

West Midlands Economic Strategy

Rural Dimensions

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1. INTRODUCTION

The West Midlands Economic Strategy (WMES) underwent a fundamental review between March 2006 and December 2007. Partners and stakeholders from all sectors and across the region have participated in a wide-ranging debate to arrive at the final version of the strategy, launched on December 10th 2007. The West Midlands Rural Affairs Forum (WMRAF) and the West Midlands Regional Assembly (WMRA) have been working with Advantage West Midlands to ensure that the review process includes the best possible practice in terms of 'rural proofing'. That is to say that there are the correct mechanisms in place to systematically

- consider whether the strategy is likely to have a different impact in rural areas, because of particular rural circumstances or needs
- make proper assessment of those impacts, if these are likely to be significant
- adjust the strategy, where appropriate, with solutions to meet rural needs and circumstances.

Three separate but inter-linked pieces of work have already been completed:

1. The 'Rural Commentary' prepared as part of Phases 1 - 3 of the review process (building the evidence base, developing and consulting on policy choices)
2. The 'Rural Perspectives' report on the Consultation Draft of the strategy
3. The 'Mainstreaming Rural' report on the draft Delivery Framework

Each report drew together evidence on the nature and functioning of rural economies across the region already available and the plans and aspirations of economic development actors at a sub-regional level. WMRAF members and other stakeholders were invited to a 'rural proofing' workshop to discuss each stage of the WMES review and their views also informed the three reports.

The purpose of this document is twofold. Firstly, drawing on the previous reports, it comments on the new WMES from a rural perspective, highlighting opportunities for rural areas and rural communities as well as possible barriers to success. Secondly it looks forward to delivery, suggesting implications for delivery that will need to be considered as the strategy moves from high level objectives and priorities to actions on the ground.

The report is arranged as follows:

Section 2 revisits the key characteristics of the region's rural economies, taking into account more recent work on the region's rural economies completed this year.

Section 3 comments on the vision and strategic approach of the WMES from a rural perspective.

Section 4 provides detail of how each of the WMES objectives and priorities could play out in a rural context and considers the implications for delivery.

Section 5 comments on the focus, monitoring and delivery arrangements.

The conclusion of the report highlights the need to continue the rural proofing process into the implementation of projects and programmes as the strategy is rolled out over the coming months and years.

2. KEY CHARACTERISTICS OF THE REGION'S RURAL ECONOMIES

There is general recognition that the rural areas of the region are an important consideration in the WMES because rural economies

- Make an important contribution to the health of the region's economy, providing diverse and high quality businesses and working environments
- Affect the economic and social well being of the 1.19million people who live in rural areas in the region
- Offer high quality environments, including important landscapes and built heritage that are valued by local residents and visitors ¹

These rural areas are however, very diverse. They vary from remote and sparsely populated areas on the Welsh borders and in the Peak District, to ex-coal-mining areas in Staffordshire, to more accessible, 'commuter belt' areas nearer the conurbation, to areas of growth along the technology corridors.

The recent work on rural economies commissioned by AWM and undertaken by SQW has usefully examined these differences in more detail, unpacking some of the reasons for these variations and suggesting some implications for the development of policy.² In particular the conclusion of this work highlights the importance of understanding the relative dependence on larger urban centres between different rural areas and suggests a differentiation between those Local Authority Districts (LADs) that are 'accessible' and 'inside' the functional geography of the city-region, and those that are 'remote' and 'outside' the functional geography of the city-region. The latter being those districts in the west of the region and East Staffordshire (the Peak District).

This work on the rural economies of the region reinforces the conclusion that in order to deal with the diversity of rural economies present in the region, policy responses will need to adjust to local circumstances. Furthermore, the report suggests that particularly in more remote rural areas local leaders in all sectors, who are in the best position to guide the implementation of the strategy in their own areas and communities, will be have a significant contribution to make.

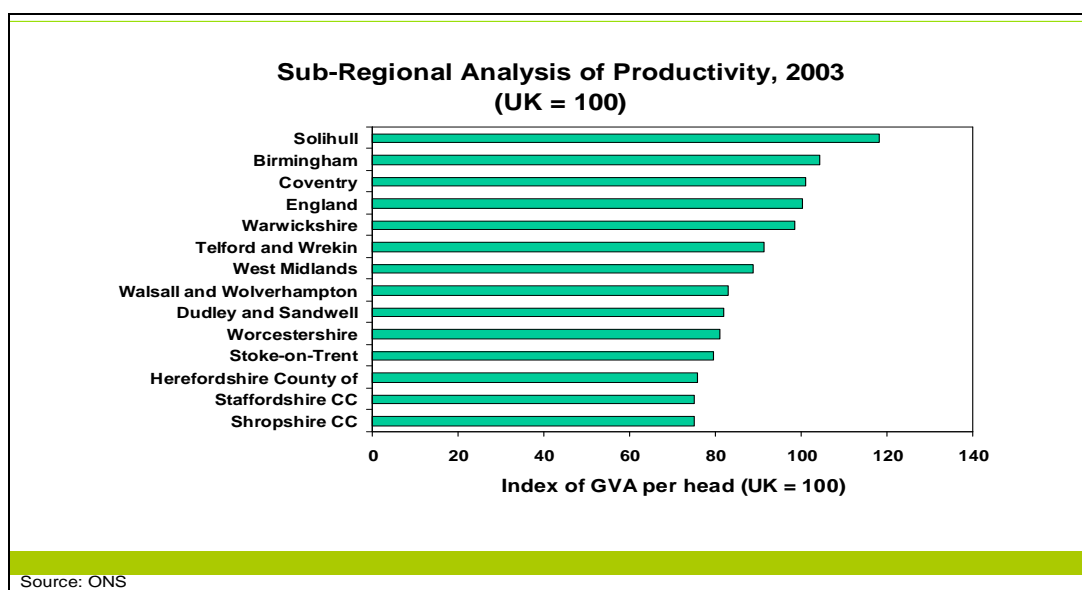
Without undermining this fundamental requirement to 'deal with diversity', it is possible to point to a number of key characteristics of rural areas. These hold true over most rural economies of the region and many tend to be even more pronounced the more sparsely populated and remote the area is.

- If we take GVA figures as the key indicator of productivity, with the exception of Warwickshire, all the shire counties are below both regional and national averages and are at the bottom of the regional ranking.

¹ Regeneris 2004, Achieving a healthier rural economy in the West Midlands Countryside Agency

² West Midlands Rural Economy Study. 2007 Overview, Working Paper 1 and 11. SQW

Figure 1



- There are high levels of economic activity (and low levels of unemployment) in most rural areas.
- Rural populations have been growing and ageing faster than regional averages, fuelled by in-migration of older and (in some areas) out-migration of younger people, and in some cases by the recent inflow of migrant workers.
- Many rural areas have a resident population with higher qualifications than average and fewer people with no qualifications (although more remote areas perform less well than accessible areas).
- There are a high proportion of small and micro businesses in rural areas
- Self-employment is an important source of employment in rural areas, although the reasons for this vary across the region and it does not always signify high levels of growth and dynamism in the local economy.
- Economic activity is spread across a wide variety of sectors, but is not as diverse as the region's urban economy.
- Average wages tend to be lower in rural areas than both regional and national averages although incomes tend to be higher (probably due to a combination of out-commuting to higher paid jobs and unearned income from pensions and other sources).
- Most rural economies are not particularly growth orientated. They have low levels of investment (net capital expenditure per business), an under representation of employment in knowledge based, high tech and fast growing sectors and over representation in declining sectors. This is particularly the case in less accessible rural areas.
- Disadvantage in rural areas is generally not concentrated in particular communities as it is in more urban areas. Recent research by the Commission for Rural Communities concluded that one in five households in rural England live below the poverty line (less than 60% of median income). These households are found in all types of rural communities and their situation is often masked by the relative affluence of others.

3. WMES – VISION AND STRATEGIC APPROACH

3.1 The Vision

The new vision of the WMES for the West Midlands is:

“To be a global centre where people and businesses choose to connect”

Although the idea of a ‘global centre’ may not resonate immediately with those living and working in the more isolated parts of the region, the vision is shorthand for describing ‘a location in which people and businesses choose to invest, work, learn, visit and live’. The detail of the vision for the future makes clear how the strategy aims to bring together economic, social and environmental concerns for all parts of the region.

“ That means

becoming a more prosperous region, but recognising that economic growth must support overall improvements in quality of life and wellbeing of the region’s residents;

becoming a more cosmopolitan and inclusive region, making full use of the skills and talents of our people and ensuring equality of opportunity, across the region, in relation to wealth and prosperity generated through continued economic growth;

becoming a more sustainable region, correctly valuing our natural, historic and cultural assets, seeking to minimise our use of the planet’s resources and preparing for a low-carbon future.”

The clear commitment in this more detailed vision to the reduction in carbon emissions and to ‘becoming a more sustainable region’, will be welcomed by many rural stakeholders along with others in the region. Rural areas have a particularly significant contribution to make in moving towards a low carbon economy, in terms of the production of renewable energy, in developing new technologies and in providing examples of best practice in fostering the low-carbon living and working communities of the future.

Rural stakeholders will also particularly welcome the commitment to ensuring that economic growth is focussed on delivering improvements in quality of life and wellbeing. The commitment to equality of opportunity across the region is usually read as meaning equality between different sections of society – men and women, able and disabled, people from different ethnic backgrounds. There is no reason however, why this commitment to equality should not include equality between communities of place. That is to say a commitment in line with the government’s aspiration that ‘nobody should be seriously disadvantaged by where they live’.³

3.2 Underlying principles

These elements in the vision are further backed up by some important underlying principles, which, if systematically applied, could provide significant drivers for ensuring that the needs and aspirations of rural areas are adequately addressed as the strategy rolls out. These underlying principles are:

³ ODPM 2005 The National Strategy for Neighbourhood renewal – four years on

“Pursuing equality, reaping the benefits of diversity”, which includes a clear commitment that ‘the actions and initiatives undertaken as a result from this Strategy do not disadvantage any particular group’.

“Valuing the natural environment”, recognising the importance of the natural environment not just in terms of its impact on economic prosperity but on wider quality of life and wellbeing.

“Supporting urban and rural renaissance”, which includes a commitment to continued rural proofing of implementation, a recognition of the responsibility on all groups responsible for delivery to ‘think rural’, and a commitment to dis-aggregate monitoring data to a sub-regional and urban/rural level whenever possible.

The success of embedding these underlying principles will depend upon the commitment at the highest levels in the organisations responsible for delivery and upon the nature of the mechanisms use to ensure that they are systematically applied. Success will depend as much on winning hearts and minds as on rigorous monitoring procedures.

3.3 Indicators

The Rural Commentary on the policy choices and the Rural Perspectives report on the consultation draft of the strategy highlighted the unintended dis-benefits to rural areas that could result from an over-emphasis on closing the productivity gap between the West Midlands and other regions, if not counterbalanced by a commitment to reduce differentials within the region. That is to say, that if closing the gap were always the primary focus for investment and resource allocation, then there would be little or no activity directed towards rural areas. Although rural areas have the lowest productivity levels in the region, because of their relatively weak economic ‘weight’, they may not contribute significantly to closing the regional gap, even if we were able to raise the figures locally. This fact, together with the increased costs of delivering interventions (e.g. business support) can drive activity away from these areas.

Although the underlying principles of equality, the commitment to rural proof, and to dis-aggregate the monitoring data are important checks, without a specific measure to reduce the differentials within the region, there is still a risk that this unintended impact on rural areas will occur. The strategy states that we do not seek economic growth ‘at any cost’. Hopefully this will include not ‘at any cost’ to rural areas.

4 WMES – STRATEGIC OBJECTIVES AND PRIORITIES. IMPLICATIONS FOR RURAL AREAS

BUSINESS

The structure of the rural economies of the region tend to be more narrowly based (in terms of sectors) than the urban areas. That is to say, the rural areas of the region tend to have a greater reliance on fewer sectors of the economy than urban areas - just 7 sectors (out of 43) account for over half of rural employees. Manufacturing is an important employment sector for rural areas (17% of employees), particularly food and drinks manufacturing.⁴

Many rural areas continue to be dependent on land based industries – agriculture, forestry and related industries. This dependence is not just in terms of direct employment, but for business supply chains, for maintaining and enhancing the high quality environment (which also supports the very important tourism industry in rural areas) and for contributing to the social fabric of rural communities. The dependence on land related industries is more marked in the more remote areas of the region. There is the opportunity to encourage greater innovation in traditional industries, including land-based industries, tourism and local food production and marketing.

Rural areas have a predominance of employment in low value added, low-wage sectors and there are lower than average employment in knowledge intensive and high tech industries in more vulnerable rural areas.

Social economy is weak in rural areas. This is an issue particularly in sparsely populated areas where the role of the voluntary and community sector is crucial to maintaining essential services (where the customer base is too small or scattered for the market to supply).

New sectors are developing in the rural areas of the region and there is the opportunity to encourage them - for example, creative industries (including new media), energy, environmental technologies, medical technologies.

Rural areas are characterised by a large number of very small businesses. These are important to local economies and many of them have the potential to grow. Developments of ICT have increased the numbers of people able to run their businesses from more remote locations and this trend is likely to continue. The objectives described in this section of the Strategy are important to the success of those businesses and the prosperity of the rural economy. Actions will need to be adjusted to meet the needs of large and small businesses whether urban or rural. Engaging smaller, more isolated businesses is a particular challenge. In rolling out the implementation, particular attention will need to be given to ensuring the benefits of the programmes and activity reach out across the entire region.

⁴ Regeneris 2004 Achieving a healthier rural economy in the West Midlands. Countryside Agency

Seizing Market Opportunities

Priorities	Opportunities for rural areas	Weaknesses and Barriers to success	Implications for delivery
<p>1.1 <i>Developing markets and sectors with the most wealth and employment potential</i></p>	<p>Rural economies are strongly associated with food and drink and tourism clusters, but other clusters are equally important to local economies, including manufacturing. Others (e.g. environmental technologies and medical technologies) provide opportunities for growth.</p>	<p>Business networks are often weaker in rural areas as it is relatively more expensive for rural businesses to engage in networks. Rural businesses can find it more difficult to engage with regional 'cluster' mechanisms. There is under representation of rural businesses on cluster groups and other manufacturing support groups. There are low levels of engagement of employers in work based training in some rural areas.</p>	<p>Positive and proactive measures are needed to engage rural businesses and representatives of rural businesses in clusters other than those traditionally associated with rural areas and to ensure actions to make manufacturing more 'knowledge-intensive' reach across all rural areas. Appoint rural champions to every Cluster Opportunity Group.</p>
<p>1.2 <i>Competing in the global economy</i></p>	<p>Increasing numbers of migrant workers provide new links with overseas markets. Availability of entry level broadband facilitates access to overseas markets from remoter areas.</p>	<p>Many small and micro businesses lack the capacity or experience of trading in international markets.</p>	<p>Internet trading from remote locations could be further encouraged. Support for rural networks and for collaborative marketing schemes would help small, more isolated businesses.</p>
<p>1.3 <i>Creating economically sustainable new businesses</i></p>	<p>VAT registrations and survival rates are high in most rural areas, suggesting high levels of entrepreneurship. The growing 'grey' economy provides new markets as well as new business leaders (people moving into rural areas and starting up new small businesses in later life) and mentors.</p>	<p>Rural businesses find it more difficult to access the finance and advice they need. Social enterprises often struggle to survive in areas where their markets and customers are dispersed. High VAT registration does not necessarily mean high levels of dynamism</p>	<p>Bespoke business advice for rural areas for both start up, businesses for growth and social enterprises. Business support programmes should be rural proofed and penetration levels into rural areas tracked.</p>

<p>1.4 Capitalising on sustainability and low-carbon opportunities</p>	<p>Rural areas and rural businesses have much to offer in achieving this priority – particularly in relation to energy generation and waste and water management. The move to local markets and local sourcing will support smaller rural businesses. The reintroduction of traditional skills and production methods may be low-carbon options for the future.</p>	<p>Small rural businesses are likely to be particularly affected by rising fuel costs and by flooding. Individual rural businesses will need to act more collaboratively to capitalise on low carbon opportunities.</p>	<p>Rural hubs have important role in fostering collaboration to make the most of low carbon opportunities, particularly among land based businesses. Actions to encourage local sourcing will support sustainable rural businesses.</p>
<p>Improving competitiveness</p>			
<p>Priorities</p>	<p>Opportunities for rural areas</p>	<p>Weaknesses and Barriers to success</p>	<p>Implications for delivery</p>
<p>1.5 Investing in business processes and enterprise</p>	<p>Enterprise levels are high in many rural areas where there is a tradition of self-employment, although often only to 'make ends meet'. Rural women are more likely to be self-employed than their urban counterparts.</p>	<p>Productivity in many rural areas is low compared to regional averages (and the lowest in the region). There is evidence of a lack of dynamism and capacity to either innovate or diversify among many small rural businesses. ICT is under-used in many rural businesses. Lower levels of business 'churn' and investment, suggest lack of competitiveness among rural businesses.</p>	<p>Access to appropriate support services and finance is important to rural businesses. Bespoke advice to rural businesses is needed, both in terms of content (advisors familiar with the context of rural businesses) and means of access (web-based, telephone and email advice lines)</p>

<p>1.6 Stimulating employer investment in skills and training</p>	<p>Incentives for workforce training are high where the pool of labour is more restricted.</p> <p>Increased access to ICT could help provide more distance learning.</p>	<p>Proportion of working age population receiving job-related training is at about the regional average in rural areas, but there is evidence of falling participation (whereas regional and national figures have remained stable). There are particular difficulties for more remote and smaller businesses in accessing training and releasing staff. Some areas of the region are very remote from FE, HE or other training institutions. Delivery of training in rural areas is more expensive per trainee.</p>	<p>Proactive steps to enable businesses to overcome barriers to training their workforces is of particular importance in rural areas where small businesses may find it difficult to access appropriate training courses or release staff. Increased use of distance learning and ICT may help.</p> <p>Recognition of additional delivery costs should be built into budgets.</p> <p>Dis-aggregation of indicators will be needed to track participation among rural businesses.</p>
<p>Harnessing knowledge</p>			
<p>Priorities</p> <p>1.7 Investing in high-value skills for the future economy</p>	<p>Opportunities for rural areas</p> <p>Knowledge exchange between businesses and universities is now more possible for rural businesses by use of ICT.</p>	<p>Weaknesses and Barriers to success</p> <p>Many young people leave rural areas to go to university, never to return. For those who stay, accessing Higher Education while in work can be difficult due to the distance to HEIs.</p>	<p>Implications for delivery</p> <p>For this activity to have any impact in rural businesses, specific measures will be needed to increase the numbers of opportunities for accessing higher level skills and education and for graduates to be recruited into rural businesses, or self employment.</p>

<p>1.8 Stimulating innovation, creativity and knowledge generation</p>	<p>Rural areas adjacent to HEIs and other research institutions are well placed to benefit from these assets.</p> <p>There are many examples of innovative and creative smaller firms located in rural areas, which could be exemplars for others.</p>	<p>Investment in innovation (net capital expenditure and R&D expenditure) is lower in rural areas and particularly low in more remote areas.</p> <p>Many rural businesses lack the confidence or capacity to engage.</p>	<p>Actions are needed to strengthen business knowledge exchange networks. Actions to embed rural dimension in implementation could include</p> <ul style="list-style-type: none"> • A rural champion on Innovation and Technology Council • Indicators to measure impact in rural businesses – e.g. numbers of grants for research and development to rurally based businesses or institutions. • Encouragement of demonstrator projects in rural businesses. • Innovation Advisory Service to be charged with looking at ways to overcome barriers in rural areas.
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PLACE

The rural areas of the region are very diverse. Market towns, villages and scattered rural communities have a complex web of interdependencies and dependency on accessible larger urban areas. Rural areas that are accessible to the urban core of the region may have less in common with rural areas on the Welsh border than with their neighbouring urban centre. There are 97 market towns in the region and approximately 2,300 villages – all with distinctive characteristics. Dealing with this diversity will be key to the success of the strategy. To be effective, programmes and projects need to be responsive to the context of their locality.

In areas where growth is strong, there is a need to take actions, which will ensure that growth continues in a sustainable way. The report prepared by Regeneris - Achieving a Healthier Rural Economy in the West Midlands (2004) – identifies a key policy issue for the future “*how far (should) these areas remain primarily commuter areas for the main urban areas, or become more self contained economies?*”

The particular vulnerability of some rural areas has been identified in previous regional level analysis and strategic frameworks, including the Rural Renaissance Framework and the Regional Rural Delivery Framework. This has been the rationale for the focus of investment into the Rural Regeneration Zone.

The interdependencies between rural and urban areas has been examined in more detail by the work on the region’s Rural Economy⁵, including an examination of different types of market towns : Type 1 Towns with high dependency on nearby urban centres, Type 2 Towns with moderate dependency on nearby larger settlements. Type 3 Free-standing towns serving rural hinterlands.⁶

Achieving sustainable rural communities of the future will require a shift in thinking. In the drive to focus development where there are already jobs and services, current planning approaches tend to preclude development in smaller settlements. This drives up house prices, discourages locally based employment and threatens the survival of essential local services and so exacerbates the trend towards rural areas becoming the enclaves of richer, car owning (and often commuting), older people, as families and young people gravitate towards the larger centres. The WMES priorities reflect the ambition to counter this trend, encouraging mixed communities where people can access the jobs and services they need while minimising the need to travel. Achieving this ambition will be a major challenge.

⁵ West Midlands Rural Economy Study. 2007 Overview, Working Paper 1 and 1.1. SQW

⁶ See also Urban-Rural Interdependencies 2007 Interim Report. Ecotech

Birmingham competing as a global city			
Priorities	Opportunities for rural areas	Weaknesses and barriers to success	Implications for delivery
<i>2.1 Birmingham competing as a global city</i>	Rural areas that are accessible to Birmingham will benefit from investment in the city as a regional gateway, both in terms of spin off economic activity and access to education, jobs and cultural opportunities.	The SQW Rural Economy study (2007) suggests that there is a number of rural areas that lie outside the 'city region' sphere of influence (unsurprisingly those on the periphery of the region to the west and East Staffordshire)	Actions to spread the benefits of investment in the city to the wider region will be needed, but bearing in mind that this is unlikely to reach those areas most remote from the city. e.g. Opportunities to link creative and cultural events in the city to smaller events around the region could be actively pursued.
Improving Infrastructure			
Priorities	Opportunities for rural areas	Weaknesses and Barriers to success	Implications for delivery
<i>2.2 Improving transport and communications to increase accessibility, efficiency and competitiveness</i>	Access to entry-level broadband promotes competitiveness in those rural areas traditionally hampered by poor road and rail infrastructure and increases opportunities to cut down on commuting (increasing efficiency and promoting carbon reducing practices)	Access to second generation ICT technologies will by-pass more sparsely populated areas if left to the market alone (as was the case with broadband) and leave them lagging behind. Declining transport services as well as increasing congestion in some rural towns is putting a brake on economic vibrancy.	Encouraging take up and use of existing ICT technologies in rural context may require targeted actions. Intervention to reduce risk of rural economies lagging behind in terms of next generation technologies may be needed in the longer term. The situation will need to be monitored. Actions in local transport plans, particularly those that promote alternatives to the car will be significant for the strength of rural economies as well as for wider sustainability.
<i>2.3 Sustainable management and utilisation of our land and property assets</i>	80% of the region's land is in rural areas. The effective management of these natural and agricultural assets is fundamental to the future sustainability of many local economies and communities. Investment in property and the re-use of buildings in rural areas will continue to provide sites for economic activity for rural residents.	The pressures on and shocks to the land-based industries (FMD, Bluetongue, bovine TB, flooding) continue to have a profound impact on the agricultural sector and the wider rural economy to which it is intimately linked, including the tourism sector.	Investment in the natural assets of the region, including its finest landscapes as well as green infrastructure in towns, is necessary for achieving the aspirations of the RES. Actions to promote the resilience of land based industries is important for wider rural economies. Investment in property and the re-use of buildings in rural areas is necessary for meeting the needs of local businesses.

<p>2.4 Supporting a secure low-carbon energy infrastructure for the region</p>	<p>The region's rural areas are well placed to contribute to low-carbon energy generation, both small and large. Biomass, ground source heat pumps, small scale wind and hydro systems all require the open space and natural resources found in rural areas.</p>	<p>Rural economies could be particularly hard hit by the impact of climate change, as evidenced by recent flooding. Rising fuel costs will increase costs of living, working and doing business in more remote rural areas.</p>	<p>Appropriate incentives for small scale energy production can generate quick results (see experience in Germany).</p>
<p>Sustainable Communities</p>			
<p>Priorities</p>	<p>Opportunities for rural areas</p>		
<p>2.5 Developing sustainable communities</p>	<p>This is an important priority for rural areas, providing the rationale for actions relating to access to work, training and services, housing and transport, the development of market towns and wider rural renaissance. Local leaders will have an important role in shaping the sustainable rural communities of the future. Investment in a well-designed physical environment will enhance the local distinctiveness of rural towns and villages.</p>	<p>Weaknesses and Barriers to success</p> <p>Small rural communities are often seen as 'unsustainable' and housing and other development therefore restricted to larger settlements. This exacerbates the decline in services and outflow of young people and those on low incomes. There is wide variety of types of rural communities and economies across the region. The interplay between rural areas and their nearest urban centres is complex. Access to services is still declining in more remote rural areas as cost pressures bite for both the public and private sectors.</p>	<p>Implications for delivery</p> <p>Appropriately scaled housing and other development is needed in even the smallest villages if mixed and thriving (sustainable) communities are to survive. The design and implementation of actions will need to be led by the sub-regions in order to be responsive to local variations. The role of the third sector (voluntary and community organisations and other NGOs) will be important in rural areas in the delivery of this priority. Actions to strengthening social capital need to be included. e.g. Market town and other partnerships need support to bring their communities behind them.</p>

<p>2.6 Regenerating our most deprived communities</p>	<p>The Rural Regeneration Zone is a designated area of need as far as the WMES is concerned. There are other areas, particularly in rural towns that appear among the most deprived 10 or 20% according to the Index of Deprivation, which could benefit from the actions resulting from this priority.</p>	<p>Rural disadvantage is scattered and often masked by affluence.</p> <p>Commission for Rural Communities study into disadvantage suggests one in five rural residents live in poverty (below 60% of UK median).</p>	<p>Although many of the difficulties that people face are the same, different approaches are needed in tackling rural and urban disadvantage.</p> <p>Pockets of deprivation, especially in rural towns outside the Regeneration Zones should not be ignored as these represent some of the most deprived places in the region.</p>
<p>2.7 Maximising our cultural offer and natural assets</p>	<p>Rural areas contain many of the region's cultural and heritage assets and most of its natural assets. Actions to improve the management and enhancement of these are important for the region's economy (particularly the visitor economy) and the quality of life for its residents.</p>	<p>A focus on 'beacons', 'key attractions' and 'major destinations' should not be at the expense of the large number of smaller assets, which <i>together</i> provide the rich diversity of the region's cultural, heritage and natural offer.</p>	<p>Activity in many rural areas is more likely to be focussed on smaller attractions.</p> <p>Festivals and events are an important part of the cultural and economic life of many small towns.</p> <p>Natural assets exist in town as well as country.</p> <p>Investment in education and training will encourage more community and business action to retain and enhance these assets.</p>

PEOPLE

In 2005 1.9 million people lived in the rural districts of the region – 35% of the total population of the region and almost double the number that lives in Birmingham.

Rural populations are growing faster than regional and national averages and are projected to grow faster in the future. This is particularly the case for the most remote rural areas. In addition, the population of rural districts is ageing at almost three times the rate of national averages. At the same time the number of younger people (under 15yrs) are below regional and national averages and declining. The same is true of the 20-29 yr age group, except for Warwickshire, where there has been an increase in recent years.⁷

Higher skill levels (NVQ4 and above) are generally above regional averages and there are fewer people with no qualifications in rural districts, although there remain some pockets of very low skills and lack of basic skills. Access to a wide range of training and learning opportunities is restricted for many by distance from institutions and the increased costs for training providers to deliver to scattered communities.

Unemployment is low, but there is anecdotal evidence of under-employment and many rural workers are dependent on seasonal and part-time work. The inflow of migrant workers has increased over the last period to take up jobs that are not filled by the local workforce, particularly in the agriculture, construction, social care and tourism sectors.

There are good prospects for an increase in flexible working practices, including home-working, especially if rural areas are assisted in keeping up to date with ICT developments.

⁷ West Midlands Rural Economy Study 2007 Working Paper 1 SQW

Sustainable living			
Priorities	Opportunities for rural areas	Weaknesses and barriers to success	Implications for delivery
<p>3.1 <i>Changing attitudes to sustainability and consumption</i></p>	<p>Rural communities are already providing excellent exemplars in sustainable living (e.g. Bishop Castle's move towards a carbon neutral community).</p> <p>Increases in home-working support local services and local businesses as well as being the low carbon option. Rural experience can act as an exemplar for urban areas.</p> <p>Improved procurement practices (and local sourcing) will support rural businesses.</p>	<p>Larger distances and less frequent public transport services make rural residents more dependent on the car.</p> <p>Many rural homes are energy inefficient and there are fewer energy options available.</p>	<p>Use experience of sustainable living from rural communities as exemplars across urban and rural areas.</p> <p>Encouraging working practices that cut down on commuting should target especially long distances (often from rural to urban areas)</p> <p>Investment in transport services in rural areas (including alternative transport schemes – car sharing, cycling etc.) will be needed to reduce car use.</p>
Raising ambitions and aspirations			
Priorities	Opportunities for rural areas	Weaknesses and barriers to success	Implications for delivery
<p>3.2 <i>Raising aspirations of leaders and managers</i></p>	<p>This is as important an objective for rural economies as for urban.</p> <p>Inspirational leaders in the private, public and voluntary sectors are needed to achieve the aspirations of the WMES.</p>	<p>Small (and micro) businesses often find it difficult to access appropriate training because of distance, but also because of lack of capacity to leave the business for even a short time.</p>	<p>It will be necessary to find ways of engaging leaders and managers in smaller, more isolated businesses – for example through mentoring schemes.</p> <p>This priority should deliver across the voluntary and community and public sectors as well as to businesses</p>

<p>3.3 Driving up ambition and aspiration</p>	<p>Rural areas tend to have higher than average NVQ level 2 results and less unemployment.</p> <p>Tackling barriers to training and progression is of particular importance to rural residents who often face limited opportunities to engage.</p>	<p>There are substantial barriers to training and learning for many rural residents. Principally, long distances from institutions coupled with poor public transport and caring provision, higher costs of training provision per trainee and consequent lack of choice, and declining levels of workplace training.</p>	<p>Actions are needed to address these barriers, including for example</p> <ul style="list-style-type: none"> • greater use of distance learning, • provision of training close to places of work • recognition of the increased costs of delivering training in a rural context and incentives for training providers to operate in sparsely populated areas.
<p>Achieving full potential and opportunities for all</p>			
<p>Priorities</p>	<p>Opportunities for rural areas</p>	<p>Weaknesses and barriers to success</p>	<p>Implications for delivery</p>
<p>3.4 Skills for employment and enterprise</p>	<p>Skills levels are very varied across rural areas in the region. Those areas with particularly low basic skill levels (e.g. parts of Staffordshire Moorlands) should benefit from this priority.</p> <p>Rural areas experience higher than average difficulty in recruiting suitably trained staff. This priority should help address this issue.</p>	<p>In a rural context 'worklessness' can be sporadic but persistent, particularly where people are depending on seasonal, part-time or temporary contracts. Whilst these working patterns can be positive for some, for others it is a cause of low and uncertain income.</p>	<p>See comments above on tackling barriers to training.</p> <p>Actions will be needed to reach adults with low basic skills in smaller towns and scattered populations. The voluntary sector may well have an important role to play here.</p> <p>This is an important area for dis-aggregating the figures to ensure that actions are reaching beyond the concentration of need in cities.</p>
<p>3.5 Defining employability</p>	<p>Rural populations are growing, ageing more rapidly and becoming more diverse (as migrant workers move into these areas). All these provide opportunities for strengthening rural businesses and creating new dynamism in local economies.</p>	<p>Rural areas report more difficulty in recruiting suitably experienced staff.</p> <p>Smaller rurally located businesses find it more difficult to engage with networks responsible for defining need (e.g. Sector Skills Councils).</p>	<p>Including rural champion on Economic Inclusion panel will help embed a rural perspective, as will rural champions on Employment and Skills Boards and Ethnic Minority Business Forum.</p> <p>Local areas should be encouraged to run programmes to support businesses in accessing the talents of migrant workers and older people.</p>

POWERFUL VOICE

Rural stakeholders are keen to see the assets of rural areas powerfully represented in the 'voice' of the region.

Powerful Voice for the West Midlands			
Priorities	Opportunities for rural areas	Weaknesses and barriers to success	Implications for delivery
<i>4.1. Improving the evidence base for policy</i>	<p>The commitment in the WMES to dis-aggregate data wherever possible for different sub-regions and for urban and rural areas will help identify any differential progress across the region.</p> <p>Exchange of best practice both between rural areas and between rural and urban areas will provide mutual benefits</p>	<p>A simple rural/urban comparison of data will disregard the differences between different rural areas.</p>	<p>The SQW work on rural economies suggests making a differentiation between 'accessible' and 'remote' rural districts, which may be useful in some contexts.</p> <p>Mapping differentials across the region will be important to explore the complexity rural economies</p>
<i>4.2 Engaging with UK, European and International decision makers</i>	<p>Rural areas are receiving many migrant workers from Eastern Europe and beyond. This provides new links with these countries.</p>	<p>The 'voice' of rural communities is often weak, especially in some negotiations with Europe.</p>	<p>Engagement of rural stakeholders in communication channels. WMRAF could provide entry point for communication with rural stakeholders.</p> <p>Actions to support important cross border coordination (with other regions and Wales) are needed.</p>
<i>4.3 Position the West Midlands as a global centre where people and businesses choose to connect</i>	<p>Rural areas offer a wealth of assets, which are central to the 'image' of the West Midlands as a diverse and thriving region.</p>	<p>Despite the fact that 80% of the landmass of the region is rural, it is still the case that the perception of the 'West Midlands' is primarily equated with the characteristics of the conurbation, particularly Birmingham as a city. Strengthening the voice of the region depends upon shifting the perception away from the urban core to encapsulate the rich diversity of the region's rural and urban areas.</p>	<p>Ensure that regional marketing campaigns and material draw on the wealth of assets in rural areas.</p> <p>Rural stakeholders are generally supportive of the idea of Birmingham as gateway to the region, but some do not necessarily see it as their 'capital'. For some rural communities remote from the conurbation, other centres (in other regions) hold much more significance.</p>

5. FOCUS, DELIVERY AND MONITORING

5.1 Focus

The spatial focus of the WMES highlights areas in most need. In a rural context the Rural Regeneration Zone has been identified as the most vulnerable rural area. This area is broadly consistent with the 'sparse' rural areas, according to Defra definitions and to the 'remote' areas as defined by the Rural Economy study. Other areas of need exist across the region as well as areas of opportunity, particularly those identified for growth. The strategy acknowledges that these areas will need some support to deal with issues and to grasp opportunities. Many of these areas will be in rural districts.

More accessible rural areas will continue to benefit from activity in the High Technology Corridors, especially in the supply of high-value, knowledge intensive jobs. Local economic development actors in areas adjacent to the corridors feel that more could be done to extend these benefits into their rural economies, by strengthening the links with local businesses.

The focus on market towns is welcome, as these are often important foci for rural communities for business, work, services and leisure. There are however, other villages and larger rural settlements that will require some development in order to foster sustainable communities, as well as opportunities to continue to make use of redundant buildings in the countryside for alternative economic uses.

5.1 Partnerships

The review of sub-national economic development and regeneration flagged the government's intention to put in place mechanisms for the devolution of power and responsibilities to regions and beyond regions to sub-regional areas and localities. Local authorities, acting as local leaders for economic development, will have a strengthened role, with funding devolved down from Regional Development Agencies 'unless there is a clear case for retaining funding at regional level'⁸.

In this context the role of Local Strategic Partnerships and the Local Area Agreement process as a means of uniting local partners around a clear set of local priorities, and for commissioning area specific actions, is likely to become increasingly significant. This devolution of responsibility and the increased flexibility that goes with it will be important for rural areas (as for urban) in devising actions that respond to economic challenges and deliver the aspirations of the WMES.

The strategy includes mention of opportunities to work across regional boundaries and with international partners. These are of particular importance to those communities on the periphery of the region who often rely on jobs and services from other regions (and from Wales) and can suffer from a disjointed approach to policy development and delivery.

⁸ The review of sub-national economic development and regeneration 2007 HM Treasury, Dberr, DCLG

5.3 Monitoring

The need for dis-aggregation of the headline and outcome indicators to sub-regional and local areas is accepted in the WMES (although, at the time of writing, the accompanying document that provides this detail is not available). Some more detailed work on this data may be needed to assess whether any gaps in information are hampering the effective monitoring of rural economies.

Most importantly perhaps, is the clear commitment given in the delivery framework to 'mainstream rural':

"The Strategy identifies the need to support rural renaissance as one of its underlying principles. The approach to be adopted in implementing the Strategy is to 'mainstream rural' which means that all boards, strategies, programmes and projects that contribute to the delivery of the strategy, need to ensure that they address the relevant rural circumstances. There is no overall separate rural programme, budget or strategy and partners designing and delivering regional or sub-regional interventions are expected to show how their plans take a balanced approach to meeting rural and urban circumstances, in terms of design, outputs and outcomes."

This unequivocal commitment to rural proofing is very welcome and puts the WMES on a firm footing for being a beacon of good practice in terms of addressing rural needs. The million-dollar question for rural stakeholders however, is how will this commitment be implemented and monitored? Embedding the capacity to 'think rural' in this way requires commitment at the highest level in the delivery organisations, resources for the engagement of rural actors and stakeholders and clear mechanisms to scrutinise and challenge progress.

6. CONCLUSION

The challenge ahead then, is to build on the experience of rural proofing already undertaken and to take the process forward not just into the content of the delivery framework of the WMES, but into the design of programmes, into the decision-making processes of investment and delivery agents and into the clear evaluation of impact and outcomes for rural businesses and rural communities.

This will not happen by chance. It will require commitment and leadership from regional bodies, specific programmes of activity to embed 'rural thinking' alongside other important impact assessment mechanisms, (notably, for sustainable development and equalities) and challenging and honest scrutiny of progress. The aim should be to get 'thinking rural' into the bloodstream of policy makers, decision makers and delivery bodies. Appointing rural champions, demonstrator projects and exchange of best practice, and improvements to the evidence of the needs of rural areas, all have a part to play. The likelihood is that rural communities will continue to need strong advocates, speaking up on their behalf at local, regional and national level. The West Midlands Rural Affairs Forum has a significant role in this respect, but so do Local Authority leaders, leaders from the Voluntary and Community Sectors and other members of Local Strategic Partnerships.

Thinking rural is not just an academic exercise, nor an optional extra – it should be part of how the region ticks.