

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 20 SEPTEMBER 2018
title: GOVERNMENT CALL FOR EVIDENCE
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1 PURPOSE

1.1 To receive information on the House of Lords Select Committee on the Rural Economy call for evidence.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions - In addition to Ribble Valley Borough Council striving to meet its three ambitions, it also recognises the importance of securing a diverse, sustainable economic base for the Borough.
- Community Objectives – The issues highlighted in this report contribute to the objectives of a strong and sustainable economy in the Borough.
- Corporate Priorities - Delivery of services to all.
- Other Considerations – None.

2 BACKGROUND

2.1 The House of Lords Select Committee on the Rural Economy was appointed on 17 May 2018 to consider the rural economy and to make recommendations. The Committee is now calling for written evidence from those interested in the issue. The Committee began taking oral evidence in July, and has to report by 31 March 2019.

3 INFORMATION

3.1 The Select Committee is investigating a wide range of themes, such as local services and amenities, rural business and investment, housing, transport, digital connectivity, employment, demographic change, deprivation and inequality and rural isolation. Responses to this call for evidence were requested to be received by Monday 10 September 2018, and the focus of the Committee's inquiry is stated to include how the Government is performing on the rural economy, improving and maintaining provision for essential services as well as helping rural business to thrive.

3.2 As stated earlier, due to responses to this call for evidence were requested to be received by Monday 10 September 2018, a response to the consultation referring to the issues laid out in this report is attached at Appendix A, which has been prepared in consultation with the Chairman of the Economic Development Committee.



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Ribble Valley Borough Council

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SELECT COMMITTEE ON THE RURAL ECONOMY CALL FOR EVIDENCE

Response:-

Our rural economies have the potential to make a substantial contribution to economic growth, but only given the right conditions. Ribble Valleys' rural economy is dominated by small businesses. However, rural businesses face challenges not encountered by their urban counterparts. They struggle against the odds of poor communications, unreliable broadband services, and patchy transport services that exacerbate the distance they often are from their markets.

There are more businesses per head of population in most rural areas compared to the majority of urban areas. Nonetheless, rural businesses need to be further encouraged and removing the barriers to their future growth.

Government should produce a comprehensive strategy for rural areas and ensure rural businesses and rural communities are given due consideration and to make sure that wider strategic policy, such as that set out in the Industrial Strategy and ensuing Local Industrial Strategies, properly reflect the issues and identify specific measures to build on the rural opportunities that exist.

The Government has a role with local institutions in creating the right conditions for prosperity. To ensure an enduring approach strategy will need to identify proposals and opportunities to close those gaps. This should be evidence based and should provide clearer explanations of the causes to ensure future interventions build on our strengths, close the productivity gap and make the UK one of the most competitive places to start or grow a business.

Investment in infrastructure and skills in rural areas are major contributors to improved productivity. In particular, transport infrastructure in the Borough and surrounding areas of Lancashire are under considerable pressure with many key routes either at or approaching capacity during peak business and travel times. Businesses consistently tell us that under investment in infrastructure blocks growth and can hamper inward investment.

The communication infrastructure is lagging behind that of large urban areas. Many of the companies based in this rural area are heavily dependent on fast, reliable communications, yet broadband connections are not complete and sometimes fail to reach minimal broadband standards because of lack of investment in the cabling infrastructure. Mobile phone usage is patchy and unreliable due to lack of masts.

Public transport is also a key issues issue, where availability and cost continue to hinder opportunities for rural areas, as is the quality of the road infrastructure because not enough investment has gone into improving the infrastructure. Rural residents need to travel further than their urban counterparts in order to access employment, services other activities. Financial cuts over recent years have affected public transport provision and rural areas.

Another area is that of affordable housing, an important factor towards assisting the rural economy. Average house prices are higher in rural areas than urban areas and therefore housing is less affordable.

The Government's Rural Planning Review call for evidence published in February 2016 stated the following:-

"England's rural areas make a substantial and vitally important contribution to the economy, accounting for around £210 billion, or 16%, of England's total output. Taken as a whole, the structure of economies in rural areas is now reasonably similar to that of urban areas.

Manufacturing represents 13% of GVA in predominantly rural local authority areas compared with 8% in predominantly urban areas. The service sector is also significant across rural areas with business services, for example, representing 10% of rural output.

"Rural areas host around half a million businesses, over 25% of all registered businesses in England. Many of the businesses operating in rural areas are small or medium sized enterprises. Economic activity in rural areas is increasingly diverse, with significant manufacturing and services sectors, alongside more traditional farming. Knowledge-based and creative industries are also growing rapidly."

However, whilst there is some recognition of the needs of rural areas, there is a risk that the potential opportunities presented by rural economies are significantly underestimated. The Government should properly recognise the existing and potential economic contribution of rural areas to the nation's growth and success. This should be embedded throughout the Strategy, recognising the location of many innovative and growth potential businesses located across rural areas. This is not confined by traditional views of rural economies and stretches across all sectors.

However any activity cannot be considered in isolation and must link to housing, environmental and social policies, if growth is to be driven across the whole country there needs to be full consideration of the issues and opportunities facing rural communities. Growth needs to be sustainable and cannot be at the cost of other areas concerning social and economic wellbeing. Successful growth should be dependent on creating sustainable, vibrant communities that build upon the wider environment where we live and work. This directly relates to our health and wellbeing and subsequent productivity and can also have an impact on where companies invest or locate (i.e. attracting the right skills for their needs and the overall social and economic wellbeing of an area generally).

In relation to the aspirations towards developing skills, it is estimated that only half of rural users can get to a FE College by public transport or walking in a 'reasonable travel time' (as defined by the Department for Transport) and just 39% of rural users can get to a school sixth form by public transport or walking in a 'reasonable travel time' (and that transport may be infrequent). In seeking to develop skills whilst driving growth in all parts of the country, the Strategy should acknowledge the accessibility issues faced by residents in rural areas.

In relation to new business growth, the Government should recognise the presence of a diverse range of new and existing business activity in rural areas and the opportunities this presents. Rural economies are incredibly diverse and make a significant contribution to national economic performance. Farming and tourism are of critical importance but to pigeon-hole rural economies as being solely about these sectors would be a mistake. The environment is of pivotal significance to rural economies. Farming, forestry and land management sectors help to create the environment on which the tourism sector depends and to which a vast array of economic activities are attracted – from manufacturing and service industries to knowledge intensive and creative sectors. Enterprise and opportunity are abundant with rural areas often providing a breeding ground for high growth businesses which can migrate to more populated areas as expansion plans require. This should be clearly recognised by the Strategy.

Businesses in rural areas are often remote from government and other institutions. Business support is often seen as either confusing or urban centric. Constant changes to organisations and programmes has the potential to further confuse businesses and, therefore, improvements to existing structures is preferred to any wholesale restructuring in order to begin to provide continuity and certainty.

Local Authorities, both members and officers, are well placed to work with local businesses, and for some time concern has been expressed that there are too many institutions often leading to uncoordinated and unfocused activities and funding streams. The Government has acknowledged in its work with LEPs and devolution deals that bringing a local focus to this work can be advantageous. Institutions play a role but increasingly it is the ability to deliver for local people by bringing public and private partners together. There is greater opportunity to streamline and bring partnerships together linked with the LEPs to deliver the growth needed in local areas.

Local Enterprise Partnerships also are now enacted as key delivery organisations and whilst some have an effective approach to rural areas, too frequently we are seeing LEP programmes that have little consideration for the opportunities and needs presented by existing and new business located in rural areas. Mechanisms should be put in place to ensure that LEPs and other vehicles address the needs and take advantage of the opportunities presented by our rural economies.

For example, a report commissioned by Defra (working in conjunction with BIS) in 2013 and produced by the Institute for Employment Studies (supported by the Countryside & Community Research Institute) investigated the degree to which rural businesses access national employer skills and government business support programmes. A key finding of the report was that: "Access to national mainstream employer skills programmes and government business support programmes among rural businesses may be improved if information and advice on how to apply for support is proactively provided (ideally face-to-face or by telephone) by a stable set of intermediaries." LEPs and others should take account of the need for such intermediaries in delivering skills development and business support programmes to ensure that the full potential of rural businesses is realised.

There is a clear need for special attention to be paid to the opportunities of rural businesses in delivering future programmes. Lessons can be learned here from community-driven approaches, such as that delivered as part of the LEADER approach, should be considered. Over many years, LEADER programmes, such as those here in Ribble Valley and Lancashire, have demonstrated the value of local engagement and a rounded view of local economies where social and community support is an invaluable mechanism for ensuring economic development and growth are maximised. This is of particular importance in rural areas where a mixture of local knowledge and making the connections between the environment, social and economic needs of an area are of huge importance. Locally driven economic strategies have a role to play, building on the lessons learned from the delivery of Leader programmes over many, many years.
