billion 2023 prices



	Growth equal to cities	England average performance (excluding agglomeration)	G7 relative rural performance	Scandinavian relative rural performance
Nurses	236,000	299,000	430,000	514,000
Teachers	216,000	275,000	395,000	472,000
Dentists	171,000	218,000	313,000	374,000

Public spending equivalents to additional HMRC tax receipts with increased rural productivity

Salaries per year

Additional taxes could fund much-needed public services.

The scale of additional tax receipts that a more prosperous rural economy could generate have the potential to fund significant national priorities.

Our estimates suggest that the additional tax raised could pay the annual salaries of between 250,000 and half a million NHS nurses. In other words, if the rural productivity ratio in England was equal to that of Scandinavian countries, the additional tax raised could pay the annual salaries of 514,000 nurses.











Alternatively, under our most conservative scenario, the additional tax revenues could pay the average yearly salaries of 216,000 teachers or 171,000 dentists.

Rural Coalition has set out aspirational aims

To achieve rural England’s productivity potential, policymakers will need to improve the prospects and opportunities available to rural residents and businesses, increasing their wellbeing and growing the contribution that rural areas make to the national economy.

The Rural Coalition set out a series of principles and actions in ‘*A Better Future for Rural England: An Opportunity for Change*’. Through the analysis of official government data, an interview programme to capture the views of key rural stakeholders, and a review of existing literature and research, we have evaluated the links between the Rural Coalition’s ten-year vision and the potential to grow rural productivity.

By implementing policy change to help achieve The Rural Coalition’s ten-year vision, rural communities have the potential to narrow the productivity gap with non-rural areas while contributing more to the country’s economic prosperity.

	Businesses of all sizes have access to a skilled, local workforce, having options to grow through available finance, premises, training, and advice.
	Farming is a viable, multifunctional and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.
	Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.
	Housing across a range of tenures, including social rent housing, is meeting the need for affordable and accessible homes in local communities.
	Businesses and households can all connect to next generation digital networks.
	Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.
	Health and social care services are accessible and delivered as locally as possible.
	Young people can choose from a broad range of post-sixteen education courses, taught within a reasonable and affordable journey from home.
	Public services and agencies are fairly funded, with the additional costs of delivery in sparsely populated areas fully recognised and taken into account.
	Local communities are empowered to take more decisions themselves, with enough resources to enable them to improve facilities or tailor services to match their needs.

An economy with aspirations

In this section, we explore the first three of The Rural Coalition's ten-year aspirations for the rural economy:

- Businesses of all sizes have access to a skilled, local workforce, having options to grow through available finance, premises, training, and advice.
- Farming is a viable, multifunctional and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.
- Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.

Supporting businesses is key to growth in rural

	<p>Businesses of all sizes have access to a skilled, local workforce, having options to grow through available finance, premises, training, and advice.</p>
	<p>Farming is a viable, multifunctional, and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.</p>
	<p>Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.</p>

The Rural Coalition’s ten-year aspirations

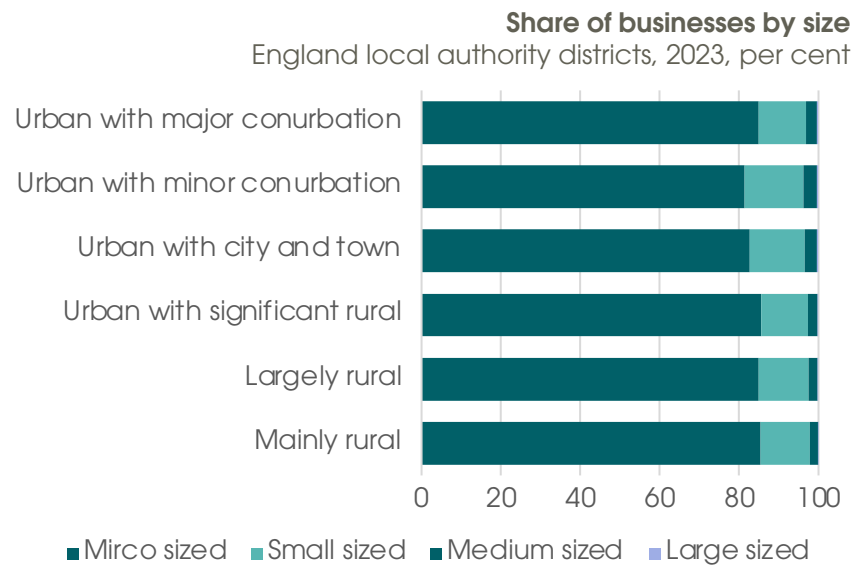
When aiming to reduce the productivity gap between rural and non-rural areas in England, it is important to recognise the multifaceted nature of the challenges and opportunities.

Ensuring businesses of all sizes have access to a skilled local workforce is fundamental. This involves not only facilitating access to finance, premises, and training, but also providing tailored advice and support services. Empowering businesses with the resources and expertise they need to thrive locally contributes significantly to narrowing the productivity gap and increasing their contribution to the national economy. Social infrastructure, including social and affordable housing, is essential for workforce recruitment and retention.

Agriculture remains important to the rural economy, and it is essential to foster a viable, multifunctional and stable farming sector. This entails fair financial returns for the food produced, while recognising the environmental benefits delivered by farmers as the country aims to meet its Net Zero and climate change ambitions. The food security provided by farms in England is important to the national economy, as it ensures a reliable domestic supply chain, reduces dependence on imports, and supports rural livelihoods, contributing to economic stability and resilience. By aligning economic incentives with environmental conservation, the sustainability and resilience of rural farming communities will be enhanced.

Embracing the green economy presents significant potential for rural areas to grow productivity. Through growth in the renewable energy sector, environmental conservation, and sustainable practices, businesses can create productive and well-paid jobs in addition to diversifying local economies. A strategic focus on green initiatives can create economic growth while also aligning with broader sustainability initiatives.

By striving to achieve these aspirations and taking advantage of the associated opportunities, rural areas can unlock more of their potential, helping to reduce the productivity disparity with non-rural areas, contributing more to the national economy as well as creating more balanced and resilient local economies.



Most rural enterprises are small or micro businesses.

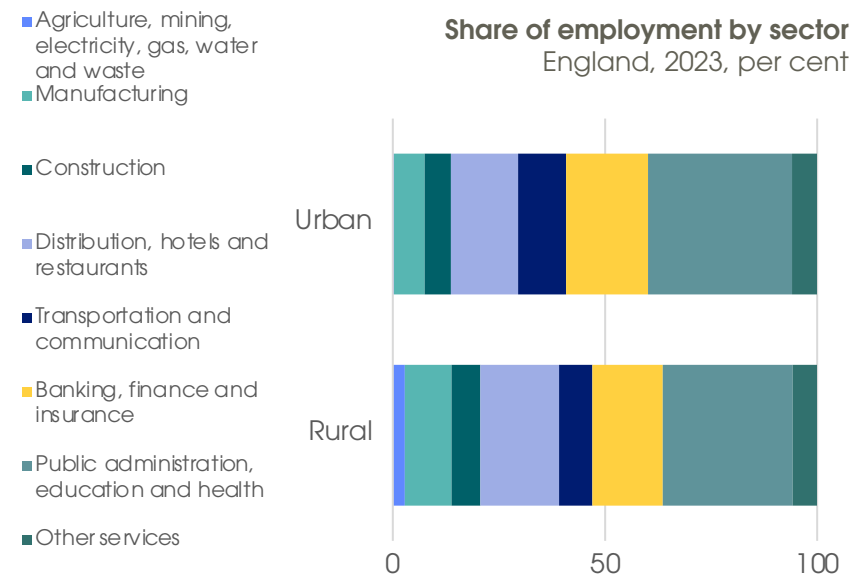
Around 85 per cent of businesses in rural areas have fewer than nine employees, but there are some very large, important employers too. Limited labour and product market catchment areas affect the costs, scale, and types of economic activities that rural areas can effectively engage in. This situation affects employment patterns, where lower unemployment rates may hide the lack of full-time jobs throughout the year. Rural areas have a larger share of people working multiple jobs and are more likely to be reliant on seasonal work.

In response to a May 2023 survey, two in every three rural businesses reported that rising costs had significantly impacted on their cash flow in the past year, with a third saying their business was under pressure. Seven per cent considered their situation to be 'critical' due to rising costs. Due to smaller cash buffers, micro businesses are generally more likely to be at risk from rising costs.

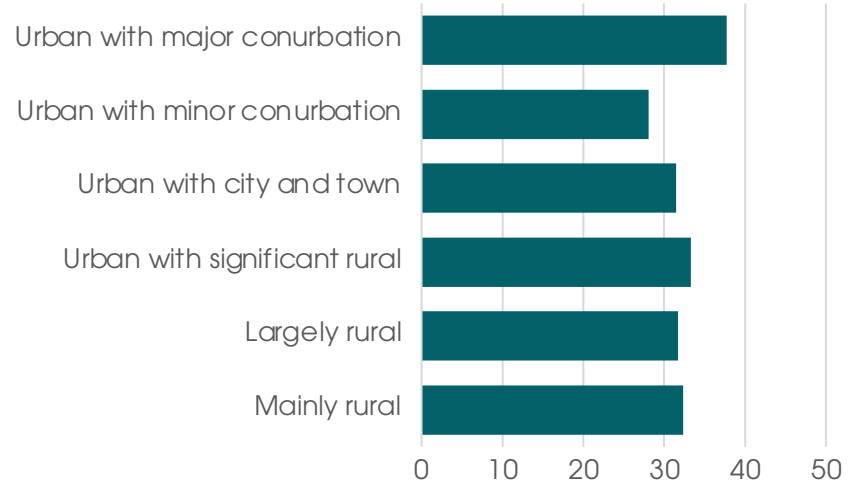
Rural authorities have higher rates of employment in manufacturing, retail, and hospitality.

While these industries contribute to employment opportunities, they can also present challenges for rural economies. Manufacturing jobs, for example, may be susceptible to changes in global markets, affecting local employment. Retail and hospitality sectors face seasonal variations in demand, leading to fluctuations in working hours and income.

Rising costs pose significant challenges for rural businesses across many sectors. Hospitality businesses, already severely impacted by the pandemic, continue to face acute challenges that include turnover shrinkage, staff attraction and retention issues, and rising costs. The labour-intensive nature and reliance on physical locations makes the hospitality sector especially vulnerable to the increases in wage and energy costs.



Share of working age population with an undergraduate degree
England, 2021, per cent



Fewer rural residents are educated to undergraduate degree level.

Addressing the disparity in qualification and skill levels between rural and non-rural working-age populations will be important to narrow the productivity gap, particularly if more specialist, higher paid green jobs are to be created in rural areas.

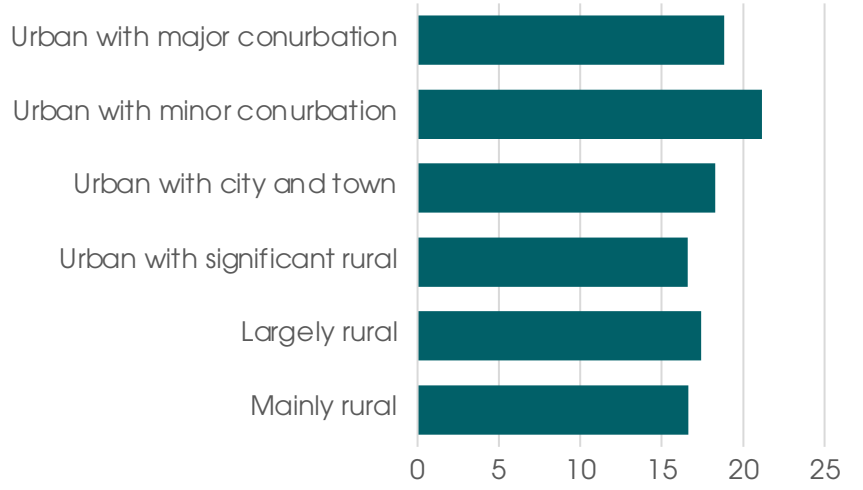
Rural residents often face challenges in accessing educational and training opportunities comparable to those living in non-rural centres. Limited access or choice of higher education institutions and vocational training facilities can result in lower qualification levels amongst the workforce.

But overall, more rural workers have some form of qualification.

The nature of employment opportunities in rural areas may not always require advanced qualifications, leading to a mismatch between the skills available and those demanded by employers.

This can exacerbate productivity gaps, hindering rural economies from fully utilising their workforce potential as people move to non-rural areas where their qualifications are in demand, there are more job opportunities, and the cost of living is lower.

Share of working age population with no qualifications
England, 2021, per cent

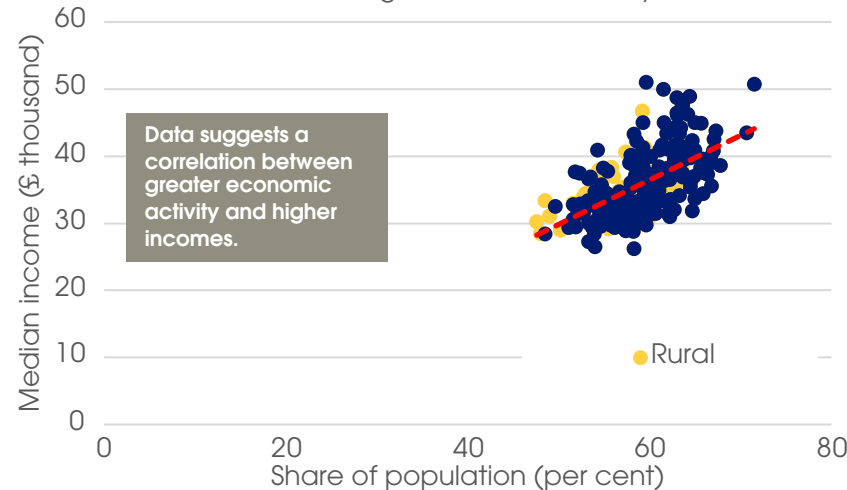


Residents in areas with higher rates of economic activity can expect to receive a higher wage.

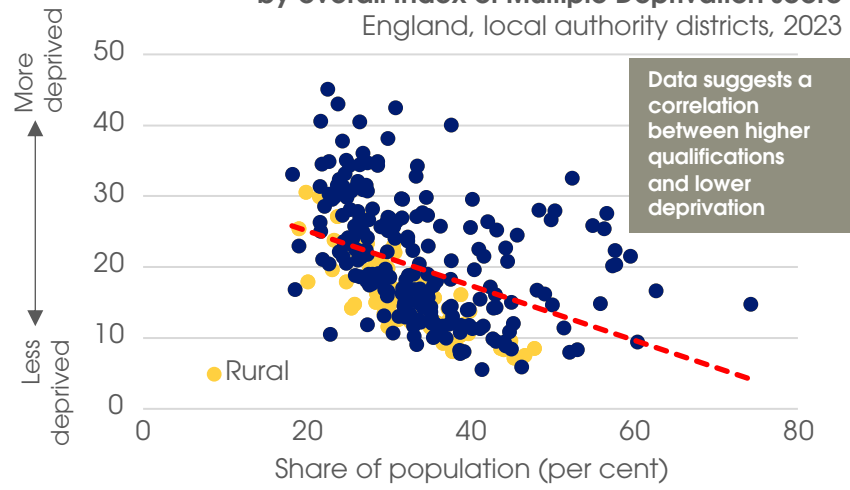
Our analysis of government data suggests a correlation between higher rates of economic activity within the working age population and higher median incomes. For rural areas with higher rates of economic inactivity amongst the working age population, there is an opportunity to grow productivity and increase incomes if the environment is favourable to grow workforce participation.

But creating a skilled local workforce and higher paying jobs cannot happen in isolation. It requires policy changes to affordable housing provision, digital connectivity, transport, post-sixteen education, and the green economy. Investment across these areas will improve rural productivity. There is potential rural productivity headroom, even with agglomeration benefits removed, which supports the case for investing in rural areas to yield a net benefit for the national economy.

Proportion of resident working age population that are economically active by median income
England, local authority districts, 2023



Proportion of resident working age population that have an undergraduate university degree or higher by overall Index of Multiple Deprivation score
England, local authority districts, 2023



Delivering a skilled workforce for rural businesses will require the design of more bespoke solutions.

Rural stakeholders emphasised the need to cultivate a skilled and local workforce, tailored to the demands of rural businesses. This could be achieved in part through bespoke programmes and apprenticeships, or through supporting the design and delivery of higher education and vocational courses requested by employers. The post-covid world offers the opportunity for more hybrid and remote delivery of training, having the dual benefits of increasing access for workers and being more cost-effective for employers.

In addition, stakeholders pressed the need to integrate local small and medium businesses into global value chains, thereby diversifying the income sources of rural enterprises. They would like to see a focus placed on investing in entrepreneurial skills, infrastructure, and cluster initiatives to nurture economic growth.

Farming is a viable, multifunctional and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.



Formal training of farm managers is limited in comparison to practices in other countries.

Only around a third of farm managers in the United Kingdom have received any formal training, less than 62 per cent of managers in France and 68 per cent in Germany. Levels amongst farm managers aged under 35 is better, with almost half having undertaken formal training, but this is still less than the 77 per cent of under 35s in the Netherlands and 83 per cent in France.

The adoption of standard business management practices amongst farmers, such as business planning, budget development, detailed management accounting and benchmarking remains relatively low. Notably, there is a significant gap between the top and bottom quartiles, with over a quarter of top-performing farms engaging in these practices compared to less than a fifth in the least well-performing farms.

Agriculture continues to be an important sector for the rural economy, but long-term challenges persist.

Farming remains a cornerstone of the rural economy in England, contributing significantly to employment, income generation, and community cohesion. However, despite its importance, the sector faces a multitude of long-term challenges that impact its productivity and sustainability.

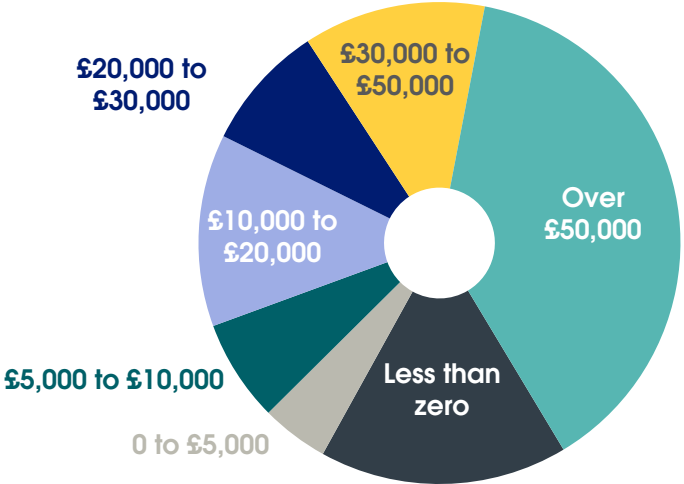
Volatility in factors such as market prices, increasingly extreme weather, grant payments and agricultural policy changes pose considerable risks to farm incomes and profitability. Additionally, evolving customer preferences, technological advancements, and environmental concerns necessitate adaption and innovation within the sector to remain competitive and resilient.

	Top 25 per cent of farms	Bottom 25 per cent of farms
Regularly attend discussion group	29	13
Have a formal plan	29	8
Produce budget, gross margins, cash flows or in-depth profit and loss accounts	44	7
Enterprise-level/ balance sheet/ international benchmarking	26	16

Professionalism in farming
Performance quartiles, United Kingdom, 2019, per cent

Farming is a viable, multifunctional and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.

Distribution of farms by net farm income
England, 2021/22, per cent



Almost seven in ten farms have diversified their operations to help supplement incomes.

One avenue of diversification is agri-tourism, which can involve opening farms to visitors for activities including farm stays, guided tours, or educational workshops. This can generate both additional income and create a relationship between farmers and consumers, encouraging them to support local food production. Diversification into niche or speciality crops, including organic produce or artisan goods, can tap into premium markets and boost profitability.

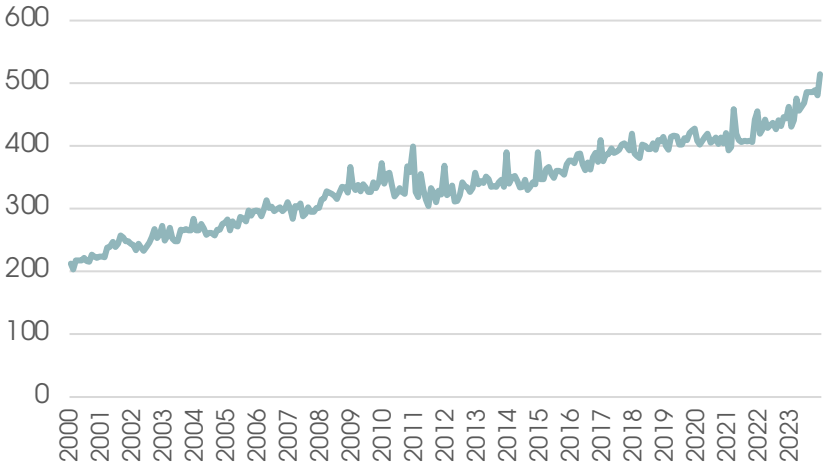
Small-scale renewable energy initiatives including wind, solar, or hydro schemes can also provide a sustainable source of income while contributing to environmental sustainability goals.

One in five farms is operating at a loss.

Fewer than 40 per cent of farms in England have a net income of over £50,000 a year, while seventeen per cent are operating at a loss. Over half of all farms had a net income of less than £30,000 in 2021/22.

Changing market dynamics and consumer preferences have led to a growing number of farms exploring alternative ways to supplement their incomes.

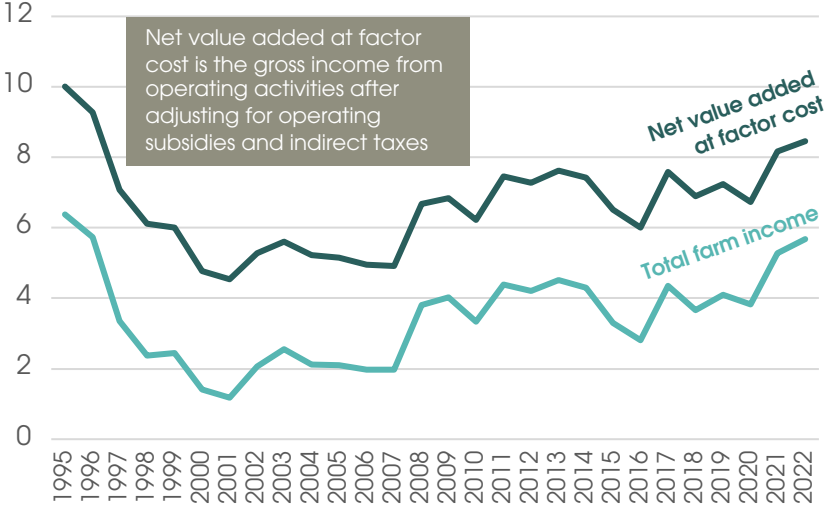
Average weekly wages in agriculture, forestry and fishing
England, £



Farming is a viable, multifunctional and stable sector, where businesses receive a fair financial return for the food they produce and environmental benefits they deliver.

Agriculture net value added and total farm income

England, 2022 prices, £ billions



Turbulent incomes pose major challenges for farmers, impacting financial stability and long-term viability.

Challenges for the agricultural sector are intertwined with those facing the green economy, housing, health, connectivity and public services. The United Kingdom’s food resilience, 30x30 biodiversity goal, Net Zero, and improved public health outcomes can only be achieved if commercial incentives for the farming community are structured to give a fair market return from these objectives.

Addressing the challenges facing farming requires a multi-dimensional approach that integrates support for farm diversification, access to financing and markets, investment in sustainable farming practices, and targeted policy interventions. By enhancing the resilience and viability of the farming sector, jobs in the industry will be higher paid, careers more stable, and the value of jobs and economic output will be higher.

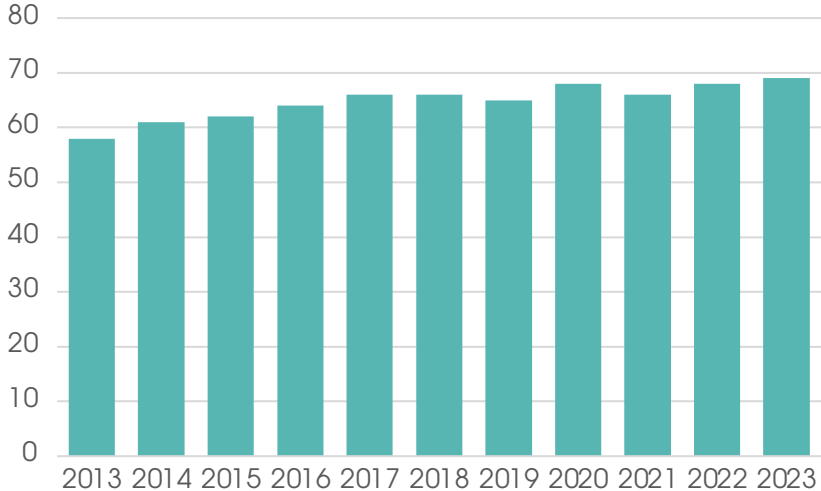
Policies need to balance food security, sustainability and diversity.

During our interviews, stakeholders stressed the importance of allocating long-term, but front-end loaded, additional funds towards initiatives aimed at enhancing water security, bolstering infrastructure, providing farmers with advanced technology, and encouraging the adoption of regenerative techniques.

They would like to see agri-environment schemes which incentivise farmers, fostering cooperation and collaboration between farmers and landowners within a geographical region. Flexibility in payment allocation is seen as important for the effective implementation of these schemes. Policy formulation needs to strike a balance between ensuring food security, promoting sustainable production practices, enhancing resource efficiency, reducing emissions, and preserving ecological diversity.

Proportion of farms undertaking diversified activities

England, per cent



Source: Department for Environment, Food & Rural Affairs; Office for National Statistics

Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.

International Labour Organisation

Roles that aim to decrease energy and resource usage, curb greenhouse gas emissions, reduce waste and pollution, preserve and rejuvenate ecosystems, and facilitate adaptation to climate change for both businesses and communities.

United Nations System of Environmental-Economic Accounting

The Environmental Goods and Services Sector as including activities related to producing goods and services for environmental protection, as well as conserving natural resources. Green jobs are recognised as those associated with these sectors.

Office for National Statistics

Economic activities that deliver goods and services that are likely to help the UK generate lower emissions of greenhouse gases, predominantly carbon dioxide.

Defining 'green jobs'

Growth in the renewable energy sector presents opportunity to increase skilled jobs in rural areas.

The transition to green energy sources such as wind, solar, tidal, hydro, and biomass presents opportunities for rural communities to diversify their economies and increase the number of higher-paying jobs.

Research from the Local Government Association suggests that renewable and low-carbon technologies could support 1.38 million jobs across the United Kingdom by 2050, with significant potential for job creation in rural areas.

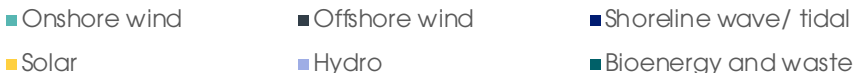
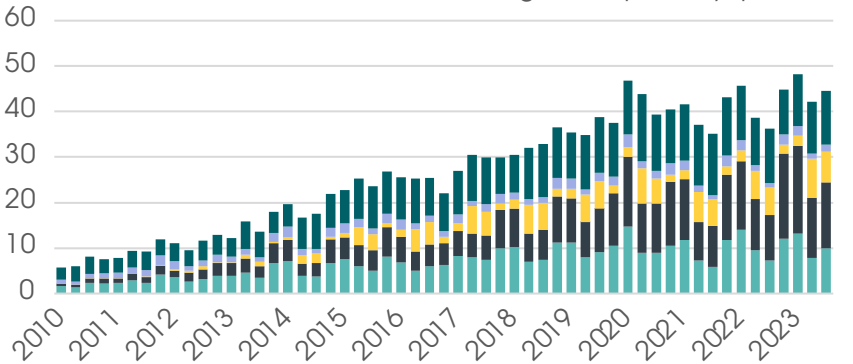
There's a need to differentiate between green and sustainable jobs.

While increasingly recognised for their importance, there is no consensus on what constitutes green jobs, posing challenges for policy planning and evaluation. Green jobs contribute directly to environmental protection, while sustainable jobs promote holistic development, fostering community resilience and social equity. By embracing both types of employment, stakeholders said rural areas can strategically leverage their resources and opportunities, paving the way for inclusive growth and sustainable development.

Rural areas could continue to have a lower wage and lower productivity economy if there is not active support, encouragement, and enablement to balance the economic mix of land based and visitor sectors with new, higher value, green, 'sunrise' sectors.

Share of electricity generated by type of renewable energy

United Kingdom, quarterly, per cent



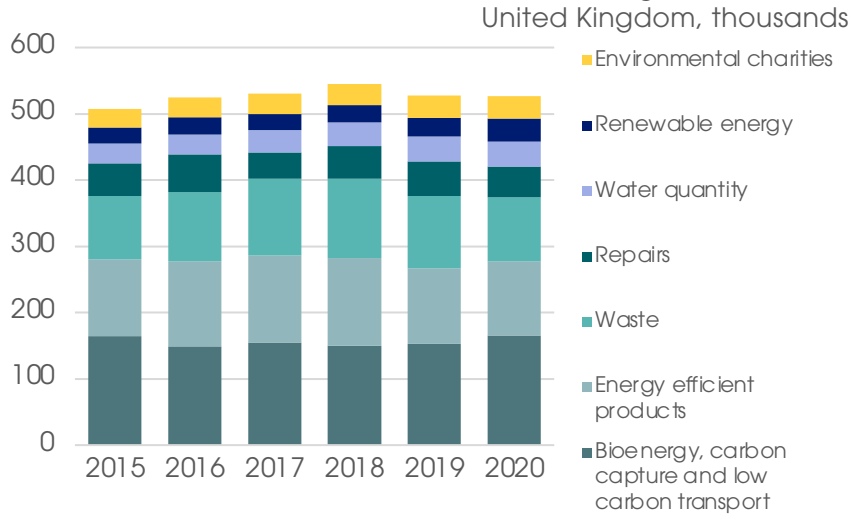
Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.

The green jobs market remained relatively stable between pre-pandemic.

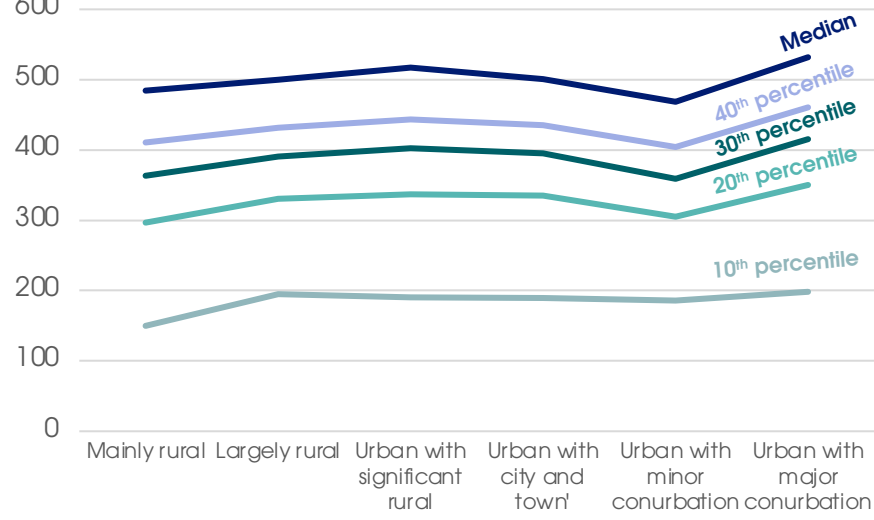
Despite fluctuations in the broader economy, employment in sectors such as renewable energy, bioenergy, carbon capture, and low carbon transport remained resilient between 2015 and 2020. This stability reflects the increasing recognition of the importance of environmental sustainability and the transition towards a low carbon economy.

For rural areas of England, the stability in the green jobs market presents an opportunity to leverage their natural resources and expertise in sectors such as agriculture, forestry, and renewable energy. With the implementation of policies to encourage innovation that invest in skills development and support the growth of green industries, rural communities can capitalise on the demand for sustainable solutions while creating employment and driving economic growth.

Full-time equivalent employment in green industries



Average weekly earnings of full time workers
England local authority districts, 2023, £



Green jobs could help grow rural salaries

Salaries and pay in the most rural local authorities tend to be lower than those paid in towns and cities. The difference is visible throughout the income distribution, with the lowest paid workers in rural areas earning less than the lowest paid workers in non-rural areas.

Green jobs, especially those categorised as new and emerging with enhanced skills, typically command higher wages compared to non-green jobs. This wage disparity may stem from factors such as higher education levels or greater experience among workers in these roles. Alternatively, it could also be influenced by a surplus demand for these positions in the labor market.

Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.

There are constraints in realising the potential of green jobs and skills development.



Short-term planning

Local and national governments, along with their collaborators, are harnessing their existing power and resources to foster the growth of green jobs and skills. However, our interviews suggest there are some challenges with capacity which are limiting the ability to realise this potential and meet the necessary scale of change.



Fragmented funding

There is a lack of long-term certainty for local businesses, with current systems impeding small and medium enterprises from investing in future green skills due to their short-term orientation. Smaller businesses tend to prioritise their immediate needs and lack confidence in future demand for green skills.



Workforce capacity

National funding tends to be fragmented, hindering alignment with net-zero goals. Short-term, output-driven funding fails to develop necessary workforce capacity. Scarce availability of trainers and inadequate investments in 'train the trainers' programmes worsen challenges. Short funding cycles pose obstacles for skills providers, small and medium enterprises, and micro-businesses in capacity building, alongside placing limitations on local government capacity. The availability of green jobs determines whether interventions should focus on increasing supply or addressing other barriers such as awareness, attraction, or skills. This distinction is crucial for policymakers in deciding the appropriate interventions to ensure a well-functioning green jobs market.



Shortage of skills

In some areas, there are struggles with a shortage of skilled labour, especially for green jobs that demand specialised skills. This gap is worsened where there is a declining interest in STEM subjects and vocational qualifications, compounded by competition from high-tech sectors. Despite more green job opportunities, challenges like low confidence in retraining and high upskilling costs exist.

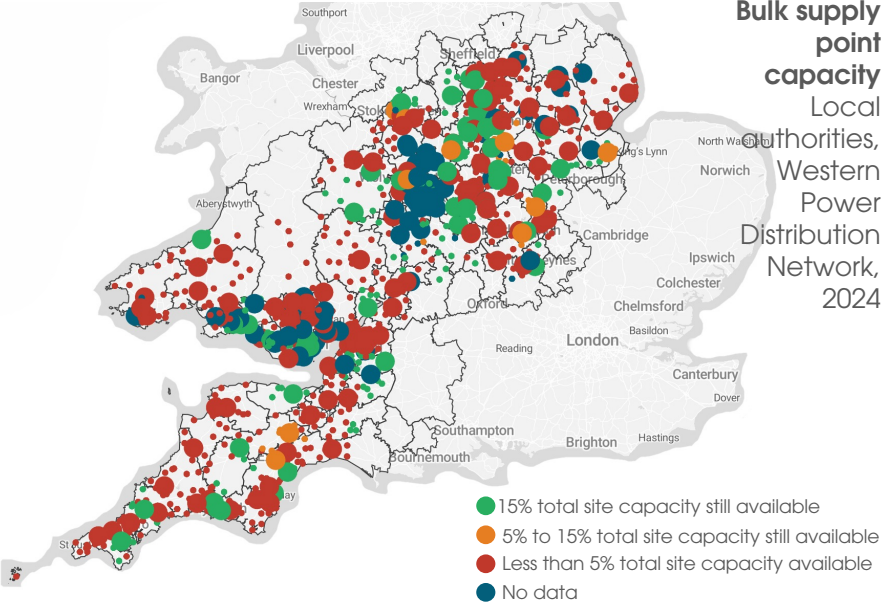


Lack of awareness

Research shows that many young people and the general workforce lack awareness of green skills and environmental career opportunities, indicating a need for awareness initiatives. Bridging this awareness gap could be vital in connecting workers with green job opportunities. Workers generally hold positive attitudes towards green jobs, particularly among younger demographics, despite limited understanding. Addressing the skills gap, especially in green skills, is crucial for accessing unlocking the potential of green jobs. Clarifying the nature of green jobs and required skills and having these promoted by careers services in schools and colleges could further increase interest in these sectors.

Constraints to the expansion of green jobs in rural England

Businesses have invested significantly in the green economy, creating productive and well-paid jobs for the future, whilst growing and diversifying local economies.



Power grid requires better capacity to support growth in the green economy.

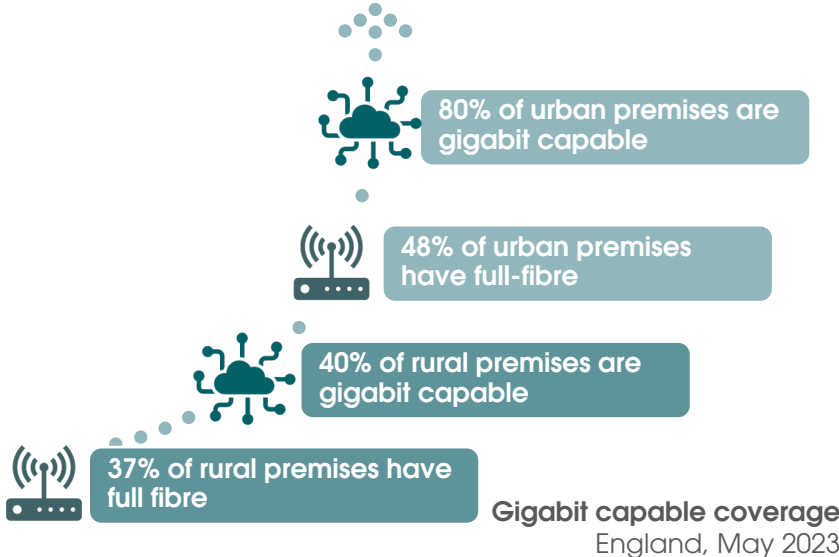
Longer-term opportunities for green jobs and sustainable rural economies require a power supply infrastructure that anticipates and accommodates current and future demand. Our interviews with rural stakeholders revealed concerns about insufficient capacity and vulnerability of electricity networks in rural areas, hindering economic growth.

Without adequate grid capacity, rural areas may struggle to integrate locally generated renewable energy into the wider network, limiting their contribution to carbon reduction goals and the green economy. This shortfall may also deter investment in renewable energy projects, impeding economic growth and job creation opportunities.

Universal and reliable digital connectivity is essential.

Green technologies like wind turbines and solar panels require constant monitoring and management. Reliable broadband connectivity allows for real-time data transmission, enabling efficient maintenance and optimisation of renewable energy infrastructure in rural areas. A reliable digital communication infrastructure is essential for smart grids, which help improve energy distribution and consumption. This is especially relevant in rural areas with dispersed renewable energy sources, helping to integrate them into the broader energy network efficiently.

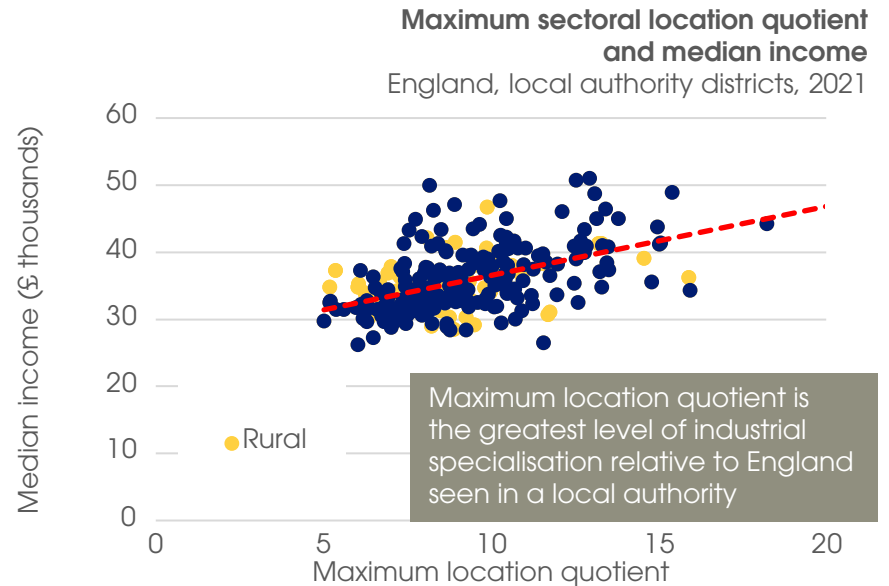
Mobile connectivity enables farmers to utilise precision agriculture techniques, such as GPS-guided equipment and remote sensing technologies to make the most efficient use of resources, reduce environmental impact and increase yields.



Rural England has the potential to develop green jobs across a range of industries.

The natural resources available make rural areas ideal for renewable energy generation, with jobs in the installation, operation, and maintenance of schemes. The research and development of green technology to meet the needs of the farming industry would also be well placed in rural areas.

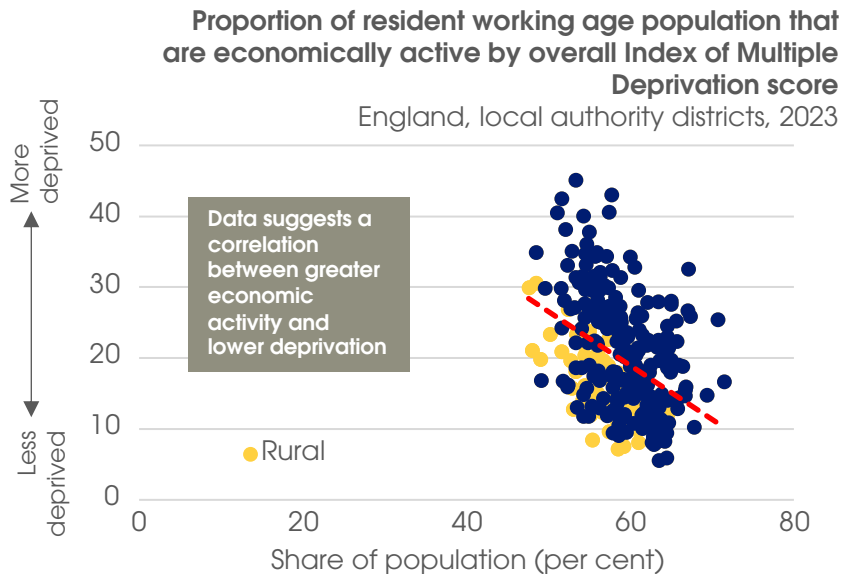
Already popular tourist locations provide an opportunity for the development of eco-tourism and sustainable hospitality, while the expansion of environmental, conservation and restoration jobs could support habitat restoration and land management. Similarly, employment in sustainable agriculture and farming could be expanded. But the ability to grow green jobs in rural England is dependent on other key policy areas, including housing, agriculture, fair funding, and productivity growth.



Diversification not the only route to prosperity.

Diversification is about reducing risk and moving out of one sector going down into one going up. Location quotients identify a local authority's sectoral specialisation relative to the rest of England. The greater the location quotient, the greater the level of sectoral specialisation in the local authority.

An expansion of green jobs in rural areas is unlikely to happen without policy intervention. To take advantage of the opportunities, there needs to be incentives for businesses to be based in non-urban settings, and there needs to be a pool of skilled workers from which they can hire. This means improving access to further and higher education, access to transport and the availability of affordable housing. But diverse qualification and training options cause navigation complexity. As such, an opportunity exists to establish clear climate change pathways by enhancing career guidance, improving workforce skills, and aiding young people in career transitions.



An economy with improved health and wellbeing

In this section, we explore another two of The Rural Coalitions ten-year aspirations for the rural economy:

- Housing across a range of tenures, including social rent housing, is meeting the need for affordable and accessible homes in local communities.
- Health and social care services are accessible and delivered as locally as possible.

Better health and housing can boost growth



Housing across a range of tenures, including social rent housing, is meeting the need for affordable and accessible homes in local communities.



Health and social care services are accessible and delivered as locally as possible.

The Rural Coalition's ten-year aspirations

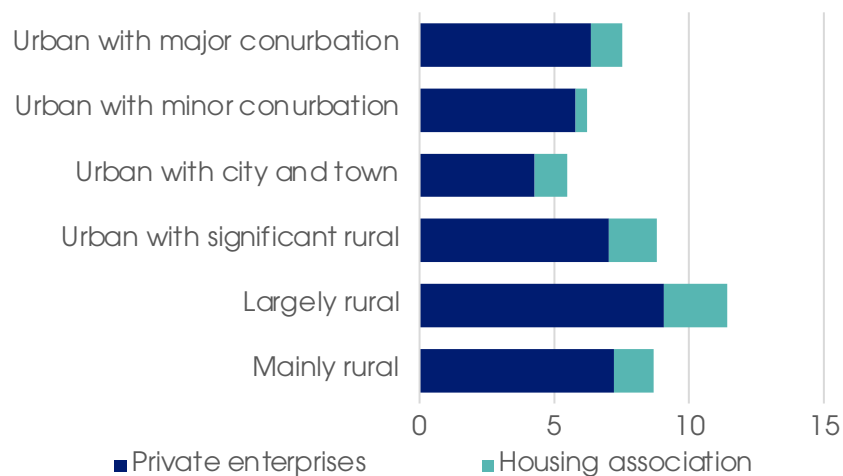
Providing a steady supply of housing which meets the needs of local people, as well as ensuring they have access to appropriate health and social care services, is essential to the wellbeing of rural communities and has an important role to play in growing productivity.

Ensuring adequate housing supply across various tenures, including housing for social rent, is paramount in meeting the demand for affordable and accessible homes within local communities. Addressing housing shortages and affordability issues not only enhances the quality of life for rural residents, but also strengthens the foundation for economic growth and social cohesion. By facilitating access to affordable housing options, rural areas can attract and retain a more diverse workforce, encouraging economic growth and resilience.

Enhancing access to health and social care services is important to helping rural communities to thrive. By delivering these services as locally as possible, rural residents can access essential healthcare and support without the need for time-consuming and often expensive travel. A decentralised approach can help to improve health outcomes, strengthen community ties and promote well-being. In addition, localised health and social care services contribute to the sustainability of rural economies by supporting the health and productivity of residents, as well as providing local jobs.

Addressing health and housing challenges facing rural areas has an important role to play in increasing rural productivity, while simultaneously improving the overall quality of life for residents. By investing in affordable housing solutions and enhancing access to essential health and social care services, rural communities can unlock more of their potential.

Dwellings completed by type of provider
England local authority districts, 2023, per 1,000 residents



Local authority waiting lists don't capture the true picture.

Although rural authorities appeared to have fewer households per capita on local authority housing waiting lists in 2023, those in need of housing aren't always captured in official statistics. In areas where households think or know there is no social housing available to them, they may not add themselves to a waiting list. Rural social housing waiting lists have risen since 2020 in all but two regions of England, and research from CPRE suggests it would take 89 years to clear the social housing waiting list if housing completions continue at their current rate.

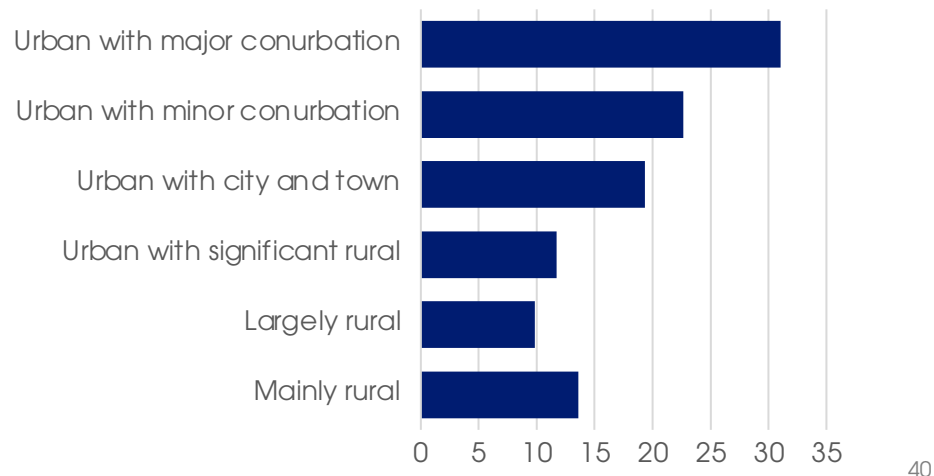
Since 2018, rural homelessness has increased by 40 per cent, but this figure is likely an underestimate. Rural residents sofa surfing, living with friends or family, or living in accommodation including static caravans are not captured in official government figures.

New build social housing isn't meeting demand.

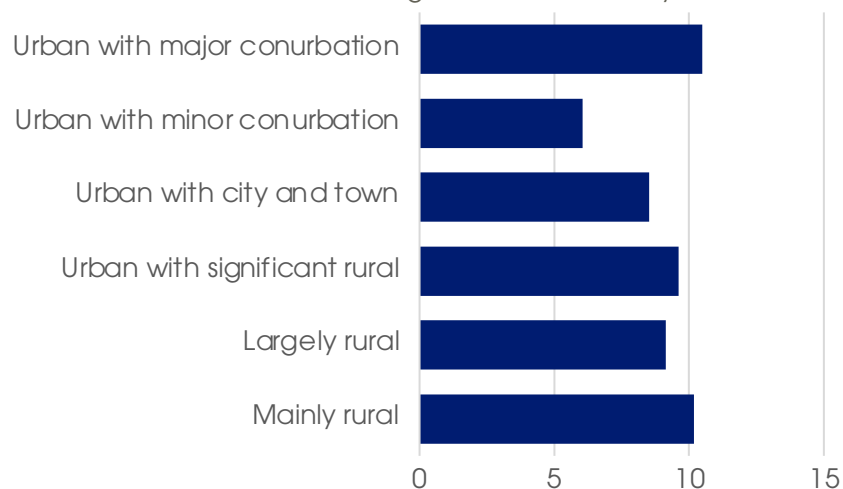
The delivery of rural homes for social rent has declined drastically, with fewer than 350 homes delivered in 2020/21 and 3,280 in 2021/22. The delivery of general 'affordable' housing has risen, with 47,100 home builds between 2020/21 and 2021/22. This difference suggests developers find it more viable to provide intermediate and market-discounted housing over genuinely affordable social rent homes which rural areas desperately need.

The current mechanism of securing affordable housing in new developments relies on negotiated planning agreements, allowing developers to lower the proportion of affordable homes they are required to build during negotiations when there are concerns about the viability of a development.

Number of households on local authority housing waiting lists per 1,000 residents
England local authority districts, 2023



Ratio of median house price to median gross annual earnings
England local authority districts, 2022



Almost 200,000 rural homes are second homes or empty.

Rural England welcomes millions of tourists and visitors every year, and the need to accommodate puts additional strain on an already stretched housing market, further driving up prices. Half of all parish councils in England do not have coverage under Section 157 regulations which typically prevent the resale of affordable housing at market prices or as second homes.

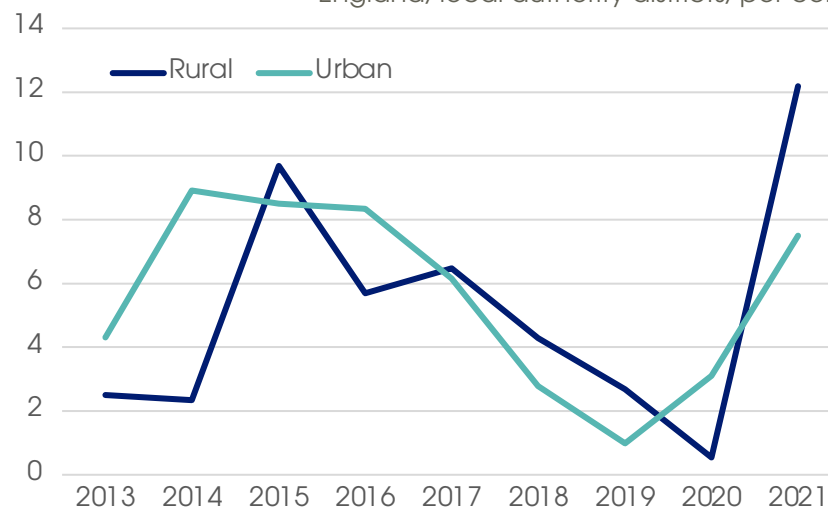
Stakeholders suggested introducing a measure granting councils power to double council tax on second homes and advised that the establishment of a registration scheme is necessary to address concerns about short-term lets, ensuring the sustainability of communities and availability of housing for local people. The government consulted on potential categories of dwellings to be exceptions to the council tax premiums in the summer of 2023, but the response has yet to be reported.

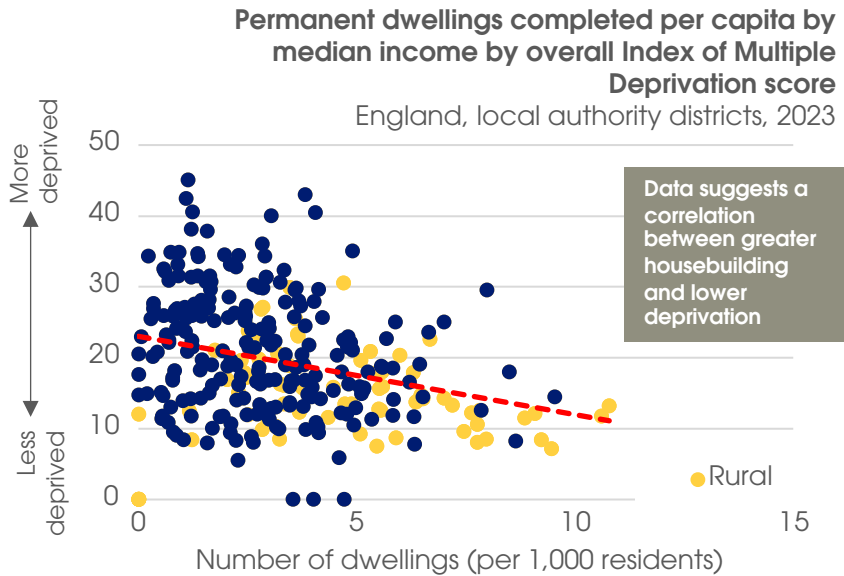
Many rural residents are priced out of housing market.

In the first three months of 2023, the average rural residential property cost £424,000. In 2022, the median house costs over ten times the median wage in mainly rural areas of England. During the pandemic, as households reevaluated where they wanted to live, prices in rural areas increased at a faster pace than those in towns and cities. An inability to get on the housing ladder can lead to households moving to more affordable locations, posing a significant challenge for businesses in some areas who are looking to attract and retain a skilled workforce.

The lack of affordable housing options in rural areas forces many young people and families to seek accommodation elsewhere, leading to individuals being compelled to leave the communities they grew up in. The outward migration of talent exacerbates demographic inequalities and reduces the working age population.

House price growth
England, local authority districts, per cent





Strategic investment in housing lays the foundation for a more equitable and thriving rural economy.

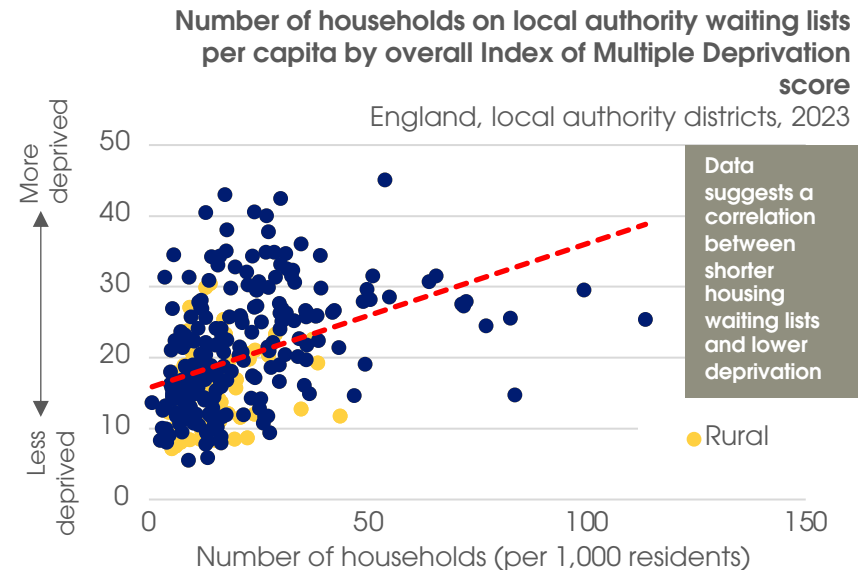
Further analysis of official data indicates that local authorities with fewer households on the local authority housing waiting list experience lower levels of deprivation. Increasing social and affordable housebuilding offers a tangible solution to reducing deprivation and increasing productivity.

By expanding the availability of social and affordable homes, rural areas could alleviate some of the housing demand and provide greater stability for residents. Affordable housing initiatives not only address the immediate needs of residents but also contribute to long-term social and economic well-being of communities.

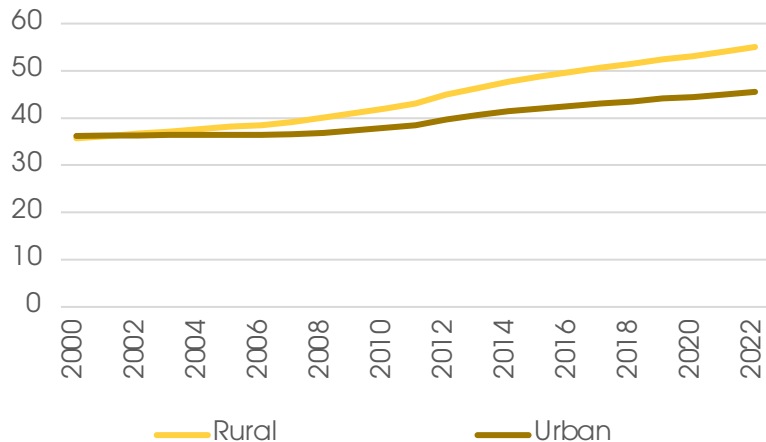
To meet the housing challenge, comprehensive strategies are required to increase supply.

Issues with housing in rural areas are interconnected with all the economic aspirations set out to grow rural productivity, health and social care, and community empowerment. Without provision of affordable housing on an appropriate scale, the demographic balance of rural communities will worsen, making public services, including health and social care, and the operation of local businesses, either unviable or prohibitively expensive to the public purse, leading to the loss of community.

Incentivising sustainable development, unlocking land for housing, and streamlining planning processes to facilitate the construction of affordable homes would help increase supply. By encouraging a more equitable housing market, rural communities can create opportunities for young people and families to remain in their hometowns and villages, creating social stability and increasing economic activity.



Population aged 65+ in rural and non-rural England local authority districts, thousands



By 2034, a quarter of rural residents will be over 70.

Projections indicate that by 2034, one in four rural residents will be over 70 years old, compared to fifteen per cent of urban residents. Social care plays a crucial role in supporting older adults to live independently and maintain their quality of life. This includes services such as home care, assisted living facilities, and community support networks. However, rural areas often experience shortages in social care provision, exacerbated by the diverse nature of rural populations and recruitment struggles.

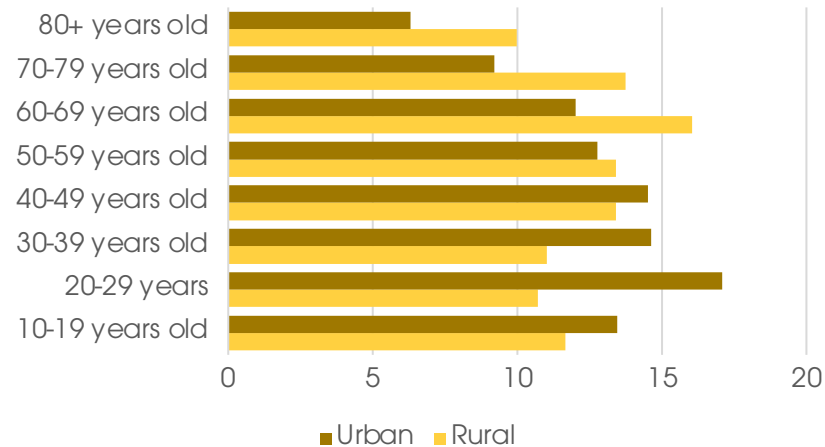
To mitigate the impact of an ageing population on health and social care services, a rounded approach will be required. This will likely involve investment in infrastructure including the expansion of community-based care services. Initiatives to address social isolation, promote healthy ageing and improve access to healthcare services would help to improve the wellbeing and quality of life for older adults in rural areas.

An ageing population puts pressure on rural services.

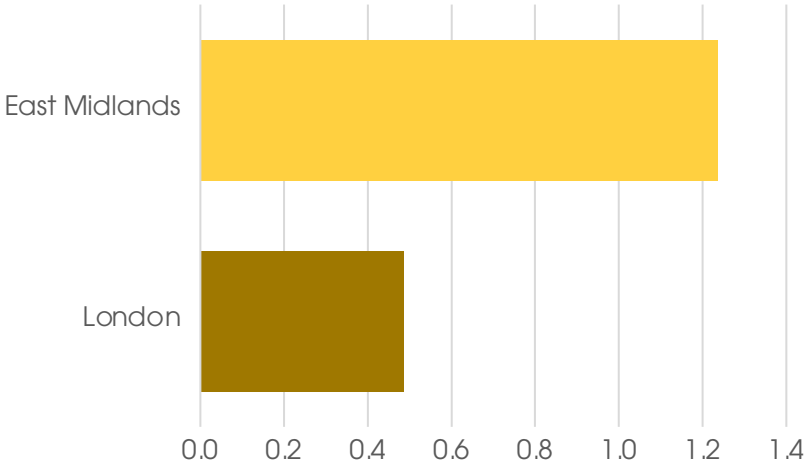
The demographic shift towards an ageing population poses significant challenges for rural health and social care services in England. Rural areas typically have a higher proportion of older residents compared to non-rural areas. They are often sought after as retirement destinations while younger adults migrate to urban areas for education and employment opportunities.

Meeting the needs of an ageing population requires careful planning and investment in health and social care services, as pressure is put on the existing healthcare infrastructure including hospitals, GP practices, and community care facilities. Additionally, rural residents may face challenges accessing specialist healthcare services due to geographical remoteness and limited transportation options.

Share of population in 2034 by age group in rural and non-rural England, 2034, per cent



Number of people 85 years old and over per geriatrician
London and East Midlands, 2022, thousands



Rural areas have a higher concentration of older people but are underserved by healthcare services.

The majority of people who relocate from cities and large towns do so before reaching old age, often settling in coastal, semi-rural, or peripheral areas that are typically underserved in healthcare with less accessible transport links. In the 'Chief Medical Officer's annual report 2023: health in an ageing society', Professor Chris Whitty highlighted the importance of providing suitable services and environments for older adults in rural areas. The report reinforced that ignoring the growing concentration of older people and their needs in these areas will lead to significant challenges as the population inevitably ages.

In the East Midlands, there is one geriatrician for every 1,200 people aged 85 and older, whereas in London, there is one geriatrician for every 500 people in the same age group.

Resources need to be redistributed where it is needed most, including peripheral, rural and coastal regions.

The 'Chief Medical Officer's annual report 2023: health in an ageing society', also outlines recommendations to redistribute resources onto preventative care and concentrating this onto rural and coastal areas.

First, it is recommended that resources should be redirected towards areas with the greatest need. The NHS, social care and central and local government must start systemically planning for where the population will age. This also includes building or adapting housing and transport networks to be more suitable for an older population. Second, the report stresses the importance of secondary prevention and screening services in order to delay disease and the period of disability in older age to the greatest possible extent.



Structuring NHS, social care, and central and local government plans systemically based on where the population will age in the future.

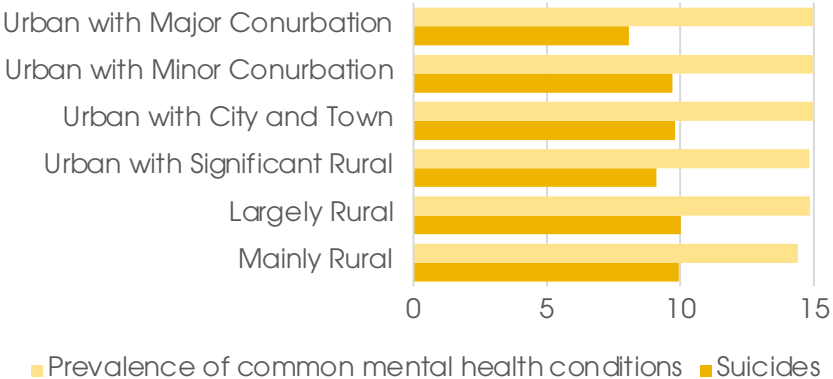


Prioritise secondary prevention and screening services, extending services to groups with reduced access and low uptake.

Recommendations A and C from the 'Chief Medical Officer's annual report 2023: health in an ageing society'

Number of suicides per 100,000 residents and prevalence of common mental health conditions

England local authority districts, number of suicides, 2023, share of population over sixteen with common mental health condition, per cent, 2017



Health challenges are exacerbated by social isolation and limited access to care.

The social and economic dynamics of rural life can compound the challenges faced by individuals experiencing bad health or long-term illnesses. A lack of social infrastructure can result in increased social isolation and reduced opportunities for residents to access practical assistance or emotional support during times of illness or recovery. Travel time and distance to healthcare services is a further barrier to rural residents getting better. Often, residents require overnight stays for appointments or procedures which would be a short visit for urban residents.

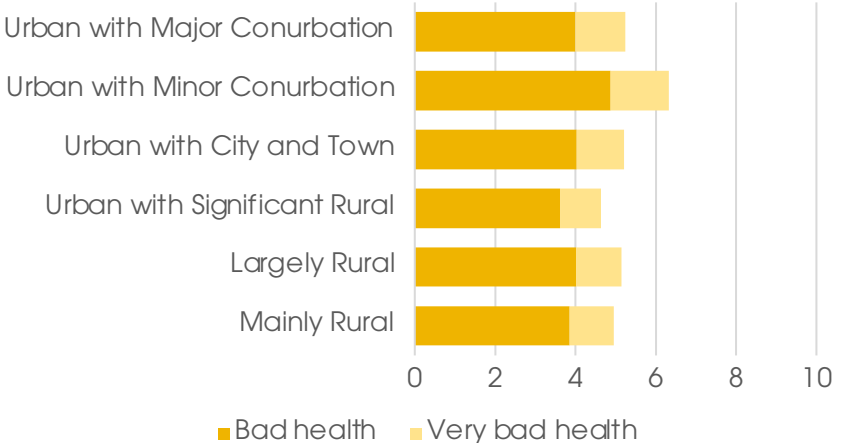
Where the availability of healthcare professionals is limited, there may be longer wait times for appointments and reduced continuity of care. This can impact the management and treatment of chronic illnesses, which require ongoing monitoring and support.

Mental health isn't always visible in statistics.

Rural residents often experience barriers to accessing mental health support, including long travel times to reach specialist support services and a shortage of mental health professionals.

Fourteen per cent of rural residents have diagnosed mental health conditions, a slightly lower proportion than those in non-rural areas. Yet rural areas have higher rates of suicide. This suggests stigma around mental health persists in rural areas, deterring individuals from seeking help and aggravating the impact of untreated conditions on well-being. The covid pandemic worsened existing mental health challenges, with communities experiencing heightened levels of anxiety, depression and loneliness.

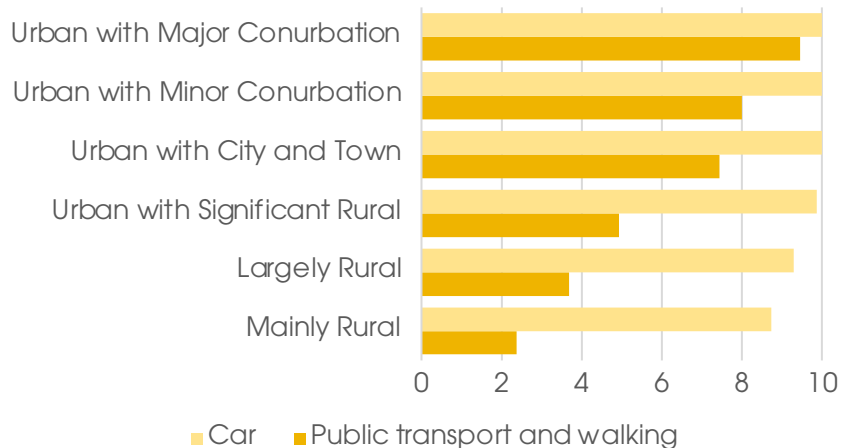
Share of population reporting bad or very bad general health
England local authority districts, 2021, per cent



Source: Office for National Statistics (bottom right)

Number of GPs available within 30 minutes of travel by mode of transport

England local authority districts, 2019



Shortage of medical staff remains a challenge for delivering local health services.

While there is a desire to deliver health and social care services locally, this is hindered by higher unit costs and spending requirements. Recruiting clinicians for rural surgeries and hospitals poses a significant challenge for health boards. Rural and more deprived areas of England are more likely to have a shortage of NHS dentists than other areas, with the top ten local authorities for shortages having higher than average levels of deprivation for a majority of residents living in rural areas.

The need for a wider range of expertise to meet the needs of smaller, rural practices and cottage hospitals, compounded by limited professional development opportunities, can make it trickier to attract healthcare professionals in rural areas.

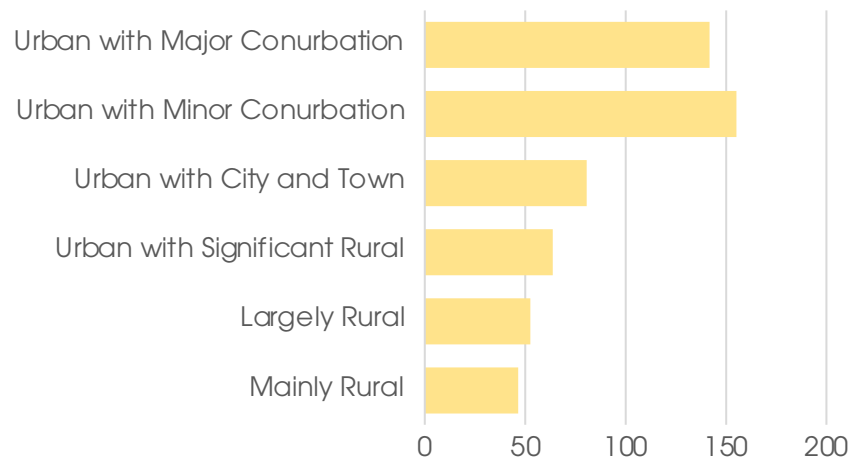
Addressing costly labour shortages should be a priority.

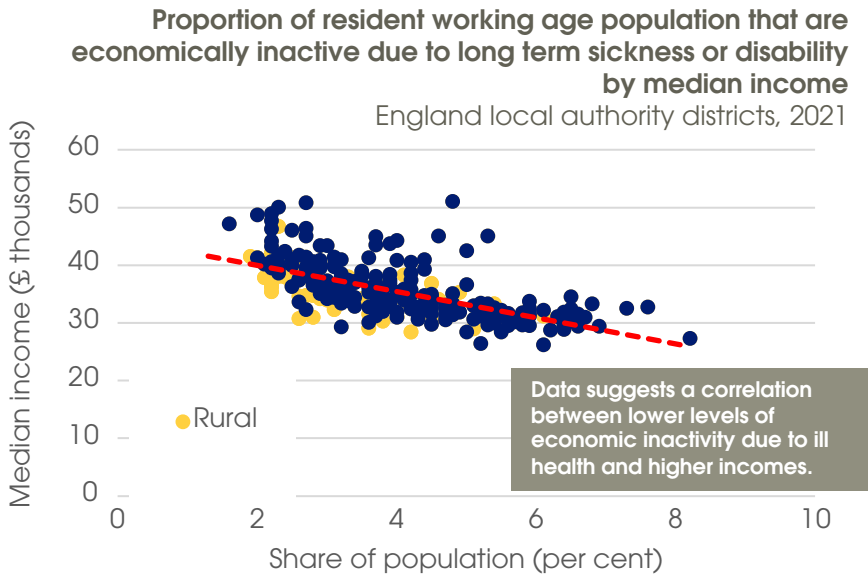
Rural hospitals and surgeries face challenges due to a smaller pool of workers to hire from, often requiring them to rely on more expensive locum and agency staff. Between 2020 and 2022, NHS trusts in England spent £3.2 billion on agency staff.

Young medical staff are more likely to work in urban centres close to where they studied, and to train in specialities at large teaching hospitals. Towns and cities also provide more convenient and affordable transport links for getting to and from work. Healthcare stakeholders suggested the development of career passports that emphasise the benefits of working in rural settings would be one way to attract more clinicians. In addition, leveraging second-career individuals such as pharmacy technicians transitioning to physician’s assistants could help mitigate some of the workforce.

Number of healthcare professionals per 1,000 residents

England local authority districts, 2023





Targeted policy interventions could attract staff and improve service delivery.

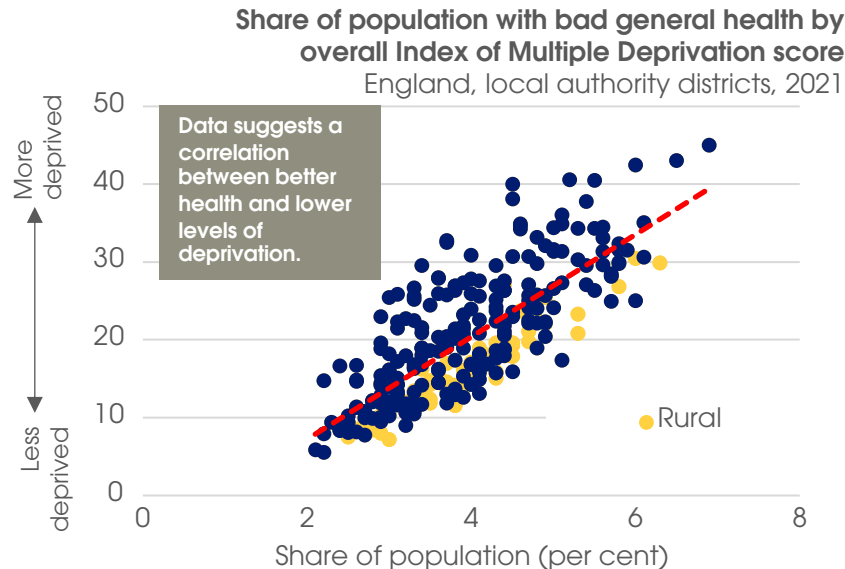
Stakeholders advocated for making clinical placements in rural areas a mandatory element of medical professionals’ training, in a similar way to trainee doctors undertaking surgical or accident and emergency rotations. By giving medical students the experience of working in a rural setting, they may be more inclined to consider it as an attractive option once they have completed their training. There is also a desire to break down silos between sectors to improve the overall health and well-being of residents, with a particular focus on social prescribing.

It was suggested that the democratisation of local communities in rural health service making decisions, and better leveraging of eMedicine, could enhance delivery. If more services could be delivered virtually – where appropriate, for those who want it and have the digital connectivity to access it – some of the barriers to services like travel times, could be reduced.

Strategic investment would allow for more integrated and localised health and social care.

Rural health and social care issues are intertwined with employment, housing, connectivity, and fairer funding. The older demographic profile of rural areas means that core social services must be more fairly funded, with NHS budgets re-allocated from centralised hospital provision to preventative community services. Failure to do so could result in an older population making calls on secondary health services that will become permanently unaffordable. The health and social care sector also offers business and employment opportunities, but they must be of good quality to encourage productivity growth.

Stakeholders believe increased government funding for health and social care services in rural communities can be sustainable if delivered effectively. Long-term challenges, such as the political nature of NHS funding decisions, requires stable leadership and strategic investments.






A better- connected economy

In this section, we explore a further three of The Rural Coalitions ten-year aspirations for the rural economy:

- Businesses and households can all connect to next generation digital networks.
- Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.
- Young people can choose from a broad range of post-sixteen education courses, taught within a reasonable and affordable journey from home.

Improved connectivity can facilitate growth

	<p>Businesses and households can all connect to next generation digital networks.</p>
	<p>Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.</p>
	<p>Young people can choose from a broad range of post-sixteen education courses, taught within a reasonable and affordable journey from home.</p>

The Rural Coalition's ten-year aspirations

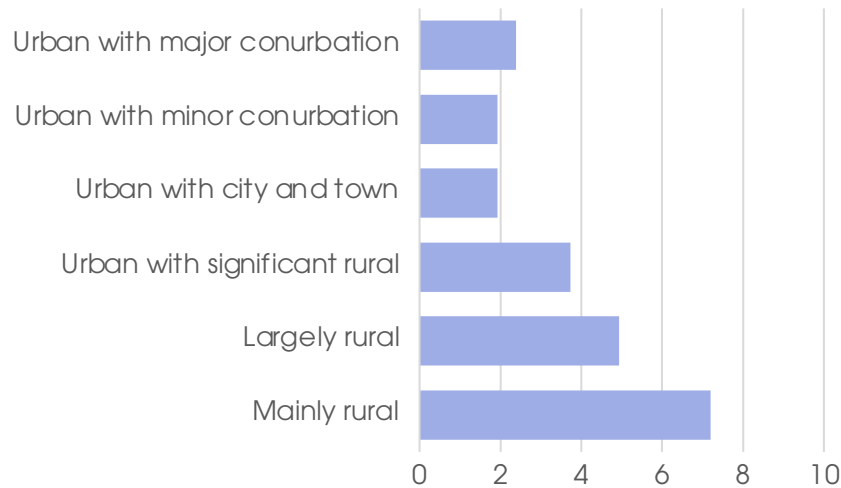
Working to address the existing challenges with digital connectivity, local transport networks, and access to education is essential to boost rural productivity rates.

Ensuring connectivity to next-generation digital networks is essential for both businesses and households in rural areas. By bridging the digital divide and providing access to high-speed internet, more rural communities can harness the benefits of digital innovation, from enabling remote work and e-commerce, to enhancing education and healthcare services. Increasing digital connectivity can not only help boost productivity but can also support economic growth and social inclusion in rural England.

Improving local transport networks using new technologies and flexible transport models will be key to enabling more rural residents to access employment centres and essential services including healthcare. By improving the existing transport infrastructure and implementing innovative solutions such as on-demand services and shared mobility, rural communities can overcome some of the geographical barriers and improve residents' physical connectivity, increasing their economic opportunities and improving their quality of life.

Providing access to a diverse range of post-sixteen education courses within a reasonable and affordable journey from home is key to empowering young people in rural areas. By offering more educational opportunities closer to home, or through remote or hybrid learning, rural communities can retain talent, support life-long learning, and strengthen the local workforce. Investing in accessible education pathways not only equips young people with the skills needed for future success, but also helps create a more vibrant rural workforce.

Proportion of households unable to access 30 Mbit/s
England local authority districts, 2022, per cent



Mobile broadband is important to many rural businesses and households.

For businesses operating in mobile settings, or locations where fixed broadband is impractical, mobile internet is essential. For businesses such as food vans, tour guides, or forestry companies, their ability to accept card payments, for example, hinges on having a reliable 4G signal.

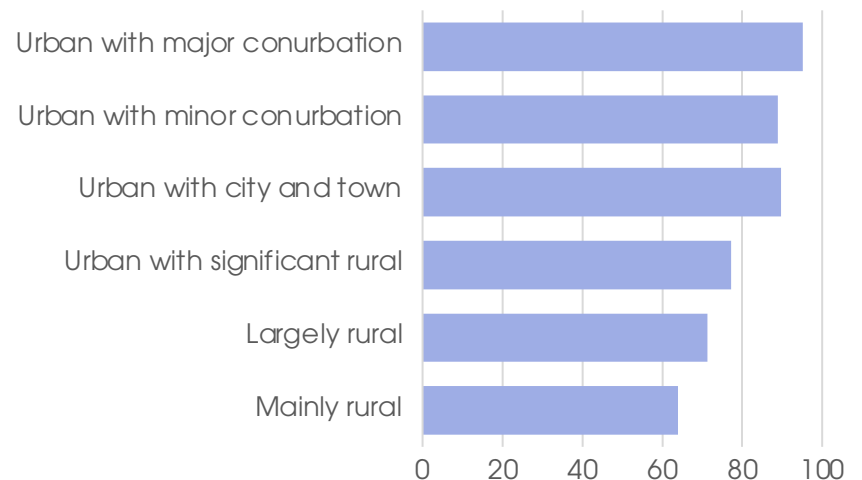
Mobile internet can also be used as an alternative to a fixed line connection by households unable to access superfast fibre or gigabit broadband. But taking advantage of this option requires a strong and reliable 4G or 5G connection indoors. Currently, a third of mainly rural local authorities cannot access 4G indoors.

Poor digital connectivity is holding back communities.

Ongoing digital connectivity challenges persist in rural areas, particularly when it comes to accessing essential services and information. As with green economy opportunities, the vulnerability and capacity constraints of the electricity networks serving rural areas can impact on digital service provision. As an increasing number of services move online, for example Universal Credit claims or appointment scheduling, poor broadband and a lack of digital skills is disadvantaging some households, as is the cost of hardware and connectivity.

Although rates of remote working have fallen back since the pandemic, there appears to have been a permanent shift towards higher levels of hybrid and remote working. This provides an opportunity for some workers to live in rural areas while still undertaking 'city' jobs. To take advantage of these new work options, a reliable internet connection is essential. Currently, seven per cent of households in the most rural authorities struggle to access broadband download speeds of 30 Mbps.

Proportion of premises with access to 4G signal indoors
England local authority districts, 2022, per cent

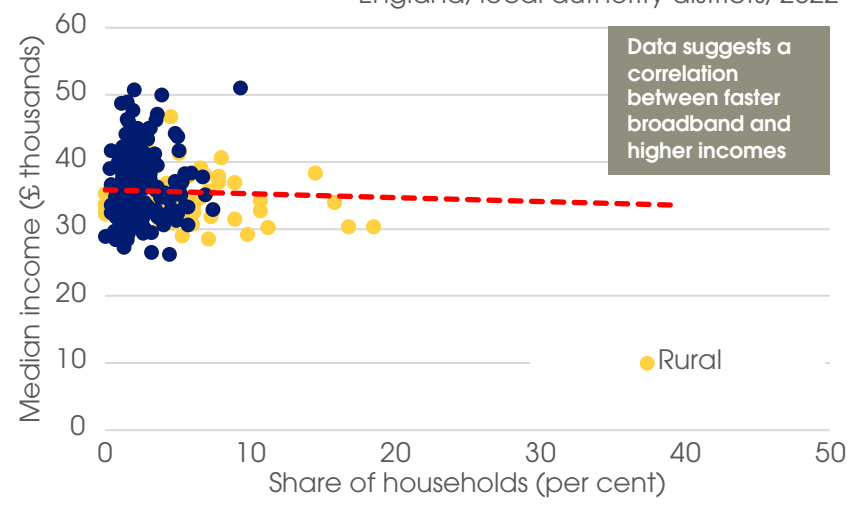


Better digital networks could strengthen economies.

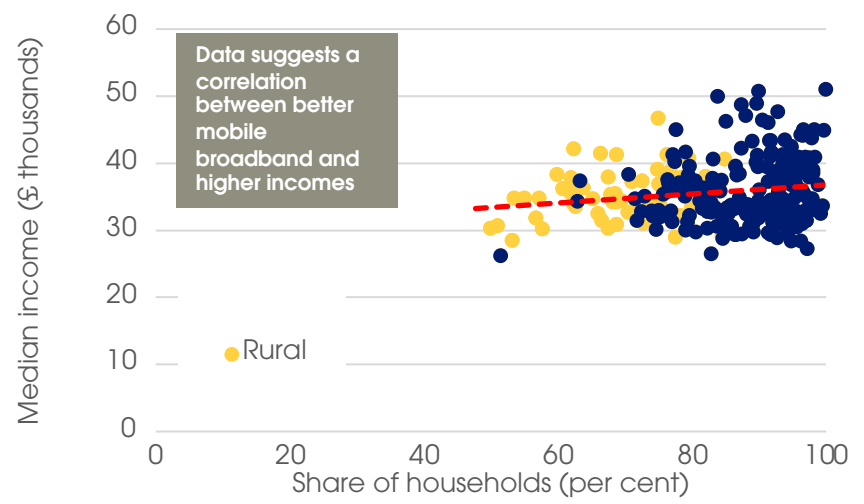
Access to superfast internet impacts on all other aspirations to grow rural productivity. Without universal digital coverage, both government and commercial reliance on a 'digital by default' approach to delivery of public and commercial services, including health and education, will not happen. It will require unaffordable 'exceptions' to continue to be supported by government finances.

To address digital connectivity challenges, stakeholders would like to see the provision of satellite broadband to remote properties, including trial sites on remote islands and historic locations. Additionally, they would like to see future monitoring of monopoly provision in rural broadband being carried out by an appropriate agency, to ensure fair competition and safeguard consumer welfare. In addition, there were requests to prioritise digital 'not spots', before areas with existing superfast provision are upgraded to gigabit. Investment in digital skills will also be key.

Proportion of households unable to reach 30 Mbit/s by median income
England, local authority districts, 2022



Proportion of premises with 4G signal indoors
England, local authority districts, 2022



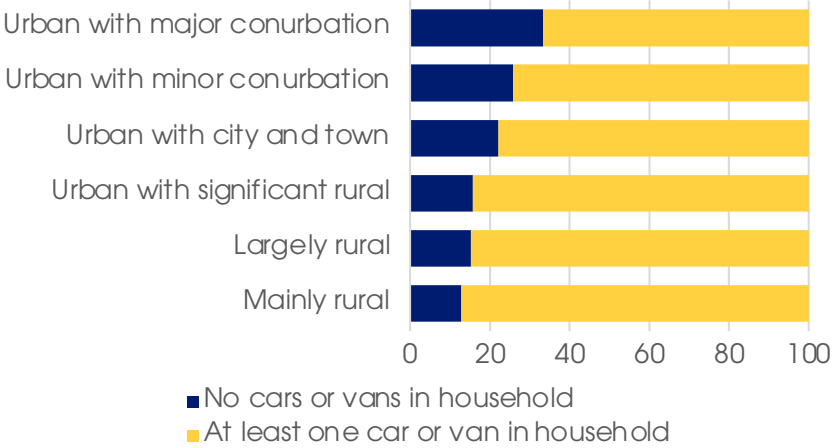
Enhanced broadband and mobile coverage is key to rural development, education, and access to services.

There is also a need to provide support for improving digital skills to help rural residents who struggle with literacy and numeracy access services and information online. Improved broadband infrastructure would allow rural communities to take better advantage of the opportunities presented by changed work patterns. It also offers the opportunity for young people to study remotely, without having to move to more urban areas for further education.

Expanding high-speed mobile data coverage would empower businesses in the remotest communities to grow and innovate. Providing universal 4G and 5G coverage would offer an alternative to households and premises who are unable to access fixed-line services.

Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.

Car or van availability in a household
England local authority districts, 2019,
per 1000 usual residents, per cent



Reliance on cars can exacerbate social isolation.

The reliance on car ownership in rural communities highlights the disparity in transport infrastructure in rural and non-rural areas. While non-rural residents may have access to comprehensive public transport networks, rural residents often have to contend with limited or infrequent bus services and distant train stations. This is particularly challenging for those who undertake shift work, or who work unsociable hours. Without adequate transport options, rural residents may find themselves unable to participate fully in economic and social activities.

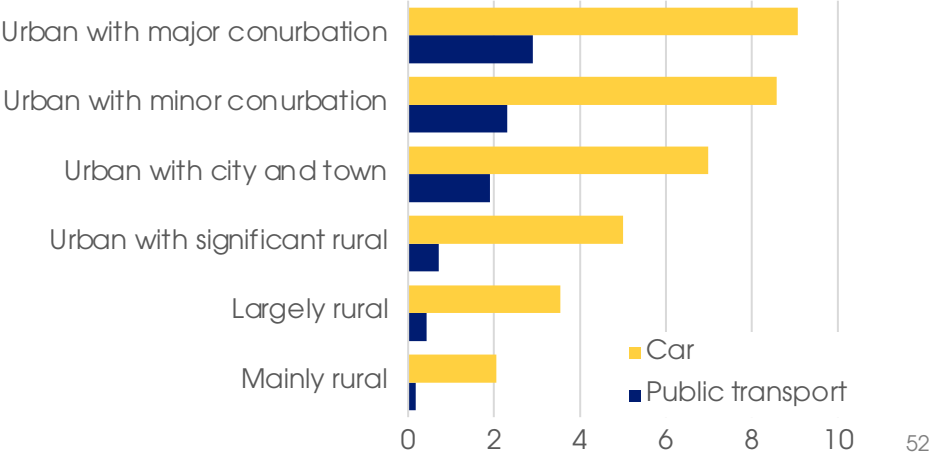
Additionally, a lack of reliable public transport exacerbates issues of social exclusion and inequality in rural areas. Those who cannot afford a car or are unable to drive due to age or disability face significant barriers to accessing employment and essential services.

Limited public transport hinders access to employment and essential services.

In sparsely populated areas of the country, the demand for public transport often falls short of the level required to sustain commercially viable services. Where there is public transport, journeys are often expensive, infrequent, and require multiple connections. The challenges of rural transport are connected with those facing young people, health and social care services, and economic aspirations that aim to grow productivity.

Without sufficient financial support, many communities are left without adequate public transport connections, forcing residents to rely on private vehicles for accessing essential services, employment, and healthcare. This makes it impractical for rural residents without a car to access employment opportunities or services far from home. Rural households often face the additional burden of having to own and maintain multiple vehicles, many of which are older and less environmentally friendly.

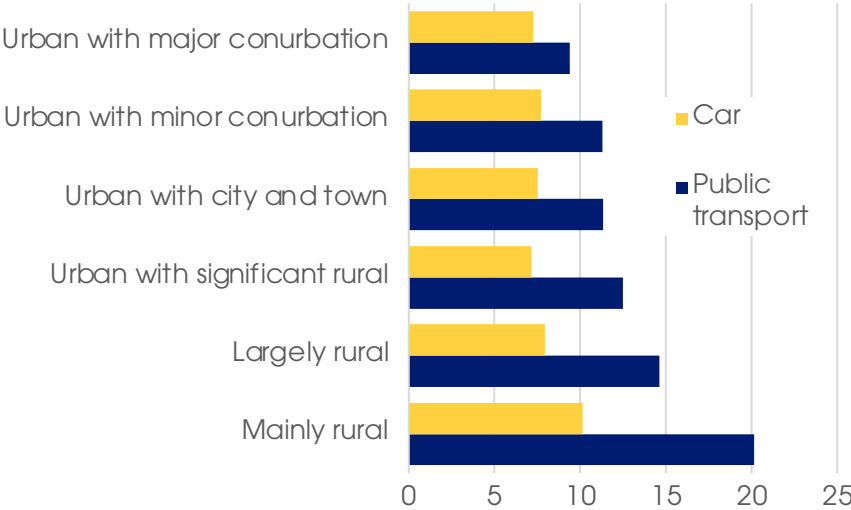
Number of large employment centres within 30 minutes using public transport or car
England local authority districts, 2019



Source: Office for National Statistics (top left); Department for Transport (bottom right)

Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.

Travel time to nearest GP using public transport or car
England local authority districts, 2019, minutes



Poor transport can have knock-on health implications.

The consequences of poor public transport on healthcare access in rural areas can be significant, leading to delayed medical appointments, reduced preventative care, and limited access to specialist services. For some residents, the prospect of lengthy journeys and the need for overnight stays to attend appointments further exacerbate the challenges. This not only impacts individual health outcomes but also places additional strain on local healthcare systems.

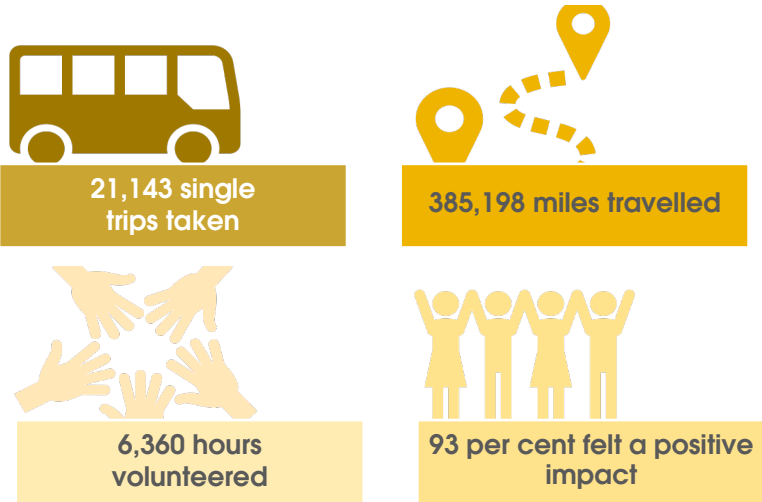
Addressing the deficiencies in rural transport networks is therefore crucial not only for improving access to healthcare facilities but also for enhancing the overall wellbeing and quality of life for rural communities.

Volunteers are filling in some of the transport gaps.

Volunteers and community-led schemes play a vital role in bridging the gaps left by inadequate transport infrastructure. Volunteer-run initiatives such as community minibus services, car share schemes, or on demand pick-ups provide essential mobility solutions for residents, particularly for those who are elderly, disabled, or lack access to a private vehicle. These services not only facilitate access to essential services like healthcare and employment but also foster a sense of community cohesion and support.

Volunteers in rural areas demonstrate communities’ commitment to addressing local transport challenges, often stepping in to operate services where commercial operations weren’t viable. But the reliance on volunteers has its risks, especially as people are required to work longer before retiring or have less capacity due to personal circumstances.

Key milestones from Community Transport Association’s eighteen community transport pilot projects



Source: Department for Transport (top left); Community Transport Association (bottom right)

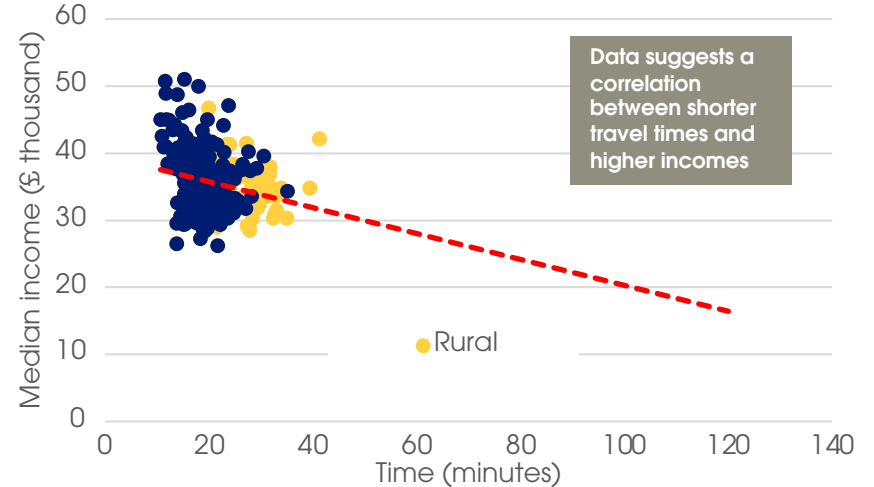
Local transport networks, using new technologies and involving flexible transport models, enable all residents to reach employment centres and key services, not least healthcare facilities.

Alternative thinking is required for rural transport.

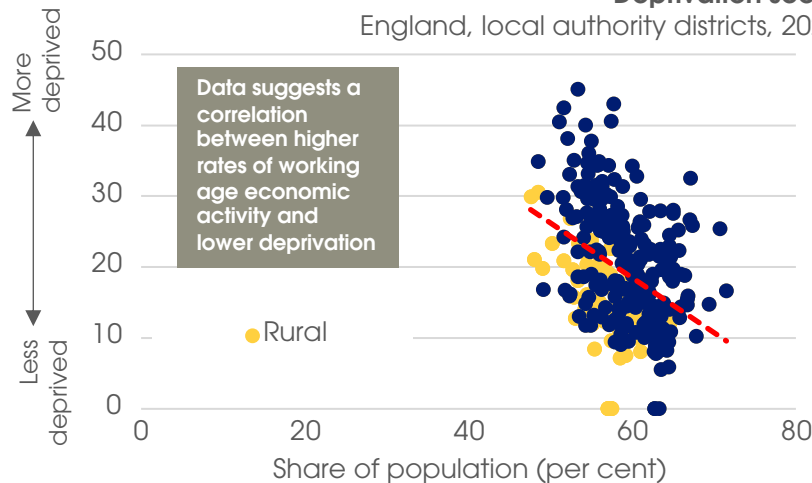
Urban models of public transport provision are rarely appropriate for sparsely populated communities, but instead, rural communities provide the opportunity to develop and pilot smaller-scale transport solutions tailored to local needs.

Investing in new technologies and flexible transport models, with subsidies reflecting the broader socio-economic and environmental advantages, would enable more rural residents to commute to work, access local services, and pursue further education and training opportunities. This would reduce emissions and enable connections between businesses and a larger pool of workers. Given transport's contributions to remaining carbon emissions, achievement of 2030 and 2050 net zero targets will be increasingly difficult to reach if rural people do not have good quality, reliable, long term access to low carbon public transport.

Travel time to nearest town centre using public transport by median income
England, local authority districts, 2019



Proportion of resident working age population that are economically active by overall Index of Multiple Deprivation score
England, local authority districts, 2023



Providing accessible, affordable public transport options is key to combatting mobility challenges.

Improved public transport infrastructure in rural England could have significant positive impacts on residents' access to employment opportunities, healthcare services, and essential amenities. By providing more reliable and efficient transport options, rural residents gain easier access to employment centres located further away from their homes. This not only expands the available job opportunities but also reduces barriers to employment for those without access to private vehicles.

The access to healthcare facilities that better public transport connectivity provides means healthier rural residents, with improved quality of life. For those of working age, better health may allow them to re-enter the workforce. For other residents, better access to preventative medicine and early identification of illness can reduce pressures on health services in the long run.

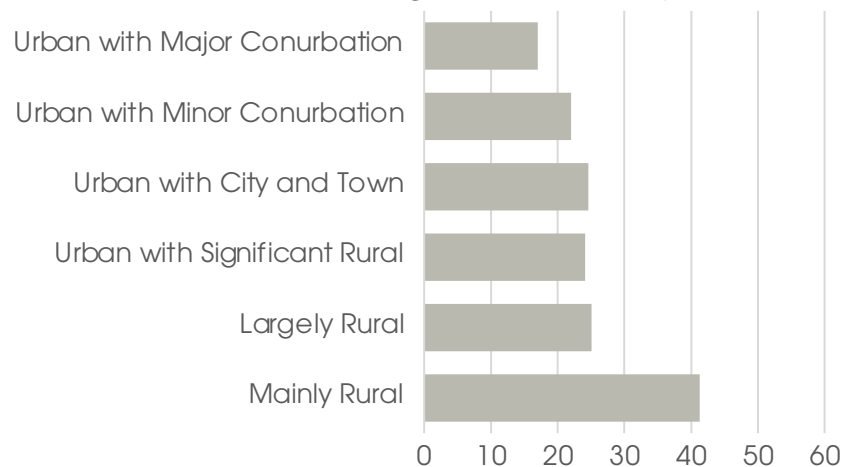
Geographical isolation poses challenges for rural young people accessing post-sixteen education.

The location of further or higher education campuses impacts the provision of courses they can provide, with a reduced number of potential students to take up places on courses, and access to public transport exacerbating the issue. Fewer travel options can hinder young peoples’ access to education and training. Because of this, students often face longer travel times, are required to spend more on getting to and from college or need to rely on lifts from friends and family.

Consequently, just under 40 per cent of rural sixteen to 24-year-olds are in full-time education, and one in every twenty young people in rural England are not in education, employment or training. Geographical constraints and poor public transport links can contribute to staff recruitment and retention challenges, too, with teaching staff facing longer commutes and increased costs.

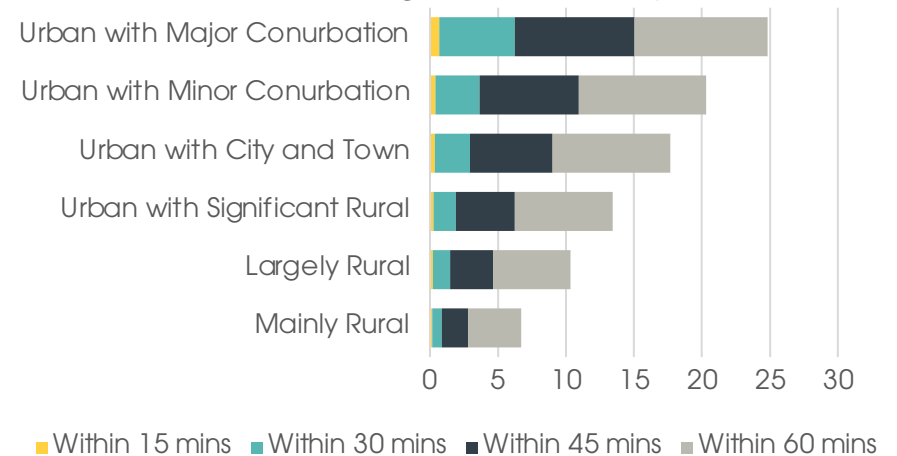
Travel time to nearest further education colleges by public transport and walking

England local authority districts, 2019



Number of further education colleges available when using public transport/walking

England local authority districts in, 2019



Limited options contribute to outward migration.

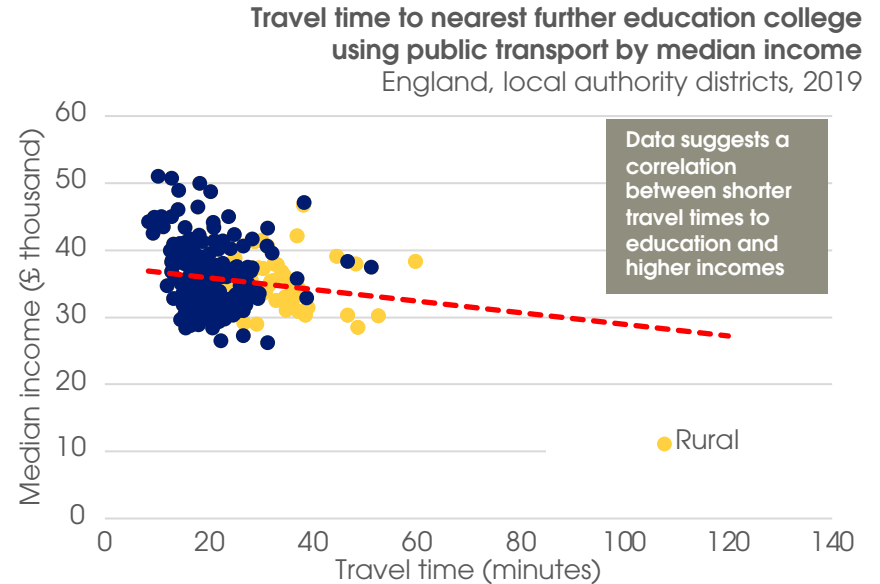
The challenges facing the provision over post-sixteen education opportunities are inter-related with housing, skills, lower productivity, and local transport. A lack of local employment opportunities further compounds the problem, discouraging school leavers from pursuing further education and perpetuating a cycle of limited aspirations and lower community morale. As a result, many young people opt to migrate to urban areas for further education and employment prospects, leading to a drain of talent from rural regions.

Without investment in this area, social mobility will continue to move backwards in rural areas, productivity will remain low and demographic change will accelerate due to younger people continuing to move away for opportunity. The existing challenges of the cost of an ageing rural population will grow to even greater levels.

Education accessibility can be enhanced through remote and hybrid learning.

To effectively address the challenge of ensuring that young people in rural areas have access to a diverse range of post-sixteen education opportunities, several solutions can be explored. One approach is to invest in expanding access to online learning platforms. By leveraging digital technology, rural students can access high quality educational resources and courses from their own homes. This not only broadens their educational options but also removes the barrier of geographical distance, making it possible for them to participate in courses offered by institutions located elsewhere.

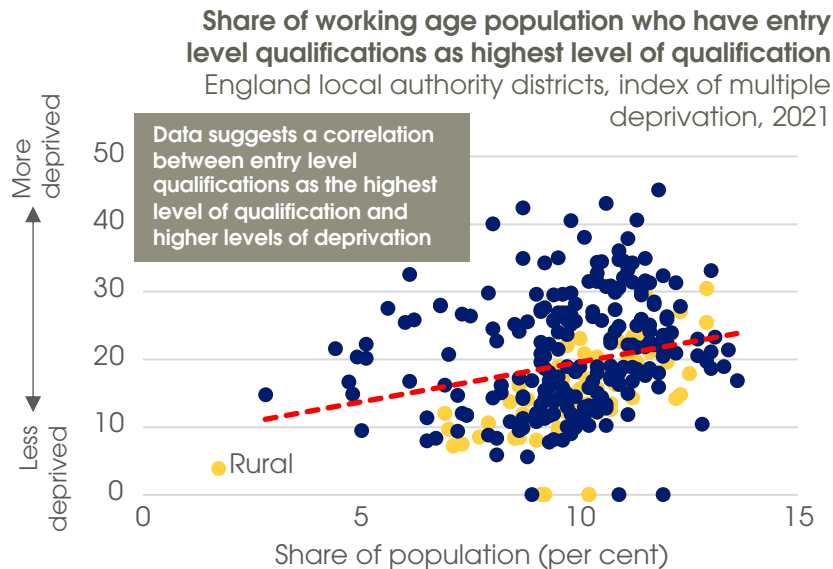
Additionally, establishing satellite campuses of educational institutions in rural areas can greatly enhance accessibility to post-sixteen education. These satellite campuses can offer a variety of courses tailored to the needs and interest of young people and local employers.



Improving access to post-sixteen education would benefit communities and boost economic growth.

Access to a diverse range of post-sixteen education courses within a reasonable distance from home would empower young people because of greater educational opportunities, enabling them to pursue their academic interests and career aspirations without the need to relocate to urban areas. By staying within their local area, young people contribute to the preservation of their communities and strengthen social cohesion.

Facilitating access to post-sixteen also fuels economic growth. As more young people attain higher qualifications and acquire specialised skills, the rural workforce becomes more competitive and adaptable to the evolving demands of the modern economy. The growth in skilled labour can attract new businesses, fostering innovation and entrepreneurship. And by retaining talented individuals, there is a multiplier effect whereby local businesses benefit from increased consumer spending.



Communities empowered to deliver

In this section, we explore The Rural Coalitions final two ten-year aspirations for the rural economy:

- Public services and agencies are fairly funded, with the additional costs of delivery in sparsely populated areas fully recognised and taken into account.
- Local communities are empowered to take more decisions themselves, with enough resources to enable them to improve facilities or tailor services to match their needs.

Getting governance right is catalyst for change

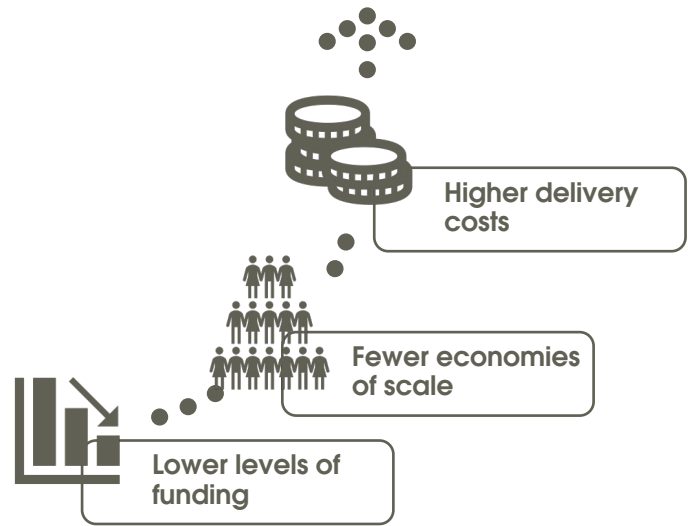
	<p>Public services and agencies are fairly funded, with the additional costs of delivery in sparsely populated areas fully recognised and taken into account.</p>
	<p>Local communities are empowered to take more decisions themselves, with enough resources to enable them to improve facilities or tailor services to match their needs.</p>

The Rural Coalition’s ten-year aspirations

More effective governance has the potential to help narrow the productivity gap between rural and non-rural areas. By prioritising fairness and local autonomy, central government can lay the groundwork for a more productive, inclusive, and resilient rural economy.

If the rural economy is to reach its productivity potential, there is a need to acknowledge the unique challenges and circumstances faced by rural areas and develop a system which allocates funding accordingly to support their sustainable development and prosperity. In rural areas of England, the challenge of achieving satisfactory returns on investment, both socially and commercially, is amplified due to greater distances and smaller markets. Delivering services or capital projects frequently incurs higher costs in comparison to non-rural areas, and often the capacity to deliver capital schemes and programmes, as well as bidding into competitive revenue funding streams, can be a challenge. There is an urgent need to distribute resources equitably, but also to address the systemic funding discrepancies needed to alleviate the financial pressures faced by rural communities. Without fair funding, cost-cutting through service level reductions, closures, and centralisation of local services by the public sector will likely continue. Inaccessible services will lead to a more unbalanced community, a reduced local workforce, and ultimately increased costs for public services. Regeneration and delivery of all services, for example planning, will become harder as local government’s capacity is hollowed out.

Giving communities, local authorities, towns, and parish councils more control over decision-making promotes social cohesion and strengthens community bonds, as residents and local government work together towards common goals and priorities. Elected local representatives are integral to facilitating community empowerment and empowered communities are better positioned to pursue sustainable development practices that prioritise environmental conservation, resource management, and resilience to external challenges. Empowering local communities, if effectively supported, presents a clear opportunity to leverage local resources and commitment to help increase productivity. Community wealth building and place-based, community led solutions can pay back far more than the cost of catalysing them.



Rural funding challenges

Residents in rural areas face higher expenses, receive fewer services, and, on average, earn less than urban residents

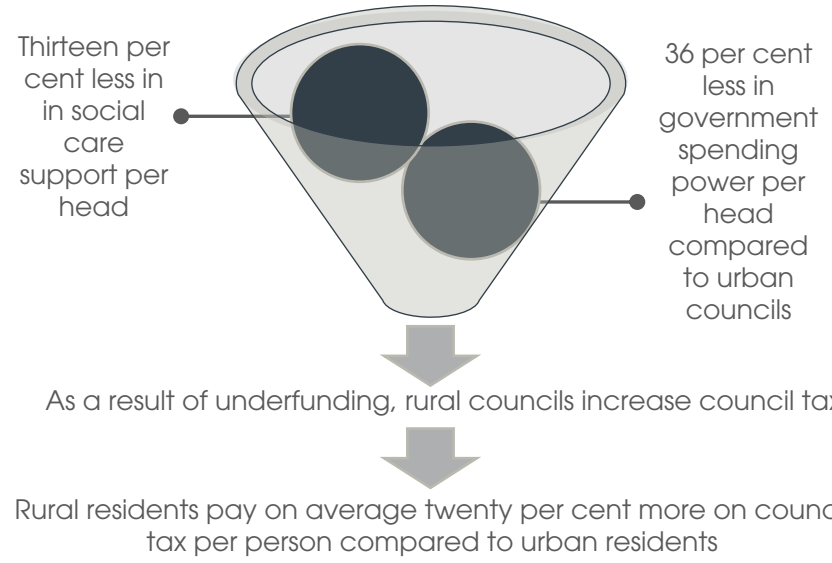
For the year 2024/25, the final local government finance settlement means that urban local authorities will receive £141.71 more (36 per cent) per head in government funded spending power in comparison to rural authorities. Underfunded rural councils have had to increase council tax to balance budgets which have resulted in rural residents paying £112.33 more (twenty per cent) on average per person on council tax compared to urban residents.

Rural residents face a disproportionate burden. There is an urgent need to equitably distribute resources, but also to address the systemic funding discrepancies to alleviate the financial pressures faced by rural communities. Public sector funding must be fairly funded to recognise and effectively address the additional costs of delivering services in rural areas.

Delivering services and upgrading infrastructure can be challenging and costly.

In rural areas of England, the challenge of achieving satisfactory returns on investment, both socially and commercially, is amplified due to greater distances and smaller markets. In addition, popular rural tourist areas experience seasonal spikes in demand, further driving up costs. Delivering services or capital projects often incurs higher costs in comparison to non-rural areas. This is primarily due to the lower population density and larger geographical areas covered, resulting in higher unit costs for delivery.

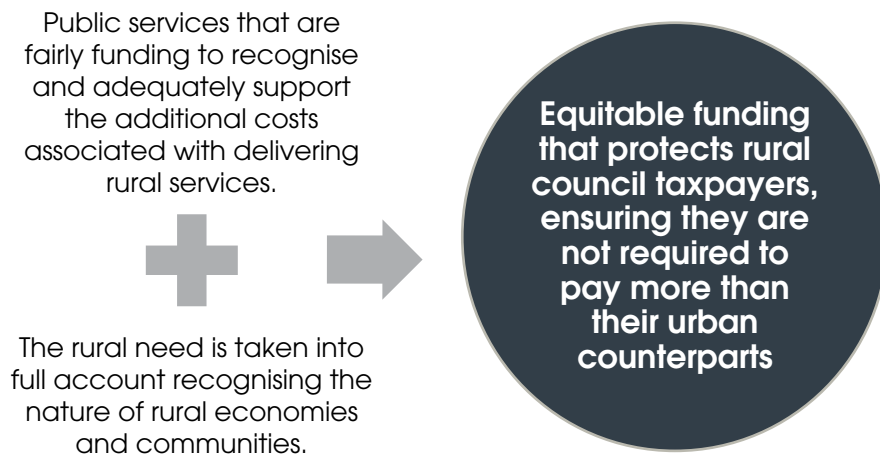
While some of the benefits of non-rural authorities are partly offset by congestion costs and higher wages, they benefit from economies of scale that rural areas, by their very definition, will always lack. Often, rural councils and their delivery partners lack the capacity to deliver capital schemes and programmes, as well as bidding into competitive revenue funding streams.



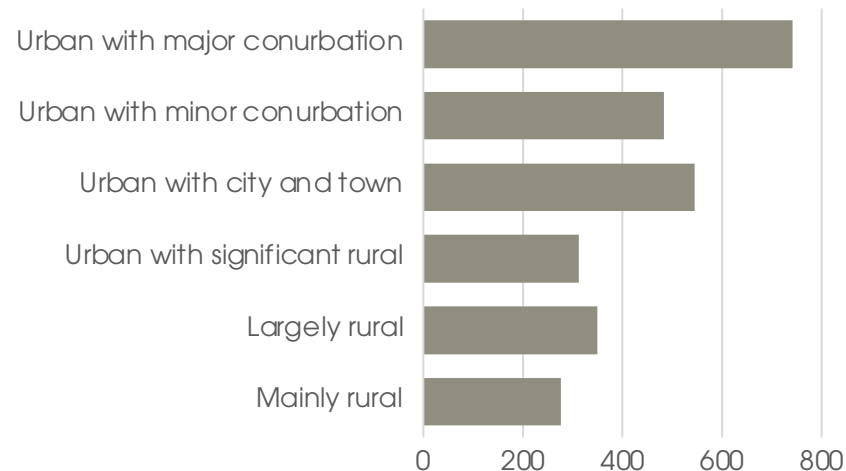
Achieving similar outcomes in rural areas requires higher expenditure to non-rural.

If the rural economy is to reach its productivity potential, there is a need to acknowledge the unique challenges and circumstances faced by rural areas and develop a system which allocates funding accordingly to support their sustainable development and prosperity.

When assessing the costs and benefits of rural investment, there are a few options which could be beneficial. For example, central government could implement 'sparsity normalised costs' in project appraisals, to ensure rural communities receive fair consideration for funding, ensuring projects with similar outcomes in both rural and non-rural areas are evaluated equally. In addition, there is room for greater acknowledgement of the unique impact of transformational projects in rural communities when undertaking cost benefit analysis of proposals.



Local authority capital expenditure
England local authority districts, 2022-23, £ per head



In times of reduced expenditure, it is crucial to redistribute available resources fairly.

It's crucial to thoroughly consider the unique requirements of rural areas, encompassing the nature of rural economies and communities. This ensures that any resultant measures are targeted to address rural specific challenges and accurately reflect the needs of rural areas.

Challenges of fair funding are interconnected with the economy, transport, health and social care, and housing. Without fair funding, cost-cutting through closure and centralisation of local services by the public sector will continue. Inaccessible services will lead to a more unbalanced community, a shrinking local workforce and ultimately, increased costs for public services. Regeneration and delivery of all services, for example planning, also becomes harder as local government capacity is reduced.

Empowered communities can deliver growth

“Rural communities can deliver – given the right engagement and certainty.”

Rural housing stakeholder

“A community-centred approach integrated with effective planning strategies is essential for sustainable development.”

Rural academic stakeholder

Empowering local communities in rural England would lead to more responsive governance, stronger communities, and sustainable development that supports the long-term prosperity and well-being of residents.

The previous nine aspirations present risks, especially if the challenge of achieving them is not met. But empowering local communities, if effectively supported, presents a clear opportunity to leverage local resources and commitment to help achieve all the other aspirations. Community wealth building and place-based, community led solutions can pay back far more than the cost of catalysing them.

Community empowerment is inter-related with business, especially community business, housing, transport, public services, and the green economy. With more control over decision making, local communities would have the autonomy to design services to meet their specific needs, leading to more effective and efficient delivery of services such as healthcare, education, and public transport. With sufficient resource and appropriate devolution, local government and their communities could invest in infrastructure projects to improve facilities, enhancing the overall quality of life for residents. Empowering communities fosters a sense of ownership and responsibility among residents, encouraging greater participation in local decision-making processes and community initiatives. It can spur economic growth by enabling communities to support local businesses, attract investment, and create job opportunities tailored to their unique strengths and assets.

Giving communities and local councils more control over decision-making also promotes social cohesion and strengthens community bonds, as residents work together towards common goals and priorities. Empowered communities are better positioned to pursue sustainable development practices that prioritise environmental conservation, resource management, and resilience to external challenges. Stakeholders we spoke with emphasised that communities are comprised of individuals, representing a broad spectrum of interests and affiliations. Communities shouldn't be viewed as obstacles, provided they are actively engaged in the decision-making process.

Policy principles outline route to aspirations

The OECD's principles on rural policy seek to help member countries deliver better policies for better lives. The Rural Coalition's policy principles echo the same sentiment.

The principles on rural policy encapsulate over two decades of the OECD's efforts in rural development. They are based on the idea that place based policies should:

- Deliver well-being to all
- Be supported by effective multi-level governance and community-led development
- Equip rural areas to adapt to technological, demographic, and environmental shifts
- Tackle the range of challenges and opportunities encountered by rural areas
- Rely on sound evidence and data at an appropriate scale.

In a similar vein, The Rural Coalition has identified nine policy principles that if enacted, would bring about the change needed to fulfil the ten-year aspirations for rural England. Under such principles, rural policies would acknowledge the multifaceted nature of rural communities as a desirable place to live, work, establish businesses, raise a family, and age, emphasising well-being across the many different dimensions as outlined in the ten-year aspirations.

The Rural Coalition's policy principles

- Devolve decision-making powers closer to communities.
- Design services to meet rural need.
- Adapt and mitigate for climate change.
- Create the conditions for a prosperous rural economy.
- Invest in rural infrastructure that is fit for the future.
- Ensuring fair funding which takes proper account of rural costs.
- Demonstrate leadership by producing a comprehensive rural strategy.
- Support the key contribution of the voluntary and community sector.

The OECD's principles on rural policy

- Deliver policies at the right geographic scale
- Align strategies to deliver public services
- Strengthen social, economic, ecological and cultural resilience
- Support entrepreneurship and job creation
- Leverage the benefit from globalisation, trade and digitalisation
- Adapt a whole-of-government approach
- Support rural-urban inter-dependences
- Monitor policy outcomes
- Promote inclusive development

Tangible results with fulfilment of aspirations

Fulfilment of ten-year aspirations	Business as usual
<ul style="list-style-type: none"> • Sustainable green jobs • Upskilled workforce • Enhanced healthcare delivery • Improved transport system • Increased digital connectivity • Greater access to social housing • Empowered local communities • Fairer funding 	<ul style="list-style-type: none"> • Unfulfilled potential • Inadequate place shaping • 'One-size-fits-all' approach to policy • Individual targets rather than rounded approach • Limited rural proofing

Achieving the aspirations set out by the Rural Coalition holds the promise of empowering rural communities to realise their full productivity potential.

Failure to fulfill the aspirations set out by The Rural Coalition would see rural communities unable to meet their productivity potential. Inadequate place shaping and a 'one-size-fits-all' policy approach risks stifling the unique character and needs of rural communities, depriving them of the benefits inherent to their identities. With policy frameworks favoring individual targets over a holistic approach, the nuanced challenges of rural areas may go unaddressed, exacerbating the rural-urban divide. Moreover, the lack of emphasis on true levelling up in policy formulation further marginalises rural communities, perpetuating disparities in access to opportunities and resources. Without decisive action to fulfill The Rural Coalition's ten-year aspirations, rural England faces a future marred by missed opportunities and widening socio-economic divides.

In envisioning rural England ten years from now, the realisation of the Rural Coalition's aspirations promises a transformative landscape. With skilled workforce development and robust financial support for local businesses, communities flourish, fostering sustainable green jobs that underpin a thriving economy. The farming sector reinforces itself as a steadfast pillar of rural prosperity, bolstered by strategic investments and sustainable practices. Enhanced local health services ensure the well-being of residents, while a devolved transport system facilitates mobility. An uptick in rural post-sixteen education and training propels rural communities towards greater prosperity and opportunity. Prioritising the creation of social and genuinely affordable housing addresses housing affordability challenges, fostering inclusive communities. Increased digital connectivity bridges geographical divides, empowering rural residents with access to opportunities and resources. Together, these outcomes paint a picture of a rejuvenated rural England, characterised by resilience, inclusivity, and prosperity, with a rural economy able to reach its productivity potential.

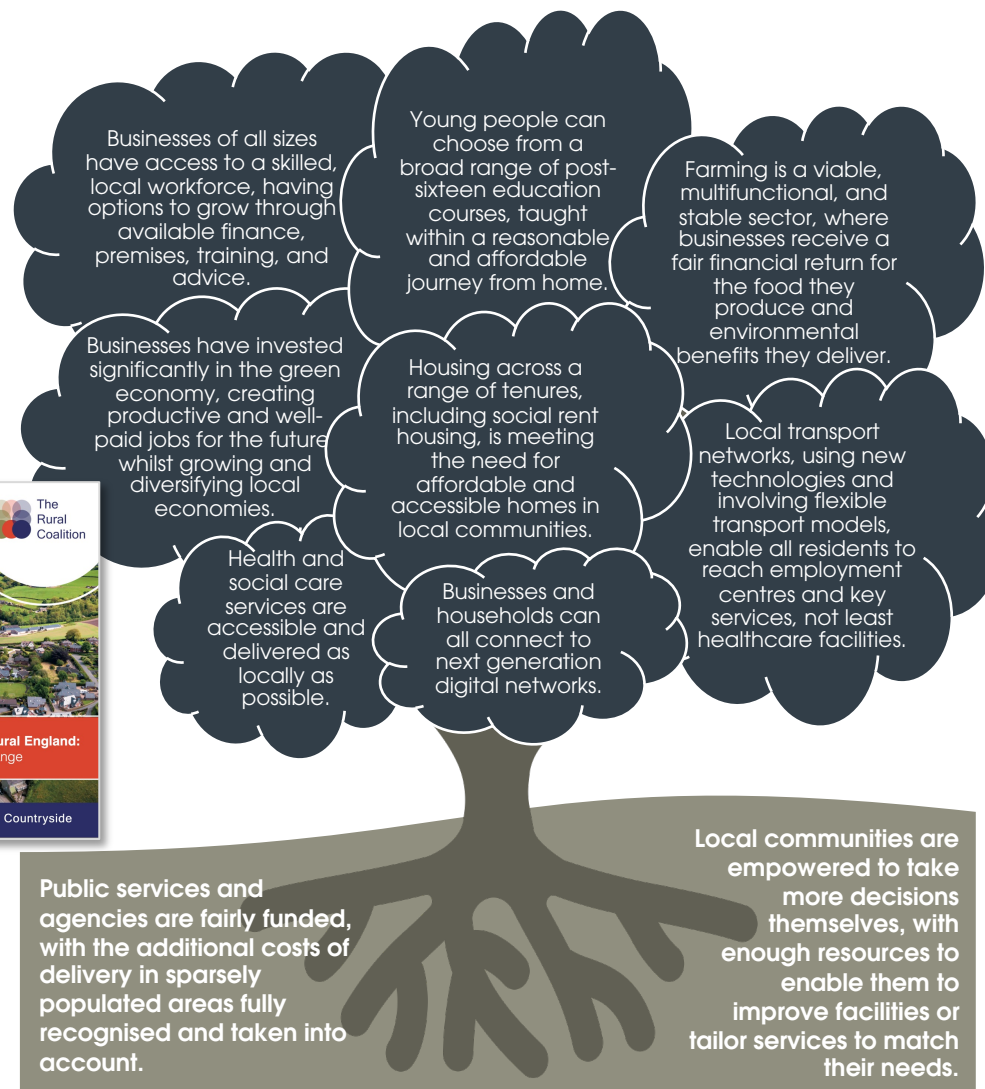
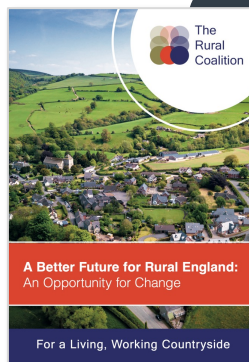
Change won't happen in isolation

Intervention is required across all policy areas, underpinned by fair funding, and local decision making.

There are a multitude of challenges and opportunities inherent in narrowing the productivity gap between rural and non-rural areas in England. Recognising the complexity and interconnectedness of the issues is pivotal.

Businesses will not have access to skilled workers if there are not homes to house them or education and training accessible to them. Young people cannot take advantage of green job opportunities if courses aren't accessible, or the transport networks aren't adequate to get them there. Health and social care services can't be delivered locally if there aren't the workers living in rural areas because housing is unaffordable for them.

By implementing policy changes to help achieve The Rural Coalition's ten-year vision set out in its roadmap, 'A Better Future for Rural England: An Opportunity for Change', rural communities have the potential to narrow the productivity gap with non-rural areas, while contributing more to the entire nation's economic prosperity.



Pragmatix Advisory Limited

enquiries@pragmatixadvisory.com

020 3880 8640

pragmatixadvisory.com

Registered in England number 12403422

Registered address: 146 New London Road, Chelmsford, Essex CM2 0AW

VAT Registration Number 340 8912 04