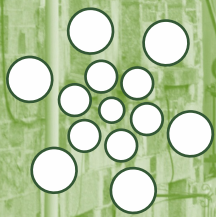




**RURAL
SERVICES
NETWORK**



IT'S TIME FOR A RURAL STRATEGY

A CALL ON GOVERNMENT BY THE RURAL SERVICES NETWORK 2019



Published: 2019

Time for a Rural Strategy

Why a Rural Strategy?

The Rural Services Network (RSN) calls on the Government to take the lead, working with other interested organisations, to produce a comprehensive, long-term and funded Rural Strategy.

This document should set out the Government's priority objectives over the next decade for England's rural communities and rural economies. It should also define a set of policies and initiatives which will achieve them. Given the diversity of rural areas these should, wherever possible, be delivered locally. Some of these policies and initiatives will be new, whilst others may exist now and simply need enhancing to better meet rural needs. One key component of the strategy should be a more effective framework for rural proofing policies.

Rural communities are frequently overlooked in a policy environment dominated by (majority) urban thinking and by urban policy concerns. So called "rural mainstreaming" has often led to policies which are inappropriate in a sparsely populated or rural setting. The result is that communities miss out on the benefits or experience unintended consequences from policies which are poorly thought through from a rural perspective.

Rural economies are also widely misunderstood, with their potential to grow and add value to the national economy overlooked. Too often they are conflated with agriculture and land-based industries. Whilst agriculture certainly remains an important consideration, it is today one element within broad-based and diverse rural economies.

It is time for a Rural Strategy which raises rural opportunities and challenges up the political agenda: which is forward looking and ambitious, recognising the contribution that rural areas make and those they could make to the wellbeing and prosperity of the nation as a whole.

The RSN considers there is now a compelling case for such an approach. Years of public sector austerity have left significant challenges for service delivery in rural areas, which must be addressed. There is an urgent need to define a new settlement for rural areas, replacing the current model based heavily on European Union policies and funding streams. Change is also needed to overcome issues with the rural policy framework which were highlighted by a House of Lords Select Committee inquiry into the NERC Act.

The Rural Services Network is the national champion for rural services, ensuring that people in rural areas have a strong voice. It is fighting for a fair deal for rural communities to maintain their social and economic viability for the benefit of the nation as a whole.

The RSN membership is 154 local authorities (counties, unitaries, districts and boroughs) from across England and over 85 other public, private and civil society sector organisations, such as fire and rescue authorities, housing associations, bus operators and land-based colleges.

The context

Rural areas are home to 9.4 million people according to 2016 population estimates. That is, 17% of the population of England live in small rural towns, villages, hamlets and isolated dwellings. This is more people than live in Greater London.

Those rural areas are varied in type and character. They include – among others – remote and upland communities, coastal settlements, commuter belt villages and former mining settlements. Indeed, they often vary within a single local authority area. Policies ought to be flexible in their design and delivery, if they are to meet the needs of such diverse places.

There are, however, a number of policy challenges which are common to most rural places and which are frequently inter-connected. They are:

- **Ageing:** rural areas have a high proportion of residents in older age groups, raising demand for services such as health and social care. Moreover, growth in numbers aged 85 or over is expected to happen fastest in rural areas;
- **Living costs:** the cost of housing is typically high, whilst local wages in rural areas are 10% below the national average, leading to severe affordability issues. Costs of transport and home heating are also higher than average in rural areas;
- **Infrastructure:** it is relatively costly to build infrastructure, like broadband and mobile phone networks, putting many rural homes and businesses at a disadvantage. Maintaining rural roads is also an issue;
- **Accessibility:** limited public transport options often leave vulnerable groups isolated or without ready access to jobs, training, key services and social opportunities;
- **Delivery:** organisations responsible for delivering services to rural communities face added costs, due to time and expense travelling, a need to operate from multiple service outlets and lost economies of scale;
- **Perception:** portrayals of rural life often paint a stereotypical and affluent picture, failing to recognise the very real poverty that exists.

In 1995 and in 2000 the Governments of the day published a Rural White Paper. In many respects these were impressive documents, outlining a wide range of policy measures in an effort to address rural challenges at the time. Eighteen years have passed since the more recent White Paper. The Rural Productivity Plan of 2015 was welcome, but was narrower in its scope and is already largely out-of-date.

In March 2018 a report published by a House of Lords Select Committee reviewed progress since the Natural Environment and Rural Communities Act 2006. It highlighted serious concerns with the way that Government handles rural needs and a diminished focus on the potential of rural areas. It called for a strengthening of rural proofing, with all Whitehall departments doing more to ensure a rural dimension within their policy making.

The RSN accepts that producing another full White Paper may be overblown. However, it believes a comprehensive, properly resourced and up-to-date Rural Strategy is urgently

needed to provide the required vision, priorities and policy drive to meet the challenges in rural England. Such a document would reassure rural communities their needs are recognised and being addressed.

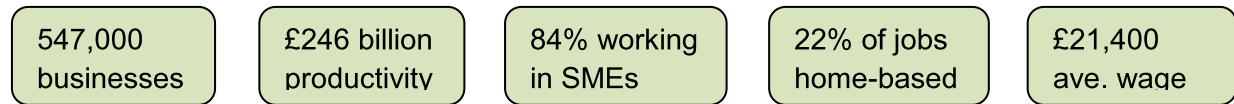
This should have buy-in and bite across sectors and at all levels. To a significant degree it will depend on local delivery. It should therefore be drawn up in consultation with local government, rural interest organisations and others, creating a shared framework for action.

It must provide an overarching approach to the future sustainability of rural communities. It is clear that a piece-meal or short-term approach simply will not deliver.

A thriving rural economy

Businesses of all types, sizes and sectors should be supported to prosper, grow and provide decently paid employment opportunities. This will be of direct benefit to rural communities and will contribute significantly to the national economy.

Key facts¹

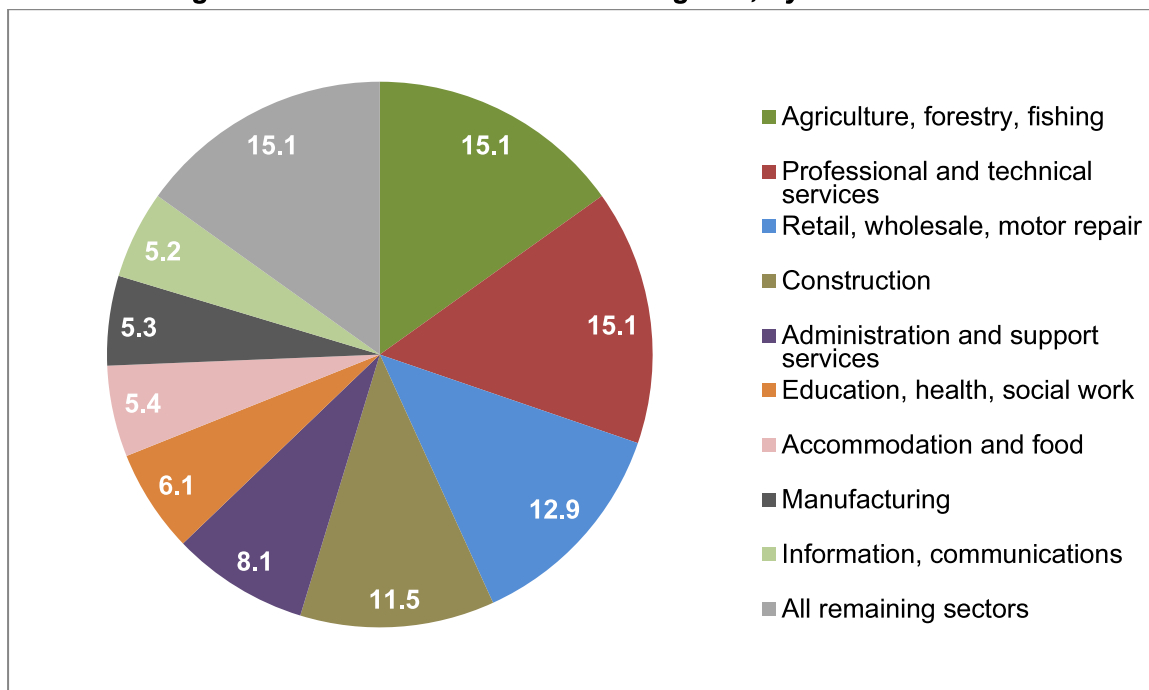


There are 547,000 registered businesses based in rural areas (and probably as many micro-businesses again which are unregistered). They are 24% of all the registered businesses in England, so form a vital part of the national and regional economies.

Those registered businesses have an annual turnover of £434 billion or £124,000 of turnover per person employed. Productivity (Gross Value Added) in rural areas is £246 billion (2016 figure) or £44,740 per workforce job, which is below the England average (£50,270).

Rural economies are diverse, with businesses from across the range of sectors. Land-based businesses (including farming) are important, but 85% of rural businesses are from other sectors. Other key sectors are professional services, retail and construction.

Per cent of registered business units in rural England, by sector



¹ Sources are Defra and ONS. All figures in the Key facts section relate to 2017 unless otherwise stated.

Most registered businesses in rural areas are small. Indeed, almost 18% of them have no employees, being sole traders or partnerships (more than double the equivalent urban figure). Some 84% of employees in rural areas work in SMEs.

Those registered rural businesses employ 3,500,000 people. This figure implies a significant outflow of people commuting to urban-based jobs. However, home working has grown and 22% of all rural jobs are home based (compared with 13% in urban areas).

Whilst the unemployment rate in rural areas is relatively low, many job opportunities are poorly paid, seasonal or insecure. Many have two or more part-time jobs to make ends meet. Median (average) annual earnings from rural employment are £21,400. This is 10% less than annual earnings in England as a whole (£23,700).

The rural challenge

Rural economies in different areas vary and some are closely integrated with urban centres. The level of entrepreneurship within them all presents a policy opportunity, but there are significant challenges which should be addressed by a Rural Strategy. They are:

- Reducing the productivity gap;
- Helping rural businesses (especially SMEs) to grow locally;
- Supporting further diversification, especially into high value-added sectors;
- Sustaining high streets and their businesses in rural towns; and
- Creating better paid and more secure jobs.

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for thriving rural economies:

- ✓ **A dedicated rural business support programme:** in 2020 EU programmes, such as the LEADER and EAFRD initiatives, will end. Although rather cumbersome and modest in scale and scope, these have provided grants to support rural business growth, diversification and innovation. Government should replace them with a dedicated, rural business support programme, which could be funded from its proposed Shared Prosperity Fund. This should be flexible in scope – potentially beneficial to all business sectors, including social or community enterprise – so it can be locally delivered in ways tailored to locally decided priorities. There is now an opportunity for Government to scale-up its ambitions for rural economies by announcing a significant investment programme.
- ✓ **A rural proofed Industrial Strategy:** many objectives in the Government's Industrial Strategy are highly relevant to the needs of rural economies. However, in order for its benefits to reach into rural areas careful 'rural proofing' is required. This should apply to Local Industrial Strategies as they are developed by Local Enterprise Partnerships, to ensure they take account of rural needs and opportunities. Where new initiatives are tested this should include rural pilots and where groups are set-up to take forward elements of the Strategy they should include rural specialists. In seeking to boost productivity the Strategy places a lot of focus on hi-tech and

innovation sectors. This needs balancing with support aimed at more traditional and numerous rural sectors, such as retail and tourism.

- ✓ **A re-purposing of Local Enterprise Partnerships:** these partnerships (LEPs) are the conduit for considerable sums of public money to support growth and economic development. Most operate across a mix of urban and rural places. However, whilst some have performed well in taking rural priorities into account, others have failed to do so – focussing their efforts on a few large urban projects. All LEPs whose geography includes rural places should have to identify and target their priorities through a bespoke strategy or action plan, the delivery of which is monitored. Building on the 2018 LEP Review, Government should ensure LEP Boards receive training on rural proofing and that LEP end of year reports state publically what has been delivered in their rural areas.

- ✓ **A training offer to suit small rural businesses:** all businesses should be able to benefit from training. This would assist them to develop or grow their businesses. Equally it would help them stay up-to-date on matters such as tax and regulation. Finding the time to attend and getting to training events can be a barrier for the smallest rural businesses. Sessions or courses therefore need to be made as readily accessible as possible. Training providers should seek to deliver early evening sessions in easy-to-reach rural locations. They should also consider whether more courses could be delivered online, including as distance learning.

- ✓ **A Further Education system accessible to rural pupils:** young people from rural areas often experience difficulties getting to Further Education (FE) colleges or sixth forms. This has not been helped where FE Area Reviews have resulted in college mergers. For some this means undertaking long or complex journeys to get there and back, whilst for others it means compromise on the course topics they take. This dampens young people's aspirations and curtails their opportunities. One rural barrier would be removed if those travelling to post-16 education or training were entitled to subsidised bus fares. Those aged 17 and 18 should receive the same free travel as the statutory and reimbursed provision for those aged up to 16.

A digitally connected countryside

All rural households and businesses should have the option of affordable and reliable access to broadband and mobile networks. Digital infrastructure should be considered essential for a modern economy and to enable fair access to services and other opportunities.

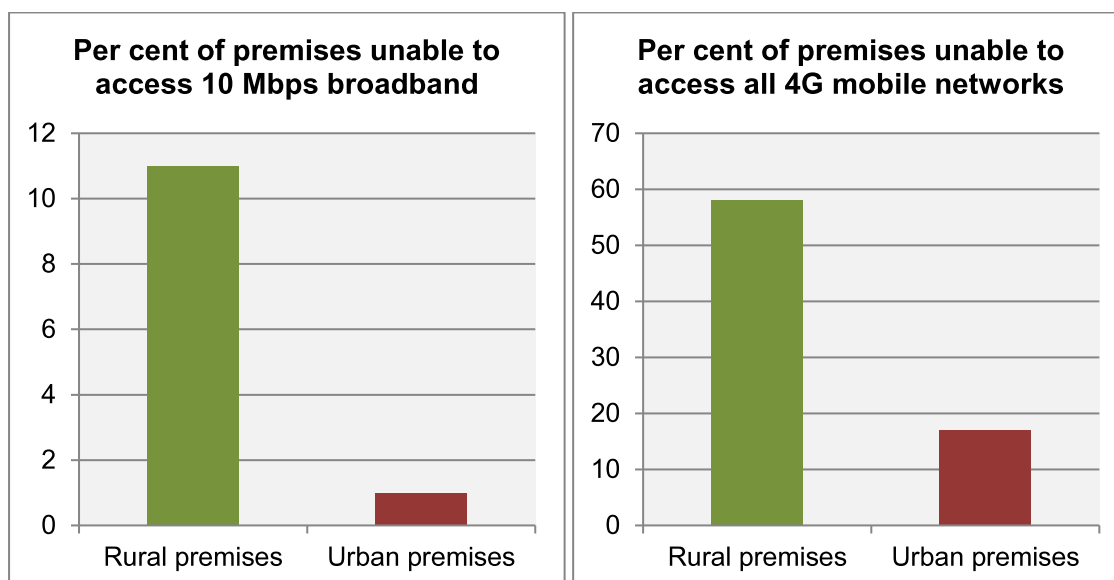
Key facts²

Significant sums of public expenditure have been invested to extend the reach of superfast broadband networks into less commercial areas. This included match funding from rural local authorities (a cost not borne by urban authorities). However, there remains a noticeable gap between levels of connectivity in rural and urban areas.

In England's rural areas 11% of premises – households and businesses – are unable to access a broadband connection with a 10 Megabits per second (Mbps) download speed. Industry regulator, Ofcom, considers this a necessary speed for everyday online tasks.

In the most remote rural locations connection speeds can be significantly worse. A survey of its members by the National Farmers Union in 2017 concluded that half (50%) could not yet access a basic 2 Mbps connection.

Mobile connectivity has improved, but the indoor signal is poor in England's rural areas, with phone calls on all four networks only possible at 67% of premises. Meanwhile, using 4G on all networks – giving fast internet access – is only possible inside 42% of rural premises.



Rural take-up of superfast broadband is fair where it is available, with almost four in ten premises upgrading. However, a rural business survey by Rural England and SRUC found only 19% had a superfast connection and most (59%) relied on standard broadband. It also found high rates of dissatisfaction with connection speed and reliability.

² Sources are Ofcom (2018), NFU (2016) and Rural England/SRUC (2017).

The survey, cited above, identifies significant and wide-ranging rural business benefits from digital adoption. It estimates that if constraints to digital adoption, such as skills and recruitment, could be overcome it would unlock at least £12 billion of extra productivity per annum (Gross Value Added).

Rural businesses say their top three benefits from digital adoption are:		
It enables remote working	It improves access to customers and suppliers	It boosts overall business efficiency

The rural challenge

Broadband and mobile networks are improving and rural business adoption of digital technologies demonstrates real potential. However, there are significant challenges which should be addressed by a Rural Strategy. They are:

- Extending broadband networks to those premises still missing out;
- Future proofing broadband policy, so rural areas do not fall behind again;
- Capitalising on the benefits from the roll out of superfast networks; and
- Addressing issues with mobile network coverage (including 4G).

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for a digitally connected countryside:

- ✓ **A USO that is fit for purpose:** in the short term, the planned introduction (in 2020) of a broadband Universal Service Obligation (USO) is welcome. However, the proposed USO level, at 10 Mbps, risks becoming out-of-date. Ofcom should review this prior to its introduction, not least because there will be pressure to leave the USO unchanged for a while to bed down. When the USO is applied decisions about upgrading networks should be taken on a value for money basis and not just a cheapest solution basis. Whilst the cheap option may get premises or areas just over the 10 Mbps threshold, a value for money solution could deliver much higher speeds that result in more sustained benefits.
- ✓ **A focus on full fibre roll out:** the Government's Future Telecoms Infrastructure Review (FTIR) is welcome, setting a longer term goal for the nationwide roll out of full fibre networks. That technology should avoid rural areas falling behind again as demand for bandwidth continues to grow. Significant public funding, as indicated by the FTIR, is clearly justifiable given the market failure that would exist otherwise, with many rural areas considered uncommercial for the roll out. The plans for a rural first (or outside-in) approach to using public funds are exactly what are required. Further announcements, how the goal will be turned into practice, will be eagerly awaited.

The upcoming Spending Review needs to allocate funding, building on the £200 million mentioned in the 2018 Budget.

- ✓ **A drive to connect rural businesses:** evidence from the Rural England and SRUC survey of rural businesses is that those with a superfast connection realise more business benefits and face fewer digital challenges than those still dependent on a slower connection. The survey report concludes that, in order to capitalise on the public investment in superfast networks, more businesses should be encouraged to upgrade (where they have the option to do so). Government and local broadband partnerships should reinforce their efforts to promote the business benefits. This could include finding rural businesses which are already adopters and are willing to act as broadband champions among their peer group. Alongside this should be training and resources to help rural SMEs improve their digital skills.

- ✓ **A review of mobile connectivity:** whilst mobile connectivity is improving, rural areas lag behind and there are particular rural issues, such as signal strength inside premises and signal loss for those on the move. Previous targets set for mobile network providers (as part of their licences) proved insufficient. It is imperative the regulator, Ofcom, sets sufficiently stretching targets when auctioning the next round of licenses. These should apply equally to all awarded a licence and ensure many more rural communities gain access to mobile internet/data services (as well as basic voice/text services). The sharing of phone masts by providers, to address gaps in provision, should be supported and, if necessary, regulated for. Looking ahead, it is crucial that rural communities feature prominently in plans to develop 5G networks.

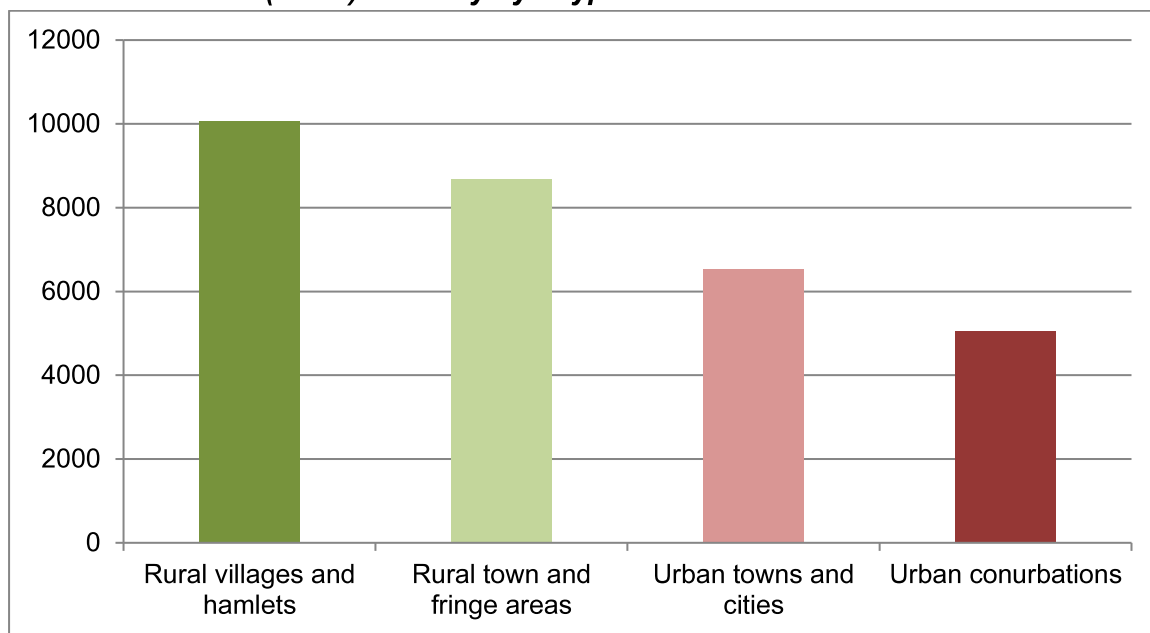
A place everyone can get around

People of all ages must have the means to travel to services, jobs and other opportunities. Not least those in the one in nine rural households that do not have a car. Transport is crucial to life opportunities and its absence can compound isolation and loneliness.

Key facts³

Rural residents need to travel further than their urban counterparts. Those living in small rural settlements (villages and hamlets) travelled an average of 10,055 miles per year in 2016/17. That is 54% more than the average for residents living in urban towns and cities.

Distance travelled (miles) annually by a typical resident in different sized settlements



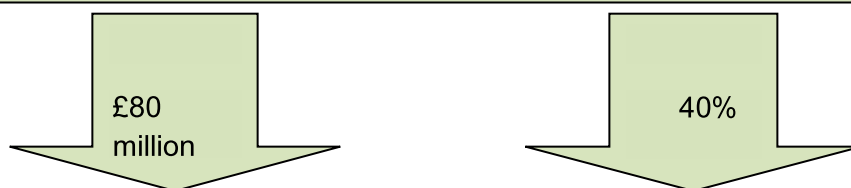
Car ownership is relatively high in rural areas. Particularly notable is that low income households are 70% more likely to run a car if they live in a rural (rather than urban) area. Car ownership is a necessity for many to get around and an added cost they face.

Less than half (49%) of households living in small rural settlements (which are villages and hamlets) had access to a regular and nearby bus service in 2012. This figure, which is due to be updated, seems likely to have decreased since.

Local authorities in rural areas have far less funding available to them to support bus services. In 2017/18 expenditure in predominantly rural areas was £6.72 per resident to subsidise services, compared with £31.93 in predominantly urban areas. Expenditure to cover concessionary bus fares was £13.48 (rural) and £25.54 (urban) respectively.

³ Data sources are Department for Transport, Rural Services Network, Campaign for Better Transport and Community Transport Association.

Over the six years to 2016/17 transport budgets in shire local authorities were cut by:



There have been widespread cuts to rural bus services which depended on some public subsidy. During 2016/17 alone some 202 bus services were withdrawn altogether in shire areas and a further 191 services were reduced or altered.

Around half (52%) of all community transport organisations either wholly or mostly serve rural communities. However, in rural areas these organisations tend to be small-scale and they rely more heavily on fare revenue (receiving less grant income).

The rural challenge

Rural bus services are under huge financial pressure and, despite much good practice, community transport struggles to plug the gaps left behind. There are significant challenges which should be addressed by a Rural Strategy. They are:

- Reversing the widespread decline in rural bus service provision;
- Making bus services a more attractive option for rural travellers;
- Providing sustained support for complementary community transport schemes; and
- Ensuring future transport innovations will benefit rural communities.

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for a place everyone can get around:

- ✓ **A fair deal from local government funding:** it is inevitable that many bus routes require some subsidy to survive. The widespread cuts to rural bus services primarily result from the long-term squeeze on local government budgets, coupled with growing demands on their other statutory functions. That squeeze must now be ended. Funding rural bus services would also be far easier if the distribution of funding between local authorities was fair. In 2016/17 urban local authorities received 40% more (£116 per resident more) in funding than rural authorities. This historic imbalance needs correcting, with proper account taken of the added (sparsity) cost of service delivery, like supported bus routes, in rural areas.
- ✓ **A viable deal for transport operators:** Bus Service Operators Grant (BSOG) provides operators with a 60% fuel duty rebate for commercial services. It is particularly valuable in rural areas, where it helps sustain many financially marginal routes. From time to time BSOG has come under scrutiny. A positive signal from Government recognising the importance of BSOG and committing to retain it (at least) at its current level would stabilise the market and provide longer-term reassurance for operators. Where BSOG is paid out via local authorities (for

tendered services) it must remain fully funded by central Government. Bus operators should be able to offset against tax their capital expenditure to retro-fit vehicles in order to meet latest emission standards.

- ✓ **A sustainable approach to community transport:** many rural communities are struggling to establish schemes to replace lost bus services or to keep existing schemes viable. Grants may be sourced from local authorities, the national lottery and various trust funds, though often these offer only start-up or short-term funding. That said, the Government's £25 million Community Minibus Fund has been useful, if modest compared with the growing level of need. A £50 million per year fund, which targets rural areas, could easily be justified. A fair funding deal for local government (as above) would enable more grants to be paid to sustain rural community transport schemes.
- ✓ **A realistic concessionary fares scheme:** the statutory concessionary fares scheme, which gives pensioners and the disabled free bus travel, is overly restrictive in a rural context. It covers only weekday travel after 9.30 am. Some villages are served by just a few daily buses, one or two of which may run early morning. Others are served, not by traditional buses, but by community transport schemes which fall outside the current concessionary fares scheme. The statutory scheme therefore needs (funded) reform to make it valuable and fair to rural users. Government should also consider amending the law so that pensioners entitled to free travel may make voluntary contributions to help keep services viable.
- ✓ **A search for new rural solutions:** there is more scope to build on the learning from Total Transport pilot projects, which sought to improve use of existing resources, not least by pooling vehicles used by different sectors (such as education, social services and health). Government could pump prime more projects with an investment pot open to local and health authorities, and ensure the learning is shared among transport practitioners. Government could also explore whether there is rural merit in the Scottish system which allows local authorities to set up a transport company. The Government's Future of Mobility work – part of its Industrial Strategy – should examine rural transport needs and recommend rural applications. Any subsequent technology trials should include rural pilots.

As highlighted in the 'thriving rural economy' section, local authorities should also be funded to provide subsidised travel for 17 and 18 year olds travelling to further education.

An affordable place to live

Rural communities are only likely to thrive economically and socially if they are home to residents from a mix of age groups and backgrounds. This includes providing those brought up locally or working there with a chance to buy or rent a home they can afford.

Key facts⁴

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

Options for those on low incomes seeking social rented housing are typically limited in small rural settlements. Only 8% of households in villages live in social housing. By contrast, 19% of households in urban settlements live in social housing (2011 Census).

Per cent of households that live in each type of housing tenure (2011 Census)

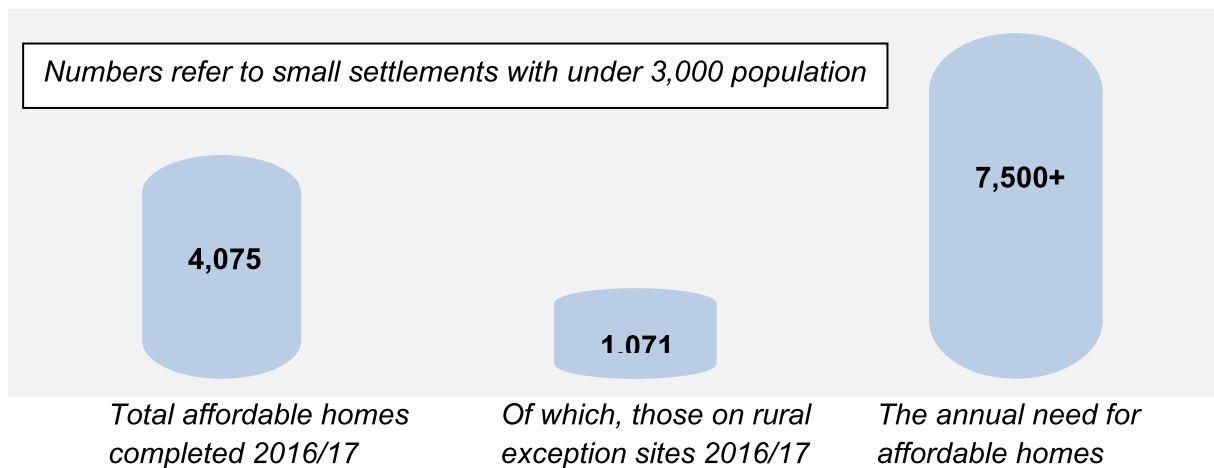


The rural stock of social rented housing has shrunk under the Right to Buy policy, with sales quadrupling between 2012 and 2015 to reach 1% of the stock each year. Although the sale income is intended for reinvestment, only 1 replacement home was built in rural areas for every 8 sold during this period, and these replacements are rarely in the same settlement.

Second homes and holiday lets often add to rural housing market pressures, especially in popular tourist areas. They form a particularly large share of the housing stock in some local authority areas – Isles of Scilly (15%), North Norfolk (10%) and South Hams (9%).

It has previously been estimated there is a need to build 7,500 new affordable homes each year at England's small rural settlements, a figure now considered an under-estimate. Around 3,700 such homes were completed in 2015/16 and just over 4,000 during 2016/17.

⁴ Data sources are Halifax Building Society, ONS, Rural Housing Policy Review, MHCLG and Rural Services Network.



Two thirds of rural local authorities say that affordable housing delivery decreased in their rural areas in 2017. This follows a change in planning policy, with developers no longer required to include any affordable homes on small market development sites.

The rural challenge

Rural communities are generally attractive places to live, but they need to be able to grow in ways which meet the needs of local people. There are significant challenges which should be addressed by a Rural Strategy. They are:

- Bringing forward development sites at a price suited to affordable housing;
- Making sure such homes are and remain genuinely affordable;
- Planning new housing in ways which attract community support; and
- Ensuring the funding model for affordable house building adds up.

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for an affordable place to live:

- ✓ **A planning policy to fit rural circumstances:** most development sites in rural areas are small. Recent changes to planning policy exclude small sites (of less than 10 dwellings) from the requirement that private developers include a proportion of affordable homes. Despite certain qualifications in designated rural areas, the impact on affordable housing delivery is proving significant and negative. Indeed, this had been the main way that such housing was built and it required no public subsidy. A simple solution would be to exempt all small rural settlements from the policy change, allowing affordable housing quotas again where they are most needed.
- ✓ **A realistic definition of affordable:** in most rural areas the greatest need for affordable housing is that for social rented housing. Many households cannot afford to pay anywhere near open market prices or rents. However, national policy has broadened the definition of 'affordable housing' to include Starter Homes, which are for sale at a 20% discount, and Affordable Rent, which is for rent at up to 80% of market prices. These tenures have their place, but the overriding need is to increase

the supply of truly affordable homes. This could be assisted by improved funding for housing associations (see below) and allowing local planning authorities more discretion to set tenures in Local Plan policies.

- ✓ **A dedicated rural affordable housing programme:** a specific grant programme is needed, designed to boost delivery by housing associations in small rural settlements. This could be managed by Homes England and run at a scale which meets the shortfall in delivery identified by the 2014 Rural Housing Policy Review. It should offer grant rates which account for the fact that small-scale development in rural areas is comparatively costly. Grants should also be sufficient to encourage good design and energy efficiency measures. Similarly, a share of the Community Housing Fund, which usefully supports community land trusts, co-housing and self-build projects, should be allocated to rural projects, thus meeting the original objective for this fund.

- ✓ **A bolstering of landowner and community support:** landowners' willingness to release land for rural exception sites, at prices which forego hope value, depends on them being assured it will only ever be used for affordable housing. At present there is uncertainty, which undermines policy delivery. One way to boost delivery of exception sites would be putting into law the ability to attach an affordability purpose to the sale deeds. Rural community support for affordable housing development would be enhanced if the occupancy of new homes was widened from those on local housing registers, to include those in nearby parishes or settlements who currently live in insecure rented or tied accommodation. Government could also explore exempting the sale of land for rural exception sites from Capital Gains Tax.

- ✓ **A replenishing of social housing:** the Right to Buy policy for local authority housing tenants has severely depleted the stock of affordable homes in rural areas. Figures show that for every 8 rural homes sold to their tenants, only 1 replacement home was built. At present only half of the sale proceeds go back to local housing authorities. Those authorities should be able to retain 100% of the proceeds from Right to Buy sales, enabling them to re-invest it and replenish the stock of affordable homes. This would complement the recent Government announcement, that it is lifting the cap on local authority borrowing to build social housing.

A fair deal on health and social care

Rural communities, like communities everywhere, need access to high quality health care and some require extra support from social care services. This is fundamental to wellbeing and anything less may pose a health risk. They should not have to pay extra for this (either directly or indirectly).

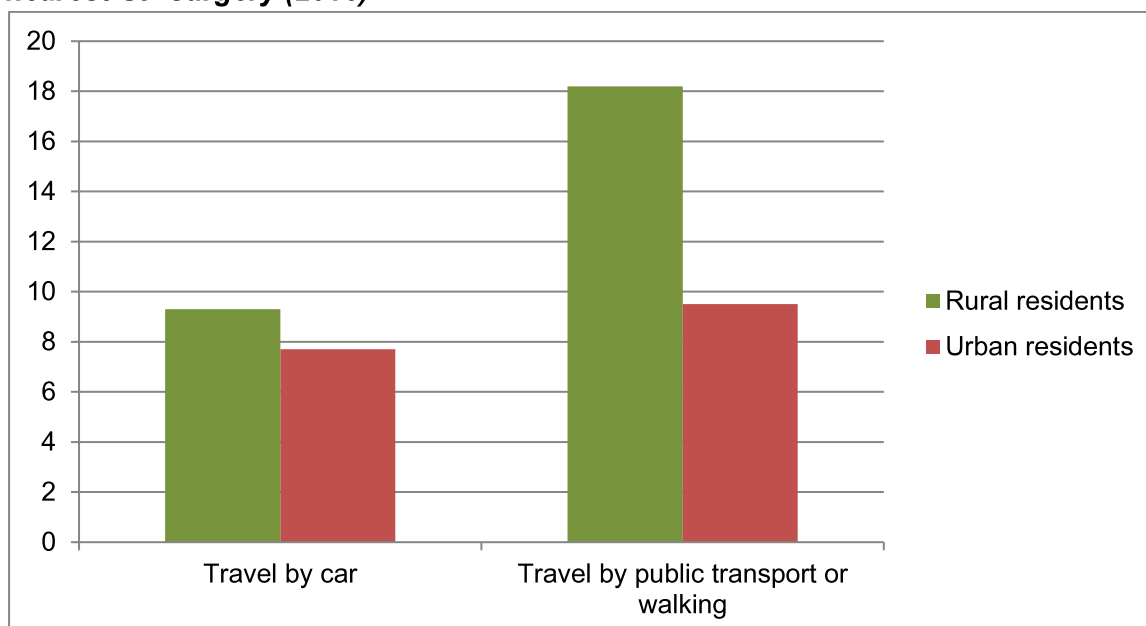
Key facts⁵

Older age groups form a significant and growing share of the rural population. In 2011 29% of the rural population were aged 60 or over, up from 24% in 2001. Comparative urban figures were 21% in 2011 and 20% in 2001. By 2039 nearly half of all households in rural areas will contain people aged 65 or over.

Rural and urban areas receive similar funding (per resident) under the NHS allocations to Clinical Commissioning Groups (CCGs). This does not reflect the older rural demographic, which places extra demand on NHS services due to chronic illness, disability and mortality.

Rural residents face longer journeys to reach a GP surgery than their urban counterparts. Those who travel by public transport or walk have an average 18 minute journey, though this figure takes no account of the frequency of such transport and hence any waiting time.

Minimum travel time, in minutes, for average rural and urban resident to reach their nearest GP surgery (2016)



The Government's resource allocation system for local government (Settlement Funding Assessment) provided urban areas with 40% more funding per resident than rural areas in 2016/17. With reducing budgets, spend to meet on growing social care needs risks overwhelming rural county and unitary council budgets at the expense of other services.

⁵ Data sources are ONS, National Housing Federation, Department for Transport, Rural Services Network and Rural England.

Rural residents also face an additional cost burden for the adult social care provision in their areas. In 2017/18 they funded 76% of the cost of its provision through their Council Tax bills. The urban comparator figure was 53%.

Home care providers face various challenges in rural areas, including difficulties recruiting staff and unproductive staff travel time between geographically spread clients. Rates of delayed transfer of care upon hospital discharge are higher in rural than urban areas.

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

Predominantly rural areas:

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

Predominantly urban areas:

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

Almost 12% of all residents who live in rural areas are providing informal care to someone else on a regular basis. That figure doubles to 24% amongst older people who live in rural areas. Both these figures are higher than the urban equivalents.

The rural challenge

On measures of healthiness the rural population can score rather well, but demand for health and social care services is growing and access to them is frequently a concern. Significant challenges should be addressed by a Rural Strategy. They are:

- Ensuring that patients can get to secondary and tertiary health services;
- Delivering quality primary health care locally within rural settings;
- Making sure social care reaches those who need it in remote locations; and
- Benefitting rural clients through improved health and social care integration.

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for a fair deal on health and social care:

- ✓ **A fair allocation of funding to rural areas:** funding for the NHS⁶, social care and public health should each be overhauled to reflect actual patterns of demand and to take full account of the extra costs of service provision in sparsely populated areas⁷. As a matter of principle, rural and urban residents should receive equitable service provision. Rural residents should not be paying more Council Tax for fewer services. Despite some additional funding announced in the 2018 Budget, local taxation has become unable to meet the growing need for social care and a case now exists to finance social care services managed by local authorities differently, with their statutory provision fully funded by central Government. This would address the current unfairness and make it easier to cope with future demand.

⁶ This should include the additional funding allocated to mental health services by the 2018 Budget.

⁷ To this end, the Government's Fair Funding Review for local government finance is welcome, but it needs progressing and implementing more rapidly.

- ✓ **A rural proofed model for health care delivery:** in many areas the NHS Sustainability and Transformation Plans (STPs) propose reconfiguring secondary and tertiary health care services, including A&E, elective and other hospital provision. Often these plans would result in more centralised services. Whilst a medical case can be made for specialising care at one location, this needs balancing against the need for patient (and visitor) access to services, not least from outlying rural areas. STPs should also seek more local delivery for non-urgent treatments at clinics, health centres and community hospitals, whilst improving hospital patient transport.

- ✓ **A stronger focus on filling vacancies:** recruiting GPs, care workers and other health or social care professionals is difficult in many rural areas. A growing number of surgeries report unfilled vacancies for family doctors, with postings in smaller or rural surgeries apparently less attractive to trainee and younger health care professionals. It is important that rural communities benefit sufficiently from the NHS fund to attract recruits into hard-to-fill posts. Helpful recent recommendations made by the new National Centre for Rural Health and Care include introducing a spatial component to Health Education England's STAR workforce planning tool and developing centres of excellence in rural health and care delivery.

- ✓ **A joined up approach to health and social care:** options for integrating health and social care services may be constrained in rural areas, but the benefits of doing so are perhaps even greater than elsewhere. To that end, the Better Care Fund has been a helpful (pooled) funding pot, despite giving less to rural than urban areas⁸. The direction of travel indicated by the NHS Long Term Plan is helpful, placing the emphasis on preventative approaches and encouraging innovation. The delayed Social Care Green Paper needs to offer further opportunities to move to a more sustainable and effective approach. It will be important for it to recognise rural service delivery cost issues.

- ✓ **A housing policy ready for an ageing population:** the Social Care Green Paper should also address housing issues, such as access to specialist housing for older people and adapting homes for those who live independently. This is important in rural areas where there are typically limited housing choices. Extra funding announced in the Budget for the Disabled Facilities Grant is welcome, though will hardly scratch the surface. New housing should be built to meet the accessibility needs of an ageing rural population. This is more effective and efficient than adapting homes later. Government should work with local authorities, housing associations and the house building industry to ensure that many more new homes are designed and built to meet the Lifetime Homes standard.

⁸ This Fund will provide £29.54 per rural resident and £37.74 per urban resident in 2019/20.

A place to learn and grow

Rural schools typically play an important role at the heart of their community and provide a high quality education. It is imperative that education policies – focussed on the needs of children – support them and help them to face particular rural challenges.

Key facts⁹

There are roughly 5,300 schools located in rural areas. This represents almost 27% of the total number of schools across England (2014 data). Some 53% of Church of England primary schools are located in rural areas.

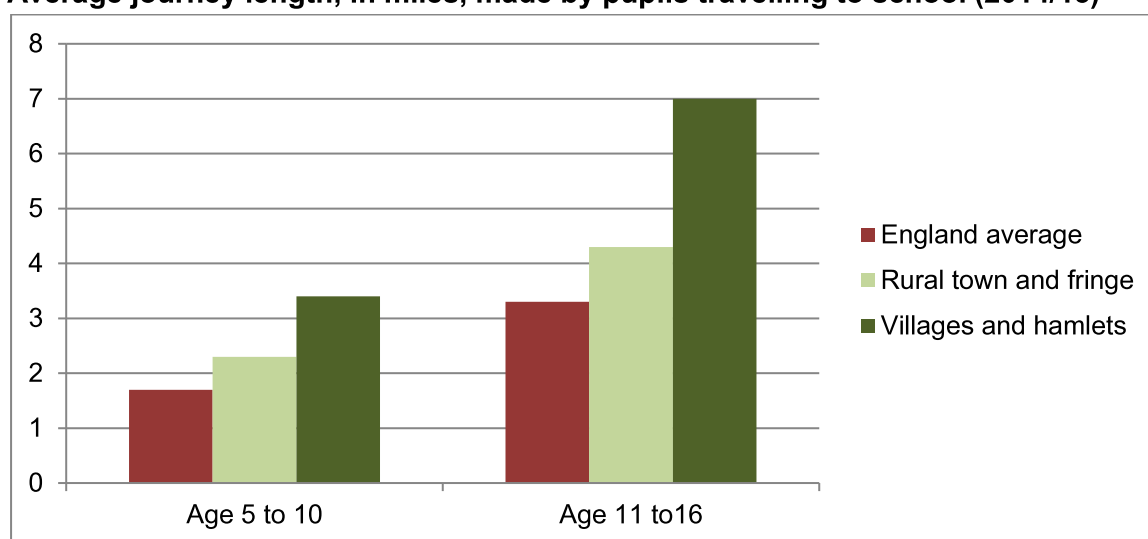
A large proportion of rural schools are small. More than 33% can be defined as ‘very small’, having fewer than 110 pupils, whilst another 29% can be defined as ‘small’, having between 110 and 209 pupils. Comparators for urban schools are 5% and 16% respectively.

School running costs (per pupil) increase as school size shrinks and they rise sharply where schools have fewer than 50 pupils. Core costs, such as teaching salaries, energy bills and catering, are all typically above average in rural schools. Home to school transport costs are many times higher in rural than in urban areas.

Many rural schools have older buildings which are expensive to run and maintain. A large number have nineteenth century and some have Listed Buildings. High ceilings can make them expensive to heat.

Pupils from rural communities travel further to school than their peers who live elsewhere. Those from small rural settlement travel an average of 3.4 miles to a primary school and 7.0 miles to a secondary school.

Average journey length, in miles, made by pupils travelling to school (2014/15)



⁹ Sources are: Church of England Education Office (2014 data), Cumbria County Council (2018 data), Hampshire County Council (2016/17 data), Defra (2014/15 data) and The Key (2018 survey).

The top challenges identified by head teachers of rural schools were (in order of priority) not having sufficient funding, maintaining or improving pupil performance, providing for pupils with special educational needs or disabilities and meeting the needs of all their pupils.

Teaching and support staff in rural schools frequently need to multi-task, as a result of the (small) school size. For the same reason many pupils at rural schools are taught in classes with mixed age groups.

Surveyed rural schools where:	As a proportion of all rural schools
All classes consist of mixed age groups	45%
Some classes consist of mixed age groups	24%

In a 2018 survey most rural school head teachers identified that they have pupils from poor families whose incomes lay just above the threshold which would have earned them the pupil premium grant (or top up funding).

Small schools with few staff can find it harder to offer a broad curriculum or after school enrichment opportunities, such as music and sports. They may address this by collaborating with other nearby schools, though this typically involves some extra travel for pupils.

The rural challenge

Rural schools often benefit from having experienced staff and most of them perform well, if measured against pupil achievements at key stages or in exam results. However, there are significant challenges which should be addressed by a Rural Strategy. They are:

- Sustaining schools with small (or fluctuating) pupil numbers;
- Managing school budgets when operating costs are high;
- Recruiting and retaining teaching and support staff; and
- Finding appropriate models for school collaboration.

What would make a difference?

- ✓ **A presumption against school closures:** the long-standing Government policy, which is a presumption against rural school closures, has been helpful in protecting many small schools. There can be circumstances where closures are justified, but generally if village schools close there is a considerable social cost: the community is less sustainable and children are required to travel further. School rolls are more prone to fluctuation from year to year in small schools and the presumption helps protect them through this cycle. A rural strategy would offer a good opportunity to restate the intention behind this presumption and its 2013 statutory guidance, while stressing that decisions should make the interests of children paramount.
- ✓ **A fair and realistic funding basis:** historically, the funding (per pupil) received by schools varied significantly and to the detriment of those in predominantly rural

areas. The National Funding Formula for schools, now being gradually introduced, is very welcome, but it should allow for more than minimum staffing levels and should benefit all small rural schools (which it currently does not). Schools with a small roll often miss out on capital funding for maintenance or modernisation, with expenditure being focussed on larger school development projects. It is important that sufficient funding is set aside for smaller projects, to make rural schools fit for purpose.

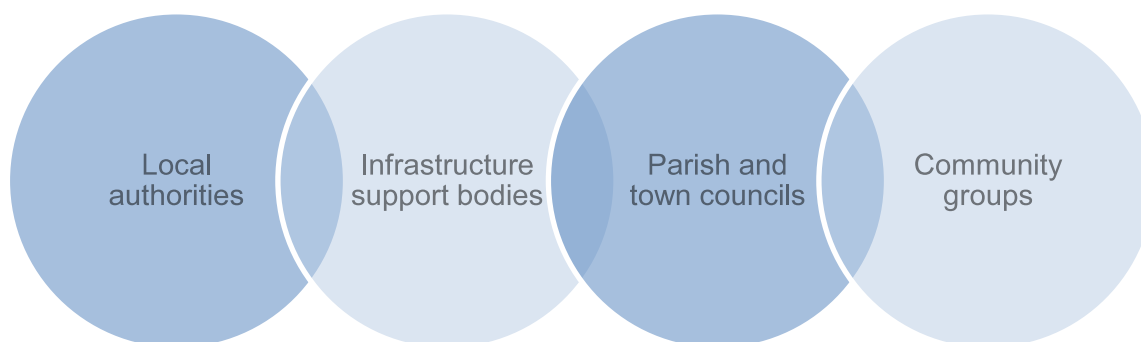
- ✓ **A stronger focus on rural recruitment:** a third of rural head teachers say that their school's location impedes their ability to attract new teaching staff. Some teachers are put off by the prospect of teaching mixed age groups or having less opportunity to develop specialisms. Gaps in staffing can also be harder to manage in small schools. A more effective strategy is needed to encourage teaching staff to take up vacancies that arise in rural schools. This could include exposure to rural schools during teacher training, more effort to attract people from rural communities into the teaching profession and the provision of (affordable) key worker housing.

- ✓ **A workable approach to collaboration:** smaller rural schools may benefit particularly from collaboration or clustering, where it allows them to share resources and expertise. This can include shared Heads and shared teaching staff. Moreover, there is some evidence that collaboration is associated with better pupil performance. However, given their higher cost base, small or isolated schools are often seen as unattractive by Multi-Academy Trusts – the Government's preferred collaboration structure. National policy should recognise this limitation, making extra support available so that small rural schools can adopt a model which best suits their circumstances and enables them to deliver an excellent education.

A settlement to support local action

The needs of rural communities are best met when policy decisions are taken locally by those who understand the area. This means devolving decisions to local authorities and those they work with in the public, private and civil society sectors, including parish councils and community groups. Local action can also help to address issues such as isolation, loneliness and vulnerability.

Key facts¹⁰



Local authorities are fundamental to efforts to ensure sustainable and inclusive rural communities. They provide democratically elected local leadership, address community needs and deliver a range of important public services, either directly or working with others.

To be effective local authorities must be sufficiently resourced. In rural areas their capacity has increasingly been curtailed both by funding cuts, which affect the whole local authority sector, and because they receive less funding than local authorities in urban areas.

At the very local level there are roughly 10,000 Parish and Town Councils, mostly in rural areas. Increasingly, they are taking on facilities and services which principal local authorities can no longer afford to run. This is a positive response, though the long term survival of such services often remains uncertain.

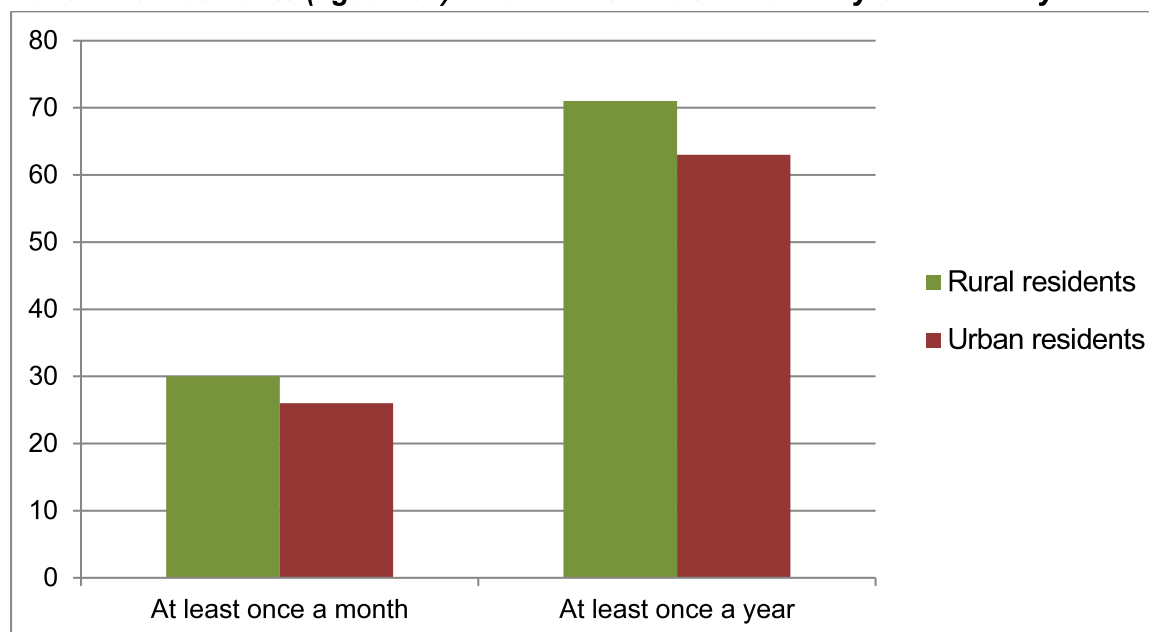
Rural England has almost 10,000 village halls or community buildings, usually managed by volunteer trustees. These are venues for a wide variety of social, sports, recreation and arts activities. Many host services like a pre-school, outreach post office, country market or cafe.

Much of the growth in numbers of community-run shops, pubs and libraries has taken place in rural communities where their private or public provision has disappeared. In 2016 there were 296 community-run shops in England, some 59% of which hosted a post office.

Survey data shows that 30% of rural residents aged 16 or over volunteered on at least a monthly basis (2017/18), which is higher than the urban figure (26%). The voluntary sector, however, often expresses concern about growing expectations and volunteer burn-out.

¹⁰ Data sources are NALC, DCMS, ACRE and Plunkett Foundation.

Per cent of residents (aged 16+) who volunteer either formally or informally



In many parts of the country local action has been taken to draw up Community Resilience Plans. This is particularly important in rural areas where residents and businesses have experienced extreme weather events, such as flooding, drought and storm damage.

Earlier sections in this document contain other facts relevant to local action, such as those about community transport and neighbourhood planning.

The rural challenge

The extent of community activism and self help is a positive feature found in many rural communities. However, there are significant challenges which should be addressed by a Rural Strategy. They are:

- Ensuring that local authorities retain the capacity to serve their rural communities;
- Boosting the capacity of parish and town councils to bring about local solutions;
- Recruiting and retaining volunteers with sufficient time and the right skills; and
- Providing the support infrastructure to facilitate community action in more areas.

What would make a difference?

The Rural Services Network believes that the following initiatives should be included within a Rural Strategy for a settlement to support local action:

- ✓ **A properly resourced local authority sector:** from 2011 to 2017 revenue funding to pay for local authority services was reduced by £16 billion, forcing the sector to make uncomfortable cutbacks which impact negatively on the quality of residents' lives. Those impacts have been particularly felt by rural residents, as their local authorities had below average levels of funding to start with. Ending the long funding squeeze would take pressure off vital services now at risk, as would a move to fair funding

allocations. It would also provide rural local authorities with more headroom to work with and support their communities.

- ✓ **A realistic deal for parish and town councils:** many parish and town councils have taken on discretionary services previously provided by principal local authorities, such as maintaining open spaces, public footpaths and public toilets. Typically they do this well and it can be a chance to redesign services. But with shrinking local authority budgets these services must often be taken on without accompanying funding. This inevitably adds to the level of the Council Tax precept set by town and parish councils. Government should therefore remove its threat to impose a cap on increases to the precept they charge. More of these councils could be encouraged to group together to provide services cost-effectively.
- ✓ **An underpinning for local action:** the rural voluntary and community sector needs access to support and training. That includes advice on governance, finance, operational and other matters. In some areas there is limited community action and more intensive support is needed to build capacity. All this requires infrastructure bodies, such as the ACRE Network, that provide advice, training and support to rural community groups and volunteers. Such bodies offer good value for money, but can only survive with some underpinning funding. Wherever possible this should last a few years, to give more certainty and let them focus on delivery. Proposals outlined in the Government's Civil Society Strategy have potential to address this rural need, especially if local authorities are resources to fulfil the expected enabling role.
- ✓ **A support package for communities:** community activism is low cost, but rarely comes free. This is especially so when community groups take on buildings or other assets. Various trusts are generous funders of local projects. Government, too, has provided some grant funding through bodies such as Locality and has announced new funding for village halls. If rural communities are expected to play a growing role in service delivery and the management of local assets it is imperative this funding continues and at a level which matches the policy aspiration. This should be backed up with resources, such as good practice guidance and networks where communities can learn from each other.
- ✓ **A local response to extreme weather:** rural communities have increasingly experienced extreme weather events. In recent years rural communities in places such as Cornwall, Somerset and Cumbria have faced torrential rainfall and flooding. In 2017 some communities were cut-off by snow and in 2018 many suffered from drought conditions, not least those homes and businesses which rely on abstracted water from bore holes, springs, streams and the like. Communities in vulnerable locations need assistance in the form of infrastructure and measures to mitigate future risk, and having plans in place to respond to extreme circumstances. Local Community Resilience Plans should be encouraged and supported.

A rural-proofed policy framework

Mainstream policies, such as those on housing, health, education, planning and economic growth, must be workable in rural areas, where there can be distinct challenges delivering to small and scattered settlements or where economies of scale are harder to achieve.

Key points

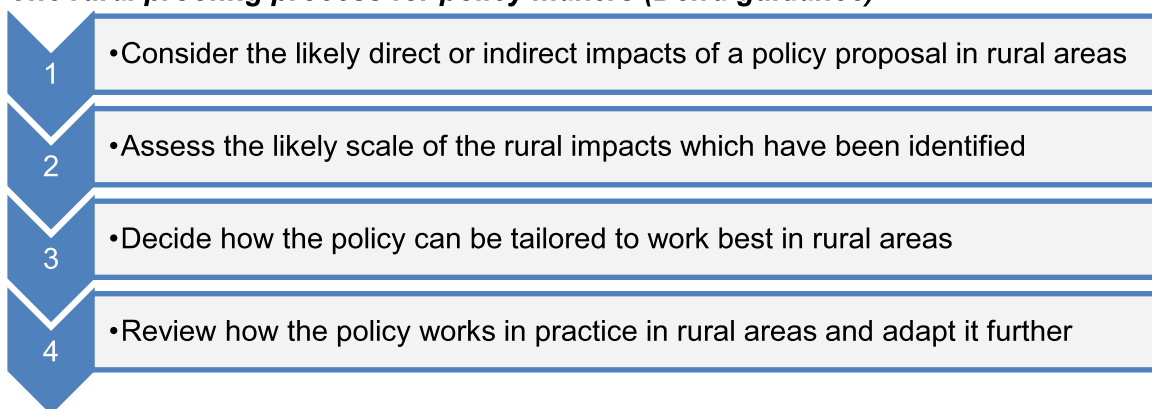
Policies that work in an urban context will not necessarily work in a rural context. Rural areas have specific needs and circumstances which need to be taken into account.

Rural proofing is the policy making process intended to achieve that end. Unfortunately, various reviews have found that its implementation is patchy – including, most recently, the Independent Rural Proofing Implementation Review led by Lord Cameron.

The review by Lord Cameron concluded that Defra has insufficient staff resources working on rural affairs. It questioned the ability of Defra, as lead department on this topic, to engage sufficiently with other Whitehall departments and to support rural proofing.

Various commentators have cited other factors that, when in place, make rural proofing more likely to succeed. They include having buy-in from departmental Ministers, policy makers consulting with rural interest groups and making rural proofing a more transparent process.

The rural proofing process for policy makers (Defra guidance)



That rural proofing can work well seems clear. A recent example of good practice is the Future Telecoms Infrastructure Review issued by DCMS. This seeks to address market failure in rural areas, proposing an approach to ensure rural communities are not left behind.

Rural proofing can add just as much value at the local level, where services and policy initiatives are typically delivered. Its application can be especially beneficial in administrative areas that are mostly urban in character, yet which also contain rural localities.

The challenge

Whilst the application of rural proofing has a mixed record, it has nonetheless proved a useful lever for seeking to have rural needs and circumstances taken into account. To improve its effectiveness a Rural Strategy should address certain points. They are:

- Reaffirming the rural proofing commitment and placing it on a firmer footing;
- Providing sufficient staff and resources to carry out the rural proofing function;
- Making it clearer what rural proofing actions policy makers are taking; and
- Ensuring that rural proofing filters down more consistently to the local level.

What would make a difference?

- ✓ **A proper legal basis for rural proofing:** there is now a real case for placing rural proofing on a stronger legal footing, in the way that it has been in Northern Ireland. The centrepiece of a Rural Strategy should be to place a responsibility on all public bodies, to have regard for rural needs whenever they develop or revise policies, strategies and plans. This duty would be the best way to ensure rural proofing is more consistently and adequately applied. It would also send a welcome, visible signal that the Government of the day reaffirms its commitment to the wellbeing of rural communities and the success of rural economies.
- ✓ **A more transparent proofing process:** it is frequently unclear the extent to which Whitehall departments have considered rural needs and circumstances when developing policies or initiatives. Three actions could help. First, policy making teams could more often consult rural interest groups who have relevant subject expertise. Second, departments could report annually and publically on their rural proofing activities. Third, the Environment, Food & Rural Affairs Select Committee could hold a short, regular (say, biennial) inquiry to review progress.
- ✓ **A better resourced team within Defra:** the dedicated rural affairs team within Defra has a key role to engage with policy making teams across Whitehall, helping them to understand rural issues, to undertake rural proofing and to apply rural evidence. This is an ongoing function: rural proofing activity quickly withers if it is not supported. Whilst Defra staff will never be able to engage with every policy development that takes place, there nevertheless needs to be sufficient resources to cover a broad sweep of topics which impact significantly on rural communities and economies.
- ✓ **An effective approach to local policy delivery:** the principle of rural proofing should also apply at the local level where policies are delivered. A legal basis for rural proofing would cover statutory bodies. It should be good practice for private and civil society sector organisations too. Local practice can include adopting rural strategies, assessing rural impacts, holding rural scrutiny sessions, testing initiatives with rural pilots, appointing rural champions to key groups or committees and monitoring rural outcomes. It will help if there are opportunities and resources that enable the sharing and learning from existing rural practice. Organisations such as the Rural Services Network, ACRE and Rural Coalition stand ready to play their part.

Our call to Government and others

In this document we have set out our ideas for a Rural Strategy. Although they have been described under a series of headings, there are strong links between them and actions taken under one heading will create benefits under others. Truly sustainable rural communities need job opportunities, digital connectivity, transport options, affordable homes and access to services.

Whilst this document commands wide support across the extensive membership of the Rural Services Network, it was not written as a set of fixed ideas and we look forward to discussing it with Government and other interested parties.

What we do feel strongly about is that such a strategy must be:

Ambitious – setting challenging objectives for rural England a decade from now;

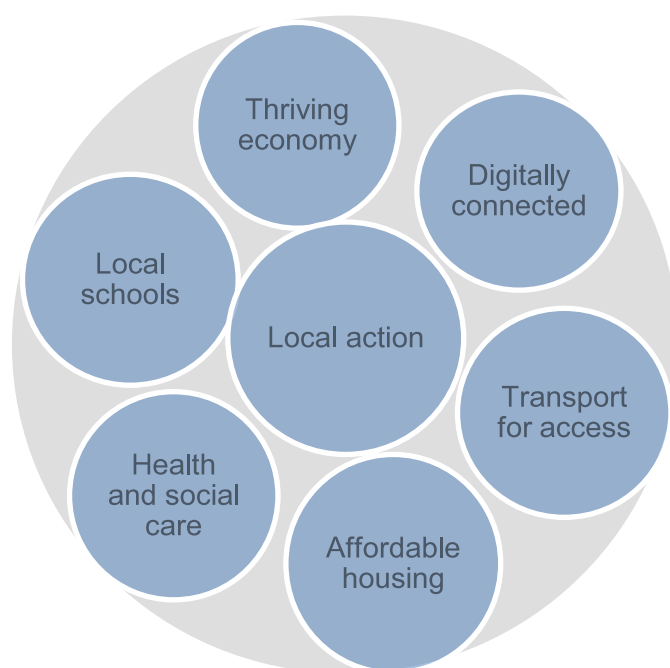
Comprehensive – addressing a range of important policy agendas that impact on rural prosperity, wellbeing and quality of life;

Current – ensuring rural areas benefit fully from latest Government strategies and green papers, such as those for industry, connectivity and social care, and take proper account of future trends;

Resourced – providing realistic financial resources to deliver on its ambitions, recognising that delivery almost always costs more in rural areas; and

Supported – commanding wide support from across Government and beyond.

At a practical level, to be effective a strategy must have buy-in from across Whitehall departments and must be capable of delivery at a local level and in ways which match local circumstances. Rural areas are not homogenous and the best solutions are frequently those defined and delivered locally.



We are convinced there is an opportunity for Government to make a real difference, benefitting rural residents, businesses and communities alike. We are similarly convinced that this would prove beneficial to the nation as a whole. If business support and digital connectivity boosts the productivity of the rural economy, then the UK wins. If preventative measures reduce demand on health and social care services in rural areas, then taxpayers at all levels win.

If pressed to name one way in which a Rural Strategy could leave a lasting legacy, our answer is that it should contain a commitment to introduce a Rural Needs Bill, to place rural proofing on a firmer, statutory footing. Why? Because rural proofing is intended to inform and influence every policy agenda that impacts on rural life.

Our conclusion? It is time for a Rural Strategy. We hope that others agree.



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