



Department
for Environment
Food & Rural Affairs

Essex Rural Partnership Wednesday 10 October 2018

Rural Policy

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Rural Businesses

Rural areas support about half a million businesses, of which 85% are unrelated to farming, forestry and fisheries. These are mainly small and micro enterprises, covering a diverse range of sectors.

Rural economies have strengths.

- Although they may have lower turnover, rural businesses are more likely to say they make a profit than urban businesses.
- Rural firms are more likely than urban firms to say they are making investment in premises, machinery etc.
- Rural firms do not appear to be disadvantaged in terms of opportunities to export.
- Employment in rural areas is higher than the UK average and unemployment lower.



£246_{bn}

Contribution that rural areas make each year to the English economy.



24%

Percentage of registered businesses in rural areas.



3.5_m

Number employed by registered businesses in rural areas.

There are opportunities but challenges, too.

- Rural businesses are more dispersed and benefit less from agglomeration effects
- Productivity in predominantly rural areas is below the average of comparable areas in the EU-15 countries.
- Digital connectivity and transport links are barriers.
- Rural firms perceive more obstacles.

Major obstacles to businesses	Percentage of businesses	
	Rural	Urban
Regulations/red tape	46%	35%
Competition in the market	40%	46%
Taxation, VAT, PAYE, National Insurance, business rates	32%	28%
Late payment	28%	27%
Staff recruitment and skills	20%	17%
Obtaining finance	18%	17%
Availability/cost of suitable premises	15%	16%
Workplace pensions	11%	11%
Any other major issues or obstacles	13%	12%
None of these	16%	20%



Rural Communities

While the fundamental features of rurality - more geographically dispersed and more sparsely populated than urban areas – are the key attractions of England’s rural towns, villages and landscapes, they are also the main cause of the economic and social challenges that they face.

Many choose to live in rural areas because of the quality of life.

- Over 9 million people live in rural areas in England, 17% of the population.
- Wellbeing is higher for those living in rural areas, villages and hamlets.
- People living in rural areas are likely to feel more positively about their neighbourhood.
- Since 2008/09 there has been an increase in net migration to predominantly rural areas.
- Life expectancy is higher and infant mortality is lower in rural areas than the average for England.
- Average crime rates are lower in rural areas than urban areas.

But distance, sparsity and demography can affect delivery of important services,

- Rural areas have a higher proportion of older people compared with urban areas.
- 1 million premises in rural areas could not access broadband speeds higher than 10Mbps in 2016.
- People in rural areas have an average minimum travel time to reach key services of 18 minutes by public transport or walking, compared with 10 in urban areas.

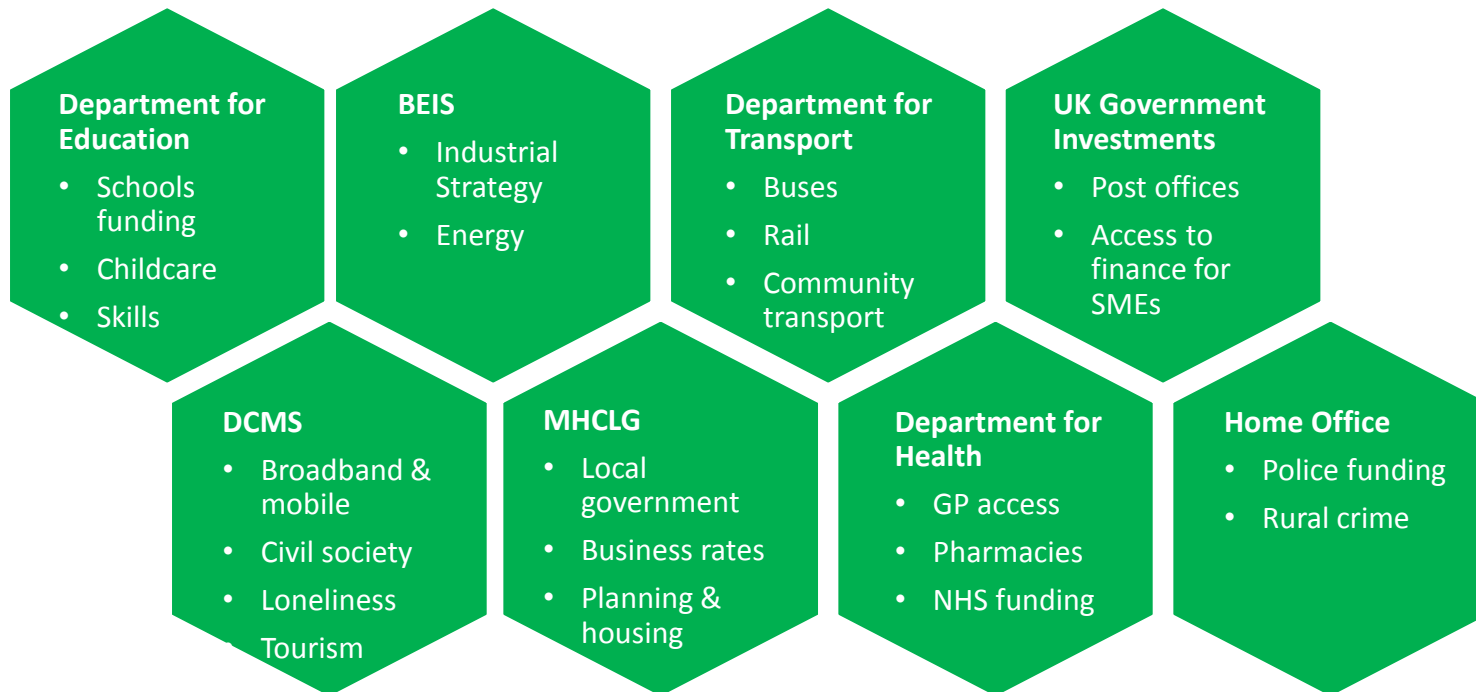
And there are hidden pockets of deprivation.

- Average workplace based earnings are lower in rural areas than in urban areas.
- 22% of rural households in England are fuel poor.
- Rural households spend a higher proportion of their disposable income on transport costs.

Rural Policy

Our aim is to create a rural economy that works for everyone, contributing to national productivity, prosperity and wellbeing.

We work with other departments so they take account of the needs of rural businesses and rural communities.



The 25 YEP, based on natural capital, was launched in January

A cleaner greener **Britain**

A cleaner greener **Britain**

“The environment is something personal to each of us, but it is also something which collectively we hold in trust for the next generation. And we have a responsibility to protect and enhance it”

UK PM, January 2018

Ours will become the first generation to leave that environment in a better state than we found it; passing on to the next generation a natural environment **protected and enhanced** for the future.

With ten ambitious goals

Our 25-year goals

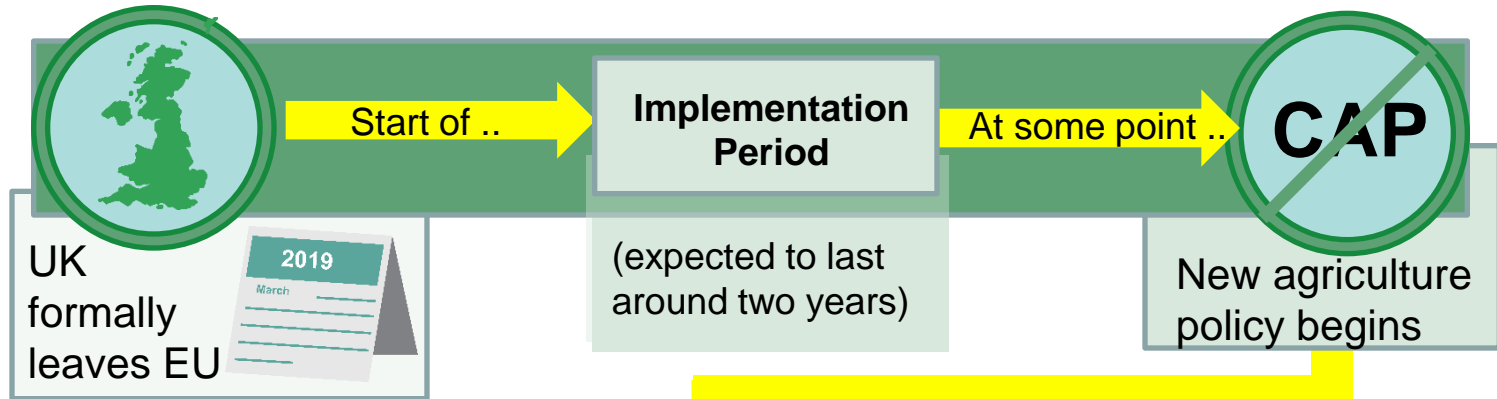
We will achieve:

- Clean air
- Clean and plentiful water
- Thriving plants and wildlife
- Reduced risk of harm from environmental hazards such as flooding and drought
- Using resources from nature more sustainably and efficiently
- Enhanced beauty, heritage and engagement with the natural environment

We will manage pressures on the environment by:

- Mitigating and adapting to climate change
- Minimising waste
- Managing exposure to chemicals
- Enhancing biosecurity

Moving away from the Common Agricultural Policy



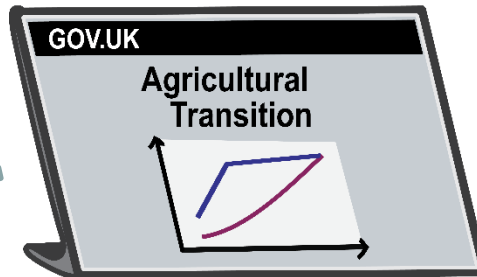
UK formally leaves EU



(expected to last around two years)

New agriculture policy begins

Leading to the.....



Direct Payments will be phased down

Productivity measures will be funded

New environmental land management and animal welfare schemes will be introduced

Designed to make our offering clear and therefore help farmers prepare for change

What do we mean by 'public money for public goods'?

Public Goods are things that benefit more than just the recipient and cannot be rewarded by the market alone.

One of our questions in the consultation paper asked which environmental outcomes should be rewarded; **the top three were habitat restoration, water quality and soil quality.**

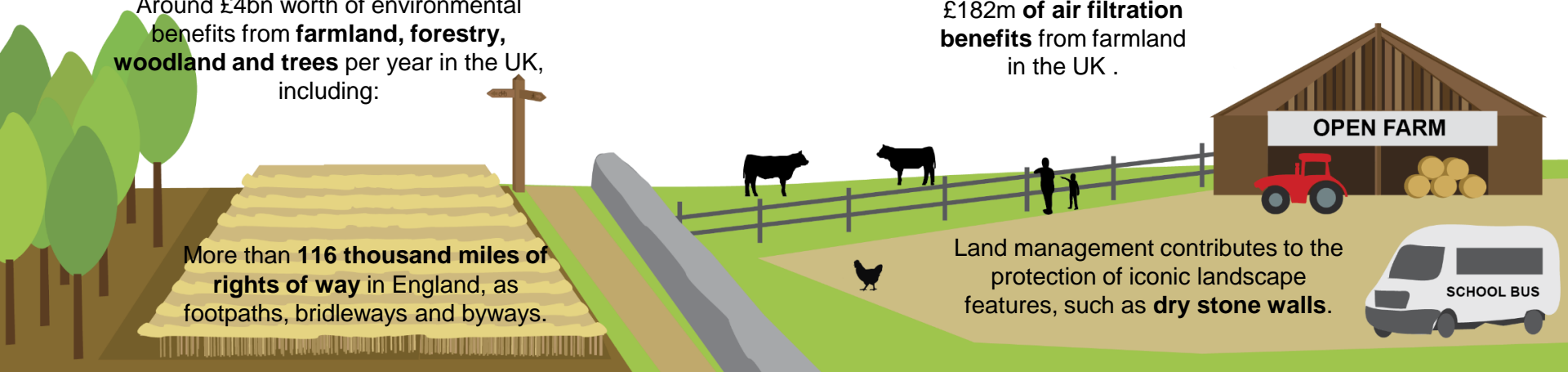
Some examples of public goods provided by the farmed landscape:

Around £4bn worth of environmental benefits from **farmland, forestry, woodland and trees** per year in the UK, including:

More than **116 thousand miles of rights of way** in England, as footpaths, bridleways and byways.

£182m of **air filtration benefits** from farmland in the UK .

Land management contributes to the protection of iconic landscape features, such as **dry stone walls**.



Industrial Strategy

The industrial strategy is built on five foundations



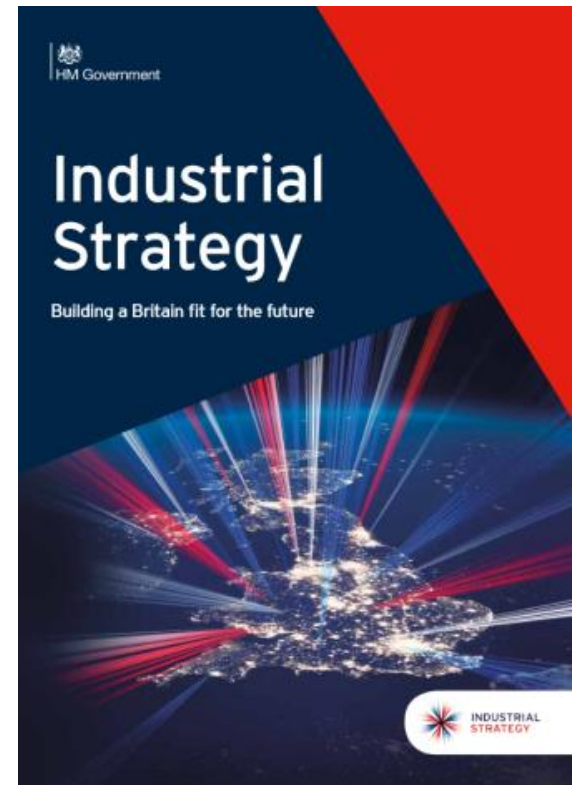
Industrial Strategy

Local Industrial Strategies will:

- Help identify economic development priorities, local strengths and challenges, future opportunities and actions needed to boost productivity, earning power and competitiveness.
- Establish new ways of working between national and local leaders in both the public and the private sector.

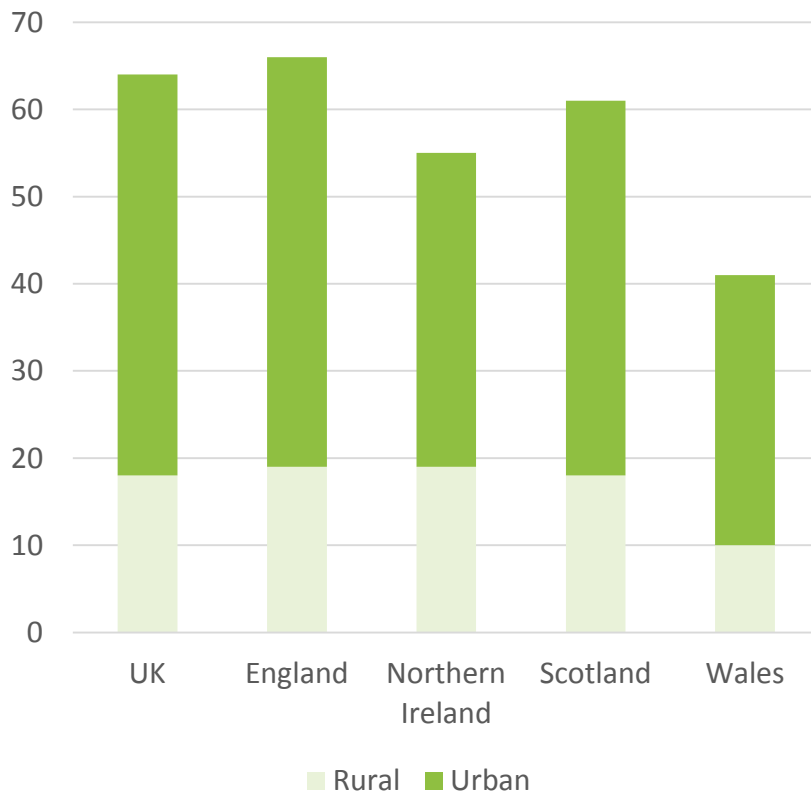
Local Enterprise Partnerships are core to the Industrial Strategy and aims to ensure that local areas are more involved in making decisions on policies that affect them.

The Strategy also champions **collaboration between local areas**.



Digital connectivity

Indoor 4 G coverage from all operators – urban and rural



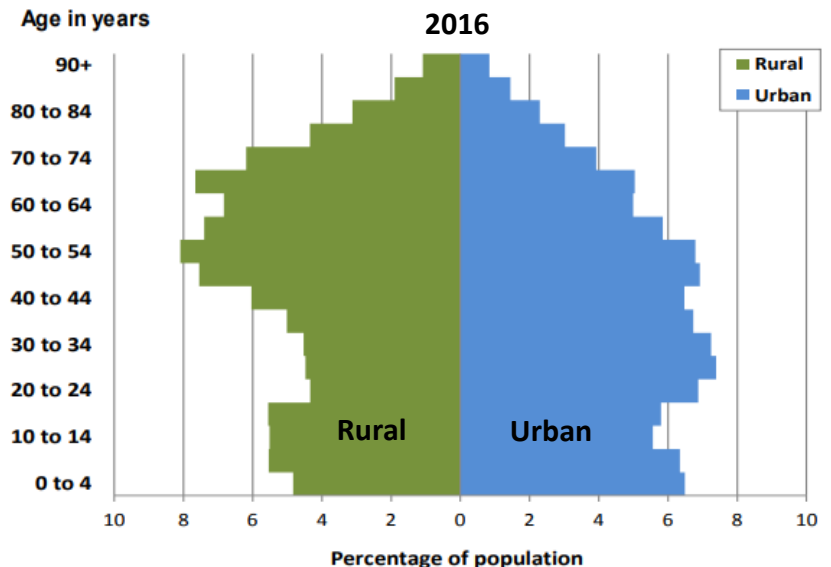
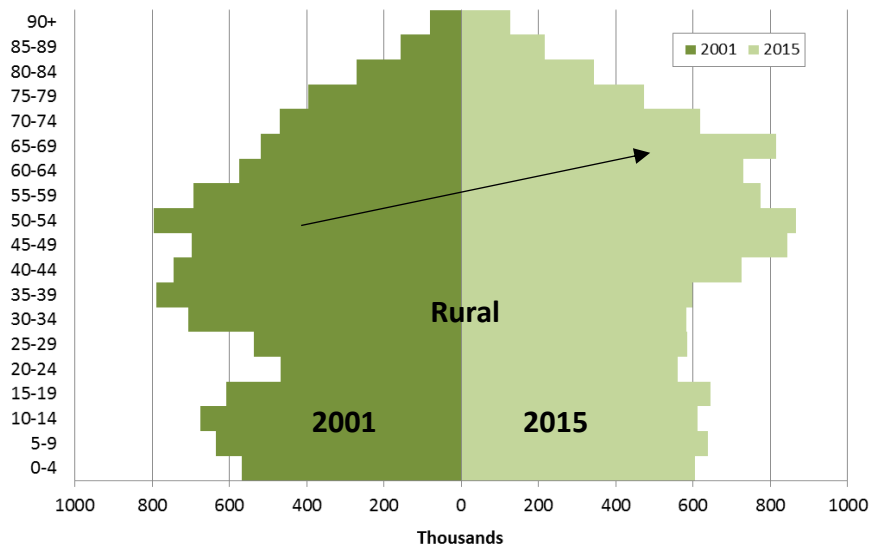
CONNECTIVITY IN URBAN AND RURAL AREAS - ENG/WAL

Measure	Urban	Rural Town	Rural Village
Superfast available	95%	89%	66%
Receiving under 2 Mbps	1.6%	2.8%	8.1%
Receiving under 10 Mbps	22%	22%	47%
Receiving over 30 Mbps	52%	41%	31%
Unable to receive 10 Mbps	1.3%	2.9%	16.9%
Average speed Mbps	48.6	32.2	25.5

	% unable to receive 30mpbs	% below USO	4G indoor premises – all 4	4G outdoor geographic – all 4
Uttlesford	23.4	12.7	48.71	91.79
Maldon	15.4	9.1	50.82	86.26
Braintree	20.1	6.8	68.23	89.89
Chelmsford	12.3	3.7	80.82	97.38

An ageing society in rural areas

- 24% of the rural population is aged over 65 years. In villages and hamlets in a sparsely populated setting this rises to 29%. 17% of the urban population is aged over 65 years.
- In 2001 there was a 'bulge' in the population age distribution of 30 to 60 year olds in rural areas. This 'bulge' is getting older. There has been a 37% increase in the population aged 65 and over in rural areas since 2001.



An ageing society in rural areas

Some of the challenges

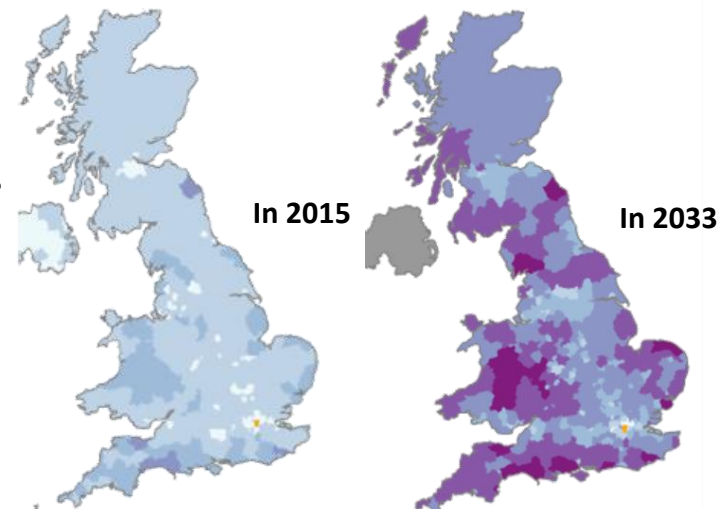
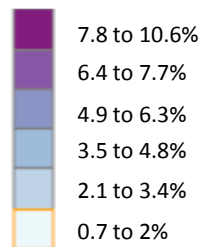
- How to provide the care needed
- The availability and affordability of housing
- Rural areas have poorer accessibility to key services
- Digital connectivity is poorer
- Poverty is more difficult to identify
- Fuel poverty is more prevalent

Some of the solutions

- Community infrastructure
- New technologies

The proportion of people over the age of 85 will increase, particularly in rural areas.

Percentage over 85 years old



Defra and the ACRE network

- Defra (and its predecessors) has provided funding for the ACRE Network since its formation in 1987. Funding in 2018/19 is around £2M
- **Relationship** - increased contact and closer working with ACRE has led to a more positive and productive relationship.
- **Knowledge, awareness and understanding** - attending a series of visits to RCCs has greatly increased our understanding and appreciation.
- **Information exchange** – the first conference for Defra and ACRE Network CEOs was held in July.
- **Increased Ministerial engagement** - Lord Gardiner's speech at the ACRE AGM was very well received and demonstrated Defra's commitment to the Network.

