

Countryside Agency Submission to Allsopp Review – August 2003

Introduction

The Countryside Agency welcomes this review of the regional information and statistical framework and recognises the important role of such information in supporting policies to encourage economic growth in regions and reduce inter-regional disparities. As the Government's statutory adviser on rural issues and with a strong regional influencing role, we would like to express our views on the importance of accurate and up-to-date data on rural areas within regional and local data sets to allow specific rural issues to be assessed and appropriate policies formulated. We would also welcome the opportunity to comment on the issues raised in the Review's interim report.

Fundamental economic, social and environmental changes have been occurring in rural areas recently as the agricultural sector has declined, as new employment sectors (such as the manufacturing of local food products and high-tech services) have emerged and as the use of rural areas for tourism, environmental conservation and recreation activities, has increased. It is vital that regional organisations have access to a range of accurate survey data that is disaggregated for rural areas to monitor the impacts of these changes and to develop appropriate strategies for tackling problems such as social exclusion, low business start-up rates and employment decline.

At present, there is a lack of data disaggregated for urban and rural areas at different geographical scales, including regional and local levels, so identifying the potentially varying impact of policies on rural and urban areas is difficult. Furthermore, data is often not available at a fine enough geographical scale, such as Census output areas, wards or market towns, to allow the monitoring of explicit rural objectives contained in regional strategies. For example, regional data highlighting relatively high income levels may hide rural pockets where incomes are low as a result of limited employment opportunities or the dominance of part-time or seasonal employment. Work is currently being done on developing a new rural-urban definition by the Countryside Agency, ODPM, DEFRA, ONS and NAW, which will replace the conflicting definitions that are currently used and which will operate at finer geographical scales.

There has been a tendency for data, policies and funding to focus on individuals living in rural areas whilst, in reality, households make a crucial social and economic contribution to rural areas and are an important unit for decision-making. More data and analysis is therefore required at the household level rather than the individual level in order to better reflect the situation in rural areas (The Countryside Agency, 2003). For example, many rural households rely on several sources of income (including income from employment (full-time, part-time, seasonal), pensions and property) for which data is required to make accurate assessments of housing affordability, which is key in understanding other issues, such as labour market flexibility. Household income data by age is also important for assessing affordability levels for younger and older households (i.e. first time buyers or those relying on income from pensions).

The remainder of this paper is divided into several sub-sections, each of which highlights specific data recommendations for accurately assessing the changes underway in rural areas.

Demographic Trends

- *Migration* - Detailed, fine-scale information is required on migration trends, as this can be an important indicator of the general economic health of a rural area. For example, the ability of a rural area to attract young people back after they have left for further education, is a useful indicator of the amount and type of employment opportunities in that area. It is important that migration flows both into and out of a rural area can be broken down into people in different age groups and of different economic status and that data is collected more regularly than in the decennial Census. Migration flows into an area can be a crucial source of new skills, expertise and networks for rural businesses (The Countryside Agency, 2003).
- *Commuting* – The scale of flows of people out of rural areas and into urban centres for work has important implications for rural housing and service provision and for the general health of rural communities. Up-to-date local information on such flows is required, as is data on levels of car ownership and the distances travelled by rural dwellers and the proportion of income spent on transport costs (which is often higher for rural dwellers compared to those living in urban areas).

Access to Services

- *Service quality* – Not only is information required on the location of services, but additional data is required on the viability and quality of service provision. This data would be best collected at a fine geographical scale as regional data often masks local problems in service provision.
- *The location of services* – Our knowledge of the use and accessibility of services would be improved through a survey at the household level in regions and localities to gather information on place of work, place of residence and shopping patterns.
- *The wider importance of services* – Recognition is required of the wider role played by services in rural areas, particularly remote rural areas. Post offices and village halls, for example, play an important role as meeting places and locations for social interaction, particularly for rural residents lacking access to private means of transport, such as the elderly.

Business and Employment Trends

- *Business start-ups* - The monitoring of business start-ups using VAT registrations is highly problematic in rural areas as many rural businesses do not reach the required turnover threshold for inclusion. Business start-up rates are therefore often underestimated in rural areas making it difficult to estimate the contribution of rural businesses to regional productivity, employment levels, etc.
- *Characteristics of rural businesses* – Much more detailed data is required to increase our knowledge of the characteristics of rural businesses, such as the sectors in which businesses operate. For example, there may be many local businesses operating in ‘declining’ sectors such as agriculture or dependent on one large employer or branch plant, thus raising the potential economic fragility and vulnerability of the area’s economy. Alternatively, many businesses may be operating in ‘expanding’ sectors,

- such as specialised manufacturing or high-tech services, suggesting positive economic growth and employment creation in future.
- *Business Linkages* – It is widely acknowledged that strong interactions exist between rural and urban areas, such as commuting flows and linkages and networks between businesses. These linkages may be ‘tangible’ in the sense of exchanges of goods and services but they may also take the form of ‘less tangible’ exchanges of information and support. Data (both quantitative and qualitative) on the level and content of these linkages is crucial to increase our understanding of the nature of rural-urban linkages and the extent to which they are conditioned by local geographies (Roberts and Watkins, 2003). For example, Courtney and Errington (2000) highlight the role played by small towns in rural economies but their exact function depends on the heterogeneity of the rural economy and the industrial structure and/or geography of the area.
 - *Employment sectors* – More generally, there is a need for policies and funding to be modified to reflect the fact that agriculture is no longer the dominant employing sector in rural areas, though it still plays a major role in defining the character (particularly the environmental character) of rural areas. Research by the Countryside Agency (2003) recognises four broad employment groups in rural areas: Distribution, hotels and restaurants, Public administration, education and health, Manufacturing and Banking, insurance and finance.
 - *Self-employment* – Employment data often suggests that self-employment is high in rural areas, which is often taken to indicate high income or enterprise levels. In reality, however, high levels of self-employment often indicate a lack of alternative employment opportunities and a high incidence of low (or no) incomes and poverty due to low wage levels and short-term and seasonal employment opportunities. More detailed data is required on rural self-employment to explore the activities in which the self-employed are involved and their wage levels.

Unemployment, Social Exclusion and Income

- *Unemployment* - Data suggesting low unemployment in rural areas may be misleading as levels are artificially reduced as the rural unemployed leave to seek employment in urban areas where there are likely to be more job opportunities. Improved fine-scale data on the migration of people in different economic groups will help to identify the extent of out-migration by the rural unemployed.
- *Social exclusion* - Current data on social exclusion is poor at highlighting the problem in rural areas, where poverty and deprivation tend to be less concentrated and less visible. Joined-up thinking and data is required to encourage an integrated and multi-faceted approach to understanding rural exclusion, which has numerous and complex causes that may differ from those in urban areas (such as a shortage of private transport and affordable housing, a prevalence of low pay and seasonal, part-time jobs and low levels of benefit take-up).
- *Perceptions* - Pockets of deprivation and exclusion can be further hidden in rural areas by the traditional perception of idyllic and affluent rural areas. Data at the postcode and Census output area level would help to identify small pockets of social exclusion.

- *Income* - Data suggesting high or rising incomes in rural areas may also be misleading as it may simply reflect the in-migration of high earners from urban areas for quality of life reasons rather than rising incomes amongst the rural population as a whole.

Housing

- *Access to affordable housing* - Lack of access to affordable housing is widely acknowledged as a serious problem in rural areas and it affects the maintenance of viable, balanced and inclusive rural communities. In general more, better quality data is required on the private sector (particularly the rented sector) as most data tends to focus on the social housing sector.
- *Homelessness* - There is a low level of awareness of homelessness in rural areas, largely due to the lower incidence of rough sleeping compared to urban areas. Current data on homelessness does not adequately reflect the problem in rural areas as the rural homeless are less likely to approach their local authority for help (Robinson, 2002), primarily due to the stigma attached to being homeless which is more common in rural areas. In addition, due to the relative absence of facilities for the homeless in rural areas, data based on the numbers of people accessing facilities is likely to underestimate the rural problem. Data based on the numbers of rough sleepers is also inadequate for rural areas as the numbers of people sleeping rough in rural areas are low. Instead, people may stay for long periods with friends and family, including young families who cannot afford to buy or rent their own property and so they will remain outside the homelessness data.
- *Second and holiday homes* – Additional pressure is placed on rural housing markets by people buying up second or holiday homes in areas of high landscape value, especially in National Parks and coastal areas. There is a need for local authorities to develop common collection methods for data on second homes based on local scale monitoring. A lower rate of Council Tax (e.g. 90% of the full rate) should be maintained on second homes so that people are encouraged to register a property as a second home and so that second homes can be distinguished from main homes and monitored accurately (The Countryside Agency, 2002).

Summary – Data Recommendations

- Generally, there is a need for more data disaggregated into urban and rural (such as from the Labour Force Survey and the Annual Business Inquiry) and more data available at finer geographical scales. This data needs to be made more easily and widely accessible, such as through NOMIS and Neighbourhood Statistics.
- More data should be collected and analysed at the level of the household as households represent an important decision-making unit in rural areas and they make an important social and economic contribution to rural areas.
- Detailed information is required on migration trends, including data on migration by age and economic status. Up-to-date information is also required on commuting flows from rural to urban areas, as is information on the levels of car ownership, the distances travelled by rural dwellers and thus the proportion of household income spent on transport costs.

- More data is required at the local scale on the viability and quality of service provision. Household data on place of residence, place of work and shopping patterns would be a useful way of improving our knowledge of the use and accessibility of services by the rural population.
- New data is required to allow better exploration of the characteristics of rural businesses, such as their size, turnover and the sector in which they are operating.
- Quantitative and qualitative data is required on the variety of urban-rural linkages to assess the levels and content of these linkages and their implications for regional and local development.
- More detailed data is required on the rural self-employed, including the activities in which they are operating and their income levels.
- More joint working is required to gather more sophisticated and accurate data and information on rural social exclusion and its causes. Care is required when interpreting data on rural unemployment levels and income. Income data for example could be related to economic activity and place of work to assess the impact of the in-migration of high income earners on overall rural income levels.
- A more flexible approach is needed to define homelessness in rural areas for data collection purposes. Local authorities should develop common methods for data collection on second homes based on local level monitoring.

References

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- The Countryside Agency 2003 *Rural economies – Stepping stones to healthier futures*, Countryside Agency Publications, West Yorkshire