

SCRUTINY

A Summary of Scrutiny 12
The Rural Economy - March 08

**YORKSHIRE
AND
HUMBER
ASSEMBLY**

The Regional Strategic Partnership

Rural districts have above the regional average for self-employment, with 13.1% of rural residents being self-employed

Over 20% of the land area in the region has a national or international environmental designation, such as Special Protection Areas, Areas of Conservation and Nature Reserves - the highest proportion of any English region

23.3% of rural businesses are involved in agriculture, yet it employs only 4.5% of the rural workforce. The arts based creative industry in rural areas employs 30% more people than the agricultural sector

67% of all new businesses in rural areas survive for at least 3 years, compared to 58% of new businesses in urban districts

Only 10.6% of the rural population are aged between 15 and 24 years. Young people are highly likely to move out of rural communities to go to university or to seek employment

Welcome to this short summary of our scrutiny review on Yorkshire and Humber's unique rural economy.

This summary complements our full report as it provides a snapshot of the issues that we've looked at and the recommendations we have made to Yorkshire Forward. It also details how Yorkshire Forward will deliver these recommendations. A copy of our full report can be obtained from the Assembly's Scrutiny Team or on our website at www.yhassembly.gov.uk

Changes brought about by outbreaks of foot and mouth, floods, population movement and changes in various funding regimes are just a few of the issues facing those in farming and related industries.

This review has explored a range of initiatives and challenges to make rural areas more enterprising and revitalise rural town centres.

Generally, partners feel that the region cannot have 'one-size fits all' policies, and that there needs to be a recognition that the social and economic elements are more closely linked in rural areas than they are in urban centres - what works in an urban area, may not necessarily work in a rural setting.

There will always be disparities between urban and rural - but the key agencies need to acknowledge the contributions that both urban and rural communities make to the region's economy. Only then can we properly address what needs to be done to support Yorkshire Forward, Local Authorities and other organisations in helping maximise the opportunities our rural communities and business present us with.



Paul Jagger
Chair of Scrutiny Board

Summary

The review considered Yorkshire Forward's economic development activities in the rural communities of the Yorkshire and Humber region, and assessed whether Yorkshire Forward and its partners are creating the right conditions for rurally based businesses to exist and thrive.

The Scrutiny Board looked at two themes in the review: Making Rural Areas More Enterprising and the Regeneration of Rural Town Centres. In reflecting on whether the region is undertaking the right activities to ensure a sustainable economic future for rural areas, the Scrutiny Board also analysed a number of key challenges that are facing the rural economy in future years.

Making Rural Areas More Enterprising

The Scrutiny Board looked at the range of support that Yorkshire Forward and its partners deliver to start-up, existing and growing businesses in rural communities.

Regeneration of Rural Town Centres

The Scrutiny Board looked at the impact that the Renaissance Market Towns (RMT) Programme and other Yorkshire Forward projects and initiatives had made so far, and how the regeneration of rural town centres is delivered with and through partners.

Challenges for the Future

Yorkshire Forward has a significant role to play in future regional policy making and regional governance. The Scrutiny Board looked at the current regional policies and strategies and the rural governance structures that are in place. The Board also considered the function of rural proofing in policy making and the impact of City Region Investment Planning.

Recommendations

The Scrutiny Board has made a total of 10 recommendations on how economic development in the rural communities of Yorkshire and Humber can be improved.

Structures and Processes	What was recommended?	Yorkshire Forward's current activity	Yorkshire Forward's new activity
<p>MAKING RURAL AREAS MORE ENTERPRISING</p> <p>Key Findings:</p> <ul style="list-style-type: none"> Yorkshire Forward's rural programmes for start-up and growing businesses are praised by partners Rurally based businesses are confused about how they will access business support through IDB The survival of livestock farms is under threat from disease outbreak and climate change and intervention is needed on a national scale 	<p>Recommendation 1 Yorkshire Forward should ensure that the delivery of IDB services takes account of the needs of existing rural businesses, and provides tailored and specialist support as required. Yorkshire Forward should also investigate how rural businesses can access face-to-face business support locally through a single point contact.</p>	<p>The new regional start up programme takes account of the needs of both start-up and existing rural businesses.</p> <p>YF and the new Business Link provider are currently looking at the alignment and co-ordination of the RDPE programme with the new regional IDB model.</p>	<p>Business Link will operate out of a number of key locations across the region, as well as operating out of a number of locally based partner offices.</p> <p>There will be a number of customer facing staff, ranging from partnership managers to new business advisers who will be actively engaging with new and existing rural businesses, as part of the new service.</p> <p>The new regional start-up service includes proactive outreach work to engage with rural pre-start potential businesses and the service will again look to integrate access to the RDPE programme.</p>
	<p>Recommendation 2 Yorkshire Forward should identify the best practice in Social Enterprises in rural areas, and consider how these enterprises can best be supported by the new IDB service and financially, to deliver sustainable services to local people and local businesses.</p>	<p>Business Link is a service which will be delivered using an IDB model.</p> <p>The new regional IDB service has looked at existing best practice in Social Enterprise across the region, in the design and implementation of the new service.</p>	<p>A number of client facing staff within the new IDB model will be working closely with both social enterprise and rural start-up and existing businesses to ensure that clients receive the best possible service support and financial assistance, where appropriate.</p> <p>Frontline staff will utilise the resources of the new IDB service, access to the new RKS system and access to the new RDPE programme, to help maximise support available to rural social enterprise.</p>
	<p>Recommendation 3 Yorkshire Forward should consider reviewing their decision on mainstreaming WiRE through the new IDB service, in order to ensure that the sustainability and impact of the project is not compromised as a result of insufficient funding.</p>	<p>In 2007, YF undertook extensive research to review women's business support in the region and the final report confirmed that mainstreaming of women's support in the region was the correct strategy. This was with the proviso that the best practice from bespoke women's programmes was included in the new start up programme.</p> <p>YF has maintained a close partnership with WiRE national who are continuing to deliver services in the region. YF has a good relationship with all of the regional women's networks.</p>	<p>The new IDB model promotes the principle of partnership work, which will continue the good working relationship with WiRE.</p> <p>In addition, the new start-up service will continue to provide specialist outreach at the pre-start stage, which includes women's enterprise awareness, coaching and confidence building. An open procurement process is currently underway for this provision.</p>
	<p>Recommendation 4 Yorkshire Forward should ensure that the RDPE programme funds farm diversification and that any funding given to land based industries for</p>	<p>The Rural Development Plan for England (RDPE) has specific funds set aside to support farm diversification. The rationale for integrating delivery of the RDPE with the Business Link network was in the main,</p>	<p>Detailed development of links between the different elements of the RDPE (start up, Rural Enterprise Investment Programme (REIP), skills) will take place once each element is in place.</p>

Structures and Processes	What was recommended?	Yorkshire Forward's current activity	Yorkshire Forward's new activity
	<p>diversification is part of a package of support, which includes the provision of appropriate business advice and guidance to enable businesses to diversify into new markets.</p>	<p>driven by a desire to offer coherent packages of support and advice to business, rather than simply providing funding. This will be extended to include RDPE funded training, delivered through LANTRA, the Sector Skills Council for the environmental and land-based sector.</p>	<p><i>April 2008 to June 2008.</i></p>
<p>REGENERATION OF RURAL TOWN CENTRES</p> <p>Key Findings:</p> <ul style="list-style-type: none"> • Yorkshire Forward's decision to deliver the MRD programme through Sub- regional Rural Partnerships is commended • There is a need for public agencies to develop a shared vision of the countryside to inform all regeneration activities in rural areas • There is strong support for economic development funds to be devolved to local agencies 	<p>Recommendation 5 Yorkshire Forward, and its regional and local partners, must address the rural issues of sites and land for business and employment opportunities, access to services, transport networks and housing provision, when developing the Single Integrated Regional Strategy. Yorkshire Forward must also consider any potential policy conflicts that may arise and how these may be resolved.</p>	<p>YF is currently tendering for the production of an economic study that will examine the role of the supply and demand management of land and property in supporting the regional economic growth priorities articulated in the RES. The work will assess the economic performance and growth of sectors and the demand this will place on land and property markets. An increased understanding of the land and property market will help to better steer public sector interventions and will allow YF to take a long term strategic view to its interventions in the property market.</p> <p>In conjunction with this and the rural team, we will be commissioning a specific piece of work to identify existing workspace provision (both public and private sector) in rural parts of the region that will help inform YF investment and feed into the wider study identified above. <i>October 2008.</i></p>	<p>An integrated approach will be taken to addressing the issues in the region, in line with the recommendations of the Sub National Review of Economic Development and Regeneration. <i>October 2008.</i></p>
	<p>Recommendation 6 Yorkshire Forward should carry out a detailed evaluation of the impacts of the RMT, MRD and RDPE programmes, and should adequately plan for future programmes in rural areas ensuring that they address the specific needs of the rural economy. Yorkshire Forward should also better integrate the new RDPE programme with other mainstream programmes, and work more closely with Natural England, the Environment Agency, Commission for Rural Communities and DEFRA to better utilise their expertise and resource.</p>	<p>Scrutiny of Renaissance Market Towns (RMT) and Market Towns Initiative (MTI) undertaken in 2004.</p> <p>Evaluation of Round 2 MTI and RMT undertaken in 2005/6.</p> <p>Interim evaluation of North Yorkshire delivery team in 2007.</p> <p>Yorkshire Forward has commissioned interim evaluations of MRD and RMT (MRD report currently being finalised, RMT due by end of March 08). These are providing some early findings on impacts. However, due to the nature of these initiatives, full impacts will only be realised in the medium to long term. Further evaluation of MRD, RMT and RDPE will take place in future years to capture these impacts. Ongoing performance against outputs is monitored by our performance management system. <i>Interim reports on MRD and RMT available by 30th March 08, completion of MRD programme evaluation by March 2009.</i></p> <p>The RDPE is being evaluated nationally half way through its term and on completion. <i>Mid term evaluation 2009, final evaluation 2013.</i></p> <p>Yorkshire Forward already works with Natural England where there are mutually beneficial outcomes.</p> <p>Yorkshire Forward is a key supporter of Defra's regional group for networking rural practitioners, through the Rural Practitioners Group (RPG). New rural activity is always presented to the RPG with a view to using this to drive closer partnership working.</p>	<p>Full evaluation of RMT programme planned in 2009/10.</p> <p>The LEADER approach will provide specific opportunities to further align Natural England work with that of Yorkshire Forward. <i>February 2008 onwards.</i></p>
	<p>Recommendation 7 Yorkshire Forward should work with applicants to develop their ideas and develop a more robust business case, prior to submitting an application for Single Pot monies. In addition, Yorkshire Forward should consider adopting the ERDF prospectus model for the Single Pot, to ensure that the Performance Management Framework process is clearer to funding applicants, and so that there is a consistent message on the activities that Yorkshire Forward can and cannot fund.</p>	<p>Investment planning is the route through which we work with partners to jointly support projects and programmes. This is a not an application process but a way of working together to agree priorities and projects to be further developed at a sub-regional level. The PMF is our appraisal process through which we appraise projects consistent with Government requirements.</p> <p>As part of Yorkshire Forward's Corporate Plan 2008/11 we have set out 11 Policy Product Ranges (PPRs) across our corporate objectives which effectively define our core business and the types of activity that we will support. As part of the consultation process open days have been held with partners to discuss these in some detail and provide clarification.</p>	<p>Yorkshire Forward's Performance Management Framework and funding processes will be clarified as policy product ranges are developed and implemented.</p>

Structures and Processes	What was recommended?	Yorkshire Forward's current activity	Yorkshire Forward's new activity
		<p>YF has specifically set up delivery teams to build capacity among partners and ensure delivery of better quality projects.</p> <p>PMF training has been delivered for RMT Delivery Teams and other Local Authority staff in North Yorkshire and East Riding in 2006/07 to help build capacity and endeavor to increase partner understanding of YF systems and processes.</p>	
	<p>Recommendation 8 Yorkshire Forward should ensure that the priority-setting for economic development and regeneration at a local and sub-regional level is maintained, so that priorities reflect local needs. Yorkshire Forward should also increase the involvement of Local Authorities, established partnerships and the third sector, in delivering future regeneration programmes in rural areas.</p>	<p>Yorkshire Forward proposes to move to geographic programmes, which will enable us to be more specific about what is happening at what geographic level. Depending on the activity, Yorkshire Forward will prioritise at the most appropriate spatial level for the policy area. e.g. business support prioritised at a regional level, economic inclusion at the local level. The articulation of local need, through economic masterplanning has been helpful in those areas that have done this (Bradford, Barnsley etc).</p>	<p>This will continue as the Sub National Review recommendations are implemented. <i>Ongoing.</i></p>
<p>CHALLENGES FOR THE FUTURE</p> <p>Key Findings:</p> <ul style="list-style-type: none"> • The region cannot have 'one size fits all' policies covering urban and rural areas • There is an uneasiness amongst partners about the Government's intentions to 'mainstream' rural • Partners are concerned that City-region Investment Planning may result in large rural districts being ignored 	<p>Recommendation 9 Yorkshire Forward should ensure they are fully engaged with the region's rural governance structures and ensure that the findings and recommendations of Rural Innovation's review of the YHRF are taken into account when developing future rural governance structures, and when developing all new strategies which impact on rural areas.</p>	<p>YF is fully engaged with regional and sub-regional rural governance structures. YF are amongst the most active contributors to, and users of, the RPG.</p> <p>YF contributes to funding the Y & H Rural Affairs Forum and sit on the steering group.</p> <p>Rural Affairs Network - all RDA rural leads attend this event in London to share best practice and discuss general rural issues in the regions.</p> <p>Our track record demonstrates our ongoing commitment to supporting and working with and through the sub-regional rural partnerships, including the Humber Pathfinder.</p> <p>We continue to support the rural pathfinder in the Humber sub-region and continue to develop the pathfinder role in light of emerging policies and programmes.</p>	<p>We will work to strengthen the role of rural sub-regional partnerships to ensure that there continues to be an advocate for rural within investment planning and City Region structures (e.g continued support for rural Pathfinder by potentially funding a co-ordinators post). <i>April 2008.</i></p>
	<p>Recommendation 10 Yorkshire Forward should develop a strategy that outlines how they will engage with rural areas that sit within and outside the city region boundaries. Yorkshire Forward must also engage the Sub-regional Rural Partnerships and Local Authorities when developing all future Investment Plans.</p>	<p>YF has developed a programme of 'Policy Products' which includes a range of activity specific to rural parts of the region. These will be delivered in collaboration with partners, particularly Local Authorities, through the development of the region's 'Geographic programmes'.</p> <p>Our commitment to partner engagement through the investment planning process will continue as these move from a sub-regional to city region geographic base.</p>	<p>Provide strategic leadership on the role of rural areas within city regions. <i>Ongoing</i></p> <p>Support the development of geographic programmes of activity that address rural issues both inside and outside designated city regions. <i>February to October 2008.</i></p>

The Assembly's Scrutiny Role

The Assembly has a statutory responsibility to scrutinise how Yorkshire Forward spends its money. Each year we undertake detailed scrutiny reviews on a specific part of the Regional Economic Strategy (RES). The purpose of these reviews is to ensure that Yorkshire Forward is accountable to the region, and that it is achieving the best possible results for the region's economy.

We have completed eleven scrutiny reviews to date. Since July 2006, the scrutiny reviews have been undertaken by our standing Scrutiny Board. The Scrutiny Board consists of up to eight Assembly members, who are nominated by the Assembly at the Annual General Meetings. Each member of the Scrutiny Board agrees to undertake a minimum of two scrutiny reviews.

We have used a number of methods to obtain the views and comments of partners, business representatives, and the voluntary and community sector across Yorkshire and Humber, on the subject of the rural economy. These methods have included a Public Discussion with Yorkshire Forward, a series of consultative interviews with partners and businesses, and written requests for questions and comments. In order to obtain the perspectives and views of rurally based businesses and community associations on the rural economy, we held two focus groups, conducted a workshop with the Rural Affairs Forum, and attended meetings of the West Yorkshire Rural Partnership and North Yorkshire County Council's Economic Development and Regeneration Overview and Scrutiny Committee.

If you would like to know more about any aspect of the process used in this review, or would like to see the information and data gathered, further detail can be found in the 'Scrutiny' section of our website <http://www.yhassembly.gov.uk>

The Assembly's Scrutiny Board

Paul Jagger MBE

Deputy Chair of Yorkshire and Humber Assembly & Chair of the Scrutiny Board

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Cllr Carl Lis

Craven District Council

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We would like to thank the following organisations and individuals for contributing their views and comments on how the rural economy of Yorkshire and Humber is supported and developed:

- Active for Life Healthcare Technology
- Amplebosum
- Anne McIntosh, MP for Vale of York
- Arts Council England
- Barnsley & Rotherham Chamber of Commerce
- Bradford Metropolitan Borough Council
- Campaign to Protect Rural England
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- Craven College
- Development Trust Association for Yorkshire and the Humber
- Discerning Images
- East Riding of Yorkshire Council
- Environment Agency
- Federation of Small Businesses (FSB)
- Goole Development Trust
- Government Office for Yorkshire and the Humber
- Hambleton District Council
- Hornsea Regeneration
- Humber and Wolds Rural Community Council
- Learning and Skills Council Yorkshire and Humber
- Little Red Bus
- Mango Mutt
- My Knowledge.com
- National Farmers Union
- North Doncaster Rural Trust
- North East Lincolnshire Council
- North Yorkshire County Council
- North York Moors National Park
- Partnership Investment Finance Ltd
- Pennine Prospects
- Princes Trust
- Pritchard Associates
- Regional Forum
- Richmond Swale Valley Community Initiative
- Richmondshire District Council
- Rural Affairs Form
- Rural Racism Project
- Ryedale District Council
- Skipton Town Council
- Skipton Town Team
- The Courtyard, Goole
- Voluntary Action North Lincolnshire (VANL)
- West Yorkshire Rural Transport Partnership
- Wetherby Business Association
- Women in Rural Enterprise
- York and North Yorkshire Partnership Unit
- Yorkshire and Humber Black and Minority Ethnic (BME) Panel
- Yorkshire and Humber Chambers of Commerce
- Yorkshire Dales Millennium Trust
- Yorkshire Rural Community Council
- Yorkshire Tourist Board



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