

## Realising the Vision



**RURAL  
SERVICES  
NETWORK**



# Contents

[Introduction](#)

[Summary](#)

[Rural Fair Funding](#)

[Rural Digital Connectivity](#)

[Rural Transport and Access to Services](#)

[Access to Rural Health and Care Services](#)

[Rural Schools and Community Facilities](#)

[Rural Economies](#)

[Rural Further Education, Training and Skills](#)

[Parish Councils and Rural Community Action](#)

[Rural Planning](#)

[Rural Town Centres and High Streets](#)

[Availability of Rural Affordable Housing](#)

[Managing an Older Rural Population](#)

[Sustainable Farming and Land Management](#)

[Decarbonising Rural Communities and Economies](#)

Revised Jan 2021



## Introduction

At the outset of 2020, the Rural Services Network commenced work on this document, to identify policies and initiatives which would help rural areas realise their potential, thereby benefitting the communities who live there and growing the rural contribution to the nation's economy. In large part, this was intended as a constructive response to the Government's 2019 commitment to expand on its strategic vision for rural England and the measures being put in place to underpin that.

*"Over the coming months, the government will expand on its strategic vision and set out how, working across departments and working with stakeholders, it is putting in place a range of measures to ensure that rural areas continue to thrive."*

(Government response in 2019 to the House of Lords Select Committee on the Rural Economy)

In a House of Lords debate (26<sup>th</sup> November 2020) the Rural Affairs Minister stated, "Our vision remains that rural communities should prosper, benefiting from the full range of Government policies designed to level up opportunity and take the country forward". Whether that is the 'strategic vision' referred to above is unclear.

That remains a key purpose behind this document. However, no policy document can overlook the extraordinary events of 2020. Rural communities and economies have been massively impacted by the Covid-19 pandemic and by the restrictions that were introduced to help contain it, hence why there is an additional urgent need to help rebuild our rural communities and revive our rural economies.

Context for this document includes the need to close the productivity gap between rural and urban areas, not forgetting that more people live in rural areas than in Greater London. That means supporting the creation of better paid and more secure jobs in growing sectors of the economy. That, in turn, requires rural areas to have fast and reliable digital connectivity, a well-trained workforce, good transport networks and tailored business support, amongst other things.

It is no coincidence that the policy topics covered by this document map onto "the five foundations of productivity", which were outlined in the Government's Industrial Strategy, those foundations being: people, infrastructure, business environment, places, and ideas. Each of these foundations need addressing to revitalise rural areas and to achieve their economic potential.

The Industrial Strategy also highlighted four "grand challenges" which could transform

Revised Jan 2021



the economic landscape. These are: artificial intelligence and data, an ageing society, the future of mobility, and clean growth. Those challenges should also shape any credible rural vision. Not least, since – compared with urban populations – rural residents are more likely to be from older age groups and rural residents must travel further to access jobs and services. Equally, rural businesses should seek to reap benefits from the tech revolution and from green growth.

The RSN views two other significant policy drivers as being critical to revitalising rural areas. First, they must be supported to contribute fully to the Government's 2050 target for the country to become net zero for greenhouse gases. Whilst this target has implications across the board, it must, in particular, shape ambitious policies for housing, transport and energy production in rural areas.

Second, rural areas must be supported to level up. Many rural places have lost out, not least in terms of employment opportunities, key service provision, transport networks and affordable housing. Too often rural areas have been overlooked by policies which targeted large urban centres. On many policy agendas, rural areas are handicapped by public funding allocations that work against them. The RSN, therefore, welcomes the Government's commitment on levelling up in rural areas.

*"This government is committed to levelling up all parts of the United Kingdom, not just investing in our great towns and cities, but also our rural and coastal areas."*

('Farming for the Future: progress report', Department of Environment, Food & Rural Affairs, February 2020)

There is no explicit definition of levelling up given in the Government's new National Infrastructure Strategy (or elsewhere). The objective of the new cross-departmental Levelling Up Fund, worth £4 billion in England, is to "invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery". It is stated that this is: "Open to all local areas with priority given to places in need, those facing particular challenges and rural areas that have received less Government investment in recent years". On the face of it most rural areas meet the headline definitions. To be transparent, Government needs to define these areas and the criteria for the decisions.

Revised Jan 2021





In this document we look at fourteen policy themes, which we believe need tackling through measures allied to a rural vision. For each theme we outline some policy proposals which we consider would make a material difference, addressing known challenges and opportunities. These were drawn up following engagement with a wide cross-section of our members, whose knowledge derives from their experience of policy delivery at national, local and community levels. The policy themes are listed in a table, below, showing their prime links (only) to the foundations of productivity.

Revitalising Rural: Realising the Vision Policy Themes		People (workfor	Infrastructure	Business environm	Places	Ideas
	Rural Fair Funding					
	Rural Digital Connectivity					
	Rural Transport and Access to Services					
	Access to Rural Health and Care Services					
	Rural Schools and Community Facilities					
	Rural Economies					
	Rural Further Education, Training and Skills					
	Parish Councils and Rural Community Action					
	Rural Planning					
	Rural Town Centres and High Streets					
	Availability of Rural Affordable Housing					
	Managing an Older Rural Population					
	Sustainable Farming and Land Management					
	Decarbonising Rural Communities and Economies					

Revised Jan 2021



One stand-out point from this work is the inter-connectedness of the policy themes: indeed, the inter- relationship between economic, social, and environmental agendas. Rural economies are much more likely to thrive where there are also strong communities and a high-quality environment. Action is therefore required across a range of issues, which both directly and indirectly have a bearing on economic recovery and growth.

An equally important principle is that central Government should develop the vision and the policy framework, along with sustained financial support to enable the intended outcomes to be achieved. However, wherever possible policy design and delivery should take place at the local and community levels. It is at those local and community levels that specific needs and circumstances will be properly understood. Rural areas across England vary significantly, so policy delivery needs careful tailoring if it is to be effective.

In 2021 the Government intends to publish its multi-year Spending Review, (the 2020 Spending Review was for one year only) setting out Whitehall Departmental budgets and funding priorities for at least the next three financial years. The RSN now calls upon Government to ensure that rural needs from public policy are fully and fairly reflected in that Review, so that outcomes for rural areas can be proportionate. We hope that this will enable the policy suggestions in this document to be taken up, helping to realise the rural vision.

Revised Jan 2021



## SUMMARY

The Rural Services Network (RSN) hopes to contribute to the delivery of the Government's 2019 commitment, to “expand on its strategic vision” for rural areas, “working across Departments and working with stakeholders”.<sup>1</sup>

When work commenced on this document Covid-19 was barely known about. There is, of course, now an urgent and additional need to help rural communities and rural economies to rebuild from the many and varied impacts of the pandemic and associated restrictions.

However, what must not be overlooked is that there has been a long term need to close the productivity gap between rural and urban areas. Amongst other things, that means supporting the creation of better paid and more secure jobs within growing sectors of the economy.

Pursuing this objective will support the Government's ambition to level up those places which have been left behind – a description which can apply to many rural places, not least in terms of employment opportunities, funding for public services and service provision more generally, digital connectivity, transport networks and affordable housing.

Done the right way, pursuing that objective will also help rural areas to contribute fully to the Government's target for the UK to become net zero for greenhouse gas emissions by 2050. It should include ambitious low carbon policies for housing, transport, and energy in rural areas.

Throughout this document we make the case for a fairer distribution of national resources to rural areas and for more nuanced national policies that reflect rural circumstances. In this document we mainly focus on the distribution of existing public resources, rather than additional resources.

Fourteen topics are covered by this document, which the RSN would hope to see reflected in a strategic vision for rural areas. Against each are some policy asks the RSN believes would contribute significantly to rural productivity, wellbeing, and sustainability. A few of those asks are highlighted below. The results of the Comprehensive Spending Review, due to be announced in autumn 2020, offers an opportunity to lay the financial groundwork for realising the strategic vision.

---

<sup>1</sup> Referencing page 3 of Defra's *Government response to House of Lords report on the Rural Economy* (2<sup>nd</sup> July 2019).



**Rural Fair Funding:** Government should ensure rural areas receive a proportionate share when allocating public expenditure, as a matter of equity. It should implement the findings of its Fair Funding Needs and Resources Review for local government finance, taking full account of service delivery costs in rural areas. Funding formulae used for the NHS, public health, education and training, fire and rescue, and police all need reviewing.



**Rural Digital Connectivity:** Government should now formalise its commitment to bring forward the nationwide roll out of full fibre broadband networks to 2025. It should use the CSR to speed up the flow of public funding that it has accepted is required for roll out in uncommercial rural areas.



**Rural Transport and Access to Services:** Government must use its Better Bus Strategy to improve existing routes and restore valued routes that have been lost between rural towns. It should also expand the Rural Mobility Fund, so community transport solutions can be created to serve smaller rural settlements.



**Access to Rural Health and Care Services:** local health partnerships should seek to create health hubs in rural towns, providing treatments and tests which would otherwise require travel to a main hospital. The NHS Workforce Plan should specifically aim to address severe NHS staff shortages in many rural areas.



**Rural Schools and Community Facilities:** Government should direct a share of the capital funding pot for school modernisation to small rural schools that have lost out. Some extra funding should go to the ACRE Network, to provide expert guidance to village halls recovering from the pandemic and restrictions.



**Rural Economies:** The Government should take into consideration the particular nature of rural economies, which often feature SME's and sole traders to ensure that there are targeted policies and support to enable the overall rural economy to thrive. Available guidance should be tailored to help rural businesses better exploit digital connectivity opportunities and dedicated funding streams should be developed to target rural business.



**Rural Planning:** proposals to reform the planning system, designating three types of zone, are too simplistic and will not meet varying economic, social, and environmental needs in rural areas. Residents and their parish councils must continue to be given a say about planning applications.





**Rural Further Education, Training and Skills:** Skills Advisory Panels, which co-ordinate training, should have a representative with direct rural business experience (except in wholly urban areas). Government should fund extending the statutory free travel scheme for young people to 17-18-year olds at FE. Employment support measures in the Plan for Jobs need flexibility to be effective in rural areas.



**Parish Councils and Rural Community Action:** Government should review its Community Right to Buy policy, to help more communities take on and run local services (such as village shops and pubs). Modest funding would assist wider adoption of good neighbour schemes where volunteers support vulnerable residents.



**Rural Town Centres and High Streets:** to ensure that more places can benefit from it, Government should expand its Future High Streets Fund. It should offer feasibility grants for small towns. Planning policies permitting change of use need careful calibration to keep buildings in productive use, but not spark a sell-off of retail space.



**Availability of Rural Affordable Housing:** Government should allow local planning authorities to require a quota of on-site affordable homes from small as well as large developments in all parishes with a population under 3,000. It should also allow them to require exception sites to offer affordable rental homes.



**Managing an Older Rural Population:** national planning guidance should be updated to take proper account of the Lifetime Homes Standard, so new homes suit the needs of those with mobility issues. The statutory concessionary travel scheme for older people should be adjusted to reflect rural travel options.



**Sustainable Farming and Land Management:** post-Brexit funding for farmers, through the ELM, should be set at a level which rewards good practice, contributing to the net zero target and benefiting natural capital. Government policy should also value and promote home grown food production.



**Decarbonising Rural Communities and Economies:** Government should incentivise homeowners to boost energy efficiency by creating a Net Zero Retrofit Programme. This could also address rural fuel poverty. A funded strategy is needed to expand the network of public electric vehicle charging points along rural roads.



# Revitalising Rural

Realising the Vision

## FAIR FUNDING



### Why it matters

It is vital that we work to improve outcomes in public services in rural areas which are, and have been for decades, woefully under-resourced by central government in comparison to urban areas of the country. Good quality, accessible and affordable public services are a cornerstone of economic (and social) opportunity, recovery, growth, and sustainability. Without them the potential benefits from major infrastructure investments will simply not be realised – rural areas will fall further and further behind and levelling-up will have failed.

More people live in rural areas than live in the whole of Greater London. But the distribution of resources to those different parts of England to fund essential services is nowhere near fair or equitable –despite Government's acceptance that it costs more to deliver services in rural areas.

Ensuring that we have sustainable rural communities, means ensuring that residents have good access to healthcare, that children can attend local schools without the need to travel long distances, that areas have affordable homes in order to ensure that key workers have somewhere to live, and that public services are delivered effectively.

Revised Jan 2021



Residents should not be disadvantaged in life, due to where they live.

## The national policy context

Key elements of national policy include:

- o Fair Funding Review – the Government commenced a review of the way in which funding was allocated to Local Authorities in 2016 with the *Fair Funding Review: A Review of Relative Needs and Resources*. When the Fair Funding review was announced initially, the then Secretary of State stated, *“We need to recognise that demographic pressures are affecting different areas in different ways, as is the changing cost of providing services. So, we are undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up to date, more transparent and fairer needs assessment formula.”*

The overarching methodology that determines how much funding each authority receives each year was introduced over ten years ago and has not been updated since funding baselines were set at the start of the 50% business rates retention scheme in 2013/14. Therefore, reviewing the whole process is vital to ensure a fairer distribution of funds. The Rural Services Network has long been providing evidence to this review to demonstrate the ways in which the current system is unfair and the impact on rural communities. Due to various factors, this review has been delayed several times by the Government, with Brexit and the Covid-19 pandemic having a key impact. However, the result is that rural areas remain underfunded by an unfair distribution system.

- o Village schools – a long-standing Government policy is the presumption against rural school closures (other than in exceptional circumstances). This policy recognises the wider social cost to communities where a school closes. A National Funding Formula for schools was introduced a few years ago, benefitting some (though not all) small rural school budgets. Without economies of scale, small schools have proportionately higher underlying running costs.
- o Adult Social Care – this complex sector is the statutory responsibility of both the NHS and upper tier local authorities; the latter managing longer term care packages. On top of that are residential care homes, mostly run by the private sector, and support services from a wide range of voluntary or community sector organisations. However, most care is given informally by family members, friends, and neighbours. Proposals for major policy reform of the way that social care is funded are once again under discussion.

Revised Jan 2021



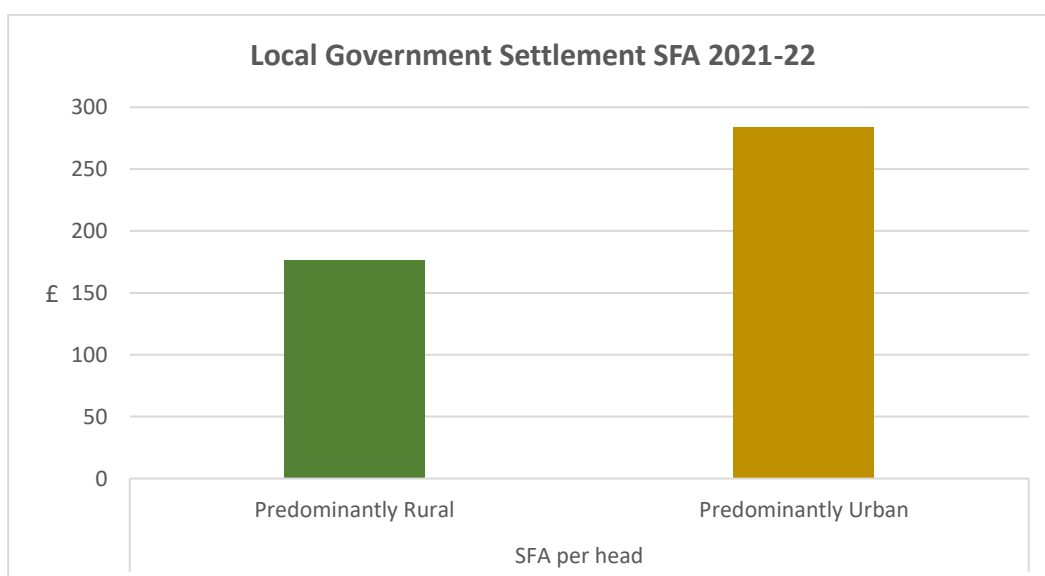
## The rural dimension

Due to the longstanding underfunding of rural areas, we are now faced with a situation where the Local Government Finance Settlement for 2021-2022 shows:

- o Urban areas in 2021-2022 will receive some 61% (£107) more per head in Settlement Funding Assessment grant more than their rural counterparts;
- o Rural residents pay, on average, 19% (£96) per head more in Council Tax than their urban counterparts due to receiving less government grant;
- o Rural residents fund 69% of their Local Government Spending Power through Council Tax compared with urban residents who fund theirs by 57%.

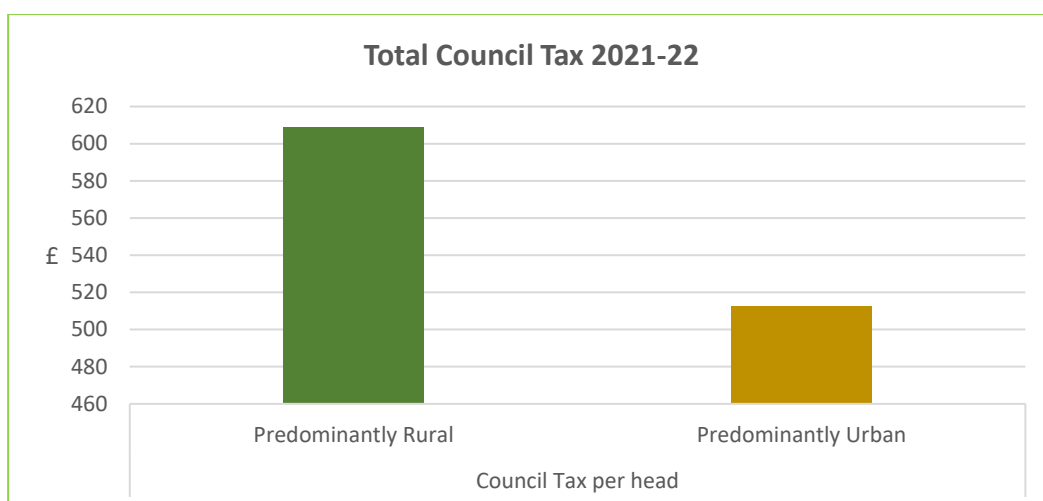
Due to a lack of Government Funding, rural Local Authorities are much more reliant on income from council tax to balance the books and fund services. Over the years, they have been forced to increase council tax to levels higher, on average, than those in urban areas. This has a detrimental impact on rural communities where they are paying more in council tax, from often lower than average wages.

Rural residents pay more, receive fewer services and, on average, earn less than those in urban areas and that is inequitable.



Revised Jan 2021





These graphs show the disparity in Settlement Funding Assessment (SFA) from the Government for rural and urban areas and the difference in average council tax payable between rural and urban.

In addition, older people form a significantly larger proportion of the population in rural areas than in urban areas, a point which matters since age is the main determinant of demand for health and care services.<sup>1</sup> Furthermore, the proportion of older people within the overall population is increasing fastest in rural areas. This trend is very marked for those aged 85 or over whose care needs tend to be most complex.

Analysis by the Rural Services Network shows that, if compared with their predominantly urban equivalents:

- Predominantly rural local authorities receive less grant funding per head to pay for services such as social care;
- Predominantly rural local authorities receive significantly less grant funding per head to pay for their public health responsibilities; and
- The more rural NHS Clinical Commissioning Group areas receive similar funding per head, which does not seem to account for their notably older demographic.

Revised Jan 2021



## Policy solutions

The RSN is calling for rural areas to receive a fair share of the resources made available nationally to support investment and services. We recognise the financial challenges facing the Government and stress that we are, in the main (social care is an obvious exception – but that is a national issue – albeit with very significant rural aspects to consider), seeking a fairer distribution of national resources to rural areas and more nuanced policy to reflect the rural context.

Rural areas must benefit from the important Government commitments to level-up so that nowhere is left behind and for the UK to become net zero for greenhouse gas emissions by 2050. Added to which is the existing Government commitment, from 2019, to develop its vision for rural England. That vision needs to set out the desired outcomes, policy rationale, costs benefits and deliverability (including timescales). Impacts and restrictions of the pandemic have brought into focus and exacerbated a number of rural vulnerabilities, whilst at the same time highlighting some notable strengths and opportunities. The national response needs to support rural areas to ensure, not only that the recovery is equitable, but that it revitalises rural and unlocks its potential to contribute fully to national growth and to grow back better.

Revised Jan 2021



## Fair Funding

### Specific policy asks

**Public Sector Funding:** public services should be fairly funded to ensure that additional costs of delivering rural services are recognised and adequately funded to ensure that rural areas are not left behind in levelling up England.

**Recognising rural need:** Government should take full account of the needs of rural areas, their economies, and their communities and that the impacts of any measures flowing from it are both proportionate to rural areas and properly rural proofed.

**Public and mental health services:** in the light of recent experience, Government should give more prominence to public health and mental health services. Both need better resourcing to become more accessible in rural areas. Historic funding allocations for public health cannot be justified and need an urgent overhaul to even out provision. Good practice in rural provision of mental health services needs active promotion and encouragement. Large disparities in numbers of mental health professionals working in rural and urban areas need resolving.

**Social care provision:** Government should implement the findings of its Fair Funding Review to help level-up the provision of social care services in rural areas, taking full account of their delivery cost in more sparsely populated areas. This would also enable improved or more consistent engagement with and commissioning of 'low level' support services for vulnerable rural residents, which are typically delivered locally by voluntary and community sector organisations.

**Rural schools:** the revised National Funding Formula helps to compensate many rural schools for the relatively high underlying running costs (per pupil) that small schools inevitably face. It should, however, be set to allow for more than minimum staffing levels. A share of the capital funding pot for school modernisation and maintenance projects should be set aside for small schools. They often lose out, with capital spending focused on larger projects at urban schools. Government should support and offer some funding to help collaboration or clustering between small rural schools, so they benefit from shared resources and expertise.

Revised Jan 2021



# RURAL DIGITAL CONNECTIVITY



## Why it matters

Digital connectivity is a key enabler of business innovation and an important driver of productivity growth. Rural based businesses of all sizes and in all economic sectors (including the self-employed) need access to fast and reliable broadband and mobile networks if they are to thrive, compete and reach new markets.

Digital connectivity creates new opportunities for businesses to set up in or locate to rural places, bringing jobs and wealth to those areas. As the Covid-19 pandemic has demonstrated, it also enables home working from rural settings, which many employers may expect in the future.

Digital connectivity allows those who are on the move to stay in contact, download information and work remotely, in keeping with modern day expectations of business people, residents of all ages and (crucially, from a rural perspective) those visiting or holidaying in an area.

Digital connectivity offers rural residents the option to access many services without having to make long or complex journeys. It has rapidly become a key means for accessing banking, education, and healthcare, to name just three examples. It can also help address rural loneliness and isolation.

Digital connectivity will allow the aspirations of and benefits from the Industrial Strategy's Grand Challenges to be realised in rural areas. This will include developments such as agri-tech for crop or livestock management, virtual health consultations and augmented reality at visitor attractions.

Revised Jan 2021





In short, if rural communities are poorly connected, digitally, their ability for productivity growth will be constrained, causing them to fall further behind economically and to face disadvantages.

## **The national policy context**

Key elements of national policy include:

- Broadband USO – a right giving households or businesses with a slow internet connection (i.e. a download speed below 10 Mbps) the ability to request a free upgrade, if the cost for BT Openreach does not exceed £3,400. They may have to pay costs above this threshold.
- Future Telecoms Infrastructure Review – a Government strategy from 2018, which set a timeframe and approach to roll out full fibre networks delivering ultrafast connectivity. It aimed to cover all areas of the UK by 2033, using public funds for an ‘outside in’ policy, so rural areas could benefit in parallel with commercially viable urban areas. This was commenced by a £200 million Rural Gigabit Connectivity programme, to test deployment around public sector hubs, such as schools. In 2019 Government brought forward its target date for UK-wide full fibre connectivity to 2025 and announced £5 billion of public funding to enable this.
- National Infrastructure Strategy and Spending Review 2020 – however, in late 2020 Government revised down that target. By 2025 a minimum of 85% of UK premises are now to gain gigabit-capable connectivity (most using full fibre technology). The Spending Review made a firm public funding allocation of £1.2 billion for the period to 2025. Draft procurement plans include maps showing which rural areas are expected to benefit from that sum. However, they state that plans for the most uncommercial rural areas remain “to be explored”.
- Shared Rural Network – an agreement signed by the UK’s four mobile network operators, to share masts or permit roaming (between their networks) at locations where this can plug gaps in 4G coverage. This will occur mainly in remoter rural areas and, using £500 million public match-funding, will build new infrastructure at some ‘not spots’ currently unserved by any network.
- 5G test beds and trials programme – a series of pilot projects using emerging 5G mobile technology, to test its application at differing locations and in various economic sectors. It includes 5G Rural First projects trialled in Shropshire and Somerset, and a 5G Rural Integrated Testbed project trialling tourism and agriculture applications.

Revised Jan 2021



- o Legislation – further upcoming legislation was announced in the December 2019 Queen's Speech. Amongst other things, this is expected to require that all new homes are built with gigabit capable connections.



## The rural dimension

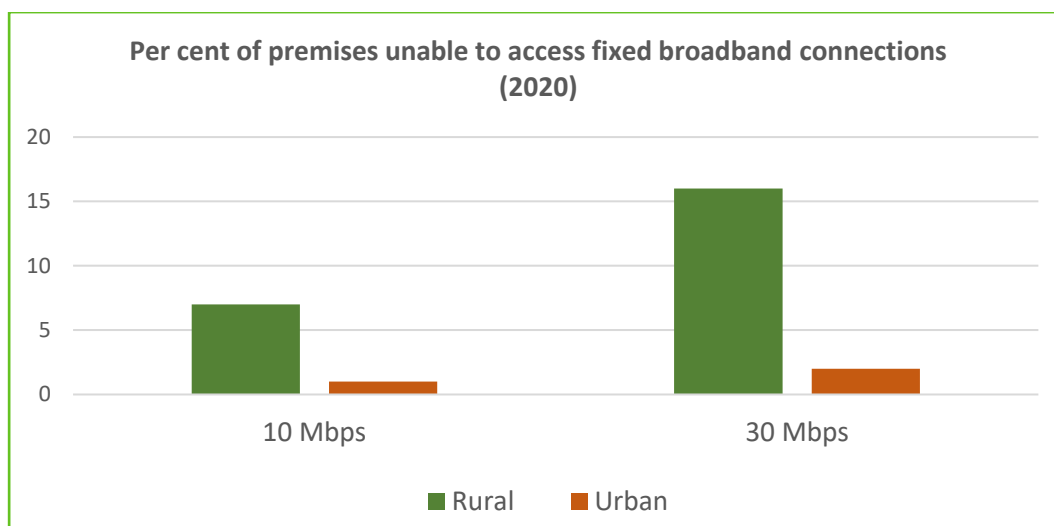
Broadband and mobile networks are clearly more widely available in rural areas than they were a few years ago. However, there remains some notable connectivity challenges to resolve.

Some 7% of rural premises (or 274,000 households and businesses) in England cannot access a decent fixed broadband connection of 10 Mbps.<sup>2</sup> This is the threshold set for the broadband USO, which the regulator (Ofcom) considers necessary for everyday use, though it is likely to prove inadequate for many business or home working users.

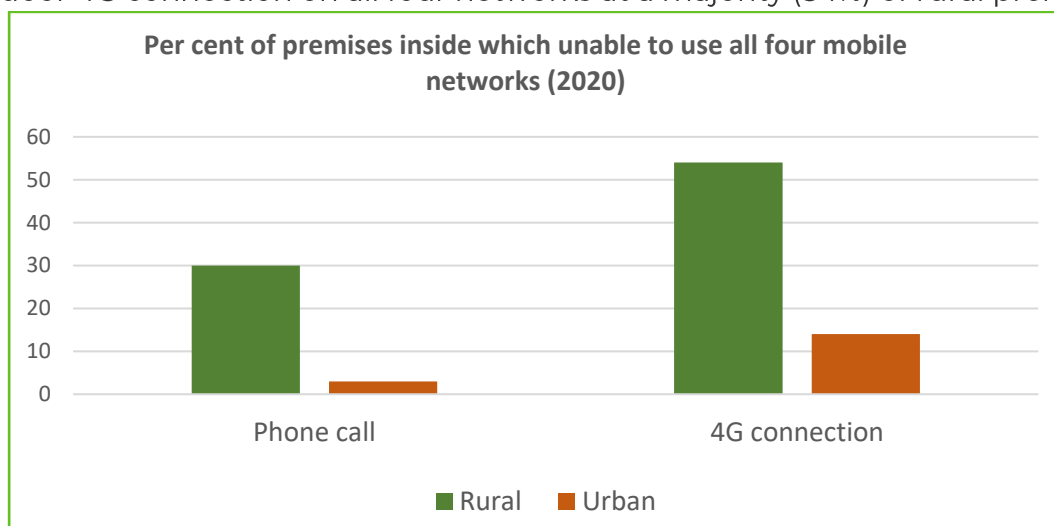
Some 16% of rural premises in England cannot access a superfast broadband connection of 30 Mbps. A sixth of rural premises cannot yet benefit from superfast speeds.

---

<sup>2</sup> *Connected Nations – England report*, Ofcom (2020) for all broadband and mobile connectivity statistics.



There remain significant issues with mobile connectivity in rural premises. Some 30% of those in England are premises where it is not possible to make an indoor phone call on all four of the mobile networks (EE, O2, Three and Vodafone). Similarly, it is not possible to get an indoor 4G connection on all four networks at a majority (54%) of rural premises.



The outdoor signal is notably better. However, complete 'not spots', where no 4G signal is available from any operator, make up 3% of England's rural landmass. Across 19% of that rural landmass it is not possible to access a 4G signal from all four networks.

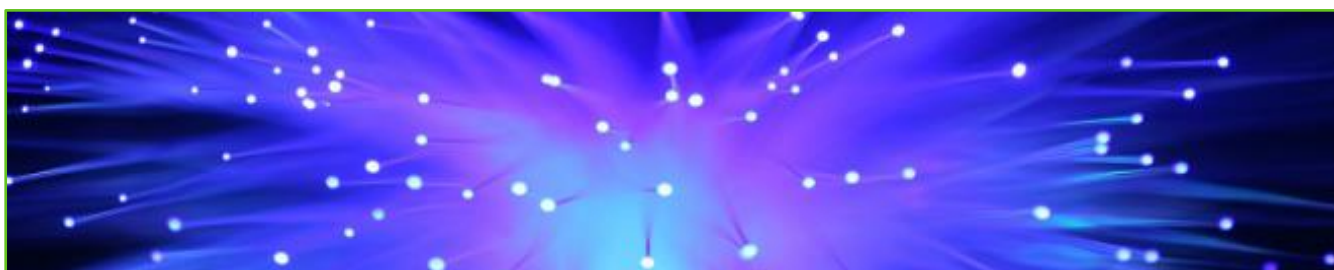
During 2019 mobile network operators launched 5G at 40 UK locations on a commercially funded basis. All 40 of these locations were in large cities or towns. Unless public sector funding arrives quicker, rural areas will fall behind in the 5G roll out.



Research from 2018 estimated that if rural based businesses could resolve their connectivity and other digital constraints, that would add a minimum of £12 billion annually in Gross Value Added to the UK economy.<sup>3</sup>

## Policy solutions

Given the experience during the Covid-19 pandemic, Government should underline its commitment to fast and reliable digital connectivity in all places, rural and urban, and its determination to see that quickly achieved. It should acknowledge that many rural residents have been left behind in a situation where home working, online meetings, online schooling and virtual (health) consultations became the norm. No rural pupils should find themselves disadvantaged in a lockdown when schooling must be delivered online.



---

<sup>3</sup> *Unlocking the digital potential of rural areas across the UK*, Rural England and SRUC (2018).





## Rural Digital Connectivity

### Specific policy asks

**Broadband USO:** industry regulator, Ofcom, should review and upgrade the broadband Universal Service Obligation, which (at 10 Mbps) is out-of-date and inadequate for, what have become, some everyday essential uses. To reflect the new normal the USO should be upgraded to superfast broadband download speeds of 25 to 30 Mbps minimum. Costs passed on to consumers seeking a USO connection must be reasonable. This would level the playing field for rural residents and businesses until gigabit-capable connectivity can be rolled out.

**Gigabit-capable connectivity:** the Government goal for universal gigabit-capable networks, achieved with public investment to ensure their roll out in unviable rural areas, is welcome. However, announcements in late 2020 that 15% of premises will be excluded from the 2025 target and that firm public funding for that period is reduced from £5 billion to £1.2 billion are hugely disappointing. Published procurement plans make clear that it is premises in highly rural or remoter areas which could again be left behind. This effectively abandons the outside-in approach which was set out by Government in 2018. Government should work urgently with the telecoms industry and revisit its plans for the period to 2025. Digital connectivity will be key to levelling-up rural areas and their economies. All rural areas need clarity when they will receive gigabit-capable connectivity and remote areas with the worst connectivity should be first in line for that public investment.

**Mobile networks:** the Shared Rural Network initiative, to plug gaps in 4G provision, is helpful, if not a total solution. Delivery of this initiative must be carefully and transparently monitored by Ofcom, to ensure that network providers are on track to meet their objectives and targets. Options should also be explored to address any remaining mobile 'not spots' by 2025. Government should announce some further rural trials to pilot 5G connectivity, including its use within health and social care provision.

**Digital skills and inclusion:** Government should announce a fully funded Digital Inclusion Programme, so no citizens (rural or otherwise) are left behind due to their lack of online skills or their inability to pay for basic equipment and connection charges. Key strands are likely to include training and the recycling of IT. As recently highlighted by the Communications Consumer Panel, the Covid-19 experience has brought home just how important this issue now is, with some left isolated and struggling to access basic services, such as shopping, banking, education and health care. Although it will require national resource, this should be a locally delivered programme, involving statutory, private and voluntary sector organisations working in partnership.



# RURAL TRANSPORT AND ACCESS TO SERVICES



## Why it matters

Transport options provide communities with better access to employment opportunities and vital services, as well as to leisure or social opportunities. This matters most of all to those individuals without ready access to their own means of transport, whether because of their age, health, income or lifestyle choice. The inverse is equally true. Transport options provide employers with access to a workforce and make retail outlets, service providers and other businesses accessible to all their customers or clients. They are important for local economies and improved transport networks can help rural areas to level up.

One group for whom transport matters a great deal is young people who, from age 16 to 18, must attend further education, an apprenticeship or work-based learning. Rural young people (who are unlikely to own their own transport) require realistic options to give them a chance to follow their career or education ambitions.

A lack of transport options can contribute towards loneliness, not least among older people, where it leaves them physically isolated in smaller rural communities further exacerbating health problems. Conversely viable transport options often assist wellbeing and social inclusion. A lack of transport options encourages car dependency (and for some makes it all but essential). This is detrimental to the environment, causing congestion, adding to air pollution and contributing to greenhouse gas emissions, contrary to the Government's net zero objective.

Revised Jan 2021



Transport is likely to undergo a massive change over the next decade or two, as explored in the Future of Mobility chapter in Government's 'The Grand Challenges' policy paper. This may embrace a rapid shift to electric and ultra-low emission vehicles, self-driving vehicles, and micro vehicles. However, to avoid replacing one congestion problem with another, policies will also need to encourage a move away from individual vehicle use. Enabling innovation to happen outside large urban centres may be key to its nationwide success.

## The national policy context

Key elements of national policy include:

- Bus services – since deregulation in 1986 bus routes and timetables have largely been set by bus operators. The majority of routes are run on a commercial basis by those operators. However, local authorities (county or unitary councils) can subsidise loss making routes, or services that run at loss making times of the day. Subsidised services have been an important feature of rural provision, where passenger numbers are lower. The 1985 Transport Act puts an obligation on local authorities to identify and provide services they deem to be socially necessary. They may, however, conclude that none meet that criteria, not least when under severe budgetary constraint.
- Better Deal for Bus Users – this Government initiative announced a package of measures and £220 million for actions aiming to meet the needs of bus service users. It includes £30 million for local authorities, so they can improve existing or restore lost services, plus funding for a Rural Mobility Fund (see below). It also announced that a National Buses Strategy for England would be produced, which is expected to review the way that services are funded and how local authorities and bus operators can work better together. The risk now is that this funding is used to restart routes that ceased during the Covid-19 lockdown or which were lost many years ago, rather than looking at new patterns of demand.
- Concessionary fares – the national statutory concessionary fares scheme provides free travel on local buses to those aged 65 or over or with a disability (outside peak times). Children up to age 16 are also eligible for free bus travel to school for journeys over 3 miles. Local authorities may fund extensions to the concessionary fares scheme, though this has become less frequent as their budgets have reduced. 17- and 18-year olds are not covered by any statutory scheme, despite now having to remain in education or training.
- Community transport – services run by community transport providers can provide complementary services or routes, typically using minibuses or cars to assist particular groups (such as older people). They often rely on grants and use volunteer drivers to reduce operating costs. In early 2020 the Government announced a £20 million Rural

Revised Jan 2021

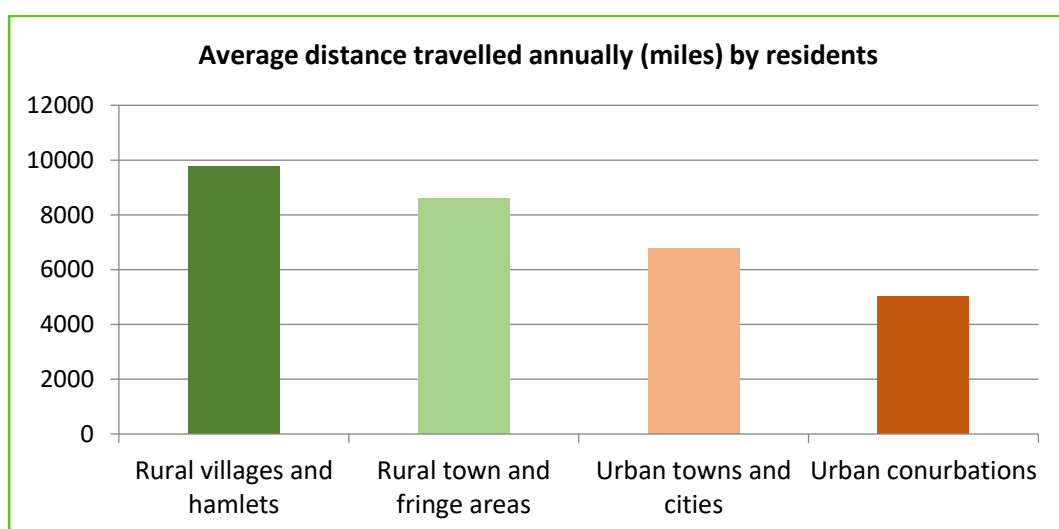


Mobility Fund, offering grants to local projects which will pilot demand-responsive transport solutions in areas where there is a dispersed settlement pattern.

- Future of Transport, Rural Strategy – having completed an urban strategy, the Government has commenced work on its rural counterpart. This will seek to ensure that the benefits of transport innovation reach people who live or work in rural areas, covering topics such as transport electrification, automation and real-time data collection.
- Active travel – the Spending Review 2020 announced that £257 million of investment was being made available in 2021/22 for improvements that will encourage walking and cycling.

## The rural dimension

Rural residents travel further than their urban counterparts. Those living in small rural settlements (villages and hamlets) on average travelled 9,756 miles in 2018/19. That is 44% more than the average resident from an urban town or city.<sup>4</sup>



<sup>4</sup> National Travel Survey 2019 statistics, Department for Transport.



Travel times required to reach a workplace or services are typically longer for rural than for urban residents. This time difference is most marked for those who rely upon public transport, as the statistics below for the year 2017 show.<sup>5</sup>

***Average minimum travel time by public transport or walking  
to reach nearest service or centre***

To reach the nearest:	From rural areas	From urban areas
Employment centre (with 5,000+ jobs)	56 minutes	27 minutes
GP surgery	23 minutes	11 minutes
Further education institution	37 minutes	18 minutes

In 2017/18 passengers made 1,223 million journeys by bus in non-metropolitan areas of England, down by 7% since 2009/10.<sup>6</sup> Over the same period bus vehicle mileage has remained fairly stable for commercially run services, but has more than halved for local authority subsidised services. What these figures may mask is some operators taking a commercial risk to maintain a service where the subsidy is withdrawn.

This trend coincides with a 43% reduction in local authority expenditure on subsidy for bus services. Several local authorities have cut their supported bus expenditure to zero. Furthermore, local authorities in predominantly rural areas have less funding available to them for spending on bus services (than equivalent urban local authorities).<sup>7</sup>

***Budgeted local authority expenditure per resident on bus service provision (2019/20)***

Budgeted spend on:	Predominantly rural local authority areas	Predominantly urban local authority areas
Subsidised bus routes	£7.53	£39.41
Concessionary bus fares	£13.84	£25.38

Many bus routes financially supported by local authorities have been withdrawn or reduced.<sup>8</sup> This is thought to have affected over 3,000 services since 2009. Disaggregated figures for shire areas (alone) are available for 2016/17, showing that:

- o 202 services were withdrawn altogether; and
- o 191 services were in some other way reduced.

<sup>5</sup> Travel time statistics 2017 (revised), Department for Transport.

<sup>6</sup> *The Future of Bus Funding*, Campaign for Better Transport (2019), using Department for Transport statistics.

<sup>7</sup> Analysis of Local Authority Revenue Account Budget data set, RSN (2020).

<sup>8</sup> *Buses in Crisis* annual reports, Campaign for Better Transport.





Recent analysis has concluded<sup>9</sup> that £348 million of support funding would now be needed to restore rural bus provision in shire areas back to the level that it was at a decade earlier in 2009/10.

Research in two English regions concluded that many small rural towns were at risk of becoming transport deserts, with infrequent bus, rail, or public transport services. 72 out of 110 small towns in the South West and 20 out of 50 small towns in the North East met the transport desert definition.<sup>10</sup>

A good half (52%) of all community transport organisations either wholly or mostly serve rural communities.<sup>11</sup> However, those serving rural areas tend to be smaller in scale and to rely more heavily on fares revenue (as they receive comparatively less grant income).

## Policy solutions

The paucity of rural transport options is an issue which strikes at the heart of rural disadvantage, impacting people's access to employment, education and training, health, shops, and a host of other activities. It is a key driver of rural isolation and loneliness. It leaves rural communities highly car dependent, with consequences for the environment and national efforts to reach net zero (for carbon). This situation reflects a long-term lack of strategic policy thinking about what transport provision is needed and appropriate in rural areas.

---

<sup>9</sup> *Reversing the Decline of County Buses*, County Councils Network and County APPG (2020)

<sup>10</sup> *Transport Deserts*, CPRE – The Countryside Charity (2020).

<sup>11</sup> *State of the Sector - England*, Community Transport Association (2014).



## Rural Transport and Access to Services

### Specific policy asks:

**Covid-19 support:** in the short-term Government must retain its emergency financial support for public transport networks, so that rural bus and rail routes survive whilst pandemic restrictions are in place and whilst passenger confidence remains low. A significant public information campaign is required as soon as social distancing restrictions can be further relaxed to re-assure people about safety and encourage them back onto public transport.

**Bus route provision:** Government must ensure that its planned National Bus Strategy has objectives for rural provision, with ambitions to better serve rural communities and their economic needs on a sustainable basis. A fair share of the extra resources now starting to flow must reach rural areas, to improve existing routes, restore valued lost routes and establish new routes where clear gaps exist. This must be backed up by ensuring predominantly rural local authorities regain and sustain their ability to offer necessary revenue support, which means Government implementing the findings of its Fair Funding Review and taking full account of the costs of rural service delivery.

**Zero emission buses:** as described in the section on decarbonisation, the high costs of introducing electric or hydrogen buses and their fuelling facilities could prove problematic in rural areas. A comprehensive review is needed of the electric grid and, where appropriate, hydrogen supply, to address this risk.

**Community transport:** The Rural Mobility Fund is useful, if modest in its scale. Lessons from that Fund's current round should form the basis for a larger funding pot which is sustained over a longer period. It should, especially, promote the use of community and demand-responsive transport schemes which serve outlying settlements and feed into bus or rail routes. App-based journey planners and booking technologies should be piloted to attract new users, as should through ticketing between transport providers. However, in many rural areas this may require improvements to mobile connectivity.

**Cycling and walking:** Government should recognise the potential to improve cycling and walking infrastructure in rural towns, to nearby villages and in urban fringe areas. This can

Revised Jan 2021



reduce car dependency and improve access to rural employment, services, and retail centres. Funding streams being made available to develop such infrastructure must reach rural areas and not simply focus on larger urban settlements. The condition of rural roads needs addressing as it can be a barrier to cycling.

*Related policy asks appear in the chapter on Decarbonising Rural Communities and Economies.*



# ACCESS TO RURAL HEALTH AND CARE SERVICES



## Why it matters

The health and wellbeing of the nation's population is as relevant to and important for rural communities as it is to those who live elsewhere. This universality is embedded within the vision that led to the creation of our National Health Service.

Surveys of rural residents and of those who represent them consistently find that health and care services are one of their top priorities. This may, in part, reflect the older demographic residing in mostly rural areas (which is not a reason to overlook health and care issues affecting younger age groups). It is likely to be even more true following the Covid-19 pandemic.

Health services that serve rural populations need to be safe and of high quality. They also need to be geographically accessible. This can lead to a dilemma, often not well resolved, where services become more specialised and centralised, but are then more distant from rural communities. This has been exacerbated by significant cuts made to rural bus routes.

On the other hand, there is a drive to expand the range of (non-acute) services which are provided away from main hospitals sites at community hospitals or health centres. Digital adoption and telehealth also have rural potential, assuming there is fast and reliable network connectivity.

The importance of mental wellbeing is increasingly recognised across all age groups. If common mental health problems are included, they are widely experienced and have costs for society at large (including lost working days). Whilst levels of mental ill-health are

Revised Jan 2021



not especially high in rural areas, there are concerns such as access to relevant support services and for isolated farming communities.

For many rural people receiving regular care support is vital. It allows many to continue living at home. This includes support from statutory services, voluntary organisations and (informally) from family or friends. Rural areas typically have fewer or less accessible day care centres and the like.

## **The national policy context**

Key elements of national policy include:

- NHS Long Term Plan – the ambition of this ten-year plan, published in 2019, is to create an NHS fit for the future. It puts considerable emphasis on treating more patients outside main hospital settings, preventative action so people stay healthier, increasing local collaboration between primary and community health services, growing capacity of mental health services, and accelerating digital adoption within the NHS. It also signals a modest return to real terms growth for the NHS budget over the coming five years.
- Local Long-Term Plans – these translate and implement the national plan at a local level for the period 2019 to 2024. They are produced by Sustainability & Transformation Partnerships (STPs) or, where they exist, by Integrated Care Systems (ICSs). One notable element is the formation of Primary Care Networks, bringing together groups of GP practices with other providers in the primary, community, social care, and voluntary sectors, at a locality level.
- Hospital investment – the Spending Review 2020 announced £3.7 billion for the hospital building programme and £1.7 billion to upgrade existing hospitals over the period 2021/22 to 2024/25.
- NHS People Plan – this plan seeks to address some notable workforce issues, matching skills to evolving service requirements, addressing workforce shortages, and building leadership capability. It acknowledges the extent of vacancies in the health sector, setting an ambitious five-year target to halve the vacancy rate for hospital nurses.
- Prevention Green Paper – this looks to shift the focus of the health system from one which simply treats illness, to one which prevents problems arising in the first place. The aim is to help people live healthier for longer. Its objective is to deliver “prevention at scale”, making use of health checks, screening, predictive prevention, a vaccination strategy, genomic analysis, and initiatives that target childhood obesity and smoking amongst others.

Revised Jan 2021





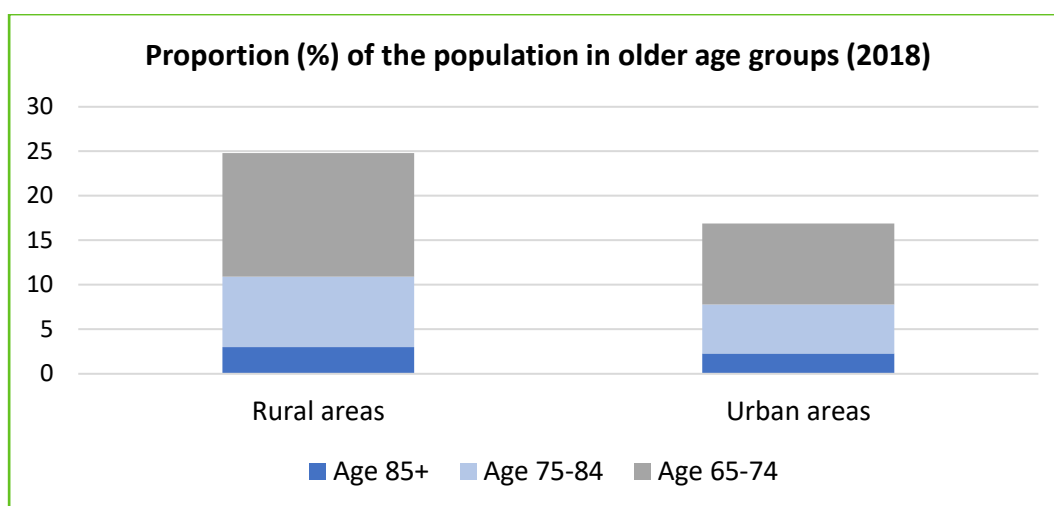
- Forward Plan for Mental Health – this announced a growing budget for mental health services. It seeks to expand the size of the mental health workforce and improve integration with physical health services. It also looks to expand 24/7 care for those in crisis and to create more comprehensive mental health services for children and young people.
- Adult Social Care – this complex sector is the statutory responsibility of both the NHS and upper tier local authorities, the latter managing longer term care packages. On top of that are residential care homes, most run in the private sector, and support services from a wide range of voluntary or community sector organisations. However, most care is given informally by family members, friends, and neighbours. Proposals for major policy reform of the way that social care is funded are once again under discussion.

## The rural dimension

Older people form a significantly larger proportion of the population in rural areas than in urban areas, a point which matters since age is the main determinant of demand for health and care services.<sup>12</sup> Furthermore, the proportion of older people within the overall population is increasing fastest in rural areas. This trend is very marked for those aged 85 or over whose care needs tend to be most complex.

---

<sup>12</sup> 2018 Mid-Year Population Estimates, Office for National Statistics.



Getting to health facilities can be more time-consuming and complex for rural residents. This is especially so for those who need to use public transport, as statistics below for the year 2017 show.<sup>13</sup> What these travel time figures overlook is the infrequency of most public transport services in rural areas.

***Average minimum travel times by public transport and by car to reach nearest health facilities***

To reach the nearest:	By public transport/walking		By car	
	Rural areas	Urban areas	Rural areas	Urban areas
GP surgery	23 minutes	11 minutes	11 minutes	8 minutes
Hospital	61 minutes	34 minutes	26 minutes	18 minutes

There are other important services to access, of course, such as community pharmacies. In rural areas where they are not present the role of dispensing GP surgeries can plug a crucial gap.

Research has identified several workforce (or recruitment and retention) issues that particularly impact rural areas, including difficulties with:<sup>14</sup>

- Recruiting a range of staff, including doctors and consultants, to posts in rural settings, including at smaller hospitals;
- Maintaining consultant hospital teams with all the required skills, given the trend towards sub-specialisms; and

<sup>13</sup> Travel time statistics 2017 (revised), Department for Transport.

<sup>14</sup> *Acute care in remote settings: challenges and potential solutions*, Nuffield Trust (2016).



- o Ensuring that health professionals have sufficient access to training, networking, and compulsory development opportunities.

Shortages within the social care workforce may explain (at least, in part) the higher rate of delayed patient transfer from hospitals found in rural areas. Some of these will be people requiring a care package when returning home.<sup>15</sup>

#### ***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

Analysis by the Rural Services Network shows that, if compared with their predominantly urban equivalents:

- o Predominantly rural local authorities receive significantly less grant funding per head to pay for services such as social care;
- o Predominantly rural local authorities receive significantly less grant funding per head to pay for their public health responsibilities; and
- o The more rural NHS Clinical Commissioning Group areas receive similar funding per head, which does not seem to account for their notably older demographic.

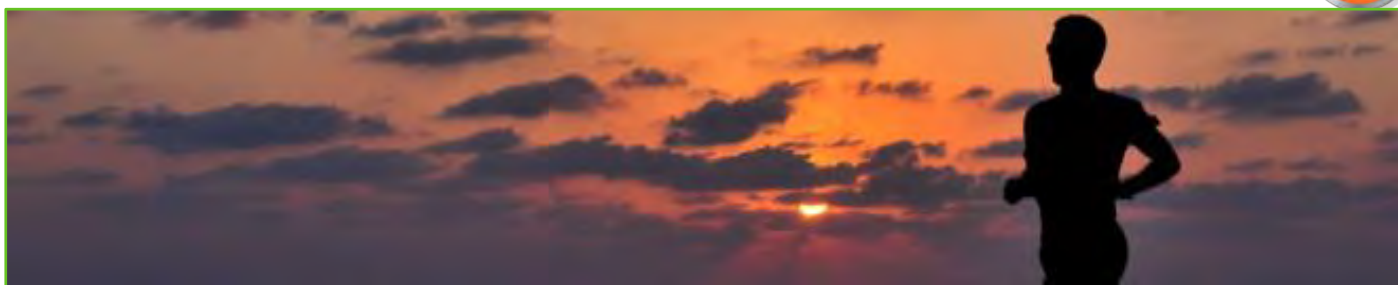
Almost 12% of all residents who live in a rural area are providing informal care to someone else on a regular basis.<sup>16</sup> Indeed, 24% of older people who live in a rural area are providing such informal care. Both figures are higher than the national average.

## **Policy solutions**

The direction of policy travel, as set out by reforms in the NHS Long Term Plan, poses both some real challenges and some opportunities for rural provision. The same could certainly be said, too, for the social care sector, where future policy is currently less developed. A core requirement is that health and care plans are rural proofed at both the national (policy) level and the local (strategic and delivery) level, so that benefits reach rural communities and properly address their needs. Better use could be made of digital health and care services for rural provision, learning lessons from the experience of virtual consultations during the Covid-19 pandemic, though this requires gaps in rural connectivity to be addressed.

<sup>15</sup> *Issues Facing Providers of Social Care at Home to Older Rural Residents*, Rural England CIC (2017).

<sup>16</sup> 2011 Census, Office for National Statistics.



## Access to Rural Health and Care Services

### Specific policy asks

**Access and travel to hospitals:** local health partnerships (STPs and ICSs) and trusts should take better account of accessibility and transport availability when drawing up plans to reconfigure acute and emergency services at their main hospital sites. This should address access for patients, visitors, and staff from rural locations, including those without a car or those unable to drive. It is especially important for patients whose treatments require a regular visit. Hospital transport schemes should also be made more widely available. This and other issues would be easier to address if funding allocations to local NHS areas were better aligned with the costs rural areas typically face from serving an older aged population. The hospital building programme should be used to improve access to hospitals in rural areas which are not well served.

**Primary and community care services:** local health partnerships should seize opportunities to create locally based multi-disciplinary teams and to develop health hubs in rural town locations. Hubs should aim to make a wide range of treatments and services more accessible to nearby rural populations, thereby avoiding the need for many patients to travel to main hospitals. They should provide services such as minor procedures, diagnostic tests, baby clinics, rehabilitation, and re-enablement. Local pharmaceutical services need to be retained in rural areas, which in some cases means supporting dispensing GP surgeries.

**Public and mental health services:** in the light of recent experience, Government should give more prominence to public health and mental health services. Both need better resourcing to become more accessible in rural areas. Historic funding allocations for public health cannot be justified and need urgent overhaul to even out provision. Good practice in rural provision of mental health services needs active promotion and encouragement. Large disparities in numbers of mental health professionals working in rural and urban areas need resolving.

**Social care provision:** Government should implement the findings of its Fair Funding Review to help level-up the provision of social care services in rural areas, taking full account of their delivery cost in more sparsely populated areas. This would also enable improved or more consistent engagement with and commissioning of 'low level' support services for vulnerable rural residents, which are typically delivered locally by voluntary and community sector organisations.

Revised Jan 2021



**Workforce and recruitment:** Government and the NHS should ensure that delivery of the NHS Workforce Plan includes an explicit rural dimension. Pay bonuses should be considered to attract recruits into those rural places with the highest vacancy and turnover rates. Medical training should include a rural placement, wherever possible, to give trainees exposure to work in rural settings. Similar initiatives are needed to cope with serious rural shortages in the social care workforce.





# RURAL SCHOOLS AND COMMUNITY FACILITIES



## Why it matters

Local service outlets and facilities provide a focus for village life. Once they close, residents have no option but to travel elsewhere for their everyday needs, resulting in something fundamental being lost. That something is often referred to as community vitality or even sustainability.

Local services and facilities provide residents with easy access to groceries, banking, leisure, and social activities, among others. This can be especially important for older people and those without a car. Village schools, meanwhile, encourage younger families to stay or move into rural communities.

Local services and facilities also contribute economically, providing valuable jobs and retaining some expenditure at the settlement level. Many also offer volunteering opportunities.

Local services and facilities act as informal meeting points, where people get to know each other and maintain friendships, whether at the school gate, the pub counter, or the queue in the shop. Village halls also help communities to thrive, combat isolation and loneliness by enabling organised social activities.

Local services and facilities reduce the need for rural residents to travel (what can be quite long distances without a public transport option) and they thereby deliver environmental benefits, by reducing road traffic, pollution, and greenhouse gas emissions.

Revised Jan 2021



## The national policy context

Key elements of national policy include:

- Village schools – a long-standing Government policy is the presumption against rural school closures (other than in exceptional circumstances). This policy recognises the wider social cost for communities where a school closes. A National Funding Formula for schools was introduced a few years ago, benefitting some (though not all) small rural school budgets. Without economies of scale, small schools have proportionately higher underlying running costs.
- Village shops and pubs – the Plunkett Foundation provides guidance through its advisers and online resources to communities that wish to take over and run their local shop or pub (see also the section on community action). Advisers at Pub is the Hub provide guidance to pubs (commercial or otherwise) who want to broaden the range of local services that they offer. Grant funding has been made available for such initiatives from various sources, including the National Lottery.
- Post offices – Post Office Limited is required to adhere to some ‘access criteria’ and must maintain a network of around 11,500 outlets (both urban and rural). It must meet a target, that 95% of the rural population live within three miles of an outlet. The Post Office network receives £370 million of Government funding for the period 2018 to 2021, to help it retain otherwise uncommercial outlets. Many rural outlets are now Post Office Locals, with services provided at a main shop counter. A growing number are outreach Post Offices, set up for a few hours per week at a community venue. The Banking Framework Agreement allows customers of banks and building societies to access their accounts at a Post Office.
- Village halls – Defra provides £700,000 for a Rural Community Buildings Loan Fund, which is administered by ACRE. Loans are available to help local groups renovate, refurbish and construct village halls, community centres and church halls. ACRE similarly manages the Village Hall Improvement Grant Fund, offering match-funding to improve or update halls, so they can be used for activities which impact positively on wellbeing and loneliness, the environment, or the local economy. Other non-Government funding sources also exist.

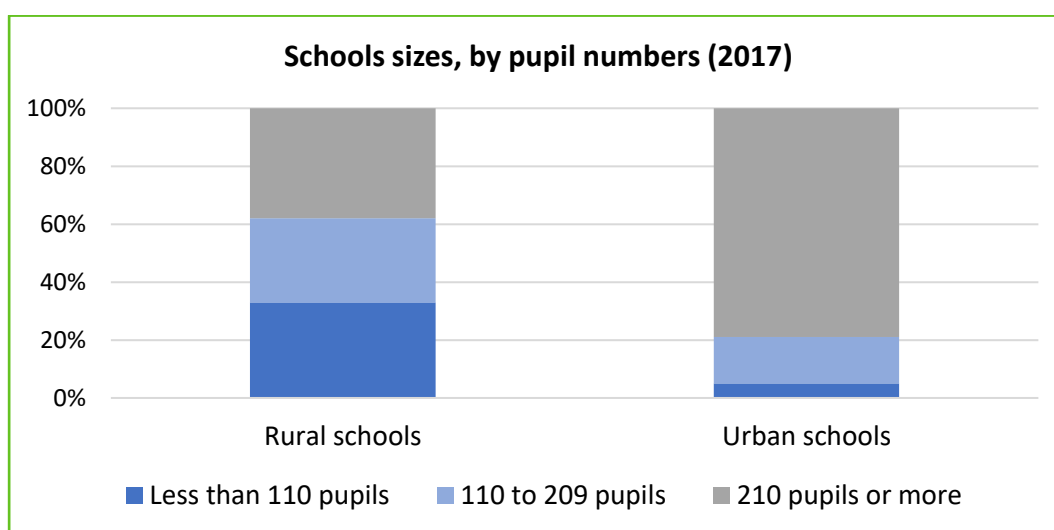
Revised Jan 2021



- o Rate Relief Schemes – in settlements with a population below 3,000 small businesses are eligible for Rural Rate Relief where they are the only shop, post office, pub or petrol station. Other businesses (including those in rural areas) with a rateable value below £15,000 will be eligible for Small Business Rate Relief. Village halls receive 80% mandatory rate relief and may be able to seek Discretionary Rate Relief for the remaining 20%.

## The rural dimension

There are around 5,300 schools located in rural areas.<sup>17</sup> They comprise 27% of all schools in England. It is notable that 53% of schools run by the Church of England are located in rural areas. Some 33% of rural schools meet the 'very small' definition, with a roll of fewer than 110 pupils.



In 45% of rural schools all classes contain pupils from different age groups (school years). In another 24% of rural schools some classes contain pupils from different age groups.



<sup>17</sup> *Embracing Change: Rural and Small Schools*, Church of England (2018).

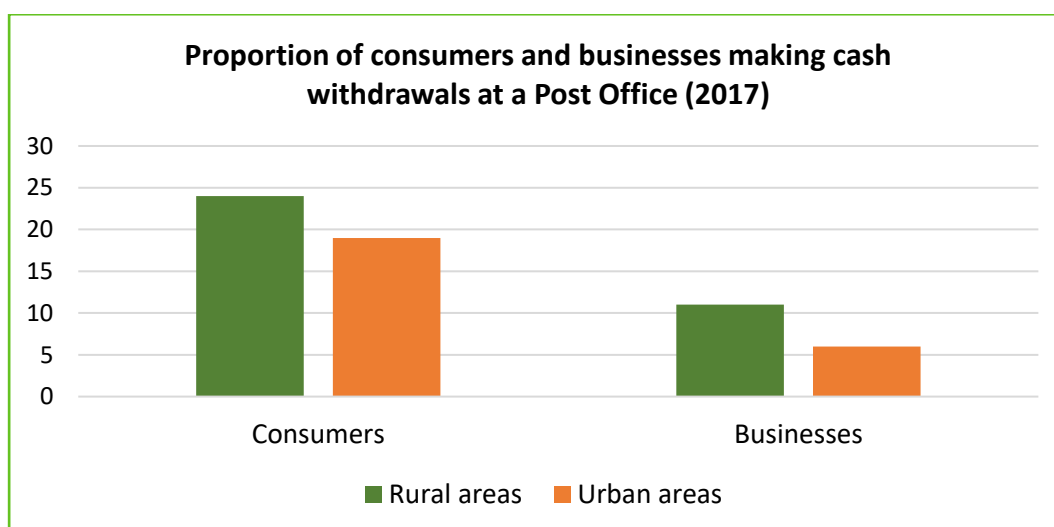


There are just under 17,000 convenience store shops in rural areas of the UK, the majority located where there are no other shops.<sup>18</sup> These stores provide 146,000 full and part time jobs in rural areas. Typically, they offer a wide range of services to their communities.

<b>Percentage of rural convenience stores that provide the following facilities:</b>	
Mobile phone top-up	85%
Bill payment services	75%
Cash back	66%
Free to use cash (ATM) machines	45%
A post office counter	28%
Parcel collection point	27%

By the end of 2018, the number of community-run shops in the UK had risen to 363, the great majority of them in rural locations.<sup>19</sup>

In 2019 there were 6,131 Post Office outlets in rural locations across the UK. These comprise 53% of all outlets in the Post Office network.<sup>20</sup> Rural consumers and businesses are significantly more likely than their urban counterparts to make use of a Post Office to access cash (including from a bank account).



There are roughly 10,000 village halls or community buildings across rural England, the bulk of which are run as charities by some 80,000 local volunteer trustees.<sup>21</sup> They host:

- Events such as private parties, public meetings and wedding receptions;
- Activities such as fitness classes, dancing lessons and social clubs; and

<sup>18</sup> *The Rural Shop Report 2020*, Association of Convenience Stores (2020).

<sup>19</sup> *Community Shops: A Better Form of Business*, Plunkett Foundation (2019).

<sup>20</sup> *Post Office Numbers: Briefing Paper*, House of Commons Library (2020).

<sup>21</sup> *The Changing Use of Rural Community Buildings*, ACRE (2009).



- Services such as childcare, WI markets and outreach post offices.

78% of these halls are used as a polling station and 75% are used for Parish Council meetings.

Across the country the number of pubs has been in long term decline, though the trend varies considerably between different types of area. Figures for the period 2001 to 2019 show that:

- Those predominantly rural areas with the fastest rate of decline in pub or bar numbers are Selby (-39%), Rutland (-38%) and West Lindsey (-35%);
- Only 15 local authority areas experienced an increase in pub or bar numbers. Of these, 3 are predominantly rural, being West Somerset (25%), Daventry (8%) and South Lakeland (4%);
- A further 11 local authority areas experienced no change in pub or bar numbers. Of these, 5 are predominantly rural.<sup>22</sup>

## Policy solutions

In 2020 with communities living under restrictions and the most vulnerable self-isolating the real value of locally based services and facilities for rural communities seems clearer than ever. Village shops provisioned their communities and many rural pubs offered takeaway meals. At the same time, village halls and sports facilities have been closed for months and many now face financial worry. Government must recognise there is a short-term need to support these facilities to ensure that they can survive until restrictions are relaxed as well as provide them with guidance when they can reopen safely.

---

<sup>22</sup> *Economies of Ale: Changes in the UK's Pubs and Bars Sector 2001 to 2019*, ONS (2020).





## Rural Schools and Community Facilities

### Specific policy asks

**Rural schools:** the revised National Funding Formula helps to compensate many rural schools for the relatively high underlying running costs (per pupil) that small schools inevitably face. It should, however, be set to allow for more than minimum staffing levels. A share of the capital funding pot for school modernisation and maintenance projects should be set aside for small schools. They often lose out, with capital spending focused on larger projects at urban schools. Government should support and offer some funding to help collaboration or clustering between small rural schools, so they benefit from shared resources and expertise.

**Community enterprise:** Government should incentivise more rural communities to support or manage local services. They should give funding to the advice services provided by organisations such as the Plunkett Foundation and Pub is the Hub, who enable village shops and pubs to survive and to be improved, not least where local communities take over and run them. It is vital that such community groups, often volunteer based, have access to grants to help them with their endeavours, especially where services would otherwise close.

**Village halls:** Government should make some additional grant funding available to the ACRE Network, to enable it to provide enhanced levels of support to village hall and community centre committees and trustees over the coming year. This could address their now urgent needs, which seem likely to include business planning, fundraising and volunteer recruitment. There is also scope to make small grants available to village halls to help them adapt and grow into multi-use hubs.

**Post offices:** Government should confirm its Network Subsidy Payment for the Post Office from 2021/22 onwards and should keep that payment at (at least) its current level. This modest subsidy is vital to sustain otherwise unprofitable post office services in remote rural areas and it recognises their social value. With more bank branch closures planned, it is also crucial to retain the rural Post Office network as a means for rural people to access cash.

Revised Jan 2021



# RURAL ECONOMIES



## Why it matters

Vibrant rural economies are vital to the basic survival of our rural areas and our nation as a whole. The character of rural economies, heavily reliant on small and medium sized businesses, needs to be reflected in any business support, skills and training programmes or targeted policy directives which should include micro-businesses, sole traders, and social enterprises.

This chapter focuses on three key elements which we see as critical to the development of the rural economy:

- Local Enterprise Partnerships (LEPS) and Local Industrial Strategies
- UK Shared Prosperity Fund and Levelling Up Fund
- Rural Business Advice and Guidance

### **Local Enterprise Partnerships (LEPS) and Local Industrial Strategies**

Local Enterprise Partnerships (LEPs) have significant policy responsibilities for supporting and investing in economic growth. Therefore, they are important bodies for the future wellbeing of rural economies and communities.

It is a widely held view that the track record of LEPs addressing the economic needs of their rural areas is mixed. Their preference for large strategic developments and projects has often led to a focus in or around urban centres.

Productivity levels in rural businesses are below the national average. By narrowing this productivity gap the national economy would receive a considerable boost (as would local rural economies).

Creating better quality and more productive jobs in rural areas would bring widespread benefits and, properly targeted, could significantly help those left behind rural places.

Revised Jan 2021



## **UK Shared Prosperity Fund and Levelling Up Fund**

The UK Shared Prosperity Fund will become the main means through which Government channels economic and social development grant funding to areas in the early 2020s, when it replaces existing EU funding streams.

As such, it will replace two funding streams which have been targeted specifically at supporting rural economic growth, namely the LEADER programme and a sizeable part of the European Agricultural Fund for Rural Development (EAFRD).

It will also replace funding streams which were not rural-specific, but which some rural areas tapped into, namely the European Regional Development Fund, the European Social Fund, and the European Maritime & Fisheries Fund.

Forthcoming decisions about the UK Shared Prosperity Fund will determine how funds are allocated (including to rural areas of England), what types of project or business can benefit, how adaptable the fund is to local needs and what local arrangements are created to manage delivery. Such considerations will determine the scale, scope, and effectiveness of future rural funding.

The Levelling Up fund announced at the end of 2019 must be about more than capital projects and must reach rural areas.

## **Business Advice**

Setting up in business or self-employment can be a daunting task. Initial guidance about the basics of establishing and running a business can prove invaluable, not least to ensure that a credible business proposition is developed, with sufficient understanding of budgeting, marketing, taxation, legal structures, and the like.

Businesses will also, generally, benefit from access to expert advice and guidance, where they are seeking to expand or innovate. This can bring additional risk for businesses, for example if they take on a loan or recruit new employees.

Formal or professional advice may be more difficult to access for businesses in rural locations, at least where it is provided face-to-face. This may be especially so where it is delivered through group workshops or sessions, which are likely to be held in larger settlements. However, some rural businesses may also face limitations accessing guidance due to poor digital connectivity.

## **The national policy context**

Key elements of national policy include:

Revised Jan 2021





- Exiting the EU – in January 2021 the UK completed its exit from the European Union. Funding streams which operated from 2014 to 2020 at an EU level are being wound up, though with project commitments honoured. In 2017 the (then) Government committed to create a domestic replacement to be known as the UK Shared Prosperity Fund.
- Shared Prosperity Fund – whilst the Government has committed to establish this Fund, it has yet to confirm whether the level of funding will match that received before from EU funds. Ministers have said that the Fund (in England, at least) will be used to help reduce inequalities between communities by strengthening the foundations of productivity. This would appear to align with the Government's 'levelling up agenda', to assist those places which have not shared in the country's economic growth and have been left behind.
- Rural policy context – the LEADER programme, managed by Local Action Groups, and relevant parts of the EAFRD programme, managed by Local Enterprise Partnerships, were delivered across rural England during the period 2014 to 2020. They offered small grants to support SME growth, job creation and innovation, including farm diversification. A feature of LEADER, praised by many commentators, was its bottom-up approach (being locally managed by partnerships drawn from the public, private and civil society sectors and with promising applicants assisted to develop proposals via a process known as animation).
- Economic growth and productivity – there are 38 LEPs which, between them, operate across the whole of England. For central Government they are the main vehicle to deliver local economic development. By 2021 Government will have used LEPs as the channel to invest £12 billion in local businesses and economies (including for infrastructure). That funding was assigned as Government signed Growth Deals with individual LEPs to agree their local priorities. LEPs help co-ordinate business support and guidance through local Growth Hubs.
- LEP governance – the Government intends that LEPs are local partnership which are business led, though their funding streams are often local authority managed. A review conducted in 2018 streamlined the governance arrangements for LEPs and introduced an expectation that two-thirds of their Board members should come from the private sector. Following the review all LEPs must publish an annual delivery plan and end of year report, setting out their activities and progress made during the previous period.
- Local Industrial Strategies – from 2020 all LEPs (or Mayoral Combined Authorities, where they exist) have been required to publish a Local Industrial Strategy (LIS), based upon

Revised Jan 2021





evidence and consultation, and setting out an economic vision for their area. They should coordinate and align local economic policy and national funding streams with that vision. The overarching objective of a LIS is to grow investment in skills, industries, and infrastructure in order to boost productivity and create quality jobs. Unless rural evidence is reflected properly in LIS documents there is a risk, they understate rural needs (a point not helped by the paucity of small area data).

- o Business grant support programmes – LEPs have been the delivery vehicle for grant funding from EU Structural Funds. When these are replaced by the UK Shared Prosperity Fund, LEPs will assume responsibility for managing its grant streams (see the section on UK Shared Prosperity Fund and business grants).
- o Levelling Up Fund – the 2020 Spending Review announced £4 billion over the period 2021 to 2024 for a cross-departmental fund to improve local infrastructure in places which face particular challenges, or which have had limited recent government investment. A prospectus is due out soon, which should clarify any linkage with LIS documents.
- o Skills Advisory Panels – these partnerships have been established to help LEPs meet the upcoming skills needs of their areas, taking account of the LIS. The Panels comprise representatives from local employers, local authorities, colleges and universities (see the section on access to business advice and training).
- o Business Growth Hubs – advice and guidance services (and in some cases grant support) are available across England from the 38 Local Growth Hubs, which are public-private partnerships that are led by each area's Local Enterprise Partnership. They will typically focus on enabling successful business start-ups and helping established small businesses that have ambitions and growth potential.
- o Business Support Helpline – this Government helpline provides free advice and signposting to further guidance for new or existing businesses across England. It includes a webchat facility with business advisers.
- o Social enterprise support – there are a number of organisations that deliver tailored advice and guidance to the social and community enterprise sector, which plays an increasingly important role in rural areas. They include Locality, the Plunkett Foundation and Un Ltd.
- o Online advice – various bodies and networks (some sector specific) offer general business advice and guidance using online resources. This includes advice for businesses wishing to make better use of digital tools, such as that available on the

Revised Jan 2021





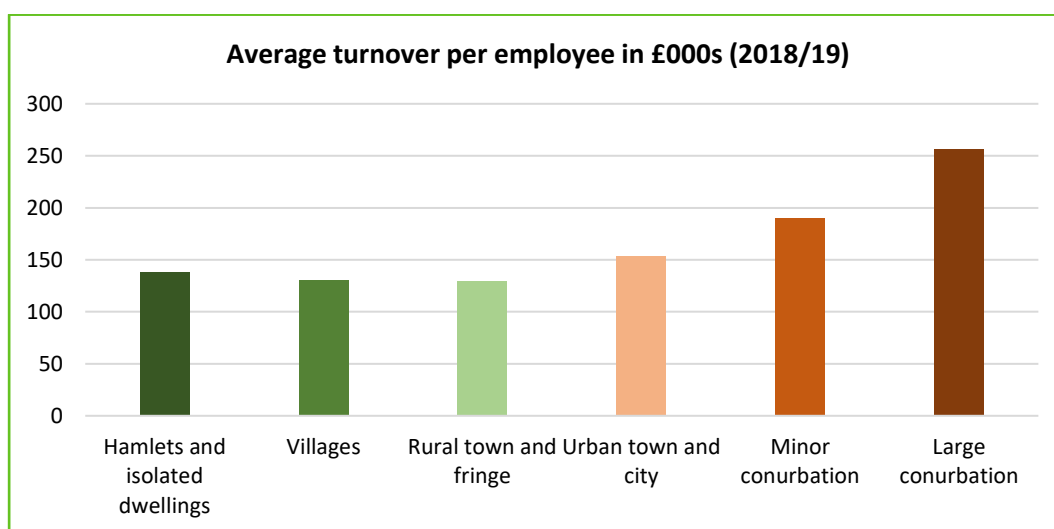
Digital Boost platform (supported by DCMS), primarily designed to assist operating through Covid-19 restrictions.

- o Wider sources – it should be acknowledged that most small businesses, which are the mainstay of rural economies, say they get the bulk of their advice informally from local professionals (such as high street accountants), from their business peers and often from relevant family members. Another source, which can play an important role, are Local Chambers of Commerce or similar business groups.

## The rural dimension

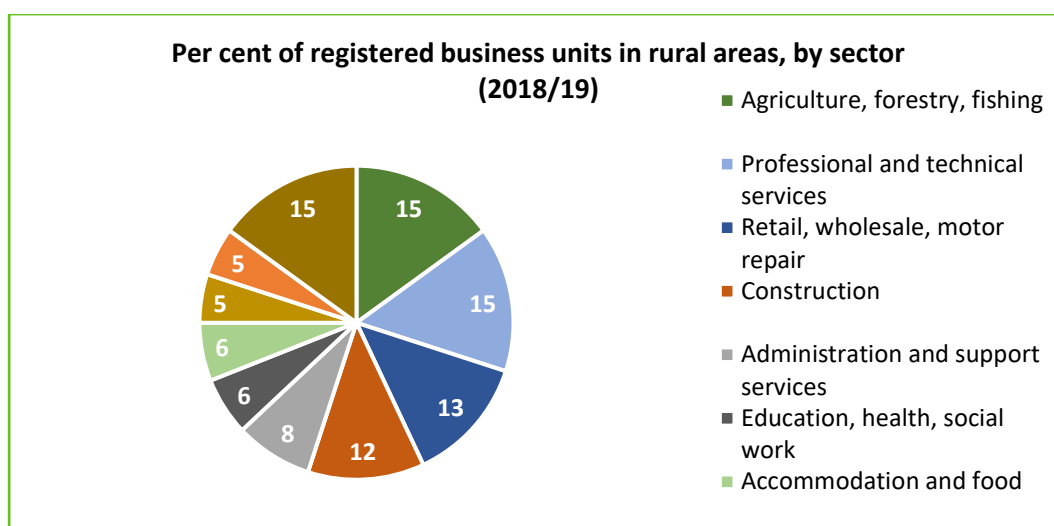
There are 550,000 businesses registered in predominantly rural areas. This is 23% of all businesses registered in England.<sup>23</sup> The number of unregistered micro-businesses (for PAYE or VAT) is probably at least as great again.

Those registered rural business have a combined annual turnover of £482 billion. This is a sizeable contribution to the national economy. However, business turnover per employee is lower in rural areas than it is in urban areas.

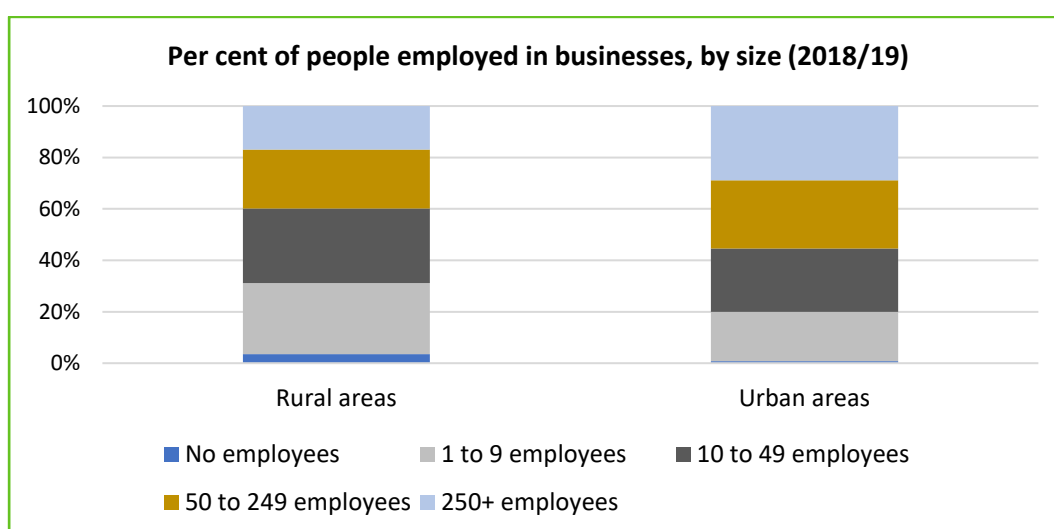


Rural economies are diverse, hosting a wide range of businesses. Land-based businesses (including farming) are important, but 85% of rural businesses are from other sectors. Other key sectors are professional services, retail, and construction. The picture will vary in different types of local rural areas, with some for example, being heavily dependent on tourism.

<sup>23</sup> *Statistical Digest of Rural England*, Defra, based on 2018/19 data from Inter-Departmental Business Register.



Small businesses are especially important in rural economies. Measuring those people who are employed in registered business units, 83% of them in rural areas work for a SME. Indeed, 31% of them work for a micro-business.

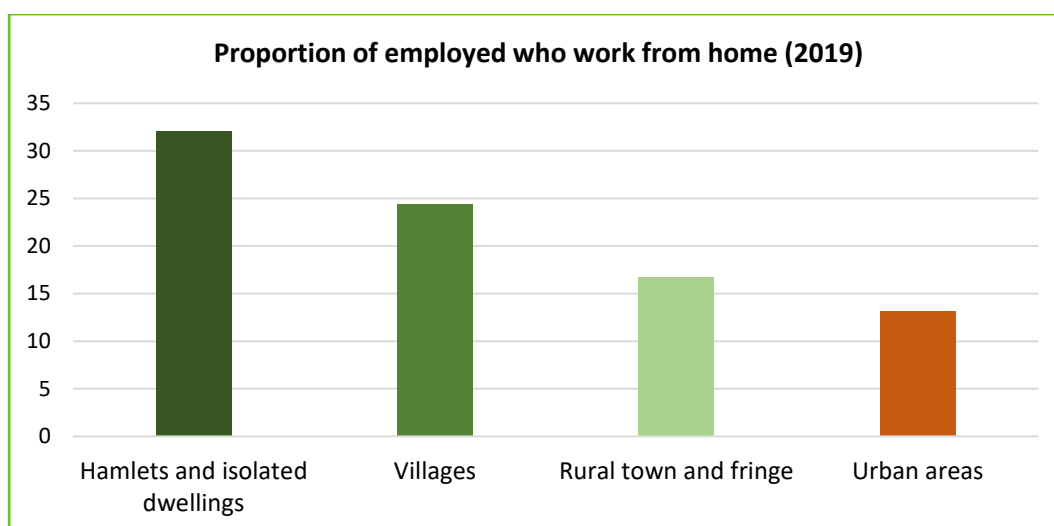


Just over 4 million people are employed in registered business units in rural areas.<sup>24</sup> They comprise 16% of all people employed in registered business units across England.

Home working (including by the self-employed) is significant in rural areas and particularly so in the smallest settlements.<sup>25</sup> 22% of those who are employed in rural areas work at least half their working week at home, compared with 13% for those employed in urban areas.

<sup>24</sup> *Statistical Digest of Rural England*, Defra, based on 2018/19 data from Inter-Departmental Business Register.

<sup>25</sup> *Statistical Digest of Rural England*, Defra, based on data analysis from the Labour Force Survey.



Earnings (mainly from wages) for jobs which are based in rural areas are lower than for jobs based in urban areas.<sup>26</sup> Even if London is excluded, average earnings in predominantly rural areas are £1,800 or more than 7% below the predominantly urban equivalent.

Workplace based median gross annual earnings (2019)	
Predominantly rural areas	£22,500
Predominantly urban areas (excluding London)	£24,300
Greater London	£36,800

The LEADER programme for the period 2014 to 2020 had a value of £138 million in England. It was delivered by 79 Local Action Groups. Priorities for the programme funding have been: supporting micro and small businesses and farm diversification; boosting rural tourism; increasing farm productivity; increasing forestry productivity; providing rural services; and providing cultural and heritage activities.

The EAFRD programme for the period 2014 to 2020 had an overall value of £3 billion in England, of which roughly £400 million was apportioned to its economic objectives for SME competitiveness, innovation, and employment.

Analysis of committed project spend from other EU funding streams shows that from 2014 up until early 2019:

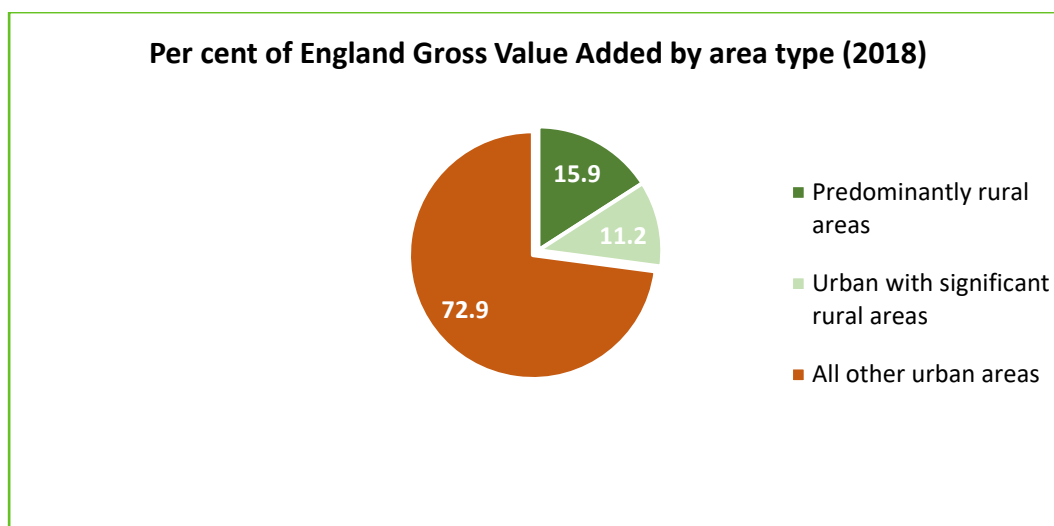
- o 14% of the European Regional Development Fund spend in England (worth about £520 million) was taking place in predominantly rural areas; and

<sup>26</sup> *Statistical Digest of Rural England*, Defra, based on data analysis from Annual Survey of Hours & Earnings.

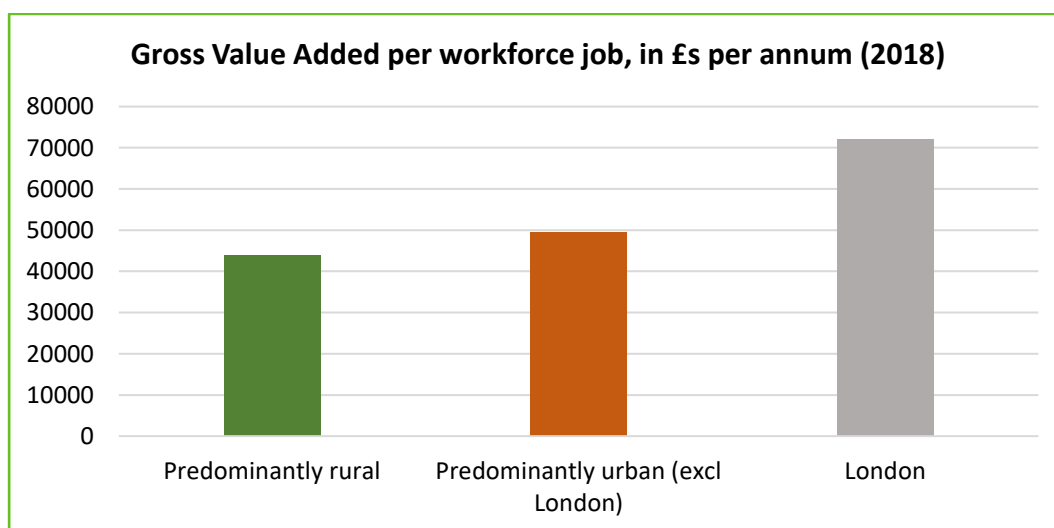


- 3% of the European Social Fund spend in England (worth about £83 million) was taking place in predominantly rural areas.<sup>27</sup>

Predominantly rural areas in England contributed £261 billion of Gross Value Added productivity to the national economy during 2018. This accounts for almost a 16% share of England's productivity.<sup>28</sup> That rural share has reduced somewhat over time, from 16.4% in 2010 to 15.9% in 2018, as London has expanded further its share of the country's productivity.



Gross Value Added per workforce job is £43,900 per annum in predominantly rural areas. This is 17% less than the figure for England as a whole. There is therefore a sizeable productivity gap between rural and urban areas.



<sup>27</sup> *Assessing the Scale and Effectiveness of ERDF and ESF Funding*, Frontier Economics (2019).

<sup>28</sup> *Statistical Digest of Rural England*, Defra (2020), based on Office for National Statistics data on GVA for 2018.



Capital investment by businesses in predominantly rural areas was £5,100 per employee during 2016. This was lower than the England average of £5,500.

Revised Jan 2021

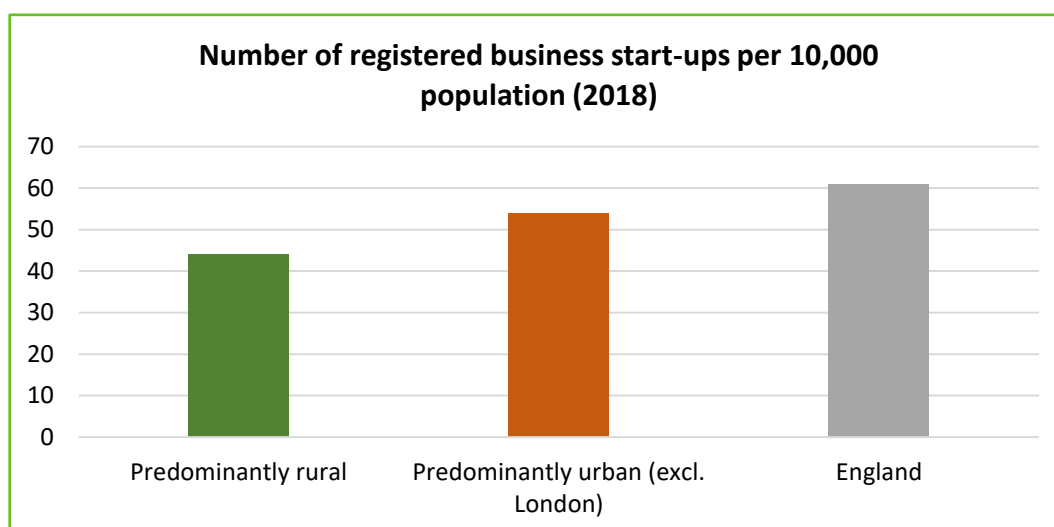




<b>Capital investment per employee, by type of area (2016)</b>		
	In £s during 2016	As % of England average
Predominantly rural	£5,100	93%
Predominantly urban (excluding London)	£5,300	96%
London	£6,500	120%

The start-up rate for registered businesses is 44 new such business per 10,000 population in predominantly rural areas.<sup>29</sup> This 2018 figure is lower than the comparable figure for predominantly urban areas outside London and lower still than the England figure (which includes London). Up until 2012 the position was different, with the rural rate slightly higher than the urban rate (outside London).

It should be noted, though, that these figures only refer to businesses which are registered either for PAYE or VAT. They therefore exclude many micro start-ups. On the other hand, they include existing micro businesses which grow to a point where they become registered.



One way to view business expansion is from data about high growth businesses. These are defined, statistically, as those which have grown their employee numbers by at least 20%

<sup>29</sup> *Statistical Digest of Rural England*, Defra (2020), analysis of ONS Business Demography dataset.



over each of the previous three years.<sup>30</sup> It should be noted that micro-businesses are excluded from this particular data set on the grounds they could distort the calculation.<sup>31</sup>

In an average year there are 2,218 registered businesses (excluding micro businesses) in predominantly rural areas which meet the above definition of high growth businesses. They comprise 4.3% of all such businesses in predominantly rural areas. High growth businesses are therefore slightly more common in predominantly urban areas.

***High growth registered businesses as a proportion of all businesses (annual average 2015 to 2017)***

	Number of high growth businesses (annual average)	Rate of high growth businesses (annual average)
Predominantly rural	2,218	4.3%
Urban with significant rural	1,480	4.7%
Predominantly urban	7,667	4.9%
England totals	11,365	4.7%

Another proxy measure, this time for businesses seeking to grow, is business innovation. Figures are available showing whether a business was involved in innovation, over a three-year period, which could include changes made to its products, services, processes, structures, strategies, marketing and machinery, as well as R&D activity.<sup>32</sup>

Those figures show there is little difference between the levels of innovation undertaken by businesses in rural areas and in urban areas. Well over half of the rural based businesses were involved in some form of innovative activity during the three-year period.

***Proportion of businesses involved in broad innovation activities (2012 to 2014)***

	Innovating businesses	Non-innovating businesses
Rural areas	58%	42%
Urban areas	57%	43%

Analysis of 2015 survey data provides some information about access to and use of business advice by rural based businesses.<sup>33</sup> It finds that:

<sup>30</sup> *Business Demography 2017*, Office for National Statistics, secondary analysis of high growth businesses data.

<sup>31</sup> For example, a business starting off with 2 employees only needs to take on 1 more employee each year to meet the 20% growth criteria. This methodology follows ONS advice.

<sup>32</sup> *UK Innovation Survey 2015*, Department for Business, Energy & Industrial Strategy (2016)

<sup>33</sup> Phillipson J et al, *What's holding rural businesses back?* CRE at Newcastle University (2017)



- Around a third of all rural businesses seek access to some form of business advice or information during any single year;
- Accountants are the leading source of the advice that is being sought by these businesses;
- Financial management is the main topic of the business advice being sought by these businesses (though few turn to banks or professional financial advisers for it);
- Rural firms with no employees are more likely to seek advice from business networks or trade associations than their urban counterparts. That pattern is reversed for businesses with employees;
- Rural firms are comparatively more likely (than urban firms) to seek advice about improving business efficiency or productivity, but less likely to seek advice about marketing.

A survey conducted with rural based businesses from across the UK, which focussed specifically on digital adoption, finds that:<sup>34</sup>

- 30% of the businesses had experienced difficulty finding external or outsourced support with their digital needs; and
- 14% of the businesses had experienced difficulty in accessing appropriate external digital or IT training.

These types of challenges were felt most acutely by micro-businesses, who were unlikely to be able to call upon in-house expertise.

## Policy solutions

It is imperative that Government recognises the contribution of rural areas to the national economy and acknowledges their growth potential. This message then needs to be reflected fully within the strategies and programmes of Local Enterprise Partnerships and their Local Industrial Strategies. To-date the rural record of LEPs has been mixed and it needs to be improved.

---

<sup>34</sup> *Unlocking the Digital Potential of Rural Areas Across the UK*, Rural England CIC (2018).



There is, of course, an immediate need to support many rural businesses through the severe financial hit they have taken from the pandemic and restrictions. However, there is also a longer-term need for those businesses to have good access to quality advice and guidance, so they can establish, adapt, grow and innovate. This will boost the growth potential of rural economies.

It is vital that Government proposals for the design and scope of the UK Shared Prosperity Fund are rural proofed, so they can be effective in rural settings and can address rural needs. Typical features of rural economies are below average levels of productivity and below average wage rates. Rural areas would considerably benefit from levelling up, with support put in place to encourage business growth, innovation and diversification.

Revised Jan 2021



## Rural Economies

### Specific policy asks:

#### UK Shared Prosperity Fund and Levelling Up Fund

**Fund timing:** it is disappointing that the UK Shared Prosperity Fund will not commence properly until 2022, leaving a gap after EU funds cease. However, it is now essential that pilots for the fund, due to run in 2021/22, include some rural areas. This will enable rural lessons to be learnt in time to inform the full roll out of the fund.

**Dedicated rural funding:** Government should create a dedicated rural funding stream of a proportionate size within the overall UK Shared Prosperity and Levelling Up Funds, with resources which are ring-fenced for use on rural support. This approach will ensure that rural businesses and economies can benefit from the Funds in a way that is fair. It will also enable specific tailoring of that funding to be effective in meeting rural circumstances and needs. The lesson from the past is that without a dedicated rural funding stream larger urban projects are likely to scoop the pot.

**Funding level and targeting:** Government should commit to matching or exceeding the level of resources that rural areas of England formally received under EU programmes (through ERDF and ESF funds, as well as from rural-specific LEADER and EAFRD funds). Any attempt to allocate funding in rural areas must take account of the scattered nature of their needs and should avoid applying urban spatial targeting approaches (such as the Index of Multiple Deprivation). A low productivity measure may be more appropriate.

**Programme design:** a dedicated rural funding stream should retain the better features of the LEADER approach, which used a locally-led 'bottom-up' economic development approach to ensure that local priorities are addressed and suitable projects are brought forward. To ensure that varied priorities and needs across rural England can be met the funding stream should be flexible in its design. It should be capable of supporting start-up business and existing businesses with growth potential, and it should be open to social and community enterprise.

#### Local Enterprise Partnerships and Local Industrial Strategies

**Local Enterprise Partnerships:** every LEP whose area includes rural places (even if these are not many) should have a rural representative or champion sitting on its Board. To harness input from a wider range of rural interests, all such LEPs should also have an advisory rural sub-group or equivalent that helps shape their strategies and programmes. The End of Year reports from LEPs should include information monitoring and publicly presenting their activities and outputs in rural areas.

**Local Industrial Strategies:** LIS documents now need some repurposing so that a key element becomes supporting the economic recovery from the Covid-19 pandemic and restrictions. Every LEP whose area includes rural places should demonstrate that it has

Revised Jan 2021





rural proofed its LIS document to take proper account of rural needs and to allocate a fair share of resources. Those LIS strategies must look to support smaller-scale projects, suited to rural areas, and must not simply focus on large infrastructure projects in or around big urban centres.

**Growth and Diversification:** LEPs should consider creating small-scale Local Growth Hubs at a market town level where their economic needs are more acute. More generally, LEPs should support the diversification of rural economies, especially into growth sectors such as creative, digital and green energy. This would tap into their growth potential and create good quality jobs.

**Levelling up:** the new Levelling Up Fund, due to commence in 2021/22, needs clear criteria setting to determine eligible areas and these should take account of rural needs. It should fund small as well as large projects and should take a broad definition of infrastructure, which includes investment to support improved local government service provision.

## **Rural Business Advice and Guidance**

**Covid-19 support:** The Government Plan for Jobs 2020 includes welcome measures to help businesses survive and retain staff, though some of its measures could be more nuanced to better support rural business needs. Many small businesses lack the capacity to withstand a long period of financial hardship and many consumer-facing businesses are greatly impacted by social distancing limitations. Lockdown measures should be withdrawn gradually and taking account of different sectoral needs.

**Targeting rural growth potential:** Growth Hubs must ensure that they reach rural based businesses with their advice and guidance, including the self-employed, micro-businesses and social or community enterprises. Their performance metric should not simply be the number of rural businesses supported, but what different that support makes. They should consider having dedicated rural business support officers, who operate locally and have access to a wider network of specialist providers or advisers.

**Specialist support organisations:** Government should make grant funding pots available to the Plunkett Foundation and Locality, to help them provide specialist advice and guidance to social and community enterprises, many of them in rural locations and delivering valuable local services (such as community-run shops) to rural communities.

**Exploiting digital connectivity:** Advice and guidance should be widely available so that rural businesses can make better use of digital connectivity. This could help them take advantage of new opportunities and reach new markets. Advice could boost their digital skills, build their online presence, develop online selling, and ensure their online security. This must be backed up by actions to improve rural connectivity.

**Peer to peer support:** Local networks where rural based business owners and managers can meet should be encouraged and supported. Advice from peers is often of real

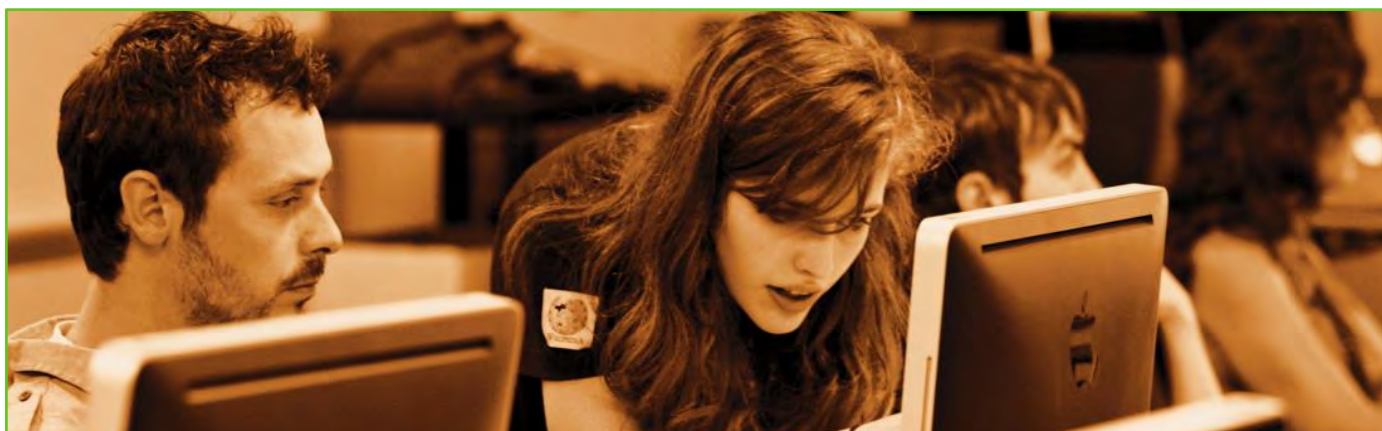
Revised Jan 2021



practical value. On average rural businesses are less well networked than their urban counterparts. Peer support can be especially beneficial for recent start-up businesses if they can tap into the experience of those more established.



# RURAL FURTHER EDUCATION, TRAINING AND SKILLS



## Why it matters

To pursue their aspirations, young people brought up in rural areas need education and training opportunities. At age 16 that means having access to a wide range of further education (FE) subjects or courses, most likely made possible by having access to a number of high quality sixth form or FE colleges.

To prosper and grow rural-based businesses need good access to training providers, so that their workforce can gain and update necessary skills. Without doubt this includes digital skills. It can mean on-site training, attending one-off sessions or longer-term courses e.g. one day per week.

Having access to apprenticeship opportunities is important for those wishing to follow a practical vocation, whether straight out of school or later in life. Equally, this provides rural businesses with a route to bring in and train up promising new employees.

Land-based sectors, such as agriculture, forestry, and environmental management, must be able to acquire people with specific practical and administrative skills, which are often gained from specialist training or education providers.

## The national policy context

Key elements of national policy include:

- o Further Education – young people must remain in education, training, or an apprenticeship until age 18. Remaining in education, which the great majority do, means attending a school sixth form, a further education college or a sixth form

Revised Jan 2021



college. For young people one key consideration is the choice of academic or vocational courses they have and what FE schools or colleges are accessible to them. This can be determined by the availability and cost of transport options (see also the section on transport).

- o Workforce training – the Government’s Industrial Strategy sought to enhance the technical training system, announcing extra funding to boost skills in STEM subjects and to help reskill the workforce.<sup>35</sup> More recently the Skills for Jobs White Paper announced the introduction of a Lifetime Skills Guarantee that from 2025 would make loans widely available to those wishing to attend higher technical courses at any stage in their career (matching the loans for university students).
- o Skills Advisory Panels – these partnerships have been established locally to help Local Enterprise Partnerships (LEPs) meet skills needs in their areas, taking account of LEP Local Industrial Strategies. The Panels comprise representatives from local employers, local authorities, colleges and universities (see also the chapter on LEPs).
- o Apprenticeships Scheme – in 2018 the Government reformed this scheme, seeking to improve the standard of apprenticeships and to plug gaps in provision. New employer-designed apprenticeships are due for introduction during 2020. The Scheme is part-funded by an Apprenticeship Levy which larger businesses must contribute towards. A quarter of the funding raised by the Levy should cover apprenticeships based in SMEs.
- o Land-based training – specialist land-based colleges offer further (and sometimes higher) education courses in land-based occupations. Examples can include courses in agriculture, arboriculture, animal science and welfare, conservation, horticulture, and related business administration. There are also apprenticeship standards in aspects of agriculture, animal care and environmental management.
- o A Plan for Jobs – in July 2020, the Chancellor of the Exchequer announced a £160 billion package of measures designed specifically to address the economic impacts of the pandemic and restrictions. The measures seek to help businesses to retain their employees, through grants, loans, and rate cuts. Measures due to be taken forward in 2021/22 include a Restart programme to offer tailored support to the unemployed and a Kickstart scheme to create subsidised employment opportunities for young people.

---

<sup>35</sup> STEM subjects are science, technology, engineering and mathematics.



## The rural dimension

Just over half a million young people, aged from 15 to 19, live in rural areas.<sup>36</sup> They comprise 5.3% of the total rural population (which is slightly less than the 5.5% figure for England as a whole). It is the following cohort, aged 20 to 24, where evidence shows a large outmigration from rural areas.

The working age population is skewed towards older age groups in rural areas, compared with the England average. Only 13.5% of the rural population is aged 20 to 34, whereas 22.6% of the rural population is aged 50 to 64.

***Proportion of the total population within working age bands (2018)***

	Rural areas	England
Age 20 to 34	13.5%	19.9%
Age 35 to 49	17.9%	19.5%
Age 50 to 64	22.6%	18.8%

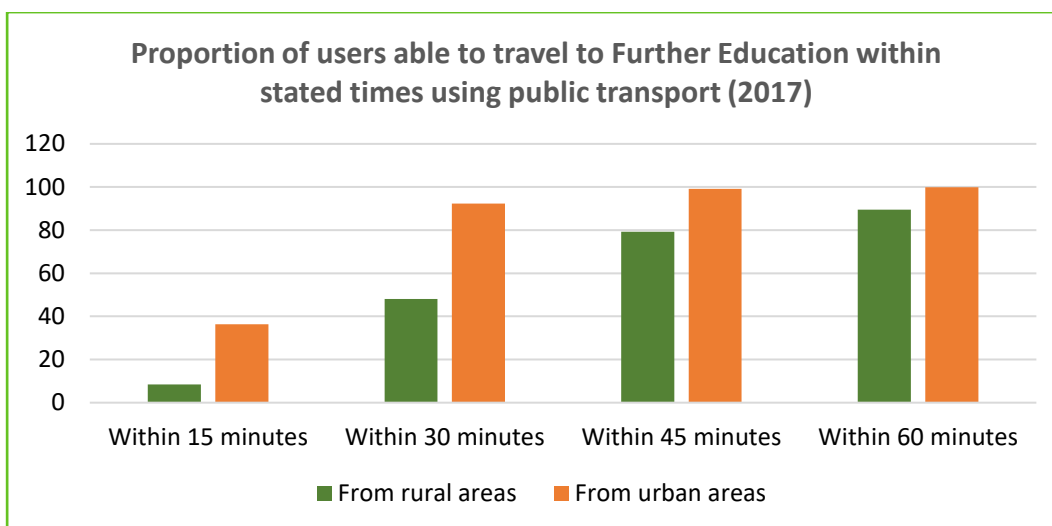
Note: Columns do not add to 100% because other population groups are below age 20 or over age 64.

Students living in rural areas have longer journeys to access FE institutions than their urban counterparts, especially if using public transport.<sup>37</sup> More than a tenth of rural students must travel for over one hour in each direction (and this data does not measure the frequency of any public transport option).

<sup>36</sup> *Mid Year Population Estimates 2018*, Office for National Statistics.

<sup>37</sup> *Statistical Digest of Rural England*, Defra, based on Journey Time Statistics from Department for Transport.

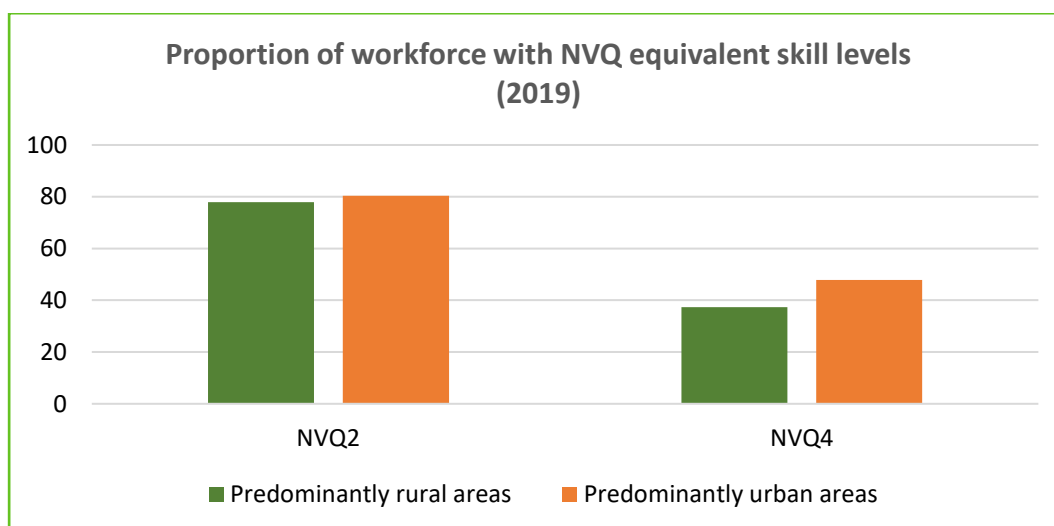




Students from rural areas often face a limited choice (or even no realistic choice) of FE provider. On average:

- Students from rural areas can travel to 1 FE institution within 30 minutes and 5 FE institutions within 60 minutes using public transport or walking; while
- Students from urban areas can travel to 4 FE institutions within 30 minutes and 9 FE institutions within 60 minutes using public transport or walking.

On average those working in predominantly rural areas have somewhat lower skill levels than those working in predominantly urban areas, based on National Vocational Qualification (or equivalent) standards.<sup>38</sup> This is workplace-based information and probably indicates that some better qualified rural residents commute to urban jobs.



<sup>38</sup> *Statistical Digest of Rural England*, Defra, based on ONS Annual Population Survey 2019.



Research which considered apprenticeships (though only in respect of young people) found that:<sup>39</sup>

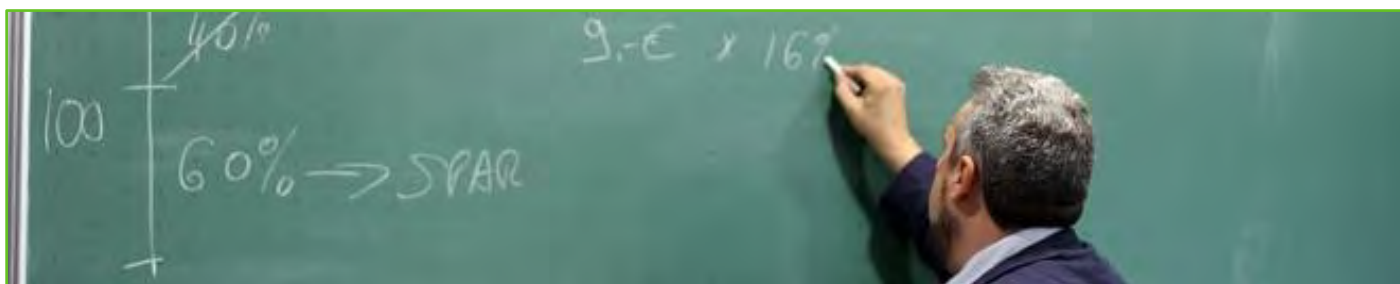
- A slightly higher proportion of 16-year olds go into an apprenticeship from predominantly rural areas than from predominantly urban areas;
- Young people in apprenticeships in rural areas often find those opportunities through a personal contact rather than via any formal application process;
- The paucity of larger employers in rural economies can limit the variety of apprenticeships that are on offer, both in terms of their sector and skill level.

## Policy solutions

In rural areas the scope to access further education and training opportunities is, to a significant extent, dependent on the availability of transport options and digital connectivity. Another recent need arises from job losses resulting from the pandemic and consequent recession. Some rural people now need retraining opportunities, to acquire new skills and get back into employment.

---

<sup>39</sup> *Challenges Facing Rural 16-18 Year Olds in Accessing Appropriate Education and Work Based Training*, Rural England CIC (2018).



## Rural Further Education, Training and Skills

### Specific policy asks

**Further Education:** for rural young people three linked issues need addressing – travel options to access FE, the cost of that travel and the choice of institutions/courses available. Students aged 17 or 18 should be entitled to statutory free travel to FE colleges or schools, matching the existing scheme for those aged up to 16. This scheme should be fully funded by central Government.

**Careers advice:** the Government's Careers Strategy has gone some way to improving the advice on offer to pupils. Young people in rural areas need local access to impartial and high-quality careers information and guidance, to help them understand all post-16 opportunities. This will help to raise ambitions and better enable young people to navigate career pathways, so they can acquire the right skills. One challenge is ensuring that careers advisers understand opportunities within the land-based sector.

**Skills Advisory Panels:** these Panels need to recruit businesspeople who have knowledge or experience across a range of sectors and who understand the current skills policy framework. This should include representatives with experience of rural business needs. Their advice to Local Enterprise Partnerships needs to assess and highlight any specific skill needs of rural based businesses. It should support rural objectives within Local Industrial Strategies.

**Access to training:** with no centrally funded adult education budget, some colleges and training providers have been opting out of training provision for that population group. The proposed Lifetime Skills Guarantee should help. Government needs to show how it can financially support provision. It is important that courses are accessible to rural based businesses and their staff. Solutions could include providing outreach sessions at hub locations in market towns and making more training content available online, with rural connectivity a prerequisite.

**Plan for Jobs:** measures that are being introduced under the Plan for Jobs, whilst broadly welcome, need to be designed more carefully and flexibly so that they take account of rural circumstances and are accessible to rural clients.

Revised Jan 2021



# PARISH COUNCILS AND RURAL COMMUNITY ACTION



## Why it matters

Parish and Town Councils form the most local tier of governance and are present across the great majority of rural England. As such, they help represent the views and needs of rural communities (alongside principal local authority Councillors and MPs).

Parish and Town Councils frequently manage local services, such as open spaces, allotments, leisure facilities and litter bins, contributing to rural wellbeing and quality of life. Larger Town Councils tend to manage a wider range of services and assets.

Community action equally plays a critical role, not least where it plugs local gaps in provision by running projects, initiatives and services that address local needs. These typically are needs unlikely to be met either by the statutory or private sectors.

Action at the community level often delivers support to tackle isolation and loneliness among older or more vulnerable residents in rural areas. This can include informal neighbourliness and more organised befriending or good neighbour schemes.

Community based and charitable action creates a range of volunteering opportunities for rural residents, providing many who take part with satisfaction, new skills, and new networks.

## The national policy context

Key elements of national policy include:

Revised Jan 2021



- Parish and Town Councils – most of rural England is parished and this usually means having a Parish or Town Council.<sup>40</sup> A key source of income, used by most, is to levy a precept which is collected through household Council Tax bills by District or Unitary Councils. Parish and Town Councils have gained additional powers in the last decade. Their discretionary powers were enhanced by a General Power of Competence, giving parishes which meet certain criteria broad scope to manage services, assets and other initiatives.<sup>41</sup> They may also use the Community Right to Challenge (as may community groups) to request their principal local authority formally considers delegating delivery of services to them (on a procured basis).
- Volunteering – rural action by volunteers happens in a myriad of ways, some of it organised by charities, trusts and other not-for-profit organisations, and some of it taking place by unincorporated groups. Government has sought to encourage volunteering by funding various support organisations and initiatives, including the National Citizen Service for 16 to 17 year olds and the <https://do-it.org/> website (which advertises volunteering opportunities).
- Community-run services – a growing number of community groups have taken on and managed local services or assets, such as village shops and pubs. These typically rely on volunteers to reduce operating costs and maintain viability. Organisations assisting rural community groups with such initiatives include the Plunkett Foundation and Pub is the Hub (see also chapter on Sustaining Village Schools and Local Assets). Communities now have a legislative right to register assets, such as a pub, as an Asset of Community Value, providing them with an opportunity to bid for that asset if it comes up for sale.
- Infrastructure bodies – various bodies and networks offer support to community groups, in the form of guidance, advice, networking and training opportunities. They include the ACRE Network, with its 38 county-based organisations, which have a particular focus on support for rural groups. Such support helps to build the capacity and effectiveness of community groups in areas such as governance, finance, managing volunteers and project delivery.

---

<sup>40</sup> In law all are 'Parish Councils', though some use names such as Town, Community or Neighbourhood Council.

<sup>41</sup> This Power applies to Parish Councils with a CiLCA qualified Clerk and with two-thirds of councillors elected.





## The rural dimension

According to the National Association of Local Councils, which represents the Parish and Town Councils sector:<sup>42</sup>

- There are roughly 10,000 Parish and Town Councils active in England, mostly in rural areas;
- Parish populations range from less than 100 to well in excess of 50,000 (and therefore urban);
- Between them these Councils have around 120,000 serving Councillors;
- They raised an average precept from a band D property of just over £64 (2017/18).

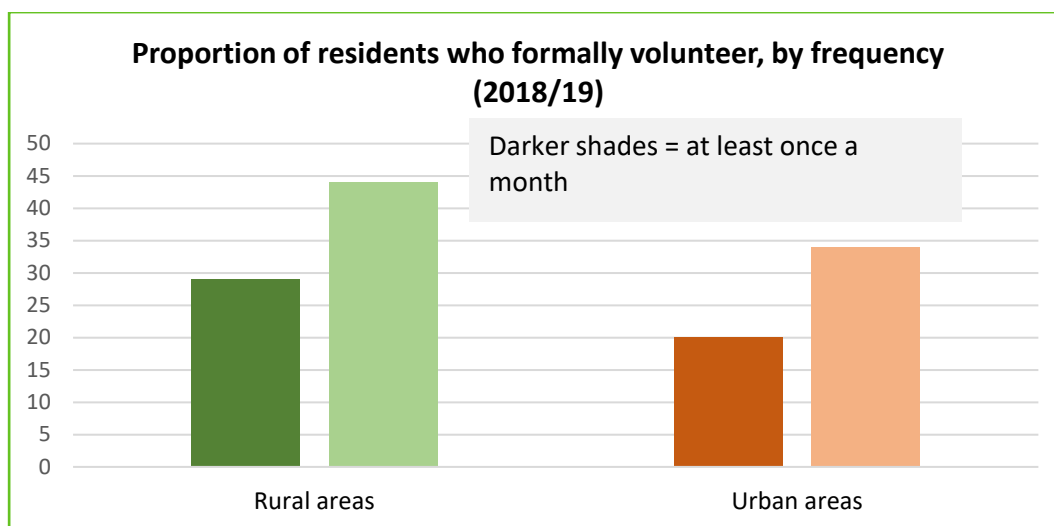
Those living in rural areas are more likely to volunteer than those living in urban areas. Statistics which measure formal volunteering (through clubs and other organisations), indicate that this remains true both for regular and occasional volunteers.<sup>43</sup> Towards half of all rural residents (44%) formally volunteered over the space of a year. However, figures for informal volunteering are almost identical in rural and urban areas.

---

<sup>42</sup> *All About Local Councils*, National Association of Local Councils (2018).

<sup>43</sup> *Community Life Survey 2018-19*, Department of Digital, Culture, Media & Sport (2019).





The number of community-run shops that are trading in the UK has increased from 171 in 2008 to 363 in 2018. This represents a 112% growth over the decade.<sup>44</sup> The great majority of these shops are found in rural locations.



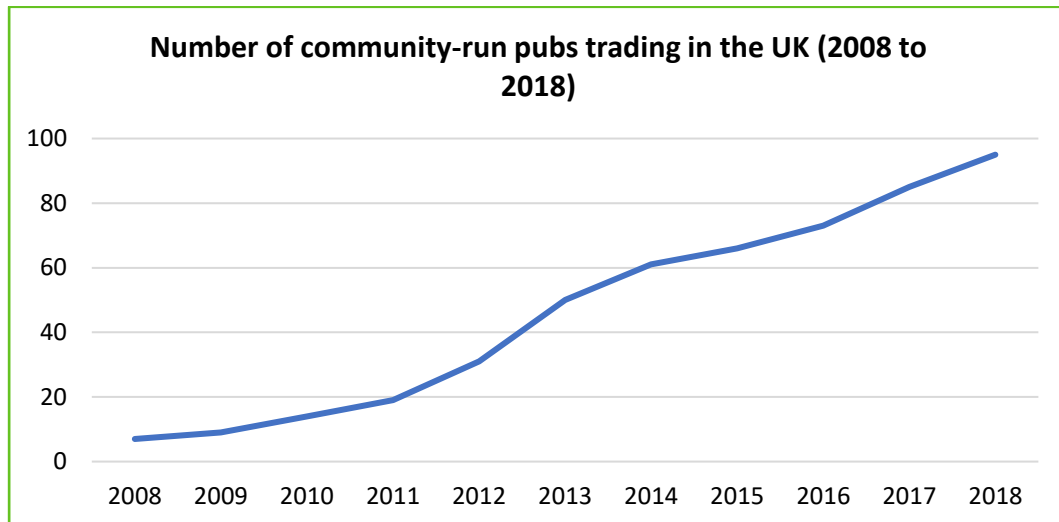
Those community-run shops which opened during 2018 raised start-up funding from four sources:

- 43% from grants awarded by grant giving bodies;
- 42% from shares bought by their local communities;
- 9% from loans or mortgages; and
- 6% from donations and other fund-raising activity.

The number of community-run pubs that are trading in the UK has increased from 7 in 2008 to 95 in 2018. This represents a more-than twelvefold growth over the decade.<sup>45</sup>

<sup>44</sup> *Community Shops: A Better form of Business*, Plunkett Foundation (2019).

<sup>45</sup> *Community Pubs: A Better form of Business*, Plunkett Foundation (2019).



Analysis has shown that in 82% of cases the local community owns the pub building and in the remaining cases it leases the pub building.

## Policy solutions

Community action has been a core component of the response to the Covid-19 pandemic and restrictions, supporting many older and vulnerable rural residents at a particularly difficult time. Many long-standing volunteers had to shield themselves and withdraw from volunteering activities, but equally, new younger volunteers have often come forward.

Revised Jan 2021



## Parish Councils and Rural Community Action

### Specific policy asks

**Parish and Town Councils:** Government should instigate a review of eligibility to use the General Power of Competence, to see if more Councils could be equipped to respond to any future emergencies providing support to individual residents. Government should also remove its threat to impose referenda on Parish and Town Councils where they increase their annual Council Tax precept above a given level. It is unrealistic to expect these Councils to grow their roles, whilst at the same time tying their hands financially.

**Infrastructure support:** Government should increase the level of financial support it provides to infrastructure bodies, so they can help local rural community and voluntary sector groups to bounce back from the difficult period they have experienced in 2020. Many have faced extra costs and have lost income. Bodies such as the ACRE Network support such groups to recruit and train volunteers, to raise or bid for funding, to grow their management skills and to develop credible plans.

**Good neighbour schemes:** with increased funding from Government, support should be provided to encourage more parish councils and rural communities to develop good neighbour or befriending schemes, which support the wellbeing of vulnerable residents and which address loneliness or isolation. These volunteer-based schemes have a track record of working well in rural settings and the support they offer takes pressure off statutory services including the NHS.

**Locally run services:** guidance and access to funding is needed to help communities meet local needs and fill gaps in service provision. One approach which could be supported is the Single Point of Contact (SPoC), where an organisation manages the process of commissioning local services from the VCS sector on behalf of a commissioning authority. Government should review the Community Right to Buy, finding a way to strengthen the hand of communities that register an interest in buying a local asset. Too few such assets transfer to communities.

*Related policy asks also appear in the chapter Rural Schools and Community Facilities, which includes support for community-run shops and the like.*

Revised Jan 2021



# RURAL PLANNING



## Why it matters

To maintain their sustainability rural communities must meet a range of economic, social, and environmental needs. One key role for the planning system is to balance those needs, both when defining appropriate plan policies and when deciding on individual planning applications.

Rural communities need a mix of housing which suits their evolving populations, not least in terms of its tenure, dwelling size, and suitability for different age groups. They also need workspaces that can meet the needs of businesses, recognising that some will seek to expand and some to relocate.

The planning system also has a role to support the retention of existing or plan for enhanced services, community facilities and town centres, thereby contributing hugely to rural quality of life. Where large scale development is planned, schools, health facilities and utilities should keep pace.

The quality of their nearby environment is valued highly by rural communities, who look to the planning system to protect them from inappropriate development. Moreover, the English countryside is a massive draw, underpinning rural tourism and the visitor economy.

## The national policy context

Key elements of national policy include:

- o National Planning Policy Framework – the NPPF sets out the Government's planning policies and how it expects them to be applied through the planning system at a local

Revised Jan 2021



level. Its overarching stated aim is to promote sustainable development. Further detail how to interpret policies in the NPPF is provided by National Planning Practice Guidance.

- Local Plans – local planning authorities (district, borough and unitary councils, and National Park Authorities) produce Local Plans for the coming decade or two and must keep these up to date through regular revisions. They set out policies that proactively shape development and reactively decide planning applications, having been written to reflect local circumstances whilst conforming with the NPPF.
- Planning White Paper – however, the Government has published a Planning White Paper proposing a radical overhaul of the planning system, with areas zoned for growth, renewal, or protection. If implemented, Local Plans would be simplified, containing fewer policies and updated every five years. More policies would be set centrally in a rewritten NPPF. Linked to Local Plans would be design codes setting parameters for acceptable development.
- Neighbourhood Plans – a growing number of Parish and Town Councils (or Neighbourhood Forums in unparished areas) have opted to produce a Neighbourhood Plan, with policies which reflect the land use and development priorities of their residents. These must conform with both the area's Local Plan and the NPPF.
- Housing need – a key Government objective is to increase the rate of new house building. Its ambition is for delivery of 300,000 new homes per year by the mid-2020s. This includes both market and affordable housing (see the section on Affordable Housing). All Local Plans include a housing target and local planning authorities must demonstrate a supply for the next five years. Government introduced a Housing Delivery Test which penalises authorities if their area falls far behind on delivering that target. Housing and other development is subject to a Community Infrastructure Levy (CIL), to help cover associated costs of upgrading infrastructure and expanding public services.
- Countryside protection – development is strictly controlled in the highest value landscapes designated as National Parks or Areas of Outstanding Natural Beauty. The countryside around major cities is also, sometimes, protected by Green Belt to avoid urban sprawl. So too are sites designated as important for wildlife or their habitats, such as Sites of Special Scientific Interest. More widely, Local Plans seek to manage the scale, type and character of development in small rural settlements and to restrict development in open countryside. Conversely, many rural towns have large extension sites allocated for house building.

Revised Jan 2021

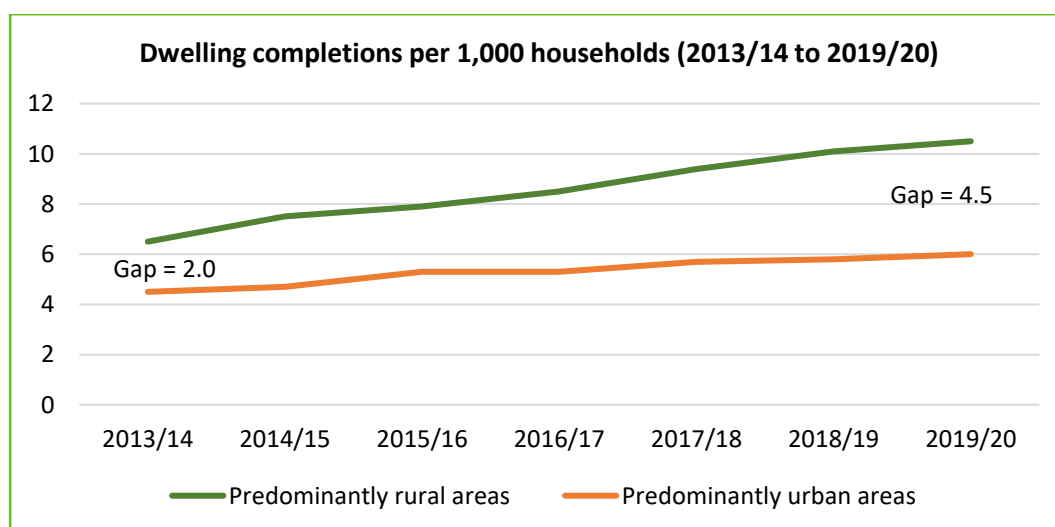




## The rural dimension

On a proportionate basis, significantly more new homes are being built in predominantly rural areas than in predominantly urban areas.<sup>46</sup> The number of new homes completed has been increasing over the last five years. By 2019/20 the annual rate in predominantly rural areas was over 10 completions for every 1,000 households.

In predominantly rural areas 90% of new additions to the housing stock are because of new build developments. A further 8% are due to change of building use and almost 2% due to conversions.



Just over 8% of the land area of England is taken up by developed uses.<sup>47</sup> These include residential, industrial, commercial, transport and utilities, mineral extraction, and landfill.

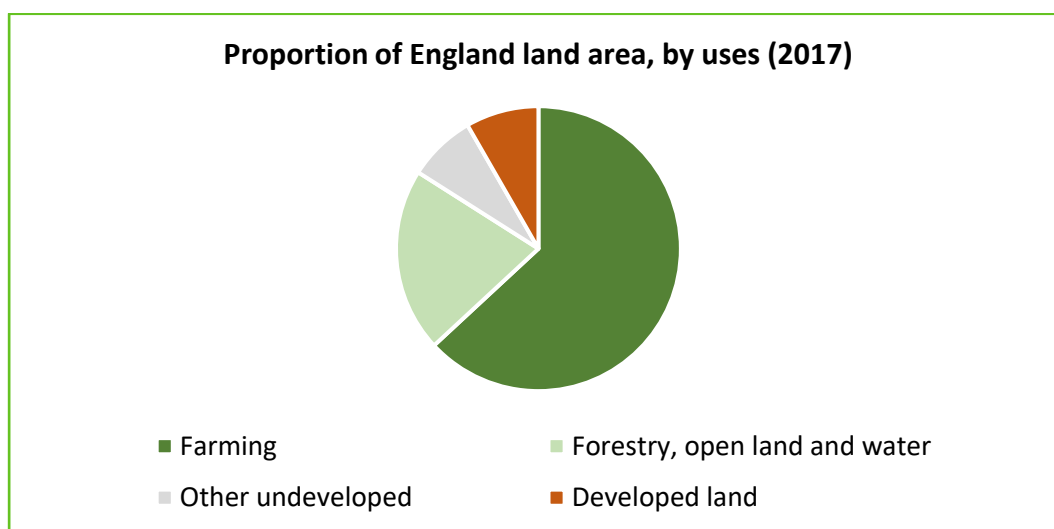
<sup>46</sup> *Statistical Digest of Rural England*, Defra, based on data from MHCLG Live Tables on House Building.

<sup>47</sup> *Land Use in England 2017*, MHCLG (2019).





Almost 92% of the land area of England is taken up by undeveloped uses. These include farming, which comprises 63% of England's land area. Some of the undeveloped land lies within urban settlements e.g. as parks, playing fields and residential gardens.



There are ten designated National Parks in England, which collectively cover over 9% of the country's land area.<sup>48</sup> The largest of these is the Lake District National Park at 2,362 square kilometres. Some 334,000 people live in a National Park, more than a third of them in the South Downs National Park.

There are thirty-four designated Areas of Outstanding Natural Beauty in England, which collectively cover almost 15% of the country's land area.<sup>49</sup> The largest of these is the Cotswolds AONB at 2,038 square kilometres.

A further 13% of the land area of England is designated as Green Belt, these being around the urban fringe.

By mid-2019 there were 839 completed Neighbourhood Plans which had resulted in a successful referendum, many of them in rural locations.<sup>50</sup> Local authority areas with the largest number of Plans having reached that stage were Herefordshire, Cornwall, Wiltshire, Cheshire East and Aylesbury Vale.

## Policy solutions

A successful land use planning system needs to have both the ability and local flexibility to plan for rural communities which are sustainable in economic, social, and environmental terms, meeting the varied needs of small as well as large settlements. Current proposals

<sup>48</sup> *National Park Facts and Figures*, National Parks UK (website accessed 2020).

<sup>49</sup> *The UK's AONBs – Overview*, National Association of AONBs (website accessed 2020).

<sup>50</sup> *Notes on neighbourhood planning – edition 23*, MHCLG (2019).



set out in the Planning White Paper (PWP) will need to be revisited and considerably revised if they are to deliver that objective.

Revised Jan 2021





## Rural Planning

### Specific policy asks

**Zoning in Local Plans:** the PWP's (Planning White Paper) proposed division of land into three types of zones – Growth, Renewal and Protection – is simplistic and is unlikely to account for varying circumstances in different rural areas. Whether designation of many rural areas as Protection would enable their needs to be met depends on the detail of allowable development in such zones (which has not yet been defined). It is vital that such designation does not stifle all development or introduce arbitrary definitions of 'sustainable communities'.

**Community engagement:** PWP proposals to drop community consultation from the planning application process (except for technical matters) should be reversed. They will otherwise disenfranchise residents, Parish and Town Councils, and others with a direct interest. Inevitably, many residents will not engage with technical Local Plan making processes but will engage when a tangible development proposal arises. Encouraging more digital engagement with the planning process is welcome, but non-digital input must also be retained. A digital only approach would exclude some from having a say, due to lack of digital skills, ability to afford IT or poor connectivity.

**Neighbourhood planning:** PWP proposals need to be clarified to offer a substantive future role for Neighbourhood Plans. They currently appear to see such Plans as offering design guidance for applicants, which alone turns them into little more than statutory Village Design Statements. The proposed changes also risk overwriting existing Neighbourhood Plans, into which thousands of communities have put immense amounts of volunteer effort.

**Infrastructure Levy:** PWP proposals to combine Section 106 and CIL into a single Infrastructure Levy, whilst having some good intentions, raise practical concerns and need amending. It is vital that local planning authorities have the ability to specify or secure affordable housing on development sites. They should also be able to decide the tenure of that housing, based on needs in their areas. A concern is that, currently, Section 106 agreements are the means to enforce local connection (where appropriate) and in-perpetuity arrangements, which ensure that affordable homes remain affordable and available to meet local needs into the future. It is critical that a legally enforceable mechanism is retained.

*Related policy asks appear in the chapter Availability of Affordable Housing.*



# RURAL TOWN CENTRES AND HIGH STREETS



## Why it matters

Rural or market towns perform a unique function within rural economies and rural life, acting as a focal point and supporting, not only their own residents, but those from a hinterland of smaller villages and hamlets.

They are typically where a range of important public and private services are clustered, including supermarkets, medical centres, secondary schools, leisure centres, arts venues, and banks. They frequently host a plethora of small independent retailers.

In addition to providing for local residents, rural and market towns often meet the needs of day visitors or tourists, who generate additional, if seasonal, income. Many of these towns will host events, such as arts festivals or local food festivals.

Rural or market towns are also centres of employment for the rural workforce, providing job opportunities, many of them in town centre services or on nearby trading estates.

Yet many town centres face challenges and some are run-down, with vacant or underused premises. Retail outlets are often undercut by online competition and some public services have centralised. There is growing evidence that such trends have been accentuated by the Covid-19 pandemic and restrictions. Other challenges rural town centres may face include traffic congestion, a poorly maintained public realm and sites requiring regeneration.

Revised Jan 2021



## The national policy context

Key elements of national policy include:

- Future High Streets Fund – one element of the Government's initiative 'Our Plan for the High Street', launched in 2018, is a fund into which town partnerships can bid. It can help with infrastructure, land acquisition or assembly, transport access, building change of use and high street adaptation. Bids must be match-funded by the private sector. In December 2020 funding was agreed for bids coming from 15 towns and provisionally agreed for bids from another 57 towns.
- Towns Fund – in Autumn 2020 the Government announced that this fund will support the long-term regeneration of 101 struggling English towns, supporting local economies outside the major cities. It would include their recovery from the Covid-19 pandemic. The first 7 Town Deals were confirmed. The total Towns Fund budget is due to be £3.6 billion.
- Business Improvement Districts – BIDs are specific areas within which businesses have agreed to pay a levy (on their Business Rates) for up to five years in order to fund certain projects. These are designed to enhance the area and so to benefit the business community, bringing about more footfall and trade. Most (though not all) BIDs are in town and city centres.
- Planning – the Government recently extended permitted development rights, removing the need (in many cases) for planning consent where it is intended to change a building's use from retail to other uses, such as office or residential. A more established policy in national planning guidance gives some protection through a town centre first policy. This prioritises new retail development within or adjoining town centres over retail development at out-of-town locations.
- Business taxation – from April 2019 most retail properties have received a business rates discount which reduces their rates bill by a third for a period of two years. This benefits a range of shops, pubs and restaurants (though it excludes the highest value properties and those which are occupied by professional services). Some of these will, anyway, have been eligible for Small Business Rate Relief.

Revised Jan 2021



## The rural dimension

There are 5.2 million people who live in settlements or areas classified as ‘rural town and fringe’ in England.<sup>51</sup> This figure is based on a definition where rural towns are places with a population under 10,000 and which have a population density pattern distinguishing them from smaller settlements. Rural town and fringe areas therefore represent 9% of the country’s population.

If settlements are instead sorted by size band, there are 615 small towns which have a resident population between 3,000 and 10,000.<sup>52</sup> (Some smaller settlements could be considered as being functionally towns.) At the other end of the spectrum, some larger towns have been classified by statisticians as rural ‘hub towns’, because they perform a significant role as service and employment centres for surrounding rural areas. There are 176 settlements listed as rural hub towns.

### *Rural towns by population size (2011)*

Settlement population size band	Number of small towns	Resident population
3,000 to 4,999	321	1,130,700
5,000 to 6,999	159	939,000
7,000 to 9,999	135	1,250,500
Rural hub towns (up to 30,000)	176	
Total	791	

<sup>51</sup> *Statistical Digest of Rural England*, Defra (2020).

<sup>52</sup> 2011 Census built up area statistics, Office for National Statistics (from the NOMIS website).





Rural town and fringe areas are the location for over 180,000 registered businesses, which between them employ almost 1.25 million people.<sup>53</sup>

They are also the location for almost 33,000 business units within the retail, wholesale, and motor repair sector, which between them employ approaching 0.25 million people.

***Businesses and employment in rural town and fringe areas (2017/18)***

	Number	Share of England total
All registered businesses	182,660	7.9%
People employed in all registered businesses	1,240,000	4.6%
Business units in retail, wholesale, and motor repair sector	32,520	7.5%
People employed in business units from retail etc sector	235,155	5.8%

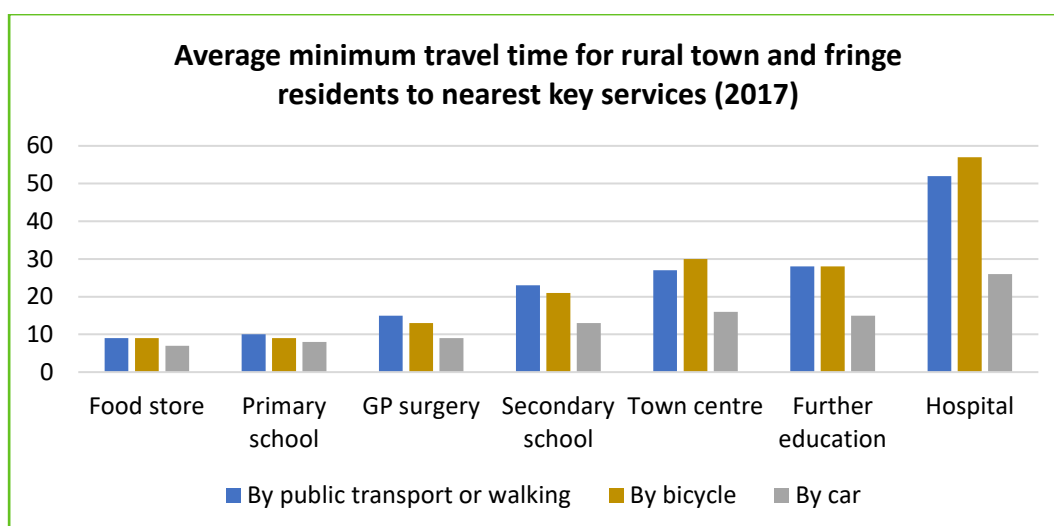
Accessibility data shows the typical minimum travel time for residents of rural town and fringe areas to reach the nearest facility or outlet for various service types.<sup>54</sup> Unsurprisingly, travel times are shortest by car. Travel times by bicycle and by public transport/walking are similar, though this does not take account of public transport frequency.

The shortest travel times are those to the nearest food store, primary school, and GP surgery. The longest travel times are those to the nearest hospital, further education, and town centre. It is likely that for many hospitals are located in another (larger) town and not the one where they live.

---

<sup>53</sup> As footnote 1 above.

<sup>54</sup> Accessibility Statistics, Department for Transport (2017).



One service which has pulled back from town high streets is bank branches. Analysis found that 124 of the branches which closed in 2014 (over a quarter of all closures) were the last bank branch in their community.<sup>55</sup> This was a trend which particularly impacted rural towns and coastal communities.

In December 2019, the original 14 places to win funding as a pilot scheme under the Future High Streets Fund were announced.<sup>56</sup> Two of these places were rural hub towns, namely:

- o Cheadle in Staffordshire; and
- o Kendal in Cumbria.

More recent (2020) winners are similarly largely urban, though include a few larger rural hub towns. In October 2020, the first 7 places to win funding from the Towns Fund were announced. None of these were rural towns.

## Policy solutions

Every rural town centre is different and requires its own – locally decided – solutions. However, long term trends, such as that the growth of online retail, are a common feature. Moreover, the pandemic and restrictions have greatly increased the switch to online retail and much of that could become permanent.

<sup>55</sup> *Annual Report 2014: A Year of Change*, Campaign for Community Banking (2015).

<sup>56</sup> Ministry of Housing, Communities & Local Government press releases, December 2019 and December 2020.



## Rural Town Centres and High Streets

### Specific policy asks

**Towns Fund and Future High Streets Fund:** Government should support rural place-making by reviewing and expanding its Towns Fund and Future High Streets Fund, so additional places can benefit. The criteria for and flexibility of these Funds should be reviewed to make it easier for small rural town centres to succeed. The funds currently favour larger towns and largely overlook rural needs.

**Business Improvement Districts:** a grant fund should be launched to help local authorities and their town centre business partners to develop more BID proposals for rural town centres. BIDs have been shown to be a useful response in many areas. However, drawing up such a proposal is an additional, substantive task for a small rural local authority team.

**Bank branches:** the code which banks follow before closing a branch needs strengthening, so that decisions can be challenged and reversed. Branch closures continue at pace and the self-implemented code is little more than a box-ticking exercise. The Payment Systems Regulator should follow-up its recent report on access to cash by monitoring the trend in rural areas. Alongside this, protecting the Post Office network is also very important.

**Public services:** Government should implement the findings of its Fair Funding Review on the allocation of funding for local authorities, taking full account of the extra cost of service delivery in rural areas. This will benefit rural town centres by helping sustain public services (e.g. libraries), enable upkeep of the public realm and assist grant support for arts, heritage, sport, and leisure venues plus the voluntary sector more generally.

**Planning:** national and local plan 'change of use' policies need careful calibration, to enable vacant and underused buildings in rural town centres to find productive use as housing in appropriate locations and where little prospect exists of continuing retail use. However, policies must not undermine town centre vibrancy by allowing viable retail premises to convert simply for financial gain. Moreover, housing conversions must be to high standards.

There is also significant scope to boost the role of rural town centres by making them transport hubs and ensuring they benefit early from the roll out of ultrafast digital networks.



# AVAILABILITY OF RURAL AFFORDABLE HOUSING



## Why it matters

Rural communities should be diverse and inclusive places where people of all ages and backgrounds can live together. A supply of affordable housing helps to ensure that is the case. Without it, rural communities become places where only the more affluent (who are disproportionately from older age groups) can afford to live. There is a risk that the cost of open market housing rises further in rural areas if more people move there from urban areas following the recent pandemic.

Equally important is that those who grow up or have connections in rural communities have the option to live there. This includes young people forming new households, typically with limited financial resources. A supply of affordable housing keeps families and local support networks intact which, in turn, helps to address isolation and loneliness.

Businesses in rural areas need access to a workforce, including for jobs which typically attract or can only sustain modest pay rates. This includes many of those who are classed as “essential workers”. A supply of affordable housing benefits the rural economy, with employers able to recruit and retain staff across a range of jobs.

Nationally, there is a widely acknowledged shortage of housing which is affordable. Rural areas – including small towns and villages – should contribute to meeting that need and form part of the solution.

## The national policy context

Key elements of national policy include:

Revised Jan 2021



- o Market approach – the Government target has been that by the mid-2020s the UK should be building 300,000 new homes each year. To support that aim, in 2017 it announced various funding mechanisms, including a Home Building Fund to assist small housebuilders and a Land Assembly Fund to bring forward development sites. The Government hopes that by increasing supply and the quantum of homes, the whole housing market will become more affordable. Its recent Planning White Paper proposes allocating house building targets to each local planning authority (which would sum up to 300,000 nationally).
- o Affordable housing definition – over the years Government has broadened its definition of ‘affordable housing’ to embrace new tenures. These are set out in the National Planning Policy Framework. They include traditional social rent housing, plus ‘affordable rent’ (set at 80% of market rental value), shared ownership or part-rent part-buy tenures and discounted starter homes to buy. Social rent remains the most affordable option and for those on the lowest incomes the only realistic one. Despite the name, ‘affordable rent’ is above what many in rural areas can afford.
- o Affordable housing quotas – planning authorities use Local Plan policies to set the share of homes on development sites they expect to be affordable. However, for some time Government has exempted sites of fewer than 10 dwellings from such policies. This is problematic as most rural sites are small. The small sites restriction has now been relaxed, giving planning authorities some flexibility in designated rural areas, but it remains in place across most of rural England.<sup>57</sup> Moreover, the recent Planning White paper proposes raising the threshold to exempt sites with fewer than 40 or 50 dwellings.
- o Rural exception sites – local planning authorities have been able to permit development on small rural sites which would ordinarily be protected from development, where they deliver affordable housing to rent that meets locally identified needs. These rural exception sites can be especially useful in villages where there is strong countryside protection. A while ago Government introduced a similarly framed policy called entry level exception sites (ELES), where homes for sale at below market value to first time buyers could be built. Concerns were expressed that the ELES policy was likely to have a detrimental impact on delivery of rural exception sites. The Planning White Paper now proposes to replace all existing first-time buyer tenures with a new First Homes tenure.
- o Right to Buy schemes – the established Right to Buy scheme has given tenants living in local authority owned housing the right to buy their property at a discount (which

---

<sup>57</sup> Designated rural areas are those in National Parks, Areas of Outstanding Natural Beauty or listed under Section 157 of the Housing Act 1985. These comprise around 30% of all rural parishes.





reflects the length of time they have lived there). Whilst popular with tenants, the level of discount on offer has been increased over time, aiming to boost take-up further. Local authority income derived from Right to Buy sales is meant for reinvestment in affordable homes (see later). A voluntary Right to Buy scheme for housing association tenants has been piloted in the midlands.

## The rural dimension

Housing is relatively expensive to buy or to rent privately in rural areas and can be beyond the means of many. Excluding London, the average house purchase price is £90,000 higher in rural areas than it is in urban areas.<sup>58</sup>

As a result of this plus relatively low local wages, housing is less affordable in rural than in urban areas (excepting London). This remains true for those buying at the cheaper end of the housing market. The housing affordability index measures the cost of bottom quartile housing as a multiple of bottom quartile annual earnings.<sup>59</sup> In 2019 that multiple or ratio was:

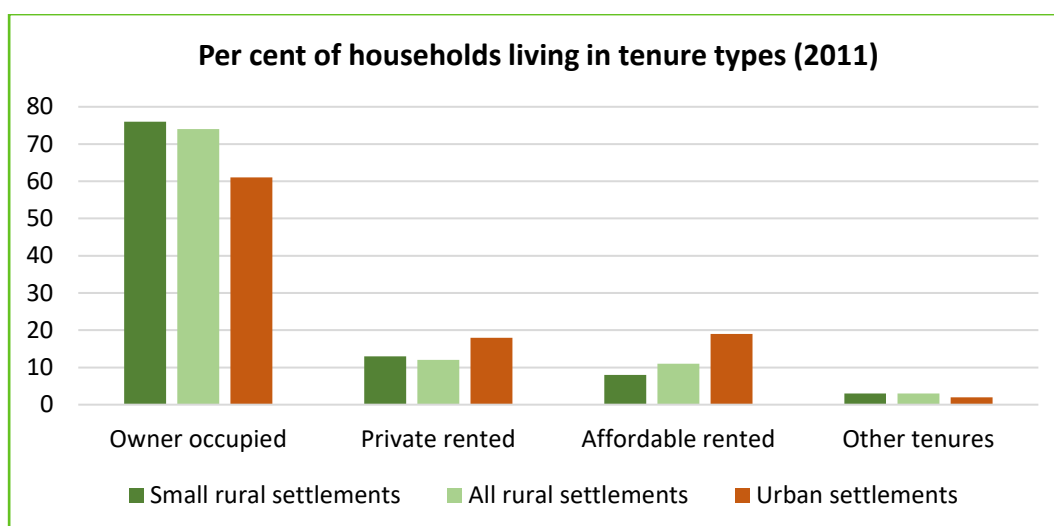
- o 8.6 in predominantly rural areas, having risen from 8.0 in 2015; and
- o 7.4 in predominantly urban areas (excluding London), having risen from 6.8 in 2015.

The mix of housing tenures found in rural areas is fairly distinct, with less social rented housing available, especially in the smallest settlements. Just 8% of households from villages and hamlets lived in affordable rented housing, contrasting with 19% of households from urban settlements.

<sup>58</sup> Rural Economic Bulletin for England, Defra (2020), based on Office for National Statistics data.

<sup>59</sup> *Statistical Digest of Rural England*, Defra (2020), based on Office for National Statistics data.





The number of social rented homes in predominantly rural areas has reduced further with the Right to Buy scheme. By 2015 sales of local authority housing were running at 1% of that stock per year.<sup>60</sup> Although the sale income generated is intended for reinvestment, in rural areas only 1 replacement home was built for every 8 homes sold (with replacements rarely in the same settlement).

A previous estimate is that 7,500 new affordable homes need building each year just in England's smaller rural settlements (i.e. villages), a figure which is now considered an under-estimate.<sup>61</sup> It is the smaller settlements where meeting affordable housing needs can be most challenging. Just under 5,600 such homes were completed in villages in 2018/19.

Figures are also available for affordable homes built or added to the housing stock in predominantly rural areas (of which small settlements are a part). These are of interest not least because they include information about different affordable housing tenures. A notable feature is that very few of these affordable homes added in predominantly rural areas are for social rent i.e. the most affordable tenure category. In 2018/19 they comprised just 6% of new affordable homes (or half the 12% figure in predominantly urban areas).

**Additions to the affordable housing stock by type of tenure (2018/19)**

	Predominantly rural areas		Predominantly urban areas	
	Numbers	Per cent	Numbers	Per cent
Social rented housing	1,090	6%	3,880	12%

<sup>60</sup> Analysis of Ministry of Housing, Communities & Local Government data.

<sup>61</sup> *A fair Deal for Rural Communities*, Rural Housing Policy Review group (2015).



Affordable rent housing	9,490	57%	16,360	52%
Intermediate tenures	6,200	37%	11,430	36%
All affordable tenures (total)	16,770	100%	31,680	100%

Last year some 13% of Homes England's Affordable Homes Programme (AHP) was delivered in rural areas. Much as the provision of specific funding for a rural programme within the AHP is welcomed (and is something the RSN has been calling for over many years); it should increase from 10% to at least 13% to match last year's delivery. Over the life of the CSR even the 13% needs to increase given that 17% of England's population live in rural areas. The monitoring of delivery against the targets will need to be monitored and barriers to funding affordable rural homes identified.

Recent research<sup>62</sup> estimates that new affordable homes in rural areas spur an economic stimulus. Building ten affordable rural homes typically generates Gross Value Added of £1.4 million (from construction jobs, supply chain jobs and tax receipts), which outweighs the initial investment or build costs of £1.1 million. It further estimates that each rural affordable dwelling built today will, over the next 30 years, create a return of £54,000 for the Treasury.

## Policy solutions

Adequate housing provision is not simply a question of numbers of homes built. Just as important is the type of housing built – especially its tenure and size – to ensure it addresses the local community needs. Allowing the needs of rural communities to be met will require substantial changes to be made to public policy, to planning and to funding arrangements.

---

<sup>62</sup> *Rural Recovery and Revitalisation: the economic and fiscal case for investing in rural affordable housing to drive post-pandemic recovery*, Pragmatix Advisory (2020).



## Availability of Rural Affordable Housing

### Specific policy asks

**Affordable housing quotas:** Government should amend its existing policy on quotas. Local planning authorities should be able to require an affordable housing contribution from development sites building fewer than 10 dwellings (i.e. those building 5 to 9 dwellings) in all rural settlements with a population under 3,000 residents – or with a population density of less than 2 persons per hectare. Furthermore, those authorities should be able to require that the affordable housing be delivered on-site. The current system, where on small sites an financial contribution is required, the actual affordable housing provided can be some distance from the original contribution site, means the affordable housing funded can be far away in a different (larger) settlement. The new Planning White Paper proposal, to temporarily exempt sites of up to 40 or 50 dwellings from delivering an affordable housing quota, is likely to prove disastrous for its supply in rural areas and should be withdrawn.

**Grant funding:** Homes England should increase the provision in its recently announced Affordable Homes Programme from 10% to at least 13% to match last year's delivery. Even this 13% needs to be increased over the life of the CSR, given that 17% of England's population live in rural areas. The programme should offer grants at realistic levels which are realistic to ensure good design and energy efficiency, and which recognise extra building costs typical on small development sites in rural areas.

**Community-led housing:** the Community Housing Fund, which offers grants and supports community-led schemes, has been useful, although the fund is stretched and could be increased. A share of that fund should be allocated to projects in rural areas, such as Community Land Trusts, Co-housing schemes and Self-build projects. This would restore an original rural objective of the fund.

**Exception sites:** the principle of delivering low cost housing suited to first time buyers is not disputed, especially if it meets rural needs of young families and essential workers. However, the proposed introduction of a First Homes tenure must not be at the expense of much-needed rural affordable homes for rent. Local planning authorities must, therefore, be able to set policies that require Exception Sites to deliver solely or predominantly affordable homes to rent. Without that, landowners will inevitably be attracted to release land for more financially attractive first-time buyer homes.

Revised Jan 2021

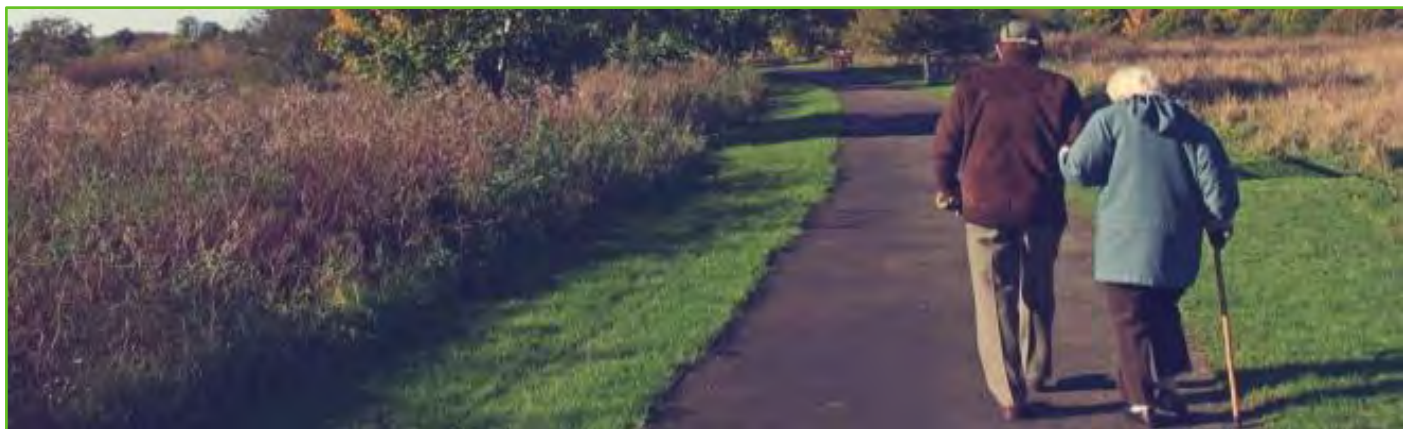


**Sales of affordable homes:** Government should allow local authorities to retain 100% of the proceeds from Right to Buy sales (rather than the current 50%), so they can re-invest this to replenish the dwindling stock of affordable housing for rent. The local authorities also need more time to spend the receipt and the ability, where necessary, to allocate more support per unit. Lessons for rural areas must be learnt from the voluntary Right to Buy pilot scheme for housing association tenants, before any further roll out of that scheme is considered.

*Related policy asks also appear in the chapter Rural Planning.*



# MANAGING AN OLDER RURAL POPULATION



## Why it matters

Rural communities should be places where people of all ages live together and experience a good quality of life, with fair access to a range of opportunities and services. That includes people from older age groups, who typically form a large cohort within rural communities.

As people grow older there is an increasing risk that they become isolated and vulnerable as their day-to-day needs are not met. For many avoiding this risk means having access to some alternative means of transport, should they no longer be able to drive.

An ageing population also has implications for service providers, who must address their needs. If it is not fully factored and costed in, there is a high risk that demand will overwhelm statutory services, in particular health and social care systems.

People's housing requirements change as they age, especially if they develop long term conditions which impede their mobility. Giving older people the option of moving locally to more suitable accommodation will benefit them and free up housing stock for younger age groups.

Many older people remain fit and active, contributing significantly to their communities. This much is clear from their involvement in volunteering and local activities or societies. Indeed, growing numbers continue to participate in the labour market beyond traditional retirement ages.

Revised Jan 2021





## The national policy context

Key elements of national policy include:

- Health and care – the Government published a Prevention Green Paper in 2019, the main goal of which is to extend, by five years, how long people live healthy and independent lives (by 2035). It seeks to achieve this with various initiatives, some which could be seen as applying more to older age groups, such as health checks and screenings, and some which apply across all age groups, such as encouraging healthier lifestyles. Major reform of the adult social care system (and not least its funding) has been promised for some time, with Government proposals awaited. This can be expected to have implications both for care provided to clients in their own home, and for that provided at care homes.
- Loneliness Strategy – the Government published a loneliness strategy in 2018. Whilst this potentially applies to people of all ages, it is recognised that loneliness and isolation affects many older people, especially those living alone. The strategy identifies the link with poor health, and it announced that, by 2023, GPs would be able to refer anyone experiencing loneliness to take part in community activities or voluntary services.
- Housing and planning – a Lifetime Homes Standard was drawn up by the Joseph Rowntree Foundation, given concerns that so many homes are unsuitable for, and hard to adapt to the needs of those with limited mobility or worsening health. It set 16 design principles covering issues such as parking, doorways, and service controls. National Planning Policy Framework expects local planning authorities to account for the housing needs of older people in their Local Plans. However, authorities must provide strong evidence should they want new build housing to exceed existing regulations (and so approach the Lifetime Homes Standard).
- Concessionary travel scheme – when people reach the state retirement age for women, they are entitled to apply for a pass which allows them to travel free on local buses, except at peak travel times. This England-wide scheme is nationally funded through a reimbursement paid to bus operators that carry concessionary passengers. The national scheme is topped up in some areas by the local authority, extending it to cover peak travel times.

## The rural dimension

Older people form a significantly larger proportion of the population in rural than in urban areas.<sup>63</sup> Just under a quarter of England's rural population (or 2,415,000 people) is aged 65

---

<sup>63</sup> 2019 Mid-Year Population Estimates, Office for National Statistics.



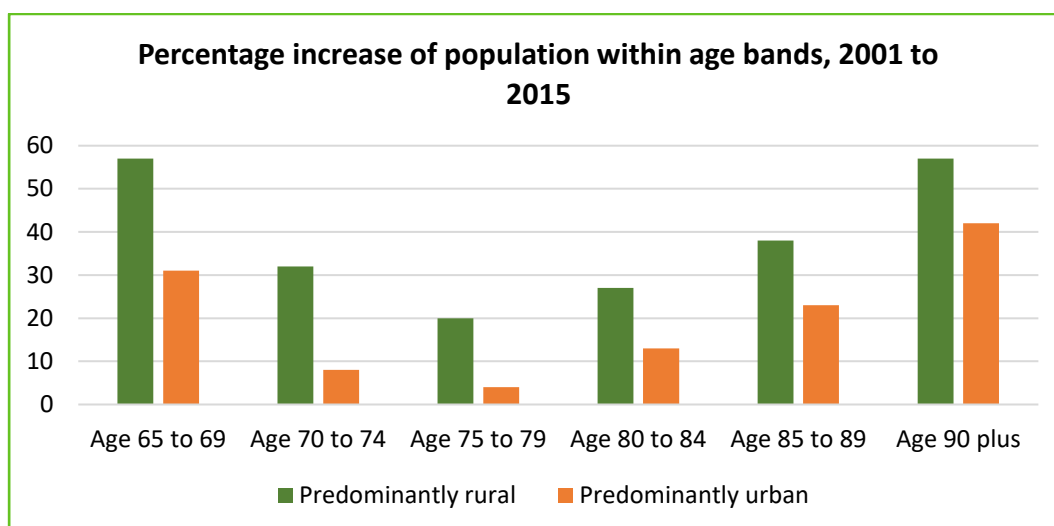


or over. Indeed, 3% of the rural population falls into the very elderly, or age 85 plus, category.

**Share of the population within older age groups, by type of area (2018)**

	Age 65 to 74	Age 75 to 84	Age 85 plus	All aged 65 plus
Rural areas	13.9%	7.9%	3.0%	24.8%
Urban areas	9.1%	5.5%	2.3%	16.9%

Over time, older age groups are forming an increasing proportion of England's population. However, this demographic trend is most pronounced in predominantly rural areas. Over the period 2001 to 2015 the number of people aged 90 or over increased by 57% in predominantly rural areas.



Indeed, official population projections show that the share of the population in predominantly rural areas which is aged 65 or over is expected to rise to just under 30% by the year 2035.<sup>64</sup>

Local authority expenditure on adult social services is 6% higher in predominantly rural areas than in predominantly urban areas (as measured on a per resident basis).<sup>65</sup>

Those predominantly rural local authorities also face paying relatively high hourly charges where they commission home care for clients in need.

<sup>64</sup> *Subnational Population Projections for England: 2018-based*, Office for National Statistics (2020).

<sup>65</sup> *Adult Social Care Activity and Finance: England 2019-20*, data tables from NHS Digital (2019).



### ***Local authority expenditure and costs for adult social care services (2019/20)***

Type of local upper tier authority	Net total expenditure on adult social care per resident	Average hourly cost of home care by an external provider
Predominantly rural areas	£312	£18.04
Predominantly urban areas	£294	£16.30
Additional rural expenditure or hourly cost	£18 or 6%	£1.74 or 11%

Older people living in rural areas are more likely to be caring informally (on an unpaid basis) for someone else than their urban counterparts. Statistics show that:

- o 24% of older people who live in rural areas provide unpaid care; whereas
- o 18% of older people who live in urban areas provide unpaid care.



Almost 4,400 sheltered housing developments are in rural areas or a fifth of the England total.<sup>66</sup> They hold 16% of dwellings on such developments, indicating that rural sheltered housing developments tend to be smaller than average. Developments in rural areas are less likely to have a warden than those elsewhere, although having a resident warden is still the most common set-up.

<sup>66</sup> Elderly Accommodation Council database, analysis from 2010.



### ***Number of sheltered housing developments and dwellings in rural areas of England (2010)***

	Number in rural areas	Rural share of England total
Sheltered housing developments	4,384	20%
Dwellings on these developments	98,307	16%
Dwellings with a resident warden	46,808	15%
Dwellings with a non-resident warden	33,650	16%
Dwellings without a warden	17,849	20%

Some 75,000 residents are living in care homes in rural areas of England.<sup>67</sup> They comprise just over a fifth (21%) of all residents living in care homes in England. The largest group are those that live in care homes which are run outside the public sector and which have no provision for nursing care.

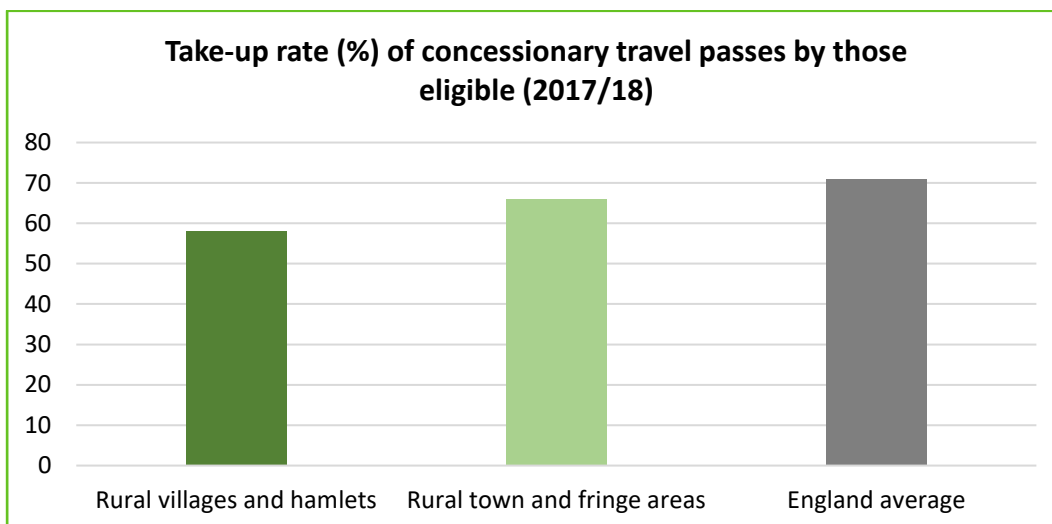
### ***Residents living in care homes in rural areas of England, by type of care home (2011)***

Type of care home	Rural areas: number of residents	England: number of residents	Rural share of England total
Local authority run with nursing care provided	228	1,539	15%
Local authority run without nursing care	1,849	12,907	14%
Run outside the public sector with nursing care provided	29,701	140,547	21%
Run outside the public sector without nursing care	43,252	205,360	21%
Total: living in all care homes	75,030	360,353	21%

The take-up rate of passes giving concessionary travel on local buses is relatively low in rural areas. Among residents who are eligible for a pass (of whom nine in ten are eligible due to older age), 58% of those living in smaller rural settlements have acquired one.<sup>68</sup> This low figure undoubtedly reflects the lack of availability and frequency of bus services in many rural areas.

<sup>67</sup> 2011 Census of Population, Office for National Statistics.

<sup>68</sup> *National Travel Survey 2017/18*, Department for Transport (2018).



Moreover, evidence shows that those who do take-up a concessionary bus pass make less use of it if they live in a non-metropolitan or shire area.<sup>69</sup> The average pass holder in a non-metropolitan area used their pass for 62 journeys over the course of a year (compared with 228 journeys by Greater London pass holders and 110 journeys by those in other metropolitan areas).

Although there are no rural-specific figures, survey findings show that the age group which is most likely to volunteer is the 65 to 74 age group.<sup>70</sup> Some 67% of them said they had volunteered within the last year and 46% had volunteered within the last month.

## Policy solutions

Almost all sections of this Revitalising Rural document have something of relevance to say about adapting to an ageing population. Older people need local services, transport options, accessible health and care provision, appropriate housing and access to leisure or social activities, to name just a few. Some specific policy asks are listed below, but others appear elsewhere in this document.



<sup>69</sup> *Bus Statistics*, based on survey of travel concession authorities, Department for Transport (2019).

<sup>70</sup> *Community Life Survey 2018-19*, Department of Digital, Culture, Media & Sport (2019).



## Managing an Older Rural Population

### Specific policy asks

**Build suitable housing:** Government should ensure new housing suits the needs of an ageing population by strengthening national planning guidance or allowing local planning authorities more leeway to set standards. This should take proper account of the Lifetime Homes Standard - including through Building Regulations. Better planning should also deliver sheltered and supported housing to meet rural needs. Co-housing schemes should be promoted as places where older residents could benefit through mutual support, with scope to be service hubs for the wider community.

**Adapt existing homes:** funding for Disability Facilities Grant and other reablement measures should be increased, so that more people (most, though not all of them, older people) have a chance to benefit from home adaptations that help them to continue living safely in their own homes.

**Offer travel options:** Government should amend, with funding, the statutory concessionary travel scheme, so it fits the rural context. This would permit concessionary travel before 9.30 a.m., since rural bus routes run less frequently and waiting for a following service can be impractical. It would also extend concessionary travel to community transport schemes since many villages have no traditional bus route.

**Refocus on loneliness:** Government should recommit to its Loneliness Strategy, announcing continued funding for it beyond 2021. This should include a further funding round for local initiatives which can address loneliness in rural and other areas, such as good neighbour or befriending schemes. The role of face-to-face local shopping, banking etc. should not be overlooked.

**Improve health and care visits:** travel downtime for community health and care staff visiting patients in outlying rural areas should be taken fully into account and should not mean shorter visits. Emergency service call outs could be more efficiently handled in rural areas if services were more integrated. For example, creating specialist community paramedic roles or, for non-acute cases, allowing ambulance services to dispatch other health professionals.

*Relevant policy asks appear in several other chapters of this document and include asks on social care provision see chapter on Access to Rural Health and Care Services, on community transport see chapter on Rural Transport and Access to Services, and on good neighbour schemes see chapter on Parish Councils and Rural Community Action.*



# DECARBONISING RURAL COMMUNITIES AND ECONOMIES



## Why it matters

The impacts of dangerous climate change will affect all communities. This much is already clear from the rural impacts of increasingly frequent storm damage, flood events and periods of drought. Minimising man-made climate change matters as much to rural communities and businesses as it does to any others.

Rural areas, which host more than a sixth of England's population and which cover most of its land area, must play their full part if the UK is to rapidly reduce its carbon footprint and achieve its net zero target. An approach focussed on urban areas alone would fail.

There are opportunities as well as challenges for rural areas that arise from the decarbonisation agenda. There will, for example, be growth sectors in the green economy and new opportunities for community enterprise.

Despite the push for energy efficiency, demand for electricity is expected to grow, not least as consumers switch to driving (chargeable) electric vehicles. This raises questions about the capacity and robustness of local power network infrastructure in rural areas. Inevitably, onshore wind and solar farms will be (as they are now) predominantly sited in rural locations. They can be expected to expand in scale. It is important that rural communities receive direct benefits where they host development such as renewables infrastructure. There is likely to be local resistance if the countryside is perceived simply as a solution to largely urban emissions.

Revised Jan 2021





At the same time, there are long standing issues for properties (mostly found in rural settlements) which are off the mains gas grid and which rely on heating sources such as LPG, electricity, oil, and solid fuels. These will need to be addressed appropriately in a low carbon future.

## The national policy context

Key elements of national policy include:

- o Net zero target – the Climate Change Act 2008 set an initial target for the UK to reduce its greenhouse gas emissions by 80%.<sup>71</sup> In 2019 that ambition was raised, when Government set a statutory target for the UK to become net zero by 2050. That long-term target has been translated into (decreasing) carbon budgets for forthcoming five-year periods. The independent Committee on Climate Change monitors progress and advises Government about further actions needed to achieve its trajectory to net zero.
- o National Adaptation Programme – the NAP sets out risks and opportunities which should help steer the UK towards its Net Zero target. The Committee on Climate Change has stated that it needs further development to identify appropriate actions and to manage risks.<sup>72</sup> Monitoring of emissions data shows there has been very significant progress made by the power generation sector, some progress by industry, limited progress with housing and no real progress with transport.
- o Ten Point Plan for a Green Industrial Revolution – this 2020 document sets out the Government's approach aiming to support 250,000 green jobs by 2030 and, in so doing, to accelerate the path towards net zero. Its ambitions include quadrupling renewable energy production from offshore wind, pioneering hydrogen as an energy source, ending the sale of new petrol and diesel cars by 2030, and installing 600,000 heat pumps in homes per year by 2028. Follow-up documents include an Energy White Paper and a Future Homes Standard, which proposes that from 2025 all housing built should be zero carbon ready.
- o The Road to Zero – is the strategy specifically for reducing emissions from road transport. It seeks to incentivise the production and take-up of low or no emissions vehicles. In addition to the target cited above, all new cars and vans should be zero emission by 2035. The Electric Vehicle Homecharge Scheme offers grants towards installing charge points at residential addresses. Businesses and employers can acquire vouchers towards installing charge points at their premises under the Workplace Charging Scheme. Highways England has been investing so that motorways and trunk roads can have a public charge point at 20 mile intervals (or less).

<sup>71</sup> Carbon dioxide (CO<sub>2</sub>) is the most common greenhouse gas emission, but there are others such as methane.

<sup>72</sup> *Reducing UK Emissions – 2019 Progress Report to Parliament*, Committee on Climate Change (2019).



- o Energy Company Obligation – under the 2018-22 version of this policy, known as ECO3, vulnerable households can apply to have energy efficiency measures installed which cut carbon emissions and tackle fuel poverty. 15% of these measures are expected to be



delivered in rural areas. ECO3 is funded through a charge on the energy supply industry, so is ultimately reflected in consumers' bills. The Government also supports an official advice service called the Green Deal, offering homeowners information about energy saving measures, approved suppliers, and available grants (such as the Renewable Heat Incentive).

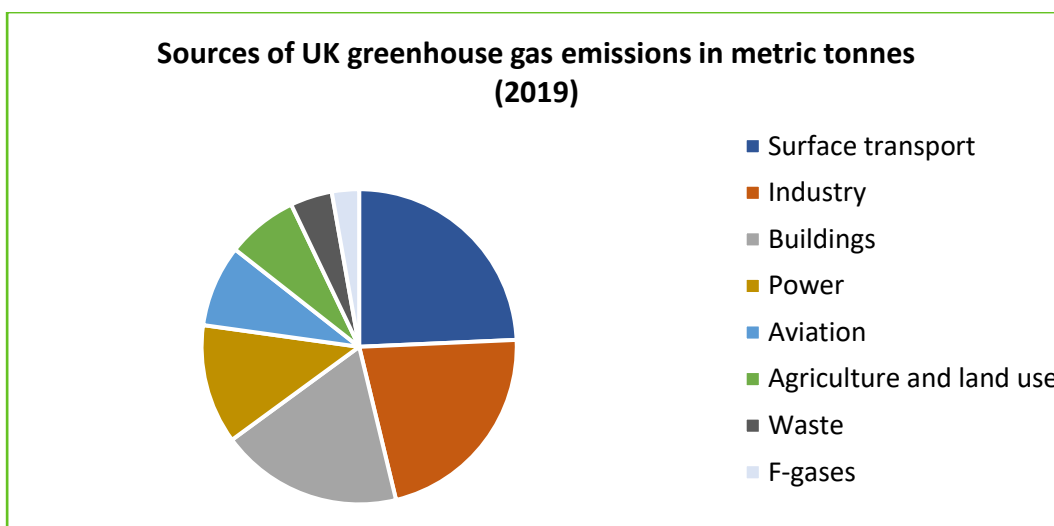
- o LEP Energy Strategies – Local Enterprise Partnerships have produced Energy Strategies as a vehicle to focus their support for low carbon energy projects in their areas. These are intended to contribute towards the aspiration for clean (economic) growth. Perhaps unsurprisingly, many of the low carbon projects supported are in rural locations.

## The rural dimension

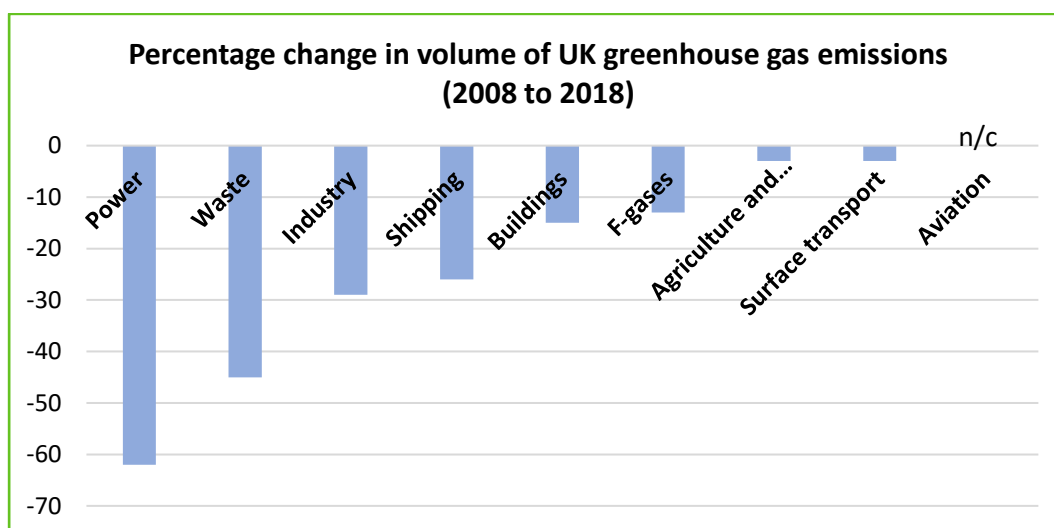
Estimates for the whole of the UK – both its rural and urban areas – show that the main sources of greenhouse gas emissions are surface transport, industry, buildings (including housing) and the power sector.<sup>73</sup>

---

<sup>73</sup> Reducing UK Emissions – 2020 Progress Report to Parliament, Committee on Climate Change (2020).



The ten-year trend amongst these different sectors varies hugely. Most show a reducing output of greenhouse gas emissions (with the power sector at -62% the outstanding performer), but some are still largely unchanged in their output.



Evidence about the locations of renewable energy production shows that:<sup>74</sup>

- o Predominantly rural areas are the location for 60% of England's renewable energy generating capacity, which equates to 16,555 Megawatts (MW);
- o In particular, these areas are the location for 64% of capacity from onshore wind and 60% of capacity from photovoltaics – two key renewable sources;
- o This is out of all proportion to their 22% share of the country's households.

<sup>74</sup> Secondary analysis of data from *Renewable electricity by local authority*, BEIS (2019).



## Installed energy capacity, in MW, from renewable sources in 2018 (per cent of England total)

Type of local authority area	Households	Photovoltaics	Onshore wind	Plant biomass	All renewable sources
Predominantly Rural	22%	60%	64%	87%	60%
Urban with Significant Rural	13%	16%	14%	3%	17%
Predominantly Urban	65%	24%	22%	10%	23%
England totals	100%	100%	100%	100%	100%

Much of the existing housing stock in rural areas does not easily lend itself to being made more energy efficient. Buildings tend to be older and many are off the mains gas grid. Notably, those local authority areas with the highest CO<sub>2</sub> emissions per property are all predominantly rural.<sup>75</sup>

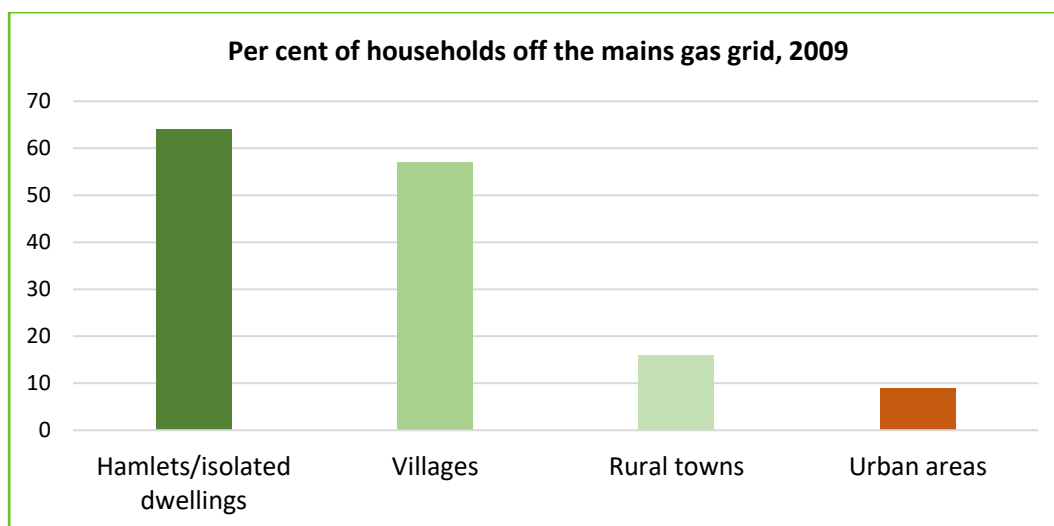
### Top six English local authority areas for CO<sub>2</sub> emissions per property per year (2017-20)

Local authority district	CO <sub>2</sub> emission per property per year
Eden (in Cumbria)	7.39 tonnes
Ryedale (in North Yorkshire)	6.53 tonnes
West Somerset	6.17 tonnes
Richmondshire (in North Yorkshire)	6.14 tonnes
West Devon	6.04 tonnes
Derbyshire Dales	5.85 tonnes

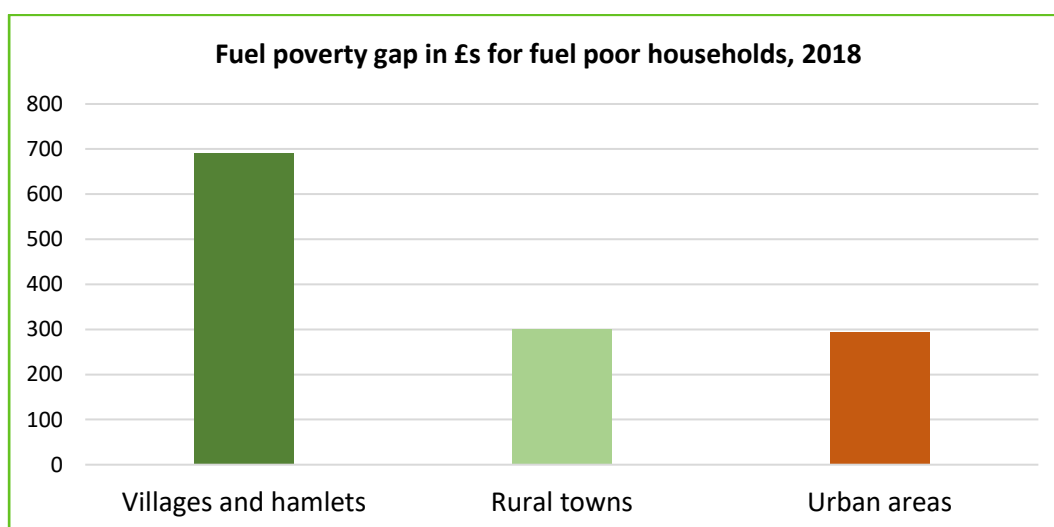
In 2010 some 36% of all households in rural areas were located off the mains gas grid.<sup>76</sup> The comparable figure for urban areas was 8%. As the chart below shows this issue is especially relevant for smaller rural settlements. Although these rural figures are somewhat dated, figures up to 2018, for England as a whole, show there has been little change.

<sup>75</sup> Analysis of home Energy Performance Certificate data from 2017 onwards, BBC Shared Data Unit (2020).

<sup>76</sup> From *Statistical Digest of Rural England 2013*, Defra and Government Statistical Service (2013).



In 2018 some 425,000 or 10% of households in rural areas were classified as being fuel poor (that is, they faced high fuel costs which could leave them below the official poverty line).<sup>77</sup> This is slightly lower than the 11% of fuel poor rural households five years earlier (in 2013). However, the 'fuel poverty gap' is especially large for those households in smaller rural settlements i.e. the extra income they would need annually to move them out of fuel poverty.



There were just over 11,000 locations in the UK which had public charging points for electric vehicles by February 2020.<sup>78</sup> These charging points had almost 31,000 charging connectors (a figure which had increased by 843 in the previous month). No rural analysis has been found of where these are, although of interest is that more than a quarter are in the Greater London area. Taking the two most rural of English regions, 8% (2,469) of connectors are in the South West and 6% (1,937) are in the Eastern region.

<sup>77</sup> From *Statistical Digest of Rural England 2020*, Defra and Government Statistical Service (2020).

<sup>78</sup> From *Zap-Map*, website accessed February 2020 ([www.zap-map.com](http://www.zap-map.com)).



A research report finds that, for rural areas, decarbonising transport may prove the most challenging aspect of all on this agenda.<sup>79</sup> Specific challenges include:

- The need to increase the scale and reach of the network of electric vehicle charging points (across relatively low demand locations);
- The need to extend the range (or distance) electric vehicles can travel between recharges, so they are better suited to rural geographies;
- The potential demand on the electricity grid in rural areas, as a widespread switchover to electric vehicles impacts demand;
- The need for faster progress developing hydrogen or alternative technologies, to aid decarbonisation of bus and HGV fleets in rural areas.

## Policy solutions

There is an immediate opportunity to support a green economic recovery from the pandemic-induced recession, so that future growth contributes directly to the target to become a net zero country. Rural areas have a major part to play in that journey. Achieving greater energy efficiency is not generally constrained by technologies, but it does require a more strategic or joined-up policy approach than hitherto implemented, plus some gap funding to prove approaches can work, and create scalability.

---

<sup>79</sup> *Opportunities and challenges for rural communities from net zero carbon legislation*, Rural England CIC (forthcoming).





## Decarbonising Rural Communities and Economies

### Specific policy asks

**Economic growth programmes:** all such programmes should include explicit objectives to support low carbon and net zero growth. Specialist advice and related grant funding should be made available for existing rural businesses to help them reduce their carbon footprint. Government should use its Covid-19 recovery package, *A Plan for Jobs 2020*, to improve energy efficiency in rural homes, especially off the mains gas grid. This would make them greener and easier to heat, whilst supporting green jobs for tradespeople in rural areas.

**Housing and renewables:** housebuilders, homeowners and landlords should be incentivised to install or adopt renewable or low carbon energy technologies, which would also help address rural fuel poverty. The target recently set for installing heat pumps is useful, but that technology will not suit some properties, not least many older and hard-to-decarbonise homes in off-grid rural areas which the Government indicates are a priority. The approach for retrofitting existing homes, including eligibility to access the Homes Upgrade Grant, therefore needs to cover other options such as biofuels and heat networks.

**Housing energy efficiency:** for maximum effect, the switch to renewables should happen in conjunction with making homes more energy efficient. The technology for housing development to Passivhaus standards exists, but the financial model needs development, not least in rural areas where development sites tend to be small and have fewer economies of scale. Some pilot exemplar rural schemes should be supported to test feasibility and improve viability of the approach, paving the way for commercial provision to such standards in future.

**Electric vehicle charging:** the funding recently announced by Government to make quicker progress with rolling out rapid charging infrastructure is welcome. It must, however, be used to improve the network of public charging points across rural areas (including those areas distant from motorways or trunk roads). Drivers in rural areas are more likely to travel further and gaps in the network are a practical constraint given typical ranges of e-vehicles.

Revised Jan 2021



**Rural buses:** introducing buses using electric battery or hydrogen fuel cell technologies involves significant investment, both in new vehicles and depot fuelling facilities. This may be hard to justify in rural areas unless bus service patronage grows. Current electric buses also have a limited range that will be inadequate for some rural routes. A comprehensive review is needed of the electric grid and, where appropriate, hydrogen supply to avoid punitive upgrade costs arising in rural areas.

**Electricity network capacity:** the path towards net zero will significantly boost demand for electricity, not least to heat homes and charge cars. Government and energy industry must ensure that electricity distribution networks, sub-stations and connections are made fit-for-purpose. This will be particularly relevant in rural areas, where infrastructure is often less robust.

**Local energy networks:** Government should provide gap funding to kick start the development of decentralised energy networks in rural areas, where they typically face higher costs due to serving low population and housing densities. This would support the growth of networks that are based on local renewable production or combined heat and power technologies. These could also help retain money within local rural economies and support local jobs.

**Local services:** it should not be overlooked that one of the most effective ways to reduce carbon emissions in rural areas is to retain and, where possible, grow locally based services, such as food shops, post offices, schools, GP surgeries and transport networks. Equally, that providing good digital connectivity will reduce the need for rural residents to travel and enable home working. Policies for public transport, digital, land use planning, community action, education and health all have a part to play.



# SUSTAINABLE FARMING AND LAND MANAGEMENT



## Why it matters

Food on the plate is something we (in England) have tended to take for granted. However, one thing learnt from the Covid-19 lockdown is that some foodstuffs depend highly on imports, delivered on a just-in-time basis. Whilst trade in food can bring many benefits, there is growing interest in the ability of the nation to feed itself.

Farming remains an important source of employment in many rural areas, even after decades of change bringing efficiency gains. It supports many other rural jobs in the supply chain, too, such as those upstream producing farm inputs and those downstream in food processing. Indirectly, it also helps support other rural employment, as farmers and farm employees use local shops and services.

Many farms have diversified their businesses, particularly into retail and tourism. As a result, they contribute to the wider economy through enterprises like farm shops and visitor accommodation.

Farmers, foresters, and other land managers are stewards of the land and fundamentally shape our countryside. It is a countryside variously enjoyed by both nearby residents and by visitors for its openness, beauty, peacefulness, wildlife, and leisure opportunities.

## The national policy context

Key elements of national policy include:

Revised Jan 2021



- o Post-EU reforms – preparing for departure from the EU and its Common Agricultural Policy, the UK Government published proposals in 2018 which would shift agricultural subsidies so that they fund public goods in future. This shift is expected to happen over a seven-year period, whilst the EU farm subsidy scheme is phased out. It will align subsidies with goals set out in the 25 Year Environment Plan, such as those for clean air, clean water, flood mitigation and thriving wildlife. Development of the proposals is being progressed under the policy banner, The Future for Food, Farming and the Environment. Government has said that the overall funding level for farm subsidies will not reduce, though there will inevitably be some redistribution that creates winners and losers.
- o Agriculture Bill – this legislation will make provision for payments under the replacement subsidy scheme. In England, those subsidies will be paid through an Environmental Land Management (ELM) scheme, which is due to start major trials in 2021 and to be fully operational by 2024. Some tests are already being run. It is proposed that ELM should operate at three levels, with grants to support individual farm practice, local area priorities and landscape scale projects. Additional Productivity Grants will be available to help farmers invest in equipment, technology, infrastructure, value added products and new business models.
- o National Food Strategy – an independent review has been taking place to inform the Government's plan for a National Food Strategy. This is looking at the whole supply chain, from food production through to food purchasing. It is also exploring issues such as food security, health impacts, environmental impacts, and economic value. A part one report from the independent review has been published, focused on short-term Covid-19 and EU exit issues.
- o Workforce – UK farming has been highly dependent on seasonal labour from EU member states, especially the edible horticulture sector. Future access to that labour force will alter, given the agreement reached between the UK and EU. A UK migration system which seeks to attract higher earning migrants is unlikely to favour farm workers. Meanwhile, Government has run a pilot Seasonal Agricultural Workers Scheme (SAWS), to test giving vegetable and fruit growers access to a temporary workforce, subject to certain conditions.
- o Flood defences – the Ten Point Plan for a Green Industrial Revolution announced a six-year programme of investment to improve flood and coastal defences, recognising the damage caused by recent flood events and the growing risk due to climate change. It notes that land management practice and nature-based solutions have important roles to play.

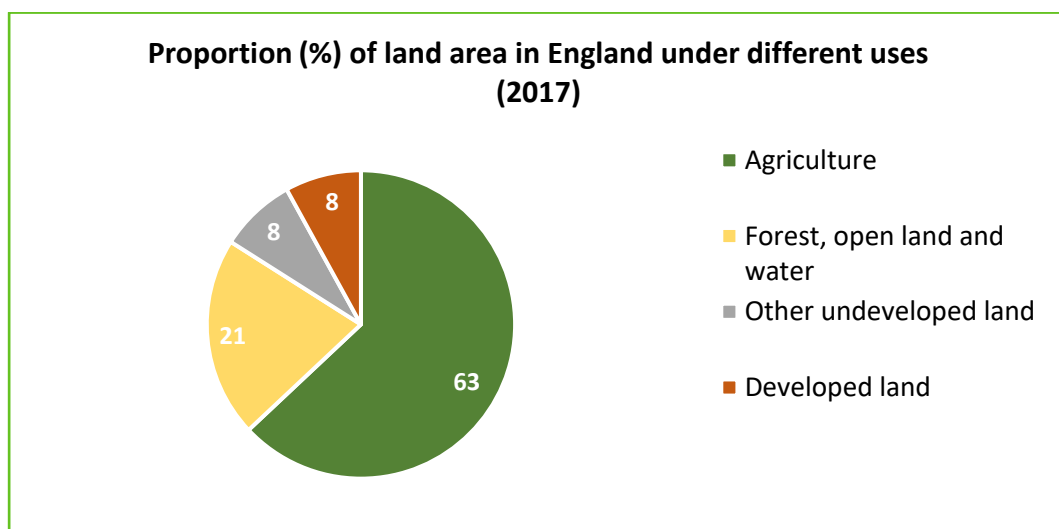
Revised Jan 2021





## The rural dimension

Agriculture is easily the predominant land use in England. Just over 63% of its land area is used for agriculture.<sup>80</sup>



The agriculture, forestry, and fishing sector accounts for:

- 4% of all registered businesses in England as a whole; and
- 15% of all registered businesses in the rural areas of England.<sup>81</sup>

In England around 350,000 people are employed in registered businesses which fall within the agriculture, forestry, and fishing sector. Although they comprise only 1.3% of employment nationally, the sector is an important part of rural economies and especially so in areas which have a sparse population.

<sup>80</sup> *Land Use in England 2017*, Ministry of Housing, Communities & Local Government (2019).

<sup>81</sup> *Statistical Digest of Rural England*, Defra (2020), based on Inter Departmental Business Register 2018/19 data.



**Employment in agriculture, forestry, and fishing sector in England registered businesses (2018/19)**

	Number employed in sector	As per cent of all employment
Across England	354,545	1.3%
In all rural areas	308,235	7.5%
Just in sparse rural areas	30,805	14.0%

The UK is 75% self-sufficient in the food and drink products which can be grown in the country (due to climate, etc) and 61% self-sufficient in all food and drink products that are consumed in the country. Across the whole of the food and farming sector, the UK:

- o Exported £20 billion worth of food and drink products; and
- o Imported £43 billion worth of food and drink products.<sup>82</sup>

Over the period from 2014 to 2020 farmers across the UK were allocated around £22.3 billion in direct subsidy payments, offering income support under pillar one of the EU Common Agricultural Policy (CAP). Typically, these CAP payments made up around 50% to 60% of a farm's income in England, though this proportion is likely to be higher in places with difficult farming conditions, such as upland areas.

The agriculture sector (and, indeed, the food sector) have been heavily reliant on migrant labour. This is especially so for short-term summer tasks, such as fruit and vegetable picking.<sup>83</sup> The great majority of this labour force has come from countries which joined the EU from 2004 onwards.

**Migrant labour working in the UK food and agriculture sectors (2016)**

Migrant labour groups (from other EU states)	Numbers estimated in 2016
Working long-term in the agriculture sector	27,000
Working in the food manufacturing sector	116,000
Working temporarily for summer in agriculture	75,000

<sup>82</sup> *Brexit: Future UK Agriculture Policy*, House of Commons library briefing paper (2018) – figures are for 2016.

<sup>83</sup> *Migrant Workers in Agriculture*, House of Commons library briefing paper (2017) - based on Quarterly Labour Force Survey data for 2016.





## Policy solutions

The coming years will inevitably be a period of considerable change and, for many, uncertainty in the agricultural sector. It is important that policy changes are clear and fair, so those in the sector can plan ahead with a reasonable degree of confidence.



Revised Jan 2021



## Sustainable Farming and Land Management

### Specific policy asks

**Future farm support:** Government should ensure that ELM payments are set at a level which rewards good practice. That scheme should be based on proportionate rules and administration. There is considerable scope for the agricultural sector to contribute to the UK's 2050 net zero target and to help realise natural capital benefits. However, it is equally important that home grown food production is valued and that all future Trade Deals do not allow lowering import standards which undercut home grown produce.

**Diversification:** the UK Shared Prosperity Fund should make grant funding available to farmers where they have well thought through diversification projects that enhance the wider rural economy. This could benefit from a dedicated rural funding stream (as recommended in the chapter *UK Shared Prosperity Fund* of this document).

**Local foods:** greater effort should go into promoting UK products and encouraging local foods, the latter typically enabling food producers to capture more of their value. This could include small grant support for product development and the launch of promotional campaigns.

**Seasonal labour:** Government should be more sympathetic to the seasonal labour needs of the agricultural sector. It should quickly develop policies which ensure an adequate supply from 2021 onwards, which could involve a greatly expanded SAWS scheme. The support for Agri-tech robotics and AI should also be increased.

**Flood management:** the Government's six-year programme to improve flood defences is welcome. Urgent action is needed in rural areas which have experienced serious flood events during the last few years. A timescale for the works should be provided to those rural communities.



# Revitalising Rural

Realising the Vision



RURAL  
SERVICES  
NETWORK



01822 851370



@rsnonline



admin@sparse.gov.uk



@rsnonline



www.rsnonline.org.uk



Find us on LinkedIn

