

RURAL LENS REVIEW



Levelling Up White Paper

CRITIQUE: Overarching rural issues,
plus actions proposed by the RSN

Published March 2022



At a glance



Rural Services Network's thoughts on the **Levelling Up White Paper.**

- Most proposals for targeted interventions appear to be major town or city focused with rural areas, people, communities and businesses overlooked. A key question across all of the Policy Programmes is whether they will reach rural areas and designed (and funded) to reflect rural issues and circumstances? In short is the White Paper fit for purpose in the rural context?
- The 'Improving Public Services' outcome sought will never be equitably achievable in rural areas unless and until all the funding formulae for the allocation of national funds to local authorities (and other public service organisations) are fair and reflect the additional costs of service delivery in rural areas. It should be noted from the Local Government Finance Settlement for 2022/23 there are no planned increases in grant funding in either 2023/24 or 2024/25.
- No real details on which bodies are going to be charged with delivery. Local Government seems to have a major role -but no explanation of additional funding to meet change on the scale envisaged (let alone addressing the current funding gap). That said, even a cursory glance down the list of missions and metrics shows that against nearly every one local government has a role to play.
- It would be more appropriate for funds that are part of the Levelling Up agenda to assess the standards of living achievable in different locations given local labour market conditions. The cost of living in rural areas is generally higher than in urban.
- The 'proposed legislation - to put in statute some of the key pillars of levelling up' - must include an obligation to publish an annual report on delivery against the levelling up missions. The legislation must include for specific section(s) in that annual report to include delivery in rural areas against SMART targets.
- A specific rural sub-group of the Levelling Up Advisory Council should be established from the outset and would instill more confidence that rural issues were being considered.

- Population construct affects workforce and workforce is a key component of the government's levelling up ambitions regarding productivity, pay, etc. It, of course also impacts on many service costs as referred to above relating to the "Improving Public Services Outcome". Over 65s accounted for 23.7% of the Predominantly Rural population (15.9% for urban). Over 85s accounted for 3.1% of the Predominantly Rural population (2.1% for urban). Population is projected to be in 2041 - over 65s projected to account for 31.6% of the Predominantly Rural population (21.1% for urban). Over 85s projected to account for 6.2% of the Predominantly Rural population (3.7% for urban). The number of over 85s between 2018 and 2041 in Predominantly Rural local authorities is projected to increase by 117.9% (92.7% for urban). In 2018 the average age in rural areas was 44.7 years – 5.6 years older than in urban areas.

WE NEED A STRATEGY THAT RECOGNISES THE ECONOMIC AND SOCIAL BENEFITS OF DELIVERING LEVELLING UP IN RURAL AREAS: WITHOUT SUCH RECOGNITION RURAL ENGLAND WILL BE OVERLOOKED, BY-PASSED AND PUSHED DOWN FURTHER, RATHER THAN LEVELLED UP. SUCH A STRATEGY NEEDS TO BE DELIVERED ACROSS DEPARTMENTS AND FOCUSED ON GENUINELY LEVELLING UP AND REVITALISING RURAL AREAS/ECONOMIES.

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INTRODUCTION RSN CRITIQUE

The Government published the long-awaited [Levelling Up White Paper](#). Although issued by the Department for Levelling Up, Housing and Communities (DLUHC) it is a whole of Government document. Published alongside the White Paper and integral to it the Government (again through DLUHC) published [Pre-Launch Guidance in respect of the UK Shared Prosperity Fund](#).

At over 330 pages long plus a Technical Annex on the proposed 'Missions and Metrics' The White Paper is a very long document and covers a significant number of issues. **Accordingly, the RSN has decided to carry out its Rural Lens Review across a series of separate documents.** They are:

- **Rural Lens Review of Levelling Up White Paper - CRITIQUE BY THE RSN OF OVERARCHING RURAL ISSUES AND ACTIONS PROPOSED BY THE RSN** (this document).
- Rural Lens Review - [UK SHARED PROSPERITY FUND PRE-LAUNCH GUIDANCE](#)
- [Rural Lens Review of Levelling Up White Paper - CHAPTER 1: THE UK'S GEOGRAPHICAL DISPARITIES: DRIVERS AND POTENTIAL POLICY APPROACHES](#)
- [Rural Lens Review of Levelling Up White Paper - CHAPTER 2: SYSTEMS REFORM](#)
- [Rural Lens Review of Levelling Up White Paper - CHAPTER 3: THE POLICY PROGRAMME AND NEXT STEPS](#)

These are far-reaching policy proposals with, at this stage, only medium-term 'missions' to 2030. **The RSN, on behalf of its members, will be keeping the issues raised under close review.**

As a starting point we must say that **there is no sign that the White Paper has been Rural Proofed** (more about what rural proofing is supposed to entail later in this document.) There is a complete lack of clarity on where responsibility for policy delivery is intended to lay – although Local Government appears to have a significant role, with no additional funding or support proposed.

GENERAL REFLECTIONS

The RSN would be able to sign-up to the 12 missions outlined in the White Paper. Better homes, more jobs, improved skills and productivity etc. All these and more, positioned alongside a positive health mission which reflects the wider factors that drive ill health and the recognition of the health impacts on the wider economy. What is there not to like?

Indeed, arguably the White Paper touches on all of the issues raised by the RSN in its recent “Revitalising Rural: Realising the Vision” campaign. View a comparison table of the Government’s Levelling Up Missions and RSN’s Revitalising Rural Asks, [here](#).

The list of problems and issues flagged up in the White Paper come as no surprise to anyone. The RSN and other rural interest groups have been raising them for years in a rural context and the [House of Lords Select Committee on the Rural Economy in its Report of April 2019](#) contains lots of evidence in support.

But the key question is whether or not the policy proposals, proposed actions, missions and metrics are fit for purpose in a rural context.

The honest answer is that one just cannot answer that question based on what is contained in the White Paper. Words such as ‘place’, ‘local’ and ‘area’ are used often but without any definition at all. Nearly all of the analysis is at a regional level but it is unclear if that is intended to be the delivery level? – probably not – more likely at a Mayoral Combined Authority or County Deal level of 500,000 minimum population. That doesn’t feel very local for most rural areas. Indeed, the 500,000-population minimum requirement, is a real limitation which will put-off many shires from the whole agenda and drive others into dubious coalitions with neighbouring predominantly urban centres.

It would have been refreshing if the devolution issue had been addressed from a perspective of ‘what do local communities need to thrive’ rather than a ‘what is Whitehall prepared to cede’.

So, nationally top marks on vision but ‘must try much harder’ on delivery and clarity in respect of many of the issues – not least where the responsibilities for policy and implementation lie. That must sit alongside big questions on funding issues of delivery of the missions in local areas and fair funding for core local government and other public services.

The talk of ‘a sustained journey of change’ is undoubtedly right and the measurable initiatives set out in the White Paper have an achievement date of 2030. This is two General Elections away and perhaps three Spending Reviews. Without some interim targets for delivery within the lifetime of this Parliament or the current Spending Review, the proposals seem like ‘jam tomorrow’.

Levelling Up must be about much more than capital projects if its objectives are to be met. Levelling Up must relate to revenue spending core allocations.

To add some context at this point - rural areas are home to 9.3 million people (more than those living in Greater London) or 17% of England's population, with some 545,000 registered businesses based in predominantly rural areas. Rural areas already make an important contribution to the nation's economic and social wellbeing, but many are held back by historical and underlying problems (including unfair funding formulae for the distribution of government funding to support services) and lack of opportunities. **Yet, with the right support and recognition the potential of rural communities and economies could be unlocked and revitalised to enable them to play a key role in England's future.**

The Government's ambitions for Levelling Up can be expressed as being to address fairly and equitably the challenges for all areas of the country. That being the case the Policy Programmes for Levelling Up and the Missions and Metrics employed must be sufficiently sensitive and fine-tuned to recognise the particular circumstances and needs of rural areas. The majority of the 12 missions in the White Paper could be achieved in urban areas alone, which risks rural needs, challenges and opportunities being overlooked or ignored. It is essential that the metrics for measuring progress against the ambitions/targets are at a low enough geographical level to capture what is happening in (small in population terms but huge in geographical terms) rural areas and to monitor and evaluate progress in addressing necessary actions.

The Missions are specified as not being targets - but targets (not general intentions such as 'significant change' and closer performance) - there must be. Despite not being expressed as targets the White Paper does have specific targets for the Missions relating to education, skills and research and development. Targets must include targets for rural areas which must be SMART (specific, measurable, achievable, realistic and timebound). The Annex to this document sets out the Missions and focus areas from the White Paper.

Despite a few references to rural areas/communities/villages, the tenor of the White Paper is essentially urban and city focused. Other than a few sentences on digital connectivity, none of the underlying analyses in the White Paper look at rural or highlight rural needs. There is little real understanding or recognition of the particular problems facing rural areas or of the means of addressing them. The Government needs now to set out its vision for rural England and to set out a cross-cutting strategy for how levelling up can be achieved for rural people, businesses and places. We know for certain that one-size-fits-all policies and procedures will fail rural communities and businesses.

If Levelling- Up is to be given the force of law then rural proofing should be embraced within that.

RURAL PROOFING

We need to be clear what we, and other rural interest groups, mean by rural proofing. In that regard we can do no better than quote from the 2021 Annual Rural Proofing Report published by Defra on behalf of the Government (our use of bold text):

“The process of rural proofing involves examining government policies closely from a rural perspective **throughout their development and adjusting them as needed to ensure that their intended outcomes can be realised in rural areas**. Questions that may help inform rural proofing include:

- What are the intended outcomes for rural areas?
- How might outcomes differ between rural and urban areas?
- How are the outcomes to be delivered in rural areas?
- What are the potential issues and challenges?
- How might the situation vary between different types of rural area?
- What are the target populations and how might they be affected or disadvantaged?
- In the case of funding, are rurality or sparsity taken into account?
- What are the dependencies, if any, with the responsibilities of other departments?
- Which bodies could be involved in delivering the outcomes in rural areas?
- What evidence is needed?

Rural proofing is not a single, prescribed process – different approaches may be taken depending on the policy and department in question. Some policies may be rural proofed by adjusting funding formulae or allocations to account for higher delivery costs in rural areas. Others may be rural proofed by considering alternative means of service provision or access, for example by identifying and using existing community networks and hubs, by using outreach and digital delivery to reduce the need to travel, or by integrating and improving existing transport links. Some policies do not need to be rural proofed at all because the circumstances of rurality do not affect their application, such as income tax. Whatever approach is taken, rural proofing should begin by using area-based data to identify social, economic and environmental differences that need to be accounted for in the policy, and by engaging with rural stakeholders and their networks to gather evidence and test proposals. All departments are expected to seek out and engage with rural voices wherever rural proofing is needed, using the following guiding principles:

- Involve rural stakeholders as partners early in the policy development process and maintain a dialogue throughout – it should not just be a one-off engagement.
- Share as much information as possible, including about policy objectives, costing assumptions, approaches to efficiency and the scope for change
- Engage with both national and local stakeholders: a place-based approach is often more appropriate as rural areas can differ significantly from one another

There is no evidence that the above guidance has been followed in the Levelling Up White Paper.

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LOCAL GOVERNMENT FUNDING

The starting point for rural authorities can be seen through analysis of the Final Local Government Finance Settlement for 2022-23:

- Rural areas in 22/23 will still receive some 37% (£105) per head in Settlement Funding Assessment grant LESS than their urban counterparts
- Rural residents will pay, on average, 21% (£104) per head MORE in Council Tax than their urban counterparts due to receiving less government grant
- Rural residents will get 14% per head LESS in social care support overall

Public Health Allocations recently announced are yet again failing to deliver for rural communities. The allocations for 2022/2023 show that predominantly urban local authorities receive **57%** more per head compared to rural local authorities. That's an allocation of £69.87 per head for urban and only £44.50 per person for rural residents. This is despite the fact that it costs more to deliver services across rural areas.

Rural residents pay more, receive fewer services and, on average, earn less than those in urban areas and that is inequitable. As detailed earlier the rural population is older than urban populations and have a greater need for many services which can only be provided at greater cost per head.

It should be remembered that the underfunding by government of rural councils' costs relating to the statutory duties in respect of social care has wider service impacts. The last decade or so has shown that to fulfil their statutory duties rural councils have had to reduce other service budgets classed as 'discretionary services'. This includes bus service support, support for cultural and sports/leisure services and economic/community development. These services all impact on the wellbeing and health (physical and mental) of rural residents. Our research shows that in the current financial year (2021/22) urban authorities are able to budget to spend three times more per head of population on so-called discretionary services than their rural counterparts. Planned spend on public transport per resident is nearly ten times more in urban areas compared to rural.

CHAPTER 1 OF THE WHITE PAPER: The UK's Geographical Disparities, Drivers and Potential Policy

Looking specifically at Chapter 1 of the White Paper:

In 1.3.4 the White Paper discusses the role of institutions, and says “the depletion of civic institutions, including Local Government, has gone hand-in-hand with deteriorating economic and social performance”. The primary driver of local government ‘depletion’ has been funding and other constraints imposed by central Govt, and yet Govt specifically says no more money is on the table.

The maps/figures in Chapter 1 seem to scream that rural areas are performing worse than urban areas on multiple indices, and yet no mention of this inequity within the Levelling Up White Paper – the maps include:

- Net Zero (Fig 1.33): rural areas emit most CO2 per capita
- Automation (Fig 1.35): shows greatest job losses will be in rural areas
- Qualifications (Fig 1.38): worst performing areas are primarily rural
- Obesity (Fig 1.41): worst = rural
- Income/Housing costs ratio (Fig 1.48): rural worst and getting worse

In paragraph 1.5.6 on Institutional Capital, the Government admits that less is spent in UK on ‘subnational’ government than in peer countries – but a) who has reduced that funding, and b) who is saying no new money is available? So, the White Paper Identifies the problem but proposes no solution, other than more of the same.

Paragraph 1.7.2 (Feasibility of local growth policy) sets out four ‘criteria’ that need to be met, and which central government has been told repeatedly are vital for many years, but which the Levelling Up White Paper in the end makes no substantive steps to address:

- Long-term sustained planning and management
- Local strategic coordination – (of areas which largely fall within Local Authorities’ remit, but for which they do not have, nor will have, the resources to perform). Devolution Deals requiring a population minimum of 500,000 will not meet the test of ‘local’.
- Local decision-making “tended to generate better local economic performance” – (but no plans to significantly empower or fund such decision-making)
- Rigorous evaluation of government spending and policy to understand what is working – (when they have spent the past 10-20 years ignoring the data and advice received from RSN and others)

Nowhere is there any analysis of rural with a region reviewed.

Data at the regional level, and even at a county level means that the data for rural areas gets masked by regional/county averages. Therefore, when policy options are developed using that data the needs and opportunities of rural areas are overlooked. Rural areas risk being even further left behind as opposed to levelled up.

CHAPTER 2 OF THE WHITE PAPER: Systems Reform

Looking specifically at Chapter 2 of the White Paper.

The shortcomings referred to are deficiencies in government strategy setting, financing and procedural requirements. It is good to see the honesty of the analysis of the shortcomings of past strategy and policy approaches. However also relevant is the government's 'one-size-fits-all' approach to policy and procedural requirements. Policies/processes laid down are often not appropriate to rural areas as they are tailored around urban areas. That must change through proper rural proofing.

There must be a requirement to have data to support policy interventions and monitoring of delivery at a level of geographical granularity to be able to see issues in a rural context and have locally determined responses to meet local needs.

There is no attempt in the White Paper to define such phrases as 'local', 'place', or 'area'. How can there be a "Greater focus on local places" without further definition?

The bigger the geographical area for which a body has responsibilities the greater the number of very different types of communities within them. It is accepted that sometimes policies do need to reflect urban-rural dependencies. A more appropriate approach is to consider where it is necessary to cover larger (mixed rural and urban) geographies. Combining rural areas with urban areas has, historically, meant rural losing out as it is almost always easier (and less costly) to achieve performance targets in densely populated areas than more sparsely populated rural areas. Whatever approach is adopted extra care must be taken to avoid rural areas losing out.

To refer to the proposed devolution framework as a flexible approach (in recognition that a directly elected mayor model may not suit all areas) is not credible. We agree a flexible approach is needed but the degree of devolution set out for Level 1 (and to a lesser extent Level 2) is quite small and offers little incentive. If the Government believes in local empowerment, it should not penalise those areas which opt for an approach without a Directly Elected Mayor. Creating a combined population of at least 500,000 will mean either enormous geographical areas or rural areas being combined with predominantly urban areas. Neither of which make sense for any concept of local. This minimum 500,000 population relates to "any tier of devolution" The 500,000 population criteria may well prove to be the undoing of potential devolution deals in many rural areas of England

In two-tier areas the involvement of District Council should be a pre-requisite (unless a District opts out) not just something to be encouraged although we recognise that the deal would be agreed with the upper tier authority. Districts are the Local Planning Authority and the Strategic Housing Authority. In addition, they are being given responsibilities for the UK Shared Prosperity Funds.

CHAPTERS 3 & 4 OF THE WHITE PAPER: The Policy Programme and Next Steps

Looking specifically at Chapters 3 & 4 of the White Paper:

- Most proposals for targeted interventions appear to be major town or city focused with rural areas, people, communities and businesses overlooked. A key question across all of the Policy Programmes is whether they will reach rural areas and designed (and funded) to reflect rural issues and circumstances?
- A lot of 'retro-fitting' policies and programmes already decided onto spending decisions already made and labelling them as Levelling Up.
- The 'Improving Public Services' outcome sought will never be equitably achievable in rural areas unless and until all the funding formulae for the allocation of national funds to local authorities (and other public service organisations) are fair and reflect the addition costs of service delivery in rural areas [See above Section on [Local Government Funding](#)]
- The 'proposed legislation - to put in statute some of the key pillars of levelling up' - must include an obligation to publish an annual report on delivery against the levelling up missions. The legislation must include for specific section(s) in that annual report to include delivery in rural areas against SMART targets.
- A specific rural sub-group of the Levelling Up Advisory Council should be established from the outset and would instill more confidence that rural issues were being considered.
- No real details on which bodies are going to be charged with delivery. Local Government seems to have a major role - but there are no suggestions of additional funding to support delivery of change on the scale envisaged (let alone addressing the current funding gap. That said, even a cursory glance down the list of missions and metrics shows that against nearly every one local government clearly has a significant role to play.
- In terms of reviving high streets government must address the fact that rural towns and high streets serve exactly the same function as urban towns to the residents and businesses in the town and their rural hinterlands. The metrics for Towns Fund etc are biased against rural areas.

FUTURE ACTIONS PROPOSED BY THE RSN

Planned Activity

1. Send this Critique to Ministers in the Department for Levelling Up, Housing and Communities, Cabinet Office and Defra. and to rural MPs and relevant Select Committee Chairs
2. The RSN has commissioned Pragmatix Advisory (economists) to review the Missions and Metrics from a rural perspective. RSN is reviewing many of the Figures and tables in the White paper to ascertain the rural context within Regions (and aggregated position for rural England as a whole) RSN is considering work on reviewing rural cost of living relative to local incomes.
3. The RSN will produce service/topic based briefing papers on key areas (starting with health) reflecting on what is mentioned in the Levelling Up White Paper, what is not referred to in the White paper and presenting a rural context (and where practical suggestions for policy responses linked to the Missions and Metrics).
4. The Rural Coalition is planning a Parliamentary event on 5th July 2022 on the subject. A Civil Servant from the Cabinet Office is attending the RSN's Rural Assembly meeting on 4th April 2022 to make a presentation. Other meetings with Senior Civil Servants are being sought.
5. The RSN will organise a Special Meeting to discuss the White Paper and Rural Lens Reviews. There will be a separate discussion with RSN Rural/Market Towns Group at its meeting on 11th October 2022 to encourage them to engage with their MPs?
6. Develop Case Studies if practical. Case studies may include examples of rural good practice so as to highlight the benefits in Government investing in rural areas.
7. Draw on existing RSN work e.g., Pragmatix and various Rural Lens Reviews.
8. Once the work referred to in 2 above has been received engage further with MPs with rural constituencies and rurally supportive Lords (Note, the Rural Services APPG has agreed to meet before the Summer Recess to discuss the Levelling up White Paper):
 - Brief summary of key issues
 - Impact on their Constituency
 - Encourage use of Prime Minister Questions, Departmental Questions, Back Bench and/or Westminster Hall debates
9. Seek discussion in other relevant APPG's /Select Committees (invite Minister to Rural Services APPG discussion).
10. On an on-going basis, monitor what is happening nationally and in a rural context on the Levelling Up agenda.

ANNEX: THE LEVELLING UP MISSIONS AND FOCUS AREAS

Focus Area	Mission
<i>Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging</i>	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, and the gap between the top performing and other areas closing.
Research and Development	By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
<i>Spread opportunities and improve public services, especially in those places where they are weakest</i>	
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
Well-being	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
<i>Empower local leaders and communities, especially in those places lacking local agency</i>	
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.