# Recovery from recession:
## releasing the potential of rural England's 'economically inactive'

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**Head of Rural Economies**

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# Rural workplaces…….

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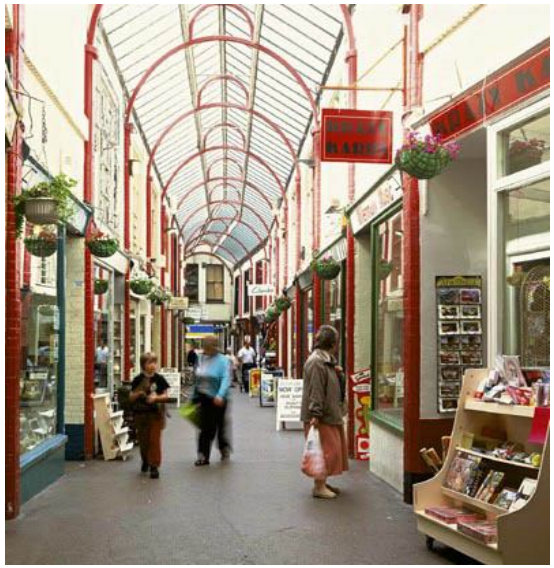
# ....and rural workplaces!



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# How significant are rural economies?

***Major Urban authorities outside London (2006)***

| | |
|---|---|
| **GVA:** | **£170 billion** |
| **Workforce jobs:** | **5.2 million** |
| **Productivity index:** | **97.4** |
| **Change in Productivity: (2002-2005)** | **-2.4** |

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***Source: ONS and Defra DSU (2008) Annual Business Inquiry***

# …as strong as principal urban areas!

## *Most rural districts (Rural 80 & R50)*

| | |
|---|---|
| **GVA:** | **£178 billion** |
| **Workforce jobs:** | **5.5 million** |
| **Productivity index:** | **97.3** |
| **Productivity change:** | **+5.6** |

**(2002 - 2005)**

***Source: ONS and Defra DSU (2008) Annual Business Inquiry***

# An economic balance sheet of rural England

***Rural districts support***

- at least 476,000 VAT-registered firms (c30% of English total)
- 6.25 million jobs
- 19.5% of English GVA in 2006 (over £178 billion)
- greater share of districts with 80% employment rate
- 1 in 3 Directors of listed firms live here
- more new firms per 1000, and
- more women start-up than elsewhere

***But rural firms have***

- less formal commitment to staff training
- greater proportion of employees on low wages
- lower levels of capital investment
- are less likely to achieve aspirations to grow
- are more likely to operate in districts with lower levels of external funding than elsewhere
- thinner network of support services and

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# The unreleased potential

- 213,751 JSA claimants (August 2009)
  Annual increase of 94% in a year

- 338,800 ‘economically inactive’ who want to work (end March 2009)

- 267,000 16-24 yr old ‘economically inactive’ (June 2009)

# Access and value of government – led services

Evidence from two recent studies:

**Working in 21st Century Rural England**

*Delivering national employment & skills programmes to vulnerable groups in rural England: Needs, Barriers & Solutions*
(SQW Consulting Ltd report to CRC)

**Major Life Events: Losing a job** –

(IPPR report to CRC)

# Working in 21st C Rural England & Losing a job

Some key findings:

- Performance for Apprenticeships (start rates) and use of Next Step (careers advice) is better in rural than urban areas.
- Local providers encounter barriers to delivery because of transport and low numbers of customers & businesses.
- These in turn result in higher delivery costs.
- Programme delivery costs do not reflect these additional costs as they work on a standard cost per outcome.

## Rural Jobcentres Plus

- 23 for 6.25 million people in work

## Urban Job Centres

- 537 Jobcentres Plus for 24.5 million people in work

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# Integrated skills and employment service? - Users' experience (MLE- JL)

*I've asked about training, and courses and things like that but they don't seem to have the information. I've asked them about college and things. They say they don't have that information. It's a Jobcentre; I would've have thought they would've had. They need to pay a little more attention to what you actually want…it might get somebody motivated to actually go and get a job…*

23 yr old female, town Berwick-upon-Tweed

*If you haven't got the money and you're signing on, you can't afford to do the course. Because the government says yeah its all free, we'll train everybody up and get back into work but they don't.*

33 yr old male, town, South Holland

# ....and the view from service providers

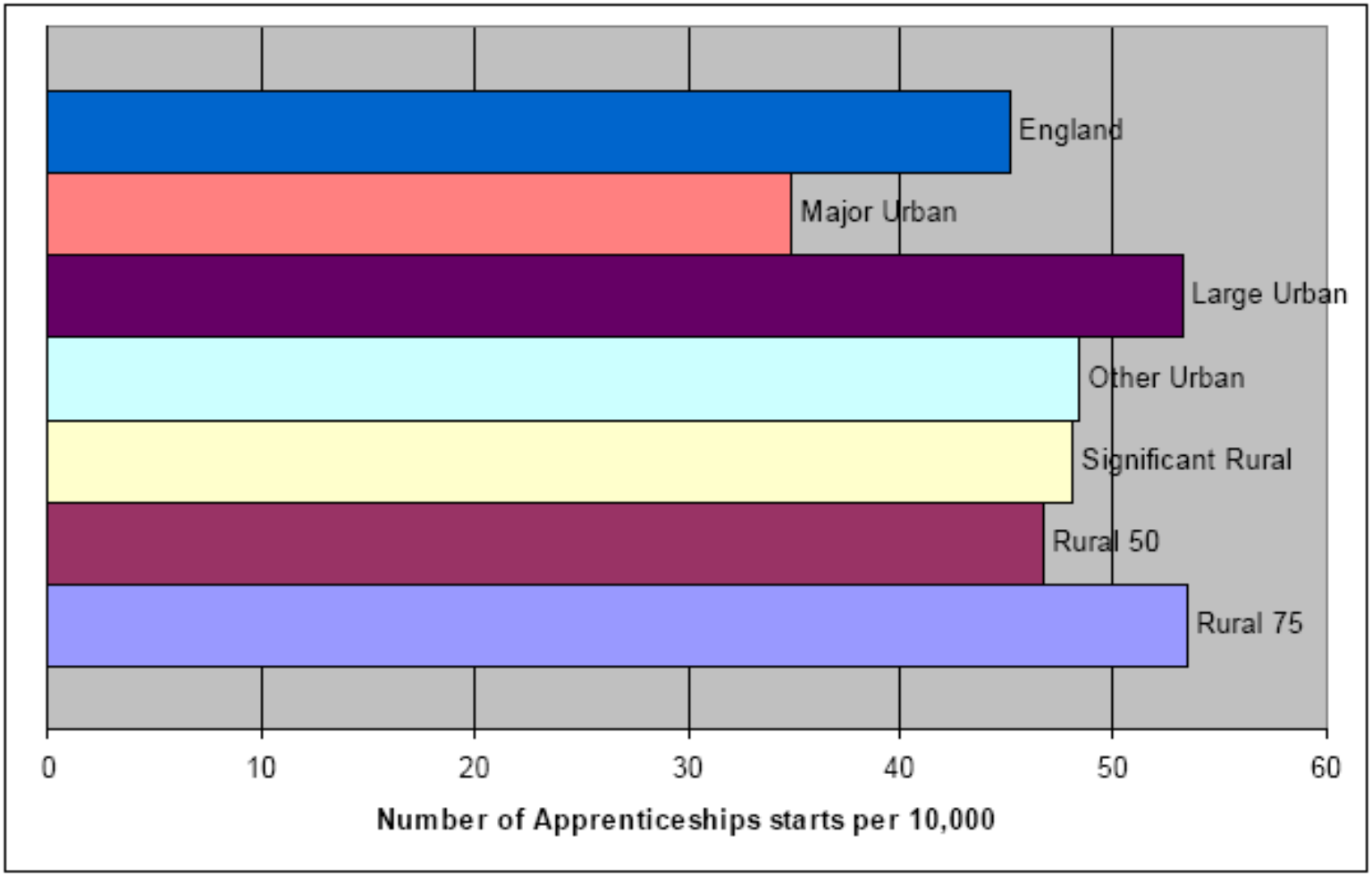
**"***We do cover a wide geographical area and if somebody needs to go on a training course, the training courses are invariably in Carlisle…that could be a hundred mile round trip…..That's driven by budgets from central government obviously but also up until recently we haven't had sufficient numbers that would make it viable to operate those courses. If you're thinking that you need to rent premises, pay staff, do all the risk assessments to operate a training course, we haven't had the numbers to make it financially viable.*

Frontline provider, Eden

*There needs to be a whole spread of access to different skills. When we talk to employers and the services….'what do you want?' Its none of these things….Really basic stuff that employers are asking for is being ignored and trainers only deliver what they're paid to do*.

Frontline provider, North Devon

# Build on what works – Apprenticeship starts 2007-08

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Apprenticeship starts per 10,000 of population, by local authority district-level classification, 2007-2008

# Skills and training

- Over 33% of adult rural residents have no qualifications.
- Around one in four 19 year olds in rural areas fail to achieve a basic qualification.

- Lower levels of graduate recruitment amongst small and medium firms & public sector employers.
- Some young people appear to be lowering aspirations in training & employment to achieve qualification and jobs s which allow them to remain in

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# Employment and skills programmes – do they work for rural people?

Qualitative evidence suggests system works for some:

- Piloting of programmes in rural areas being done with good local awareness of rural issues.
- More programmes being joined up & providers developing co-location arrangements, to deliver integrated service

But

- Instances where training or employment witheld from rural clients because of transport barriers;
- Contractors have withdrawn services from

# What changes are needed ?

- Business, employment and skills programmes need to:
  - Allow flexibility in targeting and delivery
  - Made more responsive to local and rural needs
  - Be built on distinctive and successful rural qualities
  - Be integrated with benefit measures and business support
  - Harness devolution of economic agenda to support these changes

*Agencies working cooperatively and co-locating – you get value for money and cooperation.....At very local level it's difficult to co-operate because there's things stopping them – there's rules around sharing information so that's a big issue in terms of delivering with people who are unemployed. Some of these people would have to repeat their story to every agency that they talk to.... In a rural area you have to travel fifteen miles on a bus to tell Jobcentre Plus, then you have to travel fifteen miles again to tell the college all your details, whereas here we have one file and an agreement between all the agencies that's shared information*.

Frontline provider, North

# Thank you for your attention

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