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A Rural Future: Time to Act

Policy Paper 129

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Contents

1. Executive Summary.....	2
2. Our approach to the challenges facing rural communities.....	5
3. Affordable Housing in rural communities.....	10
3.1 <i>Housing in rural communities.....</i>	<i>10</i>
3.2 <i>Providing houses to meet local need.....</i>	<i>12</i>
4. Access to services: enabling communities to realise their potential	17
4.1 <i>Improving services in rural areas.....</i>	<i>17</i>
4.2 <i>Complete Coverage.....</i>	<i>18</i>
4.3 <i>Transport infrastructure.....</i>	<i>20</i>
4.4 <i>Community hubs to deliver services.....</i>	<i>23</i>
5. Rural economy and tourism.....	29
5.1 <i>Challenges for the rural economy.....</i>	<i>29</i>
5.2 <i>Building a strong rural economy.....</i>	<i>30</i>
6. Farming and land use.....	34
6.1 <i>Challenges facing the UK.....</i>	<i>34</i>
6.2 <i>Reform agriculture policy to promote economic and environmental sustainability.....</i>	<i>37</i>
6.3 <i>Flood management.....</i>	<i>40</i>

1. Executive Summary

The Liberal Democrat vision for rural areas is of communities that are empowered to build strong and thriving local economies. We believe that thriving communities: are innovative, flexible and resilient so that they are prepared for the future; have a range of housing types and services so that people can live, work and relax; and, are diverse in terms of age, ethnicity, sexuality and gender identity. We want people in rural areas to be able to work and live locally, to have access to a well-funded and integrated transport network and to have equal access to the new technology that is shaping 21st century life.

This, however, is far from being the reality in many rural areas. In too many places, rural communities are being hollowed out. Their populations are dominated by older, wealthier residents living in large and expensive housing. Some communities see a proliferation of second homes and holiday cottages in place of smaller, affordable homes for the people that make communities work – teachers, nurses, carers, agricultural workers, police officers, shopkeepers among others. This problem is compounded by poor broadband and mobile phone signal, limited access to services and poorly paid jobs.

The Liberal Democrats believe that this state of affairs can, and should, be reversed. We would properly fund rural infrastructure and ensure that it is fit for the future, invest in affordable housing, provide local communities with greater power to make decisions, support rural workers to develop more flexible skills and review agricultural policy so that support is targeted at smaller farms and efficient land-management practices. We would ensure that rural communities serve the people that live and work in them best, rather than people retiring to the area and property developers.

Rural communities face an array of great challenges in a climate of uncertainty – due in no small part to the on-going negotiations around the UK's relationship with the EU – and to safeguard the future of rural communities, we believe that the time to act is now.

To improve rural housing and help key workers be able to afford to live in the communities in which they work we will:

- Ensure that developers construct homes that meet identified local needs.
- Ease planning restrictions to allow agricultural buildings no longer suitable for agriculture to be converted to homes.
- Build affordable homes on all developments: require a right to provision of affordable housing on developments of two or more properties in very rural areas and four or more properties in rural areas.
- Affordable renting: encourage any house purchased as a buy-to-let in a rural area to be rented on a long-term basis and at the affordable rent rate.
- Reduce second home ownership in rural areas: increase the stamp duty surcharge on additional properties to 5%. Ring-fence the stamp duty on additional homes so that it must be used by the appropriate local authority to provide affordable housing.
- Reduce fuel poverty by enabling the insulation of old and poorly insulated off-gas properties and improve private rental standards for buy-to-let and other properties.

To improve access to services in rural areas and help communities to thrive we will:

- Ensure ISPs provide superfast broadband (30Mbps download and 6Mbps upload) to all households and businesses.
- Provide complete mobile coverage to all four mobile networks.
- Introduce a new Young Person's Bus Discount Card, for people aged 16–21, giving a two-thirds discount on bus travel.
- Increase devolution on transport – giving local authorities the power to franchise and integrate transport services.
- Make rural areas ready for electric vehicles by investing in charging infrastructure. For example, at community centres or by converting lamp posts to also serve as charging points.

- Invest in the co-location of services around existing local infrastructure: eg, primary care services, post offices and pubs.
- Protect the rural post office.

To support the rural economy and rural tourism we will:

- Support changes to the nature of rural and coastal employment by investing in broadband and mobile infrastructure.
- Work with Local Enterprise Partnerships to support the development of rural and coastal economic strategies including a housing element.
- Devolve further power to local authorities, giving them the ability to raise money through local taxation and to reap the benefits of business rates.
- Introduce modular apprenticeships to support young people to develop the wide and flexible skill set required for working in rural communities.
- Expand the BritRail scheme to UK citizens to promote tourism and make it affordable for everyone to explore the country.

To promote effective land use in line with environmental objectives we will:

- Review the Common Agricultural Policy: shifting the balance of payments so as to provide the minimum amount of direct support to achieve set public goods and increase the share of payments made for rural development measures while protecting livelihoods.
- Support producers by broadening the remit of the Groceries Code Adjudicator and supporting them with access to markets.
- Invest in flood defences that work with natural processes.
- Require new developments in areas at risk of flooding to include flood-prevention measures and incentivize flood-protection for existing at-threat properties.
- Launch a National Fund for Coastal Change, to enable local authorities to properly manage their changing coastlines.

2. Our approach to the challenges facing rural communities

2.1.1 As Liberal Democrats, we believe that all communities should have the opportunity to flourish and people should have access to similar opportunities and services regardless of the type of community in which they live. However, national policy decisions tend to be made with urban communities in mind and they rarely benefit rural communities as they should. Spending decisions on infrastructure, housing, transport services among other things have systematically failed to properly consider the needs and potential of rural communities and this has led to service provision and infrastructure in these areas falling behind urban communities. We do not think that people living in rural communities should have to accept less because of where they live.

2.1.2 This is an area of policy where the Liberal Democrats have a strong record. Over the past 20 years we have consistently made the case that central government's policies have showed a lack of concern for rural areas. Government spending per person is lower, policies are developed without due consideration of how they will work in sparsely populated areas, and investment – both public and private – focuses clearly on urban areas. This disparity of government attention clearly and continuously penalises rural communities – allowing them to drop further behind their urban counterparts. In the Coalition we acted to support rural communities – by protecting and modernising Post Office branches, introducing the Groceries Code Adjudicator to regulate supermarkets and piloting rural fuel price cuts – but there remain many challenges that need to be addressed.

2.1.3 A substantial proportion of the UK's population lives in rural communities. On the most recent estimate, 9.26 million people in England live in a rural area – which represents 17% of the population. Of these, 4.26 million live in rural villages and hamlets (7.8% of the English population) and of these 298,000 are in a sparse setting. Rural populations are also ageing: the average age of villages is estimated to

be 44.8 years and the average age in rural towns is 43.5 years. This compares to an average of 37.3 years in urban areas. The age gap between urban and rural areas has risen from 3.4 years in 2002 to 5.3 years in 2014. Rural communities represent a substantial and ageing part of the English population.¹

2.1.4 The increasing age of the rural population is contributed to by migration patterns. In 2014/15 there was a net migration of 64,900 people into predominantly rural areas, with a net of 94,300 people migrating from predominantly urban areas. The ages of people migrating reveal a pattern of younger people moving away from rural areas into urban areas, and as people get older they tend to move to rural areas. But there is a pattern of an increasing number of older people moving to rural areas – placing more demand on already stretched health and social care services.²

2.1.5 As well as being older than urban areas, the population in rural areas is also more uniformly white. The minority ethnic population in rural areas at the time of the 2011 census was 2.6% compared with 16.7% in urban areas.³ It is not easy to be a small and visible minority in a community and this can lead to people feeling uncomfortable and isolated – there is also evidence that minority populations in rural areas are substantially more likely to be attacked on racial grounds than those living in urban areas. Awareness of this is likely to be an important part of the reason why BAME people are less likely to move to rural communities, but research from the Runnymede Trust has suggested that another important factor is access to services – and particularly culturally specific services such as places of worship and hairdressers.⁴ While it is not the only factor contributing towards racism in rural areas, the small ethnic minority population is recognised as a contributory factor. The policies in this paper are intended to build

¹ DEFRA statistics [Rural population 2014/15](#)

² [Rural population and migration 2014/15](#)

³ ONS [2011 Census Analysis](#), the percentage given is for all non-white ethnicities.

⁴ The Runnymede Trust, [A Sense of Place](#) (2012)

thriving communities with properly functioning services and it is our intent that this will go some of the way towards making the choice to live in a rural community equally viable for everyone.

2.1.6 Housing is a particular issue for rural communities. There is a fundamental lack of provision at an affordable price where this is most needed. Affordable housing is in particularly short supply, with house prices in rural areas being, on average, 26% higher than in urban areas. This problem is exacerbated by the average wage in rural areas being substantially lower than the average wage in urban areas. At the same time, 12% of the rural housing stock is social housing, compared with 19% in urban areas, and where the affordable rural housing need is 7,500 homes a year, in 2014/15 only 3,776 were built. This housing shortage presents a wider problem to rural areas, hampering business growth, pushing younger residents out to urban areas, and preventing older residents from downsizing or passing on assets such as farms.

2.1.7 Travelling around rural areas remains a challenge, with less than half of rural premises having access to public transport and car journeys remaining the primary means of transport. This poses a particular issue to children, young adults, and adults who are unable to drive. Lack of transport is also a particular challenge to businesses based in the countryside, who may struggle to attract clients and workers, as well as face problems distributing goods. In addition to physical infrastructure, digital infrastructure remains patchy and incomplete, with internet speeds low, and a sizeable proportion of properties unable to access even 2G mobile phone coverage. Compared to connected urban conurbations, rural areas and inhabitants too often lose out.

2.1.8 Against this background we must also bear in mind the uncertainty caused by Brexit. Billions of pounds of EU money is dedicated to farms – and this plays an important role in supporting tourism in some rural areas – and more money still is used to support the wider rural economy through development grants. Ambiguity about future funding poses a huge threat to businesses and their investment decisions, and there is no guarantee of what funding the UK

government will eventually decide upon. For many rural residents, who rely upon government support to maintain their income, Brexit and the possibility of reduced spending will add another layer of uncertainty.

2.1.9 The risk for rural areas is that they get left increasingly behind urban areas, which benefit from modern and developing technology. This would see young career-minded people leave in even greater numbers, reducing the number of working residents and further reducing services and opportunities: unless action is taken now, there is a real risk that rural areas will become a burden on urban areas.

2.1.10 This paper develops policies that are tailored for rural communities and intended to guard against this risk. Our vision for rural areas is of communities that are empowered to build strong and thriving local economies: we want to enable people in rural areas to work and live locally, to have access to a well-funded and integrated transport network and to have equal access to the developments in technology that are shaping 21st century life. We want to support rural communities that are innovative and where the population has flexible skill sets that will enable them to be resilient in an uncertain environment.

2.1.11 We propose the following broad policies to achieve this:

- Increase the availability of affordable housing in rural communities.
- Invest in infrastructure in rural areas: developing community hubs that co-locate services around medical centres, post offices and pubs; invest in rural transport and give local authorities greater control over their transport network; plan for the future by providing complete superfast broadband and 4G coverage and preparing for electric vehicles.
- Support the rural economy by developing a local workforce with a strong and flexible skill base, promoting innovation and supporting tourism to rural areas.

- Review agricultural policy to include sustainability and protection of the environment, while working proactively to support the rural population to have better access to local markets.

3. Affordable Housing in rural communities

3.1 Housing in rural communities

3.1.1 Perhaps the most fundamental challenge facing rural communities is the lack of affordable housing. For communities to function properly it is essential that the people who work in them – teachers, nurses, carers, agricultural workers, police officers, shopkeepers etc – can afford to live in them. In too many rural communities this is not currently the case. This section of the paper focuses specifically on housing in rural areas – our policy on housing broadly is currently being looked at separately.

3.1.2 Housing in predominantly rural areas is, on average, less affordable than housing in predominantly urban areas (when London is excluded). Government figures compare the average of the lowest quartile of house prices with the average of the lowest quartile of earnings to measure the affordability of housing. The most recent figures⁵ show that in 2016 the average lowest quartile home cost 8.3 times the average lowest quartile wage in predominantly rural areas. This compares with an affordability ratio of 7.0 in predominantly urban areas. The affordability ratio has been increasing steadily since 2009, and it is seriously impacting rural communities. Furthermore, only 12% of the rural housing stock is social housing, compared to 19% in urban areas.

3.1.3 This means that in many rural areas, wages are low and house prices are high. Many buyers will need 10 or 15 times the average wage to raise a mortgage. In the meantime, rents are now too high to realistically save for a deposit. Rural areas are a microcosm of housing undersupply across the country. The difference is that people in rural communities cannot make the same choices as those in urban areas – they cannot, eg, move to more affordable parts of the town or city and

⁵ [Government housing statistics](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/641439/Housing_August_2017.pdf) (August 2017):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/641439/Housing_August_2017.pdf

rely on public transport, or rent property while waiting for new properties to become available. Too many people who would want to live in and contribute to a rural community, are unable to do so because of the cost of housing.

3.1.4 There are many factors that contribute towards this problem with the affordability of housing in rural areas. There has been a consistent failure to deliver sufficient affordable housing stock in rural areas. Each year, only half of the required affordable housing stock is built, leaving a shortfall of 3,750 homes. A substantial barrier to building the homes needed in rural areas is the planning system, the complexity and inflexibility of which can deter developers and housing associations from pursuing projects in rural communities.

3.1.5 In many areas there is a very high percentage of second homes. This varies across the country and affects different places to different degrees. A recent study has estimated that across mainly rural areas (those that are over 80% rural) on average 2.56% of properties are second homes. The figure is substantially higher than this in some areas: in the Isles of Scilly 15.6% of properties are second homes, the figure is also high in South Hams (8.88%), North Norfolk (9.86%) and South Lakeland (7.43%).⁶ This can have a significant impact on the availability of affordable housing for those aiming to live and work in these areas. Because this problem varies so much with locality, our policy must give local authorities greater flexibility in managing the number of second homes.

3.1.6 This shortage of supply contributes to an increase in price in rural areas, and a lack of new building means that housing stock is often unsuitable for the needs of current inhabitants. There remains, for instance, a lack of accessible housing for older residents, and a lack of newer, affordable homes for young families. This problem is exacerbated by a consultation process that is too blunt to gauge the

⁶ Rural Services Network [Analysis of Second Homes in Rural Communities](#) (2017)

real nature of local housing need – meaning that the type of housing needed in an area is not always known or measured.

3.1.7 We also note that fuel poverty is a real issue in rural areas, where many houses are older and suffer from poorer insulation and lack of investment to bring them up to modern standards. Fuel poverty is worsened for houses that are off the mains gas network – where fuels such as oil and electricity are necessary to heat homes and where policies aimed at energy providers are less likely to have an effect. There is a restriction on the types of subsidised retrofit that are permitted, and we would review this with a view to broadening the number of homes that could benefit from them. At the same time as reducing fuel poverty, this approach would also have a positive environmental impact by reducing emissions.

3.1.8 Our policy must, therefore:

- Enable the development of more houses in general and more affordable houses in particular
- Provide size and type of houses to meet local need
- Allow local authorities flexibility in setting policy regarding second home ownership

3.2 Providing houses to meet local need

3.2.1 Suitable housing plans should ensure that there is a clear understanding of the types of house that need to be built in an area. The current consultation process is not effective for identifying whether an area needs, eg, smaller 2-3 bed houses either for young couples looking to start families or for older people to downsize into or whether an area needs larger family properties. Consultation needs to be more joined up with health and social care services and local employers, to identify where there is a need for homes for life – adapted for wheelchair users – and homes with provision for extra care. We will improve the consultation process so that local authorities, developers

and rural communities themselves have a more complete understanding of the housing requirements in their area.

3.2.2 To enable the development of more homes, we propose creating a Rural Home Building Fund to be managed by Homes England – the former Homes and Communities Agency – and appropriate agencies in our other nations. This would be allocated to build the types of homes that are needed for particular communities and would include flood protection measures and local service hubs, where appropriate.

3.2.3 In 2015 it was established that agricultural buildings (such as barns) could be converted for residential use.⁷ However, this is subject to a number of conditions including a reference to the location or siting of the building and a consistency in external appearance. In some cases there seems to be inconsistency in application of guidelines between planning authorities – especially relating to the guidance about the practicality and desirability of conversion – and we would introduce clearer guidelines to encourage more consistent decisions and help de-risk the process for developers. We would soften other criteria, especially the interdiction on conversions in National Parks and Areas of Outstanding Beauty, provided that they are conducted sensitively and in accordance with the wishes of the Boards and management groups.

3.2.4 To ensure local buy-in to any developments in National Parks we will review the governance arrangements of National Parks to improve local accountability. We will look to increase the number of places on the board available for elected representatives on the boards.

3.2.5 We will ensure that new developments in rural areas contain an appropriate percentage of affordable housing. The current government policy is that rural area developments of over ten properties need to have an affordable housing element. In very rural

⁷ [Schedule 2](#), The Town and Country Planning (General Permitted Development) (England) Order 2015

areas this is five. This is easily avoided by developers. We would require a right to local affordable housing on developments with two or more properties in very rural areas and four or more properties in rural areas. We would also include a density requirement. These must be adhered to by Development Control so that there is certainty for the developer and land prices reflect the additional requirements. We would review how the Community Infrastructure Levy works in rural areas and would ensure that all new developments under 100m² are exempt from this levy, to promote the construction of smaller, more affordable homes.

3.2.6 In cases where properties are purchased using a buy-to-let mortgage, our policy would be that rent should be charged that is in line with the affordable rent rate. We would also encourage the property to be let on a long-term basis, with a minimum tenancy of 5 years.

3.2.7 It is important to ensure that key workers, as identified above, have the opportunity to live in and be part of the communities where they work. We will enable local authorities to give priority in social housing to key workers, where they are eligible. We will also trial a variety of measures to enable local communities to keep a number of properties for workers in particular sectors: we would support local police departments to purchase properties to rent in villages to junior police officers; we would support local authorities to work with developers to build new houses that must be kept in perpetuity for locally-defined key workers.

3.2.8 It is often the case in rural areas that much of the land is owned by private landowners. We would support partnerships between local authorities and private landowners to pursue mutually beneficial developments: ensuring that land is used in a way that benefits the people living in an area while generating future income for landowners.

3.2.9 To deal with second home ownership we would give local authorities the power to increase the stamp duty surcharge on additional properties to 5%. We would direct the stamp duty surcharge

to local authorities themselves rather than the government, for investment in affordable housing or the development of service hubs. We would also enable local authorities to increase the council tax on second properties by up to 500%. It would be for local authorities to determine whether they used one or both of these measures.

3.2.10 To reduce fuel poverty, we must ensure that all the houses developed under the proposals in this section are built to high insulation standards. While it is already the case that new developments that are built off the gas network must comply to high insulation standards, this does nothing to help those people who are currently living off-gas in poorly insulated homes. We will work with energy companies, private landlords, and developers to retrofit old off-gas properties to help reduce fuel poverty.

3.2.11 With a shift towards renewable energy production and advances in battery technology, we note that there is an opportunity for rural communities to become more energy independent. We will work with developers to include renewable energy sources in developments – especially solar panels and wind turbines. More advanced batteries will allow rural communities to store more of this energy that they have generated locally, and we will enable them to use more of the energy that they have generated locally – reducing energy costs and helping to cope with the forecast increase in demand for electricity.

To improve rural housing we will:

- Ensure that developers construct homes that meet identified local needs.
- Ease planning restrictions to allow agricultural buildings no longer suitable for agriculture to be converted to homes.
- Build affordable homes on all developments: require the right to provision of affordable housing on developments of two or more properties in very rural areas and four or more properties in rural areas.
- Affordable renting: encourage any house purchased as a buy-to-let in a rural area to be rented on a long-term basis and at the affordable rent rate.
- Reduce second home ownership in rural areas: increase the stamp duty surcharge on additional properties to 5%. Ring-fence the stamp duty on additional homes so that it must be used by the appropriate local authority to provide affordable housing.
- Reduce fuel poverty by enabling the insulation of old and poorly insulated off-gas properties and improve private rental standards for buy to let and other properties.

4. Access to services: enabling communities to realise their potential

4.1 Improving services in rural areas

4.1.1 Tackling the problem of affordable rural housing is the first step towards strengthening rural communities: if more people can afford to live in an area, there are more people to support schools, pubs and post offices.⁸ However, for the economy and communities in rural areas to thrive, it is essential that adequate services and employment are available. People need to be able to access health and social care services, banking services, schools and post offices. There needs to be adequate transport infrastructure so that people can access services and jobs within an appropriate amount of time. Finally, digital infrastructure and mobile connectivity needs to be of standard suited for the needs of the 21st century.

4.1.2 Rural communities do not expect to have precisely the same level of access to services as urban communities: the sparser population does not make this economically viable. Transport services cannot be as frequent, but they should be regular and joined up; the full range of health services cannot be available throughout the week, but they should be available regularly in an accessible location; not all properties need to have ultrafast broadband, but all properties should have access to superfast broadband (download speeds of 30Mbps and upload speeds of 6Mbps).

4.1.3 It is important to emphasise the importance of rural schools. The f40 group of schools – representing the 40 lowest funded education authorities in England – argued early in 2017 that proposed changes to school funding would lead to the closure of over 1,100 schools. Rural schools are vitally important for their communities: if schools are forced to close, young families will not move to an area and

⁸ The National Housing Federation's [Affordable housing saving rural services](#) (2017) makes this case.

this is not conducive to building the thriving, forward-looking rural communities that we wish to see. Rural schools are also an important employer: even a small school with a handful of teachers will provide a range of other jobs – eg, in administration, caretaking, cooking and teaching assistance – that would be lost if the school closed. As with other services, pupils should be able to access their schools within a reasonable amount of travel time. The working group believes that rural schools are central to their communities and that they need to be protected. However, this paper is presented to conference alongside an Education policy paper, and Liberal Democrat policy regarding rural schools is fully developed in that.

4.1.4 Our approach to improving public services in rural areas must empower communities to arrange their services flexibly and in the manner that makes most sense for them.

4.2 Complete Coverage

Challenges in rural areas

4.2.1 The nature of life and work is changing rapidly, and a good broadband connection is becoming an essential part of 21st century life. An increasing number of services are becoming online-only; the completion of school, college and university work depends ever more on a good internet connection; entertainment is increasingly delivered through on-demand and streaming services; and, a suitable internet connection is vital for workers and business – as more people work from home and set-up small businesses in rural areas, adequate broadband will be a fundamental requirement. For similar reasons, mobile coverage is increasingly important too.

4.2.2 The government is currently seeking to provide every property in the UK with broadband speeds of 10Mbps download speed and 1Mbps upload speed. 1.1 million premises in the UK do not have access even to this level of service. People and businesses in rural areas are particularly affected by this: 17% of premises in the UK's rural areas

cannot receive the proposed level of service, compared to just 2% in urban areas.⁹

4.2.3 Regarding mobile services, we believe that choice of mobile service provider should not need to be based on the provider that happens to offer coverage in a given area. Coverage is dramatically worse in rural areas than in urban areas: only 57% of UK premises in rural areas can access a mobile service from indoors on all four networks, compared with 90% nationally. There is also great variability in geographic coverage across the UK: 70% of the geographic area of the UK is covered by the four networks, but, eg, in Scotland this falls to only 40%.

Policy proposals

4.2.4 We believe that all businesses and households in the UK should have access to superfast broadband, which we – following Ofcom, rather than the government’s lower benchmark – define as 30Mbps download speeds and 6Mbps upload speeds. Ofcom estimates that 40% of rural premises are unable to access these speeds.¹⁰ There is a particular problem facing rural businesses: 8% of SMEs don’t have access to speeds of over 10Mbps and in rural areas 130,000 SMEs are receiving speeds of under 10Mbps. 20% of rural businesses don’t have access to superfast broadband.

4.2.5 We would change the universal service obligation (USO) so that it is a right to be provided with superfast (>30Mbps download, 1Mbps upload) broadband on request. There are estimated to be 3.5m premises in the UK that do not currently have access to 30Mbps download (and 6Mbps upload) speeds – the total cost of providing access to this level of broadband is estimated to be £2bn. This is more cost effective in the long-term than providing a lower specification of

⁹ Ofcom [Connected Nations Report](#) (2017)

¹⁰ Ofcom [Connected Nations Report](#) (2016). In their more recent report, Ofcom do not provide an updated equivalent figure.

broadband because – as technology develops – the infrastructure would need to be upgraded again in the future.

4.2.6 Under the current system the USO is implemented through an industry fund – as it stands merely changing the terms of the USO would increase the amount of money that providers contribute to the industry fund, and this would likely be passed on to customers. At present BT is also voluntarily expanding its delivery of 10Mbps broadband – BT is expecting to fund the investment through wholesale local access pricing – spreading the cost across all users of network.

4.2.7 We are reluctant to see price rises for accessing superfast broadband of the level that would be likely if this expansion of the USO is solely industry-funded: we are conscious of the possibility of those living in rural areas being priced out of accessing superfast broadband and want to ensure it is affordable. Further, we are of the view that superfast broadband is vital infrastructure for rural communities and that there is a case for direct government funding. Currently smaller providers are not obliged to deliver USO, however we would encourage competition amongst all providers to develop this infrastructure. Any funding would be split amongst local authorities, and decisions about the provider of the service would be ring-fenced and made at a local level.

4.2.8 Finally, we would introduce measures to ensure that mobile providers share masts, so that customers always have a genuine choice of provider. Where there is no 4G coverage at all, all providers should share a suitable proportion of the cost of providing coverage to that area.

4.3 Transport infrastructure

Challenges in rural areas

4.3.1 Affordable transport is a challenge for people living in rural areas. Shops and services are often a greater distance apart than they are in urban areas, which means that it is not always possible for people to make use of cheap transport solutions such as walking or

cycling. This means that most rural residents rely on access to a car, but this is not an option for all residents – and for those who are unable to drive or who do not have somebody to drive them – transportation is hard to come by.

4.3.2 30% of bus journeys outside London are made by those with elderly or concessionary passes – highlighting the need for public transport for these people. Public transport is also necessary for young people, particularly aged 16-21, who are travelling to college, apprenticeships and further education – where alternative travel arrangements may not be available, the costs of public transport are high, and the service provided is often insufficient. The recent past has seen persistent cuts to services. Between 2015/16 and 2016/17 there were 272 bus routes completely withdrawn in England and Wales and 262 that were reduced. Funding was reduced by £30m.¹¹ Over 2,500 routes further had been cut over the preceding 6 years. This suggests that DEFRA's 2016 estimate that 51% of rural households do not have access to a bus route (compared to 4% of urban households) is likely to be an underestimate.

4.3.3 As well as addressing problems with the current system, we must also look to how transport might change in the future. There are two trends that need to be considered in rural transport planning. First, there will be a move towards electric vehicles in the coming years: without central government taking proactive steps to ensure that charging infrastructure is rolled out to rural areas there is a risk that they will be left behind in the adoption of this technology. Second, there is likely to be an increase in autonomous vehicles. This has the potential to be a great benefit to some in rural communities; reducing the number of people who are reliant on public transport as we know it today.

Policy proposals

¹¹ Figures from a Better Transport [study](http://www.bettertransport.org.uk/buses-crisis-2017): <http://www.bettertransport.org.uk/buses-crisis-2017>

4.3.4 To ensure that rural communities are prepared for an increase in electric vehicles, we will support local authorities to provide public charging points. In the November 2017 budget, the chancellor announced a £400m fund for electric vehicles (£200m government funding matched by £200m industry funding). We anticipate that this increased infrastructure will largely be seen in urban communities and will bypass rural areas and this risks users of electric vehicles feeling unable to travel to rural areas. The working group proposes increasing this funding and ring-fencing it for use in rural areas, based on local need. We would encourage making use of existing electrical infrastructure by, eg, converting lamp-posts to electric charging points, installing charging points from village halls and enabling the community to keep some of the profits raised by this. As autonomous electric vehicles become more common and potentially reduce the demand for public transport, we will look at providing public access to autonomous vehicles for those who cannot run their own.

4.3.5 As well as looking to the future it is important to introduce measures to improve and protect access to public transport. Because young people do not always have access to a car, they are often among the most reliant on public transport. To make it easier for young people from all socio-economic backgrounds to access education, training and employment we will introduce a new Young Person's Bus Discount Card, for people aged 16–21, giving a two-thirds discount on bus travel. We would work with service providers to ensure that this pass could be used to cross the English-Welsh and English-Scottish boundaries, which can prove problematic in communities on these borders.

4.3.6 We would increase devolution to local authorities: allowing quality contracts for bus services and enabling local authorities to use these to promote rural bus services. The service provider who successfully bids for each quality contract in each LA area should sub-contract with local small transport providers to ensure there is a joined-up network of services that link rural areas with each other and with nearby urban areas. Where there is a need to provide the transport infrastructure, for example minibuses, to local rural transport providers

who operate with volunteer drivers, the successful quality contract bidder should provide these in recognition that these local volunteer services are feeding their larger network of services. This model of rural bus transport provision is based on the successful Buurtbus service model that has operated in the Netherlands for decades.

4.3.7 We would also support those areas for whom it is a priority to make improvements to their rail network: including electrification and re-opening of stations where local authorities have determined this to be a priority.

4.3.8 Finally, while cycling can be challenging in rural areas, it is possible to do more to encourage people to cycle and be less dependent on public transport. We propose to initiate a review of speed limits on rural lanes with a view to reducing the limit to 40mph on many of the roads where this is not currently lower to promote a safer cycling environment. We aim to increase the use of electric pedal bikes for their health benefits and low environmental impact, and – recognising that they are not always suitable for hilly rural areas – we will amend the current legislation to ensure their suitability for all users in all areas. We will ensure that the investment in electric charging infrastructure in rural areas is used to provide charging points for electric bikes as well.

4.4 Community hubs to deliver services

4.4.1 We support the development of community hubs to deliver key community services: post office services, health and social care, banking and other local authority services. We will work with property developers and invest in enabling communities to build hubs of services either around existing community buildings – village halls, post offices, pubs, medical centres – or as part of new developments. This approach will bring key services together in one place and make it a simpler task for the community to access them by public transport.

4.4.2 We would expect access to these facilities to reflect local requirements and would support communities to use space flexibly.

For example, space could be provided for a range of NHS services that base themselves in the hub on different days of the week: eg, chiropodists, community nurses, mental health nurses, mobility clinics, physiotherapists etc. We would ensure that flexible space is provided for other community services which there might not otherwise be the critical mass for: particularly where the service would primarily be used by the BAME community. This would give communities access to a range of services in a way that sensibly meets demand.

4.4.3 Local services have a responsibility to be aware of the challenges facing minority populations in rural areas and to take positive steps to tackle them. For example, there are examples of rural schools partnering with urban schools which have had a positive impact both in terms of giving BAME children opportunities to explore rural areas and in terms of the attitudes of parents and children towards BAME people. Other services – such as leisure centres and the police – also have a duty to proactively support minority populations in rural areas by promoting integration and celebrating other cultures.

4.4.4 It is our intention that this approach will help to tackle isolation in rural communities. It is currently too easy for people – whether due to being elderly, being disabled or otherwise feeling different to the rest of the community by virtue of their ethnicity, sexuality or gender identity – to become isolated in rural areas. By creating community hubs that will become the centres of their communities and that are well-served by public and accessible transport, people will have a greater opportunity to meet others and feel part of the community.

Health and social care

4.4.5 There is a crisis in health and social care across the UK. Despite an ageing population and rapidly rising demand for care services, spending on social care in the UK is set to fall to less than 1% of GDP by the end of the decade. Cuts to the budgets of local authorities have meant that increasing numbers of elderly and disabled social care users are not receiving adequate support to live

independently and are left to fend for themselves unless they can afford to pay for care.

4.4.6 Underfunding of social care services is an important part of the problem. Social care is funded by Local Authorities, and Local Authority budgets have been under pressure since 2010 – their spending power reduced by 27% between 2010 and 2015, and further cuts have been confirmed in recent budgets. Local authorities do not have the ability to increase their own revenues enough to deal with the shortfall of funding on their own. Measures are proposed in this paper that would enable local authorities to raise extra income – however a full suite of devolution measures was beyond the scope of this working group and is currently being looked at in detail by the Power for People and Communities working group.

4.4.7 The ageing population in rural areas means that even if the funding shortfall is addressed nationally, they remain likely to lose out overall because provision of services in rural areas under current delivery arrangements is more expensive, time-consuming and practically difficult. This shortage of provision places a further pressure on the wider healthcare system, with older people unable to access sufficient care to move out of hospital and consequently taking up beds. It should be stressed that this problem is exacerbated by the lack of affordable housing, which has reduced the pool of local carers and other key workers – the policy developed in §3.2 is intended in part to address this.

4.4.8 There is also a challenge with accessibility of health services in rural areas. These communities have worse access in terms of distance and travel time to GPs, dentists, hospitals and other health services: 20% of rural residents do not live within 4km of a GP (compared to 2% of urban residents) and 45% of rural households are over 8km away from a hospital (compare 3% of urban households). And it is not just the distances involved that are important as, in rural areas even if there are services geographically close, it can still mean time-consuming journeys to access them. The more difficult it is to access a service, the less frequently people will use it – which leads to a decline in health and

wellbeing. This is a particularly unsatisfactory situation given the ageing population in rural areas, whose health and wellbeing will often require regular access to health and care services – coupled with this group’s dependence on often unreliable public transport to access services, this is a serious issue.¹²

4.4.9 In the housing section above, we have set out policies that will increase the number of affordable houses and support key workers – including health and social care workers – to live near to their place of work. We have also proposed an increase in developments of homes with extra care provision and homes for life that will help to alleviate some of the pressure on rural health services.

4.4.10 To improve health services further we will support the inclusion of health and social care services in hubs. How this will work will vary between areas, but examples of the type of initiative that we would support include: an adaptable space for NHS services that there is occasional need for to be hosted on a rotational basis or pharmacies that routinely stock a small number of standard behind-the-counter medication but that can receive more specialist deliveries. Where appropriate we would support the development of health and social care hubs around existing primary care provision, but we would also support the co-location of health and care services with other type of hub.

Post offices

4.4.11 In the Coalition, the Liberal Democrats were successful in protecting and modernising the rural post office: we introduced the no involuntary closure programme and invested almost £2 billion to protect existing post offices and to enable them to modernise and expand the range of services that they offer.

¹² Public Health England and the Local Government Association [Health and wellbeing in rural areas](#) (2017)

4.4.12 Post offices are vitally important to rural communities. As well as the postal service that they provide, they are used more than in urban areas for: cash withdrawals, local information services, informal support and a meeting place for residents and businesses often rely on the post office for cashing up at the end of the day.¹³ Invariably, the more rural a community is, the more integral a role its post office plays.

4.4.13 We are committed to supporting rural post offices and will continue to invest in supporting them, as well as maintaining the Royal Mail's universal service obligation. Because of the central role that post offices already play in communities, there are many cases where it would make sense to develop service hubs around them for the co-location of services. And, as Post Offices are often part of a shop, this approach would also serve to support small rural businesses.

Pubs

4.4.14 Pubs can play an important role in rural communities. They are, though, under threat from increasing business rates and alcohol prices as well as, in some areas, dwindling communities leading to a reduction in the number of residents with sufficient disposable income to make regular visits. We would promote the development of service hubs around pubs where that is an appropriate solution. We would enable parish councils to hold meetings where there is space in pubs – and would remove the legislation that currently prevents this. This would encourage greater use of pubs, recognise their role as key parts of rural communities and promote engagement with parishes. Where a hub is developed around a pub we would provide regeneration grants for pubs to, eg, provide a bed and breakfast service, upgrade kitchen facilities or repurpose part of the pub to provide other hub services.

¹³ See Citizens' Advice Bureau's [Rural Post Office Use](#) (2017)

To improve access to services in rural areas we will:

- Ensure ISP's provide superfast broadband (30Mbps download and 6Mbps upload) to all households and businesses.
- Provide complete mobile coverage to all four mobile networks.
- Introduce a new Young Person's Bus Discount Card, for people aged 16–21, giving a two-thirds discount on bus travel.
- Increase devolution on transport – giving local authorities the power to franchise and integrate transport services.
- Make rural areas ready for electric vehicles by investing in charging infrastructure. For example, at community centres or by converting lamp posts to also serve as charging points.
- Invest in the co-location of services around existing local infrastructure: eg, primary care services, post offices and pubs.
- Protect the rural post office.

5. Rural economy and tourism

5.1 Challenges for the rural economy

5.1.1 There is a varied picture of employment in rural areas. Approximately 10 million people live in rural areas in England and only around a third of this number are employed by rural businesses. There are over 500,000 businesses registered in these areas, which indicates that the average rural business is small – employing around 6 people. These businesses cover a wide range of industries – from agriculture and horticulture to tourism to small retail or service businesses run from people’s homes. People living in rural areas may also be employed in urban areas and either commute to work or seek to regularly work from home, and a substantial proportion of the population will be of retirement age and no longer working.

5.1.2 Part of the challenge with encouraging rural employment is the huge change in types of jobs available and the skills required in a relatively short period of time. Large growth in service industries, coupled with a decline in manufacturing and agriculture focuses employment in areas with large residential and professional areas and established infrastructure. What rural employment there is often requires a broad and flexible skill base that is not encouraged through existing training routes – apprenticeships, for example, require an individual to work with a single employer and develop a very specific skillset.

5.1.3 Tourism is already important to the rural economy – but it is focused on particular areas such as coastal communities, rural honeypots and well-known National Parks. Tourists are drawn to areas with strong transport links and multiple areas of interest. Neither of these are present in the vast majority of rural areas, most obvious in the lack of rural transport to enable those without access to a car to travel around less populated areas.

5.1.4 A significant amount of existing tourism to rural areas is related to large organisations such as the National Trust, National

Parks, and English Heritage. The National Trust alone have 5 million members who undertake 200 million visits a year, including 22 million to parks and nature reserves. In addition to the money that comes in from tourists themselves, the National Trust employs 10,000 staff and makes use of 16,000 volunteers. Engaging with these organisations and others like them to achieve greater integration between destinations and sustainable may be a productive way to encourage further regional tourism.

5.2 Building a strong rural economy

5.2.1 We believe that a fundamental requirement for a thriving rural economy is the provision of superfast broadband to all businesses and households. This is, in part, why we are strongly committed to delivering universal superfast broadband: it will make it easier for people to live in rural communities while effectively working from home or establishing a small business.

5.2.2 Rural and coastal communities both show high levels of entrepreneurial small businesses and the success of these is critical to development in these areas. To support this type of business we must seek to build and support the skills development, assets, industries, networks and institutional capacity that will enable rural communities to thrive.

5.2.3 To improve training and make apprenticeships more relevant to rural areas, we would introduce modular apprenticeships, regulated by local authorities to give a range of skills and competencies. Currently students can choose between fixed apprenticeships that don't provide the range of skills needed in rural areas or take a variety of shorter training courses and accept a series of qualifications that are not as well-regarded as an apprenticeship. By allowing apprenticeships to be modular – like degree courses – it would enable people to gain exposure to a wider variety of work and develop the more flexible skillset that employment in rural communities often requires while also achieving formal recognition. We would encourage the modular apprenticeship to be adopted across the UK.

5.2.4 There are many Local Enterprise Partnerships (LEPs) that cover rural areas, but only a small number of them have dedicated rural strategies. Where LEPs have rural strategies, they have shown that it is possible to grow the rural economy and increase the skill of the workforce, which creates an environment in which new businesses can flourish. We would expect these strategies to include a housing element to ensure that people working for any new businesses are able to live near where they work. We will work with LEPs to develop effective rural strategies that are tailored for SMEs and support them to plan and develop new small business parks where there is need.

5.2.5 The rural economy could also be boosted by a further devolution of power to local authorities, giving them the ability to raise money through local taxation and to retain business rates, in order that they can invest in local areas, being responsive to the needs and priorities of local people. This would enable local authorities to work with LEPs to promote and support their business communities.

5.2.6 Rural and coastal communities are very well placed to make an important contribution to the green economy. We would support changes in land use to promote local green power generation – as the Lib Dem-led council in Cornwall has done in converting the disused Hayle Harbour into a marine business park focusing on marine renewables. This is especially important as we are anticipating an increase in the number of electric vehicles, so it is vital that we consider how we will generate sufficient electricity to power them all. We will incentivize local areas to use the land and the sea to produce renewable energy and – making use of technological advances in batteries – we will enable them to retain more of that energy for local use. This will help to address the problem of fuel poverty in rural communities by lowering fuel bills in rural areas as well as addressing climate change.

5.2.7 To encourage rural tourism, we would expand the BritRail scheme that is available to foreign tourists so that it is available to everybody, including UK citizens to encourage as many people as possible to explore Britain's rural communities. The scheme would

enable people to purchase a rail pass that would enable them to travel anywhere on the country's rail network for a set period of time. To keep the price of this beneath the cost of season tickets, we would limit UK citizens to purchasing up to a month of unlimited travel per year. We also note that in some rural areas heritage steam railways provide access to parts of the country that are not otherwise reached by rail: we would work to support a partnership between BritRail and heritage railways to enable tourists discounted travel on heritage railways, so that they can more cheaply reach more parts of the country by rail.

5.2.8 Increasingly farms are diversifying their businesses to provide accommodation to tourists or visitor centres and experiences. In addition to the reforms proposed in §6, we would support farm-owners who wish to diversify their business in this way to promote tourism to rural communities.

5.2.9 We recognise that local museums provide great value in terms of increasing both tourism and community pride. We would support local museums by developing a joined up and strategic approach to funding that brings together the National Lottery and local authorities for developing new projects and regularly refreshing exhibitions.

To support the rural economy and rural tourism we will:

- Support changes to the nature of rural and coastal employment by investing in broadband and mobile infrastructure.
- Work with Local Enterprise Partnerships to support the development of rural and coastal economic strategies.
- Devolve further power to local authorities, giving them the ability to raise money through local taxation and to reap the benefits of business rates.
- Introduce modular apprenticeships to support young people to develop the wide and flexible skill set required for working in rural communities.
- Expand the BritRail scheme to UK citizens to promote tourism and make it affordable for everyone to explore the country.

6. Farming and land use

6.1 Challenges facing the UK

6.1.1 Farming, food production and forestry is key to the economy and society both in rural communities and the nation more widely. Farming, horticulture and forestry are all important parts of rural communities for the role they play in producing food, providing employment, shaping the rural environment and promoting tourism, leisure and health and wellbeing. Policy-making in this area tends to emphasise one of these elements at the expense of the others – the Liberal Democrats advocate a holistic approach to developing policy related to land use and the environment in rural areas.

6.1.2 This is in stark contrast to the approach advocated by the current government, which has made some overtures towards addressing pressing environmental concerns. The government's proposals, while nodding towards environmental considerations, approach the matter in an unfocused and piecemeal manner that threatens food production and people's livelihoods – and this, in turn, would negatively impact the environment if it led to increased dependence on imports of food and abandonment of farms. The proposals are a particular threat to upland sheep farming – which plays a crucial role in maintaining the landscape and promoting tourism – and to the devolution settlement between the nations of the UK: as such they represent a risk to our vision of thriving rural communities. This section sets out the framework for the alternative, holistic, Liberal Democrat approach to developing policy that will promote environmental aims while protecting people's livelihoods. The detail of policy needed to facilitate the changes required is beyond the scope of this paper and will be developed following further consultation.

6.1.3 Farming, horticulture and forestry need to be able to deliver nutritional food and other products for the UK market. They also have an important role as a source of employment and in caring for the landscape – protecting biodiversity, soil health, a clean water supply, flood management and prevention, and climate change mitigation. We

must consider the economics of food production alongside the long-term challenges to the environment: Production from the land must be financially profitable for it to be sustainable. However, we must also recognise that to protect the environment and for the health of everyone living in the UK we need to change behaviour and promote sustainable practices.

6.1.4 UK agriculture both contributes to, and has the ability to mitigate, climate change. It contributes to climate change through emission of greenhouse gases – eg through the use of fertilizers and the food production process. However –through planting trees and hedges, increasing root mass and soil organic content, reducing reliance on artificial fertilisers and management of livestock and other measures– there are many opportunities for agriculture to help combat climate change. There are opportunities for new and existing businesses to develop novel approaches in these areas – both mitigating climate change and boosting employment.

6.1.5 This paper is written in the context of on-going negotiations over the terms of the UK's exit from the EU. The outcomes of these negotiations could have a profound impact on land use and rural development in the UK. Liberal Democrat policy is that the UK should vote on the terms of the settlement and that we are better off in the EU than we are out of it, regardless of the terms. However, this paper should also consider what the impact of leaving the EU might be and develop policy for the rural sector that works in the event of this outcome as well.

6.1.6 If the UK leaves the EU, it would no longer be part of the Common Agricultural Policy (or the Common Fisheries Policy). This is regardless of whether the UK remains in the single market – CAP and CFP are only available to members of the European Union. CAP in particular is responsible for providing financial support upon which many farms are currently dependent.

6.1.7 The agricultural sector has also become accustomed to being able to competitively export to the EU. Given the status of the

negotiations, it is possible that the UK will continue trading with the EU on current terms until 31 December 2020. After that point it is possible that tariffs will be applied to both exports and imports from EU member states and we may revert to trading on the WTO's 'Most Favoured Nation' terms, which would place 'tariff peaks' on agricultural exports and duties on imports. These tariffs can be extremely punitive: up to 50% on lamb and 900% on some processed dairy products. Similarly, there could be import duties on food being brought into the UK – to keep food affordable, it may be necessary to adjust the types of food produced in the UK.

6.1.8 The EU is the largest market for UK food and drink exports: £12 billion of our £18 billion of food and drink exports go directly to EU member states, and large tariffs are likely to damage this market. If this happens, it would reduce the viability of farming businesses that continue to rely on exports. There is a risk of farms needing to rapidly restructure and develop new markets to avoid going out of business, which would mean new investment and a secure government strategy under which to operate to be successful. Without this the consequences are likely to be fewer jobs in the rural economy as well as the vital land management function of farms not being delivered.

6.1.9 Regardless of the outcome of the Brexit negotiations, it is also important to look at the relationship between producers and supermarkets. In the Coalition, we established the Groceries Code Adjudicator (GCA) to ensure that supermarkets give their suppliers a fair deal and do not move risk and cost onto smaller businesses. This regulatory function has been widely acknowledged as successful and is recognised for its role in reducing the number of complaints that small businesses currently able to supply the multiples on sustainable economic terms have about the conduct of large supermarkets. However, producers who use an intermediary with supermarkets do not currently benefit from GCA oversight and there remains room for the regulator to be strengthened.

6.2 Reform agriculture policy to promote economic and environmental sustainability

6.2.1 The Common Agricultural Policy (CAP) was intended to increase European resilience and bring about parity of food costs within member states through production incentives and tariff barriers against competing third country imports. The Liberal Democrats have long campaigned for reform of CAP and, if we remain in the EU, we will continue to do so. If we leave CAP, we will argue for the development of a British Agricultural Policy that implements the reforms that we would wish to see of CAP while ensuring that the competitiveness of UK farmers relative to those in the EU is not harmed in the process. The section sets out how Liberal Democrats would seek to develop the UK's agricultural policy –whether that is as part of the EU or otherwise. This section sets out broad principles; as noted above, we intend to develop these in more detail in the future.

6.2.2 CAP spending is divided between direct payments of income support to farmers and payments to support rural development, including agri-environmental schemes. Over the period 2014-2020 the UK will receive £25.1 billion in payments for direct support of farmers and £2.58 billion in rural development payments which are matched by the UK. This means that over 80% of payments are currently being paid in direct income support.

6.2.3 The Liberal Democrats have long believed that the proportion of funds spent on income support is too high and that more support should be given for rural development. Income support. Income support payments are currently based on the amount of land farmed, so the current system disproportionately favours large land-owners who do not necessarily need the same level of support as smaller farms. We believe that a land use policy should prioritise the delivery of public goods: preserving and improving soil health, promote biodiversity, increase carbon capture, and provide a sustainable output of high nutrition foods and other materials through effective husbandry, upholding of high animal welfare standards and

stewardship of the land. To ensure that any changes to the proportion of payments given in direct support do not disadvantage smaller farms, we propose a combination of capping and buttressing these payments: ie, ensuring that there is a maximum amount of support that is paid, but that it is phased progressively to benefit smaller farms.

6.2.4 We propose re-determining the definition of efficiency to one which captures the economic worth of measures undertaken for the public good and moving towards a system which provides the minimum support necessary to achieve our policy objectives for production and land management while protecting livelihoods. This may involve research, training and benchmarking to ensure appropriate and efficient use of available funds and will enable the maintenance and establishment of holding structure and practices which have a value greater than that of their commodity output in specific areas.

6.2.5 We would increase the proportion of payments for necessary restructuring and rural development measures. We will prioritise: establishment and management of woodlands and forests, and development of rural businesses using timber; improvements to the organic content and health of soil while maintaining soil structure; measures to help prevent flooding; the planting of flowers on pollen and nectar strips to help safeguard bees; changes in land-use to production of renewable energy where this is determined to meet overarching carbon reduction and land use objectives; effective husbandry and upholding of high animal welfare standards. We recognise that this should be balanced with some continuing income support payments at least for a transition period, since, there is a limit on the permitted use of environmental payments for income support under WTO rules.

6.2.6 The significant expansion of forests is critical to the Liberal Democrat aim of reducing the UK's net greenhouse gas emissions to zero by 2050, since they absorb carbon from the atmosphere for decades or longer; woodlands also help to alleviate flood risk, provide wildlife habitats and contribute to human health and well-being. The UK

is one of the least forested countries in Europe, and tree planting rates have fallen sharply under the current government. New forests should be strategically planted to ensure they can function without displacing prime food production areas. A large part of woodlands' value is not visible: it is important that they are diverse and well managed using species natural to the area and able to thrive in a changed climate. The development of new woodland will also create a range of business and employment opportunities through harvesting and processing of timber in a manner consistent with good environmental practice; we would develop policies to promote the use of timber much more widely, particularly in house-building and other construction. We would also protect the UK's remaining ancient woodlands.

6.2.7 There is an urgent need to re-examine soil management techniques with a view to improving the biodiversity and structure of soil. Soil is a diverse ecosystem that is important for, among other things, processing waste organic matter to sustain plants and regulates carbon flux and the water cycle. Soil management practices over recent years – including the overuse of chemical fertilisers and over cultivation – have had serious detrimental effects on soil and represent an inefficient use of non-renewable resources. We support the '4 per 1000' initiative launched at the Paris climate conference in 2015, aiming at an annual growth rate of 0.4 per cent in soil carbon stocks. This includes significantly improving management of Britain's peatlands, aiming to turn what is a current source of carbon emissions into what it should be: a major sink.

6.2.8 These changes would alter the funding landscape for farming in the UK and it is important that they do not impact on the viability of producers. Our view is that the current reliance of producers on direct support is to compensate for the fact that the market is broken because supermarkets and processors dominate the industry. Therefore, to support producers, we will broaden the remit of the Groceries Code Adjudicator (GCA) so that it covers the whole supply chain and protects producers who are not dealing directly with supermarkets. We would enable the GCA to incentivise supermarkets to introduce produce supplied from within close proximity to the retail outlet. We would also direct payments to assist in the development of the supply chain to encourage consumption close to the point of

production, increasing supply resilience, returns to the producer and competition with supermarkets.

6.3 Flood management

The challenge for rural and coastal areas

6.3.1 Protecting our country from the damage caused by flooding is a vital part of developing our nation's infrastructure and making our economy resilient for the future. There are still many rural communities suffering the consequences of severe flooding in recent years, with inadequate support to recover and a lack of funding to build the protections that are needed for homes and businesses. Help for those living in rural areas to get insurance cover on their homes and businesses is an important aspect of any response. Where the risk is deemed too high, it can be impossible to get insurance at all, and for those on low incomes the premiums can be too great to pay. Coastal erosion presents similar difficulties in many coastal communities, particularly for long-standing residents who may not only find it difficult to obtain insurance, but also to sell their houses.

6.3.2 It is essential to look at comprehensive, whole-systems approaches to flood prevention. For far too long, the government has sought to make short-term savings at the expense of long-term investment which would have helped to provide protection from floods. Building on flood plains and other areas at risk of flooding is commonplace and homes are often constructed without sustainable drainage systems. Our approach will balance the development of appropriate floodplain-level infrastructure with whole system upstream solutions.

Our approach

6.3.3 Traditional approaches to flood and coastal risk management have focused on structural flood defences, eg, floodwalls, which attempt to keep floodwater away from selected areas. This approach is expensive in terms of initial capital and maintenance and the infrastructure requires regular upgrades. There is a growing

appreciation that effective flood management requires the treatment of catchments– areas of land where water collects – as a connected system. Effective flood defences need to consider the whole system and introduce measures – away from floodplains and other areas at risk of flooding – that enhance, restore or mimic natural flood prevention processes.

6.3.4 In the previous section, we propose rebalancing CAP payments to place a greater emphasis on effective land management and an important part of this will involve supporting the people who own and manage the land to enhance natural flood defences. Among other things, this might mean: less intensive grazing in key areas; managing excess sediment through natural filtration measures such as floodplain grassland and wet woodland; targeted woodland planting upstream for renewable energy, building materials and carbon capture. This would alongside other measures such as rainfall capture and storage to alleviate drought, increasing biodiversity and habitat improvement.

6.3.5 While we take the view that working with natural processes needs to be an important part of a flood prevention strategy, it will work most effectively for people living in areas at risk of flooding if it is coupled with other measures. We will also incentivize house-level protection projects for existing houses, reducing the threat of flooding and so reducing insurance premiums. We will require that whenever there is a new development where there is risk of flooding, flood prevention measures are included in the development. We will ensure that investment in these flood defences is sufficient for them to be effective.

6.3.6 While this approach should have some positive impact on coastal areas, the challenge for coastal areas is wider – coastal communities are more likely to be impacted by storms and erosion. Local government already has permissive powers around coastal management, however they do not have sufficient funding to effectively manage their coastlines and protect communities. So, for coastal areas we will launch a National Fund for Coastal Change. This fund would

allow coastal communities to manage their own plans for adaptation and roll back in a timely way and promote the sharing of best practice between communities.

To promote effective land use in line with environmental objectives we will:

- Review the Common Agricultural Policy: shifting the balance of payments so as to provide the minimum amount of direct support to achieve set public goods and increase the share of payments made for rural development measures while protecting livelihoods.
- Support producers by broadening the remit of the Groceries Code Adjudicator and supporting them with access to markets.
- Invest in flood defences that work with natural processes.
- Require new developments in areas at risk of flooding to include flood-prevention measures and incentivize flood-protection for existing at-threat properties.
- Launch a National Fund for Coastal Change, to enable local authorities to properly manage their changing coastlines.

A Rural Future: Time to Act

Policy Paper 129

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 8.4 of the Federal Constitution.

Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom.

The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas.

The Party in England has chosen to pass up policymaking to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.

Working group on Rural Communities

Note: Membership of the working group should not be taken to indicate that every member necessarily agrees with every statement of every proposal in this paper.

Heather Kidd (Chair)	Alison Glasspool
Peter Fane (Vice-chair)	John Hassall
Tim Farron MP	James Holt
Baroness Bakewell	Susan Juned
Baroness Parminter	Lucy Marsden
Kay Barnard	John Salisbury
Jeremy Bolas	Peter Thornton
Dennis Brewer	Stuart Warner
Helen Flynn	Alison Whelan
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