



Rural Communities

Consultation Paper 131

Spring Conference 2017

Background

This consultation paper is presented as the first stage in the development of new Party policy in relation to rural communities. It does not represent agreed Party policy. It is designed to stimulate debate and discussion within the Party and outside; based on the response generated and on the deliberations of the working group a full rural communities policy paper will be drawn up and presented to Conference for debate.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Heather Kidd. Members of the group are prepared to speak on the paper to outside bodies and to discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: Rachael Clarke, Policy Unit, Liberal Democrats, 8 - 10 Great George Street, London, SW1P 3AE. Email: policy.consultations@libdems.org.uk

Comments should reach us as soon as possible and no later than Friday 31st March 2017.

Contents

1. Introduction	4
1.1 Background	4
1.2 Facts and figures	5
1.3 Issues and challenges	6
2. Access to Rural Services	11
2.1 Health and Social Care	11
2.2 Transport	12
2.3 Broadband and mobile phone coverage	14
2.4 Education	15
3. Housing	16
3.1 The state of rural housing	16
3.2 What rural housing policy must deliver	17
3.3 Blockages in delivery	19
4. Rural Economy	21
4.1 Employment and business	21
4.2 Tourism	22
5. Agriculture and the environment	25
5.1 Economic and environmental sustainability	25
5.2 Potential impact of leaving the EU	26
5.3 Issues with agricultural policy	27
5.4 Flooding	28

1. Introduction

1.1 Background

1.1.1 The Federal Policy Committee is seeking opinions during the development of policy on rural communities. The policy working group examining this area is concerned with producing proposals on how to grow the rural economy, protect local services, and manage sustainable agriculture and the rural environment. This paper, therefore, covers all aspects of rural life – with a particular focus on the provision of health and social care, and the development of digital and physical infrastructure.

1.1.2 A common thread of over 20 years of Liberal Democrat policy development on rural areas is the concern that government continues to show a lack of concern for those who live in rural communities. Government spending per person is lower, policies are developed without due consideration of how they will work in sparsely populated areas, and investment – both public and private – focuses clearly on urban areas. This disparity of government attention clearly and continuously penalises rural communities – allowing them to drop further behind their urban counterparts.

1.1.3 This lack of government attention may well become worse in the event of Brexit. Rural and regional funding is currently guaranteed at the European level – not just via agricultural payments but also via rural development and regional development funds. Out of the £4.5bn of EU fund receipts, well over half is channelled into agriculture and rural business. Given the pressure on government to spend more on high profile concerns such as the NHS, future investment in rural areas is on a precarious footing.

1.1.4 The government's main challenge then – and one which we believe both Brexit and the tendency to focus more on urban areas than on rural will negatively affect – is ensuring that people who live in rural communities have the opportunity to succeed. For this to be

successful, government will need to embrace bold and innovative solutions to address the underlying challenges that face rural areas, including underinvestment, affordability, accessibility, and a rapidly ageing population.

1.2 Facts and figures

1.2.1 **Rural population – 9,260,892** (ONS, 2014). This is 17% of the England total and compares to 45 million people to live in urban areas. Around 581,000 people (1.1% of the population) live in settlements in a sparse setting.

1.2.2 **Average age of the rural population – 44.8 years in villages and 43.5 years in rural towns** (ONS, 2014). This compares to an average age in major urban conurbations of 37.3 years. The age gap between rural and urban areas rose from 3.4 years in 2002 to 5.3 years in 2014.

1.2.3 Migration – **Migration from rural areas to urban areas was 64,900 in 2014, and from urban to rural was 94,300** (DEFRA, 2016). There remains sizeable population turnover, with 250,200 people moving from predominantly rural areas to predominantly urban areas and 304,400 moving from predominantly urban areas to predominantly rural. When banded for age, rural communities gained for every age group except for those aged 15-19 and 20-24 – as young adults move either into higher education or employment.

1.2.4 Rural poverty – **15% of households were in relative low income brackets** after housing costs in 2016, and 16% of households were in absolute low income brackets after housing costs (DEFRA, 2016). This compares to rates of 22% and 24% respectively in urban areas, although numbers are comparable before housing costs are taken into account.

1.2.5 Rural economy – there are 523,705 registered businesses in rural England, and 3.37m people employed by registered

businesses in rural England (ONS, Inter-Departmental Business Register 2014).

1.2.6 Car journeys – **59% of journeys in rural areas are made by car**, with the average distance travelled per year in rural villages and hamlets being over 10,000 miles. 11% of households in rural areas have no access to a car or van. (DEFRA, 2016)

1.2.7 Public transport – **49% of rural households have access to a bus service**, compared to 96% of urban households. This is an increase from 38% in 2002. (DEFRA, 2016)

1.2.8 Broadband – **9% of rural premises are unable to receive speeds of at least 2Mbps**, 48% (1.5m premises) have speeds under 10Mbps which Ofcom judge to be the minimum necessary speed for a household. ('Connected Nations 2015', Ofcom)

1.2.9 Mobile phone coverage – **3% of rural properties have no coverage** for mobile phone calls outdoors, rising to 13% indoors. ('Connected Nations 2015', Ofcom)

1.2.10 Rural funding – **rural residents pay on average £82 more council tax** than their urban counterparts, and receive £116 less in funding from central government. (Rural Services Network, 2016)

1.3 Issues and challenges

1.3.1 Rural areas and the policies that affect them are heavily influenced by perception and appearance. There is a tendency within government, particularly in a government without a strong and unified voice for rural communities, to see rural areas as green and grassy lands focused solely on agriculture and supported by public funds. The reality is very different, with low incomes, increasing house prices, and lack of access to services. Rural policy must paint a realistic picture of what it means to live in a rural community.

1.3.2 The average age in rural communities is rising, and rising faster than in urban areas. The average age in England increased

by 1.0 year between 2002 and 2014, but in rural villages increased by 2.9 years. Older inhabitants put more pressure on sparse public services – particularly those where travel is necessary such as social care. Population data for rural areas show that there is a large bulk of rural dwellers between the ages of 45 and 69, who will soon require additional services.

1.3.3 The cost of living in rural areas is higher than living in urban areas. This is a particular issue given that income is lower in predominantly rural areas – earnings in 2013 were £19,900 in rural areas, compared to £26,000 in urban areas. Although earnings have risen consistently in all areas since 2002, rural areas remain stubbornly below urban areas in terms of income.

1.3.4 Accessing rural areas remains a challenge, with less than half of rural premises having access to public transport, and car journeys remaining the primary means of transport. This poses a particular issue to children, young adults, and adults who are unable to drive. Lack of transport is also a particular challenge to businesses based in the countryside, who may struggle to attract clients and workers, as well as face problems distributing goods. In addition to physical infrastructure, digital infrastructure remains patchy and incomplete, with internet speeds low, and a sizeable proportion of properties unable to access even basic 2G mobile phone coverage. Compared to connected urban conurbations, rural areas and inhabitants can easily lose out.

1.3.5 Rural areas continue to suffer from underinvestment, with central government spending comparatively low and council tax comparatively high. The proposed local government funding formula for 2017-2018 fails to take into account the changing demographics of rural areas, suggesting a flat 6% increase in all Local Authority council tax to pay for social care – when rural areas both need more money to deliver, and will have a greater proportion of older people to serve. Private investment also suffers from a lack of economies of

scale and connectivity, where the development of infrastructure or business costs more in rural than in urban areas.

1.3.6 Housing in rural areas presents a sizeable issue, with a fundamental lack of provision at the right price in the right areas. Affordable housing is in particularly short supply, with house prices in rural areas being, on average, 26% higher than in urban areas. At the same time, 12% of the rural housing stock is social housing, compared with 19% in urban areas, and where the affordable rural housing need is 7500 homes a year, in 2014/5 only 3776 were built. This housing shortage presents a wider problem to rural areas, hampering business growth, pushing younger residents out to urban areas, and preventing older residents from downsizing or passing on assets such as farms. Some areas have policies to enable precisely these movements, such as Shropshire's programme of enabling older people to downsize their farms.

1.3.7 In the immediate term, Brexit presents an existential challenge to rural areas and the support they receive from government. Billions of pounds of EU money is dedicated to farms and the rural economy more widely, in addition to being spent on poorer regions and on SMEs, both of which are overrepresented in rural areas. Ambiguity about future funding poses a huge threat to businesses and their investment decisions, and there is no guarantee of what funding the UK government will eventually decide upon. For many rural residents, who rely upon government support to maintain their income in the face of unsustainably low income, Brexit and the possibility of reduced spending will add another layer of uncertainty.

1.3.8 One of the most notable areas of support for Brexit came from coastal communities – which suffer from a large number of structural problems in their distance from major conurbations, poor transport links, high poverty levels, and issues around drugs and high unemployment. Because of these issues, they currently also receive large amounts from the EU Structural Fund, which is reliant

on remaining members of the European Union. This shows itself in an older than average population, a lower than average employment rate, large numbers of second home owners and a high proportion of part time workers. The problems in coastal communities are long term – and can most closely be linked to changes in tourism patterns, where once-popular seaside resorts are eschewed in favour of holidays abroad. A lack of diversification means that many areas are heavily reliant on tourism, and lack resilience outside the summer months. One evidence-giver told us that his research told him that “Scarborough goes through a recession every year in October when the tourism season ends”.

1.3.9 Finally, the future of rural communities remains under threat. The challenges faced by the younger generation are most easily solved at an individual level by leaving a rural area and moving to an urban area. Lack of opportunity in terms of higher or further education, careers, well-paying jobs, affordable housing, and public transport are all more readily available at an urban level, and migration figures by age suggest that younger people are eager to take them up. In 2015, 37,000 young people aged between 17 and 20 left rural areas. There is a brain drain to urban areas, as young people leave to attend university and either do not return, or return only in much later life. This reduction in young adults and young families has a knock-on impact on the running of rural schools with fewer pupils, and the closure of essential rural lifelines such as village shops and post offices. This decline in rural services in turn makes rural areas less attractive places to live, reducing population numbers further.

1.3.10 The risk for rural areas, with ageing populations and as they get left further and further behind modern and developing technology is that they remain stuck stubbornly in the late 20th century, with dwindling numbers of working residents, skills, reducing services and opportunities; increasingly becoming a burden on more prosperous urban areas. It is this fate that rural policy must seek to prevent.

Question 1: Which single issue raised here is most important?

Question 2: Are there any other priorities that you think we should be considering?

Question 3: How should we measure rural deprivation?

Question 4: What do we envisage rural communities looking like in 10 years. How would you change that – if at all?

2. Access to Rural Services

2.1 Health and Social Care

2.1.1 Social care in the UK is facing a crisis. Despite an ageing population and rapidly rising demand for care services, spending on social care in the UK is set to fall to less than 1% of GDP by the end of the decade. Cuts to the budgets of local authorities have meant that increasing numbers of elderly and disabled social care users are not receiving adequate support to live independently, and are left to fend for themselves unless they can afford to pay for care.

2.1.2 The central issue with providing adequate social care is a lack of funding. Social care is funded by Local Authorities, and Local Authority budgets have been under pressure since 2010 – their spending power reduced by 27% between 2010 and 2015, and further cuts have been confirmed in recent budgets. Some rural councils, particularly more affluent shire councils, have not suffered to the same degree as urban areas under funding changes, but a lack of ability to increase their own revenues to an adequate degree eg. via business rates and small council tax rises means that the overall result has often been negative. The social care precept allows local authorities to increase council tax by an extra 2% per annum (above the 2% increase cap) to raise extra funds for social care, but some councils are considering more radical responses. The most well-publicised of these is Surrey Council calling a referendum on increasing council tax by 15% to fund their social care shortfall.

2.1.3 Even if this funding shortfall is addressed at a national level, rural communities are still likely to lose out. Rural populations are ageing fast and the provision of services in rural areas costs more, takes more time, and presents more practical difficulties. This shortage of provision places a further pressure on the wider healthcare system, with older people lacking sufficient care to move out of hospital and consequently taking up beds. The lack of

affordable housing has reduced the pool of carers and other key workers – a shortage that is becoming a real issue for many rural areas.

2.1.4 Other changes in the NHS are a particular problem for the accessibility of healthcare in rural areas. Between 2001 and 2011, distance to the nearest hospital increased in a large number of rural areas. In West Somerset, for instance, 88% of hospital admissions in 2011/12 came from over 20km away – up from 54% in 2001/02. Where areas like Pendle, the Chilterns, and South Lakeland had large increases in the average distance from home to hospital over this time period (+11km, +7.3km, and +8km respectively), areas like Epsom, Barking and Dagenham, and Wandsworth all had sizeable decreases in distance. With NHS Sustainability and Transformation Plans calling for closures and repurposing of existing hospitals and A&Es, travel time and distance in rural areas will only increase.

Question 5: What is the minimum level of access people should expect in rural areas? How should this be measured eg. Distance, travel time, opening hours?

Question 6: Is there a way to better fund rural social care services eg. with local income/taxation/money-raising powers?

Question 7: How can we address and reduce mental health problems associated with rural isolation?

2.2 Transport

2.2.1 Affordable transport is a central challenge for people living in rural areas. The basic fact of distance means that urban solutions to cheap travel such as walking or cycling are simply not an option. The result of this is a majority of rural residents having access to a car, but this is by no means all residents – and for those who are unable to drive or who do not have somebody to drive them,

transportation is hard to come by. 30% of bus journeys outside London are made with elderly or concessionary passes – highlighting the continuing need for public transport. Public transport is also necessary for young people who are travelling to college and further education – where alternative travel arrangements may not be available, the costs of public transport are prohibitive, and the service provided is insufficient.

2.2.2 It is clear that the squeeze on public transportation has had a negative effect on rural communities. Over 2500 routes have been cut over the past 6 years, including 145 that have been withdrawn in the last year – indicating that the 2014 figure of 54% of rural residents having no access to public transport is an underestimate. For those that do have access to public transport, there remain sizeable problems – most notably, the cost of transport. Although concessionary travel is available for pension age residents, other circumstances are not treated so generously. Young adults from families reliant on benefits attending college, for instance, may receive something in the order of a 33% discount – but this still amounts to £437.50 in Shropshire. Jobseekers face an additional issue as they may struggle both to attend centralised job centres, and attend interviews they are required to attend if they wish to avoid sanctions.

Question 8: How can we make rural transport more effective and efficient?

Question 9: How can we make rural transport work for young people – particularly those who struggle to access employment, education, or training?

Question 10: Do you have any examples of rural tourism being protected or developed by the provision of better public transport?

2.3 Broadband and mobile phone coverage

2.3.1 Lack of access to technology is endemic to rural areas – particularly those that are sparsely populated. Nearly 300,000 properties are unable to access internet connections of 2Mbps, and around 100,000 have no mobile phone coverage at all. The drive from technology companies remains towards better and faster service in profitable urban areas, in lieu of expanding basic coverage to rural premises where costs are likely to far outweigh profit made. Timetables for expanding rural broadband provision have slipped repeatedly, with a commitment to having all properties able to access basic broadband (2Mbps) by the end of 2015 yet to be achieved. There is also no timeline attached to the ‘Final 5%’ phase, which looks towards the 1.5m properties hardest to reach in the UK having access to superfast broadband (24Mbps+).

2.3.2 The Government’s response to concerns about rural broadband access and speeds has been to include in the Digital Economy Bill currently passing through Parliament a ‘Universal Service Obligation’ (USO). The USO gives everyone in the UK the legal right to request connection to broadband at 10Mbps at a reasonable cost. On the face of it, this seems reasonable – but it has two key weaknesses. One – there is no right to service included in the Bill, only a right to request service. Rural residents can already ask Internet Service Providers (ISPs) to provide service, but if they are outside existing infrastructure, the answer is usually no. Two – the ‘reasonable cost threshold’ is likely to allow many ISPs off the hook, as they argue that provision would be above the threshold.

2.3.3 Access to adequate speeds of broadband will become a bigger issue as time goes on. There is currently a net movement of people from urban areas to rural areas, but as the number of people who have grown up with readily-available broadband reach an age where they would like to move to more rural areas, broadband speeds will become an issue. The large market for online businesses also pose an issue in rural areas where businesses

struggle to operate on basic broadband speeds – the only solution to which, they are told, is to move into an urban area. In addition, there has been large scale movement of essential paperwork online – from ordering a passport or driving licence, to payroll and tax return services, to farmers completing forms on animal movements and for their single farm payment.

Question 11: Is the broadband Universal Service Obligation – where everyone has the legal right to request connection to broadband from a designated provider up to a reasonable cost threshold – sufficient? If not, how would you extend it?

Question 12: Should we continue to rely on private companies to provide broadband infrastructure and service to rural areas, or are there different models we could consider?

Question 13: Should the Post Office Universal Service Agreement be amended to strengthen and/or extend service providers?

2.4 Education

2.4.1 Schools in rural areas face particular challenges with regard to small pupil numbers and difficulty in recruiting teaching staff. Recent plans by the government to review the National Funding Formula would result in 40% of small rural schools losing funding, owing to the underweighting of the ‘sparsity’ factor. Our colleagues in the Education Policy Working Group are examining the issues surrounding rural and coastal schools and training in greater detail, and opinions can be shared with them via policy.consultations@libdems.org.uk.

3. Housing

3.1 The state of rural housing

3.1.1 Figures provided by the National Housing Federation paint a very clear picture of the housing situation facing rural residents:

- House prices are 26% higher than in urban areas.
- Rural wages average £19,700 compared to £26,000 in urban areas.
- The affordability ratio (the ratio of median house price to median annual salary) is 6.8 in rural areas, compared to 5.6 in urban areas.
- 8% of the rural housing stock is affordable, compared to 20% of urban housing.
- By 2037, the number of working age households in England is projected to fall by 2% in rural areas, while increasing in urban areas by nearly 10%.
- In some rural areas, only one fifth of the homes we need have been built over the last five years.

3.1.2 Anecdotal evidence suggests that there are high proportions of hidden homeless in rural areas – grown children and couples who ordinarily reside with their parents or grandparents for a number of years, with little prospect of moving out owing to a lack of supply. Even housing needs surveys do not capture the full enormity of the problem, as many young people leave home to move elsewhere as soon as they leave education, being aware that there is nowhere for them to rent or buy in the area where they were raised.

3.1.3 The bottom line is that in many rural areas, wages are low and house prices are high. Many buyers will need 10 or 15 times the average wage to raise a mortgage. In the meantime, rents are now too high to realistically save for a mortgage. Rural areas are, in essence, a microcosm of housing undersupply across the country – but where in large conurbations, younger and less affluent residents

can move to less desirable parts of the town or city and rely on affordable public transport, or rent property whilst waiting for new properties to become available, rural residents do not have this option.

3.2 What rural housing policy must deliver

3.2.1 The first aim for an effective rural housing policy is to build more houses. Shortage of supply contributes to an increase in price in rural areas, and a lack of new building means that housing stock is often unsuitable for the needs of current inhabitants. There remains, for instance, a lack of accessible housing for older residents, and a lack of newer, affordable homes for young families. Additional housing would enable not only movement within rural areas, and a more efficient allocation of the existing housing stock, but also encourage more movement into rural areas.

3.2.2 Each year, only half of the affordable housing stock needed in rural areas is built – leaving a shortfall of around 3750 homes. Around 357,000 people are on local authorities' housing waiting lists in Shire Counties, with further rural shortages in unitary councils. Good quality affordable housing is an economic driver, skills and apprenticeships developer, improves provision of health and education, reduces fuel poverty, increases disposable income, and provides workers for geographically dispersed businesses. Unfortunately, the provision of affordable housing does not always result in its availability to the people who need it most. The use of the bedroom tax by the government means that some councils will refuse to allow young couples to move into multi-bedroom houses, even though only between 35 and 40% of people living in housing association houses in rural areas are eligible for housing benefit.

3.2.3 For the best house building in rural areas, development must be sustainable. This refers to environmental sustainability – ensuring that properties are resource efficient, low in running costs, and built for the long term. Fuel poverty is a real issue in rural areas,

where many houses are older and suffer from poorer insulation and lack of investment to bring them up to modern standards. Fuel poverty is worsened for houses that are off the mains gas network – where fuels such as oil are necessary to heat homes and where policies aimed at energy providers are less likely to have an effect. Sustainability also refers to social sustainability – ensuring that housing protects and adds to existing communities; allowing residents to take advantage of existing family and business connections. Sustainability also relies on the availability of sufficient existing infrastructure. Provision of adequate infrastructure may be less of an issue for small rural developments than larger developments in small urban conurbations, but there remains a need to ensure that rural services are adequate and developments do not put undue pressure on physical or digital infrastructure.

3.2.4 Finally, rural developments need to ensure they have democratic buy-in. Smaller numbers of dwellings mean that the power dynamics between local authorities and house builders are finely balanced – even though house builders in rural communities are often more difficult to find than those for large urban developments. Keeping local representatives and the planning committee onside is of prime importance, as rural developments done properly can take up to 10 years, and often represent the biggest investment in a community for a generation. Neighbourhood plans are a good step in this direction – also more local parish plans lack similar statutory standing.

Question 14: Housing needs to be built urgently in rural areas. How would you increase delivery – both in terms of numbers and speed?

Question 15: What should every rural dweller expect from a Liberal Democrat policy on housing in rural communities?

Question 16: Energy inefficiency, fuel poverty and connected health problems can be a particular issue in rural areas. How best can this be tackled?

3.3 Blockages in delivery

3.3.1 A lack of funding remains the biggest cause for lack of development in rural areas. Investment is hard to come by, and a removal of the rural target for building by the Homes and Communities Agency means that investment is more easily found for and spent on urban developments that benefit from economies of scale. Funding also proves an issue for longer term developments that suffer from additional administration needs – often the case for small rural developments spread over wider areas.

3.3.2 Despite assistance provided by the National Planning Policy Framework, planning for additions to rural communities remains a challenge. Many rural areas contain Listed buildings or are part of conservation areas, meaning that new developments have to meet certain standards. Developments that haven't worked closely with local residents are also often subject to planning objections as residents worry about where and how properties will be built, and the effect they will have on their own house prices. Planning also suffers from the underlying problem of market housing not recognising housing needs and planners failing to require developers to provide housing that is required. Developers in rural locations are often more likely to build 4/5 bed homes for which they can achieve a higher price than the 2/3 bed properties that are needed. Rural exception sites are potentially part of the solution. Exception sites are areas developed outside a market development zone. All housing in these areas are built to be affordable to rent, part buy or to be bought and sold at a fix perpetual percentage discount.

3.3.3 The predominant housebuilders in the UK are private housing developers, with a large percentage of development being

built by a small number of large developers. These developers predominantly focus on large projects where administration per dwelling can be minimised and profit maximised. Housing Associations are instead responsible for a large proportion of rural building, though there are relatively few who focus predominantly or exclusively on rural developments.

3.3.4 Right to buy presents a similar issue to rural communities as it does to urban communities – historically public housing moves into private hands and local authorities are banned from spending the money they receive on sales to build more social housing. The government has extended this programme to housing association homes. Land in rural areas is largely provided by local landowners, and right to buy presents the issue of landowners who may be willing to provide land for houses for rent, but not for purchase – particularly where tenants may benefit from their original sale below market rate.

Question 17: How should we measure housing need in rural and sparse rural areas?

Question 18: What problems do people trying to measure housing need encounter?

4. Rural Economy

4.1 Employment and business

4.1.1 Despite the population of rural areas reaching nearly 10 million people, only around a third of these are employed by businesses registered in rural areas. A sizeable proportion of the population is of retirement age, but a significant section of people are drawn for work away from the rural areas in which they live to urban centres. To a degree, this is expected – professional occupations, for instance, are more difficult to pursue in areas that do not benefit from a nearby city or large town.

4.1.2 For those rural residents who do not live near an urban centre, the business and employment picture is one of scattered microbusinesses that employ fewer than 10 people. Although these have potential to grow, with the right investment, services, and technology, many are ‘small for good’ businesses that expect to remain small and are not planning to expand to a sizeable degree. Rural policy therefore needs to focus on the dual challenges of rural employment – on the one hand ensuring businesses can create jobs at a local level and encouraging them to employ local people, and on the other ensuring that transport links are resilient enough to allow rural dwellers to work in urban centres if they choose.

4.1.3 Part of the challenge with encouraging rural employment is the huge change in types of jobs available and the skills required in a relatively short period of time. Large growth in service industries, coupled with a decline in manufacturing in agriculture focuses employment in areas with large residential and professional areas and established infrastructure – in other words, away from rural areas and into urban centres. Other issues around rural employment are tied up with cost of housing and costs of living, meaning that workers may choose to base themselves in urban centres rather than in rural areas. The central question therefore has to be how can rural areas be put on a level playing field?

4.1.4 One of the main challenges facing rural employment of younger and professional workers is the prospect of career development. There is often a lack of willingness to move from urban areas into rural areas, where there can be a lack of professional opportunities and a general sense of limited career progression. To a degree, this is understandable – rural enterprises are less likely to be able to pay high level wages, and are more likely to be smaller with fewer roles on which to progress. The question in terms of career progression, therefore, has to be not only whether it is possible to provide adequate career progression in rural areas, or whether there are better ways to ensure rural workers and move into urban areas and back again in comparable roles.

Question 19: Should we 'open up' rural areas for a diverse range of business in order to create employment opportunities, even if this may involve reducing planning controls and loss of open countryside?

Question 20: To what extent should Central Government prioritise funding for rural areas to assist addressing housing, economic and environmental concerns?

Question 21: Do you see the future of rural towns and villages primarily as production and business centres in their own right, or as providers of housing, amenities and tourism centres for commuters and visitors?

4.2 Tourism

4.2.1 Tourism is both national and international, and in both types, rural areas lose out. Tourists are drawn to areas with strong transport links and multiple areas of interest. Neither of these are present in the vast majority of rural areas, most obvious in the lack of rural transport to move tourists who have not rented a car to travel around less populated areas. Although there are opportunities for

tourists to purchase multi-travel tickets which enable them to travel around the country, or enter one airport and exit via another, rural areas without areas of interest are still likely to lose out. This is particularly true after Brexit – currently half of all visitors from Germany and the Netherlands, which is a market that may decline if we withdraw from freedom of movement. The prospect of Brexit will again raise issues owing to the large numbers of European workers in the hospitality sector around the country.

4.2.2 Spending on tourism pours money into the UK – for every £1 VisitBritain spends abroad, £23 comes back to the UK. The issue for rural areas is where this return comes back to – a challenge that is recognised by VisitEngland who aim to encourage tourists to travel outside the M25. Despite this challenge, there remains a disparity in funding between state-level operators – where VisitEngland has £5m in funding, VisitScotland has £55m. In terms of international spending, this budget has also been hit by exchange rate falls since the European Referendum.

4.2.3 A significant amount of existing tourism to rural areas is related to large organisations such as the National Trust, National Parks, and English Heritage. The National Trust alone have 5 million members who undertake 200 million visits a year, including 22 million to parks. In addition to the money that comes in from tourists themselves, the National Trust employs 10,000 staff and makes use of 16,000 volunteers. Encouragement of these existing organisations is likely to be a productive way in which to encourage further regional tourism – although further work will need to be done to encourage tourists to the natural assets of rural areas that lack existing attractions.

4.2.4 Part of this role was previously done by local tourism offices, but they have been subject to sustained cuts and in many areas have closed altogether. Local authority funding for the arts and culture fell by 19% between 2010 and 2013, despite rural tourism providing around £17bn per year to the English economy.

Tourism is a large employer in rural areas – either directly or as part of a large supply chain.

Question 22: How can we encourage rural tourism, particularly in areas where there are not pre-existing landmarks?

Question 23: Are there any innovative ways of funding rural tourism that do not rely on under pressure council or central government budgets?

5. Agriculture and the environment

5.1 Economic and environmental sustainability

5.1.1 Farming has a central role in caring for the landscape, biodiversity, soil and water protection, clean water supply, flood management and prevention, and crucially in climate change mitigation. Farming's primary role in delivering sufficient quantity of healthy food, however, will be more important given the economic impact on the sector of possible reduction in trade flows following re-imposition of tariffs on EU trade.

5.1.2 Liberal Democrats recognise the multi-functional nature of modern land management and the many demands placed upon it. We will consider the economics of farming alongside the long-term challenges of the environment, rather than separating them as the current government seeks to do in its emerging strategy. Only if agriculture is profitable can it be sustainable, and this demands an integrated approach.

5.1.3 Green and sustainable energy also plays a large role in environmental sustainability. Rural areas, particularly farms, can and do produce a significant amount of energy from renewable sources such as solar panels and wind turbines. The NFU estimates that more than a third of farmers are making use of farm-based renewables, greenhouse gas emissions have been reduced by 20% since 1990, and farmer-owned wind turbines are estimated to already meet the annual needs of 200,000 households. But the NFU believes rural areas can go further – saying that domestic land-based renewable energy can deliver up to 25% of the UK clean energy needs by 2020.

Question 24: How best can policy engage farmers and rural communities in developing rural renewable energy solutions?

Question 25: How can agriculture and rural communities meet national emissions, low carbon and energy security goals?

5.2 Potential impact of leaving the EU

5.2.1 If the UK leaves the EU, we would no longer be part of the Common Agricultural Policy (or the Common Fisheries Policy). This is regardless of whether or not we remain in the single market – CAP and the CFP is available only to members of the European Union. CAP in particular is responsible not only for the survival of UK farming, but also the persistence of historically low food prices. If the UK does leave the EU, therefore, and we wish to continue producing similar amounts of food for similar prices, we will need to establish our own British Agricultural Policy.

5.2.2 More generally, future policy on trade in food and agriculture will depend on whether the UK leaves the EU with a trade agreement - or at least an agreement in principle to negotiate one. Given the government's current strategy, the probability is that UK will leave the EU in 2019 without a trade deal. UK may well revert to trading on the World Trade Organisation's 'Most Favoured Nation' terms in 2019, with 'tariff peaks' on agricultural exports, particularly to EU, and some years of uncertainty on trading terms with others.

5.2.3 Tariff peaks in agriculture will mean a painful adjustment period for some farm sectors to trading on WTO terms. Tariffs themselves average 12% on agricultural goods, and peaks can hit 50% for lamb exports and 900% for some processed dairy products – and will apply to all agricultural goods crossing the UK border. Key sectors of UK agriculture would be subjected to severe trade uncertainty, with the need for accelerated trade diversion and lower incomes to farmers in sectors which are already loss-making / under threat.

5.2.4 With a departure from the EU would also come the reduction in a foreign market. £12bn of our £18bn of food and drink exports go directly to the EU, and large tariffs are likely to put a large dent in our export market. The potential for the impact on our rural industry is large, with the likelihood of knock-on effects beyond agriculture.

5.3 Issues with agricultural policy

5.3.1 Liberal Democrats have long-campaigned for reform of agricultural policy, and whether we seek to secure further reforms to the application of the CAP in UK post 2020, or to apply to develop a British Agricultural Policy (BAP) from 2019 onwards, we need to learn from the mistakes of the current CAP. Our plans for the future are likely to focus around a few key areas.

5.3.2 The case for specific farming subsidy (ie. income support) must be closely justified, with the requirement for increasing reliance on the market and a switch to incentive payments designed to encourage and help meet the costs of more sustainable farming systems.

5.3.3 Too high a proportion of CAP funds has been spent on pillar 1 (primarily income support), and too low a proportion on pillar 2 (rural development including agri-environment schemes). We should look into the feasibility of phasing out income support elements for most farmers in favour of payments related to diversification and environmental protection.

5.3.4 Reforming the remaining income support measures would also be necessary – currently too much goes to larger farmers with a capital base that leaves them able to withstand bigger fluctuations in incomes, and too little to those who need it most, such as hill sheep producers and small farmers.

5.3.5 One of the sizeable issues with farming and the older generation is an inability to pass on farms, or to make long-term

tenant agreements more friendly for younger farmers. A central part of creating opportunities for younger farmers and new entrants must be encouraging alternative forms of tenure such as share farming.

Question 26: Should the direct income support aspect of agricultural subsidies move to a system where they are purely transitional or capped?

Question 27: Should agricultural subsidies continue to focus on income support, or focus more on other aspects such as rural development or environmental support?

Question 28: How should we promote action by farmers and land managers to mitigate climate change?

Question 29: What action could or should we take to make it easier for new entrants and younger people to get into farming? Should alternative tenures (such as share farming) be promoted?

Question 30: Are one-year tenancies causing a short-term approach to farm conservation? Should longer term tenancies be promoted to protect the interests of tenant farmers and to encourage a longer-term view?

5.4 Flooding

5.4.1 Protecting our country from the damage caused by flooding is a vital part of developing our nation's infrastructure and making our economy resilient for the future. There are still many rural communities suffering the consequences of severe flooding in recent years, with inadequate support to recover and a lack of funding to build the protections that are needed for homes and businesses. Help for those living in rural areas to get insurance cover on their homes and businesses is an important aspect of any response. Where the risk is deemed too high, it can be impossible to

get insurance at all, and for those on low incomes the premiums can be too great to pay. Coastal erosion presents similar difficulties in many coastal communities, particularly for long-standing residents to may not only find it difficult to obtain insurance, but also to sell their houses.

5.4.2 We must look at comprehensive, whole-systems approaches to flood prevention. For far too long, the government has sought to make short-term savings at the expense of long-term investment which would have helped to provide protection from floods. Building on flood plains is commonplace and homes are often constructed without sustainable drainage systems. Solutions must involve natural as well as artificial defences and could include dredging, watercourse maintenance, and upland land management – particularly by large landowners and farmers. This is all the more needed given the likelihood of increasing frequency of floods due to the effects of climate change.

Question 31: What measures should government take to protect coastal and other low-lying land from flooding?

Question 32: Should government limit flood protection interventions to protect housing or should it also take measures to protect businesses?


Question 33: Is it reasonable to treat coastal erosion as a purely local difficulty, or should government also offer assistance for adaptation and mitigation?

The cost of not choosing our greener options

Every year for Conference, we spend around £30,000 and use over 2 tonnes of FSC recycled paper on printing copies of agendas, directories, policy papers, and reports to conference

Hundreds of our members are already selecting our Green Pack and our online-only options

Why not join them next time and get your papers digitally at:
http://www.libdems.org.uk/conference_papers



Published by
Policy Unit, Liberal Democrats,
8-10 Great George Street,
London, SW1P 3AE

Printed by
Sarum Colourview, Unit 8, The
Woodford Centre, Old Sarum,
Salisbury, Wiltshire, SP4 6BU

Layout & Design by
Rachael Clarke

ISBN: 978-1-910763-33-9