

STANDING UP FOR RURAL BUSINESSES

**PRESERVE OUR
HERITAGE**

**FEED THE
NATION**

**INVEST FOR
THE LONG TERM**

**DELIVER
FOR THE
ENVIRONMENT**

CREATE JOBS

INNOVATE

**MANAGE OUR
LANDSCAPES**

**PROVIDE
HOMES
AND BUILD
COMMUNITIES**



INTRODUCTION FROM OUR PRESIDENT

Businesses from all sectors and of all sizes can be found across rural England and Wales. Changes in technology and infrastructure make it possible for businesses based in the heart of our countryside to provide goods and services to customers across the world.

Our vision is that a person setting up or growing a rural business should have the same opportunities as anyone seeking to do so in our towns and cities.

Nonetheless there is something intrinsically different about our rural businesses. This is partly because core sectors, predominantly linked to agriculture and land management, remain of fundamental and unique importance to our countryside. This deep association with the land and a sense of place makes rural businesses think differently. There is also a strong sense of tradition present in how businesses are organised. Family businesses predominate and as result ambitions and plans tend to span generations.

Ensuring rural businesses are able to meet their potential requires proactive investment, a proportionate regulatory framework and careful economic policy. It requires government at all levels to include rural business in decision making from the heart of Whitehall and Cardiff to the emerging devolved settlements from the Northern Powerhouse and the Deal for Cornwall.

The CLA represents over 33,000 rural businesses, who together own more than 10 million acres of land across England and Wales and operate over 250 different types of business from that land. We believe that successful rural businesses are the heartbeat that sustains our rural communities. That belief drives our commitment to standing up for rural business and we set out in this document the priorities we will champion.

ROSS MURRAY
CLA PRESIDENT

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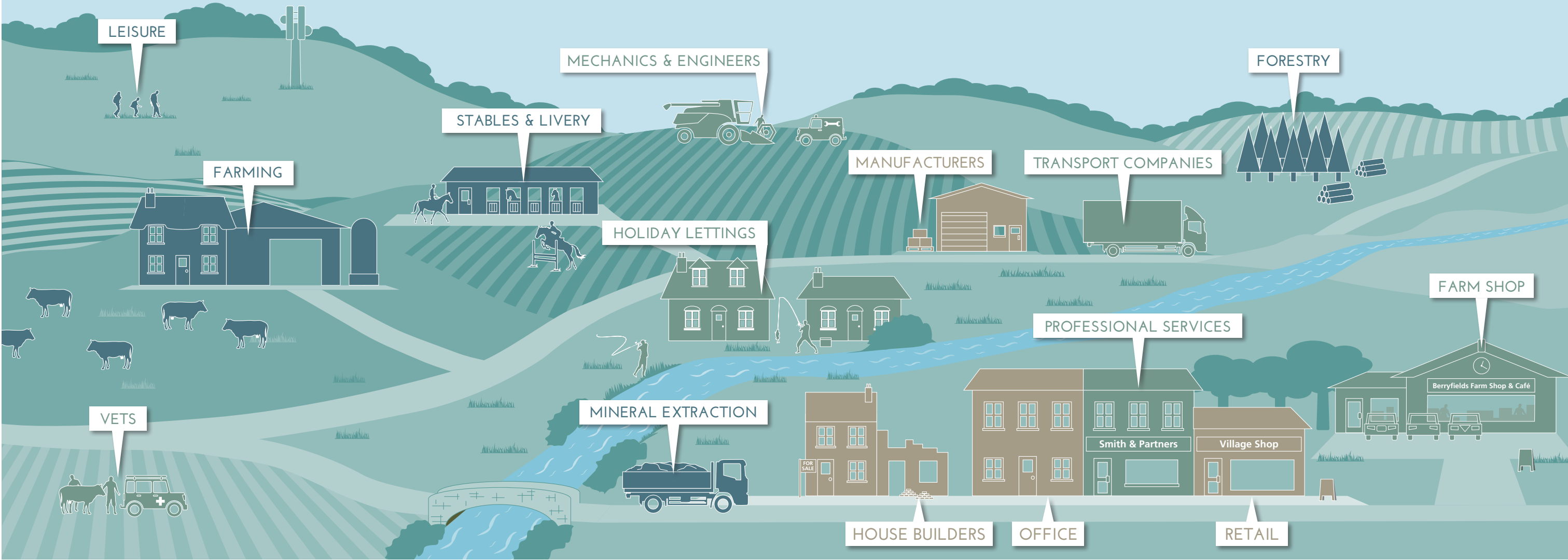
UNDERSTANDING RURAL BUSINESS

DEFINITION OF RURAL BUSINESS

In seeking to understand the size and impact of rural business it is important to set out a definition. Businesses in rural areas fall into three distinct types.

THE THREE TYPES OF RURAL BUSINESS:

- LAND BASED RURAL BUSINESS
- LAND RELATED RURAL BUSINESS
- OTHER BUSINESS LOCATED IN RURAL AREAS



NUMBER OF RURAL BUSINESSES



541,330

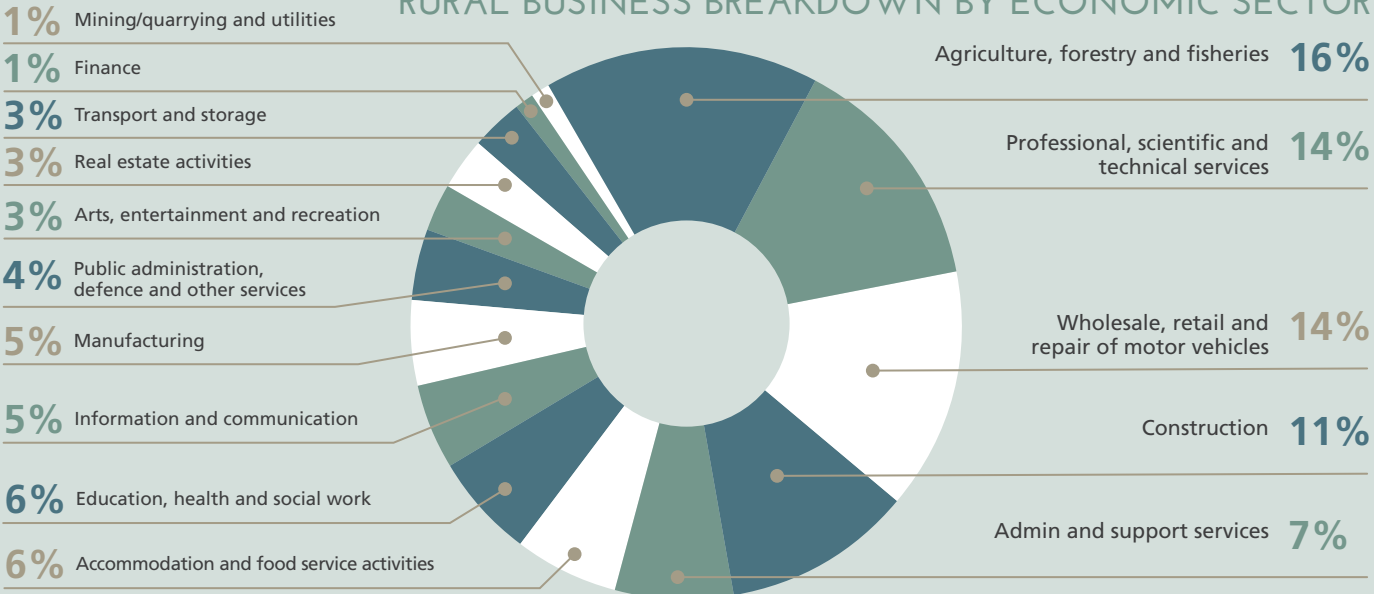
Total number of rural businesses in ENGLAND



104,730

Total number of rural businesses in WALES

RURAL BUSINESS BREAKDOWN BY ECONOMIC SECTOR



SUPPORTING RURAL BUSINESS

THE FOUR OPPORTUNITIES FOR RURAL GROWTH:

1 UNIVERSAL SERVICE FOR BROADBAND AND MOBILE

→ In rural areas 1.5 million, or nearly 50%, of rural premises are connected by lines that are unable to receive speeds higher than 10Mbps and one in five rural premises are unable to receive speeds higher than 5Mbps.



→ In a rural area only 31% of people can expect to get 'all networks' mobile coverage indoors. This compares to 91% in urban areas.



Poor connections are the single biggest barrier to rural businesses achieving their potential.

Government must stand up to the powerful interests in the broadband and mobile industry. It is these companies posting large profits, often whilst receiving large amounts of taxpayer money, that have missed targets time and again. Too frequently they offer excuses rather than action in connecting our countryside. It is time to deliver.

The pace of change means that the solutions to the connections problem of the future may not be met by the technologies of today. Investment must be directed to alternative and emerging technologies such as satellite and mobile broadband. We need a regulatory and funding framework that will adapt to fast paced change.

We must empower communities that are taking the matter in to their own hands. Across rural communities groups and businesses are making their own investments in getting connected. Often it is these schemes that are driving forward the innovation we need to overcome technical barriers. This investment must be

embraced and accommodated. Where communities take the initiative they must not be penalised. Where they make direct investments they should be able to access match funding or other incentives.

The Prime Minister has listened to our call and set out a commitment to a Universal Service Obligation of a least 10 megabits per second by 2020. Work is underway in defining what this commitment means in practice.

The CLA will make the case for this Universal Service Obligation to mean that every home and business has a legal right to be connected. If this commitment is not met, a home, business or community can claim compensation that could be used to pay for them to achieve a different means to get connected.

This Universal Service Obligation is transformational and must be delivered for broadband. We will press for similar concrete commitments on mobile coverage.

CASE STUDY FELL END, CUMBRIA BUILD AND BENEFIT BROADBAND

Fell End Broadband is a community 'build and benefit' fibre to the home broadband network connecting 58 deeply rural properties in the parish of Ravenstonedale (South East Cumbria). The project delivered a 15km fibre network across some of the most challenging terrain in England. Described by BT as 'epic' the network is capable of speeds of 300Mbps.

The project was led and managed by community volunteers with assistance from Ravenstonedale Parish Council as the accountable body. The project cost a total of £88,000 all of which was civil engineering work paid directly to the contractor. The project was funded by a partnership of the Princes Countryside

Fund, Rural Community Broadband Fund (RCBF), Holhird Trust, TalkTalk Digital Heroes and community contributions.

CLA Rural Adviser and community leader Libby Batemen said: "Fell End Broadband was never just about connecting 58 properties to superfast broadband. It was about the art of the possible and testing a process that could be replicated."

"The lessons learned from the project have inspired BT Openreach to launch a Community Fibre Partnership offer which is inviting communities to engage with BT Openreach and work in partnership to bring Superfast Broadband to their area."



Our ambition for our rural areas is no different to the rest of the economy. We want to see investment unlocked, to achieve greater productivity driving growth, the creation of jobs and an improved standard of living across our rural communities. However, the opportunities are different and we need specific solutions in four priority areas.

Ross Murray, CLA President

2 A PLANNING SYSTEM THAT UNLOCKS INVESTMENT

49% of applications to convert redundant farm buildings into much needed rural homes are refused



Rural areas are different. The beauty of the landscape, the living environment and the heritage of the buildings and communities are a national asset. Rural businesses have a symbiotic relationship with our countryside and they know that to be maintained our countryside must be invested in. This requires economic growth and our communities have to evolve and change to be sustained.

Rural businesses invest in our rural communities. The planning system must provide the certainty that gives businesses the confidence to invest. This means having a clear forward vision for the economic development of an area, embodied in an up to date Local Plan.

It also means taking a positive approach to development for existing buildings like farm buildings that are no longer used for their original purpose; and above all taking a constructive approach to engagement that seeks solutions rather than erecting barriers to growth and change.

The National Planning Policy Framework (NPPF) in place since 2012 in England is a major breakthrough in simplifying the planning system. It enshrined the important principle of the presumption in favour of sustainable development

and sets clear policy on **supporting a prosperous rural economy**. However seven years later there remains resistance to change. Too many areas still do not have up to date Local Plans and innovations such as permitted development rights for conversion of agricultural buildings still face opposition from planning authorities.

We will work with Welsh Government to review Planning Policy Wales to ensure that in rural areas the needs of sustainable development are fully embedded in plan making and decision making.

In every area delivering a well thought through Local Plan is the key to unlocking investment and all efforts must be focused on putting this in place. We have reached the point that where a local planning authority has not yet delivered this, they must be forced to do so.

Where there is no Plan or there are development opportunities not foreseen in the Plan, planners must be pro-growth and seek out ways to say yes, only stopping change and stymieing investment where absolutely necessary.

CASE STUDY TIM BREITMEYER, CAMBRIDGESHIRE

CLA Deputy President Tim Breitmeyer converted a redundant agricultural building on his estate in Cambridgeshire into a home which is now occupied by a local farming family.

The ability of being able to convert out-of-use properties in a rural areas crying out for housing is a vital step to ensuring sustainable development in some of our most rural communities. It gives a family a place to live, close to their work, and brings much needed incomes into the local economy. The new home uses a geothermal heating system, creating an eco-friendly home and keeping energy bills low for the family that lives there.

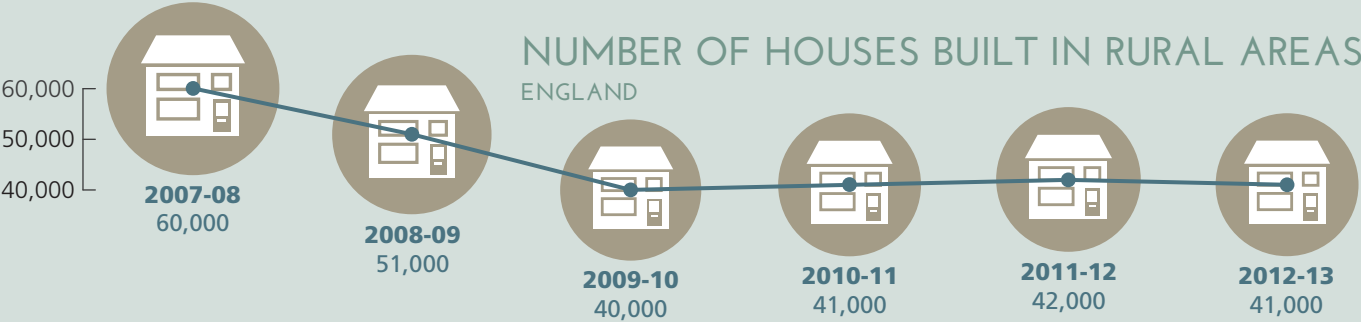
Speaking about the development, Tim Breitmeyer said "The ability to be able to convert a redundant agricultural farm building into a house for a family or employee is vital for the provision of homes in rural areas. There are people in the community that needed their own place to live and enjoy the countryside. I had a building that was no longer needed on the farm. It was a win, win decision and will benefit the village."

The building of this home was made possible because of permitted development rights created out of changes to planning law secured by the CLA.

SUPPORTING RURAL BUSINESS

THE FOUR OPPORTUNITIES FOR RURAL GROWTH:

3 SOLVING THE HOUSING CRISIS IN RURAL AREAS



OVER ONE MILLION PRIVATELY RENTED PROPERTIES IN RURAL ENGLAND AND WALES (2011 CENSUS)

	Social rented	Private rented	Social and private rented
ENGLAND	421,785	485,317	907,102
WALES	54,860	53,761	108,621

There are thousands of Rural Businesses providing homes across England and Wales. Thousands more rely on homes being available to attract the workers and customers they need to sustain their business. The entrepreneurs that are building or managing homes bring direct investment and jobs in to our rural communities. We must acknowledge the positive economic and social contribution of thousands of landlords across rural England. Rural businesses have a critical role to play in solving the housing crisis. They must be provided with national and local policy that allows them to do their job.

This crisis is more than an economic problem. The loss of people from our rural communities removes employment, skills and customers. We need a range of new homes, including affordable homes, if we are to retain and attract new people and ensure our rural communities are sustained.

We must also look at innovative solutions to delivering affordable housing. Unlocking the potential of private investment is vital to solving the housing crisis. We will continue to argue for flexibility to allow rural business owners to deliver and manage their own affordable housing, if they choose.

A new approach to planning must embrace the potential that there is housing need through converting disused buildings and small scale housing development. The way businesses in the private rented sector are regulated must be proportionate and sensitive to the specific circumstances of rural areas.

CASE STUDY LORD STAFFORD, SWYNNERTON

Beswick Green, in the heart of Swynnerton, has 22 properties with a variety of sizes and designs ranging from two to six bedrooms. The development has been carefully designed to fit in with the look of the village.

The project is the brainchild of Lord Stafford and has been named after long-serving member of staff on the family estate, Bert Beswick, 82, who officially opened it at a recent ceremony.

All the properties are being let by the estate with rents starting at £650 per calendar month. Four are designated as 'affordable housing', with a reduced rent for qualifying residents of the village.

Using eco-friendly technology each house has bore holes sunk down to 90 metres to tap into ground heat which is used to warm the properties.

4 AN EFFECTIVE FRAMEWORK FOR ECONOMIC DEVELOPMENT

Creating the conditions for growth in rural areas requires careful planning. Investment potential can be harnessed through careful infrastructure planning, smart investments in growth initiatives and making adequate provision for business support and skills training. This will be made possible by focused effort of national and local government working in partnership with businesses.

Significant expectation is being placed on the potential of devolved settlements ranging from the devolution of greater powers to the Welsh Assembly to the Northern Powerhouse and the Devolution Deal for Cornwall. Rural businesses will approach this reorganisation with an open mind, but the distinct needs of the rural economy must be considered in the design of devolved settlements and the risks of displacement and underinvestment must be avoided at all costs.

Direct investment is being made in our rural economy. Schemes such as the Rural Development Programme for England (RDPE), the Wales Rural Development Programme and the European

Structural and Investment Fund (ESIF) are drivers of growth. At a time of significant reduction in public sector spending the potential of every penny must be targeted for maximum benefit. These programmes delivered through new devolved authorities or through Local Enterprise Partnerships have to have the interests of rural business at their core.

As devolution agreements are put in place around the country, the needs of rural business and rural communities must be a central consideration. Rural business should be represented in governance of all devolved or local enterprise partnership structures.

Priority must be given to effective distribution of investment funds into infrastructure that makes rural businesses more accessible (especially broadband and mobile), providing skills and training for new and established businesses, and providing marketing support for vitally important industries like English and Welsh tourism.

CASE STUDY STANDING UP FOR RURAL BUSINESS IN WALES

CLA Cymru is making the case for rural business to decision-makers across Wales. Through to the Assembly elections in May and beyond, the CLA will be calling on the Welsh Government to adopt a coherent vision for the rural economy, bringing together piecemeal funding schemes, ending the practice of developing policy in silos, and ensuring the needs of rural communities are addressed in all policy development.

The CLA has championed the commitments enshrined in the Well-Being of Future Generations Act. It is rural business across Wales that will deliver the economic investment, create the jobs and manage our landscapes to ensure that rural Wales thrives now and for future generations.

We will continue to champion:

- The effective delivery of broadband and mobile coverage to our rural communities across Wales.
- Delivery of planning policy that encourages people to invest in new and existing homes, businesses and infrastructure.
- A proportionate and well targeted regulatory framework for businesses providing homes for rent in rural communities across Wales.
- Effective and efficient use of rural development funds to ensure it delivers the growth we need.

CASE STUDY CORNWALL DEVOLUTION DEAL

In July 2015, Cornwall became the first rural authority to agree a devolution deal with Government.

The deal was a first of its kind an applied at county level rather than local authority, bringing the Council and the Local Enterprise Partnership together. It granted more powers to Cornwall and means more than £5bn of government funding to manage in the areas of transport, health and social care, property and European funding.

The Council and LEP are working together to try and address the specific needs of those in rural areas and one of their first projects has been the creation of a Growth Hub which will offer business support, highlight funding opportunities and skills provision to help rural businesses get and share best practice.

The government says the devolution deal will:

- Give Cornwall Council powers for franchising and improving local bus services.
- Help Cornwall and the Isles of Scilly councils create a plan to bring health and social care services together.
- Enable the council to choose what projects will see millions of pounds of investment.
- Give the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) more input on boosting local skills.
- Make it easier for the LEP to integrate national and local services to help local firms grow.

IMPACT OF RURAL BUSINESS

600,000 BUSINESSES → EMPLOYING **3.4 MILLION** PEOPLE

THE NUMBER OF PEOPLE EMPLOYED IN THE
ENGLISH AND WELSH RURAL ECONOMIES



IN ENGLAND

63%

OF BUSINESSES IN RURAL AREAS
ARE CLASSIFIED AS SMALL OR
MICRO BUSINESSES

IN WALES
THIS IS

97%

JOBS

ENGLISH POPULATION



Percentage of
population of
working age

Percentage
of working
population
employed

Unemployment
rate

Gross median
annual earnings

URBAN

65.8%

70.8%

8.1%

£24,500pa

RURAL

61.2%

75.8%

4.6%

£19,900pa



KEY POINTS

The working population in rural areas is different in size and make up to urban areas. Nearly **40%** of the rural population is not of working age, compared to **34%** in towns and cities.

A markedly higher percentage of the working age population is employed and the unemployment rate is significantly lower. Earnings levels are also significantly lower in rural areas.

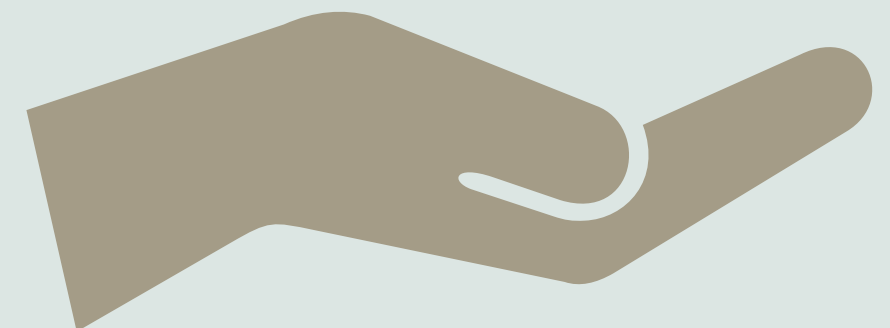
ABOUT THE CLA

The CLA (Country Land and Business Association) is the membership organisation for landowners, farmers and other rural businesses. We have over 33,000 members, together our members own around half of the rural land in England and Wales.

We represent
diverse and
successful
businesses
located at the
heart of rural
communities.

We help
landowners
work in the
best interest
of the land,
wildlife and the
environment.

Our purpose is to ensure that our
members have the security, certainty
and support they need to make
investments in their land and business.



REFERENCES:

- Pages 4 & 5 – Statistics are taken from the Department for Environment, Food and Rural Affairs publication *Statistical Digest of Rural England – November 2015 Edition*. Data for businesses in rural Wales is not available to the same extent or in the same form as for England so these numbers are not a direct comparison to the number for England. The statistical data was sourced via the Stats Wales portal, available at statswales.wales.gov.uk. To identify the rural statistics CLA used the Welsh Government official Local Authority groupings which classify the following as rural Local Authorities – Isle of Anglesey; Gwynedd; Conwy; Denbighshire; Powys; Ceredigion; Pembrokeshire; Carmarthenshire; Monmouthshire. The resulting statistics included in the document were reached in consultation with Welsh Government statisticians.
- Page 6 – The broadband and mobile phone coverage statistics are taken from the Connected Nations 2015 Report by Ofcom, published 1st December 2015.
- Page 7 – The Permitted Development Rights statistics on agricultural to residential use conversions are published by the Department for Communities and Local Government as part of the live planning tables statistical data set, specifically *Table PDR 2: district planning authorities – applications for prior approvals for permitted developments, England*.
- Page 8 – The data on private rented homes is taken from the 2011 Census data acquired through the Nomis portal of the ONS, available at www.nomisweb.co.uk. The housing completions statistics are taken from the table *Permanent dwellings completed, by tenure and Local Authority Classification, in England, 2004/05 to 2012/13* on page 82 of the *Statistical Digest of Rural England – November 2015 Edition*.
- Page 10 – With regard to rural businesses and employment in England are sourced from the *Statistical Digest of Rural England – November 2015 Edition*. The data for Wales was ascertained using the same method as referred to on the reference for page 4.

