

Rural communities risk Catch-22 situation as shift to online gathers pace but poor connectivity still leaves many behind

New research highlights growing rural-urban divide and calls on government to rural proof pandemic rebuild plans

12th January 2022: Many residents of England's small towns and villages face being digitally excluded and locked out of key services as the nation builds back from the pandemic due to underinvestment in rural connectivity and skills, despite a growing desire in these areas to embrace digital for health, shopping and other needs, a new report has warned.

Published today by Rural England CIC, the report, *State of Rural Services 2021: The Impact of the Pandemic*, finds that the pandemic has accelerated the adoption of digital-first lifestyles across England's rural areas and quickened the move away from in-person activity, with 53 per cent of rural residents expecting to make less use of town centres after the pandemic than they did before. The report also demonstrates the need for on going support to many rural businesses to help them recover.

Examining the period after March 2020, the report found 93 per cent of rural residents increased their use of those online services that they already used before the pandemic, while over half started using some online services for the first time, for clothing and food shopping. More than a quarter (27 per cent) used online or virtual consultations with a local GP for the first time, while 15 per cent used online banking for the first time and 63 per cent increased their use of online banking.

With many starting online shopping for the first time, this trend is expected to sustain, with nearly three in ten (28 per cent) expecting to have shopping delivered to their home more often following the pandemic. Meanwhile, a fifth of rural residents are now making less use of public transport.

The behavioural shift suggests rural areas are mirroring behavioural changes seen in urban parts of the country. But it comes alongside data suggesting rural towns and villages have been badly hit by closures of physical services as a result of the pandemic and related economic hit. For example, 29 per cent of rural residents were aware of a pub or bar closure within 5 miles of where they lived since March 2020, and 28 per cent knew of a clothing shop closing permanently within 5 miles.

Despite the appetite to shift to online, both for rural businesses and for rural service users, the report cautions that there is risk of entrenching barriers to those who may find it hard to adapt or are unable to access fast, reliable digital connectivity where infrastructure still lags behind. For example, around one in six rural residents cannot access superfast broadband and over half cannot get an indoor 4G mobile connection on all four networks. The physical barriers to getting online to access services risks widening the rural-urban divide, with the threat that rural areas will be locked out of the post pandemic recovery and further disadvantaged. The previous State of Rural Services report (2018) made clear that there is less public funding available for rural residents than in urban areas, despite the higher cost of providing essential services.

Equally, with rural areas having a higher proportion of older adults (aged 50 plus) compared with the England average, there are particular vulnerabilities when access to services relies upon the availability of digital knowledge and skills. The report cites data from the Citizens Advice Rural Issues Group that 34 per cent of those using its services have some degree of difficulty with IT literacy.

The report also warns that the switch towards using online transactions and banking has accelerated the challenge around access to cash in rural areas. Whilst the move to online services will be positive for those confident managing their money this way, the shift poses a threat to existing bank branches, ATMs and Post Offices, and could create an added barrier for those less equipped to access such online services.

The move away from town centres and longer-term behaviour changes threatens the recovery of rural hospitality businesses and leisure venues, and more residents need to be encouraged to return. The report found a proportion of residents are expressing reluctance to return to indoor hospitality and leisure venues, with a quarter (26 per cent) citing they will visit cinemas, theatres and music venues less often after the pandemic, and a fifth will visit cafes and restaurants less often. With the future and financial state of these rural hospitality services at risk, the report calls for ongoing support to encourage people back to these services, which are at the heart of rural communities.

The report highlights the need for rapid upskilling of digital skills in rural areas, and calls for a national digital skills strategy to ensure that rural populations can access the services they need. The authors recommend that all policies that 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.

Lord Ewen Cameron of Dillington, who Chaired the launch event said: *"It is clear that rural residents are continuing to face large barriers to key services and face an enhanced rural-urban divide. The gross imbalance in the funding per head of nearly all our rural services, despite the fact these services cost more to deliver, means that rural populations continue to be overlooked compared to urban areas.*

"It is critical that the government does not ignore rural residents and businesses as the nation rebuilds from the pandemic. Those who find it more difficult to adapt to online services are at risk of further challenges in accessing already harder to reach services. This report launched today provides a vital on-going snapshot of how well rural services are being delivered, and what effect that delivery is having on the quality of life in our countryside."

Brian Wilson, author of the report and chairman of Rural England CIC said: *"These findings suggest that the pandemic may have left people living in rural England facing a Catch-22 situation. The growing appetite for online services is no bad thing, but it will have significant consequences for those rural residents facing digital exclusion due to lack of online skills and connectivity. Rural areas, which already face disadvantage, needs to be supported to ensure that businesses and communities can thrive and are not left behind as the nation builds back following the pandemic. With the upcoming levelling up programmes, it is vital that public policies and programmes are rural proofed."*

The report authors include recommended policy actions under each theme chapter in the report for rural pandemic rebuild plans. 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).

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To read the report, please see:

<https://rurallengland.org/state-of-rural-services-report-2021/>

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Notes to editors

This is the third State of Rural Services report to be published by Rural England CIC, the previous editions having been written in 2016 and 2018. The 2021 report focus is to explore trends in the run-up to and during the Covid-19 pandemic, identifying any changes that have come about since the first restrictions and lockdown were put in place in March 2020. At its heart is the research question, what has changed as a result of the pandemic and are those changes likely to last.

The research for and drafting of this report was carried out between January and September 2021. The report provides a snapshot of the evidence which was available by Autumn 2021. The impacts of the pandemic for rural services will clearly continue to be felt and will evolve after this date, including the impact of the Omnicom variant.

Wherever possible the report uses and refers to the official rural-urban definitions or classifications which are used by the Office for National Statistics and Defra.

The seven service topics covered by this report are:

- Use of local retail outlets and centres
- Value of community assets
- Use of online services



- Cashless payment and access to cash
- Travel and transport services
- Demand for welfare services
- Use of leisure spaces and outlets