



What will rural communities look like in the future?

Joint feedback from the Rural Services Network and Action with Communities in Rural England

On 7th August Cabinet Office and Defra published a short, horizon scanning paper under this title. We understand that it is a summary of points made during a meeting of Whitehall permanent secretaries and chief scientific advisers, with some invitees from outside central government, to explore the opportunities and challenges that face rural communities. The paper invites feedback and hence this note, which has been jointly prepared by ACRE and RSN.

The Rural Services Network (RSN) is a membership organisation which represents approximately 150 principal local authorities and 100 other service providers (e.g. fire and rescue authorities, police authorities, health providers, housing associations, transport firms) from across rural England. Thousands of parish/town councils and other community bodies have associate membership. RSN makes representations on policy issues affecting rural services, it enables debate and networking, and it promotes good rural practice. It facilitates specialist networks on rural health, housing, transport and crime. It provides the secretariat to the All Party Parliamentary Group on Rural Services. It is an active member of the Rural Coalition, which is a key Defra stakeholder group. Last year it initiated the establishment of Rural England CIC, as an independent body seeking to develop the rural evidence base.

Action with Communities in Rural England (ACRE) is the national body for the 38 Rural Community Councils who make up the ACRE Network. We have a track record of speaking up for rural communities on the national stage and delivering multi-million pound projects that enable them to find innovative solutions to the challenges they face. Our work is supported by the wealth of information that is collected from our members. This information is used to influence national policy on rural issues, from housing, health and transport to broadband, services and fuel poverty. Our Network members – many of whom date back 90 years – have a long history of making a difference at grass roots level. ACRE is also a member of the Rural Coalition, providing the secretariat, as well as being a member of Rural England CIC.

ACRE and RSN are glad that the future of rural communities was given some prominence by this meeting and paper. Consisting almost a fifth of England's population, the needs of rural areas can often be overlooked or masked by (undifferentiated) national thinking. Issues of

distance and settlement size mean that, to be effective, policies may require different delivery approaches or public interventions. Service delivery costs can be higher.

There are, indeed, many opportunities and challenges facing rural communities and economies. Rural areas are changing rapidly and will almost certainly continue to do so. Many of their opportunities and challenges may be shared by urban areas, but they will nonetheless have particular rural dimensions which require specific attention. It is important these are understood and fed into government policy making or strategising.

We would welcome some further clarity about the context for this horizon scanning exercise. In particular, so we can better understand its origin (or why the topic was selected) and understand the desired outcome (or how the paper will now be used).

Had RSN and ACRE been at the horizon scanning meeting they would have wanted to make the observations outlined in this note. Both organisations are widely recognised as key national players in the rural policy debate and for their engagement with Defra, Whitehall and others. ACRE and RSN have a long established track record and their outputs include policy seminars, surveys, evidence-based reports and guidance for rural communities.

Our observations on the content of the paper are as follows.

Demographic dynamics:

Rural areas already have an older age profile than urban areas and that gap is projected (by official/ONS figures) to widen, with the rural population ageing at a faster rate. It is important to distinguish between younger old people/recent retirees and the very old, whose ability to contribute and whose support needs differ substantively. An ageing population has implications across a wide range of policy topics, including (but not restricted to) health care, social care, public transport and housing provision. Inevitably, this impacts on funding costs, though it is rarely sufficiently reflected in funding formulae. A key example is NHS services, where the main cost determinant is the number of older people in an area. Demand for GP and hospital-based services could rise rapidly in rural areas. Similarly, a 2009 Cabinet Office report predicted that social care needs in rural areas would grow by 70% over the following 20 years, with an annual price tag of £2.7 billion. This compares with a predicted 50% growth in urban areas. Little wonder that some upper tier (shire county or unitary) local authorities worry the future cost of delivering social care to the elderly could overwhelm them and leave them unable to fund other important (but discretionary) services, especially in the context of reducing overall revenue budgets.

Housing:

RSN and ACRE expect that the affordability of housing in rural areas will continue to be a pressing issue, given the mismatch between supply and demand in many places. Rural house prices are above the national average and rural wage levels are below the national average, making it especially hard for young people and families to get onto the property ladder. As some commentators have said, the housing market risks turning many rural settlements into places only for the better off – not the mixed communities sought by policy – with everything that implies e.g. for local labour supply, use of local services. It could be that mixed tenure housing and stair-casing arrangements for social tenants are particularly useful ways to help rural residents build up some equity. Starter Homes, offered to young local

people at a 20% discount, could be a useful part of the mix. It is equally important that the limited stock of existing social housing in rural areas is not lost to the market, since it is likely there will continue to be many who cannot afford other tenures. The more flexibility local planning authorities are given to deal with the issue, the more chance there is that appropriate solutions can be found and implemented, working together with communities and developers. The spread of neighbourhood planning in rural areas is a positive development which seems likely to assist with the future provision of affordable housing.

Sustainable services:

We would agree with the statement reported in the paper that simplistic targets for performance benchmarking in service provision are unhelpful. Experience is that they focus service delivery on easier-to-reach and cheaper-to-reach urban centres, at the expense of rural communities and especially the smaller or more remote settlements. Rural geographies typically require extra travel time and costs, or result in fewer clients/customers being seen in a day. This can be particularly acute with services which are contracted out e.g. home care, where cherry picking of urban areas can happen. It equally has implications where new providers are entering a market and (by delivering selectively) bring into question the long-term viability and commitment to national provision by the incumbent. An obvious example is postal services and the Royal Mail USO.

We also agree that developments such as telemedicine could make a real contribution. We have cited the Airedale Telehealth Hub in Yorkshire as an example of good practice. It, of course, requires a fast broadband connection to operate successfully (see below).

It is important that horizon scanning considers the likely impact of public sector austerity. The provision of basic public services in rural areas will come under significant strain, given that local authority revenue budgets have already been cut by around 40% and further cuts are planned. Since rural local authorities started from a historically low funding base, those cuts are likely to cut deeper than they will elsewhere. With efficiency savings and back-office savings now achieved, the very real risk is that future cuts more directly hit frontline service delivery. The paper suggests there could be “a special rural communities’ agreement” between the provider and the population. We might add that to be workable such an agreement would also need to include the funder, as well as recognition that there is a cost premium to rural delivery.

Another issue to consider is the important and seemingly growing (self-help) role played by community groups and community-run enterprise in rural service provision e.g. running shops, pubs, libraries. This will not be a solution in all places and is typically dependent on the skills and experience within individual communities. There will be limits to the number of available volunteers in an area and their capacity for taking on more. Community action is, nonetheless, a very positive trend that is saving some rural services and meeting some identified needs.

Connecting communities:

Completing the roll out of fast broadband networks is an area where Government, working with others, can bring substantive benefit to the future wellbeing of rural areas. Its impact would be felt by enterprises, service providers and communities. Those impacts will likely be greatest (given emerging evidence about superfast uptake) in the most rural areas, where

even a basic broadband connection (2 Mbps) has been absent. The impacts will likely be more modest in places which already have a fast (though not superfast) connection available. ACRE and RSN acknowledge the progress thus far made towards 95% coverage under the Superfast Broadband Programme. The challenge is to reach the remaining 5% of premises, which still represent about a quarter of all rural premises. Given their often deep rural locations the task will be progressively more complex and is unlikely to be achieved solely by upgrading the fibre network. A future EU State Aid derogation, allowing the next phase of public subsidy, will need to be more flexible than the last derogation, so the rural potential from alternative technologies, such as wireless, can be realised. Completing the superfast roll out will partly be dependent on Sending Review decisions and partly dependent on the level of future funding for rural local authorities, if they are (again) expected to match fund the investment.

We would agree that public or community-run transport networks have relevance beyond older populations, including younger people's access to training and employment opportunities. Unfortunately the picture is one of worsening provision as more and more rural (publically subsidised) bus services are reviewed, rationalised and sometimes ceased as a result of budget cuts imposed on local authorities. Community transport schemes undoubtedly have an important rural role, though they work best as feeders and gap fillers to busier bus routes or rail stations.

Dominant cities:

We agree with the comment that the policy debate about (local) devolution has been too focussed on cities and city-regions. This is an evolving policy agenda. It is important for Government to retain a flexible approach and an open mind as to how it could apply in different places. There is no good reason why rural areas should be denied the potential benefits of devolution. Nor must they be demoted to a residual category as a result of city devolution. Already we have one approach emerging in Cornwall – a single tier authority with a strong local identity. Other areas may take longer to decide what arrangement best suits them. This could be linked to further reviews flowing from the joint management teams, combined back office functions and shared services that many rural local authorities now operate.

A policy argument put forward, that the focus is on cities because they are the country's economic engine, simply does not stand up to scrutiny or analysis. As a Local Government Association Commission has shown, once London (a special case) is set aside, the opposite is true, with non-metropolitan areas delivering a majority of the economic growth. It would be both fair and economically literate for devolution policies to embrace the needs and wishes of all types of (urban and rural) area.

Economic diversity:

Rural areas have become economically diverse and, despite their land-based sector, have an employment sector profile which is surprisingly similar to urban areas. Local wages are indeed (on average) lower in rural areas, this being especially true in more peripheral locations. The fact rural areas score better when wages are measured on a residence-base than on a workplace-base is a clear indication that some rural residents achieve higher wages by commuting to urban jobs.

Broadband will almost certainly (as it is already) enable a growing group of people to work (partly) from home in a rural location. This might lend itself to many professional or technical occupations. Small manufacturing businesses and workshops continue to be important in many rural areas and market towns, with a higher proportion of jobs being in manufacturing in rural than in urban areas. Local food, art/craft and niche businesses have grown up, not least around popular tourist destinations, and there seems no reason to expect this trend to halt. Some, though certainly not all, of these could be categorised as lifestyle businesses, which can make a significant contribution to rural economies. Given that a share of rural based businesses will not be growth-oriented, one policy challenge could be described as assisting more of those which are to achieve their ambitions.

Competing visions:

Three visions are posited. The RSN and ACRE profoundly disagree with the first and any notion that rural areas are merely commuter belts for cities. Many lie beyond any commutable distance from cities and some have quite self-contained labour markets. Furthermore, this overlooks the dynamism in parts of the rural economy. It could, conversely, be argued that with broadband connectivity there is less need for some to be working from or commuting to city locations.

On the second, ACRE and RSN certainly recognise the value of food production and the land-based sector, but its importance to modern rural economies should not be over-stated. It would be unrealistic, impractical and unfair on rural residents to expect a return to such a narrowly focussed future. This vision implies a mindset that sees rural areas as essentially serving urban areas, rather than addressing the needs of rural communities. Rural communities should pursue environmental sustainability, but so equally should urban communities, alongside economic and social objectives.

ACRE and RSN support the view (third vision) that rural areas should seek competitive and diverse economies. This will promote a living, working countryside and will balance economic, social and environmental needs and ambitions. The aspirations of those living in rural areas are much the same as those of urban dwellers. There is no good reason to deny them that future.

Any futures thinking should recognise the variation that exists across rural England and not to treat it as homogenous. Some rural areas are in highly accessible and others in more peripheral locations. Some are upland communities, some coastal communities and others (ex) industrial communities. This variety needs to be embraced, celebrated and accounted for by policy makers.

RSN and ACRE would be pleased to contribute to any further horizon scanning discussions or follow-up activities that take place about the future of rural communities.