

# The rural economy and levelling up



Summary report of a major  
Onward and NFU partnership

ONWARD >



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Onward is a not-for-profit thinktank registered in England and Wales (no. 11326052). Our mission is to renew the centre right for the next generation, by coming up with bold new ideas and reaching out to new groups of people.

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## About the National Farmers Union

The NFU is the representative body for agriculture and horticulture, representing 55,000 members, who cover two-thirds of the agricultural land in England and Wales. Our purpose is to champion British agriculture and horticulture, to campaign for a stable and sustainable future for British farmers and to secure the best possible deal for our members.

## About this report

This summary report is a record of a roundtable event held in May 2021, hosted by Onward and supported by the NFU. The event was held under the Chatham House Rule, so all comments below are anonymised and the discussion summarised.

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# Foreword

## *Levelling up the countryside*

Levelling up is one of the biggest domestic policy commitments in town but making sure it spreads into the countryside will be a key part of its success.

Crossing the rural rubicon is important as the obstacles associated with levelling up – lack of physical or digital infrastructure, access to education, or poor connectivity and access to jobs – are shared across the urban-rural divide.

They share common problems, but experience them differently. One specific problem rural communities face is changing demographics. Younger generations are leaving rural areas and the remaining population is proportionately older than their urban counterparts. Between 2011 and 2018, despite the number of people living in rural places growing by 400,000 in absolute terms, the rural population fell as a share of the UK's total population as urban areas experienced a faster rate of growth. Simultaneously, the average age in rural areas has increased at a faster rate than in urban areas. So much so, that the average age in rural areas in 2018 was 44.7 years, 5.6 years older than in urban areas. Crucially, people who live in rural areas are more likely to be dissatisfied with the functioning of democracy, and less likely to trust the political system, despite the fact that they are more likely to participate in it when they cast their ballot.

Engaging rural communities to create policies that acknowledge and address these changing dynamics will make levelling up more sustainable.

To this end, Onward worked in partnership with the NFU to convene a roundtable with representatives, campaigners and experts to consider how to tailor the levelling up agenda to the countryside. I hope that this report provides impetus and insight for the policy debate on the future of the countryside, and how to address the sustainability of rural areas.



**Will Holloway**  
Deputy Director, Onward

# Introduction

The Government's commitment to levelling up is timely. It offers us all – every part of the country, every community, every person – the chance to build back better from this dreadful Covid pandemic and address long-term structural inequalities in our society and economy. Rural Britain – and the farm businesses that lie at its heart – has a crucial role to play in developing, implementing and making a success of this new agenda.

The NFU wants to lead this important conversation. I am proud to represent 45,000 farming businesses; the NFU's members are businessmen and women by virtue of being farmers. And we are ambitious for our businesses and the future of rural Britain.

We are working in partnership with Onward to explore three key areas where we think rural Britain can work more effectively with government – connectivity, investment and funding, and rural proofing.

Firstly, key to future growth is broadband provision. Access to sufficient mobile and broadband is still far from universal. Our members and others in rural communities are disproportionately faced with little-to-no access. As seen in the NFU's Digital Technology Survey<sup>1</sup> only 40 per cent of members believe their broadband to be sufficient for current business needs. Reliable coverage and connections will benefit farming, British food production, and wider rural businesses.

Second, with the right funding, we can provide and deliver more green growth and jobs. While farming is at the core of our businesses and the countryside, rural Britain provides so much more than just the food we eat; from the iconic British countryside to diversified farm businesses. Around 65 per cent of all farm businesses in England also run other enterprises – such as farm shops, wedding venues and B&Bs – which generated £740 million for the UK economy in 2018/19, while in 2019, 18.5 per cent of all money spent on holiday trips in England was spent in the countryside – just over £2 billion. Recent research has shown that more than 70 per cent of people intend to plan a holiday in the UK in 2021, with a majority of respondents reporting that good views (57 per cent) and outdoor space (53 per cent) were crucial in deciding where to travel.

We have some excellent examples of structural funds in the past which were open for small farm diversification projects. This Government has announced future funds to match these, including the £4bn Levelling Up Fund and the UK Shared Prosperity Fund but it is still unclear how smaller,

rural businesses will be able to access these funding streams. We want to work with local and national government on setting these upright, so they benefit all of the business sector, rural as well as those in urban and metropolitan areas.

And lastly, sitting above this is how policy-makers account for rural issues in their decision-making process – what we call rural proofing. To ensure this succeeds we would like to see greater engagement with government departments outside of Defra, including HMT, MHCLG, DCMS and BEIS.

Farming – and rural Britain – can provide solutions to many of the challenges we face, in addition to providing the food and raw ingredients that millions of us need each and every day. I hope this report will inspire, invigorate and empower a new, ambitious and revolutionary approach to rural Britain; one that maximises the economic and social potential of the living, breathing economy that underpins 70 per cent of our country. I am delighted to be working in partnership with Onward to ensure that rural Britain is valued and supported for the role it can play in our national prosperity.



**Minette Batters**

President, NFU

# Summary of the discussion

The Government has committed to an ambitious levelling up agenda, promising to bring growth and economic opportunity to all parts of the country. However, there is a concern that this agenda becomes overly focused on urban agglomeration and industrial growth, and thus fails to deliver for those who do not live in large cities. With 70 per cent of the UK's land and around a fifth of its population living in rural areas, the question remains: how can the levelling up agenda better represent these places, and ensure that the rural economy better delivers opportunity and prosperity for different parts of the UK?

This roundtable considered how the rural economy can be better served by – and contribute to – the levelling up agenda. Participants focused on the necessities for growth in rural places, and what companies and communities need from policymakers to succeed. This included discussions on digital connectivity, physical infrastructure, boosting economic growth, social capital and how best to ensure a rural policy agenda is represented across government departments.

## Key points of the discussion

### 1. Digital infrastructure is essential. Its reach must be extended if rural communities are to level up

- There was widespread agreement that digital infrastructure and connectivity are crucial. The last year has repeatedly demonstrated that digital connectivity is not a luxury, it is an essential part of modern life.
- Across the UK, superfast broadband (above 30 Mbps) is available at 95 per cent of premises,<sup>2</sup> yet only 20 per cent of those in rural areas are able to access speeds above 24 Mbps and 57 per cent are unable to access even 10 Mbps, despite it being a legal right.<sup>3</sup> As the Government's commitment to full gigabit coverage has been downgraded from 100 per cent coverage to 85 per cent there are real fears that this will hit rural communities hardest.<sup>4</sup>
- However, the current paucity of connectivity is preventing people from staying or moving to the countryside. Broadband coverage has the ability to invigorate rural economies, attracting new, and retaining existing, businesses, as well as prospective residents for new economic opportunities. In this way, improving a place's

digital infrastructure is more essential than physical infrastructure, such as a new rail or road network.

- The roll out of broadband across the UK is complicated by the limitations imposed by financing and economies of scale as well as existing infrastructure and difficult terrain, with rural areas the worst beset by these problems. The UK has increasingly adopted Fibre-to-the-Premises (FTTP) technology. However, it is starting from a low point. In September 2019, coverage was only 10 per cent. The Government promised to reach 100 per cent coverage by 2025.<sup>5</sup> Geography and financing difficulties are reflected in the government's decision to reduce its commitment from 100 per cent full-fibre coverage to 85 per cent by 2025. Participants argued that the reduction pointed to a failure of ambition that will likely be felt disproportionately by rural communities.
- Participants proposed a number of potential solutions, including improved access to land and planning reform to facilitate infrastructure development; alternatives to fibre such as satellite connectivity for those areas that are made inaccessible by geography; and the provision of public subsidies for those areas that are not commercially viable. The group also commented on the Government's 'Gigabit Broadband Voucher Scheme', applauding its intentions but criticising its slow roll out, changing terms, and the reliance on the sometimes insufficient operational capacity of stakeholders.

## **2. Reimagining the economic opportunities of rural communities will be crucial for their survival**

- Many rural economies are left vulnerable by poor connectivity, limited transport options, a skills shortage and a lack of job opportunities. Without sufficient employment or educational opportunities, rural areas have struggled to attract talent, and even retain their populations. As people leave their communities in search of work and higher wages, many areas are being left behind.
- Participants agreed that there will be no single solution. Instead, it will take collaboration and innovation. It was suggested that diversifying tourism and decentralising employment might be one part of the solution. At present, tourism in the UK is largely focused around "honeypot" destinations at specific times of the year. However, its reliance on location and season for success undermines the sustainability of the industry. Looking forward, the industry would do well to diversify, drawing domestic and international

attention to less well travelled destinations. Participants suggested this should be complemented by the dispersal of employment opportunities, supporting a local interest in domestic tourism and providing sustainable employment during off-peak months.

- It was also highlighted that there are opportunities for the rural economy to become a more integral part of the wider economy. With participants stressing that rural environments have the capacity to support the government's commitment to net zero. Building the green economy in rural areas will be part of the Government's pledge to 'build back better.' It was suggested that the post-pandemic recovery and reprioritisation will allow for a refocus on the wealth of benefits found in rural settings to reach national climate goals.

### **3. The social fabric of rural communities is just as important as economic activity**

- It was agreed that economic and social capital are often interlinked. As job opportunities in rural areas decline, those that can afford to buy in the area are often retirees or second home owners, weakening the social fabric of many places. There was strong support that investment in social infrastructure can bring together communities to help shape their place to create places to not only live and work, but also areas to put down roots.
- There are questions of how levelling up and community investment programmes will impact rural areas. There was acknowledgement that tackling the issues of inner cities and towns may take priority, however rural areas should not be forgotten. It was suggested that resources and the bidding process should be scalable for the size and population of specific areas, and community capacity building should continue at a local and hyper local level to drive forward the process of transformation for many rural communities.
- Community hubs are important to create safe spaces for people to come together. This can include village town halls, local clubs and associations, and volunteer opportunities. It was agreed that these are important to establish pride and belonging.

### **4. A lack of a united rural voice was a key obstacle to success for a unified rural agenda**

- The countryside is not a homogeneous bloc, but contains a broad diversity of geographies, economies, constituents and communities. As their composition differs so too do their challenges, however, there are experiences and issues that are shared. These include

issues such as digital connectivity and skills deficits which can disproportionately affect rural areas, having an impact on productivity and growth.

- This fragmentation of rural voices was agreed to be a central barrier preventing meaningful policy formulation. Communities, organisations and authorities are keen to benefit their areas and stakeholders. But as participants pointed out, this preoccupation with strictly bounded remits of responsibility and interest can be a barrier to development. It pits communities, organisations and authorities against one another, resulting in disjointed planning and coverage; wasted resources; and watered down policies.
- Collaboration was identified as essential to making the voice of rural communities more present within the levelling up agenda with participants keen to stress that collaboration should occur at many levels – local, regional and national – and within, and across sectors.

#### **5. Participants highlighted that rural proofing, as it currently stands, is inadequate**

- Rural proofing exists to ensure that policies for an urban environment do not adversely affect rural areas but participants argued this does not go far enough. The success of rural proofing was argued to be limited by its position within one single government department. There was consensus from attendees that DEFRA's strong understanding of the needs and potential of rural communities is not shared across Whitehall. As a consequence, attendees felt that rural matters are treated as an afterthought, understood only in relation to policies designed for urban areas.
- Going forward, participants agreed that a dedicated rural strategy will be necessary to truly come to grips with not only the gaps in the rural economy, but also the potential benefits it can bring to the wider national economic outlook.
- A consensus developed that instead of mitigating the effect of policies designed for urban areas on rural communities, a dedicated strategy would ensure that rural matters would be thought of from the outset. For this to have the greatest impact possible, participants encouraged a focus on rural affairs within the Cabinet Office. This would ensure that all departments, from transport to health, education to business, integrate rural areas into their planning.

# Conclusions

This roundtable discussion presented an opportunity to bring together key stakeholders from the rural sector, policymakers and local government to focus on the future of the rural economy and the communities who rely on it. It has become increasingly clear that levelling up the UK cannot be a unilateral undertaking. For levelling up to be truly successful, it is essential that the social, physical and digital infrastructure is, where it exists, made more resilient and is put in place for those areas that lack it. The discussion highlighted a number of activities that might support this.

First, levelling up Britain means providing connectivity for rural areas. This would not only benefit rural communities, but the UK as a whole creating a richer more diverse economy, resilient to future challenges.

Second, there is no overstating the value of community. The sense of belonging created by community feeling has tangible expression in the sense of shared ownership, resilience and innovation it creates. It is clear that collaboration should be used as a tool to amplify not only the needs of rural communities, but a chamber to champion the rural economy as engines of economic growth.

And finally, planning ahead. Often, rural matters are characterised as farming and tourism. Creating a coherent vision of how best to utilise the assets of rural Britain instead of a mere afterthought, will be crucial to reach the potential of our rural regions. For example, rural areas could be the forerunners of the UK's green revolution as well as providing increasingly vibrant and diverse travel destinations.

# The importance of the local

For our rural communities, the pub is the mainstay of local life, often after many other local services have disappeared. Yet, their central place in our towns and villages has been put under enormous pressure during the course of the pandemic. When many in our larger communities were able to adapt – fully close or transform their business model – rural pubs, with many people unable to nip round the corner, have been hit harder. While the colossal support from taxpayers has been welcome, it has not made up for the massive impact of being closed for so long on these vital local institutions.

As the lockdown eases, these centres of community life will struggle. That is why I and 80 other Conservative MPs have joined forces to push for a draught beer duty to protect our locals. It would also be a boon for UK businesses, as 98 per cent of the draught beer drunk in the UK is brewed in the UK. I am proud of the work my colleagues and I are doing to protect these community spaces but there is space for more engagement across different levels of governance.

In the UK, it is parish, district and county councils, and MPs in a position of constituency leadership that are the mechanisms for the daily running of communities, the protection of their interests and planning for their future. They play a vital role in our democracy. Councillors are able to listen and address local grievances and their permanent presence means that policies can be enacted well and in respect of local practices. However, the reality can often fall short of this. In 83 local authorities, there are no parish councils at all and in 37 there are five or fewer. Handforth's viral Zoom council meeting exposed some of the weaknesses of those councils that do exist. This should concern us. Local democracy is essential but without proactive local governance, the potential of rural communities will be left untapped while the rest of the country seizes the opportunity that recognising the need to level up provides.



**Richard Holden MP**

# The rural connection

Neither levelling up nor rural areas can be viewed through a single prism. They are both terms that house a multitude of experiences, problems and possibilities. For policymakers, this complexity can present a challenge.

The pandemic has placed immense pressure on us all but it highlighted to those outside rural space an issue we've been dealing with for years: poor connectivity. During lockdown, those without internet connectivity were effectively shut off from their social networks, from education and from many opportunities. Looking ahead, as the country focuses on recovery from the pandemic, the central role of digital connection is unlikely to fade and that is exactly why broadband is such a significant part of the rural levelling up agenda. While physical infrastructure is undoubtedly a necessary part of connecting communities, the last year has made it abundantly clear that digital connectivity is an essential part of modern life and its integration into rural communities cannot be allowed to fall by the wayside.

Government policies like the Rural Gigabit Connectivity programme have encouraged a community-led approach to connectivity through vouchers. This scheme though, is both facilitated and complicated by rural realities. In some areas, farmers have been able to use their skills and equipment to hasten the laying of fibre. In other areas, like my constituency of North Devon where one in every five houses bought in 2018 was a second home, the prevalence of second home ownership means that getting in contact with residents is difficult, complicating the scheme. These are just a snapshot of the obstacles and opportunities present in rural communities.

Working together we can champion the needs of our rural constituents, ensuring that policies are suited for our communities and take into account rural experiences.



**Selaine Saxby MP**

# Movement matters

We all feel a desire to protect and promote what is close to home. From parish councils and local groups to the constituency level, leaders and activists seek to do their best for their communities. This is right and natural. However, focusing within our borders often results in competition rather than collaboration over shared challenges amongst neighbouring communities.

Even before the pandemic, rural areas face an uphill battle to maintain and sustain their communities. Those living in rural areas can be hamstrung by a lack of opportunity leading to 'brain drain' to areas such as the South East. Before the pandemic struck, around a quarter of vacancies were left unfilled in 2019 as employers were unable to find people with the appropriate skills. As opportunity has faded so too has the sustainability of many rural communities. Housing has become unaffordable, leading to family homes being bought up by those unconnected to the community. These problems are not specific to places like East Devon. However, solutions have often been localised creating a conflict of interest between groups and areas.

It does not need to be this way. The Northern Research Group exemplifies the benefits of collaboration. By working together they are able to effectively hold the Government to account to ensure the needs of their constituents are met. Rural MPs should unite and establish a shared rural agenda and ensure that Government initiatives, like the 'Lifetime Skills Guarantee' launched in East Devon, will make a difference in rural communities.

The advantages of collaboration have already been felt across Devon with the reopening of the Okehampton railway line. The regular passenger service between Okehampton to Exeter was closed decades ago. Re-opening the line does not directly impact my constituency, however, the long term benefits will be felt across Devon. Improved connectivity will encourage tourism, increase job prospects and improve quality of life by decreasing private transport pollution and reducing the journey time by 30 per cent. This collaborative, big-picture approach must be harnessed in rural communities across the country to take full advantage of the Levelling Up agenda.



**Simon Jupp MP**

# Endnotes

- 1 [www.nfuonline.com/cross-sector/rural-affairs/broadband-and-mobile/broadband-must-read/2020-nfu-digital-survey-results-read-the-full-report](http://www.nfuonline.com/cross-sector/rural-affairs/broadband-and-mobile/broadband-must-read/2020-nfu-digital-survey-results-read-the-full-report)
- 2 <https://researchbriefings.files.parliament.uk/documents/CBP-8392/CBP-8392.pdf>
- 3 [www.nfuonline.com/nfu-online/cross-sector/rural-affairs/broadband-and-mobile/2020-nfu-digital-survey-results](http://www.nfuonline.com/nfu-online/cross-sector/rural-affairs/broadband-and-mobile/2020-nfu-digital-survey-results)
- 4 <https://commonslibrary.parliament.uk/research-briefings/cbp-9207>
- 5 <https://publications.parliament.uk/pa/cm5801/cmselect/cmpubacc/688/688.pdf>

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