

regional development agencies and rural development: **priorities for action**

produced by:

the Centre for Rural Economy, University of Newcastle with Arup Economics and Planning

on behalf of:

England's Regional Development Agencies



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authors:

Professor Neil Ward,
School of Geography, University of Leeds

Professor Philip Lowe,
Centre for Rural Economy,
University of Newcastle upon Tyne

Tom Bridges, Jenny Stafford and Neil Evans,
Arup Economics and Planning

Contents

	Page
One page summary	1
Executive summary	2
Full report	7
Rural change: the key processes of restructuring	7
Future scenarios for rural sectors	16
Rural strengths and weaknesses: the rural development challenge	20
Rural development priorities for Regional Development Agencies	22
Footnotes and references	30
Appendices	
I The project team	32
II Glossary of abbreviations	33
III Organisations and individuals consulted during the study	34
IV The Rural White Paper and the regions	35
V Regional portraits of rural development issues	37
<i>The East Midlands</i>	37
<i>The East of England</i>	41
<i>The North East</i>	43
<i>The North West</i>	46
<i>The South East</i>	49
<i>The South West</i>	53
<i>The West Midlands</i>	57
<i>Yorkshire and Humber</i>	61

One page summary

OF RESEARCH PROJECT AND FINDINGS

This report presents findings from an independent research project examining the role of the Regional Development Agencies (RDAs) in rural development in England. The study was commissioned from the Centre for Rural Economy, Newcastle University, by the Chairs of the eight RDAs, and was carried out by a team from Newcastle and Leeds Universities and Arup Economics and Planning.

The objectives were to review the main processes driving socio-economic change in rural areas, develop scenarios for key rural sectors, identify the strengths and weaknesses of rural areas, and propose priorities for action for RDAs and other bodies. The work involved interviews with each RDA and other rural development organisations.

The priority actions are grouped under ten headings. These are that RDAs should:

1. Help shape the future of farming by influencing UK and EU approaches to CAP reform
2. Help 're-integrate' farming and land management industries into regional economies
3. Reinvigorate the development and promotion of rural tourism
4. Encourage an enabling planning system that promotes sensitive development
5. Ensure that rural locations and businesses are integral to RDA work on competitiveness, innovation, entrepreneurship, skills and business growth
6. Address economic and service decline through a focus on market towns
7. Take the lead in new institutional arrangements
8. 'Think rural' by improving rural co-ordination and 'proofing' at the regional level
9. Promote rural regeneration as an integral part of regional development
10. Improve rural indicators, data collection and intelligence gathering.

The findings raise three strategic issues for RDAs' rural development work.

Acting together: Although RDAs' principal concern is the economic development of their own individual regions, in some areas they need to work collectively: for example, in influencing the reform of the Common Agricultural Policy and the planning system; in presenting evidence to the inquiries into the Foot and Mouth crisis; and in seeking to clarify the roles, remits and institutional relationships around rural development. This will require RDAs to increase their capacity to act collectively on rural development, and with an eye to the pressing timetables in these three areas.

Tourism: The Foot and Mouth crisis has revealed the interdependent nature of farming, tourism and the wider rural economy, but also structural weaknesses within tourism. There is a strong case for increasing government funding for the promotion of rural tourism. However, there is also a pressing need to improve the strategic development of the tourism sector in the English regions, particularly in terms of product development. The institutional responsibilities for the funding and development of tourism in England (including the role and remit of Regional Tourist Boards) need to be reviewed, and the RDAs' role in the development of tourism should be strengthened significantly.

Mainstreaming rural development: Traditionally, rural development policy has suffered from being treated as a minor set of concerns distinct from urban and regional development. RDAs move next year to a new system of 'single pot' funding with greater discretion over how they prioritise their spending. There will therefore be an opportunity to ensure that a rural development dimension is more carefully built into mainstream activities such as regeneration, the promotion of enterprise and business competitiveness, and the provision of business support.

Executive summary

Introduction

This study was commissioned by the Regional Development Agencies (RDAs) of England to examine key issues currently affecting rural areas, identify future scenarios and the challenges they pose, and suggest priority actions for practical delivery by RDAs.

The study is timely for several reasons. First, many rural areas have suffered severely as a result of Foot and Mouth Disease (FMD). Second, a wave of recent reforms to rural policies is in the process of being implemented, and these are to be reviewed in the coming years. Third, since 1999 the RDAs have taken on an important role in rural development, which is likely to expand in the future.

RURAL CHANGE: THE KEY PROCESSES OF RESTRUCTURING

The fortunes of England's rural areas are being shaped by a range of restructuring processes which include international trade and European policy reforms, changes in economy and society, the development of new technologies, environmental pressures and changes in service provision. In addition, recent farming and food crises have impacted heavily upon key rural sectors.

Globalisation and trade: The globalisation of economic activities is subjecting rural firms to new sets of demands and stronger competitive pressures. In turn, rural areas can contribute distinctive cultural and natural assets to enhance regional competitiveness in the face of increased trade liberalisation.

European reforms: The next five years will bring further reforms to the Common Agricultural Policy and regional policies. Farm production subsidies are likely to be progressively reduced and resources diverted to funding countryside management and rural development objectives. The amount available to the English regions from the Structural Funds is likely to drop significantly.

The service economy: Productivity growth and the shift from production to consumption-oriented economies are leading to a decline in manufacturing and primary employment and growth in the service sector. These trends as much favour rural as urban areas, leading to a convergence in urban and rural economies, and emphasising the significance of rural development to regional development.

Land-based and other industries: Primary industries such as agriculture are likely to continue to shed labour. On the other hand, leisure and tourism have expanded considerably, but the FMD crisis has severely damaged rural tourism businesses and their suppliers.

Environmental services: There is increasing potential for land managers to take on the role of environmental service providers, managing landscapes, water resources and waste recycling. Policy agendas around energy supply, water management and rural land use are converging, opening up new possibilities for 'integrated resource management'.

National policy and institutional change: The Rural White Paper establishes a new set of priorities for rural policy with a strong regional focus. The post-June 2001 reorganisation of government consolidates responsibility for rural policy at the national level and gives a clear point of access on rural matters to the regional Government Offices. While these initiatives should promote and facilitate

the RDAs' rural development work, responsibility for RDAs has passed to the Department of Trade and Industry which has little familiarity with rural development.

Social change: The population is ageing, and average household size is decreasing. Over 3.5 million new households are forecast over the next twenty years. With counterurbanisation continuing, rural areas will experience disproportionate housing development pressures, particularly in southern and central England.

Technological change: The potential of information and communication technologies to reshape economic activities and service delivery will increase further. Biotechnologies could also revolutionise the uses of rural land, although consumer concerns and regulation will be important constraining factors.

Environmental issues: There will be increasing efforts to protect critical environmental resources such as biodiversity, in the face of continued pressures on rural landscapes. Climate change poses threats to rural land, such as increased flooding, but also offers new opportunities for land managers through new crops and alleviation measures.

Leisure and tourism: Spending on recreation and tourism looks set to continue to rise, while growth in spending on food will be dominated by food consumed outside of the home. Ethical consumerism will spread, and more people especially on higher incomes will come to value 'authentic' and unadulterated foods and other goods.

Changing social values: Mistrust of the authority of science has developed and growing numbers of people have come to question conventional notions of 'progress'. The rise of a more individualistic society will lead to increasingly differentiated (and volatile) consumer markets.

Town and country: Many contemporary issues require policy-makers and others to understand the intense interconnectedness and complex interdependencies between urban and rural areas.

Rural services: Following a long-established trend of decline in village services, geographic concentration now threatens many market towns. There is increasing recognition of the need to 'draw a line in the sand' to protect market towns from service decline, and this should stimulate innovation in service provision.

Food and farming crises: The recent experiences with BSE, Classical Swine Fever and FMD have damaged the economic prospects for large parts of the farming industry and imposed major costs on other sectors and society too. The severity of the FMD crisis has precipitated a re-evaluation of the role of agriculture and conventional approaches to rural development.

FUTURE SCENARIOS FOR RURAL SECTORS

Agriculture: Two important influences on future scenarios for agriculture will be the extent of national and sub-national discretion in European Union (EU) agricultural and rural policies, and the extent to which agriculture becomes an integral part of rural development policy. (Markets and exchange rates and technological trends will also be influential, but are less amenable to interventions by agencies such as RDAs). RDAs should work with partners to help encourage a broad rural development approach to the agricultural industry guided by regionally tailored 'integrated rural development' programmes, under a reformed CAP.

Tourism: The extent to which lessons are learnt from the FMD crisis and to which tourism development becomes integrated into regional economic strategies, will together help determine the future of rural tourism. Customers expect an increasingly high quality tourism product, and RDAs have an important role to play in bringing strategic coherence to tourism development in their regions. Tourism development also needs to be carefully integrated into rural regeneration strategies because of its wider rural development benefits.

Other rural businesses: Two important influences on future scenarios for other rural businesses will be the functioning of the planning system and the provision of business support. It will be important that decision-makers recognise that rural areas are not the preserve of farming and tourism. Likewise, smarter models of business support will need to reach out beyond these two sectors, and use innovative forms of delivery. RDAs can help ensure that planning decisions and business support systems recognise the needs of rural businesses.

Services and infrastructure: The future of public and private services in rural areas will depend upon the success of new approaches to the development of market towns as nodes of service and infrastructure provision, and of new delivery mechanisms to extend access into their rural hinterlands. RDAs could play a key role in bringing together public and private sector service providers in market towns to help co-ordinate the development of new delivery mechanisms and spread best practice.

RURAL STRENGTHS AND WEAKNESSES: THE RURAL DEVELOPMENT CHALLENGE

Strengths: Rural areas have attractive environments that give them wide appeal as places to live, to set up in business, or to visit for leisure and holidays. In many respects, business conditions in rural areas are favourable for entrepreneurs. In the future, rural land-based businesses will be able to benefit from new opportunities in the provision of public environmental goods and services, and from new uses for rural land.

Developing strengths: To build on these strengths, environmental quality has to be recognised as an important ingredient in the competitive advantages of rural localities and managed accordingly. The provision of environmental goods and services should be established as a key component of the rationale for public support for rural land management. The strategic development of rural tourism needs to be strengthened, particularly in terms of product development, although the stereotype of rural businesses being either farming or tourism related also must be overcome.

Weaknesses: Environmental degradation undermines the appeal of some rural areas and hence their ability to contribute to regional competitiveness and quality of life. Some rural industries also face major structural changes after decades of production subsidies. In some areas, labour markets exhibit a weak skills base and there has been a lack of development of product quality in tourism and a decline in local public and private services.

Alleviating weaknesses: To overcome these weaknesses, environmental regeneration and enhancement must become a component of rural development and a new direction for farming and land management needs to be established. Business support and regeneration initiatives also should be tailored to the promotion of new businesses in rural areas, and innovative approaches to service delivery, which use market towns as key nodes, need to be developed and disseminated.

The rural development challenge: There can be no single template for improving the means of supporting rural development in the English regions. However, common elements of the rural development challenge facing all RDAs include the coming reforms to the CAP and the Structural Funds, the need to improve the development of rural tourism and business support to rural firms, the requirement to find innovative ways to tackle service decline and the imperative to make the most of new institutional arrangements.

There is an important role for RDAs in developing and implementing a strategic and co-ordinated approach to rural development across a wide range of agencies, programmes and stakeholder groups. RDAs must build a shared commitment amongst partners to a clear vision for taking forward the economic development of rural areas. They can act as a catalyst for action, and help cut through institutional inertia to get things done. RDAs also need to join-up action and resources in the region to remove duplication and ensure various initiatives have a collective impact that is more than the sum of their individual parts.

RURAL DEVELOPMENT PRIORITIES FOR REGIONAL DEVELOPMENT AGENCIES

The report highlights ten headline priorities for practical action by RDAs. These priorities have been endorsed by RDAs to guide their future work collectively and individually.

1. Help shape farming by influencing the UK and EU approaches to CAP reform

RDAs should:

- establish a National Working Group on agriculture and rural development
- commission studies of the extent and impacts of CAP expenditure in each region
- formulate shared priorities for CAP reform to submit to the Policy Commission on Food and Farming, Department of the Environment, Food and Rural Affairs (DEFRA) and the European Community.

2. Strengthen RDAs' role in 're-integrating' agriculture and land management into regional economies

RDAs should:

- use Rural Action Plans to steer regional programmes for land-based industries to accord with regional economic priorities
- focus support on regionally-embedded supply chains involving agriculture
- consider the strategic co-ordination and rationalisation of food marketing initiatives within their regions
- encourage farm diversification, in part by stimulating the wider provision of advisory services
- encourage crop diversification by simultaneously stimulating demand and supply for new major crops (eg. bioenergy and bioplastic crops).

3. Reinvigorate the development and promotion of rural tourism

RDAs should:

- strengthen their own role in tourism development, including working more closely with the Department for Culture, Media and Sport (DCMS)
- press for a review of the institutional arrangements and central funding for the promotion and strategic development of English and regional tourism
- fully integrate tourism development into their own strategies and programmes
- encourage research into market needs.

4. Encourage an enabling planning system that promotes sensitive economic development

RDAs should:

- convene regional seminars on planning and rural economy issues

- they should consider appointing, or part-funding Rural Planning Facilitators
- they should promote demonstration projects with local authorities to show how community planning could effectively mesh with economic development.

5. Ensure that rural locations and businesses are integral to RDA strategies and action on regional competitiveness, innovation, entrepreneurship, skills development and business growth

RDAs should:

- co-ordinate a systematic improvement in the provision of support, advice and skills development to all businesses in rural areas, and monitor and evaluate the success of these services
- launch initiatives to foster innovation, technology and knowledge transfer, and cluster development for firms in rural areas
- press for the rationalisation of the Farm Business Advisory Service and the Rural Development Service into a single support service for rural firms.

6. Address economic and service decline through a focus on innovation in market towns

RDAs should:

- convene meetings in their regions of service providers and market town representatives to consider how to improve service delivery
- ensure effective coverage across their regions of broadband access and IT Learning Centres
- consider piloting Business Improvement Districts in market towns.

7. Take the lead in new institutional arrangements and influence effectively the development of rural policy

RDAs should:

- strengthen their capacity, mechanisms and resources to act collectively on rural policy issues
- seek clarification from Government on the detailed rural development roles and responsibilities of different regional and rural organisations
- take a lead in building partnerships with relevant regional and rural organisations for joint action, co-ordination of programmes and common staff training in the rural development field.

8. 'Think Rural' by improving rural co-ordination and 'proofing' at the regional level

RDAs should:

- use post-FMD recovery efforts to ensure that rural development becomes strategy-driven rather than project-led
- 'rural proof' their own regional strategies and policy development work
- play a full part in shaping the proposed Regional Rural Sounding Boards.

9. Promote rural recovery and regeneration as an integral part of regional economic development

RDAs should:

- press the government to designate Rural Action Zones in areas of particular need where partners could work together in a flexible way
- closely monitor the extent of job losses in rural areas post-FMD, seeking rural versions of the Jobs Transition Service where appropriate
- take a strategic approach to ensuring mainstream regeneration programmes are sufficiently focussed on rural areas.

10. Understand rural: improve rural indicators, data collection and intelligence gathering:

RDAs should:

- ensure that appropriate indicators are used to target initiatives and resources in rural areas, and not simply rely upon those produced for urban purposes
- promote a co-ordinated approach at the regional level to collecting and collating relevant rural data
- with partners, establish Regional Rural Foresight exercises.

full report

Introduction

In the light of recent concerns about the plight of rural areas, the Regional Development Agencies (RDAs) have commissioned this report to identify the major issues affecting rural areas in England and the key actions that RDAs might take to address them.

The study is timely for several reasons. First, the Foot and Mouth Disease (FMD) crisis has caused serious economic problems and has highlighted structural weaknesses in rural economies. Rural recovery strategies are currently being formulated, and RDAs are at the forefront of these activities. Second, a wave of reforms to rural policies is in the process of being implemented, and these are likely to be reviewed and further reformed in the coming years. They include the Agenda 2000 reforms to the Common Agricultural Policy (CAP) and Structural Funds, national and regional institutional changes, and a series of initiatives associated with the recent Rural White Paper. Third, since 1999 the RDAs have taken on an important role in the development of the rural areas within their regions, and this role is likely to expand in the future.

The RDAs were established under the Regional Development Agencies Act 1998, which gave them a wide interest in all aspects of the economic and social development of their areas. Some of the RDAs' staff and funding programmes were inherited from the former Rural Development Commission. Several rural 'safeguards' were included in the legislation establishing the RDAs, including the requirement that at least one member of each RDA Board should have particular rural expertise, and that regional strategies should take account of the particular features of the region's rural areas. The Department of Environment, Transport and the Regions published detailed supplementary guidance to RDAs in 1999 to assist them in considering the rural dimension to their brief.¹ While RDAs' responsibilities are wide-ranging, some bodies have argued that they should strengthen their role in fields such as sustainable development.² Others argue that the RDAs' remit is too broad, and have urged that they focus more on their core mission of economic development.³

This study has been conducted by the Centre for Rural Economy, Newcastle University, with Arup Economics and Planning consultancy.⁴ The work began in July with a review of relevant policy documents, including the Regional Economic Strategies and other regional reports. Preliminary ideas for priority actions for RDAs were identified. These were then further explored and refined in the light of personal interviews with key actors in each of the RDAs, and in discussions with various other organisations responsible for rural development in England (see Appendix III).

RURAL CHANGE: THE KEY PROCESSES OF RESTRUCTURING

Over the last two decades rural areas have entered a period of structural adjustment. Of course, economic and social change has long been a feature of life in rural areas. However, the post-war framework for operating rural and agricultural policies has come under increasing pressure since the 1980s and, for a variety of reasons, the rate of change in the composition and role of rural economies and societies has quickened. This section reviews the key drivers of change. It examines international and national policy developments, socio-economic and technological trends, issues of sustainable development, and the recent shocks to the system caused by outbreaks of animal disease.

International and European trends and policies

Globalisation: An increasingly globalised economic system is being developed and localities are becoming more interconnected as a result. The main driving forces are developments in transnational transport and telecommunications, the reduction of tariff barriers, the rapid growth in world trade, a dramatic increase in the scale of international financial transactions and the growth of multi-national corporations. Rural areas are not exempt from globalisation, and rural change has to be understood in this context of the increasing interconnectedness of places. Globalisation subjects rural areas to new sets of demands, stronger competitive pressures, and also changing social values.

Trade liberalisation: The volume of trade is likely to continue to grow. Efforts through the World Trade Organisation to further liberalise world trade, including trade in agricultural products, will increase the competitive pressures on British farmers and other rural firms. In response, regional economies are likely to become more specialised in the goods and services they produce as businesses exploit their competitive advantages.⁵ In this context, rural areas contribute distinctive cultural and natural assets to regional competitiveness.

European agricultural and rural reforms: The Agenda 2000 CAP reforms continued in the vein of earlier ones, by cutting market support subsidies, and then compensating farmers through a system of direct payments. The reforms also established the new Rural Development Regulation - the so-called 'second pillar' of the CAP - bringing together environmental management and rural development measures within regionally-operated Rural Development Plans (under the England Rural Development Plan in England). Agenda 2000 also significantly extended national discretion in implementing the CAP.⁶ The UK, along with France, has pioneered the redirection of CAP funds from production-oriented payments towards rural development measures. The CAP reform process is expected to continue in this broad direction and discussions about the next round will take place between 2002 and 2006.

European regional policy reforms: Since 1999, after a decade of marked expansion, spending on regional policy under the Structural Funds has stabilised. In the coming years the focus of expenditure will increasingly shift to the accession countries of Central and Eastern Europe. As a result, there are likely to be less resources allocated to the existing Member States. After 2006, expenditure under such programmes as Objectives 1 and 2 is likely to diminish significantly in the English regions.

Economic restructuring

The rise of the service economy: Productivity growth and the shift from production to consumption-oriented economies are leading to continued growth in the service sector and a decline in employment in manufacturing and primary industries. These general trends are affecting rural and urban areas alike, leading to a convergence in the sectoral composition of urban and rural economies.

Decline in primary employment: Under 2 per cent of the national workforce is now employed in agriculture, and even in England's 150 most rural districts, agricultural employment amounts to less than 5 per cent of the workforce. The national agricultural workforce fell by 6 per cent in 2000 alone, on top of a 4.2 per cent drop in 1999.⁷ These falls follow the sharp decline in farming incomes of more than 70 per cent between 1995 and 2000 resulting from exchange rate conditions, the BSE crisis and low commodity prices. The historical trend line is for a continual squeeze on incomes,

other things being equal, and this is likely to lead to further decline in agricultural employment. Other primary sectors, including fisheries, forestry and mining have also experienced sharp losses over a longer period, affecting particular rural areas adversely.

Growth of tourism and leisure spending: Spending and employment in rural tourism and leisure have been rising in line with the general increases in disposable incomes and leisure spending over recent decades. Personal mobility and accessibility have also increased over this period. Between 1993 and 2000, the number of tourist trips to the countryside grew by 50 per cent.⁸ Spending by visitors in the English countryside now amounts to £12 billion per annum and supports 380,000 jobs.⁹ The 2001 FMD crisis has led to an estimated drop in revenues from tourism of £5.2 billion and there are concerns about the medium term impacts, especially on foreign visitor markets that are also facing pressures due to the strength of sterling and global economic slowdown. There is increasing choice and competition between leisure and tourism destinations. Many UK cities have greatly improved their visitor offer through recent public investment in cultural attractions and lottery projects, and overseas destinations continue to become increasingly accessible and affordable.

Rural economic distinctiveness: With the exception of employment in land-based industries, rural economies largely mirror urban economies in terms of employment by sector. Rural areas are also increasingly integrated, through regional labour and housing markets, into their surrounding regional economy. Rural areas are still differentiated somewhat in the role they play in the service economy, with an emphasis on tourism and leisure, land-based and environmental services and specific rural services. They also retain a smaller-scale business structure, with far fewer large firms and a greater proportion of self-employed workers.

Environmental services: It is becoming increasingly recognised that many rural services industries depend upon the quality of the environment. Some RDAs have been involved in commissioning studies of the contribution of the 'environmental economy' to their regions.¹⁰ The National Trust has recently estimated from regional surveys that some 40 per cent of employment in tourism depends directly on a high quality environment, and that this dependency rises to 60-70 per cent in rural areas.¹¹ In the future there could be potential for many farmers and land-managers to increasingly take on the role of environmental service providers, not only in the sphere of publicly-funded landscape management, but also in water resources and waste management services. Policy agendas around energy supply, flood control and water resource management and rural land use are converging, opening up new opportunities for imaginative 'integrated resource management' approaches to rural land. Such issues are likely to be to the fore in those counties particularly badly affected by FMD where the practicalities of restocking extensive areas will need to be considered against the desirability of alternative land uses such as afforestation.

National policy initiatives

The Rural White Paper: The Government published its Rural White Paper (RWP) in November 2000.¹² It sets out ten main areas of action which are: support for vital village services; modernisation of rural services; provision of affordable housing; delivery of local transport solutions; rejuvenation of market towns and local rural economies; setting a new direction for farming; preservation of the countryside; ensuring public access; giving power to country towns and villages; and 'thinking rural' through a rural proofing mechanism.

The Rural White Paper and regional issues: The RWP proposes several new regional initiatives. It sets out a 'new rural vision' for RDAs to "ensure a dynamic local economy and vibrant communities able to respond to changes in traditional industries and to contribute positively to the regional and

national economy".¹³ The rural capacity of the Government Offices for the Regions has been strengthened through the incorporation of regional staff from the Ministry of Agriculture, Fisheries and Food (now DEFRA). Finally, the RWP proposes regional rural sounding boards, bringing together rural stakeholders. (The implications of the RWP for regions are detailed in Appendix IV).

Reorganisation of Central Government: The establishment of the Department of Environment, Food and Rural Affairs (DEFRA) in June 2001 represents a significant shift in the national institutional arrangements for rural and agricultural policies in England. Over time, questions are likely to emerge about the respective roles of its various agencies, including the Rural Development Service and the Countryside Agency, and about the new Department's regional structure and operations, and the division of labour with existing regional organisations (including the RDAs). The new arrangements consolidate responsibility for rural policy at the national level and give a clear point of access on rural matters to the regional Government Offices (through the incorporation of the Regional Directors of DEFRA into the Government Office structure). While this should greatly facilitate the rural development work of the RDAs, it is also the case that, at the same time, overall responsibility for the RDAs has been shifted to the Department of Trade and Industry which has little familiarity with rural development.

Social changes

The ageing population: The UK population was 59.5 million in 1999, and is expected to peak at 65 million in 2036 before declining gradually.¹⁴ Some 16 per cent of the UK population is over 65. By 2041 the number of people in Britain over the retirement age will be 50 per cent higher, while the number of people of working age to support them will be 10 per cent lower. The trend will impact upon health care and pensions, and will affect doctors, hospitals, nursing homes, residential homes and the services of local councils and volunteer carers.¹⁵ The trend is also likely to be more pronounced in rural areas as a result of differential in- and out-migration. An ageing population could further promote the cultural convention of the countryside as an 'escape' from the urban. Demand for less boisterous activity in rural tourism and leisure (eg. golf) will increase, and service provision will need to be increasingly oriented towards the needs (in terms of healthcare and accessibility) of the more elderly. An ageing population is also likely to accentuate the role of rural areas as retirement zones.

Household composition and housing: Average household size is falling, from 4.6 to 2.4 persons per household over the last century. Some 29 per cent of households currently contain one person, double the 1961 level. This trend can be attributed to increased longevity, a trend towards living alone (especially in the elderly, but also among young adults and divorcees) and a demand for separate, smaller accommodation units. Between 1971-1996 the total number of households increased by 4.2 million. The Government's current housing forecasts are for a further net growth of 3.8 million households in the period 1996-2021. The highest concentration of household growth will be in the Eastern, London, South East and South West regions.¹⁶

Counterurbanisation: Since the 1950's Britain's rural areas and smaller and medium sized settlements have grown at the expense of large urban agglomerations. This counterurbanisation peaked in the 1970's. Even so, since then, substantial growth in rural areas has continued through both net in-migration and net demographic growth. The largest cities are, on average, losing 90,000 people a year to the rest of the UK. Those who are most likely to move are professional and managerial workers. Most migrants make a choice to leave, and it is the more remote rural districts that experience the largest net gains. Opinion polling repeatedly reveals a preference among a significant majority of the population to live in a rural area.

Technological changes

Advances in information and communication technologies, and in the biosciences will pose major challenges and opportunities for rural areas, calling into question what are 'appropriate' types of economic development in rural settings.

Information and communication technology: Moore's Law that computer processing capacity doubles every 18 months shows no sign of weakening. The general expectation is that within 5 to 10 years, the domestic user of Information and Communication Technologies (ICTs) will have access to an 'always on' internet connection 10 to 20 times faster than the best computer modem available today.¹⁷ More and more internet access will also be through non-PC devices. The ICT revolution has the potential not only to radically transform the geography of economic activity, but also to alter the delivery of public services such as health and care services. ICT opens up the prospect of more people in some types of jobs being able to work from home in rural areas. However, the growth of ICT may also bring greater competitive pressures upon rural businesses and new threats of rural marginalisation.

Biotechnology: Many traditional rural economic sectors (such as food and farming) are themselves facing important new waves of technological change, particularly in the field of biosciences. Currently, GM technologies are being adopted more extensively in the US, Asia and Australia than in the UK and Europe, primarily because of higher levels of consumer resistance and tighter regulatory restrictions here.¹⁸ The first wave of GM technologies are those with traits such as herbicide tolerance. Further waves of development promise not only reduced input use but also the refinement of crop products not just for food processing but also as the basis of industrial or pharmaceutical production. Consumer trust and confidence will be key factors influencing the role of GM technologies in British farming.

Environmental resources and sustainable development

The relationship between environmental issues and rural development has tended to be seen as the former imposing constraints upon the latter. However, recent years have seen increasing recognition of the potential synergies between environmental conservation and economic development.¹⁹ For example, the UK Round Table of Sustainable Development has recently called for greater recognition of the contribution that environmental quality can make to regional economies and employment in England.²⁰

Biodiversity: Environmental data continues to reveal a general decline in habitat quality and species richness,²¹ with notable losses in farmland birds, and significant declines in plant species diversity in many habitats.²² Much of this decline results from modern agricultural practices. Agricultural policy has encouraged the over-stocking of land in parts of England's Less Favoured Areas to the detriment of environmental resources²³ with, for example, the sheep population in England and Wales almost doubling since 1970 to more than 31 million.²⁴ The Government is now committed to delivering the UK Biodiversity Action Plan, which provides the national framework for nature conservation and sets out targets for habitats and species recovery. It has also established a system of indicators to monitor progress towards achieving sustainable development, and one of DEFRA's headline targets under the Spending Review is to reverse the decline of farmland birds.

The rural landscape: The appeal of the landscape is an important ingredient for the economic success of England's rural areas, and land-based industries such as agriculture have been important activities in shaping and managing landscapes. However, rates of loss of valued landscape

features have been dramatic. Various landscape designations now provide recognition and some protection of rural landscapes. However, many groups remain concerned at the rate of development of rural land. The Council for the Protection of Rural England calculates that in England an area the size of London has been urbanised every decade since 1945.²⁵ Current forecasts also suggest an additional 1.5 million new homes are to be built on green-field sites in England in the period 1996-2016.²⁶ Some economic interests, on the other hand, claim that landscape protection is at times over-prescriptive and risks stifling economic development.²⁷

Climate change: The links between climate change and rural development are only beginning to be explored.²⁸ The Government has agreed to reduce UK greenhouse gas emissions by 12.5 per cent by 2010, relative to 1990 levels, and has adopted a domestic goal of achieving a 20 per cent reduction in CO₂ emissions. The total global warming potential of UK emissions comprises 80 per cent CO₂, 11 per cent methane and 7 per cent nitrous oxide. Overall, agriculture is responsible for about 8 per cent of total greenhouse gas emissions, but is a major source of methane and nitrous oxide.²⁹ Climate change is likely to induce extensive changes in rural land use as well as to increase risks of flooding and to accelerate processes such as coastal erosion. At the same time, rural land management could play an important role in efforts to tackle climate change, both through using agricultural land as a carbon sink, through afforestation programmes or growing energy crops, or through developing wind energy sources.³⁰ It also has a major part to play in alleviating the effects of climate change, for example in managing flood plains and coastal buffer zones.

Consumer trends and changing social values

Consumption and lifestyle: Consumption is becoming a defining feature of people's lives. Social identities are being defined more in relation to the products people consume than in the past, when identities were defined more by people's position in the workplace. Food and leisure have become central to the lifestyle choices of many, and the search for 'naturalness' and authenticity has become an important consumer trend. This is often associated with the appeal of cultures and environments that have remained relatively untouched by modernity, individualism or mass consumption. Other consumer trends include heightened concerns about health and safety and animal welfare. Increasing awareness of environmental problems, and concerns about the social implications of globalised trading, have also led to the growth of so-called ethical consumerism. About 90 per cent of consumers will alter their buying practices in some way as a result of environmental and ethical concerns.³¹

Leisure and tourism: In the coming years, economic forecasters suggest that the prospects for growth continue to be reasonably good, with annual growth rates expected to be in the 2.5-2.8 per cent range until 2010 (compared to the historical trend annual growth rate of 2.25-2.5 per cent).³² Real household disposable incomes are forecast to rise by between 2.7 and 3.0 per cent each year, with an increasing proportion of expenditure being on non-vital 'leisure and lifestyle' expenditure (from 53.5 per cent in 1999 to 55.6 per cent in 2004).³³ Leisure and holiday patterns are changing, with particular increases in out-of season short break holidays.

Food consumption: Consumer spending on food is linked to overall levels of disposable income, although only a small proportion of increased wealth gets spent on food. Growth in spending on food is far greater for food consumed outside the home rather than for home-based meals. There is also growing consumer interest in the provenance of food (in terms of geographical source, ethics of animal welfare and social justice and sustainability). For example, the market for organic food has increased more than four-fold in the UK since 1994, and in 1999 amounted to £554 million. There has also been a growth in the number of farmers markets - from one in 1997 to almost 300 in April

2001 - as outlets for locally produced foods, reflecting increasing interest, not only in local foods, but also in social and ecological sustainability. Supermarkets, too, are beginning to stock larger ranges of 'ethical' products, although the market is still mainly amongst the better off and more discerning consumers.

Changing social values: Social values have an important influence upon a nation's economic evolution. In Britain and across Europe, consumers have become increasingly aware of, and concerned about, the risks surrounding food and environmental contamination. With scientific advances, consumers should attain improved understandings of environmental and health risks. However, a widespread mistrust of the authority of science has developed, as scientists have become regarded by many as co-opted by governments or in the pay of 'big business'. Scepticism about science is also bound up with an increasing questioning of conventional notions of progress, as larger numbers of people embrace perspectives from outside the western rational-scientific tradition. Recent social research in Britain is also highlighting the rise of individualism, with an increasing emphasis on personal values and choices.³⁴ The economic implications of these changing social values are likely to include the increasingly differentiated (and often very volatile) nature of many markets.

Rural and urban interrelationships

The 'town-country divide': It is a popular misconception to see rural areas as socially, economically and geographically distinct from urban areas. There have always been important flows of people, money and commodities between the two for purposes of work, recreation and trade. The decline of employment in traditional and locally-rooted industries, coupled with the growth of private car ownership, has increased the intensity of these flows and the degree of interconnectedness. The notion of a town-country divide is a popularly held myth, which is promoted by some interest groups and individuals, usually for the purposes of political or special interest campaigning.

The importance of interconnectedness: Flows between urban and rural areas are central to some of the pressing policy problems of our age, particularly from the perspective of sustainable development. First, questions of housing and land development, and particularly the balance between brownfield and greenfield sites, require that development planning be managed in a co-ordinated way across both urban and rural areas. Second, the appeal of rural living and the expansion of travel to work areas as a result of car-based commuting raise challenges for tackling greenhouse gas emissions and reducing the need to travel. Third, consumer anxieties about food safety and farm production practices require greater interaction and understanding between rural-based producers and urban-based consumers. In the coming years, it will therefore be of increasing importance that the nature of the flows and interdependencies between rural and urban areas are better recognised.

Transport and mobility: We are becoming an increasingly mobile society. The average Briton travelled about 8km a day in 1950. This rose to about 40km a day in the late 1990s and is forecast to rise to about 100km by 2025.³⁵ Private motor vehicles have come to be the dominant mode of travel, and reliance on the car among rural households has increased dramatically in recent years. These trends reflect the long term decline in the relative personal costs of car use.³⁶ Even so, the car-dependency of rural living does mean that low-income households in rural areas spend significantly more on motoring per week than those in urban areas. The social and environmental impacts of rural traffic growth are likely to be an increasingly significant concern.

Restructuring of service delivery

The restructuring of economic sectors and public services has led to the geographical concentration of public and private services such as shops, banks, Post Offices and health services, implicitly around the needs and lifestyles of more affluent and more mobile social groups. Two phases of restructuring can be identified.

The loss of village services: The period from the 1960s to the 1980s saw rural services adjust to the influx of middle class people into rural areas, and the steady growth of the private car as the principal means by which the majority of people access services and employment. The concentration of services in larger settlements has increased people's dependence upon the private car, and levels of car ownership are much higher in rural areas compared to urban areas.³⁷ The combined effects of these processes led to a dramatic loss of services from many villages including, crucially, a decline in public transport provision. In many rural areas, this led to market towns becoming more important locations as the hub of local service provision for more extensive hinterlands. Although several campaigning organisations continue to draw attention to decline in village services, the battle for the villages - as places where people can meet their daily living requirements - is, in effect, lost.

The threat to market towns: Since the 1980s, a second wave of restructuring has increased pressures upon smaller market towns. This has been in part because of the onward march of service concentration up the settlement hierarchy. In particular, the expansion in the number of out-of-town retail developments in the 1980s and 1990s has undermined the viability of many local retailers in smaller market towns,³⁸ and geographical concentration in the multiple retail sector is also leading to the withdrawal of services from smaller towns. Future threats to the commercial viability of these towns come from the expansion of direct delivery of services to the home or business, rather than via the high street. (Already, for example, two-thirds of adult leisure time is spent in the home, and home-based leisure is forecast to grow faster than out-of-home leisure).

Services and exclusion: The mutually reinforcing spiral of service decline and car dependence has heightened access and mobility problems for some groups (especially among the elderly, rural youth and non-car-owning households). The Government's commitment to improving public services, and the focus on market towns as a key node of provision, will focus attention on co-ordination and innovation in public and private service delivery in rural areas and in extending access.

Farming and food crises

Three recent animal disease outbreaks have severely impacted upon the British livestock industry. In an atmosphere of dwindling public trust, consumer perceptions of risk and malpractice, and with an industry continually pressing for deregulation, there is every possibility that the future will continue to see farming and food crises in Britain.

BSE: The BSE crisis has severely damaged the reputation of British farming both domestically and in overseas markets. The crisis was at its most severe in the aftermath of the announcement of a suspected link between BSE in cattle and new cases of CJD in humans, in March 1996. It has been estimated that the total resource costs to the UK economy as a result of BSE were in the range of £740million to £980million for the first 12 months of the crisis alone.³⁹ Impacts have been particularly severe in the South West, Northern and West Midlands regions.

Swine fever: An outbreak of swine fever struck the pig industry in eastern England last summer. By the end of November, over 73,000 pigs had been slaughtered as a result. The Government has introduced a Pig Industry Restructuring Scheme to help reduce breeding capacity and to provide interest rate reductions on loans to some producers.

Foot and mouth disease: The outbreak of FMD starting in February 2001 triggered a widespread crisis not only in the agricultural sector but also among non-agricultural firms in rural areas. To date, there have been 2,014 confirmed cases. Almost 3.9 million animals have been slaughtered on over 9,360 premises.⁴⁰ The crisis has therefore prompted a major reassessment of future farming strategies on those affected farms. One unexpected outcome of the FMD crisis has been the forging of new regional and sub-regional networks of organisations around the management of the immediate effects of the crisis and the preparation of 'rural recovery programmes' for the medium term. In many regions, RDAs have been centrally involved in these efforts at 'visioning' rural futures. Nationally, the Government has set up the new Policy Commission on Food and Farming which will examine the role of agriculture and is due to report by the end of the year.

FUTURE SCENARIOS FOR RURAL SECTORS

On the basis of the drivers discussed in the previous section, this section takes four aspects of rural economic life and develops possible future scenarios.

i) Agriculture

Two important influences on future scenarios, shown in the table below, will be:

- i) the extent of future national and sub-national discretion in EU agricultural / rural policies
- ii) the extent to which agriculture becomes an integral part of rural development policy

<p style="text-align: center;">Agricultural approach with high national discretion</p> <p>National and regional specialisation of commodity production</p>	<p style="text-align: center;">Rural-based approach with high national discretion</p> <p>Regionally tailored 'integrated rural development' programmes</p>
<p style="text-align: center;">Agricultural-based approach with low national discretion</p> <p>EU-subsidies commodity production subject to extensive production controls – CAP business as usual</p>	<p style="text-align: center;">Rural-based approach with low national discretion</p> <p>EU-wide farm structures policy oriented to the social support of small family farms</p>

Commentary

The future of the agriculture and food industries will be shaped by consumer demands, new technological developments in farming, food processing and distribution, international competitive pressures and future climatic and environmental conditions. However, because food and agriculture are highly regulated sectors, changes in the policy framework will also have an important bearing on how these industries are managed, particularly as new strategic objectives emerge. From our analysis, we would argue that two important influences on future scenarios will be the extent of future national and sub-national discretion in EU agricultural and rural policies, and the extent to which agriculture becomes an integral part of rural development policy.

The most likely scenario is the evolution of a rigid European and agricultural (sectoral) orientated framework, into a broader, rural (territorial) framework with greater degrees of national (and possibly sub-national) discretion. This scenario is not inevitable, but the drivers for CAP reform in this direction are strong ones. These are the growing political discontent with the CAP, the pressures generated by EU enlargement, the prospects of a WTO agreement to reduce production subsidies, internal budgetary pressures within the EU and farmer opposition to extensive production regulations. The prospects for this scenario would be strengthened if regional economic agencies, like the RDAs, were to join the coalition of other rural and environmental interests across Europe pressing for reform in this direction.

ii) Tourism

Two important influences on future scenarios, shown in the table below, will be:

- i) the extent of recovery from the FMD crisis
- ii) the success in developing regional strategic rural tourism frameworks

<p>Weak FMD recovery with strong strategic development</p> <p>FMD-proof rural tourism</p>	<p>Strong FMD recovery with strong strategic development</p> <p>FMD crisis as springboard for tourism-led new rural renaissance in regions</p>
<p>Weak FMD recovery with weak strategic development</p> <p>Continued severe damage to rural tourism</p>	<p>Strong FMD recovery with weak strategic development</p> <p>Back to 'business as usual', with under-capitalisation of countryside's attractions and tourism accommodation</p>

Commentary

We are currently seeing the long tail of the FMD outbreak. The disease could be beaten. However, there are two other scenarios in which the disease persists and flares up. One is that FMD persists, but is confined to the hill sheep. A worse scenario is that it gets into the pig herds of eastern England. Both scenarios would pose major challenges for rural tourism.

FMD has highlighted underlying structural weaknesses and revealed the interconnectedness of rural tourism. In particular, there is a need to consider how the development and promotion of rural tourism fits with other regional strategies. Rural tourism is not a stand-alone issue. It gets its strength from, and adds value to, other regional strategies.

Outside the traditional holiday destinations, the majority of (non-accommodation) tourism outlets in rural areas are oriented to day visitors. Day visitors are important in providing the regional base to the leisure market. However, with the projected growth in short-break tourism, there is a need strategically to develop rural tourism beyond the day visit market. In many areas, this requires attention to the availability of quality accommodation and the promotion of integrated tourism packages (combining accommodation, activities, events or attractions). Accommodation and service providers are mostly small-scale and private. Yet much larger quasi-public bodies such as National Parks, English Heritage, and the National Trust usually manage rural tourism infrastructure.⁴¹ A strategic approach to tourism development will need to improve the interface between these two sets of organisations.

Tourism development also should be carefully integrated into rural regeneration strategies. This is because tourism services can be of benefit to local people too. Visitor spending helps the local pub and garage to survive and may help justify expenditure on new transport and leisure infrastructure or environmental improvements. It also offers opportunities to diversify or supplement rural incomes. RDAs should therefore work with partners to help ensure that the FMD experience serves as a springboard to significantly upgrade the development of tourism as an integral component of rural and regional economic development.

iii) Other rural businesses

Two important influences on future scenarios, shown in the table below, will be:

- i) the degree of success in developing a more enabling planning system
- ii) the degree of success in developing more appropriate models of rural business support

<p>Unreformed planning system with appropriate business support</p> <p>Healthy rural business growth, but followed by migration away from rural areas</p>	<p>Enabling planning system with appropriate business support</p> <p>Healthy rural business growth, endogenous to rural areas</p>
<p>Unreformed planning system with inappropriate business support</p> <p>Business-as-usual, stagnation and regulatory limits on growth</p>	<p>Enabling planning system with inappropriate business support</p> <p>Dependence on footloose firms</p>

Commentary

The wider economic climate is probably the single-most important factor affecting future scenarios for other rural businesses. However, RDAs and other regional organisations can have little overall influence upon this. Two factors which public agencies such as RDAs can influence are the functioning of the planning system and the provision of business support. Both these issues have suffered from stereotypical and overly narrow perspectives on what constitutes 'rural' businesses.

Officials and local politicians take planning decisions, and these decisions reflect prevailing social values. It will be important in the future that decision-makers recognise that most types of business could be located in rural areas. Individual developments will, of course, have to be sensitive to local environments, and economic development will need to be sustainable and within the carrying capacity of infrastructure. However, idealised notions of 'appropriate rural businesses', which focus on conventional farming and tourism activities, will have to be overcome.

Smarter models of business support also need to be developed for application in rural areas. This will require a whole new ethos and image of business support for rural businesses away from the 'business plan mentality'. Business support agencies will also need to recognise that rural firms may be other than farming or tourism businesses and that there is a thin and arguably unrealistic dividing line between business advice and training. Agencies need to develop, and learn lessons from, innovative forms of delivery (such as through ICT, local business clubs, collaborative marketing networks, rural incubator units and so on). The fundamental objectives of business support may also need to be questioned. The preponderance of family-based microbusinesses in rural areas means that it is sometimes stability and security that are more important business motivations than employment growth.

iv) Public and private services in rural areas

Two important influences on future scenarios, shown in the table below, will be:

- i) the extent of geographical concentration beyond the market towns
- ii) the extent of success in developing innovative delivery mechanisms

<p>High geographical concentration with high innovation in delivery</p> <p>Market towns fall to next wave of restructuring, but access to services is widened</p>	<p>Low geographical concentration with high innovation in delivery</p> <p>Markets towns survive and thrive, and access is extended back into villages and households</p>
<p>High geographical concentration with low innovation in delivery</p> <p>Market towns fall to next wave of restructuring, service decline and exclusion deepens</p>	<p>Low geographical concentration with low innovation in delivery</p> <p>Markets towns struggle on, but exclusion deepens in some villages and households</p>

Commentary

The role of market towns as a focal point for commercial and social activity in rural areas has been undermined by social, industrial and agricultural change such as the decline in land-based industries, the increase in mobility, and changes in consumer expectations. The Rural White Paper placed market towns at the centre of its strategy to ensure widespread access to modern services across rural England. The future of public and private services in rural areas will depend upon the success of this new approach to the development of market towns and of new delivery mechanisms to extend access into their rural hinterlands.

With the RDAs' move to single pot funding, a focus on market towns in service delivery could be used as a safeguard to prevent regeneration resources simply flowing to larger settlements. A regional strategy for market towns could serve as an effective targeting tool for a range of other policy interventions. These include the New Deal for the Unemployed, youth homelessness measures, training provision and the provision of affordable housing.

There is no shortage of proposals for one-stop shops and joined-up delivery of services, or for innovative approaches to public and community transport and ICT, to re-link market towns to their hinterlands. RDAs could play a helpful role in bringing together public and private sector service providers in market towns to help co-ordinate the development of new delivery mechanisms and spread best practice.

RURAL STRENGTHS AND WEAKNESSES: THE RURAL DEVELOPMENT CHALLENGE

The purpose of this section is to identify the key challenges in developing rural economies in England, highlighting the existing strengths of rural areas and how these can be built upon, and the weaknesses which rural areas suffer from and how these can be alleviated.

Rural strengths

Environment: More fortunate rural areas provide diverse and attractive environments (with local distinctiveness, and landscape and habitat quality as key attributes).

Economy: Rural areas provide attractive places for people to live and to establish businesses. In general, rural labour markets exhibit competitive wage levels, and suffer less congestion and pollution. In some rural areas, low cost workspace is more widely available.

Tourism and leisure: Rural areas remain popular destinations for recreational day visits and holidays

Innovation: Rural areas offer opportunities for new land uses in providing public environmental goods, including new carbon sinks and energy crops.

Building on rural strengths

Environment: The rural areas of regions need development that helps maintain and enhance their environmental qualities.

Economy: It is important to emphasise that most types of economic activities can be located in rural areas (and avoid stereotyping particular types of 'rural' activity).

Tourism and leisure: The strategic development and marketing of rural tourism should encourage more leisure visitors to stay longer and spend more.

Innovation: A new rationale for support for land-management is required which promotes innovation and rewards the valued environmental services land managers can provide.

Rural weaknesses

Environment: Some rural areas suffer from degraded environments (such as rural coal-fields, but also intensively farmed agricultural landscapes). In other rural areas, the scale of development can undermine their environmental appeal.

Economy: Some rural industries (such as farming) face major structural change, as well as major challenges to existing business culture. Rural labour markets can suffer from a narrower range of skills, weak skills base, particularly in area such as former coal-fields and seaside resorts.

Tourism and leisure: Tourism has been damaged by FMD. Tourism marketing was already poorly funded and fragmented,⁴² although there is also a problem with poor product development in many areas of rural tourism.

Innovation: A lack of innovation in tackling the problems caused by lower population densities and geographical remoteness has led to poor transport and services infrastructure in many rural areas.

Alleviating rural weaknesses

Environment: Environmental quality should be seen as an ingredient of competitive advantage in regions' rural areas. Environmental regeneration - the creating of amenity and wilderness places - needs to be viewed as a form of rural development, as does the provision of new environmental services.

Economy: A new direction is required for rural land-based industries. Business support systems need to be carefully co-ordinated and tailored to the particular demands of rural firms. Market towns can serve as drivers of economic development in local rural areas, and rural regeneration initiatives also need to help develop incubators for new rural microbusinesses.

Tourism and leisure: There is a pressing need for an overhaul in the strategic development of rural tourism.

Innovation: New and innovative approaches to service delivery, which use market towns as key nodes and reach out into rural hinterlands, need to be developed and disseminated.

The rural development challenge

There can be no single template for improving the means of supporting rural development in the English regions. However, common elements of the rural development challenge facing RDAs include the coming reforms to the CAP, the need to improve the development of rural tourism and provision of business support to rural firms, the need to find innovative ways to tackle service decline and to make the most of new institutional arrangements.

There is an important role for RDAs in developing and implementing a strategic and co-ordinated approach to rural development across a wide range of agencies, programmes and stakeholder groups. While RDAs have limited programme funding for rural development activities, many of the powers, resources and organisational responsibilities required to take forward effective action are spread across other organisations. These include the Government Offices and different departments and agencies, local authorities and other strategic organisations in the areas of tourism, skills, regeneration and business support.

This poses significant challenges for RDAs. Firstly, there is a need to build shared commitment amongst partners to a clear vision for taking forward the rural economy. Secondly, RDAs can act as a catalyst for action, and to 'lever in' individuals and organisations with the powers, resources and influence to be able to make a difference and cut through institutional inertia to get things done. Thirdly, RDAs need to join-up action and resources in the region (including the RDAs' own projects) to remove duplication and ensure various initiatives have a collective impact that is more than the sum of their individual parts.

RURAL DEVELOPMENT PRIORITIES FOR REGIONAL DEVELOPMENT AGENCIES

The final section details priorities for practical action by RDAs under ten headings. These priorities have been developed in dialogue with each individual RDA. They were also discussed at a meeting of officials and Board Members responsible for rural issues from all RDAs at a seminar in London on 22 August 2001.

1. Help reform farming by influencing the UK and EU approaches to CAP reform

The CAP involves large quantities of public expenditure in rural economies - over £3.5 billion a year to the English regions.⁴³ The extent to which these payments assist in the development of agricultural and regional economic performance is highly questionable. The Agenda 2000 reforms significantly extended national discretion over how the CAP, and particularly its second pillar, the Rural Development Regulation, is financed and implemented. RDAs should therefore together develop a clear view of their (shared) priorities for the coming round of reforms, especially from the perspective of strengthening regional economic competitiveness.

- 1.1 In advance of the CAP review beginning in 2002, RDAs should establish a National Working Group on Agriculture and Rural Development. This Group should quickly develop a clear view of the strengths and weaknesses of the current implementation of the ERDP in the regions and of the RDA's shared priorities for CAP reform.
- 1.2 RDAs should commission studies of the extent and impacts of CAP & ERDP expenditure in each region. RDAs should use these to consider: i) how CAP financing might best be altered to improve the efficacy of CAP expenditure from a regional economic development perspective; ii) whether the current distribution of resources between different ERDP measures is the most suitable for the wider development of regional economies; and iii) whether the ERDP sufficiently realises its potential in promoting a wider 'integrated resource management' approach to the use of rural land and the diversification of rural economies.
- 1.3 RDAs should use the results of these studies and the outputs of the National Working Group to make submissions to the Policy Commission on Food and Farming, DEFRA, and the European Community on CAP reform

2. Strengthen RDAs Role in 're-integrating' agriculture and land management into regional economies

Agriculture and other land-based industries (such as forestry) have been viewed as a distinct and separate economic sectors, set apart from local and regional economies, and managed by separate policy-communities. As agriculture and forestry's multifunctional roles become increasingly valued, so these industries need to be 'reintegrated' or 'embedded' within territorial development strategies. RDAs have a crucial role to play in this process.

- 2.1 RDAs should use Rural Action Plans (RAPs) to review the treatment of land-based industries and rural development within the various regional plans, strategies and programmes and identify any gaps or overlap. RAPs should be used to improve the co-ordination and prioritisation of land management and rural development measures within regional initiatives, and not serve as a separate, stand-alone programme. RDAs should use RAPs to establish a more proactive role in steering the evolution of the regional

chapters of the ERDP according to their understandings of regional contexts and priorities. Together with DEFRA, the RDAs should also ensure that they have representation on the assessment panels that take funding decisions on ERDP schemes.

- 2.2 RDAs should focus support on the strategic development of regionally-embedded (and local) supply chains which involve agriculture. These may be particular agro-food supply chains (such as red meat in the north of England, or vegetables and horticulture in the east). They may also include regional agri-tourism supply chains, or those around new agri-industrial crops or energy crops. Efforts to encourage farm diversification, which are often piecemeal and lacking in imagination, should be informed by a clear strategic regional overview of these non-food supply chains. RDAs should also ensure that these 'rural supply chains' are appropriately reflected in any regional cluster initiatives.
- 2.3 RDAs should, with partners, review the potential for strategic development within their regions of collaborative food marketing initiatives (including regionally or sub-regionally-branded speciality foods and farmers markets). These reviews should consider how best the numerous, small-scale and fragmented marketing initiatives could be given a more coherent regional framework, how supply chain logistics for speciality foods (including abattoir provision) might be improved, and how regional food industry supply chains might be incorporated into the development of clusters.
- 2.4 RDAs should, with partners, encourage farm diversification, in part by stimulating the wider provision of business and planning advisory services.
- 2.5 RDAs should encourage crop diversification by simultaneously stimulating demand and supply for new major crops (bioenergy and bioplastic crops), working with the Central Science Laboratory and other agencies.

3. Reinvigorate the development and promotion of rural tourism

Tourism is a fragmented industry and public funding and mechanisms for strategic development and promotion of rural tourism nationally and in the regions falls well short of what is required.⁴⁴ Rural tourism is seen as having untapped potential in most English regions. The Government's manifesto includes a commitment to promote and assist tourism, and to include an RDA role in this. The institutional management of tourism requires a much more pro-active developmental role, and RDAs are well-placed to help. FMD provides an opportunity to promote better quality in tourism, including up-skilling among tourism providers. Much more careful attention also needs to be paid to product-development. The rise of self-directed, out-of-season, tour-based short-break holidays require that rural areas offer assortments of attractions and experiences that will provide tourists with opportunities to sample and dwell, with suitable information that makes clear the links between accommodation, activities, attractions and catering.

- 3.1 RDAs should join with others in pressing the Government for a significant increase in central government funding for the promotion and strategic development of England as a tourist destination.
- 3.2 RDAs should press for a review of the institutional arrangements for the promotion and strategic economic development of tourism in the English regions, and should strengthen their own role in tourism development (as opposed to promotion and marketing). Tourism development should focus on raising the quality of tourism provision, and encouraging longer-stay and higher spend types of tourist visits to the countryside, rather than simply raising the number of day visits.

3.3 RDAs should make every effort to ensure that tourism infrastructure development is sufficiently reflected and prioritised in regional strategies and programmes, including regional economic strategies, land and property programmes, skills and business development programmes, regional cultural strategies and the ERDP. Regional Tourism Strategies should form an integral part of regional economic strategies.

3.4 RDAs should encourage research into tourism market needs.

4. Encourage an enabling planning system that promotes sensitive economic development

The functioning of the planning system is strongly contested by national lobby groups, as well as at the local level. Recent changes to Planning Policy Guidance Notes (PPGs) 7 (rural economy) and 13 (transport) have been generally welcomed by economic development interests, but some frustration remains that what constitutes 'appropriate' economic development in a rural area is still interpreted too narrowly by some planning officials. It is still widely felt, for example, that planning hampers farm diversification.

4.1 RDAs should work with professional planning bodies to convene regional or sub-regional seminars on planning and rural economy issues. These should allow planning officials to come together with other stakeholders to discuss the revised PPGs and reflect on how planning policy and decisions can help foster a more enabling planning system in their locality.

4.2 RDAs, in liaison with other partners, should consider appointing, or part-funding, Rural Planning Facilitators as is being done in the North West. These Facilitators could guide farmers, land managers and small rural businesses through the planning process and act as a point of liaison with planning authorities. RDAs should work closely with the Countryside Agency and Regional Assemblies to monitor the statutory plan-making process in their regions and give advice to planning authorities on economic development aspects of forward planning affecting rural areas. A clear, unified and sustained voice on rural development would be a powerful influence in the planning process.

4.3 RDAs, in liaison with local authorities and other partners, should develop pilot projects to explore the links between the community planning initiatives in rural areas (such as parish appraisals and community strategies) and local economic development. Local communities might be required, for example, to prioritise specifically where job-creating development should be located within their areas. The energies unleashed by community planning should be actively harnessed to build consensus around local development objectives. Pilots would be helpful, possibly based on market towns, in contrasting types of localities such as an economically fragile rural area on the one hand and a 'gentrified' rural area under development pressure on the other.

5. Ensure that rural locations and businesses are integral to RDA strategies and action on regional competitiveness, innovation, entrepreneurship, skills development and business growth

A priority for all RDAs is to improve regional economic competitiveness. This includes efforts to co-ordinate business support and skills development activities, to support new firm formation and the growth and retention of existing businesses, and to foster innovation, knowledge transfer and cluster development. Rural locations, and firms within rural areas, offer a major opportunity for RDAs in this policy area. However, misconceptions of the 'rural economy' as constituting mainly tourism or declining farming businesses mean that the dynamic and varied nature of firms in

rural areas is often over-looked. Rural areas offer many opportunities and innovative, knowledge-intensive growing businesses in both the manufacturing and services sectors (as well as also in agriculture and tourism). Increasingly rapid restructuring of the economy in rural areas will provide an opportunity (as well as a need) to foster the development and growth of new firms, and a more diverse and robust range of business activity. RDAs need to consider how projects, initiatives and financial assistance to foster innovation, knowledge transfer and cluster development can best be focussed on the opportunities presented by rural areas. Business support and training provision are widely regarded as not well tailored to rural needs. It is argued that the performance targets for some public agencies discourage focus on rural areas because of the problems of sparsity and distance. RDAs should help ensure that the new Business Links include small and rural firms across sectors within their remit. Access to Business Link services and the pro-activeness with which they reach out to rural firms will be key issues. It is important to avoid simply equating rural businesses with agriculture and tourism. Practically the full range of service and manufacturing businesses are present in rural areas and also need access to business support.

- 5.1 RDAs should undertake an umbrella/co-ordinating role to improve the provision of business support and advice, skills development, and support for business development, to all businesses in rural areas. This should include working with and through the Small Business Service (SBS) and its franchises, LSCs and other education providers, and providers of aftercare and inward investment services. RDAs should lobby to revise any performance criteria for the SBS and its franchises (Business Links) that may inhibit the targeting of advice and assistance to smaller rural businesses, and should ask that the SBS, BLs and LSCs be required to apply 'rural proofing' measures to their work programmes. RDAs should also press for the adoption of a much stronger regional development focus among the LSCs and SBS, which are widely perceived as working to priorities and targets that are overly determined by national government.
- 5.2 RDAs should develop projects and initiatives specifically to foster innovation, technology and knowledge transfer, and cluster development for firms in rural areas. This could include forging and enhancing links between business and other relevant research institutions, developing specific 'hubs' or networks to enhance provision of advice, networks, and venture capital to businesses. Financial assistance to enhance innovation and enterprise should also be sufficiently targeted to firms in rural areas.
- 5.3 RDAs, in liaison with other partners, should lobby for reform of the Farm Business Advisory Service and Rural Development Service into a single business advisory service for firms in rural areas – potentially to fall within the remit of the SBS. In the short term, RDAs should also consider, with partners, the development of specialist business advice schemes for those non-farming businesses in rural areas affected by FMD, as is being introduced, for example, in the South West.

6. Address economic and service decline through a focus on innovation in market towns

The traditional functions of market towns, as a focal point for commercial and social activity, have been undermined by socio-economic changes, the increase in mobility, and changes in consumer expectations. The Rural White Paper places market towns at the centre of its strategy to ensure widespread access to modern services across rural England, and so they have the potential now to serve as a new focal point for rural regeneration. There is no shortage of proposals for one-stop shops and joined-up delivery of services, or for innovative approaches to public and community transport and ICT, to re-link market towns to their hinterlands. However, several respondents in our study mentioned the lack of skills and human resources capacity in delivering rural development initiatives 'on the ground' as an important constraining factor.

- 6.1 RDAs should convene meetings in their regions of key public and private service providers and representatives of market towns to discuss how to co-ordinate and improve the delivery of services. One possible approach might be to demonstrate joint and innovative delivery in and around particular market towns in a region, before rolling out the innovations to others.
- 6.2 RDAs should make full use of the £30m budget for DTI broadband pilots to target market towns and other rural areas, where low demand will not make the necessary investment in infrastructure a viable private sector proposition. RDAs can also play a significant role within the regional structures and partnerships that are being established in some areas to promote broadband roll out. RDAs should also try to influence where IT Learning Centres are to be located. The Government's election manifesto announced a significant expansion of this initiative with 6,000 centres, and their location could complement regional strategic approaches to the development of market towns as centres of service provision.
- 6.3 RDAs, with partners, should consider piloting Business Improvement Districts (BIDs) in market towns. BIDs will enable local authorities and local businesses to enter into contracts to provide additional services and improvements. Resources from RDAs' physical regeneration programmes could contribute to these innovative schemes.

7. Take the lead in new institutional arrangements and influence effectively the development of rural policy

A major wave of institutional change has prompted a coalescing of institutions and their boundaries at the regional level. However, there remains a range of organisations involved in rural development at the regional level and, in places, overlapping functions and responsibilities can hamper effective regional working. RDAs can usefully serve as a focus for bringing disparate initiatives and programmes together. RDAs' distinctive roles can be as strategist, advocate, co-ordinator and catalyst.

An opportunity for more clearly determining and articulating these roles and specific actions is presented by the review of their Regional Economic Strategies and Action Plans that most RDAs will undertake in the next 12 months. A positive feature in several regions has been where the RDA has brought partners together to collectively determine and endorse a specific rural action plan and / or a rural development section of the RES.

At the national level, a priority is for RDAs collectively to shape a productive relationship with DEFRA and its agencies, and in the regions individually to build productive and close links with the DEFRA teams in the Government Offices. It is important RDAs also collectively influence the activities of other government departments where they impinge on rural affairs, and in particular their sponsoring department, DTI. There are however limits to the extent to which RDAs can resolve or overcome overlaps and uncertainty in organisations roles in the regions, where these difficulties stem from decisions of central Government

- 7.1 RDAs should strengthen their capacity, mechanisms and resources to act collectively on rural development policy issues, where this is appropriate. This will require clearer and more effective mechanisms, and enhanced administrative resources for co-ordinating the input and response of RDAs. RDAs should use the work under Priority Action No. 1 to rapidly establish their policy development relationships with DEFRA. Each RDA needs to develop its own in-house policy capacity on regional rural development. Together, though, they should consider offering officials and board members a training programme on rural

development and institutional change, like that recently organised for the former Farming and Rural Conservation Agency at Aston Business School.

- 7.2 RDAs should discuss with Government how to clarify the detailed rural development roles and responsibilities of different regional and rural organisations including the RDAs, the Countryside Agency, Business Support providers and the Rural Development Service.
- 7.3 RDAs should consider how the review of their Regional Economic Strategies and Action Plans can best be used to build widespread partner engagement and commitment in determining strategic priorities, roles and actions for rural development. When working in partnership with other agencies on rural development, RDAs should consider agreeing clear concordats setting out the respective roles and responsibilities of partners (perhaps along the lines of the 'Rural Accord' devised in the West Midlands region). In each region RDAs, with partners, should organise a series of joint training events bringing together rural development and countryside management professionals (in both public agencies and the private sector) to help build effective regional practitioner networks (such as the Northern Rural Network in the North East). These networks will help to overcome institutional rivalries and should focus on improving the skills of rural development delivery and implementation.

8. 'Think Rural' by improving rural co-ordination and 'proofing' at the regional level

It is a paradox that rural development has suffered on the one hand from being overwhelmed by a plethora of specifically 'rural' initiatives and institutions while, on the other hand, being marginalised from considerations about the impacts of mainstream policies on rural areas and people. There is, therefore, a dual need to both ensure adequate co-ordination of specifically rural initiatives, while also taking care to ensure that the rural implications of other programmes and policies are sufficiently considered.

- 8.1 RDAs should, with partners, capitalise on opportunities brought by post-FMD recovery efforts to ensure that various programmes are suitably complementary, avoid overlap, and are sufficiently focussed on a regionally prioritised strategy for development. Support for rural development needs to become strategy-driven rather than project-led.
- 8.2 RDAs should adopt the 'rural proofing' of all their own regional strategies and policy development work, making use of the rural proofing checklist devised by the Countryside Agency. This should include the forthcoming review of the regional economic strategies and action plans.
- 8.3 RDAs should play a full part in the Regional Rural Sounding Boards announced in the Rural White Paper (in whatever form they eventually emerge). Some RDAs have already helped establish bodies that could evolve into this role.

9. Promote rural recovery and regeneration as an integral part of regional economic development

There is a continuing need to ensure that policies are not only focussed upon geographic concentrations of disadvantage and need, but also recognise and target scattered and small pockets of disadvantage (which will generally be the rural pattern). For rural regeneration to be an integral part of regional economic development, mainstream RDA programmes such as those on land and property, skills and so on, will need to give adequate focus to rural areas.

When RDAs receive their resources in a single pot from 2002, it will be vital that the rural dimension is sufficiently addressed. There is a concern among some rural development interests that single pot funding could lead to marginalisation of rural development within RDAs, and that a reliance on narrowly economic indicators could accentuate this.

- 9.1 RDAs and partners should press the Government to designate Rural Action Zones (RAZs) in areas of particular need where partners can work together to tackle rural needs in a flexible way. These would differ from Rural Priority Areas in that RAZs would involve a range of statutory and other players pooling budgets, sharing objectives and piloting flexibilities in budgets/initiatives to meet particular needs and circumstances. For example, RDAs could work with the Employment Service/Working Age Agency to pilot new flexibilities in RAZs by relaxing New Deal rules that disadvantage rural people (such as those currently ineligible because seasonal work exempts them from having been unemployed for 6 months). RDAs may wish, with partners, to commission work to identify specific potential flexibilities in mainstream programmes that could be piloted in RAZs.
- 9.2 RDAs should closely monitor the extent of job losses in rural areas post-FMD. Where new jobs or diversification are needed, rural versions of the Jobs Transition Service (JTS) could be appropriate. This has, so far, been used for major manufacturing plant closures to re-train the workforce and promote enterprise. Winning JTS resources requires a bid to the local Employment Service. RDAs could either lead such bids or, as an alternative, work to promote and assist with Rural Skills Action.
- 9.3 RDAs should take a strategic approach to ensuring mainstream regeneration programmes are sufficiently focussed on rural areas and are co-ordinated effectively. Various area-based regeneration programmes (Objectives 1 & 2, skills and training initiatives, and social and physical regeneration projects) all have an important role to play. In particular, RDA land and property projects can help raise the economic competitiveness of rural areas and improve the tourism product. RDAs will need to work with Local Strategic Partnerships and other strategic mechanisms to ensure the various regeneration programmes need to be well-co-ordinated and targeted effectively on rural development priorities. Large infrastructure improvements to road and rail networks may also assist rural development in some peripheral areas.

10. Understand rural: improve rural indicators, data collection and intelligence gathering

The effectiveness of rural prioritisation and targeting is sometimes hampered by the poor quality of data or the simplistic application of spatial analysis approaches from the urban to the rural realm. Moreover, much of the system of data collection is driven by outdated policy concerns and questions. RDAs have made some efforts to co-ordinate regional data and intelligence gathering through Regional Laboratories, but there is still need for improvement.

- 10.1 RDAs should ensure that appropriate indicators are used to target initiatives and resources in rural areas, and not simply rely upon those produced for urban purposes. While the DTLR's Index of Multiple Deprivation 2000 is a considerable improvement on its predecessors, its treatment of housing and employment indicators still reflect more urban types of need. The RDAs might consider making use of deprivation indicators that the Countryside Agency will be releasing shortly.

- 10.2 RDAs should promote a co-ordinated approach at the regional level to collecting and collating relevant rural data. This calls for close liaison with the Countryside Agency over the elaboration of its Regional State of the Countryside reports. RDAs, with partners, should consider commissioning surveys of rural microbusinesses, like those conducted in the North East, in order to provide longitudinal regional databases of small rural firms. RDAs should also press for better use to be made of DEFRA's regional Farm Business Surveys, and for them to include information more useful from a regional economic development perspective (for example, on farm diversification or farm household incomes).
- 10.3 RDAs should, with partners, establish Regional Rural Foresight exercises to assess technological changes and the challenges and opportunities they bring for the sustainable economic development of regions' rural areas. RDAs should use 'foresighting' exercises as a tool to build consensus among partners and overcome the tension between 'environmental preservationism' and economic development. RDAs may also want to consider regionally-specific versions of the type of study informing this national report.

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Appendix I

THE PROJECT TEAM

The consultants on this study were:

Professor Neil Ward
School of Geography
University of Leeds
Leeds, LS2 9JT
Tel: 0113-233-3350 Fax: 0113-233-3308
E-mail: n.ward@geog.leeds.ac.uk

Professor Philip Lowe
Centre for Rural Economy,
Department of Agricultural Economics and Food Marketing,
University of Newcastle upon Tyne, NE1 7RU
Tel: 0191-222-6623 Fax: 0191-222-5411
E-mail: cre@ncl.ac.uk

Tom Bridges
Associate
Arup Economics and Planning
13 Fitzroy Street,
London, W1T 4BQ
Tel: 020-7755-2779 Fax: 020-7755-3677
E-Mail: Tom.Bridges@arup.com

Jenny Stafford
Economic Planner
Arup Economics and Planning
13 Fitzroy Street,
London, W1T 4BQ
Tel: 020-7755-2703 Fax: 020-7755-3677
E-mail: jenny.stafford@arup.com

Neil Evans
Head of Economics and Planning (North West)
Arup Economics and Planning
St James's Buildings
Oxford Street
Manchester, M1 6EL
Tel: 0161-8228-2331
E-mail: Neil-x.Evans@arup.com

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Appendix II

GLOSSARY OF ABBREVIATIONS

AWM	Advantage West Midlands
BID	Business Improvement District
CAP	Common Agricultural Policy
CEEC	Central and Eastern European Country
CPRE	Council for the Protection of Rural England
DEFRA	Department of Environment, Food and Rural Affairs
DETR	Department of the Environment, Transport and the Regions
DTI	Department of Trade and Industry
DTLR	Department of Transport, Local Government and Regions
EEDA	East of England Development Agency
EMDA	East Midlands Development Agency
ERDP	England Rural Development Plan
EU	European Union
FMD	Foot and Mouth Disease
GOR	Government Office for the Region
ICT	Information and Communication Technology
JTS	Jobs Transition Service
LSC	Learning and Skills Council
MAFF	Ministry of Agriculture, Fisheries and Food
NWDA	North West Development Agency
ONE	One NorthEast
RAP	Rural Action Plan
RAZ	Rural Action Zone
RDA	Regional Development Agency
RDR	Rural Development Regulation (of the EU)
RSPB	Royal Society for the Protection of Birds
RWP	Rural White Paper for England
SBS	Small Business Service
SEEDA	South East England Development Agency
SWRDA	South West of England Regional Development Agency
WTO	World Trade Organisation

Appendix III

ORGANISATIONS AND INDIVIDUALS CONSULTED DURING THE STUDY

Advantage West Midlands
Council for the Protection of Rural England
Country Land & Business Association
Countryside Agency
Department of Environment, Food and Rural Affairs
East Midlands Development Agency
East of England Development Agency
English Tourism Council
Environment Agency
Federation of Small Businesses
Local Government Association
National Farmers Union
North West Development Agency
One NorthEast
Royal Society for the Protection of Birds
Small Business Service
South East of England Development Agency
South West of England Regional Development Agency
Yorkshire Forward

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Appendix IV

THE RURAL WHITE PAPER AND THE REGIONS

The White Paper's vision

- a living countryside, with thriving rural communities and access to high quality public services
- a working countryside, with a prosperous and diverse economy, giving high and stable levels of employment
- a protected countryside, in which the environment is sustained and enhanced, and which all can enjoy
- a vibrant countryside which can shape its own future and whose voice is heard by government at all levels.

New rural vision for Regional Development Agencies

The RDAs' primary aim for rural areas is to ensure a dynamic local economy and vibrant communities able to respond to changes in traditional industries and to contribute positively to the regional and national economy

RDAs will help rural business through:

- raising the level of new business formation in remote rural areas and diversifying the economic base by stimulating innovation and competitiveness
- increasing the number of rural product and speciality food businesses; stimulating rural tourism and adding value to rural products and services
- developing better business to business links by stimulating the use of ICTs
- ensuring that the Small Business Service is equipped to respond to the specific needs of rural small business.

RDAs will help create viable rural communities and better links between town and country through:

- identifying and taking action to address rural deprivation
- delivering a programme of strategic market towns regeneration
- improving service delivery, encouraging multi-use facilities and innovative service delivery
- working to remove barriers to business creation and survival
- providing improved access to education, training and retraining opportunities to enable rural communities to update their skills and adapt to change
- improving transport links between urban and rural areas.

Other regional initiatives

- a regional regeneration programme of market towns in or near Rural Priority Areas with £37 million in new resources over three years
- emphasising the role of market towns as the focus for rural jobs and services, through guidance to local planning authorities and public service providers
- RDAs and Regional Tourist Boards to develop joint tourism and recreation strategies, including proposals for improved marketing and better advisory services and training for tourism businesses

- through the RDAs to develop effective ICT strategies for the rollout of higher bandwidth services in rural areas
- Rural Local Learning Partnerships to address the skills needs of rural areas
- better advice and support for small businesses in rural areas 'All rural communities will have access to high-quality support services through their new local Business Link'.

Joined-up government at the regional level

- rural proofing at the regional level
- better regional co-ordination through a 'joint countryside planning process' at the regional level. Strengthening the role of the regional Government Offices. Co-ordinated budgeting and data collecting
- regional rural sounding boards. Bringing together rural stakeholders.

After the rural white paper: making things happen in the regions

What is now needed?

Rural Action Plan: Need for action not more strategies. Overview to identify gaps and overlaps, opportunities for co-ordinated delivery and concerted action.

Strengthening the regional dimension for agriculture and forestry including stronger co-operation between DEFRA, RDAs and the Small Business Service: more strategic approach to farm diversification, integrated local supply chains, promoting environmental infrastructure and sustainability.

Rural Action Zones: Amending the rules of New Deal for rural conditions. Tackling problems in an integrated way. Pooling the resources of service providers.

APPENDIX V

REGIONAL PORTRAITS OF RURAL DEVELOPMENT ISSUES

The East Midlands Region

Main rural development issues and characteristics

Rural areas comprise 78 per cent of the East Midlands and contain 37 per cent of its population. The upland areas in the North East of the region (mainly in the Derbyshire Peak District) are largely associated with livestock farming, tourism, and mineral extraction, with isolated settlements and small market towns. Much of this area falls within the Peak National Park. The villages and rural areas of Nottinghamshire, Leicestershire and Derbyshire face social and economic problems associated with the decline of coal mining and environmental degradation. The South and East of the region has mainly arable farming comprised of large farms and food production businesses with strong links to the agricultural economy of the neighbouring parts of the East of England. In the South of the region and in some areas around the three cities there are particular development and growth pressures.

The Peak District is considered the region's primary tourism asset. Former industrial areas of Nottinghamshire and Southern Derbyshire are not considered to have exploited their full tourism potential. The Lincolnshire coastal resorts face issues and challenges of decline and restructuring in the UK 'seaside' tourism sector.

The direct impact of Foot and Mouth Disease (FMD) has not been as severe as in other regions. The livestock sector has suffered from the restrictions on animal movements and this has particularly affected the upland areas of the region. The indirect impacts on tourism and other rural businesses have varied. Tourism areas based on outdoor pursuits, particularly the Peak District, have suffered badly from access restrictions. In contrast coastal resorts have seen an increase in visitor numbers. emda emphasise the (often overlooked) adverse impact on other (ie. non tourism or agriculture) rural businesses.

Despite this diversity there are several main common rural issues across the region. These include the challenges of economic restructuring. There is an under-representation of rural employment in growth sectors associated with high skills, and continued high dependency in declining sectors such as agriculture and mining. In general there is a high proportion of low wage employment. There are pockets of significant deprivation in many rural areas. Issues of peripherality and poor accessibility are challenges for service and programme delivery.

Relevant strategies, action plans and other documentation

The Economic Development Strategy for the East Midlands: 'Prosperity through people', outlines the main rural issues and priorities in the profile of, and vision for, the region and in relation themes for action. The distinctive rural regeneration needs and priorities are set out under the Sustainable Communities theme.

Rural Action Plan: emda's Rural Action Plan, produced in Summer 2000, is a detailed and comprehensive document covering eight main rural development themes / priorities. For each of these, the action plan outlines:

- the current situation in the East Midlands and main issues
- what is already being done
- what is still to be done
- an action programme setting out actions for emda and partners.

Pathfinders to prosperity report – Food Chain Group: The reports of eleven 'Pathfinder' sector groups were published alongside the Economic Development Strategy. This included a report from the Food Chain Group that focussed on food companies throughout the supply chain.

Specific initiatives

Rural Action Plan: The Rural Action Plan was developed through an extensive programme of consultation with partners in the first half of 2000. It is considered that this had a positive effect of developing widespread support and commitment to the programme of action, and clearly established emda's leadership and co-ordinating role for rural development in the region.

Market towns template: emda has produced a market towns template to attempt to set out the ideal range of facilities and 'health-check criteria' for market towns of various sizes. The market towns initiative has been taken forward as a main priority, including through a major Market Towns Conference in Autumn 2000.

Integrated Regional Strategy: emda have played an important role in developing the IRS initiative (led by the Regional Assembly) to develop maximum integration between the various regional strategy exercises within the broad framework of promoting sustainable development of the region. The Rural Action Plan also sets out the main linkages with the European Structural Funds programmes.

Foot and Mouth recovery: emda set up a Regional FMD Response Group to monitor the effects of FMD and identify short-medium term actions. The group, led by emda, are undertaking a project to identify the main impacts of FMD in the region, and specifically in Derbyshire. The project will involve research and consultation by consultants. It will produce a strategy for FMD recovery and future contingency measures for limiting adverse economic impacts from any future outbreaks.

Specific Rural Spending Programmes: In addition to emda's 'mainstream' programmes, specific rural programmes include: the Rural Development Programme (inherited from the Rural Development Commission) focussed on Rural Priority Areas (current annual spend: c. £3.3 million); the Market Towns programme in or near Rural Priority Areas (current annual spend: c. £0.91 million); and the Redundant Farm Building Grant in all rural areas (current annual spend: c. £0.5 million).

Priorities and issues for future rural development in the region

Implications of the move to 'Single Budget' funding: An important current issue for emda is the implications of Single Budget Funding. In particular, emda are considering in detail how to deliver a distinctive rural regeneration remit within the context of the single budget regime, and the funding and organisational implications under the main rural development themes identified by emda. Some of the specific issues under consideration include:

- the need to retain an element of spatial targeting on areas of greatest need and deprivation, with scope for a more flexible approach than under the current system
- the need to retain the focus on market towns as a priority rural regeneration theme – including better addressing of physical regeneration priorities in market towns
- how emda can, in partnership with the Heart of England Tourist Board, develop a more proactive and effective role in the strategic development of rural tourism, including the scope for specific funding mechanisms
- mechanisms to develop effective Rural Proofing to ensure rural priorities are addressed by all main programmes and that the additional costs of service and programme delivery in some rural areas are recognised and offset.

Main rural development themes and issues

The main future rural development issues identified by emda are outlined below.

Rural Tourism: emda consider that hitherto there has been a gap in organisational responsibilities for some aspects of the strategic development of rural tourism. The Heart of England Tourist Board (HEoTB) is considered to have an important role and remit in this area, but this is considered to be different to that of the RDA. The HEoTB focuses on tourism promotion, servicing members, and specific activities such as accreditation and research and intelligence, There is scope for a more strategic role for emda in developing the tourism product and addressing issues such as skills, business development, and physical infrastructure.

Rural Transport: emda consider that lack of accessibility and sparsity as major barriers to ensuring effective delivery and access to jobs and services for residents of rural areas. emda have taken forward several specific projects to tackle these issues as well as promoting significant transport projects that serve predominately rural areas, such as the Robin Hood Rail Line. It is felt that there would be merit in considering transfer of some responsibilities and programmes to improve rural transport from the Countryside Agency to RDAs.

Planning, Land, Property and Housing: These physical regeneration priorities are considered as vital to rural development. In relation to planning, emda (in conjunction with GOEM and the EMLGA) have developed the East Midlands Planning Charter, and there may be scope for building on this to address some of the planning issues in relation to development in rural areas. emda believe there is a strong case for retaining specific programmes for redundant buildings, and are considering how a buildings improvement programme can be developed for market towns. Wider RDA land and property projects are also seen as important in addressing infrastructure needs in rural areas.

Market Towns: emda intend to continue to develop and extend the market towns initiative to encompass a wider range of towns and regeneration and economic development themes. Again, it is considered there is scope for a review of RDA responsibilities in relation to market towns vis a vis those of the Countryside Agency.

Agriculture: Agriculture will remain a priority sector for economic development activities. In particular, there is a need to improve the delivery of training and business support to farming businesses. It was felt that whilst farmers could obtain good advice on taking forward diversification, it is difficult to source advice on the relative advantages of diversification against options for continued farming.

Coalfields: The coalfield areas pose distinctive rural development challenges, and a continued focus on and spatial targeting of these areas for mainstream and specific rural regeneration funding was seen as likely.

Promoting Rural Issues: In addition to specific rural programmes, emda have recognised the need for other main programmes (including skills, and enterprise and innovation) to address rural issues. emda have adopted a strategic co-ordinating approach to rural development across its own organisation and programmes, and also in relation to those of partners. Responsibility for rural development issues in emda is within the Regeneration and Rural Affairs directorate. This facilitates a more integrated approach between rural development and wider regeneration, which is also supported by the system of sub-regional area-leads for senior staff members within the team. There is significant interest and support for rural development amongst emda's senior management team, and also at Chairman and Board level.

THE EAST OF ENGLAND REGION

Main rural development issues and characteristics

The East of England sees significant sub-regional differences between the more peripheral and rural north and east of the region (Norfolk, Suffolk and parts of north Cambridgeshire) and the more accessible south and west of the region (Hertfordshire, Bedfordshire, Essex and south Cambridgeshire). The differences in the rural issues and rural development within the region reflect the sub-regional differences but, in addition, there are hotspots of wealth and deprivation.

Norfolk, most of Suffolk, and north Cambridgeshire are fairly remote, sparsely populated and heavily dependent on agriculture. By contrast, the rural areas in the south of the region often suffer pressures associated with the economic growth and development of their neighbouring urban areas. Within this general pattern is further disparity with some parts of the north Norfolk coast seeing very high house prices due to growth in second home ownership and some parts of Bedfordshire and Essex experiencing rural disadvantage despite close proximity to relatively prosperous areas.

The main rural development issues concern:

Agriculture and food processing: The region is the largest arable producing region in the UK. Most farms are large by UK standards and operations are arguably more commercial than elsewhere in the UK. However, the economic pressures to adapt and diversify are as strong. Food processing is an important sector (together with agriculture it employs as much as 10 per cent of the workforce in some parts of the region). There are therefore particular opportunities to integrate production more directly with the supply chain. It is possible that the development of GM technologies may increase global economic pressures on the industry.

Tourism: The East of England sees the second largest tourism spend of any UK region (excluding London). The coastline, wetlands and nature reserves of the north and east of the region are particular environmental assets. The region has three main visitor/tourism markets: seaside, environmental and day-visits to the region. Its 'rural' tourism is largely associated with proximity to the coast and with environmental tourism. There is an opportunity to strengthen rural tourism in the region. Visitors to the region have traditionally been drawn from the urban areas of London and the East and West Midlands.

Market Towns, Access to Services and Peripherality: The main rural development issues for the region concern the more peripheral parts of the region, namely Norfolk, parts of Suffolk, north Cambridgeshire and the eastern, coastal parts of Essex. Despite relative proximity to London, the road network in the north east of the region is poorly developed. There are rural development problems associated with remoteness eg. gaining access to services and dependency on agriculture, food processing and tourism. Levels of rural disadvantage are often not indicated in deprivation statistics as a result of data predominantly being collected at ward level

Planning: It is considered that in some parts of the region, rural development and diversification is constrained by the planning system. The existing planning guidance allows for rural development but the system itself is not considered to be proactive or strategic in allowing this rural development to be implemented.

Relevant strategies, action plans and other documentation

'East of England 2010: Prosperity and Opportunity for All': This is the newly revised regional economic strategy for the region. Chapter seven on the rural economy outlines three strategic priorities: support for market towns; supporting the needs of rural businesses; and building sustainable rural communities.

FMD Recovery Plan: The region was allocated £1 million out of the £39 million available nationally. 40 per cent of the £1 million will be provided as direct grant aid to businesses to allow the development of Business Recovery Plans.

Action Plan for Farming: Under this, the existing Redundant Building Grant programme has been extended and the Farm Business Advisory Service has been introduced.

Specific initiatives

Rural development programmes inherited from the Rural Development Commission: These include the work within the existing Rural Priority Areas, in particular the rural development programmes and the Redundant Building Grant.

SRB programmes: Several rural-focused SRB programmes are delivering regeneration in rural areas.

Market towns initiative: This was identified as a priority and given new resources under last year's Rural White Paper. It provides a strong new impetus to the work achieved under the Rural Priority Areas.

Sectoral Initiatives: EEDA has set-up a number of sector groups, two of which are particularly relevant, agriculture and food processing; and tourism. These have been operating since autumn 2000 and provide strategic focus and oversee specific initiatives to support those sectors.

Priorities for future rural development in the region

Improving business support in rural areas: Rural businesses are less likely to take up business support than businesses in urban areas (p.82 of EEDA Strategy). There is therefore an opportunity to improve business support delivered in rural areas.

Strengthening the region's tourism product: This will involve focused support to improve the quality of provision and co-ordination between products/activities and should involve the RDA working more closely with the Regional Tourism Board to identify priority actions.

Improving access to services and employment opportunities: This is needed in the more peripheral and deprived rural areas in the region in order to tackle exclusion. This will need to involve closer working with the providers of services.

Planning for rural development: A better understanding between local planning authorities and their officers and local farmers (eg. through seminars/visits to consider planning for diversification) may facilitate appropriate rural development and agricultural diversification.

THE NORTH EAST REGION

Main rural development issues and characteristics

Some of the North East's urban areas along the rivers Tyne, Wear and Tees are the most deprived communities in the UK. GDP per head is the lowest for England, gross hourly earnings for full time employees are the lowest for the UK except Northern Ireland, and unemployment rates are the highest in the UK. Because most socio-economic problems are highly concentrated in the regions' urban areas, these have understandably been the main focus of development and regeneration work. However, some communities in the Durham and Northumberland coalfields face problems compounded by their rural setting.

The region has an exceptionally attractive rural environment, from the North Pennines to the coastline. It includes Northumberland, the most sparsely populated rural area in England, and two national parks, two Areas of Outstanding Natural Beauty and a wealth of historical features including the World Heritage sites Hadrian's Wall and Durham Castle and Cathedral. These assets offer economic opportunities for the region as an attractive environment brings businesses, workers and tourists. Those in employment in the region enjoy a high quality of life that includes access to the countryside, little congestion and relatively cheap housing.

The rural areas of the region are diverse, ranging from remote settlements with a continuing reliance on agriculture, to small settlements which are important as service and employment centres, to the urban fringe which mining and heavy industry once supported. The region is characterised by a lack of medium sized settlements. There is net out-migration of young people, and rural areas are showing a reduction in population, which is forecast to continue. The majority of upland areas, some of the northern coastal areas and some of the region's rivers are of international environmental importance. These areas have come under threat from changing land management practices. The region's rural areas have economic and social benefits, especially as recreation and leisure destinations for local inhabitants and tourists. Some of the most appropriate options for progress rely on developing products and services to promote the unique attributes of rural areas in the region. Information and Communications Technology based services and a diversified, integrated rural economy need to be developed via investment and advice, and changes in attitudes and skills in order to overcome remoteness and a lack of critical mass. Particular issues concerning rural development are as follows:

Land-based businesses: There is an overall need to develop a coherent and co-ordinated approach to the development of a regionally-embedded food chain, with land-managers increasingly focussed on the market opportunities, whether it be local, traceable foods, renewable energy or stewardship of the countryside.

Rural Tourism: Tourism is an important component of the North East's economy – but faces increasing global competition. There is a need to raise the quality of tourism provision - particularly the welcome and service - and to develop niche markets. Improvement of the tourism infrastructure is also a priority.

A Diversified Rural Economy: A more robust and diverse range of business activity is critical to the future of the North East's rural areas. Services providing business support, training and skills development have to be tailored, and delivered, to the microbusinesses that make up the bulk of those in the North East countryside.

Developing new ways of working: More policies and programmes are now being developed and delivered at the regional or local levels and these must deliver to rural areas as well as urban. Key principles in this are better co-ordination between public bodies and allowing for the development and piloting of new approaches.

Relevant strategies, action plans and other documentation

Regional Economic Strategy: One NorthEast states that, in order to achieve sustainable growth, the North East must concentrate on six priorities: create wealth by building a diversified, knowledge-driven economy; establish a new entrepreneurial culture; build an adaptable, highly skilled workforce; place universities and colleges at the heart of the North East economy; meet 21st century transport, communications and property needs; and accelerate the renaissance of the North East. The implementation of this strategy is mainly devolved to sub-regional partners, which in relation to the rural areas of the region, are largely covered by Northumberland, County Durham and Tees Valley.

England Rural Development Programme: The ERDP Regional Planning Group produced the following aspiration - 'to promote and enhance the natural and cultural assets of the rural North East; to improve the quality of life for those living and working in local communities and encourage the growth of the economy with the principles of sustainable development'.

Existing initiatives

Foot and Mouth: The North East has suffered two damaging outbreaks of foot and mouth and some parts of the Region are still infected by the disease. Following the first outbreak, in the spring One NorthEast was allocated £5.5 million to support business recovery; it spent £2.3 million directly on three grant schemes - Interest Relief, Investment Support and Marketing.

Rural Action Plan: One NorthEast was already in the process of devising a Rural Action Plan prior to the foot and mouth crisis, however, the disease has now focussed the attention of the Region on rural recovery.

A draft Rural Action Plan was published in October. Produced in partnership with Government Office North East, North East Assembly and the Countryside Agency, the aim of the Plan is to provide the focus for a coherent and co-ordinated approach to future rural development within the region. It identifies the key actions which will make the most difference to the rural areas of the North East over the next 3-5 years The Rural Action Plan also provides an opportunity to influence the development and implementation of National and Regional policy.

Rural Action Plan - 10 priorities areas for action.

1. The development and diversification of land-based businesses
2. Influencing the reform of the National and European Rural Policy
3. The development and promotion of rural tourism
4. Developing a diversified rural economy
5. Developing an enabling planning system that facilitates sustainable rural development
6. Investing in market towns and local service centres
7. Realising the opportunities offered by Information and Communication Technology
8. Developing vibrant rural communities
9. Developing integrated rural transport
10. Developing new ways of working

Northern Rural Network (NRN): The Northern Rural Network was established in autumn 2000 to bring together a range of rural public agencies, private businesses and the academic research community in a forum to discuss rural development issues, and research needs, in the North East. The NRN includes four of the region's universities, and is co-ordinated by Newcastle University's Centre for Rural Economy.

Priorities, issues and potential actions for future rural development in the region

Delivering the Rural Action Plan is a key priority for One NorthEast and its partners. Key initiatives in this are:

Rural Proofing: Developing a regional methodology for 'rural proofing' and applying it to regional strategies, programmes and policies.

Sub-regional partnerships (SRP): There are four sub-regional Partnerships within the region (Tees Valley, Durham, Tyne and Wear and Northumberland). Each SRP will take account of the Rural Action Plan when preparing their own three year, rolling action plans as well as ensuring they are 'rural proofed'.

Piloting Integrated Rural Development: There is a need to roll out new area based initiatives, where the priority is to work with local people to develop integrated approaches to economic, social and environmental development of a defined area. At the same time the approach involves a range of statutory and other players pooling budgets, sharing objectives and piloting flexibilities in delivery.

THE NORTH WEST REGION

Main rural development issues and characteristics

Around 80 per cent of the land area of the region is rural. Like many regions, the North West is one of contrasts ranging from the fertile plains of Cheshire and the Fylde to the sparsely populated fells of Cumbria and North Lancashire. The Regional Economic Strategy identifies a number of key issues, including:

- the vulnerability of the farming sector, especially in upland areas
- this has been exacerbated by the impact of CAP reform and WTO agreement
- lack of entrepreneurial activity in some sectors in rural areas
- poor access to economic and business development services, including business support, training services, communications and premises
- a planning system that can hamper enterprise development
- inadequate transport and communications infrastructure.

The quality of the region's landscape and environment is a positive attribute. This includes a National Park and numerous areas of scientific and conservation interest. These areas have considerable tourism, recreation and leisure potential. However, the North West rural economy has experienced considerable pressure in recent years. Reorganisation of the agricultural sector has been compounded by BSE and, more recently, the FMD crisis. Falling farm incomes and the threat to farming livelihoods has been combined with a significant impact upon the tourism sector and wider rural economy. These impacts have been felt most in the uplands and fells of Cumbria and Lancashire, where the viability of much of the farming activity was already marginal.

FMD has had severe consequences for the rural economy. Around 40 per cent of the outbreaks nationally have been in Cumbria. The original estimate of the impact was that 29,000 jobs were 'at risk', based on the anticipated loss of £698 million in output in 2001 with around two thirds of this impact occurring in Cumbria. The estimates have subsequently been updated – the new forecasts anticipate 22,000 jobs at risk.

NWDA suggested that there are fundamental risks for the farming community in the longer term, especially in the upland areas of the region. One scenario is that there could be large-scale movements off the land, which would have major implications for the management of the landscape and environment. The impact on the wider rural economy would be significant. One solution could be to encourage farmers to stay on the land by introducing schemes that would help to make their enterprises viable, including environmental management and diversification.

Relevant strategies, action plans and other documentation

ERDP: The North West regional chapter of the ERDP states that the aim for the North West should be: 'to create a thriving and diverse rural economy which improves the living standards of the people, safeguards and enhances the countryside and its environment, and better integrates the rural and urban communities of the North West'.

Regional Economic Strategy (RES): The RES presents the rural economy as a cross-cutting theme. The importance of the rural economy and the commitment of the RDA to its development is clearly communicated. One of the four strategic strands, Investing in Image and Environment has a strong focus on the landscape and environment of the region's rural areas. A strong theme is the role of NWDA in encouraging the process of diversification in the rural economy.

Specific initiatives, priorities and issues for future rural development

General rural development activity (prior to FMD)

The RDA's activities in the rural parts of the North West, prior to FMD, had focussed upon:

- the continuation of the RDC's former activities in the RPAs (around £1 million a year), including its core programmes
- the emerging market towns initiative
- other mainstream programmes (eg. SRB and business support) delivered in rural areas
- the development of sector strategies and action plans, including the launch of a major strategy for the agrifood sector
- other research or special initiatives, such as the review of the role of planning services in rural areas and a study of ICT infrastructure in Cumbria.

FMD related initiatives

FMD has contributed to a significant change in the focus on and resources available for rural development in the North West. The main points are outlined below:

- a total of £16 million has been made available for the Business Recovery Plan, including £4 million from European Structural Fund programmes, with around 80 per cent being targeted on Cumbria (11 per cent Lancashire, 8 per cent Cheshire). The focus is upon:
 - funding to Business Links to enable emergency survival advice (including use of a Survival Kit)
 - other direct assistance to businesses that have participated in the above
 - funding, via the Tourist Boards, to enable marketing to encourage visitors back into the countryside
 - the implementation of regeneration initiatives focused on rural economy and communities.
- under the BRP, separate action plans have been produced for each of the counties. Whilst there is a degree of commonality between them, they have been responsive to the particular needs of each county
- the RDA has established a market towns partnership that is currently planning the regional response
- the RDA is working with consultants in the preparation of a Rural Recovery Plan, which will be launched in December 2001
- whilst the RDA Board has not called for the formulation of a rural policy, there is a shift in thinking within the RDA that there is merit in developing a comprehensive regional policy. This would bring greater coherence and clarity to rural development across the region
- RDA wishes to see the right conditions created for the successful diversification of the rural economy, which could include:
 - attraction of high value, low volume businesses
 - improved provision of sites and premises (although there are significant planning issues to be overcome)
 - enhanced business and skills support services and delivery

- enhancing the viability of rural businesses (eg. through adding value to primary foodstuffs)
- improving ICT infrastructure.
- the commitment of the RDA to rural development is demonstrated by the Board's commitment of £20 million per year under its Business Development funding stream (excluding resources for neighbourhood regeneration and market towns)
- Cumbria has developed its own FMD action plan, which advocates the creation of a Rural Action Zone for the worse affected parts of the county.

Other initiatives

Planning facilitation: The RDA is currently pursuing a number of initiatives and projects. For example, NWDA commissioned a study looking at the role of the planning system in rural development and the feasibility of a Planning Facilitation service. The service is being launched shortly and aims to have a staff of five people (one co-ordinator and four planning advisors). The service will aim to raise the level of understanding of planning issues amongst rural businesses and an appreciation of economic development needs amongst planning staff.

Single Budget: The RDA believes that the Single Budget will bring greater flexibility and freedom which will allow resources to be targeted in the most effective ways upon those areas in greatest need. For example, through responding quickly to new crisis which emerge, or by targeting market towns which lie outside the RPA but which nevertheless face significant threats to their future. Whilst there is a fear amongst some partners that the removal of the RPA ring-fence will disadvantage rural areas, the RDA has demonstrated its commitment to rural areas by allocating an additional £20 million, over three years, to traditional regeneration programmes.

Co-ordination, capacity and resources for delivery

- the RDA has been very active on rural development policy over the past 18 months. It has also responded swiftly and effectively to FMD, including the development of its Business Recovery Plan and the emerging Rural Recovery Plan
- the RDA sees itself having a facilitation role – the agency will need to have a key role in facilitating partnership and projects. Local partnerships should take on board responsibility for delivery in most instances
- desire to gain greater integration of policy and action on rural development. There is concern at the fragmentation of responsibility, policy, resources and action for rural areas
- there is a capacity issue amongst delivery agencies in rural areas. Whilst many are now experienced in the preparation of strategies and securing funding, they are less well placed to deliver these strategies. This is due to both a lack of sufficient staff resource and breadth of experience
- need greater flexibility in the use of European resources, so that they can be utilised in a more flexible way in tackling crisis such as FMD
- there is concern that the target framework for RDAs, including the possibility of reporting outputs for RPAs / PRAs, may constrain flexibility for spatial targeting
- there is considerable scope to enhance tourism planning, product development and marketing for rural areas with potential for a more active RDA role.

THE SOUTH EAST REGION

Main rural development issues and characteristics

There are many misconceptions about the nature of rural areas and the rural economy in the South East. Whilst in general terms rural parts of the region are prosperous and accessible, there are significant problems of disadvantage, surprisingly poor access, and competing pressures on the countryside in some areas. Throughout the region, there are pockets of rural deprivation, remoteness and need, which are often not fully reflected in the usual data and indicators. The disparities in rural incomes, lifestyles and expectations are generally greater than in other regions.

The region extends from Milton Keynes in the North West to the Solent in the South West and to Kent. The region is unusual in that one of its main economic drivers, London, lies outside the region. In broad terms, the West and South West of the region have a highly successful economy, with associated major development and congestion pressures. The East of the region, particularly Kent and East Sussex includes areas of significant deprivation and disadvantage, including former coal-fields areas and deprived seaside towns.

The landscape quality is recognised by the South East England Development Agency (SEEDA) as one of the region's main economic assets and integral to the region's competitiveness. Large portions of the region are designated as Green Belt or Areas of Outstanding National Beauty, and National Park status is to be applied to the South Downs and New Forest. There are significant (and often competing) development and land-use pressures in the region, particularly in respect of housing, business uses, and transport infrastructure.

Whilst the agricultural and horticultural sector in the region is relatively small, it is highly diverse, and vital for the successful management and enhancement of the landscape. Some of the regions' most important landscape assets (such as downland or woodland) are dependent on some of the most vulnerable sectors of agriculture (eg. sheep farming). The region has significant areas of woodland, and horticulture production.

Farming in the region has been subject to similar competitive pressures as elsewhere, and this has been further exacerbated by the ageing demographic profile of some parts of the area and the range of alternative employment opportunities. The sector has not fully exploited the possibilities deriving from proximity to major centres of population due to insufficient vertical integration and structural / infrastructure weaknesses in local and regional supply chains. Whilst there have been relatively few cases of FMD in the region, an adverse impact has been the business failure of the region's major abattoir.

Relevant strategies, action plans and other documentation

The Regional Economic Strategy, Building a World Class Region contains a specific rural chapter, World Class Rural Economy. The main rural development priorities for SEEDA are to:

- harness people's cultural attachment to the countryside to the economic benefit of the region
- encourage fully integrated approaches to sustainable land management
- use modern technology to support sustainable forms of business/enterprise development in rural areas
- sustain and enhance the social and community infrastructure in rural areas - particularly deprived areas

- sustain and enhance the quality of the environment in rural areas
- develop effective indicators of rural success and disadvantage and disseminate best practice.

The Rural Action Plan: This is in the form of a concise checklist of main projects and initiatives under the broad headings set out in the RES. It outlines the main partners, timescales, funding requirements and dependencies for each milestone, and indicates whether SEEDA is to adopt a lead or supporting role.

SEEDA Business Plan: The 2000/01 Plan set out the priority objectives for rural development, the key initiatives, milestones and the total funding allocation for the year (which is modest in comparison to other regions). The Business Plan for 2001/01 does not contain a specific section on rural development priorities. These are intended to be reflected under the range of other broad headings (eg. Business Growth and Investment, Sustainable Development).

Specific initiatives

Work to date:

- the Rural Development Programme is delivered in the region's designated Rural Priority Areas (Kent, East Sussex, Isle of Wight)
- SEEDA have taken forward a range of projects in relation to farm diversification, rural tourism and local produce, and woodland regeneration
- support to rural communities has been delivered through projects under the RDP, Redundant Building Grants, and a series of small community-led projects that have received SEEDA funding
- skills and business support issues have been addressed through a series of small projects, and by influencing and working with the SBS franchises and the LSCs
- SEEDA has encouraged and supported a range of projects in small rural towns / market towns
- SEEDA has very limited resources in the area of rural development and has therefore had a strong focus on influencing and helping co-ordinate the work of others and on disseminating best practice.

Current and future projects

FMD Recovery: SEEDA have received relatively modest funds for FMD recovery initiatives. The focus of FMD recovery activities has been on: working with the two regional tourist boards to improve the promotion and strategic development of the rural tourism business; delivering direct assistance and support to rural businesses; and the development of a Livestock Revival Plan (see below).

Livestock Revival Plan: SEEDA, in conjunction with partners, are developing a Livestock Revival Plan, which will address needs for improved supply chain infrastructure, and specifically abattoirs, meat processing and distribution provision.

Rural Enterprise Hubs: SEEDA intends to develop 25-30 'Enterprise Hubs' across the region, with at least three of these aimed at the rural or land-based sector. An Enterprise Hub is a business-led network and local community of entrepreneurs who will lead each hub under the auspices of a 'hub director'. The Enterprise Hubs will contain incubator business space, provide links to business 'angels' and financiers, and links to R&D activities in universities and research centres. SEEDA are considering how the concept can best be rolled out in rural areas. There is already an Enterprise Hub developing in Kent with a focus on the Horticulture sector. It may be appropriate for other hubs in rural areas to have a less specific sectoral focus.

Priorities and issues for future rural development in the region

Support and development for the land based sector

As a priority SEEDA intend to take forward a range of initiatives to provide support for the land-based sector in addition to the Livestock Revival Plan (see above), including those set out below:

- practical projects and strategic development of local supply chains for the agriculture sector, including focussing on developing improved access and linkages to local markets, and enhanced co-operation between local rural businesses
- local produce initiatives to support the development of farmers markets in smaller towns, to enhance linkages with tourism, and to improve the local / county-based branding of food produced in the region
- farm diversification will be an important focus of activity. This will not only include diversification to non-farming (eg. agri-tourism) uses, but also encompass areas of business such as alternative energy and 'industrial' crops, and encourage closer links between farmers and other industries
- SEEDA also consider there is scope for integrating agriculture more closely with other sectors of the economy and with objectives for better environmental stewardship
- the region's rural areas and agriculture sector suffered particularly badly in the flooding last winter. Future climate change and increased flooding will pose further challenges for agriculture in the region. Farmers have potentially an important role in assessing land-use implications and in water catchment management schemes.

Help for rural businesses

Business Support and Skills: It is considered important that business support and learning and skills activities address the needs of all rural businesses – not just those in the agriculture and tourism sectors. SEEDA consider there is an important need for the provision of planning advice to rural businesses. SEEDA stress the difficulties and lack of incentives for the SBS franchises and the LSCs to deliver effective support and training services to rural businesses. It was felt there was a valuable role for RDAs in helping the SBS franchises and LSCs develop client 'maps' and relationships in rural areas – possibly through demonstration projects.

Enterprise and innovation: SEEDA intend to develop a series of rural Enterprise Hubs (see above), as well as promote diversification and new market opportunities for rural businesses.

Support for communities and rural/market towns

- SEEDA have only limited resources to fund market towns initiatives. However, small sums of funding have been a catalyst for support for community-based projects in market towns – particularly in areas that do not usually receive special programme funding
- in the context of limited direct RDA resources, EU programmes (such as ESF and INTERREG) have proved important funding mechanisms. For example, the Kent Downs Management Plan, which includes the types of initiatives listed above, are now working in close partnership with the Foret Boulonnais in France under the INTERREG programme
- SEEDA emphasise the need to focus on encouraging community-led initiatives to improve Village Services, and had developed a Rural Challenge project on this theme.

Funding, resources and partnership working

Core regional partnership relationships: SEEDA have developed strong and successful partnership and joint-working relationships with GOSE, the regional office of the Countryside Agency and MAFF, leading to good co-operation and co-ordination of activity. More recently, the transition to DEFRA and the incorporation of former MAFF activities and staff into GOSE has changed the previous working arrangements.

Implications of the Single Budget: The full implications of the Single Budget are yet to be seen. In the short to medium term, it will allow the possibility of rural recovery issues to be more holistically addressed across SEEDA's work. SEEDA's present Regional Economic Strategy and Business Plan have a very specific rural development theme and it is considered essential that this rural theme continues to maintain the profile, priority and focus applied to rural issues.

THE SOUTH WEST REGION

Main rural development issues and characteristics

The South West is a predominantly rural region. The high quality and attractive environment, coastline and landscape of the South West are major assets for the region. One third of the region is nationally designated for its landscape quality. The environment has been identified by SWRDA as a key driver for a sustainable and successful economy. The South West's rural economy has a strong dependency on agriculture and tourism compared to elsewhere in the UK and both are directly interlinked with the high quality of the environment. The region is highly diverse, not only between its urban and rural areas but in terms of its accessible rural and remote rural areas. The economies in more remote rural areas such as parts of Cornwall, north Devon and west Somerset are likely to have higher dependencies on agriculture and tourism and therefore a tendency to be more fragile in comparison with the economies of more accessible rural areas.

The peripherality of parts of the region, particularly Cornwall and parts of Devon, affects the competitiveness of local economies. Low levels of accessibility to and within the more rural and remote parts of the region remain a challenge for rural development. Dependency on tourism in many of these areas creates employment patterns associated with seasonality and low pay.

The rural nature of much of the region means rural development is a core element of almost all of SWRDA's activities. The particular issues concerning rural development are as follows:

Tourism development: High tourist numbers and the high quality and sensitive nature of the environment create capacity constraints on further tourism development. The focus is therefore on improving the quality of tourism, increasing spend per visitor in the local economy and increasing visitor numbers in 'shoulder' periods (mid-season) or low season.

IT infrastructure: A lack of adequate IT infrastructure is constraining economic development in some rural areas within the region and is identified as an issue in developing the quality of rural tourism. One of the principal issues is that broad band infrastructure is not viable in the region's more remote areas. SWRDA are working with telecommunications companies to identify how the infrastructure might be developed.

Single pot funding: The South West is currently allocated approximately one third (approx. £9 million) of the Rural Programme funding by DEFRA. This funding will form part of the single pot funding for RDAs (from April 2002 onwards).

Structural Funds: Cornwall is in receipt of Objective 1 funding for 2000-06. SWRDA is contributing significant match funding in order that the opportunities presented by Objective 1 can be maximised and to avoid de-commitment (whereby Objective 1 funds not committed can be clawed back by the European Commission). In addition, Plymouth and Devon have Objective 2 status. Given the pressures on Structural Funds for the UK, which stem primarily from the proposed EU enlargement, the South West is unlikely to receive significant funds under the next round. Proactive working within the EU to secure maximum funding particularly transitional funding for Cornwall will be important for future rural development in the South West.

Economic viability of farming: Given the importance of agriculture to the South West economy, the future of UK agriculture and CAP reform will have a direct impact on the region's rural development. There is a demographic issue associated with this in that the age profile of farmers in the region is high (mid-late 50s) and the cost of entry into the sector is high. Adaption and diversification within the agricultural sector presents a core challenge for rural development in the region and increases in importance further west into the region: the importance of agriculture in the rural economy increases westwards in the region, where there is greater dependency on livestock and where the rural agricultural economy is therefore suffering most.

Relevant strategies, action plans, other documentation and existing initiatives

'The South West of England Regional Policy in a Rural Region', undated, DTZ Pidea Consultancy for SWRDA: This emphasised the need to make rural issues central to the delivery of all RDA programmes. In particular, it identifies the:

- importance of support for micro-business
- need to avoid urban bias in programme delivery and to ensure this is tailored to the needs of rural firms
- value of capitalising on the built heritage assets of the region
- value of linking conservation programmes with economic and social development.

Rural Action Plan for the South West: Following a consultation period, the draft Rural Action Plan will be presented to the RDA's Rural Sub Group in October. The draft Action Plan identifies actions for SWRDA in the areas of:

- environmental management and the role of the environment as an economic sector
- agriculture and land-based sector initiatives
- transport including the service roles of market towns which can reduce the need to travel long distances
- rural tourism
- support for market and coastal towns
- skills and learning in rural areas which is directly linked to rural development sectors
- rural business space provision
- needs of young people, particularly in accessing employment, education and training
- service delivery and infrastructure in rural areas.

The Plan identifies the need for SWRDA to involve and engage with a wide range of partners to ensure delivery and to focus on mechanisms to facilitate brokering arrangements.

The current draft (June 2001) also refers to the potential significance of climate change. The region has seen very heavy rainfalls in the last two years which has created flooding problems affecting agriculture and rail routes in the region. Together with an increase in temperature, possible climate change would have implications for the type of agriculture in the region, for tourism and for industry more widely.

FMD Recovery Plan: A £3 million package of funding is being delivered in two stages. Phase 1 totals £1.975 million to March 2002 and Phase 2 to the end of September 2003. There are five main strands to £3 million package:

- increased marketing of the region, both nationally and internationally to encourage visitors and businesses to visit and relocate to the South West
- provision of business advice - £500,000 is being used to match the FMD Business Recovery Fund announced by the government, £11 million of which is available to the South West region. The business advice provided is an adaption of the farm business advice service

- research and economic intelligence on the impact of FMD on the region;
- community regeneration of those communities most severely affected by FMD
- further support for counselling and advice services.

Existing initiatives

Adaption of farm business advice service (FBAS) model for businesses ancillary to farming:

The FBAS model has been adapted by SWRDA in order to provide advice for those businesses which are ancillary to agriculture, eg. milk transporters, adventure sports companies, as part of SWRDA's FMD recovery plan. Eligibility criteria are stringent in that companies are required to demonstrate that their forecast turnover is reduced by 60 per cent or more as a result of FMD in order to qualify for assistance.

AgriNet: This is an initiative which promotes the use of IT in the adaption and diversification of the agricultural sector in the South West. More details are available at: www.agrinet.org.uk

SWARD: South West Agricultural and Rural Development. This aims to facilitate adaption within the rural sectors given the changing scientific, technical and business environment. The initiative has established local groups within the South West including a group of sheep and beef producers who are developing rural tourism facilities, a group of organic producers and a dairy/cattle nutritional improvement group. SWARD activities include technology transfer, learning networks and collaborative marketing projects. More details are available at www.project-sward.com

Rural development programmes inherited from the Rural Development Commission: These include Redundant Rural Building Grant and Rural Partnership Workspace Programme.

Redundant Building Grants for Farmers: This scheme is an adaptation of the existing Redundant Building Grant Programme and aims to develop buildings that are unused or unsuitable for their intended use, in order to create new sources of income for farmers.

Market and Coastal Towns Initiative: This regional initiative allows local town partnerships in the South West to secure funding to deliver training, employment and other projects to revitalise their communities. The initiative's main strands concern partnership development and capacity building, strategic action planning and sharing of best practice, including the mechanisms to achieve this.

Sectoral initiatives – Food and Drink, Tourism: Support for these two sectors is often interlinked such as through initiatives to promote local sourcing and use of local produce by hoteliers. As part of its support for the tourism sector, SWRDA has an airport strategy to develop and encourage increased use of its airports by tourists. It also supports the development of all weather attractions and the need to ensure more tourism facilities are on a national grading scheme. SWRDA has a concordat with the Tourist Board. One of the initiatives to emerge from this co-working are the one day placements of Business Link Business Advisors with South West Tourism in order to better understand the South West tourism industry.

Priorities and issues for future rural development in the region

Support and assistance for rural businesses: This has often been constrained by the delivery mechanisms which make urban businesses easier to target and assist.

Support for tourism development: This should adopt a strategic approach to the need to improve the quality and reduce the seasonality associated with tourism in the South West.

Agricultural adaptation and diversification: There may be an opportunity to further develop or expand existing successful initiatives such as Agrinet. The long-term future of agriculture for the region and SWRDA's role in this can be driven by the RDA's representation on the Government's Commission for the Future of Farming and its participation in reviewing the ERDP SW chapter.

IT infrastructure: The lack of adequate infrastructure represents a major challenge for the future rural development of the South West. If a market-led approach is continued, parts of the region will continue to lack adequate infrastructure: parts of the region will only see low usage in absolute terms and it will therefore never be viable for the market to improve the infrastructure. If the lack of infrastructure is to be addressed, some form of market encouragement/ intervention will be required.

Structural Funds, CAP reform and Single pot funding: These all represent challenges in terms of the future funding available for rural development in the South West. SWRDA will need to be proactive in working with the relevant bodies in order to achieve an outcome that is appropriate and as favourable as possible.

THE WEST MIDLANDS REGION

Main rural development issues and characteristics

The region's rural areas range from the upland marches to the west (Hereford, Shropshire), the uplands areas to the north east (Staffordshire Moorlands and parts of the Peak District National Park) and the lowlands to the west (Warwickshire and parts of Worcestershire). The agricultural sector is particularly diverse and versatile, ranging from upland sheep and beef farming to large-scale grain and fruit production.

The remoter parts to the west and north east are more sparsely populated and heavily dependent upon agriculture. Farms in these areas are relatively small and have experienced dramatic falls in farm income. These are particularly vulnerable to structural change in the industry. The opportunities for diversification – other than into tourism and small scale processing – tend to be limited.

In contrast the rural areas to the east are characterised by lowland farmed landscapes, with some significant concentrations of activity such as fruit production in the Vale of Evesham. Change in these areas is more likely to be driven by proximity to urban markets. The intensification of farming in these areas poses environmental challenges.

The region includes a number of important environmental assets, including parts of the Peak District National Park, lowland grasslands and heaths, and important river habitats. The good accessibility of the region's rural areas has led to in-migration of commuters and increased popularity amongst recreational visitors.

Particular threats and weaknesses include:

- limited added-value processing within the region
- an underdeveloped rural tourism sector
- the threat to sensitive environmental assets
- limited understanding of the importance or nature of the rural economy.

Relevant strategies, action plans and other documentation

The regional section of the ERDP: The aim of the ERDP is 'to support, create and enhance a competitive and diverse economy, strong communities and a healthy environment which uphold the principles of sustainable development'.

Regional Economic Strategy: The RES sets out four pillars through which its strategy will be implemented. Further details of the actions underpinning these pillars is set out in an Agenda for Action document agreed with regional partners. The pillars are to:

- develop a diverse and dynamic business base
- promote a learning and skillful region
- create the conditions for growth
- regenerate communities.

The RES treats rural development as a cross-cutting theme and the RDA has not sought to develop a separate rural development strategy or policy document for the region.

Rural Accord: AWM and partners have developed a Rural Accord which sets out an ‘understanding’ of the respective roles and responsibilities of the partners.

Rural Development ‘Framework’: AWM’s preference is to develop a rural development ‘framework’ rather than a strategy or action plan for the region. The purpose would be to bring ‘interconnectivity’ to the work of rural development agencies. This will develop the general principles of the Rural Accord into priority action areas, and would give some substance to the general theory.

Specific initiatives, priorities and issues for future rural development

The focus of the RDA’s rural programme activities has to date been driven by the inherited activities of the former RDC, Government Office and English Partnerships. However, over the past 18 months the RDA has developed a number of policies through which rural development activity will be focused.

Regeneration zones and other special area designations

One of the six Regeneration Zones (RZs) that have been designated for the region is focused on the rural Marches to the west of the region (covering Herefordshire, parts of Shropshire and parts of Worcestershire). It covers the majority of the rural part of the Objective 2 area.

The purpose of the RZs is to concentrate resources in the areas of greatest need and opportunity, as well improving the co-ordination of regeneration activities in these areas. In the coming years the Regeneration Zones will receive around 70 per cent of the Agency’s resources. The RZs bring together all aspects of the RES’s economic development priorities. The designation of the rural RZ will see a focus of the RDA’s resources allocated for rural development targeted into this area. This could mean less resource for the other rural areas in the region, especially the more buoyant rural parts of Worcestershire and Warwickshire.

The Staffordshire part of the Peak District is incorporated in a priority designation for the East Midlands Development Agency.

Sector clusters

A number of the region’s designated target business clusters are focused on sectors that are of particular importance in rural areas. These include food and drink processing, tourism and high value creative products. These clusters will be the focus of integrated sector strategies, to draw together a package of business development and support measures. Business-led action planning is proceeding for these clusters during the course of this year.

Market towns initiative

The recently launched market towns initiative will focus on market towns across the region, not just those in existing area designations. The RDA will need to ensure the programme dovetails with the area designations. Around £2 million is available over three years from the specific funds allocated by Government. The Agency anticipates providing further resources to augment that funding

Infrastructure

Action to improve access to the West Midlands ICT broadband infrastructure has a strong rural focus especially in the western part of the region.

FMD recovery

In addition to the Business Recovery Plan, the RDA has responded to the FMD crisis through co-ordinating a regional response, with partners to the economic impacts. This includes research to assess the nature and scale of the impacts upon communities and businesses and the development of an 'action plan'. The plan will provide a focal point for a more co-ordinated approach to rural development in the region.

Future issues

Single Budget: The Single Budget will enable the RDA to focus resources upon key policy initiatives. However, the RDA is concerned at the potential restrictions that may be imposed through the Single Budget in terms of specific output requirements which may restrict rural development activities on the basis of the RPAs.

Influencing Government: It was felt that the RDAs should collectively develop the means to 'plug into' and influence the thinking of Whitehall. It was felt that RDAs weren't getting the regular access to Senior Ministers and officials in all Departments they needed to shape policy thinking. The RDAs should also seek to shape policy development in DEFRA. For example, despite being at the margins of the RDAs' responsibilities, they should be influencing DEFRA thinking on CAP reform. There is the danger that rural development becomes less of a priority once FMD is tackled, and hence collective momentum is lost (although the underlying economic, social and environmental problems will not go away).

Data and intelligence: There is a need for a better co-ordinated means of disseminating intelligence on rural research, policy and initiatives at a national level. Contacts between the former officers of the RDC remain good, but need a formal and effective mechanism for sharing information and good practice. The Countryside Agency has a key role in the collection of information and conduct of research on rural issues. Advantage West Midlands believe that there is greater scope for that Agency to co-operate with others in planning and disseminating its research.

Co-ordination, capacity and resources for delivery

AWM pointed to a number of issues and challenges. There is fragmentation of funding, in part as a consequence of the Rural White Paper and the ERDP, and a multiplicity of organisations with a remit for rural development. There is a vital need to secure a consensus of priorities and purpose amongst the organisations and agencies working in rural areas, and hence an integrated approach is needed. It is considered there also is a need to clarify the role of DEFRA and how it fits with regional organisations.

FMD has helped to raise awareness of and funding available for rural development. However, there is arguably a skills gap that needs to be tackled. That is, the key delivery organisations and agencies lack the staff and the skills that are needed to deliver across the breadth of the rural agenda. Many of these organisations are very experienced in the development of strategy and securing funding, but less well placed to deliver. The RDAs and the LSPs need to work together to tackle this issue.

Although all the RDAs have a similar strategic focus on rural development issues, they have developed different approaches, and need to learn from these approaches and experiences.

The Rural Accord has been successful in setting out the respective roles and responsibilities of the agencies and this has helped to develop partnership working.

Regional partners have agreed Priority Areas for rural development in the shape of the Rural regeneration Zone. This is still in its infancy and will ideally be used by other agencies for allocating resources.

THE YORKSHIRE AND HUMBER REGION

Main rural development issues and characteristics

Yorkshire and Humber has a variety of assets and potential. Leeds is one of the fastest growing cities in Europe, for example. Four-fifths of the region's territory is rural, although the rural landscape is diverse, spanning heather moorland, isolated woodland, wetland and grassland, sea cliffs and mudflats. Some 21 per cent of the land area is designated as National Park (the highest proportion of any English region), yet intensive farming and industry have severely degraded other areas. Because of the poor quality of land, especially in the North York Moors region, many farms have diversified into tourism. The uplands suffer from inflated house prices fuelled by the prevalence of second homes; prices are double the regional average, yet incomes are 60 per cent of the national average. In the region's lowlands the agricultural land is good quality, yet net farm incomes have been in sharp decline. The region accounts for 30 per cent of the British pig herd, and the sector has been hit hard by the decline of farm incomes, and the effects to the economy in rural areas have been substantial. Particular issues concerning rural development are as follows:

Tourism development: Yorkshire is one of the top tourist markets in the UK, although FMD has led to a 15 per cent drop in visits and 19 per cent drop in tourist spending in 2001. Many overseas visitors focus on the city of York, although the region's National Parks are also a major tourist attraction. The strategic challenge for rural tourism is to attract higher spending segments of the market, and to improve product and service quality.

Foot and mouth: North Yorkshire has recently become one of the main FMD problem areas, with 'hotspots' around Settle and Thirsk. Immediate disease control concerns therefore still loom large in the region, and the number of farmers having their livestock culled out has increased steadily over recent weeks.

Structural Funds: South Yorkshire has Objective 1 status, and suffers from economic decline as a result of restructuring of coal mining and other heavy industries. In this area, rural development measures are included in the Objective 1 programme.

Market towns: The region was selected to pilot the market towns initiative, and Yorkshire Forward see the MTI as their 'flagship' scheme for rural regeneration. MTI is about to move from pilot to mainstream mode.

Single pot funding: Yorkshire Forward have been keen to move away from a spatial-designation approach to rural development funding, and so its Rural Priority Areas are to be phased out. Some see this as a threat to rural development funding, although Yorkshire Forward expect resources allocated to rural development-type activities to actually increase as a result of the move to single pot funding.

Prioritising rural: Rural development work within the RDA is strategically co-ordinated by a 6-strong team, located within the Environment Directorate. A former Chief Executive of the Yorkshire Dales National Park Authority heads this Directorate. The Yorkshire Forward Board also includes Pamela Warhurst, the Deputy Director of the Countryside Agency, and Lord Haskins, the Government's Rural Recovery Co-ordinator. The RDA is therefore relatively well served with rural development policy expertise.

Relevant strategies, action plans and other documentation

The Regional Economic Strategy: The strategy addresses urban and rural development within the same framework. There was initially no individual 'rural strategy'. The development of urban and rural areas simultaneously is viewed as essential for the region, and helps to reduce the risk of rural marginalisation.

The Rural Development Programme: The programme identifies three themes - environmental, social and economic - that must be developed in an integrated manner. Specific aims and objectives have been established for each of these themes within the Yorkshire and Humber chapter of the ERDP. The Regional Planning Group produced the following vision; 'The rural areas of the region are internationally recognised, distinct and beautiful in character, with a strong cultural identity and heritage. Our vision concentrates on these strengths, to integrate delivery of sustainable development by supporting and growing rural businesses and communities, alongside the wise use of the environment'.

Rural Renaissance agenda: After having decided not to develop a separate rural strategy in the RES, Yorkshire Forward recognised the need to refine and 'refocus' its rural activities in July 2000 with the launch of its 'Rural Renaissance' agenda. Rural Renaissance helps to more closely align the RDAs rural activities to the RES, raises the profile of rural activities, and has involved the restructuring of some financial support under four different RES objectives and the development of a system of rural proofing within the Agency.

Rural Recovery Action Plan: The plan is currently being finalised as a result of FMD. This reallocates some additional resources to rural development (from SRB under-spend elsewhere).

Existing initiatives

Rural Forum: Yorkshire Forward, together with the Countryside Agency and other regional partners, hosted a first regional Rural Forum in Harrogate on 10th July to discuss the actions required from public agencies and others for the future development of the region's rural areas.

Rural Economic Task Force: This is chaired by Yorkshire Forward and involves a small group of key stakeholders in the region, including the Regional Chamber, Government Office, Countryside Agency, National Park Authorities and main economic interest groups. This has been considered to work very well and has helped produce the Rural Recovery Action Plan.

Market towns initiative (MTI): The MTI involves 18 market towns in the region and there is extensive interest and energy surrounding the initiative.

Priorities and potential actions for future rural development in the region

Spending flexibilities: The move to single pot funding ought to increase RDA discretion and flexibility, although the risk is that tight centrally-determined performance targets will undermine this. Separated urban and rural targets actually do little to help 'protect' rural development, it is felt within the RDA. The constraints around current versus capital expenditure impact upon rural development support, which tends to require more current and less capital expenditure.

CAP reform: Little is known about where CAP spending 'ends up' or what benefits it could potentially bring to the rural development of the region.

Inter-RDA working: The three most northern RDAs have productively worked together on some issues (such as jointly funding a US inward investment office, and liaising on the market towns initiative) although there may be even greater scope for sharing lessons and best practice with other RDAs.

Co-ordination of business support: There is no shortage of delivery mechanisms. The issue is one of co-ordination. RDAs should develop a strong voice influencing how other agencies best co-ordinate their business support services in rural areas, but should not directly deliver support in addition to the other agencies.

Market towns health-checks: Yorkshire Forward would like every market town in the region to go through a health-check.

FMD-induced restructuring: Regional monitoring of the impacts of FMD is underway, with a major survey almost complete. There is a need for RDAs to act swiftly to seek to influence how farmers decide how best to make use of their FMD compensation payments in the coming months.



The English Regional Development Agencies are:

Advantage West Midlands

tel: 0121 380 3500
fax: 0121 380 3501
web: www.advantagewm.co.uk

East of England Development Agency

tel: 01223 713900
fax: 01223 713940
web: www.eeda.org.uk

East Midlands Development Agency

tel: 0115 988 8300
fax: 0115 853 3666
web: www.emda.org.uk

North West Development Agency

tel: 01925 400100
fax: 01925 400400
web: www.nwda.co.uk

One NorthEast

tel: 0191 261 2000
fax: 0191 232 9069
web: www.onenortheast.co.uk

South East England Development Agency

tel: 01483 484 200
fax: 01483 484 247
web: www.seeda.co.uk

South West of England Development Agency

tel: 01392 214747
fax: 01392 214848
web: www.southwestrda.org.uk

Yorkshire Forward

tel: 0113 394 9600
fax: 0113 243 1088
web: www.yorkshire-forward.com

National Secretariat

tel: 0121 380 3545
fax: 0121 380 3581