



Social Mobility Policy Committee

Corrected oral evidence: Social mobility in rural communities

Thursday 19 June 2025

10.05 am

Watch the meeting

Members present: Baroness Manningham-Buller (The Chair); Lord Evans of Rainow; Baroness Garden of Frognal; Lord Hampton; Lord Harlech; Baroness Hussein-Ece; Lord Johnson of Marylebone; The Lord Bishop of Lincoln; Lord Ravensdale; Lord Watts; Lord Young of Cookham.

Also present: Baroness Coffey.

Evidence Session No. 12

Heard in Public

Questions 140 - 157

Witnesses

I: Professor Ruth McAreavey, Professor of Sociology and Co-investigator, National Innovation Centre for Rural Enterprise, Newcastle University; Kate Smith, CEO, Connexus Group; Sharon Payne, Regional Rural Mobility Manager, Transport East; Jonathan Roberts, Director of External Affairs, Country Land and Business Association; Kerry Booth, CEO, Rural Services Network.

USE OF THE TRANSCRIPT

1. This is an corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Professor Ruth McAreavey, Kate Smith, Sharon Payne, Jonathan Roberts and Kerry Booth.

Q140 **The Chair:** Good morning, everybody. Thanks for coming to London on this extremely hot day to help us with our inquiry into social mobility. I am not going to introduce all the committee, but I would like to start by saying that we have an extra member here today, Lady Coffey, who is not a member of the committee but is interested in the subject, so has joined us for this meeting. Could we start by asking you, please, to give us a very brief introduction to yourselves? We know who you are, but it would be helpful to hear briefly.

Kerry Booth: Thank you for having me here today. I am chief executive of the Rural Services Network. We are a membership organisation representing rural local authorities and service providers in rural areas. We come together to try to give those rural service providers a voice, and to campaign for fairer policy for rural areas.

Jonathan Roberts: Good morning, everybody. Again, thank you very much for having me. I am director of external affairs at the Country Land and Business Association. We represent some 27,000 landowners and rural businesses across England and Wales. Our primary focus is to deliver economic growth in rural areas, as well as environmental delivery and a range of other public goods that come from the work of private landowners.

Professor Ruth McAreavey: Good morning, everybody. Thank you for inviting me here today. I am a professor of sociology at Newcastle University. I am also an associate of the National Innovation Centre for Rural Enterprise. We are a national centre doing research and advancing knowledge about rural enterprise across England. I have been researching rural areas for 25-plus years, so I feel quite old.

Kate Smith: Good morning. everyone. Thank you for inviting me. I am the chief executive of Connexus Group, which is a rural housing association covering Herefordshire and Shropshire. We have 11,500 affordable homes over a large area of the country. We build around 200 homes a year. I now feel equally old, because I have been in housing for nearly 20 years.

Sharon Payne: Good morning. Thank you for having me. I am from Transport East, the subnational transport body for Norfolk, Suffolk and Essex. We are also the lead subnational transport body for rural mobility, and host the centre of excellence sponsored by the Department for Transport. In our region, we have a third of our population living in rural areas, in comparison to just 17% in general across England, and 21% of our population live along our 500 miles of coastline, so we have significant proportions of coastal deprivation as well. Two-thirds of our population live in transport deserts, so not only are they impacted by the rurality of where they live, but they also have poor access to transport.

The Chair: It sounds as though you are going to be able to help us a lot in our inquiry. Before we start the questions, Lord Harlech has a declaration of interest to make.

Lord Harlech: I declare that I am a member of the CLA.

The Chair: I hope that he pays his dues properly. You could not possibly comment.

Jonathan Roberts: I have not checked, but I am sure he is fine.

The Chair: I am going to start with the first question. As you may have spotted, if you have watched any of our previous sessions, we have been asking all the witnesses for their definition of social mobility. We would like you to offer those definitions—if they are the same, just agree—but within the context of rural communities in particular. That would be helpful.

Professor Ruth McAreavey: Social mobility is about the ability of an individual to advance and progress in life. It really deals with the question, “Does where you were born matter for your opportunities in adulthood? Does it affect your ability to achieve higher socioeconomic status?” Traditionally, it has been related to income, class and education. More recently, there has been a lot of dialogue, which I think is more informative, that connects it to wider issues such as housing, well-being, community cohesion, and the importance of wider social family networks.

In a rural context, it is particularly important and has a particular dimension if we start to think about education and access to it. As we will come on to talk about in our discussion, transport is huge and trying to find access to training and education is really quite challenging in some places for young people. We know that many young people leave rural areas because they cannot find the training that they want or need, and do not understand the career opportunities that are emerging in a rural context. In fact, the rural economy is quite diverse, so there is a whole complex interplay of factors.

Kate Smith: I do not profess to know as much at all about social mobility as Ruth does, but the key point that she made there is about where you were born. From a housing perspective, where you live and the ability of that home to either advance or hinder your life chances adds to where you were born. Where you live—where you grow up and the house that you are in—really is critical in a housing context.

Sharon Payne: In terms of transport, the rurality of places and access to transport only serve to amplify the other issues that were mentioned by the other panellists.

Q141 **Lord Ravensdale:** One of our focus areas within the committee is data, the collection of data at local and national levels, and the join-up of data. Could you tell us what, if any, data is collected on social mobility in rural areas? Are there any ways that such data could be improved to give any greater insight into rural social mobility? Professor McAreavey, perhaps

you would give us that overview to start with.

Professor Ruth McAreavey: It is a really big and really important question. There are two key aspects to this. Because social mobility is so complex, there is no one way of measuring it, so we need to think about those wider factors that I talked about: access to housing, well-being, and community cohesion. All those things provide an indicator of social mobility.

Of course, there is data to be collected. One of the challenges is that the data exists across many sources, so the problem is making it available at a sufficiently nuanced level to be able to provide an insight into rural social mobility. Pulling that together to get a holistic understanding is challenging, so there is a lot to be done on that.

Within NICRE, we are collecting different bits of data. We do an annual review of the state of rural enterprise in England, which gives us particular insights into rural businesses. It flags things such as challenges around the recruitment and retention of staff, which is a massive issue for rural businesses.

It is not just about the datasets. Understanding the lived experience of people in a rural context is really important, because that helps build up that bigger picture of what people experience in a rural context. I led some research for Defra a few years ago. I remember speaking to two young people in a rural community. It was a very touristy place. They were graduates who were having to move out of their own community. They could not afford to live there because of holiday lets and because of gentrification in that community. I could say a lot more on this, but I am sure that the other panellists want to come in.

The final point that I would make in talking about “rural” is that there is no single rural. We know that rural is quite different. I am based in the north-east of England. There are very particular challenges in the north-east, if we think about ex-mining villages. It is quite different if we go over to the Lake District, where there is high amenity value and it is really challenging for people working in the local economy to live there.

If we think about commuter villages, I am thinking about Rutland, which I know quite well, from where people can then commute to London. That has pushed up the price of housing in some of those villages and makes it really challenging.

You can start to see how difficult it is to collect a dataset that illuminates social mobility. It is about constantly collecting different sources of data, with some high-level data at the national level, but then also understanding, from the bottom up and from the very localised context, how these different forces come into play and intersect with each other to influence prospects for social mobility.

Jonathan Roberts: There is one particular piece of data that I would like you all to really understand. According to Defra’s own figures, the rural economy is around 15% to 20%—it fluctuates year on year—less

productive than the national average. There are lots of reasons for that, to do with planning, to do with housing, partly to do with skills, and partly to do with the broader business environment that comes out of things such as taxation.

Were you to close that gap, you would add £40 billion to the economy of England alone, and we know that Wales, Scotland and Northern Ireland have similar issues. I would suggest that it is that £40 billion that could solve a lot of the social mobility problems that we are talking about.

We are talking about all the good things that come from economic growth: a broader suite of better-paid jobs that allow people to climb the ladder and get that promotion, to go to the other business in the next town along that pays a bit more and, therefore, to afford a better house. There is then all the money that flows through the economy because of that economic growth.

If we can systematically identify and remove those barriers to productivity-related growth in rural areas, I am absolutely certain that many people, including the ones the professor was referring to, would find it much easier to achieve that social mobility and get on in life.

Kerry Booth: I would just like to add that, while it is important in all of this that we measure the data around what grades our young people are getting, whether they go to university and what their opportunities are, we also need to look at the infrastructure that we have to support that process. At the moment, rural councils are underfunded compared to urban councils. Urban councils are getting 40% more in government-funded spending power per head than rural councils.

That leaves them with less resources to be able to support their communities, so they do not have as much money to spend on public transport. They do not have as much money to spend on supporting that local economy and on helping their most vulnerable residents. We need to measure some of the systems and processes that we have in place to support this social mobility, because, at the moment, we are focusing on big clusters of deprivation.

That is where the money is going, and it absolutely is important, but we must not forget the people who are living in deprivation and poverty in our rural communities. There might not be huge numbers of them grouped together, but they are absolutely just as important as those living in our big cities and towns.

Sharon Payne: I would like to draw the committee's attention to something called transport-related social exclusion. I will give due credit to Transport for the North, which has been leading on this work over the last couple of years. That means that transport issues have a fundamental impact on everyday life and significantly limit meaningful participation in society.

There are just over 11 million people who experience transport-related social exclusion in England. In the last five years, this has increased by 14%. One thing that I think is really interesting is that, in 2019, when the baseline was set, transport-related social exclusion was mainly in urban centres. In the last five years, it has moved from urban centres to rural, less densely populated areas and, in particular, coastal areas. That is an increase of nearly 1.5 million people over the last five years who are now experiencing exclusion because of transport.

The Chair: They are quite sobering figures. Thank you for those.

Kate Smith: I have a few housing facts to add to the data question. Putting it into the context of what my colleagues here have said, only 9% of homes within villages are affordable, which means that the lack of affordable housing drives away skills from rural areas, in effect. There are real challenges for local businesses. In 2022, around 30% of rural firms said that they could not find the appropriate skilled staff to enable their small businesses to thrive.

If I put my own context on that, as an employer of 550 people, we struggle to get a number of jobs within the countryside, and yet, at the same time, we are hugely oversubscribed for apprentices for our trades roles. I am very pleased that we were able to double the number we took, but we were 10 times oversubscribed for that. The rest of those young people went to local towns and cities, and across county borders, to get their apprenticeships.

Q142 **Baroness Hussein-Ece:** I just wanted to pick up Kate Smith's point on affordable housing. Nine per cent is very low. I wonder whether that is because local councils in those areas have never really built council housing, as has happened over many years in urban areas.

Kate Smith: It is a challenge that there is not as much historic legacy stock available within rural communities, but it is also a challenge over time. The stock that is there is the older, colder homes. At times, they have been sold. Also, as we know, right to buy has affected a significant number of properties that have not been replaced.

Lord Ravensdale: Ms Booth, you mentioned the importance of rural data collection as well as what we do in our big cities and communities. Going back to the second part of my question do you have any thoughts around how data collection could be improved to gain those greater insights into rural social mobility?

Kerry Booth: For some figures, it is important to look at what the rural split is. We collect a lot of data as a country and as a Government. Lots of information is there, but are we looking at it to ask what impact this has on rural areas? It is also about having some insight into figures. We know that unemployment in rural areas is generally low. That is brilliant—great, job done—but lots of people are in low-wage, seasonal employment and doing maybe two or three jobs to make ends meet. We need a greater insight to understand what that figure means.

It is about not just having one or two measures that we want to look at, but looking at that whole picture. In rural areas, it is complex. It is the lack of housing. It is the lack of connectivity. It is the lack of transport. It is all these things combined. Just looking at one area does not help us to understand that true picture, but just starting to publish and look at figures from a rural perspective would be a start.

- Q143 **Lord Watts:** On the housing issue and the ability to do things, many rural areas have wealthy people in them, and they have poor people in them. The rich people often do not want more social housing in their area, and the councils often block the development of housing. Also, they often keep the council tax low, rather than have a higher council tax to address the problems there are in their community. Is that a fair description of some?

Kate Smith: There are a number of things in there that lots of people have lots of opinions on, Lord Watts.

Lord Evans of Rainow: We are interested in facts.

Kate Smith: What I would say is that my experience shows that it takes longer to get planning permission in local areas, and there is often an awful lot of opinion within local areas. The challenge from a housing perspective is that you are often looking at smaller plots of land than in urban areas. Therefore, Section 106 requirements do not necessarily play in the way that they do in urban areas.

If I look at the sites that I have, it can take about a third longer to get those through the cycle of development than sites when I worked in an urban organisation. That is simply because everything takes slightly longer. I have a huge ask from a number of the councils that I work in for the delivery of affordable housing and for that to speed up, and I need the planning association to help me with that and to get it through more quickly.

Jonathan Roberts: There are a very large number of landowners across the country who would love to build some more affordable housing on their farms and estates, but they are unable to, because we are talking about five, 10 or 15 homes rather than the 1,000 or 2,000 that many planning authorities want or need.

My view is that we desperately need to move towards an attitude of what I would describe as a small number of homes in a large number of villages. Pretty much every village in this country could not just happily but easily adopt another five, 10 or 15 houses. What happens when you get that? You do not get any impact on house prices locally. You do not get a major change in the community or anything like that. What you do get is more customers for the pub, more customers for the shop, a greater congregation for the church, and more children going to the local school. You get more vibrant communities that way.

Dare I say, in the community that I am from in North Yorkshire, this is exactly what has happened. When you plonk 1,000, 2,000 or 3,000

homes into a village or small market town, you change the nature of that community for ever. Very quickly, they become dormitories that are soulless and where people do not really want to live. If we can move towards that different way of thinking and of approaching it, where housing is a vehicle for economic growth and community cohesion, we will be in a much better place.

Lord Watts: You did not mention social housing. There is a difference. I am sure that plenty of landowners want to build houses, but they do not particularly want to do social housing, because the profits are higher. That is why.

Jonathan Roberts: Forgive me, but that is not my experience. You might, in a small development, need one or two houses at market rate to make it work financially. Time and time again, CLA members tell me that they want to see the community thrive. They do not want to lose those skills from local people who are being forced away because of unaffordable housing.

Oftentimes, they know the children of Mr and Mrs Smith down the road, and want to keep them in the village. Also, they want workers for their own farms and estates, whether it is in agriculture or in the increasing variety of diversification businesses that they are running, so the wedding venue, the energy production, the holiday business, or whatever it might be. It is my experience that many, if not most, landowners want a high degree of affordable housing provision within the allocation that I am describing.

Kerry Booth: I have a quick point on funding. Those rural councils that have been underfunded for a number of years have had to increase council tax to balance the books. It is the only way to deliver those services that cost more to deliver in rural areas. This year alone, council tax in rural areas is 20% higher per head, on average, compared to urban areas. We have working families living in our rural communities who are paying more for their council tax than those living in our cities.

Kate Smith: Just to pick up on the affordable proportion, if each village of under 3,000 homes in this country built six affordable homes, you would get 50,000 affordable homes within a very short space of time. I would agree and disagree with Jonathan on the balance of affordable and private. It is very much about what that particular landowner wants to do with that piece of land. The challenge is finding land within villages where you have planning restrictions, and finding rural exception sites.

From the point of view of policy and future policy, we welcome the new affordable housing programme that has been announced. We hugely welcome the investment that the Government are putting into housing, which they have announced in the last few days, and the housing bank.

To pick up on Kerry's point, there is a need to not forget rural within that, because 1.5 million homes is a very big target that you can get to by putting 1,000 homes on the edge of a village. I need to build four homes

in a small village called Diddlebury, because there are now only six pupils in the school. For me to fight for that money, I need the landowners to join with me. I need the local councils to help push through rural exception sites, perhaps just outside the development boundary of the village, in order to provide those few affordable homes within the numbers that you are talking about, Jonathan.

Q144 **Lord Hampton:** In the very good briefing, there was talk about remote working being a threat, as people can move into rural areas, perhaps with much more highly paid jobs, and take up housing for local people. Is there an opportunity for locals to work remotely and stay put?

Kate Smith: I would say that it is a double-edged sword. You are absolutely right that it gives people in more highly paid jobs who no longer want to commute to London, for example, the opportunity to live a rural life. We look at it very much as an opportunity to retain people within the countryside. We very much see a brain drain out of rural areas because of the lack of affordable housing.

It really is a double-edged sword. It puts pressure on house prices, absolutely, and on availability. It is something that I am trying to use to enable us to fight for more affordable housing and to keep those roles within the countryside. As a local employer, it can be a real challenge, because I need electricians, plumbers and social workers, in effect, to be able to afford to live within the area that I cover.

Remote working enables people not to have the expense of driving, which is a significant issue, and still work within their local community. It really is a double-edged sword, and there are pluses and minuses, certainly from a housing availability perspective.

Sharon Payne: Looking at the data that we have for the east of England, fewer people in our region are able to work from home than the national average, because of the type of work that is available to them. North Norfolk in particular is a very lovely part of the country, but less than 38% are able to work from home.

Referring to what Kate was saying about the types of jobs that are available across the country, not just in the Transport East region, we have a very ageing population. Recruiting and retaining people in the care sector is a real challenge, because of the rurality of the care needs, the low-paid roles that are in that, and the fact that you have to own a car to work in the care sector in a rural area. Unhospitable hours, working late at night and driving long distances are real issues. We will not be able to look after people in our region in their own homes.

Professor Ruth McAreavey: I really agree with what both Kate and Sharon have said. Not all work in rural areas is suitable for working remotely, because you need to be on a site or working hands-on. Even if it were appropriate, broadband and internet connectivity is really challenging for some rural communities. That would hamper the ability of some individuals to work remotely in those more highly skilled jobs.

Jonathan Roberts: If we were really thinking out of the box here—this thought has only just occurred to me—a lot of people are already looking back on their move to the countryside after Covid with a bit of regret, not because they do not enjoy the lifestyle, but because their employers are increasingly demanding that they go back to the office. Gone are the days of one day a week or one day a month. “It is now three days a week and, if you don’t like it, you can leave”. We are seeing that being enforced by lots of large and smaller employers in the City.

Putting aside the destabilising impact of that for the moment, some people who have moved to the countryside have already made their way in the world quite successfully and bring to the countryside a range of skills that were not previously there. They may well bring with them an entrepreneurial spirit. We know that people in the countryside already have an entrepreneurial spirit; they have always had to have that.

Allowing those people, who may be thinking, “I don’t want to go back to London. That is just not how I see my life any more”, to set up their own businesses and scale them locally, in situ, maybe taking office or commercial space nearby, and encouraging that to expand, might benefit the whole economy, rather than just having this yo-yo effect of moving to the countryside and then having to move home because, “The connectivity doesn’t work and my boss doesn’t like it”.

Q145 **Lord Young of Cookham:** As a former Housing Minister, that was a really interesting discussion on housing. Can we go back to the discussion about job opportunities, which we heard a bit about earlier? All the information that we have had is that, if you want to promote social mobility for young people from a disadvantaged background, getting them into employment is absolutely crucial.

The evidence that we have is that 66% of 18 to 24 year-olds living in rural areas want to leave. On the other hand, 89% of businesses in the same area complain that there is a limited labour pool. These young people are probably living at home; it is not unusual nowadays for 18 to 24 year-olds to live with their parents. What is preventing those young people finding the jobs and the 89% of businesses—not all agricultural businesses, but a broad range—employing the local young people in their area?

Professor Ruth McAreavey: That is another big question. It is really complicated. There are a number of issues there. One of them, which I touched on earlier, is the fact that young people might not understand the career opportunities that are available in the rural economy. It has become quite diversified, especially with some of the new enterprises around the green economy.

At NICRE, we developed a case study looking at this. The employer, in the south-west of England, talked about how they go into schools to explain to teachers and students the opportunities that exist in the local economy. They have found that to be quite helpful for making that

connection and bridging that gap that you talked about. There is a knowledge issue there about the training opportunities.

If we flip it on to the other side, careers guidance and advice, in some contexts, is probably lagging behind the reality of what rural economies offer. In some research that I led for the Food Standards Agency, a lot of small businesses in the agri-food sector talked about how there was a lack of knowledge about the jobs and the skills levels that were needed in that economy. There is something there around just bridging that communication issue.

To address this, in addition to developing careers and making sure that schools and education providers understand the local economy, there are opportunities there to think about accessible internships. We know that young people in rural areas struggle to access internships, for a variety of reasons. They may not be able to afford to access them, or there may not be the transport to get them there, so there could be some opportunity to subsidise or work in partnership with SMEs and to develop that.

There could also be some packages and training or mentorship for small businesses just to help them recruit and communicate to the labour market. Our research has also shown that small businesses often collaborate around recruitment, but it is a massive barrier to developing the rural economy.

Lord Young of Cookham: Does any member of the panel have an idea of how you tie up all these loose ends that you have just mentioned, so careers guidance and all the rest? Should there be an overarching organisation that does exactly what you have been talking about? Anyone can have a go.

Sharon Payne: If I can come in from the transport perspective, we found two things from our research. One was that, if a job was too far away, young people would discount it automatically as being inaccessible to them, or they would start a job and then find that the transport was too demanding on their time. They would have concerns around cost and safety. Personal safety in particular is a concern young people. Also, over the last five years, the main reason that young people are not learning to drive is because of the cost of driving. I know that there are issues around accessing driving tests as well.

In our research from a couple of years ago, we found that there are many SMEs working and operating in rural areas. They all operate independently. They do not really have a collective idea of how to get their employees to work. There are some good examples. Where I live, there are a lot of chicken factories, and what some of them do is commission their own transport services. They know that, for somebody working in their processing factory who starts at 6.00 in the morning, there is no public bus that goes there at 6.00 in the morning.

There are some quite entrepreneurial businesses out there that can match up things such as coach capacity. There is huge capacity in the

coach industry to move people around. There are organisations that will offer these services, but, if all these businesses came together, they could provide their own services to move people around, and there would be less pressure on local councils to subsidise bus services through these organisations.

The Chair: I would like to press the panel on Lord Young's question. Come back to us later if you think of it, but what frameworks do we need? Ms Payne, you have mentioned one. We have heard a lot about the problems from a lot of witnesses. In our recommendations, we are hoping to suggest, not as solutions for the whole country, some things that might work in terms of structures and so on. If you do not have an immediate answer now, it would be helpful to hear it later on.

Lord Young of Cookham: Are there any other thoughts?

Kerry Booth: I was just going to say that, for our young people going into entry-level jobs, wanting to move away from home is a big deal. If there is a lack of affordable accommodation locally for them, that might limit their ability or their desire to do that. We have certain areas of the country with a real lack of long-term rental properties, particularly those in our tourist areas.

For our young people, who do not always want to live at home, moving into a city where they can access that kind of rental property with their friends for a cheaper rate is more desirable than living in those areas. We need to make sure that we have ways in the planning system, as well as perhaps looking at our short-term rental market, to manage that process, so that our rural communities are still places where people can afford to live.

Jonathan Roberts: I might dare to challenge the premise of the question, almost. It is understandable that we might talk about more state structures to help solve problems, whether it is subsidising this or having a state-sponsored organisation perhaps to guide people in their careers, but I have more of an attitude of, "If you build it, they will come" to this.

so many employers across the rural space are being held back, unnecessarily and artificially, from investing in their businesses, thus creating good new jobs, and getting big enough as employers that people can get promotions and rise up the ladder internally, thus achieving social mobility.

Just as an example, 70% of our members last year told us that they had withheld planned investment in their business, either their current business or any diversification ideas that they had had, simply because they had no faith in the planning system whatsoever. They knew that this good idea that they had for another local business would be so stuck in planning for so long, and would become so expensive, that it just was not worth it. Jobs are going uncreated as a result, which would be found by the local market were they to exist. A further 50% are pulling investment

at the moment because of planned changes to inheritance tax, and that number will only go higher. Again, jobs are not being created.

We are talking not about what you might call teashop jobs—and good luck to anybody who does those minimum wage jobs—but about skilled jobs, where you are provided with some qualifications on the job that allow you to rise up the ladder. If you choose to stay with that employer for a long time, good for you, but it gives you the opportunity to then find employment with other comparable employers.

I really do believe that, if we focus on economic growth, and encouraging and allowing the private sector to grow, many of the problems that we are talking about here will be fixed.

Kate Smith: Just to pick up on whether there is a structure, body or framework, there is more an encouragement to partnership and a push for the existing structures that are there to work better. For example, we are working with Shrewsbury College, where some of our apprentices come from. We have given them a house, basically, to practise on. It is a house that we know we need to do an awful lot of work on. We have managed to free that up, give that to students and say, "Go and practise your skills on that property".

We know that we are then going to get apprentices enhancing their skills. Shrewsbury College does not have to go and finance that itself. We are taking the financial hit on the void loss from that property while the students do that. We have done that through partnership working and thinking slightly outside of the box with Shrewsbury to provide an opportunity whereby those young people do not have to go somewhere else to learn the skills.

From my perspective, I would say that we need to push the partnerships that are already there rather than create another body that may just add to the administration burden of the local authorities that are strapped for cash.

Professor Ruth McAreavey: I would endorse what Kate said. Rather than creating a new structure for which there is no need, we need to recognise that local communities often know their communities best and can identify solutions that will challenge and deal with some of the issues that they are facing.

Q146 Baroness Garden of Frognal: We have already touched on this, but how do the educational opportunities for young people in rural areas compare with those in urban areas? What barriers do they face? Again, we have already touched on that. What, if anything, can be done to improve the opportunities for NEETs, so young people who are not in education, employment or training? I am passionate about craft and there are some amazing rural crafts that are disappearing because young people are not going into them. Is there anything that can be done to enhance those sorts of areas of employment?

Kerry Booth: I do not know whether I have an answer on crafts, but, generally, our young people in rural areas are getting a school bus to school and home again. It will leave school when it finishes, which means that they are not able to take part in sports clubs, drama, performing arts, music or volunteering opportunities, because, if they miss that bus, there might not be another one.

My son finished his GCSEs this week. His school has been brilliant. It has put on booster sessions every day since January. Therefore, he misses that school bus. My husband and I have made a commitment to pick him up, which is an hour's round trip for us, every day, because we want to give him that opportunity. The school has said that it is important: "This could boost all of your exam grades by a grade".

If you do not have a parent who is able to do that, you are really missing out, not just on the educational opportunities, but on all those other skills that you learn as part of clubs at school or volunteering. There is an issue there. We can get our young people to school before the age of 16 and get them home again, but they do then miss out on other opportunities.

Baroness Garden of Frognal: We were also hearing that this idea of breakfasts at school could be useless for a lot of rural children, because their buses will not get them to school in time for breakfast. Some of us were suggesting that it would be much better to have lunches, when the kids would definitely be there, than this emphasis on breakfasts, which half of the neediest kids might not manage to access. I do not know whether that is another factor.

Professor Ruth McAreavey: We have already talked quite a lot about employment opportunities, so I am not going to repeat points that have already been made.

There is another issue here. As a society, we need to start valorising vocational pathways of employment and recognising that that is a legitimate way for individuals to make a living. It has equal weight to those who go down the academic route. For a very long time in this country, we have perceived university education as something that is superior to vocational training, and I say this as somebody who teaches in a university. There is equal place for both of them. Countries such as Germany have very good vocational training. That could be useful to help unlock some of that talent pool in rural areas.

Sharon Payne: We have just done some research, where we spoke to 1,000 young people in our region. It is amazing that they offered up their thoughts to us. These were 16 to 24 year-olds, so they fall out of the school transport policy provision but are required to stay in education. We found that they often do not get their first choice of where they want to go. They are not choosing the courses that are perhaps their dream courses, because they are looking at the transport. The transport is saying to them, "You can get a bus to here, but not to here, so you can choose the second best".

When we spoke to the further education colleges and the sixth-form colleges, some were saying that, because they are now quite often multi-site, they have to replicate their courses. They are spending more money providing the courses at multiple sites, because it is the only way that they can teach those courses to their students, for whom transport is such a big issue.

Baroness Garden of Frognal: That is really interesting. Thank you.

Q147 **Lord Evans of Rainow:** This committee has to do a report on social mobility. In this case, it is the rural areas. As Professor Ruth has asked, what do you mean by "rural"? There are so many areas. Jonathan, it sounds like you live in a community similar to mine, where a small number of houses can make a massive difference to the children of the residents there. They get jobs that support the rural businesses.

Where I live, we are 13 miles from my doorstep to downtown Manchester. A 10-minute drive to the train station is a 20-minute journey into downtown Manchester. That is in east Cheshire. In west Cheshire, similarly, you can be in a rural area with a short drive to a train station that gets you into Chester or Greater Liverpool and Merseyside. There are so many opportunities for rural people.

If you go into the centre of a county such as Cheshire, you have areas where, as Kerry talked about, there is underfunding of local authorities. Having worked for 20 years as a local authority councillor in Cheshire and as an MP, the poverty, as you mentioned, in rural Cheshire is just as bad as, or worse than, anywhere in urban areas, so we have those real challenges.

We are about social mobility. What analysis or data do you have on access to post-16 colleges? Is there any analysis of wages for those post-16 people who do not go to further education colleges to see what their earning potential is, out to the age of 30? You mentioned not going to university. If they do not go to university, they do need some form of training. Is there any analysis of that for rural areas?

Professor Ruth McAreavey: I am sure that there is, but I do not have my fingers on it, so I am not going to pretend that I know that data.

The Chair: If any of you does have any, would you share it?

Professor Ruth McAreavey: Yes, for sure. It must exist.

Q148 **Lord Watts:** I do not know about the issues, but, in urban areas, bus regulation allows the local authority to dictate the services that are provided in the community. Is that happening in your rural communities? Is that not going to help provide services that are much needed?

Sharon Payne: The bus services Bill has had its Second Reading. It will allow non-urban or non-combined authorities to franchise their own services if they want to. In our region, it is a mixed bag, because there is a huge amount of current funding already going towards home-to-school

transport and special needs transport. The call on adult social care budgets in local authorities takes precedence in that.

Within the bus services Bill, there is a line around socially necessary services. Anecdotally, that could be one person in a community who needs a bus service, and the local authority would then be required to provide some level of support to them. What we are seeing, though, is the opportunity, with all the conversations that are happening around buses at the moment, for local authorities, and their partners in particular, to be a lot more creative around the way that they commission services.

The franchising element might allow different models of delivery, for example the use of taxis, or the better use of assets owned by other partners, such as school minibuses working during the day. Home-to-school transport buses providing services during the day would help, for example, non-emergency patient transport, which is owned and managed by the NHS in local areas.

There are opportunities coming forward. We need to make sure that local authority commissioners are very much supported and emboldened to make those choices.

Q149 Lord Johnson of Marylebone: This question is for Sharon Payne in the first instance, but others may want to come in. You have already touched on some of the general issues facing rural communities with respect to transport. Given that it is in the news today, I wanted to ask about the ever-mounting cost of HS2 between London and Birmingham. It is now £37 billion over budget, much reduced in scope, so not going directly to the north-east, and running a decade behind schedule.

Do you fear that it is crowding out investment in targeted regional transport schemes that could do much more for social mobility by improving everyday access to employment, education and services in less affluent rural areas? If you were Secretary of State for Transport, or, indeed, Prime Minister, what would you do about it?

Sharon Payne: That is a very big question. As a regional transport body, we would always say that we would like more investment in our local transport networks. In the east, we have a commitment to the lower Thames crossing, which will open up a huge amount of potential in the south of our region.

We have challenges in particular around East West Rail. North-south connectivity is generally better, but there has long been a campaign led by our members to open up the opportunity from east-west rail as well. This is about not just getting road traffic on to the rail network and freeing up roads, but the amount of employment that would happen in those areas.

We also have a number of freeports in our region that would benefit from improved transport links, and thus also the employment opportunities to do that.

I am not sure what I would do if I was in charge, but I can see that there are things such as efficiencies in procurement and better collaboration. We are going through devolution and local government review in the east and across many parts of the country over the next couple of years, and we would like to think that this will provide an opportunity to look at how we plan and deliver more regional and less localised transport schemes, so that we can open up that opportunity and get jobs into our rural areas as well.

It is not just about buses and rail. There is a big call for better investment in walking and cycling in rural areas as well. The current way that transport is appraised, the Green Book, does not necessarily benefit transport appraisal for rural schemes. There is a lot around social value and how we can prove that. It is very difficult for rural transport schemes. If we could have different mechanisms for assessing transport and how we invest into rural areas, we would have much better long-term outcomes for rural residents, which would impact on the rural as well as the more urban economy.

Lord Johnson of Marylebone: Does anyone else from the panel want to come in on the crowding out of more valuable local schemes?

Professor Ruth McAreavey: The only thing that I want to add on the transport question, which we have not really touched on so much, is the whole partnership approach and the role of the community and voluntary sector in providing innovative solutions and helping to think about rural transport in different ways. The urban model is not applicable, and we do need innovation and agile solutions. I know that some community action organisations across the country already run on-demand services. That is through the community, and that is the way that we need to think about rural transport.

I really agree with that issue about paths and cycling. We did some research in the north-east. It is a really important aspect of social mobility, because it influences well-being, but individuals were not using some riverside paths because they were in a poor state. They just had been disinvested in, and the same was true of the river. That is a question for national government in terms of investing in infrastructure.

The Chair: I will just point out to everybody that we are two-thirds through this session. We thank you for your patience in dealing with our questions in this heat. Behind that is a wish that we keep it succinct.

Q150 **The Lord Bishop of Lincoln:** It is very good to have you here. I am responsible for over 600 church communities across Lincolnshire, in a largely rural setting, and I am very conscious that I am an observer and a part of partnerships of local business, community and the voluntary sector in seeking particularly to improve the opportunities for young people across the county.

I would like to hear what you think is the impact of local partnerships with the voluntary and community sector. I was the president of

Cambridgeshire ACRE for some time, which is part of the RSN, and I saw a real impact in terms of support for parish councils doing stuff to build up community life and especially opportunities for young people. Could you talk about these partnerships and how they might be deployed even better?

The Chair: I suggested succinct, but not silent, please.

Kerry Booth: The role of partnerships in rural communities is really important. We are seeing more local authorities that are unable to deliver some of those discretionary services, so they are being taken on by town and parish councils, which are often delivering them in partnership. While that is fantastic, we do not want to just rely on the fact that, in rural areas, they will make it happen anyway: "We don't need to fund it because someone will come forward and do it on a voluntary basis". Our volunteers in rural areas are an ageing population, and we need to think longer term about the future sustainability of those services.

We are seeing some really good examples of that. We are seeing libraries working with banks. There is some work going on in Suffolk at the moment, where the bank is doing drop-in sessions in the library on a certain day of the week, so that people can come and find support to manage their money, grow their business and that kind of thing. That is because we are seeing banks close on our high streets. Partnerships are being formed to find solutions for some of those other problems that we have. They absolutely are an important part of rural life.

Jonathan Roberts: Around 60% of CLA members are doing something to facilitate these partnerships. Collectively, that is doing about £8 billion worth of good a year for the economy. It is a whole variety of things. It could be installing broadband for the village. It could be providing facilities locally for local church groups, school groups or youth groups to use for free.

The fear that I have is that, as their businesses become harder to run, something has to give and they end up pulling back a little bit on the outright generosity or start charging something for it. Those partnerships, which have been working so well, are the lifeblood of rural communities. This idea that the state is not riding in on its horse to come and help us, but we are in this together, is a really important and wonderful part of community life that we do not want to lose. It comes back to the business environment. You can have those sorts of interactions only if the people who are running them are able to provide those resources.

Q151 **Lord Harlech:** As a committee, we went on a visit to Blackpool, which was really enlightening. The visit was built around visiting the college there, which does post-16 education. It has incredible facilities. One of the most interesting sessions was after that. It was really down to charismatic individuals gripping the issue of NEETs and what happens to those people who have done really well. They have worked hard to get an apprenticeship, but the job offer just has not been there. They have been timed out.

This group of local employers, the college and local council has come together. They have youth advocates. There is just a personal determination to drive this thing forward. As you said, Kerry, the data is there. It is just quite spread out. It has taken these individuals to bring it together, mould this thing and drive it, and now they are seeing results.

What this committee has seen a lot is that, while the problems of social mobility are the same everywhere, the characteristics are very different and one size does not fit all. How can we use what I am going to call the Blackpool model to engage with key stakeholders, so that it is coming from a local angle? They know the people. They know the issues. It is just a case of pulling people together. If a school cannot afford a careers adviser, businesses go into schools.

The Chair: This is part of the same question on partnerships and, as Lord Harlech said, we saw some encouraging things in Blackpool.

Professor Ruth McAreavey: I will try to be as succinct as possible. There is a lot there. The partnership thing is really important. Partnerships run rural England. We saw this during the pandemic, when they stepped in and provided digital support to help kids from low-income families with their homework, as well as delivering medication to isolated older people. That is organic and emerges from within the community, but these organisations do need support. We cannot just rely on volunteers, because the point was made about the ageing population.

If you come to the north-east of England, in Northumberland, we have warm hubs and employability hubs that are run by Community Action Northumberland. They are trying to get into the very local area and do exactly some of the things that you have just described, but that has been designed from within the community and in tandem with the different partners coming together.

Community ownership can be really powerful for developing the local economy and helping with social mobility. I am a trustee of Plunkett UK, which advances and promotes the ownership of community assets. Pubs, shops and hubs can be really powerful bodies in helping to support different individuals within a rural context.

Finally, partnerships can be really powerful for developing community-led housing in a rural context. There are different examples from across the UK of community-led housing projects, which deal with some of the affordability issues that we talked about. They can do lots of things.

Sharon Payne: Can I just come in with an example that is happening across the country? This is a piece of work that came out of the Chief Medical Officer's report on coastal communities from two or three years ago, led by Lord Patel of Bradford. It is around inequalities in coastal communities from a health perspective. They have six pilots across the country, where they are looking at different types of inequalities in coastal communities and how to work with them.

It is very much around using and creating local partnerships so that young people living in those areas can benefit from a partnership approach. Nineteen integrated care boards across England have specific coastal health inequalities, so they are looking at how they can create models that work and can be replicated by other partnerships in other coastal communities.

The Chair: Lord Young would like to apologise to you, but he has to go and take part in question time.

Jonathan Roberts: Only one in five rural teenagers is able to undertake work experience in the way that any of us might normally understand that term. It strikes me that, in any given rural community, whether it is a market town or a small village, there are residents with a range of skills between them. These skills are, of course, of benefit to them and their families, but could be of good use to the broader community, particularly to young people coming up.

I can think of an exercise that we did on the school governors' team, of which I am a member, where we looked at all of our skills collectively and figured out how we could apply them for the benefit of the schoolchildren. In my case, I am able to put the school together with farms and individuals who were doing very good environmental work, for example. Lots of other individuals in our community were able to do their equivalent of that.

I would like to see much better schemes. Perhaps a template structure could be designed by somebody with a real understanding of this to say, "This is how we think that you can help. This is how we think that you can identify people with skills and make sure that local people, particularly children, are able to gain access to them". That can then be offered to, for example, parish councils and other community bodies, so that they have, if not work experience in that traditional sense, access to people who have skills that could be of interest to them, while enabling those people to have a bit of exposure and get on to that first rung on the ladder.

Q152 **Lord Evans of Rainow:** If you listen to any politician or any Government, access to the internet for the digital economy is so important for the 21st century. Smart meters require access to the internet. The cost of household heating, et cetera, is very high for some of the most vulnerable in rural communities, yet you get the best deals if you have access to a smart meter. If you do not have internet access, you do not get access to a smart meter. Therefore, you do not get access to the best deals, which is unacceptable, quite frankly, for rural areas.

Could you outline similar connectivity challenges faced by rural areas in relation to the internet, mobile phones, computers and, indeed, smart meters? More importantly, what can be done to get to what appear to be hard-to-reach rural communities? You mentioned connecting villages. If you can do that for certain villages, why can we not do it for others?

Jonathan Roberts: The final mile is always the big problem. Only 63% of SMEs in rural areas have full-fibre broadband, so that is holding them back straightaway. Some of those businesses are still operating from the kitchen table, although many are operating from commercial premises nearby, and that puts a limit on what they are able to do, for a number of reasons. One is that they are not able to communicate fully in the way that urban businesses are. It limits their scalability as a business, because they might just about have enough internet access for one or two computers in the office, but, if you start having 10 computers in the office, the whole thing collapses, so they cannot do it.

There is a range of things that can be done. It starts, funnily enough, with partnerships. It goes back to the previous question of working much better with all interested parties. What I would say is that it has just fallen down the agenda in government departments, given that so many other things are going on.

Lord Evans of Rainow: Which government departments?

Jonathan Roberts: DCMS, largely.

Lord Harlech: We had Project Gigabit, did we not?

Jonathan Roberts: We have had Project Gigabit. Good progress has been made. I am not one of those people who say that there has not been good progress, but the one lesson from the last five years is that you need laser-like focus from the Ministers in charge to keep those who are responsible for the delivery on track.

Lord Evans of Rainow: I remember, 10 years ago, Connecting Cheshire, which has made lots of progress, but, like you say, it is about the final mile. There is technology where airdials can help rather than cables, but it manifests itself when we have a crisis in energy costs for some rural areas and for the most poverty-stricken in those areas. It manifests itself when the rural community still is not connected, because it cannot get the smart meters. What could this committee recommend, in this instance, in terms of connectivity? You mentioned DCMS. Is there something more robust than just a government department?

The Chair: Before you answer that, Kate Smith had an observation. We can then come back to Lord Evans's recommendation.

Kate Smith: I have an add-on from Jonathan's stats. According to Ofcom, 69% of rural premises have 4G indoors versus 90% of those in an urban area. I can speak from my company's perspective. We only get 3G indoors in our head office, which causes us significant issues on a fairly daily basis.

Going back to what the Government can do, or what you can encourage them to do, it is that continuation of just ramming home the message that connectivity counts and makes an impact. If you are a child doing your GCSEs—as you were talking about, Kerry—in one of the properties

that I have, you are probably on 3G, not even on 4G, and certainly not on superfast broadband, fibre, or all the other names that they give it.

External aerials can really help with that. One came down in Craven Arms, where our office is, over 18 months ago, and it is still not back up. Then you have the Shropshire Hills in the way and you are not getting anything when you go beyond that. It is the continuous banging of the drum on the message that connectivity counts in all areas of life, not just business or education.

As a teenager in the area where my properties are, if you want to go to the cinema, you have to make a massive effort. You have to be able to afford a car. There is no public transport, et cetera. You cannot watch a film at home if you cannot afford broadband, and there is not the connectivity.

Kerry Booth: Just to add to that, the important thing is that we measure what is happening in rural areas. I have sat in meetings recently where we have said, "The Government's target is that 85% of the country needs to be covered by gigabit broadband". We are almost there, so great, but, in rural areas, we are at 54%. It is about not just having a countrywide target for these things, but looking at, "In which areas are we nowhere near that? How do we support them to achieve it?"

Project Gigabit is making great strides. It has not yet reached south Devon, where I live. The Shared Rural Network is making big improvements, but we need to keep measuring what is happening in rural areas, because we still have 10% without that superfast broadband. It is almost like a minimum standard that you need now to be able to pay your bills or do homework online, or to access smart meters, but you might still be on oil and have no chance of getting a smart meter for that. These are really important things that we need to be looking at.

Kate Smith: It needs to be looked at almost as a utility.

Professor Ruth McAreavey: Yes, and as a basic human right, because we cannot function and do our basic things without it.

Q153 **Baroness Hussein-Ece:** We got into a very good and very useful discussion on housing right at the beginning, but it is such an important issue that is really worth exploring a bit more. This question, directed at Kate in the first instance, is about the relationship between housing and rural social mobility, which you have touched on. What role can the Government play? How can local and central government work together to address rural social mobility?

We talked about the paucity of affordable social housing. It just occurred to me in the discussions that we have had about creating live-work accommodation, and those kinds of spaces that we see more in towns and cities, which have been very successful in helping people to have space in which to work and live as well. That is one of my ideas, and I am very interested in your views.

Kate Smith: I am conscious that we have touched on housing in a number of aspects. If I go slightly back to the beginning of the ask for data in terms of a few stats around rural housing, a sixth of the UK population lives in rural areas, but waiting lists for housing in rural areas are significantly longer and higher than in urban areas. Waiting lists in rural local authority areas grew by 19% between 2021 and 2024. In urban areas, they grew by 12%. That increase in households has been an additional nearly 36,000 households in rural areas with an ask for affordable and social housing.

Homelessness within rural areas is also growing at a significantly higher rate than in urban areas. The number of households who are homeless in urban areas rose by 0.1%. In rural areas, it rose by 0.7%. The figures continue to grow in rural areas.

Although there has been delivery of affordable housing, with about 8,500 new affordable homes being built in rural areas between 2020 and 2024, that is only a quarter of the need. It is important that the data is there for the committee to consider, and we can provide this to you in more detail afterwards.

In terms of the play between local and central government, the whole of the housing sector welcomes the announcements that have been made this week. It will make a huge difference and enable us to really kick-start investment in the existing properties that we have, as well as the additionality. From a rural perspective and in terms of the impact of some of these things, there needs to be an understanding within central and local government of the rurality premium that is on everything.

The challenge is that it costs me about a third more to build a house in a rural area than it does in an urban area, because you can build 10 flats fairly easily and provide 10 properties. It is very difficult for me to do that in a rural area. There needs to be an understanding that a strategic partnership for rural housing associations and developers on the same footing that there is for some of the large urban development projects would make the provision of those homes easier.

In terms of keeping the local and central government connection going, the challenge around the planning targets that local authorities have been given, which they are taking on—I had a meeting yesterday with Herefordshire Council—is that it does not create available land anywhere. The ability to be flexible and agile around how that money is spent is really important, because just pouring it into a hopper and carrying on with big 1,000-home sites where developers have a Section 106 requirement is not going to fix the problem in rural areas.

Another positive about the AHP announcement is that it is for social rent properties. The devil will always be in the detail, so we would ask the Government to involve not-for-profit housing providers such as ours in the conversation about how that programme is distributed and to make that base social rent provision a real part of their consideration. We have

had a proliferation of many types of affordable products, shall we say, and a deterioration in the traditional social rent property.

There is a particular nuance around devolution for rural areas and rural housing, because, from my perspective, there is a risk of a democratic deficit in rural areas as more and more money goes to metro areas with very loud voices, and a very dispersed rural representation risks losing out on some of that big money going to big areas such as the Manchesters or West Midlands combined authorities of this world.

If it is made more complex for me to get the funding for the two houses in Diddlebury that will keep the school open, it makes it longer and more difficult, and there is a real risk for rural communities that the funding is sent elsewhere.

Lord Watts: Just drawing down to the things that you just said, you said that it would be impossible for you to build nine flats in one of your communities. Just tell us why. What further planning reform would you need to make sure that there is land available?

Kate Smith: What I was referring to is the cost differential of the cheapness of being able to put up a block of, say, nine or 10 flats versus two semi-detached houses in one village and then another two in another.

Lord Watts: Why could you not build some flats?

Kate Smith: Planning will restrict us from the type of property that we would need to build within certain rural areas. There is that complexity each time. That is where the complexity of building rural affordable housing inevitably adds cost and delay to that, because the economies of scale that you can get from an apartment construction versus individual house production is significant.

The Chair: I do not want to close down debate, but does any of you want to add to what Ms Smith has said?

Professor Ruth McAreavey: No, I agree with what Kate has said. It has been very clearly set out.

Q154 **Lord Harlech:** Kate, you have already touched on this. The top line is, "How can government funds be better distributed across rural areas to effectively enhance social mobility?" However, we know money is tight, so the underlying question is, with that shrinking pot of money, how government funds can stimulate innovation and, therefore, growth, jobs and social mobility in the rural economy. It comes back to what Jonathan was saying at the beginning about closing that productivity gap through things such as better connectivity. There is a misunderstanding among certain sections of the press or politicians that all rural businesses are farms, which just is not true. In fact, fewer than half are farms. We are not asking for rural businesses to be given preference, but, if they had just parity with what urban areas have, we would see that productivity gap close. Discuss.

Kate Smith: Kerry probably has stats at her fingertips around rural funding.

Kerry Booth: At times when there is not much money to go around, it is really important that we distribute that fairly. We need to recognise that delivering services in rural areas does cost more. Simple things such as collecting the refuse from a terraced row of houses will be cheaper than collecting it from properties—they do not have to be farms—that are two or three miles apart in rural areas. We need to recognise that delivering those services costs more and that, therefore, we need to fairly fund those services.

It is not just about those things. It is about service centres. We might need to have more of them serving a smaller population, because people cannot get elsewhere. There is no point in having one or two libraries serving the entire county, which, on population levels, is the same as urban, because people simply cannot get to them. It is about recognising that we sometimes might need to spend more in rural areas. It is not just about value for money: "How many people did we help with this?" If we just focus on allocating funds in that way, we are going to leave all our rural populations completely behind.

We know that productivity is lower. Wages in the rural economy are lower. We need to make sure that we can grow the rural economy, and help it and our communities to thrive, because there is a lot of potential there. We have talked a lot today about some negative statistics: "This is the reality". There is lots of potential in our rural areas and for our young people. We just need to enable that to happen.

Jonathan Roberts: People are always shocked to discover that only 4% of the rural economy is farming. It is less than that, in fact, because farming, forestry and fisheries is 4%. People say, "What on earth is the remaining 96%?" It is everything else that you see in the economy. It is just that it is quite often harder to run those businesses in the rural economy.

There was something called the rural England prosperity fund, which some of you may have come across. Launched in early 2023, it was £110 million of funding, split over two years, to support rural enterprise. Funding was allocated to councils across England. There were some really good examples of how that worked in practice, and I would be very happy to give the committee some details at a later stage about both the good and the bad examples.

There were many examples, unfortunately, of money simply being spent inappropriately. We had one example of a two or three-year-old playground being ripped up and replaced with another one, just because the money needed to be spent. Had that money been spent correctly, for example on connectivity, or on helping fund the first three months of office space for a kitchen-table-housed business, I am certain that we would have seen more economic growth.

The failure of parts of that scheme was really in communication between central government and local authorities. The rules simply were not clear enough. There was no proper enforcement and not enough engagement between local authorities and local business leaders to figure out where that money could be best spent. It could be bringing local business leaders into the decision-making process, for example.

We are now seeing that LEPs are being subsumed into local authorities in many cases, but there is a lot of uncertainty as to how that will really work in practice. There need to be, at the local authority level, really pristine structures between the decision-makers and the investors, so the local businesses that have been there and done that, which can provide that advice.

That scheme was exactly what the Government should be doing, but it was implemented poorly, and we have not seen the economic benefit that we otherwise would have done.

Kate Smith: Just to add to the point on how to spend funds wisely, given the news about the government funding on housing in these last few weeks, I have a plea that there are no further layers of complexity in how that is distributed. The system through Homes England, while a bit cumbersome, usually works. There is talk of the money for this particular region going to, say, the West Midlands Combined Authority or Greater Manchester. For organisations such as mine that straddle borders, I would have one scheme for Herefordshire and another for Shropshire. It would double my costs. It would double the complexity.

An ask for simplicity in anything that the committee recommends can only be a good thing, and Jonathan's example is really wise to that.

Professor Ruth McAreavey: I would endorse that and the need to avoid overregulation and over-audit of government funds. Trust local communities. The other side of business leaders in the local economy is the social aspect of the rural economy, which we have talked about a lot today. As well as economic innovators and entrepreneurs, we have social innovators and entrepreneurs who do a lot of really valuable work that enriches the wider rural economy. Promoting the ownership of community assets can help to unlock some of that. It goes back to the point that you were making about those key individuals who are really driving forward projects within their locality.

The Chair: Before our final question, we are over time. Should you have a desperate train to catch, scuttle, but we would like to hear your recommendations in a second.

Sharon Payne: I have just a couple of points. In terms of funding, the continuation of the £3 bus fare cap is excellent for people living in rural areas who have traditionally spent disproportionately more on transport, especially those from low-income households. That is a really good example of how government funding can continue to support rural areas.

Looking at distribution, in the past, the West Midlands future transport zone and the Solent future transport zone have received tens of millions of pounds to research innovation in transport in their urban areas, and yet we have rural areas being left behind, so we could look at how we distribute that transport funding. The last Government committed only £3 million of innovation to transport funding in comparison to those tens of millions of pounds in urban areas, so that would be my recommendation around the distribution of funding.

Q155 Lord Watts: I have the last question, which is just to ask each of you to give us a maximum of three recommendations that you would like to see in our report.

Kerry Booth: For us, it would be about funding rural services fairly. You mentioned the work in partnership with youth services. That is fantastic, but there are areas where youth services are not funded, or where they are reducing, so we need to make sure that the services that our communities need are fairly funded.

For me, it is about improving digital connectivity and recognising the levels that we currently have in rural areas, and the reality of a rural mobile phone signal, which is not always as reported to be.

Finally, let us have a focused policy for our rural areas. We know that urban areas experience transport and connectivity challenges too, but when you have all those things together, so a lack of access to affordable housing, poor connectivity, poor transport and poor opportunity to find the jobs that you want, they compound to create a real sense of disadvantage for rural areas when there are no policy solutions designed to meet their needs. For me, it would be about having a rural-focused policy to meet the needs of rural areas.

Jonathan Roberts: I would start with a cross-departmental, ministerial-led delivery group at the top of government that is focused on the rural economy. One of the big problems that we have at the moment is that all the other government departments say, "This is Defra's responsibility", but Defra does not have the levers at its disposal to do anything about the rural economy. You need the right people around the right table talking about the right things, with the power to implement them.

As I have been given only three, one thing that such a committee might do is to increase the use of permitted development rights in rural areas to allow businesses to use their assets, which are largely buildings, in a way that will facilitate growth, such as converting a disused old building into commercial office space much more easily, particularly in designated areas. Another would be to make it much easier for small-scale affordable housing, for the reasons that we have already discussed.

Professor Ruth McAreavey: Affordable housing is a massive issue, but I am not going to repeat the comments that have been made. One of the issues around that is understanding and defining what "affordability" means in the local context. The technical definition of "affordability"

sometimes does not mean affordable by people working and living in the local economy.

Connectivity of all sorts, particularly broadband, is a fundamental human right and should be promoted by the Government.

There needs to be some way to shift thinking around what the rural economy and rural society is, from the deficit focus to the asset focus, and understanding how it brings benefits to wider society, as well as to urban areas. People like to go to the countryside. It has massive well-being implications and that translates into a reduction in the money required for the NHS, as has been proven by research.

Kate Smith: Two of my colleagues have already mentioned housing, but I shall mention it a third time. My first ask would be for anything that can contribute to an increase in the supply of affordable housing, such as permitted development or an increase in rural exception sites. Only 17% of those were utilised over the last few years. From a planning perspective, how can we enable the small sites that Jonathan mentioned and remove that complexity?

A recognition of the contribution of housing and construction to the economy, particularly to the local economy in rural areas, is significant. The ability for the money to go round in rural rather than urban areas would also be helpful for the committee to recognise.

Finally, the rural voice in devolution feels silent to me. The threat of the democratic deficit for rural areas is significant, and that affects housing quite significantly in the planning sense as well.

Sharon Payne: I very much echo Kerry's and Jonathan's recommendation for cross-departmental rural policy development. I very much echo what Jonathan said about different government departments and their responsibilities.

From a transport perspective, transport practitioners in particular would welcome the opportunity to develop a social value toolkit around rural transport, so that they have the tools and the evidence to better make the case for investment in rural transport. There are various social value tools at the moment that focus on individual modes, but nothing that encompasses a multimodal, place-based approach for rural areas.

I would ask that the forthcoming integrated national transport strategy, which we are expecting this year, includes measures of social mobility within its monitoring and evaluation framework, and that transport practitioners are provided with the skills and the tools to use that.

The Chair: Thank you. I had hoped that was the end but, no, not with this committee.

Q156 **Lord Hampton:** I have a yes/no question for Ms Smith. Would you do away with the right to buy for social housing?

Kate Smith: In a personal capacity, yes. In a professional capacity, that is a very difficult question to answer.

Q157 **Lord Evans of Rainow:** Kate, you come from Shropshire. Could you send the committee examples of local authorities that have built social housing in rural areas as a best practice model? You talked about partnerships. As a Cheshire MP, I saw lots of examples of little bits of land utilised for social housing in various rural villages. There have to be lots of examples of what you have been talking about, but it would be really helpful for the committee to take those live examples. If all local authorities in the rural communities in the country did that, lots of little and often could alleviate a lot of the problems that you are talking about.

Kate Smith: I have a perfect example that I can send right over to you. It was published last year.

The Chair: If, when you get home, you think of things that you would have liked to have said and that we did not ask you about, or further evidence that you think we should absorb, please do not hesitate to share it with us. Can I end by thanking you very much for being so patient with our questions in this humid room? I hope that you can cool off soon afterwards. Thank you very much indeed.