



January 2010

Recognising rural interests within Regional Strategies

Briefing note for Responsible Regional Authorities and those concerned with rural policy in the regions

1. Context

- 1.1 The Commission for Rural Communities (CRC), as the Government's appointed expert rural adviser, has produced this briefing note to assist and support Responsible Regional Authorities (RRAs) (RDAs and Local Authority Leaders' Boards) and those concerned with rural policy in the regions, such as Regional Rural Affairs Forums (RAFs), Rural Community Action Network (RCAN) Regional Bodies and Government Offices, to ensure that rural interests are fully recognised in forthcoming Regional Strategies.
- 1.2 In preparing this note, the CRC consulted with RDAs, RAFs and Action with Communities in Rural England (ACRE). During this process a picture developed which showed that rural dialogue on Regional Strategies is already active within regions, that regional rural evidence bases are being boosted where gaps have been identified, that regional rural bodies are developing useful rural narratives and that rural proofing has in many cases been integrated into the Regional Strategy process.
- 1.3 This briefing builds on the work already underway, and is intended to provide RRAs and others with a reminder of the key mainstream and rural policies which will help to inform the drafting of Regional Strategies, as well as setting out various rural proofing measures. It also outlines a range of key issues through which rural areas can contribute to Regional Strategies, particularly in terms of the intended focus on sustainable economic growth underpinned by sustainable development.
- 1.4 Regional interpretation of this briefing note will be critical to its success and it is hoped that RRAs and others find it a helpful reinforcement of what is already taking place across the regions.

2. Policy considerations

There are a variety of mainstream and rural-specific policies which RRAs should take into account when drafting Regional Strategies.

a. Mainstream policy

National Framework for Regional and Local Economic Development

- 2.1 The Government's National Framework for Regional and Local Economic Development¹, published in December 2009, forms a platform for the rural proofing of the cascade of plans from national to local levels. The framework,

¹ National Framework for Regional and Local Economic Development <http://www.berr.gov.uk/files/file53941.pdf>

“Will need to be considered together with wider Government objectives for sustainable development as set out in, for example, guidance for Regional Strategies and the UK Sustainable Development Strategy, and other objectives such as the Government’s regeneration framework and requirements for rural proofing.”

Commission for Rural Communities as a “specific consultation body”

2.2 The Government’s *Policy Statement on Regional Strategies and Guidance on the establishment of Leaders’ Boards*² includes the CRC as a “specific consultation body”. Whilst the CRC does not have any *direct* regional locus or responsibility to bring to this formal consultee role, it can provide advice to assist regions in ensuring rural interests are recognised within Regional Strategies. In particular, this includes an expectation for RRAs to involve rural representative organisations, such as RAFs and RCAN Regional Bodies, in the stakeholder engagement process.

Local Economic Assessment duty

2.3 The *Policy Statement on Regional Strategies and Guidance on the establishment of Leaders’ Boards* states that the evidence base for Regional Strategies should be, “*informed by the outputs from local area economic assessments*”. Appropriate application of this requirement will help to ensure that evidence is considered at a low enough geographic level to take account of rural areas, and will lead to rural issues being properly integrated into wider economic development concerns across regions.

2.4 The Government’s recent *Local Economic Assessments - Consultation on draft statutory guidance*³ also states that, “*Local economic assessments should be a key tool for ensuring that the regional strategy connects properly with localities and is informed by local issues.*” Whilst it is recognised that RRAs have limited direct responsibility for local economic assessments, when working with local authorities and other regional partners to agree how the assessments can best inform the preparation of Regional Strategies, RRAs should ensure that the key strategic messages about rural circumstances are recognised.

b. Rural policy

Rural Strategy 2004

2.5 The Government’s Rural Strategy 2004⁴ set out the overarching strategy and approach to rural policy in England. The strategy sets out the specific actions that will drive progress forward, including the enhanced role for stakeholders and partners in the regions. The three key priorities for the Government are:

- Economic and social regeneration – supporting enterprise across rural England, and targeting greater resources at areas of greatest need.
- Social justice for all – tackling rural social exclusion, wherever it occurs and providing fair access to services for all rural people.
- Enhancing the value of our countryside – protecting the natural environment for this and future generations.

Rural Proofing and Mainstreaming

2.6 The Government views rural mainstreaming as part of a national policy framework which recognises that all communities are different and is flexible enough to respond to local circumstances. Rural proofing is the tool through which the aims of rural mainstreaming

² Policy Statement on Regional Strategies and Guidance on the establishment of Leaders’ Boards

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1303429.pdf>

³ Local Economic Assessments – Consultation on draft statutory guidance

<http://www.communities.gov.uk/publications/citiesandregions/localeconomicassessmentsconsult>

⁴ Rural Strategy 2004 http://www.defra.gov.uk/rural/documents/policy/strategy/rural_strategy_2004.pdf

are met, and is a commitment by Government to ensure all domestic policies, programmes and initiatives take account of rural needs. It is a mandatory part of the policy process, and applies to both design and delivery stages. As policies are developed, policy makers should:

- Consider whether their policy is likely to have a different impact in rural areas, because of particular circumstances or needs;
- Make a proper assessment of those impacts, if they are likely to be significant; and
- Adjust the policy where appropriate, with solutions to meet rural needs and circumstances.

3. Rural proofing measures

There are a number of broad measures RRAs should use to ensure that Regional Strategies are rural proofed.

Rural Proofing toolkits

- 3.1 The CRC's revised *Rural Proofing toolkit*⁵ is designed to assist policy makers to consider how policy decisions might particularly affect rural communities. The toolkit highlights a range of factors and seeks to ensure that rural communities can benefit from and contribute to the objectives of all policy agendas. It also emphasises that interventions at both policy development and delivery stages are equally important.
- 3.2 Individual regions have also, in many cases, drawn up their own guidelines to ensure that policy makers do not overlook rural needs. For example, to promote the use of rural proofing, the East of England Development Agency has published a *short guide to rural proofing in economic development*⁶. This guidance is designed to make it easier for organisations to assess their approach to rural needs, and includes a step-by-step evaluation tool for rural proofing of individual projects.

Consultation of rural stakeholders

- 3.3 As a *specific consultation body* for Regional Strategies, the CRC would expect RRAs to establish formal methods by which rural people, and those who represent them, can be heard clearly on both the RDA and Leaders' Boards, and within the overall Regional Strategy stakeholder engagement process. It will be important for RRAs to both consult and *involve* a broad range of regional rural organisations, including (but not exclusively) RAFs, RCAN Regional Bodies, and Town and Parish Councils (through their county associations). Such consultation and involvement should span the whole strategy process, from preparing and collecting the supporting evidence base, through to the development of policy options, and through all relevant consultation processes and onwards to implementation, review and monitoring.

Rural evidence base

- 3.4 In order for Regional Strategies to take full account of local and spatial dimensions, and to enable appropriate targeting of delivery within regions, it is critical that Regional Strategies are informed using data captured at the smallest, but most appropriate spatial scale. This will ensure that the rural elements of regional priorities are identified, and will assist in ensuring that rural considerations are included within mainstream policy. Specific rural evidence bases are currently being drawn up by many regions, for example in the north east where the RDA, One North East, has developed a robust evidence base for the region's rural areas, which will enable and inform non-rural specialists at the agency to consider and understand the rural opportunity and need when making policy and

⁵ CRC Rural Proofing toolkit <http://www.ruralcommunities.gov.uk/files/rural%20proofing%20toolkit.pdf>

⁶ EEDA Rural Proofing toolkit <http://www.eeda.org.uk/rural-proofing.asp>

investment decisions.

- 3.5 A considerable amount of small area statistics is also available through initiatives such as the Office for National Statistics Neighbourhood Statistics⁷ and Communities and Local Government's Data4NR⁸.
- 3.6 Furthermore, when considering building an evidence base for a specific area, it is important that more local information is not lost through the process of averaging out and aggregating up, for example when using information generated by Local Economic Assessments. This is a critical component of understanding some of the spatial differences between social, economic and environmental factors in some of the smaller rural or dispersed settlements. Use of the rural and urban settlement definitions⁹ will also ensure that such smaller settlements are represented within the regional context. Such definitions are available for a variety of spatial geographies, including Postcodes, Output Areas, Super Output Areas and Wards.
- 3.7 The CRC has also published a report¹⁰ to help fill gaps in the evidence base on rural deprivation. The report's evidence does not provide an alternative to the ranking of local areas on the Index of Multiple Deprivation, but is specifically designed to estimate the overall rural share of deprivation at a national, regional and output area level, and to identify very small area 'hotspots'. As such, RRAs would be advised to use such research to inform Regional Strategy considerations targeting disadvantage.

Other specific rural proofing measures for Regional Strategies

- 3.8 There are also a number of specific rural proofing measures that RRAs may wish to consider in order to rural proof Regional Strategies. These include:
 - Production of statements of impact and delivery to rural communities within Regional Strategy Implementation Plans and Monitoring Reports.
 - Direct representation of a rural voice on Responsible Regional Authorities and Examination in Public Panels, including making full use of RDA rural board members and having rural voices on the Leaders' Board.
 - Identifying a rural advocate within Regional Strategy drafting teams.
 - Inclusion of rural proofing within the Sustainability Appraisal process.
 - Identifying a rural voice within the Sustainability Appraisal team.
 - Securing and identifying rural champions working in the key sectors engaged with Regional Strategies, including health, education and skills, transport, climate change, and the business community.

4. Achieving equity for rural people and places

- 4.1 As recognised in the *Government's response*¹¹ to the *Taylor Review of Rural Economy and Affordable Housing*¹², a growing consensus exists around the importance of securing a sustainable future for all rural communities. The recently formed *Rural Coalition*¹³ has been set up to highlight a new vision for a sustainable countryside, a countryside that

⁷ ONS Neighbourhood Statistics

<http://neighbourhood.statistics.gov.uk/dissemination/LeadHome.do;jessionid=ac1f930d30d7317e95506d704b65be6db938884b8984?m=0&s=1261500277518&enc=1&njsj=true&nsc=true&nssvg=false&nswid=1003>

⁸ CLG's Data4NR <http://www.data4nr.net/introduction/>

⁹ Rural and urban settlement definitions <http://www.statistics.gov.uk/geography/rudn.asp>

¹⁰ Deprivation in Rural Areas: Quantitative analysis and socio-economic classification

<http://www.ruralcommunities.gov.uk/publications/deprivationquantitativeexecsummary>

¹¹ The Government Response to the Taylor Review of Rural Economy and Affordable Housing, March 2009

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1184991.pdf>

¹² Living, Working Countryside: The Taylor Review of Rural Economy and Affordable Housing, July 2008

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/livingworkingcountryside.pdf>

¹³ Rural Coalition <http://www.acre.org.uk/DOCUMENTS/Rural%20Coalition/The%20Future%20is%20Rural%20Too.pdf>

can contribute environmentally, socially and economically, as well as in tackling climate change.

- 4.2 The purpose of Regional Strategies is to set out a long term strategic framework for regions which promotes sustainable economic growth and contributes to sustainable development. The *UK Sustainable Development Strategy and Planning Policy Statement 1: Delivering sustainable development* sets out the meaning of sustainable development and will be the key consideration when preparing Regional Strategies.
- 4.3 The following section highlights a number of key issues through which rural areas can contribute to the formation and delivery of Regional Strategies.

Untapped economic potential of rural communities

- 4.4 Delivering sustainable economic growth is a core remit of Regional Strategies and as such it is important that they recognise the breadth, variety and drivers of growth for businesses operating in rural areas. The Government defines sustainable economic growth as, "*economic growth that can be sustained and is within environmental limits, but also enhances the environment and social welfare, and avoids greater extremes in future economic cycles*". Sustainable economic growth thus requires a balance of resources and support for economic activities, some of which may be short term capital investment, whilst others will need to be longer term, small scale funding of revenue costs. Help to existing firms, employees and households will also need to be balanced with support to broaden the economic base of areas. Interventions proposed to increase productivity and competitiveness also need to be planned to achieve environmental and social welfare.
- 4.5 Such a wider perspective should help Regional Strategies more fully recognise and value the contribution that rural and small communities make to regions. Small but regular interventions often make a substantial impact on the economies of such localities. With higher levels of partnership working and strong community involvement, economic activities in rural areas often deliver environmental and social goals and benefits to all sections of communities.
- 4.6 The economies of rural England are dynamic and diverse, and make an important contribution to regional productivity and prosperity. Pre-recession there had been a boom in home working in rural areas, as well as healthy rates of business start-ups, high levels of entrepreneurship and growth of small firms in new business areas, and not just in land based industries but also high technology and high value sectors. However, in some areas rural businesses contribute proportionately less economic output than would be expected from their share of the employment business base, indicating a level of unfulfilled potential from firms and workforce in rural England. The CRC's report to the Prime Minister on *Steps to release the economic potential of England's rural areas*¹⁴ explores the unfulfilled potential that rural businesses offer. Using data on employment, turnover and number of all firms registered for VAT or PAYE in 2005, the report concludes that if rural firms generated turnover at levels that mirrored the rural share of enterprises in England, they would be earning considerable additional revenue.
- 4.7 Such untapped potential can in part be attributed to the operation of the housing market and planning system, whereby competing rather than complementary housing uses often thwart economic potential, as indicated in the CRC's response¹⁵ to the *Taylor Review of Rural Economy and Affordable Housing* (see also following sections on Planning and Housing). In developing approaches to delivering sustainable economic growth, and by utilising forthcoming streamlined planning policy, Regional Strategies can address the

¹⁴ England's rural areas: steps to release their economic potential, June 2008

<http://www.ruralcommunities.gov.uk/publications/crc74englandsruralareasstepstoreleasetheireconomicpotentialssummary>

¹⁵ Matthew Taylor report on rural economy and affordable housing – CRC response

<http://www.ruralcommunities.gov.uk/files/matthew%20taylor%20report%20crc%20reponse.pdf>

often unsustainable imbalances within rural communities, and help release their economic potential.

- 4.8 The Government's *Policy Statement on Regional Strategies and Guidance on the establishment of Leaders' Boards* also indicates that RRAs should identify the sub-regions to be included within Regional Strategies. Whilst a sub-regional approach is likely to help release the economic potential in rural areas, sub-regional bodies such as City Regions, Multi Area Agreements and Economic Prosperity Boards need to take full account of the circumstances in their area, and include rural views as appropriate. Furthermore, *Steps to release the economic potential of England's rural areas* also acknowledged the important linkages and interdependencies that exist between urban and rural economies and highlighted that inadequate attention to the rural base of economic activity will result in only a partial understanding of economic potential, its drivers and barriers.
- 4.9 Aiding the transition to a low carbon economy is a key goal of Regional Strategies, and this is another area of considerable untapped economic potential in rural communities. Rural communities are well placed to lead the transition to a low carbon economy, particularly in terms of increases in locally generated renewable electricity, heat and fuel supply and generation; increases in direct production and supply of local food, goods and services; growth in biomass and bio fuel; and innovations in low carbon agriculture and land management. In particular, there is a pressing need for more accessible business support and investment in skills in rural areas to help tap the potential of the many micro rural businesses and social enterprises to lead the way in low carbon economic activity.

Employment and skills

- 4.10 Rural England has a diverse, substantial and dynamic labour market, with a large base in knowledge intensive public and private sectors as well as in less skilled occupations and industries. Against a range of indicators, (for example employment rates, education attainment levels and household incomes), many rural communities appear to be doing well. However, this general picture of prosperity masks differences, many of which are only apparent at local scales. Figures from October 2009 show that there were 207,943 Job Seekers Allowance claimants in England's rural areas, an increase of 79% in a year. Figures from March 2009 indicate that there were 338,800 'economically inactive' people who wanted to work and 241,033 economically inactive 16-24 year olds. Accessible rural areas and those with close proximity to large towns often also fare much better in terms of the provision of employment and skills support services than peripheral, coastal and sparsely populated areas.
- 4.11 Living and working in rural areas can provide residents with a distinct set of spatial and economic challenges. These challenges are compounded by:
- Higher per capita programme delivery costs for rural training and employment services;
 - A more dispersed base of businesses outside of market towns, generating fewer employer sponsors of work based learning; and
 - A lack of local support outlets and facilities such as job centres, training providers, public transport and childcare.
- 4.12 Low pay and in-work poverty are also persistent features in some rural labour markets, but may be less visible and concentrated than in towns and cities. This places a greater responsibility on local agencies and delivery providers to identify, understand and address local employment demands.
- 4.13 It is important that Regional Strategies adequately reflect the characteristics of employment and skills in rural areas, particularly as adult skills strategies are to be integrated into Regional Strategies. It will be particularly important to look beyond specific rural pots of money such as Rural Development Programme for England funding, towards more mainstream schemes.

- 4.14 Research conducted for the CRC in July 2009¹⁶ includes many good examples of successful rural delivery of employment and skills programmes. In particular, such examples indicate that where employment services are delivered in partnership with either voluntary or not-for-profit community organisations, they are more likely to reach vulnerable rural residents.

Housing

- 4.15 Rural housing, including affordable housing, is key to maintaining the viability and vibrancy of many rural communities and remains one of their most pressing concerns. With a projected further 35% growth in the rural population by 2031, compared with 27% for urban areas¹⁷, there will be enormous strain on existing rural housing stock. According to latest figures, the average rural house costs 7.1 times average annual rural household income¹⁸. House prices and housing affordability has been a major concern in rural areas for many years and the current recession is compounding an already severe problem.
- 4.16 Wherever possible, housing and employment and access to services such as schools and hospitals need to be planned and delivered in concert. However, this should not preclude development in the smallest rural communities where those services do not exist. Housing is a key driver of regenerating rural communities and fostering new rural enterprise. Rural housing targets need to be properly reflected in the new Regional Strategies and linked with local housing needs assessments and community led planning processes¹⁹. Furthermore, as well as the use of Exception Site Agreements for rural affordable housing, Regional Strategies should seek to develop additional approaches and delivery vehicles such as Community Land Trusts in order to meet such targets.

Planning

- 4.17 The *Policy Statement on Regional Strategies and Guidance on the establishment of Leaders' Boards* outlines the Government's commitment to consolidating national planning policy. However, concerns exist within rural communities that regional planning policy is sometimes restrictive in the way it is applied. A narrow interpretation of sustainability in rural areas by policy makers and planners often results in a perception that rural areas are inherently unsustainable, leading to the capacity of smaller communities to develop being restricted. In the past, planning and housing policies, both at regional and local levels, have tended to focus development at key locations within particular areas, based on assessment of the availability of public transport, shops and services.
- 4.18 It is hoped that future guidance will go some way towards addressing such challenges. In the new Planning Policy Statement 4²⁰ one of the Government's objectives for prosperous economies is to, "*raise the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities...*" More sophisticated planning and development processes are needed to encourage a more sustainable approach that recognises how places and communities really work, including giving consideration to the ability of rural communities to access services. The CRC, alongside partners in Devon, has developed a *Sustainable Rural Communities Toolkit*²¹ to assist in planning policy development. The toolkit is relevant across a range of spatial levels and highlights the strengths rural communities can bring to overall planning policy development.
- 4.19 A key challenge therefore for RRAs will be to recognise:

¹⁶ Delivering national employment and skills programmes to vulnerable groups in rural England – SQW Ltd
<http://www.ruralcommunities.gov.uk/publications/deliveringnationalemploymentandskillsprogrammestovulnerablegroupsinruralengland>

¹⁷ CLG, 2009. Household estimates and projections by district, England, 1981- 2031

¹⁸ HM Land Registry 2009

¹⁹ ACRE's resource for Community Led Planning http://www.acre.org.uk/communityledplanning_index.html

²⁰ Planning Policy Statement 4: Planning for Sustainable Economic Growth
<http://www.communities.gov.uk/publications/planningandbuilding/planningpolicystatement4>

²¹ Sustainable Rural Communities Toolkit <http://www.ruraltoolkit.org.uk/>

- The need for greater inter-connectivity between urban and rural areas and between market towns and surrounding smaller, rural settlements.
- The need for in-depth evidence-based analysis which can be used in developing strong, locally specific policies which reflect the needs and opportunities presented by individual rural areas.
- The need for the planning system to look beyond simplistic, narrow land use planning and adopt fully the more integrated approach afforded by spatial planning to deliver sustainable rural communities.
- A recognition of the need for public transport links both within a rural area and from rural areas to the wider network (by road and rail) and linkages to surrounding urban areas.
- That as part of any new development in rural areas, an accompanying sustainable transport strategy should be present which ensures that, as far as possible, adequate access is provided.

Next Generation Access

4.20 Equitable access to public and other services is vital to the sustainability of rural communities and economies. Lack of access to digital technology and inadequate broadband and mobile telephone coverage, combined with lack of engagement with digital technology, all contribute to a complex set of issues for rural communities and residents:

- Rural SMEs need broadband and mobile telephone coverage to grow their businesses, and to maintain competitiveness in the current economic climate. Businesses will fail to meet their potential if the digital infrastructure is not fit for purpose.
- Without proper access to broadband, businesses cannot nurture local or existing talent through e-learning, in particular where employees are restricted in the degree of 'on the job' learning.
- Students in both full and part-time education are disadvantaged if they cannot access adequate broadband at home, whilst an ageing population needs access to broadband to maintain their skills and continue to engage fully in society.
- Lack of access to services can be a serious problem for rural residents, particularly those who are on low incomes, elderly or without private transport. With an increasing range of services being provided online, it is essential that a proper digital infrastructure is in place to enable rural residents to access online services.

4.21 Defining what the full range of digital services are, and the precise mechanisms for protecting and enhancing them, should be undertaken at a local level to ensure they are sustainable and adequately meet the needs of local communities. However, RDAs have specific responsibilities for ensuring digital infrastructure at a regional level and as such, Regional Strategies will have a significant role to play in supporting the improvement and investment in access to digital services in all rural areas.

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