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Select Committee on the Rural Economy

Thank you for Lord McFall's letter of 17 March asking for a written update on the present position and proposed future actions detailed in the Government's response to the report of 27 April 2019 from the House of Lords Select Committee on the Rural Economy.

Lord McFall asked first about progress on the development of an 'expanded rural vision' and rural proofing. As I am sure the Committee will appreciate, the Government's response to its Report was drawn up before the Covid-19 pandemic took hold and, inevitably, plans had to be adapted as a result. In the initial stages of the emergency last year, my department had to refocus its activities and, as I explained in my letter of 3 June 2020 to Lord Foster as Chair of this Committee, this delayed the work which was then in hand on preparing the first Annual Report on Rural Proofing. I am glad to say that this work was resumed at the earliest possible opportunity and I was able to write to all members of the Select Committee advising them of the Report's publication on 26 March 2021. Please find a copy of this report attached to this correspondence and linked here.

In my foreword to that Report I set out clearly how we plan in the coming year to support rural communities to recover from the impact of the pandemic, concentrating in particular on five key policy areas: improving rural connectivity; tackling rural crime; harnessing the power of the planning system to deliver the right infrastructure and housing for rural areas; ensuring that the UK Shared Prosperity Fund takes account of the dynamics of rural economies and the challenges faced by rural communities; and continuing to help people to connect with nature and the countryside. This is our immediate vision and we hope to set it out in more detail over the coming months.

Despite the many unexpected pressures we faced throughout the past year, our commitment to rural proofing has remained strong and has been carried forward through myriad meetings and discussions both with other departments and with external stakeholders. Importantly, this has extended where possible to rural proofing the Government's response to the pandemic itself and we continue to do so.

With that in mind, in April 2020 we invited seven rural stakeholder organisations to join a new Rural Impacts Stakeholder Forum to establish a strong dialogue on rural issues. The Forum met weekly to discuss how best to support rural areas both through the immediate impact of the pandemic and also towards their longer-term recovery, with helpful explorations of key policy areas, including digital connectivity, transport and the needs of the rural economy. These discussions continue and the Forum continues to play an important part in our work, not least in refining our future approach to rural proofing itself. This valued partnership provides a wealth of rural expertise and I am grateful for the many rich insights and constructive challenge which its discussions provide.

I have attached an annex that sets out the Government's response to your questions on specific issues.

I hope the information in this letter is helpful to the Committee.

Yours ever,

John

ANNEX

1. The Planning White Paper, "Changes to the Current Planning System", advocates raising the site size threshold for the requirement for the inclusion of affordable homes to developments of 40 or 50 homes except in defined rural areas. The defined rural areas, however, cover only 30% of smaller rural parishes so the proposals appear to threaten further affordable housing availability in rural areas. Was this proposal rurally proofed and, if so, can the assessments be made available?

The Government consulted on raising the small sites threshold in order to assess if it was necessary in the economic circumstances to provide additional support to SME builders. We have carefully considered the consultation feedback, including engagement with rural stakeholders and the situation in the housing market. On balance, we do not consider this measure to be necessary at this stage, particularly in light of the broader way in which the sector has responded to the challenges of the pandemic and the other measures we have available to support SMEs. We therefore do not think any change to existing policy is currently needed.

For information, on 1 April we published an update[1] on the small sites proposal in the Government response to the First Homes section of the consultation.

Further, the 2021 to 2024 Homes England Affordable Housing Programme includes a target that 10% of new homes grant funded should be in small rural settlements. Why is this target less than the 13% the programme achieved in 2020?

The target for the 2021-26 Affordable Homes Programme has been set at the level of delivery over the last five years. Between 2015 and 2020, 10% of affordable housing supply has been in populations of less than 3,000 persons, including acquisitions.

The 10% is a target for a minimum level of delivery and is not a limit. The Affordable Homes Programme is demand-led and Homes England can fund more if sufficient bids come through.

2. The Government announced in the Social Housing White Paper (2020) that it will consult with experts to clarify "rural exception sites" policy. What is the outcome of this consultation and when with the findings be released?

As part of our consultation on *Changes to the current planning system* held between 6 August and 1 October 2020, we set out that we would update planning practice guidance to encourage the uptake of rural exception sites across the country. The Government's response to this consultation was published on 1 April. In this we restated our commitment to review existing guidance and update this where appropriate in order to assist local authorities in delivering rural exception sites and to help assist in their wider uptake. In producing this guidance, we are taking into account the views of consultation respondents, including rural local authorities and

[1] Government response to the First Homes proposals in "Changes to the current planning system" - GOV.UK (www.gov.uk)

other groups with a rural focus, as well as engaging with stakeholders, such as Defra, to ensure that the guidance can best operate to encourage rural exception site delivery.

3. The July 2019 Green Paper, Advancing Our Health: Prevention in the 2020s, contains only one reference to the word "rural" and appears to have missed clear opportunities to address rural needs. Was the Green Paper rurally proofed and is evidence of this available?

The Prevention Green Paper *Advancing our health: Prevention in the 2020s* was published on 22 July 2019 and the consultation closed on 14 October 2019. The aim of the Green Paper is to allow people both inside and outside Parliament to give the department feedback on its policy development or legislative proposals.

Given the variety of factors that affect our health, many of the relevant policies in the Green paper sat outside DHSC, in other government departments. The consultation document contained 46 commitments and attracted over 1,600 responses, which included local authorities covering rural areas, stakeholders with an interest in rural areas and individuals who live in a rural area. The Green Paper emphasised the importance for health of a broad range of determinants, including the environments in which we live. We are conscious of the need to ensure rural needs are adequately met and the response to the Green Paper, when published, will take due account of rurality as a factor in health.

4. The BEIS Business Productivity Review 2019 does not include the word 'rural' anywhere in the report and there is no obvious awareness of rural productivity concerns nor how programmes to address them might need tailoring to reach rural businesses. Was the Paper rurally proofed and is evidence of this available?

The purpose of the Business Productivity Review was to concentrate on productivity at firm level and not at a geographic or place level. Budget 2018 announced a series of policies to increase firm-level productivity, including £11 million to create a Small Business Leadership Programme to provide small business leaders with leadership training, building on existing world class training programmes, £20 million to strengthen sectoral networks, and £25 million for Knowledge Transfer Partnerships. These (and other measures) to improve productivity apply equally to small firms wherever they happen to be based. As the proportion of people working in small firms is higher in rural places, the overall impact of the Business Productivity Review will be greater in these areas.

The Government's new **Help to Grow** initiative announced in the Budget in March will drive growth by helping small businesses across the UK learn new skills, reach new customers and boost profits. Help to Grow comprises two complementary programmes:

- **Help to Grow: Management** is a 12 week Executive Development programme which will upskill 30,000 SMEs over 3 years. Delivered by leading business schools across the UK, the programme will combine a practical curriculum, with one to one support from a business mentor, peer-learning sessions and an alumni network. The programme is now open to businesses to register their interest and will launch in the Summer.

- **Help to Grow: Digital** aims to support 100,000 SMEs over 3 years to adopt digital technologies that are proven to increase firm-level productivity and is due to launch in the autumn. The programme will offer free impartial advice and guidance via an online platform to help SMEs identify their digital technology needs, assess technology purchasing options and implement new technologies in their operations. It will also offer them a voucher covering up to 50% of the costs of approved, new-to-firm digital technology solutions up to a maximum of £5000.

5. MHCLG's Towns Fund guidance says "and rural" in two or three places. It offers some upfront capacity-building funding which may assist smaller towns. However, almost all the 101 selected towns are urban. Two or three can be considered rural towns e.g. Glastonbury and Mablethorpe. All seven of the winning bids in round one were larger urban towns. The process for developing bids and programme delivery seem complex for small towns. In what way was the Fund and the Guidance rurally proofed?

Town Deals will drive the economic regeneration of towns to deliver long-term economic and productivity growth through land use, economic assets including cultural assets, skills and enterprise infrastructure, and connectivity in towns across England. This government is committed to levelling up regions across the country, in particular our rural towns. We have defined a town based on built up areas with a population of between 5,000 and 225,000; this is the proposed definition of a town from the Office of National Statistics. Ministers considered levels of deprivation alongside other factors including skills, employment levels, exposure to economic shocks and rural/urban classification (with rural areas assumed to have greater need). The recommended number of towns per region came from a separate formula known as the Rural-Urban Classification (a constructed score, based on the proportion of the LEP towns' population living in each of the six RUC categories). The weightings were set in a way to ensure rural towns would benefit from being awarded Town Deals. More affluent towns were ruled out and the 40 most deprived towns were favoured. The process was comprehensive, robust and fair and the Towns Fund will help level up the country.

6. The White Paper, 'Skills for Jobs: Lifelong Learning for Opportunity and Growth', makes no mention of "rural", land-based colleges, or the significant constraints to travel for training or to FE Colleges in rural areas. How will the proposals within the White Paper be designed, or implemented, to address rural needs? Was the White Paper rurally proofed and is evidence of this available?

The *Skills for Jobs* White Paper sets out the Government's vision for long-term reform of further education. It is focused on giving people the skills they need, in a way that suits them, so they can get great jobs in sectors the economy needs and boost this country's productivity. It makes clear that we will consult on proposals where appropriate and where that is the case the final policy will be subject to taking consultation responses into account. Individual policies announced in the White Paper will be rural proofed as they are developed.

As an example, [the Skills Accelerator application guidance] has now been published, calling for expressions of interest in one-year Local Skills Improvement Plans Trailblazers and Strategic Development Fund Pilots. These will aim to test and evaluate the best ways in which to achieve a reformed technical education system with a clear focus on stronger links between employers and providers. This approach will be tested in a range of areas with different characteristics and attributes, including areas with high levels of deprivation; in rural, urban and coastal areas; and with a geographical spread across different parts of the country. These factors will be taken into account as part of the selection process. The Plans will bring employers, colleges, other providers and local stakeholders together to shape technical skills provision so that it meets local labour market skills needs. The White Paper also says that we "do not expect [Local Skills Improvement Plans] to affect the important role that some providers with national reach play in supporting our national skills priorities." These providers include some land-based colleges specialising in agriculture, horticulture and other topics useful for rural economies.

UK Shared Prosperity Fund (UKSPF)

Central to the Government's response to the Committee's report was the promise of the UK Shared Prosperity Fund (UKSPF) as a funding reallocation mechanism to tackle, among other issues, rural needs. Fourteen of the recommendations made by the Committee were related to some aspect of UKSPF that was promised in 2017. The Committee would value an insight into why something so central to the future of rural communities has been delayed for so long and why only a seemingly small amount of consultation has taken place in its construction? The Committee would also value an update on the progress of the UKSPF and how this fund will be rurally proofed to best support rural areas.

- **The first consultation on the precise design and priorities for the UKSPF was promised to commence in 2018. Why did this not take place, and still has not taken place?**

The Government recognises the importance of reassuring local areas on the future of local growth funding and of providing clarity on the UK Shared Prosperity Fund.

The Government has been engaging with key stakeholders on the design and priorities of the UK Shared Prosperity Fund since 2016, including holding a series of engagement events. Officials have held 26 engagement events, attended by over five hundred representatives from a breadth of sectors including businesses, public bodies, higher education institutions, voluntary and charity sector and rural organisations.

- **What details can the Government share on the UK Shared Prosperity Fund and how the UKSPF will change the nature of funding for rural communities?**

The UK Shared Prosperity Fund is the domestic successor to the EU Structural Fund programme. It will maximise the benefits of leaving the EU through quicker delivery of funding, better targeting, better alignment with domestic priorities and by cutting burdensome EU bureaucracy.

The Spending Review in November 2020 set out the main strategic elements of the UK Shared Prosperity Fund in the Heads of Terms.

The UK Shared Prosperity Fund will help to level up and create opportunity across the UK in places most in need, such as ex-industrial areas, deprived towns and rural and coastal communities, and for people who face labour market barriers. It will invest in people, communities and local business.

The Fund will operate UK-wide, using the new financial assistance powers in the UK Internal Market Act 2020.

We are working to ensure that there is a seamless transition from current EU structural funding arrangements to the UK Shared Prosperity Fund, as EU structural fund investment tails off over the coming years.

The Government will publish a UK-wide investment framework in 2021 and confirm multiyear funding profiles at the next Spending Review.

- **Will the UK Shared Prosperity Fund ring-fence sufficient levels of funding for rural communities and be designed with rurally specific strategic objectives?**

The UK Shared Prosperity Fund will help to level up and create opportunity across the UK for people and places.

Funding will ramp up, so that total domestic UK-wide funding will at least match current EU receipts, on average reaching around £1.5bn a year.

A portion of the Fund will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities. It will support people and communities, opening up new opportunities and spurring regeneration and innovation.

The Manifesto committed to replace EU Structural Funds through the UK Shared Prosperity Fund. In doing so, the UK Shared Prosperity Fund will take into account the specific needs of rural communities.

The Government will publish a UK-wide investment framework this year and confirm multiyear funding profiles at the next Spending Review.

- **Which rural interested parties has the Government consulted in the design of the Fund?**

The Government has been engaging with key stakeholders on the design and priorities of the UK Shared Prosperity Fund since 2016, including holding a series of engagement events. Officials have held 26 engagement events, attended by over five hundred representatives from a breadth of sectors including businesses, public bodies, higher education institutions, voluntary and charity sector and rural partnership groups.

Our engagement events have taken place across the UK including in England, Scotland, Northern Ireland and Wales.

- **Will the UKSPF follow the examples set by the LEADER programme to supply bottom-up and place-based strategies which enable communities to capitalise on their assets to meet local needs?**

Leaving the European Union provides us with a fresh opportunity to create a fund which invests in UK priorities and targets funding where it is needed most, whilst maintaining support for our businesses and communities.

The Manifesto committed to replace EU Structural Funds through the UK Shared Prosperity Fund. In doing so, the UK Shared Prosperity Fund will take into account the specific needs of rural communities.

Fair Funding Review

The Committee's report challenged the Government on the funding imbalance between urban and rural areas and drew attention to the additional costs of service delivery in rural settings. The imbalance has continued since the publication of the Committee's report. Analysis of the 2021/22 Local Government Finance Settlement shows that rural residents will pay over £96 per head more in council tax, receive £107 per head less from Settlement Funding Allocation (SFA) general grant, £4 less per head of the new social care grants and over £112 (42%) per head less in Government Funding Spending Power (which excludes council tax) than urban counterparts. The Government's response indicated that these issues would be addressed in The Fair Funding Review. However, work on the review has been suspended.

- **What is the timetable for the Review to re-commence and for its findings to be implemented?**

- **Will the Government continue to engage with rural stakeholders, including the Rural Services Network, to make sure the Fair Funding Review will consider and remove financial imbalances between rural and urban areas?**

- **What factors will be considered within the "sparsity" factor expected to be a basis for the Review? Will those factors extend beyond just 'travel time and costs of travel"?**

- **Given, for example, 11% of a clinician's time in rural community services is spent in transit between patients, has the Government conducted any impact assessments of the revised spending formula used by the Advisory Committee on Resource Allocation to calculate clinical spending in rural, remote and coastal areas?**

As announced last year, the Government did not proceed with reform in 2021-22, including the implementation of the Review of Relative Needs and Resources (the Fair Funding Review), 75% business rates retention or a business rates retention growth reset.

Allowing local government to focus on its COVID-19 response, rather than the complex local government finance reform package, has been the right judgement and aligns with our whole approach to the local government sector at the 2020 Spending Review.

In determining next steps for the local government finance reform proposals, we will need to consider the impact the pandemic has had on both the demand for public services across councils and their access to local resources. We will then revisit discussions around the priorities for finance reform, taking account the assessment of relative needs, the future of rates retention and how best to organise and finance adult social care, at the forthcoming Spending Review.

Whenever we consider changes to local government funding of any kind, we are of course committed to full engagement with councils, including rural ones.

<u>Digital Connectivity</u>

In its response to the Committee's recommendations relating to the Future Telecoms Infrastructure Review (FTIR), the Government confirmed that it "has always recognised and continues to recognise, that there is a crucial role for digital infrastructure to underpin the transformation of the UK economy and to ensure that rural areas across the country benefit as much as anywhere else"

We note that, following the Committee's Report, in late 2019, the FTIR target was changed. The date for full fibre delivery was brought forward to 2025 and £5bn of public funding was announced to enable roll out to the 20% of premises where it would be commercially unviable. It was also indicated that an "outside in" approach would be applied so that the harder to address, usually rural, areas would be dealt with first.

However, the 2020 Spending Review and National Infrastructure Strategy only made a firm allocation of £1.2bn by 2025 and amended the target date for gigabit-capable broadband1 to reaching 85% of premises by 2025.

- **Given the reduced 85% target could be achieved even if most rural areas do not receive gigabit-capable broadband by 2025, is the Government still committed to following an "outside in" approach to ensure that rural areas are not left behind?**

The Government wants to become a world leader in connectivity and increase the UK's productivity and competitiveness. This is why this Government has set an ambitious target of a minimum of 85% gigabit-capable broadband coverage by 2025, with an ambition to get as close to 100% as possible. This target is based on extensive engagement with telecoms suppliers and is what we believe that the industry will be able to deliver by 2025 at this stage.

The Spending Review 2020 provided further details on our £5 billion Project Gigabit programme, including our planned capital spend to March 2025, which totals £1.2 billion. We remain committed to investing £5 billion in bringing gigabit coverage to the hardest to reach areas and will continue to work with suppliers to accelerate this investment.

In line with our commitment to level up the UK, we are determined to make sure that rural areas are not left behind and remain committed to the 'Outside In' approach that we outlined in the Future Telecoms Infrastructure Review in 2018. This is why we are not waiting until commercial delivery is complete before starting to build in the hardest to reach areas and why we are also looking to prioritise premises without an existing superfast broadband connection, wherever possible.

We are already delivering on our ambitions. Nearly 40% of UK premises now have access to gigabit-capable broadband – up from just 10% in 2019. We have already subsidised the build of gigabit-capable broadband to over half a million homes and businesses since 2018 through our existing Superfast, Local Full Fibre Networks and Rural Gigabit Connectivity programmes. Our continuing Superfast Broadband Programme together with the R100 programme in Scotland and Project Stratum in Northern Ireland will reach half of the remaining sub-30Mbps premises.

In March 2021, we published a delivery plan for the first phase of Project Gigabit which will see the first 1 million premises targeted with our £5 billion for Project Gigabit. These areas have a high percentage of hard to reach premises, largely in rural areas, and a relatively high proportion of premises without access to an existing superfast connection.

<u>**Local Enterprise Partnerships (LEPs)**</u>

Several of the Committee's recommendations related to the role of LEPs in helping develop the rural economy.

- **In its response, the Government stated: "The implementation of Local Industrial Strategies, and therefore any local ambitions relating to the rural economy, will be considered in LEPs' future Annual Performance Reviews." Has this happened and if so with what outcomes?**

Where LEPs and Mayoral Combined Authorities had published Local Industrial Strategies, our Annual Performance Reviews considered how these strategies had guided local decision making within the wider context of Strategic Impact. For 2019-20, 37 LEPs fully met the requirements for Strategic Impact and support was provided where appropriate to address any areas of action. At the Budget, the government committed to working with LEPs on their future role and geography, ensuring local businesses have clear representation and support in their areas going forward. We have committed to setting out more on these plans by the summer. The Plan for Growth sets out our headline high-level economic vision, taking forward the best elements of the Industrial Strategy within a new approach that reflects the changed context since 2017.

In response to the Committee's recommendations on place-based initiatives the Government stated: "The government is encouraging LEPs and mayoral combined authorities to evaluate the role of different settlement types such as market towns as part of the compilation of their evidence base". What action has taken place in this regard and with what outcomes?

LEPs and Mayoral Combined Authorities cover a broad geography to ensure that they take a holistic approach to supporting a range of different places such as cities, towns, rural areas and isolated communities. This ensures local interventions can be tailored as each place has different needs. To support local activity, the Government works directly with a wide range of places, including rural areas, to support local growth such as the Towns Fund, Coastal Communities Fund, Levelling Up Fund and Community Renewal Fund.

At the Budget, the Government committed to working with Local Enterprise Partnerships on their future role and geography, ensuring local businesses have clear representation and support in their areas going forward. We have committed to setting out more on these plans by the Summer. We encourage places to consider key sectors, assets and clusters they want to support to foster their long-term growth ambitions, building on the strong evidence base and the brilliant work done to date by places across the country on the design of Local Industrial Strategies.

- **In response to the Committee’s recommendation that LEP Boards should include someone who is a specific Rural Champion, the Government said LEP Boards “should draw from more diverse representation of sectors and all parts of their geography”. What steps has the Government taken to investigate the potential imbalance between urban and rural voices within LEPs?**

The National Local Growth Assurance Framework requires Local Enterprise Partnerships to set out how they ensure open recruitment processes and consult widely and transparently with the business community before appointing a new Chair. Each Local Enterprise Partnership must ensure representation at Board and Sub-Board level which is reflective of their local business community, including across geographies. At the Budget, the Government committed to working with Local Enterprise Partnerships on their future role and geography, ensuring local businesses have clear representation and support in their areas going forward. We have committed to setting out more on these plans by the Summer and will consider representation within this.

Defra maintains strong working relationships with a number of Local Enterprise Partnerships, particularly those in rural areas through the rural Local Enterprise Partnership roundtable and bilateral engagement on the development of Local Enterprise Partnership strategic work to promote consideration of rural needs across their geographies.

Department for Environment Food & Rural Affairs

Rural Proofing in England 2020

Delivering policy in a rural context

March 2021

We are the Department for Environment, Food and Rural Affairs. We are responsible for improving and protecting the environment, growing the green economy and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at rural.proofing@defra.gov.uk

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Ministerial foreword

I am delighted to introduce the first cross-government rural proofing report. Produced in response to recommendations made in 2019 by the House of Lords' Select Committee on the rural economy,[1] this report aims to improve transparency and accountability by illustrating how rural proofing is planned and coordinated across government, and by demonstrating the various innovative ways in which rural needs are being successfully identified and met.

Rural areas are in large measure no different from any other region or place. Whether we live in a city, a town, or a remote rural setting, we all expect the same opportunities and protections. There are however certain characteristics of rural life, set out in this report, which require particular attention when designing and monitoring policy and programme delivery. This process, known as rural proofing, is now well established, but this report captures for the first time our approach in a comprehensive format and may be used as a baseline for evaluating our performance over time.

Defra leads on rural affairs across government, alongside its responsibilities for farming and the natural environment, but the work of all departments has an impact on rural areas. We have arranged the report under 4 themes: strengthening the rural economy, developing rural infrastructure, delivering rural services, and managing the natural environment. Each section offers an insight to the relevant legislation, policy initiatives and investment programmes that have had a significant impact on rural life over the past year.

Those living in rural areas have had, like others, to deal with their normal lives being thrown up in the air by the COVID-19 pandemic. We have already taken a number of positive steps to ensure people in rural areas are not left behind – including setting up a Rural Impacts Stakeholder Forum to inform the government's response and introducing a range of additional financial support for businesses in sectors with a strong rural presence such as tourism and hospitality.

As we emerge from the COVID-19 pandemic, we will strive to support recovery in rural communities. Over the coming year we will continue to work to ensure their needs are adequately met, concentrating particularly on five key policy areas:

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[1]UK Parliament (2019) 'Time for a strategy for the rural economy'

- We will continue to champion improvements to rural connectivity. The government is investing an unprecedented £5 billion to subsidise further deployment of gigabit broadband in the hardest to reach areas of the country. The £5 billion investment will prioritise deployment to premises without access to superfast broadband, where possible.

- We recognise the importance to rural communities of tackling rural crime, and we will continue to work for progress on issues such as fly tipping. The government is committed to protecting the public and determined to drive down crime in rural and urban areas, which is why the government is recruiting an additional 20,000 officers over the next three years.

- The planning system has a key part to play in supporting rural communities and businesses to create a better future. We will continue to harness the power of the planning system, including through reforms, to deliver the right infrastructure and housing for rural areas while protecting and enhancing our countryside.

- The UK Shared Prosperity Fund will help to level up and create opportunity across the UK for people and those places most in need. We will work to ensure that the UK Shared Prosperity Fund takes account of the dynamics of rural economies and the challenges faced by rural communities.

- We will continue to help people to connect with nature and the countryside, with its important benefits for wellbeing and for rural businesses.

As we take this work forward, Defra is firmly committed to engaging with rural stakeholders throughout the rural proofing process, ensuring they can influence government policy where it matters to them. We value their insight and first-hand knowledge and I am grateful to the organisations we work with for contributing their expertise in this way. I hope they will welcome this report as a further step to achieving a more effective policy making framework, resulting in more successful outcomes for the rural economy and for rural communities.

Finally, may I take this opportunity to say what a privilege it is to be the minister responsible for Rural Affairs. We should all be immensely proud of our countryside, our varied landscapes, national parks and coastal areas, and all our outstanding natural heritage, enjoyed by so many and among our greatest attractions and assets. It is this pride that drives our work to support the people who live and work in the countryside.

Our ambition is to respect rural communities' unique ways of life and provide opportunities for them to flourish.

Lord Gardiner of Kimble, Minister for Rural Affairs and Biosecurity

Executive summary

In 2019, the House of Lords' Select Committee on the rural economy made a series of recommendations to encourage new opportunities, release unfulfilled potential and enhance the contribution which rural England can make to the nation while retaining its distinct character.

The Prime Minister has set out an agenda for levelling up every part of the UK – investing in our rural and coastal areas and giving them more control of how that investment is made. The government's 2019 Manifesto was clear that we need to get away from the idea that 'Whitehall knows best' and that all growth must inevitably start in London.

This included a commitment to rolling out gigabit broadband; using additional police resources to tackle rural crime; investing in the bus network to improve infrequent or non-existent services in the countryside; combining strong employment growth with high employment standards; and ensuring that British farmers and fishermen are able to profit by producing food and fish that are the envy of the world.

This report provides an opportunity to reiterate our commitments to rural England:

- Strengthening the rural economy
- Developing rural infrastructure
- Delivering rural services
- Managing the natural environment

Strengthening the rural economy

We will boost productivity and growth, starting with our plan to build back better and greener from the Coronavirus pandemic. Rural areas across England will benefit from the UK Shared Prosperity Fund, the £4.8 billion UK Levelling Up Fund, and our ambitious agricultural transition plan. These will help level up and create opportunity; invest in infrastructure that improves everyday life; and support farmers to produce healthy, high quality food, improve the environment, animal health and welfare and reduce carbon emissions.

The government has provided an unprecedented package of support for SMEs throughout the pandemic. As we move forwards, we will support rural businesses through growth hubs and international trade support, with bespoke support for those operating in the tourism sector. We will ensure that employers have access to the right skills and workforce that they need. We will also facilitate workforce re-entry and enhance skills through further education, apprenticeships and technology.

Developing rural infrastructure

We will improve digital connectivity across rural areas through a range of digital broadband and mobile programmes. We have set out plans to achieve a minimum of 85% gigabit-capable coverage by 2025. Technology will drive radical changes in transport in the next decade. In addition to digital connectivity, we are working to ensure that rural transport is available and accessible. We will be improving rural road networks, buses and rail networks, reversing Beeching cuts.

Supporting community infrastructure will be vital to our rural areas, including housing and social infrastructure. The 'Planning for the Future' White Paper set out our ambitions for changes to the planning system, and our new Affordable Homes Programme will provide up to 180,000 new homes across the country, should economic conditions allow. 10% of these homes will be in rural settlements. This will be complemented by schemes such as the updated fuel poverty strategy and the Energy Company Obligation scheme. We will make considerable investment in social infrastructure, including village halls, arts and culture, and rural places of worship.

Delivering rural services

We will deliver effective rural services by meeting additional delivery costs, overcoming accessibility challenges, and promoting workforce recruitment and retention. A new community services formula will better recognise the specific needs of rural areas. This includes schools funding and police funding. We have committed to a £50 million subsidy for the Post Office in the year 2021 to 2022, protecting access to essential services in commercially challenging locations. We will promote effective working and help rural service providers to operate more efficiently and effectively. We will also supply additional options to overcome accessibility challenges. This includes home-to-school transport; the Community Pharmacist Consultation Service; and digital service delivery. By the financial year 2023 to 2024, every patient in England will be able to access a 'digital first' primary care offer.

Managing the natural environment

The government was elected on the strongest ever manifesto for the environment. We will protect biodiversity, facilitate a green recovery and connect people with nature. We are making significant investment in natural capital assets and our landmark Environment Bill will deliver a comprehensive framework for environmental governance. This includes our £640 million Nature for Climate Fund, £50 million Woodland Carbon Guarantee and £80 million Green Recovery Challenge Fund.

The Prime Minister has outlined his ten-point plan for a Green Industrial Revolution, which will support rural areas in building back better and greener from the pandemic, support green jobs and accelerate our path to net zero. The Rural Community Energy Fund will help community organisations develop renewable energy projects. The Green Homes Grant Scheme will support the installation of energy saving measures.

The challenges of the last year have demonstrated the importance of connecting people with nature. We are undertaking a range of measures to improve access to nature. In particular, the Glover Landscapes Review has set out a series of recommendations on how to improve the management of national landscapes for the communities living within them, and to ensure that all parts of society will benefit from them. We will be responding shortly.

The countryside is one of our greatest assets. This report sets out a series of measures to ensure that rural England can take advantages of the opportunities ahead.

1. Introduction

Home to more than 9.5 million people – around 17% of the total population – rural areas in England are an important part of our nation's collective economy, society and heritage.

With their relatively low population densities, distinctive geographical identities and typically strong sense of community, rural areas can be attractive places to live – indeed, the number of people moving to rural areas has more than doubled over the last decade. However, with smaller, more dispersed communities and greater travel distances, those living and working in these areas can find it more difficult to enjoy the level of support or service provision they need.

Much of what government does has an impact on rural areas: business support, skills provision, digital connectivity, transport, housing, energy, health services, policing, education.

Levelling up opportunities for people who live and work in rural areas requires policy makers from across government to take proper account of the needs and circumstances of rural communities and to tailor policies to achieve the desired outcomes in rural areas as well as in urban ones. This process is called 'rural proofing'.

This report is the first of a series of annual reports designed to show how rural proofing is being implemented across government. It is intentionally not set out as an examination of each department, but rather as a summary of what is being done across 4 themes: strengthening the rural economy; developing rural infrastructure; delivering rural services and managing the natural environment.

About rural proofing

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

Questions that may help inform rural proofing include:

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

Rural proofing is not a single, prescribed process – different approaches may be taken depending on the policy and department in question.

Some policies may be rural proofed by adjusting funding formulae or allocations to account for higher delivery costs in rural areas. Others may be rural proofed by considering alternative means of service provision or access, for example by identifying and using existing community networks and hubs, by using outreach and digital delivery to reduce the need to travel, or by integrating and improving existing transport links. Some policies do not need to be rural proofed at all because the circumstances of rurality do not affect their application, such as income tax.

Whatever approach is taken, rural proofing should begin by using area-based data to identify social, economic and environmental differences that need to be accounted for in the policy, and by engaging with rural stakeholders and their networks to gather evidence and test proposals.

Governance and guidance

As the department responsible for rural affairs, Defra oversees rural proofing across government. Defra officials work closely with those from departments on the development of policies that are likely to affect (or that are intended to support) rural areas.

Strategic governance of rural proofing is provided by the Rural Affairs Board, which meets regularly to discuss issues affecting rural areas and is chaired by Defra Non-executive Director Lizzie Noel.

Each department has a nominated 'rural proofing lead', whose role it is to champion rural proofing in policy development. A network of these leads shares best practice, identifies common issues and helps steer work on rural proofing (including the development of this report).

Defra has produced practical guidance[2] to help policy makers assess the impacts of their policies on rural areas. In addition, policy teams in all departments are expected to seek out and engage with rural voices wherever rural proofing is needed, using the following guiding principles:

- Involve rural stakeholders as partners early in the policy development process and maintain a dialogue throughout – it should not just be a one-off engagement.
- Share as much information as possible, including about policy objectives, costing assumptions, approaches to efficiency and the scope for change.

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[2] Defra (2017) 'Rural proofing: Practical guidance to assess impacts of policies on rural areas'

- Engage with both national and local stakeholders: a place-based approach is often more appropriate as rural areas can differ significantly from one another.

Building the evidence base

Defra has a team dedicated to developing the evidence base on rural areas. It regularly publishes the Statistical Digest for Rural England[3] to provide up-to-date analysis across a wide range of subjects, including demographics, enterprise and investment, transport and accessibility, education, health, and crime.

In 2018, Defra established the Rural Academic Panel to provide expert advice on rural policy development. This was followed in 2019 by a Statement of Rural Research Priorities, designed to provide a framework for government and academic research relating to rural economies and communities.

The 8 research themes[4] described in the statement reflect consultations with academics and rural organisations and will be reviewed and updated as needed.

Defra launched 3 substantial research studies in 2020:

- 'Counter-urbanisation and Entrepreneurial Emergence' examines the factors influencing the formation of new enterprises in rural areas, including the role of entrepreneurs.
- 'Rural England: Local Perspectives on Community and Economy' aims to identify how government policy can be improved to support the ambitions of residents and business leaders in rural areas.
- 'Defining and Measuring Rural Wellbeing' assesses factors that influence the wellbeing of individuals living in rural areas.

The final reports of these studies are due to be published in 2021, providing further valuable evidence on rural issues for policy makers in a number of departments.

September 2020 saw the launch of the National Innovation Centre for Rural Enterprise, a collaborative venture between the Universities of Newcastle, Warwick and Gloucestershire. Designed to facilitate research into the productivity and resilience of rural businesses, the centre will contribute to the rural evidence base for many local rural

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[3] Defra (accessed online March 2021) 'Statistical Digest of Rural England'

[4] Defining dynamics and interdependencies in rural places; digital and technology; environment; housing; demographic change; productivity and resilience of rural businesses; community and social capital; and accessibility to services.

interventions. Government funding was provided through UK Research and Innovation, while Defra supported the proposal and worked closely with those setting up the centre.

Effects of COVID-19

Rural communities have demonstrated significant resilience in the face of the distinct challenges presented by the COVID-19 pandemic. These challenges include fewer options for food and other essential purchases, an impact on public transport provision, a relatively high proportion of older residents in need of support while shielding, and the logistical challenge for volunteers in providing support services across large areas.

The government's response to the effects of the pandemic in rural areas has been informed and shaped by the Rural Impacts Stakeholder Forum, established by Defra at the outset of the pandemic. By bringing together government officials and key rural stakeholder organisations[5] on a regular basis to share intelligence and insights about the effects of COVID-19 on communities and businesses, the Forum enables Defra to better assess and respond to rural needs as they arise.

[5] Action with Communities in Rural England (ACRE); CPRE the countryside charity, formerly known as the Campaign to Protect Rural England; the Country Land and Business Association (CLA); the National Farmers Union (NFU); the Plunkett Foundation; the Rural Coalition; and the Rural Services Network (RSN).

2 Strengthening the rural economy

The productivity of rural areas is influenced by several factors. These include the greater prevalence of smaller business in rural areas, a greater reliance in some areas on less productive industries such as agriculture and tourism, and a smaller pool of labour on which to draw.

This section outlines what is being done across government to boost productivity and growth in rural areas, to ensure employers' needs are adequately met, and to up-skill the current and future rural workforce.

Boosting productivity and growth

The government's approach to driving productivity in the rural economy broadly consists of providing a combination of strategic direction, direct investment and business support.

1.1.1 Build Back Better

'Build Back Better: our plan for growth' sets out the government's plans to support economic growth through significant investment in infrastructure, skills and innovation, ensuring no region is left behind as we achieve greater economic prosperity. Well-targeted investments can help places across the country achieve their potential and ensure everyone can succeed regardless of where they live.

1.1.2 Government investment in the rural economy

Since 2014, much government investment in the rural economy has been through the distribution of European Structural and Investment Funds and the Common Agricultural Policy but these were bureaucratic to implement and recycled UK taxpayers' money.

UK Shared Prosperity Fund

The UK Shared Prosperity Fund will help to level up and create opportunity across the UK in places most in need, such as ex-industrial areas, deprived towns, and rural and coastal communities, and for people who face labour market barriers. It will operate UK-wide, using the new financial assistance powers in the UK Internal Market Act.

The government will ramp up funding so that total domestic UK-wide funding will at least match EU receipts, on average reaching around £1.5 billion a year. Defra continues to work with the Ministry of Housing Communities and Local Government (MHCLG) to ensure that the UK Shared Prosperity Fund takes account of the dynamics of rural economies and the challenges faced by many rural communities. The government will set out further details of the UK Shared Prosperity Fund in a UK-wide investment framework in 2021 and confirm multiyear funding profiles at the next Spending Review.

To help local areas prepare for the introduction of the UK Shared Prosperity Fund, the government is providing an additional £220 million funding through the UK Community Renewal Fund. This Fund will support innovative responses to local challenges and local need in urban, rural and coastal areas across the UK.

The UK Levelling Up Fund

The £4.8 billion Levelling Up Fund will invest in infrastructure that improves everyday life across the UK, including regenerating town centre and high streets, upgrading local transport, and investing in cultural and heritage assets.

Agricultural transition

Much of the investment by the government in UK agriculture in recent years has been made in line with the EU's Common Agricultural Policy, including in the form of Direct Payments. Following the UK's exit from the EU, Direct Payments will be phased out and replaced with schemes that reward farmers and land managers for producing public goods.

As the cornerstone of its new agricultural policy, Environmental Land Management will support farming and the countryside to make a significant and widespread contribution to environmental goals, realising the government's commitment to reducing greenhouse gas emissions to net zero by 2050, while supporting the rural economy.

From 2021, grants will also be made available through the new Farming Investment Fund. Similar to the current Countryside Productivity Scheme, this fund will enable farmers, foresters and growers to invest in equipment, technology and infrastructure, boosting efficiency and productivity by reducing resource costs and improving yields.

These changes will be made over a 7-year transition period, to give farmers time to adapt and plan for the future. The Agricultural Transition Plan[6] gave more detail on this transition. A number of familiar schemes will continue to run in the first few years, including Countryside Stewardship and Environmental Stewardship.

1.1.3 Business support for rural small or medium enterprises (SMEs)

Helping UK businesses manage the unprecedented effects of the COVID-19 pandemic has been the government's priority in terms of business support during 2020.

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[6] Policy Paper: Agricultural transition plan 2021 to 2024

National initiatives such as the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme have been accessed by a similar proportion of urban and rural businesses.

Alongside such COVID-19-specific support, as well as its rural support schemes, the government facilitates access to a range of business support for SMEs in rural areas.

Growth Hubs

Place-specific business support in rural areas is facilitated through ‘Growth Hubs’.

Owned and governed by Local Enterprise Partnerships, with support from central government, Growth Hubs act as a free, impartial single point of contact that bring together local and national partners from the public and private sectors within each region, supporting local businesses by addressing specific needs and building on their strengths.

International trade support

The Department for International Trade (DIT) is working with Defra to ensure rural areas can take advantage of the opportunities that our new independent trade policy presents. DIT’s ambitious Free Trade Agreements will bring benefits for all businesses across the UK, including for the agricultural sector and businesses in rural areas.

The UK Regions team in DIT offers digital, one-to-many and one-to-one services for SMEs in ‘hard to reach’ places. Support offered includes, for example, specialist export advice and support for rural businesses through a network of International Trade Advisors and the Export Academy, which helps SMEs in the North, Midlands and South West to overcome barriers to export. In addition, the Internationalisation Fund has been established in England to support up to 7,600 SMEs grow their overseas trading,and strengthen their business through co-funded activities.

1.1.4 Support for tourism businesses

The 2019 Tourism Sector Deal recognised the importance of tourism to rural areas and set out the government’s ambition to increase the number of inbound visitors to the UK.

During 2020, existing challenges facing the rural tourism economy – such as workforce shortages and the fact that many visitor attractions in rural areas are located more than a mile away from the nearest public transport link – were exacerbated by the economic impacts of the COVID-19 pandemic. The government is currently preparing a Tourism Recovery Plan to help the sector recover in the short term and thrive in the longer term.

Tourism policy development

DCMS, VisitBritain and VisitEngland regularly consult rural stakeholders regarding policy initiatives and how they will translate practically in rural areas.

For example, rural areas rely on maintaining their beauty and unspoilt atmosphere to attract visitors who will stay and spend money locally, supporting local residents and communities. However, in some limited circumstances and at specific times of the year, ‘honeypot’ areas have found that high levels of visitors can contribute to pollution and congestion, which can adversely affect the attractiveness of the area. Subsequently, tourism policies have been developed with a view to extending the season and encouraging off-peak visits.

Meeting employers’ needs

Rural businesses can benefit from a range of policies and programmes introduced by the government to address workforce and skills shortages in specific sectors.

1.1.5 Meeting local skills needs

Skills Advisory Panels have been established in all areas in England to bring together local employers and skills providers to pool knowledge on skills and labour-market needs, including helping to tackle local skills shortages. This can be particularly useful in rural communities, where local shortages can have a more acute impact than in urban areas. In March 2021 all Skills Advisory Panels will produce Local Skills Reports highlighting local skills strengths and needs, how they have assisted local providers and employers, including those in rural areas, to respond to local skills priorities and identify where more might be done by providers to meet local skills needs, and how employers might engage even more with the local skills system.

Local Skills Improvement Plans

The government’s white paper, ‘Skills for Jobs: Lifelong learning for opportunity and growth,’ is putting employers at the heart of the post-16 skills system, so education and training meets their needs.

Reforms will give local employers a more central role working with further education colleges, other providers and local stakeholders to develop new employer-led Local Skills Improvement Plans. These plans will build on the work of Skills Advisory Panels and will set out key changes needed to make technical skills provision more responsive to employers’ skills needs in local areas. They will be piloted first in a small number of trailblazer areas in the 2021 to 2022.

Seasonal workers

Changes to immigration policies following the UK’s exit from the EU have had implications for many agricultural businesses, which often rely on seasonal migrant labour. These issues have been exacerbated by the impact of COVID-19 on international travel and migration.

To address potential problems with seasonal labour shortages, the government launched the Seasonal Workers Pilot, which admits temporary workers from outside the EU to work in edible horticulture for up to 6 months. The pilot is currently under review and is expected to be reported on soon.

1.1.6 Facilitating workforce re-entry

Those who are out of work in rural areas can face a number of additional barriers to re-entering the workforce compared to those in urban areas. These can include accessibility, lack of transport, lack of local childcare provision, and a higher reliance on sectors adversely affected by the COVID-19 pandemic.

Post-COVID-19 support for the tourism workforce

Tourism is an important source of income and employment in many rural areas. COVID-19 has had significant impacts on employment in the tourism sector, particularly in rural areas that are heavily dependent on tourism, such as the South West and Cumbria. Tourism businesses are among those most likely to take advantage of the government's support offer for employees such as the Coronavirus Job Retention Scheme.

As part of its wider Plan for Jobs 2020, the government introduced a range of national initiatives to support workforce re-entry, including in the tourism and hospitality sectors. These include the Kickstart scheme – a £2 billion fund designed to create paid, quality 6-month work placements for hundreds of thousands of young people on Universal Credit, who are deemed to be at risk of long-term unemployment.

Welfare services

The national Jobcentre service is tailored to a local level by Jobcentre staff and contracted programme providers, who are able to identify region-specific barriers to employment and any gaps in local provision. Training is provided to work coaches and Jobcentre managers to ‘know their patch’, including any rural communities in their area.

Those in receipt of Universal Credit can access help with any costs associated with seeking employment – such as travel, childcare, equipment, clothing and uniform costs – through the Flexible Support Fund. This fund can also be used by partner organisations to address barriers to work, which in rural areas may include transport arrangements. In 2020, the government increased funding for this scheme by £150 million.

Childcare provision

In many instances, workforce re-entry depends on the availability of childcare provision for working parents.

Since its introduction in 2017, the Early Years National Funding Formula has been used to allocate early years funding to local authorities and providers. To account for the increased costs of childcare provision in many rural areas, local authorities can include a rurality supplement in their local funding formulas.

Enhancing skills

Addressing skill shortages in rural areas also involves ensuring that new entrants to the labour market have relevant qualifications and sufficient experience to meet the needs of employers.

1.1.7 Further education

The government is working to improve further education options for those seeking careers in industries such as farming and land management that are predominantly based in rural areas.

Technical education reforms

In September 2020, the next step in the reform of the technical education system took place with the launch of ‘T levels’. These are substantial courses lasting 2 years, with one T level roughly equivalent to 3 A levels. They are designed by employers and combine teaching time with an industry placement of at least 45 days, offering a high-quality education programme alongside real experience of the workplace.

The first 3 courses (Digital Production Design and Development, Design Surveying and Planning for Construction, and Education and Childcare) were launched in September 2020 in 44 colleges and other providers across the country.

Over the next 3 years, 21 further courses will be launched, including (from September 2023) T levels in Agriculture, Land Management and Production, and Animal Care and Management.

Apprenticeships

Apprenticeships are jobs, created by employers, that offer substantial and sustained on- and off-the-job training in a skilled occupation. Employers and apprentices can choose from apprenticeships in a wide range of sectors including agriculture, environmental and animal care, engineering and manufacturing, and business and administration.

The amount of funding available for investment in apprenticeships in England has doubled over the past decade, to £2.5 billion for the year 2021 to 2022. Employers of all sizes can access this funding to spend on the apprenticeships training that matters to them.

Institutes of Technology

As part of the technical education reform programme, £290 million is being invested to enable every region in England to establish a high-quality Institute of Technology, helping colleges, universities and businesses to work together more effectively.

This includes capital funding to invest in state-of-the-art equipment and facilities, much of which includes augmented or virtual reality equipment that is accessible online to remote students who might have difficulty accessing the physical facilities (such as those who live in remote rural areas).

Eleven of the first 12 Institutes of Technology have already opened and the remaining one is in the process of opening. Following a planned second wave of Institutes opening, there will be a network of 20 Institutes of Technology across the country. Most include rural areas in their catchment, and 2 proposals (led by the University of Lincoln and York College) feature the agri-tech sector as a sector specialism. Land-based colleges are included among their delivery partners.

1.1.8 Digital skills

The Digital Skills Partnership was launched in 2017 to bring together organisations from across the public, private, and third sectors to improve digital skills across the spectrum in a coordinated and coherent manner. The government is supporting an evidence-based approach to addressing digital skills shortages, to ensure that the needs of local communities and businesses are met.

As part of the programme, Local Digital Skills Partnerships have been set up in 7 regions across England to identify and tackle regional digital skills gaps and to design and implement digital skills programmes that advance digital inclusion, upskill the local workforce, and build thriving regional economies.

All 7 Local Digital Skills Partnerships work closely with rural communities in their region to develop digital skills and tackle digital exclusion. A full evaluation of the programme will take place in 2021.

3 Developing rural infrastructure

With generally more remote geographies and smaller populations, rural areas often lack the same quality and extent of digital, travel and housing infrastructure as urban areas.

This section outlines what is being done across government to develop rural infrastructure, by improving digital connectivity in rural areas, making rural transport accessible, and supporting community infrastructure.

Improving digital connectivity

Digital connectivity is essential to participation in modern life in the UK, as well as being a critical enabler of successful businesses. However, there are clear disparities in broadband and mobile coverage between urban and rural areas in England.

Lower population densities, difficult topology, larger areas to cover, and greater exposure to adverse weather conditions can all make it harder for commercial operators to deliver reliable, affordable communications services to rural areas. The government monitors, encourages, and where appropriate, intervenes to ensure that rural areas are not left behind and that any ‘digital divide’ between rural and urban areas can be closed.

3.1.1 Digital broadband

The government has made it a priority to achieve nationwide gigabit connectivity as soon as possible. In its National Infrastructure Strategy, the government set out its plans to achieve a minimum of 85% gigabit-capable coverage by 2025, with an ambition to get as close to 100% coverage as possible.

The 2018 Future Telecoms Infrastructure Review proposed an ‘outside-in’ approach to gigabit broadband deployment, through which the government would support rollout in the hardest-to-reach areas at the same time that the market deploys to more commercially viable areas.

The government has committed £5 billion to support the rollout of gigabit-capable broadband in these areas from 2021 through Project Gigabit. This investment will ensure that all parts of the UK – including rural areas – will benefit from improved digital connectivity.

DCMS is working to reduce the barriers to broadband rollout and to support and accelerate commercial deployment, including through the introduction of the Telecommunications Infrastructure (Leasehold Property) Bill which will make it easier to connect premises where there is an unresponsive landlord.

Rural Gigabit Connectivity Programme

The £200 million Rural Gigabit Connectivity Programme upgrades public sector premises in rural areas, for example schools and GP surgeries, to a gigabit-capable connection so they can act as local hubs for further network expansion in those areas.

The programme offers a voucher scheme that allows rural households and businesses to access funding for group schemes to access gigabit connections for their communities, with vouchers worth up to £3,500 for SMEs and up to £1,500 for residential premises available since May 2019. To date, vouchers with a value of nearly £50 million have been issued, leading to over 9,600 new live rural connections. Top-up funding worth £24.7 million has been provided by 19 local councils across England. A voucher scheme will continue as part of Project Gigabit.

Superfast Broadband Programme

The Superfast Broadband Programme supports access to broadband services providing superfast speeds – those of at least 30 megabits per second (Mbps). To date, the programme has invested more than £1.7 billion in supporting access to superfast broadband in over 5 million additional homes and businesses, the majority of which are in rural areas. Defra has supplemented this with £78 million of targeted investment from the Rural Development Programme for England to plug gaps in superfast coverage in rural areas. The ongoing programme now brings gigabit-capable, full-fibre connections almost exclusively to some of the hardest to reach areas of the country. Aside from a few individual projects, the Superfast programme is winding down as publicly funded broadband will in future be delivered by Project Gigabit

Project Gigabit

On 19 March 2021 the government launched Project Gigabit – a new £5 billion programme to support the deployment of gigabit-capable broadband networks to the hardest to reach parts of the UK. The first phase of this delivery plan will target over 1 million premises in areas which have a high percentage of hard to reach premises and a relatively high proportion of premises without access to an existing superfast connection.

The first procurement contracts will cover up to half a million premises in a number of predominantly rural areas in Cumbria, Northumberland, Cornwall, Cambridgeshire, Northamptonshire, Rutland, Essex, Hertfordshire, Dorset and Shropshire. Subsequent contracts are expected to cover up to 640,000 hard to reach premises in Norfolk, Shropshire, Suffolk, Worcestershire, Hampshire and the Isle of Wight.

Gigabit Broadband Voucher Scheme

Launched in March 2018, the scheme provided eligible areas across the UK with vouchers to cover the installation of costs of bringing gigabit connectivity to people’s homes and businesses. So far more than 66,000 vouchers worth up to £127 million have been issued to premises across the UK.

On 19 March 2021 the government announced that it is investing up to £210 million in a new voucher scheme to build on the success of this scheme. The new vouchers worth up to £1,500 for residents and up to £3,500 for businesses mean that rural areas will not have to wait for procurement contracts under Project Gigabit to reach them.

Public sector buildings

Project Gigabit will invest up to £110 million to connect up to 7,000 rural public buildings such as schools, doctors' surgeries and libraries to lightning-fast, reliable broadband which will help incentivise broadband companies to build in these communities.

Very hard to reach areas

The UK has some very remote places where it may be too expensive to build a gigabit-capable broadband network, even with substantial public subsidy. Thanks to completed or pending government-funded projects, less than 0.3% of the UK or fewer than 100,000 premises is likely to fall into this category.

On 19 March 2021, the government launched a call for evidence to explore the barriers to improving broadband in these areas and how innovative new technologies might help.

Broadband Universal Service Obligation

The Broadband Universal Service Obligation went live in March 2020. Consumers whose premises have no access to commercial broadband services on fixed or mobile networks at 10Mbps download speeds (or 1Mbps upload speeds) are able to request a connection, and, subject to a reasonable cost threshold of £3,400 per premises, will be entitled to a connection.

In October 2020, the independent regulator Ofcom launched an investigation into BT's compliance with its obligations as a broadband universal service provider where it assesses excess costs for a given connection. Ofcom has now completed its initial evidence gathering and confirmed in January 2021 that it intends to proceed to the next investigative stage prior to any enforcement action.

3.1.2 Digital mobile

The government has committed to extending 4G geographic mobile coverage to 95% of the UK, as well as providing an uninterrupted mobile signal on all major roads.

Shared Rural Network programme

The Shared Rural Network programme, launched in March 2020, is explicitly targeted at improving mobile coverage in rural areas. The government and industry will jointly invest over £1 billion to increase 4G mobile coverage throughout the UK to 95% geographic coverage by the end of 2025. The agreement is underpinned by legally binding coverage commitments from each operator.

The programme will provide guaranteed extra coverage to 280,000 premises and 16,000km of roads. There will also be further indirect improvements over time, including a boost to ‘in car’ coverage on around 45,000km of roads and better indoor coverage in around 1.2 million business premises and homes.

5G Testbeds and Trials Programme

The UK’s 5G Testbeds and Trials Programme aims to fund research and development projects that build the business case for investment in rural connectivity and explore the capabilities of 5G to benefit rural communities.

As part of the 5G Testbeds and Trials Programme, the Rural Connected Communities initiative is investing £30 million in funding 5G Research and Development trials in rural areas across the UK. Funding has been approved for 7 projects running from March 2020 to March 2022, in rural areas including Nottinghamshire, Dorset, North Yorkshire, Wiltshire, Shropshire and Worcestershire.

These projects will develop and test different technical and commercial models for 5G networks, while exploring the benefits of 5G to enhance tourism experiences, deliver health and social care services, improve public safety and support agriculture. Together, they will create a stronger case for investment in infrastructure and show how 5G can enhance the lives of people living and working in rural areas.

Hosting infrastructure

The Office of Government Property is working with DCMS and other government departments to open up more of the government estate to host telecommunications infrastructure.

As well as upgrading infrastructure to provide 4G and 5G, this includes supporting work to address 'not spots' (where coverage is lacking), typically in rural areas.

Making rural transport accessible

DfT provides funding for projects involving public transport improvements through the National Productivity Investment Fund. In 2017, around a quarter of this funding (£60 million of a total of £244 million) was directed at local authorities in mainly rural areas.

3.1.3 Transport Analysis Guidance

DfT provides extensive appraisal guidance for investments in transport schemes in the form of the Transport Analysis Guidance, which highlights in several places the need to consider rural impacts. Numerous data sets are used to differentiate between urban and rural areas to inform policy development, including information on road lengths, traffic density and journey times.

3.1.4 Road network

England’s road infrastructure is formed of the strategic road network, which includes the most important roads connecting all parts of England and is managed by Highways England, as well as many smaller roads that are looked after by local authorities.

The government sets funding and objectives for Highways England through periodic road investment strategies (RIS). In setting a RIS, DfT works with other government departments, sub-national transport bodies and other interested parties to identify priorities for investment.

Through the first RIS (2015 to 2020) and now RIS2 (2020 to 2025), DfT has provided Highways England with designated funds that can be spent on specific issues affecting the strategic road network. These can facilitate smaller-scale, targeted interventions that are particularly relevant for rural areas.

DfT also directly funds a number of schemes to maintain vital links from villages to service centres, and to bypass villages to improve safety and environmental conditions on rural roads. The choice of which scheme to bid for is largely in the hands of local authorities.

Rural Roads Working Group

Rural roads account for 60% of all fatalities on UK roads whilst carrying only 33% of the traffic, with casualties mostly being vulnerable road users such as young drivers and motorcyclists.

In the 2019 Road Safety Statement, ‘A Lifetime of Road Safety’, DfT announced its intention to establish a Rural Roads Working Group to discuss and better understand the safety issues that rural road users face and to make recommendations for improvement.

The Rural Roads Working Group will address topics relevant to real road safety issues on rural roads, including freight, horses, cyclists, motorcyclists, young and elderly drivers, speed limits, agricultural vehicles and wildlife.

3.1.5 Rail network

The rail network provides connectivity and access for passengers and freight across the country, as well as providing local transport for passengers. DfT specifies that rail franchises should provide services that make best use of capacity to meet overall demand and to ensure that operators continue to meet their public service obligations by providing services to lightly used stations.

DfT is working with Network Rail to reopen parts of the network closed during the Beeching cuts in the 1960s. The £500 million Restoring Your Railway Fund will help build or reopen lines and stations, reconnecting smaller communities, regenerating local economies and improving access to jobs, homes and education.

Train operators are required to support the development of Community Rail Partnerships, either through provision of financial assistance or specific funding for investment into the heart of the community. There are more than 70 Community Rail Partnerships, the majority of which operate in rural areas.

3.1.6 Rural buses

Operating bus services in rural areas is less commercially viable than in urban areas, so services are subsidised by local authorities. However, funding pressures within many local authorities have led to a widespread reduction in the number of supported routes, leaving many people in rural areas with access to only a very limited service.

To address this issue, as part of the supported bus services funding the government has invested an additional £30 million to restore lost bus services and to improve existing ones. Rural authorities were given a 20% top-up to their funding, recognising that the loss of supported services in rural areas can leave people at risk of losing access to public transport.

Alongside this, the £220 million ‘Better Deal for Bus Users’ package includes a £20 million Rural Mobility Fund to trial demand-responsive transport solutions in rural and suburban areas.

The National Bus Strategy for England focuses on the needs of passengers so that more people have access to bus services that meet their needs. The government recognises the importance of good transport links for the sustainability and independence of communities, particularly in rural areas, and the strategy sets out how national and local government and the private sector will come together to support this.

3.1.7 Future of Transport: Rural Strategy

Technology will drive radical changes in transport in the next 10 years, with profound implications for transport users and businesses.

Electrification, connectivity, automation and real-time data collection and analysis are driving the development of new modes of travel and new ways to do business.

DfT has been working with stakeholders to gather evidence of the opportunities and issues facing rural areas in relation to transport innovation. A call for evidence was launched in November 2020, with a view to publishing a ‘Future of Transport Rural Strategy’ in 2021.

Supporting housing and community infrastructure

Community infrastructure includes housing, as well as social infrastructure such as village halls, pubs and community centres.

3.1.8 Planning and housing

The availability of affordable housing underpins the vitality of rural communities, enabling young families to continue to live in their local areas and key workers to be based near to their places of work.

Affordable Homes Programme

Between 2011 and 2020, over 25,000 affordable homes were created through Homes England’s Affordable Homes Programme in settlements with a population of fewer than 3,000, with over £2 billion going to significantly rural local authorities.

More generally between April 2015 and March 2019, 11% of new build additional affordable homes have been delivered in villages with a population of fewer than 3000, and we recognise the importance of these settlements for both economic and housing growth.

The government is committed to increasing the supply of affordable housing and are investing over £12 billion in affordable housing over 5 years, the largest investment in affordable housing in a decade. This includes the new £11.5 billion Affordable Homes Programme, which will provide up to 180,000 new homes across the country, should economic conditions allow. It includes an expectation that at least 10% of those homes will be in rural settlements. The programme will unlock a further £38 billion in public and private investment in affordable housing.

Rural Land Assembly Fund

Defra has worked closely with MHCLG and Homes England to identify some potential sites for affordable housing within rural areas (including in National Parks), while also protecting our most valued landscapes.

This was taken forward as part of Homes England’s Land Assembly Fund and was piloted in North Yorkshire, Dartmoor and Exmoor National Parks, South Downs National Park and Northumberland. The Fund can be used to acquire suitable land and prepare it for the market, thus making it a less risky proposition for investment by developers.

Planning

The National Planning Policy Framework includes provisions to encourage development that meets local housing needs in rural areas.

- **Rural Exception Sites**: Permit land that could not otherwise be developed for housing to be used for small affordable housing developments to meet specific local needs. The majority of homes provided on these sites may not be sold on the open market and remain permanently available to the local community.
- **Affordable housing contributions**: Allow local authorities in ‘designated rural areas’ to seek affordable housing contributions from developers on sites of 5 units or fewer, compared with a minimum site size of 10 units elsewhere.

A national permitted development right (Class Q) enables the change of use of an agricultural building to a house, making it easier to provide homes in rural areas.

From September 2020, the new Commercial, Business and Service use class enables premises to move between a wider range of uses, such as shops, offices, nurseries, health centre, without the need for a planning application. The changes to use classes will enable rural businesses to adapt quickly, while also providing protection for small, isolated shops selling essential goods.

Planning for the Future

The ‘Planning for the Future’ white paper set out our ambitions for significant changes to the focus and processes of planning – to secure better outcomes, including improving our precious countryside and environment alongside increasing the supply of land for new, beautiful homes and sustainable places.

Following the consultation, and as we look ahead to bringing forward these reforms, we will consider how planning can support all local economies, with more certainty for developers and communities and a faster planning system contributing to increased investment in rural areas.

Defra and MHCLG continue to work closely together on the impact of the planning system in rural areas.

Neighbourhood planning support

The government is making available £34.5 million worth of support to help communities engage with neighbourhood planning between 2018 and 2022.

This is comprised of a £26 million Neighbourhood Planning Support Programme, as well as an additional £8.5 million to help communities bring forward affordable homes for sale in their neighbourhood plans.

In rural areas, Rural Community Councils, part of the Action with Communities in Rural England (ACRE) network, support communities through rural housing enablers.

Fuel Poverty Strategy

The development of policies to reduce rural-urban inequality through the creation of affordable housing is complemented by efforts to tackle fuel poverty – an issue that disproportionately affects households in rural areas.

The updated fuel poverty strategy for England puts forward a plan for tackling fuel poverty across England, including for households in rural areas and those off the mains gas grid.

Energy Company Obligation scheme

The Energy Company Obligation scheme requires energy suppliers to install energy efficiency and heating measures in homes across the UK, with a view to reducing household energy costs for low-income and vulnerable households.

The current scheme, which runs until March 2022, requires the equivalent of 17,000 solid wall homes per year to be treated through solid wall insulation (or to a standard producing savings equivalent to solid wall insulation). Suppliers are required to meet at least 15% of their obligation by installing measures in rural areas.

Between October 2018 and August 2020, 52,714 measures were implemented through the rural obligation of the Energy Company Obligation scheme, resulting in an estimated £604.4 million of lifetime energy bill savings.

The scheme also incentivises suppliers to insulate homes that are not heated by mains gas (and are therefore more likely to be in rural areas). Under the current scheme, Flexible Eligibility (sometimes known as LA Flex) has been increased from 10%, to allow up to 25% of Suppliers' Obligation to be used on a voluntary basis by energy suppliers working in partnerships with local authorities.

The recent Energy white paper announced an extension of the ECO scheme to 2026 and an expansion of the Warm Home Discount to £475 million per year from 2022 to 2026.

3.1.9 Social infrastructure

Social infrastructure refers to those amenities that act as a hub for the local community, including village halls, pubs and community centres, as well as to the networks that underpin so many local services and activities.

Action with Communities in Rural England (ACRE)

An important part of Defra's strategic approach is providing on the ground support to rural communities through its grant funding for ACRE.

Under the terms of this partnership, the Defra grant funding must be used to support 8 agreed programme priorities, including: promoting digital infrastructure and digital skills and inclusion; supporting local support services to improve rural life opportunities;

supporting community assets such as pubs and shops; providing innovative solutions to the availability of transport in rural areas; providing support for community energy schemes, and support and advice on reducing energy costs; helping rural communities to grow by identifying suitable sites to meet local housing needs and plan for the future through neighbourhood planning; and supporting business development.

In line with these objectives, the ACRE network leads and supports the provision of a wide range of voluntary and advisory services through its 38 county-based Rural Community Councils working with 52,000 grassroots organisations across 11,000 rural communities. The specialist services provided by the network include village hall advisers; rural housing enablers; planning advisers; and support and training for a wide range of volunteer-led services such as community transport schemes, ‘good neighbours’ schemes, pensioners’ groups and lunch clubs, and support for carers.

Recently, the ACRE network has provided invaluable support to rural areas to deal with the impact of COVID-19. Nationally, it has advised village halls and others on how to continue to operate safely, while individual Rural Community Councils have responded flexibly to local needs, helping to maintain essential voluntary services and harness new volunteer activity.

Investment in village halls

There are more than 10,000 village halls in England. They are an essential part of community infrastructure in rural areas, hosting a range of services and events for local residents. In April 2019, Defra launched a £3 million grant fund to help communities improve and modernise village halls. As of the end of February 2021, £2.8 million had been committed to 120 village halls.

Assets of Community Value scheme

Over the past decade, communities have been losing local amenities and buildings of great importance to them – the village or housing estate shop or pub or community centre or village hall. On average, nearly 300 pubs and 400 village shops have closed each year.

The Assets of Community Value scheme enables community groups to prevent the loss of these types of amenities by taking them into community ownership. Community asset ownership has been gaining popularity in recent years, with real benefits for many rural communities. To date, more than 200 communities have bought their village shop, and a growing number are looking to take over their local pub where it is at risk of closure.

Community Ownership Fund

The government has launched a new £150 million Community Ownership Fund to help ensure that communities across the UK can continue to benefit from the local facilities and amenities that are most important to them. From the summer, community groups will be able to bid for up to £250,000 matched-funding to help them to buy or take over local community assets to run as community-owned businesses. This will help ensure that important parts of the social fabric – like pubs, sports clubs, theatres and post office buildings – can continue to play a central role in towns and villages across the UK. The first bidding round for the Community Ownership Fund will open by June 2021.

Arts and culture

Arts and culture play a significant role in rural areas, with rural residents more likely to spend time doing creative activities and attending arts events than those in urban areas.

DCMS supports the development of the cultural and creative industries in rural areas; for instance, future rounds of the Cultural Development Fund will be made open to applicants that support rural creative clusters.

Arts Council England's 'Creative People and Places' programme, which focuses on parts of the country where engagement with the arts and culture is below average, has to date awarded £37 million to 21 projects, a third of which have been in rural areas.

Rural places of worship

DCMS is currently funding a pilot scheme worth £1.8 million to provide advice and guidance to those looking after places of worship in both rural and urban areas (Suffolk and Greater Manchester). The pilot, which has a specific focus on increased community engagement, the condition of the fabric of listed church buildings, and funding for routine maintenance, has so far supported 27 places of worship in rural Suffolk.

Community cohesion and loneliness

Community cohesion, as measured by, for example, neighbourliness, tends to be greater in rural areas than in urban ones, and volunteering rates tend to be higher. This may in part reflect different demographics, with a higher proportion of older people in rural areas.

Defra supports community infrastructure and community action with a view to reducing loneliness in rural areas. The ACRE network is using Defra funding to address loneliness across its strategic priority areas.

The Minister for Rural Affairs has also held 2 roundtables to discuss how best to address loneliness in rural areas, with attendees from the ACRE network, the National Farmers Union, Church of England, and the Farming Community Network among other organisations. Defra will continue to hold roundtables to develop work on rural loneliness.

4 Delivering rural services

Access to services is a challenge in many rural areas. This section outlines what is being done across government to deliver effective rural services, through meeting additional delivery costs, overcoming accessibility challenges, and promoting workforce recruitment and retention.

Covering delivery costs

Services can often be more costly to provide in rural areas, due to a range of factors including sparsity, increased travel times and smaller economies of scale.

4.1.1 Grants, subsidies and adjustments

The government has a range of financial measures in place to compensate for the additional costs of rural delivery, including for local government services, healthcare, education and policing, as well as for face-to-face services such as libraries and post offices.

Rural Services Delivery Grant

The Rural Services Delivery Grant recognises and balances the extra costs for local authorities of delivering services in rural areas, including adult social care services.

The Rural Services Delivery Grant settlement for the financial year 2020 to 2021 was £81 million, maintaining the same record levels of funding provided in the year 2019 to 2020. The government proposes to increase it to £84 million in 2021 to 2022. The grant is allocated using a 'super-sparsity' indicator, which uses Census data to rank authorities by population sparsity, with funding weighted accordingly.

NHS funding allocations

The NHS makes some funding adjustments that relate directly to rurality and remoteness, including: an allocation adjustment to support continued provision by small hospitals with 24-hour accident and emergency services that are remote from the wider hospital network; an allocation adjustment for emergency ambulance costs to reflect longer journey times in sparsely populated areas; and an adjustment to payments to GP practices to account for increased geographical dispersion of registered populations, as is often the case in more rural areas.

NHS England is responsible for funding allocations to Clinical Commissioning Groups. It uses an underlying allocation formula that estimates the relative health needs of local areas. Many of the differences between rural and urban areas, such as the tendency for rural populations to be older, or relative deprivation, are taken into account as part of this. The process is independent of government and NHS England takes advice on the formula from the independent Advisory Committee on Resource Allocation.

Community services formula adjustments

Over the past 2 years, the Advisory Committee on Resource Allocation has been considering the evidence for any additional adjustments relating to the costs of providing healthcare in remote areas.

Following this, it has endorsed the introduction of a new community services formula that has the effect of better recognising needs in some rural, coastal and remote areas that on average tend to have much older populations.

Further work is planned to investigate district nursing travel time to understand if providing home services in sparsely populated areas is material, and if so, whether the new formula needs to be extended to account for this.

Schools funding

Since the academic year 2018 to 2019, DfE has distributed school funding via the National Funding Formula, which bases schools' allocations on their individual needs and characteristics. In recognition of the fact that small schools in geographically challenging areas do not have the same opportunities to find efficiencies as those elsewhere, a sparsity factor was introduced in the National Funding Formula. This allocates additional funding of £26.2 million specifically to small, remote schools.

When the sparsity factor is coupled with the lump sum – an amount of money each school receives, irrespective of their size or number of pupils – this provides significant support for small and remote schools. A small, rural primary school eligible for sparsity funding will attract up to £140,400 in total, through the lump sum and sparsity factors, while a small secondary school will attract up to £182,000.

As a result, under the National Funding Formula in the academic year 2020 to 2021, rural schools are gaining on average 4.7% per pupil, compared to the national average increase of 4.05% per pupil, relative to allocations in the academic year 2019 to 2020. Furthermore, small schools are gaining on average 4.6% per pupil, compared to the national average increase of 4.05% per pupil, relative to allocations in the academic year 2019 to 2020. DfE is considering additional ways to ensure that the National Funding Formula continues to support small schools, including those in remote areas, from the financial year 2021 to 2022.

Police funding

The police funding settlement for the financial year 2020 to 2021 set out the biggest increase in funding for the policing system since 2010, with total police funding of up to £15.2 billion, an increase of up to £1.1 billion compared to the year 2019 to 2020.

Core grant funding from the government is allocated to each of the 43 police services in England and Wales in line with a police funding formula. The current funding formula uses a number of indicators to predict relative need for police resources, including policing in rural areas.

Other services

The Post Office provides an important point of administration for many government services, for example by processing pensions and benefits payments, processing identity and licence scheme applications, and providing facilities for the payment of public utility services, as well as providing basic cash and banking services.

Of around 11,500 Post Office branches nationally, over half (6,100) are in rural locations. More than 3,000 of these are Community Branches, which are effectively the last shop in their village. Between 2018 and 2021, the government invested £160 million to subsidise these uncommercial Community Branches, ensuring that people in more remote rural areas continue to have access to their local Post Office. The Post Office is also investing in its rural branches through the Community Branch Development Scheme.

In its 2020 Spending Review, the government committed to a £50 million subsidy for the financial year 2021 to 2022, protecting access to essential services in commercially challenging locations. Combined with a £177 million capital investment over a 12-month period, this means that the Post Office will receive £227 million in total from the government over the coming year.

4.1.2 Rurality exceptions

An important mechanism by which policies are rural-proofed across government is through the application of rurality exceptions – accommodations that are made to ensure that more sparsely populated areas are not left without vital services.

Primary care networks

The introduction of Primary Care Networks has enabled GP practices to establish community-based, multidisciplinary teams with other professionals in the local health and social care system.

While the minimum population requirement for establishing a Primary Care Network is typically 30,000, the Network Contract Direct Enhanced Service allows commissioners, in exceptional circumstances, to ‘waive’ the minimum population requirement where a Primary Care Network serves a natural community which has a low population density across a large rural and remote area. This can allow Primary Care Networks in rural areas to be smaller than those in urban areas, serving in some cases a population of fewer than 30,000 people.

School closures

Local authorities are expected to adopt a presumption against the closure of rural schools. The presumption requires the department to publish a list of all local-authority-maintained primary schools designated as being rural, with local authorities required to consult this list when proposing a school closure.

Where a school is listed as being a rural primary school, local authorities are required to consider additional factors when proposing closure, including the impact on the local community, increases in travel to and from school, and any alternatives to the closure of the school.

DfE also extended protection for rural schools to rural academies when the ‘rural double lock’ was announced, which means that both local and central government have to agree before a rural academy can be closed.

4.1.3 Promoting effective working

In addition to rural proofing policies that directly affect the type and amount of funding for key services, the government also provides strategic input to help rural service providers operate more efficiently and effectively.

Small rural hospitals

The NHS Long Term Plan acknowledged the challenges faced by smaller acute hospitals that serve rural populations and outlined an approach to meeting them, for example by supporting smaller rural hospitals to develop safe and sustainable models of service delivery, including identifying how they can work more effectively with other parts of the local health and care system.

Rural primary schools

In 2019, DfE published research[7] exploring how small rural primary schools could be run efficiently based on the resources they have available. It identified a range of funding, recruitment and teaching challenges and offered potential solutions to these, including sharing staff and securing discounts with external suppliers, promoting benefits for job choice and skill development, and using online learning packages to cater for mixed-age, mixed-ability classes.

Rural policing

The National Rural Crime Network highlights the main issues that affect rural communities and rural businesses and works to achieve greater understanding of the impacts of rural

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[7] DfE (2019) ‘Running rural primary schools efficiently’

crime. Defra and the Home Office work closely with the National Rural Crime Network, as well as the National Police Chiefs' Council Wildlife Crime Network, on rural crime issues.

A 2017 benchmarking survey of police services across the UK found that among the 26 local services that had a dedicated resource to tackling rural crime, a wide range of approaches were taken to resourcing the policing of rural communities and addressing rural crime. The 2018 National Police Chiefs' Council's rural affairs strategy sets out 6 operational and organisational policing priorities, to be used to inform future decisions with the aim of creating safer rural communities.

Overcoming accessibility challenges

To overcome the accessibility challenges involved in rural service provision, the government may intervene by supplying additional transport options (beyond the support already provided through public transport schemes), or by promoting and supporting alternative delivery models, including digital.

4.1.4 Home-to-school transport

Children living in rural areas typically have to travel further to school than those living in urban areas. Local authorities are required to provide free home-to-school transport for pupils of compulsory school age if they cannot reasonably walk to school and if certain other conditions are met. Local authorities also have discretionary powers to provide free home-to-school transport for children who do not have a statutory eligibility.

Local authorities collectively spend around £1 billion a year on home-to-school transport. Most government funding is provided to local authorities through MHCLG's local government finance settlement, while DfE provides some grant funding to support local authorities in meeting their extended rights duties for children from low-income families.

DfE has also allocated more than £40 million to facilitate additional dedicated home-to-school and college transport while social distancing remains in place on public transport. This funding has been allocated to local transport authorities to reflect the number of children and young people in the local area and how far they have to travel.

4.1.5 Community Pharmacist Consultation Service

Launched in 2019, the Community Pharmacist Consultation Service connects patients who have a minor illness or need an urgent supply of a medicine with a local community pharmacy.

The aim is to relieve pressure on the wider NHS by connecting patients with community pharmacy, reinforcing it as the first port of call. This may be of particular relevance to patients in rural areas, where access to a GP may be more difficult.

4.1.6 Outreach services

Mobile Post Office branches are an important means of maintaining access to services in remote and rural area where there is not enough demand to sustain a traditional branch.

Outreach library services also operate in many rural areas, where physical access may be limited by distance or lack of access to transport. Of the more than 100 mobile libraries operating across England, two-thirds are within local authority areas that are considered to be either predominantly or significantly rural.

Mobile libraries can also play a part in improving the health outcomes of people in isolated rural communities by reducing social isolation and loneliness, including through visits to vulnerable people in isolated communities.

4.1.7 Digital service delivery

More and more services are moving to a digital delivery model. Figures suggest that with face-to-face local services less accessible, many rural populations have embraced the internet more than urban counterparts as a source of information and to access services.

Digital access to primary care

Recognising the central role of technology and digital transformation in future-proofing the NHS, the NHS Long Term Plan includes the commitment that by the financial year 2023 to 2024, every patient in England will be able to access a ‘digital-first’ primary care offer.

This will be at the choice of the individual patient; those who cannot or do not wish to use digital tools will still be able to access services over the phone or in person.

An independent evaluation of the effectiveness of online consultations in GP practices will consider the important factors for successful implementation of these digital tools in general practice and provide further understanding of the impacts on patients, GP practices and the wider health and social care system.

Digital access to court services

Since 2015, HM Courts & Tribunals Service has been conducting an ambitious, £1 billion programme of reforms to improve online accessibility, removing the need for many users to attend court in person.

The temporary closure of many court and tribunal sites during the COVID-19 pandemic has meant that the use of video to access hearings has increased. Where digital connectivity permits, this may benefit some rural users by enabling them to access court without needing to travel.

Libraries as digital hubs

There is an extensive network of about 2,800 static public libraries across England[8]. In rural areas libraries often provide the only free-to-use and easily accessible community space. As such, they are recognised in the UK digital strategy as a major player in achieving digital inclusion and access.

DCMS is developing pilots involving rural libraries acting as community hubs, while in its 'Libraries Deliver: Ambition for Public Libraries in England 2016 to 2021' strategy, it requires departments to 'think libraries first' in planning for service provision to rural communities.

Making digital accessible

Digital connectivity can be an issue for accessing online services in rural areas. To help address this issue, the government Digital Service (GDS) continually optimises the GOV.UK platform to ensure that digital government services are as simple as possible, improving accessibility for those with slower broadband or mobile network coverage.

Digital skills training

In 2018, DCMS awarded £400,000 through its Digital Inclusion Innovation Fund to 3 pilot projects designed to help older and disabled people acquire digital skills. Two of these projects focus on digitally excluded people living in rural areas, including:

- The 'Living Smart Homes' project, managed by the Council for Voluntary Service in Uttlesford, West Essex, uses 'Digital Buddies' to train older homeowners on how to use the technology that is added to their homes.[9] By April 2020, the project had engaged 1,094 learners across a predominantly rural area.
- A telehealth app developed by the Weldmar Hospice Trust in Dorset, is designed to enable end-of-life and palliative care patients in rural areas to report on their own health through remote monitoring.[10]

Since 2018, DCMS's Local Digital Skills Partnerships have also been working closely with rural communities to advance digital inclusion by supporting underrepresented and disadvantaged groups with training and accessibility.

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[8] DCMS Corporate Report: Public libraries in England: extended basic dataset (as on 1 July 2016)

[9] CVSU (accessed online December 2020) 'Digital Boomers'

[10] Weldmar Hospice Trust (accessed online December 2020) 'Weldmar Hospicecare launches UK's first interactive app to monitor patients at home'

Promoting workforce recruitment and retention

Rural communities can face challenges in meeting staffing requirements for all types of public services. This may be in part because rural areas are seen to lack opportunities for career progression; it may also be due to the higher prevalence of training facilities in urban areas.

4.1.8 Health and Social Care recruitment

The Department of Health and Social Care (DHSC) and NHS England have acknowledged the recruitment difficulties for the NHS in rural areas and have developed and funded projects and schemes to boost recruitment in rural and other priority areas.

Targeted Enhanced Recruitment Scheme

The Targeted Enhanced Recruitment Scheme is a national incentive scheme that funds a £20,000 salary supplement to attract trainee GPs to work in areas of the country where training places have been unfilled for a number of years, which may include rural communities. Additional government investment has seen the number of places on the scheme double to 500 in 2021.

Medical education

Five new medical schools have opened in historically hard-to-recruit areas, including rural and coastal locations in Sunderland, Lancashire, Chelmsford, Lincoln and Canterbury. Health Education England was instrumental in selecting sites for the schools, and jointly managed the bidding process to allocate 1,500 training places over recent years. This was completed in September 2020.

To attract and retain trainees in remote, rural and coastal geographies and shortage specialties, Foundation Priority Programmes were introduced in 2019. This initiative allows applicants to rank their preference for selected priority programmes as part of their application form. Successful applicants are offered places on specific programmes prior to national allocation.

Social Care recruitment

To attract people into social care, DHSC has launched national recruitment initiatives designed to reach both urban and rural areas. These include an online platform to fast-track recruitment into the adult social care sector, and a recruitment campaign called ‘Care for others. Make a difference.’

As well as continuing to invest in social care recruitment through its sector workforce development partner Skills for Care, DHSC agreed a 4-year ‘Securing a diverse future workforce for Health and Social Care’ programme with the Princes Trust in 2019. This programme aims to help young people get a career in the health and social care sectors and will target hard-to-reach communities, including in remote and rural areas.

5 Managing the natural environment

Rural areas tend to be shaped by the natural environment and the actions of people upon it. It is therefore crucial that the needs of people who live in these areas are taken into consideration when developing policies that affect England's landscapes and habitats.

This section outlines the government's approach to managing England's natural environment. Guided by the goals and objectives identified in the 25 Year Environment Plan, this approach can be broadly divided into 3 areas: protecting biodiversity; facilitating green recovery; and connecting people with nature.

Protecting biodiversity

The government uses a combination of direct investment and environmental regulation to create and preserve richer habitats for wildlife, ultimately serving to protect and enhance biodiversity.

5.1.1 Investment in natural capital assets

In addition to its plans for Environmental Land Management (see Chapter 2, section 2.1.2 – 'Government investment in the rural economy'), the government is making a significant investment through schemes including:

- a £640 million Nature for Climate Fund to encourage tree planting and peat restoration;
- a £50 million Woodland Carbon Guarantee to support woodland creation; and
- a £80 million Green Recovery Challenge Fund to kick-start a programme of nature-based recovery.

Such investment in natural capital assets not only supports the enhancement and protection of biodiversity: strong evidence shows that it can also provide tangible benefits for rural communities by improving wellbeing and creating secure, long-term jobs for local people.

5.1.2 Environment Bill

The Environment Bill sets out a comprehensive framework for environmental governance and regulation following the UK's exit from the EU.

Rural stakeholders have been engaged throughout the development of the Bill, which includes new powers to reform existing systems for environmental assessments.

5.1.3 Wildlife and environmental crime

While average crime rates are generally lower in rural areas, the types of crime that are more prevalent in rural areas tend to be those that adversely affect wildlife and the environment, including poaching, persecution and illegal trading of protected species.

In both its wildlife crime strategy and its rural affairs strategy, the National Police Chiefs' Council highlighted poaching (predominantly hare coursing but also deer hunting) as an important issue. All hare coursing is illegal under the Hunting Act 2004, with those trespassing to course hares also committing an offence under the Game Act. The government is working with the police and rural stakeholders to explore ways of bringing in more effective sanctions against offenders.

The National Wildlife Crime Unit, funded partly by Defra and the Home Office, assists police forces in tackling wildlife crime by gathering and analysing intelligence, sharing this with the police and assisting with investigations. Defra and the Home Office have allocated £300,000 funding per annum to the National Wildlife Crime Unit, to the end of the year 2020 to 2021. A decision on funding for the year 2021 to 2022 will follow the government's recent one-year spending review.

Facilitating green recovery

On 18 November 2020, the government published its ten-point plan for a Green Industrial Revolution. This set out the approach it will take to build back better, support green jobs, and accelerate our path to net zero.

Included in the 25 Year Environment Plan is a legally binding objective to bring all greenhouse gas emissions to net zero by 2050 (making the UK the first major economy to set such an objective into law).

A number of green energy schemes have been developed across government with a view to achieving this objective.

5.1.4 Clean Growth Strategy

The 2017 clean growth strategy outlined the government's ambition to phase out the installation of heating systems fuelled by oil, liquid petroleum, gas or coal.

As this has significant implications for the many rural homes and businesses that are off the mains gas grid, BEIS is developing its plans in close consultation with industry partners and rural stakeholders.

Alongside this, the recent Energy white paper, 'Powering our net zero future', outlines the government's ambitions for economic recovery and achieving its climate goals.

Its ambitions are aligned with the measures that are currently being taking to accelerate green recovery, for example by increasing the number of electric heat pumps installed from 30,000 per year to 600,000 per year by 2028.

5.1.5 Rural Community Energy Fund

The Rural Community Energy Fund provides non-capital grant funding to help community organisations develop renewable energy projects, the finance for which is not readily available in the commercial market.

Distributed by the five Local Energy Hubs in England, the fund aims to support the government’s goal of reducing carbon emissions while promoting rural growth by creating jobs, reducing energy costs and generating income for reinvestment into the local area.

For communities at an early stage of exploring a specific renewable energy project that meets the eligibility criteria, Stage 1 grants of up to £40,000 are available to cover consultancy and professional costs for producing an initial feasibility report. For projects with proven feasibility that can demonstrate a good chance of securing planning permission and being implemented, Stage 2 development funding of up to £100,000 is available. This funding is to cover costs that include securing a site (legal fees for example), conducting environmental impact assessments, submitting planning applications and permit applications, and developing a full investment business plan.

5.1.6 Green Homes schemes

Under the Green Homes Grant Scheme, homeowners and landlords in England can apply for vouchers worth up to two-thirds of the cost of upgrading the energy efficiency of their home. The scheme supports the installation of one or more energy saving measures, which includes biomass boilers exclusively for rural areas.

Under the Green Homes Grant Local Authority Delivery Scheme, BEIS has allocated £500 million to support energy efficiency upgrades for low-income households across England, including those off the gas grid.

Connecting people with nature

Evidence shows that spending time in nature has huge benefits for people’s wellbeing, improving both their physical and their mental health. The government is undertaking a range of initiatives to improve access to the natural environment in England.

5.1.7 Glover Landscapes Review

In September 2019, the final report was published from the Landscapes Review, led by Julian Glover. The report identified a broad range of important issues in our national landscapes (including National Parks and Areas of Outstanding Natural Beauty) and set out a compelling vision of what could be achieved.

It included an ambitious set of recommendations for how to improve the management of national landscapes for the communities living within them, as well as to ensure that all parts of society would benefit from these special places.

Plans are in place for Defra to engage with protected landscapes organisations and other rural stakeholders, to inform and develop the government's response to the Glover review.

Public rights of way

Work is underway to reform Rights of Way legislation to ensure that future generations can continue to access the natural environment.

Initiatives such as the England Coast Path and a new National Trail across the North of England will further open up the natural world, while bringing significant benefits to local communities and to public health.

How you can help

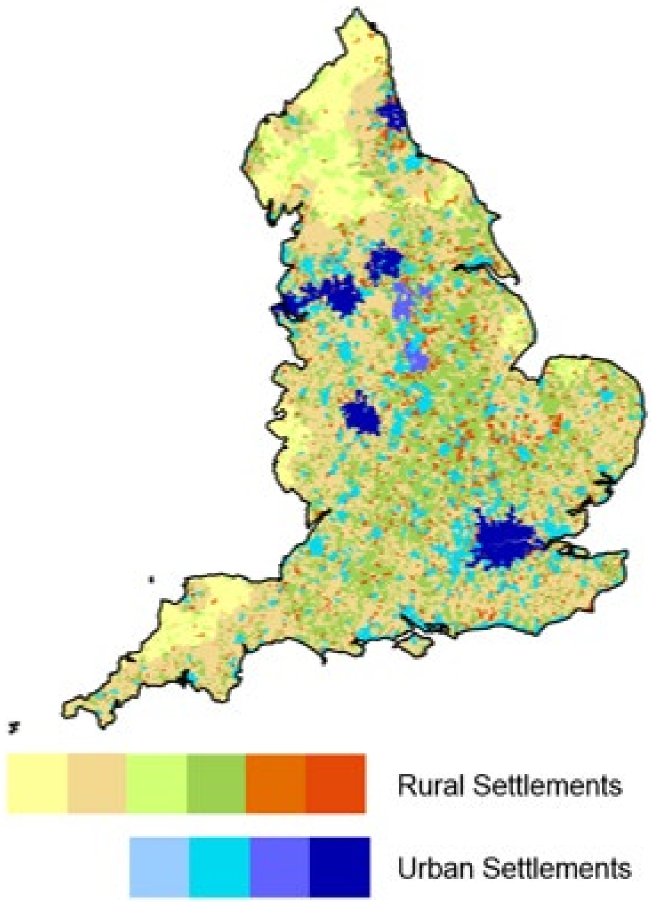
This report makes clear rural proofing depends on good evidence of the needs of rural areas and the insights of rural stakeholders and residents. If you wish to contribute or comment, please contact rural.proofing@defra.gov.uk

Annex - About rural areas

There are a number of ways in which rurality can be defined, depending on the purpose of the analysis. While not prescriptive, the official Rural-Urban Classification for England[11] defines settlements with populations of 10,000 or more as ‘urban’, and ‘rural’ areas as everywhere else. This definition covers everything from rural towns (including those that are located near large urban centres and which are primarily commuter towns, as well as traditional market towns that still serve as an important hub for the wider area), to villages, hamlets and isolated dwellings; it also covers all types of open countryside.

Urban areas are settlements with populations of 10,000 or more.

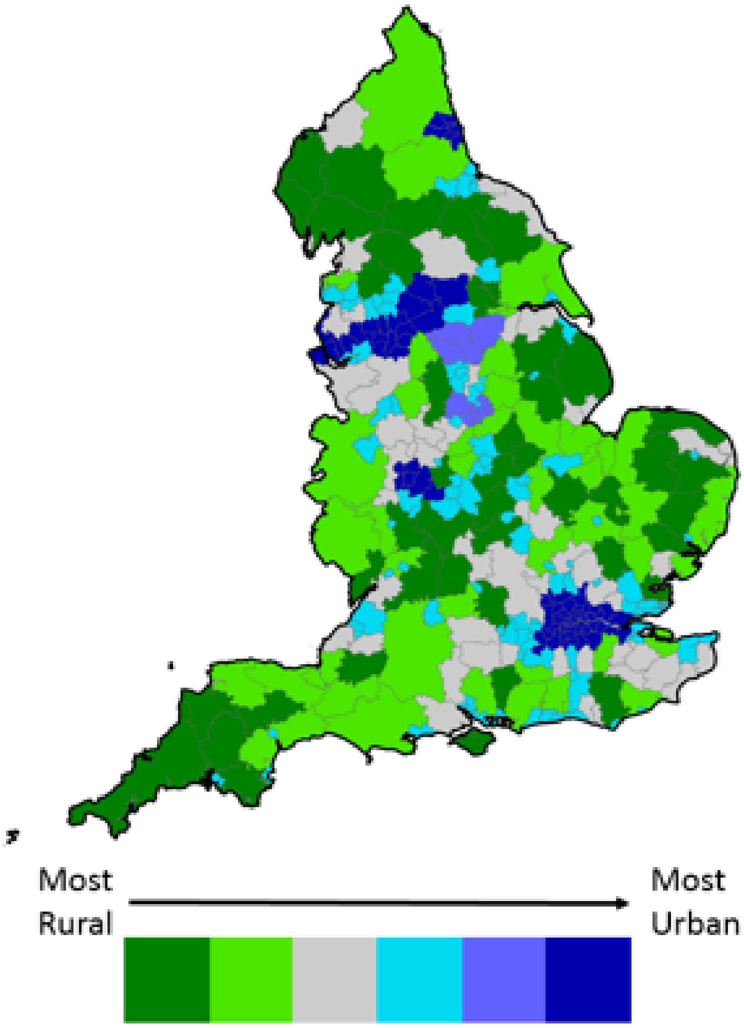
Rural areas are towns, villages, hamlets and isolated dwellings below this.



[11] Defra / Government Statistical Service (2013) [‘Rural urban classification’]

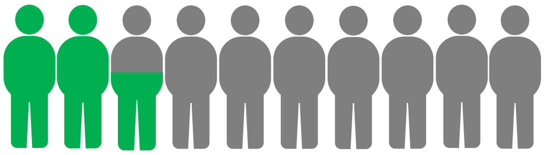
The definition also enables a classification of local authority areas based on their rural populations. Most often a comparison is then made between predominantly rural and predominantly urban areas. Predominantly rural areas account for 22% of England's population.

Predominantly rural areas are local authority areas where 50% or more of the population live in rural areas or in rural hub towns (10,000 to 30,000 population).

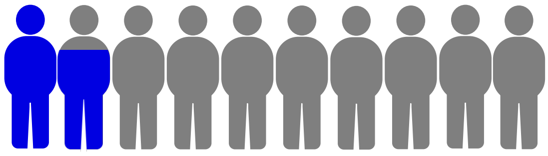


Such diversity can make it difficult to generalise about rural areas, as each place has its own unique features and identity. Nonetheless, common themes exist that present similar challenges for many rural businesses and communities. The following themes – and their associated challenges – provide the context for developing public policy in rural England.

Demographics and population



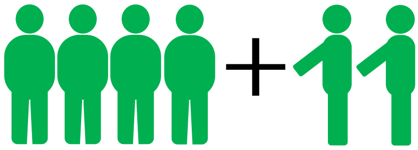
25.1% of the rural population is aged 65 or over



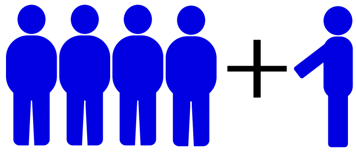
17.0% of the urban population is aged 65 or over

The proportion of older people living in rural areas is higher, and growing faster, than in urban areas.

Since 2001…

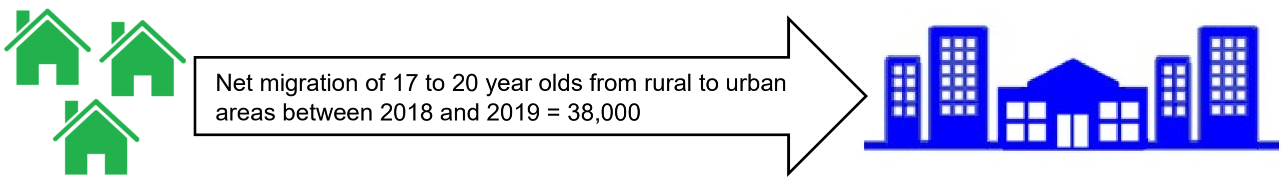


…the number of people aged 65 and over has increased by **50%** in predominantly rural areas



…the number of people aged 65 and over has increased by **25%** in predominantly urban areas

With higher education establishments more likely to be based in urban areas, many students from rural areas move away from home to study between the ages of 17 and 20.



Few people in rural areas live in the most deprived parts of the country as these tend to be in urban areas – just 1% of the rural population live in the most deprived 10% of the country.

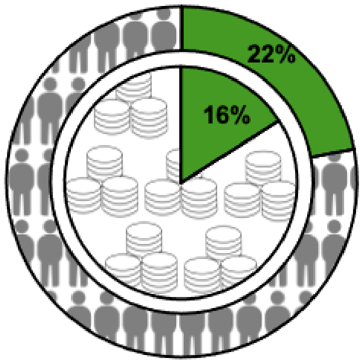
However, poverty and deprivation tend to be more dispersed in rural areas than in urban areas, which can make them harder to identify. An area can appear to be relatively affluent and yet still include rural households in poverty.

Economy and skills

Predominantly rural areas have more registered businesses per head of population than predominantly urban areas (excluding London) and rural areas have a higher proportion of registered businesses with no employees (sole proprietorships) than in urban areas.

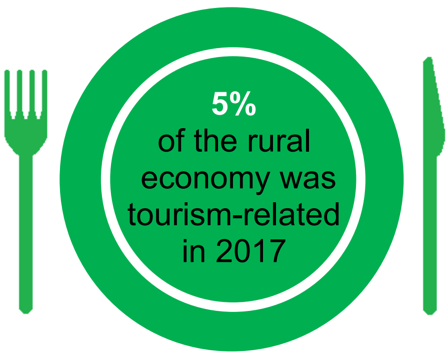
- In the year 2019 to 2020 there were 551,000 businesses registered in rural areas, accounting for 23% of all registered businesses in England.

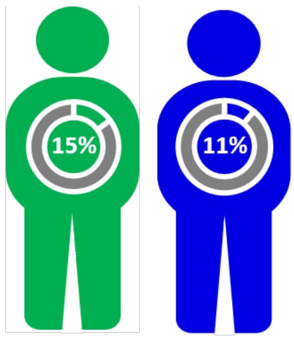
- Proportionately more people employed by businesses registered in rural areas (71%) work in SMEs than do those in urban areas (41%) – in other words, fewer people in rural areas work in enterprises with more than 250 employees.



While predominantly rural areas account for **22%** of the population they contribute around **16%** of England's economy

Tourism is an important sector in rural areas, particularly in more sparsely populated areas of the country.

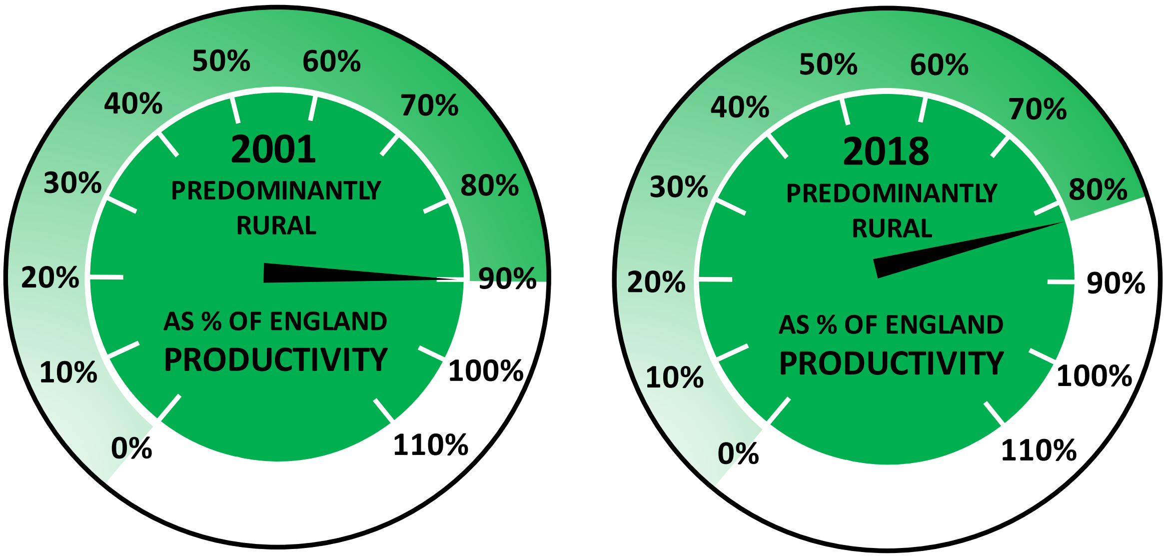




Tourism-related jobs make up **15%** of the rural workforce and **11%** in urban areas

Overall productivity (the rate of output per workforce) is lower in predominantly rural areas than in predominantly urban areas, with rural productivity as a percentage of England's overall productivity having fallen since 2001.[12]

[12] The fact that rural areas have not kept pace with economic growth elsewhere in the country partly reflects urban growth in the financial services sector – and other factors such the size of economic sectors in rural areas and the size of businesses – rather than a decline in rural productivity as such.



The productivity rate in predominantly rural areas fell from 90% of the England average to 82% between 2001 and 2018.

Unemployment has historically been lower in rural areas than in urban areas.

- Almost 20% of SMEs in rural areas feel however that staff recruitment and skills are major obstacles to businesses in general, compared with 17% of urban SMEs.
- While there is a higher proportion of people with qualifications *living* in rural areas, many of these people will commute to work in urban areas or be retired.
- Of people *working* in predominantly rural areas, a lower proportion (37.2%) have qualifications at National Vocational Qualification level 4 or higher (for example at least a Certificate of Higher Education) than in predominantly urban areas (46.7%), suggesting that jobs requiring higher qualifications tend to be in urban areas.
- The proportion of the working age population claiming Universal Credit while seeking work (4.5% in October 2020) is proportionately lower than in urban areas (7.1%).

Infrastructure

Digital connectivity is generally poorer in rural areas than in urban areas.[13]

[13] Due to more challenging topography, lower population density and higher costs of deployment, rural areas can be less attractive than urban areas for commercial rollout of broadband services. As a result, there are often long distances between rural premises and the nearest fibre part of the network, increasing reliance on long copper telephone lines, over which broadband connections degrade.

According to Ofcom's 2020 'Connected Nations'[14] report:[15]

In 2020, 9% of rural premises could not access a broadband speed of 10Mbps via a fixed line broadband connection.

- Taking into account Fixed Wireless Access and Wireless Internet Service Provider services, the number of rural premises unable to access a broadband speed of 10Mbps is reduced to 2.9%.
- 90% of the UK's rural landmass has 4G coverage from at least one mobile network operator, compared with 100% of the urban landmass
- Only 65% of rural areas have 4G geographic coverage from all 4 operators, compared with 96% of urban areas.

Rural households spend a higher proportion of their disposable income on transport costs.

With fewer options for diverting larger and heavier vehicles, the rural road network is more vulnerable to disruption. Lighter use of rural road and rail networks can make investment less commercially attractive.

Houses in rural areas are on average less affordable than in urban areas, while fuel poverty[16] is more likely to be a problem for rural households.

- Houses in the lowest price quartile (25%) in rural areas cost 8.6 times the lowest quartile of earnings, compared with 7.4 times in predominantly urban areas.
- Around 50% of houses in the most rural areas are 'energy inefficient' compared with 7% in urban areas.
- Overall, households in rural areas have a larger fuel poverty gap than those in urban areas (the additional income which would be needed to bring a household to the point of not being in fuel poverty).

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[14] Ofcom (2020) ['Connected Nations']

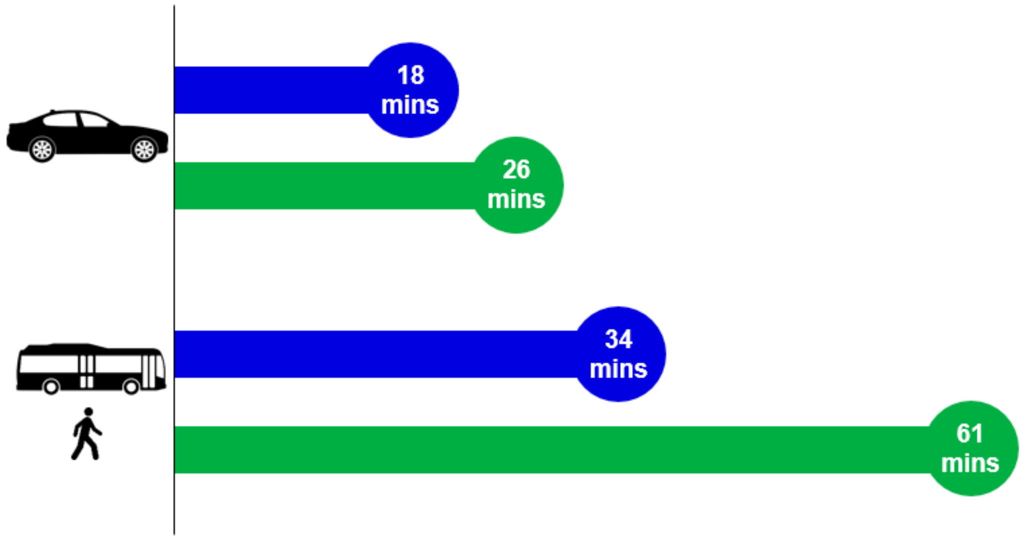
[15] Ofcom defines 'rural areas' as those with a population of below 2,000, compared to the threshold of 10,000 used by the official Rural-Urban Classification.

[16] Fuel poverty is where a household is living on a low income in a home that cannot be kept warm at reasonable cost without bringing their residual income below the poverty threshold.

Services

People living in rural areas often have greater distances to travel to services and fewer transport options than those in more urban areas.

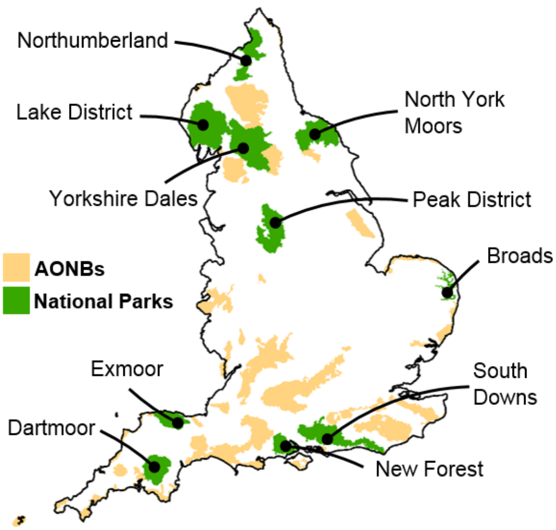
- The average travel time in rural areas by public transport to a hospital is twice as long as the average travel time in urban areas.



The natural environment

Rural areas are often rich in natural capital, the beauty and biodiversity of many rural landscapes bringing enormous benefits in terms of public health and wellbeing, and often underpinning a thriving tourism economy.

The 10 National Parks and 34 Areas of Outstanding Natural Beauty (AONBs) in England cover a quarter of the nation's land and are home to over 2.3 million people.



National Parks and AONBs

More than 66% of people living in England live within half an hour's travel time of a National Park or AONB.

Together, England's National Parks and AONBs attract more than 94 million visitors a year, generating more than £20 billion in revenue and supporting 75,000 jobs.