

State of Rural Services 2016



Summary Report



Summary

This is the first State of Rural Services report to be published by Rural England. It considers nine different service topics, which are varied in nature and which span public, private and third sector delivery. The main findings about each topic are summarised below.

It is widely recognised that providing accessible and good quality services to rural communities poses challenges, given the geography of small and scattered settlements, lost economies of scale, additional travel required and the delivery costs involved. However, innovation and good practice can address many challenges, often by working with local communities.

Having a sound and dispassionate evidence base about rural services is important. This report has been produced in response to growing concerns about the state of knowledge. Policy makers and those delivering services need a proper understanding of the position and trends in order to take informed decisions. It is the aim of this report to inform policy debate and to assist policy making for the benefit of rural residents and businesses.



Overarching comments

Population living in rural England (2013)	9,206,500
Percentage of England population (all ages) living in rural areas	17.1%
Percentage of England population aged 65+ living in rural areas	22.9%
Percentage of England population aged 15-29 living in rural areas	14.7%
Number of registered businesses ¹ in rural England (2014/15)	523,705
People employed by registered businesses in rural England	3,374,000

Looking across the nine service topics one thing seems clear. As a rule the third sector or community volunteers are playing a growing role in service delivery and they are more likely to be found in rural than in urban areas. By contrast, as a rule those services which are delivered by the public and private sectors are less likely to be found in rural than in urban areas, and many of them have been contracting. Community action is playing a growing part in rural service provision, especially where there is declining provision as a result of public sector austerity or competitive market pressures.

Whilst a number of services are struggling to maintain levels of provision in rural areas, two services currently at particular risk are rural bus services and rural bank branches.

¹ There are also some small businesses which are not registered for either VAT or PAYE.

Changes to rural transport provision affect access to a range of service facilities and outlets, where these are not available locally and where travel is necessary. Recent reductions to bus services are therefore of direct relevance to various topics covered by this report.

Similarly, rural access to a range of services is altering due to the provision of and take-up of online services. This has considerable scope to address long standing concerns about rural access to services, if geographic distance is no longer such a barrier. However, this is not straightforward. Not all groups are online, some rural areas await decent (broadband) connectivity and one consequence may be less used physical outlets e.g. bank branches.

The demography of rural areas and, in particular, the growing number of older people has implications for the future of services covered in this report. On the one hand it places considerable extra pressures on public services such as GP surgeries and adult social care, especially if funding for them is tight, as it has been for some years and seems likely to continue being. On the other hand older age groups are more likely to be users of locally based commercial services in rural areas, such as convenience stores, thus helping them to survive. Retired people who remain in good health are also likely to make up a good proportion of the volunteers engaged with providing community-run services.



Local buses and community transport

Rural residents travel longer distances and spend more time travelling than their urban counterparts. They are more likely to own and make journeys by car. The clearest (rural-urban) difference is found among low income households, with those living in rural areas being 70% more likely to have access to a car. This is symptomatic of a lack of alternative transport options.

In 2012 86% of households in rural towns and 49% of households in smaller rural settlements had access to a regular bus service. This is an improvement on the position a decade earlier, though by 2012 (the latest year for this data) that upward trend had stalled.

Over the last decade, another trend is that more buses now run on a commercial basis and fewer receive local authority funding support. Across non-metropolitan (or shire) areas that support was cut by 8% in the last financial year and by almost 25% over the last four years.

Monitoring during 2015/16 identified 124 local bus services that were withdrawn altogether and 248 that were reduced or otherwise altered (this time across the whole of England). The largest cuts were in shire areas.

In rural areas the number of passengers using local buses grew in the years prior to 2008/09. That number then stayed fairly constant for a few years, before declining somewhat by 2014/15. This reversal of the trend coincides with bus service reductions.

A similar pattern is evident for concessionary bus travel (mainly by pensioners). In this case the earlier growth and more recent decline is quite marked, probably due (respectively) to

the expansion of the statutory concessionary fare scheme in 2008 and to recent rises in the state pension age.

Latest (2011/12) figures for community transport schemes show that a third of them operate in rural areas, where passengers made 8 million journeys. However, schemes in rural areas tend to be small-scale, as well as being more dependent on fare revenue and less reliant on grants than urban schemes.



Welfare services

The unemployment rate for those claiming Jobseekers Allowance is notably lower in rural than in urban areas. Some commentators have wondered if this (at least partly) reflects the nature of the rural jobs market.

Jobcentre offices are overwhelmingly located in urban settlements. In 2010 (when it was last measured) around 60% of rural households were more than five miles from the nearest Jobcentre, where claimants sign-on and review their progress. Physical access is, therefore, likely to be difficult for some.

The proportion of in-work families claiming Working Tax Credit, by virtue of their low earnings, is much the same in rural and urban local authority areas. However, at 16.3% the proportion is higher in the most rural sub-group of authorities (Mainly Rural). This could reflect low wage levels in those areas.

In rural local authority areas around 17% of those on the Basic State Pension are also claiming Pension Credit (meaning they have almost no other source of income). This is surprisingly low compared with urban authority areas (26%) and begs a question about take-up, given that there is little rural-urban difference in the proportion of low income pensioners. More, however, are on Pension Credit in coastal and industrial rural areas.

Just over a quarter of those (across England) who claim Housing Benefit towards their rent live in rural classified local authority areas. This is a relatively low share and may be influenced by the housing market, given fewer rental opportunities in rural areas.

Some benefit claimants turn to independent advice and support services for help, such as Citizens Advice and Age UK. Across all rural areas roughly 5% of households lived more than 10 miles from a relevant advice supplier. This figure rises to roughly 30% in the more sparsely populated rural areas.



Access to cash

The personal finance sector is undergoing rapid change, not least with the growth of internet, telephone and mobile banking. However, access to cash remains important for households, as does handling cash for certain businesses.

The closure of retail bank branch closures is a long term trend. Indeed, the 479 branch closures in 2014 (UK-wide) mark a significant increase over previous years and are likely to

be exceeded by 2015. Some 124 of the closures during 2014 were of last bank branches in their neighbourhood, particularly affecting rural town and coastal communities.

Somewhat dated rural analysis from 2010 shows there were 1,317 bank and building society branches in rural locations in England. These comprised 13% of all branches, the rest being in urban locations. Only 30% of households in villages were within two and half miles of a bank or building society branch.

The post office network offers an important means of accessing cash, either using its own financial products or because it provides access to the current accounts of 20 other banks and the business accounts of 8 other banks. Half of those who regularly access their accounts at a post office do so because there is no nearby bank branch. The Post Office Card Account also remains an important means of access to cash for those on low incomes.

Nationally there are more post offices than there are bank branches (of all the banks combined). Moreover, the post office network has rural reach, since more than half of its outlets are located in rural areas, including a presence in many villages.

The number of post office closures has slowed down, with a net loss of 27 rural outlets during the 2014/15 financial year. Almost 99% of the rural population lives within three miles of a post office outlet, comfortably exceeding the 95% target set by Government and the postal regulator.

Nonetheless, 72% of all cash withdrawn in 2015 was accessed at an ATM or cash machine. When last analysed (in 2010) 11% of cash machines were in rural settlements. There was typically good access to ATMs in rural towns, but in villages a quarter of households lived more than two and half miles away. The LINK network runs a financial inclusion programme to plug geographic gaps, where there is no free-to-use cash machine. So far this has targeted deprived areas, which are largely urban.

Credit unions have grown fast measured in terms of their customer base, deposits and loans. Whilst no rural-specific figures exist, it is clear from their names that many are serving largely rural shire areas.



Further education

In 2014/15 there were almost a million 16 to 18 year olds attending FE colleges and roughly two and half million aged 19 years or over attending FE colleges in England. Approximately 450,000 other 16 to 18 year old students were in school sixth forms.

The share of the working age population with at least a level 3 qualification (the minimum for the bulk of those who succeeded at FE) is somewhat lower in rural than in urban areas.

There are 332 FE colleges across England. Roughly two thirds of these are general FE colleges, the remainder being a mix of sixth form colleges, land based colleges and other specialist colleges.

According to Department for Transport data only half of rural users can get to a FE institution by public transport or walking in a 'reasonable travel time'. Equally, less than 40% of rural users can get to a secondary school by public transport or walking in a 'reasonable travel time' (a figure which would be lower still if it referred only to schools with a sixth form). The same dataset shows that rural users have less choice of FE institutions they can reach.

Research finds that rural students face particular barriers with transport to FE. This is not helped by the absence of statutory concessionary travel scheme for those aged over 16. Reduced price travel for FE students is therefore patchy and subject to change. Young learners who live in rural areas spend much longer than their urban counterparts travelling to/from FE and it costs them more to do so.

The paucity of public transport networks and the absence of larger employers are both barriers to delivering apprenticeships in rural areas.

Although based around a fixed (per pupil) sum, the funding mechanism for 16 to 18 year olds at FE colleges contains one element favouring urban areas. This is a supplement for students from disadvantaged areas. In rural areas disadvantage is typically scattered and not concentrated in specific areas.



The retail sector

Different data sources indicate that between a fifth and two fifths of all convenience stores are in rural locations. Even so, the average rural consumer would need to drive for 9 minutes to reach their nearest convenience store and would need 16 minutes to reach it by walking or public transport. The average urban consumer can reach a convenience store in about 7 minutes by either mode of travel.

A little over 17% of English supermarkets are to be found in rural locations. The great majority of these are located in rural town and fringe areas (15%) rather than in smaller rural settlements (2%).

Accessibility indicators also show that the average rural consumer would need to drive for 16 minutes to reach their nearest town centre and would need 32 minutes to reach it by walking or public transport. By comparison the average urban consumer can reach a town centre in 11 or 17 minutes respectively. The low frequency of rural public transport may complicate access further.

Online shopping and home delivery is a fast growing trend for grocery shopping and retail purchasing more generally. Whilst this may be of particular value to many rural consumers, some will face the limitation of a slow broadband connection and innovations, such as parcel shops, are largely urban based.

Whilst commercially run shops are closing in significant numbers, there has at least been a steady and sustained growth in the number of community run shops, which trade primarily for community benefit and typically where there is no other retail outlet. By 2014 there were 325 community shops open and trading across the UK. It is not known how many of these are in rural locations, though it appears that a great many are.

Other sub-sectors which promote local producers and products include farmers' markets and farm shops. There are roughly 750 registered and unregistered farmers' markets in England. Many will trade in urban locations, though they are likely to provide a direct outlet for nearby rural producers. It is also estimated, from somewhat dated figures, that there are 4,000 farm shops across the UK.



Mental health services

Mental health has gained prominence as a topic of national policy concern. Some mental health problems are relatively common, such as anxiety and depression, whilst others, such as psychoses, are less so. Roughly one in four people (nationally) are said to experience some mental health issue in any given year.

Many people are helped with their issues by support, advice and information services. Others may go to their GP, some will be seen by local mental health teams and some will be referred on for specialist treatments.

Statistical evidence shows that mental ill-health is less prevalent in rural than in urban areas, though it is rather more common in the most sparsely populated areas. Studies qualify this and consider that geography affects consultation rates, with people less likely to present in rural communities because of self-reliance, stigma, confidentiality and service access.

One issue that does appear to be more prevalent in rural areas is suicide. Farmers are an at risk group, with the largest number of suicides of any occupational category. In fact mental ill-health is not especially high among farmers, but the isolated nature of their work means that problems – when they occur – tend to be internalised and help is not sought.

Analysis shows that mental health service provision is consistently more restricted in NHS Trust areas classified as rural, when compared with those that are urban. Issues include fewer professional staff, the infrequency of home visits, poor access to in-patient facilities and a lack of alternative care options.

There are fewer doctors, nurses, social workers and therapists (per head of population) working in rural areas. Patients in rural Trust areas receive less contact with professionals and fewer patient bed days are available. Research finds that underlying reasons for lower service levels include issues with recruitment, transport and service delivery cost.

Evidence, largely from Scotland, reaches similar conclusions about the (limited) provision of support services in rural areas for those with dementia. Given that dementia mainly afflicts older people and that older age groups form a large (and growing) share of the rural population, this would seem to be of particular relevance.



Older people's services

Older people are a significant share of the rural population. Those aged 65 and over comprise 23% of the rural population, well above the 16% of the urban population.

Projections also show that it is rural areas where the ageing of the population profile is expected to be most marked.

Most of those aged 65 to 74 are free from long term health problems or disability, but the situation reverses for the 85 and over age group. Indeed, older people are the key driver of demand for health services.

Around 20% of GP surgeries are located in rural areas, though this includes a significant number of secondary or outreach surgeries which may offer limited opening hours and services. Average journey times for households to reach GP surgeries are also longer in rural areas and there is some evidence of GPs making more home visits to rural patients.

One in nine rural residents is an unpaid carer for someone else (in most cases an older person), which is slightly above the urban comparator. Often these carers are family members, including partners and children. Research finds that 24% of older rural people are themselves carers. Projections indicate that the number of old people in need of care will grow enormously faster than the number of their children who might help provide it.

Alongside reductions in central government grant to local authorities, expenditure on adult social care services has declined and this has led to provision focussing on those assessed as having either critical or substantial needs. Other rural issues that were identified by research include: staff recruitment difficulties; contract providers being less willing to support clients in outlying locations; day care centres being mainly urban-centred; and a lack of public transport that clients could use to access centres.

Some 20% of sheltered housing schemes are in rural locations, which is somewhat less than the older population share. The schemes in rural areas also tend to be smaller, with fewer dwellings than schemes elsewhere. In a minority of cases those living in rural care homes benefit from access to on-site nursing.

There would appear to be a growing number of schemes which offer contact, support and signposting for older people, many of them delivered by volunteers. These vary in type, but a large number operate in rural areas, particularly those which are known as Village Agent or Community Agent schemes.



Public health services

On a number of headline indicators of health, such as life expectancy, infant mortality and years of life lost to cancer, stroke or coronary heart disease, rural communities score relatively well.

Largely rural shire areas score badly on certain indicators from the Public Health Outcomes Framework (PHOF), which is used to identify priorities for local Health and Wellbeing Strategies. This includes some indicators with an access to services dimension, including the provision of health checks, access to health screening and late HIV diagnosis.

These shire areas also score badly on PHOF indicators which measure a number of traditional rural concerns, such as social isolation, fuel poverty and road casualties.

Perhaps more surprising is that the shire areas score badly on indicators measuring school readiness (or young child development) and self harm by young people. A north-south pattern can be discerned in a few of the PHOF indicators, where northerly shires (only) score badly on preventable mortality, the prevalence of diabetes and active lifestyles.

There is seemingly little evidence about access to public health services. However, some services are delivered at GP surgeries and evidence shows that some rural households will not find it easy to access them. 56% of rural households are counted as having 'reasonable access' to a GP surgery by public transport or walking, implying that the other 44% do not.

Funding for public health services is significantly lower in rural than in urban local authority areas. Allocations per resident in 2014/15 were £27 in East Riding of Yorkshire, £28 in Rutland, £29 in Devon and £31 in Cumbria, compared with an England average of £51 and as much as £133 in inner London boroughs. These allocation levels are still largely based on historic spending patterns and have not been revised as they were expected to be.



Community assets

Various policy initiatives have sought to encourage communities to take ownership of and to manage local assets (buildings and land), not least to sustain services in rural areas.

A 2014 survey of community organisations with an interest in community assets found that 16% of them operated in rural areas and a further 20% in mixed (rural/urban) areas. The services most frequently provided at their assets were: advice and information services; volunteer training; festivals and events; arts and cultural activities; and education.

Perhaps the most obvious of rural community assets are the almost 10,000 village halls and rural community buildings in England. Run by volunteer management committees, they benefit from low running costs. According to ACRE the halls host many services and a wide variety of social, sports, arts and recreation activities. For example three quarters are used by nursery or pre-school groups. They provide employment for cleaners, caretakers and the like, and offer space for those whose employment is delivering the hosted services/activities.

By 2014 the number of community-owned shops across England had grown to 277 which were open and another 119 still at the planning stage. It would appear most of these are in rural areas. Plunkett Foundation figures show a sustained growth over the last decade and very few going out of business. The most common location is in previously commercial shop premises, which were probably closing or at risk of closing.

No national (let alone rural) data has been found for the number of 'community asset transfers', where public sector bodies hand assets over to community groups at below market value. Some 2010 figures from the (then) Advancing Assets programme found that 36% of the projects it covered were in rural locations.

Since 2011 it has been possible to have privately owned buildings or land designated as Assets of Community Value, giving community groups more chance of bidding to take them on. By 2015 some 1,800 such assets had been registered, though only 11 had successfully been transferred. It was not stated how many of these were rural.

There are now 170 Community Land Trusts (CLTs) in England and Wales, roughly half of which have formed in the last two years. By 2014 they had completed or were developing 283 new affordable homes – a number which was projected to increase rapidly. A partial listing of CLTs indicates that most operate in rural areas, with clusters of them in Cornwall, Devon, Somerset, Oxfordshire, West Sussex, Cambridgeshire and Cumbria.

The evidence points towards a community asset-based approach to service provision being of disproportionate importance in a rural context. It certainly shows that certain types of community-owned asset are growing in number. At the very least it may be plugging gaps left by service retraction in the public and private sectors.



Gaps in the evidence base

This report was produced to collate and develop the existing rural evidence base, and also to highlight any significant gaps found in that evidence base.

There are gaps in the statistical base about rural communities' access to service outlets and facilities. This was quite comprehensively measured by the former Commission for Rural Communities until 2010, but that information is increasingly dated. The Department for Transport still measures access to eight types of service for its accessibility statistics, yet this leaves many service types un-measured.

There appears to be little solid evidence about the take-up of online services amongst rural communities. Given that so many service providers encourage online access (sometimes through digital-by-default services and reduced face-to-face provision) and given rapid growth of things such as online banking and shopping, this gap is surprising. Rural service users may, after all, be among those who stand to gain most from access to online services.

With two exceptions (village halls and community-owned shops) the evidence base on community assets is surprisingly thin, given that policies place increasing store in the ability of rural communities to find local 'self-help' solutions to service delivery. Existing material is nearly all case studies or guidance. It is hard to find data about the numbers of community assets and there is little evidence of their overall contribution to rural service provision.

Overall, it is concluded that much of the evidence base about rural communities' use of services is becoming out of date and is slender.



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