

The regional voice for the rural community



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Rural Report of the East of England: Enterprise, Employment and Skills

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Rural Action East is an Associate Member of ACRE and comprises:

Bedfordshire Rural Communities Charity, Cambridgeshire ACRE, Rural Community Council of Essex,
Community Development Agency for Hertfordshire, Norfolk Rural Community Council, Suffolk ACRE

Rural Action East is a company limited by guarantee in England and a registered charity whose members are the six county Rural Community Councils (RCCs) of the East of England. We are a member of the national ACRE network.

We work for rural regeneration within the region and have three major objectives:

- **Strategic Influence** – To proactively influence strategies, policies and decision making on issues affecting the quality of life for rural communities.
- **Strengthening the Network** – To improve the delivery of services to rural communities through support to a vibrant Rural Community Council network working effectively together for mutual benefit
- **Programme Delivery** – To manage and deliver contracts and projects for the benefit of rural communities.

Our Vision

To be the leading voice for rural community development in the Eastern Region; the catalyst for building and sustaining a thriving rural community where people can live and work in a quality environment.

Our overall aim is to build strong communities where local action can transform the outlook for rural quality of life. More information can be found at our web site

www.RuralActionEast.org.uk

Rural Report for the East of England Enterprise, Employment & Skills

1. Introduction

This report will focus on the economic activities of **Enterprise, Employment and Skills** in rural areas with specific sections for each topic. The analysis has been drawn from evidence held by Rural Action East taken from frontline surveys, national statistical analysis modelled to local level¹ and the recently refreshed State of the Countryside Report 2010.

The evidence included in the report points towards the challenges rural areas are facing and highlights the barriers which need to be addressed to enable these areas to reach their full potential.

It is vitally important that rural areas are not overlooked and that they are **enabled to create opportunities** during the transition from regional to local working. Emphasis should also be placed on **collaboration and partnership** to ensure **more is delivered for less investment**, whilst bringing wider benefits to the whole region.

In line with current national policy, **rural residents and businesses themselves must take the initiative** and lead in delivering this change. A report written by the rural advocate Dr Stuart Burgess states “I see villages with new life and business – bustling places where small businesses, workshops, home-based offices, drawing on the power of the internet and new markets, can sustain and encourage hard working families”²

Summary of the barriers identified

Enterprise

- **Broadband and Next Generation Access** – This is a major barrier to attracting new business to the area as well as supporting those already active; it is vital that businesses in rural areas have reliable high speed broadband.
- **Business Services** – Lack of local accessible amenities such as banking, post offices etc
- **Availability/Development of suitable premises** – Low provision of premises and planning constraints when looking to develop land/buildings for business use.

Employment

- **Access** – Low density/availability of places to work locally; reduced opportunity to access public transport and technology to work from home.
- **Ability to up-skill** – Low value/low income jobs and poor access to training opportunities.
- **Remoteness** – Geographical barriers to advice for jobs and career development, JCP etc.

¹ Evidencing Rural Need - <http://www.rural-evidence.org.uk> (Oxford Consultants for Social Inclusion and Action with Communities in Rural England)

² England's rural areas: steps to release their economic potential Advice from the Rural Advocate to the Prime Minister

Skills

- **Access** – Inability to travel to training and lack of technology (high speed broadband etc) to support skills provision.
- **Time** – Lone parents and carers' find lack of available time is a barrier to training including the travel time and alternative care arrangements.
- **Aspiration** – Although anecdotal; aspiration and ambition in deprived rural areas is a barrier to seeking training. Much of the work the county RCC's do at grass roots level indicates that to address these issues skills provision needs to be brought in to the targeted community and be offered in familiar surroundings such as a local school or community building.

Overall the evidence has shown that there are **strong links between the three sections** and that they are **interdependent on each other**.

We believe that if rural enterprise is supported, it has the **potential to create employment opportunity** and **shape the skills requirements** for the area and **encourage pursuit of higher qualifications by rural residents**, especially younger people.

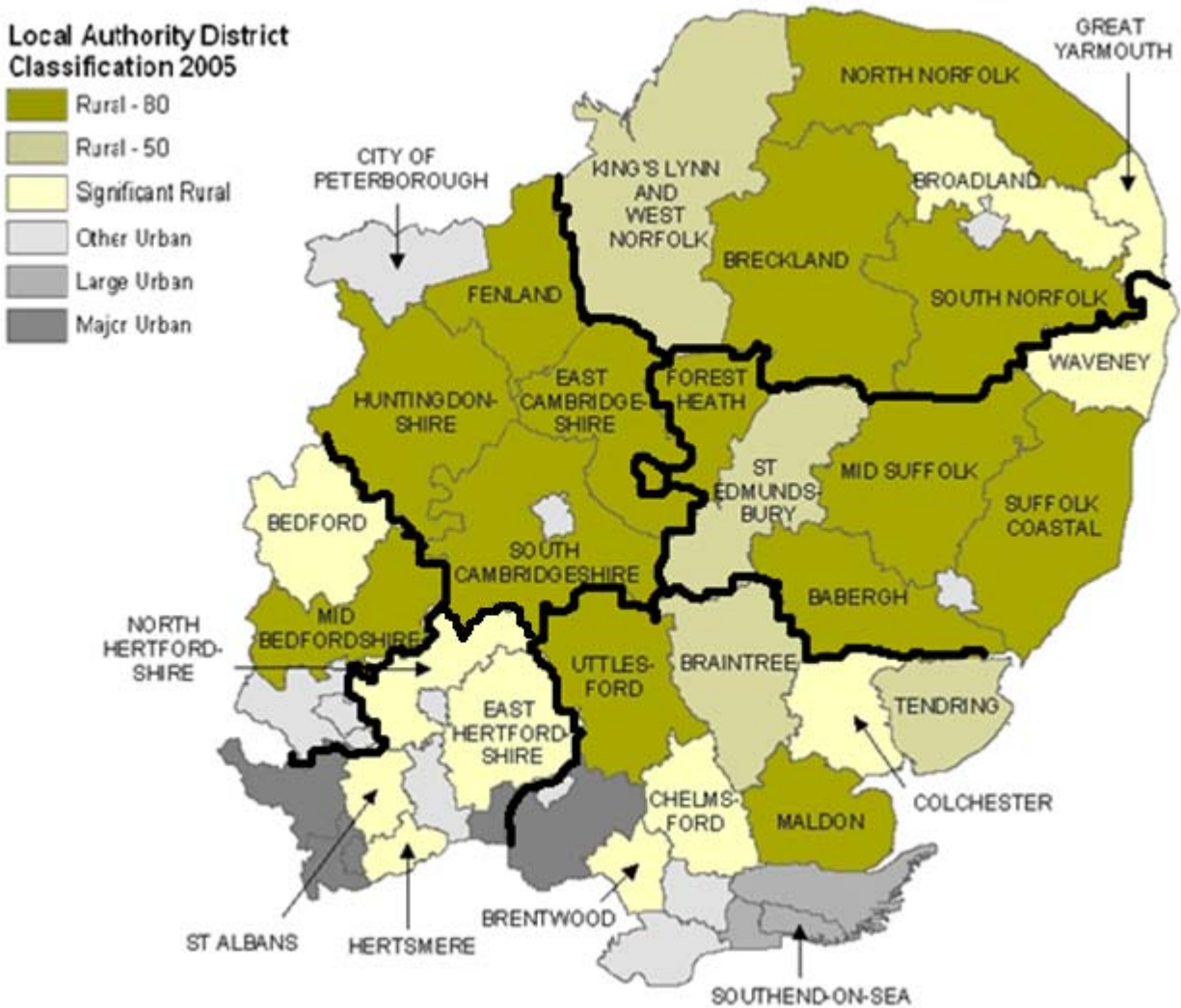
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2. Overview

The East of England is an area of diversity with no major cities, nearly a quarter of England's market towns and large areas of sparse population both inland and coastal. The numerous villages are linked to our urban centres for their main economic and social activities however a surprising amount of activity and growth is occurring in rural areas and it is this activity which needs to be supported to contribute to the economic recovery, increased employment levels and an improved skills base required to ensure future sustainability.

To give a visual overview of the extent of rural across the East of England, the map below shows the 'rurality' and is particularly effective at displaying how widespread our rural areas and the resident populations are.

Rural classification across the East of England at Local Authority level³



³ Major Urban is for the "most" urban authorities, Large Urban and Other Urban follow on. Of the rural categories; Rural-50 is authorities with between 50 & 80% of their population living in rural settlements. Rural-80 is for authorities who have at least 80% of their population in rural settlements and large market towns. Significant Rural indicates that a district has between 26 & 50% of its population in rural settlements and large market towns.

Given the rurality of the region, the following headline findings further inform on the state of rural in the East of England. The data is taken from the rural evidence database with need evidenced at regional, local authority, and parish level⁴

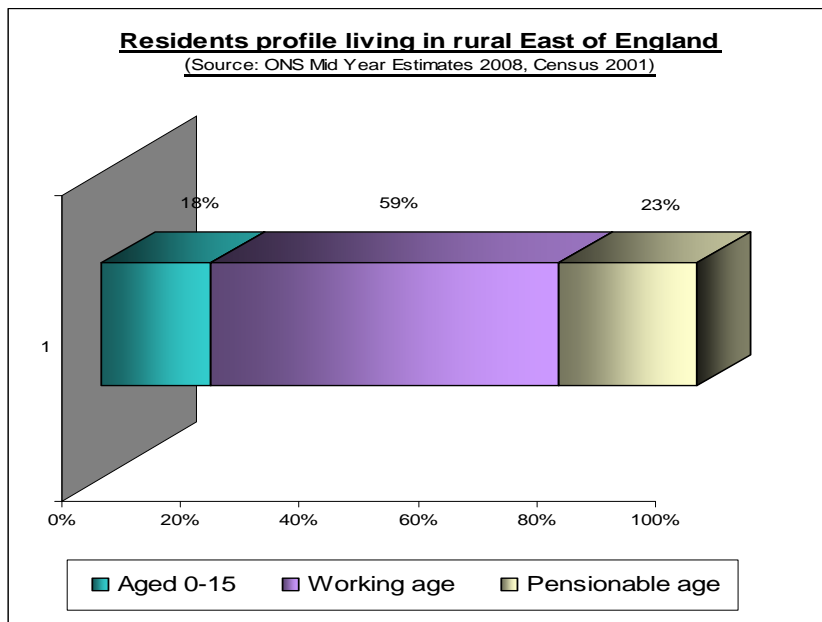
Population	1,756,635 people live in rural areas, 30.7% of the total across East of England.
Deprivation and low income	147,520 people in rural areas are classed as income deprived, (receiving means tested benefits) this is 22.2% of the total across East of England.
Worklessness	The number of people receiving 'out-of-work' benefits (JSA and IB) in rural areas is 60,765, 22.3% of the total across East of England. Of these, 22,735 receive Jobseekers Allowance and 38,030 receive Incapacity Benefit.
Employment	144,110 people in rural areas are employed in senior occupations, 34.4% of all such occupations across East of England.
	By comparison, 86,560 people are employed in elementary occupations, 29.2% of all such occupations across East of England.
Skills	326,555 adults in rural areas have no qualifications, 30.1% of the total number of adults with no qualifications across East of England.
	By comparison, 229,655 adults in rural areas have degree level qualifications, 32.6% of the total number of adults with degree level qualifications across East of England.
Health	127,720 people in rural areas report themselves as having a limiting long-term illness. This represents 28.9% of all people with a limiting long-term illness across East of England.
Access to services	86,325 rural households have no car or van, 19.5% of the total across East of England.
Housing	32,960 rural households lack central heating, 28.9% of all such households across East of England.

Seeing that over 30% of our population are living in these rural areas is important; however more vital to this report is the profile of residents within rural areas.

This means it is possible to make comparisons such as unemployment rates (JSA Claimants) and vacancies; skills profile and those to target for up-skilling; and what types of enterprise are more likely to thrive in rural environments.

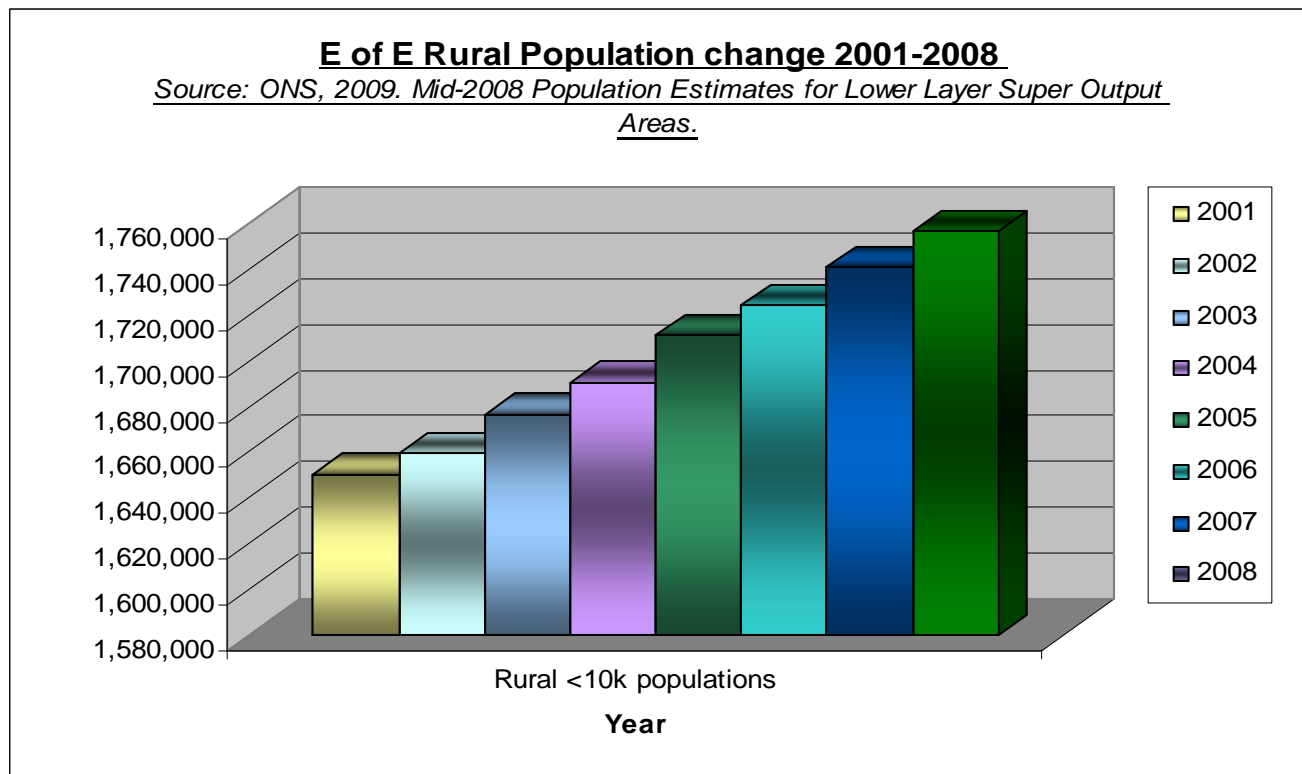
⁴ Deprivation in East of England, final report - ACRE/OCSI through RAE – www.ruralactioneast.org.uk 2010

The following graph and table display a high level break down of the rural population in the East of England.



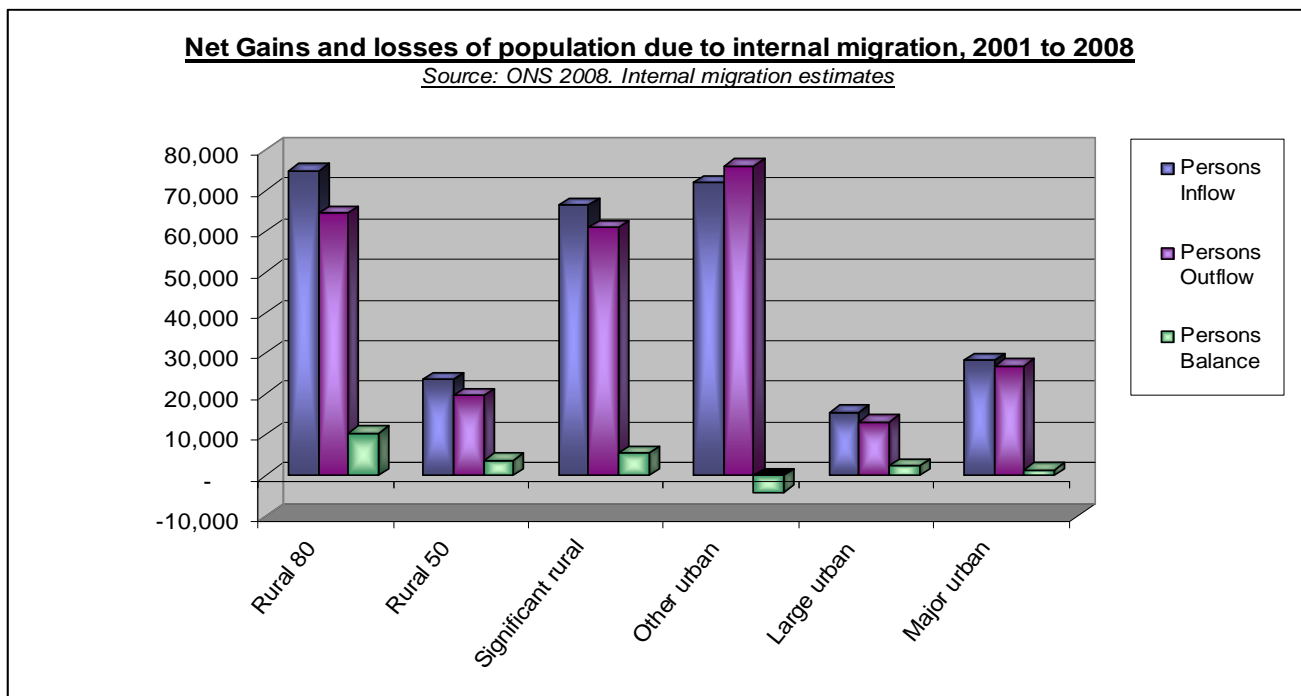
East of England - Rural Population Breakdown	
All People	1,756,630
Aged 0-15	319,405
Working age	1,028,955
Pensionable age	408,270

The same data shows that the rural population is steadily increasing. The total change from 2001 to 2008 is equal to a 6% increase, this indicates that people want to live in rural areas and that the trend is that these areas will continue to grow in the future.



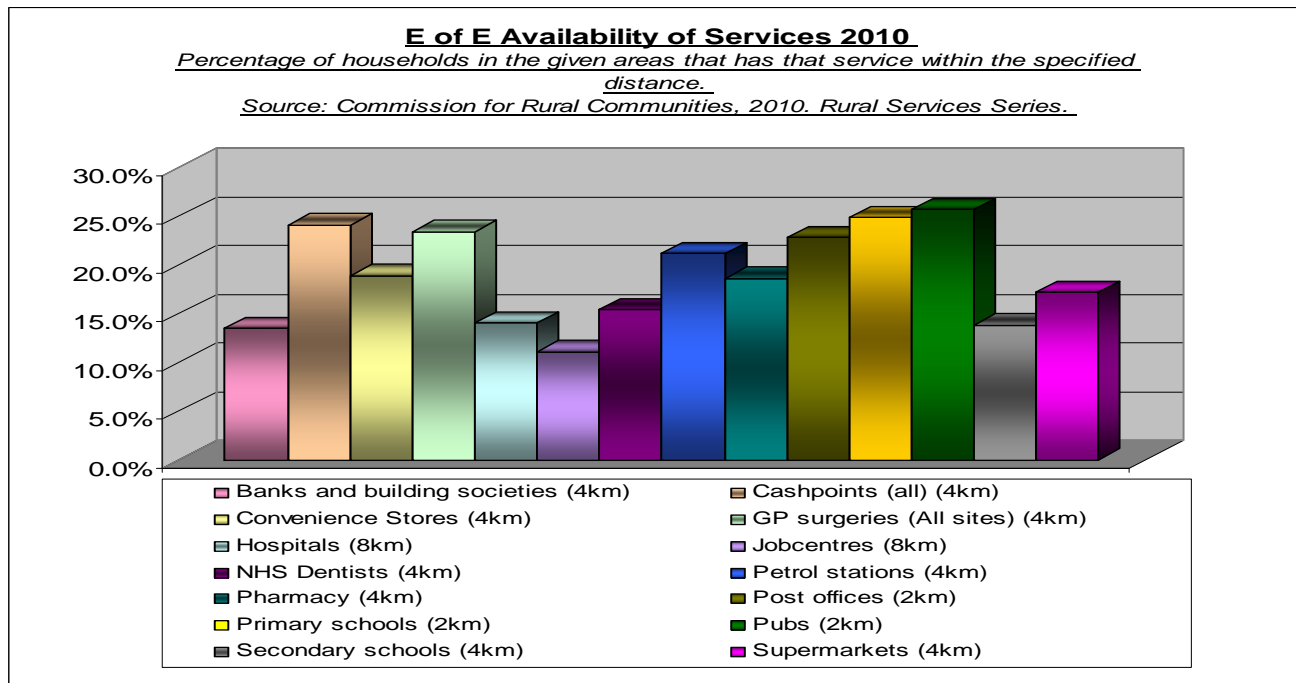
Now we know rural populations are increasing, it is interesting to see from the following graph that the most rural areas are the ones with the largest increase in residents, and that other urban actually shows a reduction in residents.

Of particular concern is the high population churn within rural areas. We believe this occurs due to out migration by younger people in search of employment and affordable housing, and in migration of older professional people with families, searching for better quality of life (rural idyll).

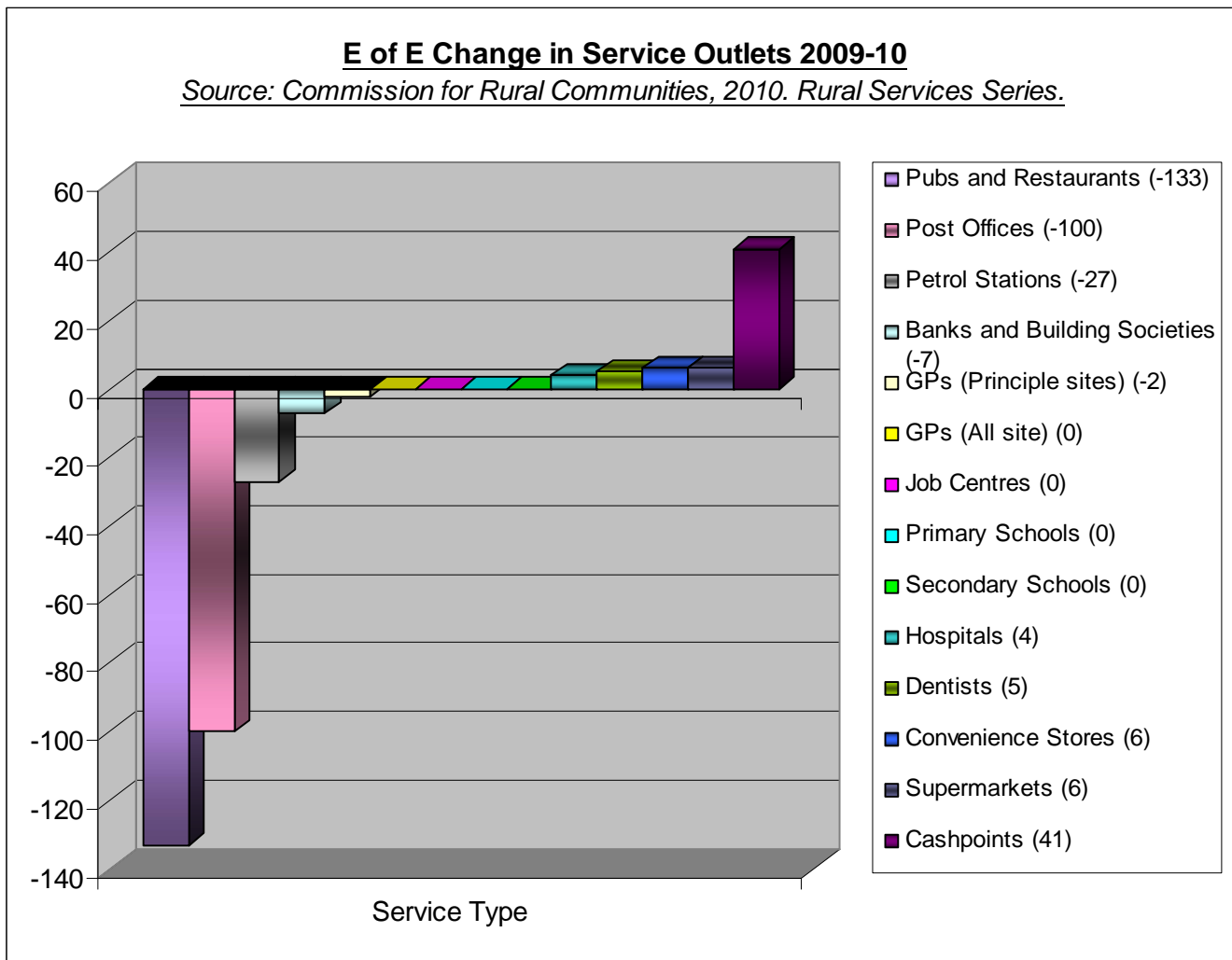


One of the key social issues for those living in rural areas is access to services; it is particularly noteworthy that less than 25% of rural residents have access to services which would be considered common in an urban area.

The specific services highlighted can also be considered as rural enterprises or support to rural economy; and are therefore **key** to employment opportunities available and skills requirements in these areas:



Coupled with increasing rural population and the restricted access to many essential services, there is also a large number of these service providers disappearing from rural areas, as the next graph shows:



Of particular concern in the graph are the first three columns; these show a marked decline in rural areas and indicate the closure of 133 Pubs and Restaurants, 100 Post offices and 27 petrol stations from 2009 - 2010

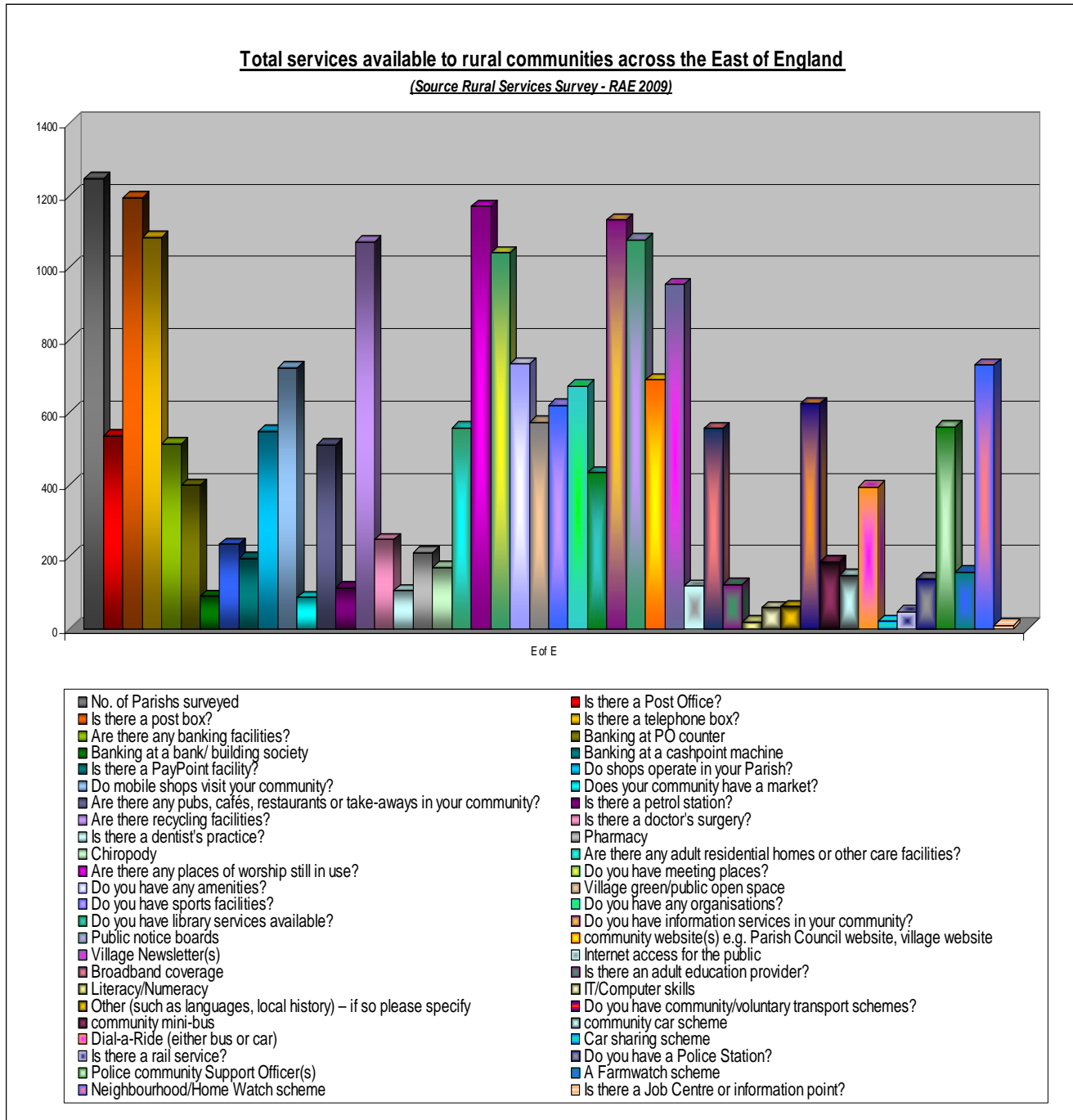
These closures not only have repercussions to residents using these services but greater consequences to those wishing to work in the areas which they live.

Businesses such as these are valuable employers and bring other opportunities into rural areas; the loss of one sector can have wide ranging repercussions.

The next graph is designed to show a broad overview of the services any household could expect to have access to and what is available to the East of England's rural population.

It also displays the breadth of enterprise and employment opportunities in rural areas; this will be considered in more detail later in the report.

The graph shows availability of all services which have been surveyed across the region for rural areas.

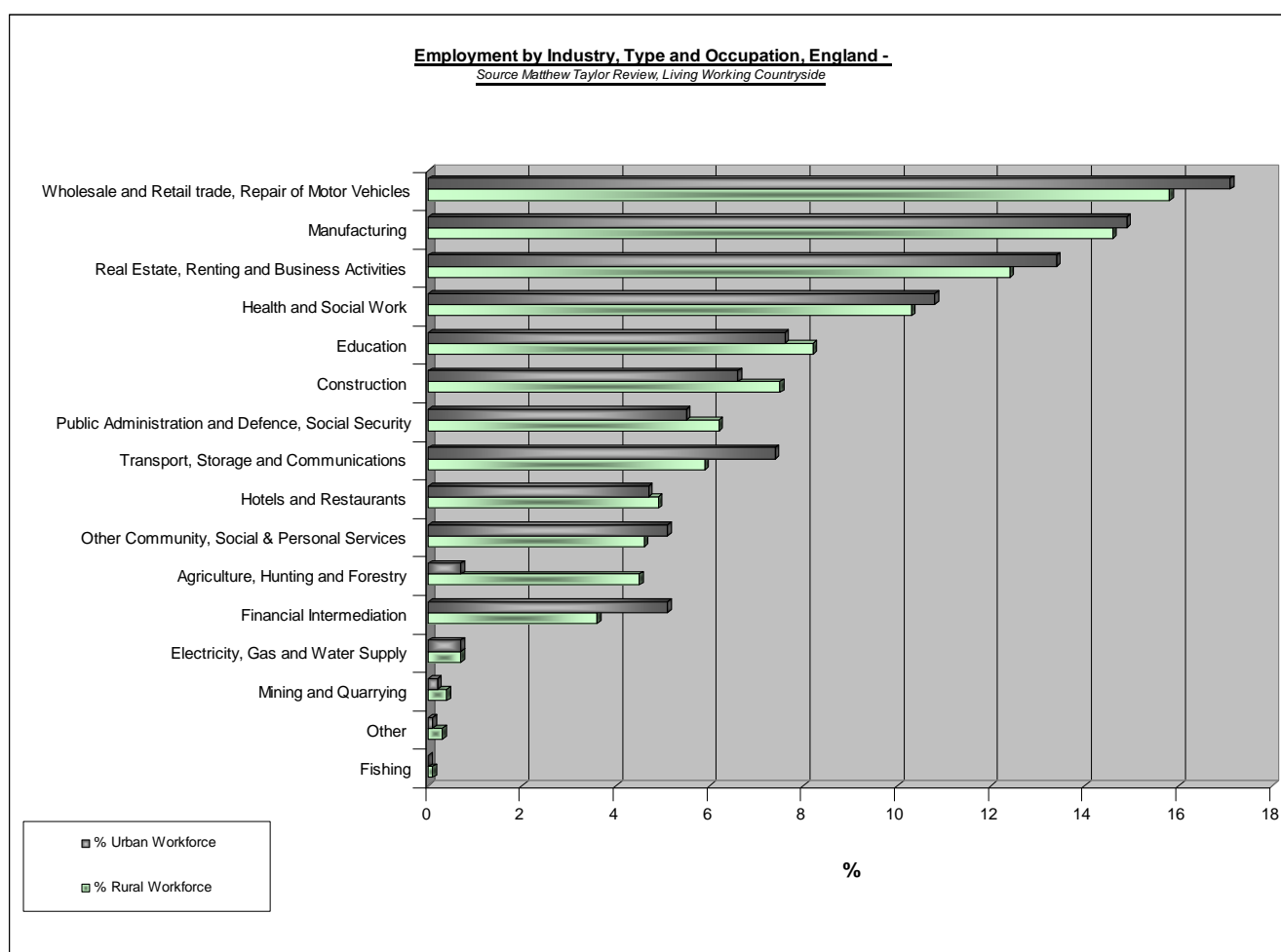


3. Enterprise in Rural Areas

Enterprise in rural areas is more diverse than often thought, in fact Matthew Taylor states that now “Very few economies in rural England are still driven by agriculture – and it now accounts for less than five per cent of the rural workforce”⁵ Instead he feels that most influential in rural areas are home based workers “particular attention is given to home-based work, since this is a highly significant (and growing) factor in rural economies, with approximately one in five people in rural communities working from home, and offers the potential for highly sustainable business models”⁶.

The similarity between urban and rural business is clear from the following graph, although data shown is across the whole of England we believe this is representative for the East of England.

What is important is to recognise that rural is a significant contributor to the economy as a whole; the commission for rural communities state “We estimate that targeting weaknesses set out in this report could substantially increase the revenue earned by rural firms, perhaps to over £700 billion per annum”⁷.



Even areas thought of as traditionally urban such as Financial, Public Administration and Manufacture are all well represented in rural areas.

⁵ The Mathew Taylor Review - <http://www.rtpi.org.uk/download/7766/livingworkingcountryside.pdf>

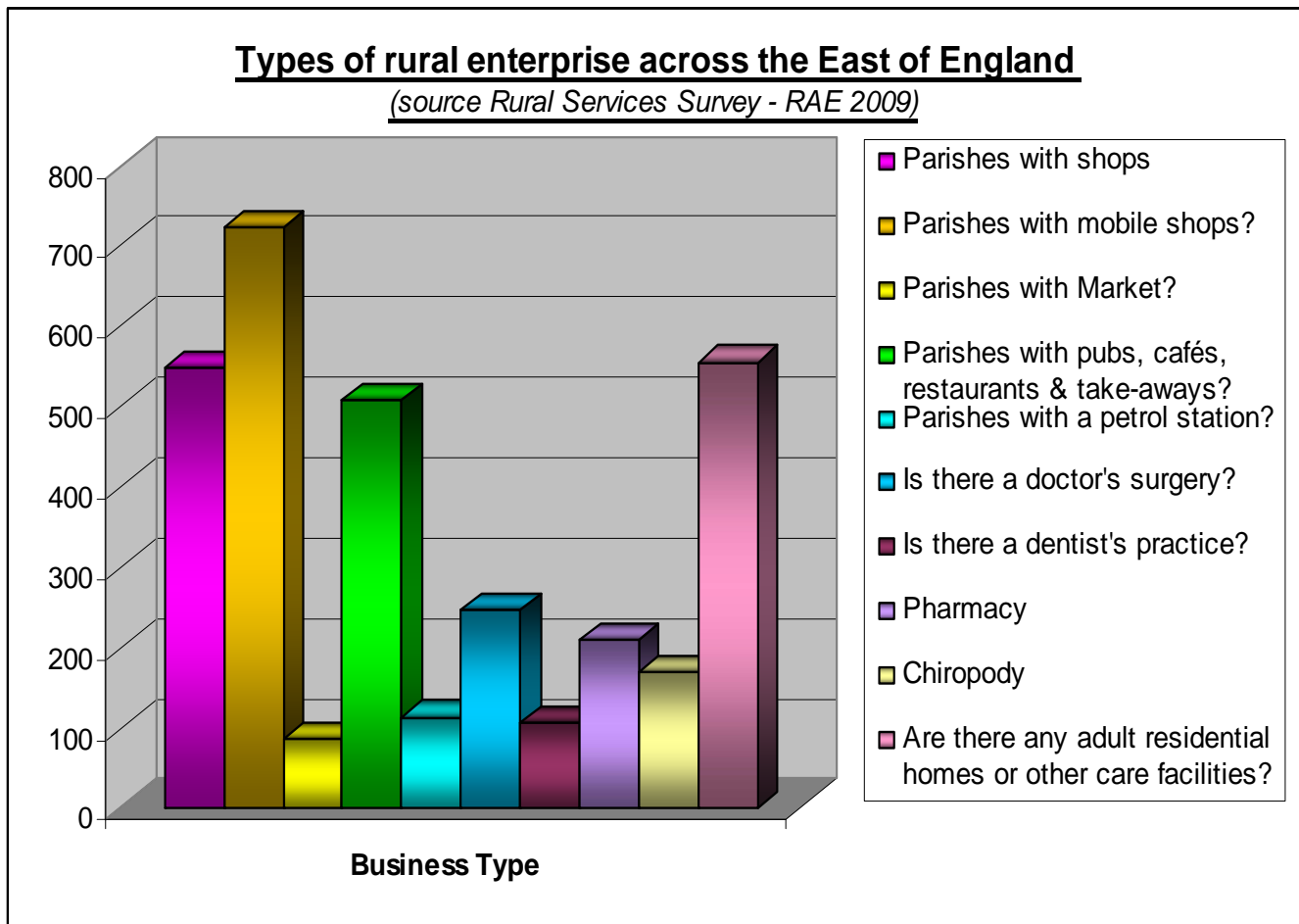
⁶ The Mathew Taylor Review - <http://www.rtpi.org.uk/download/7766/livingworkingcountryside.pdf>

⁷ England’s rural areas: steps to release their economic potential <http://www.ruralcommunities.gov.uk/files/CRC74.pdf>

Another particularly important sector within enterprise for the East of England is tourism, which is supported by several of the activities on the previous graph, notably hotels and restaurants. East of England Tourism estimated that in 2008⁸ 131million visits for tourism were made, and these visitors spent an estimated £5.15billion and support a sector which employs over 180,000 people.

Rural areas can increasingly benefit from the growing tourist industry. East of England Tourism at its 2009 conference reported that 60% of businesses expected to see an increased turnover in 2010, and that in the period 2006-08 tourism spending by staying visitors increased by 6.6%⁹. With short breaks growing faster than longer holidays, the accessibility of the East of England to major urban centres in London and the Midlands suggests the prospects for future growth are strong.

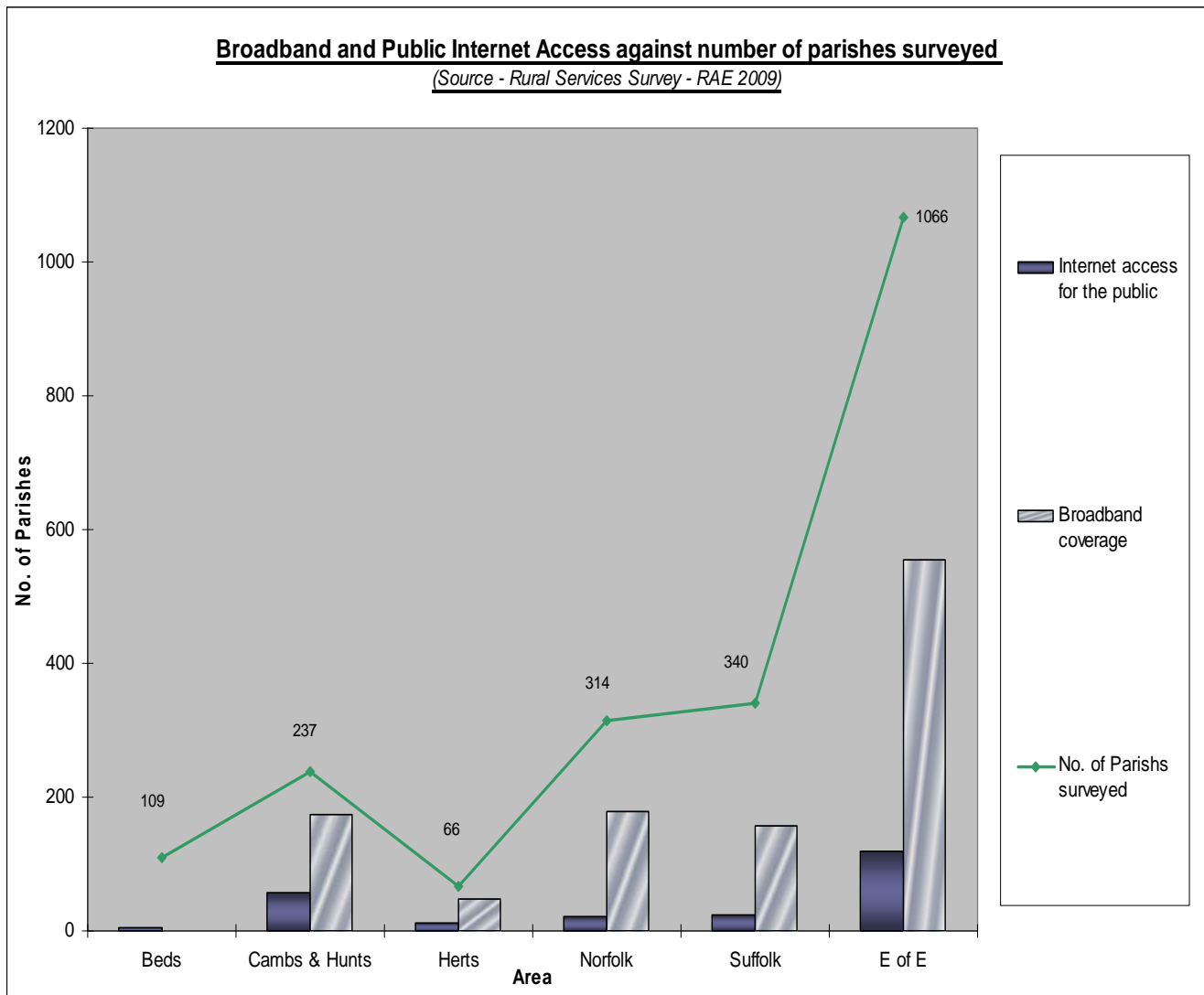
Our Rural Services Survey presents a picture of what retail and healthcare enterprises there are in the East of England, this information was taken from parish surveys and completed in 2009. The graph below shows a snapshot of what was available at this time.



⁸ East of England Tourism (2009), Compendium of tourism statistics 2008

⁹ East of England Tourism (2009), East of England Tourism Conference 2009

The assertion from The Taylor Review that home based working is a key enterprise for rural economies reinforces the need for access to reliable infrastructure technology particularly mobile telecommunications and broadband. Without increased broadband accessibility, including Next Generation Access (NGA) growth in home and knowledge based business will be difficult to establish and to sustain.



The graph above shows how broadband coverage looks across rural East of England (question not asked in Bedfordshire hence 0 result); the green line shows the number of Parishes surveyed.

The data shows how few rural parishes have access to broadband provision. The implication of this is that entrepreneurs in an area would be unlikely to start businesses where the provision is not fast enough for commercial uses and it would hamper if not prevent commercial activity.

The following map gives a view of the availability of access to broadband at an acceptable speed; the actual speed of the broadband provision is the key issue.

As noted above, for a business to function and succeed commercially it needs reliable access to the internet and there is a minimum speed of 2 Mbps which is essential (actual upload and download speeds is dependant on activity)

Map – source CRC – Mind the Gap: Digital Britain a Rural Perspective¹⁰



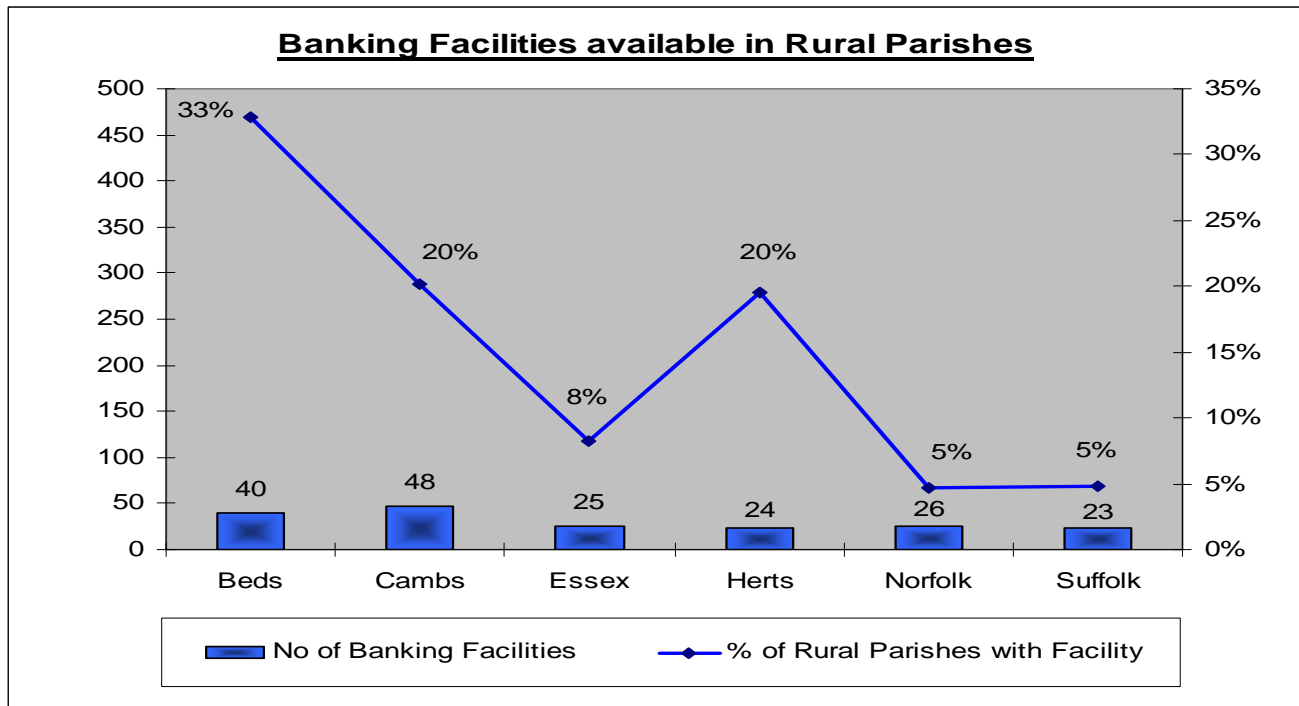
The map above is taken from a report produced by the Commission for Rural Communities regarding the issues around broadband provision for rural areas.

The red areas show the availability of access DSL internet with downstream speed of less than 2 Mbps & no alternative services. From this map it is possible to see how widespread these areas are and get an indication of the challenge to provide businesses and residents in rural areas with adequate high speed internet access.

Banking services are important to local businesses who may handle cash and cheques and given that many rural businesses are retail based it is vital that customers are able to access cash to make use of pubs, restaurants, shops, mobile healthcare etc.

¹⁰ <http://www.ruralcommunities.gov.uk/files/CRC104%20Digital%20Inclusion%20Report.pdf>

The next graph is the last piece of evidence presenting a picture for enterprise in rural areas is the based on Rural Services Survey data showing the availability of banking facilities in rural parishes across the East of England.



Finally it is important to consider the economies of scale for rural enterprise - small businesses are the fastest growing sector of the economy, but in many rural areas access to small start up units at affordable rents and on flexible terms (to allow growth) is constrained.

New businesses typically require workspace close to home and a number of councils are running schemes to help this process. For example Babergh Council in South Suffolk has a small grants programme to help convert existing redundant buildings into units for new businesses¹¹

Economies of scale are also important when considering the provision of broadband, only when internet providers consider that the commercial return is sufficient for investment in infrastructure, will the wholesale roll out of current technology let alone NGA be a reality for all rural communities and the businesses within them.

Barriers to Enterprise

- **Broadband and Next Generation Access** – This is a major barrier to attracting new business to the area as well as supporting those already active; it is vital that those in rural areas have reliable high speed broadband.
- **Business Services** – lack of local accessible amenities such as banking, post offices etc
- **Availability/Development of suitable premises** – low provision of premise and planning difficulties when looking to develop for business use.

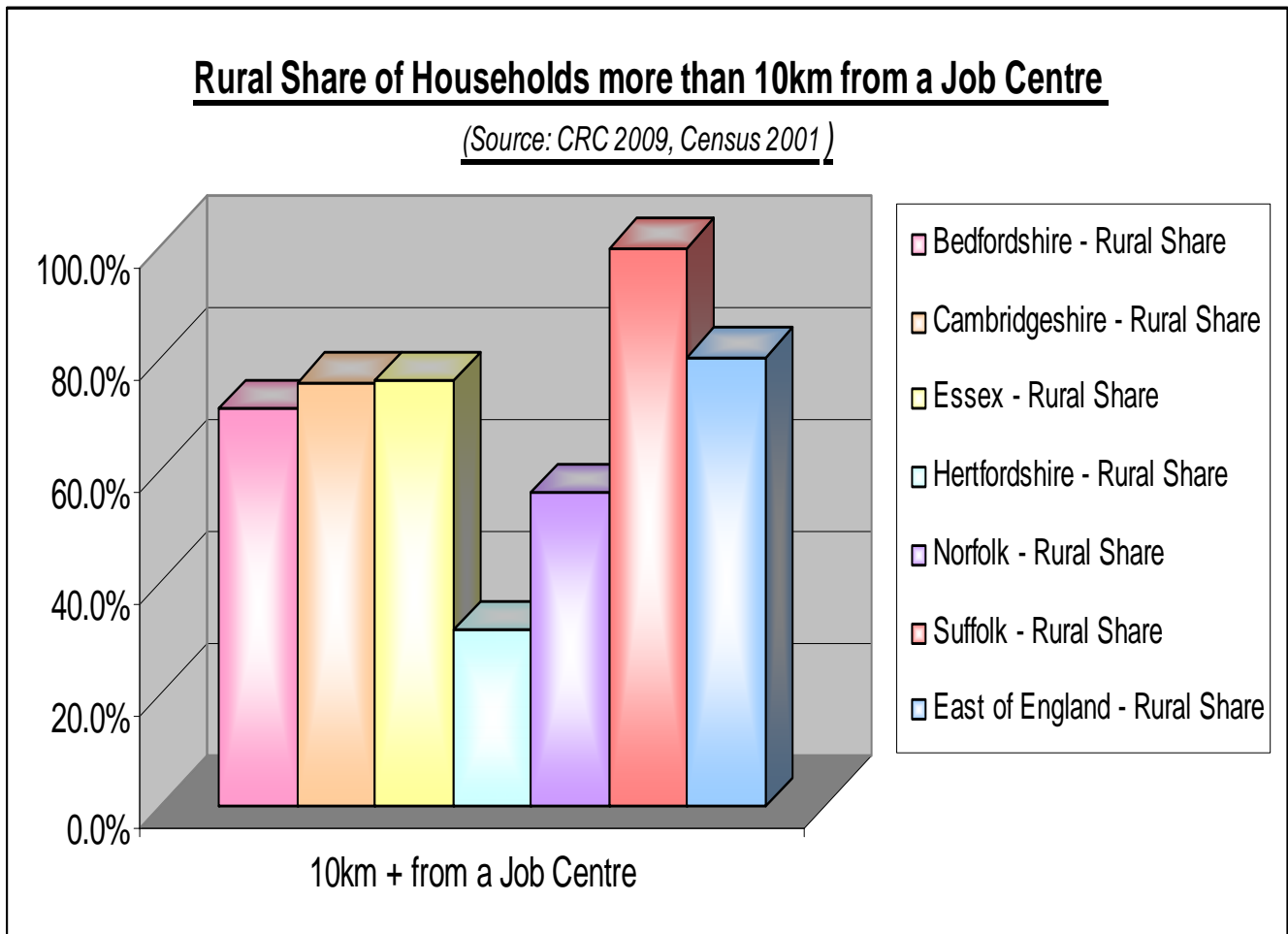
¹¹ Babergh Council (2010), Business Workspace Grant:
<http://www.babergh-south-suffolk.gov.uk/Babergh/Home/Business/Economic+Development/Rural+Workspace/>

Employment in Rural Areas

There is a wide breadth of employers within rural areas including heavy manufacturing, agriculture, waste processing, retail and many home based or small business employers. This section is concentrating on jobs located in rural areas as well as employment as a whole but does have close links to the previous enterprise section and the rural skills section to follow.

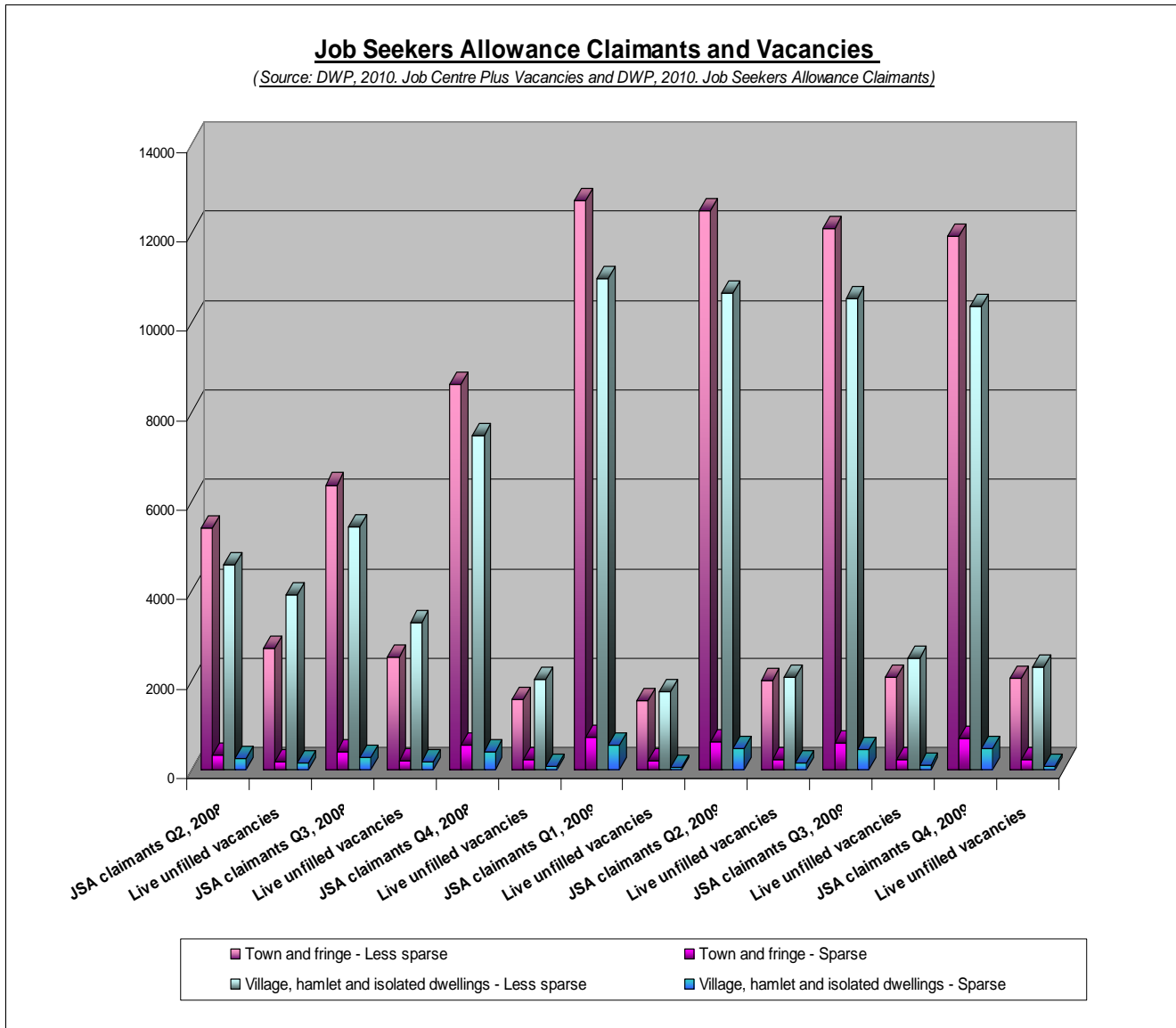
The first issue with investigating rural employment is that it can be difficult to get a true picture as data is often based on Department of Work and Pensions (DWP) and Job Seekers Allowance (JSA) figures; therefore this does not include non claimants. Access to benefits and Job Centre support is a known challenge in the more remote rural areas.

The graph below shows clearly that for the rural communities in each county, distance to a Job Centre could be an issue. Of particular concern is Suffolk where over 90% of rural residents live more than 10 Km away.



The following graph using DWP and JSA figures shows the difference in claimants per vacancy across the four rural residential categories as used in the recent State of the Countryside Report.

It covers the timeframe from Q2, 2008 to Q4 2009 and shows the rise in claimants associated with the economic changes at this time.

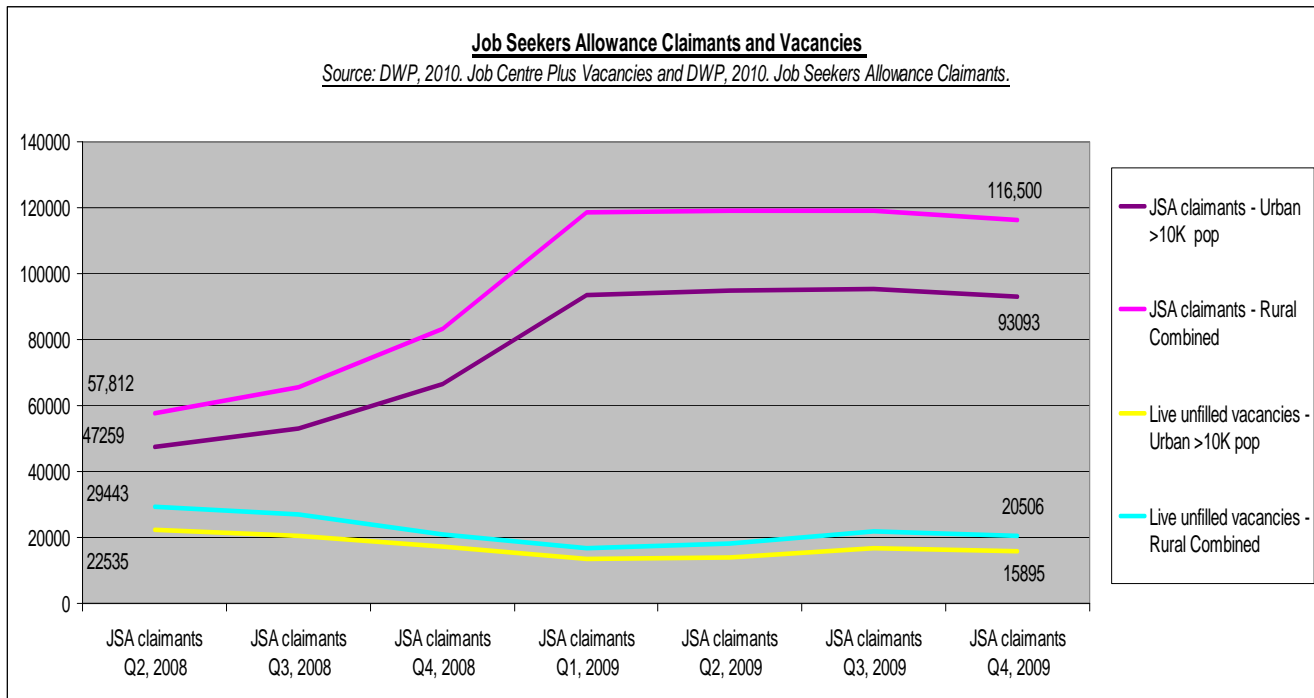


Given the concerns about rural unemployment figures, the above graph does give an indication of unemployment across the rural areas of the East of England.

As expected the highest level of unemployment are in the less sparse rural areas¹² as highlighted in the following section these are likely to be hard to reach individuals with barriers around access, skills level and possibly aspiration or ambition to seek training.

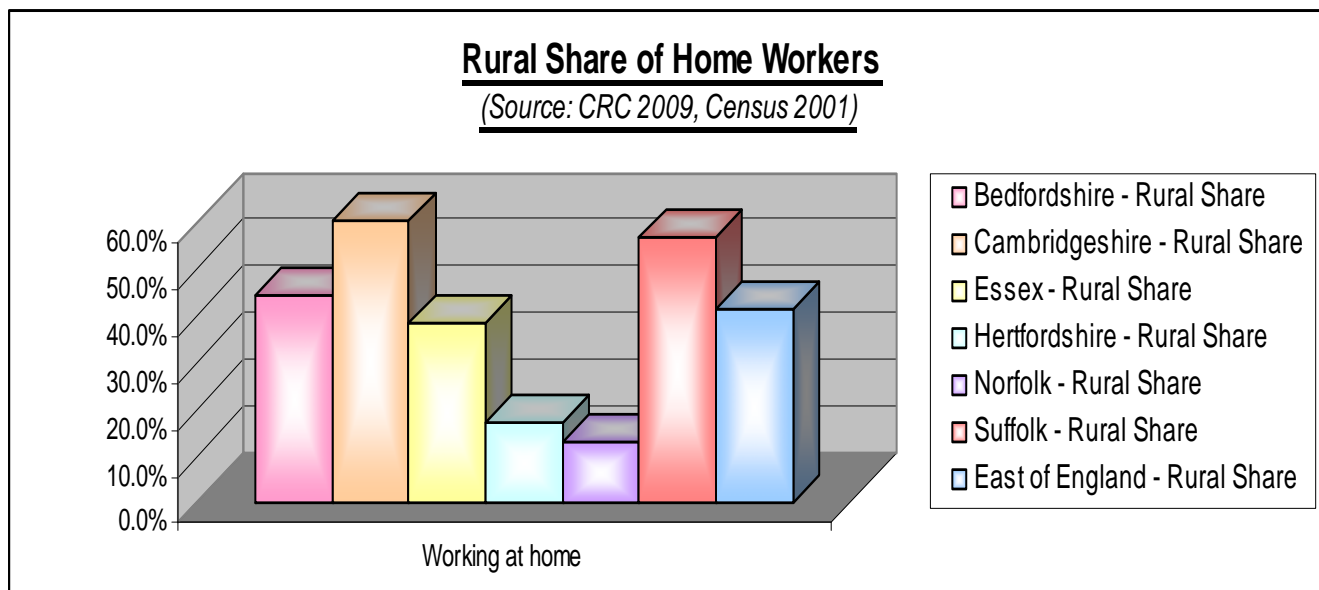
¹² 'Rural' relates to settlements with a population of 10,000 or less and can include large villages and market towns

The graph below shows the number of rural JSA claimants mirrors the trend of claimants in urban areas but the numbers are significantly higher with Q4 JSA Claimants peaking in rural areas at 116,500 versus 93,093 in urban areas. Vacancy opportunities are also higher in rural areas when compared to urban which highlights the need for an effective skills strategy for specifically for rural areas.



The Taylor Review also reported that home-based working is an important activity in rural areas; statistically for the UK, home working is less than 10% in urban areas but 17% in rural areas and 31% in the most rural areas.

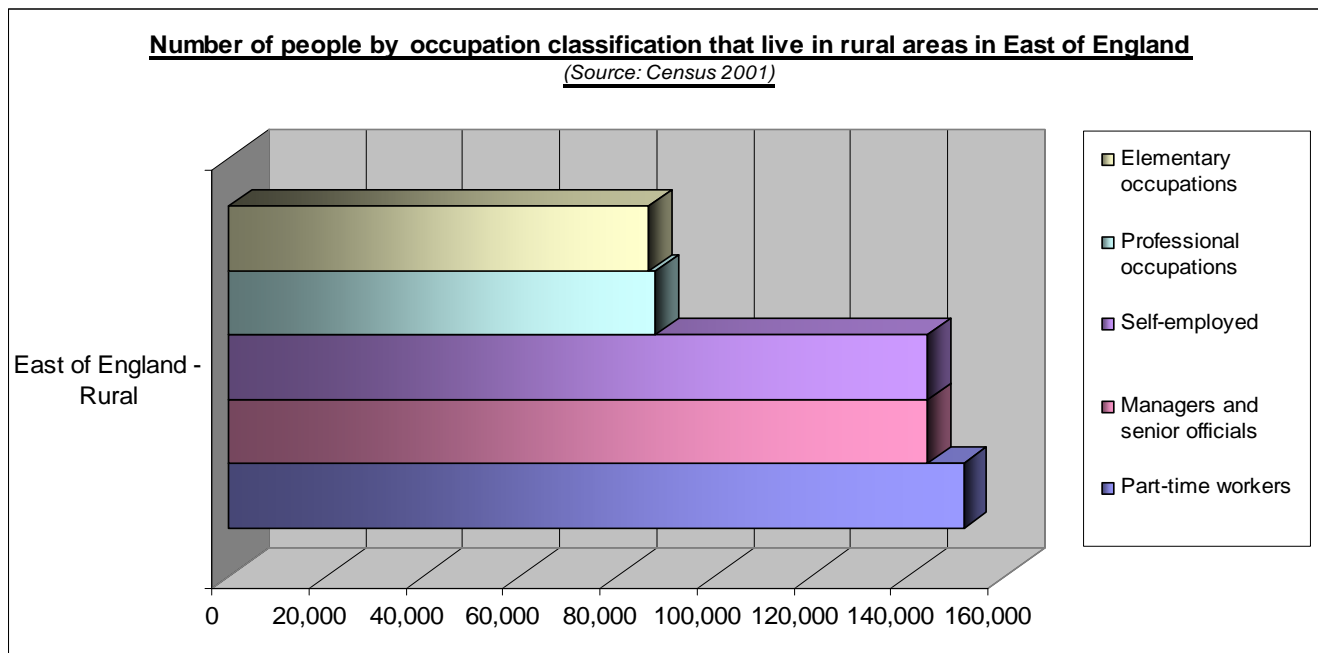
The following graph shows percentage of the rural population in the East of England who are home workers and represents a significant difference between urban and rural England for employment patterns.



Self employment is also higher in rural areas, so together with home working a large proportion of employment activity comes from small and micro businesses.

In general the East of England's rural population appears relatively affluent however this hides very large variations in income. Professionals (many of whom work in cities and major towns) and wealthy pensioners (who move into rural areas for retirement) living in rural areas mask the real economic problems facing many locals, especially young families. Average wages in rural areas are more than £4,600 per annum below the urban average (Taylor 2008)

The following graph shows the occupation classification across the region. It is of note that Elementary and Professional occupations have similar profiles and that self employed people are comparable to Managers/Senior Officials, this further implies the number of smaller owner run businesses in rural areas.



Barriers to Employment

- **Access** – Low density/availability of places to work locally; reduced opportunity to access public transport and technology to work from home.
- **Ability to up-skill** – Low value/low income jobs and poor access to training opportunities.
- **Remoteness** – geographical barriers to advice for jobs and career development, JCP etc.

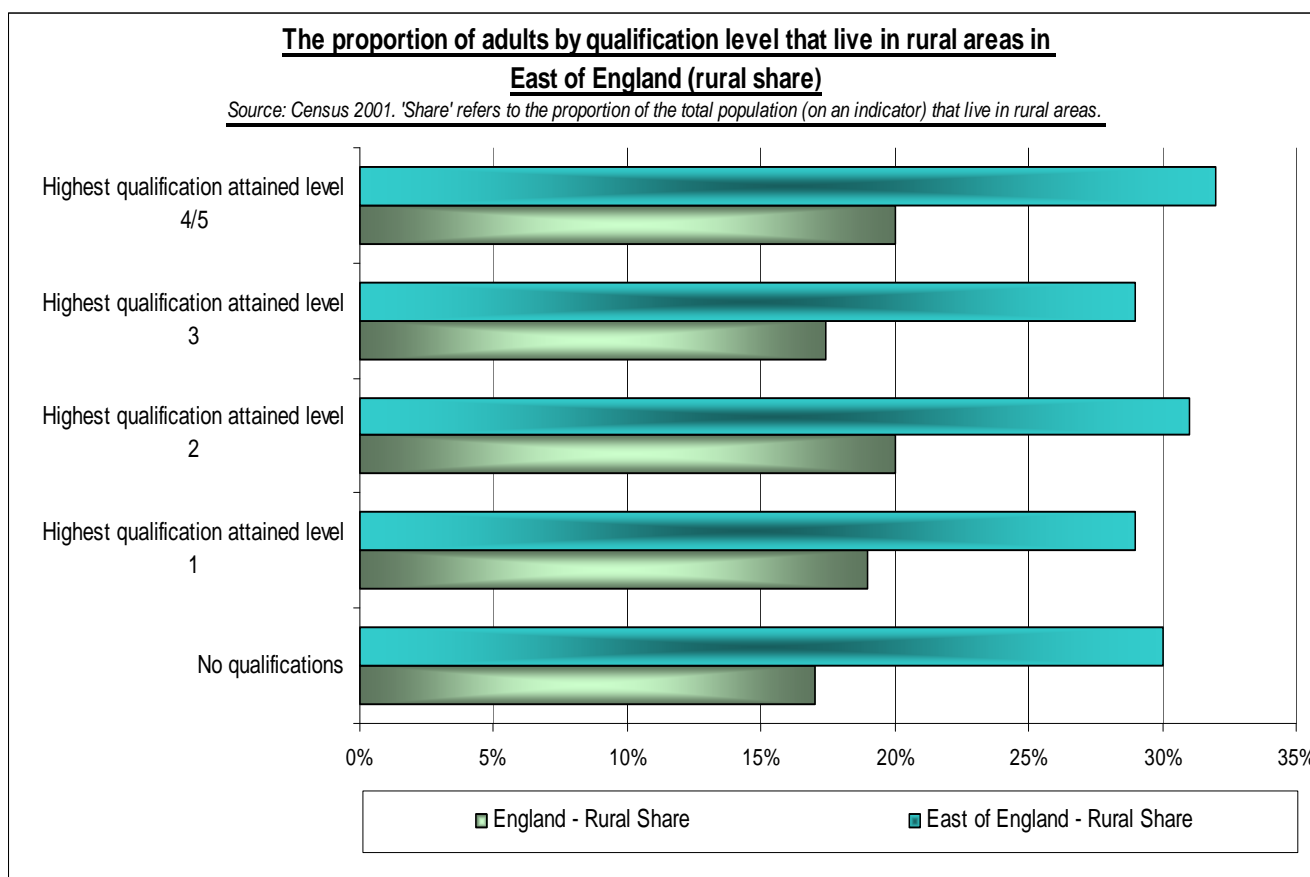
Skills in Rural Areas

Access to training and in particular re-skilling or up-skilling to engage with the changing employment market has long been an important issue for those living in rural areas. Historically rural employment has been seen as traditional agriculture and countryside management where training and skills were handed down through generations. However this outlook has changed with increased technology replacing man power and the food agriculture industry demanding higher skills levels. When considering skills gaps the type of employment available to a rural resident locally must be considered.

From looking at specific evidence and reports such as that produced by Matthew Taylor, it is accepted that the rural economy is making significant contributions to the region overall and has further capacity to grow¹³.

Investment in skills development for rural inhabitants will support these contributions and ensure that the overall economy is stronger and more sustainable as a result.

The graph below shows comparison figures for East of England Rural against England Rural taken as a percentage of the rural share¹⁴ this clearly demonstrates that although the region is strong regarding the proportion of people living in rural areas holding the higher qualifications we are also particularly weak when considering those in rural areas with no qualifications.



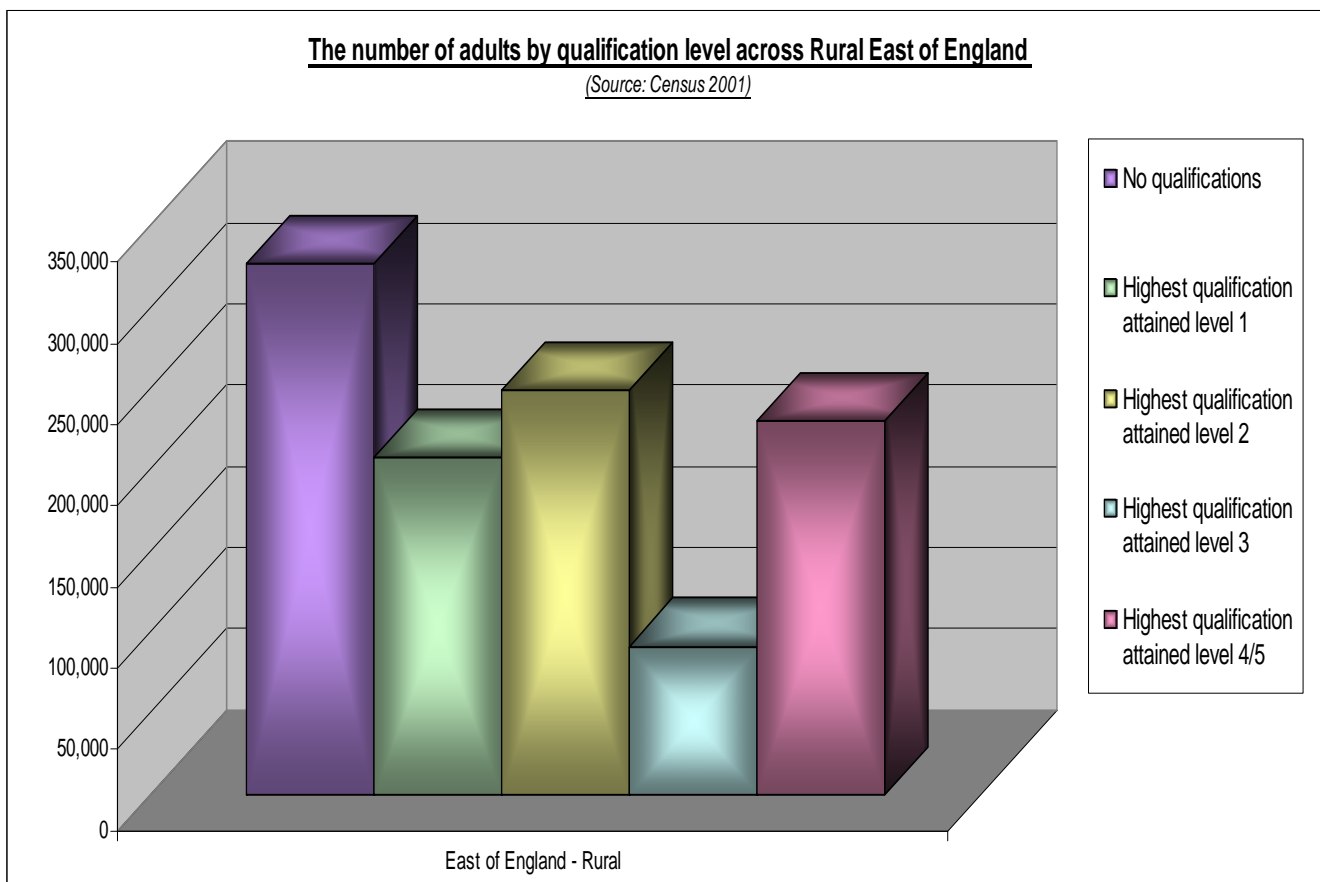
¹³ If rural firms generated turnover levels comparable to the rural share of employment or enterprises in England, we assess that this unfulfilled potential growth in output from rural firms, may achieve around £236 to £347 billion pa.- Stuart Burgess – Releasing the Rural potential report CRC

¹⁴ 'Share' refers to the proportion of the total population (on an indicator) that live in rural areas.

The rural evidence database highlights some skills statistics across rural East of England:

- 27.3% of adults in rural East of England have no qualifications; this is higher than across rural England (26.4%).
- 19.2% of adults across rural East of England have degree level qualifications; this is lower than across rural England (21.0%).
- nearly 30% of the adults across the East of England who have no qualifications live in rural areas, this equates to 326,555 adults
- By comparison, 32.6% of the adults across the East of England who have degree level qualifications live in rural areas, this equates to 229,655 adults

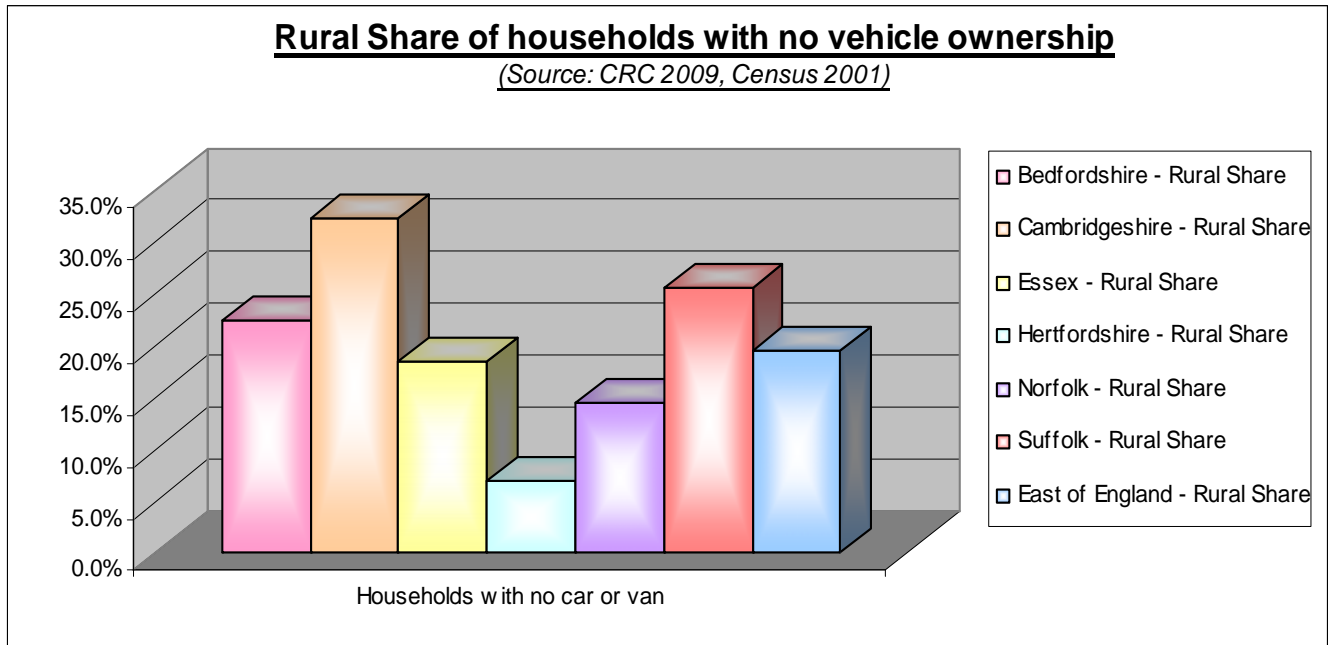
Going into more detail based on the same data and analysis methods as used in the previous graph, it is possible to show the actual figures for each qualification level; by far the highest group in the rural East of England are those with no qualifications.



It is reasonable to assume that those with lower or no qualifications are likely to be working in lower paid jobs, have greater issues around affordable housing and access to transport both private and public.

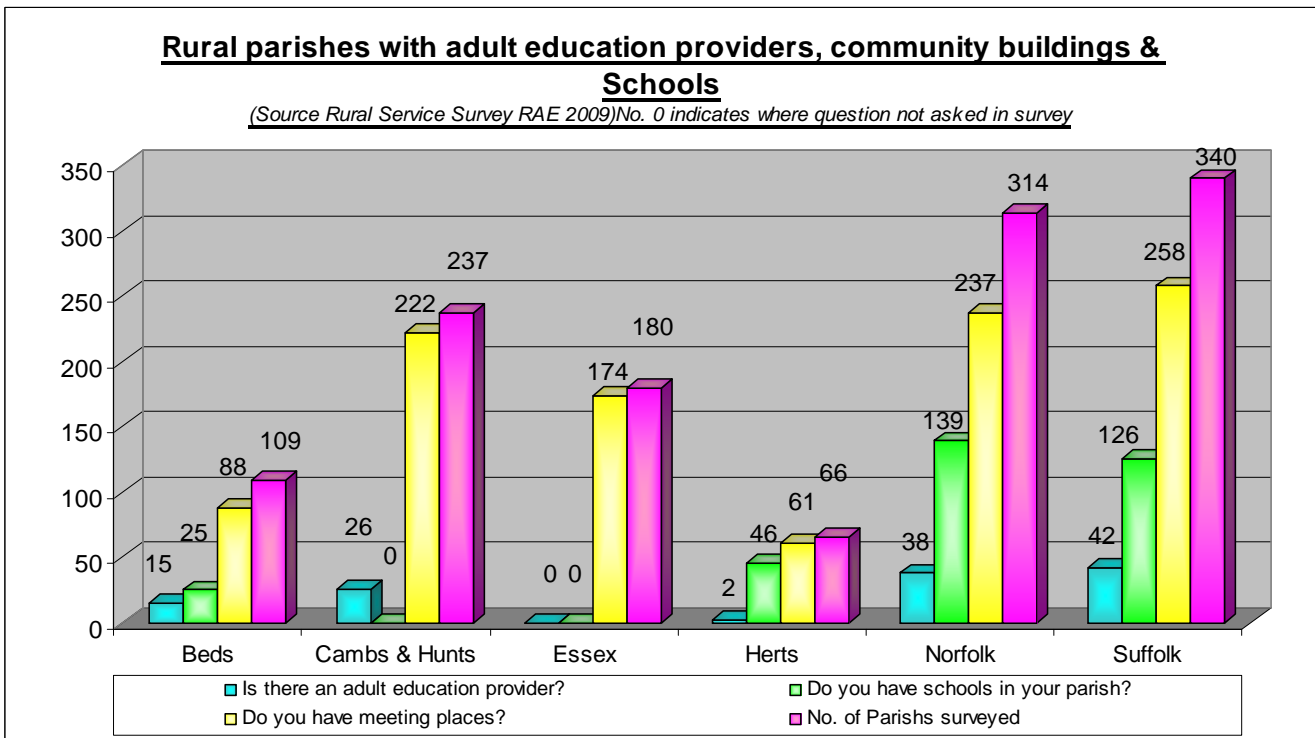
Transport and access to training is a key issue for those living in rural areas, and the first barrier to improving skills levels.

The next graph shows the 'rural share' of households which do not own a vehicle. It is important to note this is only based on rural therefore the percentage is of the total rural population in that area.



As demonstrated above it can be hard for those in rural areas to access skills training. When looking at re-skilling those who have been out of the workplace for a significant length of time, training has been shown to have greater impact if held locally in a place where the attendees feel comfortable.

Part of the data from the Rural Community Council Rural Services Survey covered the importance of adult training providers and availability of community building as training venues. The graph below shows how these services are spread across the region.



One method of addressing access and local or home base learning in rural areas could be use of web based learning, this means that the individual would have greater choice and the delivery should not be hampered by remote location.

This reiterates the importance of access to high speed broadband for rural areas, with several initiatives looking at innovative ways to deliver this essential service without the high cost and backing needed to interest the commercial network providers.

As shown in the earlier graphs across the East of England as a whole less than half of the parishes have broadband provision and less than 10% of the rural population have access to public internet.

Barriers to Skills

- **Access** – inability to travel to training and lack of technology to support any skills provision, hard wear and internet access at viable speeds.
- **Time** – Lone parents and carers' find lack of available time is a barrier to training including the travel time and alternative care arrangements.
- **Aspiration** – Although anecdotal; aspiration and ambition in deprived rural areas is a barrier to seeking training. Much of the work the county RCC's do at grass roots level indicates that to address these issues skills provision needs to be brought in to the targeted community and be offered in familiar surroundings such as a local school or community building.

4. Conclusion and Next Steps

In conclusion, there is a great deal of evidence available pointing towards barriers to economic activity; only when this data is interrogated correctly is it possible to see that it doesn't always give a true picture of the state of rural areas. This is mainly due to the way rural settlements are structured and the challenge of analysing aggregated urban and rural data in a way which does not hide hidden pockets of unemployment, skills etc.

Throughout this report we have used data available exclusively to RCAN¹⁵ which has been statistically modelled to highlight these hidden pockets, and data collected by the local Rural Community Councils in the East of England working closely with their parishes. We have also pulled in other evidence and conclusions from a wide range of reports¹⁶ meaning that the findings are supported by a range of evidence.

The main message coming out of the report is the importance of enterprise to rural areas in particular and the regional economy in general. It is the best solution for rural residents to work in the areas in which they live and given the wide types of businesses already operating, enterprise can create market led up skilling and provide significant contribution to the economy as a whole.

Our next steps now that the barriers have been identified is to design a workshop with key organisations to discuss solutions to the barriers and work with other delivery partners to ensure that the needs of rural enterprise are being addressed in the most efficient way.

5. References

Title	Link
CRC ¹⁷ - Beyond digital divides? The future for ICT in rural areas	http://www.ruralcommunities.gov.uk/files/CRC04-BeyondDigitalDivides.pdf
CRC – Mind the gap – Digital England a rural perspective	http://www.ruralcommunities.gov.uk/files/CRC104%20Digital%20Inclusion%20Report.pdf
CRC – State of the Countryside 2010	http://ruralcommunities.gov.uk/2010/07/06/state-of-the-countryside-2010/
Insight East – Skills Insight June 2010	http://insighteast.org.uk/viewArticle.aspx?id=18032
ACRE – Policy Position Papers	http://www.acre.org.uk/policypositionpapers.html
CRC - Recovery and growth in rural England	http://ruralcommunities.gov.uk/2010/07/09/recovery-and-growth/
East of England Tourism – Insight & Market Intelligence	http://www.eet.org.uk/Info_page_two_pic_2_det.asp?art_id=7011&sec_id=2999

¹⁵ Rural Community Action Network – made up of the rural community councils, the regional bodies and headed by the national body ACRE

¹⁶ Reports information in reference section

¹⁷ Commission for Rural Communities