



**East of England
Liberal Democrats**

Rural Poverty in the East of England

**Policy Paper
October 2008**

1. Introduction

1.1 Rural poverty is a serious issue for many who live in the East of England, with the most vulnerable in society - the young, the elderly and those with disabilities - disproportionately affected. Yet the issue is rarely the focus of public concern. Urban poverty and its ramifications are frequently discussed and solutions proposed to try to alleviate the worst aspects of social inequality. By contrast, rural poverty typically goes unnoticed by commentators and policy-makers, masked by the fact that rural areas are on average better off than urban areas. However, as the Commission for Rural Communities' *State of the Countryside 2008* report notes, there are often pockets of poverty within larger, more affluent rural communities.¹ In the East of England, this is particularly true of the Fens and parts of Norfolk and Suffolk. Moreover, indicators of urban poverty are not necessarily so useful in highlighting rural disadvantage: for example, car ownership is typically a necessity rather than a luxury in rural areas, which typically have only limited access to public transport.² Thus central government policies established to tackle social inequality nationally may miss problems that blight rural communities and fail to redress crucial concerns, including the lack of affordable housing and access to transport and other services. This paper outlines three types of poverty that affect rural areas - *financial*, which relates to housing and income, including access to credit and information on benefit entitlement; *access*, which relates to transport and other services; and *network*, which is linked to 'contact with, and help from, friends, neighbours and others'³ - and proposes Liberal Democrat solutions to deal with them at a regional level.

2. Financial poverty

2.1 As Matthew Taylor has argued, 'The English countryside is a wonderful place to live and work - *if you can afford a home, if you can find a reasonably paid job.*'⁴ This highlights the twin issues that contribute to financial poverty in rural areas - a lack of affordable housing and a lack of well-paid jobs: house prices are about 25% higher on average in rural than urban areas, while wages are typically below the national average. How can this be, and why are these issues so rarely discussed by policy-makers? In fact, the two issues go hand-in-hand as wealthy city dwellers move out to the countryside and commute back to cities or larger towns to work, thereby driving up the average cost of rural housing and inflating average wages among country-

¹ Commission for Rural Communities - Tackling rural disadvantage, *State of the countryside 2008*, p.73

² Sheena Asthana, Joyce Halliday, Philip Brigham and Alex Gibson, *Rural deprivation and service need: a review of literature and an assessment of indicators for rural service planning* (South West Public Health Observatory, 2002), p. 1.

³ *State of the countryside 2008*, p. 65, see also Commission for Rural Communities, *Rural Disadvantage: Reviewing the Evidence* (2006).

⁴ The Taylor Review of Rural Economy and Affordable Housing, *Living Working Countryside* (2008), hereafter Taylor Review, Introduction, p. 3.

dwellers, while doing nothing to raise the low wages of many who actually work in the country; in addition to absolute poverty, then, relative poverty increases.

2.2 *Lack of affordable housing*

Rural areas are increasingly attractive to city-dwellers, many of whom seek to live in the country or to have second-homes there, while local people typically wish to remain in their native areas. Thus, the Office of National Statistics predicts that rural populations will increase twice as much as urban ones by 2028.⁵ This puts pressure on house-prices in rural areas, which rarely benefit from the sort of affordable housing policies that are typical in cities, not least because developers have been rather keener to build housing for the second home market and for commuting home owners rather than the smaller, lower cost housing needed by local people.⁶

2.3 Many newcomers to rural areas benefit from well-paid city jobs, which also contributes to house-price inflation, as there are more cash purchases in the country than in towns. These pressures, coupled with high levels of second-home ownership, particularly in coastal areas such as North Norfolk and Suffolk Coastal, and increased demand for housing from economic migrants from other countries,⁷ tend to make it very difficult for local people to buy houses in the areas in which they have been born and bred. Thus, young people are being forced out of rural communities, as house prices for first-time buyers forge ahead, the current credit crunch and economic downturn notwithstanding.⁸ At the same time, older residents are often trapped in large properties that exceed their needs, unable to downsize and free up properties for young families. Young people are thus forced to move away, depriving them of the community networks on which they might have expected to rely, which increases network poverty (see below) and weakens community cohesion.

2.4 *Low wages*

Apparent affluence in rural communities may mask more localised poverty, as wages for those *working* as opposed to just living in rural areas tend to be very low – in 2008, on average £4,655 less than the national average.⁹ This issue is often overlooked as the average wage rates for those living in the country are high and rising relative to the national average, thanks to the increase in the numbers of people living in the country but working elsewhere.¹⁰ Thus, we see significant, albeit rather dispersed regional poverty in real terms, as well as considerable ‘relative’ poverty resulting from the proximity to much richer neighbours.¹¹ In addition to the low wage levels for rural jobs, there is often a lack of employment opportunities locally, necessitating people either move out of their communities or commute, either of which may entail further knock-on effects in terms of rural poverty, as people

⁵ Taylor Review, p.8.

⁶ *State of the countryside*, p. 40.

⁷ *Ibid.*, p. 40 and p. 21.

⁸ *Ibid.*, p. 40.

⁹ Taylor Review, p. 16.

¹⁰ *State of the countryside*, p. 82.

¹¹ *Ibid.* p, 73.

struggle to find transport to get to places of employment (access poverty) and in terms of long-term sustainability of rural communities (linked to network poverty).

3. Access poverty

- 3.1 People in rural areas typically travel greater distances than their urban counterparts and frequently have far more limited access to public transport, rendering car ownership a necessity in many rural areas. The problem is perhaps best highlighted by those cases where the only buses that serve villages leave too late to get people to work in the morning and return before the working day is over. In such situations, people who do not have access to a car will find it impossible to get jobs or training outside their own communities. Even people who do run cars, are likely to suffer from high fuel prices, which again hit rural communities hardest as remote filling stations typically charge higher prices for petrol and diesel, and car-drivers are less well-placed to benefit from cheap fuel at supermarkets.
- 3.2 Transport difficulties do not only affect people in the countryside directly. Social services are often more limited in rural areas, as local authorities feel they cannot justify the time or expense of sending people out to people in rural communities, who thus find it much harder to access services to which they are rightfully entitled.¹²
- 3.3 Finally, residents in rural areas are more prone than others to suffer from fuel poverty (understood as the need to spend more than 10% of household income on heating) as many areas are not linked to mains gas supplies. The situation is exacerbated by heavy reliance on oil-based heating systems, which are expensive, as they rely on high cost deliveries from a limited number of suppliers.

4. Network poverty

- 4.1 Among the knock-on effects of financial and access poverty is a weakening of community cohesion in local areas as younger people, unable to get on to the property ladder in their local communities move away to set up home. For the young this reduces the opportunities for grandparents and other relatives to help bring up children, while for older people there may be no-one to care for them as they become infirm. While such changes in lifestyles also occur in larger towns and cities, the ramifications can be greater in rural communities precisely because access poverty makes it far less likely that people will be able to rely on social services or easy access to medical care.¹³ As Asthana et al have pointed out, 'Rural areas have traditionally been regarded as more successful in providing local support networks. Informal processes may now be weakening such local support networks in some

¹² Sheena Asthana, Joyce Halliday, Philip Brigham and Alex Gibson, *Rural deprivation and service need: a review of literature and an assessment of indicators for rural service planning* (South West Public Health Observatory, 2002), p. 6.

¹³ *Ibid.*, p. iv.

areas leading to increasing isolation for particular groups.’¹⁴ Thus, the sort of voluntary support that has traditionally counteracted the absence in statutory services in the countryside might be in decline, with little chance that the statutory services will step in to bridge the gap.

- 4.2 Apart from difficulties accessing statutory services, people in rural communities are usually faced with longer journeys to post offices, banks and other vital services, and services in rural areas have been declining since 2000.¹⁵ This again renders car usage essential and creates serious problems for those without access to transport, unless they have access to the internet, which to some extent may off-set access problems but, inevitably will be of least use to the most vulnerable, whether the elderly or unemployed. Nor does the internet offer the sort of regular contact of the sort seen in local post offices or the village shop, which traditionally served as hub for local communities.
- 4.3 One of the most worrying results of the problems faced by rural communities is that teenage suicide is notably higher in remote rural areas with little or no access to public transport and services.¹⁶

5 Solutions

Housing

- 5.1 Government plans for massive increases in housing will impact on both rural and urban areas. As the Taylor Review makes clear, whether new developments will enhance the countryside and provide more affordable accommodation remains to be seen. Clearly, there is a vital role for local authorities in terms of framing their Local Development Frameworks (LDF) to ensure sufficient numbers of social and/or otherwise affordable housing is built in rural communities. This will serve both to ensure a more balanced demography, as younger people and young families will be able to remain in their home communities, and to reduce network poverty. Liberal Democrats in the East of England therefore commend the practice of Uttlesford District Council, where there is a possibility of overriding the Local Development Framework in order to build extra social housing outside development limits.

Economic diversification

- 5.2 Increasing the amount of affordable housing will help to reduce rural poverty but is not on its own the answer if more houses simply mean more people commuting to towns and cities, thereby creating additional transport and climate change problems. Thus, it is important to try to bring more employment to rural areas, either through increased home-working or by encouraging businesses to move out of towns and cities.

¹⁴ Ibid., p. 6.

¹⁵ *State of the countryside 2008*, p. 26.

¹⁶ New Policy Institute, *Indicators of Poverty and Social Exclusion in Rural England* (2002).

- 5.3 One way of making Britain more sustainable is to diversify rural areas in order to bring more high-value employment to the countryside. This can be done through more active engagement of local authorities via their economic development policies and through the planning process. We recommend that councils in the East of England look carefully at the poverty impact of their policies and consider setting performance indicators regarding rural enterprise and poverty.
- 5.4 Liberal Democrats also support the regional economic strategy's target of addressing low wages by reducing income inequality by cutting the gap between lower incomes and average incomes.¹⁷
- 5.5 Such measures will jointly serve to re-establish community cohesion in rural areas and, especially, ensure that those white, working class who currently feel that the system is letting them down see that their needs are being supported.

Transport

- 5.6 The planning system can also be used to alleviate certain transport problems. Thus, we strongly endorse federal policy and call on local councils to 'Ensure new developments are planned to reduce the need to travel, through more intelligent location of houses, shops, decentralised public services, places of work, and leisure facilities.'¹⁸
- 5.7 While it is clearly desirable that jobs should be available locally and Liberal Democrats support both home-working and enhancing employment opportunities in local areas, we also recognise that in many cases people will need to commute to work. We recommend three ways for alleviating access poverty related to inadequate public transport: improving local bus services; introducing and advertising cars clubs; and 'wheels to work' initiatives.

(a) bus services

Bus services are frequently inadequate for the needs of the communities they purport to serve – leaving a village far too late to get people to work or returning very early means that buses can rarely be relied upon by commuters in the countryside. Nor are they typically convenient for people who need to attend hospital appointments. We recommend three things to improve the situation:

- (i) that bus companies draw up their timetable in consultation with the people that would like to use buses (not just their current customers, who by definition are people who can actually make the current set times);
- (ii) community organisations be encouraged to provide local transport which will be cheap and convenient;
- (iii) that the early morning restrictions on bus passes be waived for the over-60s departing from rural bus stops. This would have a marginal financial impact for

¹⁷ *Regional Economic Strategy for the East of England*. Final draft, June 2008.

¹⁸ *Fast Track Britain - Building a Transport System for the 21st Century Policy Paper 85*, presented to Autumn Conference September 2008, para. 3.5.1,

local authorities but would greatly enhance the quality of life for people who currently cannot get to hospital appointments in the morning for example.

b) wheels to work (see Box) – drawing on the experiences in Devon, we recommend the introduction of ‘wheels to work’ initiatives in the East of England. This scheme can often make all the difference to getting someone out of financial as well as access poverty – those involved in the scheme are expected to commit to purchase their own vehicle, which will be vital to them continuing in a labour market that would otherwise be completely inaccessible to them.

Wheels to Work

Wheels to Work refers to schemes which provide transport solutions for individuals who are experiencing difficulties in accessing training, employment and/or educational opportunities, due to lack of suitable public or private transport.

The schemes can be particularly important for people living in isolated rural communities.

The service can be District/Borough Council based but by working with other Councils can be expanded to cover the whole of the county and made available to people between the ages of 16 and 65.

An example is Devon Wheels 2 Work is a not-for-profit Community Interest Company (CIC) which loans scooters to individuals living in Devon who find it difficult to get to work because they do not have access to private or public transport. Loans last for a period of three months. Individuals must pay a weekly contribution and have a plan to obtain their own transport at the end of the loan period, as well as completing a Compulsory Basic Training course to a nationally recognised standard. They must also keep the bike in good condition and attend regular safety checks.

Since the launch that project has expanded its fleet of bikes in order to help as many people as possible across the county to access training and employment opportunities.

c) Car clubs and/or car-sharing offer sustainable solutions in cases where public transport is not an option, being beneficial in reducing the costs of transport and reducing carbon emissions. We recommend that local authorities encourage the creation of car clubs where practical and advocate car-sharing elsewhere. Such initiatives clearly need to be advertised widely, whether on-line or in hubs of the community such as village halls or the local post office.

Service access

5.8 Local post offices frequently serve as important centres for local communities but closures over the last two decades have meant that people in rural communities have

to travel further to access post office services, and repeated government decisions to divert services from the post office to the internet, banks or other outlets render them increasingly unviable. Liberal Democrats believe that rather than diminish the role of post offices, the Government should encourage additional facilities to be located in rural post offices. In particular, post offices would be ideal venues for providing internet access and could serve alongside village halls as places to host community websites, which would help inform people of other initiatives, including car clubs, “wheels to work” and credit unions. They also have an important role in signposting to other services, such as the proposed new Money Guidance Service.

- 5.9 We strongly support the Liberal Democrats’ 2008 Transport policy paper, which recognises the social exclusion that can arise from the lack of an adequate transport infrastructure and endorse its recommendation that, ‘Where possible community transport should be encouraged to work with social services, local schools and councils to make best use of their vehicles and avoid duplication of services.’¹⁹
- 5.10 Post offices could also perhaps be used as venues for CAB, Connexions, or similar advisory drop-in sessions in areas where such organisations cannot afford to have a permanent base. This in turn could help further reduce access poverty as older people become better informed about pension credits and younger people find ways of accessing training and employment opportunities.
- 5.11 Additionally, many services could be provided very effectively by peripatetic means, e.g. health buses and youth buses working along the same lines as mobile libraries.
- 5.12 Credit unions offer vital assistance to many in urban areas seeking to get away from threats of horrendous credit charges that they are unable to afford. Such unions can work equally well in rural areas but they need to be effectively funded, advertised and their benefits made known to local people.

¹⁹ Fast Track Britain - Building a Transport System for the 21st Century, Policy Paper 85, presented to Autumn Conference September 2008, para. 4.1.3,