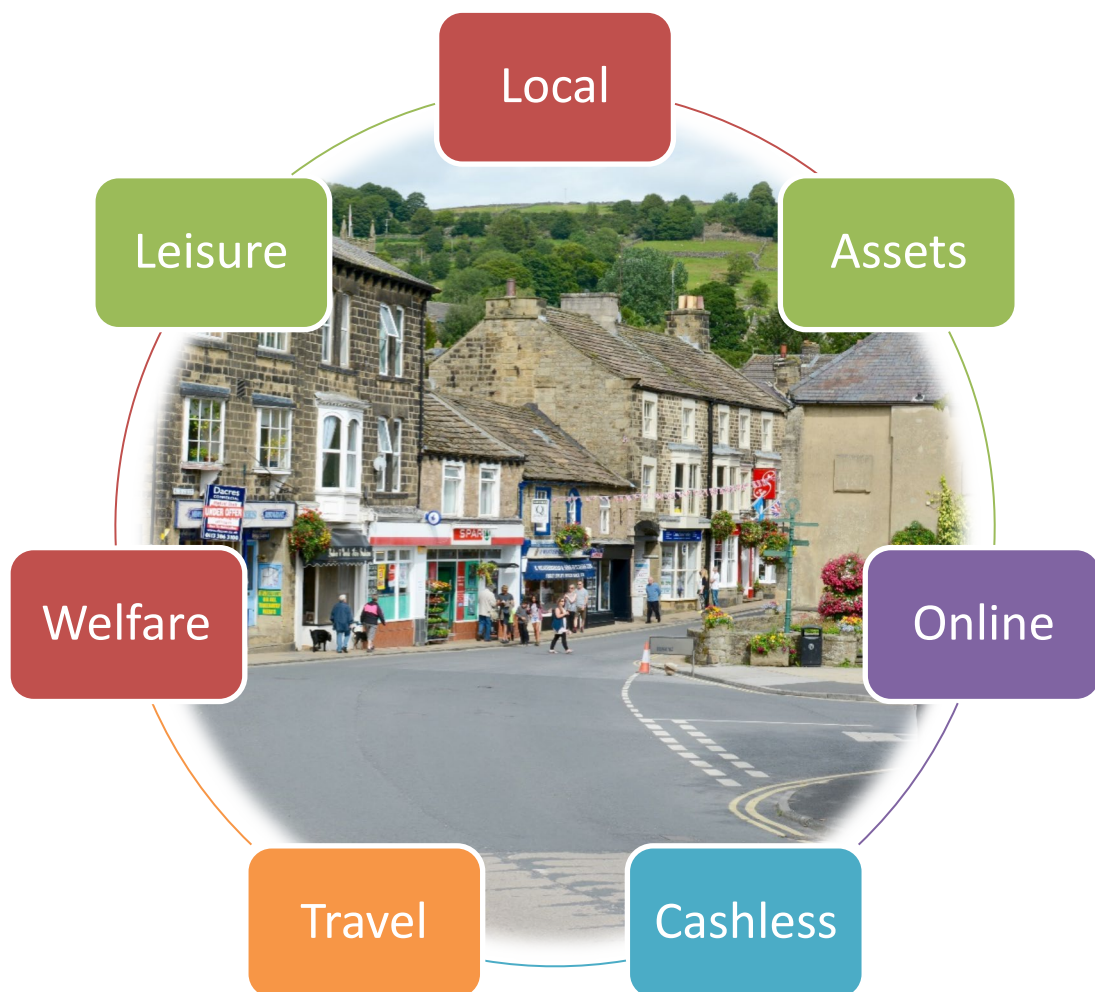


STATE OF RURAL SERVICES 2021: THE IMPACT OF THE PANDEMIC EXECUTIVE SUMMARY REPORT



CONTENTS LIST

	<u>Page</u>
Executive Summary	3
- Including policy messages and actions	7
Consolidated list of recommended policy actions	9

EXECUTIVE SUMMARY

This report explores the impacts of the Covid-19 pandemic and restrictions on service provision in rural areas of England. In some respects, the pandemic simply accelerated trends already underway, such as rural residents' use of online services and cashless payments. One positive outcome has been more rural consumers valuing and using local food shops, a trend which may be sustained.

Certain services show positive signs of recovery, but there seem little doubt others remain at risk, with some users having not returned or expressing reluctance to do so. More passengers need to return to using rural buses, more activities need to restart in village halls and patronage that is coming back to rural pubs needs sustaining through the Winter months. Larger leisure venues in rural towns, such as cinemas and theatres, need to win back viable audiences.

Use of local retail outlets and centres

Through the pandemic small, local based food stores were highly valued by rural residents and many stores adapted their offer e.g. introducing home deliveries. The surveyed rural residents have made greater use of such stores since March 2020, whilst making less use of supermarkets (see figures below). Farm shops have also been valued by many during the pandemic.

Local food stores were highly valued during the pandemic

Many market towns appear more resilient than feared

Rural market town high streets have been impacted by the pandemic, typically experiencing a few shop closures. That said, although the picture is variable, evidence indicates these smaller towns have proved more resilient than might be expected, with many showing positive signs of recovery as footfall returns.

Value of community assets

Most community or village halls were temporarily closed during the pandemic. Due to grants and reduced running costs the financial position of most (if not all) halls is reasonable. The big unknown is how many groups and activities which met in and used these venues will return and how quickly, since those bookings provide their main income stream.

How many former village hall users now return is an unknown

The pandemic resulted in further rural pub closures

Rural pub numbers have been declining over many years and there is clear evidence of more closing down during the pandemic. Some of the surveyed rural residents are unsure about returning to pubs in the future, though most expect to use them just as much as in the past.

Use of online services

Roughly half (51%) of surveyed rural residents had started using some online service for the first time during the pandemic. However, more notable still were the 93% who had increased their use of online services which they (already) used before the pandemic.

Increased use of online services in the pandemic

Some, but not all, of which is likely to be permanent

For a sizeable share of these rural residents (44%) such new online habits seem likely to become permanent. Whilst that is significant, this point should not be overstated: just as many indicate they have no such intention and many seem keen to revert to offline services as the pandemic recedes.

Cashless payment and access to cash

Rural residents have less access to sources of cash than their urban counterparts. Over recent years many bank branches have closed and more ATMs now incur a user charge. However, the Post Office network retains its considerable reach in rural areas and there is growing use of its facility for accessing bank current accounts. Most rural convenience stores (70%) also offer cashback.

Ways to access cash have been altering in rural areas

The switch to more cashless payments has been boosted

Notwithstanding this, the growing use and acceptance of cashless transactions has been a decisive trend in recent years and has been boosted further by the pandemic. Since March 2020, 15% of surveyed rural residents used online banking for the first time and 63% increased (existing) use of online banking.

Travel and transport services

Rural bus services faced diminishing resources and reducing passenger numbers long before the pandemic. However, in 2020 when restrictions came into force, bus passenger numbers fell sharply and have since only recovered partially. There is a risk the travel habits of some have been altered permanently by health concerns, initial public messaging and factors such as home working.

Passenger numbers on buses have yet to recover properly

Rural people were walking more (at least for a while)

After the pandemic arrived 47% of surveyed rural residents said they started making more journeys on foot, whilst 59% started making fewer journey by car. However, evidence from national sources indicates that both these trends may have been short-lived.

Demand for welfare services

The onset of the pandemic in Spring 2020 stands out in statistics for rural areas. Numbers of people who were job seeking claimants, universal credit claimants, Citizens Advice enquirers and emergency food parcel recipients all increased sharply. By 2021 the rural rate for job seeking claimants had subsided quite a bit.

Welfare needs rose sharply in rural areas

This has emphasised certain rural challenges

Pandemic impacts on the labour market and household incomes have emphasised certain challenges rural communities face when needing to access (physically or virtually) welfare services, whilst underlining the importance of support that is often available from charitable or volunteer-based organisations.

Use of leisure spaces and outlets

Many of the surveyed rural residents stressed the importance of being able to visit a park or outdoor public space on a regular basis during the pandemic. It is therefore notable that rural residents are not typically well served in terms of their access to such spaces.

Parks and similar spaces have proved important

The viability of larger leisure venues is uncertain

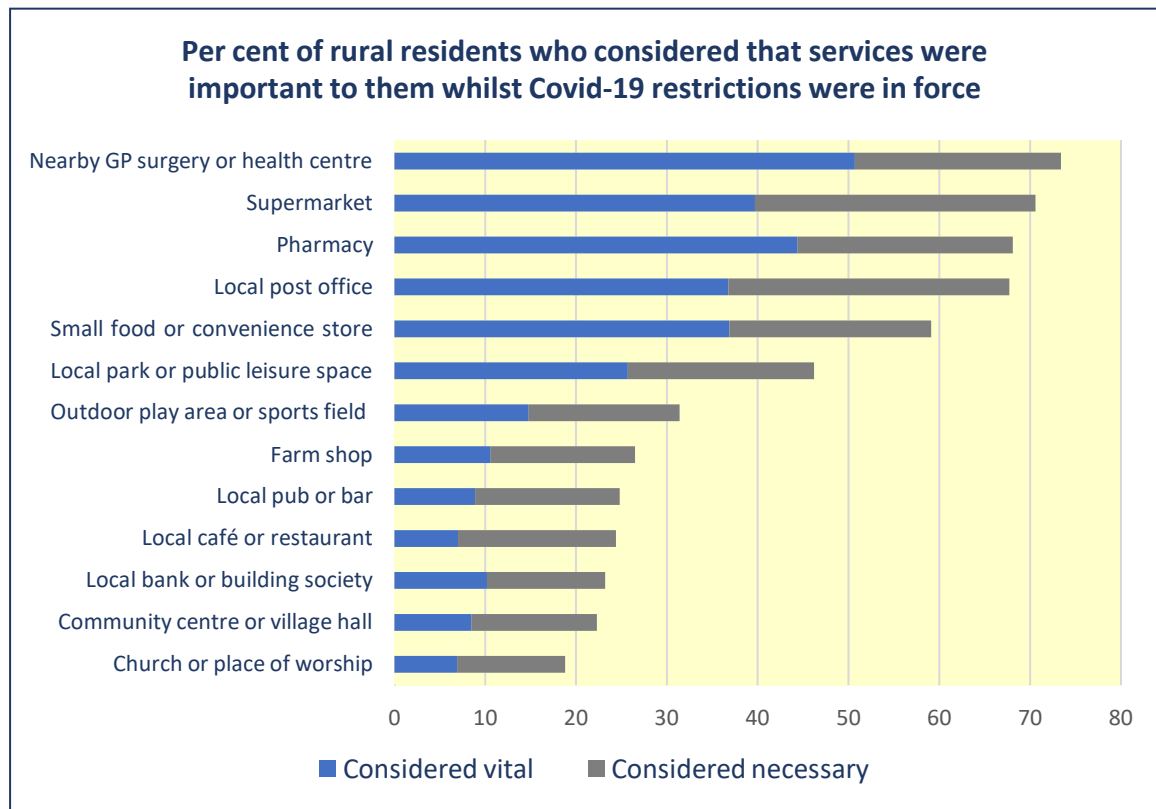
During the pandemic few of the surveyed rural residents had visited a larger indoor leisure venue, such as a cinema, theatre or music venue, and quite a few expressed unease about going back to such venues. Their future viability – where found, typically in larger rural towns – is therefore of concern.

Key findings from our survey of rural residents

An important part of the evidence presented in this report comes from a survey of rural residents carried out between April and June 2021. Key findings from that survey are summarised below.

Importance of services: In the period since March 2020 when pandemic restrictions first came into force, residents considered the most important services for them were a GP surgery, a supermarket, a pharmacy, a post office and a small food or convenience store. Some of the facilities considered less important may have closed temporarily during this period.

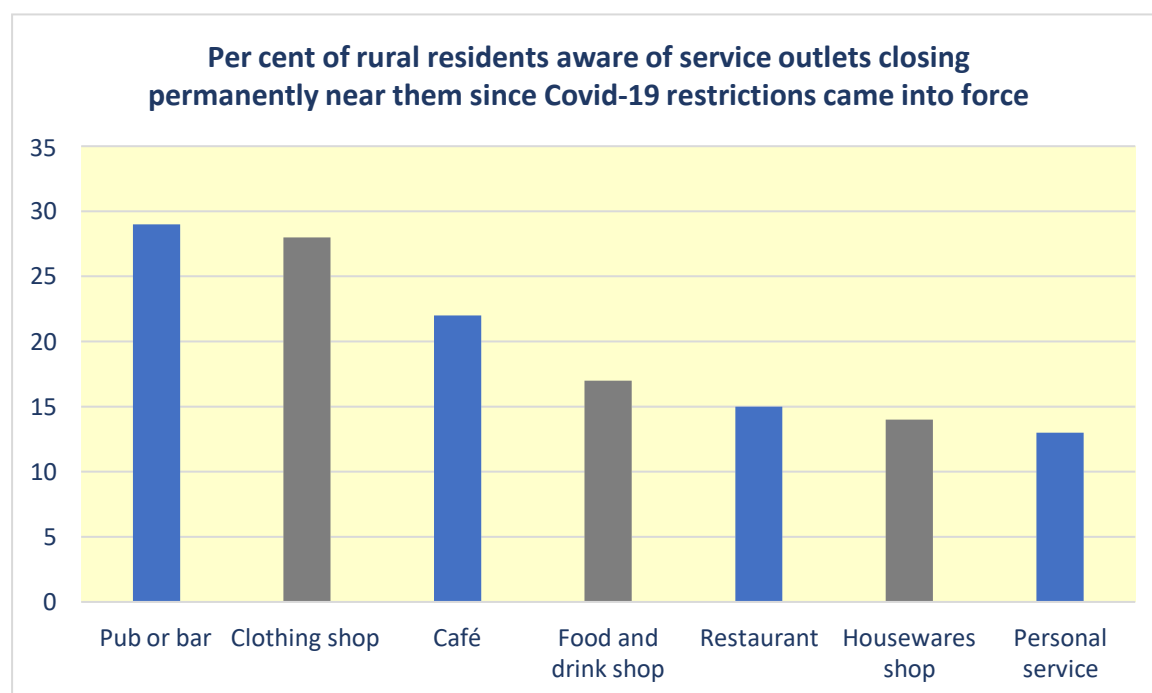
Notable is that a local park or public leisure space ranks sixth in importance. It should not be assumed that nearby countryside is either publicly accessible or suited to many leisure activities.



Changing use of services: During the pandemic there was a large increase in the use of local food shops and a sizeable decrease in the use of supermarkets by rural residents. Figures below show the net difference between the proportion who increased and the proportion who decreased their use of these services.




Net change in rural residents making use of local food shops during the pandemic	+40%	Net change in rural residents making use of supermarkets during the pandemic	-16%
---	-------------	---	-------------

Closure of outlets: The type of nearby service outlet most frequently cited by these rural residents as having closed down permanently, whilst pandemic restrictions were in force, is a pub or bar. Clothing shops and cafes are also cited by many as having closed down.



Future service use: Looking forward (from June 2021) to the lifting of all pandemic restrictions, the surveyed rural residents expected to continue making more use of local shops, with many (conversely) planning to visit town centres less often. Alongside this, however, they intended to continue shopping online and to have more purchases home delivered.

As noted above, a segment of the rural population is hesitant about returning to indoor hospitality and leisure venues, such as cafes, pubs, restaurants and cinemas. However, a sizeable majority expect to use them as much in future as they did before the pandemic.

Per cent of rural survey respondents who agreed with statements, when asked about their likely use of services once all pandemic restrictions are lifted (as compared with their use of those services prior to the pandemic):		
	I will visit town centres less often	53%
	I will use local shops more often	47%
	I will use online services more often	44%

	I will use farm shops more often	33%
	I will have shopping delivered to my home more often	28%
	I will visit cinemas, theatres and music venues less often	26%
	I will visit pubs and bars less often	21%
	I will visit cafes and restaurants less often	20%
	I will use public transport less often	20%

Policy messages and actions

There are some positive messages from this report, including that many rural town centres proved resilient and many rural retail outlets acquired new custom during the pandemic. However, this is not true everywhere and is not the whole picture. Other rural places and service businesses have struggled during the pandemic and may need ongoing support to recover. It would be a mistake to assume the apparent resilience of rural communities is universal and to overlook such needs.

Indeed, local resources and capacity for recovery will be unevenly spread, leaving some places more dependent on external assistance. This rural need should be reflected in the targeting of national economic support, through 'levelling up' programmes such as the UK Shared Prosperity Fund which is due to commence in 2022. Such support should go beyond funding for capital projects.

Public policies and programmes supporting individual businesses, whilst they return to a sustainable footing, can also play an important role in rural areas: in particular, underpinning recovery across parts of the service sector, such as leisure, hospitality and entertainment, where many businesses took a significant hit from the pandemic.

The trends outlined in this report will impact unequally across different groups of service users. Some may notice little change of consequence and a return to 'normality'. Those who find it hard to adapt to the rapid growth of online service provision and cashless payments risk losing out.

This report underlines the value of physical infrastructure in rural areas, not least to give access to those services typically not found at the local community level. The provision of fast, reliable digital networks is key, so rural communities can benefit from online services. Dependable transport networks are similarly necessary so that all rural residents can reach larger service centres.

This report also highlights the importance of social infrastructure within rural communities. Village halls, village pubs and the like, many of which have faced considerable pandemic disruption, are a core part of rural community life and help to address isolation. Their future viability should not be taken for granted and many facilities may need further help.

Given the points made above, it can be concluded that all policies which aim to help businesses and communities rebound from the pandemic should be properly 'rural proofed', to ensure they take proper account of rural circumstances and will prove effective when applied in rural areas.

The theme chapters in the report each suggest certain policy actions. They include:

- Town centres: helping small rural towns to adapt to changing consumer trends by targeting programmes, such as the Towns Fund and Future High Streets Fund, at them (and not just at larger towns);
- Community assets: strengthening existing legislation which aims to help communities take ownership of local assets by introducing a new Community Right to Buy;
- Village halls: helping groups that manage village halls and community buildings to regain their users and restore their viability by grant funding some extra support for them;
- Digital skills: ensuring that everyone in rural areas (and elsewhere) can access help to acquire basic digital skills by developing a national digital skills strategy;
- Access to cash: protecting key elements of cash infrastructure in rural areas by amending the Post Office Banking Framework and the ATM interchange fee;
- Public transport: using Bus Service Improvement Plans and their funding to bring about a step change in rural provision, as a long-term initiative with sustained funding;
- Poverty: close monitoring of rural poverty trends is needed as pandemic implications continue to play out, not least to inform the delivery of welfare and related support services;
- Public open spaces: improving the provision of public open spaces in small settlements, with stronger national planning guidance and local policies (including in neighbourhood plans).

CONSOLIDATED LIST OF RECOMMENDED POLICY ACTIONS

Based on the evidence set out in this report, policy messages are presented in the summary and policy actions are recommended at the end of each theme chapter. Listed below are the policy actions which are recommended in the full report's theme chapters.

Use of local retail outlets and centres – recommended policy actions

- Using Government programmes which support town centres, such as the Towns Fund and Future High Streets Fund, to target struggling small rural towns (and not just larger towns), helping those smaller towns to adapt to changing consumer trends and demands;
- Monitoring the extension of relief on Business Rates for smaller retail, hospitality and leisure outlets during 2022/23, to ensure recovery in those sectors before introducing any return to normal Rate levels;
- Taking forward, as a matter of priority, proposals for a new online sales levy to level the playing field with outlet-based businesses. The case for such a levy has been strengthened by the pandemic, with online retailers enjoying further significant growth.

Value of community assets – recommended policy actions

- Strengthening existing legislation which allows the registering of local facilities as assets of community value, since this has had limited impact. Communities would have a more realistic chance of taking ownership of assets if there was a Community Right to Buy, giving them a right of first refusal when those assets come up for sale;
- Improving the Community Ownership Fund so that, in addition to providing capital funding, it can cover associated revenue costs such as groups receiving business development advice and support;
- Introducing a universal business rate discount for community-run businesses and social enterprises, similar to that which already applies to charities;
- Funding to cover the provision of some additional support to groups which manage village halls and community buildings, to help them recover from the pandemic and restrictions (logically delivered through the ACRE Network). This could cover things such as business planning, marketing and finding new hall uses;
- Revisiting and updating the Government's Hospitality Strategy to determine what further assistance can be provided to rural pubs, to help them through the quieter winter months and restore their financial viability. This could include help with linked issues, such as staff recruitment.

Use of online services – recommended policy actions

- Ensuring that everyone has an opportunity to acquire basic digital skills, so all those that wish to can use online services. Digital inclusion projects exist in many places, but not everywhere. A national digital skills strategy would enable more consistent provision, which is accessible to rural communities. It could also address issues for those who cannot afford

- equipment costs or connection charges;
- As noted in a previous chapter, taking forward proposals for an online sales levy is justified by recent market trends and would level the fiscal playing field between online and outlet-based retailers. The planned Government consultation about this should be progressed swiftly;
- One message for rural retailers is that there are tangible benefits to be had from adaptation and innovation, for example by offering home deliveries or click-and-collect services to their local communities, where they do not already have them in place.

Cashless payment and access to cash – recommended policy actions

- Introducing, as a matter of urgency, proposals which the Government has been considering for a minimum standard of geographical access to cash. This should be specified so it ensures accessible provision for smaller and remote communities. It should include some round-the-clock cash access, for example at free-to-use ATMs;
- Confirming that the Government subsidy which sustains the rural Post Office network at its current size will be extended and kept at (at least) its current level. Post Offices are increasingly the only local place where rural people can withdraw or deposit cash into bank accounts. A three year subsidy agreement from 2022/23 would offer much needed stability;
- Providing greater protection for key cash infrastructure. The Post Office Banking Framework should be strengthened so that individual banks cannot unilaterally withdraw. The level of the interchange fee, used across the ATM network, should be tiered or variable, so it supports the retention of sole ATMs at locations with few residents and thus low footfall.

Travel and transport services – recommended policy actions

- At the appropriate time (when infection trends allow), making a consistent and sustained effort, jointly across Government and the transport industry, to encourage back both pre-pandemic users and new users onto public transport, not least on financially marginal rural bus and rail routes. As well as allaying fears and addressing concerns over public safety, this could emphasise carbon emission reduction benefits;
- Strengthening the statutory requirement placed on local transport authorities, regarding support for bus service provision. Indeed, measurable guidelines or standards could be developed, for example for a minimum service frequency and operating hours expected on routes that connect smaller rural towns with their nearest large town or city;
- Using the new Bus Service Improvement Plans and the extra funding associated with them to bring about a step change in rural provision. Local authorities could use their annual updates of those Plans to progress towards standards such as that outlined above. This will require long term effort and sustained funding provision;
- Using active travel funding, which is made available to local transport authorities for walking and cycling networks, to place greater emphasis on investment that improves networks in and around small rural towns. These have not, in the past, received much focus.

Demand for welfare services – recommended policy actions

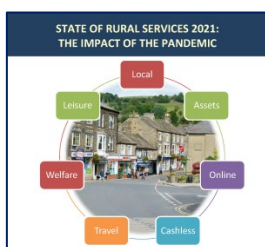
- Monitoring closely trends in rural employment and poverty. Government should watch how the job market implications of the pandemic continue to play out, not least as its support measures come to an end and cost of living increases impact. Some impacts may only be

- felt in 2022 or later, for example when emergency business loans need repayment;
- Using that and other information to inform the support that is made available to job seekers through the Jobcentre Plus network. That network is centralised with a physical presence often limited to larger towns or cities. Its services must be accessible to those living in rural areas, which could include online or outreach provision;
- Through grant funders, giving priority, over the coming period, to voluntary and community sector organisations which deliver support to households in poverty or with welfare needs. Such organisations play a key role in rural areas, where statutory agencies are generally less accessible.

Use of leisure spaces and outlets – recommended policy actions

- Ensuring that grants made available to the arts sector, such as those awarded by Arts Council England and various trusts, pay particular attention to the needs of smaller venues which are important in rural settings and to arts touring schemes or groups which perform at rural venues;
- Improving the provision of public open space in rural settlements through National Planning Policy Guidance and Local Plans. Assessments of need for new open spaces, made by local planning authorities, should not be based solely (or simplistically) on population numbers, as this disadvantages rural provision. Neighbourhood Plans are useful means to address open space needs and communities should be encouraged to use them for that purpose.

The Countryside and Community Research Institute at the University of Gloucestershire are acknowledged for their assistance managing the survey of rural residents.



The full State of Rural Services 2022 report can be downloaded from the Publications section of the Rural England CIC website.
www.ruralengland.org/category/reports/

Stakeholders



Supporters





www.ruralengland.org



01822 851370



info@ruralengland.org