

# Flourishing Rural Communities? :

## Final Assessment Report

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### Introduction

In November 2007 the East Midlands Regional Assembly Regional Scrutiny Board (RSB) published the findings of the scrutiny panel review into the role and effectiveness of *emda* and partners in supporting sustainable rural communities. The scrutiny review set out six recommendations. In May 2008, *emda* submitted a six monthly report to the RSB, documenting the progress made in responding to the recommendations and setting out a forward work plan.

To meet the requirements of the Regional Scrutiny Protocol, this document is a Final Assessment Report (FAR) which responds formally to the six scrutiny recommendations and demonstrates *emda's* ongoing commitment to supporting the region's rural areas.

The FAR opens with an assessment of the benefits and impacts arising from the RSB's recommendations. It then considers each of the 6 recommendations, a full listing of which is provided at annex 1.

### Assessment of Impact from the Scrutiny Process

The scrutiny review has made a helpful contribution to ensuring that the 'mainstreaming' of rural issues within the policies and delivery work of *emda* has continued satisfactorily. For example, the rural-proofing process has been ongoing for some time (and the RDA was an early signatory of the Rural Charter).

However, a renewed impetus is currently being given to this work, with the production of a *rural proofing framework* which will bring structure and clarity of responsibility to this process. This development is particularly welcome and important as the onus for local project delivery moves to a new range of delivery partners, including local authorities.

During the period since the Regional Scrutiny Board reported, further policy reviews have occurred which have potential implications for *emda's* rural work (subject to the Government's response to these reports, which has yet to be finalised). These include the Rural Advocate's report on the economic potential of rural areas (June 2008); Matthew Taylor MP's review of rural economy and affordable housing (July 2008); and the EFRA Select Committee's report into the potential of the rural economy, which focuses on Defra's Departmental Strategic Objective on 'stronger rural communities' and its delivery arrangements (October 2008).

Overleaf we give our final report on the individual recommendations emanating from the Scrutiny.

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### Recommendation 1

*emda* are invited to further develop the enhanced rural evidence base through a collaborative, planned approach to commissioning, managing and sharing research that promotes a greater spatial understanding of the regional economy. This approach would support partnership working, *emda*'s responsibilities for rural policy (both current and future) and promote a wider understanding of the role of rural productivity. It should include:

- Commissioning new research to examine the economic interactions between urban settlements and their rural hinterlands.
- In partnership with partners, examine the potential to set up a group or mechanism dedicated to encouraging collaboration on rural research and a single point of access to rural data within the region, potentially hosted by Intelligence East Midlands.

**1a)** In April 2008, *emda* published an updated version of *The Rural East Midlands* (the East Midlands Rural Evidence Document). *emda* has also influenced the ONS to include a facility to disaggregate all data in the new Regional Database at rural level. In addition to this *emda* have commissioned a number of related research studies in conjunction with rural delivery partners. In July 2008, *emda* commissioned a research study to explore the role of smaller towns, market towns and urban centres in the region that are vital to the region's economy. In June 2008 *emda* commissioned a study to investigate the contribution of the Peak District National Park to the economy of the East Midlands, explore the links between the PDNP and surrounding market towns and provide an economic baseline against which future performance can be assessed. Both of these studies were published in December 2008, and will both further enhance the growing rural evidence base. A piece of work to establish and promote the potential role of rural estates in meeting Regional Economic Strategy objectives is under way, due for completion early in 2009.

**1b)** *emda* does not feel it is appropriate at this time to consider establishing a stand alone unit in the East Midlands to undertake this function. As we stated in our original action plan response we firmly believe that Intelligence East Midlands already fulfils this important role by seeking partner collaboration in delivering research and by acting as a single point of access for sharing of data and research across a wide range of regional stakeholders. We also noted a concern that a stand alone unit in the East Midlands would risk duplicating the recently established *Spatial Economy Research Unit* whose key remit is to examine the drivers and characteristics of spatial disparities in UK economic growth and performance. *emda*'s Head of Strategy and Regional Affairs has discussed relevant areas of policy interest with the unit's director, Dr Henry Overman. SERU has also recently identified a research programme which includes a strand titled

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“the *Structure and Evolution of the Spatial Economy*”. We understand that this is likely to include an examination of the economic interactions between urban and rural areas.

### **Recommendation 2**

In order to effectively work towards making rural areas more sustainable and economically productive through an integrated approach to managing development, *emda* and partners are invited to:

- a) Assess the region's rural spatial assets and market opportunities.
- b) Build on recent studies of the nature and economic dynamics of migrant labour in the region to develop policies to promote its contribution to regional productivity.
- c) Build on their current work investigating atypical employment patterns to consider the economic implications and potential of rural home-working.

2a) As we noted in our action plan response, *emda* welcomes each of the suggestions provided (a, b and c), and in conjunction with rural partners, we will seek to address these within the context of the regional evidence base review – a process which is currently being undertaken. As noted in our response to recommendation 1, *emda* has met with the Director of the National Spatial Economy Research Unit, and these are potential areas of investigation by the Unit. The current work on rural estates referred to in 1a above will also inform the growing regional evidence base.

2b) As previously noted in our 6 monthly update report, *emda*'s Board discussed the findings of the research undertaken on the impacts of migrant labour on regional output and employment. Recommendations of this have had key relevance to the work of the employment, skills and productivity (esp) partnership, and resulted in the alignment of future esp activities regarding migrants to the Achieving Productivity theme of the RES. Policy development through the esp is therefore focusing on potential interventions to better utilise the skills of such individuals.

In May 2008, *emda* were allocated RDA lead role responsibility for Migration. Activity over the first few months has focused on familiarisation with the strategic context and issues, drawing on the evidence of the IER report. As a result of this early explorative work an action plan of activity is now in development.

2c) As also noted in the May 2008 update report, *emda* published findings from our study of atypical employment in September 2007. This explored several models for rural home-working and the implications of these; it also noted that while there are economic, environmental and social advantages to be gained, there are also obstacles and a further study may be necessary. We will review this issue as an integral part of our update to the Regional Evidence Base.

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### Recommendation 3

To overcome market failures & deliver against the targets in the RES and Rural Action Plan, using the intelligence and analysis gathered through the review of the spatial dynamics of the regional economy and the market assessment of the region's rural spatial assets, *emda* and partners are invited to:

- a) Within the context of LAA and SSP responsibilities, consider how to further develop the integrated and area-based approach to overcoming multiple market failures in deprived remote rural areas.
- b) Develop a programme to build community capacity in the countryside in partnership with Local Authorities by supporting the development of parish and small town councils and/or key voluntary and community sector bodies.

And assess the potential for developing:

- c) 'Blueprint' to deliver more regeneration in rural areas.
- d) An approach to the development of market towns as economic motors for the regeneration of rural areas by further stimulating business growth.
- e) An approach to the development of social enterprises as a means of overcoming market failure in areas suffering from the loss of key private sector investment in basic services, for example, shops, pubs, post offices, school meals.

- 3a) *emda* has been fully involved at director level in the development of all MAA/LAAs within the region, in the process ensuring that adequate attention is given to the needs of rural areas. That focus has also been demonstrated in negotiations with principal local authorities relating to the transfer of responsibility for *emda*'s sub-regional funding.
- 3b) *emda* has previously indicated, and the scrutiny board agreed, that it is for others, including FEMALC (the Federation of East Midlands Associations of Local Councils), to lead on this matter; *emda* remains willing to support this work.
- 3c) This is outside the remit of 'Blueprint', but is being addressed in the context of the new local delivery arrangements which begin in April, 2009; in that context it will be for local partners to determine the most appropriate agents to use.
- 3d) The development of market towns continues to be encouraged, including through the medium of further *emda* support for the Business Improvement District (BIDs) process. As noted in our response to 1a, we have commissioned a research study to explore the role of smaller towns, market towns and urban centres in the region that are vital to the region's economy.
- 3e) *emda* has continued to be active in its support of the third sector and social enterprises, and this work is rural-proofed, as part of our ongoing internal

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processes and liaison. The scope for *emda* to work with and through social enterprises is currently the subject of discussions with the Office of the Third Sector.

#### **Recommendation 4**

*emda* are invited to lead the process of developing an enhanced approach to ensuring that regional policy is designed, implemented and monitored with sensitivity to its impact on rural areas of the region and that such rural sensitivity is built into arrangements for managing funding devolved to other bodies

The importance attached by *emda* to this was demonstrated by the update paper on rural proofing received by the board in September, following which a framework has been produced. This specifies in some detail what rural proofing tasks need to be undertaken, with what frequency, and by whom. It is about to be confirmed and brought into use. In designing the new arrangements for sub-regional delivery, we have followed the principles of rural proofing. The appraisal process for sub-regional activities requires that rural proofing is carried out. For example, we have worked with the Leicestershire Rural Partnership and will seek to ensure that they have a continued role in the new delivery arrangements on Leicester and Leicestershire.

#### **Recommendation 5**

In order to further promote effective regional rural governance and delivery of the Rural Action Plan, *emda*, EMRAF, GO-EM, Local Authorities and other partners are invited to:

- a) Clarify their rural delivery roles to rural stakeholders.
- b) Establish a group of key stakeholders with strategic and funding responsibilities for rural areas to promote further co-ordination of their strategies, programmes and funding and drive the delivery of the Rural Action Plan through sub-regional, multi-area and local activities. The group should be developed through consensus and linked to the Regional Co-ordination Forum and EMRAF.
- c) Raise awareness of rural challenges and opportunities with those preparing Multi and Local Area Agreements and promote greater integration between their performance management frameworks and the Rural Action Plan objectives.
- d) Establish robust monitoring and management arrangements for the Rural Action Plan and if, after a period of time considered appropriate by stakeholders, effective delivery progress is not made, partners should consider further prioritising the RAP in line with the Regional Skills Action Plan model.

The Rural Action Plan (RAP) is currently undergoing a thorough review, at the instigation of *emda* and others, including GOEM. This work is being led by EMRAF, as

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overall custodians of the plan. It is intended that the revised RAP will be in use from April, 2009. The review of the RAP will lead to a review of EMRAF's own sub-group structure to ensure that it continues to be fit for purpose. In the light of this, *emda* remains to be convinced of the merits of, and need for, a further rural group, as mooted at 5(b). As we noted in our six monthly update we remain satisfied that EMRAF continues to play a key role in co-ordinating these activities, including monitoring of RAP implementation (5d). The work relating to MAA/LAAs (5c) was noted in the response to recommendation 3 above.

### **Recommendation 6**

Key partners such as *emda*, EMRA, GO-EM and Local Authorities should continue to influence rural policy at national and EU levels by promoting a greater awareness and understanding of the needs, problems and opportunities of the region.

This function continues on an ongoing basis. At a national level, *emda* continues to be an active contributor to the work of the RDAs' Rural Affairs Network, which was consulted during the last year by, among others, Matthew Taylor, MP, and the Rural Advocate, Dr Stuart Burgess. *Emda* has also fed directly into both of these reviews, as well as supporting and facilitating responses made by EMRAF. We have also supplied briefings for the EMRAF Chair for relevant discussions with Ministers and others at national level.

At the European level, regular liaison meetings have been held with the Head of the East Midlands European Office and his colleagues, and will continue to be so; *emda* contributed to the RDAs' response to the CAP Healthcheck consultation; *emda* rural staff will attend the forthcoming visit to Leicestershire by the European Parliament Agriculture Committee. In addition to this, the first year of administration of the socio-economic elements of the European Agricultural Fund for Rural Development (via the Rural Development Programme for England) will shortly be completed successfully. *Emda* has also worked with two potential INTERREG applicants from the region on their proposals relating to business support in deeply rural areas, and on market town development.

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### ANNEX 1: Scrutiny recommendations (1-6)

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- f) Raise awareness of rural challenges and opportunities with those preparing Multi and Local Area Agreements and promote greater integration between their performance management frameworks and the Rural Action Plan objectives.

Establish robust monitoring and management arrangements for the Rural Action Plan and if, after a period of time considered appropriate by stakeholders, effective delivery progress is not made, partners should consider further prioritising the RAP in line with the Regional Skills Action Plan model.

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