

The East of England Rural Forum – December 2008

Position Paper on Sustainable Rural Growth

1. Issue

The East of England is one of the most rapidly growing regions in England in terms of both population and economic growth. However, the region's large rural areas are seen by many as being increasingly dependent on commuting to local large centres of economic activity (cities and larger towns) and London. This has raised concerns about community sustainability, cohesion and diversity.

This paper builds upon the 12th June 2008 meeting, and was debated at the meeting on the 18th September 2008 of the East of England Rural Forum.

2. Recommendation

Government works with the region's rural community to create a thriving, growing and dynamic rural economy.

The areas in which the government can help the region deliver a more effective growth policy in rural areas lie in four main areas:

National and regional Economic and Spatial Policy, by:

- 2.1. Balancing a focus on city growth with a dynamic economic development policy for rural areas to spread economic success, reduce the need for commuting and make rural communities more sustainable;
- 2.2. Ensuring planning policy supports the creation of more rural employment land to match the increase in rural housing stock;
- 2.3. Rolling out high speed broadband to rural areas to help rural businesses gain the benefits of the latest developments in the digital economy;
- 2.4. Providing enhanced rural business support and skills provision to support growth of new low impact industries in growing sectors;
- 2.5. Providing incentives for employers to offer full or part time home working to reduce the need for commuting.

Delivery of public services, by providing extra support for:

- 2.6. Outreach services which make accessible provision available to rural communities, reducing the need to travel and carbon footprints;
- 2.7. Innovative delivery methodology to support service delivery by linking service delivery to other commercial or public sector partners;
- 2.8. Considering the retention of a proportion of local business rates in the community for reinvestment in community or environmental schemes, to both enhance local service provision whilst also encouraging communities to welcome and support businesses.

Delivery of social policy, by:

- 2.9. Ensuring that regional housing targets and funding prioritise affordable rural housing for both 'key workers' and those employed in local businesses.

Delivery of transport policy, by:

- 2.10. Recognising that rural areas cannot depend on public transport, and that blanket policies such as road tax and fuel duty impact disproportionately on the poorest rural inhabitants who have no viable alternative options;
- 2.11. Implementing appropriate improvements to the rural road infrastructure to support community sustainability by supporting local economic development and access to services to reduce the need for commuting to access jobs, services or recreation.

3. **Background** - the Rural Forum ran a workshop on rural growth on 12th June 2008 which considered the factors which make rural communities sustainable in a growth context.

This identified 3 key objectives where we need to ensure success, and 2 supporting factors which will underpin the successful achievement of these objectives.

The objectives are:

- A strong economy;
- A Successful communities in which to live;
- An attractive and thriving environment.

This needs to be underpinned with:

- Good communications systems;
- Active community engagement.

This is laid out in full on the following page.

What Makes A Rural Settlement Successful? (Adapted from: What Makes a Successful City, Regional Cities East Enterprise Delivery Team)

<p align="center">A Strong Economy</p> <ul style="list-style-type: none"> • A range of business enterprises providing a core of employment • Strong presence of key and growing employment sectors • High levels of entrepreneurship & welcoming towards inward investment <p><i>Enabled by:</i></p> <ul style="list-style-type: none"> • Good quality accessible business support • Range of quality business premises & employment land appropriate to the settlement, to support start up, move on & investment • Access to a highly skilled workforce, & appropriate & accessible high quality educational provision 	<p align="center">A Successful Communities in which to Live</p> <ul style="list-style-type: none"> • Attractive communities for young people and families • Communities which are welcoming to incomers <p><i>Enabled by:</i></p> <ul style="list-style-type: none"> • A high quality diverse housing offer affordable for those employed locally • A quality cultural and leisure offer for residents and visitors • Low crime, high performing schools and good local health provision • Inclusive and welcoming to all communities 	<p align="center">An Attractive and Thriving Environment</p> <ul style="list-style-type: none"> • A healthy natural and manmade environment in which to live • Commitment to reducing waste, increasing resource efficiency and reducing negative environmental impacts <p><i>Enabled by:</i></p> <ul style="list-style-type: none"> • Diversity of well maintained healthy environments in keeping with the natural and cultural heritage of the area • Active programmes to enhance community sustainability • Local investment in landscape, biodiversity and healthy ecosystems by the community and businesses
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Underpinned by a commitment to:

<p align="center">Good Communication Systems</p> <ul style="list-style-type: none"> • Well connected allowing inhabitants & businesses to play a full part in the regional economy & local community <p><i>Enabled by:</i></p> <ul style="list-style-type: none"> • Quality road networks which support economic activity & service access • Enhanced public transport where appropriate & sustainable • Access to high speed broadband • Access to local public service outlets to reduce the need to travel 	<p align="center">Active Community Engagement</p> <ul style="list-style-type: none"> • Local involvement and commitment to working together to enhance the community <p><i>Enabled by:</i></p> <ul style="list-style-type: none"> • Local authorities which take the lead to forge policies and strategies to suit the unique characteristics of their place • Active community engagement in planning, development & sustainability
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3.1. A Strong Economy

Issue: the rural economy is changing fast, but the changes are largely unplanned and driven by individual entrepreneurship. However, many rural entrepreneurs feel that they are unduly constrained by the planning system, a lack of consistency in how planning rules are applied and poor access to business and skills support

- The East of England Rural Forum recognises the rapid changes taking place in rural employment patterns & the need for new enterprises if we are to create a more dynamic, inclusive & modern rural economy. For example in the Fens: Retail, Distribution and Logistics have now overtaken the agriculture and food sector as the major employer, and the fastest growing business sector is business services (Census 2001).
- However, despite these rapid changes some rural areas, particularly sparsely populated, remoter rural & coastal areas lack a breadth of business types which is limiting employment opportunities.
- Parts of the rural economy & community are also being held back by significant under-achievement in relation to workforce skills. Particularly in remoter rural areas there are major problems with 35.1% of the workforce having no qualifications as opposed to 27.8% in urban areas (EESCP 2007). Higher level skills show even more acute underperformance in rural areas with the % qualified to Level 4 being only 16% in Breckland against 48% in Cambridge.
- Out commuting is also a very significant issue for many rural communities. Whilst local employment in many rural communities has been maintained, the growth in population has not been met by a comparable increase in local jobs or services. This means people are commuting further to access jobs, education and services with consequential impacts on rural community cohesion and sustainability.
- Figures for rail based commuting point to rapidly increasing volumes from market towns and smaller settlements to large centres of employment and service delivery. Passenger numbers on the West Anglia line have risen by 40% since 1995, with an 8% increase during 2006/07 alone, and by 33% since 1995 on the Great Eastern Mainline (Great Anglia Route Utilisation Strategy, Network Rail 2007).
- Rural firms have lower average output than urban firms, with the Commission for Rural Communities (CRC 2008) estimating that if all rural firms performed as well as the urban average an extra £236-347bn per annum of output could be generated. This would be available to increase rural investment, wages and profitability.
- Rural wage rates have consistently lagged behind those in urban areas which increases the incentive to commute. For example the % of the workforce in low paid jobs is as high as 27.7% in the Rural 80 districts against 18.1% in large urban areas (CRC 2008).
- Rural areas, are however, arguably very well placed to benefit from the growing public demand for, and government incentives to support the development of the green economy. With the increased demand for local and sustainable products, renewable energy and green tourism rural businesses, with the right approach and support, can play a large role in developing new employment in these sectors.

- Consultation suggests that this underperformance needs a number of areas to be tackled during any growth agenda:
 - Business support must continue to extend its focus on reaching more rural businesses – whilst progress has been made, more still needs to be done;
 - The availability of rural business premises must be increased to help rural businesses grow and to support inward investment – with a target to grow rural employment faster than population to reduce the propensity to commute;
 - The availability and range of educational provision needs to be extended to help rural areas create the highly skilled workforce to support growth (NIACE/CFE 2008 for the Rural Forum/EEDA).
- Unless these issues are addressed we will condemn these areas to continue to under-perform & the population within them will fail to fulfil their potential, with consequences for the achievement of wider socio-economic goals.

3.2. Attractive Communities

Issue: rural communities must be attractive and viable for a range of people and family types if a healthy diversity and community cohesion is to be achieved

- Figures point to an ongoing rise in the rural population (now running at circa 70,000 per annum, CRC).
- Rural areas have also seen a big increase in their migrant community and a rapid increase in community diversity. This has led to new dynamism but also created tension in some communities. The forum welcomes the new Community Cohesion pilots and is pleased that a rural area, Breckland, has been chosen to pilot this work in the region.
- The recent State of the Countryside Report (July 2007) reported that rural areas are now home to 400,000 fewer young people aged 15-29 than 20 years ago.
- Many young people are leaving rural areas to access education, employment, services or affordable housing. Recent work by Birkbeck (2008) for EEDA shows that whilst most commuting is rural to urban, there is also a reverse flow amongst lower wage employees in rural employment who increasingly find it hard to obtain affordable housing in rural areas, and thus commute from cheaper urban housing.
- The twin flow of employees (both urban to rural and rural to urban) is driven by a mismatch between where people wish or can afford to live and where they work. This creates congestion, increases carbon footprints and reduces community cohesion.
- Growth policies must try to improve the alignment between housing and employment. Traditionally the consensus has been to try to create more urban housing to be close to concentrations of employment.
- However, commuting volumes have continued to grow, as outlined above, and urban flat developments in many cities and major towns are not seen as aspirational and therefore have poor occupancy rates. Creating more sustainable communities could also be achieved by:

- Creating more high skill, knowledge intensive jobs in rural areas to reduce the need for highly skilled workers to commute to find the employment they aspire to i.e. encourage more jobs to go to where they want to live;
- Creating more rural affordable housing to meet the needs of lower paid rural employees (see the work of the Housing Sub-group for further details at: <http://www.eerf.org.uk/subgroups%20html/housing.htm>)
- Rural communities also need the other factors which assist community cohesion and success to be addressed, including access to services, banking, postal, cultural and leisure facilities, low crime and first class education.
- A major concern amongst rural inhabitants is that public services have tended to follow the model of commercial practice in creating larger but fewer service centre outlets. Whilst this creates cost savings for the individual service, it imposes extra costs on the rural population to access services as well as wider environmental costs (due to more travel to access services).
- Creating more public service outlets in rural areas, encouraging arts and leisure development, and improving the breadth of educational facilities in rural areas would all contribute to enhanced rural community sustainability.

3.3. Environment

Issue: rural communities are often seen as benefiting from an attractive local natural environment. However, this can mask poorer access to energy diversity, over reliance on private transport and a lack of engagement in initiatives to encourage sustainability

- The Forum recognises the enthusiasm & excellent work which those engaged in working to support the rural environment already undertake and applauds the large number of local schemes which have increased public access and helped address declines in biodiversity.
- Whilst rural areas benefit from the natural environment, in many areas the environment continues to be under pressure from development. Continued effort is needed to ensure that the unique characteristics and local distinctiveness of the rural environment is maintained.
- There are also new challenges such as waste management and climate change which are causing increased concern and where further action in rural areas is needed.
- Rural communities are arguably well placed, given the space they have and natural resources which they contain, to take a lead in addressing some of these challenges. Some technologies such as composting or ground source heat pumps need areas of land to be effective and are ideally suited to rural communities, but need more support and encouragement. Similarly biomass heat programmes are well suited to rural areas given the local fuel source and off grid nature of most heating systems.
- Furthermore the success of environmental stewardship has helped secure and enhance the rural environmental. With green tourism growing in importance this can provide economic as well as environmental gains as well as creating new markets for local food.

- Surveys show that some rural areas (e.g. the Fens) contain some of the highest concentrations of houses in fuel poverty due both to the poor quality of some of the housing stock as well as a lack of choice over fuel sources (e.g. off grid – Renewables East has identified off grid settlements in the East of England as a priority for renewable energy as a result).
- Future developments in rural areas must be encouraged to adopt more sustainable technology through a combination of incentives, advice and guidance and regulatory instruments such as building regulations.
- Rural Housing should also offer the benefits of more green space, access to gardens and allotments all of which have been shown to increase community pride, help health and wellbeing and increase sustainability.

3.4. Communications

Issue: rural communities often suffer from issues with communication options, whether through their reliance on private transport or the delay in obtaining the latest information technology. To sustain and enhance growth this must be addressed

- Whilst accessible & less sparse areas (i.e. close to major towns) tend to outperform the regional average, this is largely due to their easy access.
- Elsewhere, concerns about communications are very real because of the impact that they have on:
 - Business success, creation and growth;
 - Access to opportunity for the local population in terms of education, employment and services.
- In developing the region and supporting the growth agenda a number of communications issues need to be addressed for rural communities:
 - Improved physical access in terms of enhanced road infrastructure, and a recognition amongst policy makers that policies designed to curb the use of private vehicles have a disproportionate impact on rural areas where choice is not usually present;
 - More co-ordination and enhanced provision of public transport options where these can be viable – targeted rural growth can make transport provision more viable;
 - Improved accessibility to the latest communications technology speeds. Whilst virtually all rural properties now have access to broadband, there is a new emerging digital divide as urban areas rapidly adopt speeds which are not deliverable in rural areas. This leads to much of the latest content not being accessible in rural areas with consequential impacts on service delivery, economic opportunity and education;
 - Access to public services has increasingly been focused on larger sites. Whilst these can reduce the costs of delivery for the organisations involved, it does by default increase the costs and environmental impact of access for those living in rural areas. If the true cost of provision (including the private costs of those accessing the services are counted) is used to determine where services are

based, then centralisation would often increase economic and environmental costs.

- Improved communications, which reduced the need for people to commute for work or services, or which attracted business investment would increase the sustainability and contribution of rural communities to the regional economy.
- To encourage more businesses to recognise and deliver the benefits of part or full time home working in suitable jobs greater support and incentives are needed. This could include advice via business support services and incentives in terms of credit in 'green' and 'community award schemes or via taxation for businesses which adopt flexible working policies which reduce the need for commuting.

3.5. Well run

Issue: rural communities need proactive local leadership as with any successful community. However, rural communities often feel remote from decision making and powerless to address the big issues facing them. Addressing this would help rural communities play an increased role in the sustainable development of the region

- The overlapping roles of parish, district/borough, unitary, county and regional tiers of government, in addition to national policy makes effective local leadership difficult to deliver.
- Rural areas with strong local leadership can make a real difference by creating the conditions for local development. However, very little funding is currently devolved and this restricts what can be achieved locally.
- Local planning techniques such as parish planning can achieve good local engagement and help to make communities more responsive and proactive. However, to be effective most communities need facilitation to help these processes adopt a broad view and to avoid them being hijacked by single vested interest groups.
- Local plans (e.g. LDFs) and strategic planning processes (e.g. LAAs) are often weak on the focus given to rural communities as they are usually dominated by the larger urban settlements they cover. All such plans must be encouraged to see rural areas as dynamic areas which can help achieve local area growth aspirations. As outlined above this includes a focus on providing new employment opportunities in growth sectors.

4. Next Steps

4.1. Rural communities taking action for themselves

Whilst rural communities are beginning to address many of the growth issues outlined in this paper, more could be achieved with additional support:

- Many communities have been developing the role of parish and town councils and undertaking parish planning to engage the community in helping to set a sustainable direction for future development. However, these processes do not routinely attract government support and further help to promote newer ideas such as clustering would yield more benefits;

- Whilst rural communities have generally been welcoming to incomers and migrants, there are examples of the rapid change in demographics creating tensions. Those in local communities who are seeking to address these issues need support from local authorities, and the region is pleased to be hosting one of the first community cohesion projects in the predominantly rural district of Breckland to address this issue;
- Rural people are entrepreneurial and start-up rates are generally higher than in comparable urban areas, but few rural businesses subsequently grow to fulfil their potential. Rural businesses access less business support and often feel that they achieve despite policy and incentives which appear to favour businesses based in urban areas.
- Rural communities have been active in developing innovative solutions to affordable housing by using community land for exception sites. However, there is widespread concern that housing targets do not support rural affordable housing effectively, and that central policies such as key worker housing are not designed to meet the needs of rural communities.

4.2. The areas in which we need support from central and regional government structures

The delivery of enhanced outcomes for rural communities could be substantially assisted by targeted regional and central government action. The priority actions lie in four areas:

National and regional Economic and Spatial Policy, by:

- Balancing a focus on city growth with a dynamic economic development policy for rural areas to spread economic success, reduce the need for commuting and make rural communities more sustainable;
- Ensuring planning policy supports the creation of more rural employment land to match the increase in rural housing stock;
- Rolling out high speed broadband to rural areas to help rural businesses gain the benefits of the latest developments in the digital economy;
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- Ensuring that regional housing targets and funding prioritise affordable rural housing for both 'key workers' and those employed in local businesses.

Delivery of transport policy, by:

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4.3. The extra outcomes that can be achieved with government support

Government support would help rural areas achieve their potential as set out by the CRC in its report (2008) – England's Rural Areas; Steps to Release their Economic Potential.

Strengthening the economic base of rural areas would:

- Increase the economic and social contribution rural areas make to the region;
- Address the socio-economic exclusion experienced in remote rural areas, reducing their dependence on government & enhancing choices.