

# Revitalising Rural

Realising the Vision

## Campaign Launch

### 1st March 2021



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## EVENT SUMMARY AND KEY SOUNDBITES

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# Welcome

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## **Rt Hon Philip Dunne MP**

**Chair of the Environmental Audit Committee**

**Chair of the APPG for Rural Services**

Philip Dunne has been the Member of Parliament for Ludlow since 2005. He is the Chairman of the Environmental Audit Committee and before undertaking that role, he served as Minister for Defence Procurement from 2012-2016 and as Minister of State for Health from 2016-2018. As Chairman of the All-Party Parliamentary Group for Rural Services, he seeks to help raise the profile of rural issues in Parliament.



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Philip welcomed delegates to the event and stated it was extremely timely given the Chancellor will be announcing the next, and hopefully final, set of recovery measures to bring the country back to normality after the unprecedented COVID pandemic. Philip went on to say that a critical part of normality will be revitalising our rural communities which have in many cases been more adversely affected by the pandemic than urban areas due to their older demographic. Philip observed that as a consequence of the pandemic rural areas are being viewed as more attractive places to live. However, he stressed rural areas need access to affordable rural transport, digital connectivity and affordable rural homes – all topics on the Campaign Launch agenda.

Philip concluded his welcome by praising the work of the Rural Services Network in championing the cause of rural communities and in supporting the APPG (All Party Parliamentary Group) for Rural Services, of which he is Chair, to encourage ministers not to forget the rural interest when they devise policy. Adding that he is pleased to say that the APPG gets a pretty good hearing from ministers.



# Rural Transport Session

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## Chair

### Rob Butler MP

#### Vice Chair of the APPG for Rural Services

Rob was elected in 2019 as a Member of Parliament for Aylesbury and currently serves on the Justice Committee. He has previously worked as a TV news presenter and reporter, first at the BBC and then with Channel 5. He has also worked as a communications consultant, working with large and small companies around the world. He represents a constituency with rural areas and states that he understands the issues that matter for rural communities; rural transport and access to services, the need for vibrant high streets and thriving villages, for good roads, accessible healthcare and the preservation of the countryside.



## Rural Transport Key Witnesses



**Bill Freeman**  
Chief Executive  
Community Transport  
Association



**John Birtwistle**  
Head of Policy  
First Group, UK Bus Division



**Cllr Keith Little**  
Cabinet Lead  
Highways and Transport  
Cumbria County Council

## Witness Introductions

**Bill Freeman** has been the Chief Executive of the Community Transport Association (CTA) since 2013. The CTA is a national charity that leads and supports thousands of local charities and community groups across the UK that all provide transport services for a social purpose and community benefit. Bill has spent the last 20 years in senior roles in national membership bodies in the UK's voluntary and community sector and across a diverse range of public policy areas including transport, education, youth services and health. Bill is an advocate for greater community ownership.

**John Birtwistle** leads initiatives on a variety of subjects including domestic and international policy and legislation, local authority partnerships and concessionary travel, and has advised on the implementation of Bus Rapid Transit in the UK and USA. John has represented First, and the UK bus industry, on a number of Governmental and industry committees. He is the current President of the European Passenger Transport Operators association.

**Keith Little** is the Cabinet Member responsible for transport, Cumbria Council. Keith is also the Council's representative on Transport for the North.

## Rural Transport Scene Setting by Rob Butler MP

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My patch includes numerous villages, it also has many very small hamlets and those hamlets I know only too well from having to campaign in a general election campaign in the middle of winter. They have no pavements, no street lighting, and certainly no regular bus service. And many of the bus routes that do exist run only on the major road. It is not at all uncommon to have to walk a mile down narrow country lanes to get to the nearest bus stop. And many of the services that do call at those bus stops, only run a few days a week. Indeed, many of the villages and hamlets have no connections at all outside school term times and I know that that is a very familiar and common picture across the entire country.

Not surprisingly, this has been a major concern for my constituents and those of colleague MPs in other rural areas over the past few months, in particular, in my case this has been illustrated with the rollout of the COVID vaccine in the last four or five weeks. Because while we have three excellent vaccination sites in Aylesbury itself, many of those at the top of the list of the vaccinated are people who are in the older demographic and perhaps don't have their own means of getting to those sites.

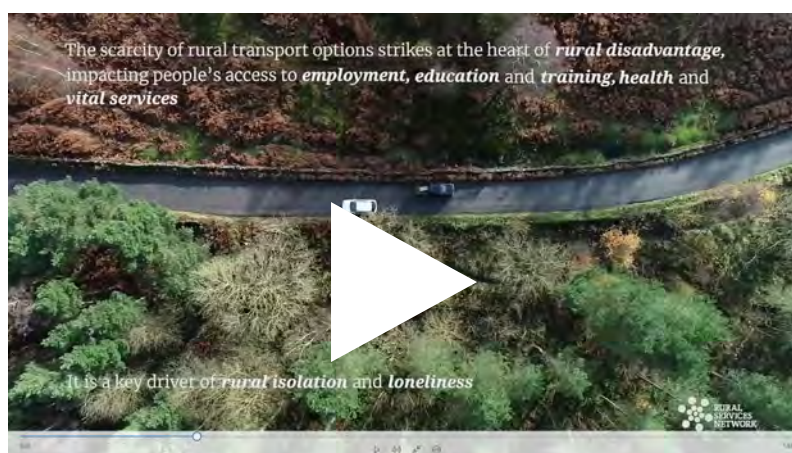
Now as ever, the local community rallied around with a combination of community buses, cheap or free taxis and neighbours helping out, did ensure that people did get to the sites and receive their potentially lifesaving jabs. But it is a perfect illustration of the challenges of rural transport.

I am sure that many of you will already have seen the [Transport Chapter](#) in the Revitalising Rural - Realising the Vision document. If not, you can go online and see it, each chapter is separately set out on the page, you can just click on the chapter you want. The Transport chapter is six pages long, very succinct, and absolutely, to the point. But let me briefly draw a few points from it before we have our discussion this morning.

Rural residents travel further than their urban counterparts typically 44% more in 2018 - 19. Travel times to reach a workplace or other services are typically much longer if you live in a rural community than if you are an urban resident, especially if you are reliant on public transport. Statistics for 2017 showed that the time taken to get to a GP surgery, to a large employment centre or to an FE college are double in rural areas compared to those for urban areas. But local authority spending on subsidies for bus services has declined significantly. And perhaps the surprise is that budgeted local authority expenditure per resident on bus service provision in 2019-20, was much lower in the rural areas than those that were predominantly urban ones.

Now of course, all of this matters a very great deal because it presents a real risk to the potential of growth in the rural economy where productivity is already very considerably lower than it is in urban areas. *And as a firm believer myself in the concept of levelling up, I am keen to see that people who live in in our small towns or villages, and inhabitants across the entire country, are given the opportunity to reach the same potential as everybody who is living in our much bigger towns and our cities.*

## Rural Transport Scene Setting Video



## RURAL TRANSPORT PANEL DISCUSSION

Posed by Rob Butler MP, Session Chair:

Keith, can you outline the state of transport in Cumbria and the most common challenges your residents face?

- **Size** - Cumbria is the second largest county in England covering over 6,700km<sup>2</sup> with a population of approximately 500,000. It is one of the most sparsely populated counties with approximately 73 people per square kilometre and only one major city - Carlisle. The resident population is dwarfed by the millions of visitors who arrive in the county each year, through tourism, which we of course very much welcome.
- **Budget Pressures** - In 2014, Cumbria County Council became *the first rural local authority to remove all of its funding for the support of local bus services, as part of austerity measure to re-balance budgets with income. The impact was a lot less than feared with operators stepping in with their own services, often with higher fares*, which will have impacted on the English National Concessionary Travel Scheme budget, but not too significantly for Cumbria.
- **Services Monitoring** - Since 2014, the provision of services on routes where funding was withdrawn, has been regularly monitored by the county council and service levels have fluctuated, as some routes have been reintroduced, but often subsequently withdrawn. Of the 75 services, or parts of services, that received funding, 15 continue to run to a similar timetable without subsidy, 26 have some service but often significantly reduced and 34 had no replacement.
- Cumbria County Council has implemented a number of transport initiatives:
  - **Rural Wheels**, a demand responsive service using taxi operators charging the customer a set rate which is only 45p a mile and if more than one person can share the vehicle, then it is only 25p per mile. Some of our rural residents must travel considerable distances – 15 to 20 miles for hospital appointments, to the doctor, dentist, and even just for some shopping.
  - **Village Wheels** which is minibus based and often run by volunteers on a 1-3 day a week timetable on seven different routes. The service is very well used by local residents, giving them connectivity to larger towns and railway stations.
  - **Community Wheels** which utilised government funding to purchase six accessible minibuses with full disabled access providing regular volunteer driven transport where scheduled bus services are not available. The scheme is operated by a local community steering group which the Council helps by training drivers and providing licences.
  - **Social Care** scheme operating across 47 locations in Cumbria covering both urban and rural areas whereby passengers pay a contribution towards the service.

- **Community Minibus Sharing** scheme which helps local groups like the blind, the deaf, scouts, girls' brigades, and local schools provided they are a non-profit making.
- **Covid** – There has been *a reduction in use during the pandemic, nevertheless Cumbria County Council has worked with just over 5,500 passengers and 321 volunteer drivers and paid almost £500,000 in bus service operator grants.*

**Bill, what do you think are the principal impacts in rural areas where there isn't community transport that therefore necessitates it?**

- So much of what community transport does in rural areas is about supporting people who do not have access to a private car and have very little agency over their life choices and access to services.
- Community transport *reopens people's worlds*, giving access to medical appointments, which has an impact on reducing loneliness and isolation. We know the contribution to poor health that being socially isolated can have and not being able to access regular medical services. *What community transport also does is give people a quality of life that enables them to stay independent and in their own homes.* It's not just necessarily about getting to essential services, it might also be about trips, days out social interaction with other people.
- If you do not have community transport in place you are left with limited access to work and education unless you've got a car. *We know, centralisation of services into urban areas creates problems because of the distances people have to travel.*
- *Delivering brilliant services in rural areas can be much more expensive. The breadth of provision of what's required (in comparison to what you might need for an urban population) means a premium must be paid.* Sometimes that's acutely felt by people who cannot use services due to transport poverty. Rural delivery also stretches local authority budgets, and their ability to intervene in a patchy and fragmented public transport network, where providers are often in a precarious position. *The providers of community transport often find themselves in a precarious position too.*

**John, talk us through some of the challenges that face transport providers in rural areas, because clearly a lot of this can't be done commercially.**

- Absolutely. And I'm going to focus on bus because let's face it, there is very little rail provision in most of the rural and deep rural parts of the UK, so there is a reliance on bus, and community transport, and volunteer transport, and these generally tend to work pretty well together and complement each other. But, we must not forget that there is also a vast supply of transport potentially out there that is untapped.
- *There is transport resource provided by other organisations, particularly in the field of health, where there are vehicles perhaps sitting idle that could be used for other purposes. There could even be staff sitting idle, who could be used for other purposes, to provide a wider range of public transport services. And there is a lot greater opportunity for the health sector and the mainstream transport sector to work together to pool resources and to provide a better overall provision in these areas.*
- This can actually be *"money spent to save money", because if we're saving money on the need to actually provide help when people are suffering from mental or physical health problems as a result of loneliness, isolation, lack of social contact, or lack of ability to get to facilities, then actually, we can pre-empt those problems by providing them with the opportunity to mix more socially, to have more interaction and to get to a wider range of facilities; if we pool those resources.*

- The big problem for all rural public transport is quite simple; it's a lack of demand. It's a product of the sparsity of population and the long distances that people have to travel to access goods and services. And that means that effectively for any given trip, it's going to cost more to operate. So, where we can, services will be provided commercially, but that's only a limited opportunity.
- Where the problem comes with services that require local authority support is that the 1985 Transport Act requires the local authority to look at its network and to identify where there is a social necessity for services that aren't provided commercially. And that social necessity is a subjective judgment. In the situation where there are increasing calls for social care, and for other statutory duties that that local authority has to fulfil, the transport budget (in the sense of being non obligatory) can be a budget line that is cut. And that's why we're seeing in some, but not all local authorities and Councillor Keith Little made reference to this, *the need for the cuts in the local authorities' transport budget and because it is not a mandatory requirement to fill those gaps. It's simply identifying what, in a subjective manner, could be deemed to be socially necessary and if there's nothing deemed to be socially necessary, there's no service.*

### John, do you have a preferred model for funding future transport?

Yes, in an ideal world, it would be provided commercially but that's not going to happen for the reasons previously stated. What *we need is a more holistic view of transport and the benefits it can bring in terms of economic regeneration, in terms of social cohesion, in terms of social equality, but also public transport ultimately is going to solve our problems of decarbonisation and air quality improvement.*

### Bill?

Agree with John, *a whole network approach is the way forward.* Thinking about how public transport, community transport, shared transport (like community car clubs) all sit together alongside active travel – walking, cycling, etc. Making sure in public policy terms that's prioritised, it's developed, it's celebrated. So, everyone can have access to some of the opportunities we were describing earlier and can live more sustainably.

### Keith, it always seems to be the same volunteers who come forward and they do a great service. But is that the sustainable the right way forward?

Yes, you are absolutely correct, it does depend on a number of volunteers in communities wanting to get involved. The Council however, has recently been looking at how it can be economic in using its transport and has combined school runs with trips for community users into the city centre.

### Keith, what do you think would help facilitate closer partnerships between local authorities, private companies and community transport to get a more holistic view?

We work very closely with the main provider in the county for us. We have regular update meetings with them both at an officer level and I chair one of the meetings that we have with them on a regular basis. Some of the smaller providers, unfortunately, have probably gone to the wall, because the capital outlay for large new vehicles hasn't been within their grasp. But again, we work across the sector where we can work through our district councils.

### Bill?

I think the local authority is in a really strong position to act as the broker for a lot of partnership working. I think some of that requires changing how we think about service design and how we commission services. Local authorities are already commissioning health transport, school transport,



and subsidising elements of public transport. So as a way to bring that together better, *I think, if we're going to change commissioning, we need to look at a co-design approach and try and get more social value from commissioning. Move away from some of the procurement processes where we're buying bits of transport on a small scale as if we're buying pots of paint or tables, and actually focus on long term relationships between those different partners.* That helps organisations be more sustainable because they've got greater long-term thinking and planning and they can commit to being involved in these kinds of social partnerships over the longer term.

### John?

Absolutely, *it is all about partnership and partnership is built on trust and is built on shared and common objectives. It is built on honesty, and all the different partners coming together and saying what can I do to actually improve the overall provision of transport in this area.* There are particular tools as well, which can be used to help local authorities work with bus operators to maximise the benefits of their existing commercial networks. There's something called de minimis funding, which means that if you have got an existing commercial service, you can provide a little bit of extra money to extend that perhaps to operate an hour earlier, an hour later, or to divert into a school, or into a hospital, or a housing estate, without having to go through the whole tendering exercise for that route. That can reduce the risk to that operator of having a different route that is awarded through tendering, if it undermines an existing commercial route, which can have a little bit of money thrown at it to provide a bit more service around the edges. It is also a case of everyone sitting around the table talking to each other and working out what's the best way to do it and bringing all the parties together, including community transport, volunteer transport, health transport, the whole lot.

### John, there is obviously a very strong move towards decarbonisation. What progress and what challenges are there for refuelling if you've got electrical, or hydrogen buses?

Electrical buses, particularly battery electric have come a long way in the last few years. And we're now seeing them entering service in considerable numbers in major fleets up and down the country. At First Group we are not going to buy any new diesel buses after 2022 so that we can be 100% decarbonised by 2035. And that's not untypical of the larger operators, and some of the smaller operators, but not really in the rural areas, *because in rural areas, we've got problems to do with the length of the services which are operated. A day's work for a rural bus can be up to 300 miles, or even more in some cases and I'm afraid no battery electric bus available in the UK is currently capable of running that length of route on an overnight charge.* Therefore, there is a need to either split the route, split the duties and incur considerable extra costs, or to put in intermediate charging facilities, for instance, at bus stations or layover spaces, and these would need to be available to all operators to use to ensure that they can run these services using zero emissions buses.

But the other problem with zero emissions is it costs an awful lot to buy a new bus. *So typically, for every three buses, you would buy new today, you can only buy two electric ones or even fewer. There is a need now for some kick starting, some capital expenditure to help with the purchase of decarbonised vehicles. In the longer term, hydrogen fuel probably does have a role to play. But you need to get the hydrogen fuel cell supply to the bus depot, which can be a big problem in a rural area.* And secondly, the cost differential today is even greater. We're talking at least twice the price of a new diesel bus to buy a new hydrogen fuel cell bus. But there's no doubt about it, in the longer term, within 15 years, we will be a long way towards a decarbonised bus fleet in the UK.

### **Stephen Frost, Institute for Public Policy Research - Delegate**

We've been hosting citizens juries, hearing about the challenges that are facing rural communities and communities across the UK, particularly in regard to how they decarbonise to be part of the effort to achieve net zero as quickly as possible. One of the things we've heard over and over again, is just this scepticism that it's not going to be possible to replace the journeys that they're currently taking by car with any other means. They're so reliant on the car, it's such a fundamental part of giving them freedom.

**What role can the state and companies play, in making it possible to access opportunities closer to home, and actually reduce the need for those journeys to take place at all?**

### **Key Witnesses Response**

**John Birtwistle:** *There is another element to this as well, and that is land use planning. This is about working out where facilities are going to be provided, both in terms of, shall we say societal facilities, whether they're to do with health education, or employment or retail shopping, where you can actually buy your groceries.* We're moving more towards an internet-based society. The recent pandemic has demonstrated just how much people are able to work from home, shop from home and even access things like health and education from their homes. So that will reduce the overall demand for travel.

But when we come to the residual, remaining demands of travel, I think it is really a case of taking a carrot and a stick approach. *One thing that people really do not understand today is the true cost of the journey they're making, particularly if you're traveling by car.* All you think about is the petrol, or the diesel that goes into the car, and possibly the amount you have to pay for parking at the far end of the journey. What you don't think is about the taxation, the maintenance, the insurance, the depreciation on the vehicle, and even more importantly, the external costs of using that private vehicle for that trip. In particular, the contribution to carbon, the contribution to air pollution and the contribution to congestion. And yes, we do have congestion, even in deep rural areas, particularly in market towns.

So, educating people as to the true cost of taking that trip by private transport, and then the true cost of the trip by public transport, taking all those factors into account will help get the idea into people's minds that there are sustainable choices that could be made. That used in conjunction with the introduction of what we hope to see a more rural proofed approach to funding public transport under the new bus policy, which we're expecting to see during March. That can then help kickstart new services, put services in that will provide better access to people in rural areas to their local goods and services, and ultimately, maybe even lead (once those services are available and education is complete) to actually some form of charging for car use. Which in turn will mean people will not be able to have the same willy-nilly approach to taking the car on all journeys where they could make them with an alternative mode. It is not something that will happen overnight. But we need to start.

**Bill Freeman:** I think we all probably know someone whose mental health has deteriorated over the last year because of enforced isolation. *I am often involved in conversations about community transport. We could say we do not need all this, just get everyone a laptop so they can order their groceries online, people don't need to go out. But part of sharing transport is about social contact and social interaction, which I think vastly improves people's mental health and wellbeing. I would prefer to have conversations about how we have better travel, not necessarily no travel.* And how do we do that in a more green and sustainable way so that people are coming together. And sharing journeys, which will probably mean a reduction in the use of the private car, getting used to not owning so many vehicles and sharing them with others. I just think it is an essential part of helping people to reach each other, and to have the kind of life that they want.

**Cllr Keith Little:** I think the way we've all had to work over the last 12 months has been a possible way that we need to go forward. I for myself have done 6,000 miles less in my car since March last year. That's significant and just through using the kind of technology that we're using now.

**Beth Kennedy, Anglian Water- Delegate**

**When it comes to reaching out to rural community do you have any opinion on what is the most effective approach to deliver messages to those really hard to reach within the rural communities?**

**Key Witnesses Response**

**Cllr Keith Little:** Within the council we have elected members in each of our rural areas who are very focused, very active and are bringing their issues to the Council. Also, working through our Director of Public Health, we know what the situations are out there.

**Bill Freeman:** There is a pretty well-established network of community and voluntary organisations out there who will be reaching those groups and communities. And I would suggest getting in contact with those. They can help you engage with the people that you would want to engage with.

**Cllr Peter Thornton, South Lakeland District Council - Delegate**

**Road pricing - if we have this would there be an opportunity to have differential rates, according to whether there was a bus route on the road that you were driving along?**

**Key Witnesses Response**

**John Birtwistle:** You have got to start by actually educating people as to what the cost of their journey is going to be. And only then can you really consider such an option as pricing for that particular journey. In the example, that you've just suggested, that would be a perfect opportunity to show the difference before you actually make that journey. So, you look at the bus route, you see how much that's going to cost you. And this is including the cost of your time, because there's a general acceptance to traveling by bus for the equivalent journey is probably going to take longer, because the bus has to stop, it has to pick up passengers and it probably doesn't accelerate and brake as rapidly as the private car. But taking into account the whole cost of your journey, all the financial elements all the time elements, all the external costs, and then presenting those as alternatives. *That journey to the individual will help pave the way for a future where the polluter pays for the journey they're making. And the cost that they pay will depend on the mode that they're taking. And we can use that to incentivise public transport, grow public transport, expand its provision, and actually alleviate all these problems to do with health and congestion and poor air quality as well as contributing to the global decarbonisation.*

**Ranjit Banwait, Ministry of Housing, Communities & Local Government - Delegate**

I am a civil servant and I work on the affordable housing programme, which is obviously, a very important programme where we're working hard to deliver the government's commitment to build new affordable housing across the country. One of the challenges is funding because local authorities although they can play an important role, simply do not have the time resources or expertise anymore. Most of their budgets now are focused purely on statutory services, mostly in social services and looked after children. They have cut back on discretionary services. So even voluntary sector funding, for example, has completely gone, been decimated. I know that very well, because I used to be a leader of a local authority; a unitary authority. I still work very closely on these issues and my experience is that municipal services should still play a role but again, it needs government support. The private sector has a really important role to play too, but they need to be encouraged and obviously financially supported to incentivise.



## What funding and government policy is needed?

### Key Witnesses Response

**Cllr Keith Little:** My council is looking for a development within the Lake District National Park, it's difficult as there are lots of restrictions on that. But in the more commuter areas, where housing is taking place, we just need to make sure that it is accessible, and that we're not putting people out in the sticks.

**John Birtwistle:** In a nutshell, ensuring that developers pay towards the provision of public transport using Section 106 payments.

**Bill Freeman** I think it's about investment models that create social value and support greater local economic resilience. So, investment in small, local independent organisations that keep wealth within communities.

### Closing remarks by Rob Butler MP, Rural Transport Session Chair

Thank you all very much indeed. And thanks to everybody who has participated in a really lively and fascinating discussion to kick off the event this morning. I've mentioned the [Revitalising Rural – Realising the Vision Campaign](#) a few times the full details of it are online. The chapter specifically on transport can be accessed by clicking the icon below.



## Revitalising Rural

Realising the Vision

Rural Transport Chapter

# Rural Affordable Housing Session

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## Chair

### Ed Buscall

#### Chairman of Hastoe Group

Ed is an arable farmer based in Norfolk. He is a parish councillor and has been involved in a number of schemes to regenerate the local area. Before becoming a farmer, Ed worked for the BBC World Service as Head of Current Affairs. He now works for the BBC Trust as an editorial adviser.



## Rural Affordable Housing Key Witnesses



### Monica Burns

Former  
Rural Housing Lead, National Housing  
Federation



### Lord Richard Best OBE DL

Chair of Affordable Housing Commission  
APPG Housing and Care for Older People

## Witness Introductions

**Monica Burns** Board Member of English Rural Housing Association and former lead on rural housing for the National Housing Federation has worked in rural housing for over 30 years on a national basis. This has included shaping rural policy, working with housing associations developing rural housing and when working as a rural housing enabler working with local communities on housing projects.

**Richard Best** is an independent “cross-bench” member of the House of Lords and has successfully piloted 5 Private Members Bills through the House. He has been involved in housing since the 1960’s, was Chief Exec of the National Housing Federation and of the Joseph Rowntree Foundation/Housing Trust, a Rural Development Commissioner, chair of Hanover Housing Association, and President of the Local Government Association. He chaired the Rural Housing Policy Review and later the Inquiry into Rural Housing for an Ageing Society, both sponsored by Hastoe Housing Association. He now chairs the Affordable Housing Commission and the APPG on Housing and Care for Older People.

## Rural Affordable Housing Scene Setting by Ed Buscall

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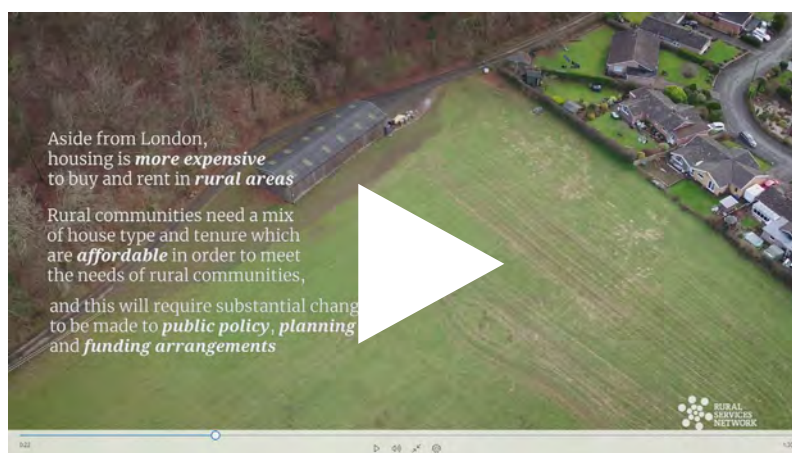
How I became involved with Hastoe is a story that illustrates a number of the issues facing rural development. About 15 years ago, Hastoe approached me to build some affordable houses on land I owned. They in turn had been approached by the parish council concerned that local people were being priced out of staying in their community. And that falling numbers meant the village school and pub were both threatened.

I agreed, but regrettably, some second homeowners disagreed. And we became involved in a four-year legal battle over whether the field that had always been in an arable cropping rotation was a village green or not. I'm glad that also led to a reform of that particular law. But this placed significant additional costs on the scheme, threatening its viability, but we did win as we always knew we would, and 10 units were eventually built. And I'm pleased to say that the school and the pub both remain open.

I'm sure this story is a familiar one to those who are seeking to secure the future of our rural communities. There's long been an acute lack of low cost rented homes, which is eroding communities. And now COVID is exacerbating the issue. Local earnings have consistently been lower in rural than urban areas, and many people, particularly in low-income jobs have either been furloughed or made redundant. Meanwhile, my local Norfolk newspaper is reporting that property prices in the north of the county have gone up 20% since May, as people seek to leave cities, take advantage of the stamp duty holiday and want to benefit from the boom in staycations. Housing affordability has always been a huge problem in rural areas, but the pandemic appears to be making it worse.

Hastoe and other rural providers seek to fill that gap. But for all sorts of long-standing reasons, such as grant rates, land values, and the economies of small sites it is far from easy. But for now, I thought it would be interesting for you to understand the impact COVID is having on Hastoe's ability to provide homes. Of our properties due to have been completed this financial year, just under 20% will be. Meanwhile, less than a third of our programme due to start on site this financial year have done so. That's obviously because of lockdown, with difficulties of reaching councils, delay in planning processes, as well as the odd contractor going into receivership. These delays not only affect Hastoe's those long term financial and therefore development plans, but obviously means much needed affordable homes are being held back.

### [Rural Affordable Housing Scene Setting Video](#)



## RURAL AFFORDABLE HOUSING PANEL DISCUSSION

Posed by Ed Buscall, Session Chair:

**Lord Best, there always seems to be quite a bit of gloom and doom around rural housing, could you highlight some positive?**

I think *one of the big changes over recent years is the acknowledgement, the recognition, that homes that are truly affordable - have rents that don't take up 40% of your income - are required everywhere. That this universally is required.* This used to be a kind of political hot potato – ‘we don't want any more council housing’, etc. But I do detect that now, across the political spectrum, everyone is agreed we need more social rented housing. And that is what these local communities need.

However, I have to say, *I think that Rural Housing is more on the back burner than it's been for some time: these things go in fashions.* I've been around when Rural Housing has been quite a hot topic. And there's been quite a clamour for more to be done. But at the moment, *I would say levelling up is about urban areas, more than about rural areas. Even funding for market towns and small towns don't seem to reach down to the population of 3000 and less, which is where we define rural areas.* It's a bit out of fashion for public resources. And yet, rural areas are very badly served in terms of social housing – with about half the amount that you get in an urban area - not least because right to buy has taken out so many council houses, but also because of the pressures from all of the other people who want to live in rural areas, not least post-COVID. So, I can't be too optimistic, even though I feel there is an absolute national agreement that we need more social housing, and we need it everywhere. But *rural areas, I think, are not getting their fair share. And that isn't being highlighted enough at the moment.*

**Monica, anything to add?**

I agree with Lord Best, it is a dire situation for all areas, and we've seen services close, school close, etc. There is a lot of isolation and loneliness. I listened to the first session today on rural transport, which obviously is fundamental, as well as rural housing.

But just to be a little bit optimistic, there are a couple of positives I'd like to talk about. This year 13% of the affordable homes programme from Homes England was spent on rural housing, which is a big improvement. We've been petitioning for a target from Homes England on the amount of money of their affordable homes programme that should be spent on rural housing. It is currently only 10%. We asked them to increase it because we achieved 13% this year so we would like it to be more than 13% in future. *The Revitalising Rural Campaign is asking for 17% which reflects the population living in rural areas. But Homes England have said make do with a 13% this year and if you achieve more then we can look at it in increasing it in future years.*

Secondly, *there are fantastic schemes where housing associations have changed the dynamic of the village, have kept the community together and developed beautiful housing which has enhanced the village and supported other services. In your introduction when you talked about local communities being anti-development, my experience is that that is becoming less and less.* In the past when I was a rural housing enabler, we used to talk about housing need in villages. And locals would say, who are these people in need where do they live and would be worried about us bringing in outsiders. But now because of the housing crisis (which is obviously a bad thing) people in local communities know somebody whether it is their daughter, or their next-door neighbour's son that actually is in need of this housing. As a result, they are more sympathetic towards development. Also, they have seen the high quality of developments. I am a board member for English Rural Housing Association, and I know of cases where English Rural will have had quite a battle for the first development to get approved. But because it has been such high quality and served such a good purpose, the parish council or the people that were against the development in the first place, have invited them back and asked them to do a second one. If we can convince people that housing is needed, that is half the battle won.

### Lord Best, what would you like to see in the planning bill?

We've had a bit of a foretaste, because although there's a white paper, we've had a consultation earlier and there's been other changes to the planning system come through already. This is all about the threshold for house builders to provide affordable housing as part of the developments that they do. We used to argue that this threshold should not be there for rural areas when it was set at 10 homes, i.e. if you built less than 10 homes, you didn't have to do any affordable housing at all. We said that in rural areas this figure of 10 does not work because so many schemes are small schemes, and we want to get (even if it's only two or three) affordable homes on the back of those developments by the house builders. *Well, that 10 threshold has now gone up to 40. This is very bad news.* That is more or less all of the developments that aren't by the housing associations, that are built by house builders, nearly all of the developments will not have any affordable housing in them. This is only for 18 months, supposedly, but I know how these things drag on. It will be popular with some of the house builders not to have to do any affordable housing. Some of them of course, will do three lots of 40, just squeezing in time after time to do a development of 120 homes, probably without any affordable housing. *This is bad news and I hope this measure will be lifted pretty quickly.* There's quite a lot to say about the white paper but possibly Monica would want to come in too.

### Monica?

*I agree entirely, the rural exceptions sites quotas are hugely damaging. What we also need to petition for is for affordable housing to be built on site.* There is an option for affordable housing to be built in another location which is not going to serve the purpose that we want it to. Also, we're obviously concerned about entry level exception sites as well - where the exception sites policy used to be affordable housing for local people, now it can be entry level to buy. *Obviously, we want to encourage anybody that can buy to be able to get a foot on the housing ladder, but not at the expense of those people that can't afford to buy.*

*Affordable housing, especially social rented housing, affordable housing is 80% of the market rent. And sometimes that is unaffordable for a lot of local people.* These people are employed in part time and seasonal jobs, a lot of rural communities are with low wages as well. And so affordable rents sometimes are unaffordable, so *we need social rent as well. We're worried that the entry level affordable exception sites will actually detract from that.*

### Lord Best, you'd like to add something further?

The white paper is quite radical, as those of you who've looked at it will know. It's all about local authorities having less discretion over planning decisions but giving developers more certainty so they can get on with the job. It is certainly true that the planning system can get very bogged down, very slow, bureaucratic and difficult. It does need resourcing properly so that it can act smoothly and efficiently. Whether it needs to be done away with quite to the extent that the white paper is proposing is another matter and local authorities, the Local Government Association, are quite upset by a lot of the white paper content.

I think it is well intended to speed up the processes and they need speeding up, but possibly not quite so radically as this. We're going to divide the country into three zones, one where planning consent is going to be pretty easy to get - growth areas. One where renewal is the theme, that's existing towns, where you'll more or less go through the same processes as now e.g. regeneration schemes in urban areas. And then protected areas where nothing is likely to happen at all. *There is a danger, I think that the small village schemes will all find themselves in a protected area where we could do with six homes which are not going to make a huge difference to the greenbelt or anything else but would make a huge difference to the life of the community in the village. Small schemes, particularly by social landlords would, I think, absolutely justify being exempted from this protected status, which otherwise may close things down altogether.* This is a fairly over-simple, way of dividing up the country and it may have some repercussions as time goes by.



### Lord Best, given rural areas have an older age demographic what are your thoughts on rural housing for elderly people?

I chair the All-Party Parliamentary Group on Housing Care for Older People, so I have a special interest in this. We did do a study on rural housing for an ageing population. Of course, it would be entirely sensible for people to downsize and go to the local town, to leave the village and move possibly to an extra care scheme or to a retirement scheme that is within walking distance of the shops, doctors, or chemists and everything else. But the practicalities of that are often very different - your daughter may live in the village and be your informal carer; you are part of a community where you've perhaps been brought up, or where you've been your whole life; so to move to the local town - even though that's a sensible decision - is hard even though it's much easier to supply care and support to you there. That's where small schemes - say six bungalows within the village on that little scrap of land - can mean helping people move out of rural homes that are totally unsuitable. We came across a tenant farmer who couldn't leave the tenancy because the land went with it. The house was absolutely tumbling down; he had bad arthritis and needed to give up his farm tenancy to release it for a family who could do up the house so he could move to a bungalow in the village, close to all the amenities that he had been used to all his life. *Small schemes for older people are going to be needed just like those for younger people. They will free up family housing, whether that's council housing, social housing, or whether it's owner-occupied housing.*

### Monica your thoughts?

I couldn't agree more. When you do a housing needs survey in a local community, you need to actually look at the individual properties that are available. And it could be bungalows that allow older people to downsize. But in many villages and local communities, there are fantastic, intricate care networks that are set up that allow these people to remain independent and have a quality of life. And for that we need more affordable housing for those people that are doing the caring. *What is happening is there's no properties that younger people can afford, so they're moving out and the older people left in villages are becoming more isolated. This then becomes a cost to the state because instead of the informal networks that are already established, they ended up looking to the local authorities to provide that care and support which has a cost.* And as we know, service provision in rural areas is very expensive, there's no economies of scales, great distances to travel, etc. The benefit of providing affordable accommodation to enable young people to remain in the village, is that it is not only providing them a home, but it is also helping the whole community to be sustainable.

## AFFORDABLE RURAL HOUSING DELEGATE Q&A

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### **Cllr Peter Thornton, South Lakeland District Council - Delegate**

I agree a 100% as I'm sure we all do, with Lord Best on the need for affordable and rented housing. And I'm pleased to say that at South Lakeland we have a target of 1000 over 10 years and we are meeting that target so far. Just having the target has concentrated everyone's minds on it. I want to mention the right to buy 1:8 ratio which is shocking, because 10 years ago, we were assured it would be 100%. I want to suggest is that the government should be giving a minimum percentage, that councils should be given the obligation to build up to, and when they reach that percentage, then right to buy can kick in. In other words, build the replacements before you sell them off, not the other way around. If we were to be radical, we would give councils an obligation to provide a certain percentage of affordable rented housing, and we would give them the ability to compulsory purchase land in order to do that. Unless we do something radical, we are just going to carry on as we are with it running into the ground and rural communities losing all their young people.

### **Key witness response**

**Monica:** *I agree the 1:8 replacement ratio is absolutely appalling.* It means we're going backwards rather than forwards; it was meant to be 1:1 but the services don't add up. *In the Revitalising Rural document that has been published today, the Rural Services Network is calling on the right to buy to be 100% of proceeds from the sale of a property be reinvested in the site where the property's been sold. I fully support that; it is a really positive step. Rural areas are excluded from voluntary right to buy. Perhaps that is something that we need to look on retrospectively on the local authority, right to buy scheme as well.* The compulsory purchase of land is interesting, but I am not sure how far we would be able to get on that. I know there have been conversations, but I actually think there is a lot of land out there that still can be developed without going down the compulsory purchase method. There is a lot of land owned by churches, by landowners, by private people in rural areas that we could look at and help start to develop, which would be much more straightforward than trying to go down the compulsory purchase route at the moment.

### **Martin Collett, English Rural Housing Association - Delegate**

Rural exception sites are a proven method of successfully delivering affordable rural homes. I'm interested in your views on how we can work with landowners to incentivise them to make more sites available. But secondly, the rural exceptions site is an underused policy and is used proactively by some local planning authorities, and then not at all by others. So how can they be encouraged to use it more proactively to deliver affordable rural homes?

### **Key witness response**

**Lord Best:** *Yes, I think, the rural exception sites approach squares all the circles. We know what we want: we want affordable housing for local people, old and young. We've got the housing associations ready to deliver, but land is so expensive it throws all the sums and makes it impossible. So rural exception sites square the circle - we get the land cheaply, and everything can fall into place.* I think one of the advantages, possibly of the government zoning the country into these three big areas, is that in the protected areas it will be more difficult to get planning consent, other than through rural exceptions. This may be helpful. For example, landowners who at the moment think, 'sooner or later, I'm going to get planning consent so I'm not going to sell it cheaply to a housing association', may take a step back and think, 'this means a tougher regime now for a lot of rural England; things are going to be different; we better go for the rural exception site; it's a bird in the hand'. And, of course, this does the right thing for the community, and a lot of landowners do have a strong sense of community as they are living in the area. They don't want to be the most unpopular people in the

area, they want to be the most popular. So, I think as part of the of the white paper reforms there may be a drive for more rural exception sites, and that that would be good in a lot of different ways.

**Ed Buscall:** Yes, I would agree. I think landowners are also considering their workforces and how they might house them, so that's an important factor, too. I think what always worries people is that it is a rural exception site but 10 years later it becomes a right to buy or something like that and loses its local heritage. I think you need to be telling landowners that they can write in covenants to their contracts, so that it had to stay in local ownership. And some might be interested in a shareholding model in a development. That would give them a feeling they still own the site and had some say over it. Things like right to buy are very detrimental to how landowners view a site.

### **Jo Lavis, Rural Housing Solutions - Delegate**

How do we get more housing associations involved in rural affordable housing delivery, particularly on rural exception sites? We know that there are some parts of the country where it is difficult for communities to find a housing association to develop in their village. So, I was interested to hear what you think could encourage more housing associations to develop the sort of housing Hastoe and English Rural provide with that same level of quality and that same level of local engagement?

### **Key Witness Response**

**Monica,** it is a tricky one without knowing the regions or areas you are talking about to answer fully. I have worked for the National Housing Federation on rural for 15 years, and I never heard a housing association say they were not going to tackle a particular issue. Maybe I just wasn't party to those conversations. Obviously, building rural affordable homes is expensive, it is more time consuming and the development process is longer. And the pressure from Homes England is always on the number of supply, to get the most housing built. We know that it is easier and quicker and that you can get more cost effectiveness in urban areas. Perhaps that could be a reason why the pressure is on. To answer your questions, about how can we encourage them to get more involved, I would suggest discussing these individuals schemes and finding out whether housing association are not interested because of the cost. If so, *I know Homes England are open to conversations about additional costs to understand why a particular scheme is more expensive, it might be it needs more grant rate. So, I think it is just about looking at each individual case and determining what the issues are and then negotiating.* At the National Housing Federation, I have never heard of any redlining or any areas that no we're not going to touch that. Obviously, completely rural based organisations are best placed to do rural housing development. English Rural and Hastoe are fantastic at working with communities, they know how it is done, they know what works. Sometimes more urban housing associations or housing associations with urban and rural stock concentrate on urban because it is more straightforward to develop. Ultimately, I suppose it is a matter of discussion and education.

**Lord Best:** *Rural housing enablers can make a huge difference. They take the hassle out of all of the going between the planners, the housing association, the landowners, the local community, attending those late-night meetings that go on and on, all of that. Rural housing enablers can carry a lot of the load and can deliver the project more on a plate to the housing association making it an awful lot easier to get on with a job.* Monica was a rural housing enabler and I'm their godparent: we started this years ago when I was at the Rural Development Commission, and it was a great venture. We should invest more in rural housing enablers.

## Closing Remarks by Ed Buscall, Rural Affordable Housing Session Chair

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That is the end of our session. Thank you very much to our panellists, Lord Best and Monica Burns, and also for everybody, for participating and asking questions. As you've seen, there are still many issues facing the rural housing sector. And it looks as though we will have a big fight on our hands when a planning bill emerges. I suggest we all come together to try and put forward what we would like to see. [Revitalising Rural – Realising the Vision Campaign](#) is online and has many fantastic suggestions about what we should be asking government and how we should be campaigning on this issue.



# Revitalising Rural

Realising the Vision

Rural Affordable Housing Chapter



# Rural Economies Session

## Chair

### Lord Don Foster

Don was the Liberal Democrat Member of Parliament for Bath from 1992 until his retirement in 2015 when he moved to live in a very rural part of Suffolk. During his time in the House of Commons he served on numerous committees including the Select Committee on Education.

As well as serving as his party's spokesman on a range of issues he was a government Minister in the Department for Communities and Local Government and government deputy chief whip.

He now sits in the House of Lords where he recently chaired the Select Committee on "The Rural Economy" whose report, "Time for a strategy for the rural economy" was published on 27th April 2019.



## Rural Economies Key Witnesses



**Jessie Hemshar**

Director  
Cornwall Council  
Britain's Leading Edge



**Nigel Wilcock**

Executive Director  
Institute of Economic  
Development



**Jeremy Phillipson**

Director  
National Innovation  
Centre Rural Enterprise



**Robert Wainer**

Director  
Policy and Public Affairs  
BT Group

## Witness Introductions

**Jessie Hamshar** is the Strategy & Engagement Service Director at Cornwall Council, the first and only non-metropolitan authority to have a devolution deal. Prior to joining the Council in 2017, Jessie was a senior civil servant, leading projects ranging from reforming the local government funding system with the introduction of business rates retention, through to delivering the manifesto commitment to provide working parents with 30 hours free childcare. Jessie is also Strategic Director for Britain's Leading Edge.

**Nigel Wilcock** is Executive Director of the Institute of Economic Development and Managing Director of the economic development consultancy Mickledore Ltd. and has 20 years' experience in regeneration and economic development and has had previous senior roles with Ernst & Young, North West Development Agency and Deloitte. Nigel is a graduate economist and a member of the Chartered Institute of Marketing. His experience is in leading large-scale regeneration and economic development projects and he has done this both nationally and internationally.

**Jeremy Phillipson** is Professor of Rural Development in the School of Natural and Environmental Sciences at Newcastle University and Director at the National Centre for Rural Economy (NICRE). He has research interests on the development needs of rural economies and fishing communities, processes of expertise exchange within rural land management, and on the integration of social and natural sciences in resource management. NICRE is funded by Research England and is working to strengthen the evidence base to inform policy and support for rural enterprise and with rural businesses and communities in tackling their innovation challenges. It brings together the Centre for Rural Economy at Newcastle University, the Enterprise Research Centre at Warwick, and the Countryside and Community Research Institute at Gloucestershire and Royal Agricultural Universities.

**Richard Wainer** is Policy and Public Affairs Director, Networks, BT Group. Richard leads BT's public policy work across key issues relating to its investment in and deployment of fixed and wireless networks. He was previously Head of Policy and Public Affairs for EE prior to its acquisition by BT Group in 2016. Earlier in his career, Richard led Nationwide Building Society's policy and public affairs activity, helping the mutual to navigate the aftermath of the financial crisis. He has also worked at the CBI, where he was focused on education and skill policy.

## Rural Economies Scene Setting by Lord Foster

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I was a member of the House of Commons as the MP for the wonderful city of Bath and now I'm in the House of Lords and living in deepest rural Suffolk. I had the great opportunity two years ago to chair a House of Lords Select Committee looking at the rural economy. And *very quickly, we concluded that we were wrong to call it the rural economy because we discovered there are many very different rural economies across the land.* Some of them are amazing, innovative and creative outperforming their urban counterparts- increasingly diverse. Sadly, some others are struggling and what we needed to do is to look at ways of helping all of them either improve still further or help them get going.

Rural Britain, as we all know, is a great place to live to work or to visit. But it certainly has suffered because *successive governments have underrated the contribution that rural economists can make. And sadly, we get lower GDP per head from the rural population, than we do currently from the urban population. We argued that the reason for that failure of successive governments was that they've been applying policies that have largely been devised for urban economies often inappropriate to rural areas, who have very specific challenges; as we've already been hearing. They've got similar needs, of course, affordable housing, and affordable workplaces, decent broadband, mobile coverage, decent access to finance, business support, skills training, but they need to have a fair share of the funding.* As we've already heard, it's not fair in terms of transport provision, it's not fair, of course, in terms of policing, support and health care, there's less per head for all of those issues, and many others and at the same time, housing costs are higher, yet wages are lower. Council funding per head is lower, yet people in rural areas pay higher council tax.

So, the report that we produced, at the end of a year of deliberation, argued that there needed to be a comprehensive rural strategy. We'd all been impressed, frankly, by the government's Industrial Strategy and we argued that a similar thing was needed for rural economies. Alongside that, and intimately interlinked, with it, we argued the need for proper rural proofing, something that we argued with lots of evidence, simply wasn't taking place. And we needed also to have a place-based approach

to delivery, taking accounts of the huge differences there are between those different rural economies.

Of course, there were various other issues that we thought needed to be sorted out by the government, not least, if we were going to move out as we were, from the European Union through Brexit, then we needed to have details of what funding was going to replace those funds we had relied on from the EU.

And frankly, I find it staggering, that it was in 2017, in the Conservative Party Manifesto, that they announced they were going to introduce the UK Shared Prosperity Fund as the basis for replacement and yet to date, we still have not had the formal consultation on what that Shared Prosperity Fund is going to look like.

We argued that we needed to do much more to improve our digital infrastructure in rural areas and we needed to address the issue you've just been debating in terms of affordable housing in rural areas. We talked about issues like the role the LEPs could play, and so on. So that was our report, the government responded and said, they didn't need to have a policy like the Industrial Strategy, because they were going to expand their strategic vision for rural economies and set out how working across departments and working with stakeholders, they could put in place measures to ensure that rural areas could continue to thrive. Well, we can debate whether we've seen that happen so far, with our excellent four panellists that we have going to discuss some of these issues.

## Rural Economies Scene Setting Video



## RURAL ECONOMIES PANEL DISCUSSION

Posed by Lord Foster, Session Chair:

**Jeremy, do you think rural areas have been more adversely affected than urban in terms of the pandemic, and are there opportunities that we've learned as a result?**

I think the first point I would say is that rural areas have experienced, on aggregate, lower rates of infection, but this hasn't transpired in terms of economic impact. We have witnessed serious economic upheaval in rural areas. We see it in the data, rural businesses have had to turn to an equivalent share of economic support measures, business recovery grants, business loans, similar levels of support as our urban firms. Levels of infection are not synonymous with economic impact within our rural areas. What we see is that the greatest negative impacts have really been felt from restrictions imposed on people's travel.

*Those businesses and services that really do depend on a physical footfall - rural shops, rural hospitality, rural attractions, as well as from the weaker infrastructures that allow rural businesses to reach alternative routes to customers, alternative markets, it's that inferior digital connectivity, it's very clear, this has weakened the ability of many rural firms to reorient to digitally based sales, as many urban firms have been able to do during the pandemic.*

Given that a substantial share of firms and jobs, depending on tourists and visitors in national parks, protected landscapes in the more remote rural areas - it's the closure of these businesses and the restrictions on non-local travel and social mixing that has had a particularly hard effect within rural areas.

But as you said, Lord Foster there is not just one rural economy. And we see that the impact is being differentially felt between places, between sectors and within sectors and places. There are silver linings and there have been some positive effects. We heard last week, for example, from the Association of Convenience Stores, that a lot of local village stores have responded very well, to increased demand, with customers feeling much safer accessing these local stores than going to the larger stores and town centres. So, I think there are some silver linings, there has been an uptake in digital among many businesses. But that certainly has not been the case for all businesses.

**Jessie, anything you want to add to that, particularly about the positives and the benefits that may accrue?**

I'd completely agree with Jeremy, the pandemic has come in waves. We had the immediate health crisis, the fast-following economic crisis, and I would say the longer lasting wellbeing crisis for people who have suffered those financial impacts. *Rural areas, we know are over reliant on the visitor economy and some of those sectors that have been most significantly, in fact, impacted through the lockdowns and social restrictions.* I think this is worth laying on to the existing picture before the pandemic. So, prior to COVID, analysis for Britain's Leading Edge had identified *a policy corridor running through the centre of the country, and containing most of the country's major cities, and attracting most of government's growth enhancing spending, which has been reinforced by the latest research findings that 44% more is spent per head on that public infrastructure in cities.*

The impact of this, in one of the most centralised economies in the OECD, was that those more peripheral regions in England, sadly for over the last decade, have been amongst the least developed in Europe; which I don't believe is the direction any of us want to go as a nation. What we've seen is that economic impact of COVID has exacerbated these disparities. Centre for Towns analysis, and others have shown that our regions are amongst those worst affected by job losses and in areas, where in the video you saw, jobs are not so well paid.



In any case, I think your focus on the reasons for optimism is quite right, because that is our job in supporting the people who live in these areas. *What we have seen is that we do not need to be based in cities to do our best work.*

*Rural areas are amongst the best “work anywhere” regions you can find, where people want to base themselves with the right digital connectivity.* We are lucky in Cornwall, a levelling up investment has helped us be more tech ready than in parts of Greater Manchester with the rollout of superfast broadband, etc. With that right investment in the digitised future economy there is no need for people to be based in cities. We have also seen a public appreciation for some of the offers that the rural economy makes to the nation. *We have seen this in much greater appreciation for food and energy - some of those things we have really relied upon during the pandemic. We can foster that further, as we come out with a safe secure supply of green energy, looking after our decarbonisation for the future, and enjoyment of nature that our areas have to offer. Those things don't come about by magic and I think your work highlighting the need for those enabling conditions to unlock that potential to contribute to all of those grand challenges in the Industrial Strategy will be key.*

**Nigel, one of those enabling strategies is a fair funding system that acknowledges that the provision of services in rural areas is often much more costly. Talk on that, and also give us some of your silver linings from the pandemic to help rural economies.**

I agree with your opening remarks about the Shared Prosperity Fund, it's almost the ghost of a Shared Prosperity Fund, are we ever going to see it? We have the Levelling Up fund and the Local Government review coming hurtling towards us. *It seems that there is never a moment when we've properly worked out how we're going to properly fund the crucial areas of work that is undertaken in a more decentralised way in the UK; we just seem to keep failing on that.*

In term of the silver linings, I obviously agree with what others have said, that there is a greater acceptance of remote working, that's got to be a good thing. The fact that it used to seem to involve a trip to Starbucks with seven or eight people in the city to get a good idea. Well now we know you can have a good idea doing what we are doing now, online, all sat looking at this screen and the audience that's participating. I think in addition to that, though, the role that rural can have in the green economy is really important, in terms of both generation but also in decarbonising and some of the new economy activity that will be needed to do that. I think food production and food provenance, is likely to become ever more important, to carry on with that. *And I think the other thing, and I guess we don't really think about the rural economy from a manufacturing perspective, but there's plenty of manufacturers in parts of our economy. I think slowly the reshoring of some vital activities in the manufacturing supply chain can also add to rural jobs.* It's not just an urban preserve. There are many good examples of great manufacturers on the edges of our rural towns and smaller industrial sites.

**Richard, I'm very conscious the government had the Future Telecoms Infrastructure Review in which they promised huge sums of money, £5 billion, was going to go in and they said they were definitely going to have an outside-in approach so that rural areas will be treated first before the urban areas and that all sounded incredibly good. And then we looked at last year's spending review where the money went down to £1.2 billion and a new target date for digital capable broadband, is now to reach 85% of premises by 2025. Now, by my calculations, if that is the target, you could in fact achieve that target without dealing with any of the remaining rural areas that haven't got full fibre broadband. So, you could achieve the target on behalf of the government without the rural areas helping. I'm sure that is not BT's intention. Fill us in with what it is please.**

That is right, it is certainly not our intention. We have actually committed £12 billion for full fibre rollout. We want to get to 20 million homes by the mid to late 2020s. And we have said that at least 3.2 million households, we want to target have got to be in those harder to reach areas. There is clearly

growing competition from other fibre builders as well, it is not just BT and Openreach as part of the group that is going to do the job for rural areas. Some of those other alternative networks are focused on targeted rural build, which is really welcome.

As you said that the government did downgrade their target for gigabit capable coverage. *Irrespective of that even getting to 85%, I think is going to be hugely challenging. We think it is possible, we think is doable, but not without much greater momentum behind government efforts at all levels to remove barriers to deployment*, making it quicker and cheaper to rollout. But as you say, critically, actually spending that £5 billion the government have committed to, to effectively connect the final 20% of the country where it is recognised that the market alone isn't going to serve.

*Government has announced they are going to spend about a quarter of that £5 billion before 2025. We were a bit disappointed about that, we think there is capacity in the industry to do a lot more and to reach more rural areas. And I think without those changes, without an increase in funding, without a clearer plan on barrier busting, we don't see full fibre coverage getting much above 70% for the whole of the UK.*

Clearly, I think rural areas are going to face significant challenges and we're going to see more rural areas take longer to see full fibre coverage. *We are really keen to work with government to actually get a clearer plan on that barrier busting, make sure that commercial investment, which will drive the vast majority of full fibre coverage in this country can extend as far as possible. Let's make it cheaper and quicker to do it. And let's get a clear plan for that public funding out there.*

**Richard, BT also spends quite a bit of funds on developing new technologies. Is there anything that you can tell us that's going on that might help rural economies?**

I think probably first and foremost, we do want to get full fibre out to as many households as possible; that is the golden standard for connectivity. And in many rural areas that is going to require the funding and the support that I've just not just talked about. *I would also stress that for hundreds of thousands of homes, predominantly in rural areas that don't have access to a decent fixed line connection, there is a solution out there already.*

*4G powered broadband or fixed wireless access can be a solution for them. To be honest awareness of that amongst our customers and communities is relatively low. We are working hard to ensure our customers understand that it is available to them.* We will be really keen to work with a campaign to promote awareness there. And indeed, where full fibre rollout may ultimately prove too expensive or difficult to deliver to some of these hardest to reach places, then 4G powered broadband, even 5G powered broadband in the years to come, could be the solution.

We are obviously hearing quite a bit at the moment on satellite, with One web and Starlink and things like that. We are likely to see some launch of commercial services over the coming months. To us the jury is still a little bit out on that at the moment as to the extent to which they are going to be able to provide a solution at scale for all locations, but we clearly need to understand a bit more about what they are capable of.

**Richard, isn't there a slight problem that with satellite, that you can get a very good download speed, but the upload speed is not very good and that rural businesses actually rely on having a decent upload speed rather than download speed?**

Absolutely, and that is why we have got to look at full fibre and fixed wireless access being the solutions that are going to serve the vast majority of those that do not have good connectivity today. *Satellite may well provide that solution at the margins.* But I would agree with you where the

technology currently stands now, it is not going to be a sort of a scale solution. But the technology is improving at a fair lick.

**Nigel, the pandemic has meant many rural jobs have been put in jeopardy and Brexit is having an impact on farming, so what are your thoughts on the ways government might be able to help?**

It is a good question and the solution certainly is not a silver bullet. *I think the starting point is that every local industrial strategy, (if we carry on with those post pandemic) has at least a chapter on rural strategy. If not, every LEP having their own rural strategy just to force thinking in that space.* I'm very struck with the Enterprise Agency approach that the Scottish government takes, which has been successful in its rural areas, with a very focused workload of supporting rural businesses. Perhaps with some innovation around things like an attachment to a credit union or something of that nature. I think we could see far more extension of the rural business rate relief, which at the moment is reasonably limited in its scope and could do substantially more. But I think we have seen that there are some things to build on. And therefore, by working with businesses, or entrepreneurs in the area to particularly point out these new opportunities in the rural space, more could be done. And I think one final area is in the planning and planning legislation. I think there's plenty of areas where infill development could allow some growth and could allow more younger people to stay in rural areas. I think we've got to look again at the built area of farms, where people are retired and stuck in the farmhouse and there's no ability to bring new blood in there or actually improve the environment of the farmers, some more developments, but without touching any green space. There is no one answer, but there's a few thoughts from me.

**Jeremy, anything you want to add?**

I support Nigel's comments. I do think *the Levelling Up Fund and the UK Shared Prosperity Fund are going to be really key to this, and how they are designed and delivered in such a way that they give equitable and visible access to rural economies. There is a danger that they will be disadvantaged because they can't create as many jobs as quickly as urban firms, or because their local authorities or enterprise partnerships don't have the equivalent amount of capacity to deliver and to develop the business cases that would be required. I think they also really do need to overcome some long-term assumptions or expectations that have held back investment in rural areas.* Just to give you some examples of these assumptions, that larger investments should be made in more populated or concentrate business locations, and that these will somehow trickle out to rural areas miraculously. Or that capital investment is more important than revenue investment. Or that social and community enterprise is somehow less important to the Levelling Up agenda. I think it is these sorts of expectations that really need to be teased out in the hardwiring of these funding schemes, some of that is quite technical, getting into the metrics and the criteria, and the targets that will drive these investments. I think it is only through hardwiring those programmes in such a way that you bring rural into the picture. *And the silver lining, coming back to that point, is that the pandemic, has shaken the faith in cities as being the solitary engines of economic growth and that is a silver lining. But that now needs to feed through into the detail of the investment programming of these major funding schemes that are now going to come online.*

## RURAL ECONOMIES DELEGATE Q&A

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### Stephen Frost, Institute for Public Policy Research - Delegate

I would be interested to hear whether the panel sees opportunities in how we respond to the need to support greater biodiversity in the UK for rural economies. The idea of green jobs that are not the traditional ones we think of when discussing the decarbonising of the economy.

### Key Witness Response

**Jessie:** Absolutely, Britain's Leading Edge areas are already supplying over a third of the clean energy consumed here. We have the natural resources - warm, wet and windy, and we could do more with the right enabling infrastructure into the energy grid and storage system, which is currently constraining those opportunities for our peripheral areas. But way beyond that, the whole nation is starting to look now at nature recovery, active travel, growing that biodiversity, with an ecological crisis, just as acute as the climate crisis facing this. And, if you look at carbon sequestration services, our regions hold 44% of the country's landmass, a lot of the vegetation. If we get anywhere with natural capital accounting and start to put a value on some of these things, it's a huge service to the nation. We have some of the most deprived communities in the country in Cornwall and we do want those job opportunities in space and satellite, creative and digital and high-tech high innovation opportunities. The brilliant aspect of these green jobs is that they have entry level skills, all the way up to postgraduate level jobs, which can help with that increase of growth and making sure that everyone who lives here has the chance for a good job.

### Ian Merrell, Newcastle University- Delegate

My question stems from Nigel discussing local industrial strategies for LEPs.

**Do the panel think that an integrating or a differentiated policy approach to rural areas is best?**

### Key Witness Response

**Nigel:** I think some of it's integrated, but I think policy experience recently has shown that we really do need to think about this separately as well.

**Jeremy:** It's the billion-dollar question. However, I think the bane of rural development has been that it has been dealt with separately. I think a much more interconnected approach to this, where rural is embedded across a whole host of innovation, enterprise, housing, etc. policies, is the way forward. It has to be done visibly and transparently.

**Richard:** Certainly, from a provision of additional infrastructure perspective, I think a one size fits all approach isn't going to work. I think, we have seen the limits of that, to a certain extent with the broadband universal service obligation. It has got so far, but it is certainly not going to reach everywhere that that it needs to. So, we do need to work very closely with government to work through a specific policy to serve that sort of final fraction of the UK.

**Jessie:** It is the million-dollar question. In my view, *placed based approaches are about recognising difference, uniqueness, and unlocking those strengths. And if we do that, for every part of the country, we will be more resilient as a nation. So that does not mean treating rural areas as if they are the same as cities, that would be bonkers. But it means a quality of consideration of powers and of investment to unlock the unique opportunities that they provide, that are complementary to, not the same as the services that cities provide the nation.*

### **Cllr Peter Thornton, South Lakeland District Council - Delegate**

My question is about broadband, which is absolutely key in my area, we've got several hundred houses that are now connected to full fibre broadband. This was delivered by a small group of pensioners with a mini digger. Why does BT find it so difficult to do the same?

#### **Key Witness Response**

**Richard:** Openreach, part of the BT group has significant experience in rolling out fibre across the country, and particularly to rural areas. I think they do that as efficiently as they can. We are always looking to innovate and reduce costs. And indeed, they have specific programmes to work very closely with local communities, called Community Fibre Partnerships, where we are able to share costs, draw on government vouchers, funding, to deliver the sort of services that you're talking about. Clearly in some areas, other providers, other solutions might be right, but we are certainly not neglecting those locations and have some specific programs to support those communities. And if you're not aware of the Community Fibre Partnership, approach, Peter, I'm very happy to pass on the details, it might work for other places in your patch.

### **Jennifer Lipman, Lexington Communications**

What one thing could the Chancellor do that would be the most beneficial to helping the rural economies?

#### **Key Witness Response**

**Nigel:** I think one of the things before we get onto the policy, I am concerned about in rural economies that I think is somewhat hidden, is that those businesses and the parts of the economy where living arrangements are entwined with the business itself. Where many people are actually living above the shop, so to speak - they might live over a pub, they might have a bed and breakfast, they might live over that hotel, they might run the craft from their house. I think there is a massive social problem coming down the track, that their incomes have been eaten away, eaten away, eaten away and they have not really been dealt with, with some of the support measures. And their ability to even put a roof over their head is completely tied up with this. It is a hidden part of some of the economic problems of the pandemic and something I am very concerned about. So, in terms of what I think the Chancellor should do, I think a big extension in rural business rate relief would be extremely helpful and maybe even council tax relief if you are running your business from the house as well - linking those two things together. And another thing, just to just to make sure the Green Revolution continues to build jobs, *is to extend the amounts of funding that are available for the retrofitting of green measures into buildings, I think will have a massive impact on the rural economy.*

**Jeremy:** Given that many businesses and communities are in a precarious position, I would like to see a strong emphasis on supporting those businesses going forward and communities in adapting and innovating to the necessary changes that are going to continue on the horizon. I think to do that we *need a replacement urgently of the LEADER programme for community led bottom-up approaches to development. I think we need an emphasis on better connectivity and by that I am talking very broadly. So digital, physical, economic, and strategic connectivity, that is about embedding rural economies throughout these mainstream investment programmes. And finally, I think we need a net zero strategy for rural areas.* Because there is a real risk here that we deal with it in a very piecemeal manner. We need a net zero strategy that has an integrated approach to this agenda across rural economies.

**Richard:** Two things the government and Chancellor could do is first, to make sure commercial investment in digital infrastructure can get as far as possible as fast as possible. *That is putting real momentum behind all the initiatives to reduce barriers,* planning wayleaves, business rates, those sort of issues really need to see some movement and get a regulatory framework that pivots more

strongly to supporting investment. And the second, is to get clarity soon on the size and shape of the outside in fibre funding programme, particularly to ensure that the lots of the way it is structured, will allow for as speedy as possible deployment.

**Jessie:** How mean only being able to choose one thing, this really does focus the mind! I would say, recognition of the powerful role that we all can play in building back better for a greener, fairer, more resilient economy, *backed by parity of investments for each person in a rural area compared to each person in an urban area, both investment in terms of core public services that we've all relied on through the pandemic. And in terms of growth, enhancing expenditure, whether that's devolution deals, innovation, investment, infrastructure investments that are needed to level up. And if I could have one extra bit onto that parity of investments, I would add, with local control over how this is used, and recognising that all places are not the same, so investment can be used to target those unique local opportunities. And recognise also that people in peripheral areas feel the least well served by our very centralised decision making, and actively want more decisions to be taken locally over the issues that affect them most.*

## Closing remarks by Lord Foster, Rural Economies Session Chair

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We need to constantly remind the government that rural economies exist, but they need support, they need to have focused attention. Sadly, so often missing. I was looking at the advancing our health prevention paper from the government (now nearly 18 months old) which doesn't mention rural at all. The business productivity review only mentions the word rural once. *The government needs to be constantly reminded about rural needs.*

Thanks to Nigel, to Jeremy, to Richard and to Jessie for answering the questions and all the work that you do, not just at this session, but everything else that you're doing, and good luck to Britain's Leading Edge in the work that our local councils do as well. So, with that, thank you all very much indeed. I'm now going to hand back to our overall Chairman, Philip Dunne.



# Revitalising Rural

Realising the Vision

## Rural Economies Chapter

# Closing Remarks

**Rt Hon Philip Dunne MP**

Chair of the Environmental Audit Committee

Chair of the APPG for Rural Services



Philip stated over 50 people had participated in the launch webinar, showing a real mark of interest. He said it had been a really fascinating launch, saying *what had shone out for him was the need to keep banging the rural drum to make clear to all government departments and most notably the Treasury the need to ensure rural voices are taken into account when determining policy.* He went on to say that each of the excellent sessions highlighted every aspect of life has a rural element, yet most policies are determined by civil servants thinking from the big picture, from the large impact on large populations which by definition are urban orientated. Philip said we can all think of examples about how challenging it is to make existing policy fit with the specific aspects of rural life. The APPG for Rural Services has been meeting with Chief Secretaries to, where possible, rural proof policies. Philip ended by saying he would urge anyone who has not looked at the campaign resource in any detail as yet to do so. *The Revitalising Rural Campaign is a live tool which adapts and changes and is regularly updated by the Rural Services Network and provides lots of ideas which many are already using and advocating at a national level.*

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## **Graham Biggs MBE**

**Chief Executive**

**Rural Services Network**

Graham gave his formal thanks to the chairs, witnesses, delegates and staff behind the scenes who had made the launch an absolutely excellent event. He reiterated Philip's comments about ensuring the Revitalising Rural documentation is kept current. But more than that, he stated the RSN want to ensure further depth, texture and evidence is added to the campaign and called upon those present to provide further information and evidence to help back up the case for levelling up rural communities.

