

Policy Position Statement

Action for Market Towns

Policy Position Statement on

Rural Services

AMT's Position

The disparity of service access and quality between urban and rural continues to roll on, exacerbated by sliding economic conditions, changing demographics, centralised target-setting, to a certain extent complacency among service users themselves and more recently a need for major public spending cuts.

A move towards greater emphasis on civil society and the role it can play in delivering tailored local services is being promoted as the key for local communities to gain greater powers and influence over the services in their areas. Against a backdrop of a new coalition government, however, and with a need to renew engagement in local democracy, the challenges that already exist for rural service delivery face uncertain circumstances. The opportunities exist potentially for great change, and greater partnership working, cooperation and trust is essential.

Introduction

The range, quality and affordability of services accessible to people in rural areas is a very important issue. Recent reviews have shown that rural areas often fall behind their urban counterparts in terms of access to even the most basic services. The population affected is significant – just over 11 million people live in approximately 1600 market towns and larger villages across rural England, which equates to over 20% of the total population. Add to this the fact that these settlements often provide a commercial and social hub for an even wider rural hinterland, and the picture starts to look very concerning.

What we mean by rural services and recent trends

The term 'rural services' covers a very broad spectrum of facilities available to the population, including schooling, health, transport and leisure pursuits. They can be delivered by the public sector, the private sector or the voluntary sector. They are considered either essential or non-essential and are vital, in a critical mass, for enabling a vibrant community.

For a number of years services within market towns and their rural hinterlands have been in decline, with many facing closure. The fastest closure rates have generally been within the private sector. Rural shops, for example, are closing at the rate of 400 to 500 per year hit by a combination of rising costs, lack of credit and falling margins. Village pubs are being closed at a frightening rate and post offices remain under extreme threat. There has, to date, been a much more mixed picture for public services.

There are many reasons for this service decline including an increased drive towards centralisation, specialisation, cost-cutting, people accessing services near the workplace, the changing population balance and the lack of affordable housing for rural residents. The recent recession has also contributed to the slowdown of those sectors dependent on disposable income, affecting a wide range of independent retail outlets, including cafes, restaurants, hairdressers, clothing and luxury goods [Bank of England regional agents' reports]. In addition the propensity towards second home ownership in the rural area has impacted on the number of residents actually living in these areas throughout the year, which in turn impacts on the need for services and consequently the supply.

The Policy Context

The Labour Government strongly believed in delivering a standard quality of public services to everyone regardless of who they were and where they lived, and at no or little cost. This 'Big Government' approach with centralised targets and an aversion to variations at the local level, however, did not manage to eliminate the 'postcode lottery' that exists for many basic services. In addition, Labour's spending has resulted in major deficit, made all the worse by the global economic downturn.

The Coalition Government has inherited a Britain in desperate need of recouping funds and a figure of £6.2bn of required budget cuts has been identified. Whilst schools services (in particular 16-19 year old education and SureStart for under fives) have been safeguarded in the first year, the departments responsible for other public services face cuts, some of up to 5%. The Government are keen to move away from the centralised approach associated with the Labour era, and promote the 'Big Society' approach where power is devolved from the central state to local government, communities and families. A more flexible approach to service delivery aims to enable a greater role at the local level for people to take charge over their own particular needs, and where services are not required, the ability to spend those savings on other areas.

The ambitions of Big Society may well promote much of AMT's work in terms of the promotion of Community Led Planning, but a year-long freeze that has imposed on council tax (local government's main revenue raiser) will no doubt have implications on what can realistically be achieved at the local level.

Key Challenges for Rural Services

The new Government, Britain's first coalition for 65 years, and the uncertainties that this inevitably brings, as well as the need for spending cuts and savings, provides a challenging backdrop for local service delivery generally. In addition, the closure of many private services has resulted in great losses in many rural and smaller urban communities.

In rural areas, service delivery was already well below par compared to urban areas. The political and economic context heightens this, and the challenges that already existed for rural areas will now need to be addressed in even more uncertain circumstances.

Within this context, the following changes are suggested as necessary to enable the delivery of more effective and responsive rural services:

- 1. Allowing the adoption of Central Government Key Performance Indicators that are reflective and responsive to local, rural needs and that do not provide misleading information by, for example, focusing on percentage changes rather than absolute figures.**

Delivering services in largely rural areas has particular challenges, including the sheer geographic size of the areas involved, the ageing populations, difficulties in terms of access, and private sector viability. The way that performance indicators are currently set up does not reflect these challenging circumstances. The new Government has indicated that it wishes to move away from a centralised targeting approach, and the challenge will be to influence this process.

- 2. Tackling the disincentives to increase low levels of awareness, demand and use of services from a seemingly content rural population**

Surveys of those living in rural areas often illustrate that rural populations are content with the level and quality of service delivery in their area. This is despite a clear divide between the services available in these areas and those in urban areas. Policy makers need to understand the reasons behind this paradox and not make assumptions that change is not therefore needed.

- 3. Providing stronger incentives for cooperation and efficiencies between service providers through LAA mechanisms, application of 'Total Place' and shared credit for indirect outcomes such as preventative measures**

In a time where efficiency savings are paramount, the need for partnership working across agencies has never been greater. With the emphasis on Big Society, any partnership between service providers will also need to take into account the views from the grassroots, engaging in such mechanisms as community led planning for example.

- 4. Adopting funding formulae for financial settlements from central government that better reflect the higher cost of service provision in rural areas**

For public services the fact that the various funding formulae do not recognise properly (and in some cases not at all) the additional costs of providing services across rural areas has been another barrier to equitable service levels across urban and rural areas. Quite simply if more has to be spent by a public sector service provider on delivering 'statutory services', then

either fewer discretionary (but nevertheless essential) services will be provided or local taxes (e.g. Council Tax) will be higher – or, more likely, both.

5. Understanding the need to create economies of scale through centralisation of service delivery with a need to maintain local engagement and responsiveness

Centralised economies of scale can provide greater savings but must not ignore the need to maintain effective engagement with the local community in question.

6. Explaining strategic priorities and limitations in a straightforward way to communities that creates realistic expectations and positively engages them in developing local solutions

There is a need to ensure that communities fully understand how they can get involved in developing local solutions and that the public sector understands the benefits of working with their local communities.

7. Improving the coordinated assessment of local community need through mechanisms such as community led planning and local area profiling which allow the comparison and aggregation of data between areas, services and over time

The ability for local communities to develop their own solutions tailored to their particular needs is particularly important for rural areas. Improving the information and data available to communities will improve their ability to do this, but issues such as accountability must not be overlooked.

8. Facilitating the transfer and creation of community assets managed by capable community businesses and supported with ‘fair’ contracts that can deliver shared objectives with local authorities and maintain comparable services across a wider area

There is potential for community organisations to realise real gains for local communities by taking on the management and ownership of local assets. Well-managed transfer of ownership or management of community assets can be a win-win scenario for local councils and local communities.

9. Encouraging additional, locally responsive fund raising to support services through the town/parish precept and innovations such as cooperative share issues

Enabling greater flexibility at the bottom tier of local government to raise funds is welcomed and then to spend them according to particular need.

10. Creating effective mechanisms for sharing and transferring good practice in service delivery between comparable areas

With a potential move away from the regional level of governance, communities need to have access to information about service delivery in other similar areas to ensure the sharing of best practice and learning

11. Understanding the differences between market towns and other urban areas

Currently there is no agreed government method for statistically separating market towns from other urban areas. Under current rural/urban definitions, settlements with over 10,000 population size – which includes many larger market towns – are classified as ‘urban’. This

means it is less likely for trends in market towns to be captured – and more likely that their special needs, in terms of service delivery, are overlooked.

The challenges are great and varied. The move towards a greater emphasis on civil society and self-reliance is welcomed with some reservation. More flexibility in raising and spending funds at the local level, in line with communities having greater ability to develop, and deliver services tailored to their needs appears on the surface to be very attractive. However, there is a need to ensure that this does not create unplanned consequences for certain sections of the community and that all individuals have the opportunity to engage. Underlying any move for greater local involvement must be the accountability mechanisms in place, and perhaps most importantly a push for greater engagement in local democracy at the local level.

What is Action for Market Towns doing?

Action for Market Towns (AMT) is working with a number of partners to work towards highlighting and addressing the challenges outlined. The co-hosting of AMT's 2009 Annual Convention with the Rural Services Network illustrated a keenness to bring together mutual concerns over service delivery, in particular the way that rural areas, and indeed market towns, are dealt with both statistically, and in terms of resourcing, within central government.

In addition, AMT is named by the Commission for Rural Communities' as one of the nine key organisations with which it engages. In 2009, AMT worked closely with the CRC on the development of their recession report on Market Towns, which details much information of relevance to the decline in public service delivery, from the perspective of the economic downturn.

More recently, AMT is engaging with the Rural Coalition which was established in 2008(?) and brings together organisations with a rural focus to determine shared priorities for the future.

AMT is a leading organisation in supporting community led planning, having recently launched the updated version of the Market Towns Healthcheck, called "Town Action Planning". The focus on Big Society poses many opportunities for furthering work on community led planning and its position as a recognised form of development. Supported by both Empowerment Funding and Big Lottery Funding, AMT is working on a number of projects to enable greater linkages between the public and community sector.

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