

LIBERAL DEMOCRATS WORKING
FOR SOMERSET



**The Rural Future campaign has been started to make
sure that rural concerns in Somerset are no longer
overlooked by Central Government**

Rural Future

What is the Rural Future Campaign?

The Rural Future Campaign argues that we need more investment in key public services to improve the levels of policing, affordable housing and public transport in rural areas. The Liberal Democrats are campaigning for the investment and support for the vital public services which rural Somerset needs.

Key issues for Rural Future:

1. **Somerset's fair share:** Campaign for Central Government to provide Somerset with the funding it deserves.
2. **Affordable housing:** Campaign for more Housing Corporation funds to be invested in our area and for planning laws to be reformed.
3. **Rural Health Services:** Campaign to improve key NHS services in rural areas such as access to dentists
4. **Rural Public Transport:** Campaign to improve the local bus services and major transport links such as twin-tracking of the Waterloo-Exeter line.
5. **Rural Crime:** Campaign to boost the number of front line officers in the rural areas of South Somerset
6. **Rural Post Offices & Rural Services:** Campaign to safeguard vital rural services like post offices and pharmacies
7. **Rural Justice:** Campaign to prevent the closure of rural magistrate's courts and keep justice local.
8. **Rural Economy: Broadband ICT:** Campaign to extend access to broadband internet in rural areas.
9. **Rural Deprivation:** Campaign to make sure that the Government does not ignore rural social exclusion.
10. **Farming:** Campaign to keep farming viable.

Conclusions

What is the Rural Future Campaign?

The Rural Future campaign has been launched by Liberal Democrats in Somerset to make sure that rural concerns in Somerset are no longer overlooked by Government. It is led by Lib Dem MPs David Heath (Somerton & Frome) and David Laws (Yeovil constituency) and is supported by Somerset County Council, South Somerset District Council, the Liberal Democrat Parliamentary Spokespeople for Taunton and Wells, and Graham Watson MEP. All parties believe that an urban centred Government is letting down rural areas such as Somerset, and giving us a second rate deal. This campaign will battle for full recognition of rural areas' particular needs, ranging from traditional problems like a lack of public transport and affordable housing to new challenges like accessing broadband internet. It will also highlight the need for all government departments to take into account the problems of higher service delivery costs and greater travel needs when delivering public services in the countryside.

One third of Britons live in the countryside but all too often their perspectives are effectively ignored and public service delivery systems, be it NHS dentistry or magistrates courts, are not tailored to be delivered in rural areas. It is now time for all **Government policies to be 'rural sensitive', or tailored to deal with the particular problems which rural public service users have.** The Countryside Agency is charged with monitoring the extent to which Government departments 'rural-proof' their policies. It has recently admitted though that Government departments have been slow to incorporate rural proofing into their policy making processes.

However, making sure that government policy is 'rural sensitive' is only half of the campaign. The Government must also be pressed to address the rural problems which it has so far failed to alleviate. For instance, there is an acute shortage of affordable housing in Somerset. Unless the Government takes a more proactive approach to this housing crisis it will be increasingly impossible for first time buyers to purchase a house in their own area, and it will also become increasingly difficult for tenants too. There are also many other problems ranging from the threat to sub-post offices to the lack of leisure and educational facilities for young adults which need to be tackled.

The Rural Future campaign also aims to address the funding shortfall affecting counties such as Somerset. The root cause of poor funding for Somerset is that the formula the government uses to distribute resources to local authorities (the Formula Spending Share) focuses on income per head and other deprivation indicators and does not take into account the hidden costs of operating services in the countryside. As a result, **rural areas in general, and Somerset in particular, do not receive their fair share of government funding.**

Key issues for Rural Future

1. Campaigning for Somerset's fair share

Somerset County Council is one of the lowest funded councils in the country, as the Formula Spending Share (FSS) used to calculate how much funding each local authority needs does not generally recognise the higher costs of delivering public services in rural areas. The FSS is based on a number of different formulae which take into account a large number of variables such as unemployment, average income per head, number of free school meals given, housing costs etc. in order to approximate the level of an authorities 'need'.

The Somerset Education FSS is a prime example of a funding system that is weighted against rural areas. In this case Somerset's education funding is based on measures such as income and unemployment (which is reasonable) but it **does not take into account the sparsity factors affecting rural areas**. This sparseness incurs significant costs for the Local Education Authority such as a large school transport budget. Having to pay for a large number of smaller schools also means that there are few opportunities to take advantages of economies of scale. However, Somerset school children still receive around £200 less per pupil per year than the average English schoolchild.

There is also a **serious under funding of social services in Somerset, as the Government simply does not recognise the County's increased care home needs**. Somerset has one of the highest proportions of over 85 year olds in the country but this is not taken into account when allocating social services funding. As a result, when David Laws MP & David Heath MP surveyed 35 care homes in their area they found that 85% of the care homes had considered refusing state-funded placements and half had considered closing. It is very difficult for rural councils to provide adequate social services when the funding formula consistently underestimates their costs. On top of this, the Government is now trying to fine Councils who are unable to provide care home spaces for so called 'bed-blockers'. This can only put additional strain on social service budgets.

The 2003/04 Local Government Funding settlement, announced on 5th February 2003, revealed that Somerset County Council is to receive a 6.6% funding increaseⁱ. However, this remains a disappointing settlement as it does not recognise a number of pressing problems which Somerset faces. The most notable ones are pressures on elderly social services, ballooning waste management costs and also salary and price rises. For instance, it is increasingly difficult for the Council to secure the care home places it needs when care home owners can secure a better deal from private clients or by selling their homes. However, **the Government grant for the elderly in Somerset for 2003/04 is actually being cut by 2%**. Also, the Council's waste budget had to increase by 20% (£2.5m) last year to help pay the landfill

ⁱ <http://www.local.odpm.gov.uk/finance/0304/grant.htm>

tax and maintenance of a fridge mountain but these costs are not recognised by the Government.

Obviously, all Councils will feel that they are not getting enough money. However, the Government's practise of piling responsibilities onto councils who are then forced to raise council tax (which is related to house prices and not income) to pay for these responsibilities is particularly unfair on rural areas. In rural Somerset, where house prices are rising but wages remain low, any tax based on property results in real difficulties for pensioners or people on low incomes. An important part of the Rural Future campaign therefore is to argue that the Government must recognise the additional costs that Somerset incurs by providing high quality public services in a rural setting. If it does not, then the Government should at least change council tax so that it is based on ability to pay rather than property prices.

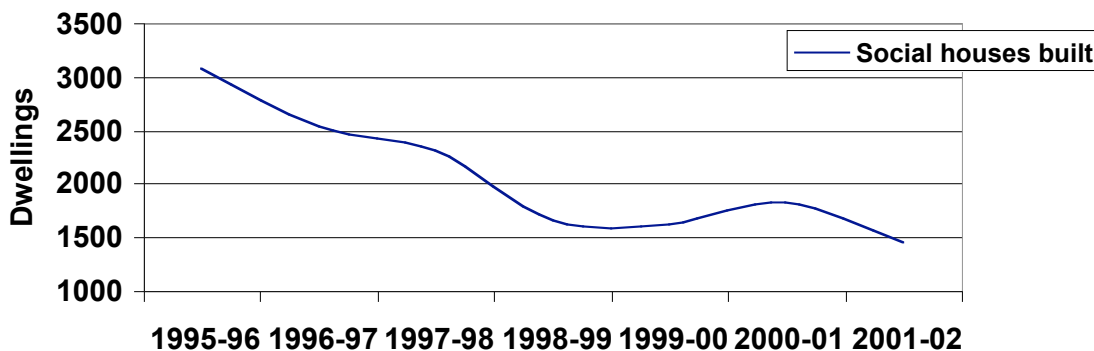
2. Affordable Housing

Another important part of the Rural Future project is to campaign for a major boost to affordable housing in Somerset. Being able to retain young families in rural areas is the best way to encourage cohesive and stable local communities. However, because of a lack of affordable housing, young people in particular are increasingly unable to afford to live in the place where they grew up and are forced to move away. This undermines the sustainability of the community and local amenities such as shops, post-offices and rural pubs. So, building more affordable housing is a key way to safeguard the long-term future of rural areas.

One of the main reasons for the dearth of affordable housing in our area is the last Conservative Government's policy of preventing councils from investing council house sale receipts into new social housing. However, social housing build in the South West has fallen dramatically under Labour. Figures uncovered by David Laws MP show that **the number of homes built as social housing in the South West is now less than half the level it was in 1995/96ⁱⁱ**. The latest figures show that in the South West 3,071 homes were completed in 1995-96, 2,305 in 1997-98, and only 1,444 in 2001-02. Labour criticised the Conservatives for not doing enough to encourage the building of social housing, but in the South West the amount of social housing built under Labour has crashed. This can be seen in the chart below.

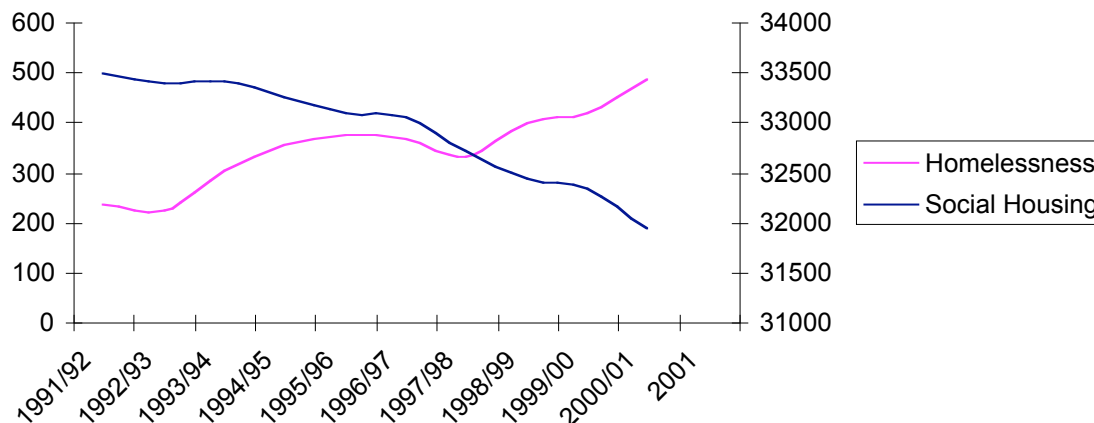
ⁱⁱ PQ 93134. Official Report, 28 Jan 2003, Col 797W

New social housing built in the South West



The level of social housing in our area in particular has steadily dropped over the last 10 years, contributing to a massive rise in homelessness. Figures obtained by David Laws MP show that the level of **homelessness in South Somerset has quadrupled in the last dozen years**, from 124 households to 484.ⁱⁱⁱ

Social Housing in Somerset & Homelessness in South Somerset



The chart above shows that **the level of social housing stock in Somerset has actually fallen by 5% in the last 10 years** from 33,481 social dwellings in 1991-92 to only 31,932 in 2000-01^{iv}.

The Government has continued to focus on providing affordable housing for public sector workers in Greater London but housing in the South West is actually often as expensive. Somerset has a particularly pressing need for social housing as the region suffers from a double whammy of rising house prices and low incomes. **South West House prices are rising faster than the England average and have doubled in the last seven years.** In 1996 the average South West house price was £71,674 whilst in 2002 it was

ⁱⁱⁱ PQ 66297

^{iv} PQ 52612

£144,183^v. In our area this housing pressure can also be seen in terms of the ratio between house prices and earnings. **In the South West the average house costs 5.65 times average earnings – higher than the England average of 5.31 times^{vi}**. Despite these serious pressures, the Government seems to focus exclusively on helping public sector workers in London and the South East where wages are already relatively high. Yet again, the high visibility housing problems in the South East has led to the Government ignoring the growing housing problem in rural Somerset.

The Government's ambitions for affordable housing in rural areas have been poor and the execution of its plans even worse. The importance that the Government attaches to affordable rural housing can be seen by the fact that **only 20% of affordable social housing built from 1997 to 2001 was rural^{vii}**. If affordable housing isn't built quickly then more and more of the young people who we depend upon to work and set up businesses in this area will leave us. The Government also needs to make investment in social housing in our area to tackle the ever-growing problem of homelessness. In 1997/98 there were 5,019 households accepted as homeless in the rural South West but this grew to 6,047 by 2000/01 – a homelessness level similar to most urban areas in the country^{viii}. This shows that swift action is needed. The Government must give the Housing Corporation more funding to invest in housing in Somerset. Planning rules also need to be more flexible to give towns or villages the freedom to build more affordable housing if they so wish. We need to protect our countryside - but rural areas must also be maintained as viable areas to live and work.

3. Rural Health Services

Another important rural issue that is often forgotten is the provision of health services in rural areas. Both David Laws MP & David Heath MP are concerned that the health funding allocation formula used by the Department of Health does not fully recognize rural costs and needs. The Department measures standard health deprivation statistics such as the proportion of people with long-term illnesses in a ward or the mortality rate and allocates resources accordingly. It therefore fails to take into account the qualitative problems of accessing health care in the countryside such as the lack of convenient public transport. This means that serious problems arise when a person's local GP or dentist moves out of their area or opts out of the NHS. It can often then be very hard for those who depend on public transport such as the elderly to travel to find a new dentist or GP.

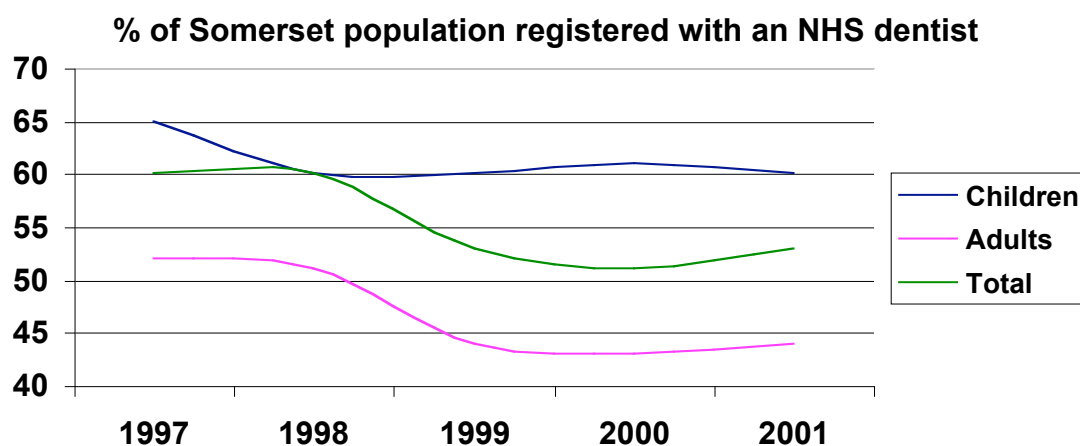
^v PQ 90834

^{vi} PQ 90830

^{vii} Countryside Agency : The State of the Countryside 2002

^{viii} Countryside Agency: South West, the state of the countryside 2002.

The best example of the problems that the ignorance of health access in rural areas can lead to is the lack of access to NHS Dentistry in Somerset. For years no dentists in Yeovil constituency had been able to take on new adult patients. This only changed in October 2002, when, after a long running campaign led by David Laws MP, a new dental practice which can care for around 12,000 residents opened in Yeovil. When a surgery closes or converts into a private practice it can often be exceedingly difficult for its patients to find new dentists that are accessible. This is particularly galling as the Prime Minister had made a pledge in the last Parliament that everyone would have access to a dentist by 2001. However, this promise now turns out to have meant that everyone can access a dental health telephone line which will advise people where their nearest dental surgery is. Thus, many of those in rural Somerset are forced to either go private or travel miles on public transport to find a dentist. As a result of this **the number of adults registered with a NHS dentists has dropped from 52% in 1997 to 44% in 2001**. This can be seen in the chart below.



A recent report by the General Practitioners Committee of the British Medical Association states that access to GPs is a critical issue affecting health prospects for patients. It confirms that physical distance and travel times are important factors in GP visit rates and that the quality, as well as the existence of transport services, is significant. So, in an area with poor transport links like rural Somerset, a drop in the level of health services provision can lead to a disproportionate rise in the number of people effectively excluded from health services.

The Department of Health therefore needs to take into account the problems of poor rural transport and access to surgeries when allocating NHS resources. Although, rural areas may not seem unhealthy, the level of investment in local health services should reflect the problems with accessing them. The Department of Health reviews its distribution formula annually and has stated that rural concerns are being fed into it. However, David Laws and

David Heath will continue to campaign for more NHS funding for rural areas and for imaginative, locally devised, ways to tackle accessibility problems.

4. Rural Public Transport

Public transport is also often more important to people living in the countryside than urban areas, but is not usually considered by the Government to be an important issue. However, the lack of decent rural transport is one of the major causes of social exclusion in the countryside and is a real barrier to accessing key public services. The Department of Environment, Transport and the Regions has itself stated that “in rural areas, transport problems are a primary pre-occupation for a much wider group (than urban) because access to most facilities is almost impossible in some areas without a car.” The Rural Future campaign argues that because rural transport affects the delivery of so many other public services it should receive much more attention by the Department of Transport.

The basic mode of rural public transport is the bus. Although some rural bus services have improved in the last few years, there still remains a lack of transport options for most people. Indeed, 29% of rural settlements in England have no bus service^{ix}. The Countryside Agency has stated that South West rural households have the same geographical availability of banks, petrol stations, ATMs, libraries, job centres and supermarkets compared to the average for rural England but had to travel, on average, greater distances to primary and secondary schools and doctor’s surgeries^x.

5. Rural Crime

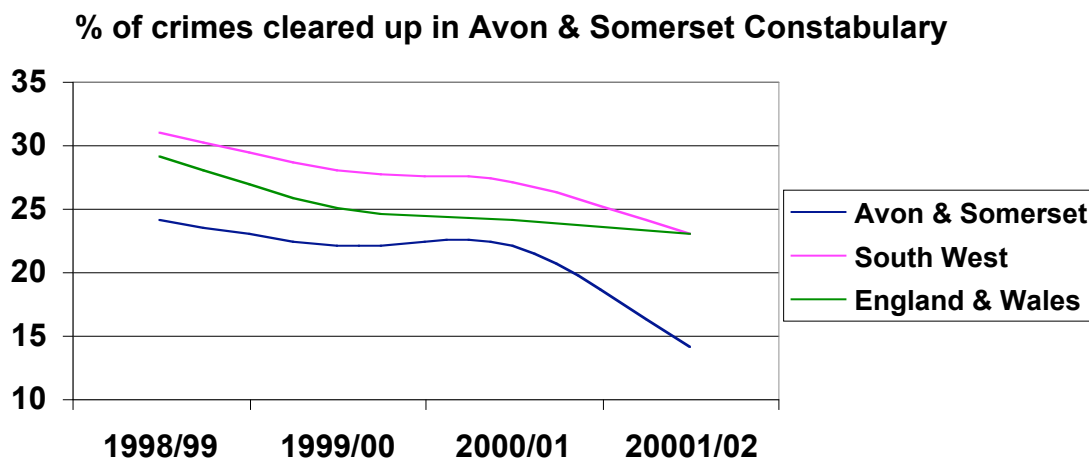
Crime has recently become a key concern for those living in the countryside. There are invariably too few police officers to cover rural areas. This leads to unacceptably long police response times to criminal incidents and so helps lead to an extremely low crime detection level. In fact, **Avon & Somerset Police Authority now has the lowest crime detection level in the country.** The detection level measures the number of crimes which result in an arrest or positive police action. David Laws MP and David Heath MP have been arguing that the Home Office needs to take into account the costs of providing police in rural areas when allocating its Police Authority budgets.

The most recent Home Office statistics, ‘Crime in England & Wales 2001/2002’ (July 2002), show that crime in Avon & Somerset had risen dramatically in the last year. Amazingly, **total recorded crime rose 20% in the last year**, violent crime rose 24%, and robbery incidents rose by 77%. This dramatic rise has led to **a crime clear up rate of 14% in Avon &**

^{ix} Countryside Agency: Rural Proofing in 2001-02

^x Countryside Agency : South West, the state of the countryside 2002.

Somerset - the poorest in the country. However, the detection rate in Avon & Somerset has been consistently lower than the average South West and the average England detection rate for a number of years now. This means that even without this upsurge in crime more police officers would still have been needed to provide more rapid responses and apprehend more suspects. This increase makes the need for more police officers in our area more urgent.



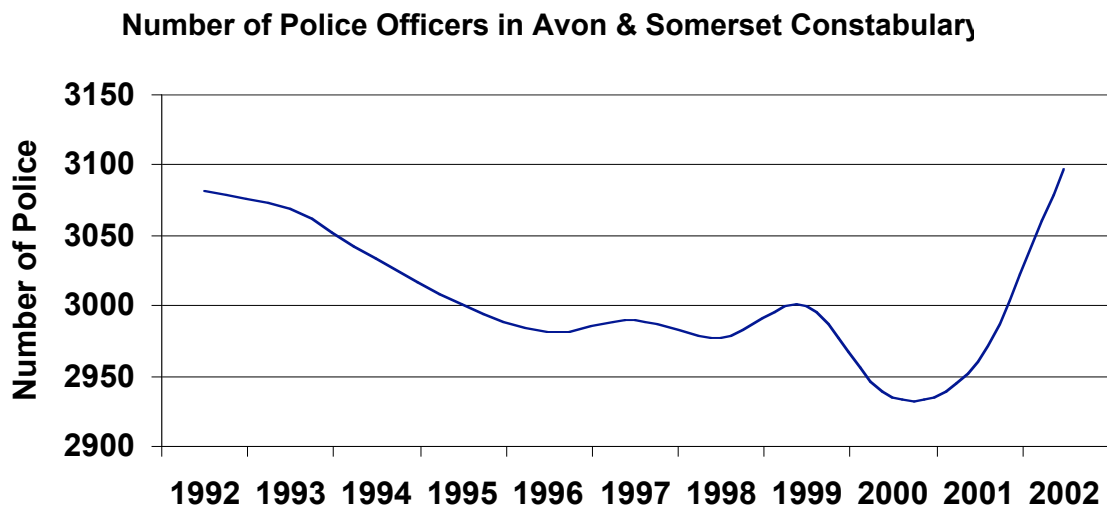
The above chart shows that only 14% of crimes are in Avon & Somerset now result in the case being solved, or satisfactorily closed. This is the worst clear up rate in the country and undoubtedly is due to a combination of a “rural” level of police officers and increasingly metropolitan crime levels. Unless the level of police officers is boosted dramatically then there is little chance of the detection rate increasing. If the police are not able to find the perpetrators of over 85% of crimes then there is also a real danger that this will encourage further criminal behaviour and erode rural citizens’ already fragile faith in law and order in the countryside.

Indeed, it would be hard to exaggerate the recent increase in crime in our area. The number of recorded crimes rose in Avon & Somerset rocketed over the last year from 149,254 in 2000/01 to 178,991 in 2001/02 – a 20% leap. This is partly due to changes in the recording system which has led to more incidents being reported as crimes. However, this cannot account for either the scale of the rise or the fact that crime in Avon & Somerset has increased by a much higher rate than other areas – including London. On fact, Avon & Somerset was ranked 3rd out of the 43 Police Authorities in terms of the 2001-02 annual increase in total recorded crime.

Change in Total Recorded Crime 2000/01 – 2001/02			
	Total Crime	Total violent Crime	Robbery
Avon & Somerset	+20%	+24%	+77%
South West	+9%	+13%	+59%
London	+6%	+10%	+28%

England & Wales	+7%	+11%	+31%
-----------------	-----	------	------

We have only now reached the size of police force we had ten years ago. This can be seen in the chart below.^{xi}



Although the Government is fully aware of the massive rise in recorded crime in our area and the small number of police, in February 2003 the Government announced that Somerset would receive a Police Grant increase of only 3%. As a result of the poor central government settlement the police precept has been raised to pay for more police. In the Police Grant 2003-04 debate in the House of Commons^{xii} David Heath raised the problem of urban Bristol siphoning away police from rural Somerset:

“How do I explain to a person living on a fixed income, perhaps a pensioner, in a village in my constituency that they are paying 30 per cent. extra but they will not see any extra police officers because they are all going to Bristol because that is what the chief constable and the Home Office have decided is the priority? Bristol is an hour and a half’s drive away and, frankly, pensioners in villages in my constituency could not give a damn what is happening in Bristol. What they want to see is police officers in their villages and streets.”

In a debate on Police in Somerset^{xiii} David Laws raised the same concern about urban priorities taking precedence over rural ones in Somerset. Mr. Laws asks another Somerset MP:

“Does he agree that the prospect faced this year by his constituents and mine is a 35 per cent. rise in the police precept in Somerset in order to fund what is essentially a crime problem in Bristol? Does he also agree that Home Office

^{xi} Official Report, 27 Jan 2003, Col 712W

^{xii} Official Report, 5 Feb 2003, Col 324

^{xiii} Official Report, 28 Jan 2003, Co 1254WH

Ministers should consider funding Bristol's particular problems centrally rather than at the expense of residents in Somerset? Does he further agree that if the raiding of Somerset's budget to fund Bristol continues, there will eventually be pressure for Somerset to join the more rural counties such as Dorset and to break the link with Bristol altogether?"

Somerset County Council agreed in February 2003 to an increase in the police precept to fund 196 additional police officers, of which 47 will be patrol and response officers. There was some concern that in the past many of the extra police hired by Avon & Somerset constabulary have been allocated to Bristol and not to the more rural areas such as the East Somerset district. David Heath MP and David Laws MP therefore led a campaign to increase the number of police, and particularly front line officers, in the East Somerset District. Following their lobbying, the Chief Constable decided to make an especially large allocation of officers to the East Somerset District. Overall front-line police numbers in the East Somerset District will rise by 28 extra officers in 2003/04 - almost 11% more in percentage terms. This is an increase in police establishment which is three times as great as areas such as West Somerset and South Gloucestershire. In percentage terms this rural area will now be getting more extra officers than high-crime Central Bristol.

At the moment, crime problems in Bristol and other urban areas are highly visible and it is all too easy to forget the crime problems in rural areas. David Laws and David Heath will continue to campaign for the Government to allocate more money for policing in rural Somerset, so that we can recruit extra police officers without the need for these very big increases in the local police precept. A key aim of the Rural Future campaign therefore is to ensure that citizens in rural areas have as good a police service as those living in urban areas. The Government cannot forget that people in rural areas need police available to patrol and pro-actively fight crime in rural areas just as much as those in urban areas.

6. Rural Post Offices & Rural Services

The continuing closure of rural post offices is a real concern as they are often the lynchpin of rural communities and in many cases act as the only shop in a village. An important part of the Rural Future Campaign is to lobby the Government to give real momentum to plans to modernise the post office network and generate new lines of business for sub post offices.

The desperate need to protect rural post Offices in South Somerset was highlighted by David Laws' Post Office Report 2001. David Laws MP surveyed 25 local post offices and discovered **that two-third of local sub post offices doubled as the sole shop in a village**. The loss of a sub-post office can therefore have a terrible impact on village life and community spirit, especially in isolated areas. The survey also found out that **half of sub postmasters in the area did not expect to still be in business in two years time**. Post Office numbers have indeed fallen dramatically in the South

West and South Wales. Between 1994 and 2000 the number of rural post offices in the region fell from 1749 to 1529 - a huge drop of 13%^{xiv}.

One of the main reasons for continued closure of rural post offices is postmaster's uncertainty about their future. In April 2003 the Government is to withdraw a major source of postmaster's income (the processing of benefits payments) and transfer pensions and benefits directly to people's bank accounts via Automated Credit Transfer (ACT). To help the South West's 1200 rural post offices cope with the loss of income from processing benefits the Government announced in December 2003 that it is to spend £20 million each year over the next 3 years on rural post offices in the South West. These funds will be a welcome boost to those struggling postmasters in our area but it will not replace the income lost by paying benefits and pensions directly into bank accounts. Nationally, post offices stand to lose £450 million in business when benefits are paid directly into people's bank accounts but the rural post offices package is only worth £150 million.

Post masters will need the new Post Office Card Account (POCA) to help them retain the custom they will lose when pensions and benefits are transferred straight into people's bank accounts. POCA is a simple bank account based at a post office into which a person's benefits can be paid. If a large proportion of the 19 million customers that currently visit sub-post offices each week no longer do so following the introduction of ACT in April 2003, the decline of the network will accelerate dramatically. **It is essential that the Post Office Card Account – through which customers can continue to receive their benefits, pension payments and tax credits through the Post Office – is a success.**

David Heath and David Laws are concerned though that the Government is not doing enough to support this scheme. There is growing evidence that the Department of Work and Pensions is subtly making it harder for people to transfer funds to Post Office Accounts and appear to be advertising and promoting bank based options in a preferential way. David Heath and David Laws have lobbied Ministers to make sure there is a level playing field and that people are fully aware of the Post Office option. Both MPs are also worried that there will be serious problems with the computer system when it goes live in April. The testing of the ACT computer systems will only finish trial on 31 March leaving only 4 working days before the system goes national. Also, the Department for Work and Pensions is not sending out clear instructions to pensioners about their options until 24 March. Most worryingly, in practice trials before Christmas, nearly 60% of electronic accounts failed.

David Heath and David Laws have therefore called on the Government to delay the ACT launch until tests have conclusively proved that the new post office system is bug-free. Sub-post offices are often the hub of village life in

^{xiv} Post Office deposited paper: House of Commons Library 00/981

the countryside so both MPs are actively scrutinising the Government actions and are pressing the Government to get right behind rural post offices.

7. Rural Justice

Civil court reorganisation is another good example of an area where rural concerns need to be taken into account when devising and implementing government policy. The network of magistrate's courts is currently being reorganised to save money and act more efficiently. This will naturally favour the development of larger courts which can deal with a high volume of cases drawn from a large area. However, this policy has to be made sufficiently rural sensitive and ought to be changed to make sure that it does not result in the loss of yet another key public service in rural areas.

In South Somerset this struggle between economic efficiency and rural social needs is epitomised by Frome's Local Magistrates Court Committee which will soon decide whether to relocate Frome Magistrates Court to Taunton or not. Even if relocating Frome Magistrates Court saves the court service money this needs to be balanced against the good of local justice and the preservation of a local civic identity. Of course, every community could argue that the closure of their local magistrate's court will lead to more inconvenience for users and unnecessarily take up the time and money of police. **The Rural Future argument is that these practical difficulties are magnified in rural areas** that already suffer from having a weak public service infrastructure, and where travel is a serious barrier to use of a service.

This means that it is vitally important that the decisions about Magistrates Courts need to take into account the effect the closure of Frome Court will have on local travel needs, time and cost to rural people – especially those on low income or without easy access to a car or public transport. It also needs to take into account the impact this will have on policing in the area given the increased time and money spent by local police continually travelling to Taunton and back. Rural areas already have few public service outlets, and the loss of facilities such as magistrates' courts, post offices or village shops will lead to small towns being made increasingly dependent on urban areas when they should be striving to remain sustainable and independent.

David Heath MP recently took up this case in Parliament. He asked the Parliamentary secretary to the Lord Chancellor's Department if "the Minister [will] give new guidance to magistrates courts committees to make sure that we have local courthouses providing a service to local rural communities?"^{xv} The Minister responded that it is the magistrates courts committees' responsibility to decide on the magistrate's courts in their area but that they had have been given clear guidance about the need to take account the requirements of rural areas. David Heath MP is continuing to campaign to get

^{xv} Official Report, 9 Jul 2002: Column 736

the Government to look at the guidelines they currently provide and include within them a proviso that ensures that vital services are not lost to local rural communities.

The possible closure of Frome Magistrates Court shows just how important it is for rural needs to be addressed in all government action and not be treated separately. Although the magistrate's courts committees' are required to use a rural proofing checklist when deciding about court or closures the national rate of rural magistrate's courts closures remains a cause for concern and indicates that the guidance could be strengthened. In any case, more Government departments need to follow the Lord Chancellors Department's examples and use a rural impact checklist when devising policy which affects rural areas.

8. Rural Economy: Broadband ICT

Perhaps the topic which best illustrates the need to re-think what is important for rural areas is the growing need for broadband internet access. Traditionally of course a list of 'rural values' would not have included fostering high tech small businesses. However, the need to encourage micro and small businesses has become more important as the number of people working in agriculture has declined. In fact, only 2% of the Somerset workforce in rural areas is now employed in agriculture whilst 75% work in service industries^{xvi}. Astonishingly, over half of new business start-ups in the South West in 2000-01 were in rural areas^{xvii}. This is almost double the England average and shows just how important rural micro-businesses are to our area. Helping small businesses thrive through developing technology infrastructure or providing advice through organisations such as the Small Business Service is an important part of building an economically and socially healthy countryside.

So, an important part of the Rural Future Project is to campaign to persuade the Government and British Telecom (BT) to dramatically speed up access to broadband internet services in rural areas. Rural businesses already struggle with inadequate communications, poor public transport, restrictive planning systems and infrequent delivery services and cannot afford to be excluded from 'Broadband Britain'. Instead, rural businesses need to be able to compete in a market that depends on speed of communication and the ability to do business on-line. Putting policies in place to ensure that rural areas gain access to broadband ICT is critical to the future economic competitiveness of rural areas and the delivery of services using modern technology.

David Heath and David Laws already know of a number of businesses for which lack of broadband access is becoming increasingly problematic and

^{xvi} Annual Business Inquiry 1998: www.somersert.gov.uk/statistics

^{xvii} ONS (2002e) Inter-Departmental Business Register

preventing their business from growing as much as they could do. However, there is little chance of broadband being extended to rural market towns under the current arrangements. BT set up a registration system in July which measures the demand for broadband access within an exchange area. At the time of writing (March 2003) only the Yeovil and Bridgewater exchanges has been enabled to deliver ADSL broadband. The exchanges will be enabled once there have been 400 registrations. There have been 222 registrations in Frome, 66 in Somerton, 200 in Martock, 128 in Ilminster, 191 in Chard and 147 in Crewkerne^{xviii}. It therefore seems likely that **overall demand in South Somerset towns will take years to be high enough to make it economical for BT to roll-out broadband.**

The Government therefore needs to find ways to connect rural Somerset to broadband. So far it has given £3.8million to the South West Regional Development Agency (2001) to set up broadband projects tailored to each area. These have included wiring up business parks and experimenting with satellite broadband in rural areas. Although this is welcome, local businesses have reported problems developing new wireless technology. For instance, the Chard Trade Association is attempting to set up a satellite in Chard which would allow homes and business within the town to access broadband. However, the Association is finding difficulty finding the funding to set up and run the satellite system. Being a Trade Association it realises that broadband is crucial to keeping and attracting high-tech business to Chard but does not want to have to take the risk of introducing broadband itself. This risk should be borne by either the public or private sector. The Government must therefore continue to support the South West Regional Development Agency's search for local solutions to lack of broadband access in rural areas^{xix}. For now, **it seems that the quickest way to enable small businesses to access broadband is to encouraging business clusters or towns to share a wireless broadband connection.**

Of course, the Government must also continue to encourage all libraries, schools, hospitals and other public services to use broadband to help make its roll out economical for BT. Indeed, the Prime Minister recently promised^{xx} that every school, GP's surgery and hospital will have broadband access by 2005. However, even by using public services to boost demand and by exploring wireless broadband roll out it may still be the case that isolated rural areas are left out. Indeed, the Chairman of BT warned last year that rural Britain could miss out on getting broadband internet access via telephone lines for a generation unless the roll out is publicly subsidised. It is likely that the long-term solution will depend on public-private co-operation and the encouragement of locally based projects. The Government has announced that it is to spend £1bn over the next three years to wire up public services. It

^{xviii} <http://www.adslguide.org.uk/availability/btprereg.asp#filter>

^{xix} <http://www.connectingsw.net>

^{xx} Cabinet Office Press Release, *Prime Minister Promises Broadband for all Schools*, 19 November 2002

must now explain how this will be implemented in rural areas and whether this will be used to spread broadband access to all homes and businesses in rural Somerset.

9. Rural Deprivation

Rural Poverty & deprivation is yet another area which is being overlooked by the Government. This is primarily because rural deprivation is often hidden and is certainly not as visible as the obvious poverty of an inner-city city sink estate. Instead, deprivation in the countryside is more subtle, fragmented and manifests itself in different ways. It is also based more on a lack of access to health and education services, job opportunities, leisure facilities rather than income. Having said that, rural areas in the South West do seem to be poorer than most. In 2001, the average weekly pay including overtime was £54 lower than the average for urban areas in the South West, and lower by £21 than the average for rural England as a whole^{xxi}.

The extent of low-level deprivation in the countryside should not be underestimated. It may not reach the extremes of inner cities but this in itself reinforces the stereotype of a rural idyll and disguises the social exclusion which many low-income rural inhabitants face. The Countryside Agency points out that 31 out of the 50 lowest wage earning local authorities are rural while only 5 of the 50 highest wage earning local authorities are rural. Overall, nearly a quarter of rural households now live below the poverty line (below 60% of medium income)^{xxii}. This pattern of deprivation is measured by the Index of Multiple Deprivation^{xxiii} (IMD) which uses statistics on income, employment, health, education, housing and child poverty to. The Index of Multiple Deprivation shows that there are pockets of serious deprivation in the countryside. For instance, Yeovil Central and Yeovil East Wards are ranked as being in the most deprived 25% of wards in the country and whilst Frome Keyford and Frome Welshmill are part of the 30% most deprived. The Rural Future campaign argues that the Government needs to take a greater account of rural problems, namely lack of access to health, education or employment services though their sparsity and poor public transport when analysing social exclusion. If this social exclusion is not acknowledged then there is a real danger then that this rural deprivation may be ignored by the Government because it is not as visible as urban poverty.

Deprivation in rural areas will manifest itself differently from urban areas. So, for instance, rural housing problems relate more to affordability than to quality, and rural employment problems relate more to low pay and seasonability than to unemployment. Unemployment in South West rural is not insignificant

^{xxi} ONS (2002b) New Earnings Survey population weighted using ONS (2001) Mid Year Population Estimates

^{xxii} CACI Ltd, 2002. Paycheck Digital Data.

^{xxiii} Index of Multiple Deprivation, 2000. DTLR.

though and in 2002 South West rural districts had a higher level of claimant unemployment than the average for rural England^{xxiv}. **Social exclusion is based on a combination of low income, poor education, isolation, poor access to jobs, services and other opportunities which many take for granted.** Barriers such as physical isolation and poor transport can easily prevent rural inhabitants from being properly included in society. Rural Future therefore argues that many people in the countryside can be as excluded, if not more so, than those in rural areas due to the difficulty in accessing services. There is a marked disparity in provision of job centres, childcare, or other support networks which rural villages may be too small to support. This means, for example, that a young single mother with no car will find it much easier in an urban locale to travel, find advice, support, and childcare and get a job than in a rural area. The Government must recognise that deprivation in a rural area is based on a lack of support networks and access to key services than simple poverty.

The first step to combat this misconception is to change the Government's deprivation indicators (the IMD) to make them more rural sensitive. This may mean incorporating isolation and distance from key services into the calculations. This would make it a fairer basis on which to plan spending on public services and initiatives. It is also crucial that the Government re-gear its social exclusion programmes and the Social Exclusion Unit so that they have a rural dimension and take into account particular rural needs and problems. A good example of this is the Government's Sure Start program which aims to support families with young people. Following research by the Countryside Agency the Department for Education & Skills altered its bidding guidance so that it reflected the dispersed pattern of socially excluded families and facilities in rural areas. The Government must make sure that its poverty and deprivation programmes are not solely focused on urban areas and change the social inclusion projects which are already running so that they are more sensitive to rural needs.

10. Farming

The importance of farming lies not in the jobs or incomes it provides but through the social infrastructure it provides in rural areas and through farmers' careful tending of the countryside. Farming faces a number of fundamental reforms, most of which are contained in the Curry report, *'Farming and Food: a sustainable future'*, which recommends that farmers' subsidies should not encourage simple production of food but environmental schemes and care for the countryside.

In South Somerset the Rural Future campaign will campaign to encourage a fairer deal for farmers and to re-connect local farmers and

^{xxiv} ONS (2002d) Annual Business Inquiry

local shoppers. To this end, David Heath MP and David Laws MP will work to encourage the growth of farmers markets in local towns. These markets benefit farmers and shoppers as well as being environmentally friendly. Farmers are able to sell their produce at a fair price whilst shoppers can buy high quality fresh food (cheaper than supermarket prices) and produced locally. This system also cuts down on the unnecessary transport of food around the country and keeps shoppers' and farmers' money in the locality. In recent years farmers markets have expanded in Wincanton, Langport, Frome, and Yeovil as shoppers have realised that they can easily buy fresh, cheap, locally produced food. However, the Government needs to encourage these local initiatives and provide 'seed corn' grants for Farmers Markets to set up and advertise themselves. This is one excellent way to help provide both extra business opportunities for local farmers and savings for shoppers.

The other focus of the Rural Future campaign is to help make sure that local farmers get a fair deal for their food. At the moment large supermarkets or processors can effectively force small farmers to sell their produce at cost price or lower. The farmers only receive a small proportion of the price of the food which the shopper eventually buys it for. Indeed, the National Farmers Union estimate that **farmers only receive, on average, 25% of the final price and sometimes as little as 10%**^{xxv}. One way of bringing a higher share of the final retail price back to the farmer is by allowing farmers to work together and set up co-operatives, so giving them more purchasing power. The Government needs to change the current competition laws in relation to farming to allow large-scale co-operatives to gain a better price for primary producers. The best example of this is the dissolution of the Milk Marque. The Office of Fair Trading split the Milk Marque into three in 1999 as it represented 40% of milk production. Now, although milk costs 36p per pint dairy farmers are only paid 9p – less than it costs to produce! The Government must create an environment where co-operatives can prosper and encourage all parts of the food supply chain to work together.

One important way in which the Government can make sure that all supermarkets treat farmers fairly is to strengthen and enforce the *Code of Practice on Supermarkets dealing with Suppliers*. This voluntary code defines trading terms between farmers and supermarkets over a whole range of issues, so providing farmers some security and predictability. The Curry Report recommended that supermarkets be encouraged to join this code. However, the Government should consider making the Code enforceable to ensure an improvement in suppliers' position. In response to these concerns, in February 2003 the Office of Fair Trading announced a review of the supermarket code. At the end of the review, the OFT will report on whether the Code is working effectively and whether it should be changed^{xxvi}.

^{xxv} <http://www.nfu.org.uk/info/fcmarket.asp>

^{xxvi} OFT Press Notice PN 16/03, *OFT to conduct supermarkets code review*, 17 February 2003

Overall, Somerset farmers need the Government to help make the food supply chain more stable and more weighted towards farmers. The Rural Future campaign will help get a better deal for farmers by helping rebalance the relationship between individual farmers and large supermarkets, and by encouraging the support of local farmers by local people.

Conclusions

The Rural Future Campaign makes three major arguments:

1. All Government policy must be rural sensitive or go through a process of rural proofing. This means that whenever policy, from transport to broadband access, is formulated the policymakers must take into account rural concerns. Policy makers must appreciate that what works in urban areas will not automatically work in the countryside. The interests of those living in rural areas can no longer be overlooked or given lower priority than urban interests. The Government has made some progress on this but there remain some way to go before rural proofing can be said to be systematically applied in Whitehall.
2. The singularly most important way for policy to be made rural sensitive is for Central Government to recognize that local authorities incur extra costs in delivering public services in a rural setting. Local authorities have particularly difficulty in because they cannot take advantages of economies of scale (e.g. by having to support a large number of small schools) and have to deliver services to scattered and remote communities. The Government needs to take full account of these extra costs when devising the indicators and measurements used to decide how much funding each Local Authority, Health Authority and Constabulary area 'needs'.
3. The Government can do a lot more **to help rural communities now**. The Rural Future Campaign will be calling for swift action on support for rural post offices, affordable housing, access to broadband ICT and improved rural public transport.

Overall, the Rural Future campaign maintains that rural areas are best helped by recognising that their problems are fundamentally problems of delivering key public services. Rural concerns must not be defined as simply the traditional ones of farming and fox-hunting (although these aren't unimportant). The best way to help rural areas is to secure enough funding for public services and to devise the most effective, locally tailored, methods for local authorities to deliver these public services. The Liberal Democrats are campaigning for the investment and support for the vital public services which rural Somerset needs.