# North Yorkshire County Council

# Executive

# 21 September 2021

# Proposed County Council response to the report of the North Yorkshire Rural Commission

Report of the Assistant Director Policy, Partnerships and Communities

## 1. Purpose of report

1.1. To update the Executive on the report of the North Yorkshire Rural Commission and to propose a response from the County Council to the recommendations in the report

## 2. Background

- 2.1 Under his delegated decision making powers in the Officers' Delegation Scheme in the Council's Constitution, the Chief Executive Officer has power, in cases of emergency, to take any decision, which could be taken by the Council, the Executive or a committee. Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings should continue (as informal meetings of the Committee Members), with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members. This approach will be reviewed in September 2021.
- 2.2. The North Yorkshire Rural Commission was established as an independent task and finish group in autumn 2019 by North Yorkshire County Council to re-examine the evidence base, draw conclusions and make recommendations to the County Council and others about actions that would help the most rural communities in North Yorkshire to grow and to prosper.
- 2.3. The Rural Commission was made up of eight commissioners:
  - The Very Reverend John Dobson DL Chair
  - Martin Booth
  - Chris Clark
  - Heather Hancock (resigned autumn 2020)
  - Jean MacQuarrie
  - Professor Sally Shortall
  - Dr Debbie Trebilco
  - Sir William Worsley Bt DL
- 2.4. The Rural Commission was an independent group, self-governing, impartial and nonpolitical. It was not part of or aligned to the County Council or any other partner organisation. The Commission provided updates to a reference group made up of the

leaders of the eight local authorities in the county, the chairs of the two national park authorities and the chair of the local enterprise partnership.

- 2.5. The Commission was supported in its work by a secretariat of County Council officers, which helped organise the various meetings and manage the communications and media that was generated from the work of the Commission. The secretariat also supported the Commission to bring together and organise the evidence base and to help with collation of the extensive information analysed by the Commissioners.
- 2.6. The Commission met twenty times, taking evidence from over seventy participants. Commissioners met twice with the reference group, once with the county's MPs and twice with Defra officials. Three visits were made to rural communities and 27 written submissions were considered.
- 2.7. The Commission published its report in July 2021 and this is available at <u>www.northyorks.qov.uk/north-yorkshire-rural-commission.</u>
- 2.8. The report examines seven key themes: rural economy; energy transition; digital connectivity; farming and land management; rural schools, education and training; rural housing; rural transport; plus cross cutting issues. The report makes 57 recommendations to 17 organisations, including 26 to the County Council.

#### 3. Proposed County Council response to the report

- 3.2. The County Council thanks the Commissioners for their enormous energy, commitment and diligence in taking up the challenge.
- 3.3. The County Council welcomes the vision for rural North Yorkshire set out in the report: "Beautiful, connected and embracing the future". The County Council also welcomes the recommendations as to how the County Council and partners can together ensure positive changes to enable rural and remote North Yorkshire to become a leader in the green economy, have beautiful living spaces, to be digitally connected, farm sustainably and have vibrant services.
- 3.4. The County Council fully endorses the Commission's belief that a thriving rural community is one in which people of all ages and backgrounds can find a home and play a part in community life.
- 3.5. The recommendations are a timely and very helpful challenge to the County Council and partners. In addition to this initial response to the report, the Leader has asked the Chairman of the Council's Overview and Scrutiny Committees to continue to explore the report and its recommendations. The recommendations will also be helpful to future unitary council as it develops its policy framework and services.
- 3.6. It is essential that the report and recommendations result in positive actions that help the most rural communities in the county to grow and to prosper. A progress report should be brought to the County Council Executive in autumn 2022.

#### 3.7. Rural Economy

3.7.1. The County Council supports the Commission in wanting to see changes that allow rural and remote North Yorkshire to become a leader in the green economy, have beautiful living spaces, to be digitally connected, farm sustainably and have vibrant services. This is also reflected in the existing priorities of the York and North Yorkshire (YNY) Local Enterprise Partnership's (LEP) Covid Recovery Plan and the York and North Yorkshire Devolution

proposals. These priorities include the development of a natural capital and biotech approach, stimulating green employment opportunities. In addition, the County Council is committed to reducing its own carbon footprint to net zero by 2030 and in supporting local businesses, residents and communities to do the same. North Yorkshire offers an excellent opportunity to deliver the country's first carbon negative region and this should be a key component of future economic growth and prosperity.

- 3.7.2. The Commission's report recommends that greater business support is needed for small to medium enterprises (SMEs). The LEP provides comprehensive support to SMEs through the provision of the Growth Hub alongside its work to support the local economy. This includes mentoring and coaching. Through the YNY Devolution Deal, the LEP intends to increase capacity and resources to deliver more comprehensive business support solutions including those aimed at rural businesses.
- 3.7.3. The Commission recommended that the LEP must lead on the development of a clear coordinated plan that sets out strategic direction to capitalise on the County's natural capital including carefully managed sustainable tourism ventures. The proposal for a YNY devolution deal includes specific elements to develop the opportunities afforded by the county's natural capital. The rural environment is central to the value and attractiveness of the county as a tourism destination although at present there are no specific policies or plans to support sustainable 'green' tourism or the visitor economy more widely. At present, there are a large number of organisations engaged in supporting and co-ordinating activity in the visitor economy including national park authorities, areas of outstanding natural beauty (AONBs) and private business associations. In the coming months there will be opportunities to understand better the structures and activities which support the visitor economy in North Yorkshire and to consider how this might best be supported in the future.
- 3.7.4. Specific recommendations to the County Council and draft response:

The County Council must encourage investment in the region. This could be pursued through a mutual bank, with supporting funding from the Levelling Up Funds or the Shared Prosperity Fund.	There are a range of investment vehicles such as the UK Green Investment Bank and commercial and mutual lenders, which can provide financing opportunities for investment. In addition, the Chancellor has recently announced 130% tax relief on capital investments up until March 31st 2023 on qualifying plant and machinery investments. It should also be noted that currently, the Bank of England base interest rate remains at 0.1% and therefore commercial borrowing is very cheap. The creation of a new mutual investment fund would be complex and carry risk that may not be acceptable, given that most low to average risk investment proposals should be able to access finance through existing mechanisms. There may be a case for interceding in investment where it is not commercially viable to the open market but beneficial to North Yorkshire residents for instance to encourage the development of zero carbon technology and infrastructure and encourage innovation. The main banking sector is developing initiatives such as carbon
	banking sector is developing initiatives such as carbon credits and a voluntary carbon market place which could benefit North Yorkshire.
The County Council must work with local groups and businesses to put in place development plans for each	The County Council, district councils, the national park authorities and the LEP are working together on a number of work streams to develop this approach. The Commission's report rightly highlights the importance of

market town that are regularly refreshed.	market towns in their rural hinterlands and the future health and prosperity of the county's market towns is a high priority going forwards. This approach reflects the work undertaken to deliver the central government funded Town Deal Fund programmes in Whitby and Scarborough through the development of locally driven town investment plans. The County Council has led on the administration of the UK Community Renewal Funding which has substantial proposed investment
	Funding which has substantial proposed investment projects to support the transformation of North Yorkshire market towns.

#### 3.8. Energy Transition

- 3.8.1. The Commission's report recognises the extent and ambition of the region's aspirations to become carbon neutral and highlights a number of areas where this will be challenging for rural areas and also where there are opportunities for new employment and economic growth in North Yorkshire. The report highlights the work of the LEP in outlining potential pathways to a zero carbon future and identifies the key challenges of transport; buildings and industry; land use and agriculture; and power. There is a proposed risk that rural areas will be left behind or disadvantaged due to lack of infrastructure. The report highlights the opportunities for businesses and for generating and storing electricity in rural areas including such approached as heat networks and community energy schemes. The report also highlights the willingness of individuals to adapt to new means of consuming and managing energy and in doing this the report identifies the importance of behaviour change as an important element of making the shift to a zero carbon future
- 3.8.2. The County Council broadly supports all of the recommendations in this section, and, recognises the widely held aspiration to develop and deliver a negative carbon region. The Commission's reference to behavioural change is a good one and identifies the need for consumer choice to play an important role in delivering this aspiration. The emphasis on building on existing activity, (including the creation of carbon abatement pathways and work to develop a circular economy) with the potential support of future funding programmes, such the shared prosperity fund, is welcome. The County Council and the LEP will continue to work with a range partners, including regional universities and national park authorities, to deliver these aspirations.
- 3.8.3. The Commission's report recommends that the national parks and AONBs should execute an enabling strategy to permit essential infrastructure and upgrades to buildings to be undertaken, to ensure a 'fit for purpose' future within these protected landscapes. As a core partner to three North Yorkshire AONBs, the County Council will explore these issues as they relate to protected environments and support the development of appropriate infrastructure. The national park authorities have a planning function that will consider 'fit for purpose' applications through the lens of the impact on the protected landscape and their communities.
- 3.8.4. The Commission's report recommends that Levelling Up funds / Shared Prosperity funds must be used as seed match funding to work with the Tees Valley Innovation Network and Teesside University to investigate new business opportunities for rural and remote areas in pursuing net zero targets. The County Council and the LEP continue to work with a range of partners including higher education to develop these opportunities.
- 3.8.5. The Commission's report recommends that the LEP must be resourced and facilitated to continue its work on emissions reduction pathways and to ensure changes are

implemented at pace. Emission reduction pathways and circular economy work streams are currently key priorities for the LEP and the County Council.

- 3.8.6. The Commission's report states that the expanse of the county offers exciting possibilities for clean electricity generation. The County Council is surprised that the Commission did not specifically mention the opportunities offered by inland hydro generation and offshore generation of electricity.
- 3.8.7. Specific recommendation to the County Council and draft response:

The LEP and County Council	The LEP and the County Council have and will
must advocate for investment in	continue to present the case to Government for a
rural electricity infrastructure to	better deal for rural areas where the costs of installing
ensure new clean energy	and maintaining infrastructure, including in the power
technology is a viable	network can be higher than in urban areas. Planned
commercial enterprise for the	Local Area Energy Plans (LAEP) will be developed to
county. Levelling Up funds /	map out spatially the technology and infrastructure
Shared Prosperity funds must	change required to achieve a carbon negative energy
invest in the particular needs of	system over the next 20 years.
rural and remote North	
Yorkshire to ensure it is not left	
behind.	

#### 3.9. Digital Connectivity

- 3.9.1. The County Council welcomes the Commission's acknowledgement of the commitment and considerable investment the County Council has made to digital connectivity in North Yorkshire. The £85 million investment in broadband through NYnet, the £15m investment in a full fibre network to 150 public buildings in rural areas, the installation of free public wifi in 17 market towns, the work with mobile network operators to increase 4G provision from 60% to 95% of the county's geographical area by 2025, and the investment in extending 5G in remote rural communities are a reflection of the responsibility shown by the County Council to improve digital connectivity and broadband services across the region.
- 3.9.2. Specific recommendations to the County Council and draft response:

The County Council must follow best practice and work with alternative providers that are committed to connecting remote and rural areas.	Through its work on digital inclusion, the increase in mobile coverage and the development of new 5G infrastructure, the County Council has been working closely with established mobile network operators, the government and alternative providers to seek mutually beneficial solutions to the issue of rural digital access. The Council continues to follow this approach and is a recognised leader nationally in this work.
The County Council must work with	The County Council continues to engage with
village hall trustees and faith	communities and all kinds of community groups to
communities to develop a strategy to	deliver this work. The use of community assets to
invest in and use their buildings to	provide the required infrastructure for mobile digital
ensure remote rural communities are	connectivity continues to be discussed and
connected.	explored.
The County Council must, as	The need to develop the knowledge and skills to
planned, lead on digital education,	make best use of technology is understood and the
digital champions and ensure rural	County Council acknowledges and welcomes this

and remote North Yorkshire	aspect of the Commission's report. The County
understands the benefits of	Council will look towards developing programmes
superfast broadband.	which enable individuals to make best use of the
Having the skills to use digital and	infrastructure provided and the opportunities it
the knowledge of what it can	affords those living in rural areas.
achieve, are just as important as	
having access. The County Council	
must ensure that a comprehensive	
training programme is delivered to	
ensure residents of all ages, in rural	
and remote areas have the	
necessary skills to maximise the	
benefit of digital connectivity.	
The County Council must follow best	The County Council is committed to working with all
practice and work with smaller,	service providers, communities and community
entrepreneurial providers, including	groups and institutions to ensure universal access
those based locally within the	to digital services and the benefits they can bring.
County, to install digital technology	
in the hardest-to-reach rural places.	
Community facilities must be fully	
utilised and financially supported in	
order to promote digital inclusion.	
The County Council must encourage	Through its work providing wifi broadband in town
businesses and industry to apply for	centres and business parks, the County Council is
the funding Project Gigabit has	facilitating access for businesses and individuals.
made available to encourage	The County Council is also exploring the potential
industry to use new wireless	for the use of low orbit satellites to fulfil demand in
equipment, low orbit satellites, or	areas that cannot be serviced directly by
high-altitude platforms to connect	infrastructure on the ground.
remote communities.	grande grande

# 3.10. Farming and Land Management

- 3.10.1. The analysis of the challenges facing farming is particularly detailed and comprehensive and reflects the County Council's understanding of the issues facing this sector. As the country moves from the European Union's Common Agricultural Policy to the new UK environmental land management schemes there will be additional pressures and changes that farming and land management faces. In addition land management will be at the forefront of climate change, both in terms of its impacts and the mitigation measures needed.
- 3.10.2. The County Council recognises the Commission's views that the business of farming and managing land is complex and challenging. The County Council would support the development of entrepreneurial training for farmers and students of farming with the aim of broadening their understanding of the potential for sustainably and profitably managing land holdings beyond traditional models of food production and farm diversification.
- 3.10.3. The County Council understands that through the food production and retail process, margins are continually squeezed and profits sought which erode the value of the product for farmers as the first step in the supply chain. In addition to reforms of abattoirs, we would countenance other supply chain measures as well as consumer facing information to encourage the purchase of local produce with provenance. During the COVID-19 pandemic, the County Council has developed a buy local campaign to encourage the purchase of local produce. The County Council has a policy of only using fresh meat and

poultry sourced from the region and fruit and vegetables sourced regionally where possible for school meals.

- 3.10.4. In responding to the recommendations of the Commission, the County Council would highlight the work of the LEP in developing and delivering the 'Grow Yorkshire' programme.
- 3.10.5. Specific recommendation to the County Council and draft response:

The County Council, in	The County Council is developing programmes to
conjunction with the Yorkshire	work with a range of sectors and industries in North
Agricultural Society, should	Yorkshire including farming and land management.
facilitate a new Farm Business	The County Council will approach the Yorkshire
Task Force to direct the culture	Agricultural Society regarding the recommendation
change needed for the farming	made by the Commission. It may also be appropriate
future and to ensure changed	to involve others including the National Farmers
business practice meets	Union, the Country Land and Business Association.
environmental targets. This	
should liaise closely with the	Actions are also needed that address health and
national Agricultural Productivity	wellbeing issues in the farming community. Issues of
Task Force.	isolation and succession, on top of business
	pressures, impact significantly on farmers and their
	families in ways that are very particular to the industry.

#### 3.11. Rural schools, education and training

- 3.11.1. The County Council welcomes the Commission's comments on rural schools, education and training. The County Council has continued to press for revision of the National Funding Formula to ensure increased support for rural super sparse secondary schools during recent Department for Education (DfE) consultations; however, it was not successful. The County Council will continue to lobby the DfE for a fairer funding deal for rural schools in North Yorkshire. The issue will be further considered by North Yorkshire Schools Forum, where a temporary adjustment will be considered using limited local flexibilities. However, this is counter to the move to a "hard" national funding formula.
- 3.11.2. The DfE has not indicated that it is prepared to take into account the quality of rural roads, and these could be seen as a function of individual council priorities and efficiency and other funding issues. The point made by the Commission is accepted, however, that travel times on some rural roads strengthen the argument that some schools are geographically essential to serve their local communities.
- 3.11.3. The Commission also proposed that, to overcome the issue of recruitment of teachers, the School Teachers' Review Body should recommend to the Secretary of State that a rural stipend to teachers' salaries must be provided to help off-set the cost of housing and transport. The County Council will write to the Review Body and Secretary of State to support this recommendation. The County Council believes that this should be targeted at enabling new employees to be attracted to the area ensuring high quality staff that may otherwise be 'unaffordable' to schools with smaller budgets. However, it is critical that the DfE amend the national funding formula to avoid any further burden on school budgets.
- 3.11.4. Specific recommendations to the County Council and draft response:

#### 3.11.5.

The County Council must lead on	The County Council will work with the LEP,
pioneering a two-stream educational	providers and funders of post 16 education to
system post GCSE in rural and	ascertain what opportunities exist to modernise the
remote areas, with one stream	offer in the county. This should include developing

focusing on vocational education while the other remains academic.	further opportunities for apprenticeships, employment and career development. Consideration should be given in this work to the
The County Council and the LEP must strengthen the offer for post-16 education and provide a better sense of future for young people. They must strengthen relationships with business and industry and exploit opportunities for apprenticeships, employment and career development. In line with the learning from Northumberland County Council (Pathways with Pride), the County should work with large employers to provide sponsorships of higher education within regional universities and work with universities to build the school and college curriculum.	use of technology and innovation to create better access for rural communities. This academic year, the County Council will undertake a review of the quality of, and access to, post 16 provision which will then lead to a post 16 strategy.
The Commission believes that the County Council must invest in career guidance for young people in rural and remote schools.	The funding and responsibility for careers guidance was delegated to schools nationally some years ago. Schools have responsibility and guidance available to them on what they must do and the quality of advice. A small specialist careers service has been retained by the County Council that schools can purchase, but most make their own arrangements. The post 16 review (see previous question) will also consider the careers guidance available to pupils in schools with post 16 provision and schools where there is no post 16 offer.

# 3.12. Rural Housing

- 3.12.1. The County Council welcomes the Commission's comments on rural housing and clearly recognises the issues identified around supply, tenure and affordability in North Yorkshire and the potential long-term implications if rising affordability ratios are not addressed in some parts of the county.
- 3.12.2. Previous work undertaken by the LEP and the County Council has highlighted that unfulfilled planning permissions represent a significant number of potential new homes; however, failure to build out sites with existing permissions is often the result of multiple impediments including availability of labour and materials as well as the cost and delivery of required infrastructure.
- 3.12.3. The County Council supports the Commission's recommendation to MHCLG that the formula for designating affordable housing must be revised by so that it does not reflect market value in an area but rather average income in the area, as it reflects the disparity in terms of policy and the local conditions in terms of salaries and local housing costs.
- 3.12.4. The County Council does not agree with the Commission's recommendation that each of the 730 parishes in rural North Yorkshire should build five houses over a ten-year period, leading to 3,650 new homes. This issue needs to be considered more holistically. Piecemeal or windfall development is often used by local planning authorities to provide for a relatively small proportion of housing supply however this policy risks undermining the site

allocation process and potentially has negative implications for the provision of infrastructure, particularly local schools. Although most local plans have a policy of delivering in the region of 40%, affordable housing this is rarely achieved. Building five houses in every parish might be better suited to self-build proposals and should also be looked at in terms of potential second home ownership and local residency qualification, which already exists in some district councils' planning policies. Elsewhere the Commission's report makes reference to community led development and this approach has been successful in some areas, providing homes for essential workers and local families.

3.12.5. Specific recommendations to the County Council and draft response:

The local authority should be enabled to have the power to levy a charge on second homes which must stay in the county and be used to further affordable housing.	While this suggestion has been considered previously in North Yorkshire, particularly in national parks, it would be helpful to consider the implications further particularly in relation to the visitor economy.
The County Council needs to understand the challenges of managing old properties and provide free advice on how to improve their energy performance.	The management and retrofit of older properties in both a challenge and an opportunity in North Yorkshire. There is an opportunity for the County Council to lead this area of work through the management of its own property portfolio and initiatives to develop appropriate skills and employment opportunities. The County Council's own estate is being looked at in terms of carbon performance as part of its carbon reduction programme.

#### 3.13. Rural Transport

- 3.13.1. The Commission's report outlines the challenges faced in providing public passenger transport in more remote rural areas and identifies solutions to address this based in part on new models of private and public transport provision. The challenge of providing passenger transport in remote locations is historic and well understood and the Council welcomes the Commission's attempt to find new approaches to address these issues beyond simply identifying the need for greater levels of funding.
- 3.13.2. The Commission's report supports the installation of fast charging infrastructure for electric vehicles, and financial support being made available to buy a number of electric vehicles which can be made available for community rental. As the Commission's report also notes, work is underway to develop the appropriate infrastructure for electric vehicle charging in North Yorkshire and this will require some additional electricity infrastructure as identified elsewhere in the report.
- 3.13.3. Specific recommendations to the County Council and draft response:

The Commission holiouse that	As the Company's non-out states, the County Council
The Commission believes that	As the Commission's report states, the County Council
the County Council should take	is piloting on demand services. This is proving positive
up the opportunity to provide	and successful and could be rolled out more widely in
more innovative passenger	the future. The Commission has also highlighted the
transport such as demand-	investment in digital infrastructure required to support
responsive transport across the	this and other similar services in rural areas.
county, as outlined in the	
Government's national bus	

strategy, Bus Back Better, opening up the travel choice options of rural and remote areas. The Bus Back Better funding must invest in these services and the technology required to support them, together with innovative improvements to promoting these and other services.	
The Commission recommends that the County Council reviews the need for car parking spaces at train stations and invests in expanding provision where needed.	The County Council recognises the issue of parking at train stations and would generally highlight the need for passenger and private transport to be fully integrated across different modes to provide improved services for all areas and to reduce overall car usage.
The Commission believes that the County Council should promote active transport where appropriate. To facilitate this, the County Council must examine and develop the necessary infrastructure, more cycle lanes, cycle routes and safe places to "park" a bike.	The County Council has provided significant levels of investment and resources in the development of active travel including the provision of cycle lanes, routes and facilities. The County Council continues to support the development of local cycling and walking infrastructure plans as a key component of reducing carbon emissions, promoting road safety and improving personal health.

#### 3.14. Cross cutting themes

- 3.14.1. The County Council welcomes the Commission's view that devolution is critical to securing long-term investment into the region and the Commission's call for the government to agree a deal as a matter of urgency. The County Council, in partnership with councils across York and North Yorkshire, is keen to agree with an appropriate devolution deal with the government. Through the LEP, work is ongoing to agree a devolution deal for YNY which reflects the needs of the urban and rural areas of both YNY. It is anticipated that such a deal would deliver funding and powers to address the many of the findings throughout the Commission's report.
- 3.14.2. The County Council also welcomes the Commission's comments on the challenges and opportunities offered by the need to move to net zero carbon. The county is reliant on fossil fuels. The willingness of everyone to change behaviour, and ensuring a fair and just transition to net zero, will be two of the biggest hurdles to overcome. Taking on the challenges of climate change will make North Yorkshire an even better place to live, learn, work, relax and visit.
- 3.14.3. The County Council supports the Commission's call for central government to ensure that Levelling Up funds recognise and meet the needs of sparsely populated regions as much as industrial regions. The County Council also supports the Commission's recognition of the critical importance of community and social infrastructure, and the call for Levelling Up funds to be used to protect social infrastructure in remote rural regions.
- 3.14.4. Specific recommendation to the County Council and draft response:

The County Council must	The County Council is committed to working with
establish an Advisory Task	local communities and their stakeholders and this is

#### 4. Implications

4.2. There are no specific equalities, finance, legal or climate change implications arising from the draft response as an overarching statement. Some elements of the draft response relate to existing County Council policy and work programmes, and the impact of these will already have been assessed. Other elements of the draft response relate to potential new work programmes, which will need to be assessed in the normal way as these are considered and developed.

#### 5. Recommendation

5.2. Executive Members are asked to note the contents of this report, and to recommend to the Chief Executive Officer that using his emergency powers he consider and agree a response to the report of the North Yorkshire Rural Commission, based on the draft set out above at section 3.

Neil Irving Assistant Director Policy, Partnerships and Communities 12 September 2021