



A Rural Vision for Wales

Thriving Communities for the Future

Key policy proposals and asks

January 2021

INTRODUCTION

- The current circumstances we find ourselves in due to the dual challenge of dealing with the impact of a pandemic and the implications of EU Exit provides a specific focus and urgency in terms of the actions and interventions we now need to see adopted and implemented by both the UK and Welsh Governments.
- The WLGA Rural Forum recognises the vitally important role the agricultural industry plays within the rural economy and in sustaining rural communities, including the role of small family farms in maintaining the Welsh language and managing the rural landscape. The WLGA supports agricultural policies that safeguard an economically resilient industry, producing affordable food to high standards of environmental management and animal welfare. The Rural Forum will continue to lobby as appropriate on all those matters.
- The vision set out here contains policy proposals for the rural economy that aim to enhance and complement future agricultural policy by addressing the complex range of challenges Forum members have identified. These include the skills base in rural areas, and investment in activities to add value to the range of primary products derived from farming activity.

PART 1 – OUR POLICY PROPOSALS AND KEY ASKS

1. *Diversifying the Economic base with a circular economy approach to natural rural products*

Improving the productivity of rural areas provides opportunities for high quality employment, safeguarding the Welsh language and retaining young people.

- i) Identify new markets and products to add value to the entire product base from agriculture, forestry, and the marine sector.
- ii) Explore opportunities for modern techniques, such as the role of vertical farming in addressing a balanced agricultural sector.
- iii) Recognise the strategic value of rural Wales as a testbed for new renewable energy technologies and invest in jobs and business growth.
- iv) Invest in high-tech production techniques to augment value from protein chains, building on circular economy and zero waste principles.
- v) Address market opportunities in the health and nutrition sectors for primary products that can be derived from Welsh farming and fishery practices.
- vi) Recognise the value of Welsh language skills in the workplace and build on the ARFOR pilot scheme to explore links between the language and economic development.
- vii) Create strong links between Welsh and wider UK universities, and realise the economic potential from world leading R&D to add-value to rural products, with

formal links between institutions such as the Aberystwyth Innovation Campus and the Life Sciences Hub to develop high-value markets.

2. STEM the Tide

A targeted rural youth programme to invest, upskill and retain bright and talented young people in rural communities:

- i) Establish STEM (Science, Technology, Engineering, Maths and Money) Centres of Excellence by investing in high quality facilities within rural Further Education Institutions to provide training for young people, as well as opportunities for adult in-work upskilling and retraining opportunities, targeted at the following sectors -
 - Food Science
 - Digital and Electronics
 - 21st Century Agriculture
 - Healthcare and Medical Sciences
 - Low Carbon Infrastructure
 - Creative Industries
 - Circular Economy
 - Advanced Manufacturing
 - Bioeconomy
- Governing bodies to secure representation from key anchor companies and local entrepreneurs to provide clear and tangible links to the local employment market. An opportunity to develop tailored apprenticeship and in-work training programmes.
- ii) Develop entrepreneurial skills and position self-employment as an aspirational career path, through mentoring and building on schemes such as 'Llwyddo'n Lleol'.
- iv) Train and recruit health professionals to work in Rural Wales, including support for the Aberystwyth Nursing School, a North Wales Medical School, and the Cardiff University Rural GP Training Programme, and write-offs of student loans for health and medical graduates taking up posts in Rural Wales.

3. Adding value to Rural Infrastructure

- i) A commitment to the universal provision of broadband and digital mobile infrastructure to enable residents and businesses located in Rural Wales to match the digital capabilities of other more urban regions.
- ii) Significant improvements to the rural road infrastructure and commitments to improve journey times and the driving experience on key routes.
- iii) Develop innovative demand-led public transport in rural areas that meet local commuting patterns, and linked to the visitor offer, driven by renewable fuel sources.

- iv) Active travel needs to be fully considered within a rural context. Developments in the range of e-bikes has opened opportunities for commuting and school transport in rural areas but investing in safe routes is key to unlocking its full potential.
- v) Invest in grid capacity in rural areas to enable a transition to zero carbon transport.
- vi) Identify ways to develop zero carbon heating for off-grid properties, invest in hydrogen fuelled pilot projects for both new build and retrofit rural homes.
- vii) Support aspirations for a Zero Carbon Future. Future energy projects should identify ways to add-value to the availability of renewable energy and attract manufacturing businesses to locate in proximity. This is to ensure efficient distribution of energy close to the source of generation and ensuring that Rural Wales retains the social and economic benefits from the primary production of energy.
- viii) Ensure Welsh infrastructure investment from the 'New Deal for Britain'¹ to invest in 21st Century facilities for health care, education, and transport for rural communities.

4. Sustainable Tourism supporting local communities, businesses and people

- i) Policies to rebalance tourism through developing new visitor attractions and address capacity issues in visitor hot spots. Support for community-centred and community-owned tourism ventures and projects, encouraging engagement with local heritage and culture, spend with local businesses, and low-impact activities.
- ii) To counter the effects of Covid-19 restrictions on the tourism and hospitality sector, investment in a dedicated marketing campaign to welcome visitors back to Wales. This is an opportunity to refine the sector and to invest strategically to rebalance the impacts of tourism, invest in quality and higher value activities, extend the season, and promote alternative destinations to address capacity issues in areas experiencing 'over-tourism'.
- iii) Introduce planning legislation that requires a formal change of use for whole property short term lettings under *Air BnB* type schemes, and guidance to address housing pressure in areas where there is a high percentage of second homes.
- iv) Review the eligibility of 'residential' premises to receive 100% business rate relief and avoid paying any Council tax.

5. Housing to reflect local community needs

Housing availability is a key concern in rural areas, with supply constrained by small property developers operating within the area, coupled with premium property prices driven by second home ownership and short-term lettings. Young people aspire to own their own homes to enable them to live and work in the areas they have grown-up in. In many rural communities, this is having an impact on the Welsh language, with the outmigration of Welsh speaking young people, who struggle to find suitable housing.

¹ <https://www.gov.uk/government/news/pm-a-new-deal-for-britain>

- i) Tailored housing policies are needed to support the needs of Rural communities. Evidence suggest where housing development has happened in rural villages, it has stimulated the local economy, and had a positive impact on retaining a younger demographic. Options to increase housing could include provisions for local authorities to set-aside development land specifically to meet local housing needs and sensitive self-build options where young people have access to land.
- ii) Lobby for sufficient funds for capital subsidies to build affordable homes across a range of tenures in rural areas with a defined need for local housing.
- iii) Options to explore cooperative housing in empty community properties, such as closed schools and pubs, could provide affordable accommodation for young people to live independently.
- iv) Utilise the availability of timber products and fibres such as Welsh wool, to develop low-cost modular housing based on modern methods of construction. This would lead to more homes being built within a quicker timeframe, to efficient standards, and safe working construction practice.
- v) Introduce measures to protect Welsh place and property names.
- vi) Raise awareness of the Welsh language amongst those purchasing homes within communities where there is a high percentage of Welsh speakers.

6. Smart and Thriving Rural Towns

- v) A Smart Towns Initiative to equip market towns with digital infrastructure, including public wi-fi and shared working and office hubs, and empower them to use digital technologies and data to enhance community planning, deliver services and support local businesses.
- vi) A rolling programme of capital investment in suitable and modern employment sites to support business development and growth. Working with business and start-ups to invest in food and pharmaceutical grade premises to support growth and free-up starter units for new enterprise.
- vii) Establishment of creative hubs in locations in Rural Wales focused on film, music, design, and computer games respectively, each anchored by an established organisation or company and providing facilities and access to specialist technology and infrastructure for clusters of small enterprises and freelancers.
- viii) Support for the Banc Cambria initiative and local credit unions to finance banking facilities in communities where commercial bank branches have been closed.

7. Community Wealth Building and addressing the Missing Middle

The current Covid-19 pandemic has highlighted the need for stable short supply chains for key goods such as food and drink, construction materials, PPE, medical and care equipment, and pharmaceuticals. The rural economy has the resources to supply the primary ingredients for many of these goods and services, either through agricultural and forestry products, or readily available renewable energy to manufacture goods.

- i) Recognise the role of the public sector as anchor institutions in the rural economy and adopt dynamic procurement policies that support rural businesses, recognising the value to the local economy and local authorities in supporting local businesses and jobs, even if the initial purchase costs more at the outset (a 'resilience premium').
- ii) Introduce a package of actions to support food processing, extend farmers markets, click and collect schemes, and direct vending machines. Along with a certification scheme for shops, restaurants and hospitality venues sourcing over 50% of their produce from local growers and suppliers.
- iii) Action plans to enhance childcare and other caregiving in rural communities by combining commercial, institutional and voluntary sector provision and informal community networks appropriate to local needs.
- iv) The Welsh Government's foundation economy schemes should focus on streamlining growth for businesses operating within these sectors, providing the financial and knowledge resources to support business growth from micro business and fill the 'missing middle' of the Welsh economy.

With low interest rates, develop a local investment scheme to support business growth and expansion with government underwriting of loans, through a peer-to-peer rural lending scheme. This could unlock investment for businesses to grow, whilst offering favourable returns for local people who are looking to save or to enhance their retirement earnings.

PART 2 – BACKGROUND AND CONTEXT

Most of the land area of Wales is rural and a third of the Welsh population lives in a local authority that is a member of the WLGA's Rural Forum: Anglesey, Gwynedd, Conwy, Denbighshire, Ceredigion, Powys, Carmarthenshire, Pembrokeshire, and Monmouthshire. These counties face similar challenges arising from their rurality, which includes poor connectivity that impacts on residents' ability to access services, and the increased costs of service provision within sparsely populated areas.

Rural Wales is a large and diverse region encompassing communities in many different settings. The OECD's recent publication on Rural Well-Being² defines three different types of rurality, each of which can be found in Wales:

1. Rural areas inside functional urban areas (FUAs)
2. Rural areas outside but in close proximity to a functional urban area
3. Rural remote areas

The Rural Vision primarily addresses the challenges and opportunities of rural remote areas, which are largely covered by the members of the WLGA Rural Forum. However, it recognises that rural areas are also found in other parts of Wales, closer to urban areas, including wards that have benefitted from support under the Rural Development Plan.

² <https://www.oecd-ilibrary.org/sites/d25cef80-en/1/3/1/index.html?itemId=/content/publication/d25cef80-en&csp=b742f7b6d3156322b4ff6d200a99c890&itemIGO=oecd&itemContentType=book#section-d1e437>

These areas can also face challenges from connectivity and increased costs, as well as their own distinctive issues.

The policy interventions suggested as part of the Rural Vision vary in their applicability to different parts of Wales. Some are relevant to all rural communities in Wales, others mostly to the rural remote areas covered by the WLGA Rural Forum members, and yet others may be targeted at specific challenges faced by coastal rural communities, or upland communities, or predominantly Welsh-speaking communities.

OUR ASPIRATIONS FOR RURAL WALES

- We want a Rural Wales with thriving age-balanced communities.
- We want a Rural Wales of vibrant villages and market towns, where smart technologies help businesses and organisations to become better connected.
- We want a Rural Wales where the Welsh language is enabled to thrive and prosper.
- We want a Rural Wales where people are employed in good quality, well paid jobs.
- We want a Rural Wales where people live in communities throughout the year, redundant buildings are brought back into use, and young people can afford their own homes.
- We want a Rural Wales with a rich local food culture.
- We want a Rural Wales with modern infrastructure that meets the needs for connectivity and a zero-carbon energy future.
- We want a Rural Wales that is powered by renewable energy, with safe, active travel routes and well-connected public transport services.
- We want a Rural Wales with a sustainable tourism industry, supporting independent family-owned businesses, who are investing in their local communities.
- We want a Rural Wales in which a new generation of farmers are practising sustainable agriculture, balancing modern technology and traditional cultural practices.

Immediate Threats

The impact of Brexit and a slim Trade Deal, and subsequent domestic legislative proposals, loom above a rural economy already fragile from the impacts of the Covid-19 pandemic.

- The UK Internal Market Act is a vast and complicated piece of legislation that threatens to undermine devolution. It could lead to divergent agricultural and rural support mechanisms and a potential race to the bottom as the principle of mutual recognition can undermine the high value food production from Welsh producers.
- Sufficient safeguards are needed for the Agricultural Food Sector in ensuring that any imports from future trade deals do not undermine the high standards of animal welfare and environmental measures adopted by Welsh farming practices.
- The Welsh Government's Sustainable Farming and Our Land consultation fails to recognise the importance of food security as a public good, with a skew to

environmental measures as the basis of rural development interventions. Failure to recognise the need to support wider social, economic and cultural measures threatens the financial levers needed to steer the rural economy towards a vibrant future.

- There remains uncertainty around the Shared Prosperity Fund and a replacement mechanism for the £3bn (EU & Match Funding) allocated to Wales as part of the current European Structural Funding cycle. These funds provide much needed investment in skills, business support and capital infrastructure in rural Wales.
- The move towards regionalisation and establishing Corporate Joint Committees could lead to rural issues being overshadowed by urban based growth agendas.

Opportunities for Rural Wales

Activities in Rural Wales help to fuel growth in urban areas, acting as primary sources of energy, food and water. Rural areas also provide breathing spaces for urban populations to enjoy leisure activities, who in turn consume the services and infrastructure provided by rural authorities. As a predominately rural country, urban growth in Wales draws heavily on goods and services provided from rural areas, and thus rural development should be recognised as a critical component of Welsh economic development and well-being.

- Growth across the four economic regions and City & Growth Deal areas relies on the inter-relatedness between rural and urban areas, with strong economic connections to larger urban conurbations across the A55 in North Wales and the M4 in South Wales that drive growth and development.
- With an abundance of natural resources, and a rural workforce skilled in agriculture and land management, Rural Wales provides the opportunities to invest in a green economic recovery, by developing renewable energy projects and green infrastructure to address decarbonisation and the climate emergency.
- Rural Wales and agricultural communities are the strongholds of the Welsh language and retaining a strong economic base within these areas supports the Welsh Government's aspirations for reaching 1 million Welsh speakers by 2050.
- The Welsh Food and Drink sector is to be celebrated as the fastest growing food and drink sector in the UK. Recognised internationally for quality and provenance, Rural Wales provides the primary base for future growth opportunities in the sector.
- Based on the success of the Food and Drink strategy, with coordination and investment there are opportunities to develop circular economy growth in Welsh grown construction materials from sustainable timber and fibres derived from livestock agriculture, such as Welsh wool.
- The coastal regions of Rural Wales host multiple opportunities for the marine industries, including renewable energy, seafood, and unique opportunities for added value tourism linked to marine wildlife and the seascape.
- Rural Wales has a strong manufacturing base, with skilled local labour that is in short supply across the UK. There are opportunities to develop place-based sector specific clusters to learn and grow from companies such as Hiut Denim in Cardigan

and Fashion-Enter in Newtown, who have recognised the opportunities and developed new markets.

- The natural beauty of Wales' coast and countryside form the basis of its growing tourism industry, worth an estimated £6.3bn a year to the Welsh economy. Though vulnerable to the impacts of the Covid-19 pandemic, improvements in quality and service can create opportunities to improve the performance of the sector by increasing the value of visits and stays in Wales.
- As increased homeworking becomes part of the 'new normal', there are opportunities to capitalise on the influx of people with different skillsets and the ability to invest in developing and growing businesses in Rural Wales.

Challenges for Rural Wales

The strategic challenges facing rural areas in Wales remain unchanged since the development of the current RDP programme. However, the cumulative impact of an agglomeration approach to economic development, EU Exit and a slim Trade Deal, and the effects of Covid-19 on businesses has brought sharp relief to the issues highlighted:

- Low productivity, low incomes and a low skills base
- An economy dominated by microbusinesses and challenges to growth caused by access to finance and skilled labour
- Poor connectivity and transport links to urban markets, with the movement of goods and people heavily dependent on poor road infrastructure
- Demographic issues with an ageing population and the outward migration of young people
- Social and economic threats to areas that are strongholds of the Welsh language
- Access to services, and the higher cost per capita of local service delivery
- Infrequent, inaccessible and expensive public transport
- Limited healthcare services, compounded by difficulty in recruiting specialist medical staff
- Lack of affordable housing and a high number of households off the mains-gas grid and experiencing fuel poverty
- Heavy reliance on agriculture, tourism and the public sector
- Food producers and processors reliant on European exports, at risk from the impact of EU Exit
- Poor digital connectivity, with many rural areas experiencing 'not-spots' in terms of broadband and mobile phone signal

PART 3 - RESOURCES AND GOVERNANCE

- Recognise the core role of local authorities and elected members in representing rural interests and providing accountability to rural communities, supported by the appropriate designation of local authority competencies and by adequate and fair funding to enable the equitable delivery of public services and rural development across all parts of Rural Wales.

- Ensuring that development led by and with the active involvement of rural communities is adopted as a key principle in delivering priorities within the Regional Economic Frameworks to facilitate place-based planning and delivery in response to locally identified needs and opportunities.
- Guaranteeing that resources are safeguarded to enable and facilitate the realisation of innovative responses to the particular needs and opportunities of the rural economy and communities; coupled with funding to mainstream and scale-up successful ideas.
- Residents of rural Wales make up a third of the Welsh population and to achieve this Rural Vision, appropriate resources are needed to address the issues facing rural communities. A dedicated focus on rural matters is needed to ensure these issues are fully considered across all aspects of Welsh Government policies, strategies and funding programmes.
- Further consideration of appropriate delivery mechanisms for the Key Asks and the fair incorporation of rural priorities in Regional Economic Frameworks and City and Growth Deal strategies, and the rural proofing of Welsh Government policies across all policy areas.
- We would welcome the involvement of the Future Generations Commissioner to explore opportunities to support Future Generations within rural communities, and to ensure that the cultural value of rural Wales, particularly links to the Welsh language, are safeguarded and strengthened.
- Alignment with the recommendations of the OECD report 'The Future of Regional Development and Public investment in Wales,' including emphasis on coordination, devolution of decision-making and the two-way exchange of innovative practice.
- Ensuring a successor Rural Development Programme for the post-EU transition period and a specialist rural strand to the Shared Prosperity Fund.