Change in the Countryside: raising economic wellbeing through targeted intervention

A discussion paper prepared for emda

Glyn Owen

October 2005

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East Midlands
Regional Economic Strategy

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raising economic wellbeing through targeted intervention

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Summary

S1 emda is leading the preparation of a new Regional Economic Strategy for the East Midlands for the period to 2020. The central objective of the strategy is improved economic wellbeing.

S2 This paper reviews socio-economic conditions in rural areas as background to the strategy. The paper refers to the key sources of information and summarises the data. It does not reproduce the data in full.

S3 Rural areas are home to a large minority of the region’s population. The most typical rural area is a village1, quite close to urban areas, whose residents enjoy a high average standard of life. There are also, especially in Derbyshire and Lincolnshire, remote rural areas where socio-economic conditions are much worse.

S4 Village communities have many prosperous commuters and a vibrant enterprise culture where as many as one working adult in four is a business owner. Most people are well qualified and work in higher-level occupations. But villages are also home to significant numbers of working age people with few qualifications earning low wages, or on Incapacity Benefit or otherwise inactive, and to many people reliant for income on state pension. For these groups, the challenges of rural life - especially poor transport and poor access to services - may outweigh its benefits.

S5 Just as village communities are better off on average than urban communities, some remote rural areas are worse off than the urban average. They have small populations and face severe difficulties flowing from their remoteness and from heavy dependence on agriculture and agriculture-related industries. They are the very opposite of the ‘villages’, with poor skills, low average qualifications and a concentration of workers in low-level occupations: their traditional economies are unwinding.

S6 The difficulties facing some people in village communities, and whole communities in remote rural areas, flow from similar types of market failure, though market failure is much more pronounced in remote rural areas than in village areas.

S7 emda and its partners have an opportunity to ameliorate market failure in rural areas, and so improve rural productivity and regional economic wellbeing. The economy is the focus of intervention, but improved market operation will yield wider social benefits.

S8 The key failures are in agricultural markets, in post-16 education and training, and in the markets for business property, physical and ICT communications, capital and enterprise. This paper suggests that integrated programmes of intervention are needed in remote rural areas to overcome the adverse interaction of the differing sources of market failure. In village areas, however, the established mechanisms are likely to offer a sufficient means of delivery and the central requirement is to reinforce intervention

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1 The term village is used here to encompass all non-sparse rural areas as defined by DEFRA, ie small towns & their fringes and hamlets & isolated dwellings, as well as villages on the DEFRA definition.
targeted at individuals and businesses who suffer especial difficulties from market failure.

S9 This paper offers analysis rather than solutions. It aims to inform the development of the final version of the RES, and to set out a framework within which experts in the various agencies can identify how best to proceed in rural areas. The paper does, however, make recommendations about the types of intervention that appear most likely to succeed.
1. Introduction

101 In June 2005, *emda* asked GOA Ltd to prepare this Rural Issues paper to inform the development of the new Regional Economic Strategy for the East Midlands.

102 Where appropriate, summaries of key points appear in italic bold. Italic bold has also been used to emphasise key points in examples and elsewhere.

103 Section 2 summarises the analytical challenge presented by the weakness of the available statistics, despite improvements in recent years.

104 Section 3 summarises the available data and uses examples to illustrate the dual nature of the challenge posed by the rural areas of the East Midlands: how to spread prosperity more widely in areas that, on average, are prosperous already; and how to overcome adverse socio-economic conditions in remote rural areas.

105 Section 4 offers policy analysis. The first theme of Section 4 is the RES theme of the ‘economic wellbeing’ of the region, and the need to intervene in rural areas so as to correct market failure and promote sustainable economic growth. Intervention of that type will bring wider social benefits, but its motivation is economic. The second theme is the need to focus effort, given resource constraints. It is suggested that intervention should focus, first, on remote rural areas with small populations and facing a socio-economic crisis; and, second, on those individuals and businesses suffering particularly from market failure in other rural areas.
2. The Rural Economy of the East Midlands: the Analytical Challenge

Rural areas themselves, and the difficulties they face, are hard to define. Statistics offer a starting point, but have various deficiencies

201 The East Midlands is, after the South West, the most rural of England’s regions on the simple measure of population density. Rural areas are acknowledged to have problems, especially in agriculture. And the need to help such areas seems clear cut.

202 This paper acknowledges that need and indicates what help might reasonably be offered through the Regional Economic Strategy, whether by emda or by its partners.

203 A moment’s thought is enough to show that the problem cannot be viewed in a simplistic way. Take the definition of rural areas. Do they include wealthy commuter villages outside Leicester? or towns such as Boston or Bakewell? or just the most remote areas of Lincolnshire or the High Peak? The analysis\(^2\) of local authority districts conducted on the basis of Census 2001 identifies just one of the region’s districts (East Lindsey) as rural; though analysis\(^3\) at ward level identifies most of the territory of the region as being rural in some sense.

204 Consider also the need for help. Like cities, rural areas have teachers, doctors, workers in manufacturing industry, self-employed construction workers and so on. Do those individuals need ‘help’? And what, say, of farmers in predominantly urban areas such as the districts around Nottingham - are they to be excluded from ‘help’ because they do not live in rural areas?

205 A third challenge is presented by statistics. The statistics have improved in recent years, but all statistics are to some extent out of date and subject to error. More subtly, we may be pushed to particular conclusions by the availability of some statistics and the non-availability of others. For instance, Census 2001 is a superb data source, but a census of individuals could not cover the single topic - GDP and related concepts - most relevant to the RES; and personal incomes, which could have been covered, were excluded. Or to take another instance, what of the large EU immigrant communities that anecdote tells us live in the region’s rural areas but were not recorded in the Census?

206 In seeking to meet these challenges we need to draw on all of the information at our disposal, whether statistical, or ad hoc, or based on the views of informed individuals.

\(^2\) The National Statistics 2001 Area Classification for Local Authorities classifies local authority districts into 13 groups, of which ‘Coastal and Countryside’ is the only characteristically rural group (outside Northern Ireland). Within the East Midlands only East Lindsey falls into this group (for details see http://www.statistics.gov.uk/about/methodology_by_theme/area_classification/la/svg/index.html)

\(^3\) The ward level analysis uses a different set of groups. The map at http://www.statistics.gov.uk/about/methodology_by_theme/area_classification/wards/svg/eastmidlandsward.html shows that most of the land area of the East Midlands is on this analysis either ‘countryside’ or ‘accessible countryside’
The answers do not lie in statistical analysis alone, but the statistics offer a convenient starting point.
3. What do the Statistics tell us?

3.1 Introduction

301 In this section we review, first, the statistical sources and DEFRA’s new approach to the pattern, or ‘morphology’, of settlement in rural areas.

302 We then describe the general characteristics of rural areas, emphasising the prosperity of most rural areas but also the exclusion of substantial minorities from the benefits of that prosperity, and the severe socio-economic difficulties facing more remote communities.

303 In the last two sub-sections (3.5 and 3.6), we use examples to provide rounded descriptions of life in typical communities.

3.2 Statistical sources

*Census 2001 and the State of the Countryside report are the best sources*

304 Two key sources for facts about the East Midlands countryside are Census 2001 and the Countryside Agency’s *State of the Countryside report (2005)*. The Census offers data only; the State of the Countryside report is based mainly on Census data, though it also uses other sources and comments extensively on the data and what they mean for the countryside.

3.3 The morphology of rural settlement in England and the East Midlands

*Outside the main urban areas, the small towns of the East Midlands are home to many people but are small in area. ‘Villages’ are the archetype of the rural East Midlands and cover half the region, though Lincolnshire and Derbyshire especially have areas of much lighter settlement alongside their villages.*

305 DEFRA divide England into areas of different types using Census data (the *State of the Countryside* report explains this in detail). There are two aspects to the division. The first aspect is to divide England into sparsely-populated (‘sparse’) and other (‘non-sparse’) areas. A particular small area is sparse if the territory surrounding it is lightly populated. This means that a small area with low population density will not count as

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4 The two sources are most easily accessed through [www.statistics.gov.uk](http://www.statistics.gov.uk) and [www.ruralcommunities.gov.uk](http://www.ruralcommunities.gov.uk). Data from Census 2001 are available at any administrative level (nation, region, local authority, ward etc). The State of the Countryside report is a report for England as a whole; however the Countryside Agency has prepared regional breakdowns of most of the data contained in the report – the data are available at [http://www.ruralcommunities.gov.uk/article.asp?id=57&pID=2](http://www.ruralcommunities.gov.uk/article.asp?id=57&pID=2)
sparse if it is close to high density areas; conversely a fair-sized town (in itself densely populated) may count as sparse if surrounded by lightly-populated territory.

306 England is densely populated and the sparse areas are correspondingly small, covering about one-sixth of the area of England and 1.5% of its population. The largest sparse area is a single block comprising the most rural areas of Cumbria, Northumberland and North Yorkshire; the next largest is in North Cornwall and North Devon; and there are three smaller sparse areas in East Lincolnshire, the central Marches, and West Norfolk.

307 Super-imposed on the sparse/non-sparse distinction is a division of England into four types of area, which DEFRA call area ‘morphologies’, three of which are counted as rural because they comprise areas each with populations of less than 10,000:

- ‘Urban’ areas with populations exceeding 10,000 - most people in England and in the East Midlands live in urban areas, but urban areas are less predominant in the East Midlands than the national average. Urban areas cover only a small part of the region’s area
- ‘Town & fringe’ areas - this type of area is small towns and adjacent areas; like urban areas they are densely populated and small in area
- ‘Villages’ - villages cover almost exactly half of the East Midlands. Although they have only 10% of the region’s population, this proportion is higher than in England as a whole
- ‘Hamlets and isolated dwellings’ - areas of this type cover large areas, but have few people

308 The DEFRA classifications are useful, especially in looking at statistical differences between the countryside and urban areas. But they are not very helpful for policy implementation purposes. Rural Leicestershire for instance is predominantly ‘village’, but contains numerous irregular areas of ‘town & fringe’ and ‘hamlets and isolated dwellings’. A policy for ‘villages’ that excluded those areas would be incomprehensible to residents and would probably benefit only the cartographers!

309 For policy purposes, a simpler distinction is needed. It is not possible in a paper of this type to define boundaries precisely, but the following general distinction is suggested.

- **Urbanised areas**, comprising non-sparse urban areas where most people live and those town & fringe areas that are urban in character

- **Village-type areas**, comprising villages, town & fringe areas that are rural in character and most hamlets & isolated dwellings. This covers the great majority of the countryside

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5 There are other sparse areas, but they are very small compared to the five listed here
Remote rural areas comprising sparse areas (even the urban sparse areas\(^6\)) and the most remote hamlets & isolated dwellings. Remote rural areas are found only in Lincolnshire and perhaps in north and west Derbyshire.

Table 1 summarises the DEFRA classification as it applies in the East Midlands, and Table 2 provides summary data on population, area and density.

<table>
<thead>
<tr>
<th>Context → Morphology</th>
<th>Non-sparse</th>
<th>Sparse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban areas &gt;10,000</td>
<td>Most (69.8%) of the region’s people live in urban areas, though in England the figure is 80.4%</td>
<td>Only Lincolnshire in the East Midlands has ‘sparse’ areas.</td>
</tr>
<tr>
<td></td>
<td>Only in Rutland (where there are no urban areas) and in Lincolnshire is the figure substantially below the regional average.</td>
<td>The Lincolnshire sparse areas form a single block of territory with 10% of the county’s population and 1.6% of the region’s population (the English average is 1.5%)</td>
</tr>
<tr>
<td></td>
<td>In the three urban unitaries, the figure is virtually 100%.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The largest urban area is a single block including Nottingham, Derby and adjacent areas; next is Leicester. But comparatively small places, such as Buxton and Louth, are also ‘urban’</td>
<td></td>
</tr>
<tr>
<td>Town &amp; fringe</td>
<td>The East Midlands has almost twice the percentage (15.3%) of its population living in this type of area as the English average (8.6%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In the three urban unitaries the percentage is virtually zero. It is somewhat above the regional average in the ‘shires’ and exceptionally high in Rutland (44%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Many town &amp; fringe areas are adjacent to the main urban areas</td>
<td></td>
</tr>
<tr>
<td>Villages</td>
<td>The region has substantially more people (10.8%) living in villages than the English average (6.7%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Most of Rutland’s population live in villages and the proportion in Lincolnshire is also high (20.0%)</td>
<td></td>
</tr>
<tr>
<td>Hamlets &amp; isolated dwellings</td>
<td>The East Midlands has about the same percentage of its people as the English average living in areas of this type (about</td>
<td></td>
</tr>
</tbody>
</table>

\(^6\) Urban sparse areas are necessarily quite small
### Table 1: DEFRA Classification of areas in the East Midlands

<table>
<thead>
<tr>
<th>Context → Morphology ↓</th>
<th>Non-sparse</th>
<th>Sparse</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5%), but the proportion is about twice this in Derbyshire and Lincolnshire.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2: Basic data for rural areas of the East Midlands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
</tr>
<tr>
<td>Town &amp; fringe (non sparse)</td>
</tr>
<tr>
<td>Villages (non sparse)</td>
</tr>
<tr>
<td>Hamlets &amp; isolated dwellings (non sparse)</td>
</tr>
<tr>
<td>Sparse areas (all types)</td>
</tr>
<tr>
<td><strong>Total for area types above</strong></td>
</tr>
<tr>
<td>All areas (including non-sparse urban)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Area</strong></th>
<th><strong>East Midlands</strong></th>
<th><strong>England</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Town &amp; fringe (non sparse)</td>
<td>132</td>
<td>8.5</td>
</tr>
<tr>
<td>Villages (non sparse)</td>
<td>773</td>
<td>49.5</td>
</tr>
<tr>
<td>Hamlets &amp; isolated dwellings (non sparse)</td>
<td>368</td>
<td>23.6</td>
</tr>
<tr>
<td>Sparse areas (all types)</td>
<td>107</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Total for area types above</strong></td>
<td><strong>1380</strong></td>
<td><strong>88.4</strong></td>
</tr>
<tr>
<td>Average for all areas in EM/England</td>
<td>1561</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Density</strong></th>
<th><strong>Persons per hectare</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Town &amp; fringe (non sparse)</td>
<td>4.85</td>
</tr>
<tr>
<td>Villages (non sparse)</td>
<td>0.58</td>
</tr>
<tr>
<td>Hamlets &amp; isolated dwellings (non sparse)</td>
<td>0.28</td>
</tr>
<tr>
<td>Sparse areas (all types)</td>
<td>0.63</td>
</tr>
<tr>
<td><strong>Average for area types above</strong></td>
<td><strong>0.91</strong></td>
</tr>
<tr>
<td>Average for all areas in EM/England</td>
<td>2.67</td>
</tr>
</tbody>
</table>

**Source:** Census 2001

### 3.4 General characteristics of East Midlands rural areas

Most rural areas are better off on average than urban areas. But large minorities face deprivation even in the most prosperous village areas and some remote rural areas face severe deprivation. The enterprise culture is strong in many rural areas and there are opportunities to seize as well as problems to resolve.

311 Census 2001 provides a wealth of data about residents of the different types of rural area. In terms of population density, and leaving sparse areas aside for the moment, town & fringe areas are densely populated and, as indicated above, are in many cases

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7 The Census material used in this paper is from [www.statistics.gov.uk](http://www.statistics.gov.uk). It has been supplied separately to emda and is available electronically from them or from glyn.w.owen@btopenworld.com.
extensions of urban areas; whilst hamlets & isolated dwellings are the least densely populated. Villages occupy an intermediate position and may be regarded as a rural settlement archetype in the East Midlands. Remembering that the ‘towns’ have a population of less than 10,000, many residents of rural areas will consider the difference between living in a town, village or hamlet to be one of degree rather than of kind.

312 The three types of non-sparse rural area, town & fringe, villages, and hamlets & isolated dwellings, include all of the region’s rural population except the 67,000 living in sparse areas. On average, and on most measures, people in non-sparse areas are better off than those in urban areas, though as we shall see substantial minorities are not in this favourable position. In contrast the 67,000 residents of sparse areas are worse off on average than the urban averages and the position may (though there is little statistical evidence one way or the other) be similar in other remote rural areas that are not formally defined as ‘sparse’.

313 In the bullet points tabulated below, we summarise the evidence from the Census. The objective is to bring out the main points rather than to duplicate the comprehensive picture presented in the sources already cited. The data concentrate on villages as an ‘archetype’ for non-sparse rural areas and on the sparse areas with their less favourable characteristics.

### Census 2001 shows that rural areas have:

- more students living away from home, for instance 1.67% of the East Midlands village population is in this category against 0.80% of the urban population

- rather older residents than urban areas - the mean age in villages (41) is about three years higher than in urban areas (38)

- about as many people born in EU countries outside the UK and Ireland as the regional average (about 1%), but fewer people born outside the EU (2.2% of the village population but 5.6% of the urban population)

  - the figures may under-record the numbers born outside the UK and Ireland. For instance, Lincolnshire is recorded as having 7842 residents born in other EU countries, but is said anecdotally to have many more than this in the south of the county alone

- an economic activity rate a little higher than the regional average, though:

  - the regional divide is between low activity rates in inner cities, especially Nottingham, and higher rates elsewhere (in other urban areas and in most rural areas), but …

  - sparse areas have low activity rates

- far more self-employment, typically 20-25% of the employed population in self-employment compared with about 10% in urban areas
Census 2001 shows that rural areas have:

- less unemployment, with rates typically half those in urban areas, though sparse areas have high rates of unemployment\(^8\)
  - unemployment levels and rates have fallen substantially since Census 2001 and this may have partially closed the gap visible in the Census data

- markedly fewer resident students, about 5% of the population aged 16-74, against some 8% in urban areas

- rather more retired people and rather fewer people who are inactive due to disability or sickness than urban areas

- a more favourable occupational structure than urban areas with many more professional workers and correspondingly fewer in elementary occupations - but sparse areas have an even less favourable occupational structure than urban areas

- an industrial structure that, compared with urban areas, is biased towards agriculture and public services and away from manufacturing and wholesale & retail trade, agriculture being especially important in the least densely populated areas, where employment in agriculture can be as high as 20% and where dependence on agriculture can reach 40% if agriculture-related activities are included\(^9\)

- much higher average qualification levels than in urban areas, with many more graduates and many fewer people with no qualifications at all - but sparse areas have an even worse qualifications position than urban areas, a finding that is surprising given that the region’s urban areas have an unusually poor qualifications position compared with the English average

- many more people who work at or mainly from home - 7.5% of the urban workforce do this, but 15.1% of village-resident workers and 18.0% of those in hamlets & isolated dwellings

- more people who, if they work outside their homes, travel to work by car and fewer who walk, ride a bike or, especially, travel by bus to work. Although car commuting is everywhere dominant (eg 78.7% of village residents and 62.6% of urban residents use this mode), there are thirty car commuters for every bus

\(^8\) Beatty and Fothergill estimate, for instance, that East Lindsey (which contains the bulk of the sparse areas) has ‘real’ unemployment of 13.1% about the same as, say, Leicester (13.6%) and vastly greater than in other rural areas such as Rutland (3.1%). ['Hidden Unemployment’ a position paper commissioned by emda, July 2004, available through www.emda.org.uk]

\(^9\) See discussion in 4.3.2 below
### Census 2001 shows that rural areas have:

<table>
<thead>
<tr>
<th>Commuter in villages but only seven car commuters for every bus commuter in urban areas&lt;sup&gt;10&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>- About a third of urban public transport commuters live in households with no car, but only about a tenth of the much smaller number of village-resident commuters live in a household with no car or van. The Census identifies just 832 village-resident commuters in the East Midlands who use public transport and do not have a car in their household. Allowing for some ‘objectors in principle’, and some people without licenses, this is probably an irreducible minimum rather than an economic phenomenon.</td>
</tr>
<tr>
<td>- Longer travel to work distances (an average of 19km for village residents) than in urban areas (11km).</td>
</tr>
<tr>
<td>- Fewer households with no car - about a quarter of urban households have no car but only about one-tenth of village households.</td>
</tr>
<tr>
<td>- More households with more than one car - a majority of village households have more than one car&lt;sup&gt;11&lt;/sup&gt;.</td>
</tr>
</tbody>
</table>

### 3.5 Prospering villages … and ‘excluded’ residents

In this section, we paint a picture of a prospering village, Cumbersett - typical of the East Midlands - that is also home to a struggling minority and to entrepreneurs whose expansion plans are frustrated.

314 The (DEFRA defined) villages of the East Midlands are an archetype of the region’s rural population. Village residents enjoy on average better economic circumstances than the urban dwellers who make up the bulk of the region’s population. They are slightly more likely to be in work, far more likely to be self-employed, and less likely to be unemployed.

315 Village residents are better qualified and correspondingly work in more highly-paid occupations. They are more likely to work in agriculture but less likely to work in manufacturing: these declining-employment sectors may ‘balance out’ the industrial structure aspects of the urban and rural economies.

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<sup>10</sup> The figures are for East Midlands residents who travel to work (as distinct from working at home) and who use their own cars (as distinct from being passengers in someone else’s car). ‘Car’ includes van throughout.

<sup>11</sup> This was not quite the case in Census 2001, but is almost certainly the case now after four years of rapid growth in car ownership.
316 Village residents are much more likely to work from home but if they commute, they commute for longer distances and are even more likely than urban dwellers to do so by car - moreover the few who do use public transport almost all live in households with at least one car.

317 This flourishing village economy is readily visible across the East Midlands, and may be described through a fictional village, ‘Cumbersett’. Cumbersett is an artificial construct designed to illustrate the main features of successful rural economies, though the details differ from place to place and Cumbersett is not based on any particular village.

### A prospering village: Cumbersett

Cumbersett is a few miles outside Leicester. It has a cluster of shops, a church, primary and junior schools, and two pubs – one trading mainly as a good quality restaurant.

Cumbersett is in a beautiful setting, surrounded by rich farmland, marred only - in the view of some residents - by a run-down industrial estate housing a dozen medium-sized businesses.

The houses in the old part of the village, in the local red brick, range from million-pound miniature estates to still-expensive terraced cottages; off the main street there is a ‘council’ estate, though many houses have been bought by their former tenants and the rest are in housing association hands. There is also a new executive housing development.

The village is visibly prospering, and no less than a quarter of all adults have their own businesses, whether through self-employment, farming, freelancing, shopkeeping, and/or as employers of others.

**Virtually every household has a car, most have two or more.** The few households without cars are predominantly state-pensioner households. From an economic point of view, the key difference is between households with enough reliable cars for commuting, and those without: some households with two adults of working age have only one ‘banger’.

The local farms are large, and landowner-farmers are wealthy; but tenant farmers have suffered in recent years and a few have left the industry. Little money is made from mainstream agriculture, but specialist activities, such as organic farming and rare breeds have helped some, and there has been related diversification into packing and distribution.

But farmers are a small minority. **Every working day, it seems, almost the whole population leaves by car,** professional people commuting to Leicester, or further afield to Nottingham, Coventry, Peterborough or Northampton, or even to London via Market Harborough or Kettering stations. Unemployment is unknown amongst this group and earnings are generally high.

**But many people do stay in the village, the prosperous:** notably shopkeepers, builders, teachers and health professionals, and the owners of the small manufacturing firms on the industrial estates; a growing number of freelance professionals working from spacious homes, or from outbuildings; and comfortably off retired people…

**… and the not so prosperous:** people with few qualifications who tend to work in the local shops and pubs or on the industrial estate or on the farms - not usually in agriculture, but in packing and similar activities. They earn minimum wage or little more but boost their earnings through piece work bonuses

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12 Much larger than the records suggest: some farmers have multiple (DEFRA) ‘holdings’ of land, so five ‘holdings’ each of 100 acres may in reality be a single holding of 500 acres
A prospering village: Cumbersett

or overtime working. A good number are conscious of the comparatively small gap between their earnings and benefits, and many are on Incapacity Benefit. On retirement they rely primarily on state pension.

Immigrants are a new element in the Cumbersett mosaic. Mainly from southern and eastern Europe, and fully entitled to live and work here, they work hard in farms and factories and in cleaning and other service jobs. They tend to shun officiﬁaldom, are certainly not on the Electoral Roll, and were scarcely recorded at all in Census 2001. They often share houses and occasionally live in dormitory accommodation on farms. They keep themselves to themselves and impinge on the village chiefly through their children’s attendance at the local school.

318 As an area, Cumbersett is thriving, and its prospering commuter, non-state pensioner and business households have little need for help. But although the case for helping areas such as Cumbersett is weak, the case for helping individual residents and enterprises with difﬁculties that are characteristically ‘rural’ is strong. Consider the following:

319 Individuals outside the economic mainstream: usually with few qualiﬁcations; often with health problems and sometimes on Incapacity Benefit; conscious of the limited difference between potential wages and beneﬁts (especially if supplemented with cash-in-hand earnings); possibly, if male, with a minor criminal record; and lacking the easy access to employment and learning opportunities available to their urban counterparts

320 Immigrants: the growing immigrant communities in rural areas lack the visibility (and statistical recognition) of their longer established urban counterparts. They are vital for continuing economic development

321 Entrepreneurial strength: rural areas are vibrantly entrepreneurial, with many people recorded as owning their own businesses and many more actually doing so (‘cash in hand’ or simply unregistered either for VAT or income tax). Most entrepreneurs are not cases for assistance in themselves - they are doing well - but the expansion of their businesses is impeded at every turn, and that expansion is needed to boost economic growth and to provide opportunities for those at risk of social exclusion

3.6 Remote Rural Areas: communities in crisis

Remote rural areas are home to few people, but they face deprivation comparable to that in urban areas. In this section we paint a picture of a remote community, Hollowfen
322 It has already been noted that the only sparsely populated areas of the East Midlands, on the DEFRA definition, are in Lincolnshire. Much of East Lindsey is ‘sparse’ together with small areas of other Lincolnshire districts.

323 The concept of sparsity relates only loosely to population density. Urban areas with over 10,000 people can count as sparse if set in wider geographical areas that are generally lightly populated. This explains why the sparse areas of the East Midlands are in fact more densely populated than the region’s villages and hamlets & isolated dwellings, though the density of settlement is low in areas of all these types. What characterises the East Midlands sparse areas is a combination of low (though not very low) population density and remoteness from major centres of population.

324 Unlike most rural areas, sparse areas are less prosperous on most measures than urban areas. They clearly face special problems: they are remote from the urban engines of prosperity, less likely (therefore) to benefit from being home to wealthy commuters, and more dependent on agriculture and related industries.

325 We understand further, from emda, that current changes to the Common Agricultural Policy may have a differentially adverse effect on agriculture, and especially on livestock holdings, in remote rural areas such as East Lincolnshire and the High Peak. Such areas will therefore suffer not only from having large agricultural sectors but from a proportionately greater adverse effect on those sectors. Confirmation of the existence of this differential effect is, however, the subject of continuing research at emda and it is not possible to comment further at present.

326 The East Midlands is not obliged to use the national definition of sparse areas for regional policy: a definition that is right for the nation as a whole may not be right for a particular region. It is at least arguable that more of Lincolnshire - more perhaps of the three districts identified by DEFRA as ‘lagging’ economically, parts of north-western Derbyshire, and, less probably, parts of eastern Northamptonshire, eastern Leicestershire and Rutland may share some of the problems of the areas defined as sparse. These may be called remote rural areas.

327 Unlike the problems of village-type areas, which are the problems facing particular (though fairly numerous) individuals and firms within generally prosperous areas, the problems of sparse areas are more generalised and may properly be described as area problems, requiring an integrated area-based approach to regeneration. The most typical features are as described in the case study below. Like Cumberset, Hollowfen is an artificial construct intended to illustrate general points, rather than being based on any specific settlement.

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**A ‘sparse’ community: Hollowfen**

Hollowfen lies inland from the Lincolnshire coast. It is the centre for a group of tiny hamlets and farms scattered over thirty square miles of fen and wold, though centre is perhaps to exaggerate: two shops, a

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13 East Lindsey, West Lindsey and South Holland
A ‘sparse’ community: Hollowfen

The village looks rundown. The pub is said to be used for drug dealing and many people avoid it; one shop has changed hands frequently, with nobody seeming able to make a go of it. The houses include an ugly ‘system built’ estate, as well as attractive Georgian housing in the historic centre and, especially, on the village outskirts. Despite its rural setting, Hollowfen is not especially tranquil and petty crime is common.

The wolds offer attractive scenery, and - like so many in Lincolnshire - the church is a medieval gem, but this is not tourist country: agriculture is the business here, cereals and livestock on the wolds turning to horticulture in the fens. The permanent workforce is largely confined to farming families and salaried managers, but the fen landscape is studded with packing sheds for root crops, brassicas and salads, requiring a large though seasonally fluctuating workforce. Much of that workforce is migratory, traditionally gangs from the Midlands towns or of travelling people, now reinforced by immigrants from Eastern and Southern Europe.

‘Enterprise’ in Hollowfen flows in long established channels: the farmers and food packers are very enterprising in their particular industries, but there is no wider tradition of enterprise.

Despite the remoteness of the area traffic congestion is a problem, the limited road infrastructure being heavily burdened with trucks and farm traffic.

Outside agriculture and related activities, there are few employment opportunities: a handful of public sector jobs, some limited manufacturing activities such as wrought-iron gate manufacture, and a small though growing workforce required by professional people who run home-based firms. There are also cleaning, gardening and similar jobs and the usual number of self-employed (or small firm) craft people such as builders. Some people commute to Boston, or even to Lincoln or Peterborough, but there are few jobs available to people on ordinary wages and unwilling to undertake long commuter journeys on poor roads.

Many local people work in the fields or packing sheds, but a seemingly limitless labour supply keeps wages to just above the minimum and limits the incentives to mechanise. The local boast that ‘there’s a job for anyone willing to work’ is lent credibility by a low unemployment rate, but local people see the jobs as hard graft for minimum wage and no hope of promotion.

The problems faced by the ‘ordinary person’ are compounded by poor skills. Half of the adult population have no qualifications, and fewer than one in ten is a graduate. The packing firms find it hard to recruit even the small number of administrative staff that they need. Outside the professional middle class, business people and land owners, it is unusual to find someone with significant qualifications. The few young people who go to university leave the area never to return. The majority who remain take the jobs described above, but many drift away.

Although unemployment is low, the employment rate is not especially high. Many working age people do not have jobs and considerable numbers are on Incapacity Benefit. Moreover the statistics relate to the recorded population and little is known about the work status of some immigrant communities.

This is a community ‘on the edge’. Few people positively like living here. Some take the opportunity to leave, but many more remain behind, frustrated by their lack of prospects but unsure what they can do about it.
4 Policy Analysis and Recommendations

4.1 Introduction

401 In this section, we offer policy analysis of the data presented earlier and recommendations. The recommendations are limited in character because this paper is based primarily on desk research and is intended to form a basis for decision making rather than to offer provisional decisions for consideration.

402 We first (4.2) indicate the purposes of intervention through the RES, emphasising the need to ameliorate market failure in the countryside so as to improve economic wellbeing: this is not the countryside with a begging bowl, but the countryside explaining how carefully focused intervention can improve regional economic performance.

403 We then turn (4.3) to the market failures that afflict the countryside, and their differing scale and intensity in remote rural areas and village-type areas respectively.

404 Finally (4.4 and 4.5), we make general suggestions relating to the forms of intervention in remote rural areas and village-type areas. The burden of these suggestions is that some small and remote rural areas face a socio-economic crisis and need intense intervention, whilst village-type areas need intervention that is targeted not on the area but on a minority of residents who are at risk of social exclusion, and on businesses with the potential to expand.

4.2 Purposes of intervention

The RES aims at ‘economic wellbeing’. Intervention in the countryside can overcome market failure and so improve economic wellbeing. But resources are scarce, meaning that intervention must be targeted

405 emda has a statutory responsibility to promote the East Midlands economy. Because levels of employment across the region are generally high, further economic growth must flow mainly from increased labour productivity. emda is also conscious of the need to secure economic growth in an equitable and sustainable way.

406 Productivity, equity and sustainability are the three themes, encapsulated in the phrase economic wellbeing, of the Autumn 2005 consultation draft of the RES. The phrase emphasises the primacy of economic progress as an objective, but recognises that economic growth accompanied by environmental degradation or the social problems that greater inequality can bring, is not conducive to the overall economic wellbeing even of those who become richer as a result of progress.

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14 Productivity is the main source of future growth, though there is still some potential to raise output by raising the employment rate
407 The RES is a strategy for the region as a whole. *emda* is the central player, but many other agencies and the private sector are involved, some with greater resources than *emda*.

408 If the collective resources available are large, the potential demands on them are even greater. The claims of rural areas for assistance must be carefully articulated if the countryside is to secure resources in the face of superficially stronger claims from urban areas.

409 There is a particular requirement from DTI to **focus** the new RES on the areas, individuals and problems that present the most intense difficulties, rather than spreading expenditure widely\(^{15}\).

410 We live in a society where individual enterprise and creativity operating in free markets, rather than state activity, are responsible for economic progress. State agencies such as *emda*, the Learning and Skills Council, DTI and DfES exist to correct ‘market failures’ when they arise so as to broaden the scope for free market activity.

411 The main claim of the countryside for help through the Regional Economic Strategy\(^{16}\) is to overcome market failures that impede regional productivity growth and the achievement of ‘economic wellbeing’. It is not, primarily, for help to overcome social and economic difficulties as such, though the two often go hand in hand. For instance, ameliorating market failure in post-16 learning will both raise productivity and lessen one of the main sources of social and economic difficulty in generally flourishing village communities.

412 With that in mind, what help does the countryside need to maximise its contribution to economic wellbeing, given the statistical evidence summarised earlier? It needs, first, area-based, intensive, intervention aimed at correcting widespread market failure in remote rural areas (which are only a small part of the region); and, second, intervention over a wide geographical area, but focused on correcting market failures that affect only a minority of individuals and firms in the countryside.

### 4.3 Market failure in the countryside

#### 4.3.1 Introduction

413 We noted in Section 3 that the primary purpose\(^{17}\) of government intervention in the economy is the correction of market failure, leading ultimately to faster GDP growth.

414 Some sources of market failure are relevant to the countryside alone – most obviously, market failure in agriculture. Rather more sources are common to countryside and to urban areas, but have a different character in the countryside. And

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\(^{15}\) See [http://www.dti.gov.uk/rda/info/res.htm](http://www.dti.gov.uk/rda/info/res.htm)

\(^{16}\) The countryside may of course have excellent claims for help through other (non-RES) mechanisms

\(^{17}\) It might be argued that redistribution of income and wealth is equally important, but this is not directly relevant here.
across the countryside itself, there is a marked distinction between village-type areas, where market failures are flaws in a generally successful economy, and remote rural areas where market failures are pervasive and characterise local economies in serious decline.

415 In Section 4.3.2, we describe the various market failures distinguishing where appropriate between village-type areas and remote rural areas; and in Section 4.3.3, we comment on the role of market towns in helping to overcome market failures.

### 4.3.2 Market failures

416 The key market failures are presented in Table 3

<table>
<thead>
<tr>
<th>Market failure in</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture (and tourism)</td>
<td>Dependence on agriculture for employment varies enormously. In remote rural areas it can reach 20% or even twice that figure if agriculture-related activities are included. Market adjustment to change in agriculture would require disruptive change: sharp falls in agricultural (and related) employment, and depopulation as people moved to job opportunities. These changes would be more profound in remote rural areas than in village-type areas where dependence on agriculture is less, and where other job opportunities are accessible via commuting. In practice, the UK benefit system is such that, rather than moving, many people would remain behind on benefit. Agricultural market adjustment is slowed, but only slowed, by the CAP, reform of which is pushing agricultural communities in market directions. Similar considerations apply, though with less force, to the tourism industries.</td>
</tr>
<tr>
<td></td>
<td>Change in these industries necessitates the development of other sources of employment and productivity. The matters below will help with this, but there will also be a need, pro-actively, to attract new industries. The most dynamic sector of the UK economy is business-to-business services. It is especially necessary to attract activity of this kind to the countryside, whilst being realistic about the types of business, within this sector, that can be attracted.</td>
</tr>
<tr>
<td></td>
<td>There is an extensive overlap between the ‘knowledge economy’ and business-to-business services. A recent report for emda by Local Futures (see list of references) indicates the opportunities for development in rural areas generally: its recommendations should be implemented.</td>
</tr>
<tr>
<td>education and training system</td>
<td>The general failure in the post-16 education and training market in the UK arises from: under-estimation by the general public of the long term (financial) benefits of learning, externalities (ie benefits to society more widely as a result of individual learning), and capital market imperfections that limit lending for</td>
</tr>
</tbody>
</table>

18 Census 2001 records 17% dependence on agriculture for employment in the East Midlands’ sparse ‘hamlets & isolated dwellings’ areas. As this is an average, dependence is necessarily higher than 17% in some sub-areas. There are no small area statistics for ‘agriculture-related’ activities such as maintenance of farm machinery, packing and distribution of farm products, or farm retailing, but the author has spoken to farmers in remote areas and they say that such activities are at least as important as agriculture in itself - a case where anecdotal but doubtless reliable evidence must supplement statistics.  
19 There is no space here for a full analysis. Large accountancy firms, advertising firms and large call centres would almost certainly not find remote areas attractive, but bespoke software development firms, small call centres and others might. In short selectivity is needed within business-to-business services.
the purposes of studying. These reasons, and a cultural perception that education should be free or heavily subsidised, are the justifications for public funding of the post-16 system. The same considerations apply in the countryside but are worsened by long travel-to-study times.

The key agencies, led by the LSC, needs to think intelligently about how to raise participation in the face of transport difficulties, whether through new physical outlets, or better use of e-learning, distance learning or other methods.

**Failure of the property market**

Notwithstanding the need for alternative employment to compensate for the decline of agriculture and related activities, planning and other difficulties (for instance with utilities) can impede the smooth operation of the business property market, meaning that potential tenants or owner occupiers are unable to find at prevailing rents or prices the land or premises that they require. There is, however, a need for public intervention to ensure that the development of rural economies is not impeded by lack of premises.

**Failure of the communications market**

‘Communications’ comprise both physical communications - generally by road in the countryside - and ICT. The normal expectation in a geographically small modern economy like England is that both will be available and at reasonable cost. This is often not the case in remote rural areas, where even low-speed broadband access may not be available and where road communications are likely to be poor.

**Failure of the capital and enterprise markets**

Rural areas generally are characterised by a strong entrepreneurial culture and good formal and informal availability of capital for viable commercial activities. But in remote rural areas, enterprise is much weaker outside agriculture and closely related activities and there may be a need for special support for new and expanding businesses.

**Housing**

Although house prices in the rural East Midlands are somewhat below the national averages, they remain high when compared with the low wages earned by many people in the countryside.

‘Failure’ in the housing market is not failure in that market’s day to day operation, which is very efficient. Rather it is failure in the planning regime, which allocates insufficient land to ensure prices that are affordable from the point of view of ordinary people.\(^{20}\)

### 4.3.3 The role of market towns

417 The term market town does not need precise definition - specifically, some have weekly markets and some do not - but the East Midlands is studded with small towns at more or less the traditional English seven mile intervals\(^{21}\), though for obvious reasons the distances tend to be greater and the towns smaller the less dense is the population overall.

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\(^{20}\) The issues are complex. Allocation of more land for housing might run counter to environmental policies; and a sharp fall in house prices, whilst improving affordability, would be unwelcome from a macroeconomic point of view.

\(^{21}\) Intended in mediaeval times to allow reasonable access to markets within a day’s travel but to preclude excessive competition
418 These towns provide the countryside with many of the services\textsuperscript{22} that residents need. Service provision is desirable on social grounds, whether or not users are economically active. Service provision does, however, yield economic benefits both directly, by providing employment, and indirectly - for instance, businesses are likely to prefer locations with reasonably good services.

419 Market towns also offer a locus for activity intended to overcome some of the market failures discussed above, for instance they can offer a location (eg through a small business park) for new businesses and industries expanding to fill the gap left by a fall in agricultural employment, and a base for new initiatives in education and training.

420 Because of their direct benefits, and their role in ameliorating market failure, we recommend that emda’s current action in support of market towns should be continued and if possible reinforced.

4.4 Remote Rural Areas

4.4.1 Introduction
421 We have already indicated that the very poor economic performance of remote rural areas requires systematic, area-based, intervention. There are good data on the problems of sparse areas, but other areas face ‘remote rural’ challenges as well and these areas are less well defined

422 In Section 4.4.2, we discuss the definitional issues concluding that more work is needed but that it is probably fair to define two remote rural areas of the East Midlands, a larger area in Lincolnshire and a smaller area in north and west Derbyshire.

423 In Section 4.4.3 we indicate what action seems to be needed in remote rural areas.

4.4.2 Definitional considerations
424 Remote rural areas face unusually severe economic problems such as low productivity, fairly low employment, low wages and so on. The starting point for defining such areas is areas defined as ‘sparse’ by DEFRA. These are confined to east Lincolnshire, and the problems just mentioned are certainly visible in an acute form in those sparse areas.

425 But the problems of remote rural areas are not necessarily confined to sparse areas: some non-sparse areas of Lincolnshire and, perhaps, of Derbyshire have similar problems. A spatial definition is needed to target intervention in the ways suggested in this paper. Such a definition will, however, need to be developed through further research. Here it is possible only to offer pointers towards a definition:

\textsuperscript{22} There is a standard list, used in the State of the Countryside report and elsewhere: banks; cash points; GPs; Job Centres; libraries; petrol stations, Post Offices, schools and supermarkets
The market failures that characterise remote rural areas are strongly associated with low productivity, poor skills, dependence on agriculture and related industries, physical remoteness from the main centres of population, and low population density. Areas should count as ‘remote rural’ for intervention purposes only if they have all of these features.

The economic problems of sparse areas are readily visible from the statistics and sparse areas are certainly remote rural areas.

DEFRA identify five East Midlands districts as both rural and lagging economically: three (West Lindsey, East Lindsey and South Holland) are in Lincolnshire and overlap with the sparse area. A fourth (High Peak) seems to display the characteristics mentioned in Point 1 above. Parts of these districts might well be described as remote rural areas.

The fifth DEFRA lagging rural district is Bolsover, which has none of the characteristics listed in (1) above. We do not doubt the severity of Bolsover’s difficulties, which are severe, but it is not a remote rural area.

Derbyshire Dales, adjacent to the High Peak, district has low population density\(^{23}\): parts of it might count as remote rural.

Boston district is very remote from major population centres and the administrative separation of Boston from South Holland seems artificial: parts at least of that district might count as remote rural.

Melton and Rutland districts also have low population density but it is hard to characterise them as impoverished or remote.

We recommend that further work is undertaken to define the remote rural areas of the East Midlands on the basis of the criteria listed in Point 1 above.

Without pre-judging this work, we consider that there are two remote rural areas in the East Midlands: a larger area centred on but not confined to the sparse areas of Lincolnshire, and a smaller area within the High Peak and Derbyshire Dales districts of Derbyshire.

4.4.3 What to do in Remote Rural Areas

We have described the characteristics of remote rural areas as amounting to an unwinding of traditional economies resulting in severe problems of market failure and productivity levels that are already low and are declining relatively to the rest of the region.

\(^{23}\) Much lower than the High Peak and the lowest in the region outside the two Lindseys
429 The remote rural areas are characterised by the interaction of separate sources of market failure to yield what has been described as ‘pervasive diseconomies of scale’, where several problems interact to produce adverse effects that are more than proportionate to the effects from each problem considered separately. Put simply, the most remote rural economies are ‘unwinding’ following a series of market shocks and failures. Because they are low productivity economies, there is an opportunity to improve economic wellbeing by reversing the process of decline in these areas, though their small populations - an advantage in terms of targeting resources - will limit the total impact of favourable change on the regional economy.

430 There is an analogy with the worst problems of disadvantage in urban areas, though only an analogy: remote rural areas are enormously greater in geographical extent than deprived urban areas; their populations are somewhat larger\(^{24}\); and their problems are both different and, on the whole, less severe than in the most deprived urban areas. But the principle of focusing limited resources on the areas where market failures are most serious seems applicable to rural as well as urban areas.

431 In the most deprived urban areas New Deal for Communities\(^{25}\) offers areas with about 4,000 households (or 10,000 population) £50m of funding to improve matters over a ten year period, equating to around £500 per person per year. Although each area is different, each is required as a condition of funding to tackle the challenges of poor job prospects; high levels of crime; educational under-achievement; poor health; and problems with housing and the physical environment.

432 We recommend a ‘New Deal’ for remote rural areas, meaning by that substantial intervention, in accordance with a formal plan, to tackle the major problems of market failure listed in Table 3 above.

433 There are already organisational models on which to build, for instance the DEFRA ‘Rural Pathfinder’ in the High Peak, and the Coastal Action Zone and Rural Action Zone, both in Lincolnshire. The difficulty with these three initiatives is that they have not so far been backed by substantial new resources.

434 We do not suggest that remote rural areas should receive funding on the same per person scale as in NDfC areas - their problems are less severe - but NDfC funding offers at least a benchmark for the scale of intervention that might be required\(^{26}\).

435 The small population of remote rural areas, if defined as discussed earlier, will limit the cost of intervention to manageable figures.

\(^{24}\) As a simple illustration of this point, England’s sparse areas have a population of 719,000 and the NDfC areas a population of about 400,000

\(^{25}\) See [www.neighbourhoods.gov.uk](http://www.neighbourhoods.gov.uk). The East Midlands has two NDfC areas, in Leicester and Derby, and there are 39 such areas in England.

\(^{26}\) The Cornish Objective One programme (£700m over seven years for a population of about 500,000 or £200 per person per year) offers a further benchmark
4.5 Focused intervention in village-type areas

4.5.1 Introduction

436 By village-type areas we mean all of the rural areas of the East Midlands except the remote rural areas and, possibly, some town & fringe areas. We discuss the definitional considerations in Section 4.5.2.

437 In Section 4.5.3, we note that extensive work is in hand to lessen market failures in this wide area, and indicate where it seems that further work, focused on those individuals and businesses most affected by market failure, is required.

4.5.2 Definitional considerations

438 Village-type areas cover almost the greater part of the East Midlands. We discussed above the challenges of defining remote rural areas for intervention purposes. The only remaining definitional issue is which ‘town & fringe’ areas should count as rural.

439 The simplest solution would be to count all town & fringe areas as rural. This would mean that all settlements with fewer than 10,000 inhabitants were counted as rural, the great majority as village-type and a small minority as remote rural areas.

440 The difficulty with this simple solution is that it would count as rural those town & fringe areas that seem urban in character. An early decision will be needed on this definitional question.

4.5.3 What to do in village-type areas

441 The great majority of the rural areas of the East Midlands are village-type communities where the challenge is to raise productivity, and thereby economic wellbeing, by improving further the performance of local economies that are already quite successful.

442 The market failures that need to be addressed are similar in type to those in remote rural areas, but affect only a minority of the population and are less intense in character. They are perhaps supplemented by market failure in the housing market, which may not be present in remote rural areas.

443 The market failures have not gone unnoticed. emda and others already intervene to help overcome them. The forms of intervention by emda are summarised in the Rural Dimensions booklets; and the Learning and Skills Council, local authorities and others are also helping to tackle the challenges facing village-type areas.

444 We recommend that through the RES, market failure is ameliorated through further action to improve:
• the accessibility of education and training to people with few formal qualifications. In part this will mean initiatives to improve the availability of provision, but more importantly it will mean action to raise the take up of provision that is already available – the lack of skills amongst this group is the main barrier to their full inclusion within the modern economy. The characteristically rural challenge here is how best to offer access to a widely dispersed population.

• the availability of land and premises to new, expanding and incoming businesses in rural areas - this is perhaps the most serious barrier to growth that businesses face. Existing shortages are sometimes caused by, for instance, infrastructure limitations (eg limited inadequate sewer capacity), but in the author’s experience the primary constraint is a planning regime that restricts rather than supports economic development. Action is needed on both counts in ways that support the development of functioning markets in each of numerous travel-to-work areas that are small in population but large in area

• communications by ICT and by physical links such as roads. Given the very high cost and planning difficulties associated with road construction, the former may offer better value for money in rural areas

• business advice oriented to the actual and prospective business base in rural areas, and the availability of capital for the very smallest enterprises

• affordable housing, through participation in government initiatives
### Annex 1: List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CAP</td>
<td>(EU) Common Agricultural Policy</td>
</tr>
<tr>
<td>DEFRA</td>
<td>Department for Environment Food and Rural Affairs</td>
</tr>
<tr>
<td>DfES</td>
<td>Department for Education and Skills</td>
</tr>
<tr>
<td>DTI</td>
<td>Department for Trade and Industry</td>
</tr>
<tr>
<td>EM</td>
<td>East Midlands</td>
</tr>
<tr>
<td>emda</td>
<td>East Midlands Development Agency</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GOA</td>
<td>Glyn Owen Associates Ltd</td>
</tr>
<tr>
<td>GVA</td>
<td>Gross Value Added (this is the standard measure of regional or sub-regional total income. It is identical to GDP at basic prices)</td>
</tr>
<tr>
<td>ha</td>
<td>Hectare (a hectare is about 2.4 acres)</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>LSC</td>
<td>Learning and Skills Council</td>
</tr>
<tr>
<td>NDfC</td>
<td>New Deal for Communities</td>
</tr>
<tr>
<td>NUTS</td>
<td>Nomenclature des Unités Territoriales Statistiques (Nomenclature of Territorial Units for Statistics)</td>
</tr>
<tr>
<td>RES</td>
<td>Regional Economic Strategy</td>
</tr>
</tbody>
</table>
## Annex 2: List of References

<table>
<thead>
<tr>
<th>Source</th>
<th>Title</th>
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<tbody>
<tr>
<td>Countryside Agency</td>
<td>‘Researching the Rural Dimension of Local Public Service Agreements’</td>
<td>Undated</td>
</tr>
<tr>
<td>DEFRA</td>
<td>‘Rural Strategy 2004’</td>
<td>July 2004</td>
</tr>
<tr>
<td>DEFRA</td>
<td>‘Public Service Agreement 2005-2008’</td>
<td>Web (<a href="http://www.defra.gov.uk">www.defra.gov.uk</a>) version: last modification, 2 September 2004</td>
</tr>
<tr>
<td>DEFRA</td>
<td>‘DEFRA Public Service Agreement Technical Note’</td>
<td>Web (<a href="http://www.defra.gov.uk">www.defra.gov.uk</a>) version: last modification, 7 October 2004</td>
</tr>
<tr>
<td>East Midlands Development Agency (emda)</td>
<td>‘Rural Dimensions’</td>
<td></td>
</tr>
<tr>
<td>East Midlands Regional Assembly</td>
<td>‘England’s East Midlands: Integrated Regional Strategy - our sustainable development framework’</td>
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</tr>
</tbody>
</table>

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[This is a series of booklets prepared by emda, comprising so far a summary (2004) of emda’s activities in support of rural communities and a statement (2005) of how sub-regional strategic partnerships are promoting those activities.]
**East Midlands Rural Affairs Forum**
Extract from website

**Government Office for the East Midlands**
‘East Midlands Rural Priorities Framework: progress/project plan’
4 January 2005

**HM Treasury**
‘2004 Spending Review: meeting regional priorities – response to the Regional Emphasis Documents’
July 2004

**Improvement and Development Agency (and others)**
‘Facilitating the development of the rural economy: the role of local authorities in providing effective facilitation’
September 2004

**Improvement and Development Agency (and others)**
‘A toolkit for facilitating rural delivery: how to oil the wheels of rural revival’
Author: Sally Hewitt (Lincolnshire Development)
October 2004

**Inland Revenue (website: statistics section)**
‘Total income by borough and district or unitary authority, 2002-03’ (Table 3.14)

**Inland Revenue (website: statistics section)**
‘Income and tax by county and region, 2002-03’ (Table 3.13)

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