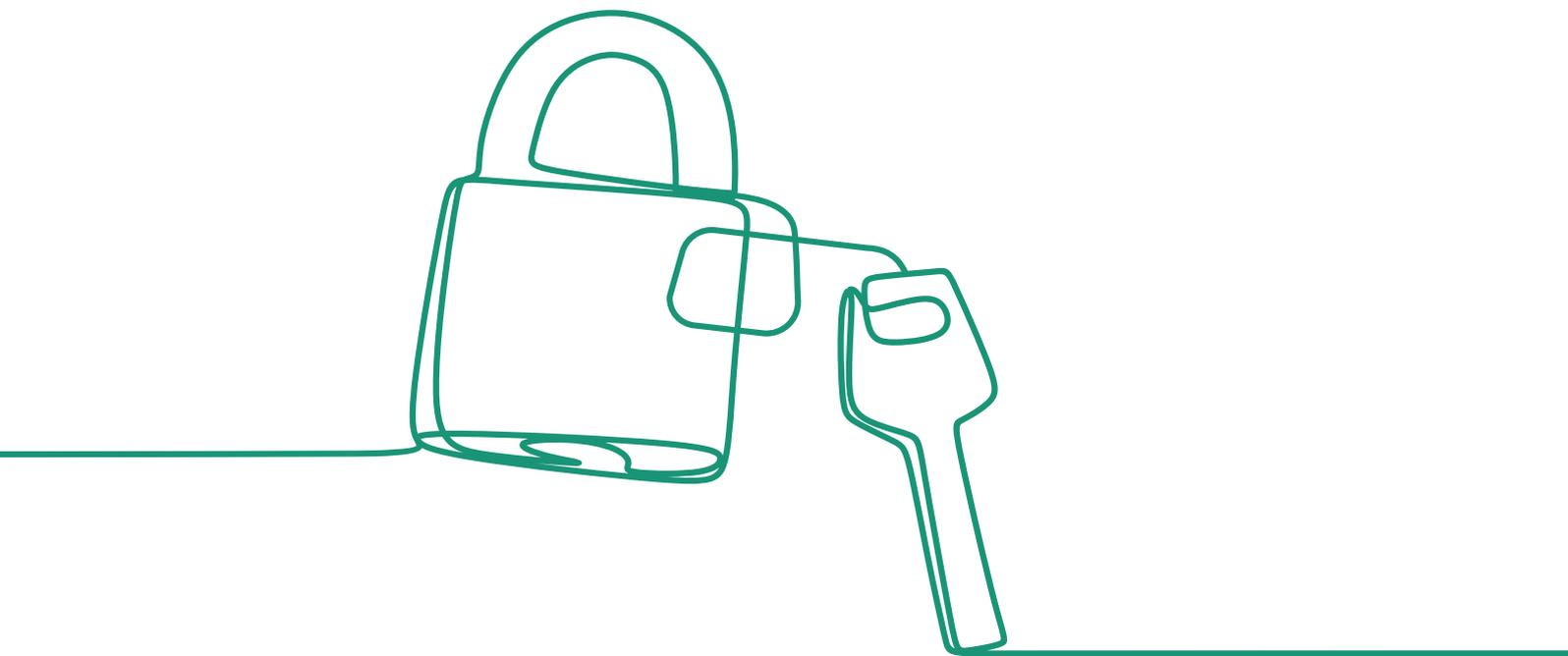
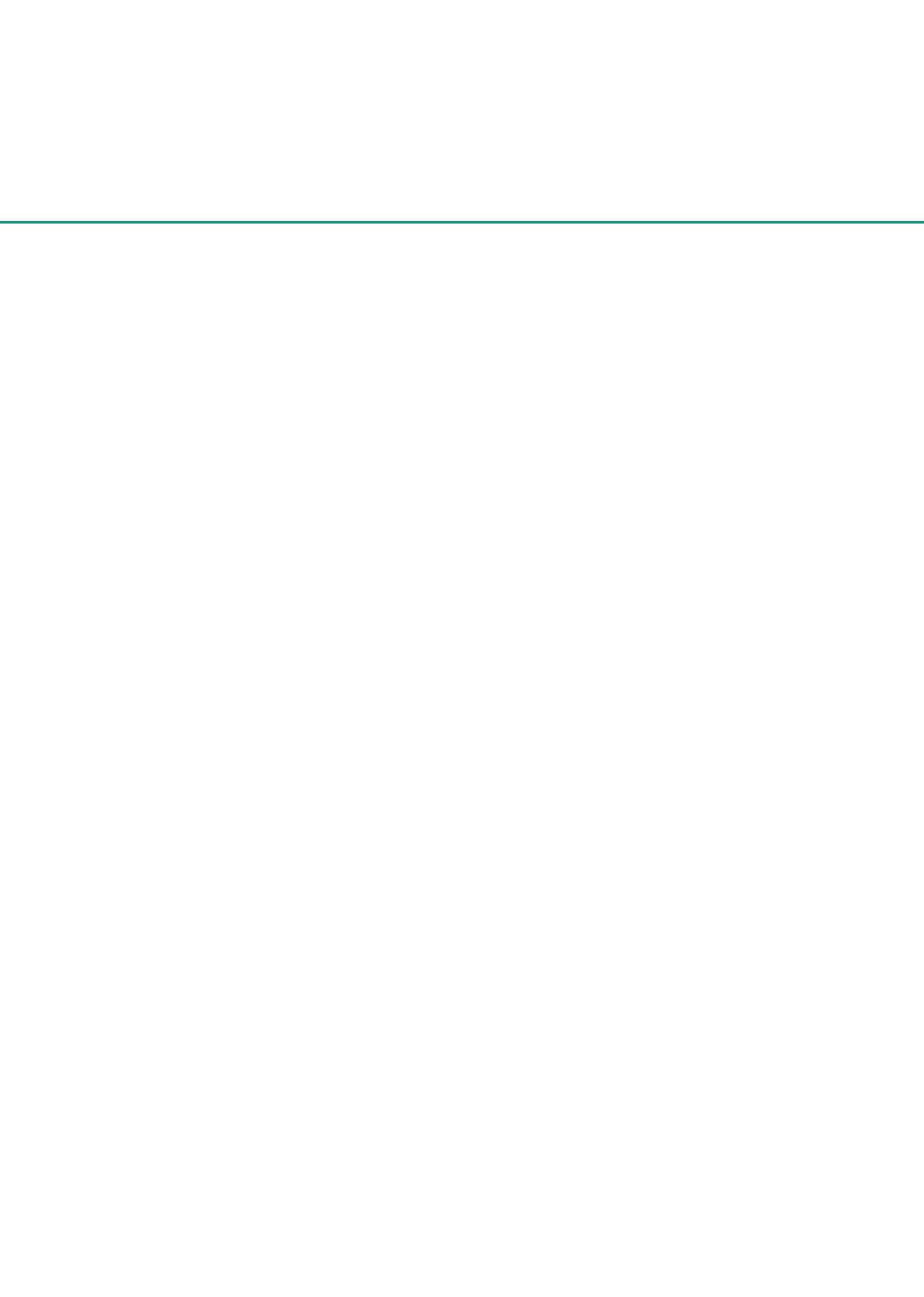


The future of non-metropolitan England

The freedom to lead local places





Contents



Foreword	4
Executive summary	5
Recommendations	6
The people and places of non-metropolitan England	8
The Commission's regional roadshows	10
Building on the interim report	19
Growing more productive and inclusive economies	22
Shaping future investment in rural places	28
Building better connected places	32
Conclusion	38
Acknowledgements	39

Foreword

Councillor Mark Hawthorne MBE
Chairman, LGA People and Places Board

Britain's departure from the European Union presents a new chapter in this nation's history. Now is the time to start a debate on how England's future will be written from the ground up.

The leaders of non-metropolitan England are ambitious to help build and support thriving and sustainable communities. They reflect the desires of local people to allow them to have a say in how local priorities are met. This report sets out the areas that need to be addressed in order to make this happen. On behalf of the people who make up the backbone of this country we ask that the Government gives serious consideration to our proposals and responds positively for the benefit of all.

In early 2018, the Local Government Association's (LGA) People and Places Board launched a commission to consider the challenges and opportunities facing non-metropolitan England.

Since then we have heard from experts and academics, partners in the public sector and leaders from our local businesses and communities. Through our eight regional roadshows we have visited places across England and listened to stories rich in ambition, but often wrought with frustration that a top-down process of national decision-making is standing in the way of local leaders who want to press ahead and secure a better future for their residents.

Many of these speakers have been quick to highlight the progress made in a small number of largely metropolitan areas, which have managed to secure greater funding and flexibility through a devolution deal with the Government. In listening to them we have been struck by tangible benefits for local communities that devolution has already delivered. There is a real risk that unless a comparable settlement is fast-tracked for local communities in non-metropolitan England, their

ambitions for local growth will be forever stuck in the slow lane, denying them a recognisable stake in the country's future prosperity.

The people who live and work in England's rural and coastal communities, in those villages and towns outside the big cities are, like everyone, keen to get on with their lives. They want jobs that reward their hard work and communities with the right mix of homes so they can live a fulfilled life, close to family and friends, both young and old. They want their fair share of investment and a level of connectivity that allows them to enjoy the benefits of international trade and the global digital revolution. They want to feel part of shaping the nation's future while retaining their strong sense of history and local identity.

As leaders of place we want the best for our residents and businesses. While Westminster and Whitehall have grappled with the complexities of the UK's withdrawal from the EU, we have continued to deliver public services and investment that sustain the fabric of this country.

The Commission's interim report launched last summer, described the 'perfect storm' facing rural and non-metropolitan England. In the year since, we have drawn strength from the pride and resilience shown by our communities as they have weathered one of the most tumultuous periods of recent history. However, we have also become increasingly convinced that there is a lot more councils can do to help non-metropolitan residents live healthy, prosperous and connected lives.

With the publication of this final report, now is the time to harness the calls of our local communities and businesses and give councils in non-metropolitan England the powers and resources they need to chart a new course for the years ahead.

Executive summary

With the country at an historic crossroads, this report sets out a course for the future of non-metropolitan England.

In the last year, the Commission has continued to take evidence from those with the expertise and experience to help shape its work. From listening to people at our eight regional roadshows, we are confident in local government's ability to continue to deliver for residents.

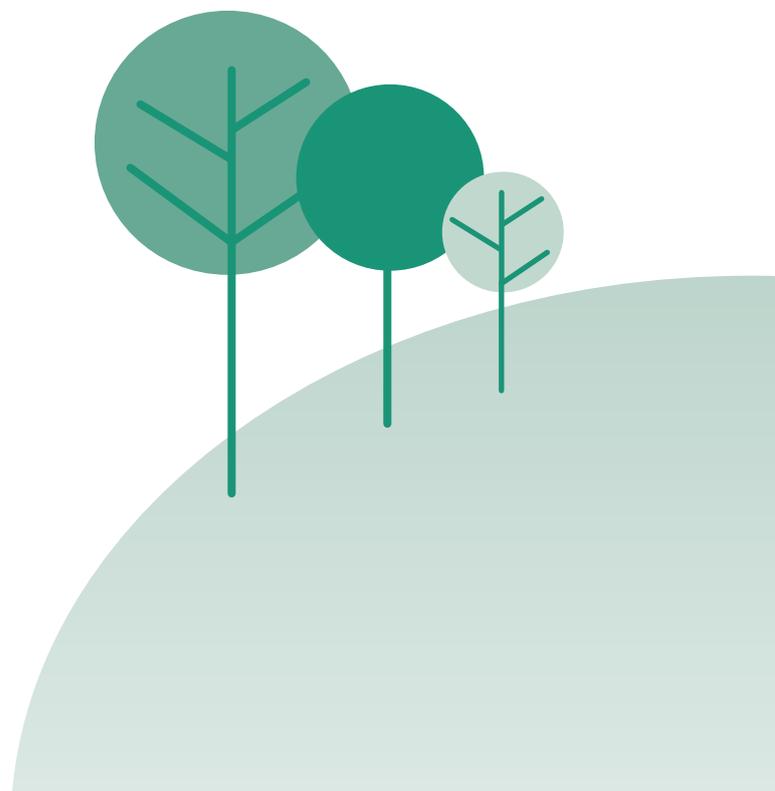
Councils have provided stability and leadership at a time when the national political process has not. We have built homes, we have supported the creation of jobs, and we have looked after the most vulnerable people in our communities. We have delivered tangible results for our communities. We are ambitious to do more if given the powers and resources to do so.

This paper builds on the Commission's interim report which we published at the LGA Annual Conference in July 2018.

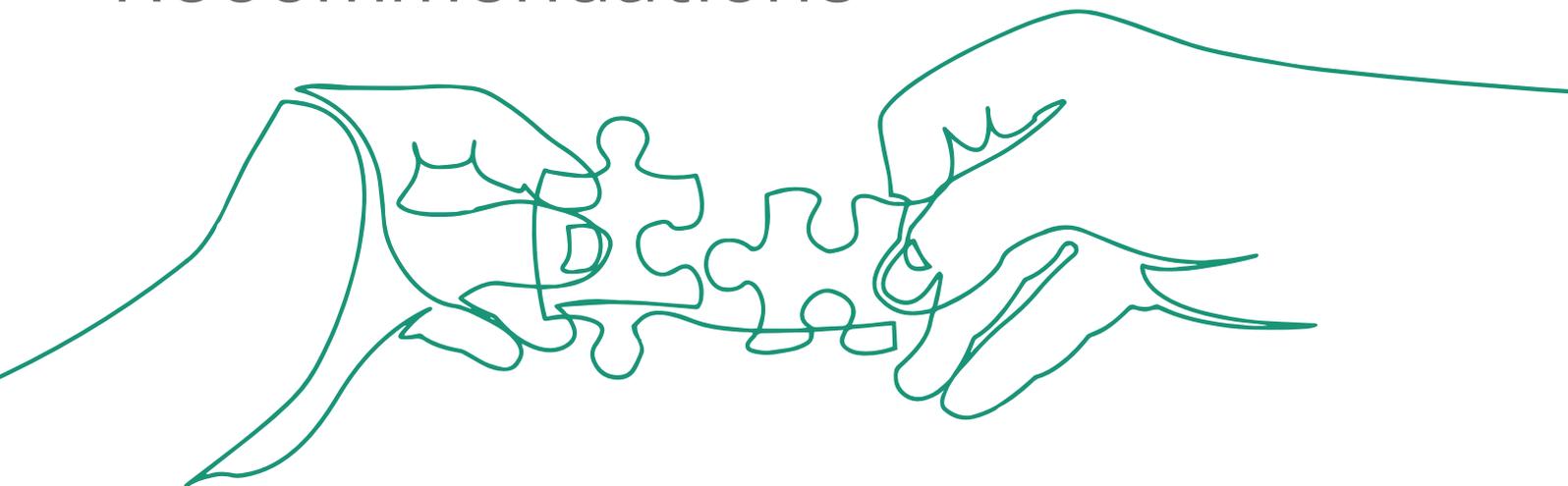
As a set of policy proposals, it highlights those areas where there is the greatest opportunity for councils to lead partners and deliver growth that meets the nation's global ambitions, while giving due respect to local places and local people.

As a piece of work that draws on an exceptional number of conversations, with those both from and representing rural and non-metropolitan England, it seeks to answer the call for prosperity in place, for growth and opportunity undiminished by the shape and timing of the United Kingdom's withdrawal from the European Union, for greater certainty and local control.

More to the point, as a prospectus to Government it outlines tangible, practical proposals that have the potential to make a real difference to local communities quickly, by trusting councils to lead partners in tackling long standing structural barriers to growth in places that have been left behind by national policy.



Recommendations



Growing more productive and inclusive economies

Government must:

Local industrial strategies – match the support available to the predominantly metropolitan local industrial strategy trailblazer areas with what it offers to local industrial strategy Wave 2 and 3 areas.

UK Shared Prosperity Fund – work with local government to design a place-led domestic successor to EU structural funding.

Skills and employment support – commit to meet with the LGA and local leaders to discuss how we can collectively work towards our Work Local¹ ambitions with a view to launching Work Local pathfinders, across non-metropolitan England.

Shaping future investment in rural places

Government must:

Rural land management – give local government a voice in the development of a new English land management policy to ensure it meets the needs of local areas.

Common Agricultural Policy reform

– make sustainable rural growth a key priority for post-Brexit funding to help non-metropolitan areas drive productivity and support prosperous communities whilst being mindful of the environment.

Building better connected places

Government must:

Mobile infrastructure – require mobile network operators to collaborate with councils by sharing their roll out plans through non-disclosure agreements.

Mobile roaming – work with Ofcom to launch a rural mobile roaming scheme should 4G geographic coverage not reach 95 per cent by 2022.

Business support – design the UK Shared Prosperity Fund (UKSPF) to ensure rural business support programmes can be placed on a sustainable financial footing, post-Brexit.

Trade and investment – work with local partners to rural-proof the design of future national and sub-national export support programmes.

¹ www.local.gov.uk/topics/employment-and-skills/work-local

The asks in this final report build on the Commission's recommendations to Government in its interim report² published in July 2018.

Ensuring an affordable and suitable place to live for all

- Give councils sufficient powers and resources to drive non-metropolitan housing growth and ensure house builders deliver homes that meet the full range of local needs, that are affordable, and that are supported by services and infrastructure that communities expect.
- Bring about a renaissance in house building by councils, including supporting development of housing companies and joint ventures, and through Housing Revenue Accounts by lifting the borrowing cap and reforming Right to Buy.

Skills and support to secure a good quality job near to home

- Work with the LGA and our member authorities to pilot our Work Local approach to deliver a devolved and integrated skills and employment system that is more coherent for local people and more effective for local businesses.

Access to a fast and reliable digital connection

- Give councils the statutory backing to ensure all new build homes are connected to futureproofed digital infrastructure.
- Work with Ofcom to ensure mobile coverage data is accurate, up-to-date and reflects consumer experience in non-metropolitan areas.

Support services to help maintain health and wellbeing

- Urgently address the projected funding gap facing adult social care and support by 2020.

High quality transport provision and infrastructure

- Devolve the bus service operator grant and give non-metropolitan councils the choice of whether to franchise local services.
- Fully fund councils for the cost of the statutory national concessionary bus fares scheme.
- Correct the current imbalance of maintenance funding provided to national roads compared to local roads.

Support for businesses to export and attract foreign direct investment

- Commit to working with councils and across Whitehall to review and strengthen sub-national trade and investment infrastructure to take better account of the needs of non-metropolitan businesses and economies.

Increasing non-metropolitan productivity and securing inclusive growth

- Work with places to implement local industrial strategies in every area.
- Fully devolve replacement EU structural funding to non-metropolitan areas, allowing it to be aligned with local economic priorities outlined in local industrial strategies.
- Work with councils in non-metropolitan areas to consider the future role that local government can play in partnership with farmers using the next iteration of the Common Agricultural Policy (CAP) to positively shape both local economies and land use.

² www.local.gov.uk/sites/default/files/documents/27.1%20Post%20Brexit%20England%20Commission_v06WEB.pdf

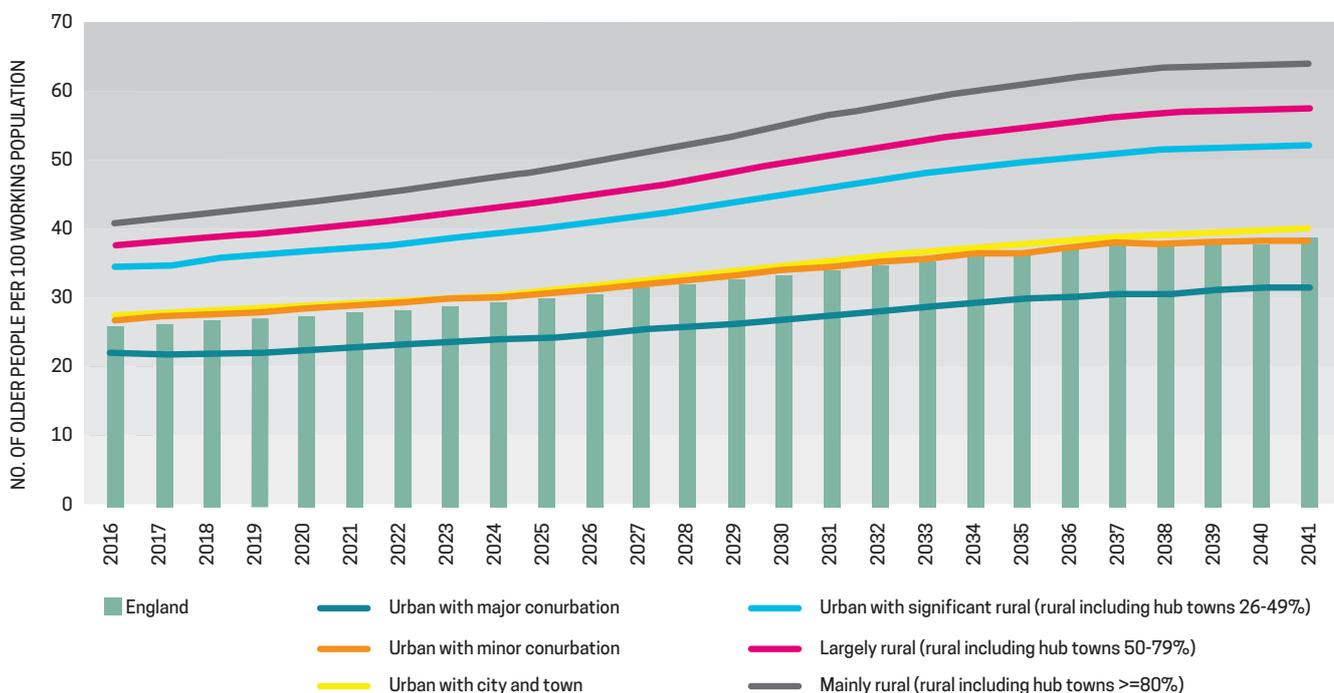
The people and places of non-metropolitan England

The demographic drivers

The Commission's interim report outlined the demographic challenge facing rural areas in the coming years. It is estimated that, by 2039, for every 100 working-age (16-64) resident in non-metropolitan England, there would be 53 people aged 65 or older. An increasing old age dependency ratio, representing a decrease in the proportion of the population able to work and provide care for those who need it, will have significant implications for rural areas across a range of service areas.

For the final report, the Commission has updated its analysis with the latest 2041 population projections³ and disaggregated the data using the Government's urban/rural classification.⁴ This new analysis brings into stark focus that, the more rural an area, the more pronounced the local effects of England's increasingly ageing population will be in the coming decade. As growth in the working population is outpaced by a rapidly growing older population, rural areas will imminently reach a demographic tipping point with over 50 older people per 100 of the working population.

OLD AGE DEPENDENCY RATIO BY URBAN/RURAL CLASSIFICATION



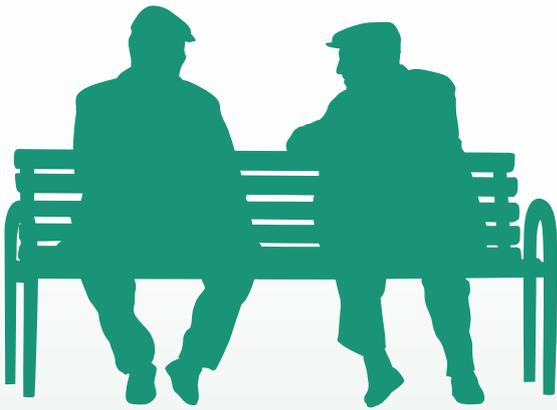
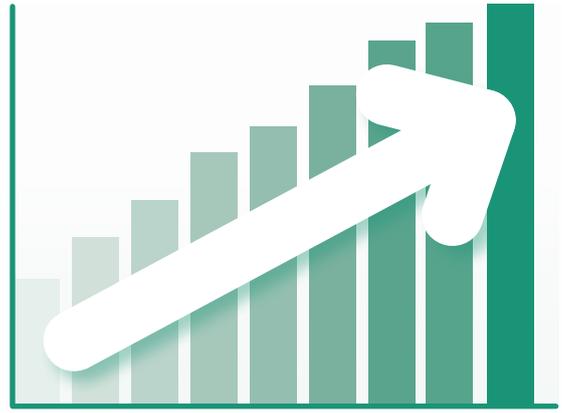
3 LGA Analysis of ONS National Population Projections: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2016basedstatisticalbulletin>

4 The Government's urban/rural classification system <https://www.gov.uk/government/collections/rural-urban-classification>

Our analysis shows:

+65 years

By 2026 largely rural areas will have 50 older age people (65+ years) per 100 working age people (16 - 64 years) and by 2041 they will have 63 older age people per 100 working age people



1 in 2 older

By 2031 mainly rural areas will have 50 older age people per 100 working age people and by 2041 they will have 57 older age people per 100 working age people

80 per 100

By 2041 some largely rural areas will have 80 older age people per 100 working age people



31 per 100

By 2041 urban areas will only have 31 older age people per 100 working age people



The Commission's regional roadshows



Over the course of the last 18 months the Commission has heard from 130 councils, 40 external organisations and engaged over 250 people with an interest in non-metropolitan England, across eight regional roadshows.

The Commission's South West Roadshow

The Commission held its first roadshow in Taunton, Somerset to capture the views of people across the South West of England. The event was attended by a range of representatives from local government, the farming and tourism sectors, as well as local business.

The South West is uniquely placed to offer a high-quality place to work, invest and live in. However, in discussions it emerged that the region is hampered by a significant skills deficit, suffers from poor connectivity and has relied on the European Union to play a substantial role in spurring on local economic development.

The South West skills deficit

There is a deficit of both highly skilled and lower skilled workers across the South West. Sectors in which the region specialises, such as its leading marine industry hub, are generating job vacancies which businesses are struggling to fill. In addition, the region's ageing population is placing increased demand on adult social care services, which have typically relied on non-UK EU nationals. It was argued that greater control of skills provision at a local level would help join up training with business demands.

Within deeply rural areas, residents struggle to access training and jobs near to where they live, leaving some areas in education and training "cold spots." Attendees felt this was having a knock-on effect on social mobility across the region and negatively affecting local aspiration.

Improving infrastructure provision

From road and rail networks to digital infrastructure, the South West suffers from a range of "pinch points" leading to opportunity

costs for businesses and residents. Despite these challenges, attracting infrastructure investment from the Government, especially for rail infrastructure, is particularly difficult. Whilst improved journey times can bring significant benefits to areas, a lack of return on investment, specifically in terms of revenue, can make it difficult to develop a business case that resonates with the Government.

Attendees stressed that future infrastructure investment decisions taken at a national level will need to be reconfigured to take better account of the wider social benefits infrastructure can bring to rural communities.

The successor to EU funding arrangements

European funding for economic development has made a significant contribution to the South West, supporting several high-profile projects. Attendees made clear that the replacement of this funding through the UK Shared Prosperity Fund should be an opportunity to empower local government and its partners to play a leading role in better targeting investment and tailoring interventions to suit South West priorities.

As the largest geographic region in England, stretching across more than 9,000 square miles, stakeholders outlined that land is a major asset to the South West. As such, the successor arrangements for the Common Agricultural Policy, in hand with the Government's 25-year Environment Plan, present an opportunity to consider the future of land-use across the region and to better join-up funding streams related to agriculture with the broader operation of the rural economy.

The Commission's East Midlands Roadshow

The Commission held its second roadshow in Nottingham to capture the views of stakeholders across the East Midlands. The event was attended by a range of stakeholders from local government and business, as well as local MPs.

In the discussions, there was consensus amongst businesses and local government that the laws and powers repatriated from the EU should not simply reside in Whitehall, and that Brexit presents an opportunity for the Government to empower councils in the East Midlands, along with local partners, to tackle a range of structural issues across the region which are restricting local growth.

In addition, several key themes emerged relating to business resilience, skills and connectivity.

Supporting business resilience in preparation for Brexit

Whilst the East Midlands is bucking the national economic trend, with many exporting businesses thriving due to the weak pound, there were doubts as to how solid the foundations of this economic success will turn out to be in the longer term. It was of significant concern to attendees that many local businesses are failing to adequately plan for the potential impact of Brexit, curtailed by a lack of strategic capacity within their organisations.

Attendees reflected on the importance of councils in providing better tailored business support, not only to enable smaller businesses to start exporting or find new overseas markets, but also to take advantage of potential domestic supply chain opportunities.

Local agencies in the East Midlands are already supporting businesses to explore potential supply chain opportunities related to HS2, and stakeholders felt similar initiatives should be undertaken more widely to act as insurance against the impacts of Brexit. To mitigate the risk of potential tariffs or customs delays, some

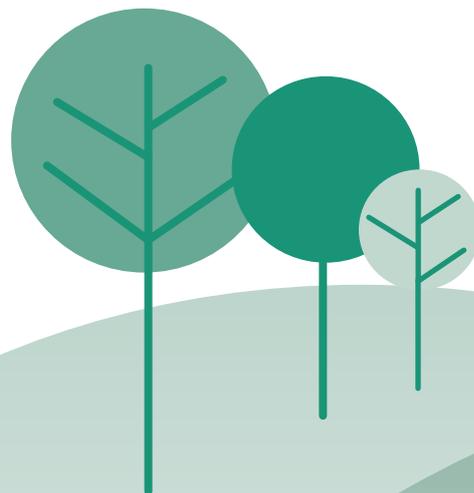
larger manufacturers might need to consider more locally-based supply chain businesses to maintain their 'just in time' delivery models.

The East Midlands Skills Deficit

A presentation from the East Midlands Chamber of Commerce highlighted that of those businesses seeking to recruit in the East Midlands in the last quarter, 60 per cent had struggled to find suitable labour, particularly for highly skilled and managerial roles.⁵ Attendees agreed this echoed a well-established trend of East Midlands businesses failing to meet skills gaps through recruitment.

Improving rural digital connectivity

In parts of the East Midlands, especially the more deeply rural areas, attendees highlighted that there are still major issues regarding reliable and fast broadband, and mobile connectivity. Business representatives reflected that digital connectivity, including both its speed and reliability, is one of their biggest concerns. In those parts of the region where faster connectivity had been rolled out following public subsidy, some stakeholders felt that an emerging issue was a lack of digital skills amongst residents and businesses, which could lead to potential threats in terms of cyber security.



⁵ Presentation by East Midlands Chamber www.emc-dnl.co.uk/files/uploads/1524063996.pdf

The Commission's Yorkshire and Humber Roadshow

The Commission held its Yorkshire and Humber Roadshow in York. It was attended by councils and rural stakeholders from the region.

There was agreement amongst delegates that the Government only had preference for the delegation rather than devolution of responsibilities and funding in the region. Recent funding streams announced by the Government were highlighted as exemplifying Whitehall's inflexibility on how local areas can spend national funding. Delegates cited the UK Shared Prosperity Fund as an opportunity for the Government to provide areas with genuine autonomy over how funding is spent locally.

Counteracting the pull of urban areas

Delegates discussed the negative effect on rural communities from "the pull of urban areas," which are able to attract a greater slice of national funding and draw in younger people and those of working age in search of university education or better paid jobs.

To counter this, councils like Craven District Council are investing in infrastructure and cultural activities in order to appeal to young people and draw them back to the local area. One example cited was a project inviting architects from across the world to submit designs for more innovative and flexible housing developments that would be attractive to graduates. At present, the area has 44 per cent fewer 16-34-year olds than the national average.⁶

Utilising natural capital principles

It was agreed that Brexit presents the biggest change to the business conditions for farmers and rural businesses in more than a generation. At present, farming communities in York, North Yorkshire and East Riding receive over £200 million in Common Agricultural Policy (CAP) subsidy, providing on average 40 per cent of a farmers' incomes. Local analysis has shown that every pound of CAP funding circulates five times within the local rural economy.

To counter the negative effects, the York, North Yorkshire and East Riding Enterprise Partnership and the Local Nature partnerships have been exploring new ways in which public and private investment can fund land management in the future. By drawing value and income from the local landscape through the 'eco-services' it provides, such as flood mitigation and water filtration, they are working with land managers and businesses to explore how investment can incentivise practices which help businesses, while simultaneously tackling environmental threats.

How best to support small and medium-sized enterprises

Attendees reflected that most small local businesses have been unable to adequately prepare for Brexit. As such, many will need a programme of support post-Brexit. Going forward, attendees emphasised the need for a simplified architecture for business support across the sub-region to build local business resilience and help them to grow and create new jobs within the local economy.

Several examples were cited of where local leaders had collaborated effectively with small to medium sized enterprises (SMEs). Attendees highlighted a recent Scarborough town centre regeneration project which engaged local businesses through a series of events on how to improve people's experience of Scarborough through investment in the public realm.⁷

⁶ Presentation by Craven District Council

⁷ Help shape Scarborough town centre consultation www.scarborough.gov.uk/latest-news/help-shape-scarborough-town-centre-future

The Commission's West Midlands Roadshow

The Commission held its West Midlands Roadshow at Staffordshire County Council. The event was attended by a mixture of West Midlands two-tier authorities, local businesses, local enterprise partnership board members, and rural stakeholders.

Attendees highlighted the West Midlands as an area of significant economic diversity – home to some of the UK's most successful large companies such as Jaguar Land Rover, Marston and JCB, but also with a rural economy reliant on SMEs to drive economic growth. Non-metropolitan areas in the West Midlands also provide a high quality of life through a mixture of vibrant market towns, historical buildings and an Area of Outstanding Natural Beauty.

In this context, attendees had a wide range of opinions on both the opportunities and challenges their area faces post-Brexit:

Preparing for a post-Brexit economy

Attendees felt the uncertainty surrounding Britain's withdrawal from the EU was making it difficult for business and public sector bodies to plan for the future and mitigate short to medium term risks. There were also fears that the potential departure from the region of a major company could trigger a negative cascade through local supply chains with a catastrophic impact on smaller businesses.

Discussions also reflected the challenges faced by business recruiting highly skilled workers. Attendees believed greater local control over the skills system would allow local bodies to more adequately respond to the labour market needs of businesses. They outlined that businesses needed to better utilise funding available to them through the Apprenticeship Levy to upskill their workforce.

The future of rural land-use

Attendees outlined the importance of land-based industries, such as farming, as major local employers. However, many felt the industry faced significant challenges with low levels of productivity and too few opportunities for new entrants to break through. With the UK set to leave the EU it was felt many local farms reliant on subsidy would need to be supported to adapt and diversify, or face going out of business. This would create negative consequences for farming communities and the delivery of essential land management functions. In this context, attendees outlined the importance of councils being able to steer how future investment that replaces CAP should be allocated within local areas.

A chance to rethink rural infrastructure

Finally, the lack of provision of affordable housing across a mixture of tenures was highlighted as a major local issue, creating a cascade of negative effects across a range of areas; limiting business growth and creating barriers for younger residents wanting to get on the housing ladder. Attendees felt the lifting of the Housing Revenue Accounts cap was a game changing opportunity for many councils to deliver much needed homes.

The Commission's East of England Roadshow

The Commission's East of England Roadshow was held at Essex County Council. It was attended by a range of councils, LEPs and rural representatives from across the East of England.

As a region comprising over 50 councils and made up of five LEPs, attendees outlined the importance of working across organisational boundaries to build a compelling vision for the East of England. It was felt that the drafting of local industrial strategies would be an important part of this and would help areas focus on the key strategic needs of the region. The main emerging themes from discussions were as follows:

The need for devolved skills provision

Attendees felt the current skills system needs to be more responsive to the challenges faced by employers, residents and the future rural economy. It was highlighted that recruitment in health and social care was an increasing problem, with turnover in some parts of the sector extremely high. Some home-care providers have reported more than 50 per cent turnover in employees, and a significant shortage of registered nurses.

The Advanced Manufacturing and Engineering (AME) sector was cited as a large employer in the region, but attendees highlighted an increasing mismatch between the skills demanded from AME employers and the current supply within the labour market. Digital automation across local industries has already seen low skilled job functions shift towards advisory and customer service without the requisite training provision to help low skilled workers develop the adequate new skills.

It was highlighted that further and higher education institutions are not providing students with the practical and commercial skills needed to be 'job ready' when entering the work place. Business representatives outlined they would welcome more local devolution if it enabled them to work with providers to design courses which meet employer needs in a responsive way.

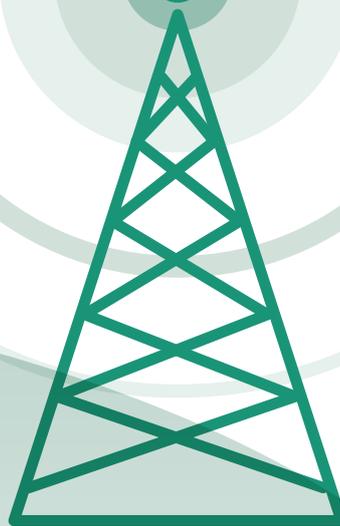
Building the infrastructure to support growth

Attendees spoke of the challenge of building infrastructure to support increasing migration out of London into local areas. In Essex, projections forecast a population increase of 17 per cent by 2036 requiring £10.4 billion in investment to deliver the necessary infrastructure, including the building of over 180,000 new homes.⁸

The housing market across non-metropolitan areas is increasingly unaffordable in the East of England with some areas seeing significant house price growth, due to migration from London and other urban hubs, whilst in coastal towns, second home ownership and holiday lets are considerably decreasing in supply.

Double devolution – the role of parish and town councils

Finally, delegates outlined the need to utilise the capacity of parish and town councils including their knowledge and grasp of local needs to design and deliver services.



⁸ SELEP – Strategic Economic Plan
www.southeastlep.com/our-strategy/strategic-economic-plan-2014/

The Commission's South East Roadshow

The Commission's South East Roadshow was held at the LGA and was attended by over 50 councils.

Delegates agreed that the South East of England is the key driver of national economic growth outside London. It is home to the country's largest concentration of sea ports, and its central roads and rail networks allow the region to be the dominant gateway to the rest of Europe. Stretching along the coast from Harwich to Peacehaven, it is also an area of stunning natural beauty, containing part of the South Downs National Park in East Sussex, as well as being home to Kent, the well-known 'Garden of England'.

In discussions, it emerged that the region is hampered by a significant skills and housing shortage, limited infrastructure and weak broadband that could hinder the area's ability to grow, post-Brexit.

The South East skills gap

It was outlined that the proportion of residents living in the South East with higher qualifications is low. At the same time, more than one in five companies in the South East reported a skills gap or skills shortage vacancy.

To improve growth, attendees agreed that there was a need for a locally responsive skills system that responds to the needs of employers and learners by working across the sectors to bridge the gap so that skills can be a driver for economic growth and not a barrier.

This place-based approach would see the most significant skills shortages unique to the region tackled through increasing the numbers of apprenticeships, incentivising locally-based employers to invest in higher traineeships and working closely with local educational and industrial institutions in the area to improve the employability of all residents.

Reliable infrastructure to sustain growth

As a hub for trade from Europe and beyond, those in attendance agreed that for businesses in the South East and the rest of the country to thrive, road infrastructure needs to improve to ensure freight access to ports was not constrained by bottlenecked roads. It is of critical importance to the whole country for these links with the European mainland to operate effectively. Councils and stakeholders are best placed to ensure this is delivered.

Building affordable homes

Finally, the lack of affordable homes was highlighted as a major local issue. The number of people choosing to reside in neighbouring counties of London is increasing rapidly, with the ONS forecasting that the South East's population will increase by approximately 284,600 people by 2021.⁹ This has created a housing crisis in the South East where demand for housing exceeds supply. The housing affordability ratio in the South East is the highest in the whole of England, after London, where household value is 10 times the average annual salary, compared to the national average of eight times.¹⁰

Attendees felt that to bridge this gap, central government should give councils the freedoms and flexibilities to work with local partners to invest in resources and facilitate the local housing sector to best help meet future housing needs.

⁹ South East LEP - Strategic Economic Plan – www.southeastlep.com/our-strategy/strategic-economic-plan-2014)

¹⁰ www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian

The Commission's North West Roadshow

The Commission's North West Roadshow was held in Preston, attended by a range of councils from the region.

Attendees outlined a shared aspiration for non-metropolitan areas across the North West to be the very best places to live, work, invest and relax. To support this, attendees felt local leadership needed to be empowered with adequate resources and flexibilities to create the right climate for growth across the region. Only with genuine devolution did attendees feel councils, in partnership with other public sector bodies and the private sector, could work together to join up thinking and address the range of interconnected problems across the region. The following themes emerged during discussions:

Uncertainty and its effect on local businesses

Attendees felt that the Brexit process had affected business confidence with emerging signs that it was negatively influencing private investment decisions across the region. However, the effects of Brexit will not be the same everywhere – with very localised consequences with a differing impact across the region.

For example Cheshire is a hub for the automotive industry. The Bentley and Vauxhall plants, which employ nearly 6,500 people and add £1 billion GVA to local economy have 80 per cent of their supply chain inbound from the EU. In Lancashire, 39 per cent of its manufacturing base is exposed to the trade effects of withdrawal.

Attendees outlined the need for councils to be able to move quickly to support local businesses through the process.

Improving the provision of skills across the labour market

Attendees outlined there are a variety of skills profiles across the region. Some areas have high levels of skills attainment whilst others have lower than the national average. Whether it is level of skills or type, employers report consistent challenges in obtaining the skills they need, both from new recruits and in identifying suitable re-training offers for their existing workforce.

Delivering health services in isolated rural areas

There is a misconception that rural areas are mainly affluent with high levels of wellbeing. However, in Lancashire there are wide variations in levels of income and wealth, which are not always concentrated in specific parts of the county. In more rural areas, for example, poverty and social exclusion exist alongside affluence.

Delegates addressed the difficulty of supporting these communities to maintain their health and wellbeing. Whilst all councils are facing the challenge of decreasing resources to deliver adult social care, the difficulty of providing health provision in rural areas is exacerbated by the sparsely populated nature of areas. Delegates agreed that cuts to bus services had made it more difficult for people to access health settings and created 'distance decay', where service use decreases with increasing distance.



The Commission's North East Roadshow

The Commission held its final roadshow in Durham, to capture the views of a range of representatives from across the North East of England. In discussions on the day, there was a shared agreement that while Westminster has been debating Brexit, councils have been stepping up to provide stability and certainty for local areas.

In discussions on the future of the North East, attendees felt there was a once-in-a-lifetime opportunity for future national policy to rebalance the economy and deliver local place-based solutions, post-Brexit.

Principles of a place-based approach

A presentation by Northumberland County Council highlighted the challenges faced by North East rural areas post-Brexit, including increasing cost pressures on service delivery in remote areas.

More positively, it was outlined that the North of Tyne devolution deal has enabled local areas to open direct channels of communication with central government based on locally-led ambitions for improved social and economic prosperity. It has also spurred on new collaborations with universities, businesses, and central government departments.¹¹

Attendees also reflected on the success of the Borderlands Partnership, between five cross-border councils¹² to promote the economic growth along the Scotland-England border. This unique collaboration has offered an opportunity to deliver more place-based projects for the wider interests of the region.

Improving urban and rural inclusivity

Although the North East has strong links to national and international markets, sparsity challenges across the region limit levels of productivity and opportunities for rural businesses. Local businesses in attendance stressed the importance of maintaining and developing regional infrastructure to ensure seamless connectivity across the economy.

Attendees reflected on the importance of a place-based approach to growth in order to tackle these challenges and leverage the unique local opportunities of areas. One example of a local opportunity was the increasing importance of the tourism sector, which contributes more to the North East's rural economy (£515 million) than the agricultural sector (£460 million).¹³

The successor to EU funding arrangements

European funding has made a significant impact on the local rural economy through the LEADER programme and the Regional Growth Fund by increasing farm productivity, provisions for rural tourism and creating other opportunities for rural economic growth. Attendees were frustrated that the Government's proposed UK shared Prosperity Fund lacks clarity, which is preventing councils from developing their long-term planning. It is essential that any domestic replacement for EU funding is driven locally to ensure the successful delivery of local priorities, which councils and partners are best placed to deliver.

¹¹ ONS, House price to workplace-based earnings ratio – www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian

¹² Borderlands Growth Deal – www.borderlandsgrowth.com/

¹³ North East Local Enterprise Partnership - Strategic Economic Plan – www.nelep.co.uk/

Building on the interim report

The Commission's interim report set out how unaffordable homes, poor connectivity, skills gaps and demographic challenges are combining to create a 'perfect storm' that is threatening the future success and prosperity of non-metropolitan areas.

It outlined seven key challenges where local government has a part to play in supporting the future success of non-metropolitan England:

- distortions in local housing markets that are making it impossible for many residents to buy or rent a suitable home at an affordable price in their local community
- public services which are finding it harder to support residents to maintain their health and wellbeing across dispersed populations
- a significant decline in bus transport provision and inadequate national funding of local road and rail infrastructure
- a lack of mobile and broadband connectivity which is excluding residents and businesses from the opportunities of growth
- an over-centralised skills system which is struggling to train and upskill residents, especially in more rural settings, and failing to meet the needs of businesses
- a sub-national trade and investment policy framework that could do much more to help local businesses to export and attract foreign direct investment
- an approach to local growth that risks fragmentation and fails to harness opportunities for increased local productivity.

In the last year councils across the country have forged ahead, working with their communities and national partners to address these and other challenges.

This report sets out a snapshot of the progress they have made in the areas of housing, health and social care and transport. These examples demonstrate that even in a time of national political hiatus, councils can and do deliver where they have the powers and resources to do so.

For this final report we set out our proposals in three areas where further movement by the Government is needed if we are to secure the success of local people and places:

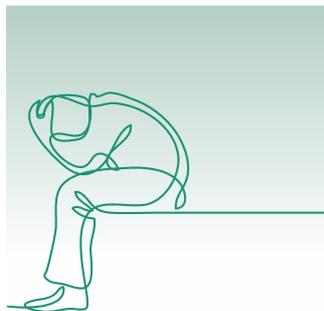
- **growing more productive and inclusive economies**
- **shaping future investment in rural places so it meets local priorities**
- **building better connected places able to access the global market.**



284,485

planning decisions undertaken*

*LGA Analysis of MHCLG data (District planning authorities 2017/18)



151,220

cases of homelessness prevented or relieved*

*LGA Analysis of MHCLG data

Housing

The Commission's interim report outlined:

Non-metropolitan England faces a significant housing challenge with negative consequences for all residents; from young families and lower income workers to older people. All need more affordable and suitable places to live.

The Commission reiterated the LGA's long-standing call to Government to help spark a renaissance in house building by councils by lifting the Housing Revenue Account (HRA) borrowing cap and reforming Right to Buy.

In the last year non-metropolitan councils in England have:

- undertaken 284,485 planning decisions
- prevented or relieved 151,220 cases of homelessness.

Since then...

The Government has accepted the LGA's positions on the HRA and Right to Buy by lifting the cap and proposing new Right to Buy reforms, including flexibility on receipt retention for replacement.

Moving forward...

In support of local government's role as builders of homes, planning authorities and place shapers, the LGA will continue to push for councils to be given sustainable funding and powers to create homes that improve the wellbeing of families and businesses in their community.

For more information visit www.local.gov.uk/housing

Health and social care

The Commission's interim report outlined:

Non-metropolitan areas face higher service delivery costs and are finding it increasingly hard to support residents to maintain their health and wellbeing across dispersed populations.

It called for the Government to urgently address the £2.2 billion projected funding gap facing adult social care and support by 2020.¹⁴

In the last year non-metropolitan councils in England received:

- 728,915 requests for social care support from new clients aged 65+

- 243,275 requests for social care support from new clients aged 18-64.

Since then...

With the Government choosing to again delay its proposed Social Care Green Paper, the LGA published its own version¹⁵ to encourage discussion, debate and agreement on the future of adult social care.

The consultation received more than 540 submissions and the LGA published a response setting out key findings and recommendations.¹⁶

Moving forward...

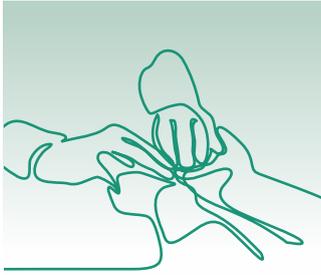
We cannot wait any longer for a nationwide debate about how to effectively fund the care we want to see in all our communities for adults of all ages. In the absence of the Government's green paper, the LGA will produce a report, one year on from its own green paper, to capture the impact of continued delays.

For further information visit futureofadultsocialcare.co.uk

¹⁴ In 2019 this deficit is now £1 billion

¹⁵ LGA Social Care Green Paper – futureofadultsocialcare.co.uk/the-green-paper

¹⁶ LGA Social Care Green Paper Consultation Response Summary – futureofadultsocialcare.co.uk/wp-content/uploads/2018/11/29.13-Green-paper-full_web.pdf



728,915

requests for social care support from new clients aged 65+*

*LGA Analysis of NHS Digital data



243,275

requests for social care support from new clients aged 18-64*

*LGA Analysis of NHS Digital data

Transport

The Commission's interim report outlined:

Transport is the key link between residents and their local amenities and services in non-metropolitan areas. However, local government faces a significant challenge working within limited budgets to maintain infrastructure and transport networks across place, extending to the most remote areas.

The Commission called for the devolution of the bus service operator grant and for non-metropolitan councils to be given the choice to franchise local services. It also called for Government to correct the imbalance of maintenance funding provided to national roads compared to local roads.

In the last year non-metropolitan councils in England enabled:

- 70.4 million vehicle miles on local bus services
- 120 million miles travelled on non-metropolitan council roads.

Since then...

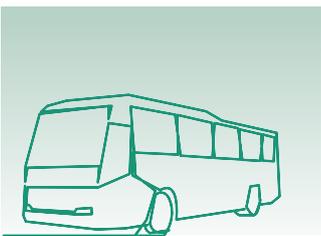
In the October 2018 Budget, the Government allocated £420 million of new money for local highways maintenance. Despite this welcome additional resource, challenges remain for councils to deal with long term maintenance of their local roads and address a backlog of road repairs which has risen to nearly £10 billion. The LGA has also produced analysis showing uncontrollable costs and reductions in government funding means the money available for concessionary fares, the national 'free bus pass' scheme, was underfunded by an estimated £652 million in 2017/18. This unavoidable

expense means there is increasing pressure on rural councils' ability to provide supported bus services.

Moving forward...

Councils will continue to play a vital role in maintaining and improving road and bus provision for the communities and local economies they serve. On their behalf, the LGA will lobby for Government to commit to providing long term settlements for local transport infrastructure budgets and protect struggling bus routes by devolving the bus services operators' grant to councils. We will also lobby for the Government to cover the full cost of providing concessionary fares.

For further information visit www.local.gov.uk/transport



70.4 million

vehicle miles on local bus services*

*LGA Analysis of DFT data



120 million

miles travelled on non-metropolitan council roads*

*LGA Analysis of DFT data

Growing more productive and inclusive economies

Non-metropolitan England is the country's economic backbone, home to an enormous diversity of businesses: from high-tech engineering firms to table-top start-ups; from tourist hot-spots, to farmers exporting to a global market and contributing a total of £86 billion to the national economy in 2017.¹⁷

Councils have a crucial role to play in supporting these local businesses and are proud to contribute to their success: by investing in vital infrastructure, by providing locally tailored employment support programmes and by building much needed homes for local families and jobseekers.

However, this headline level of success can, at times, obscure the specific and significant productivity challenges facing rural areas. On average, rural areas are home to businesses that are 13 per cent less productive per job than the English average and 30 per cent less productive per job than urban areas with a major town centre.¹⁸

Furthermore, on this basis average levels of productivity in these rural areas have, over the last three years, grown by only 2.5 per cent, significantly less than the national average growth in productivity of 4.1 per cent and less than half the rate of growth in significant urban conurbations.¹⁹

Local leaders in rural areas want to play their part in creating a sustainable and inclusive national economy, one that connects opportunities for growth and prosperity with communities across the country. They also recognise that if communities in non-metropolitan England are to retain their

distinctive sense of place then the national pursuit of productivity must be balanced by a clear role for local people.

In order to make good on this ambition the Commission has identified three areas where a fresh approach is required: the right backing from national government to ensure local industrial strategies are a success; local funding for growth devolved to local areas so that critical investment in local economies can continue; and the devolution of key policies such as skills so that local labour market intelligence can be matched with those best placed to develop an integrated approach.

First, the Government has indicated that local industrial strategies are the key vehicle for boosting productivity and building inclusive economies. Outside of the mayoral combined authority areas these strategies are being prepared by change to LEPs, in many cases with significant contributions from councils.

As this work progresses across places, given the specific productivity challenges faced by rural areas highlighted in this report, there remains local concerns that key Whitehall departments such as the Department for the Environment, Food & Rural Affairs are not yet showing enough leadership in this process.

¹⁷ LGA analysis of ONS GVA statistics

¹⁸ LGA analysis based on UK Business Register Employer Survey, GVA statistics, ONS

¹⁹ *ibid*

Collective economic decision-making Oxfordshire councils with OxLEP

The collaborative approach fostered to promote economic development within Oxfordshire demonstrates the vital role of private and public sector partnership in driving the economies of non-metropolitan England to the benefit of UK plc.

At a strategic level, the Oxfordshire Growth Board, alongside the Local Enterprise Partnership (OxLEP) Board, is used as a key forum for information sharing and decision-making on local growth policy.

The Growth Board is a joint committee consisting of the six councils in Oxfordshire, OxLEP and other anchor institutions. It provides a vehicle to support collaboration on overall decision-making and considers wider opportunities within economic development, strategic planning and growth.

The Growth Board played a key role in securing £215 million from the Government in a housing and growth deal announced in the 2017 Autumn Budget. This deal will provide £60 million for affordable housing and £150 million for infrastructure improvements in Oxfordshire, supporting the delivery of 100,000 new homes by 2031.

The deal also committed Oxfordshire to develop a new Joint Statutory Spatial Plan and a trailblazer local industrial strategy, both of which will guide further growth and development in the region and will be informed by a robust evidence base.

Led by OxLEP, the emerging local industrial strategy has been developed in response to both the housing and growth deal commitments and the national Industrial Strategy, but also seeks to build on the significant work already undertaken in Oxfordshire by OxLEP, councils and other key partners.

The ambitious vision outlined in the local industrial strategy is to position Oxfordshire as one of the top three global innovation ecosystems by 2040. This reflects the ambitious plans of local leaders for the region and the strategic alignment between local partners for Oxfordshire's growth agenda.

In addition, given the ambition for local industrial strategies to be in place across the country by early 2020, and the significant resources invested in their preparation by the largely urban 'trailblazers,' there is a growing risk that those non-metropolitan areas, which make up the majority of the last wave, will be left behind in a manner echoing the city region focus of the previous Government's devolution deal process.

Local leaders are best placed to understand the interactions of national policy and investment decisions within the context of their communities and local businesses. However up until now they have been hampered in their abilities to drive productivity across place by an overcentralised approach to growth. The Government's new place-based approach, through the creation of local industrial strategies, needs to be backed

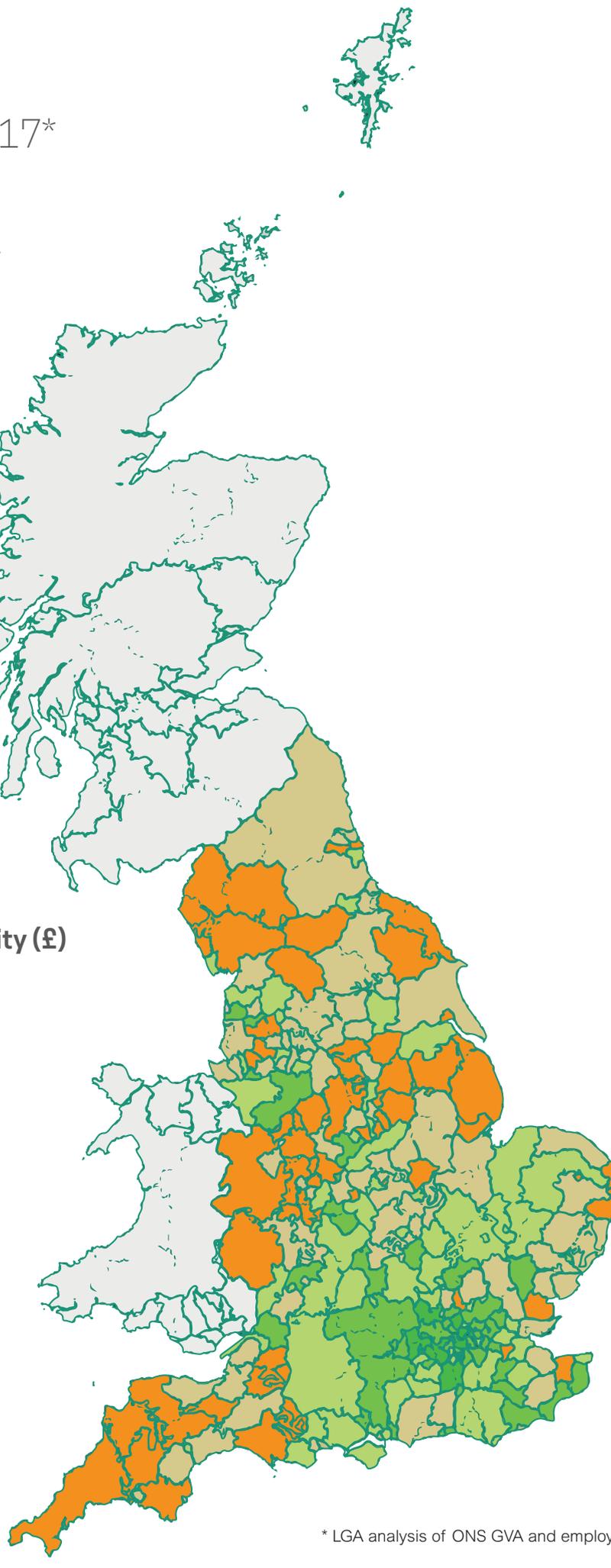
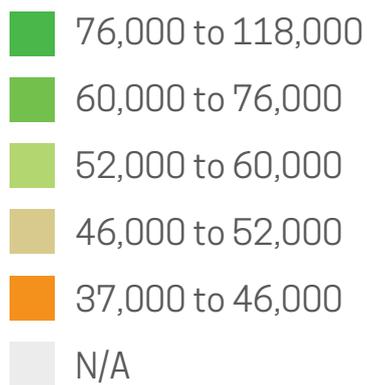
by a joined up localised approach across Government and supported at the local level with national funding and expertise to ensure all areas are able to take forward their plans on a level playing field.

Second, the Government has committed to replacing the European Structural Investment Fund (ESIF) with a new UK Shared Prosperity Fund (UKSPF) following the UK's withdrawal from the European Union. The £5.3 billion that local areas have received in the current EU funding programme (2014 – 2020) has been essential to support local regeneration, trade and investment, employment and skills programmes. The fund includes streams to cover skills, training, change to small to medium sized enterprise (SME) support, infrastructure and rural economic development.

GVA per job

by local authority 2017*

GVA per job by local authority (£)



* LGA analysis of ONS GVA and employment data

In order to best meet the specific needs of local communities this fund should be of at least the same value as the current ESIF programme and be fully localised and place-based, with areas able to determine local outcomes free from the bureaucracy, silos and process-focused outputs of the European funding regime.

For rural areas, it will also be critical to understand how the rural growth component of the CAP (Pillar II), such as the LEADER programme, will form part of new growth funding arrangements post-Brexit.

Throughout the Commission's regional roadshows, attendees reflected on the importance of locally delivered and tailored business support, not only to help smaller businesses to start exporting or find new overseas markets, but to take advantage of potential domestic supply chain opportunities, post-Brexit.

The Government's lack of clarity and communication with businesses on the UK's withdrawal from the EU has created significant uncertainty, especially for rural SMEs. Furthermore, many of the business support activities delivered in rural areas are best placed to support them through any transition and are themselves reliant on EU funding. Local areas need greater clarity from Government on what businesses must do to prepare for life outside the EU and a commitment that future support

programmes will be funded post-Brexit so that investment pipelines can be protected.

Future funding allocations for rural business support will likely be determined by LEPs, which the Industrial Strategy outlines will play a central role in shaping how UKSPF investment decisions are made in local communities. To ensure any future investment aligns with the priorities of rural businesses and communities, LEPs will require the close involvement of councils to ensure local ambitions are met.

Third, while our economy is the closest it has been to full employment since the early 1970s, scratch beneath the surface and there are many labour market and skills challenges. Nine million adults lack functional literacy and numeracy, one in 10 are in insecure work, and there is a 30 per cent employment rate gap between disabled people and non-disabled people²⁰.

Spare capacity across England's labour market (or underemployment) equates to almost 4.6 million people who want a job or more hours. In England this amounts to 14 per cent of the workforce.²¹

By 2024, England's skills gaps will widen, with four million too few highly skilled people to fill employer demand and eight million too many intermediate or low skilled than there are jobs. This puts at risk 4 per cent of future economic growth – leaving the average worker £1,176 a year worse off.²²

²⁰ See our LGA Work Local Campaign – www.local.gov.uk/topics/employment-and-skills/work-local

²¹ *ibid*

²² *ibid*



Spare capacity across England's labour market equates to almost 4.6 million people who want a job or more hours

These challenges are even more pronounced in rural areas, which are more likely to have an ageing population, struggle to attract and retain young talent, and have a high SME base which need to be supported.

The LGA has been building a coalition that brings together business leaders, education providers, academic experts and councils to call for a more place-based approach that addresses the limitations of the national system.

The LGA's 'Work Local' proposals call for a devolved and integrated approach to careers advice, apprenticeships, employment and skills provision, led by groups of councils in non-metropolitan areas. It would offer local coherence to a centralised system, bringing together new national reforms and initiatives including apprenticeships, technical levels, skills advisory panels, the national retraining scheme, local industrial strategies and a future UK Shared Prosperity Fund.

Based on an anonymised medium sized combined authority, an integrated, Work Local model could lead to additional fiscal benefits for a local area of £280 million per year, with a benefit to the economy of £420 million. This would be associated with an additional 8,500 people leaving benefits, an additional 3,600 people achieving Level 2 skills, and an additional 2,100 people achieving level 3. This is just one illustration of how the benefits of a Work Local pathfinder could be felt across the country.²³

23 ibid

Government must:

- **publish the support it offers to local industrial strategy Wave 2 and 3 areas. This support must, at a minimum, match what is available to the predominately metropolitan local industrial strategy trailblazer areas, be cross-departmental in nature, and clearly articulate the role that the Department for Environment, Food & Rural Affairs will play in helping areas drive growth in rural economies**
- **work with local government to design a localised and place-led successor to EU structural funding, incorporating future rural productivity funding, where appropriate**
- **commit to meet with the LGA and local leaders to discuss how we can collectively work towards our Work Local ambitions with a view to launching Work Local pathfinders, across non-metropolitan England.**



Work Local

Work Local offers vision and progress for the whole of England, and is needed now more than ever as a place-based solution to help address the unique labour market and skills challenges presented by Brexit, local and regional inequality, and the ongoing productivity gap which local areas face up and down the country.

Recommendations

For Government

Lead Ministers from Ministry of Housing Communities & Local Government (MHCLG), Department for Business, Energy & Industrial Strategy (BEIS), Department for Education (DfE) and Department for Work and Pensions (DWP) commit to meet with the LGA and local leaders to discuss how we can collectively work towards our Work Local ambitions. The timetable to make that happen includes:

In 2019 / 2020: Spending Review / Queen's Speech

- Work with us to agree: pathfinders to test 'Work Local' by 2024 at the latest; a single set of readiness criteria for future devolution; and for provision to align to Work Local footprints.
- Agree to build in a stronger local role in current and upcoming policy using a partnership approach to help close local skills gaps, increase apprenticeships and social mobility and create good local employment opportunities, starting immediately with the co-design of UK Shared Prosperity Fund.

By 2021. Milestones: UKSPF

- Progressive transfer of funding and powers – including UK Shared Prosperity Fund (UKSPF) and future commissioned employment programmes.

By 2022

- Trial at least one Work Local pathfinder in each region across England.
- Local and national partners work together to pilot Work Local models.

By 2024 at the latest

- Trial further Work Local pathfinders across England– with 'local labour market agreements', 'one stop' services and joint oversight and governance. Many areas can run with these much sooner by 2022.

For local government

Groups of councils should discuss with wider Employment and Skills Board partners how current work (Skills Advisory Panels, Industrial Strategy) could be enhanced through a Work Local approach and develop a pathfinder proposal.

We also recommend combined authorities consider how existing devolution offers a progression route to developing a Work Local pathfinder, given further influence over skills and jobs will be a key feature of 2020 mayoral elections.

While Work Local is the LGA's own vision for change, over the last six months, we have also brought together 28 leading organisations and trade bodies that are key to improving skills and employment to understand how we can make the current system more effective. Everyone agrees a more collaborative approach is needed both nationally and locally to join up and coordinate the system, particularly around apprenticeships, adult skills, post-16 pathways and careers advice and guidance. We look forward to moving these discussions forward.

Shaping future investment in rural places

The rural landscape of non-metropolitan England is one of the country's greatest treasures, uniquely inspiring and rich in resources that sustain local communities, rural economies and the wider population.

It enhances local areas making them attractive places to live, contributes to economic growth through tourism and agriculture and helps improve public health by providing leisure and recreation spaces. It produces the food that feeds us, grows trees which absorb dangerous carbon dioxide, filters the water we drink, and plays a vital role in protecting communities and businesses by mitigating flood risk.²⁴

Local government is a key stakeholder in the management of rural land. It works closely with farming communities and land owners on a range of land management issues, undertaking approximately 170 statutory duties across a wide range of interrelated areas.²⁵ It also has a significant influence through its wider place-shaping role, overseeing the development of infrastructure through local plans, driving economic development as the accountable body for community based rural economic development that is currently funded through the LEADER programme (part of Pillar II of the EU CAP), and by working with local enterprise partnerships to develop local industrial strategies.

The policy framework that regulates the management of the English rural landscape is set to change. Last year the Government began consulting on the development of a new scheme based on the concept of 'public money for public goods.'²⁶ It will replace the current rural land management framework; a complex system of overlapping local, national and supra-national policies centred around the European Union's CAP and its Basic Payments Scheme (BPS) – also known as Pillar I. The current BPS funding scheme pays farmers in England £1.7 billion a year to deliver a range of environmental outcomes but is considered a blunt approach by many farmers.²⁷

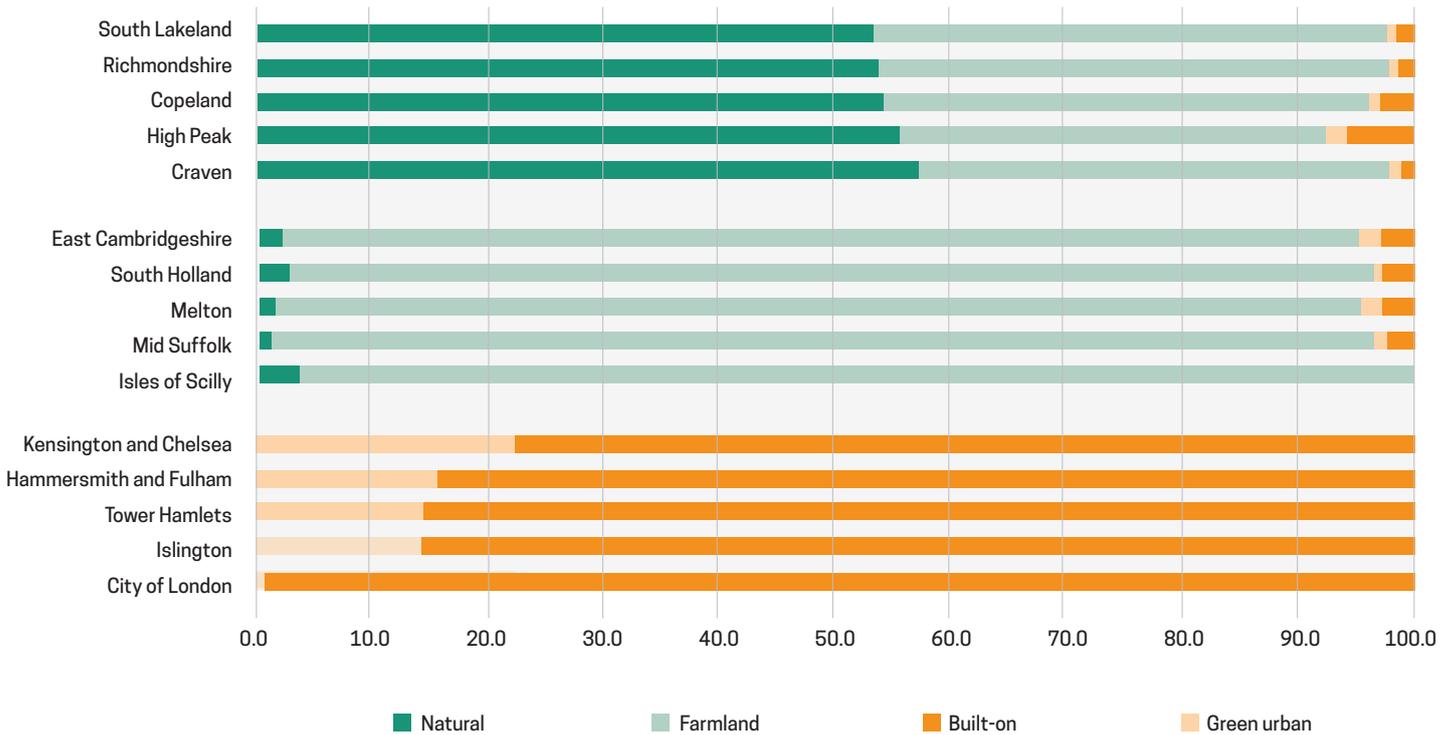
²⁴ Some businesses are underpinned by the environment and can invest in natural capital to strengthen their business eg water companies reducing water cleaning costs via upstream land management

²⁵ LGA-commissioned research – Councils' role in the future of rural land management

²⁶ www.gov.uk/government/news/once-in-a-generation-opportunity-to-shape-future-farming-policy – Defra Heath and Harmony Consultation – www.gov.uk/government/news/once-in-a-generation-opportunity-to-shape-future-farming-policy

²⁷ LGA-commissioned research – Councils' role in the future of rural land management

COUNCILS BY HIGHEST PROPORTION OF LAND TYPE*



*LGA analysis using Sheffield University Land Cover research – <https://www.sheffield.ac.uk/news/nr/land-cover-atlas-uk-1.744440>

COUNCILS' EXISTING DUTIES RELATING TO LAND USE



Norfolk County Council

The county of Norfolk has over 410,000 hectares of farmland managed between 3,539 farm holdings. In 2017, agricultural payments received within the county via the Basic Payment Scheme were estimated at £93 million. Post-Brexit, 60-70 per cent of Norfolk farming businesses could be unviable in their current form without support.

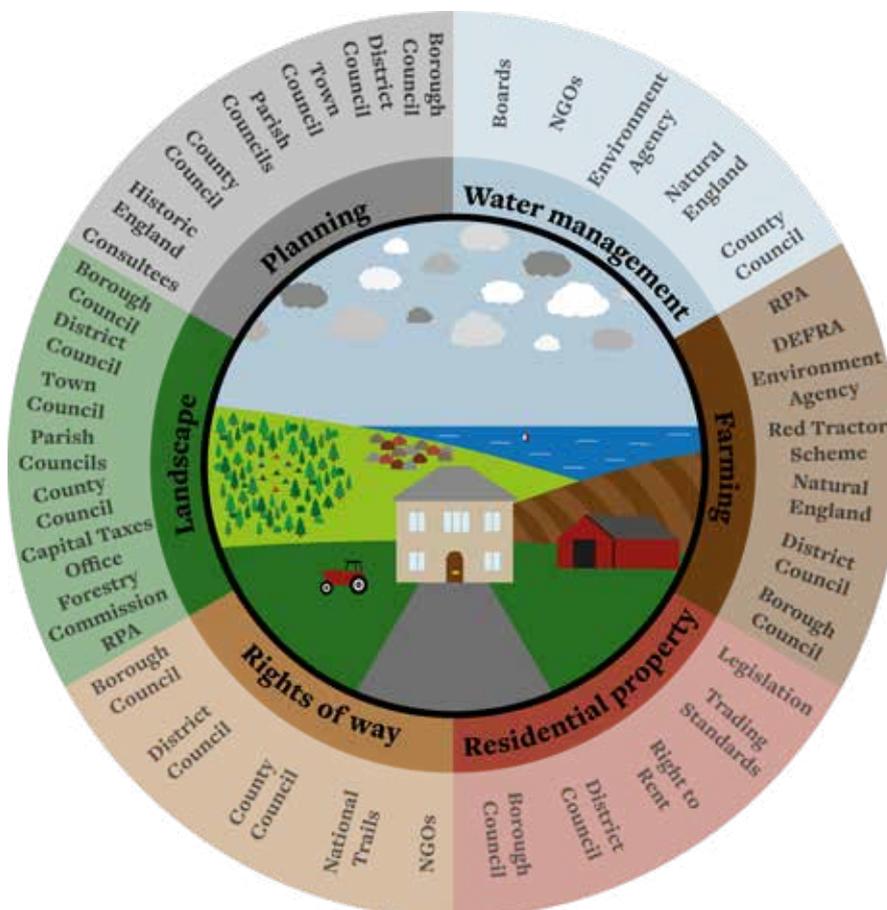
The council's county farms estate currently extends to more than 6,800 hectares, the third largest in England. These farms provide a means of entry into farming as well as opportunities for existing farm businesses on the estate to grow and expand.

The county contains the Broads National Park Authority as well as the Norfolk Coast Area of Outstanding Natural Beauty and has over 2,400 miles of public rights of way over which local councils have responsibility.

The complexity of the current land management framework, mandated by the Government and the CAP, can be seen from the perspective of a typical farm in Norfolk. The following diagram illustrates the vast array of enforcement authorities, agencies and stakeholders that a land manager will typically be dealing within the boundaries of Norfolk County Council.

Whilst there is no overarching body that holds the ring on all areas related to land management, this diagram shows the cross-cutting role councils play across the vast array of land management levers.

EXISTING DUTIES RELATING TO LAND USE ACROSS THE PUBLIC SECTOR





Councils undertake approximately 170 statutory duties relating to land management

There is now a significant opportunity to develop a new policy architecture which will provide a place-based and holistic approach to land-use planning that better aligns with local priorities and ensures greater local accountability, whilst being mindful of the environment. As local leaders with a mandate from residents, councils will be a vital partner in this endeavour, bringing together their existing statutory land-use duties and wider place shaping role with their ability to convene stakeholders across place to decide how future public money is best invested to meet local needs.

As the Government continues to explore how to reform future land management policy to better deliver public money for public goods, it is critical that it consults councils to ensure any new proposals meet local need and are consistent with the creation of the UK Shared Prosperity Fund and local industrial strategies. This includes ensuring there is support for community based rural economic development in any replacement arrangements after the UK leaves the EU.

Government must:

- **give local government a voice in the development of a new English land management policy to ensure it meets the needs of local areas**
- **make sustainable rural growth a key priority for post-Brexit funding to help non-metropolitan areas drive productivity and support prosperous communities whilst being mindful of the environment.**

Building better connected places

People living and working in non-metropolitan England enjoy a rich and deep-seated sense of place. From villages in the heart of the countryside, to thriving market towns, to coastal communities of all shapes and sizes, the things that make each place distinctive are bound by a shared history and a common sense of character that together form a substantive part of England's national identity.

This strong attachment to place provides an anchor in a time of global change, but also both a destination and a source for ideas, goods and services. Local leaders are therefore not only keen to see their areas thrive, but also understand that to do so their communities and business need to be able to connect in line with their aspirations to the rest of the world.

Set out are two areas – digital connectivity and trade and inward investment – that, over the course of this Commission have been identified as areas for priority change.

Digital connectivity

Like housing, education and transport provision, digital connectivity is now a measure of the desirability of a place; a crucial incentive for people to visit, live in, enjoy and do business.²⁸ During the Commission's regional roadshows, a lack of reliable digital connectivity was consistently cited as a major challenge for non-metropolitan areas. Attendees outlined how poor broadband and mobile coverage creates barriers to growth for small businesses and leaves pockets of communities cut off from the benefits of digital.

There have been welcome national policy developments since the publication of the Commission's interim report which will help local areas improve residents' connectivity.²⁹ However, there remains more that Government and Ofcom can do to empower local government to help catalyse the spread of digital connectivity and hold telecommunications providers to account on their coverage.

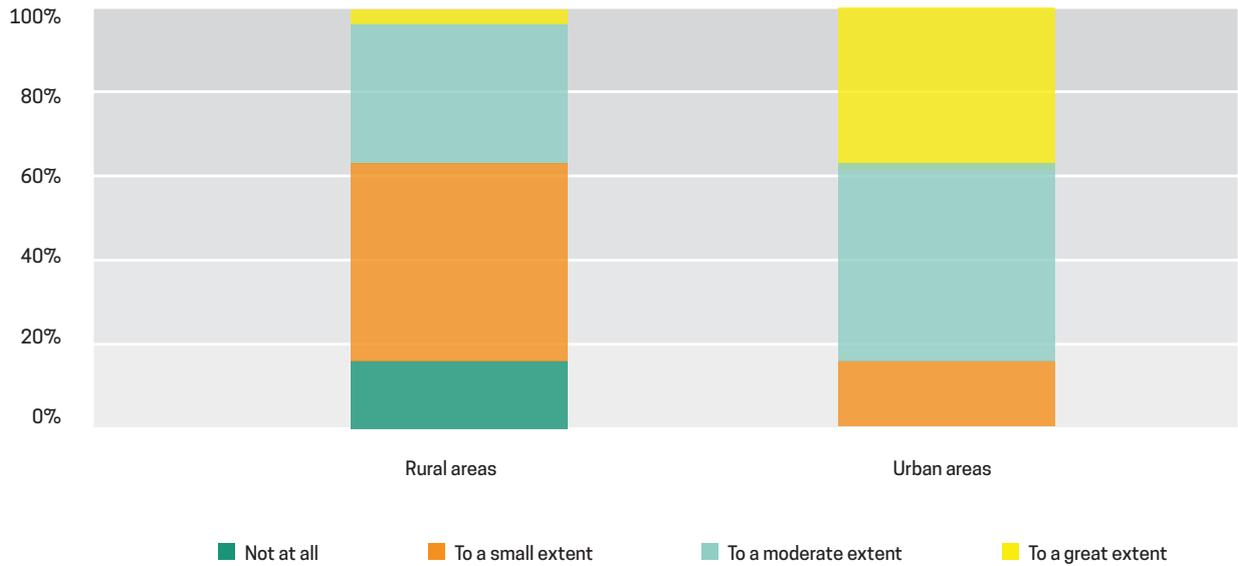
As local bodies at the centre of communities, councils are well placed to understand the digital needs of their areas and ensure local policy, such as planning and highways regulation, is streamlined to help extend connectivity. Significant progress has already been made by the sector, in partnership with broadband providers to extend superfast broadband connectivity across non-metropolitan England. But councils are receiving increasing feedback from residents dissatisfied with their mobile connectivity.³⁰

²⁸ 57 per cent of new movers see broadband as essential when deciding where to move – The Housing Futures Survey 2018

²⁹ Following the Commission's calls for statutory change to hold developers to account on the connectivity provided to new builds, the Government announced it would bring forward legislation in support of it

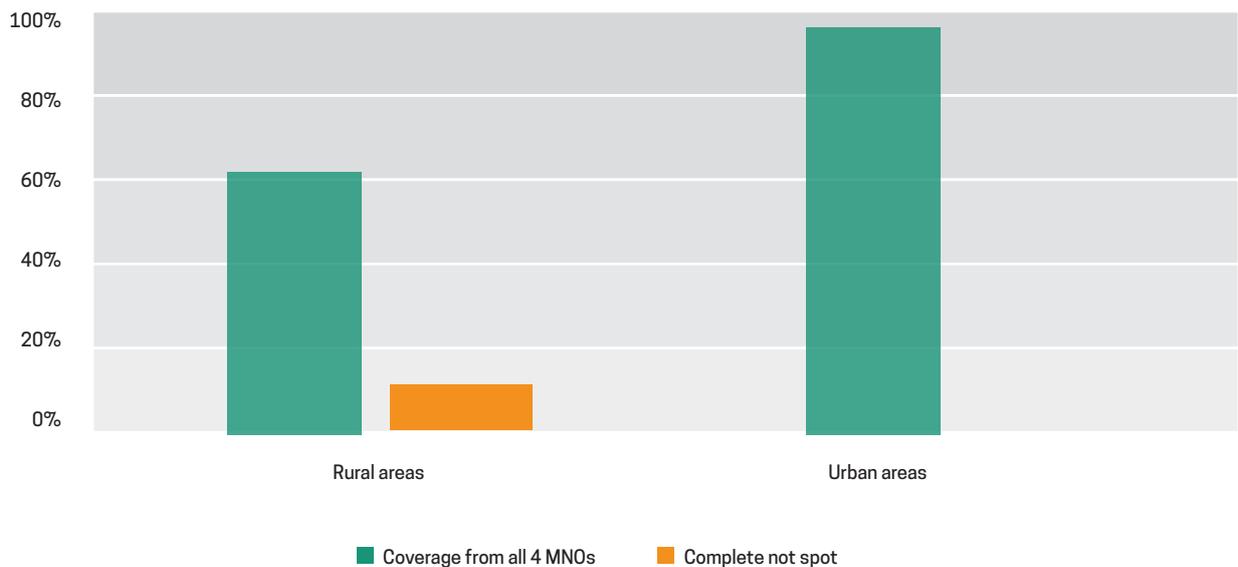
³⁰ LGA survey of 87 English councils

TO WHAT EXTENT ARE RESIDENTS SATISFIED WITH THE MOBILE CONNECTIVITY WHERE THEY LIVE?*



*LGA survey of 87 English councils

GEOGRAPHIC COVERAGE FROM ALL MOBILE NETWORK OPERATORS ACROSS ENGLAND**



**Ofcom, Connected Nations 2018

The Commission has previously outlined councils' concerns that mobile network operators' (MNOs) coverage data is not reflective of consumers' mobile experience on the ground in rural areas.³¹ Unconvinced by the accuracy of this data, councils are increasingly conducting their own independent coverage analyses to better understand the local connectivity picture. These local studies are revealing patchy access, high dropped call rates and not-spots in areas where coverage is reported by MNOs as sufficient.³²

³¹ The UK's main mobile network operators are Vodafone, Three, O2 Telefonica and EE

³² Ofcom Connected Nations 2018

North Yorkshire County Council taking action to improve mobile connectivity

Across North Yorkshire, residents have outlined their frustrations with the poor levels of mobile connectivity in the places they live and work. As a result, North Yorkshire County Council has taken action to improve coverage for its residents.

The council held discussions with Mobile Network Operators (MNOs) to find out the barriers restricting rural coverage and identified several local issues within the council's remit that it could take forward.

However, following deeper exploration, the council also found that local mobile coverage data, provided by MNOs to show the quality of coverage available to an area, is unrepresentative of realities on the ground in some areas of the county. Where coverage is supposedly of high quality, residents have reported being unable to make calls or establish a signal.

To gain a more accurate picture of the quality of local mobile connectivity, the council had to commission its own independent coverage survey. It revealed:

- Whilst 65 per cent of areas had coverage from at least one MNO, few areas had consistent coverage from all four.
- There were several places with no coverage (not spots) owing to challenges with local topography and rural sparsity meaning they were not commercially viable for MNOs to roll out coverage.

Following the survey, the council explored the case for using public subsidy to build a mast in a not spot area for MNOs to use. It asked all MNOs to share their future mast build plans to ensure there would be no overlap with future commercial roll out.

Thanks to the public nature of the Government's new Emergency Services Network (ESN), built by EE and the Home Office, the council was able to discern which areas would receive coverage by EE. However, other MNOs were unwilling to share their future commercial roll out plans or even their current mast locations.

The council secured capital funding from the York, North Yorkshire and East Riding Local Enterprise Partnership to commission the building of a mast. However, no MNO has yet come forward to utilise the proposed infrastructure.

MNOs must improve their collaboration with councils by:

- **sharing their commercial roll out plans with councils, via non-disclosure agreements, to help them ascertain where public subsidy can bring the most value and to prevent overlap with commercial roll out**
- **providing accurate coverage data to help local bodies understand which areas need the most help with improving their mobile connectivity**
- **utilising publicly funded mobile infrastructure to improve their coverage when it is offered by councils.**

In the face of this challenge, the industry has called for Government to deregulate and weaken council control over planning and highways policy to speed up deployment. This would not be an acceptable position for councils or residents. Councils maintain control over the use of their roads and the siting of masts to minimise the disruption faced by residents.

Weakened local control is no solution for improved digital connectivity in rural areas. The issues of providing universal coverage for all are much deeper seated and linked to the commercial market's ability to make a long-term profit in certain areas. Ofcom's own analysis shows a direct correlation between low quality mobile connectivity and areas with sparse populations, lower than average levels of affluence and a smaller percentage of working age population.³³

Councils are therefore realistic about the limitations of the commercial market to roll out universal coverage without some form of public intervention. There is no escaping that parts of non-metropolitan England will not have the density of population, availability of power or fibre back-haul to enable mobile providers to build conventional business cases to roll out mobile coverage. A long-term public intervention model will require MNOs to come to the table and work with local government to plan digital infrastructure build together.

The Government should convene the mobile industry, local government and Ofcom to agree a long-term solution to this issue, including drafting a template non-disclosure agreement to force mobile operators to share their roll out plans. It should also work with Ofcom to launch a rural roaming scheme allowing customers to roam onto one another's networks in rural areas, should 4G coverage not reach 95 per cent of the geography of England by 2022.³⁴

Government must:

- **hold mobile network operators to account on their coverage and require them to collaborate with councils to extend mobile connectivity by sharing their roll out plans through non-disclosure agreements**
- **work with Ofcom to launch a rural mobile roaming scheme allowing customers to roam onto any available network should 4G geographic coverage not reach 95 per cent by 2022.**

Trade and inward investment

The local economies of non-metropolitan England contribute a significant proportion of England's exports and present distinctive opportunities to prospective international investors. In 2017, non-metropolitan areas accounted for more than 60 per cent of trade in goods, while England's rural firms are significantly more likely to have goods or services suitable for exporting, than businesses operating from its towns and cities.³⁵

Councils in these areas are uniquely positioned, with their knowledge of local economies; powers over local infrastructure planning; and a strong track record of building connections with localities across the world, to attract inward investment and work with local businesses to increase exports to foreign markets.

However, despite national recognition of the important role for councils in this space, there remains significant work to be done to deliver a sub-national and national approach to trade and investment support that harnesses existing local activity and responds to the distinctive opportunities and needs of non-metropolitan economies.

³³ Ofcom – Economic Geography 2019 An analysis of the determinants of mobile and fixed coverage in the UK

³⁴ Rural roaming is a solution Ofcom predicts could help extend coverage from all mobile providers to up to 95 per cent of the country www.ofcom.org.uk/__data/assets/pdf_file/0017/120455/advice-government-improving-mobile-coverage.pdf

³⁵ LGA Analysis of Regional trade in goods statistics disaggregated by smaller geographical areas and Small Rural Firms in English Regions: Analysis and Key findings from UK Longitudinal Small Business Survey, 2015

Leicestershire County Council

Developing a Leicestershire-China Strategy

Leicestershire County Council have worked closely with Leicester City Council, local universities, colleges and other key partners to strengthen international links with China. This work builds on an historic twinning agreement between Leicestershire and Sichuan that celebrated its 30th anniversary in 2018.

The 30th anniversary also marked the launch of the Leicestershire-China Strategy which identified four key pillars the county will use to build sustainable connections with partner regions in China, namely:

- **Education** – focusing on building links through universities and empowering Chinese student knowledge to support local businesses.
- **People-to-People (Culture)** – continuing a dialogue to foster goodwill and understanding through new and established links, such as the previous Leicestershire-Sichuan schools exchange.
- **Sport** – building on the success of local football, rugby union and basketball teams, to promote the county as the first UK-China ‘sport region’.
- **Tourism** – capitalising on excellent visitor attractions, cultural and heritage offers, to ensure that Leicestershire is seen as one of the most China-friendly tourist regions in the UK.

Local leaders have established the ‘Leicestershire China Forum’, a network of key stakeholders from the region who come together to guide and drive the Leicestershire-China Strategy. Bringing partners together has enabled them to share knowledge and build relationships, which has helped to foster an approach to China that is producing positive outcomes for the partners involved as well as the wider region.

A key element of this work has included supporting local businesses to export to China. In response to challenges faced by local businesses, the councils secured European funding to establish a China Ambassador programme through which Chinese students based in Leicester and Leicestershire help local businesses to develop links with China. At the same time, it has presented a fantastic opportunity for Chinese students to gain first hand work experience with local companies.

2019 looks to be another productive and eventful year, with senior Sichuan Government officials visiting Leicestershire in June and the Leader of Leicestershire County Council planning to take a Leicestershire and Midlands Engine delegation to China in the autumn. A number of trade and education opportunities are also in development between the two regions.

the Government must commit to 'rural proofing' all future commissioning and design of sub-national trade and investment support

The Commission's interim report highlighted the complex institutional landscape in place to support exports and inward investment, pointing to over 80 national programmes focused on promoting trade and investment. This point was acknowledged in the Government's Export Strategy which committed to complementing and improving this landscape.³⁶

Despite this recognition, local leaders in non-metropolitan England continue to lack access to the levers necessary to tailor sub-national and national support to the needs of local businesses and their local economy. In order to deliver on the export and investment potential of non-metropolitan England, the Government must commit to 'rural proof' all future commissioning and design of sub-national trade and investment support, thereby equipping non-metropolitan areas to maximise their contribution to the national economy.

In practice, rural-proofing national export policy would entail a root-and-branch review of sub-national and national export support commissioned by the Department for International Trade. This process should be delivered in conjunction with local leaders, to ensure that support models are designed to exploit both the distinctive opportunities of non-metropolitan areas and the unique role of local government in supporting this activity.

For inward investment, a rural-proofing approach would seek to ensure that local areas are able to benefit from clear sub-national branding that works for their economies, should they wish to use it, building on the establishment of well-known brands such as the Northern Powerhouse and the Midlands Engine.

A common picture further identified by the Commission, across both local export and inward investment support, is that much of this activity is held together by a balance of funding streams which face a significant degree of uncertainty. As a priority, it is essential that successor arrangements for these funding streams, and specifically the UK Shared Prosperity Fund, place this activity on a sustainable and secure footing.

Finally, the potential of non-metropolitan areas to drive local and national economies will not be addressed solely through changes to trade and investment activity. If the Government is serious in its ambitions to drive rural prosperity, it must also address the other challenges these areas face that impact on international investment decisions and the ability of local businesses to export, such as by adopting a place-based approach to address the skills challenges faced by non-metropolitan areas.

Government must:

- **design the UK Shared Prosperity Fund to ensure the vital support councils provide rural businesses to export and attract investment can be placed on a sustainable financial footing, post-Brexit**
- **work with local partners to rural-proof the design of future national and sub-national export support to ensure that it is responsive to the needs of the SMEs and micro-businesses that dominate the rural economy.**

³⁶ UK Government's Export Strategy – www.gov.uk/government/publications/export-strategy-supporting-and-connecting-businesses-to-grow-on-the-world-stage

Conclusion

The United Kingdom's decision to withdraw from the European Union is a historic event in a country with a long and proud tradition of making history. It is a choice that has occupied and will continue to occupy the attention of the Government and Parliament for many years to come.

However, from listening to the people who live, work and lead communities in non-metropolitan England it is clear that their minds have already started to focus on the future and what it means for the place around them.

They want a real stake in the national economy, a stronger connection to prosperity and the skills to thrive in an uncertain jobs market. They want to enjoy the benefits of living in a country that sits at the heart of international trade and innovation, while remaining rooted to the things that make their community distinct. And they want a greater choice in how the environment around them is managed and where the decisions that affect their lives are taken.

Local leaders of place, elected by the people of non-metropolitan England are determinedly on the side of their communities. They hear the calls for greater local prosperity and they seek to respond with services and investments that earn the trust of residents and businesses. If they are backed by government, councils have the potential to do even more to support their people to achieve their ambitions:

- **by ensuring that future public investment in rural areas meets the needs of residents and businesses, and is shaped by a bottom-up approach and driven by local partners that have the economic wellbeing of their local communities at the heart of what they do**

- **by working with farmers, land managers, businesses and communities to ensure the way land is used and managed benefits residents and the local economy; from ensuring greater resilience to flooding, to supporting areas to be attractive places to live, work and visit**
- **by supporting rural SMEs and micro-businesses to reach their growth potential by providing locally tailored support to help them to export goods and services to new markets**
- **by connecting residents to the local training and education they need to develop the right skills to secure a good quality job and fill a local vacancy**
- **by holding mobile network operators to account on the coverage they provide across rural areas to ensure it is suitable for the modern day needs of residents and businesses.**

When we look to the future we see the critical role we already play in helping our residents and businesses reach their ambitions. With this report, our offer is clear, give us the freedom to lead and we will deliver better outcomes, greater stability and clearer control for the towns, villages and coastal communities that allow this country to stand tall.

Acknowledgements

The Commission is grateful to the following organisations for their submission of evidence, attendance at the Commission's regional roadshows, or input into the Commission's wider research:

Adur & Worthing Councils

Amber Valley Borough Council

Barnsley Council

Basingstoke and Deane Borough Council

Bassetlaw District Council

Blaby District Council

Bracknell Forest Borough Council

Bradford Council

Breckland Council

Brentwood Borough Council

British Chambers of Commerce

Broxtowe Borough Council

Buckinghamshire County Council

Calderdale Council

Cambridge City Council

Cambridgeshire County Council

Carlisle City Council

Central Bedfordshire Council

Cheshire East Council

Cheshire West and Chester Council

Chichester District Council

City of York Council

Colchester Borough Council

Copeland Borough Council

Cornwall Council

County Councils Network

Cumbria County Council

Dacorum Borough Council

Denbighshire County Council

Derbyshire County Council

Derbyshire Dales District Council

Devon & Somerset Fire & Rescue Service

Devon County Council

District Councils' Network

Doncaster Council

Dorset Council

Dover District Council

Durham County Council

East Midlands Chamber

East Midlands Councils

East Riding of Yorkshire Council

East Sussex County Council

Eden District Council

Essex County Council

Police and Crime Commissioner for Essex

The Federation of Small Businesses

Gateshead Council

Gedling Borough Council

Hambleton District Council

Hampshire County Council
Hampshire Fire and Rescue Service
Harlow Council
Harrogate Borough Council
Heart of the South West Joint Committee
Hertfordshire County Council
Hinckley & Bosworth Borough Council
Home Builders Federation
Huntingdonshire District Council
Hyndburn Borough Council
Independent Networks Cooperative Association
Institute of Directors
IPPR North
Isle of Wight Council
Joseph Rowntree Foundation
Kent County Council
Kirklees Council
Lambeth Council
Lancashire County Council
Leeds City Council
Legal & General
Leicester City Council
Leicestershire County Council
Lewes District Council
Lincolnshire County Council
Localis
Maidstone Borough Council
Mansfield District Council
The Marches LEP
Melton Borough Council
Mendip District Council
Mid Devon District Council
Mid Suffolk District Council
Mole Valley District Council
National Association of Local Councils
National Farmers' Union
National Housing Federation
National Parks England
Newark and Sherwood District Council
Newcastle City Council
NHS Confederation
NHS England
North Hertfordshire District Council
North Kesteven District Council
North Lincolnshire Council
North West Leicestershire District Council
North Yorkshire County Council
Nottinghamshire County Council
Oxfordshire County Council
Pendle Borough Council

Plymouth City Council
Preston City Council
Public Health England
Redcar and Cleveland Council
Richmondshire District Council
Rossendale Borough Council
The Royal Borough of Kingston Upon Thames
The Royal Borough of Windsor & Maidenhead
Rural Services Network
Rushcliffe Borough Council
Rushmoor Borough Council
Rutland County Council
Ryedale District Council
Sefton Council
Sevenoaks District Council
Sheffield City Region
Shropshire Council
Slough Borough Council
Social Mobility Commission
SOLACE
South Bucks District Council
South East England Councils
South East Strategic Leaders
South Hams District Council
South Holland District Council
South Kesteven District Council
South Norfolk District Council
South Staffordshire Council
South West Councils
Southend-on-Sea Borough Council
Stafford Borough Council
Staffordshire County Council
Suffolk County Council
Sunderland City Council
South West Rural Productivity Commission
Swindon Borough Council
Taunton Deane Council
Tees Valley Combined Authority
Tendring District Council
Test Valley Borough Council
The Tourism Management Institute
Thurrock Council
Tourism Alliance
Tyne and Wear Fire and Rescue Service
Universities UK
Uttlesford District Council
Wakefield Council
Warwickshire County Council
Waverley Borough Council
Wealden District Council
West Berkshire Council
West Devon Borough Council

West Lancashire District Council

West Lindsey District Council

Wokingham Borough Council

Wolverhampton City Council

Worcester City Council

Worcestershire County Council

Wychavon District Council

Wyre Council

Wyre Forest District Council



Local Government Association

18 Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

Email info@local.gov.uk

www.local.gov.uk

© Local Government Association, June 2019

For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.

REF 27.2