Relationships Between Transport and Rural Economies

Final Report

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dhc

In association with

Employment Research Institute

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Research Findings

Summary and conclusions

This review was commissioned by the Countryside Agency to explore the impact of the transport sector, including transport provision, on rural economies in England. The research, by Derek Halden Consultancy in association with the Employment Research Institute, Napier University, sought to: collate what is known from existing recent literature about the main links between transport and rural economies and the transport needs of rural businesses, and; validate the relationships through survey work to explain the ways in which transport can most effectively benefit rural economies.

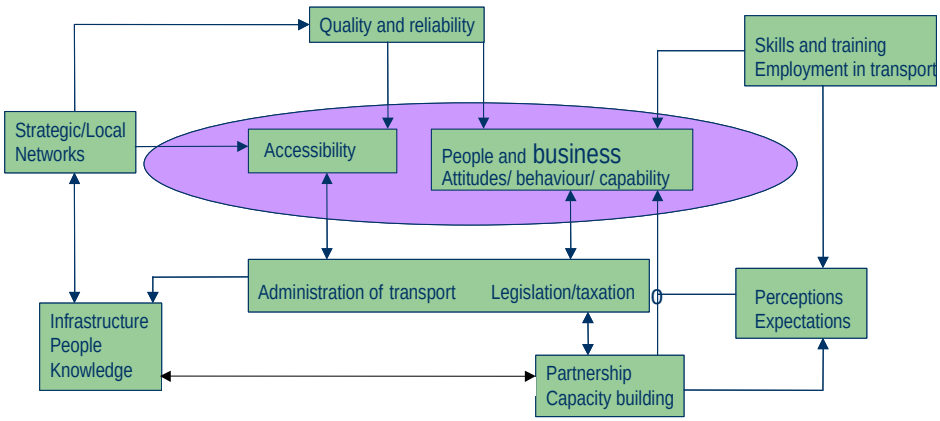
It found that relationships between transport and rural economies are defined by accessibility and by the capacity and skills of people and businesses. Key factors influencing these relationships are:

- Infrastructure, people and knowledge networks
- Quality and reliability of service provision
- Skills and training
- Culture and expectations
- Legislation, administration and taxation.

Whilst efficiency in urban areas can more often benefit from economies of scale, in rural areas there are relatively greater benefits from widening the scope of service delivery. However this requires better joint working between firms, organisations and public agencies than has been common practice in the past.

Based on a literature review and survey programme, Figure F1 shows some of the ways that accessibility, and people and business characteristics, interact with other key influences on transport.

Figure F1 – Transport Interactions with Rural Economies



Recommendations

This research identifies that there are key challenges to resolve in rural areas that are not necessarily receiving the attention they deserve. These include:

- More Freight Quality Partnerships are needed to raise quality and reliability standards for couriers, which is of crucial importance to many of the small and cottage businesses that define the growing economy of rural areas.

- Local road congestion problems need to be taken seriously. Local authorities often perceive that urban congestion is greater and focus attention there, but this is distorting the balance between local and strategic accessibility.

- The balance between transport investment and rural development should recognise changing patterns of activity and ensure consistency between land use patterns and infrastructure supply. Quiet roads and attractive environments in rural areas can be perceived as underutilised economic resources to exploit, but this can undermine rural economies if new development does not cover its full internal and external costs including for transport infrastructure.

- More and better partnership approaches are needed to improve the quality and reliability of transport services.

- Spreading best practice - Innovative initiatives have often been funded on an experimental project basis but the transfer of these into widespread mainstream practice remains slow. Action is needed to provide incentives for cross-sectoral projects.

- New people, knowledge and training networks are needed in rural areas which are relevant to the modern national and global economy, and there is a need to recognise changing patterns of service delivery and link into developing economic structures and supply chains.

Approach to the work

The project has been undertaken through five specific tasks:

- Review existing literature on transport and rural economies.

- Describe the nature, scale and trends in transport and its contribution to rural economies and communities.

- Propose a simple model to explain the way that transport and rural economies interact.

- Investigate through a postal, telephone and focus group surveys the transport related needs of rural businesses and whether these businesses or employees have any particular needs which are not being met.

- Assess what policy measures help businesses with their transport needs.

The research and survey work was undertaken between November 2004 and March 2005 with statistical analysis covering the whole of England and case studies in the Daventry/Northamptonshire area, North Devon, Easington/East Durham and Breckland/North Norfolk.

Infrastructure, people and knowledge networks

The ability for a small rural business to supply goods and services often depends on their ability to tap into urban centric business networks e.g. major supermarkets.

For individuals, networks can be more important in getting a job than skills and experience. Social Networks are usually built around: family and friends, topics and interests, and roles and responsibilities.

Public agencies not only need to network amongst themselves but to help enable networks for others.

Impacts of infrastructure networks are complex and sometimes have unintended consequences since the impact on target people groups is less explicit than for many of the interventions to support rural economies. Physical infrastructure improvements can only deliver the full benefits for which they were intended if accompanied with complementary measures to manage behaviour change.

Quality and reliability of service provision

The current policy context seeks to marry traditional top down approaches to rural development with bottom up approaches where communities solve their own problems. Top down approaches emphasise promotion of inward investment, providing road access, and finding economies of scale. Bottom up models of rural development emphasise the enabling of localities to realise their own potential by building partnerships using local resources and access to capital.

Synthesising these two approaches requires a complex mesh of networks: within businesses, between businesses, between businesses and local and non-local institutions and among institutions. To improve quality and reliability, partnerships between public and private sectors need to become the norm rather than the exception, with bus quality partnerships, freight quality partnerships and performance improvement partnerships covering most rural areas.

Training, skills, culture and expectations

The viability of delivering training to businesses or individuals can be threatened by the unit costs of delivery. Rural economic development agencies need multi-skilled advisors and economic development practitioners who understand transport problems. The surveys indicate that current training is delivering new skills but that changing cultures within rural areas takes time and for some people major lifestyle changes are needed.

Legislation, administration and taxation

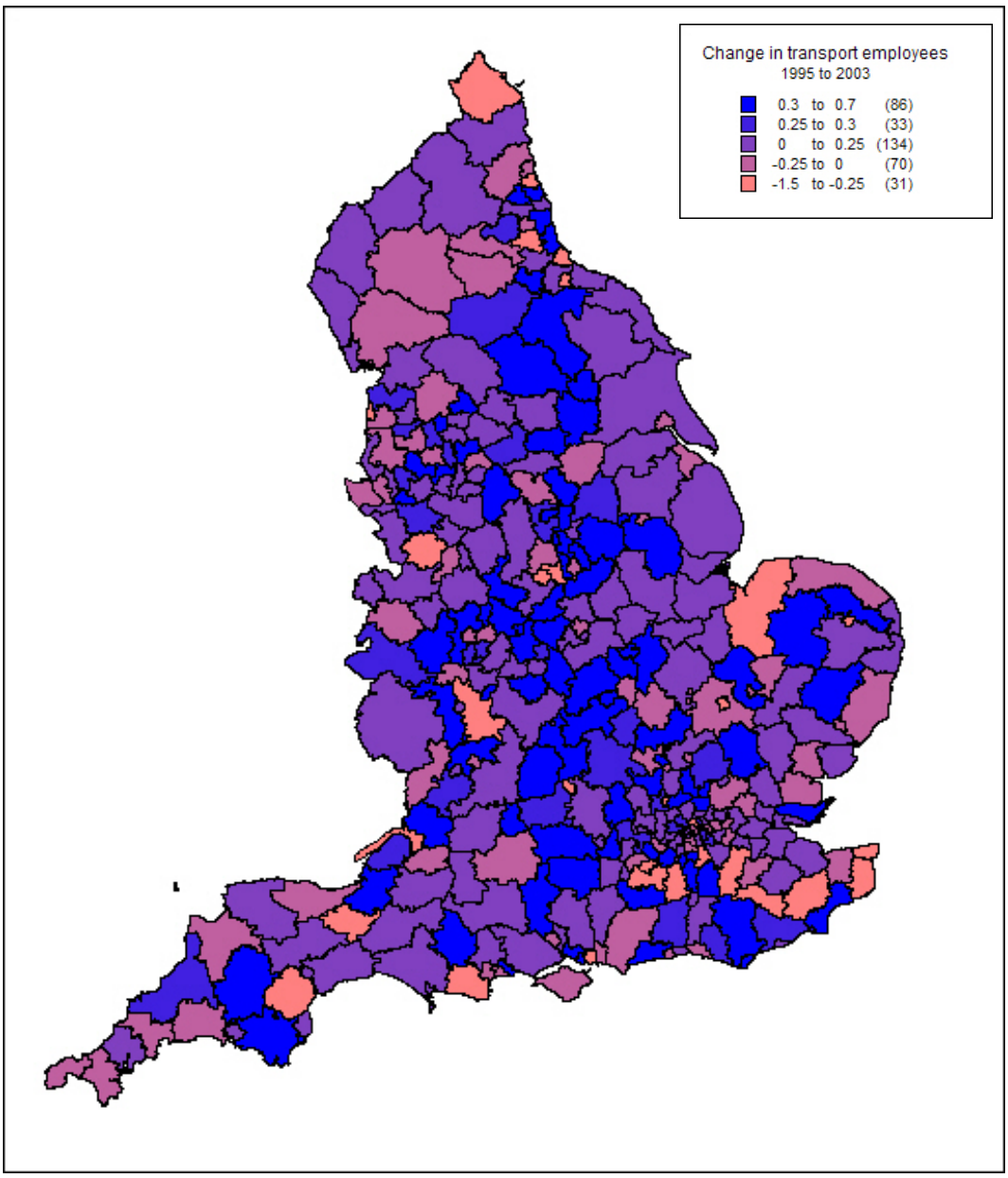
A challenge for rural development is how to use public funding to build sustainable communities, rather than lock in dependence on public funding. The decline in access to post offices, banks and general stores reflects wider

trends towards greater centralisation and developing electronic communications. Policies to improve rural access need to recognise and work alongside these trends. Legislation and accountabilities create pressure for single sector delivery so this needs to be matched with balancing tax incentives and funding supporting partnership working.

Employment in Transport

In recent years patterns of transport employment have been changing rapidly. Transport employment is clustered in major towns and cities and along motorway networks and Figure F2 shows that both rising and falling employment has been apparent in these locations, reflecting the dynamic and footloose nature of the industry.

Figure F2 – Change in Transport Employment 1995 -2003



Further reading

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Executive Summary

The sustainability of rural economies depends on a strong and effective transport sector. This review was commissioned by the Countryside Agency to explore the impact of the transport sector and the level of transport provision on rural economies in England. The work, by Derek Halden Consultancy in association with the Employment Research Institute, Napier University, sought to: collate what is known from existing recent literature about the main links between transport and rural economies and the transport needs of rural businesses, and; validate the relationships through survey work to explain the ways in which transport can most effectively benefit rural economies.

The current policy context seeks to marry traditional exogenous approaches to rural development with endogenous approaches where communities solve their own problems. Exogenous approaches emphasise promotion of inward investment, providing road access, and finding economies of scale. Endogenous models of rural development emphasise the enabling of localities to realise their own potential by building partnerships using local resources and access to capital.

Synthesising these two approaches requires a complex mesh of networks: within businesses, between businesses, between businesses and local and non-local institutions and among institutions. To improve quality and reliability, partnerships between public and private sectors need to become the norm rather than the exception, with bus quality partnerships, freight quality partnerships and performance improvement partnerships covering most rural areas.

The ability for a small rural business to supply goods and services often depends on their ability to tap into urban centric business networks e.g. major supermarkets. For individuals, networks can be more important in getting a job than skills and experience. Social Networks are usually built around: family and friends, topics and interests, and roles and responsibilities. Public agencies not only need to network amongst themselves but to help enable networks for others.

Impacts of infrastructure networks are complex and sometimes have unintended consequences since the impact on target people groups is less explicit than for many of the interventions to support rural economies. Physical infrastructure improvements can only deliver the full benefits for which they were intended if accompanied with complementary measures to manage behaviour change.

The viability of delivering training to businesses or individuals can be threatened by the unit costs of delivery. Rural economic development agencies need multi-skilled advisors and economic development practitioners who understand transport problems. The surveys indicate that current training is delivering new skills but that changing cultures within rural areas takes time and for some people major lifestyle changes are needed.

A challenge for rural development is how to use public funding to build sustainable communities, rather than lock in dependence on public funding. The decline in access to post offices, banks and general stores reflects wider

trends towards greater centralisation and developing electronic communications. Policies to improve rural access need to recognise and work alongside these trends. Legislation and accountabilities create pressure for single sector delivery so this needs to be matched with balancing tax incentives and funding supporting partnership working.

In recent years patterns of transport employment have been changing rapidly. Transport employment is clustered in major towns and cities and along motorway networks and significant changes in transport employment in these locations has been apparent, reflecting the dynamic and footloose nature of the industry.

Overall the research found that that relationships between transport and rural economies are defined by accessibility and by the capacity and skills of people and businesses. Key factors influencing these relationships are:

- Infrastructure, people and knowledge networks
- Quality and reliability of service provision
- Skills and training
- Culture and expectations
- Legislation, administration and taxation.

Whilst efficiency in urban areas can more often be delivered through economies of scale, in rural areas economies of scope offer relatively greater potential, but require better joint working between firms, organisations and public agencies than has been common practice in the past.

Contents

Section 1 – Introduction and Literature Review 1
1.0 Introduction 2
Approach to the project 2
Acknowledgements 2
2.0 Context and Key Concepts 4
Rural economies 4
Trends 6
Rural employment demand 8
Labour supply 9
Trends in Rural Employment 11
Communities 12
3.0 Transport Impacts on Rural Economies 14
Employment in transport 14
Accessibility benefits 16
Network effects 17
Distribution of impacts 18
Some factors affecting productivity 19
Experiences of modelling transport impacts on rural economies 19
Economies of Scale and Scope 20
4.0 Delivery Mechanisms 21
The role of public agencies 21
Procurement of public services 22
Partnership working 23
Networks 23
Community based initiatives 25
Business support 26
5.0 Deliverables 28
Access to core services 28
Grant and funding schemes 29
Training and awareness raising 30
Physical infrastructure 31
Distribution and home delivery 33
6.0 Key Interactions 35

Interactions....35
Analysis of interactions....36
Section 2 – Statistics....38
7.0 Transport Businesses in England....39
8.0 Employment....44
Section 3 – Surveys....54
9.0 Survey Approach....55
Case study area selection....55
Characteristics of case study areas....56
Survey approach....60
10.0 Discussions with Public Agencies and other Key Stakeholders....61
11.0 Postal Survey....63
Survey administration....63
Survey response characteristics....63
Local and Strategic accessibility....64
Business location and planning....67
The future....68
Information and recruitment....70
Staffing and recruitment....71
12.0 Telephone Interviews and Focus Groups....72
Telephone Interviews....72
Focus groups....73
Section 4 – Harmonising Policies and Opportunities....76
13.0 Conclusions....77
Recommendations....78
14.0 References....79
Appendix A – Postal Questionnaire....84
Appendix B – Telephone and Focus Group Issues....1

Section 1 – Introduction and Literature Review

1.0 Introduction

1.1 The sustainability of rural economies depends on a strong and effective transport sector. This review was commissioned by the Countryside Agency to explore the impact of the transport sector and the level of transport provision on rural economies in England.

1.2 Four overall aims were defined for the research to:

- Collate what is known from existing recent literature about the links between transport and rural economies, and the transport needs of rural businesses.
- Apply evaluation and thought to the literature to develop the theory relating transport and rural economies.
- Carry out survey work to test the theories developed.
- Formulate simple verbal theoretical models to explain the ways in which transport can most effectively benefit rural economies, and present other conclusions arising from this work.

1.3 This report presents the findings from the study. Section 1 describes the outcome of the literature review and proposes a model for the interactions between transport and rural economies. Section 2 profiles statistics on the transport sector in rural England and Section 3 presents the results of survey work within four case study areas. Section 4 then discusses how well current policies support transport and rural economies.

Approach to the project

1.4 The project has been undertaken through five specific tasks:

- Review existing literature on transport and rural economies.
- Describe the nature, scale and trends in transport and its contribution to rural economies and communities.
- Propose a simple model to explain the way that transport and rural economies interact.
- Investigate through a postal, telephone and focus group surveys the transport related needs of rural businesses and whether these businesses or employees have any particular needs which are not being met.
- Assess what policy measures help businesses with their transport needs.

Acknowledgements

1.5 The work was overseen by a Steering Group, which has supported and guided the work of the core research team, from Derek Halden Consulancy (DHC) and the Employment Research Institute (ERI),

Napier University, Edinburgh. Steering Group representatives included:

- National and regional representatives of the Countryside Agency
- DEFRA
- British Chambers of Commerce
- Freight Transport Association.

1.6 Their support is gratefully acknowledged.

2.0 Context and Key Concepts

Rural economies

2.1 Greater separation of economic activity defines the sparsity and peripherality of areas. The relative importance of transport factors within economic development policy increases as remoteness grows. Transport and accessibility issues are therefore woven through rural economies in ways that cannot simply be isolated from other factors affecting rural development. Accessibility is therefore a key determinant of rural typology. Rural economies are often characterised under three broad types (US FHA 2004):

- Remote rural areas with few or no major population centres and virtually no commuting to major employment and population centres;
- Developed rural areas tend to have some small towns or cities with a mixed industrial and service local economy and a surrounding agricultural and natural resource base, and a more diverse transportation infrastructure (including goods and passenger links to some urban centres);
- Peri-urban or urban boundary rural areas border metropolitan areas and are highly developed in economic and transport terms with strong commuting and/or economic links to the metropolitan core or suburbs. Some developed areas may be along inter-regional transport corridors and have relatively good links to other areas, while others may be in ‘cul-de-sac’ areas where there are no significant through transportation links.

2.2 England is a relatively densely populated country and most of the country falls into the latter two categories above, although in Scotland their urban-rural classifications recognise more remote areas (Scottish Executive 2004a). A more detailed classification of the English areas was developed for the Commission for Integrated Transport (Gray 2001):

- Basic: e.g. rural 'honeypot' (e.g. The Lake District), rural village and hinterland (e.g. Northumberland);
-
- Developed: Market town and hinterland with proximate urban centre (e.g. Bridgnorth and Birmingham), Market town with dispersed hinterland (e.g. Lincolnshire), Market town with 'valley' hinterland (e.g. Yorkshire Dales);
- Peri-urban: peri-conurbation (e.g. rural Surrey), peri-urban (e.g. Oxfordshire).

2.3 Rural areas have more under used economic resources and marginal economic activities. Reorganisation of economic activity in favour of some rural areas could result in positive distributional benefits of economic activity and, particularly in remoter areas, transport investment can be a principal mechanism for economic development intervention by the public sector.

2.4 People and businesses live and operate in rural areas for a very wide range of reasons. An attractive, peaceful, unpolluted and unstressed environment and secure friendly communities are identified as some of the main advantages and dominate positive perceptions (Countryside Agency 2000, Halden et al 2001). Given that people have generally sacrificed accessibility benefits in order to live in rural areas it is not surprising that transport concerns dominate negative perceptions of rural living, but other problems include the availability and cost of housing and access to local services.

2.5 There are a number of factors that underlie any economy's performance and productivity, including: skills; investment; innovation; enterprise; and competition. More widely, rural economies in particular are underpinned by:

- The economy of production, including tourism.
- The labour market economy.
- The social economy.
- Public sector employment in remote areas.

2.6 Businesses face higher transport costs to and from markets (Patterson and Anderson 2003) and are often exposed by their dependency on a few key sectors, namely tourism, primary sector and public sector employment. Research has shown that rural economies are often characterised by relatively higher numbers of SMEs, more manufacturing and sometimes less service activity than urban economies (Keeble 1998). Rural businesses are also found to be more export-driven and have higher levels of R&D (Keeble 1998).

2.7 Rural labour markets are characterised by a more scattered population, difficulty in commuting, and problems sourcing labour due to travel problems and the perceived remoteness of areas (McQuaid and Greig 2002). They also have a smaller pool of labour for businesses to draw on, which is partially offset by lower wages (Smallbone et al 1999) and cheaper premises (Patterson and Anderson 2003).

2.8 In general, rural areas have imported the prosperity from urban areas (Chapman et al 1998) demonstrating that economic success is strongly linked with economies of scale. Fragile activities in rural areas can be highly successful if they can be effectively linked into the rest of the economy. There are many examples of successful rural

businesses which derive much of their trade from wider markets by linking effectively into supply chains (UWE 2000).

2.9 Other successes within rural economies can be seen from clustering economic activity. The 'New Economic Geography' (Krugman 1999, Kilkenny 1998) explains the geographic clustering of economic activity to recognise both inherent advantages of locations and random events. Inherent advantages include: accessibility/transport factors, geography, climate and availability of resources.

2.10 Wider factors and trends, such as the impacts of globalisation, local cultural resources and entrepreneurial culture, and external links by entrepreneurs to other potential markets and funders, increase the importance of culture and lifestyles in attracting or retaining new businesses and in growing sectors. For example, inward investment in the Highlands of Scotland (McTaggart 1995) showed that inherent accessibility disadvantages were, in many cases, more than overcome by random effects such as key locational decisions by senior managers of large North American corporations being influenced through having relatives and family connections within the area.

2.11 Also firms may move away from urban areas with high levels of economic activity into rural and other areas due to: wages, prices and competition; land, natural resources and low worker mobility; congestion and pollution (Treasury, 2001). These 'decentralising' forces are, however, lowered due to inflexible prices, or other rigidities, can reduce the incentives for relocation, such as regional wage rigidities, barriers to labour mobility, and the presence clustering benefits (or agglomeration economies).

Trends

2.12 Key trends in rural economies have been summarised (Winter and Rushbrook 2004) as follows:

- A decline in agriculture and other land-based employment.
- Counterurbanisation and a growing rural population (although not necessarily in more remote rural areas).
- Increasing service employment.
- Exposure to global markets.
- Competition with low wage countries creating pressure for footloose industrial firms to move from rural areas.
- Industrial firms becoming more flexible, service intensive and customer oriented and needing medium skilled labourers rather than unskilled workers.
- Increased levels of mobility and car ownership and the growth of dormitory settlements.

- More women in the workforce.
- Decline of rural service provision, particularly shops, post offices, schools, village halls.
- A higher proportion of micro businesses.

2.13 People from urban areas, often affluent groups, have moved to the countryside attracted by the high quality environment and way of life (DEFRA 2002). In some cases this has displaced less affluent groups in rural areas, often through competition for scarce housing. Improved transport links have enabled more commuting, and agriculture now accounts for less than 4 per cent of employment. In addition, as employment has continued to move from urban centres to suburban and peri-urban areas and smaller towns, the locations from which it is feasible to (usually car) commute, have widened to more nearby rural areas (DfT 2003a).

2.14 Technological developments have also been important and the mix of industrial sectors in rural areas is now very similar to that in urban areas, with the service sector being by far the largest employer. However, the service sector is very broad including skilled professionals such as surgeons and many low skill staff such as in call centres. Also, the make-up of the sector differs between locations with Towns or other urban areas having more central government posts such as Job Centre Plus offices, and hospital staff even on a per capita basis. If local public administration is included, the proportion of people employed in public services overall is similar for both urban and rural areas in England at around 25% (Countryside Agency 2004b, DEFRA 2004).

2.15 The growth of spending on leisure and recreation activities has significantly boosted the size and importance of the rural tourist industry. There have been major changes as a result of technological developments including new communications which are yet to reveal long term trends but is already clear that business structures are changing and that the character of many rural areas is changing.

2.16 Thus the difference between rural and urban economies has become less distinct whilst the economies of different rural areas have developed along very different trajectories. Some clear differences between rural and urban areas remain, particularly related to the sparsity of population and the importance of land based industries and the environment. However, the differences between different types of rural area have grown (DEFRA 2002).

2.17 Despite this growth in diversity of rural areas, the rural policy framework, and much of the analysis of rural economies, is still sectoral and centralised e.g. the Common Agricultural Policy. This sectoral approach is no longer compatible even with agriculture, which is itself now highly differentiated.

2.18 Much of the apparent ruralisation of business activity is about movement to out of town business parks and small towns in locations easily accessible to urban areas by strategic roads (DfT 2003a). This means that low mobility groups such as some women, lone parents, low paid and/or part-time workers are particularly at risk from transport-induced exclusion from the new employment opportunities in rural areas. Also the urban dwellers are often better placed to access some rural jobs than the rural residents.

Rural employment demand

2.19 Traditional export-base employment models (see: e.g. Armstrong and Taylor 2000, OECD 1995) distinguish two types of employers with different location, and transport, requirements:

- Employers servicing local markets/needs e.g. local shops, post offices, jobcentres. These employers will remain located in the area, or close by. They have limited choice of location.
- Employers servicing outside (or 'export') markets e.g. manufacturing, food processing, some professional services, and tourism. These industries usually have a greater choice of location.

2.20 In practice most employers or businesses are composite; a village shop relies on tourists to keep open, as local trade is insufficient; consumers have choices and may purchase their main shopping some distance away; centralisation of public services may result in the population being serviced primarily from outside the area.

2.21 Market orientation is therefore only one characteristic of employers and needs to be viewed alongside other factors when characterising rural employers. Other important factors include: size; ownership and sector (including public and private, and industrial sector); and ownership.

2.22 There is generally a more limited range of job opportunities available, including opportunities for career progression, which can make attraction and retention of high quality staff difficult. This may be particularly important for 'two-earner' households where areas with limited job opportunities for the partner may be less attractive to move to or remain in.

2.23 Models of employment demand in rural areas therefore need to include:

- Sources of employment by business type including business challenges and opportunities and vulnerable sectors (in particular where there is a narrow business base with a small number of sectors).
- Characteristics of businesses. In addition to larger and more established companies these include: self-employment, multi

employment activity (several jobs for one individual), very small businesses, and management and ownership such as family businesses, and employment in the social economy.

- Characteristics and culture of the labour market, such as rate of self-employment and history of employment e.g. in coalfields.
- New business growth and inward investment trends.
- Type and range of employment opportunities.

Labour supply

2.24 Currently, there are 6.6 million people employed in rural areas in England, which represents 29% of English employment (DEFRA 2004). Of this, 4 million jobs (18% of national total) are in accessible rural areas and 2.5 million (11% of national) in remote rural areas. Census figures for England in 2001 indicate that in general, the employment structure (residence based) of rural areas is very similar to that of urban areas. The main difference is that slightly fewer residents are employed in the Banking and Finance sector in rural areas (15%) compared with urban areas (19%).

2.25 Some key characteristics of rural employment are (Green 2003):

- Self-employment is relatively more important in rural areas (accounting for 11 per cent of total employment) than in urban areas (where it comprises 8 per cent of total employment).
- Part-time working is also more prevalent in rural than in urban areas. This is associated with seasonal and/or casual labour markets, which are a feature of some rural areas.
- Personal networks can be important in finding employment in rural areas and for young people, parents and other family members provide important knowledge about local employers and vacancies, but recent in-migrants to rural areas may be excluded from such networks (Lindsay et al 2003).
- Low wage levels are common and compensating differentials and local area attractiveness may mean that there is relatively little upward pressure on wages.

2.26 Most people need to travel to reach their employment, and employer expectations of potential employment catchments vary according to category of job. High earners and the high skilled increasingly travel large distances to their employment (Kain 1975; McQuaid et al 2001). Travel to work areas are complex and specific to each sector and role. Models of labour supply therefore need to be quite disaggregate (e.g. in terms of the characteristics of: the people; the jobs; the areas; and the transport links) in the way they consider the different labour markets.

2.27 Relevant factors affecting the segmentation of labour supply include:

- Employment, self-employment, unemployment and employability in general.
- Part-time/full time employment, temporary/permanent, shifts, seasonality.
- Migration, and life-stylers (e.g. inward migration by those not seeking economic growth).
- Activity rates (e.g. early retirement, people leaving the labour force etc.) and employment rates (which have often been lower in rural areas depending partly upon how spouses working in family businesses are counted).
- Skills, age, length of time unemployed, personal disadvantage.
- Mobility – car ownership, mobility impairment.
- Accessibility including spatial (distance), temporal (the time it takes due to lack of transport), environmental (transport option not comfortable), information (e.g. access to labour market information), physical (e.g. bus cannot take wheelchairs) and security factors (e.g. safety walking down unlit lane).
- Household constraints e.g. childcare.
- Personal choices – e.g. weekly commuting may be accepted by some, and for these groups views of labour markets are radically different from others.

2.28 There are many ways that the above factors can be influenced to widen or change the characteristics of labour supply to better suit emerging employment opportunities. These include accessibility changes, restructuring the way that public services are provided, and social support systems.

2.29 When seeking to change any characteristic of the labour market it should be recognised that most personal lifestyles are constrained by multiple factors (Monk et al 2004). For example transport improvements may increase the potential range of jobs/ training/ education people can search for, but travel horizons are a function of mental maps, education, higher salary, presence of children, part-time/full-time work and many other factors. Therefore the impacts of transport improvements on labour market supply should normally be undertaken in conjunction with other measures (DHC et al 2004).

2.30 It may therefore be that help with childcare for one partner in a household may not widen the search for the individual but could add sufficient flexibility to widen the range of search in the job market for a partner. Non-employment related changes may affect the willingness of people to live in rural areas. For example, evening bus services

back from a town for leisure travel can mean that young people are happy to take jobs in the rural area rather than migrate away (DHC 2003). The Scottish Executive has introduced its Working for Families Fund, which seeks to deal with childcare and some of these inter-linked issues in two remote rural and 8 largely urban or partly rural local authority areas.

2.31 The ability of rural businesses to benefit from the wider labour pool within urban areas may also assist with rural economic development so out-commuting from urban areas can be a benefit as well as a threat to rural areas.

2.32 Transport allows the efficient deployment of resources to meet the demands of people and employers. The supply of labour in one location can only benefit an area with availability of employment opportunities if there is transport between the two areas. As the structure of the economy changes there are strong pressures on transport systems as people travel further to obtain work. Over time people will tend to move closer to where they work timing, changes with life events such as children leaving school, rather than external events such as losing a job (TRL 1994, DHC 2002). However, transport opportunities obviously differ significantly between people who can use private transport and those who must rely on public transport.

2.33 The benefits and disbenefits arising from the two-way relationship between rural and urban areas are difficult to generalise and it is important to avoid over-simplifying the mechanisms. Complementary action to support employers and residents in rural areas when transport is improved can be necessary to ensure that transport investment can deliver the benefits intended by scheme promoters. Measures may include (Scottish Executive 2002, 2004b):

- Grants to businesses – e.g. support for rural post offices, rural petrol station grant scheme.
- Improved rural health centres.
- New affordable housing.
- Support for local schools.
- Development of social support mechanisms.

Trends in Rural Employment

2.34 Figures from the Annual Business Inquiry (which excludes self-employed people) highlight recent structural changes in the rural employment:

- Between 1998 and 2001, rural areas gained 238,000, a job growth of 5% equivalent to a 26% share of all employment growth in

England (compared to 29% of current jobs in accessible and remote rural areas) (DEFRA 2004).

- Breaking this down by sector, there has been a 10% decline in Manufacturing, a 15% increase in Other Services, and a 13% increase in both the Banking and Finance, and Transport and Communication sectors.
- The highest absolute employment increases in rural areas, were in Distribution, Hotels and Catering (89,000 jobs) followed by Banking Finance and Insurance (82,000 jobs).
- Most of this growth in business service jobs (about 70,000) took place in accessible rural areas, however, growth in the Distribution sector job growth was more even.
- In manufacturing, rural areas lost 91,787 jobs out of a national loss of 385,168 jobs (24% of national total loss) Of this most jobs (70,563) were lost in accessible rural areas with 21,224 lost in remote areas.

2.35 Total employment grew by only 1.4% in rural *wards* between 1998 and 2001 in contrast to a 5% growth seen in rural *districts* as a whole. This reflects the fact that most of the growth in employment in service sector industries has been in rural district towns, which would be classified as urban wards. However, caution is needed interpreting these figures in that Unit Authority based statistics include both rural areas and rural towns and may therefore mask the differences in job growth (DEFRA 2004).

Communities

2.36 The term community is widely used but can be confusing as it simultaneously describes beneficiaries, interconnections between people or organisations, links with partnership working and an ability to make decisions on issues such as investment. However, it is not always clear on how the territory for the beneficiaries has been defined (Ray 2003). If boundaries are defined externally then they may be very different from the bottom-up boundaries generated or perceived within communities. Further, boundaries for different activities (e.g. shopping and schools), or different areas of responsibilities, may vary considerably. It is often necessary to use more precise terms such as territory, locality, and partnership when defining a community.

2.37 The current policy context (DEFRA 2000) seeks to marry traditional exogenous approaches to rural development with endogenous approaches where communities solve their own problems. Exogenous approaches assumed that development was largely about promoting inward investment, providing road access, and finding economies of scale, especially in agriculture. Communities were therefore defined according to administrative catchments such as local authority areas

and investment was optimised for this pre-determined geography. Thus an investment programme, e.g. to target the 10% most deprived rural wards in the country, would recognise community boundaries as wards. Smaller Census areas may, in some cases, provide a finer alternative.

2.38 Endogenous models of rural development emphasise the importance of enabling localities to realise their own potential by using local resources and capital and thereby developing from within. They emphasise the strong linkages between the high quality environment, regional identity and local prosperity.

2.39 Recent policy initiatives for rural development (DEFRA 2002) reject the polarisation of the endogenous and exogenous approaches and stress the interplay of local and non-local forces in the development process. These neo-endogenous models view rural development as a complex mesh of networks: within businesses, between businesses, between businesses and local and non-local institutions and among institutions.

2.40 Where community capacity is weak, delivery is only possible with support from external actors, so endogenous initiatives tend to favour those who are already powerful and articulate (Roberts 2002). Endogenous development therefore involves the building of the 'capacity' of some localities. The research is weak on the factors that affect successful endogenous growth and more information is needed particularly on rural business support needs.

2.41 Community planning has been more successful at building networks than achieving delivery (ODPM 2003). These networks have then been able to operate outside the community planning process to deliver joint initiatives. This is discussed in more detail in Chapter 4.

3.0 Transport Impacts on Rural Economies

Employment in transport

3.1 Transport is a large employer, and rural economies can be supported through assistance for employment within the sector. Employment in transport accounted for 5.2% of all rural jobs in 2002 (Countryside Agency 2004b). In comparison, urban areas had a slightly higher (6.5%) percentage of transport employment in 2002.

3.2 Employment directly related to transport may include:

Public Transport Services

- Operator / Driver / Vehicle maintenance / Clerical Support / Administration
- Mechanical Support / Infrastructure maintenance / Highway or Permanent way Engineer / Transport Planning
- Railway and Station Staff / Travel Agent or Ticket Sales Point / Infrastructure Support / Barrier Crossing / Signalling
- Taxi Mode, Driver, Booking And Administration Staff

Freight Transport Services

- Driver / Operator / Mechanical Support / Fuel Supplier
- Logistics support / Technology Provider
- Warehousing Support / Packaging / Storage Operation / Pickers / Primary Product Suppliers

Private Transport Provision

- Vehicle Supplier / Retail or private trader
- Vehicle Maintenance / Mechanic / Parts Supplier or Retailer
- Fuel Supplier

Others

- DRT / Non traditional Transport Suppliers
- Community and Voluntary Transport

3.3 There was a small decline in rural transport employment over the period 1981-1996, but from 1998 to 2002 there has been a 13.8% increase in employment in the Transport and Communication sectors in rural England (Countryside Agency 2004b). Evidence points to a greater proportion of transport sector businesses in rural areas being run by local residents rather than in-migrants (Countryside Agency 2003), with subsequent potential employment benefits. Evidence from the US also suggests that rural counties with higher concentrations of

employment in transport services experienced significantly greater earnings growth (US Dept of Agriculture 1997).

3.4 Development of the linkages between transport, its services, and rural employment, and the nature and split of transport related jobs between urban and rural communities, reflects the continuing development of the service sector, and other wider trends in the labour market. Increased part-time and temporary employment is reflected in the transport industry with increasing dependence upon contracted temporary workers and split shifts in rural bus and rail service employment. Where new transport employment opportunities are outside traditional work hours this can favour urban workers, where access tends to be better in off peak than in peak periods (ILO 1999).

3.5 Traditional employment, including mechanical and physical labour, remain male oriented and are mainly allied to main depots in relation to public transport. Locations for such services are typically located in peri-urban areas. Automotive mechanical labour and main dealerships are increasingly concentrated in urban hinterlands.

3.6 Technology based transport and transport industry has a wider age and gender profile than that specific to mechanical and physical labour (Grieco 2000). Some rurally based employment has developed as a result of external sourcing of information-based services, such as call centres, but such employment sometimes tends to be transient. Changes in technologies and the regulatory environment in which transport services operate introduce potential barriers for rural employees unless they also have access to suitable training opportunities.

3.7 Community transport groups are well represented in rural areas and perform a number of training functions within the transport sector with potential to increase employment of semi-skilled labour (DfT 2000). There can therefore be expected to be an increasing supply of transport skills with potential to fuel further growth in transport employment. Within Highland Council an innovative scheme has been developed to support young people into employment as taxi drivers tackling the dual problem of the lack of taxis and high unemployment (Scottish Executive 2001).

3.8 In freight transport the emergence of the concept of logistics in the 1980s, required secondary warehousing operation and this has been more of an opportunity than a threat for rural areas. Transport has become increasingly part of the overall production process and choices of location are based upon total costs, and gains such as flexibility, rather than on minimising particular sets of costs, such as transport (Mackie and Tweddle 1993). There are many major hauliers based in rural areas, often close to motorway junctions. This allows the companies to benefit from lower local labour costs whilst retaining good accessibility to the trunk road network (particularly during

congested parts of the day). These network effects provide opportunities for rural communities as discussed in Paragraph 4.16.

Accessibility benefits

3.9 If transport and communications are part of the glue that holds together the economy and society, then it is clear that the accessibility benefits provided by transport are of critical importance for all agencies working to support rural development.

3.10 The relationship between transport and the economy has been one of the most studied research issues over the last 30 years but the results have been mainly used to inform aggregate approaches to investment appraisal using measures such as GDP to measure economic well being. As a result the functional relationships, which describe how transport relates to different types of rural economy, remain poorly defined (DfT 2003a).

3.11 Yet in developed rural economies, the functional and economic relationships between communities control their ability to prosper or survive. Adequate transport infrastructure is a necessary precondition for fostering the development of more cohesive markets, and permitting greater exploitation of economies of scale. At a personal level, increased mobility and accessibility afford individuals wider employment, social and recreational choices (DHC 2001). The increasing relative centralisation of many services (such as hospitals, much retailing etc.) mean that those without access to transport (or who lose access to e.g. private transport due to age) may be further disadvantaged. An efficient transport infrastructure is therefore essential for a prosperous economy.

3.12 Development in rural areas is therefore both a consequence of the opportunities for transport and communications and a determinant of transport supply.

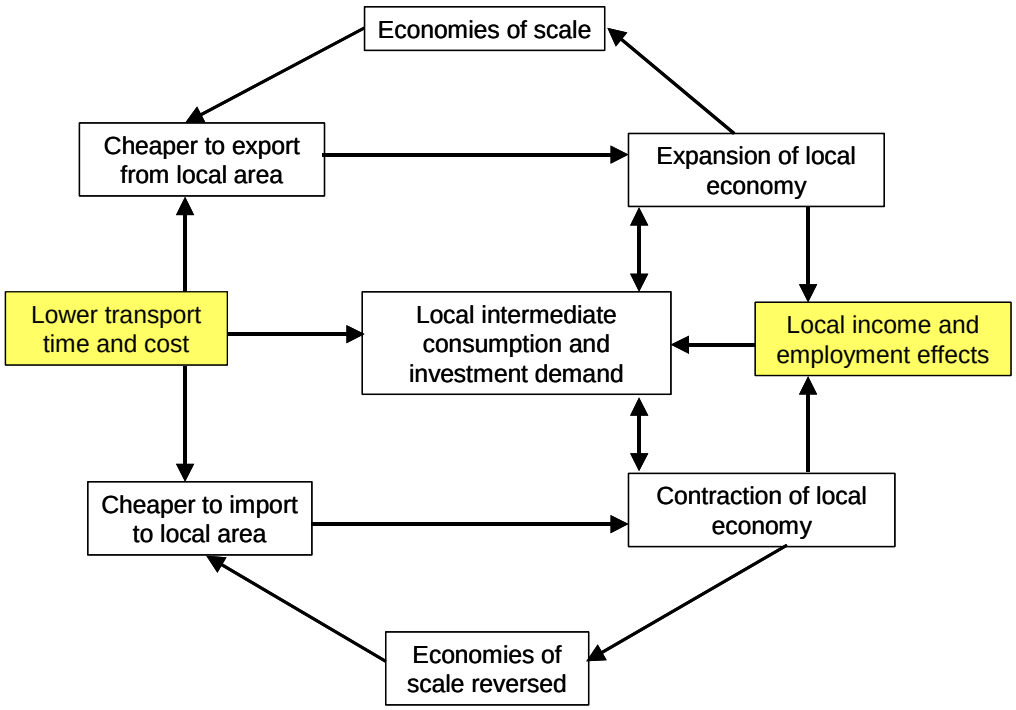
3.13 There is a layered geography of accessibility that is not always apparent from rural typologies. High-speed networks such as for rail and motorways define a web of accessible locations which have limited relationships with the zonal systems used in most spatial planning. Similarly changes in functional accessibility (e.g. access to 'Red Star' type parcel services) can profoundly affect rural firms (e.g. the closing of a depot).

3.14 The relatively high importance of transport for rural areas compared to urban areas also means that a detailed understanding is needed of the profile of the transport sector within rural areas to enable the contribution of transport towards sustainable rural development to be better understood.

3.15 Major research efforts in recent years (e.g. SACTRA 1999) have clarified the parameters of the debate, in particular that transport

investment has both positive and negative consequences. The general approaches to understanding relevant factors within transport scheme appraisal are therefore much clearer, but the quality of analysis is limited by the restricted understanding of people's behaviour, and in particular the detailed mechanisms and issues that affect decisions by people and businesses (Goodwin 2004). Figure 1 summarises how travel time and cost changes impact on a local economy (adapted from Oosterhaven and Knapp 2003).

Figure 1 – Conceptual Model of Accessibility Impacts



3.16 It should be noted that the most important transport improvements for rural areas will often not be within the rural areas themselves. The upgrading of the A9 between Perth and Inverness had significant positive and negative impacts on locations over 60 miles north of Inverness (Halden and Sharman 1994).

3.17 Time and cost are not the only important accessibility impacts. Investment in infrastructure may alter the perceived accessibility of places, particularly peripheral areas, which may be perceived as less peripheral after a major investment, regardless of any actual changes in accessibility (EEDA 2000). This can be particularly important for promoting tourism. Also reliability, and perceptions of reliability, can have an even greater impact on investment decisions than time and cost.

Network effects

3.18 Network pricing on public transport such as zonecards within PTE areas can make travel cheaper in relative terms within urban areas. The

availability of infrastructure and services cannot be separated from wider networking factors in determining the transport provision available to an individual (Cairns et al 2004)

3.19 Investment in national networks such as motorways and railways is funded centrally but other transport networks are funded locally. In some locations investment in trunk networks is a high proportion of total transport investment but in others coverage of the national networks is limited. Given that strategic networks cater largely for major inter-urban movements the investment in rural transport can be dominated by improvements targeted at inter-urban needs rather than rural development aims.

3.20 Supply chain management can discriminate against rural businesses if coverage of distribution networks is patchy in rural areas.

Distribution of impacts

3.21 Transport investment tends to have a greater impact on the distribution of economic activity than on the overall level of activity, and measures which help to create the right conditions for particular economic activities can result in net benefits to the local area, the region, or the country, depending on the availability of alternative locations at each level. The effects are mixed on various sectors of the economy, since reorganisation by businesses and individuals works two ways. On the one hand, the opening up of relatively 'protected' markets in remote areas can damage some sectors within a local economy, although other sectors may gain from lower costs or wider choice. On the other hand there will be potential for exploiting under-utilised resources.

3.22 Nodes or centralisation within rural areas can have a variety of effects. They may retain some jobs, income and services within the rural areas, but may lead to the moving of some to these 'centres' from neighbouring rural areas.

3.23 There has been a long running debate within transport appraisal about the extent to which public investment should consider this distribution of impacts (SACTRA 1999). It is now clear that the distribution of economic activity is important, and Government now require these to be assessed (HM Treasury 2003) reflecting the understanding that:

- Development in areas with underutilised resources (which are often rural areas) has a greater net benefit to the national economy than development in areas with strong economies.
- A corollary of transport investment inherently influencing the distribution of activity is that transport policies which concentrate on growth in travel demand favour areas with strong economies and high levels of social inclusion (SEU 2003).

- Increasing globalisation means that national economies are less self-contained, so it cannot be assumed that the overall level of economic activity is not dependent on its distribution.

3.24 Also inherent in the debate about the distribution of benefits is the extent to which multiplier effects are relevant to investment decisions. In areas with underutilised resources, e.g. high unemployment, expenditure which captures more of the expenditure locally, multiplies the benefits of the expenditure more than in other areas. It is therefore often helpful to consider multiplier effects within investment decisions (NEF 2002).

Some factors affecting productivity

3.25 There are other issues which affect productivity in rural areas on which transport can make an impact, such as improving agglomeration economies or economies of scope, clustering etc., including effects upon:

- Supplies - Improved competition amongst suppliers and improved supplies can reduce costs and/or improve quality, but also allow easier imports and use of firms including transport firms from outside the rural area (Patterson and Anderson 2003). In England, 12% of rural business transport services are sourced outside the local region (Countryside Agency 2003), although this measure is sensitive to the definition of the geographical areas.
- Labour – Improved options for specialist business services and ability to get information from competitors or have a relevant pool of suitable labour (Kilkenny 1998, McQuaid and Greig 2002, Patterson and Anderson 2003).
- Responses to change – local rural and family firms may be slower to capitalise on transport investment due to their characteristics such as size, and constraints from social and other factors such as a desire to stay near family (DHC 2001). Access to and ability and willingness to adapt to technological and other changes may be influenced by similar factors including accessibility to other regions and sources of innovation.

Experiences of modelling transport impacts on rural economies

3.26 Attempts have been made to develop complex economic models of land use and transport change but these have only been partially successful in informing the decision making process for three main reasons (Simmonds 2001):

- The costs are high for developing a quantitative model for any local area, and the data available may be poor quality or poor surrogates for key variables.

- The results can be difficult to relate to the experience of decision makers meaning more instinctive evidence is used in practice weakening the benefits of developing quantitative models.
- The models are reliant on many assumptions about behavioural responses of travellers and businesses, which often have a weak theoretical foundation.

3.27 Therefore, rather than rely solely on complex quantitative models, economic impact reports (EIRs) within transport appraisal has evolved to rely on a more qualitative approach looking at positive and negative impacts of transport change on each economic sector (DfT 2003b). Although such techniques are gaining acceptance amongst practitioners, the practical application has been limited and there are no published overviews as yet of the various EIRs produced.

Economies of Scale and Scope

3.28 Lack of economies of scale, compared to more urban areas, result in higher unit transport costs and lower levels of service provision in most rural areas, for both passengers and goods. In low-density rural areas, fixed route and fixed schedule public transport normally cannot meet transport demand. However, economies of scope may be achieved through transport providers joining together to provide combined public, school, health and social (e.g. for elderly or disabled people) transport services for a combination of clients or markets rather than having a series of separate services. A system-wide, coordinated approach, using appropriate geographic boundaries, should improve the achievement of both economies of scope and scale in rural areas (Audit Commission 2001).

3.29 Economies of scale also affect non-transport services, resulting in increasing centralisation in public (e.g. hospitals) and private services. This increases transport costs for many rural areas, although it may increase opportunities for transport providers.

4.0 Delivery Mechanisms

4.1 Fostering improved transport and stronger rural economies in parallel requires a co-ordinated approach to delivery that recognises the broad impacts of transport. In this chapter, these delivery mechanisms are considered including:

- The role of public agencies
- Public service procurement
- Partnership working approaches
- Networks
- Community based initiatives
- Business support

The role of public agencies

4.2 Rural development policies are heavily influenced by wider national and international strategic issues such as globalisation, changing technologies and the impact that these have on different locations and firms, changing communication systems, the growing importance of environmental factors and changes in company structure. Within this context, the activities of economic development agencies are separated into the interconnected areas of: assistance for existing businesses, new businesses start-up and survival, inward investment, training for those in work, training for the unemployed, area initiatives, sector initiatives, and the physical infrastructure.

4.3 The rationale for public investment by government and agencies is underpinned by three main aims (Countryside Agency 2003):

- To ensure that rural businesses remain competitive and that their contribution to the national economy is not put at risk.
- To tackle rural disadvantage.
- Investment in countryside capital to retain non-market benefits including landscape features, access, biodiversity, and built heritage.

4.4 Increasingly the role of government as an enabler is being recognised. This means that programmes are only carried out when they lever resources from users, encourage competition among suppliers of services, and there is feedback from the initiatives to ensure accountability and avoid political manipulation of the process.

4.5 Policies to assist rural areas have been changing in recent decades (McQuaid 1997). There has been a worldwide move from rural development policies being focused upon a single sector (agriculture) to developing a diversified rural economy (OECD 2003), involving:

- A wider recognition of the interdependence of rural and urban areas.
- A shift from distributing subsidies to support specific activities toward mobilising investment in emerging opportunities that take full advantage of local resources and capabilities recognising that tapping the potential in rural areas is often hindered by the need for collective action.
- Continuing the shift towards top-down incentives to develop bottom-up projects targeting coordinated development. A bottom-up approach stresses the ability of rural citizens to identify problems for intervention, to formulate strategies and to be full partners in implementation.

Procurement of public services

4.6 It is reasonable to expect that the approach to rural service delivery should be different in different types of area, and for some services standards of provision will be lower in rural areas e.g. response times for emergency services. However, it is not reasonable to expect that urban approaches to service delivery can necessarily be directly transferred to rural areas and that rural dwellers should accept less than optimal delivery approaches. Procurement practice should therefore be made from informed choices about the best local delivery approach and not the unpredictable, unstable and ineffective outcomes of generic national policies (SECTRA 2004).

4.7 For example there are many small local transport operators whose activities could be underpinned by core contracts for school transport, social services transport and contracted socially necessary scheduled services. Tendering arrangements for such services can easily exclude the local operators and favour larger urban based bus and taxi operators, unless specific action is taken by local authorities to recognise local opportunities for better overall value. Small rural operators can provide a better service within more defined local area.

4.8 This can involve more staff time within local authorities from staff involved with procurement, and a joint approach may need to be taken between transport and economic development departments to recognise delivery of economic development aims in addition to transport, social work, education and other policies.

4.9 Administration of public services costs more in rural areas than urban, and a balance needs to be struck between investment in the local community and investment in transport to reach a larger town. The multiplier effects of local employment in delivering public services are often underestimated. Employees do not just spend money in the rural communities where they work but local small businesses can be sustained in providing services to the public bodies. Public funding for regeneration, social inclusion, community development, health,

education and transport are all important for rural development investment, and literature from all these areas can identify barriers to the sustainability of rural communities.

Partnership working

4.10 The trends discussed in Chapter 2, suggest the need for a more integrated rural policy. Steps have already been taken in this direction to move towards delivery at a territorial or community level rather than sectoral frameworks (DEFRA 2003). However, joint action has been weak, as those charged with policy delivery have preferred to defend their sectoral interests rather than take a more integrated view of the needs of a particular community.

4.11 Rural partnerships seek to break down these boundaries, and key successes have been within the environmental economy, the social economy and the heritage or cultural economy (Pickering 2003).

4.12 Considering the specific case of the English rural transport partnerships, appraisal of the impacts of these initiatives suggested that sixty-eight per cent were considered to have contributed to the development of rural economies (Countryside Agency 2004). The initiatives promoted include:

- Providing information and raising awareness of transport options.
- Improving people's experience of rural access with positive feedback for sustainable choices and improved walking and cycling routes.
- Promoting community solutions to transport problems including social car schemes, community minibuses, wheels to work, etc.
- New and amended bus routes and rail service improvements.

4.13 Of the above, the community transport solutions made up nearly half of the total, perhaps suggesting that this type of scheme can benefit most from a partnership delivery approach.

4.14 Partnerships with the logistics industry are also important to overcome barriers faced by some firms. Access to 'next day' delivery services is increasingly expected by companies, but coverage of rural areas can be patchy and unreliable. Delivery partners are often needed from outside the rural area.

Networks

4.15 For individuals, networks can be more important in getting a job than skills and experience (). The strength of social networks amongst individuals is important (e.g. in finding jobs in rural areas) and how these vary (by groups within a rural area, as well as between rural areas) (Lindsay et al 2005, Pipps 2000).

4.16 Social Networks are usually built around:

- Family and friends.
- Topics and interests.
- Roles and responsibilities.
- Other trusted sources.

4.17 For public agencies, networks will be wider than partnerships and the ability to network effectively is essential for partnership building (ODPM 2003, DHC et al 2004)

4.18 Rural transport partnerships have generally been built through networking amongst people who have a role or responsibility related to transport (Countryside Agency 2004). Partnerships appear to be at their strongest when they have a broad range of members to draw upon with a relatively tight steering group. Delivery is closely linked to the development of a community network and less closely related to the choice of host or lead organisation. Rural Community Council-led and other voluntary sector-led partnerships tend to have many more partners than those within the local authority sector recognising the different networking approaches.

4.19 Some of the advantages of successful partnerships include (McQuaid 2000):

- Pooling expertise and resources so as to be able to tackle multi-faceted problems.
- Improving effectiveness through the development of flexible and responsive policy solutions: with local structures facilitating the tailoring of programme delivery to the specific problems and opportunities of local labour markets, and the inclusion of a range of partners increasing the number of 'levers' and policy options available.
- Incorporating local knowledge and shared expertise: a defining feature of any multi-constituency partnership is the manner in which resources and expertise, and knowledge of local policy and labour market structures, are shared and focused in order to maximise the quality and efficiency of services.
- Taking a coherent and integrated strategic approach: effective partnerships will enhance the employment potential of policies by providing linkages between initiatives in order to maximise employment outcomes. Local partnerships also have the capacity to foster long-term confidence in the delivery of policies by enhancing the stability of the operating environment.
- The mobilisation of local support and building of legitimacy: it has been suggested that the common interests and concerns shared by actors at the local level, and the localised forums within which they are discussed have proved to be useful in mobilising employers,

community groups and other interested parties in support of policy goals.

Community based initiatives

4.20 If exogenous models of rural development are insufficient to secure a sustainable future for rural areas then managers from within communities need to be able to deliver sometimes complex and multi-disciplinary projects.

4.21 A wide range of people are able to undertake and manage initiatives (Scottish Executive 1999), drawing on a variety of backgrounds and training to assist them in their work. These leaders face both advantages and disadvantages as a result of being from the local community: familiarity with the local area, people and culture can help, but leaders need to be able to recognise that they may have prior prejudices that could frustrate progress so flexibility is needed.

4.22 Chapter 2 highlighted that discussions about communities need to be clear about how the community is defined. In particular there is a clearer balance emerging within policy which recognises that top down and bottom up approaches work best if action arising from each is co-ordinated (Ray 2003). The bottom up, or in the context of this report it can be termed, “endogenous growth” approach, cannot always be relied upon to deliver positive benefits and there are risks of local factors dominating (e.g. pet projects of decision makers). Local initiatives can build conceptual frameworks through the accumulated experience of their local real-world experiments, but the local perspectives and opportunities can be significantly enhanced by developing the interface between the top-down (exogenous) and bottom-up (endogenous) approaches (Lowe 1995).

4.23 Top down actors include central government and its agencies, local and regional authorities, regional and national voluntary organisations, and international bodies such as the European Commission. Central to these initiatives is a recognition that leadership must start locally since top down leadership erodes endogenous activity. However, top down action can be taken to encourage local community leadership to develop.

4.24 A consequence of locally driven action is that boundaries are defined within the community. However, bottom-up action usually has a clear delivery focus so local boundaries tend to be defined according to three main criteria (Ray 2003):

- The geographical level around which activities are organised e.g. a community council.
- The geographical boundaries at which local inherited capital can be defined e.g. a tourist village.

- The geographical level at which the local community can engage with facilitators at the interface where top-down (exogenous) and bottom-up (endogenous) approaches interact.

4.25 A similar generic approach to match bottom up delivery with top down opportunities is set out in guidance for making the most of income to local rural areas (NEF 2002). In addition to the organisational, cultural, and funding criteria above, there is a stronger focus on topicality, data and markets. The guidance therefore suggests that five questions are considered by local communities to define their area of action:

- What area am I interested in?
- What geographical area does the income for that area come from?
- Where do suppliers come from?
- What area are data available for?
- What area are the stakeholders interested in?

4.26 Local community boundaries are therefore implicit in the effectiveness and efficiency of delivery.

4.27 The community based approaches also need to consider, what might be the factors of production that crucially influence or are available to the local initiatives, and how these resources might be marshalled in pursuit of socio-cultural and economic development aims.

Business support

4.28 Support for businesses is best aimed at increasing the competitiveness of firms (Scottish Executive 2001). If a firm employs more people but is uncompetitive in its market, then in the long-run it will not normally survive. Transport costs impact on competitiveness and support from economic development agencies and local authorities can include infrastructure, changes to patterns of services, and improved information for employees and potential employees. The relative importance of transport to total costs may be larger in rural areas than in many urban areas (depending on the sector and location of markets and suppliers), but generally they are still relatively small. For instance transport costs make up a relatively small proportion (usually 5-7%) of total costs, although this varies by industry (CBI 1985, Diamond and Spence 1989).

4.29 The limited size of the labour pool in rural areas, and remoteness from the main communication centres, from markets and from specialist suppliers, can mean that it is often difficult to attract inward investors. If these accessibility difficulties can be overcome then inward investors may be attracted by other rural advantages such as lower land prices, land and premises availability, lack of congestion, lower wages, and quality of life (Hall et al 1987).

4.30 Once inward investors have been attracted to an area effort needs to be given to expand the investor's links with the local economy, including local firms and local people. Support is sometimes needed for local businesses to raise awareness of opportunities and to market themselves to the inward investor and for training programmes for local people within the catchment area so that they are qualified for the new jobs.

5.0 Deliverables

5.1 Influencing the relationships between transport and rural economies is classified in this chapter under five main headings:

- Access to core services
- Grant and funding schemes including for public transport
- Training and awareness raising
- Infrastructure and services including multi-service centres
- Distribution and home delivery

Access to core services

5.2 Substantive policy categories impacting on rural accessibility, include:

- Strategic policies with direct impacts, e.g., Transport Policies, Rural Transport Grant;
- Strategic policies with an indirect impact, e.g., Creation of National Parks;
- Non-Strategic policies with direct impacts, e.g., planning policy guidance for industry, business, tourism, environment, etc.;
- Non-Strategic policies with indirect impacts, e.g., building restrictions.

5.3 Impacts arising from both direct and indirect policies impact on rural; access, economic and ecological sustainability. A particular challenge for rural development is how to use public funding to build sustainable communities, rather than lock in dependence on public funding.

5.4 Sustainability of living and working at a location depends to a large extent upon access to core services offering choice, flexibility and robustness:

- People value choice such as being able to select several different places to shop and take account of special offers and other opportunities which vary by location and from time to time.
- The value of flexibility and robustness is also important. People will want to be able to reach other jobs in case their current one ceases (e.g. in the event of business failure). A business will want to be able to access a wide range of clients and suppliers. If a supplier knows that a business is restricted by the transport system then they can raise prices so the ability to be flexible helps to maintain competitiveness. People and businesses also want to be able to cope when things go wrong e.g. knowing that if a car breaks down or needs servicing there is a back up option available by public transport. This value can be measured through surveys of

perceptions and behaviour and through trend analysis of national and local statistics.

5.5 Policies need to recognise the decline in access to post offices, banks and general stores (Countryside Agency 2000) reflecting parallel changes in the demands in urban communities and a move to large out of town shopping. Other issues surround access to jobcentre (E-Politix 2003) and alternative methods of access to employment (EMIRES, 2004).

5.6 Policies to improve rural access need to recognise and work alongside the centralisation of facilities in larger commercial centres, increasing use of alternative technologies in information supply, and a move from public service to commercial provision of some public services. Relevant policies in England are: the development of community centres, including Vital Villages; the development of businesses services; and the development of public transport infrastructure and services.

Grant and funding schemes

5.7 The ability to maintain and enhance service provision in rural communities is sometimes threatened by the nature of demand, or the low numbers of users likely to support remote services. The development of key facilities, to assist and encourage community and business development, is supported by a range of funding schemes. While some project funding and grant schemes stand in isolation, many overlap, or rely on consortium approaches to funding e.g. rural transport funding available to Parish Councils under the Vital Villages Scheme.

5.8 Grants and funding schemes include:

- Direct support for businesses e.g. the village shops rates relief scheme.
- Rural transport grants.
- Support for communities e.g. Vital Villages.

5.9 The Rural Transport Grant, and associated Rural Transport Partnerships exist to fill identified gaps in transport provision. Other initiatives include the Government's Rural Bus Subsidy Grant and Rural Bus Challenge, and the Countryside Agency's Parish Transport Grant scheme. Other local initiatives include:

- Parish Transport Grants available to parish and town councils to fund local transport projects - Up to 75% of the scheme costs can be covered by the grant.
- Rural Transport Partnership Project Fund - Available for up to 75% of eligible expenditure. The fund is primarily for revenue rather than capital funding.

- Small Grant Fund.
- Cycle Projects Fund.

5.10 Public funding is also provided to encourage the development of core facilities within rural communities, including post office and essential grocery requirements, as well as skills based development including technology and infrastructure investment.

5.11 Vital Villages (Epolitix 2003) was a grant based project run by the Countryside Agency, in partnership with Rural Community Councils, which aimed to implement the community aspects of the Rural White Paper. The key principle of the grants and support was to enable constituents to help themselves on a local basis, with the local community deciding its own requirements. With this in mind the Vital Village grants were designed to be easily accessible with simple procedures and quickly made decisions.

5.12 Vital Villages also sought to:

- Impart skills and confidence.
- Empower parish councils and local residents by providing access to information.
- Target provisions to the communities most in need.

5.13 Finally it is worth noting that some urban centred policies spill over to impact on peripheral and rural communities. These include vehicle based taxation, public transport integration and ticketing, and the desire for reducing public input to commercial services. There is a need to rural proof these policies to ensure that the grant schemes discussed above more than compensate for the effects of these urban policies.

Training and awareness raising

5.14 The UK has had a poor training record compared to some countries and as the vast majority of the potential workforce are already in the labour market, it is essential that existing workers are trained or re-trained, and are committed to lifelong learning if the general level of skills in the economy is to be improved (McQuaid 1997).

5.15 Travel horizons for unemployed people are often low, and training schemes which seek to raise travel horizons, and provide information on transport options, may help to overcome this. Current initiatives include the EU funded EMIRES programme in East Sutherland, Scotland, where job seekers can match employment opportunities to transport, and Wheels to Work, operated for example in Fife, Scotland, where job seekers and those recently employed are given low rate car rental. Rural employers can also experience disadvantage in gaining access to training facilities (Keeble et al 1992).

5.16 The viability of delivering training to businesses or individuals can be threatened by the unit costs of delivery. Rural economic development agencies need multi-skilled advisors and economic development practitioners who understand transport problems. Currently there is little consistency of approach and sometimes incorrect advice being given (HIE 2004).

Physical infrastructure

5.17 As discussed in Chapter 3 the impacts of road and transport infrastructure are complex since the impacts on target people groups is less explicit than for many of the interventions. The success and failure of infrastructure investment in promoting rural development is therefore dependent on a helpful behavioural response by people and businesses.

5.18 This contrasts with most other transport deliverables where support mechanisms for managing behaviour change are generally an integral part of the initiative. In recent years there has been recognition that physical infrastructure improvements can only deliver the full benefits for which they were intended if accompanied with complementary measures to manage behaviour change (Cairns et al 2004).

5.19 Specialist premises for multiple users have also been provided in rural areas, such as the telecottages, where local firms can access premises with up-to-date telecommunications. These have been used to develop local hubs for managing and communicating about transport service provision (VIRGIL 2000).

5.20 The viability of local public service delivery can be enhanced using multi-service centres (Scottish Executive 2002). The demand levels associated with any individual service can be low in sparsely populated areas but these centres allow overhead costs of maintaining local centres to be reduced.

5.21 Services related to rural transport and local accessibility provided in these centres can be:

- Transport and tourism information and booking services and hubs for interchange.
- One-stop shops for council services, roads/motor vehicle/traffic services, libraries, Council rates payments, etc.
- Day centres, clinics supported with facilities for visiting professionals (accountants, medical practitioners, lawyers, allied health, etc).
- Rooms for seminars, training and community group meetings.
- Post, phone, fax, internet and video conference.
- Recycling and vehicle maintenance facilities.

- Jobcentres, computer training, business counselling, career development workshops.

5.22 In addition, commercial services can be provided at the same locations to help improve the viability of the local hubs as focuses for interchange, commerce and information:

- Petrol diesel and other fuel supplies.
- Business to business trading and collection and delivery point for courier services (prescriptions, photo developing, dry cleaning etc).
- Local information including – public transport information, local news, community newspapers.
- Financial, business and other support services – bank, credit union, building society, business, printing, secretarial services, and secure storage for valuable documents.
- Local business advertising and consultancy services including financial advice, insurance, IT services, fishing permits, repairs, equipment supplies.
- Shopping - including groceries, gifts and clothes, cafes, laundry, and commercial booking agency for events, accommodation and transport.

5.23 In delivering and sustaining these local hubs, successful approaches appear to rely upon (Scottish Executive 2002):

- Formal partnerships between (various levels of) government, the local community (frequently represented by voluntary agencies) and local business interests to combine long-term stability and continuity of funding with ongoing innovation and local entrepreneurial activity.
- An early commitment to the use of community survey techniques, local consultation, and an open involvement in the planning process for the design and implementation of service delivery.
- Strong connections between the need to support local (regional) economic and social development and the demands for local training and education.
- An explicit general commitment to reducing local socio-economic exclusion.
- Involvement of the business and commercial sector in supporting service infrastructure and delivery. This is especially noticeable in deep rural and remote areas where economies of scale and difficulties with ongoing revenue funding are more acute. Many schemes have local employment creation as core objectives.

- A physical location with an inherited culture as a meeting place perhaps part of or adjacent to the local shop(s), local library, medical centre, or schools.

Distribution and home delivery

5.24 Government intervention within the logistics industry is limited to schemes such as developing local hubs as discussed above. However, at a household level the growth in home delivery has significant impacts where partnerships between public and private sectors can deliver successful outcomes (DHC et al 2004).

5.25 With fewer shops available locally the growth of home delivery potentially allows rural residents to procure a wider range of products more easily. In addition to growing markets for packages and larger goods being delivered to rural homes, 95% of the UK is now covered by grocery deliveries from major supermarkets (Foresight 2002).

5.26 However not all people benefit equally from home delivery and people in businesses in some rural areas may face particular problems (Foresight 2002) as follows:

- Customers without internet access have fewer options for ordering, particularly with the decline in catalogue shopping. Internet facilities could be provided at collection and delivery points (CDPs) also allowing people to pay locally for goods and avoid the need for credit cards and electronic payment methods which are not used by some, particularly older, rural residents.
- Delivery times to rural areas can be more restricted.
- Delivery cost to rural areas can be higher.

5.27 Some subsidised grocery home delivery schemes have been established by charities, social services and sometimes in conjunction with retailers, to serve people with mobility problems or who live in remote locations (Cairns 1996).

5.28 When research (DTZ 2000) was undertaken to assess potential types of CDP site for English Partnerships in terms of accessibility, geographical coverage, hours of opening, potential capacity, existing management/logistics expertise, etc., the eight most promising were:

- Superstores.
- Confectioners, tobacconists and newsagents.
- Petrol filling stations.
- Post/sorting offices.
- Conveniences stores.
- Business parks.

- Major employment sites.
- Drive-in shopping centres.

5.29 The post office is reported to be developing a system to allow post offices to be used as CDPs (Foresight 2002), but there is no evidence yet of effective widespread implementation of this.

5.30 Without an effective network of CDPs it is unlikely that home delivery will prove to be viable in many rural areas, and this could threaten the long-term sustainability of services to these areas. Managing the roll out of an acceptable network of CDPs needs to account for:

- The distance that customers are prepared to travel to collect their goods, in particular, whether the distance from home to collection point will be short enough to encourage customers to go on foot or whether public transport or car travel is needed.
- How much customers would be prepared to pay for a CDP service.
- How many customers would want to collect their goods themselves and how many would want to arrange home delivery from the CDP to their home using local providers. Also if no home delivery option is available from the CDP, whether this would deter some customers from using home delivery.

6.0 Key Interactions

Interactions

6.1 Based on the analysis in Chapters 2 to 5 the main interactions between the issues are summarised in Table 6.1 for:

- Accessibility advantages.
- Factors affecting productivity.
- The distribution of impacts.

Table 6.1 – Interactions between Transport and Rural Economies

		Influence on		
		Accessibility	***Factor conditions***	***Distribution of impacts***
1.	***Delivery mechanisms***			
1.1	Procurement of non transport public services	Growth in local providers who may be more accessible	Capacity of local community to provide services	Local procurement can develop local businesses
1.2	Procurement of transport services	Capacity of transport to provide private trips	Skill base in transport industry	Dependent on partnership
1.3	Partnership working	Improved local information and knowledge	Increased local skills and capacity	Dependent on partnership
1.4	Networks	Cheaper travel	Cohesive communities	Zonal typologies become less important than network webs
1.5	Community based initiatives	Local accessibility focus	Development of social economy	Improve local relative to regional economy
2.	***Deliverables***			
2.1	Access to core services	Choice, flexibility and robustness	Sustainable communities	
2.2	Grants and funding support	Improved public transport	New community facilities	
2.1	Training and awareness raising	Improved take-up of training	Skill of local workforce and knowledge of opportunities	
2.2	Physical infrastructure	Travel time, cost reliability, etc.	Can degrade rural environmental conditions	Local consumption and investment demand
2.3	Multi-service centres	Improved economies of scope, reduced costs and improved availability or losing out to economies of scale	Sustaining local facilities	Two way effects result in winners and losers
2.4	Home delivery	Bringing goods to people	Employment growth in home delivery sector	Interventions are of most benefit to low mobility groups but implementation needs to tackle payment and other potential problems

Analysis of interactions

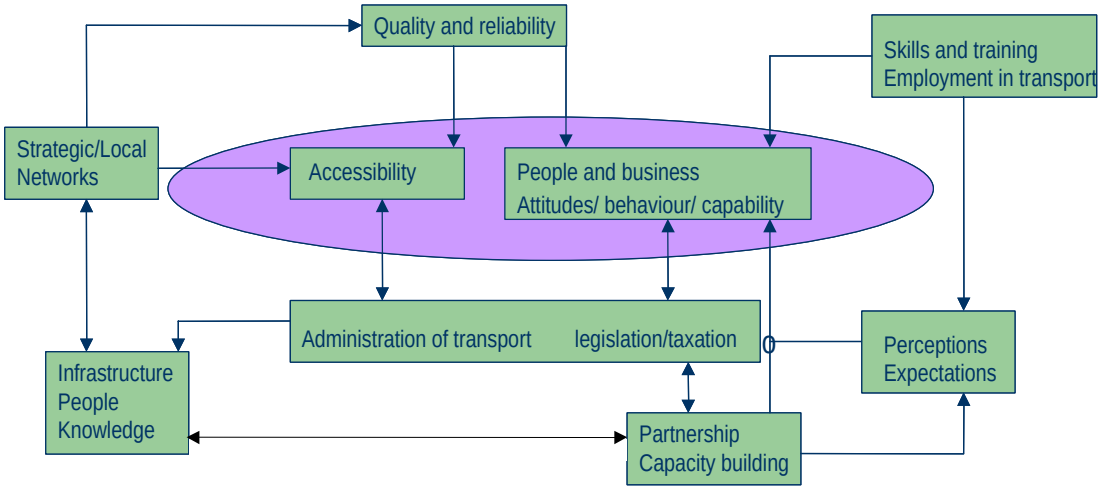
6.2 Although the factors are shown separately in Table 6.1, in reality the interactions are much more complex. For example, improved transport will only assist a rural dweller in finding work if they are also trained or experienced etc. for the jobs they can reach. Public investment in transport will be unsuccessful if the critical issue is a labour or environmental issue. The scope for the interactions to deliver change is therefore dependent on multiple factors. Only when all relevant necessary conditions are satisfied will a location be suitable for any particular development.

6.3 Competitiveness also changes over time. For example, rural areas may have benefited from lower labour costs but an influx of lower wage workers to urban areas could alter the balance in favour of them.

6.4 However, attempts to consider every interaction within a comprehensive model of transport and rural economies would be so complex that they would be unlikely to assist with understanding or decision making. In practice it is therefore more helpful to analyse issues in a manner which supports good decision making. Public investment aims for transport in rural areas seek to exploit the inherited capital of the Countryside, cultivate development from self-employment and businesses within each area, and work with economic trends.

6.5 Figure 6.1 shows main mechanisms emerging from the elements in the model.

Figure 6.1 – Transport interactions with rural economies



6.6 Accessibility and mobility are sometimes viewed as the main measures of transport quality. For the purpose of looking at transport and rural economies it is also necessary to consider wider attributes for people and businesses than just their mobility level. Skills, knowledge, capabilities and attitudes play a key role in this. The core measures of transport quality in the centre of Figure 6.1 therefore relate to the accessibility opportunities and the capabilities of people and businesses.

6.7 There are many influences on these factors but, in addition to external socio-economic and technological drivers from outside, the model in Figure 6.1 is constructed around:

- The availability of networks – Physical infrastructure networks such as roads and railways are sometimes the main focus but people and knowledge networks are also needed, particularly at a local level.
- The quality and reliability of the services – This is another important dimension of the networks defining the opportunities available.
- Administrative, legislative and tax levers – The legal responsibilities and tax incentives provide constraints and incentives some of which favour certain types of rural area, people and businesses, and others which discriminate against certain groups or areas.
- Culture – The inherited perceptions and expectations affect what people and businesses think they can do.
- Skills and training programmes – These can either influence transport options directly e.g. by increasing the supply of drivers, or indirectly by affecting attitudes.

6.8 A detailed understanding how these mechanisms work and how they can be changed to support a more effective transport sector is best developed through widespread practical experience. This research discusses the mechanisms in the context of four different case study areas in Section 3.

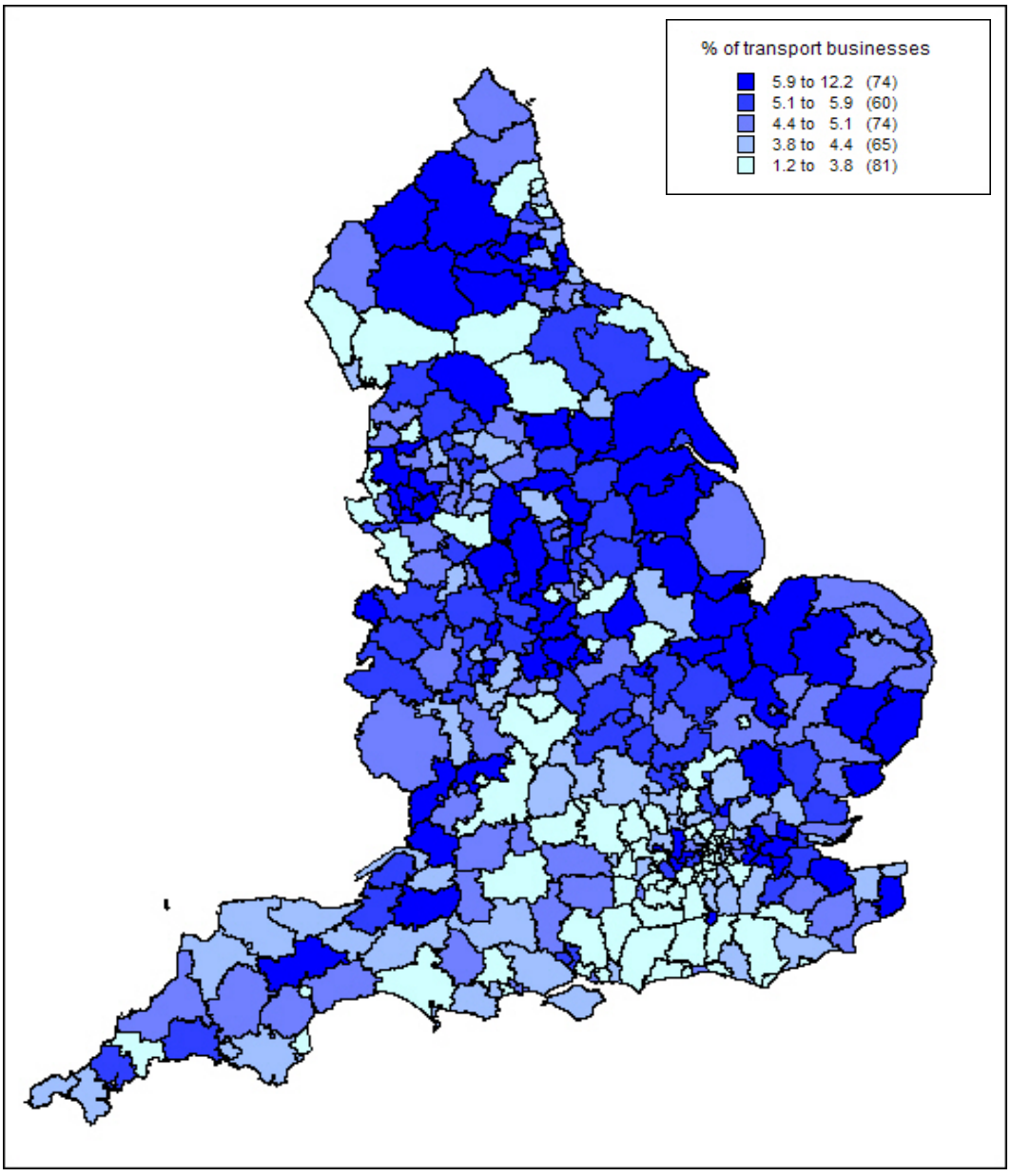
Section 2 – Statistics

7.0 Transport Businesses in England

7.1 The proportion of transport businesses as a percentage of the total number of transport businesses in each district in England is shown in Figure 7.1 in 2003. The figures are all based upon Annual Business Inquiry (from ONS) unless otherwise specified.

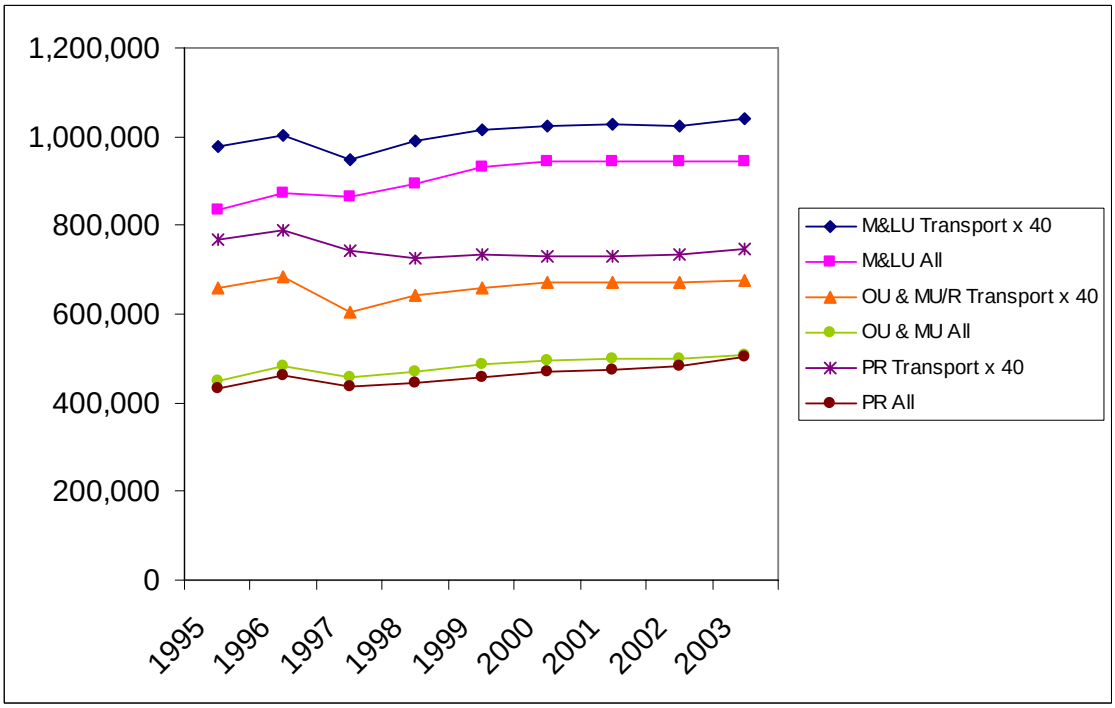
7.2 The motorway corridors are apparent from this but these patterns can be seen perhaps more clearly by looking at the percentage of transport employees as shown in Figure 8.1 in the next chapter.

Figure 7.1 - % of transport businesses (2003)



7.3 The trend in transport and total businesses over time is for England as a whole is shown in Figure 7.2. This also highlights the difference between Major and Large Urban (M&LU), Other Urban and Mixed Urban/Rural (OU&MU/R) and Predominantly Rural (PR) areas[1]. Note that Transport employment is scaled up by a factor of 40 in each case.

Figure 7.2 Business stock, England, 1995-2003



7.4 This shows a gradual rise in transport and total business stock in M&LU areas, a levelling off of transport and all businesses in OU&MU/R areas, and a gradual rise in all rural businesses, with rural transport businesses stable over the period and total businesses in rural areas increasing.

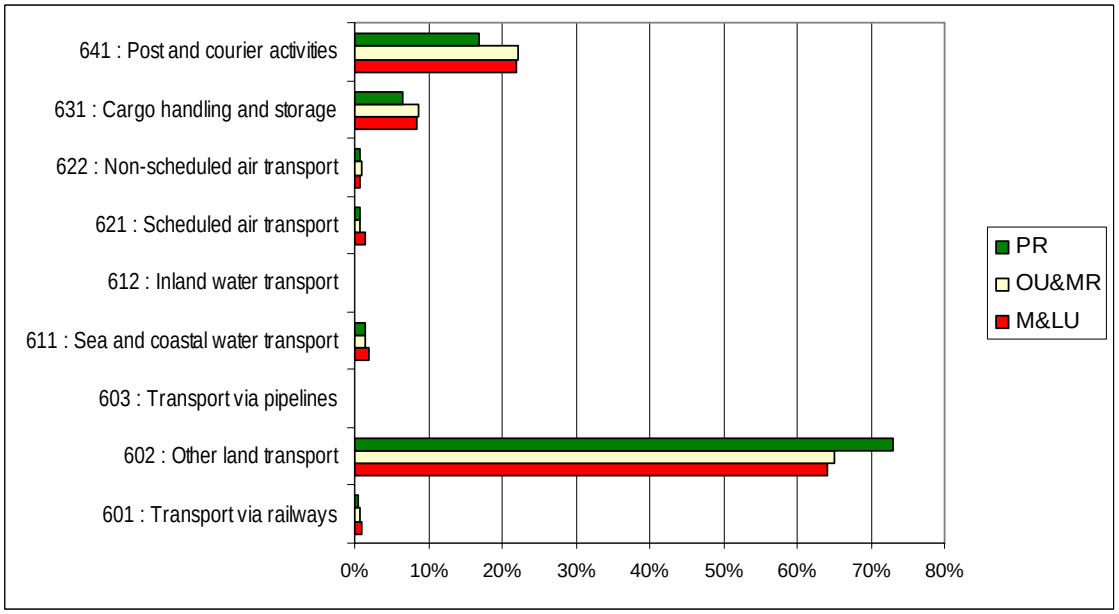
7.5 In summary, rural areas are showing higher levels of business growth than other areas during recent years.

7.6 Figure 7.3 shows the breakdown of the transport sector, by area.

[1] These analyses were based on a draft list of urban/rural categories prepared by DEFRA for Local Authority Districts. The final DEFRA classification may be different from that adopted here but in this analysis there were 121 major and large urban areas, 108 other urban and mixed urban and rural, and 124 predominantly rural.

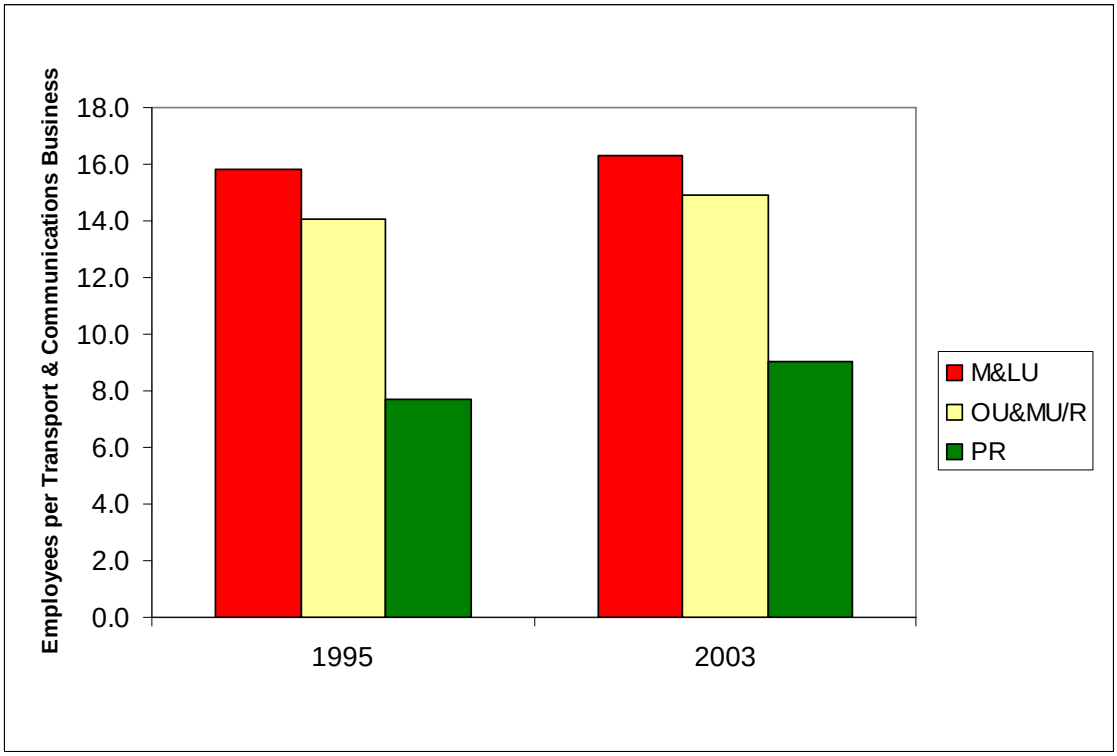
7.7 The majority of Transport businesses are in 'Other land transport', i.e. the majority of road transport operations. This proportion is highest in Predominantly Rural areas. However Predominantly Rural areas are under-represented in Post and courier activities and Cargo handling and storage.

Figure 7.3 Urban/Rural Transport businesses by SIC 3 group, 2003



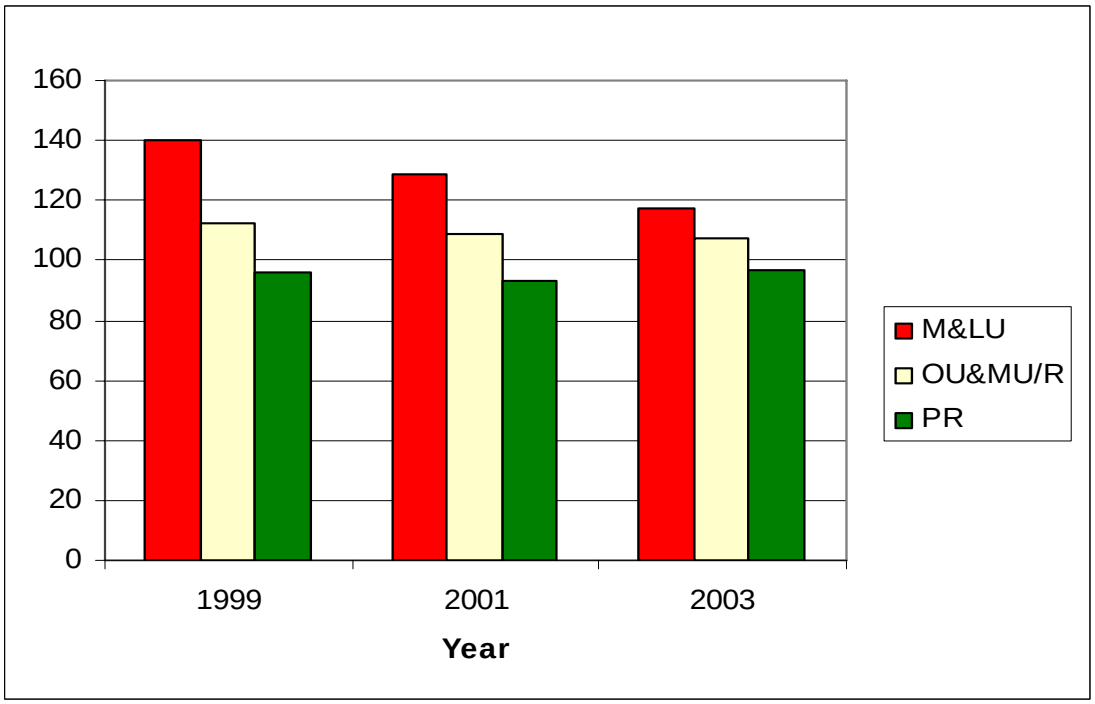
7.8 Figure 7.4 shows that the size of transport sector businesses is smallest in rural areas and largest in urban areas, although the gap has narrowed slightly over the time period 1995- 2003.

Figure 7.4 Average size of Transport businesses



7.9 Figure 7.5 illustrates the difference between urban and rural areas in terms of business efficiency (turnover per employee) for all businesses. This shows that efficiency appears to be linked to urbanity, with rural businesses lagging behind, although again the gap has narrowed between the years 1999 to 2003. This efficiency difference may be a reflection of economies of scale if the size breakdown in transport businesses is reflected in all sectors. It may possibly also be linked to changes in delivery (e.g. the increase in 'white van' delivery of internet based purchases, particularly in urban areas).

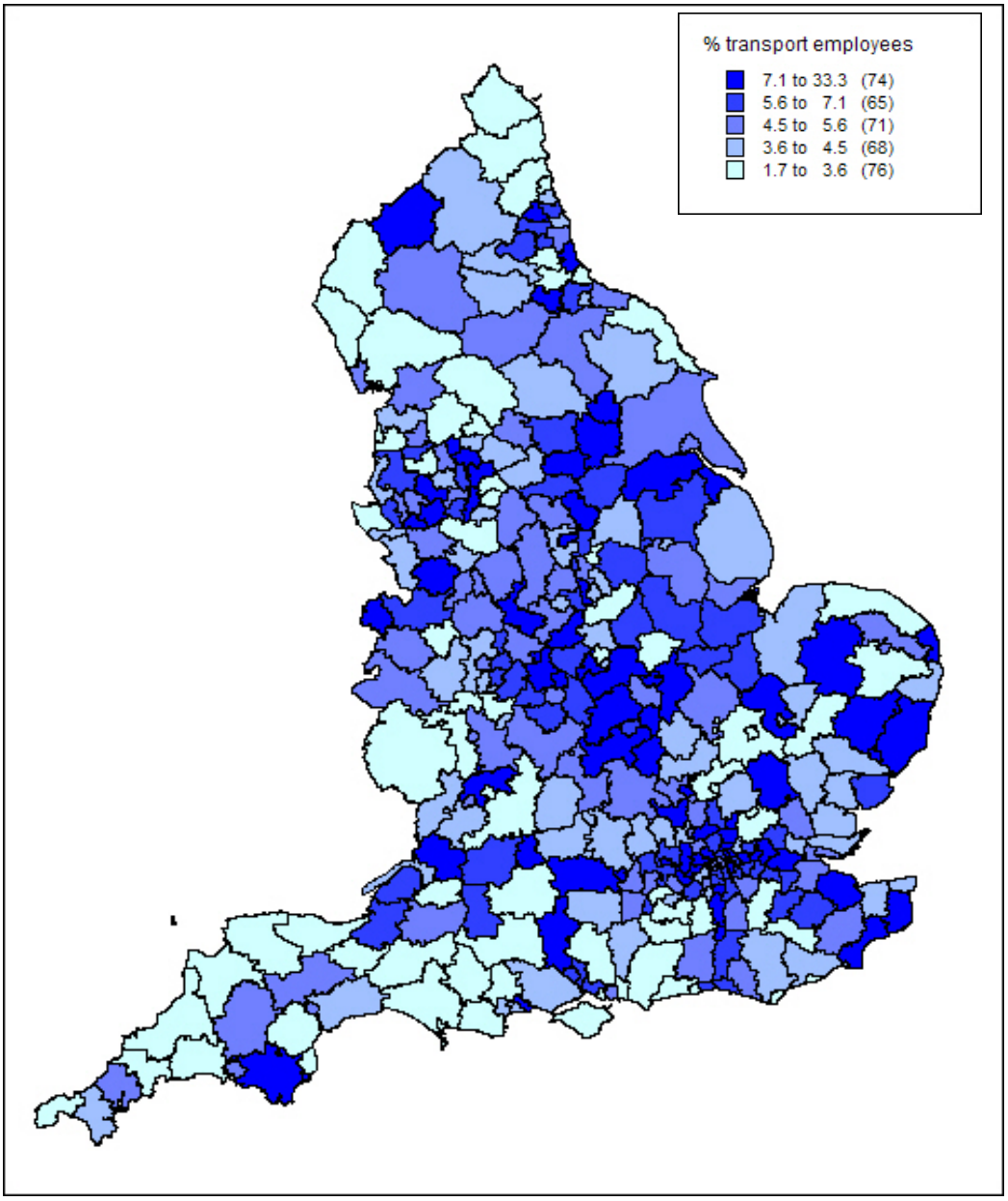
Figure 7.5 Business efficiency (turnover per employee), England



8.0 Employment

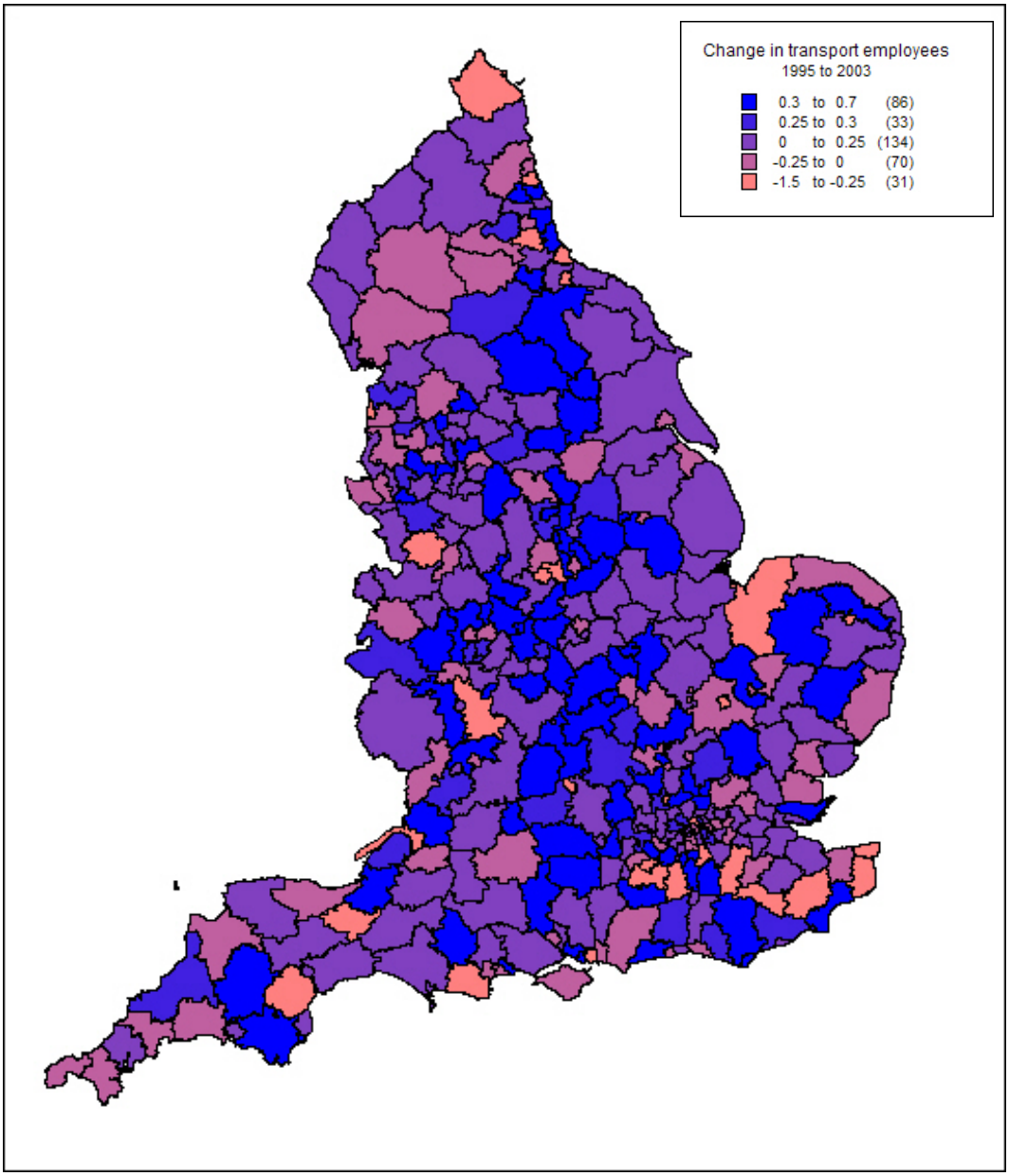
8.1 The major provincial cities, big conurbations and their hinterlands following the motorway networks have the locations with the highest proportion of transport employees as a percentage of all employees as shown in Figure 8.1 (source: Annual Business Inquiry). Despite being more dependent on travel to access many services and facilities the remotest areas have the lowest percentage of people employed in the transport sector.

Figure 8.1 - Percentage of transport employees (2003)



8.2 Since 1995 growth has been greatest in the rural spine of England particularly the Midlands and Yorkshire (Figure 8.2). There has been a fall in employment in some parts, particularly some rural areas in the West, North and East.

Figure 8.2 – Change in Transport employment (1995-2003)



8.3 When change in transport employment is compared with change in all employment, the most notable finding is that there has been general employment growth in nearly all areas (Figure 8.3). The pattern of growth is also very different with some of the areas of significant transport growth having been weak areas for overall employment growth.

Figure 8.3 – Change in all employment 1995 –2003

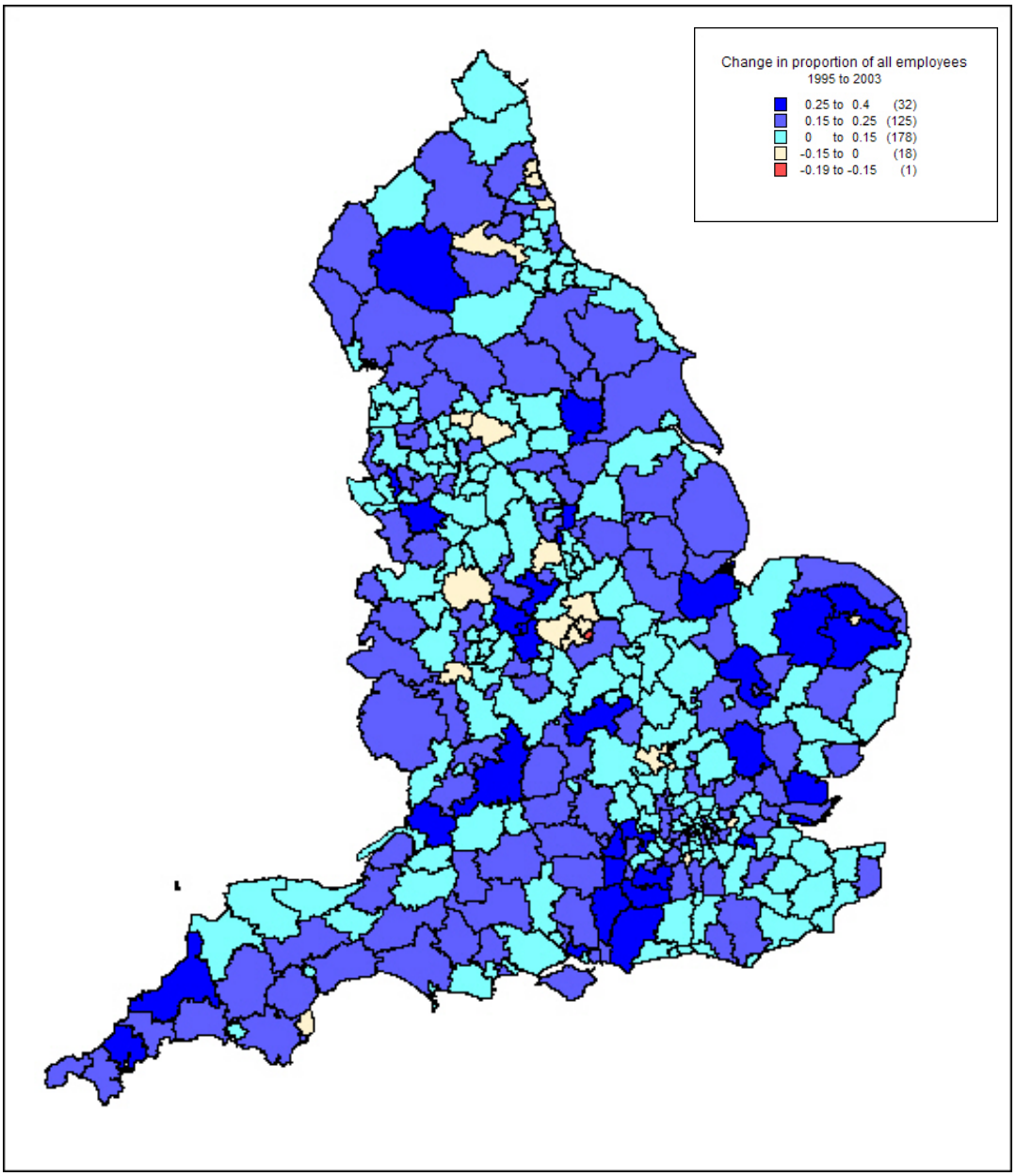
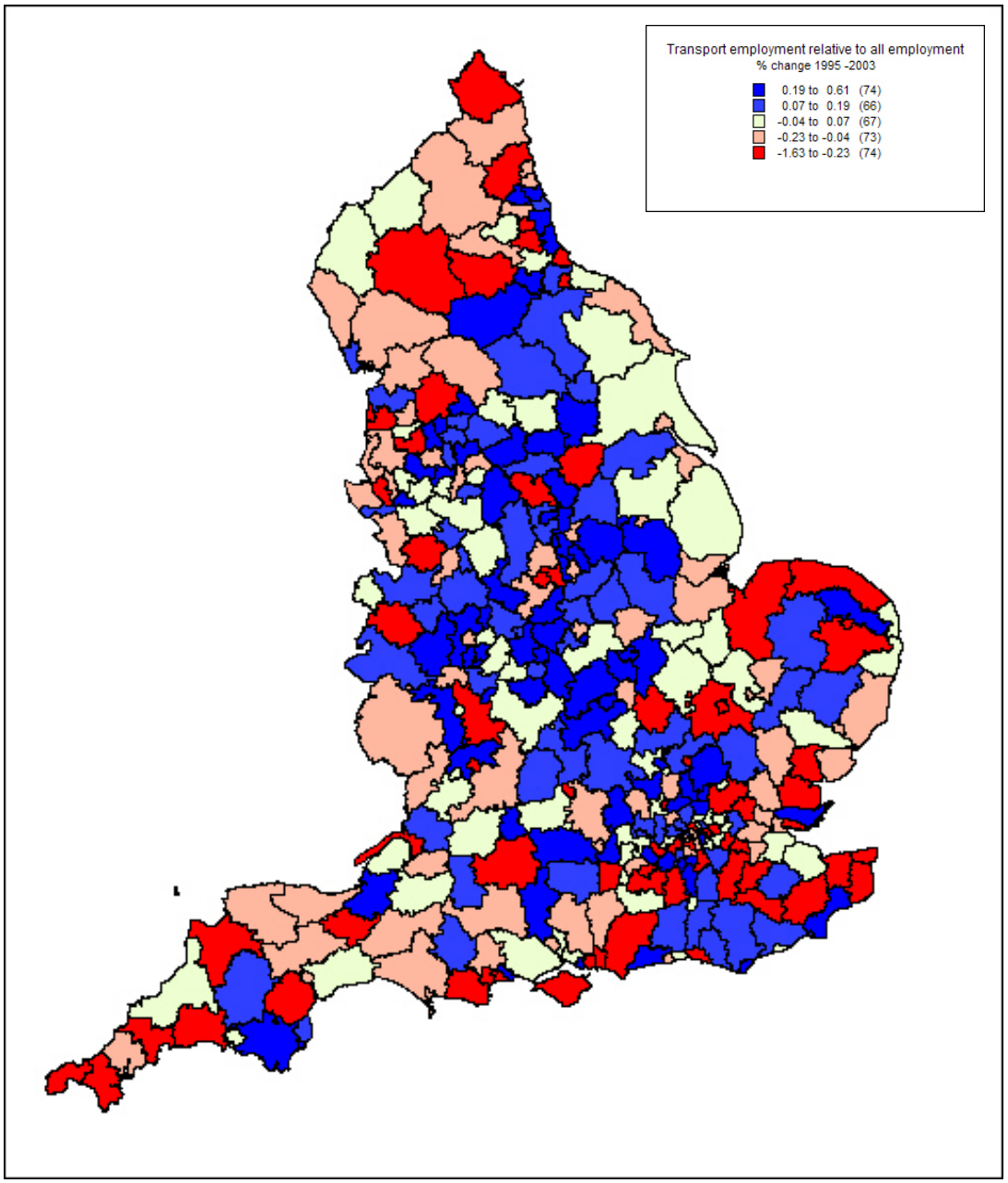


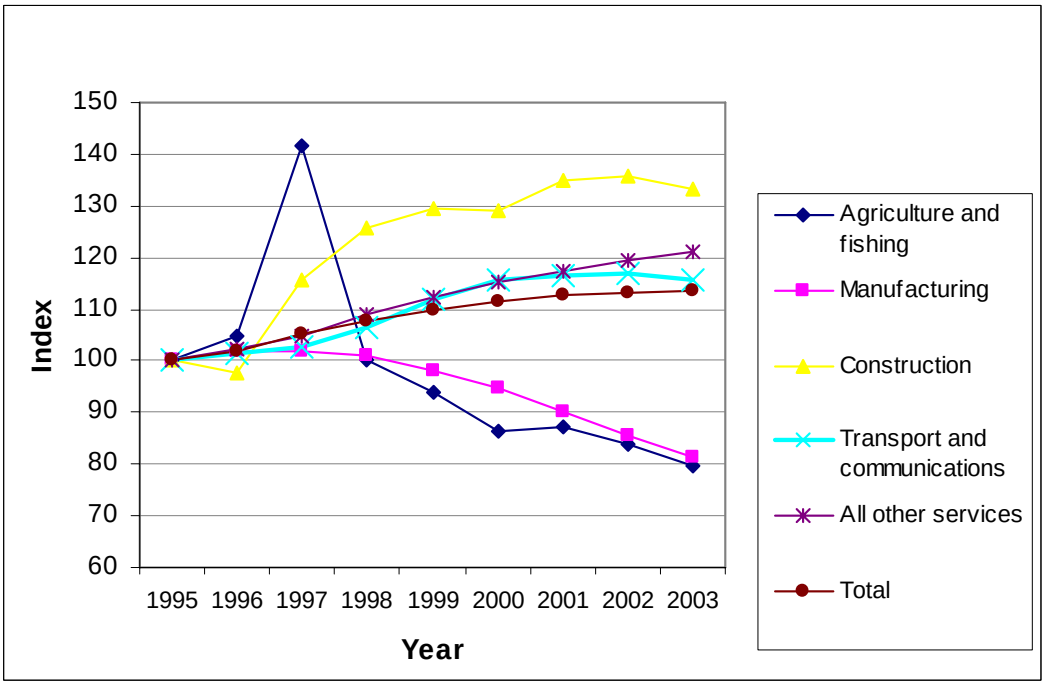
Figure 8.4 - Change in Transport employment relative to all employment 1995 - 2003



8.4 Transport as a proportion of employment change is again highest in the spine of England and along the major road networks (Figure 8.4). There is an absence of relative growth in peripheral areas of the North, South West, South East and East.

8.5 The change in employment in transport relative to other industrial sectors is shown in Figure 8.5 below. This shows that employment in the transport sector has gradually increased over the period before levelling off. The Transport sector is fairly stable when compared with Construction, which has seen a rise, although now levelled off, and Manufacturing and Agriculture and fishing, both of which have declined substantially.

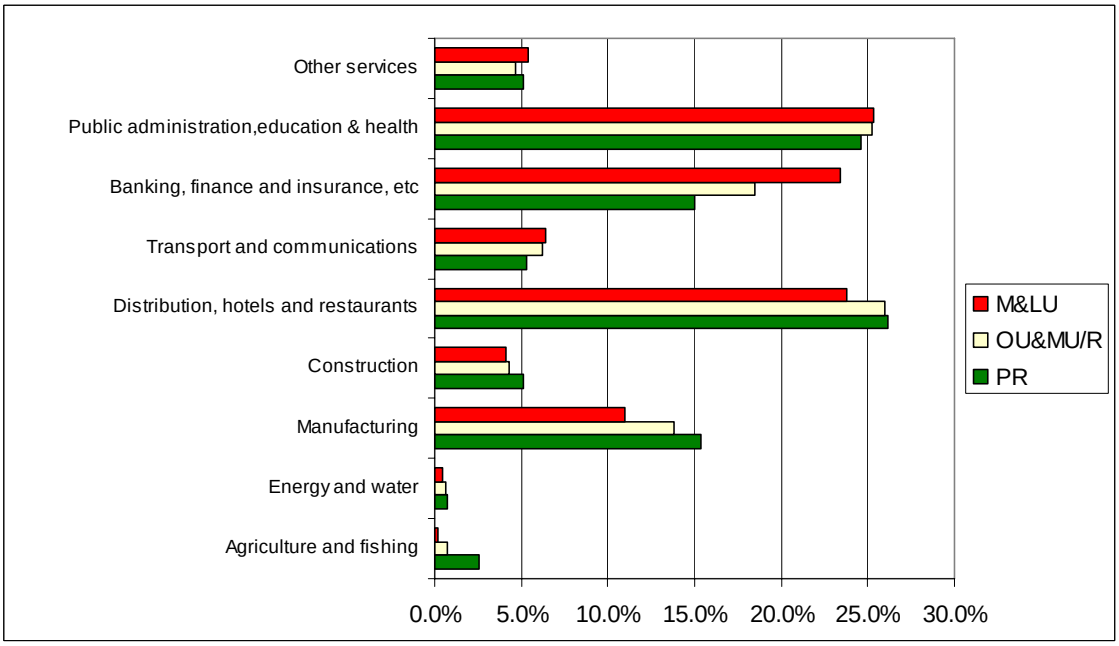
Figure 8.5 Index of employment (1995 = 100)



Source: Annual Business Inquiry

8.6 Rural areas exhibit differing employment structures from urban areas. The distribution of employment by sector in urban and rural areas is detailed in Figure 8.6. This shows that PR areas have a higher than average proportion of employment in Distribution, hotels and restaurants and Manufacturing, but are under-represented in Banking, finance and insurance.

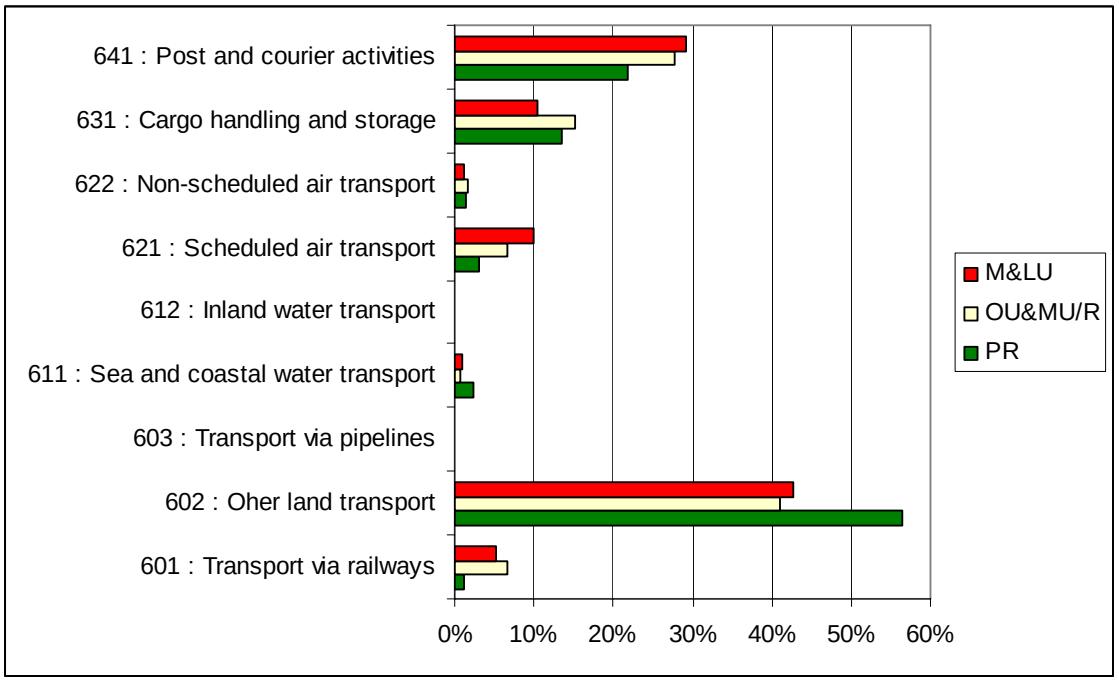
Figure 8.6 Distribution of employment by broad sector, 2003



Source: Annual Business Inquiry

8.7 Breaking the transport sector down further, Figure 8.7 shows that Predominantly Rural (PR) areas are over-represented in employment terms in Other land transport and under-represented in Post and courier activities and Scheduled air transport.

Figure 8.7 Distribution of employment in Transport, 2003



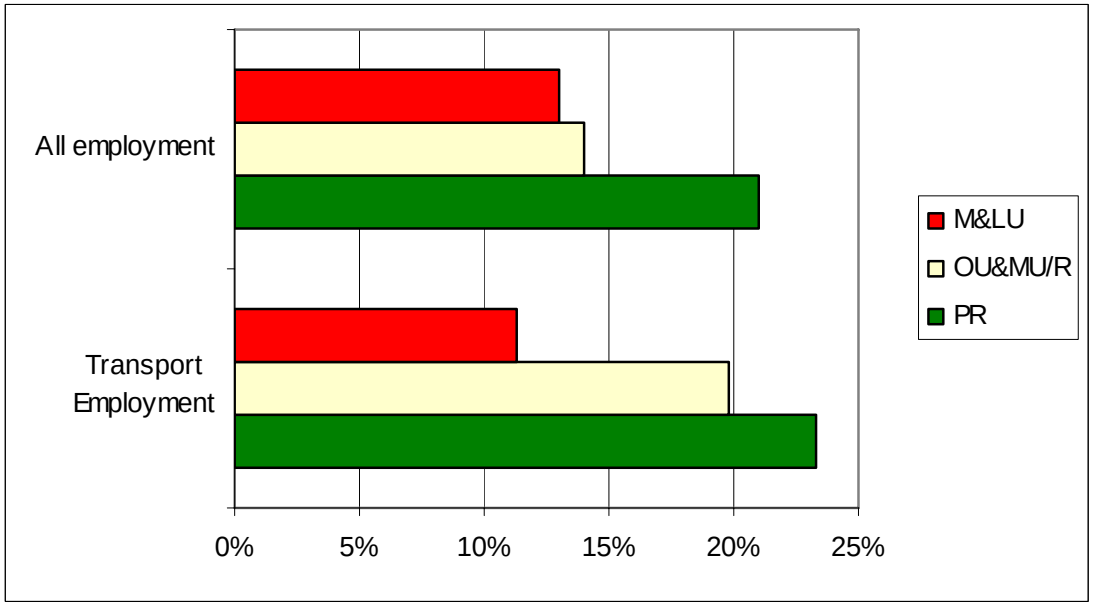
Source: Annual Business Inquiry

8.8 Figure 8.8 summarises the change in transport sector and all other employment in rural and urban areas over the period 1995-2003. It is clear that employment in PR areas has been growing faster than in other geographic areas, and that the growth in the transport sector employment is even higher.

8.9 Transport sector growth in Other Urban and Mixed Urban/Rural (OU&MU/R) areas has been proportionately higher than total employment growth. In contrast, growth in Major and Large Urban (M&LU), areas has been lower, particularly in the transport sector.

8.10 It therefore appears that current differences in employment growth between urban and rural areas are even more pronounced in the transport sector.

Figure 8.8 Change in employment, England, 1995-2003



Source: Annual Business Inquiry

8.11 The number of vacancies in the transport sector can be used as a barometer of the strength of demand in the labour market and adequacy of skills supply in that sector. Figure 8.9 shows that transport sector vacancies fell erratically from 1996 to 2002, before rising again in 2004. However, the ONS states that this rise may be due to an effort by Jobcentre Plus to increase the number of firms reporting vacancies from April 2003 onwards.

Figure 8.9: Vacancies in the transport sector, England, 1996 - 2004

Date	Total vacancies	Transport sector vacancies*	Transport vacancies as a % of all vacancies	Employment in transport sector	Transport vacancies as a % of employment
Apr-96	520925	28455	5.5%	1,202,860	2.4%
Apr-97	562225	30054	5.3%	1,214,068	2.5%
Apr-98	537444	28328	5.3%	1,259,143	2.2%
Apr-99	504975	24393	4.8%	1,322,442	1.8%
Apr-00	575986	26504	4.6%	1,370,106	1.9%
Apr-01	589453	27334	4.6%	1,367,286	2.0%
Oct-02	256835	11803	4.6%	1,382,872	0.9%
Oct-03	286048	13092	4.6%	1,376,710	1.0%
Oct-04	349496	17908	5.1%	-	-

*96-01 BIG 6; 02-04 SIC 60-64
Source: Annual Business Inquiry

8.12 The picture painted here is therefore one of decreasing demand and/or increased supply of skills in the transport sector. Given that both transport businesses and employment increased over 1995-2002, the issue may be one of increased skills and labour supply resulting in more vacancies filled.

8.13 However, before conclusions can be drawn it is useful to examine vacancies as a proportion of employment. The percentage of transport sector vacancies as a proportion of transport employment has fallen during 1996-2003, implying a slackening of the labour market in this sector. Therefore it is reasonable to assume that there may have been an increase in the supply of transport skills over this period. Of course, these vacancy figures cover a broad range of skills, so there may still be labour shortages in more specific occupations.

8.14 Wage levels, and in particular wage inflation in the transport sector will provide an indication of the state of the labour market. Figure 8.10 shows that the mean wage was higher in the transport sector (£24,878) than for all employees (£22,183). The highest average wage was in the sector 62 – Air transport, and lowest in sector 60 – Land transport and transport via pipelines. The highest annual increase has been in sector 64 – Post and telecommunications. The annual increase in the transport sector has also been higher than among employees overall.

Figure 8.10 Annual pay - gross (£) - for all employee jobs[a]: United Kingdom, 2004

Description	Code	No. of jobs (thousand)	Mean £	Annual % change
Land transport; transport via pipelines	60	366	21,895	3.7
Water transport	61	13	27,294	4.2
Air transport	62	97	30,418	4.1
Supporting & auxiliary transport activities; activities of travel agencies	63	265	24,557	2.4
Post and telecommunications	64	488	26,125	5.8
Transport, Storage And Communication	I	1,230	24,878	4.7
All employees in all sectors		19,701	22,183	4.0

a Employees on adult rates who have been in the same job for more than a year.

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

8.15 As a rough indication of business productivity, Figure 8.11 shows the breakdown of enterprises and employment in the transport sector and selected sub-sectors. Figures for value added were not available. This shows that the sub-sector with the largest employment and turnover per employee was 602 – Other land transport. The average turnover per employee for the transport sector was around £122K, with 611 – Sea and coastal water transport had the highest turnover per employee and 641 – Postal and courier activities the lowest. Further investigation in this area would be useful.

Figure 8.11 Turnover and employment by sector 2003

SIC	Description	Number of enterprises	Total turnover	Total employment - average during year	Turnover per employee
		Number	**£ million**	**Thousand**	**£ Thousand**
I	Transport, storage & communication	82,587	196,197	1,600	122.6
60	Land transport; transport via pipelines	46,016	37,299	571	65.3
60.1	Transport via railways	125	5,326	48	111.0
60.2	Other land transport	45,880	31,819	522	61.0
60.3	Transport via pipelines	11	153	-	-
61.1	Sea and coastal water transport	1,109	5,125	14	366.1
61.2	Inland water transport	217	93	2	46.5
62.1	Scheduled air transport	457	12,597	74	170.2
62.2	Non-scheduled air transport	435	4,035	16	252.2
63.1	Cargo handling and storage	3,489	6,768	85	79.6
64.1	Postal and courier activities	9,921	13,443	300	44.8

Source: Annual Business Inquiry

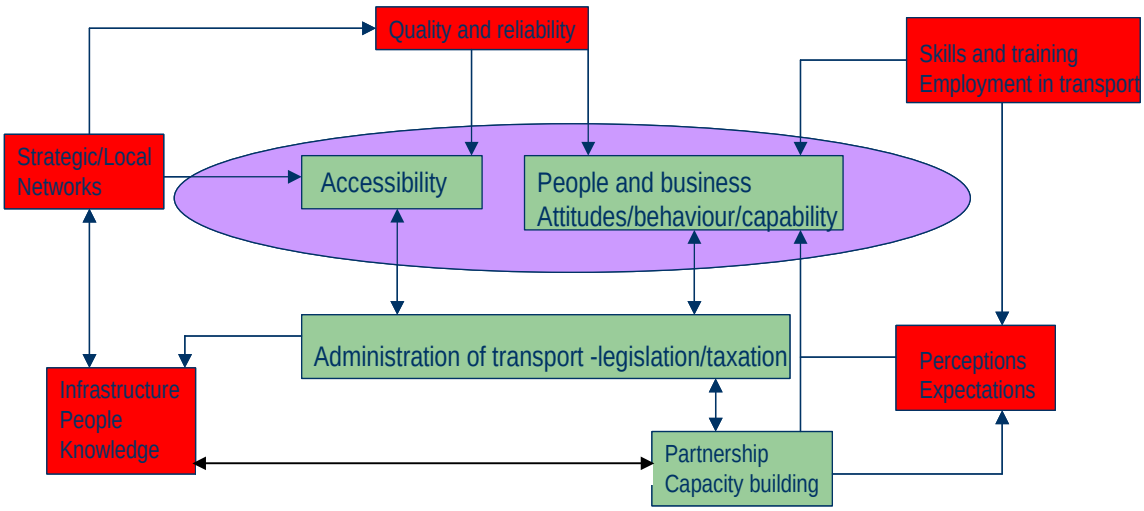
Section 3 – Surveys

9.0 Survey Approach

Case study area selection

9.1 To establish interactions requires tightly focused surveys both by topic and geographical area. Figure 9.1 highlights in red five pivotal levers defining how transport and rural economies interact. These were selected as the primary topic focus for the survey work.

Figure 9.1 – Survey priorities



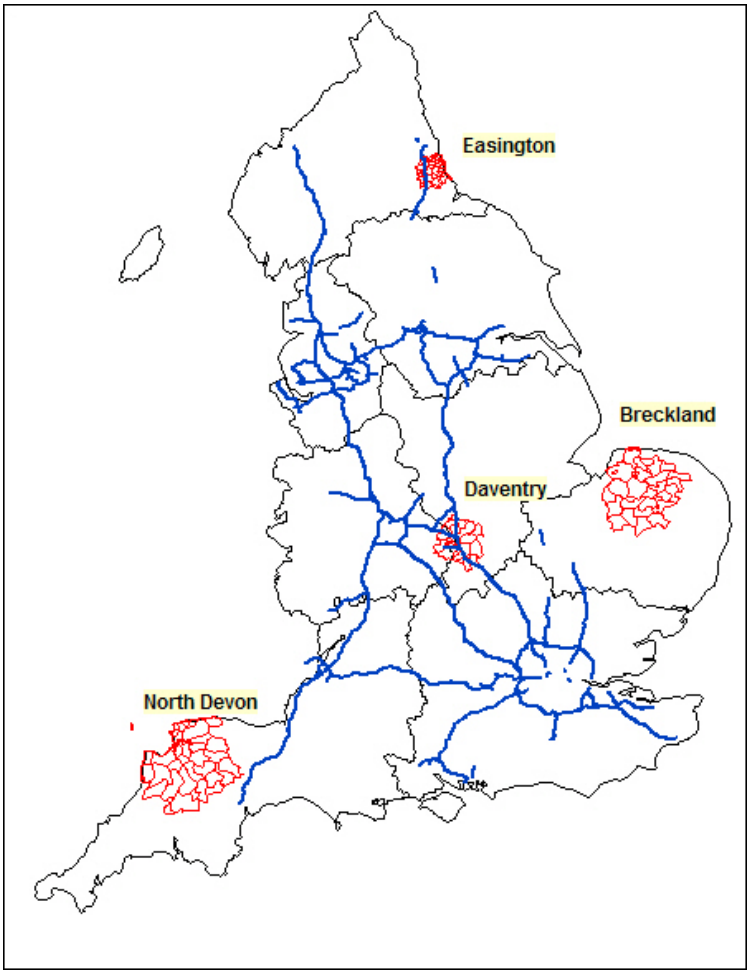
9.2 To ensure case studies were selected which were representative of different types of rural area a number of options across rural England were reviewed by the research Steering Group. Relatively little was know about the characteristics of each of all five of the pivotal issues but basic data were available on strategic and local accessibility and these were also anticipated to be amongst the most important factors. Four case study areas were therefore selected on the basis of their local/strategic accessibility characteristics as shown in Table 9.1.

Table 9.1 – Case Study Areas

Case Study Area	Access Characteristics	
	Local	***Strategic***
North Devon	Poor	Poor
Rugby/Daventry/Northampton	Good	Good
East Durham/Easington	Poor	Good
Breckland/North Norfolk	Good	Poor

9.3 The location and boundaries of the areas are shown in Figure 9.2.

Figure 9.2 – Location and Boundaries of Case Study Areas



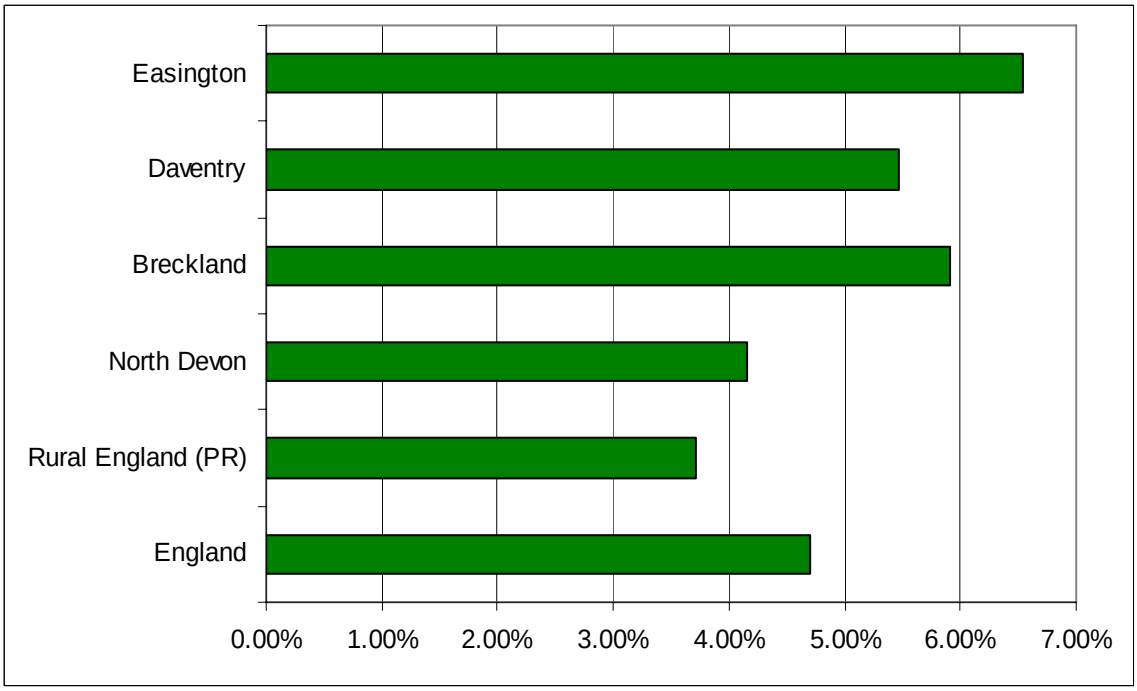
Characteristics of case study areas

9.4 Transport businesses account for a higher percentage of total businesses in rural England than in England as a whole and the case study areas follow this pattern. Easington has the highest proportion of transport sector business, although Breckland has the largest absolute number.

Table 9.2 Transport Businesses in Case Study Areas

	All Businesses	Transport Businesses	Transport Businesses as a %
England	1,956,091	61,571	3.1%
Rural England (PR)	502,861	18,666	3.7%
North Devon	3855	160	4.2%
Breckland	4330	256	5.9%
Daventry	3526	193	5.5%
Easington	1726	113	6.5%

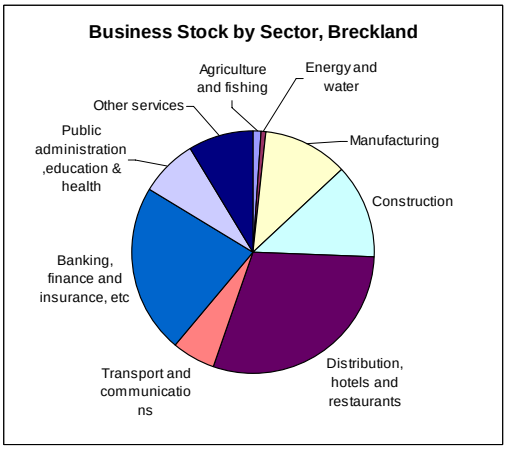
Figure 9.3 Transport business as share of total business stock

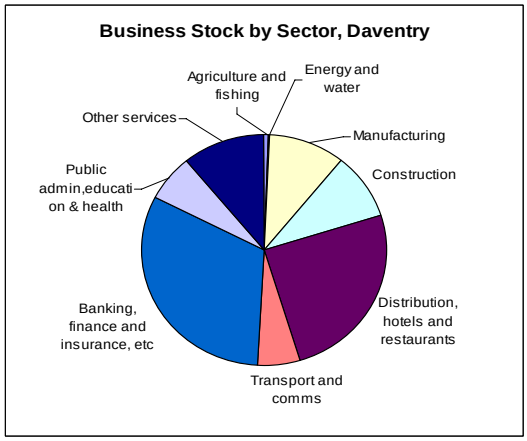


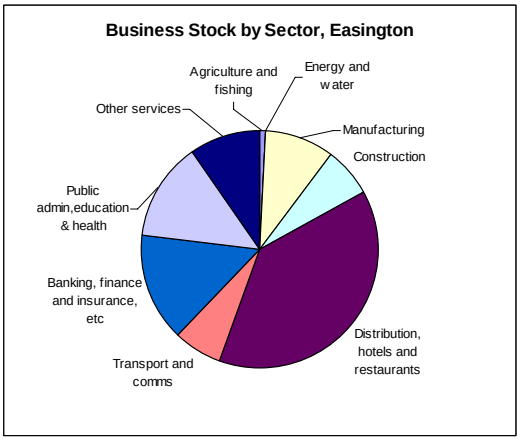
Source: Annual Business Inquiry

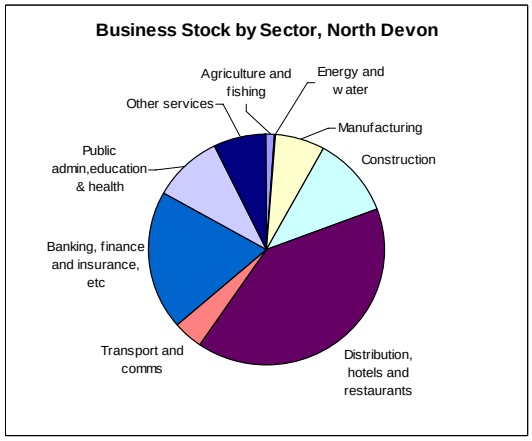
9.5 The four case study areas differ in their industrial structure. Breckland has a relatively high proportion of Agriculture and Fishing, Manufacturing, and Construction. Daventry has a relatively high proportion of Banking and finance and a lower proportion of Distribution, hotels and restaurants. Easington has a high proportion of public sector and Distribution, hotels and restaurant employers and virtually no agriculture, but historically a legacy of coal mining. North Devon has a similar structure to Easington, although with more agriculture and construction and a smaller percentage of public employers.

Figure 9.4 Business stock by sector for case study areas, 2003









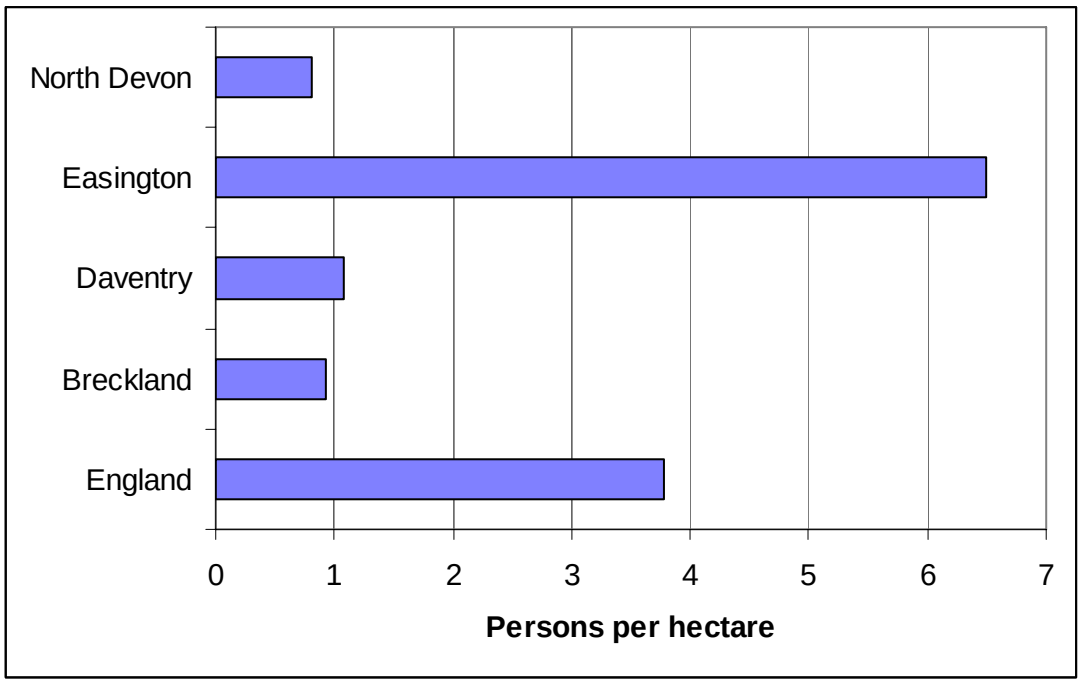
Source: Annual Business Inquiry

Figure 9.3 Number of businesses by sector: case study areas

	Breckland	Daventry	Easington	North Devon
Agriculture and fishing	50	20	12	40
Energy and water	21	6	0	16
Manufacturing	495	356	166	256
Construction	539	331	116	434
Distribution, hotels and restaurants	1,287	885	667	1,544
Transport and communication	256	193	113	160
Banking, finance and insurance, etc.	970	1,114	255	750
Public admin., education & health	339	239	228	375
Other services	373	382	169	280
All	4,330	3,526	1,726	3,855

9.6 The population of Easington is higher than the national average for England, while all the others have a lower population density. This implies that Easington could be considered the least rural of the case study areas. However, this should be taken in context, for comparison the population of London is 45.6 persons per hectare.

Figure 9.5 Population density: case study areas



Source: ONS Census Data (2001)

Survey approach

9.7 Surveys were undertaken in four main stages:

- Initial discussions with public agencies, and other key stakeholders such as those involved with economic development and social inclusion, to define the policy context, source relevant existing data and studies, and obtain relevant information on local networks and communities for targeting the detailed survey work.
- Postal surveys of businesses within the target area covering businesses of all sizes and in all sectors.
- Telephone surveys of selected businesses to expand on the responses to the postal questionnaires.
- Two focus groups in each area or participate in local workshops where this was more convenient locally.

9.8 The surveys were undertaken in January and February 2005 and the results are set out in Sections 10-12.

10.0 Discussions with Public Agencies and other Key Stakeholders

10.1 It was important to build from the knowledge within the relevant local authorities and other agencies in each area. In all cases the initial contact was made with the County Council transport department but in the cases of Breckland and Easington the research team were referred on to the economic development departments. The County Councils also provided contact details within District Councils and local economic development agencies. A list of people who contributed views at this stage of the work is shown at Appendix A.

10.2 Most local authorities were in the process of consulting on the key issues for their Local Transport Plans so to ensure synergy between the local surveys and the Countryside Agency research specific details were sought on the timing and approach to local business consultation by the Councils.

10.3 These discussions identified key characteristics and policies in each of the areas as shown in Table 9.1.

Table 9.1 – Overview of case study areas

Area	***Key Transport Challenges for Economic Development***
Rugby/Daventry	Economic success depends on being a transport hub and competitive advantage depends on continuing to provide an attractive level of access to networks. Major new housing development is proposed for the area but this will be heavily reliant on national transport infrastructure and no matching investment is planned for this.
North Devon	Major economic restructuring is creating new travel demands as the economy becomes less dependent on agriculture and hotel based tourism and more dependent on a growing mixed economy. Key challenges are some local road congestion issues and transport challenges for less mobile and low income groups.
East Durham/ Easington	Recent employment growth has been in out of centre business parks which currently face parking problems and poor access for non car available trips. Whilst there is high unemployment employers do not have problems recruiting from more mobile sections of the population so transport is not perceived to be a problem for businesses. Action is therefore needed by public agencies to tackle these social inclusion challenges through initiatives such as 'wheels to work'.
North Norfolk/ Breckland	There are problems for local businesses recruiting sufficient skilled employees. Particular problems are the growing transport sector skills shortage and lower paid employment where the cost of travel can exceed the benefits of working. It can be hard to attract some key skills due to the perceived isolation of the area.

10.4 Businesses are more likely to engage with survey work if they feel their messages are being communicated effectively at all levels of decision making. Authorities were therefore asked how closely they wished to become involved in the survey process and in many cases

the Councils helped to provide meeting rooms, mailing lists and other support for the later stages of the survey work.

11.0 Postal Survey

Survey administration

11.1 Business names and addresses were obtained from the commercially available UK infodisk source, which merges Companies House with Yellow Pages data, to provide basic details of businesses by size. Given the much larger numbers of small businesses, the database was stratified according to size band for the purposes of sampling to ensure that the selected sample was representative of the business size characteristics.

11.2 Previous work by the Countryside Agency has shown that in rural areas many micro businesses may not appear in such databases being neither VAT registered, nor limited companies. Within the scope of this research the omission of these micro-businesses can only be noted since extensive survey work would be needed to obtain details of these firms before they could be included in the postal and telephone surveys and focus groups.

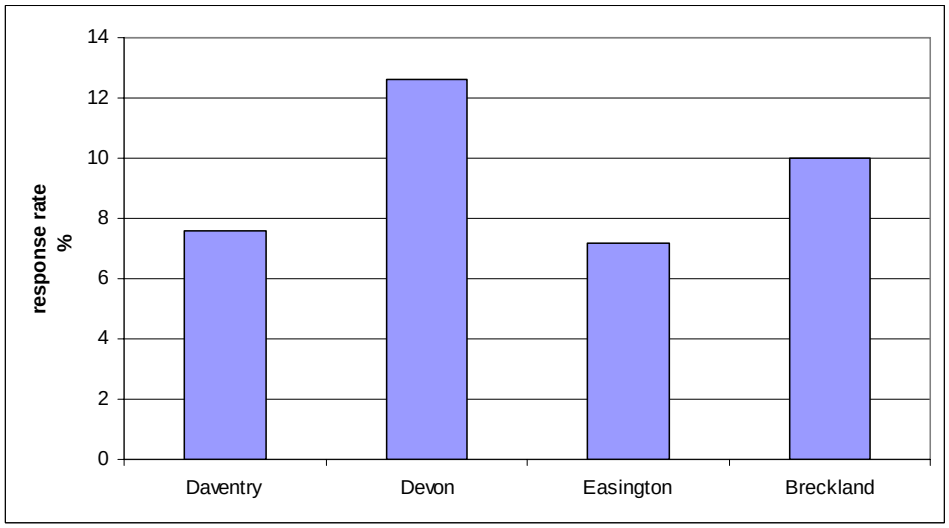
11.3 In North Devon the local Chamber of Commerce provided details of their local members. A comparison of this list with the UK infodisc list showed that the only major omissions from the latter were large companies e.g. British Telecommunications, who had a strong local presence but were registered at another address. In each of the other areas it therefore needs to be noted that some of the largest employers could be missing.

11.4 500 businesses were sampled in each of the four case study areas and the questionnaire was issued by post in mid January with a Freepost envelope and a deadline to respond within 2 weeks.

Survey response characteristics

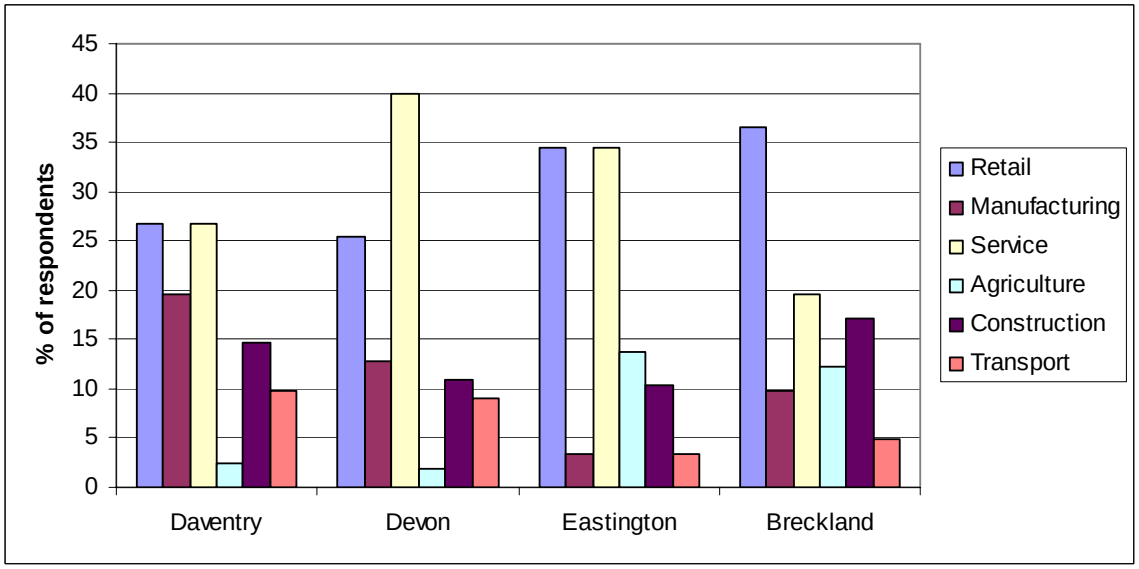
11.5 The response rate varied according to remoteness and was highest in North Devon and lowest in Easington/ East Durham. It is not surprising that there should be a keener interest in transport issues for the remote areas.

Figure 11.1 – Response rates



11.6 With a relatively small sample such as this it is unlikely that the sectors will be directly representative of the overall averages for the area. Respondents were asked to state the nature of their business and these were subsequently allocated a business class code. The characteristics of the sample by area is summarised in Figure 11.2.

Figure 11.2 – Business sector of respondents



11.7 There is a good representation of most sectors across the whole sample and the transport sector is particularly well represented in Daventry and North Devon.

Local and Strategic accessibility

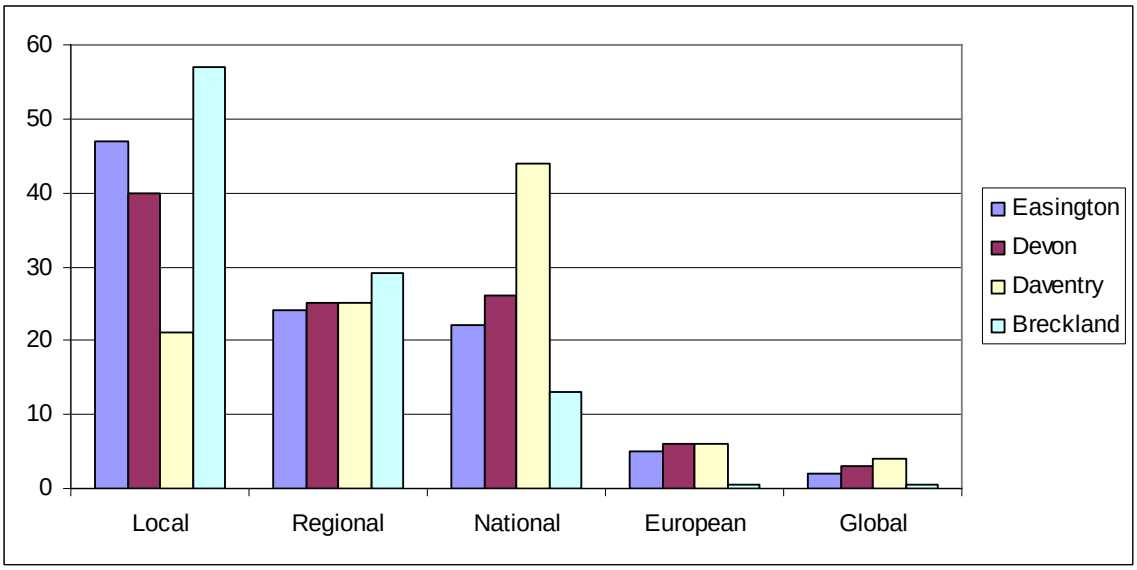
11.8 The areas were selected on the basis of their local and strategic accessibility characteristics so to test the importance of this

characteristic respondents were asked about the distribution of their customers, suppliers and employees.

11.9 Figure 11.3 largely shows a higher dependency on local customers in the areas with good local access, and high dependence on national customers for areas with good strategic access. All areas have broadly similar dependence on regional customer located between 10 and 40 miles from the business.

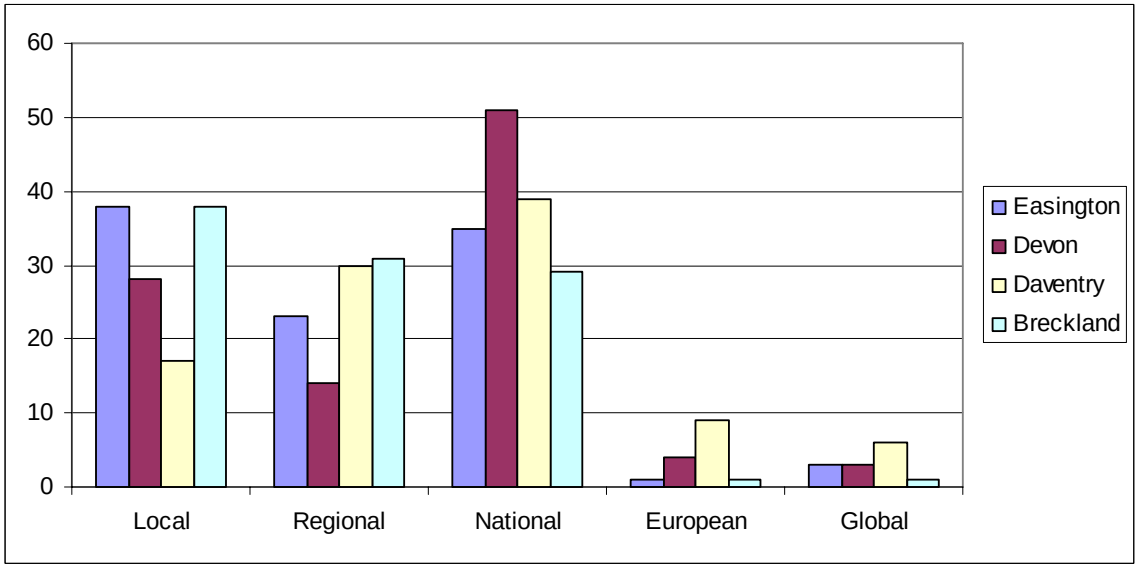
11.10 Only the Easington area does not follow this trend and perhaps the much higher density of this more urbanised area, and closeness of Tyneside, proves to be relatively more important that the good strategic accessibility.

Figure 11.3 - Percentage of customers by location



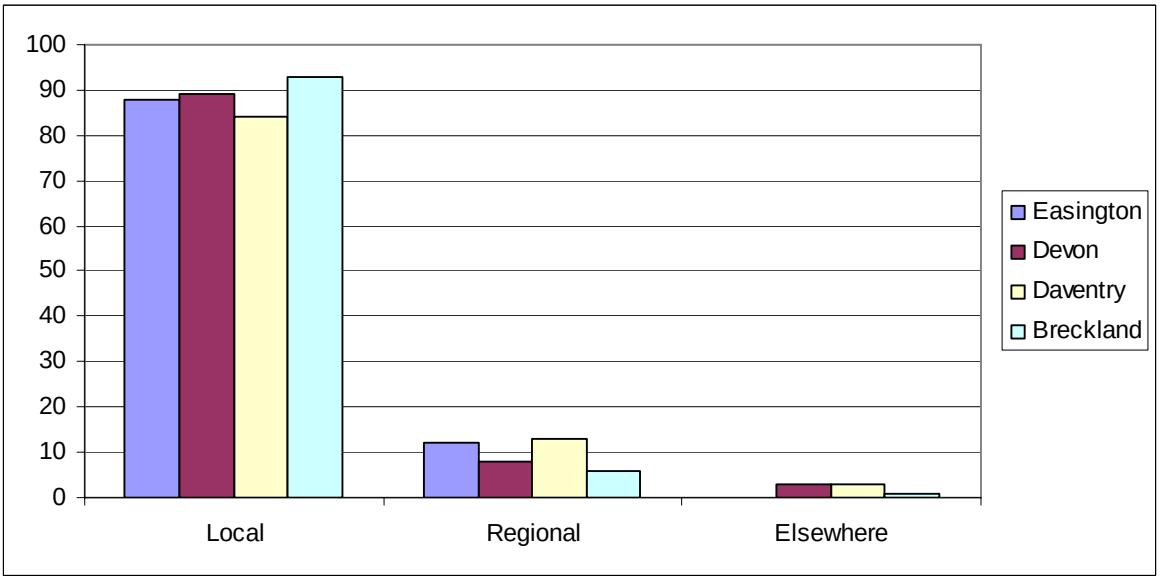
11.11 A broadly similar pattern is seen for the location of suppliers as shown in Figure 11.4. However the scales are different. Perhaps, because purchasers are less likely to pay the costs of incoming transport directly, even remote areas such as North Devon source a high proportion of supplies nationally.

Figure 11.4 – Percentage of suppliers by location (based on value of goods)



11.12 Easington and Breckland source more supplies locally than regionally or nationally. In the former case there is good strategic accessibility and the latter poorer strategic accessibility. In principle, more local procurement by rural businesses could help the local economy but this analysis may suggest that the availability of suitable supplies at a competitive price appears to be more important than accessibility in determining supplier location.

Figure 11.5 – Percentage of employees by location



11.13 Despite the very different accessibility characteristics of the four areas the similar pattern of employee catchment is interesting. Other research has shown that it is amongst the highest paid workers

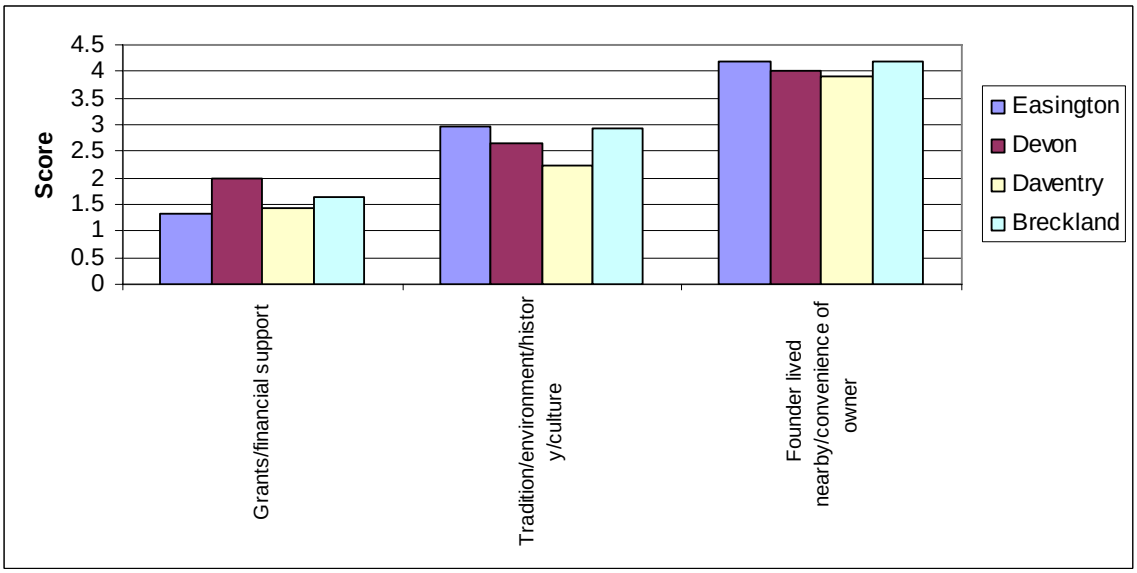
commuting distances are increasing. Given that the responses related to all employees the similar distribution for all areas probably reflects the high proportion of lower paid employment where people work more locally (within 10 miles).

Business location and planning

11.14 Businesses were asked why the business was located where it was. Both transport and non transport issues were considered. Figure 11.6 shows that the non transport/access related issues were generally regarded as being more important and in particular the most important overall reason for business location was that the founder lived nearby.

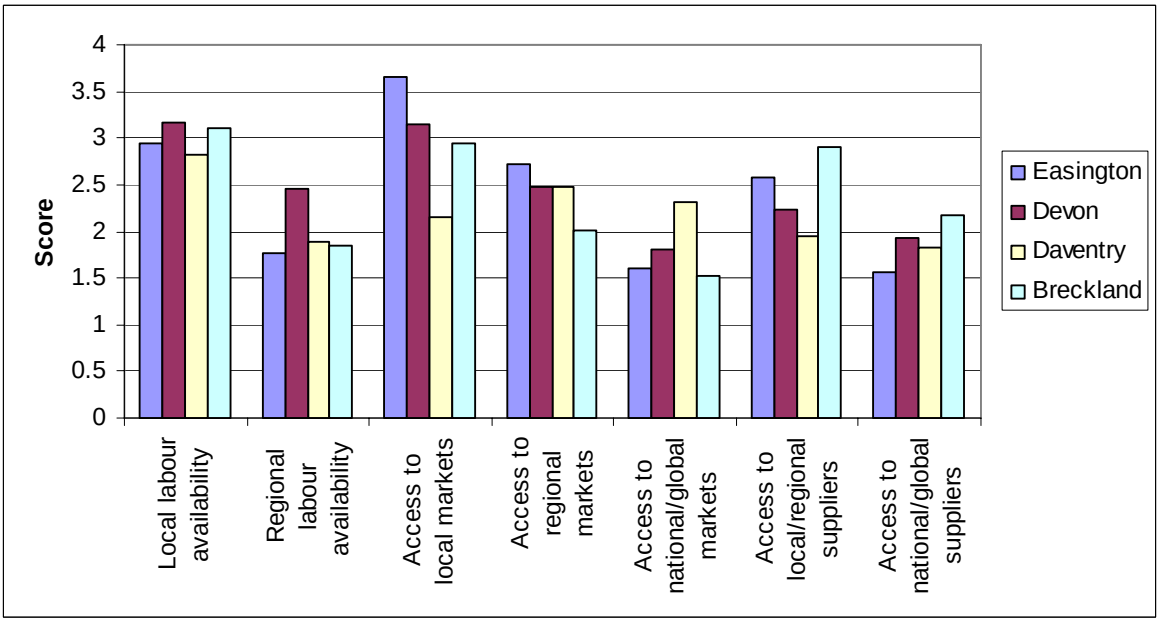
11.15 The maximum score would be five if every business identified the issue as very important.

Figure 11.6 – Non transport reasons for business location



11.16 Overall, Daventry/Northamptonshire residents rate most factors as less important than for the other areas and this is also true for many of the transport factors. The high scores given to Daventry for access to national and global markets, reflects its position as an accessible distribution hub.

Figure 11.7 – Access/transport reasons for business location

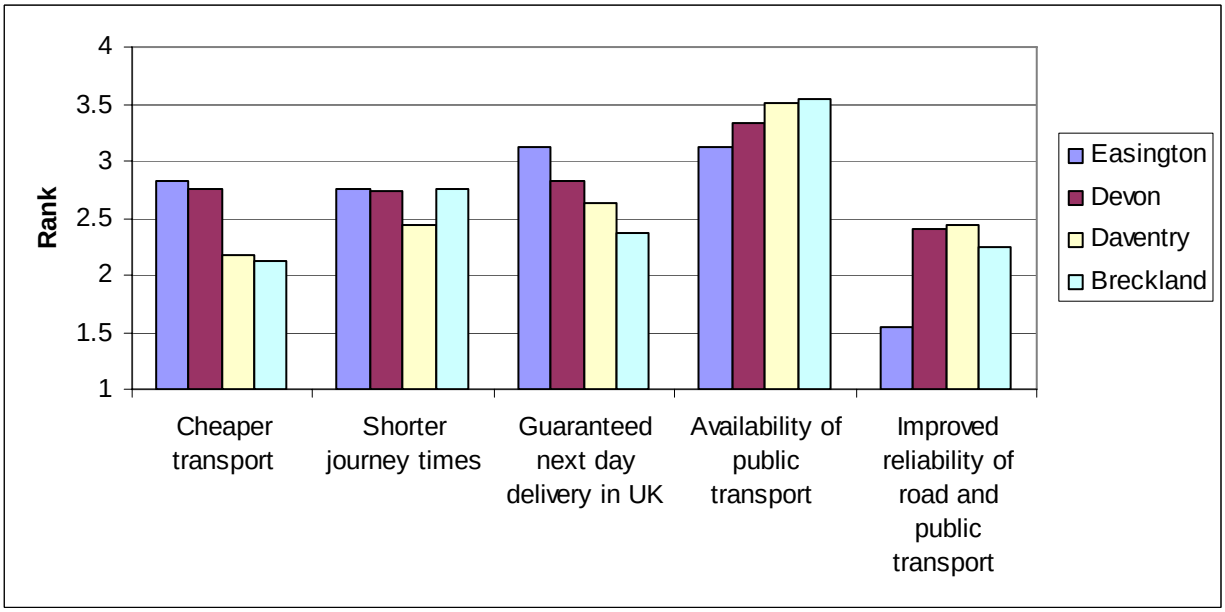


11.17 Again Easington scores highly for access to local markets, and the responses to this question generally reflect the economic linkages described in responses to other questions in the survey. It is interesting that access factors generally reflect the economic realities of doing business but the non transport factors are either regarded as being of low importance (e.g. grants) or of high importance but relate to lifestyles rather than business success.

The future

11.18 In response to a request to rank the relative importance of five future scenarios for transport, as might be expected improved reliability achieved the highest ranking, with average ranks of less than 2.5 in all areas. If all businesses had ranked the issue as their top priority an average rank of one would be achieved. The availability of public transport was ranked consistently low across all areas

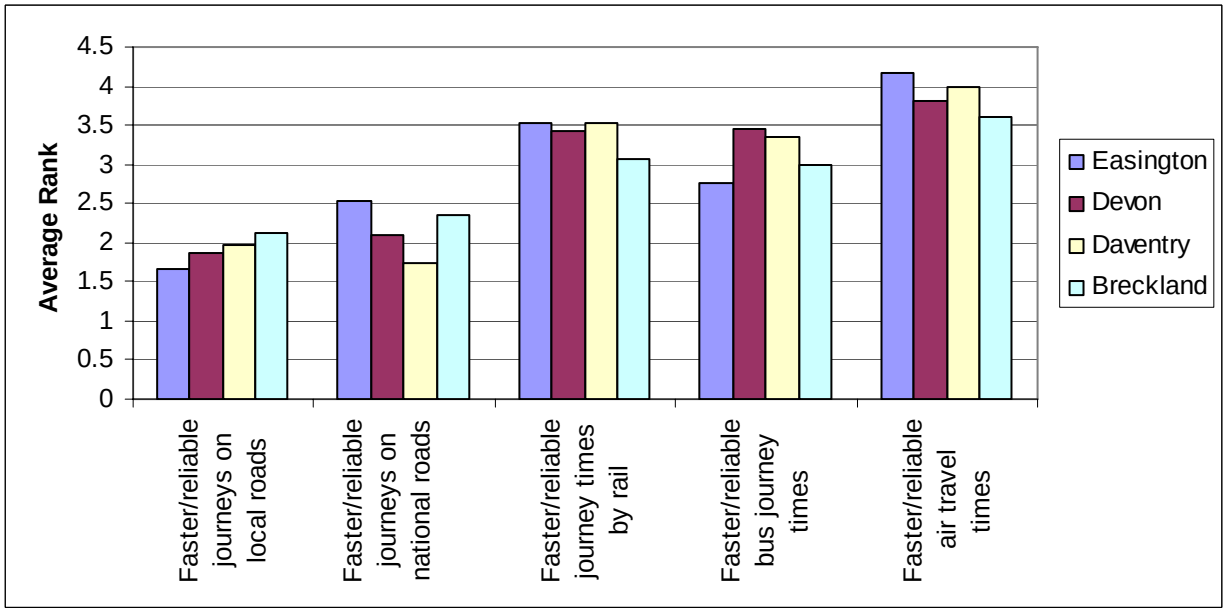
Figure 11.8 – Future scenarios



11.19 The benefit of cheaper transport was identified as more important in Daventry and Breckland and these areas also rated next day delivery higher than elsewhere. Business perceptions of future transport benefits do not appear to be related either to current accessibility characteristics or the dominant sectors in an area. This perhaps echoes other research findings that most people do not have strong expectations about transport in the future.

11.20 More interesting responses were given when asked to rank improvements by alternative modes. Daventry businesses are more concerned about national roads as might be expected but in most cases the average ranking is all areas are fairly similar. Roads are consistently given the highest average priority but, interestingly, bus improvements are prioritised marginally higher than rail and significantly higher than air. Transport policies do not always associate bus improvements with business needs.

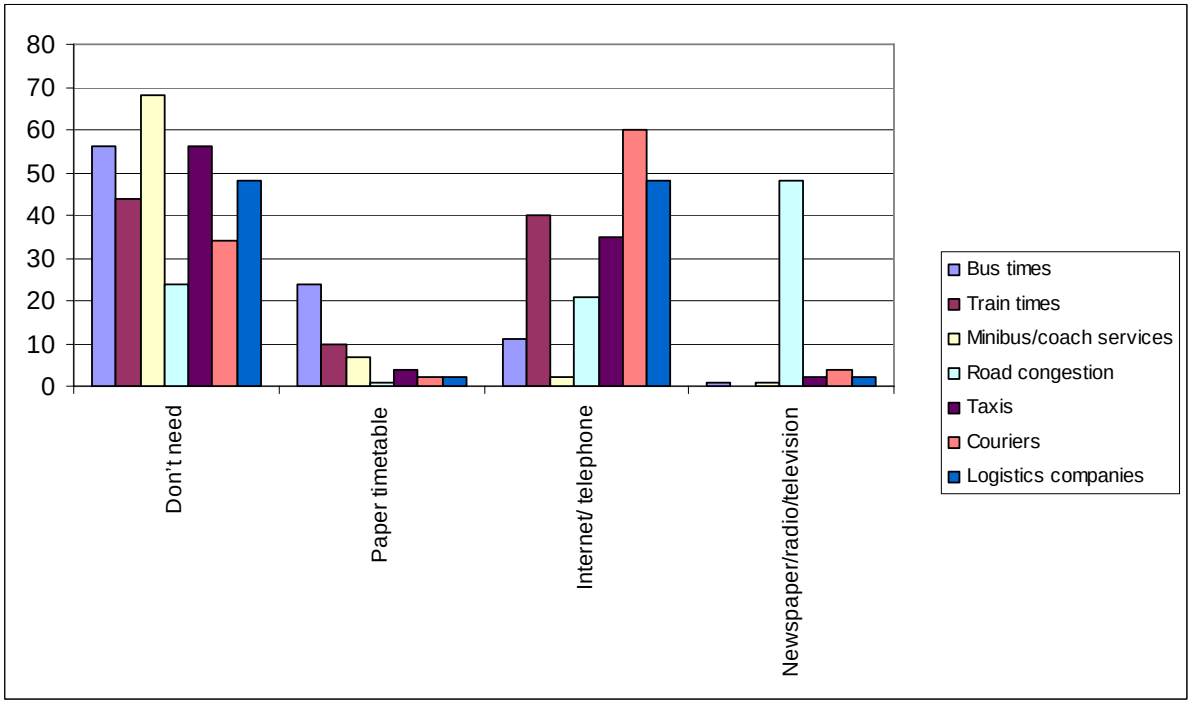
Figure 11.9 – Mode specific scenarios



Information and recruitment

11.21 Information about transport is often one of the greatest barriers to accessibility. There were no major surprises in the responses to this question. Information that is issued appears to only be used in specific cases with most useful information involving action by the businesses to search the internet, phone or as someone.

Figure 11.10 - Information sources

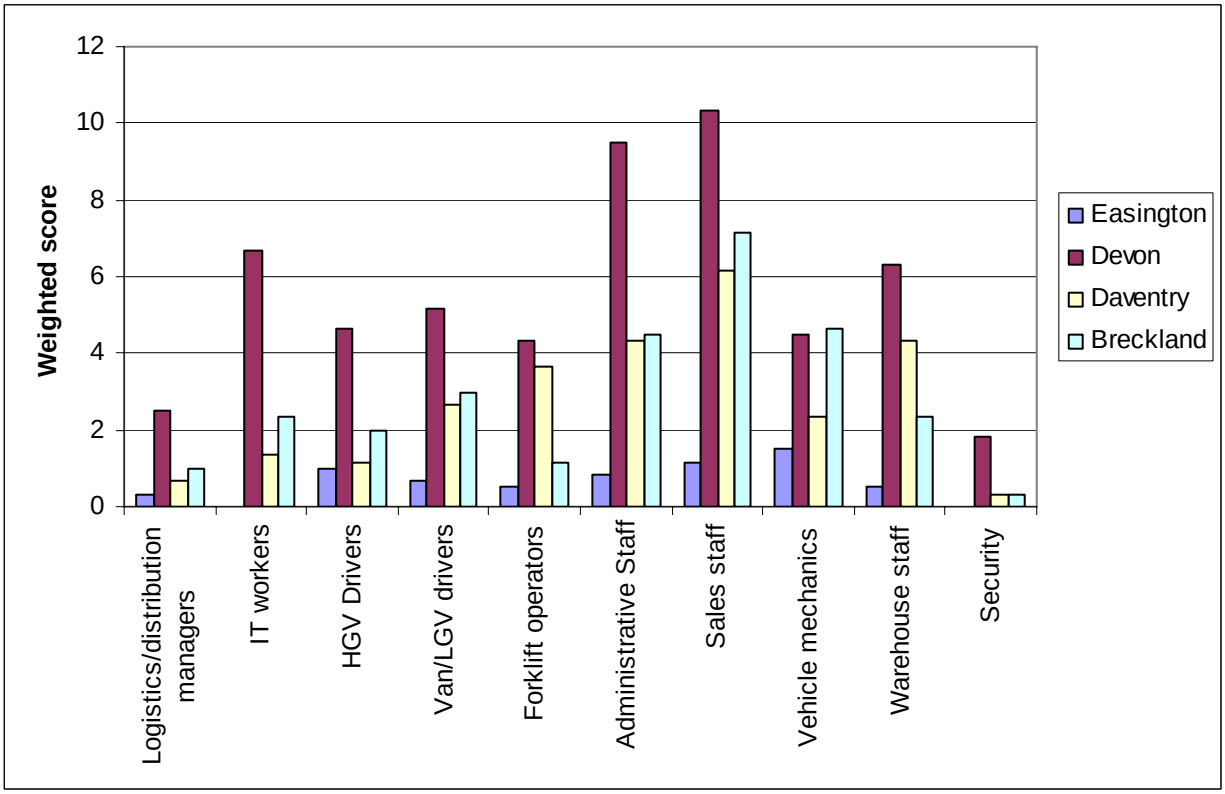


11.22 Radio/television etc are used for updates on congestion and printed timetables are used for buses.

Staffing and recruitment

11.23 For most sectors recruitment of suitable staff is more of a problem in the remotest areas. Jobs more likely to be higher paid such as distribution managers and drivers are less of a recruitment problem than generally lower paid warehouse, administrative or sales staff. Only Easington appears to experience few staff shortages.

Figure 11.11 – Recruitment problems



12.0 Telephone Interviews and Focus Groups

12.1 On the postal questionnaires businesses were invited to indicate their willingness to participate in further research. The 80 willing respondents were all contacted by telephone and asked if they would be willing to participate in focus group discussions. Those that could not participate in the focus groups were then interviewed by telephone at a time suitable to the respondent.

12.2 Using the contact details from UK infodisk that had not been sampled for the postal survey additional people were recruited for the focus groups and telephone interviews until 53 people had been recruited for the focus groups and a total of 100 telephone interviews had been completed.

Telephone Interviews

12.3 Telephone interviews concentrated on asking:

- Perceptions of national, regional, and local accessibility to clients, goods and services.
- Planning for business growth/survival based on expectations of transport cost/time/reliability.
- How wider social and economic trends and changes relate to transport needs
- What programmes are underway within local businesses to develop skills in the transport sector through training, encouragement for entrepreneurs, and development of intermediate labour markets.
- Purchasing decisions for passenger and freight/courier transport services.
- Any other relevant key issues – particular interest in cross sectoral developments.

12.4 Many detailed issues were raised by respondents which and included in the overall summary of interview and focus group results in Tables 12.1 and 12.2. Overall the telephone surveys highlighted a clear contrast between the areas with good strategic accessibility (Daventry and East Durham/Easington), where in broad terms most businesses considered that transport was not a problem, and the case studies with poor strategic accessibility (Breckland and North Devon) where businesses saw transport as a key issue. This meant that in Easington and Daventry it was much harder to engage the businesses in the survey programme with lower numbers of postal survey returns, and less willingness to participate in telephone surveys and focus groups. The views of those who were prepared to express their views therefore need to be viewed within this context.

Focus groups

12.5 In each area one focus group was held with businesses recruited by the survey team and one group discussion was held with businesses recruited by partner organisations such as Chambers of Commerce, and Councils. In all cases the discussions were chaired by staff from the research team, except for the Daventry event where the team largely observed the debate at a consultation event on transport and the economy, which had been arranged by the Daventry partnership.

12.6 Appendix B identifies some of the detailed issues raised in each case study area. Table 12.1 compares and contrasts the key issues under four main themes.

Table 12.1 – Comparison of views in case study areas

Daventry	North Devon	Easington	Breckland
Accessibility, infrastructure and services			
Centralisation of services has increased travel demand	Economy well adapted to remoteness and is still responding to opportunities from the strategic accessibility improvements from the A361 construction	Transport not perceived as one of the greatest challenges for business	Poor strategic links – in particular the A47 – increase costs for business
Major concerns about transport viability of current land use plans	De-trunking of A361 is a major concern for the future and Barnstable traffic problems need urgent action	Improved public transport would improve accessibility of outlying mining villages	Local town centre congestion restricts the retail and tourism sectors
Skills, training and recruitment			
Employee catchment growing substantially to cater for local labour shortages	Restructuring of the economy is being tackled with training initiatives but attitude change takes time	There are significant social problems to be overcome in some areas before skills and transport become an issue	Significant skills shortages particularly for lower paid work
Quality, reliability and partnership working			
Difficult getting a quality courier capable of carrying fragile goods	Difficult getting couriers when sending our goods sometime need to take things personally	Difficult to deliver freight between locations in North and East-East in UK without routing through hubs in South East which can cause delays	Certain suppliers not prepared to deliver to the area - others pass on extra costs to local business
Parking problems and inappropriate implementation of charging systems	Tourists deterred by congestion	Local road congestion in peak hours	Non returning tourists due to road congestion
Perceptions, expectations and proposals			
To retain competitive advantage needs to develop transport – new rail freight terminal seen as possibility	Development of wheels to work initiatives and demand responsive transport to cater for more needs of socially excluded	Proposed car pool arrangements by Durham County Council – will help access to employment and parking problems	Training programmes planned and deep water ferry terminal at Gt. Yarmouth may improve strategic links

12.7 The greatest similarity between the views in all the different areas relates to the issue of quality and reliability of journeys. Local road congestion, particularly in towns, and problems with poor couriers were cited in all areas. Congestion and slow traffic on strategic routes (e.g. the non-dual carriageway A17 and A47) were particularly a problem in Breckland. Despite the Daventry problems being largely related to quality, only North Devon has taken action in partnership with the industry to develop a freight quality partnership. The promotion of this has been by the local Chamber of Commerce and interestingly one of the questions asked by a business in the Daventry group was "but who should we speak to, to try to sort things out". This suggests that all areas need champions to tackle key issues for local business

12.8 Labour availability and skills shortages are being tackled in different ways in all the areas and this appears to relate to the accessibility in each area. Both North Devon and Easington have higher unemployment and both have sought to develop wheels to work schemes and other new approaches to transport provision to help overcome transport challenges for non-car owning unemployed people. Although the public agencies had promoted these schemes in Easington, the businesses appeared much less interested, certainly when compared with North Devon where they are seen as essential to the future success of the area. This perhaps illustrates that social exclusion is not always a constraint on economic development at least from the perspective of businesses.

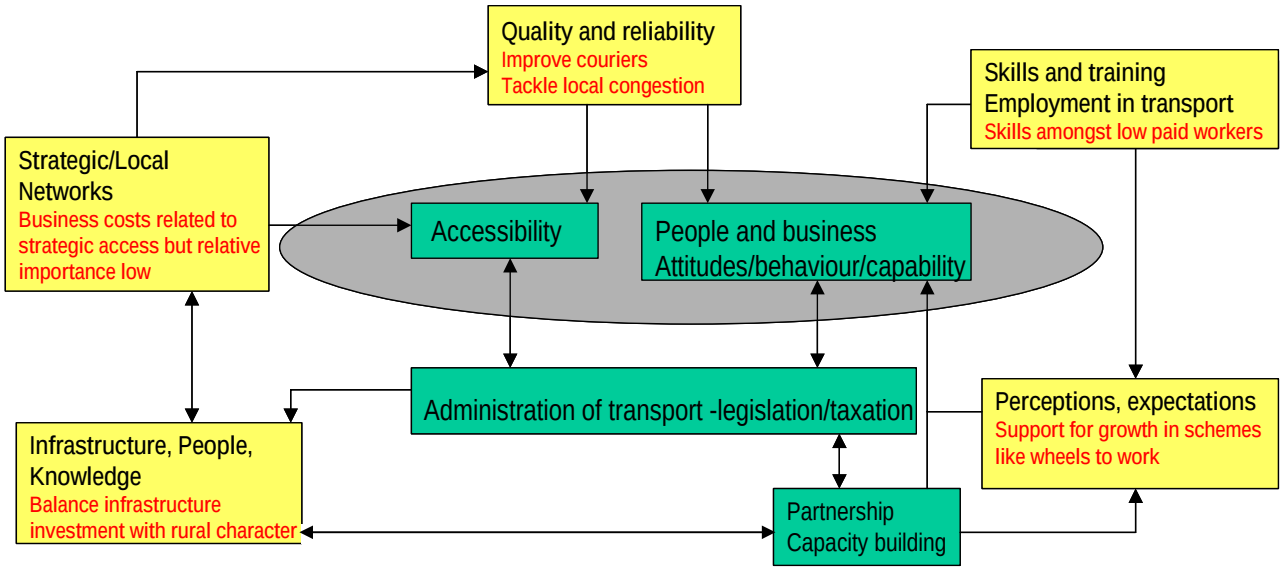
12.9 Interestingly businesses did not identify the option to increase pay rates as a suitable mechanism to solve skill shortages. Within the scope of the work it was not possible to look at the rates of pay at the bottom end of the market, but there was a clear understanding amongst businesses that it was better to support training and other initiatives to increase the size of the labour pool. The need for workers from overseas was noted by employers and in North Devon there was an interesting perspective that this was helpful to ensure a high standard of service in hotels and restaurants.

12.10 Some areas experience problems with apparently inconsistent decisions by different government agencies. Of particular note were the plans for 130,000 new houses in the Daventry area including 15,000 in Daventry itself. It was considered that this development would be able to fund the capital costs of schools and health centres but there was no provision for transport. Achieving the balance between development and transport was more acute in North Devon and Daventry than in Breckland and Easington. Perhaps the areas that already have accessibility imbalances are less vulnerable to single sector decision making.

12.11 Only in the Daventry area was transport identified as a quality of the area that defined competitive advantage. In North Devon and Breckland it could be seen as a threat causing competitive disadvantage and in Easington is was viewed as less crucial.

12.12 Figure 12.1 summarises how the most important issues emerging from the business surveys relate to the main interactions between transport and rural economies.

12.13 Figure 12.1 – Priority Improvements from Focus Groups



12.14 Action on the issues shown in red will help to address current concerns of businesses in a manner consistent with this model of transport and rural economies.

Section 4 – Harmonising Policies and Opportunities

13.0 Conclusions

13.1 A very wide range of issues has been identified within this work. If successes are to be built upon, and problems overcome then it needs to be clear:

- Who can do something about it.
- What resources and funding can be used.
- How key stakeholders can best work together.

13.2 Whilst efficiency in urban areas can more often be delivered through economies of scale, in rural areas economies of scope offer greater potential but require better joint working between firms, organisations and public agencies than has been common practice.

13.3 The case studies in this review were selected on the basis of their local and strategic accessibility, but they also appear to reflect the diversity of experience across rural England including areas of transport employment growth and decline, business growth, and sectors of the economy.

13.4 Changing responsibilities and re-organisations are the norm within pubic agencies so it can be difficult to retain sufficient stability for key individuals to champion initiatives through to delivery.

13.5 It is beyond the scope of this research to review all potential funding sources. In any case this is being undertaken separately through other work (DfT 2004). What this work can do is identify that there are key challenges to resolve in rural areas that are not necessarily receiving the attention they deserve. These include:

- Best practice becoming widespread - Innovative initiatives, have been funded on an experimental project basis, but opportunities to move these into mainstream practice remain elusive. An example of this is Wheels to Work. In all the case study areas studied there were operational Wheels to Work schemes, and in all areas there was uncertainty about funding. If Government wishes to promote more cross sectoral initiatives such as this, which have both transport and economic development benefits, then clearer mechanisms are needed for incentivising expenditure on cross sectoral projects.
- Leadership on partnership working – Local Strategic Partnerships have increased awareness of who does what but much progress is needed to ensure better delivery of partnership initiatives. The need for more Freight Quality Partnerships emerged strongly and it is not clear why so few local authorities have championed this agenda since it was promoted in the 1998 transport White Paper. Given the high level of competition in the courier and white van sector there is a need to partnership working to set and monitor standards so that

customers and providers can work together to raise standards in this sector which is of crucial importance to many of the small and cottage businesses that define the growing economy of rural areas.

- Local congestion problems – Local authorities often perceive that urban congestion is greater and focus attention there. In practice many improvements in urban road networks have low or negligible accessibility impacts (Goodwin 2004). In contrast, tackling bottlenecks at certain key rural locations can result in significant accessibility improvements. All the case study areas in this research identified key bottlenecks which apparently could be substantially reduced through improved traffic management. Greater recognition of local rural congestion may be needed.

13.6 Whilst there are many other detailed issues emerging from this work, action on the above three themes should help to tackle the key issues that define the relationships between transport and rural economies. In particular:

- Imbalances between development aspirations and transport supply.
- Quality and reliability of transport services.
- Development of a skilled workforce responsive to emerging economic strengths of rural areas.
- A framework for people and knowledge networks to facilitate better practice particularly on joint working initiatives.

Recommendations

13.7 To progress the delivery of these aims within the changing administrative frameworks for transport and rural economies it is recommended that a seminar be held to discuss the findings of this work.

13.8 The model of transport and rural economies that emerges from this work recognises market imperfections and the changing role of public agencies in working in partnership with the communities they serve.

13.9 The interface between transport and rural economies is not just about accessibility and mobility but relates to the entire production process in firms and other organisations, the markets served and the supply of various inputs. This model may be usefully developed further.

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Appendix A – Postal Questionnaire

Survey of Business Transport Needs

All businesses need reliable transport for people and goods to ensure their survival and growth. The Countryside Agency is undertaking this research with support from Durham County Council and Easington District Council to understand the current and growing transport and distribution challenges faced by businesses in the east Durham area. This questionnaire therefore seeks your views on the passenger and goods transport needs of your business.

The results will help inform decision making on national funding programmes for local business support and transport, and locally will inform economic development, training and local transport planning decisions.

The questionnaire should be completed by the owner, managing director or distribution/logistics manager and should take approximately 10 minutes to complete. Any information you provide will be treated as confidential and overall findings will be combined anonymously in reporting.

If your business operates from more than one site please respond for the site to which this questionnaire was addressed.

If you respond to the study, and provide your email address on page 8 of this survey, then we are happy to send you a copy of the results of the research. If you would like to be sent the results please tick the box ☐.

THANK YOU for your assistance. We would be grateful if you would complete this questionnaire within one week of receiving it, and return it in the enclosed FREEPOST envelope. If you have any questions please contact surveys@dhc1.co.uk or telephone Malcolm Greig on 0131 455 4314.

BUSINESS AND LOCATION

1. What is your type of business (e.g. retail, manufacturing) _____

2. How long have you been operating in the local area?

	Please tick one
Less than one year	☐
1 – 2 years	☐
2 – 3 years	☐
3 – 5 years	☐
5 – 10 years	☐
Over 10 years	☐

3. What is the main reason you are located here?

	Please tick one
The business was started here	☐
Expanded here as a branch	☐
Moved from another location	☐
	where was this? _____
Other	☐
	please specify _____

4. How many people are employed at this site?

	Please tick one
Sole trader	☐
1-5	☐
6-10	☐
11-20	☐
21-50	☐
51-100	☐
101-200	☐
201-500	☐
More than 500	☐

5. Please describe the geographical spread of your customers by stating the approximate turnover generated.

	% of turnover
Locally (within 10 miles)	____
Regionally (within 40 miles)	____
Nationally (i.e. Great Britain)	____
European	____
Global	____
Total	100%

6. Please describe the geographical spread of your suppliers based on the value of goods supplied.

	% of goods by value
Locally (within 10 miles)	____
Regionally (within 40 miles)	____
Nationally (i.e. Great Britain)	____
European	____
Global	____
	100%

7. Please describe where the workforce at this site live?

	% of workforce
Locally (within 10 miles)	____
Regionally (within 40 miles)	____
Elsewhere	____

ACCESSIBILITY

8. Why did your firm choose your current location?

	Please circle one number <u>in each line</u> ***1 = not important to 5 = very important***				
Local labour availability (within 10 miles)	1	2	3	4	5
Regional labour availability (within 40 miles)	1	2	3	4	5
Access to local markets	1	2	3	4	5
Access to regional markets	1	2	3	4	5
Access to national/global markets	1	2	3	4	5
Access to local/regional suppliers/materials	1	2	3	4	5
Access to national/global suppliers/materials	1	2	3	4	5
Grants/financial support to be here	1	2	3	4	5
Tradition/environment of area/history/culture	1	2	3	4	5
Founder lived nearby/convenience of owner	1	2	3	4	5
Other (please state) _____	1	2	3	4	5

9. Which influences on location choice are becoming, or do you expect to become, more important as a constraint or opportunity for your business?

	Please circle one number <u>in each line</u> ***1 = less important to 5 = more important***				
Local labour availability (within 10 miles)	1	2	3	4	5
Regional labour availability (within 40 miles)	1	2	3	4	5
Access to local markets	1	2	3	4	5
Access to regional markets	1	2	3	4	5
Access to national/global markets	1	2	3	4	5
Access to local/regional suppliers/materials	1	2	3	4	5
Access to national/global suppliers/materials	1	2	3	4	5
Grants/financial support to be here	1	2	3	4	5
Tradition/environment of the area/culture	1	2	3	4	5
Social and family concerns of owner	1	2	3	4	5
Other (please state) _____	1	2	3	4	5

10. Please <u>rank</u> the following possible future transport scenarios in terms of their importance to the efficiency of your business?

	Rank **(1 most important, 2 second most important and 5 least important or blank if does not apply)**
Travel costs rising slower than general inflation	
Reduced door to door travel times for staff and business travel	
Availability of guaranteed door to door next day delivery in UK	
Availability of public transport at times of day and night suitable for staff travel to work	
Improved reliability of road and public transport journey times for staff and business travel	

11. Please rank the importance to your business of improved transport.

	Rank **(1 most important, 2 second most important and 5 least important or blank if does not apply)**
Shorter and more reliable journey times on local roads	
Shorter and more reliable journey times on national roads (e.g. motorway/trunk road)	
Shorter and more reliable journey times by rail	
Shorter and more reliable bus journey times	
Shorter, and more reliable air travel times	

12. Where do you obtain information about the following aspects of the transport system

		Don't need	**Printed timetable**	**Internet/ask colleague/ telephone helpline**	**Newspaper/ radio/ television**
Personal and staff travel	Bus times	☐	☐	☐	☐
	Train times	☐	☐	☐	☐
	Minibus and coach services	☐	☐	☐	☐
	Road congestion	☐	☐	☐	☐
	Taxis	☐	☐	☐	☐
	Other (please specify) _____	☐	☐	☐	☐
Freight	Couriers	☐	☐	☐	☐
	Logistics companies	☐	☐	☐	☐
	Other (please specify) _____	☐	☐	☐	☐

13. Approximately how much does your company/division currently spend on staff business travel and travel to work and goods transport including courier services as a percentage of site turnover?

	People	Goods
0 – 2 %	☐	☐
2 – 4 %	☐	☐
4 – 6 %	☐	☐
6 – 10 %	☐	☐
10 – 15 %	☐	☐
15 –25%	☐	☐
25% or more	☐	☐

14. Please use the space below to outline other local transport challenges or problems which you face. Of particular interest are any aspects where current trends or changes are likely to affect profitability.

_____

_____

_____

PROCUREMENT

15. What type of transport services does your business purchase?

		Please tick	Annual Budget £ (if known)
Staff	Car related costs for travel to work e.g. fuel costs, workplace parking, company cars	☐	
	Staff travel by car on business	☐	
	Public transport costs for staff travel to work e.g. season tickets for staff	☐	
	Staff travel by public transport and taxi on business	☐	
	Minibus and taxi services for staff travel to work	☐	
Goods to customers	Small freight, packages, parcels etc.	☐	
	Other transport of goods	☐	
Goods from suppliers	Small freight, packages, parcels etc.	☐	
	Other transport of goods	☐	

16. Who usually makes the purchasing decisions for staff travel?

	Staff working locally	Our company from another site	Sub-contracted e.g. travel agent
Car related costs for travel to work e.g. fuel costs, workplace parking	☐	☐	☐
Staff travel by car on business	☐	☐	☐
Public transport costs for staff travel to work e.g. season tickets for staff	☐	☐	☐
Staff travel by public transport and taxi on business	☐	☐	☐
Minibus and taxi services for staff travel to work	☐	☐	☐

17. Who usually makes the goods transport purchasing decisions?

		Staff working locally	Our company from another site	Approx % Sub-contracted
Goods to customers	Small freight, packages, parcels etc.	☐	☐	
	Other transport of goods	☐	☐	
Goods from suppliers	Small freight, packages, parcels etc.	☐	☐	
	Other transport of goods	☐	☐	

SKILLS

18. Within the last year have you had problems recruiting in any of the following occupations?

	Severe difficulty	Some difficulty	No difficulty	N/A
Senior Management	☐	☐	☐	☐
Staff with driving licences and access to a car	☐	☐	☐	☐
Staff with relevant training (please state) _____	☐	☐	☐	☐
Skilled professionals (please state skill) _____	☐	☐	☐	☐
Other (please specify) _____ _	☐	☐	☐	☐

19. Specifically have you had any problems in the last year recruiting any of the following staff?

	Severe difficulty	**Some difficulty**	**No difficulty**	**N/A**
Logistics/distribution managers	☐	☐	☐	☐
IT workers	☐	☐	☐	☐
HGV Drivers	☐	☐	☐	☐
Van/LGV drivers	☐	☐	☐	☐
Forklift operators	☐	☐	☐	☐
Administrative Staff	☐	☐	☐	☐
Sales staff	☐	☐	☐	☐
Vehicle mechanics	☐	☐	☐	☐
Warehouse staff	☐	☐	☐	☐
Security	☐	☐	☐	☐

20. If there are skills shortages, does your business take any action to resolve these (e.g. by recruiting staff and training them, or by sponsoring particular courses at training institutions or organisations)

_____

_____

_____

21. Are there any other comments that you would like to make regarding the issues raised in this survey?

_____

_____

_____

_____

22. What is the postcode of the site_____

We will be undertaking follow up work based on survey responses during February 2005. It would be helpful if you could indicate below whether or not you would be willing to be contacted again. Please note that any contact details provided will be used in strict confidence only for the purposes of this research and will not be passed to any third party.

Yes ☐ contact tel. number _____ e-mail_____

No ☐

YOUR NAME _____

JOB TITLE:_____ _____

COMPANY/DIVISION NAME: _____

COMPANY/DIVISION:_____

ADDRESS: _____

_____

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE. PLEASE RETURN IT IN THE ENCLOSED FREEPOST ENVELOPE.

To - DHC, Freepost NAT 17962, Stirling, FK8 2BR

Appendix B – Telephone and Focus Group Issues

Study area	Key Issues raised
Daventry	Proximity to London means that higher skill groups migrate to higher paid employment in the city.
	Major expansion of housing but no clarity of who will pay for transport infrastructure.
	Local market have closed so farmers need to transport livestock further. Also need to travel to markets where supermarket buyers go.
	Time of day delivery at night being required
	Parking problems and congestion growing and this is increasingly adversely affecting quality of life
	Economy dominated by footloose companies so could move if conditions not right e.g. Carlsberg, Argos.
	Need rail freight hub to ensure area continues to be a transport hub.
	There is a shortage of people with degree level skills
	Business rates act as a disincentive to rural development.
	Build an identify for the area based on its strengths at the hub of the motorway network.
	With limited social exclusion compared to other parts of the country it is very difficult to attract transport investment.
North Devon	Freight quality partnership being used to improve supply of quality transport providers and availability of services such as training of drivers and other staff, customer supplier relationships.
	Local congestion in Barnstable distorts accessibility with local trips
	Detrunking of major road to the motorway raises questions about the
	Charging at hospital car parks is considered inappropriate in a rural area.
	Small coach companies used for school run
	Loss of service sector jobs as major companies have centralised e.g. British Gas
	Economic restructuring underway following shipyard closure and decline of agriculture.
	Pharmaceutical companies attracted to the area due to low bulk products being easy to transport and the clean environment.
	Short break market for tourism is growing but this has seasonal and weekend peaks so there are staff shortages for such part-time work.
	Transport policies of council for “life in the bus lane” are strongly supported and have helped to improve services. However buses do not go everywhere and most peopke are car dependent.
	Wheels to work is supported as a type of initiative to get people back into work.
	Devon food branding initiative organised by the National Farmers Union has helped to encourage local procurement.
	Lifestyle businesses make a valuable contribution but are hard to influence or develop to strengthen the local economy.
Easington	There is limited parking at business parks, which are often situated far from public transport hubs.

	The timing of buses to and from business parks is often inappropriate, for example one bus leaves at 4:50, where many workers finish work at 5. Problems are worse for shift workers as most public transport runs from 9 to 5.
	Most employers experienced no recruitment difficulties, although some low wage positions could be hard to fill.
	There were travel access problems for management staff, many of whom lived in or around Newcastle. The Tyne Tunnel in particular is a bottleneck.
	Business travel by train to London and the South East is expensive and has increased above the rate of inflation in recent years.
	Many of the former mining villages are isolated from the new centres of employment, which tend to be industrial estates on the edge of Peterlee.
	Local school traffic holds up business and commuters.
	The A1 north of Morpeth is a poor strategic link.
	Strategic East-West travel is difficult, both by road and public transport. The A1(M) and East Coast Main Line are good, but travelling to North West England, Scotland or South West England is difficult.
	Businesses in the North East are disadvantaged by distance from accessing markets in the South East. This was felt to be partly due to tax on fuel. As aviation fuel is not taxed, foreign competitors delivering, for instance, to customers in Kent may not pay any fuel duty and so may have an unfair advantage.
	A DRT small bus or taxi service would be effective in transporting workers to industrial estates, especially outside normal working hours. This would be of particular help to residents of former mining villages.
	Many withdrawn bus services between Durham and Consett/Bonfield have been withdrawn. Reintroduction of frequent services would improve employment access.
	Upgrading of the A66 to full dual carriageway to improve strategic East-West links.
Breckland	Problems with local congestion in Dereham town centre. This adversely affects town centre retail and discourages repeat tourism.
	Strategic links are poor, in particular the A47, A11 and A17. There is widespread support for duelling of A47, but not to motorway status.
	Some suppliers will not deliver to the area, as it is perceived as being too far from the motorway network.

	Where suppliers do deliver, the higher costs of transport are passed on to local businesses. Suppliers charge extra once past Cambridge and off the motorway network.
	Employers experience recruitment difficulties for lower paid jobs where many workers cannot afford to run a car. Employers in tourism and catering are among the worst hit by staff shortages because of this.
	There have been job losses in the local areas that are seen to have been the result of poor transport. For example, within the past few months several manufacturing and distribution firms have moved to better connected areas.
	Suggestions for improving local transport include a park and ride facility on the edge of Dereham to help reduce town centre congestion. This could also be integrated with a freight trailer drop facility.
	The introduction of flexible DRT transport would allow off-peak journeys and travel to smaller villages for people without access to a car. There was strong support for this.
	A freight-only rail line running parallel to the A11 would take much of the freight off the roads.
	It was stressed that a balance must be found between upgrading the road network and preserving the rural character of the area for local residents and visitors.