

Barriers to Training and Skills Development in RURAL AREAS

Introduction

by

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Well, it's been a while since the last 'proper' Learning Theme, but what better way get back into the swing than to look at rurality, a topic that both raises the passions and generates many misconceptions. And let's face it, there's nothing we like better here at SLIM than a spot of myth-busting.

Rural economies are much more modern, diverse and dynamic than is often thought. Yet, at the same time, the challenges facing rural areas are many and varied. Whilst prior to the recession many rural areas were economically thriving, there were and are also many which are lagging behind. In relatively prosperous areas, there are also many individuals and households who face social exclusion, exacerbated by poor access to services and affordable housing.

As our lead article highlights, the issue of rurality is a complex one. In this region rural areas and communities are a major asset, in economic, social and environmental terms. The countryside is greatly valued and provides much of our cultural identity. Yet a range of barriers stand in the way of opportunities for rural communities seeking to be economically vibrant, environmentally sustainable, socially mixed and inclusive. Migration from urban areas into towns, villages and the countryside is a major social dynamic. Similarly, the migration of young people from rural areas to the cities in search

of work has led to complex social changes in particular areas and localities.

Trends in the economic re-structuring of rural areas have been equally far reaching. While employment in agriculture and land-based industries has been in long-term decline, this has been more than matched, in recent decades, by increases in service jobs of all kinds, particularly business services, public services and tourism.

In this Bulletin we look at the nature and extent of the skills and employment challenges facing the region's rural areas. We ask if we are doing enough to 'rural proof' our skills and employment policy and delivery, particularly as the recession bites? In our interview, we talk to regional expert, Lyndsey Bird of LANTRA, about the needs of industries based in rural areas.

Our Learning Theme supports the work of the South West Regional Employment and Skills Partnership (SW RESP) and the delivery of European Social Fund (ESF) Frameworks in the region. With the region's ESF Framework due to be 'refreshed' in 2010, we aim to bring policy-makers and practitioners together to understand better and assess how ESF can contribute to tackling barriers to training and skills development in rural areas.

The Learning Theme workshop will be held at the Exeter Chiefs' Sandy Park Rugby Ground on 24 March. If you have views on the skills and employment challenges facing the rural South West, or how employment and skills policy is delivered in these areas, then please join us at the workshop. All you have to do is complete the attached form and send it back to us. I hope you'll be able to take part in what promises to be a stimulating and timely discussion.

Chris

Rurality

Introduction

Rurality poses particular challenges - for employers, employees and people looking for work. The absence of a large local labour pool, from which skills can be 'bought-in', places a premium for employers on training their existing staff. Yet limited local options can make it difficult for people to develop their skills and progress their careers without moving. Distance and the economics of delivering learning to sparse populations create further problems. In this article we ask to what extent rurality creates barriers to training and skills development, for employers, employees and job-seekers? What is the nature of the barriers and how can they be overcome?

Rural South West

Characterised as a maritime and essentially rural region, the South West has a larger rural area and population than any other English region, with most people living in or close to rural settings¹. As the Draft Regional Spatial Strategy (RSS) points out, "the rural areas of the South West are a major contributor to quality of life for all the region's residents and to the economic strength of the region"(p3). Yet, whilst many live in smaller towns and villages, they are increasingly dependent on the region's cities and main towns for work and services.

The more rural parts of the region have had mixed fortunes, with some places badly affected by changes in the farming industry. Indeed, one of the challenges for agriculture and the other land-based industries who manage most of the region's countryside is the need to continue to adapt to challenges such as the re-alignment of agricultural support. Yet as the RSS points out, although challenging problems persist, there are also real opportunities to develop integrated approaches to rural development.

One of the stated ambitions of the RSS is that, "*rural parts of the region fulfil their economic potential with vibrant market towns at their core*".

In reality, the character of rural localities varies from affluent commuter belts close to urban boundaries to deeply rural areas many miles from the nearest basic service centre. This variety has been recognised through the Department for the Environment, Food and Rural Affairs' (DEFRA) 'Rural and Urban Area Classification' which distinguishes between sparse and less sparse populations in rural settings ranging from small town and fringe to village and dispersed.

One of the distinguishing characteristics of the region is the number of medium-sized towns – 'market towns' and coastal towns – which demonstrate varying levels of self-containment and service provision. They represent a resource for the rural areas and can offer the nearest shopping centre and location of secondary education and health facilities for many rural residents, particularly in more remote parts of the region.

Across the region, the relationship between market towns and smaller settlements in the countryside is complex and, whilst there is sometimes a strong relationship between villages and market towns, recent research is demonstrating how some of these traditional links have been breaking down with increasing personal mobility. At the same time, accessibility to jobs and services, for rural residents who do not have access to a car, is worsening.

Perhaps the major drivers for change in rural economies are demographic:

- The population of rural areas continues to rise at a faster rate than in the country as a whole. Most of this increase is due to internal migration by people moving out of cities rather than different birth and death rates.
- People continue to leave rural areas at around age 20. This leaves a relatively small proportion of people aged 20 to about 35, but correspondingly more people aged over 60 in the age profile.
- Most households moving into rural areas are families with young children and people aged from about 44 to 64, while most moving out are people aged 15 to 29.

¹ Draft Regional Spatial Strategy, 2006

- Most internal moves are over fairly short distances, and follow the pattern of people moving outwards from urban centres.
- The South West region is also a major recipient of longer distance moves from London and major cities.
- Migration from overseas has increased dramatically for rural areas over the last four years, but numbers are still below those for cities. The bulk of migrants are from countries that have recently joined the European Union, although there is now an increasing number of overseas migrants from the Indian sub-continent and the Far East in many rural areas.

The nature of the rural business base

The Taylor Review² found that very few economies in rural England were still driven by agriculture, which now accounts for less than 5% of the rural workforce. In rural areas, reform of the Common Agricultural Policy (CAP) means that subsidies will no longer be so closely linked to farm production. This is likely to encourage greater diversification away from agricultural activity, and an increased desire on the part of farmers to diversify their capital assets, for example into workspace. Businesses in rural areas now and in the foreseeable future are likely to have little connection with the land-based industries.

Indeed, rural firms are found in every sector of economic activity, mirroring closely the broad industrial sectors found in the national and urban economies. In 2006, taking all workplaces together, the split of rural to urban firms was 21.5% in rural areas; and 78.5% in urban districts³. Thus, there are slightly more businesses per head of population in rural areas (but they are smaller firms on average).

The highest proportions of the workforce are to be found in the wholesale and retail trade or in manufacturing⁴ – 15.8% and 14.6% (nationally). Surprisingly, perhaps, this is very similar to the picture in urban areas where the respective figures are 17.1% and 14.9%. Net commuting to urban areas represents 17% of all employment for rural residents. There has also been a marked growth in the proportion of knowledge-intensive business services. Between 1998 and 2005 the proportion of knowledge-intensive business services increased by 46% in rural areas compared to 21% in urban areas⁵.

In its evidence to the Department of Innovation, Universities and Skills' (DIUS) "a new 'University Challenge' consultation on proposals for new higher education centres", the Commission for Rural Communities (CRC) offered views on the challenges and barriers faced by rural businesses, employees, representatives and economic agencies. These included:

- Difficulties in recruitment;
- Limited availability of office, or start-up, or grow-on premises;
- Poor public transport, making travel to work difficult for low-paid employees;
- Low wages;
- Poor access to broadband;
- Incomplete understanding of rural businesses by urban-based authorities and agencies;
- Lack of affordable housing; and
- Loss of young people.

The CRC therefore argued that these difficulties emphasised the need for improved investment, training and skills.

Employment in rural areas

On many measures rural communities are in fact economically strong and prosperous. Levels of employment among people who live in rural areas are high (78.2% of the working age population in rural areas are in work compared to 72.2% in urban) and unemployment levels are low (3.9% in rural compared to 6.1% in urban)⁶.

² Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing (2008)

³ State of the Countryside 2008, Commission for Rural Communities 2008

⁴ *ibid*

⁵ *ibid*

⁶ *ibid*

Rural economies are also characterised by a higher proportion of small and micro-businesses, self-employment and home-based work. Nationally, just over one in six (17%) rural working residents work from home, a figure that rises to 31% in the most rural areas, compared to 8% of urban-based residents⁷. Safeguarding employment space and supporting small and home-based business growth is therefore critical.

As the Taylor Review⁸ points out, however, these figures mask a harsh reality for the people who actually work within rural communities. The average wages of people *living* in rural areas are slightly lower than for those living in urban areas (£24,182 and £25,337 respectively). However, the shortfall is much greater for those who *work* in these rural communities (rather than commute from them to urban areas). The average wage of those working in rural areas is £20,895 compared to £24,890 in urban areas, a 20% shortfall. The average wage of those *working* in the most rural areas is even lower compared to those working in the most urban areas – £20,289 compared to £27,487, a difference of over £7,000.

Educational Attainment

Children living in rural areas, on average, do better at school than children living in urban areas. At GCSE level (Key Stage 4) the difference is more marked for those achieving five or more A* to C grades than for those achieving five or more passes of any grade. Pupils in sparse areas tend to perform similarly well for five or more passes, but relatively worse for five or more A* to C grades. While areas that have lower incomes tend to show poorer results, the map is much more complex than income alone would show. Certainly, areas of poor economic performance tend to have lower scores, but this is also true for many areas that are relatively affluent. Several explanations are put forward for variations in educational attainment including wealth, social class and attitudes of parents, as well as the size and nature of schools, and evidence on some these can be contradictory so that the resulting geographic pattern is a complex one.

Yet whilst children's school performance does not relate closely to the economic conditions in an area, adults with low levels of educational attainment do tend to live in areas with poorer economic performance. This could imply that those with good qualifications tend not to stay in or move to poorly performing areas, or that areas with high proportions of adults with low qualifications tend to under-perform economically.

The Rural Skills Challenge

Across rural England, most rural districts are better endowed with human capital in terms of educational attainment than urban areas, with between 20% and 30% of residents qualified to NVQ 4-5 levels. Rural residents are slightly more likely to go to higher education institutions than urban residents. However, more than 33% of adults in town and fringe areas have no qualifications. Around one in four adults in villages and hamlets have no qualifications and nearly one in four 19 year olds in rural districts fails to achieve a basic qualification (NVQ2 or equivalent)⁹.

Rural areas face two particular skills and training challenges:

- Ageing rural populations make re-skilling and/or replacement of experienced or trained employees more difficult and pressing;
- Poor availability of and access to further and higher education and training providers limits the means, or raises the costs of doing so.

In several rural districts, especially remote or sparsely populated ones, high levels of poorly-skilled residents are evident. NEETS (16-19 year olds Not in Education, Employment or Training), older land workers, those in personal services and routine occupations in rural factories, and migrant workers in rural firms, often lack basic skills or qualifications and would benefit from improved training.

Overall the evidence from the *CRC 2006 Skills development and deficiencies in rural England* of skill shortages and gaps, recruitment and training in rural areas reveals four key features:

- Skill shortages, in both rural and urban firms, are the most common cause of recruitment difficulties.

⁷ *ibid*

⁸ Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing (2008)

⁹ DIUS – A new 'University Challenge' consultation on proposals for new higher education centres, CRC 2008

- Rural firms are less likely than urban firms to have staff that are not fully proficient at their jobs, with the exception perhaps of staff in elementary occupations, an important group in rural businesses.
- Rural firms are less likely to have provided training for their workforce than their urban equivalents, and are less likely to have formal training or human resource management processes. 40% of all rural employers had neither a business plan, training plan nor a training budget (the equivalent level in urban employers falls to below one third).
- Rural employers with such processes, engaged in training and successful at recruiting, are likely to provide more training days per trainee than urban employers.
- The further away the resident is from a higher education centre, the more likely they are to have a lower level of qualification.
- It is also important not to presume that a declining employment base in farming and associated land management practices justifies a substantial reduction in publicly-supported training in these skills. The physical environment of rural South West is an important asset.

Is the Skills agenda rural proof?

The notion of 'rural proofing' government policies was first suggested in the White Paper, *Our Countryside: The Future - A Fair Deal for Rural England* (DETR 2000). Since 2001, all government policy proposals, including those for health, housing and education, are supposed to consider the impact they will have on rural communities and whether the policy has any significant differential impact in rural areas. If so, these impacts should be assessed and policy-makers should consider what adjustments or compensations should be made to fit rural circumstances.

So, how rural proof is the Skills agenda?

At present, some would argue that the delivery of skills is based largely on urban models of delivery and patterns of funding which are often inappropriate in rural areas. There are two main barriers faced in delivering rural provision:

- the scattered nature of rural communities, and
- difficulties with transport.

Low levels of population density make it difficult to get enough learners together in any one place at any one time to run cost-effective provision. Funding criteria normally require classes to have a minimum number of learners, usually between eight and ten. In rural areas this is very difficult, if not impossible, to achieve.

Transport infrastructure is a well-documented problem in rural areas. Many rural learners do not have access to a car. They cannot afford a car, or the family has only one which is used by the main wage-earner to get to work. This means that many have to rely on public transport which is often very limited. Where it does exist, it is slow, costly and infrequent. As a result, rural learners find it difficult, if not impossible, to attend provision that is not based in the locality. Travel is also a major problem for tutors delivering provision. In many rural areas it is essential that the tutor has access to their own means of transport. However, research (Atkin, C, et al. 2005) found that tutors, who were often hourly- paid, were generally not reimbursed for their travel time or for the costs incurred such as petrol. There is no central funding to cover the additional costs of providing tutors in rural areas. If such expenses are covered, it is solely down to the discretion of individual providers.

Rural provision is funded on the same basis as urban provision yet the cost of delivery is inevitably higher. So there may be some way to go to rural proof the delivery of skills.

Next steps

With the region's ESF Frameworks due for review and our Rural Development Programme for England (RDPE) Framework under development, the Learning Theme will examine:

- What more could ESF do to support rural areas, or is it doing enough?
- Where is the good practice – what can we learn, and how to disseminate it?
- What views do you have on the local rural economy that can inform framework redevelopment?
- Priorities for skills and business development in farming, food and forestry through the RDPE.

These key issues and those highlighted above will be addressed in a Learning Theme workshop on 24 March 2009.

Abstracts/Reports on Rurality

Rural Economies Recession Intelligence Report 3

Commission for Rural Communities

January 2009 Commission for Rural Communities – the third in a series of reports from the CRC on the impact of the recession on rural communities.

<http://www.ruralcommunities.gov.uk/files/recessionreport3.pdf>

State of the Countryside 2008

Commission for Rural Communities

State of the Countryside 2008 provides a comprehensive description of social, economic and environmental conditions and changes across rural England, highlighting the main challenges and future trends for government and other organisations. This report aims to be a 'first port of call' for those seeking factual information on rural areas. It also adds commentary on the information that we show and on the trends that are emerging.

<http://www.ruralcommunities.gov.uk/files/The%20State%20of%20the%20Countryside2.pdf>

Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing Countryside

Department for Communities and Local Government 2008

The Prime Minister asked Matthew Taylor, MP for Truro and St Austell, to conduct a review on how land use and planning can better support rural business and deliver affordable housing. The Review was presented to Government on 23 July 2008. It spells out a vision of a living, working sustainable countryside. It explains how this vision can be delivered. The Review is focused on the rural economy and affordable housing to 'further support the creation and maintenance of sustainable, socially inclusive, economically vibrant and mixed rural communities – within the context of existing protection for the natural environment'.

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/livingworkingcountryside.pdf>

Draft Regional Spatial Strategy for the South West 2006-2026

South West Regional Assembly 2006

This Draft RSS for the South West has been produced by the South West Regional Assembly - a partnership of Councillors from all local authorities in the region and representatives of various sectors with a role in the region's economic, social and environmental well-being. The Assembly is the Regional Planning Body, and has worked with a wide range of partners and stakeholders to prepare the Draft RSS.

<http://www.southwest-ra.gov.uk/media/SWRA/RSS%20Documents/Final%20Draft/draftrssfull.pdf>

Do you recognise rural?

This paper defines rurality:

- There are around 9.5 million people living in rural England; this equates to 20% of the total population;
- Settlements with more than 10,000 people are classed as urban;
- 11% of people employed in rural England are self-employed;
- There are just under 1,500 banks in rural England;
- 18% of England's lone parents live in rural areas;
- 18% of rural households are living in poverty (with income, before housing costs, less than 60% of median income).

<http://www.swslim.org.uk/documents/themes/LT17-CRC80Rural.pdf>

Workshop Presentation - Speech by Hilary Benn

Speech by Hilary Benn at the Commission for Rural Communities summit on Releasing the innovative potential of rural economies - Why the rural economy matters...

<http://www.swslim.org.uk/documents/themes/LT17-hilary-benn.pdf>

Further resources can be found in the Resources section of the Learning Theme on SLIM's website at:

<http://www.swslim.org.uk>

Learning Theme Interview - Lyndsay Bird, Regional Partnership Manager for LANTRA

Lyndsay, can you tell me a little about yourself and your background?

For the past 15 years, I have been the Regional Partnership Manager for LANTRA. I came into this through a wide experience of organising funding and training needs. Originally I was involved in Training Organisations in London and Plymouth. From there I went to the Agricultural Training Board (ATB) and from there to LANTRA. During the time with LANTRA, my role and responsibilities have changed and evolved. I have seen the demise of Training Boards and the ATB, through now to the early phase of Sector Skills Councils.

How do you see the priorities for skills and business development in farming, food and forestry?

There are a range of challenging priorities with the changed economic situation, the increased focus on the environmental sector, and the blurring of the divisions between food production and the selling of food. The present economic situation intensifies the imperative for flexibility and diversification in rural areas. The need to bring in related industries to the farm, and/or to encourage tourism also puts greater demands on land-based industries. Environmental issues are a priority. There is a need to focus on a wider range of ideas for waste disposal and recycling. The re-coupling of food production with the selling of the food in Farmer's Markets, or to restaurants / retailers requires a new range of business skills.

What are the main factors and challenges driving training in the land-based sector as opposed to the urban sector?

Effective training has to fit in with the needs of the employer. The training has to be structured and delivered at a time and in a manner that employers require. We need to consider the correct cost and to focus also on those people who are unemployed but have skills to offer. We need to improve our training to fit in with the needs of the region in environmental issues. Another priority is the training needs of those who prepare the food for retail.

What has influenced any changed priorities for Land-Based Colleges over the past few years?

Colleges have to keep abreast of the changing priorities and the needs of the rural workforce. Appointments of new Principals and mergers with FE Colleges have led to change. Several new initiatives reflect the influences of these new priorities. Two such examples are Cannington College, which has invested in developing their horticultural section (this reflects the ever developing focus on horticulture for businesses, for the community and for individuals), and Duchy College, whose investment of £20 million on a food production unit reflects the developing links between land and food production.

Can you give any examples of how ESF is working in rural areas?

The most effective schemes are local projects which are tailored to meet actual demand and are jointly funded. There are two very good projects which have taken place in the last three years:

- Women in Rural Isolation and Women Working. - Women in Rural Isolation was a two-year project in Somerset. It was aimed at women based in Somerset who have voluntarily contributed to the family business. Training courses were given in confidence building, management, Key Skills, IT skills and marketing. 400 beneficiaries went through this programme from 2004 –06.
- Women in Works, a project funded by UKCES and ESF, has been highly successful in developing women's skills in areas where traditionally they have been in the minority. In the South West we focused on agricultural livestock, horticulture, trees and timber, environmental fencing and landscaping. Various business skills training courses, including management and supervisory, aim to empower these women so they can earn higher salaries. Although the target was 600, 1013 beneficiaries went through in 2008. It has changed lives: better jobs, improved pay. Those self-employed have had greater turnover and profits. The success of the scheme has extended the project to 2010.

Are challenges surrounding rurality gaining enough attention? If not, what do you think we could do to raise awareness to improve the situation?

The best way of raising awareness is to give the RDPE and the ESF more information about the present situation. We are setting up a series of seven workshops across the South West Counties. We want to gauge the effects of the current economic situation and the changing priorities on the training needs for those in employment and unemployed. We shall inform the RDPE and also ESF of the results. This will help to raise awareness and contribute to ESF's priorities to fighting rural poverty within the 2007-13 programming period.

Thank you for your time, Lindsay, and good luck with all your work in the future.

Rural Development Programme for England – Skills Funding Consultation

The Rural Development Programme for England (RDPE) will provide £8 million for training and skills development that promotes the sustainable economic development of rural areas in the South West.

The SW Regional Employment and Skills Partnership (SW RESP) has been tasked with developing a 'Framework' that will identify priorities for the programme and shape how the funding is spent in the region up until 2013. Through March and April SW RESP and SLIM will be running a series of workshops at which partners and training providers are invited to work with farmers and food producers to identify regional skills priorities for agricultural and rural industries.

Workshops will held in different locations across the South West.

Friday 20 March	Cannington Centre, Bridgwater College, Somerset
Monday 23 March	Hartpury College, Gloucestershire
Thursday 26 March	Kingston Maurward College, Dorset
Friday 27 March	Bicton College, Devon
Wednesday 1 April	Royal Agricultural College, Gloucestershire
Friday 3 April	Duchy College, Cornwall
Monday 6 April	Wiltshire College - Lackham Campus
Tuesday 7 April	Junction 24 Ltd, Somerset

To book a place, or to request further information, please contact:

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