

Rural recognition, recovery, resilience and revitalisation

Strengthening economies and addressing deprivation in
rural and coastal communities

Full report

May 2021

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TRAJECTORY

Rural recognition, recovery, resilience and revitalisation

A report for Local Government Association

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and Mark Pragnell

With research support from Nicholas Royle

And stakeholder focus groups undertaken by Trajectory
Partnership and FieldMouse Research



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Recognition

Recovery

Rural and coastal communities in the round

Making rural and coastal performance and need visible

Addressing often urgent needs of vulnerable households

Supporting jobs and employability

Post-pandemic 'New Normal' behaviours and priorities redefine rural

Re-establishing business viability

Digital dividend as communities become connected like never before

Building economic resilience through innovation or diversification

Defending against climate change while seizing the new opportunities

Revitalisation

Resilience



Executive summary

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Rural and coastal communities have specific challenges that policymakers must recognise.

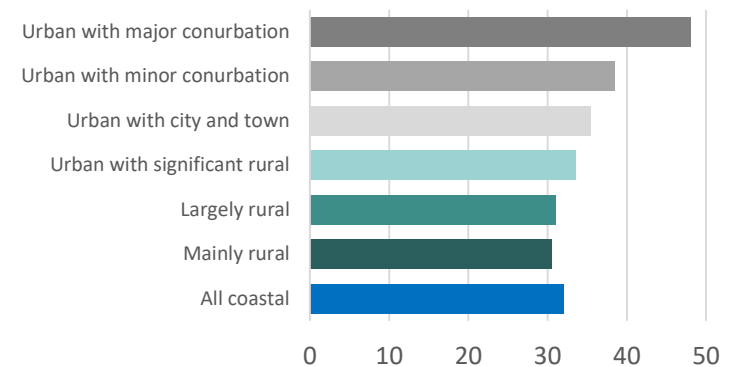
Pragmatix Advisory has been commissioned by the Local Government Association to explore the economic challenges facing rural and coastal areas, with a particular focus on deprivation, and outline what steps government can take to strengthen the recovery and resilience of these communities within the current context.

Many residents of English rural and coastal communities benefit from a high quality of life, the characteristics of which cannot be obtained in the cities and suburbs. From the outside, the chocolate box thatched villages, quaint (former) fishing harbours and breath-taking scenery paint an idyllic picture. However, life in the countryside or on the coast has its own often-distinct challenges with its own problematic social and economic consequences.

Some of these outcomes are visible from official statistics, such as: more poor quality housing; higher suicide rates; more drug-related deaths on the coast; weaker rates of educational attainment; an ageing population; and a £102 billion productivity gap.

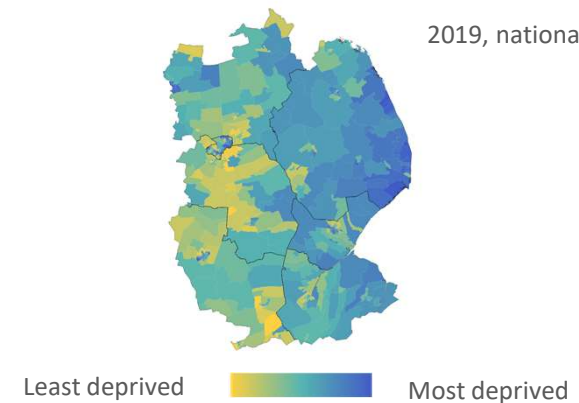
Others are not so evident in the government's data. The use of local authority averages, for example, masks what can be significant localised differences within council areas – which themselves can cover large and varied geographies. Meanwhile, the choice of metrics deployed in the much-used Index of Multiple Deprivation sometimes fails to reflect the nature of rural and coastal disadvantage.

Rate of entry into United Kingdom higher education, by students eligible for free school meals
Local authorities, England, 2015, per cent



88 per cent of farmers under the age of 40 believe mental health is the biggest hidden problem in the agricultural sector today

Lincolnshire: Index of Multiple Deprivation score
2019, national scale



The geographical characteristics of rural and coastal locations – such as low population densities, sparsity, remoteness and peripherality – present social and economic challenges.

Their often-small labour and product market catchment areas influence the costs, scale and nature of economic activity that can be competitively undertaken. Rural and coastal locations have a disproportionate share of small businesses – and only certain industries thrive. Employment patterns are impacted: lower rates of unemployment may mask a paucity of full-time, full-year secure jobs.

Often facing smaller market catchments than their urban counterparts, businesses in rural and coastal areas have less potential to operate with economies of scale. High relative fixed costs make the viability of operations tougher, and the returns on investment weaker. This impacts decisions in the public as well as private sectors.

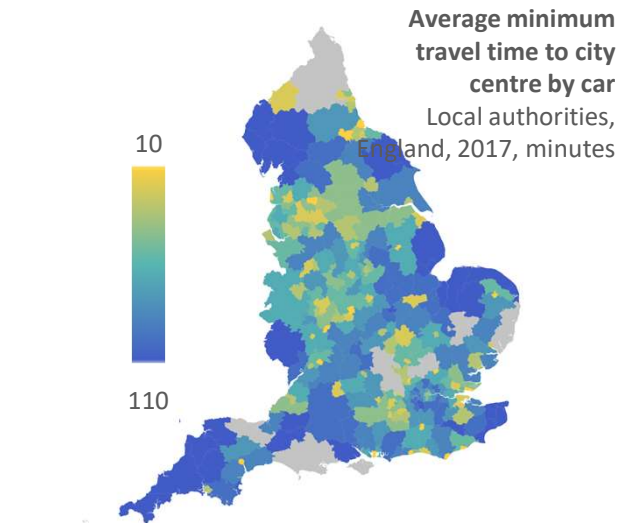
The mix of industries found in rural and coastal communities is limited by the constraints of geography and scale. Although a wide range of businesses can be found in rural and coastal areas, three sectors are often overrepresented: farming, fishing and agri-food; manufacturing (especially food and drink); and tourism.

Key rural and coastal sectors pay substantially below the national average. Jobs in the most rural areas are among the lowest paid, and they are in sectors with high rates of zero-hour contracts and casual working. With a quarter of rural workers not earning the living wage, affordability of local housing is an issue for rural workers in local jobs.

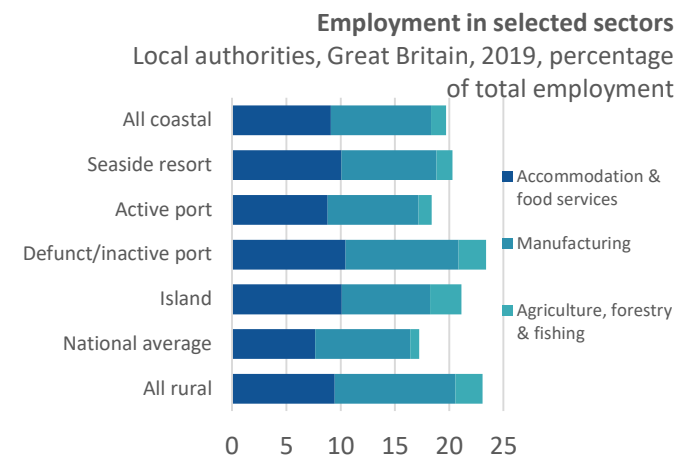
The full impact of covid on rural and coastal economies is yet to be seen.

To date, job losses have hit urban workers harder than rural and coastal workers. The evidence on the uptake of government emergency business support measures suggests little difference between geographies – but there is no clear data yet on the mid-term solvency of businesses after emergency support measures are lifted.

There is a higher proportion of ‘micro’ enterprises, with under ten employees, in rural areas – and small businesses in coastal. Often family-owned and owner-managed, many of these businesses are now vulnerable to failure. Experience of the last recession suggests rural economies can be disproportionately impacted by macroeconomic downturns, and both rural and coastal areas can be slow to recover.



Rural economies have 21 per cent more micro and nano businesses per thousand employees than the national average



Major changes in the way we live our lives provide an opportunity to reset the economic relationship between different parts of the country, and for rural and coastal communities to make a substantial and long-lasting contribution to the sustainable prosperity of UK plc.

The pandemic has stimulated new ways of thinking, and accelerated behaviour changes in consumers and businesses alike. Three trends that have been stimulated or boosted by covid have the potential to redefine the economic value of rural and coastal locations.

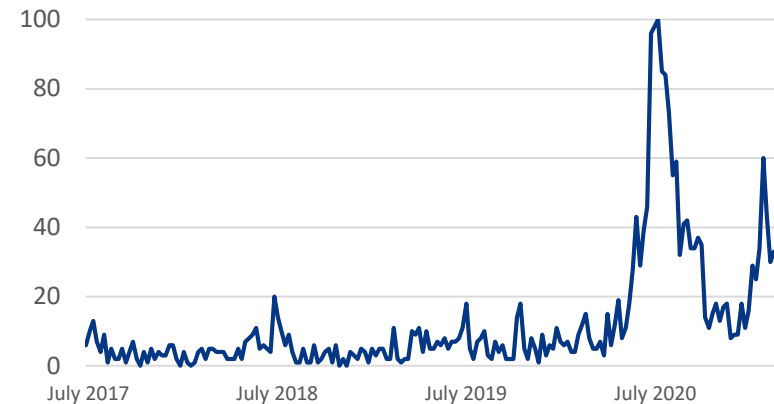
The rise of ‘staycations’ has reminded older and introduced new audiences to what the domestic tourism and leisure sectors have to offer. And, lockdown has allowed many to revisit how and where to carry out ‘office’ work. ‘Green values’ reinforce the importance of England’s natural assets and a local food chain.

If these trends are nurtured, and the appropriate investment is made in rural and coastal communities to leverage the associated economic opportunities, there is the potential for a substantial levelling up of rural areas’ prosperity and contribution.

On plausible yet indicative assumptions, these three trends could contribute £51 billion per annum to the rural economy by 2030. This represents a growth of over ten per cent on the gross value contributed by the rural economy today.

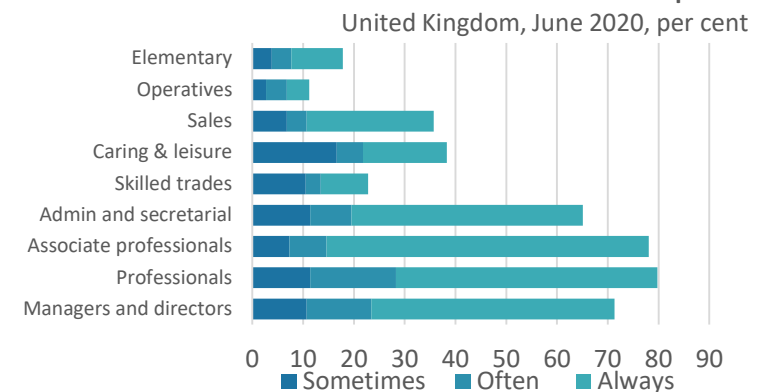
In this context, rural and coastal policy should not be seen purely through the lens of redistribution to reduce inequalities and deprivation. Instead, much the same as urban policy of the past two decades, it should be viewed in terms of investment to deliver sustainable returns to the national economy.

Google searches for ‘staycations’ over time
United Kingdom, peak search interest=100



One in five consumers have opted for low carbon modes of transport, switched to renewable energy or reduced their air travel

Use of home as a workplace during pandemic, by occupation



Our recommendations for government:

Business recovery in 2021

- Ensure businesses survive the pandemic
- Direct communication and support for micro and nano enterprises
- Financial assistance for new start-ups
- Strategic promotion, visitor management and capacity support

Connectivity

- Improved digital and physical connectivity key to unlocking a new economic paradigm
- Redesigned and expanded public transport network
- Superfast broadband and 4G coverage

Homes and built environment

- Provision of sustainable, energy efficient homes for social and genuinely affordable rent
- Revitalisation of town and village centres
- Capital infrastructure investment to mitigate impacts of climate change

Business environment

- More accessible and affordable further and higher education for young people, adult learners and those needing to retrain
- Support for businesses designed and delivered to meet the needs of small businesses
- Shared business space and community networking hubs

Sustainable energy

- National grid needs to grow capacity ahead of future demand, and support feed in from renewable energy schemes
- Scaled up electric vehicle charging network, including provision for visitors as well as resident population

Local delivery

- Recognition and response from Whitehall to specific challenges of varied communities – sparsity, remoteness and socio-demographics increase the cost of delivering local services
- Publish statistics reflecting complexity of rural and coastal communities enabling support to be directed towards areas of deprivation

Outcomes of concern	Underlying challenges	Drivers of opportunity	Policy themes	Specific interventions
	Covid	Addressing immediate threat	1: Business recovery in 2021	1a: Support for micro and nano businesses 1b: Managing the peak season 1c: Mental health
<i>Housing conditions</i>	Geography	Staycations	2: Connectivity	2a: Public transport
<i>Educational attainment</i>				2b: Fixed broadband
<i>Skills</i>				2c: Mobile broadband
<i>Mental health</i>				2d: Digital skills
<i>Crime</i>	Industry mix	Offices revisited	3: Housing and built environment	3a: Affordable housing
<i>Ageing population</i>				3b: Village and town centres
<i>Town centres</i>				3c: Sustainable living
<i>Migration</i>				4: Business environment
<i>Lower wages</i>	4b: Business support			
<i>Productivity gap</i>	4c: Promotion			
	Scale	Green values	5: Sustainable energy	5a: Power grids
				5b: Electric vehicles
			6: Local delivery	6a: Funding and delivery mechanisms
				6b: Ongoing recognition

See Part 2 Recommendations

See Part 1 Recognising the challenges

Rural and coastal challenges

- **Increase in homeworking**
- **Poor broadband speeds**
- **More direct communication needed with smallest businesses**
- **Fewer opportunities for business networking**
- **Lack of footfall in town and village centres**
- **Fragmented local services each struggling for viability**

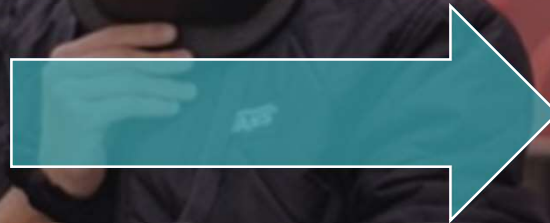
Rural and coastal opportunities

Village hubs and GigaPubs

Spaces which combine hot desking, business networking, gigabit broadband and a café or coffee shop element.

Rural and coastal challenges

- **Low HE uptake**
- **High costs and poor connectivity of transport links to college**
- **Increasing demand for niche skills**
- **Need for understanding of new technology and equipment**
- **Lack of specialist courses available locally**



Rural and coastal opportunities

Hybrid education and training

Training and courses which combine online and workplace learning with in-person delivery at both local colleges and regional/national specialist centres of excellence (with 16+ residential accommodation)



Part 1: Recognising the challenges

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Challenging social and economic outcomes

The quality of rural and coastal life isn't as it may seem.

Many residents of English rural and coastal communities benefit from a high quality of life, the characteristics of which cannot be obtained in the cities and suburbs. From the outside, the chocolate box thatched villages, quaint (former) fishing harbours and breath-taking scenery paint an idyllic picture. But life in the countryside or on the coast has its own often-distinct challenges with its own problematic social and economic consequences.

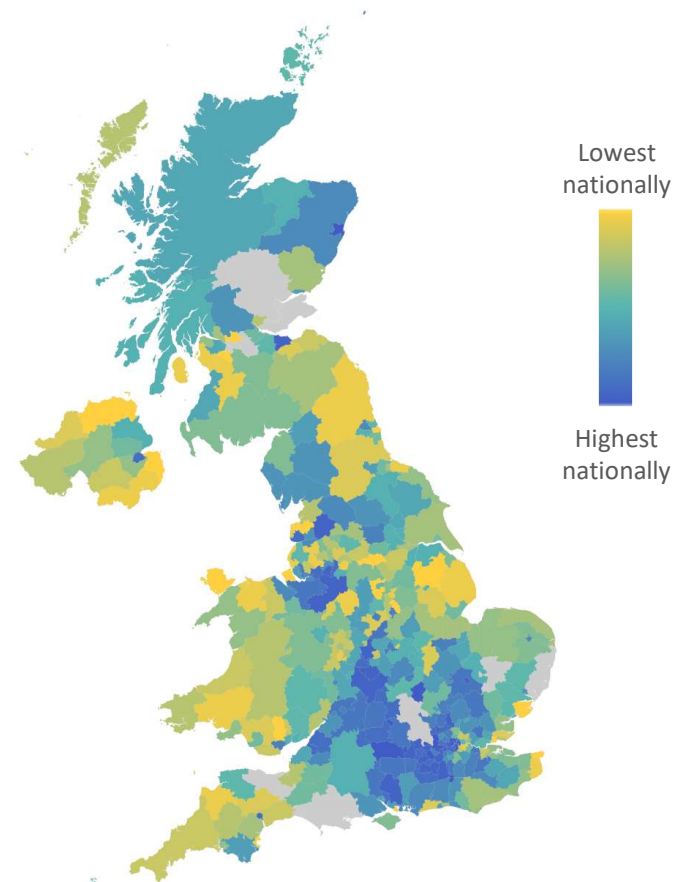
Some of these outcomes are visible from official statistics, such as: more poor quality housing; higher suicide rates; more drug-related deaths on the coast; weaker rates of educational attainment; an ageing population; and a £102 billion productivity gap.

Others are not so evident in the government's data. The use of local authority averages, for example, will mask what can be significant localised differences within council areas – which themselves can cover large and varied geographies. Meanwhile, the choice of metrics deployed in the much-used Index of Multiple Deprivation sometimes fails to reflect the nature of rural and coastal disadvantage.

Part 2: Recommendations report identifies specific policy interventions to address key issues:

- 1c. Mental health
- 3a. Affordable housing
- 3b. Village and town centres
- 4a. Skills pipeline
- 4b. Business support
- 6a. Funding and delivery mechanisms
- 6b. Ongoing recognition

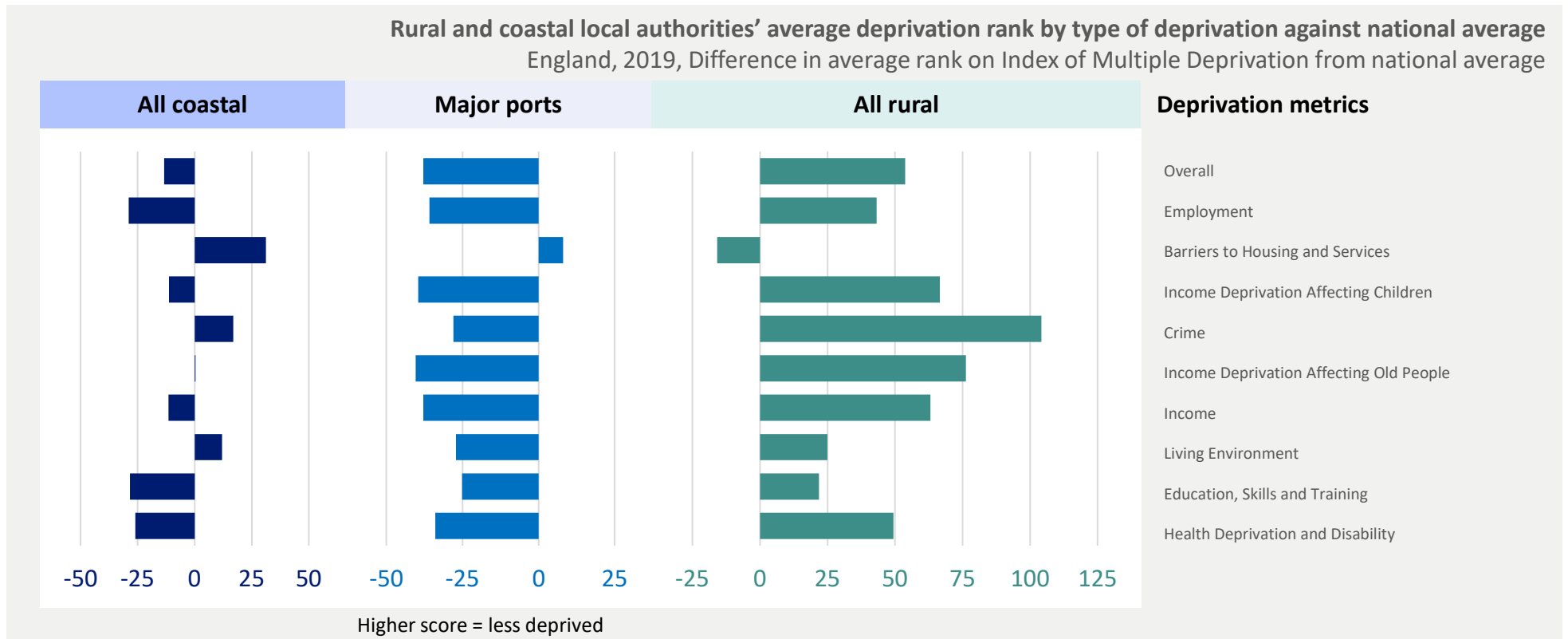
Gross value added per capita
Local authorities, United Kingdom,
2016

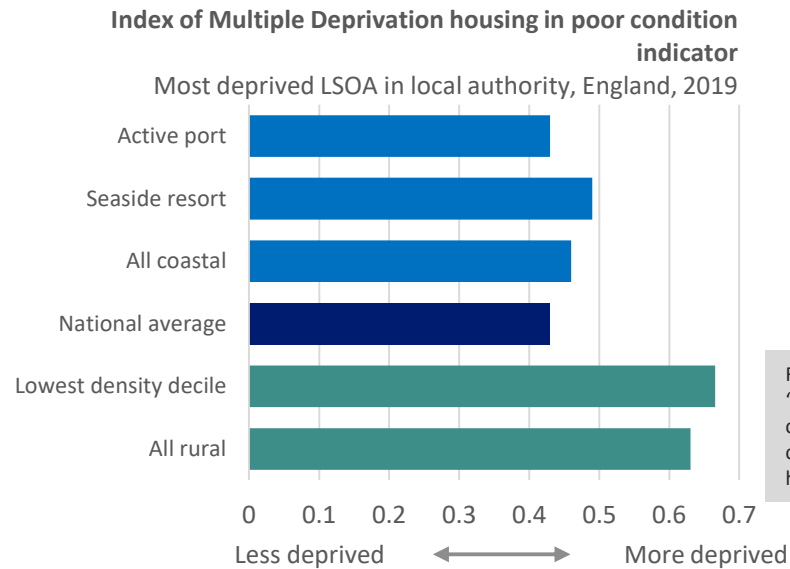


Source: Office for National Statistics

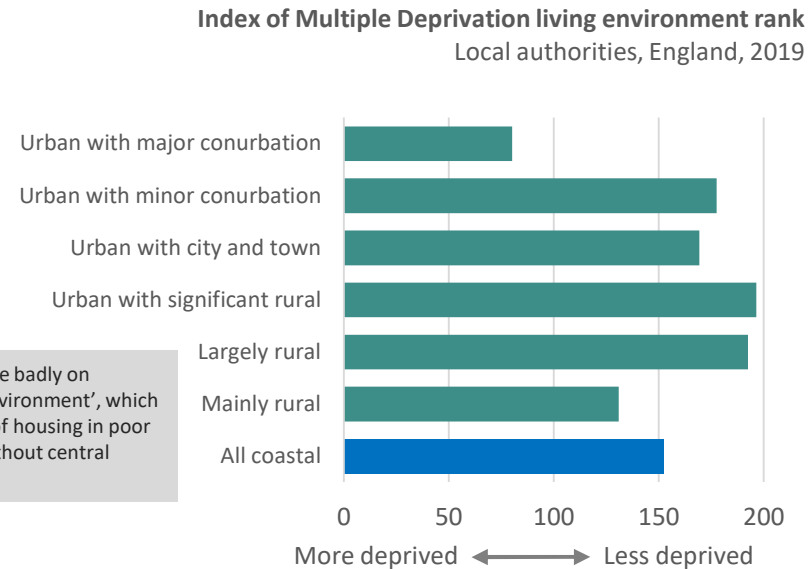
Although official deprivation rankings look favourable, they fail to capture the full rural picture

On the official Index of Multiple Deprivation, rural areas are typically ranked as being less deprived than the national average. But metrics like these, which average across a local authority area, can mask pockets of deprivation. Moreover, the government’s index does not include issues of concern that are specific to rural communities. Coastal communities are typically more deprived on the official scores than the national average, with major port areas faring especially poorly.





Rural homes score badly on 'Indoors living environment', which cover measures of housing in poor condition and without central heating.

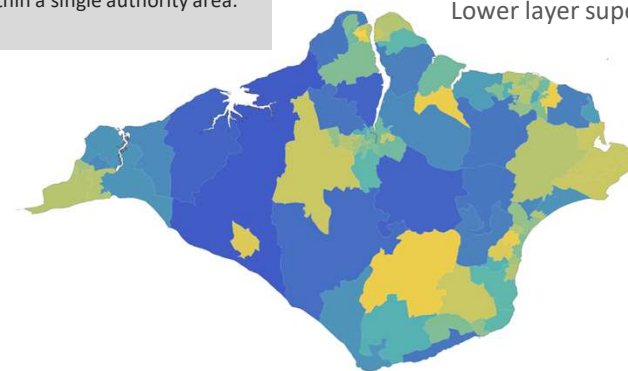


People in rural and coastal areas are more likely to be living in housing that is old and in poor condition

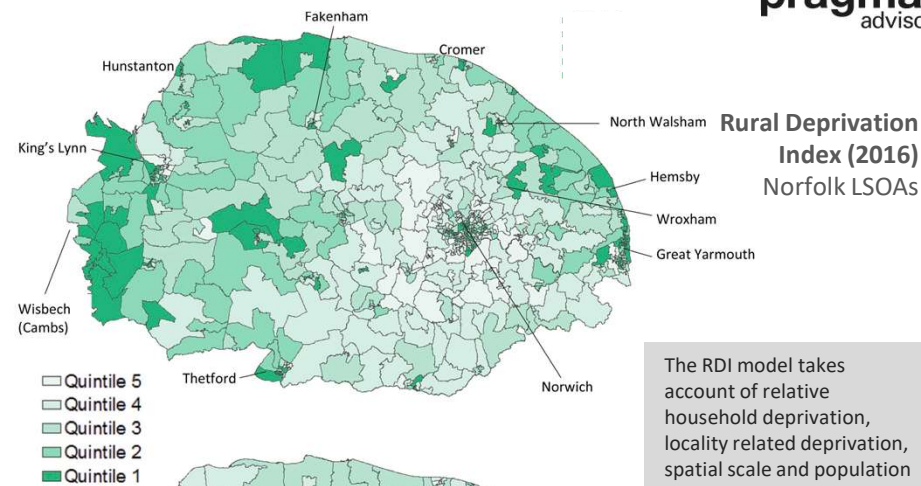
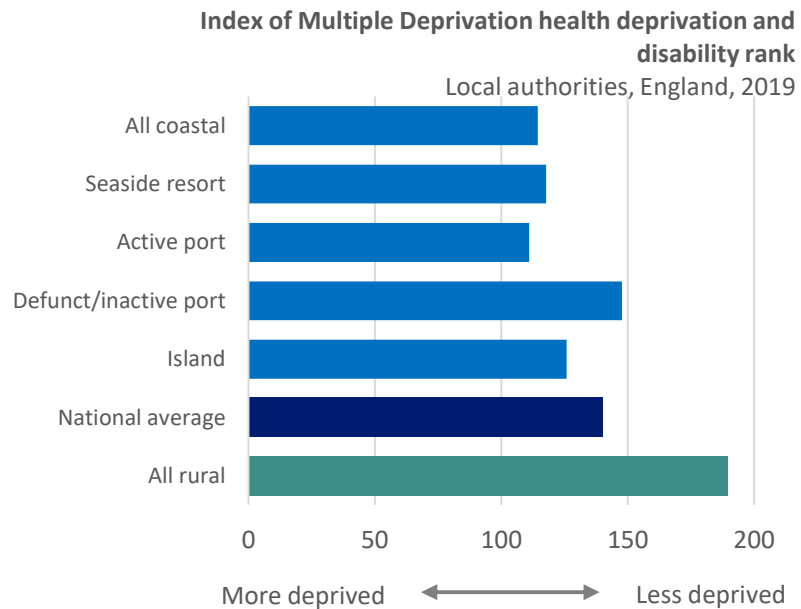
As well as costing extra to heat, poor quality housing can have negative health impacts. Rural residents also face barriers to accessing housing and services, which partly reflects the physical geography of the locations but also the relative affordability of homes.

Our case study, Isle of Wight, demonstrates the substantial variations in key indicators within a single authority area.

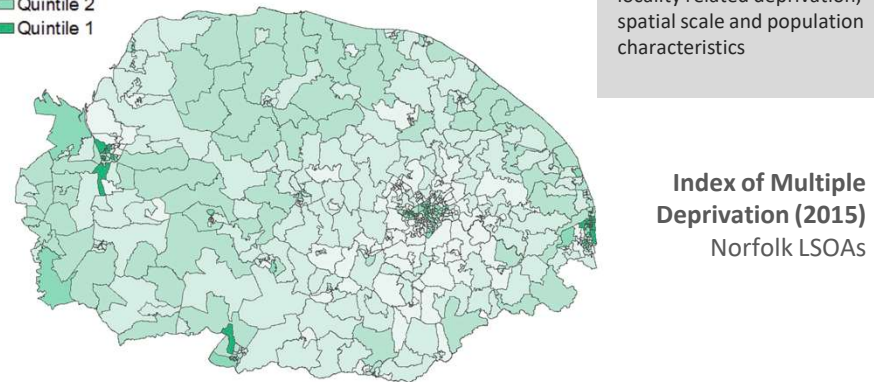
Isle of Wight: Index of Multiple Deprivation barriers to housing and services indicator
Lower layer super output areas, 2019, national scale



Lowest Highest



The RDI model takes account of relative household deprivation, locality related deprivation, spatial scale and population characteristics



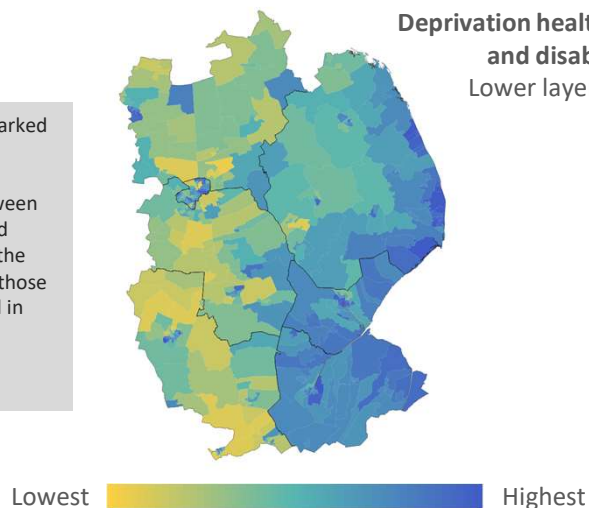
Official deprivation index shows coastal areas have poor health and disability outcomes, but many rural problems are missed in the data

The health and disability metrics chosen for the Index of Multiple Deprivation do not fully capture the diversity of need and deprivation in rural and coastal communities. The deprivation levels across North Norfolk look quite different when the University of East Anglia's Rural Deprivation Index (top right) is applied. It takes account of rural specific demographics such as an older population and issues of sparsity which are not included in the official Index of Multiple Deprivation.

Lincolnshire: Index of Multiple Deprivation health deprivation and disability indicator

Lower layer super output areas, 2019, national scale

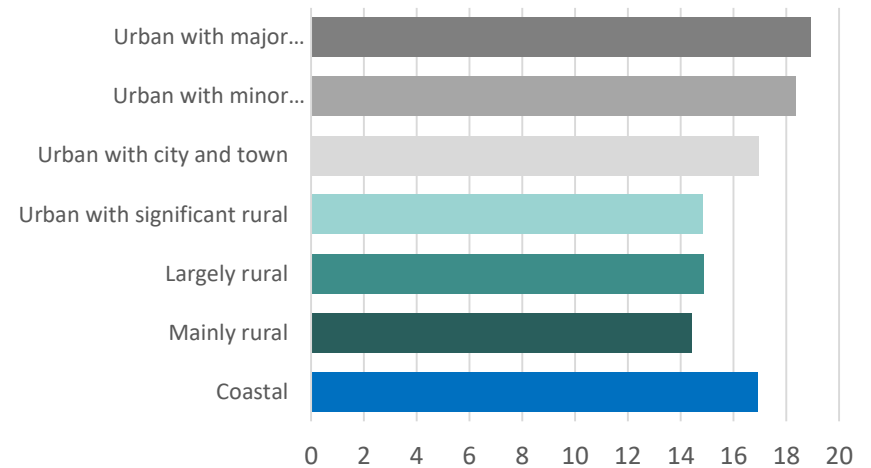
Lincolnshire's marked east-west divide partly reflects differences between better connected communities in the A1 corridor and those on the coast and in the Wolds.



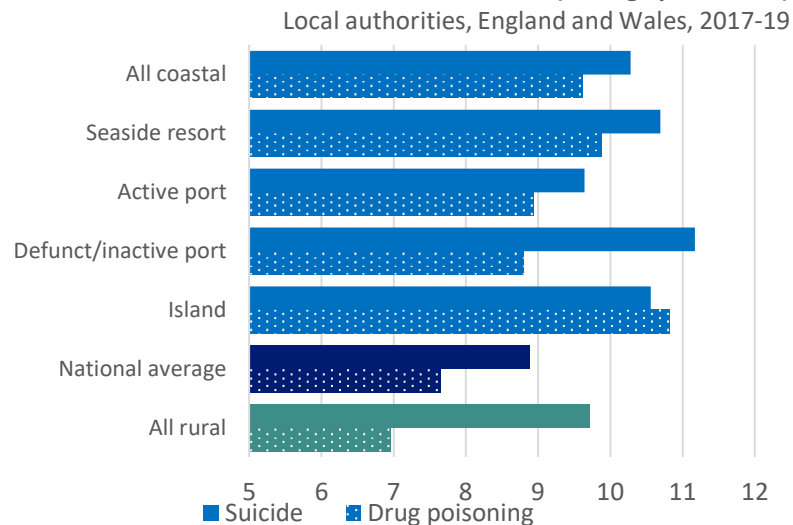
Higher suicide rates in rural and coastal communities

Despite rural and coastal areas having a lower prevalence of diagnosed mental health disorders amongst the adult population, both see higher rates of suicide than the national average – as are drug related deaths in coastal communities, especially islands and seaside resorts.

Prevalence of common mental disorders amongst population aged over sixteen
Local authorities, England, 2017, per cent



Suicide and drug poisoning deaths per 100,000 people (average per annum)



Farmers particularly high risk

A Farm Safety Foundation survey in 2020 found that 88 per cent of farmers under the age of 40 believe mental health is the biggest hidden problem in the agricultural sector today.

Farmers are one of the professional groups at highest risk of suicide in England and Wales, and account for about one per cent of all suicides according to the British Medical Journal.

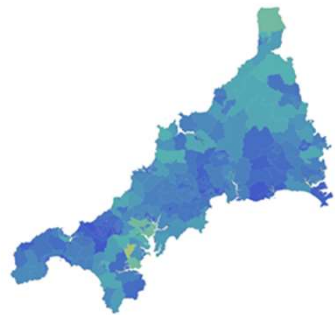
Lowest rate of diagnosed mood and anxiety disorders



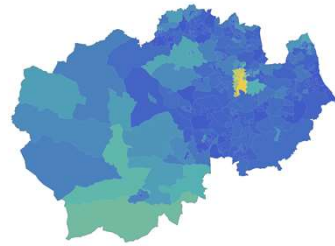
Highest rate of diagnosed mood and anxiety disorders

Index of Multiple Deprivation mood and anxiety disorders indicator
Case study areas, 2019, national scale

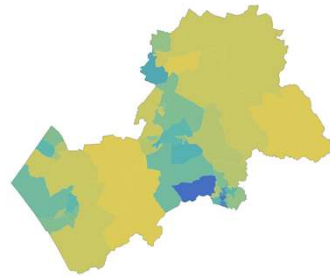
Ten local authority areas have been chosen as case studies to illustrate variations within districts.



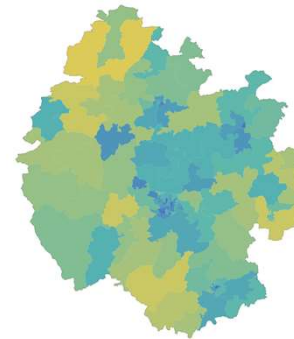
Cornwall



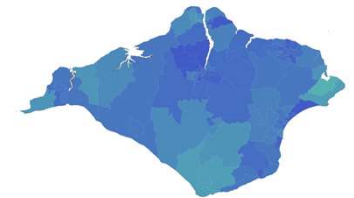
Durham County



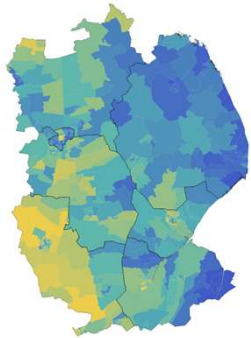
Harborough



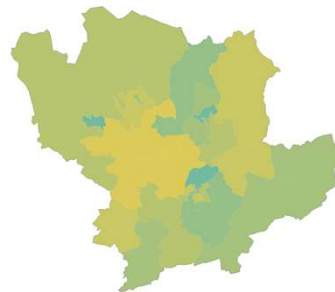
Herefordshire



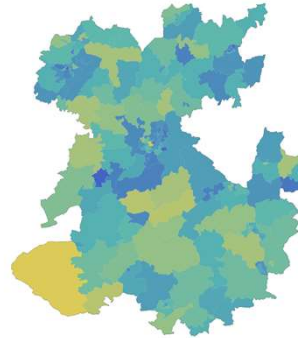
Isle of Wight



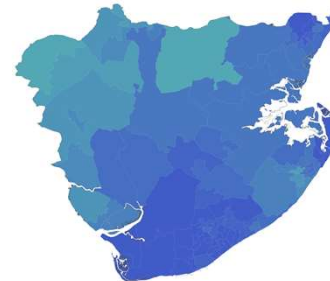
Lincolnshire



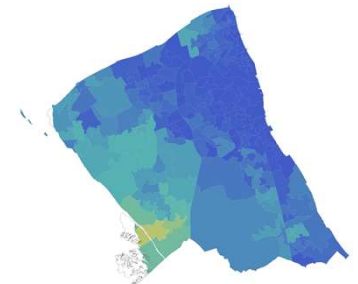
Ryedale



Shropshire



Tendring

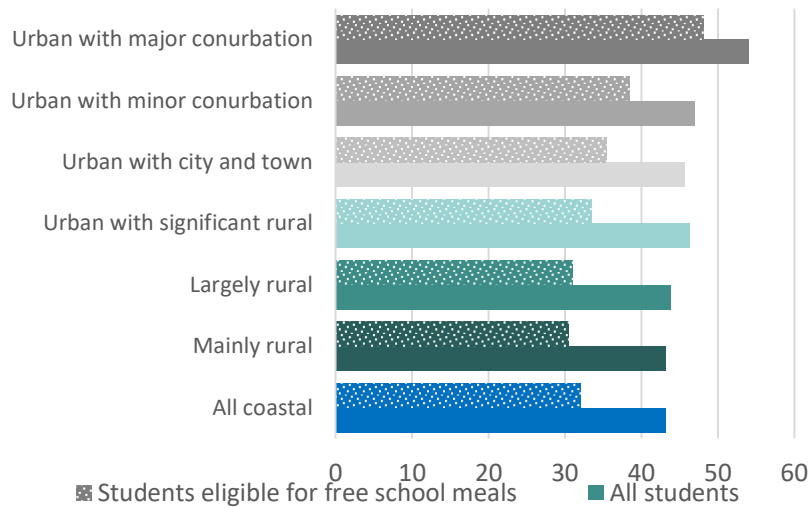


Wirral

“Skills for our young people has to be the priority. They are the future of our community.”

Project Manager for a Heritage Charity, County Durham

Rate of entry into United Kingdom higher education
Local authorities, England, 2015, per cent

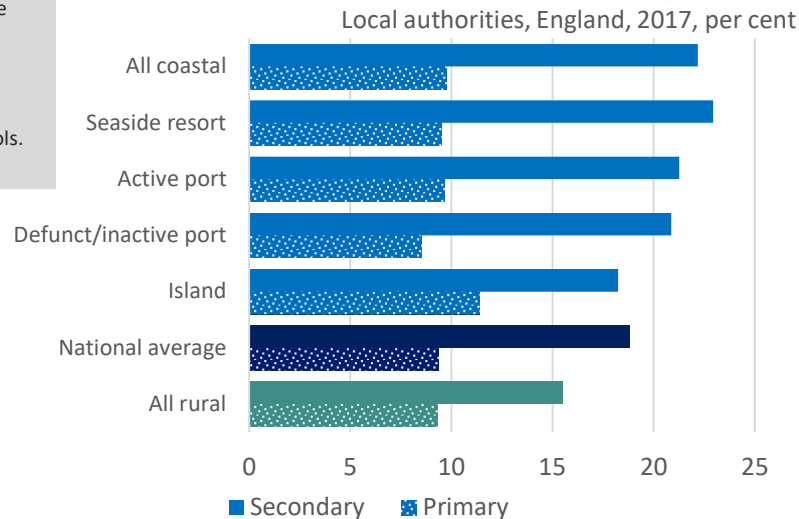


Fewer young people from rural and coastal communities go on to higher education

There is a marked difference between the proportion of students progressing to higher education from schools in the most urban areas versus those in rural and coastal areas. This difference is greater when considering students from disadvantaged backgrounds.

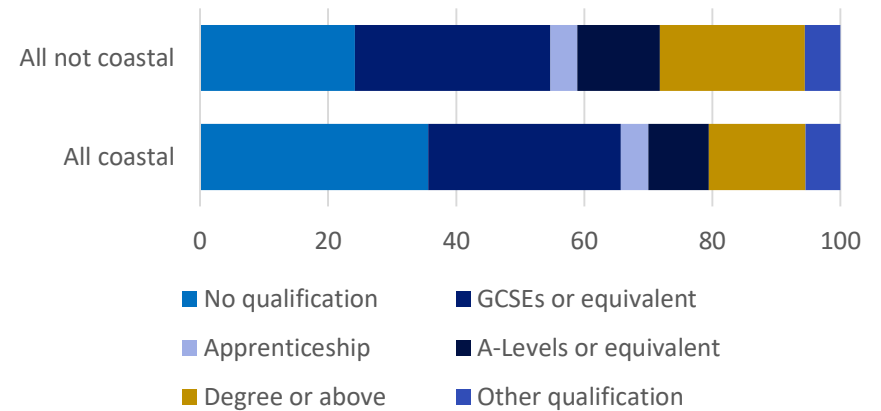
Little difference at primary level, but coastal has disproportionate number of inadequate or requiring improvement secondary schools.

Students attending schools rated 'inadequate' or 'requiring improvement'
Local authorities, England, 2017, per cent

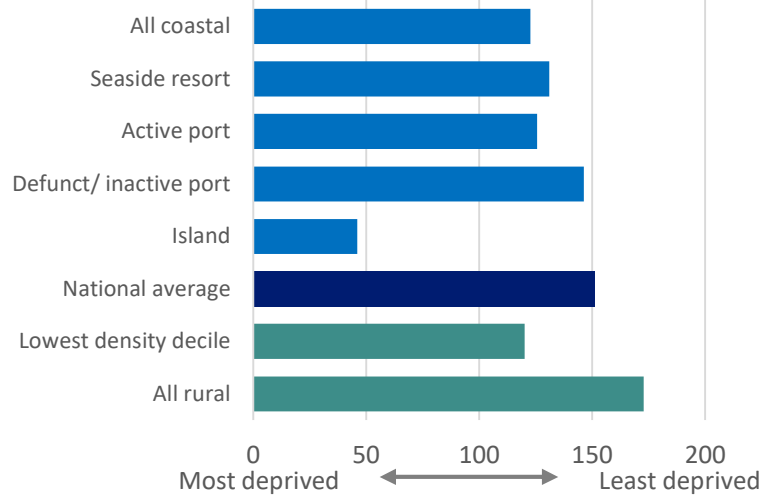


Lincolnshire's east-west divide revealed in educational attainment data.

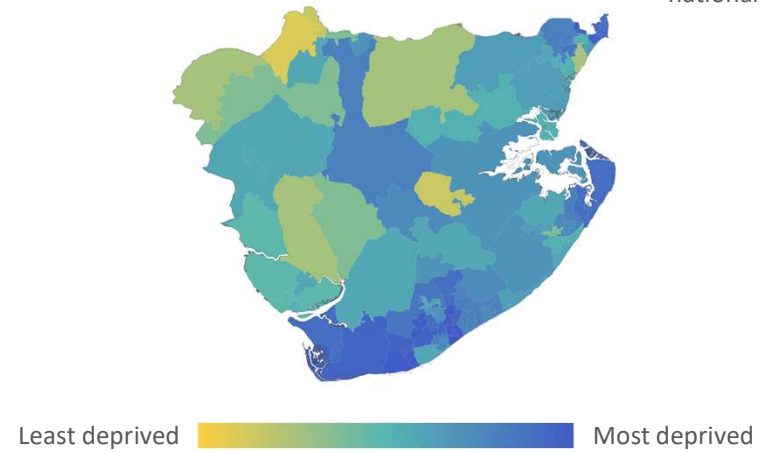
Lincolnshire: Highest qualification attained
Lincolnshire, 2011, adult population, per cent
Analysis of middle layer super output area data



Index of Multiple Deprivation education, skills and training rank
Local Authorities, England, 2019



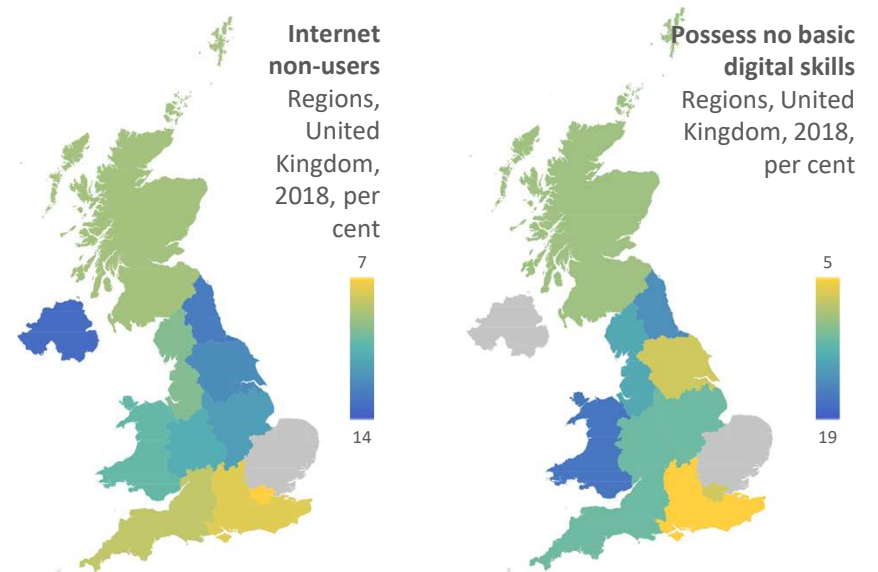
Trending: Index of Multiple Deprivation skills and employment deprivation scores
Lower layer super output areas, 2019, national scale



Higher levels of skills and training deprivation can be seen in coastal authorities - particularly islands

The most sparsely populated areas of the country are also more deprived on this metric than the national average.

Our interviews identified particular concern about a lack of digital skills in rural areas, both in terms of businesses and individuals.



Low crime rates are a positive – but rural communities face their own particular issues

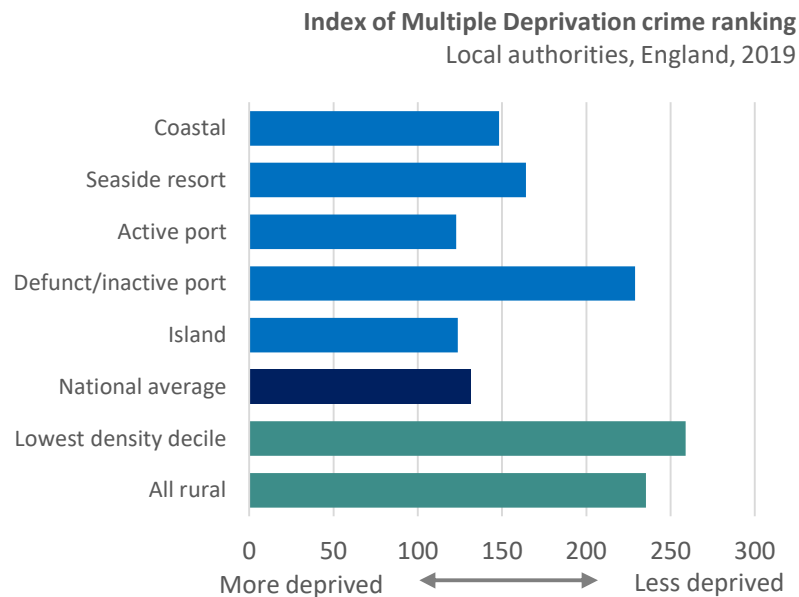
Recorded crime rates are much lower in rural areas (and slightly lower in coastal) than urban, as is reflected in the relevant Index of Multiple Deprivation metric. Nonetheless, there remain specific challenges for rural communities such as agricultural theft and fly-tipping. Meanwhile, police response times are impacted by the greater distances needed to cover in remote and sparse locations.

Moreover, the official deprivation data focus on recorded crime. Many rural crimes go unreported.

Lincolnshire was the worst affected county in 2019, with the cost of rural crime rising by 11.1% to £2.8m

	2018	2019
Agricultural vehicle theft	7.4	9.3
Quadbike / All Terrain Vehicle theft	2.6	3.1
Livestock theft	2.8	3.0
Land Rover Defender theft	1.6	2.1

Cost of rural crime estimates based on NFU claims statistics United Kingdom, £ million

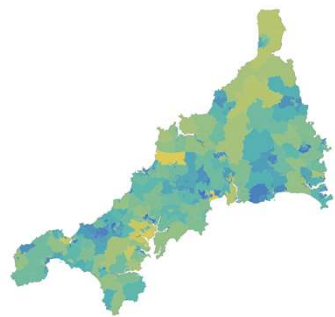


Non-reporting of rural crime by victims
England and Wales, 2018

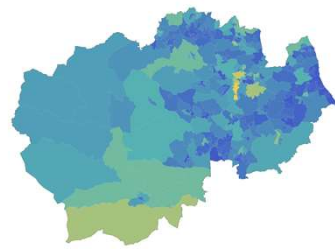
Source: Ministry for Housing, Communities, and Local Government (top right and bottom left); National Rural Crime Network (bottom right)

Index of Multiple Deprivation crime indicator Case study areas, 2019, national scale

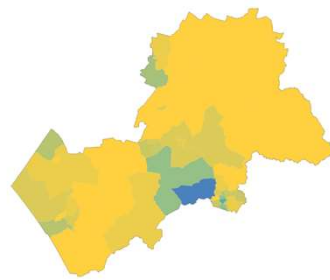
Least crime  Most crime



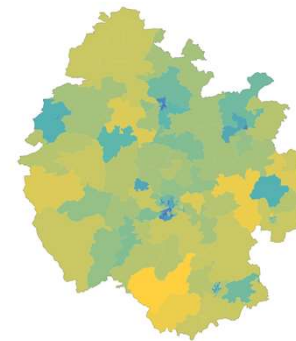
Cornwall



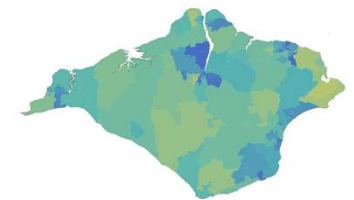
Durham County



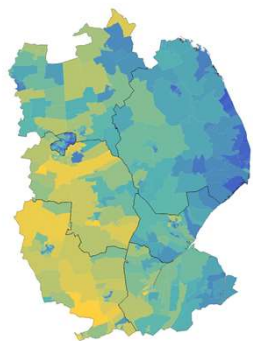
Harborough



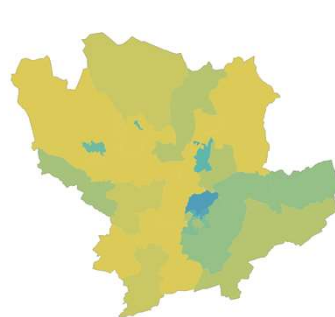
Herefordshire



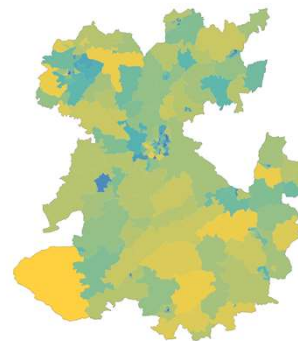
Isle of Wight



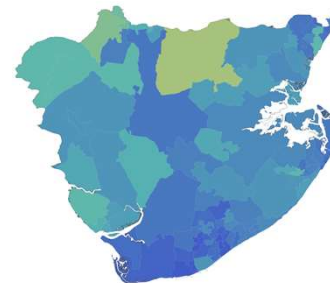
Lincolnshire



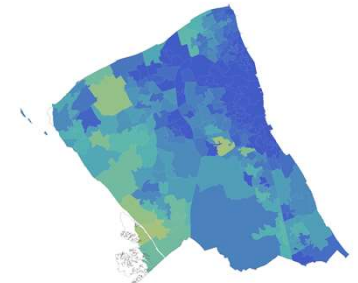
Ryedale



Shropshire

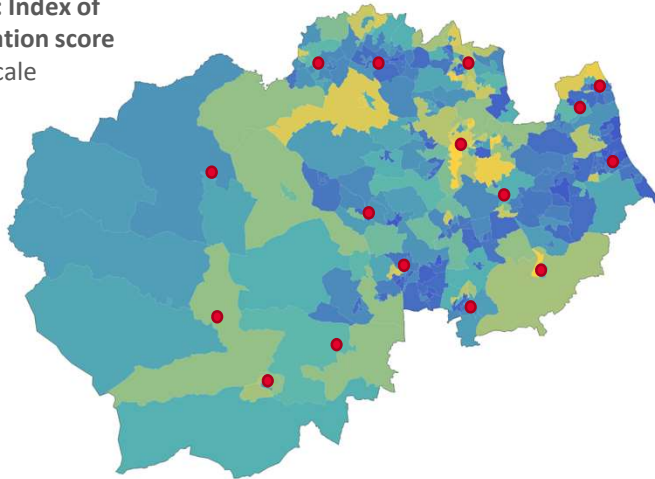


Tendring



Wirral

Durham County: Index of multiple deprivation score 2019, national scale



Many of Durham County's areas of most severe deprivation are found in or on the outskirts of its towns.

Least deprived Most deprived

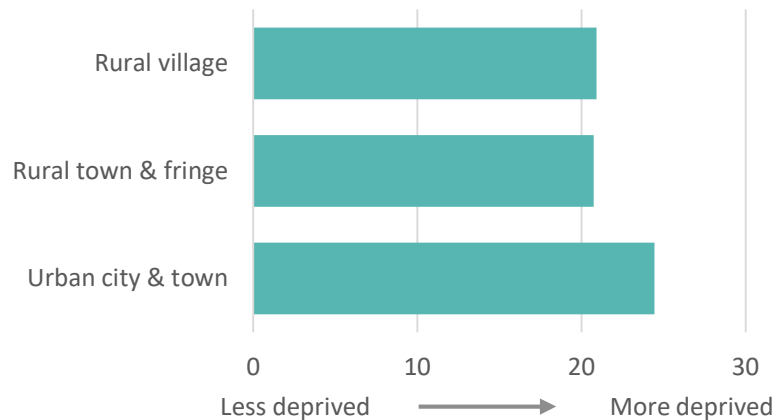
Deprivation in rural authorities tends to be concentrated within towns and villages

The average across a local authority can mask substantial variations in levels of deprivation within it. Geographically large rural councils may include pockets of deep deprivation.

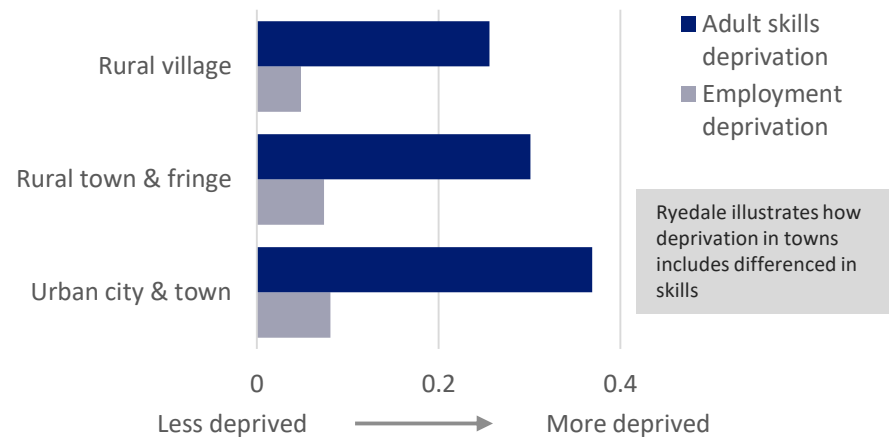
Some of the most marked pockets of rural deprivation are found in towns and larger villages – often where there cheaper, rental and/or multiple occupancy housing can be found.

IMD scores for the Isle of Wight demonstrate how deprivation is greater in towns.

Isle of Wight: Index of Multiple Deprivation score
Lower layer super output areas, 2019



Ryedale: Index of Multiple Deprivation skills and employment deprivation scores
Lower layer super output areas, 2019



Ryedale illustrates how deprivation in towns includes differenced in skills

“Our population is old and getting older. We have a real care crisis coming.”

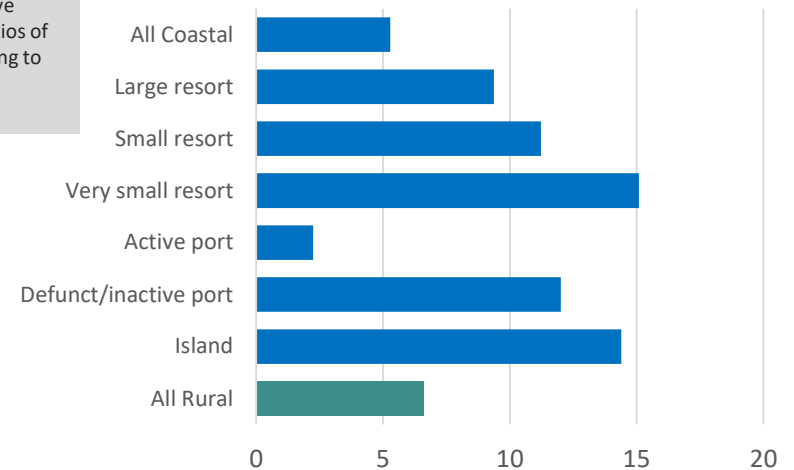
CEO of a charity providing support for other charities and community groups, Isle of Wight

Ageing populations mean higher care costs for local authorities

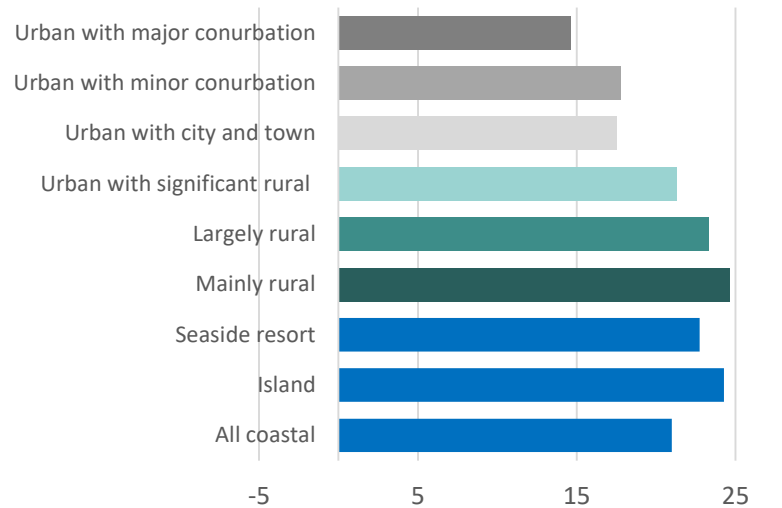
Rural and coastal communities have higher proportions of older cohorts in their populations than elsewhere. This reflects the attractiveness of such locations for retirement, and the outward migration of younger adults in search of education and employment opportunities.

Islands and small resorts have highest ratios of non-working to employee

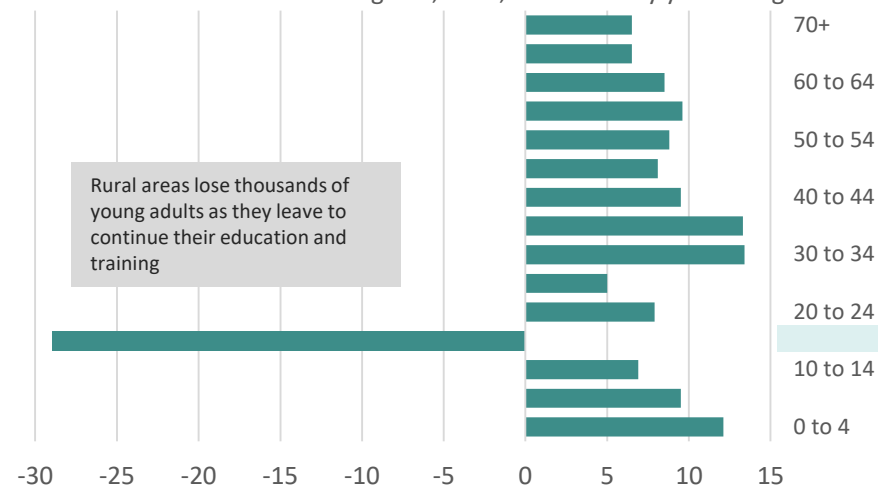
Dependency ratio: dependents per employee
Local authorities, England, 2020, percentage difference from national average



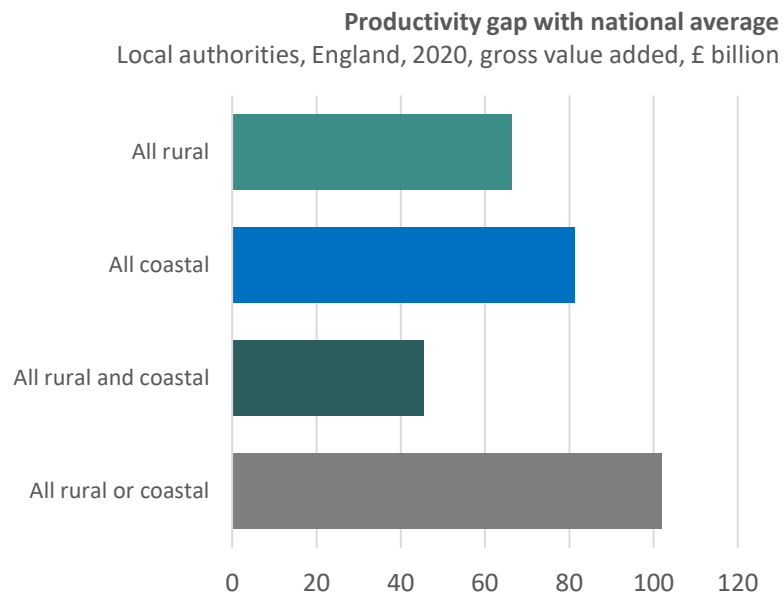
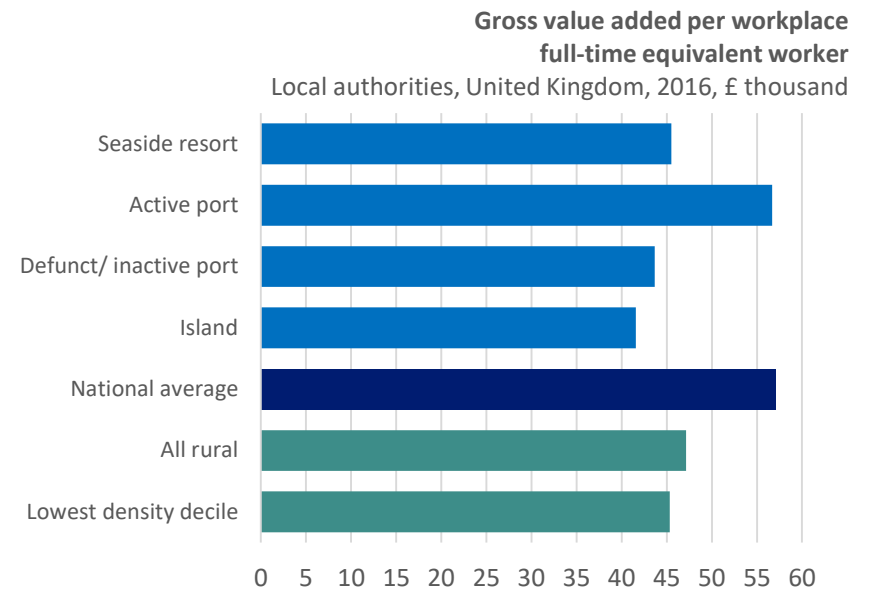
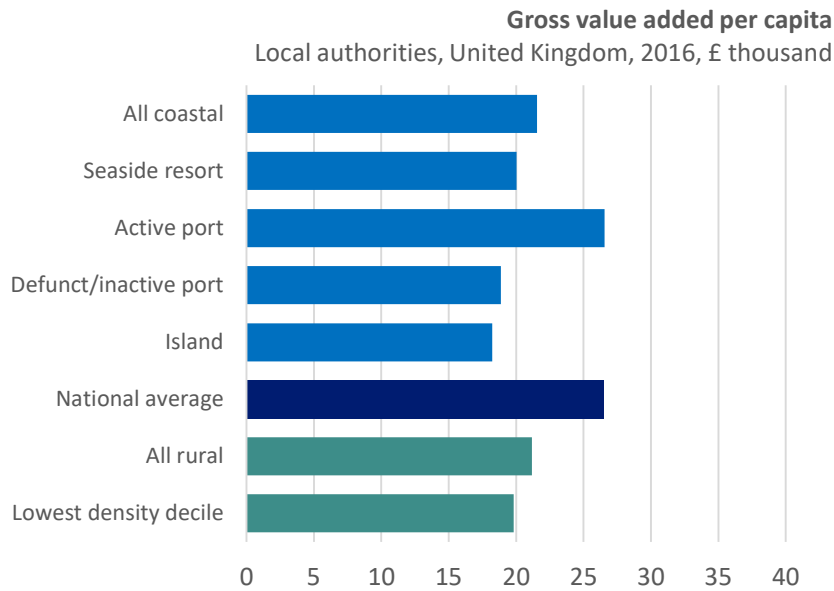
Population aged over 65 years
England, 2020, per cent



Net migration into predominantly rural areas (Domestic 'internal' migration)
England, 2019, thousands by years of age



Rural areas lose thousands of young adults as they leave to continue their education and training



£102 billion productivity gap between rural and coastal communities and the national average

Rural and coastal areas underperform the rest of the country economically – with lower than national average rates of output per capita and productivity.

If all rural or coastal areas had national average rates of worker productivity, the national economy would be around £102 billion bigger.

Fundamental challenges of geography

The geographical characteristics of rural and coastal locations present social and economic challenges.

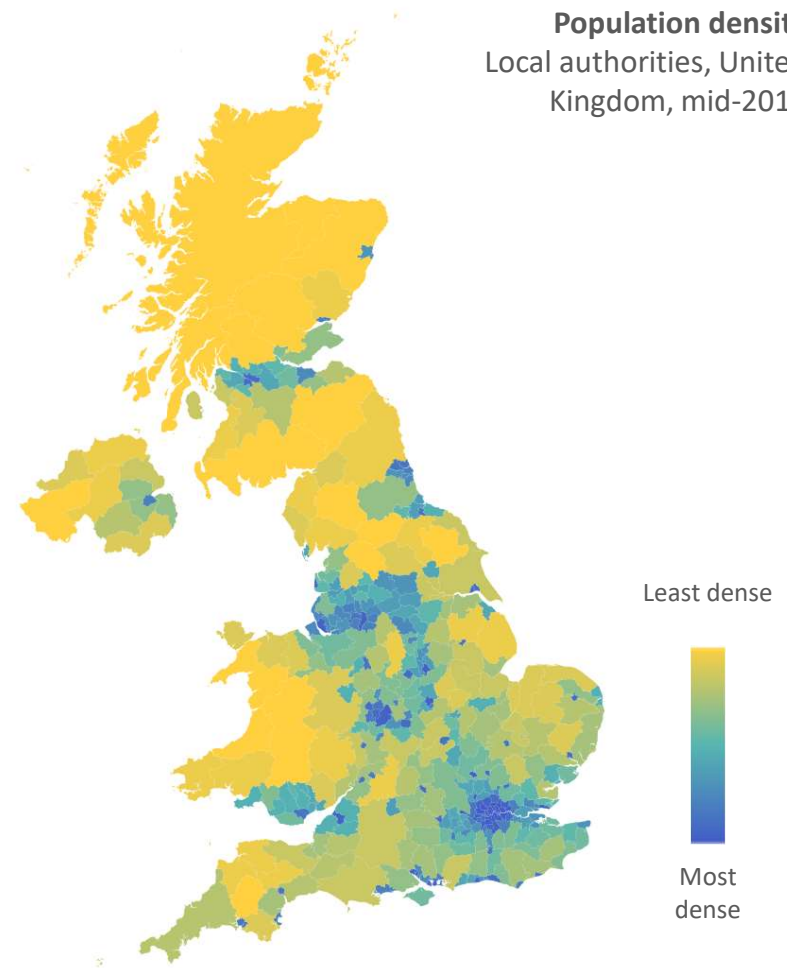
There is no universal definition of rurality, but such areas typically exhibit one or more of low population density, sparse populations, remoteness and peripherality. Coastal locations may share some or all of these characteristics – but there are plenty that don't. Islands also face some level of separation.

Small labour and product market catchment areas influence the costs, scale and nature of economic activity that can be competitively undertaken. Rural and coastal locations have a disproportionate share of small businesses – and only certain industries thrive. Employment patterns are impacted: lower rates of unemployment may mask a paucity of full-time, full-year secure jobs.

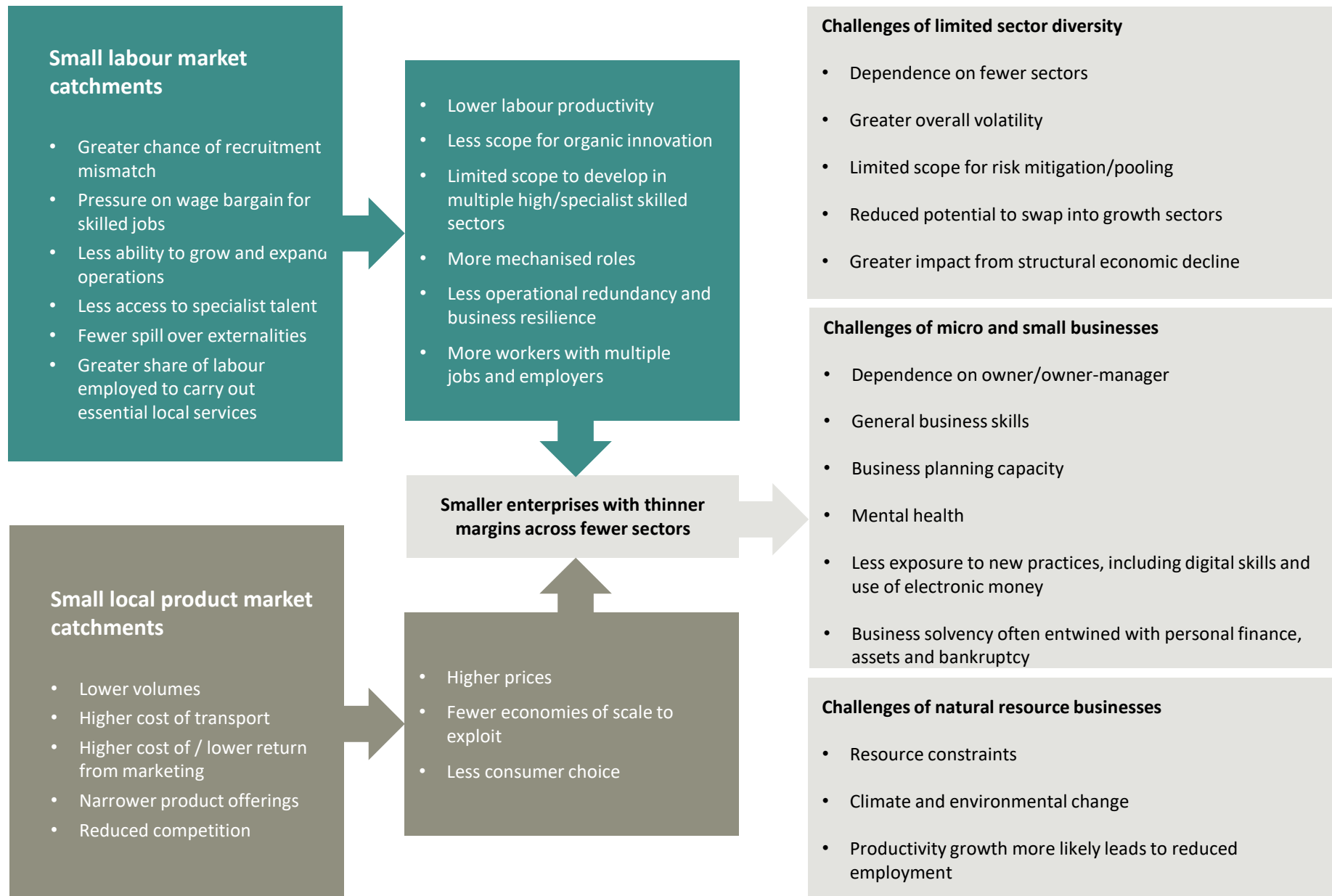
Part 2: Recommendations report identifies specific policy interventions to address key issues:

- 1a. Support for micro and nano businesses
- 1c. Mental health
- 2a. Public transport
- 2d. Digital skills
- 3c. Sustainable living
- 4b. Business support
- 6a. Funding and delivery mechanisms
- 6b. Ongoing recognition

Population density
Local authorities, United Kingdom, mid-2019



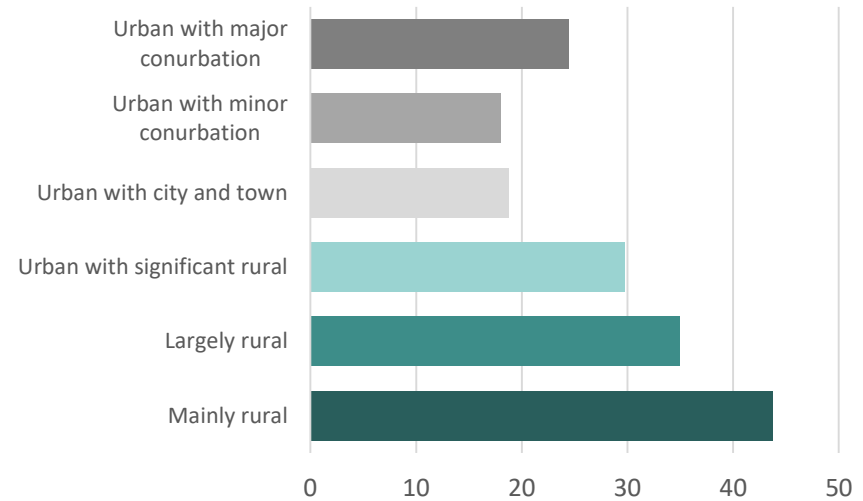
Local authority area characteristics	Rural	Coastal	Economic implications
<p>Low average population density Overall average population densities below suburban levels, but may still include more dense settlements.</p>	All	Some	<ul style="list-style-type: none"> • Smaller market catchments • Higher average travel times/costs • Weaker economies of scale • Higher relative fixed and sunk costs
<p>Sparsity A low population density where settlements, dwellings and premises are spread out geographically.</p>	Some	Some	<ul style="list-style-type: none"> • Smallest market catchments • High average travel times/costs • Limited economies of scale or clustering • High relative fixed and sunk costs
<p>Remoteness / Poor connectivity Distance from neighbouring settlements, regionally and nationally significant cities, and key regional and national assets.</p>	Some	Some	<ul style="list-style-type: none"> • Greater distance to non-local markets • Higher cost of access to non-local markets • Reduced network economies of scale • Reduced spill-over benefits • Greater susceptibility to connection failures
<p>Peripherality At a physical boundary which substantially limits or stops development and/or connections in certain directions.</p>	Some	Most	<ul style="list-style-type: none"> • Smaller market catchments • Reduced network economies of scale • Greater likelihood of congestion/bottlenecks
<p>Coast Includes coastline and/or major tidal estuary as part of its boundary.</p>	Some	All	<ul style="list-style-type: none"> • Possible reduced market catchments • Possible greater likelihood of congestion/bottlenecks
<p>Island Surrounded by sea or other significant body of water. Connected to the mainland by water transport, air transport and/or by bridge, tunnel or tidal causeway.</p>	Some	Some	<ul style="list-style-type: none"> • Smaller market catchments • Reduced network economies of scale • Greater likelihood of congestion/bottlenecks • Greater susceptibility to connection failures



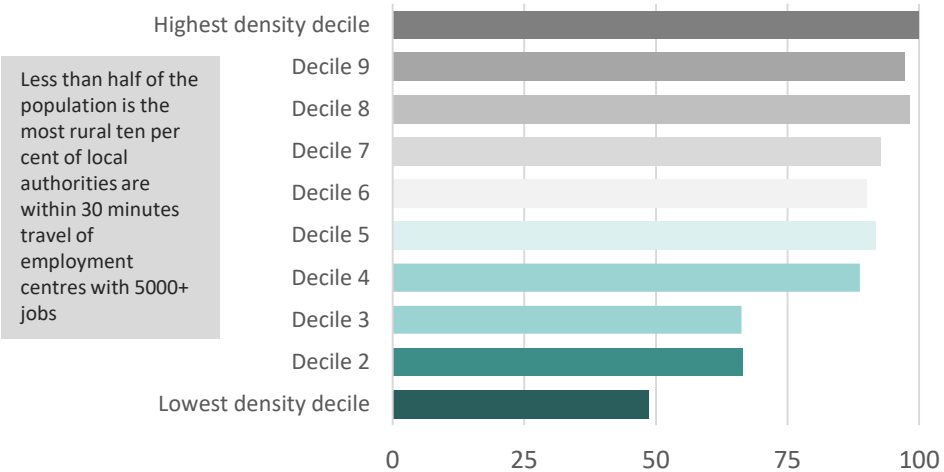
Residents in rural and coastal areas face longer journey times to reach jobs and amenities

Rural and coastal geographies typically result in longer journeys to reach major employment centres, which limits work options for those without access to private transport in locations with poor or no public transport links.

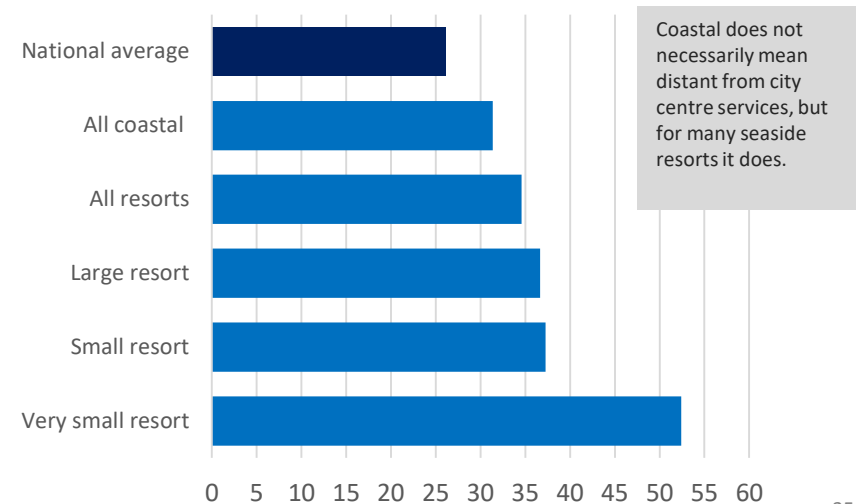
Average minimum travel time to city centre by car
Local authorities, England, 2017, minutes



Population within 30 minutes of a major employment centre
Local authorities, England, 2017, per cent

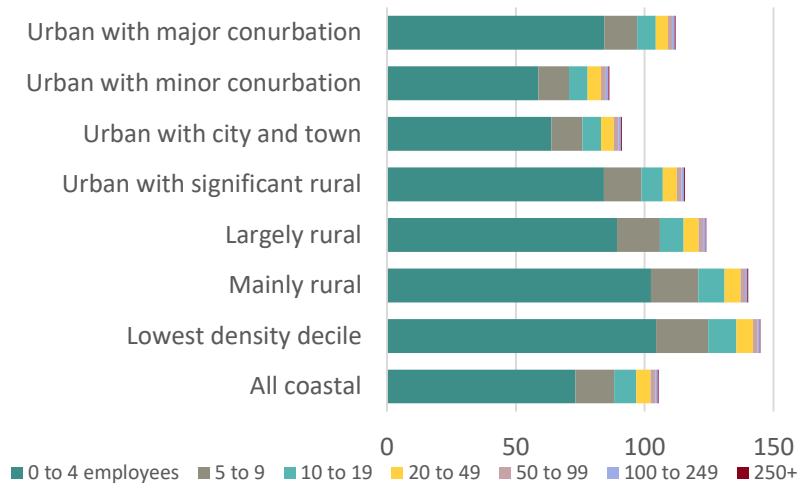


Average minimum travel time to city centre by car
Local authorities, England, 2017, minutes

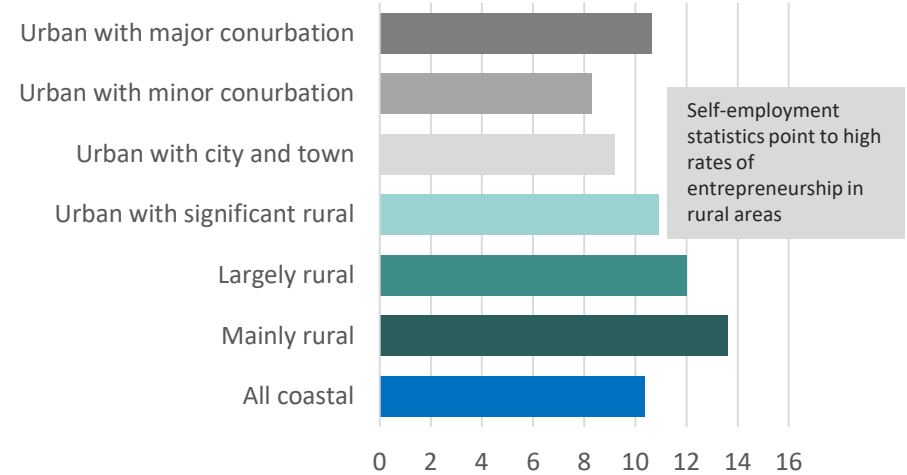


Source: Department for Transport. Note: major employment centres are employment centres with 5,000+ jobs

Local units per 1,000 in employment
Local authorities, England, 2020



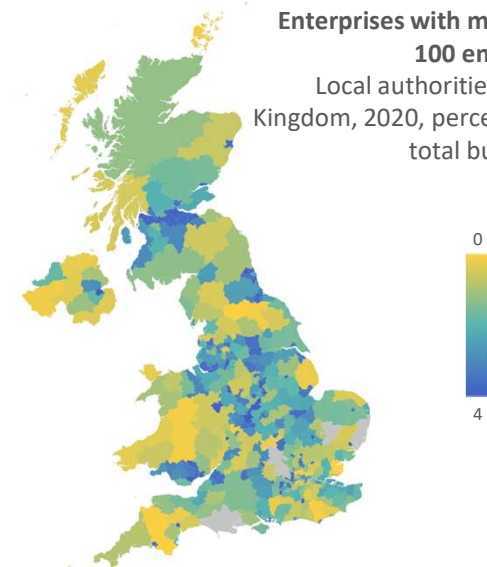
Self-employment rate
Local authorities, England, 2020, percentage of working age population



Rural and coastal geographies cannot support as many big business as the cities, so micro and nano businesses dominate local economies

Rural and coastal areas have both higher proportions of small business (especially micro and nano – under ten and five employees respectively) and self-employment.

Enterprises with more than 100 employees
Local authorities, United Kingdom, 2020, percentage of total businesses

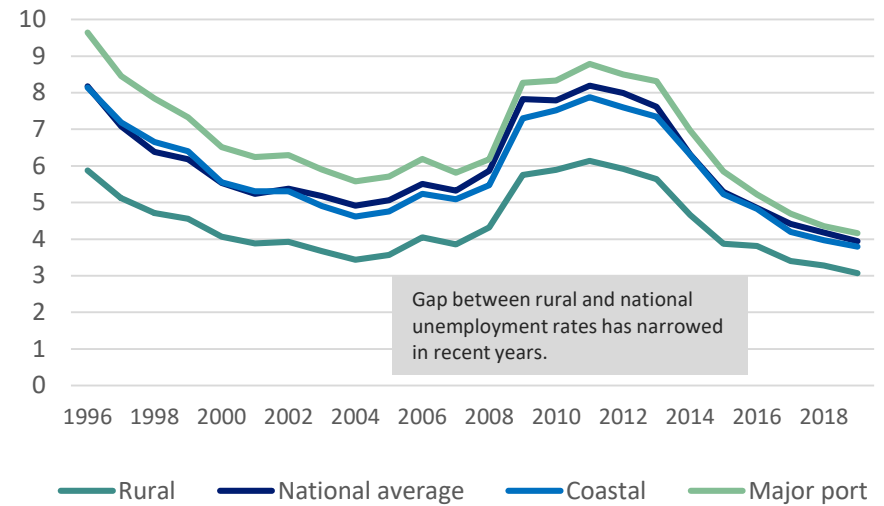


Unemployment lower in rural areas

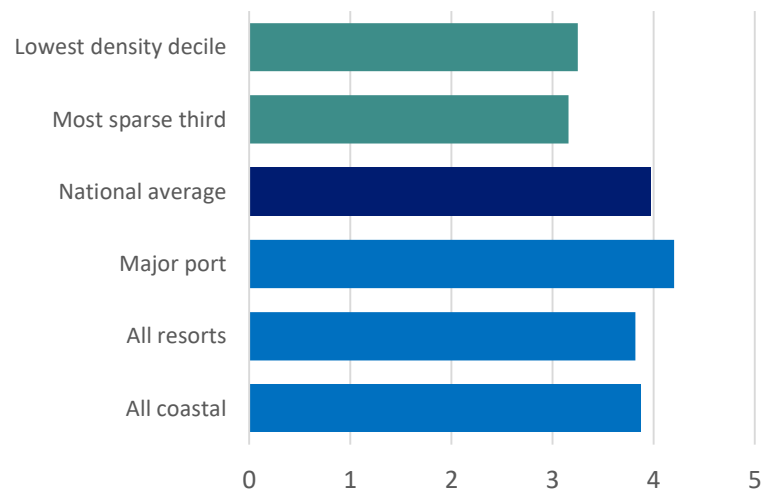
The rate of unemployment is appreciably lower than the national average in rural communities – and is generally a little lower on the coast too. Major ports are an exception and have jobless rates tracking above the norm.

Levels of long term unemployment are also low in rural areas, although there are some severe pockets in coastal towns and cities.

Unemployment rate
Local authorities, Great Britain, per cent

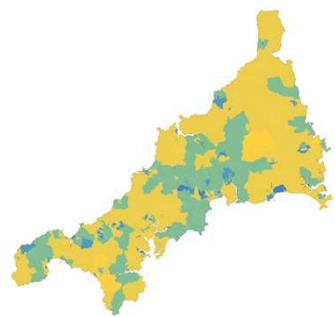


Pre-covid average unemployment rate
Local authorities, Great Britain, year ending September 2019, per cent

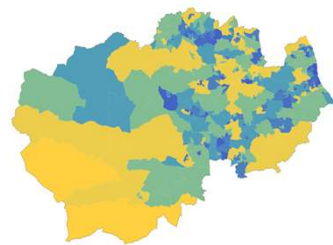


Least long-term unemployment  Most long-term unemployment

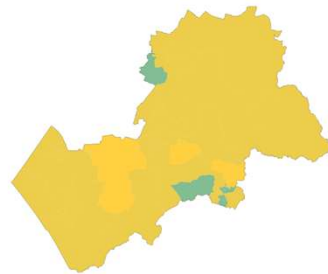
Long-term unemployment rate Case study areas, 2011, national scale



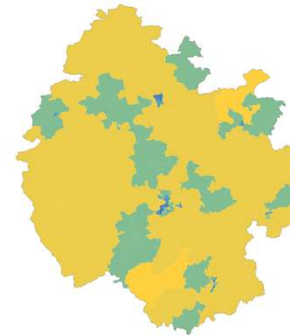
Cornwall



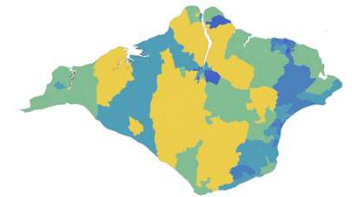
Durham County



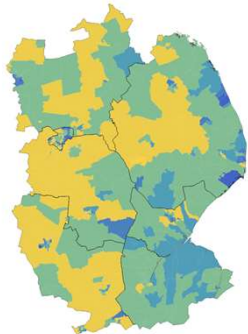
Harborough



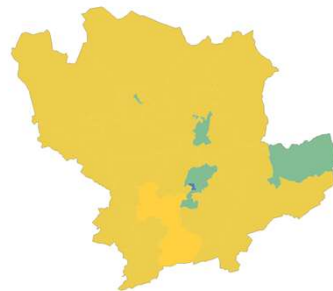
Herefordshire



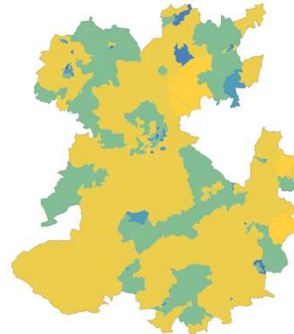
Isle of Wight



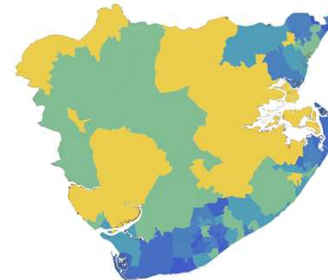
Lincolnshire



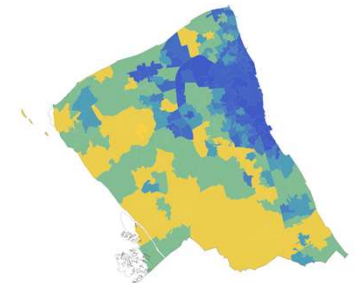
Ryedale



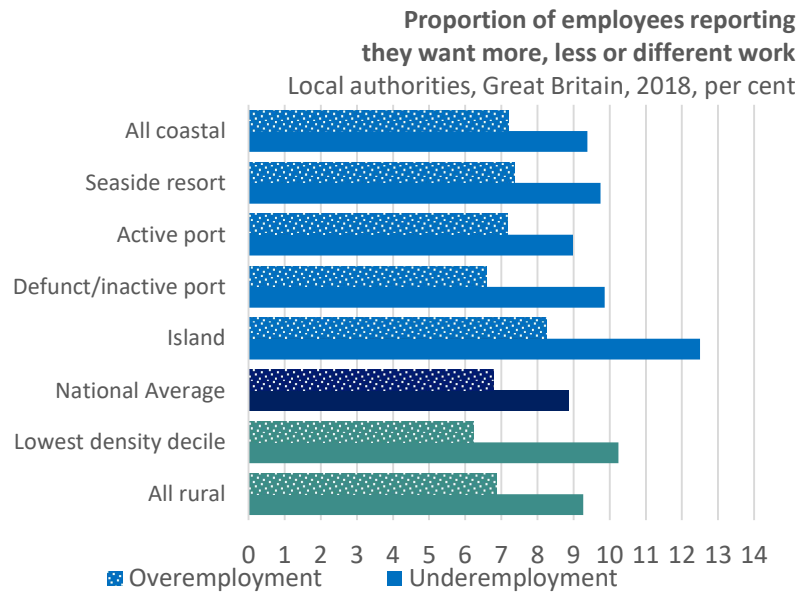
Shropshire



Tendring



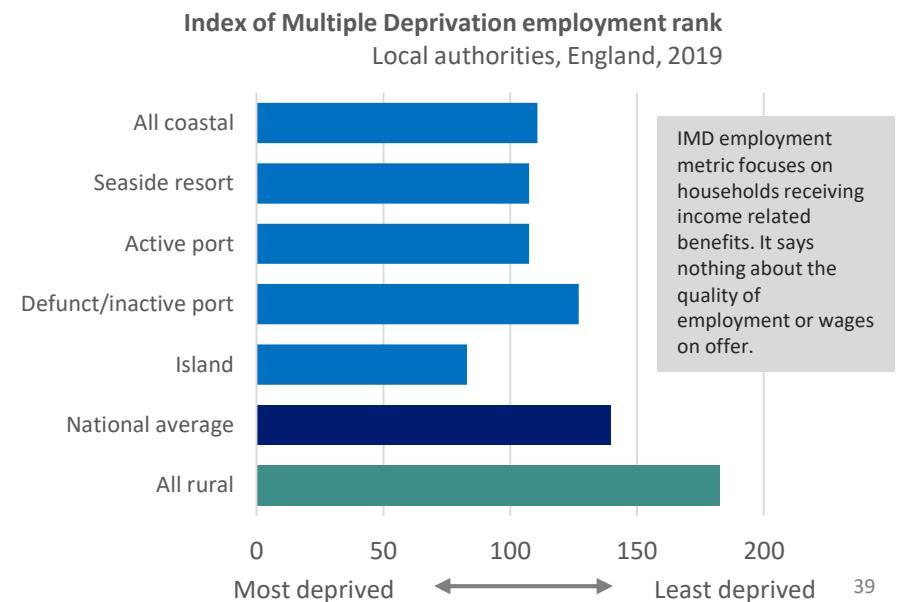
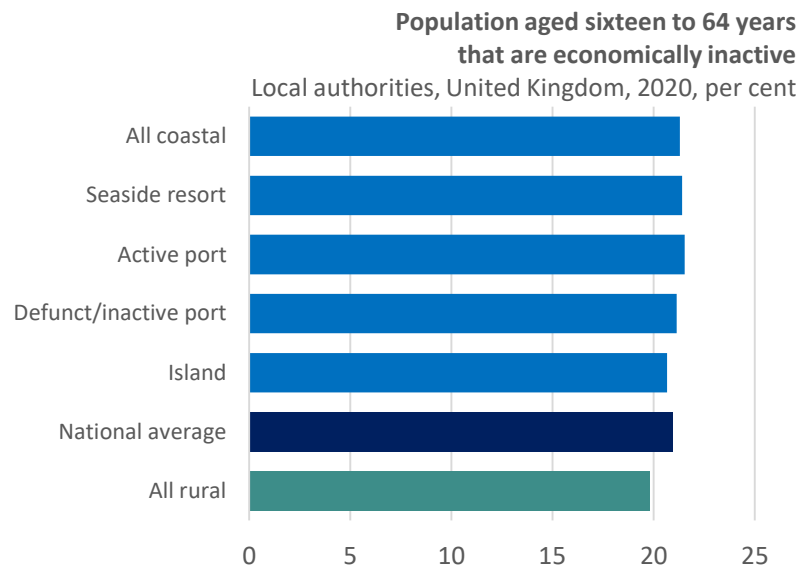
Wirral



Seasonal employment and multiple jobs common – but difficult to quantify

Although unemployment rates have remained comparatively lower in rural areas, the official statistics hide both under and overemployment in rural and coastal areas.

Residents may have to work several part-time jobs to earn a liveable income, or particularly in the ‘off season’, only have a fraction of their usual work hours.



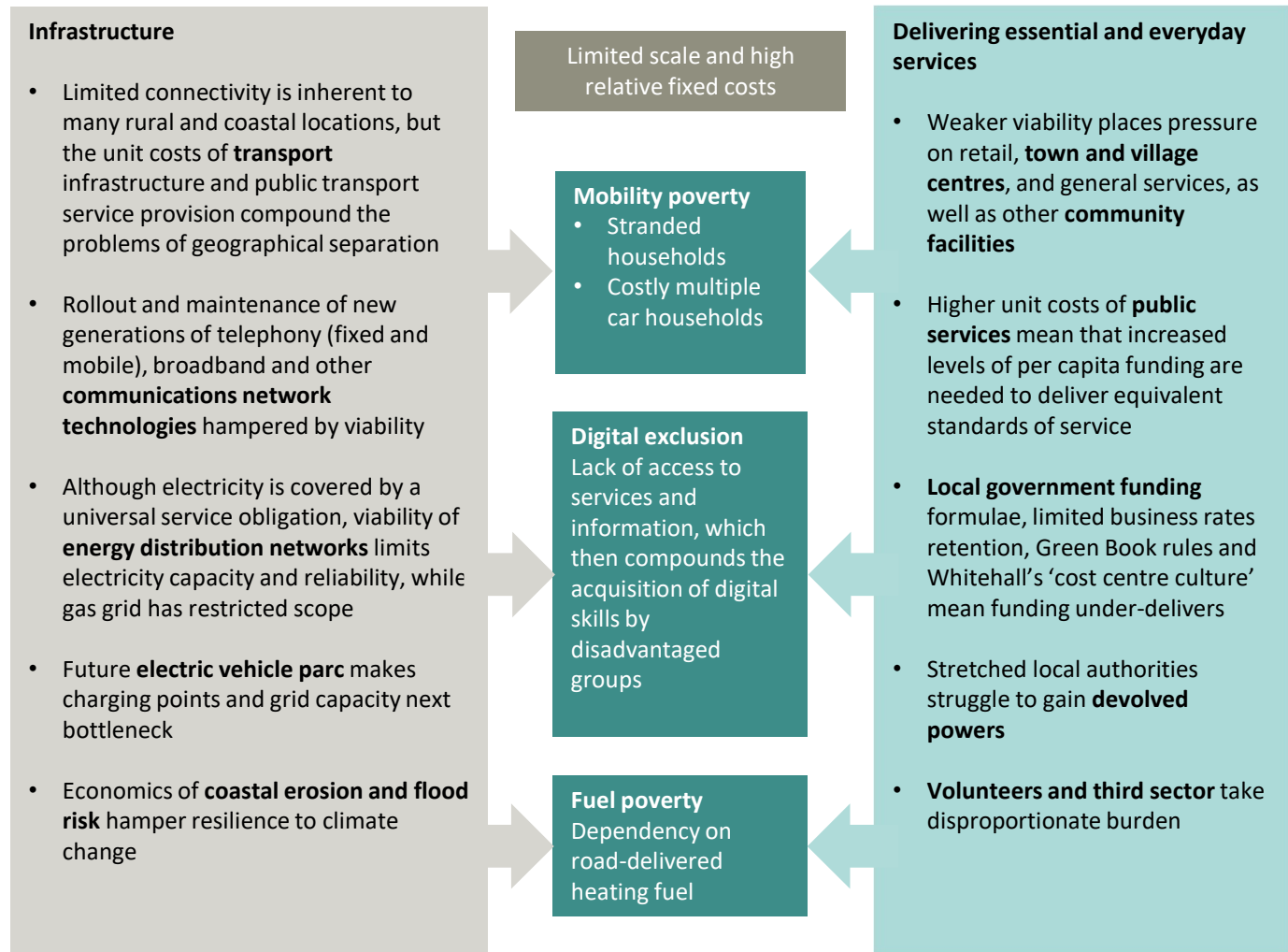
Challenge of scale

Often facing smaller market catchments than their urban counterparts, businesses in rural and coastal areas have less potential to operate with economies of scale.

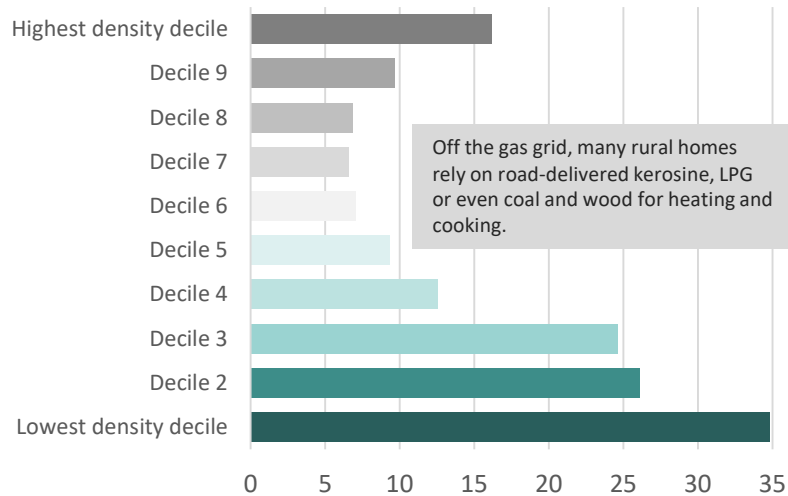
The challenge of limited scale or high relative fixed costs makes the viability of operations tougher, and the returns on investment weaker. This impacts decisions in the public as well as private sectors.

Part 2: Recommendations report identifies specific policy interventions to address key issues:

- 2a. Public transport
- 2b. Fixed broadband
- 2c. Mobile broadband
- 5a. Power grids
- 5b. Electric vehicles
- 6a. Funding and delivery mechanisms



Households not on the mains gas network
Local authorities, Great Britain, 2019, per cent

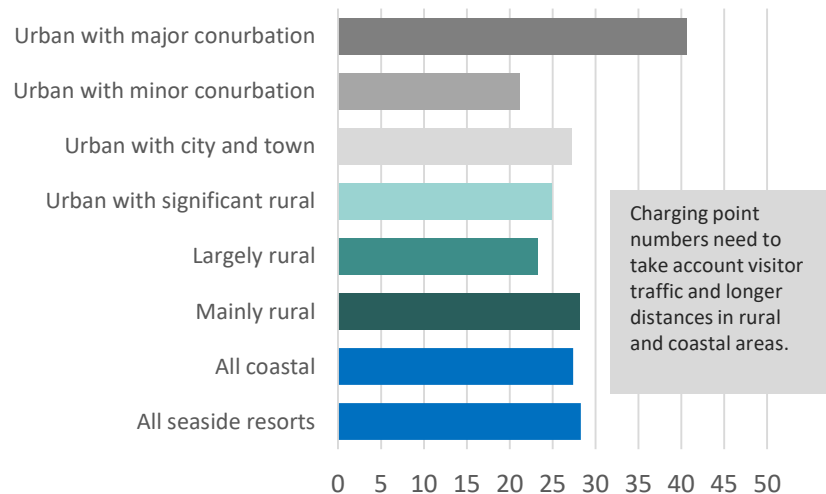


Rural and coastal under-invested in infrastructure

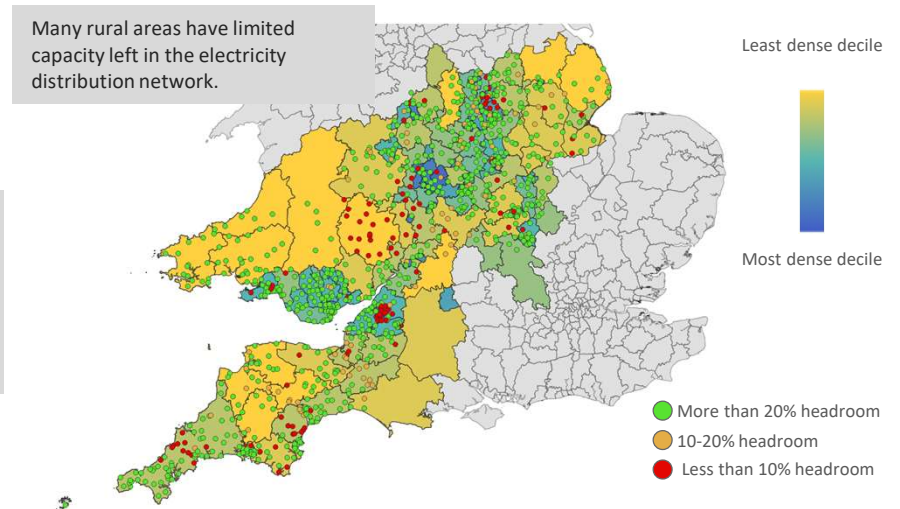
With larger distances and smaller markets, it's harder to make both commercial and social returns on investment in infrastructure in rural and coastal locations. There is evidence in the electricity grid, for example, that infrastructure is stretched on existing levels of demand.

Meanwhile, homes and premises in remote or sparsely populated locations are more likely to be 'off-grid' for utilities – especially gas, sewerage and broadband, but also mains water (and occasionally telephone and electricity).

Publicly available electric vehicle charging devices
Local authorities, England, 2021, devices per 100,000 people



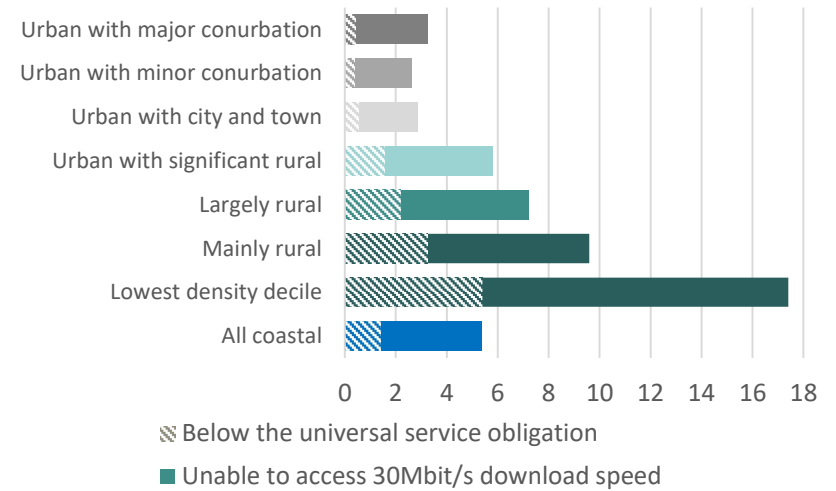
Aggregated primary power demand
Western Power Distribution Network, 2021



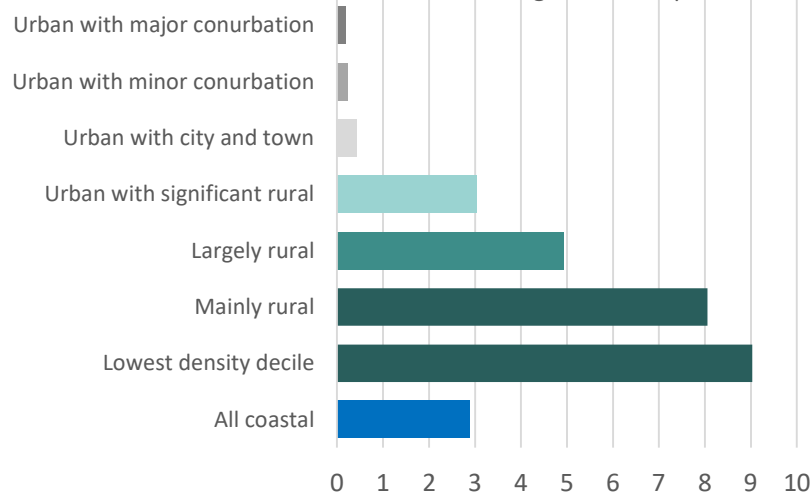
Lack of access to reliable broadband holds back residents and business in modern economy

Rural and coastal communities remain more likely to lack access to decent mobile and fixed broadband.

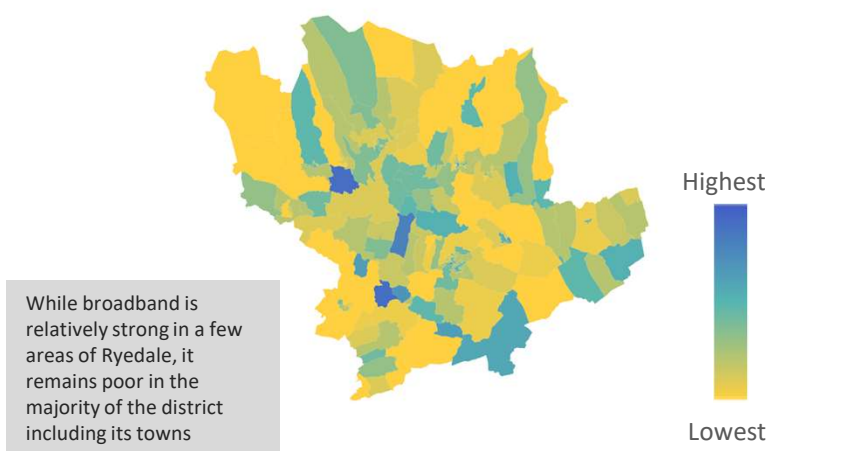
Premises with inadequate fixed broadband
Local authorities, England, 2020, per cent



Premises without 4G mobile broadband signal from all operators
Local authorities, England, 2020, per cent

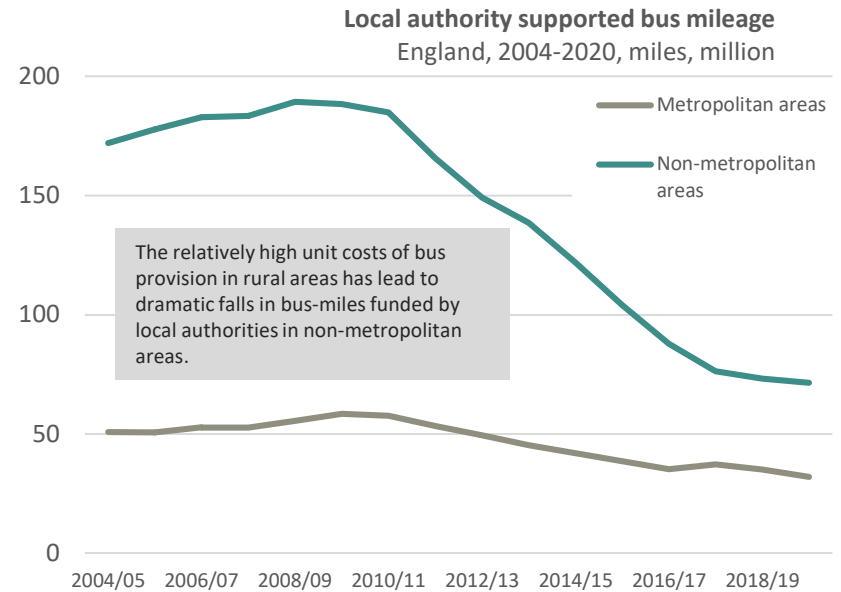


Ryedale: broadband performance (median download speed)
Output areas, 2020, national scale

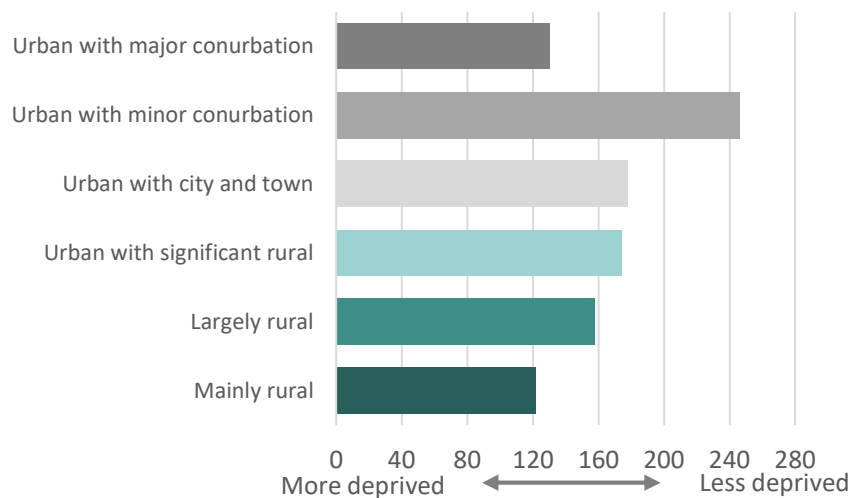


Delivering services to remote communities can be challenging and costly

Sparsity and remoteness means rural and coastal populations have to travel further to access services, such as healthcare, retail and leisure. Associated smaller market catchments make their provision more costly.

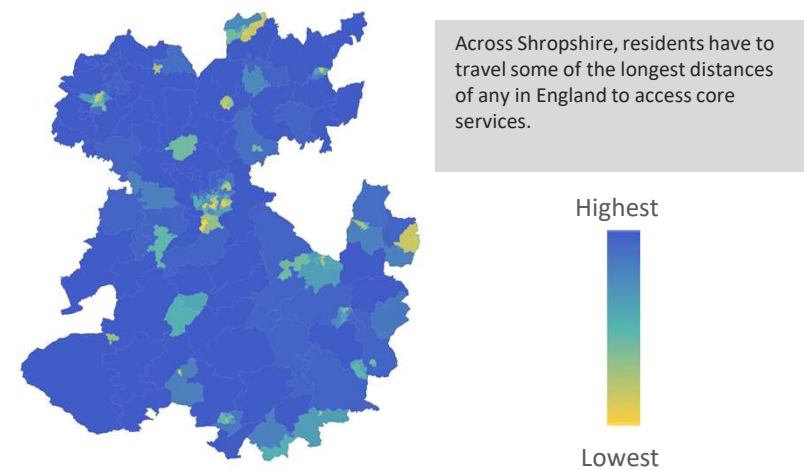


Index of Multiple Deprivation barriers to housing and services rank
Local authorities, England, 2019



Source: Department for Transport (top right); Ministry for Housing, Communities and Local Government (bottom left); Office for National Statistics (bottom right)

Shropshire: Road distance to services
Lower layer super output areas, 2019, national scale

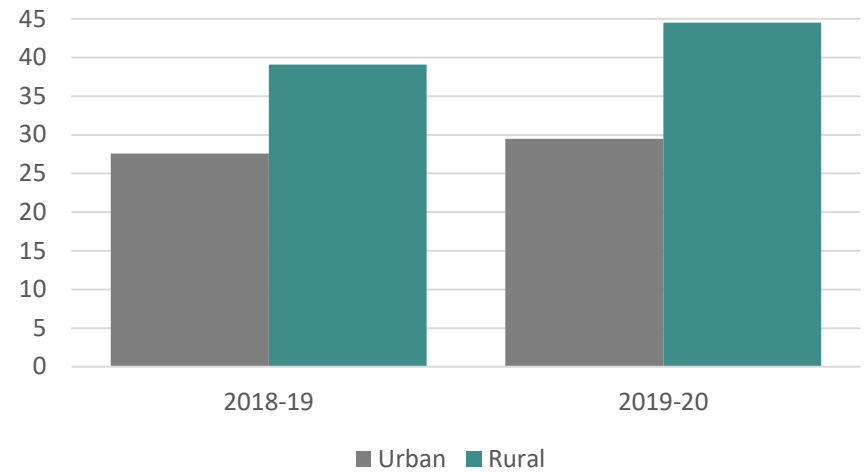


Volunteers filling some of the gaps in service provision

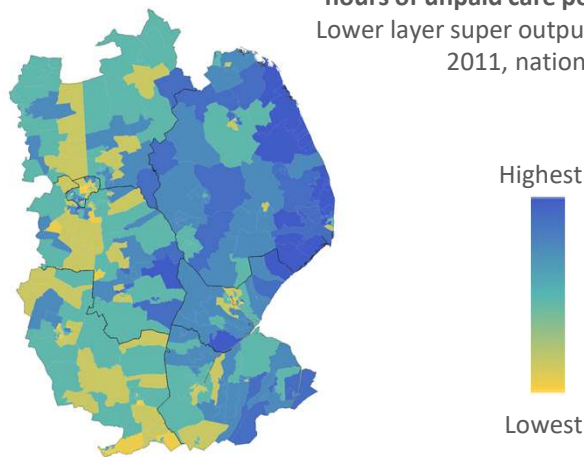
A higher percentage of adults in rural areas undertake voluntary work than in the rest of the country. In many cases, this volunteering will be supplementing or even replacing public services at little or no cost to central or local government. This may be in the form of driving people to appointments, delivering prescriptions, or other charities working to support their local communities.

Similarly, a higher proportion of rural and coastal populations provide unpaid care to family and other members of their local communities. This means volunteers in rural areas are undertaking jobs that would be paid for by the taxpayer elsewhere.

Adults doing any voluntary work in the year
England, per cent

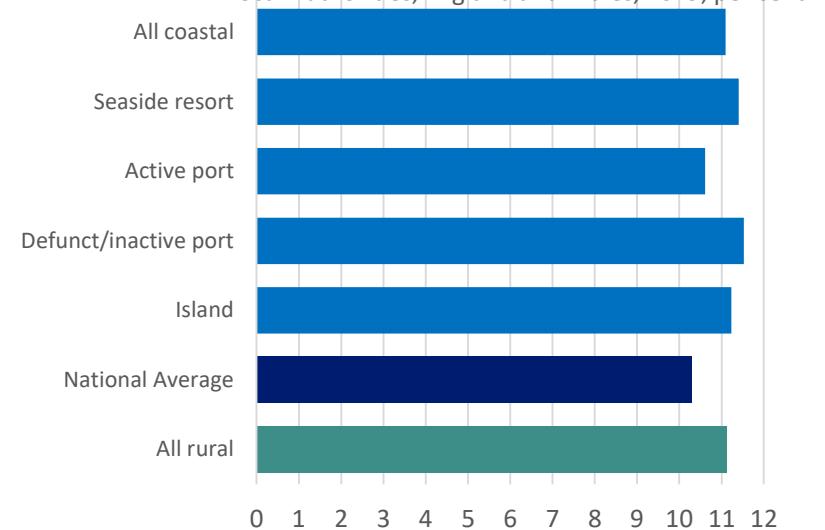


Lincolnshire: Share of population providing more than twenty hours of unpaid care per week
Lower layer super output areas, 2011, national scale



Lincolnshire coast has some of the highest rates of unpaid care provision in the country.

Population providing unpaid care
Local Authorities, England and Wales, 2019, per cent



Challenging industry mix

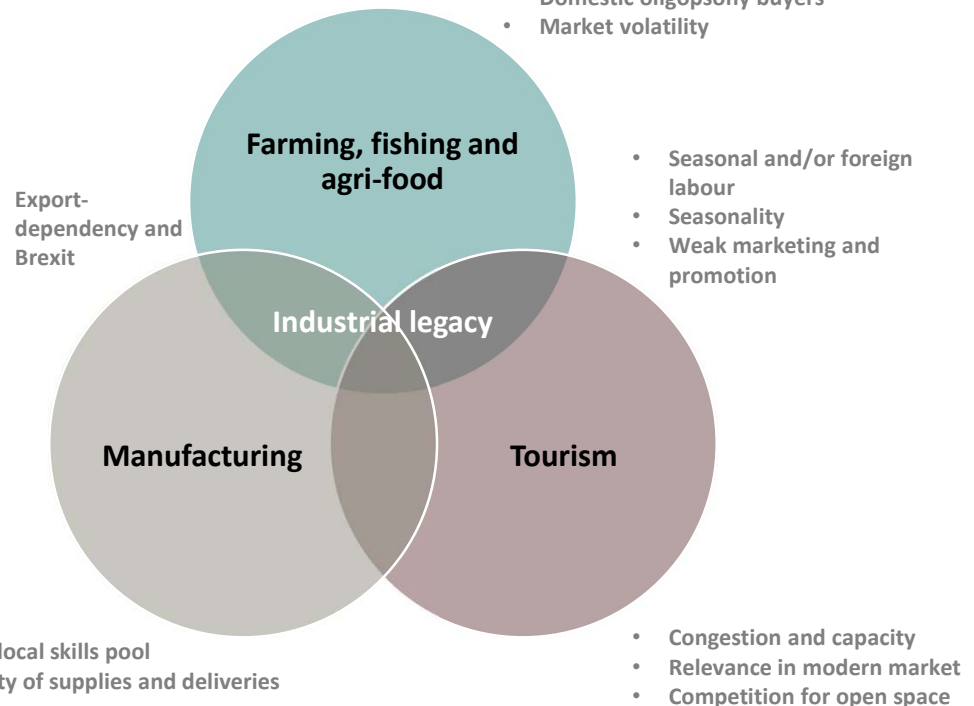
The mix of industries found in rural and coastal communities is limited by the constraints of geography and scale.

Although a wide range of businesses can be found in rural and coastal areas, three sectors are often over-represented: farming, fishing and agri-food; manufacturing; and tourism.

These three highlighted business sectors account for just under a quarter of jobs in the most rural locations. There are other over-represented or critical sectors – such as the creative industries, retail, personal care and, for many coastal locations, ports and logistics.

Nonetheless, agri-food, manufacturing and tourism are key drivers of what makes rural and coastal different to the rest of the country. And, the specific characteristics and challenges of these businesses are reflected in the overall performance of rural and coastal economies.

RURAL AND COASTAL SECTORAL CHALLENGES

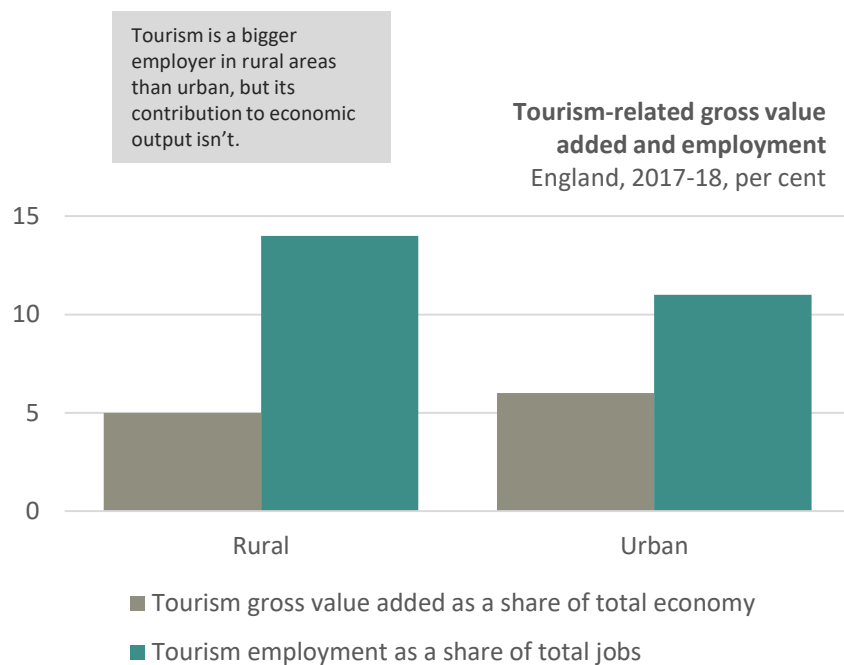


Part 2: Recommendations report identifies specific policy interventions to address key issues:

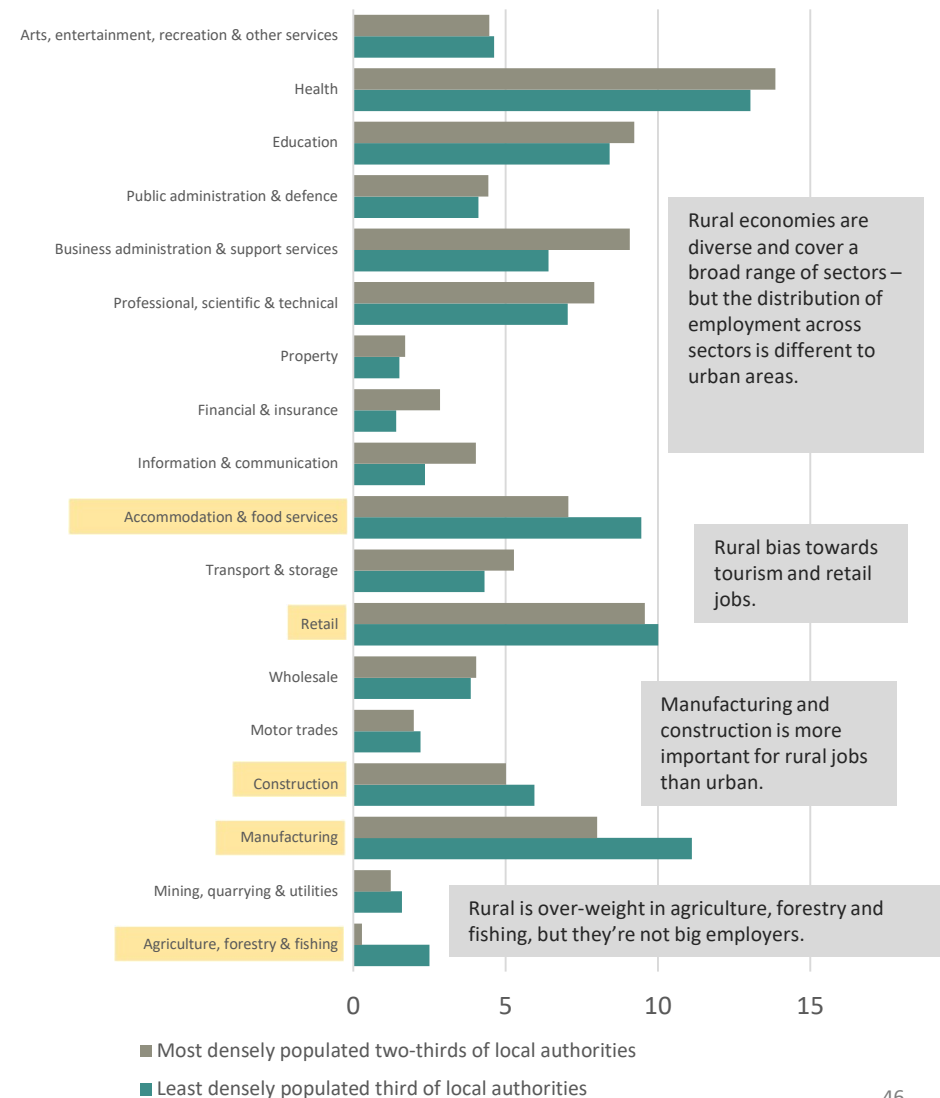
- 1b. Managing peak season
- 3a. Affordable housing
- 4a. Skills pipeline
- 4b. Business support
- 6a. Funding and delivery mechanisms
- 6b. Ongoing recognition

Employment in rural and coastal dominated by a few main industries

Authorities have a higher share of workers in tourism, manufacturing and agriculture compared to the national average. These jobs tend to be low skilled and lower paid – although this is changing as sectors innovate and rely more on technology. The care economy is also a big employer because of the high proportion of older residents.



Employees by sector Local authorities, Great Britain, 2019, percentage of total workforce

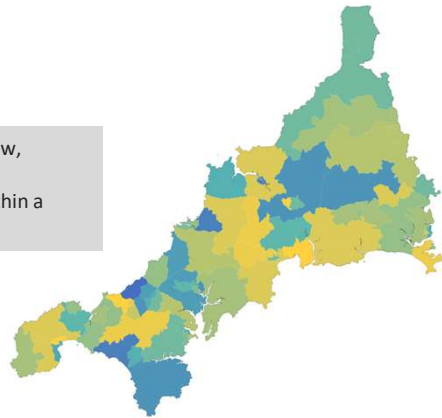


*“You have to understand that we are seasonal businesses.
Anything that can extend the season is welcome – essential this
year.”*

Business owner, Lincolnshire coast

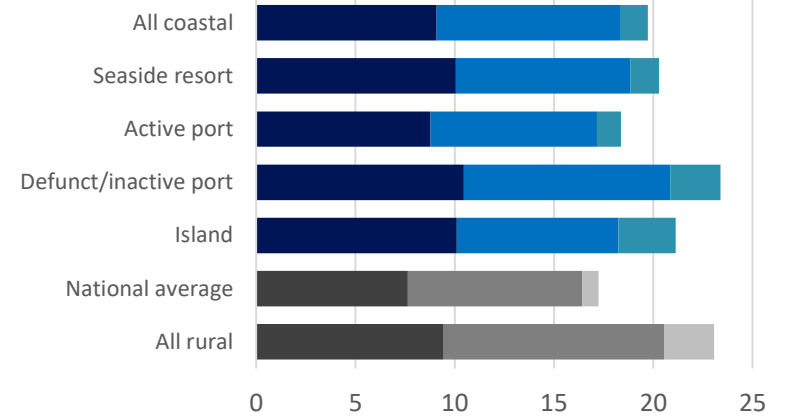
Cornwall: Share of employment in hospitality industry
Middle layer super output areas, 2019, national scale

As Cornwall's data show, tourism jobs can be concentrated even within a local authority area.



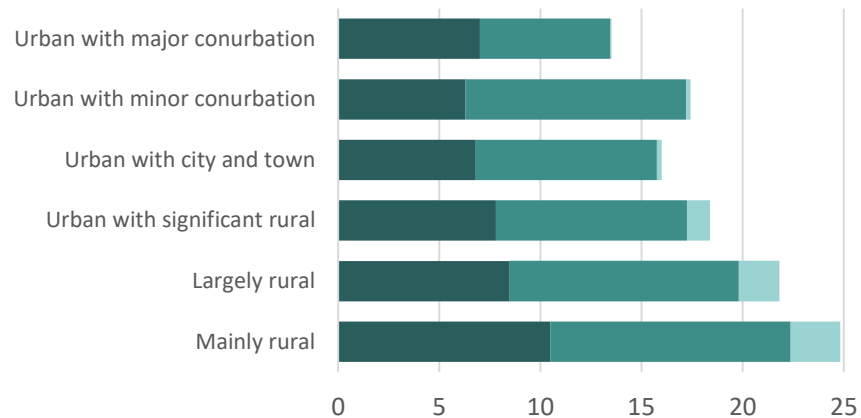
Lowest Highest

Employment in selected sectors
Local authorities, Great Britain, 2019, percentage of total employment



■ Accommodation & food services ■ Manufacturing ■ Agriculture, forestry & fishing

Employment in selected sectors
Local authorities, Great Britain, 2019, percentage of total employment



■ Accommodation & food services ■ Manufacturing ■ Agriculture, forestry & fishing

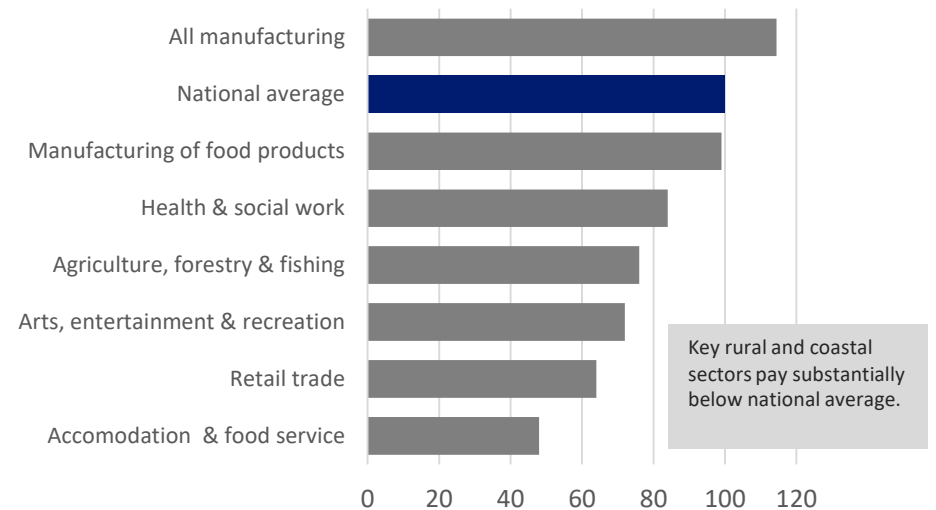
Almost one-in-four of jobs in the most rural authorities are in the three main sectors

Tourism, manufacturing and agri-food are key drivers of employment and economic activity in rural and coastal communities. Many of these businesses have highly seasonal trading and operational patterns.

Rural and coastal industry mix results in relatively low wages and more casual employment patterns

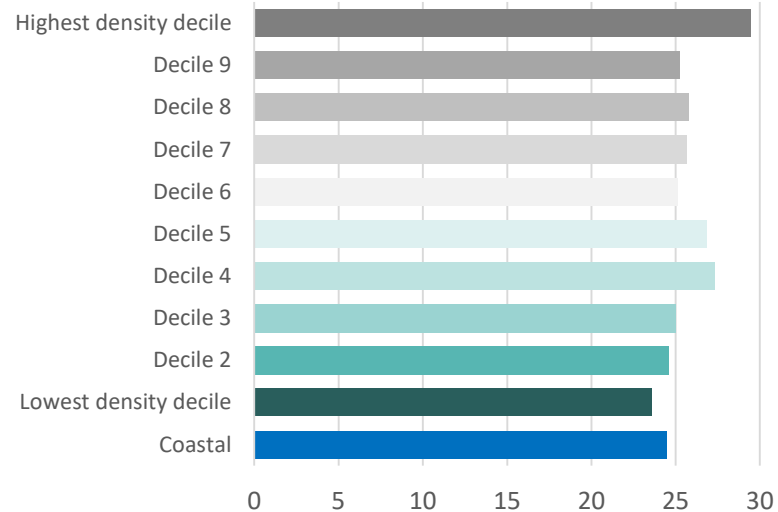
Jobs in the most rural areas are among the lowest paid, and they are in sectors with high rates of zero hour contracts and casual working.

Indexed annual earnings
United Kingdom, 2019, National average=100



Median annual gross pay

Local authorities, Great Britain, 2020, £ thousand



4.9%

Production, including agriculture

9.4%

Wholesale and retail

23.7%

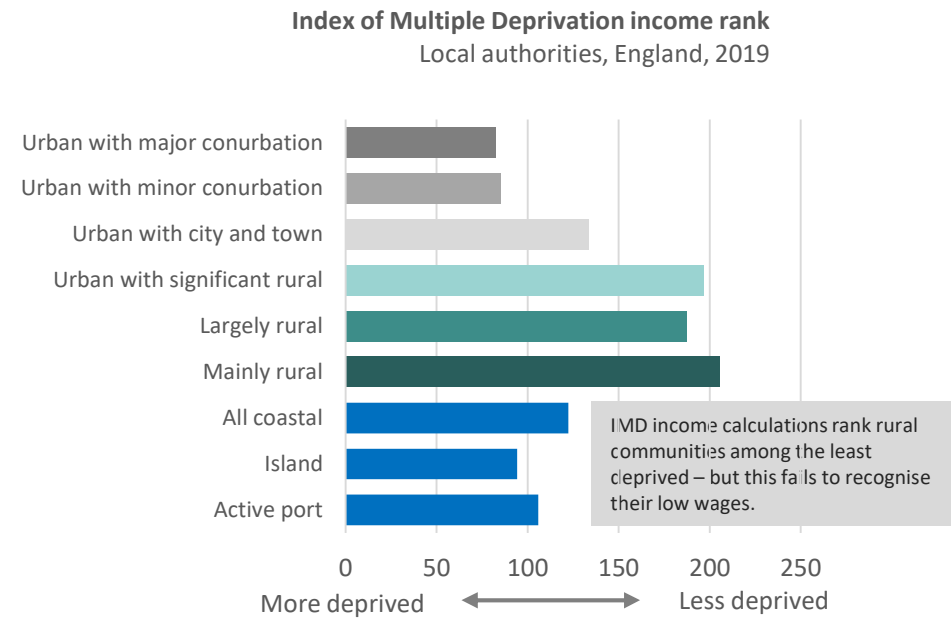
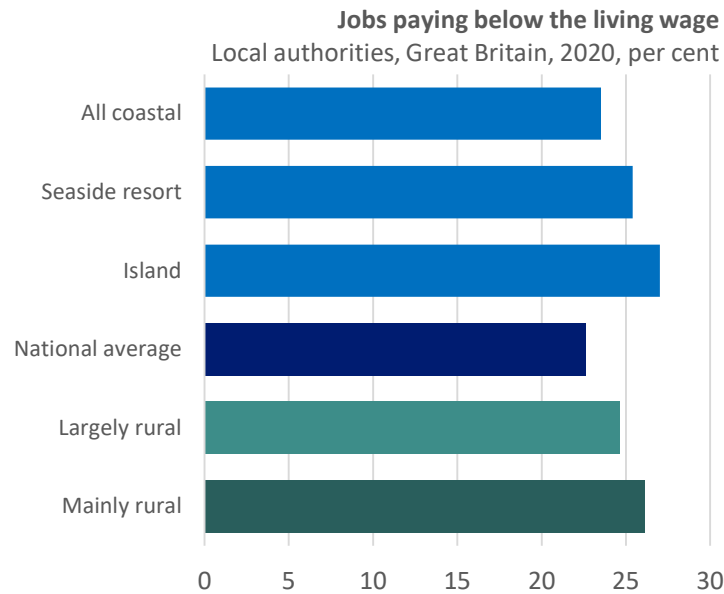
Accommodation and food

17.1%

Health and social work

People aged sixteen and over on zero-hours contracts by industry

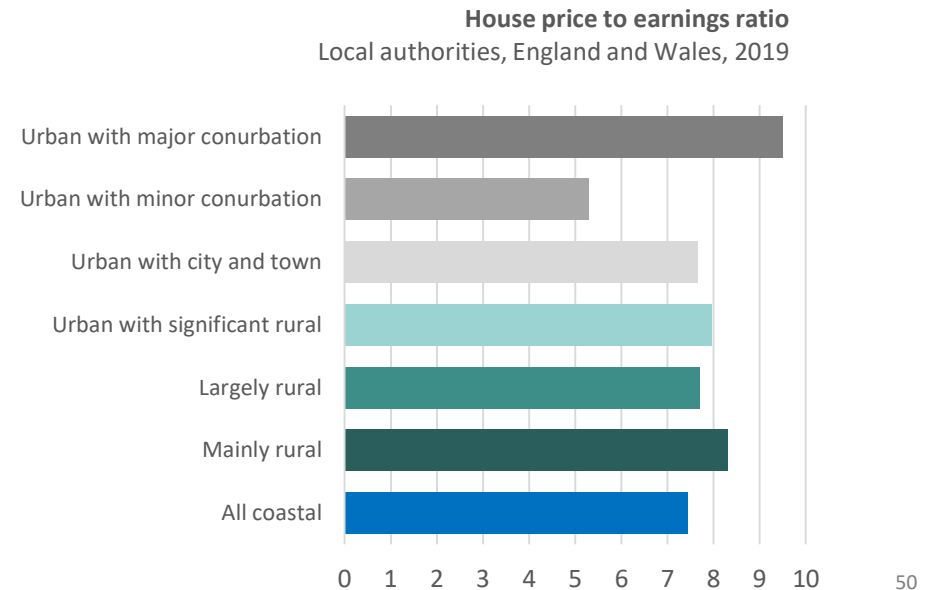
United Kingdom, April to June 2019



With a quarter of rural workers not earning the living wage, affordability of local housing an issue for rural workers in local jobs

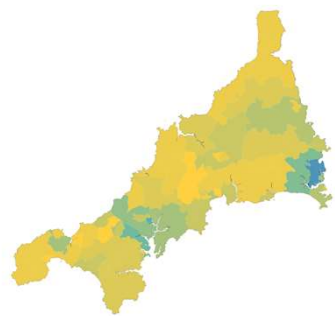
Despite fewer workers being paid the living wage and average incomes being lower, rural locations score favourably on official measures of income deprivation. Focused only on benefit recipients, the Index of Multiple Deprivation calculations do not consider earned income levels or job-related financial insecurity.

Outside of the most expensive conurbations, rural areas have the highest house price to earnings ratios. Once housing costs are deducted, families in many rural communities have among the lowest disposable incomes of any in the country. (See next page.)

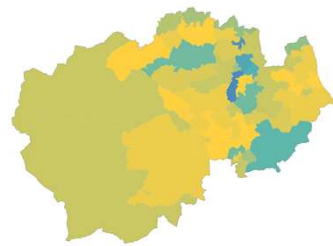


Net annual household income after housing Case study areas, 2017-18, national scale

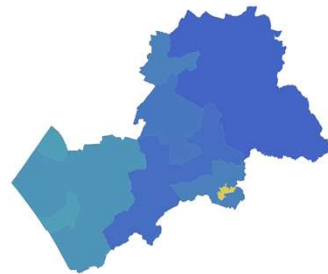
Lowest net income  Highest net income



Cornwall



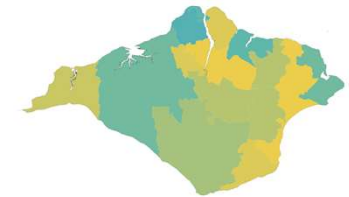
Durham County



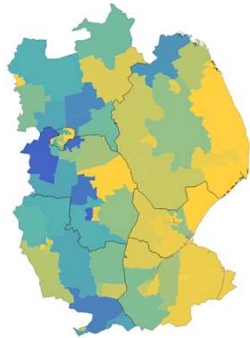
Harborough



Herefordshire



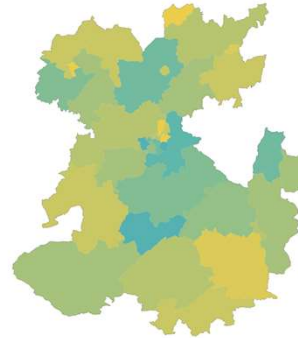
Isle of Wight



Lincolnshire



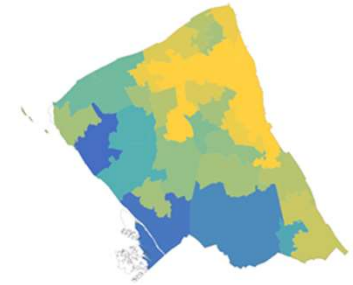
Ryedale



Shropshire



Tendring



Wirral

Current challenge of covid

The full impact of covid on rural and coastal economies is yet to be seen.

To date, job losses have hit urban workers harder than rural and coastal. The evidence on the uptake of government emergency business support measures suggests little difference between geographies – but there is no clear data yet on the mid-term solvency of businesses after emergency support measures are lifted.

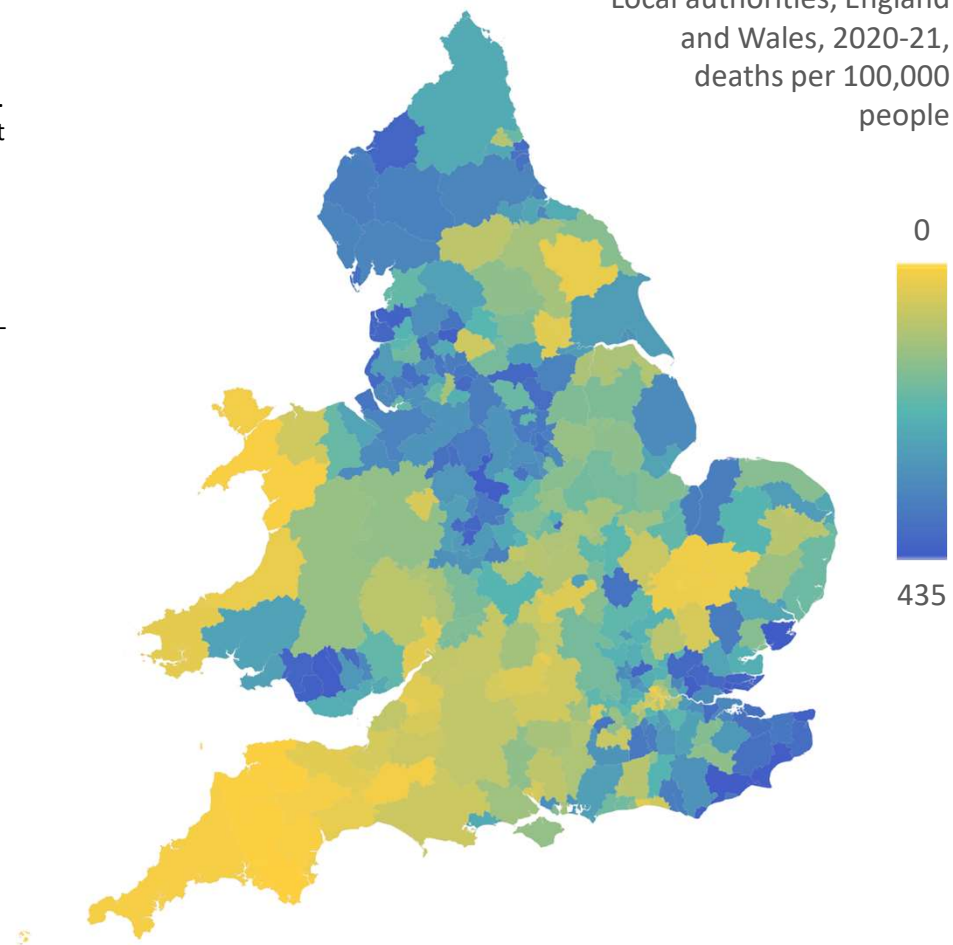
There is a higher proportion of ‘micro’ enterprises, with under ten employees, in rural areas – and small businesses in coastal. Often family-owned and owner-managed, many of these businesses are now vulnerable to failure.

Experience of the last recession suggests rural economies can be disproportionately impacted by macroeconomic downturns, and both rural and coastal areas can be slow to recover.

Part 2: Recommendations report identifies specific policy interventions to address key issues:

- 1a. Support for micro and nano businesses
- 1b: Managing the peak season
- 1c: Mental health
- 4b. Business support
- 6b. Ongoing recognition

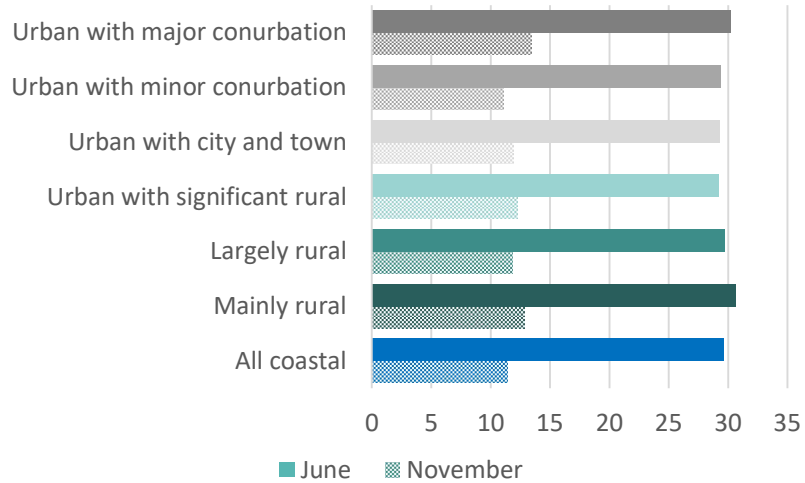
Deaths from covid
Local authorities, England and Wales, 2020-21, deaths per 100,000 people



“The high street has really suffered. The few national brands we have are gone. So many shops will be empty when this is over.”

Manager of a charity for the homeless, Lincolnshire coast

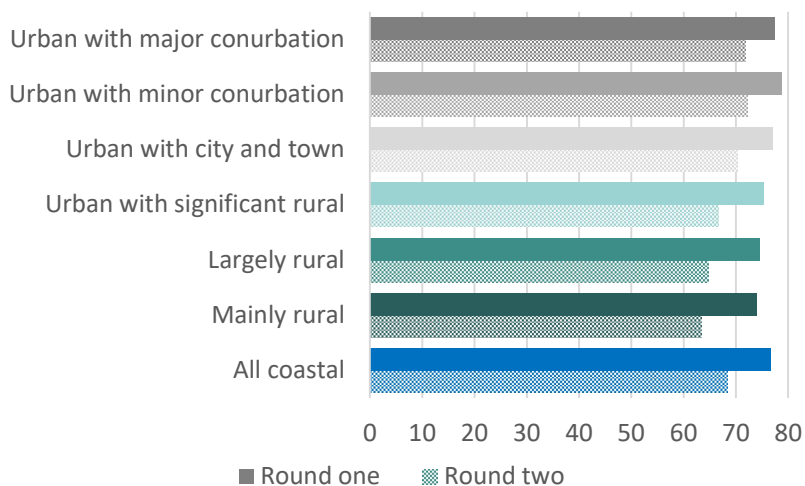
Job retention scheme uptake
Local authorities, England, 2020, percentage of all eligible employees



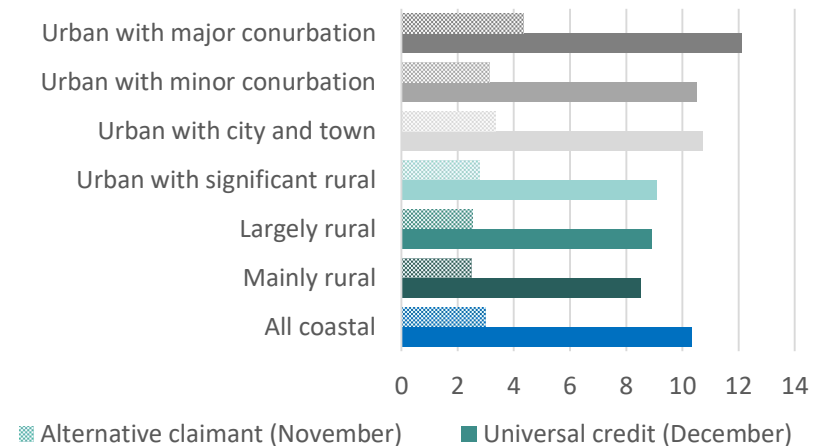
Fewer immediate jobs losses but otherwise little evidence of substantial differences in covid impact between rural, coastal and urban economies

Through 2020, urban areas have seen greater proportionate jobs losses than rural and coastal communities. There has been marginally higher take up of furlough by employers in rural areas than in urban, and slightly less take up of the self-employed income support scheme.

Self-employed income support scheme uptake
Local authorities, England, 2020, percentage of all eligible

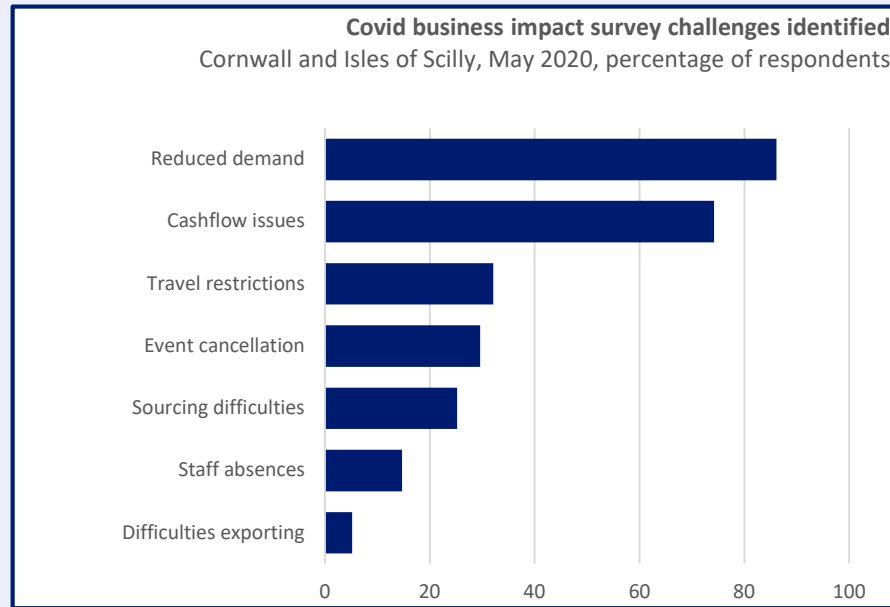


Increase in claimant count as share of working age population
Local authorities, England, 2019 to 2020, percentage point increase



Source: HM Revenue and Customs (left); Department for Work and Pensions (bottom right)

Covid impact: Cornwall



Town	Percentage employed in shutdown sectors
Newquay	56.2
Skegness	54.7
Whickham	52.8
Cleveleys	48.2
St. Ives	48.0
Minehead	48.0
Whitby	46.9
Ilkley	44.7
Kingsteignton	44.5
Mablethorpe	44.5

Identified at-risk sectors:

- Accommodation
- Art and leisure
- Non-food retail
- Pubs and restaurants

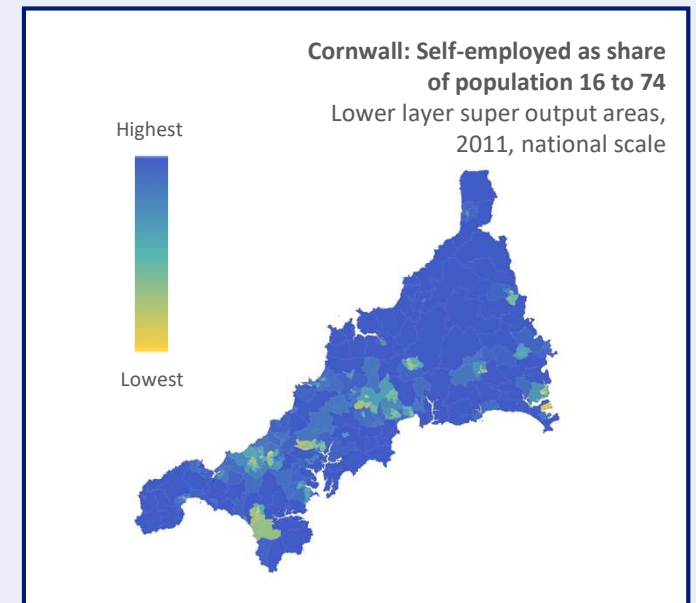
Towns with the highest sectorial impact from covid
England, 2020

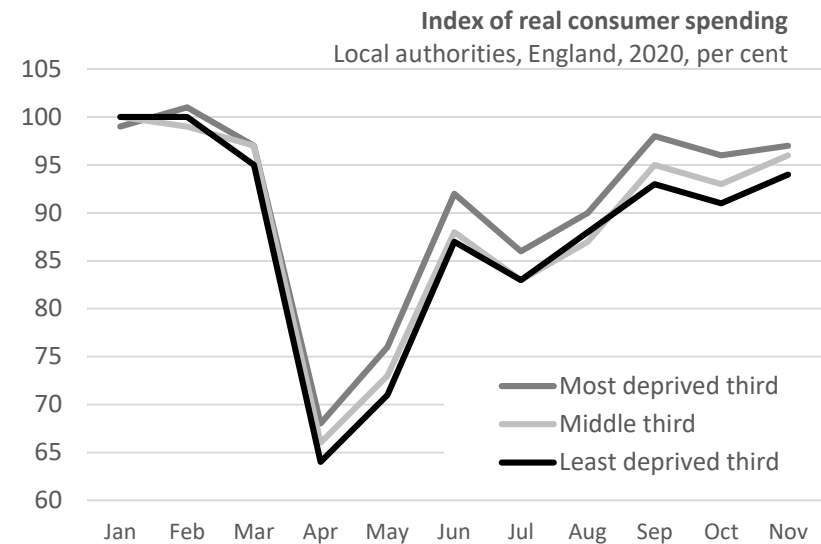
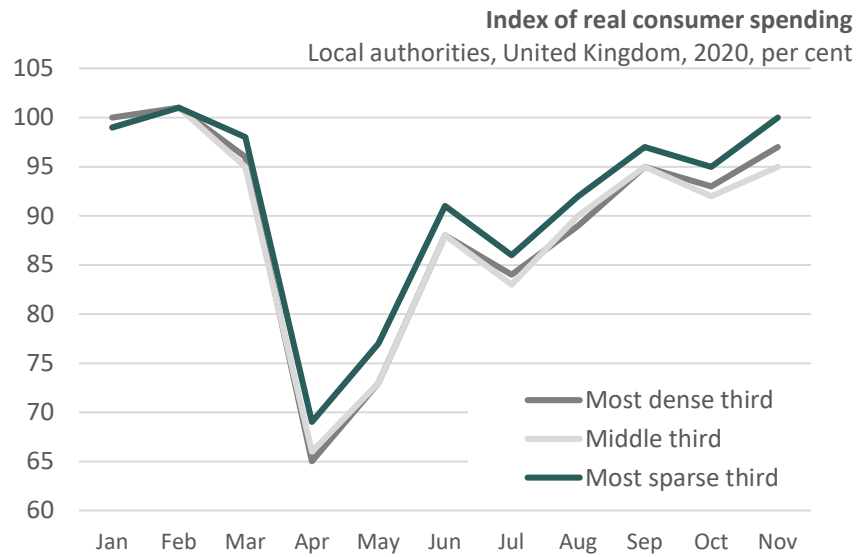
“Cornwall may be the biggest economic British loser from the [first] lockdown” based on per cent change in weekly sales in the same week from 2019 and 2020.

This is potentially an underestimate as the 2020 period coincides with the Easter holiday period, whilst the 2019 period does not.

	All sales	Non-grocery sales
Penzance	-69%	-89%
Wadebridge	-67%	-85%
Redruth and Truro	-56%	-73%
Falmouth	-54%	-77%
St Austell and Newquay	-48%	-71%
Bude	-46%	-67%
Liskeard	-45%	-73%
Launceston	-42%	-66%

Self-employed as share of population 16 to 74
Travel to Work Areas, week ending 14 April 2019 to 2020, percentage change

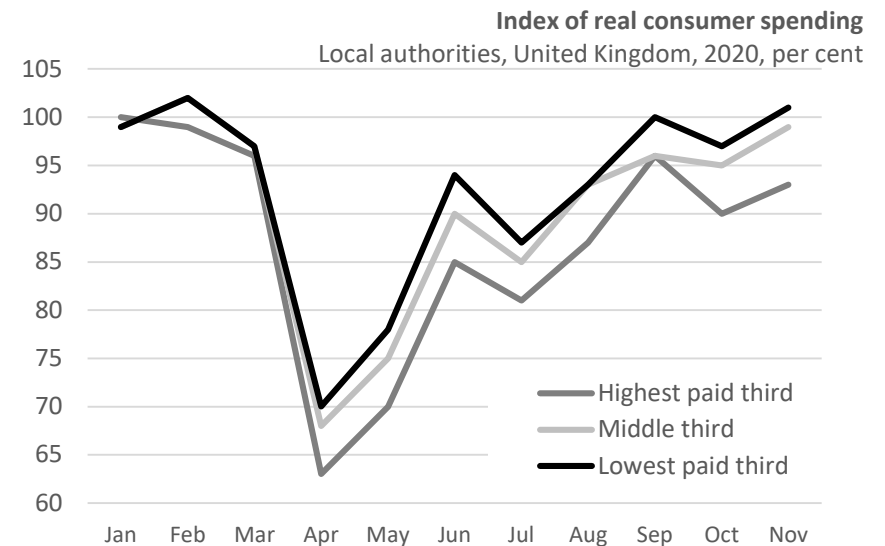




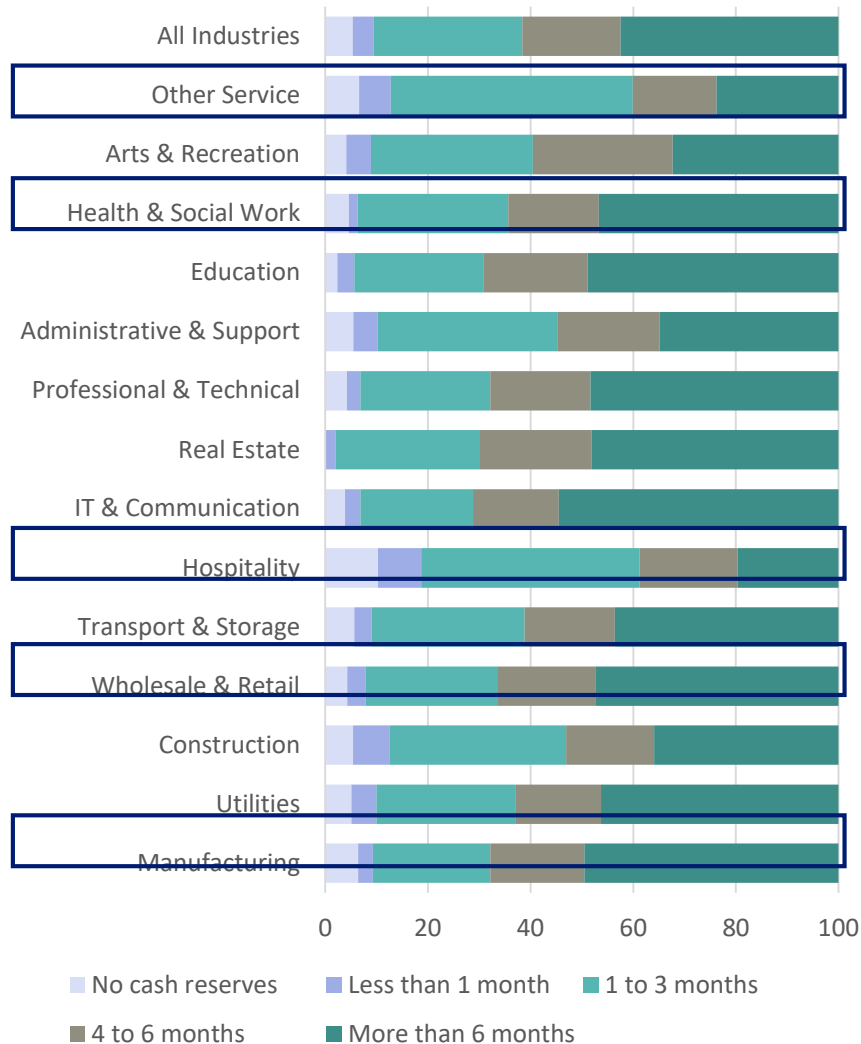
Consumers’ spending in rural areas didn’t fall as far in 2020 as it did in the cities

Institute for Fiscal Studies has analysed consumers’ spending patterns across local authority areas – and their results point to income levels, and not rurality, as the main driver of differential impacts on households’ behaviour.

The impact of covid on consumers’ real spending through 2020 was less severe in rural areas than urban, and has recovered faster. Similarly, the falls in spending were lower in local authority areas that were more deprived and had lower incomes – and were likely to have a lower proportion of discretionary spending.



How long business cash reserves will last
United Kingdom, weighted estimates, February 2021, percentage of all businesses

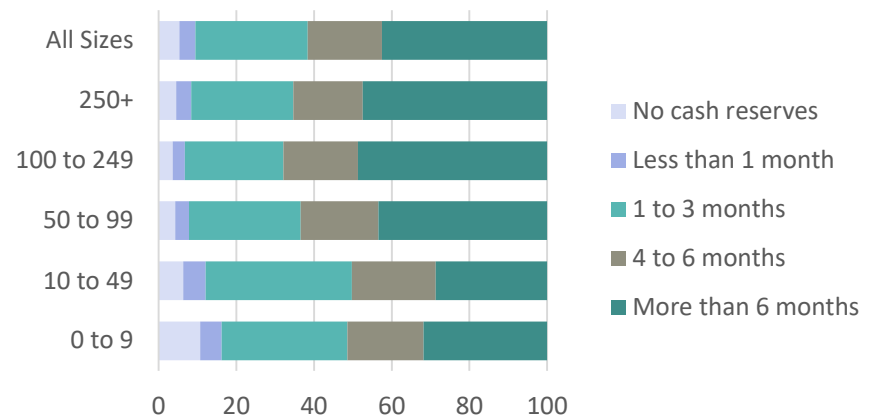


Potential economic damage of covid, especially in rural and coastal businesses, is not easily recognised

Although some data suggests that rural and coastal economies have performed relatively well throughout the pandemic, there are warning signals that their mix of businesses leaves these communities at risk.

Although government emergency measures, like furlough, have stopped for example tourism businesses from failing, they are among the sectors now reporting the tightest of cash positions. Similarly, cash reserves in the smallest of firms leave them with the least free cash to maintain their operations.

Business cash reserves
United Kingdom, weighted estimates, February 2021, percentage of all businesses

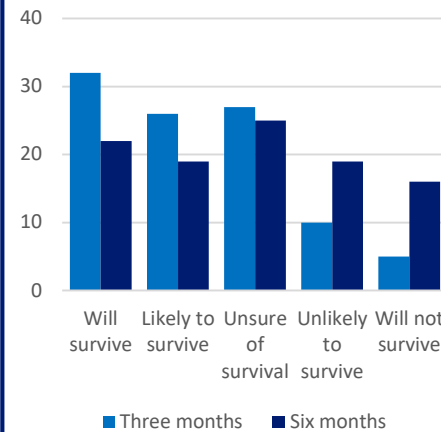


Covid impact: Tourism and Great Yarmouth

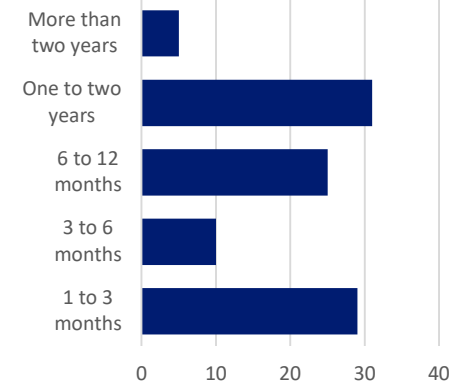
Despite a boom in domestic visitors to British destinations in the summer, the coastal tourism sector suffered big losses in 2020.

- Seven per cent of coastal tourism businesses permanently closed
- 54 per cent of all businesses saw a decrease of more than half their annual turnover
- 53 per cent say it will take more than a year to return to profit
- 40 per cent of businesses have reduced staffing levels

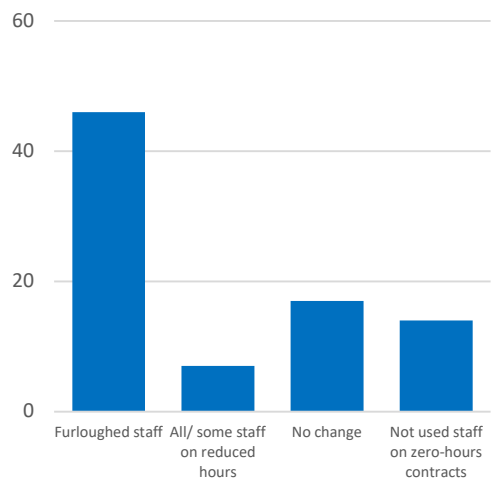
Survival expectations of tourism businesses with current restrictions in place
Great Yarmouth, January 2021, per cent



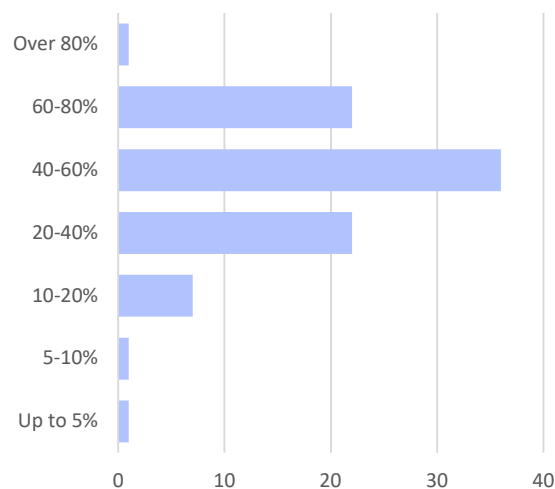
Time required by tourism businesses to return to 'business as usual' if all covid restrictions ended immediately
Great Yarmouth, January 2021, percentage of tourism businesses



Effect of covid on staffing levels of tourism businesses
Great Yarmouth, January 2021, per cent



Trade lost by tourism businesses in 2020 compared to 2019
Great Yarmouth, January 2021, percentage of tourism businesses



England 2020

£7.64bn loss in tourism spend

95m trips and day visits lost

131,000 jobs lost

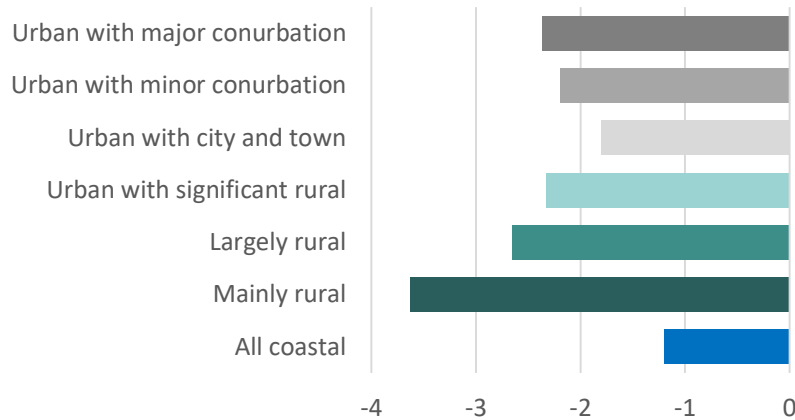
England 2021 estimate

£5.23bn loss in tourism spend

46m trips and day visits lost

Global financial crisis gross value added growth rate

Local authorities, United Kingdom, 2008-09, per cent



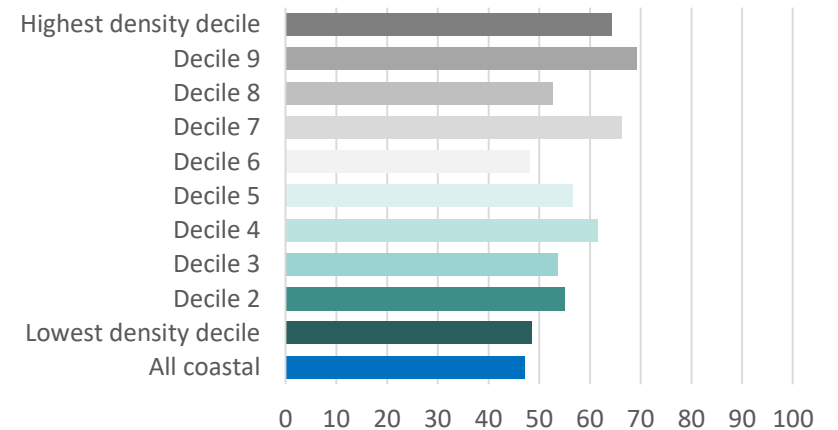
Rural areas hardest hit by 2008 global financial crisis, and were among the slowest to recover

The recent history of the global financial crisis demonstrates the fragility of rural and coastal economies to economic shocks.

According to the All-Party Parliamentary Group on Coasts and Waters' November 2020 report, one third of coastal communities were still yet to recover from the financial crash in 2008 by the time the pandemic arrived.

Proportion of authorities that reached pre-crisis peak* gross value added growth rate by 2016 (latest data)

Local authorities, United Kingdom, per cent



*Note: the pre-crisis peak GVA growth rate is the highest annual GVA growth rate from 2006 to 2009 for each local authority. Source: Office for National Statistics