



CALL FOR EVIDENCE – AN INQUIRY INTO RURAL PRODUCTIVITY

APPG for Rural Business and the Rural Powerhouse

Closing date: 30th June 2021

Introduction:

The APPG for Rural Business and the Rural Powerhouse is holding an inquiry into rural productivity. Currently rural areas are, on average, 18% less productive than urban areas and this inquiry will seek to explore how to reduce this disparity, and propose solutions. A significant number of businesses in the rural economy are land-based, multi-generational SMEs, the majority of which operate as sole traders or family partnerships.

The APPG is holding a parliamentary inquiry that will examine different aspects of the rural economy and assess barriers to productivity growth. The APPG will seek both oral and written evidence which will feed into a report into levelling up the rural economy.

Levelling up the country is a key part of the Prime Minister's agenda and the recovery from the pandemic offers an opportunity to revisit that agenda amidst shifting societal priorities. The rural economy is not monolithic, and there are some key components that the inquiry will be looking into and would welcome evidence on.

The APPG invites you to submit evidence on the below themes. There is no requirement to provide answers to all the questions or themes, and we ask that each answer is no longer than 300 words.

Connectivity – has the government given up on bridging the digital divide?

Questions to consider

- To what extent is digital connectivity the key to unlocking rural productivity?
- Has the pandemic renewed the focus on the digital divide?
- Has the government given up on the hardest to reach rural communities?

Planning – is the planning system fit for purpose for economies and communities in rural areas?

Questions to consider

- Do you have proposals for how the planning system can be made to work better for economies and communities in rural areas?
- Is the current planning system acting as a barrier to rural productivity? If so please give examples.
- Has the planning white paper done enough for rural areas?
- Do policy or other barriers exist that impede rural development? If so, is this at national or local level? And which policies?
- Successive governments have told land managers to diversify their farming business to find alternative sources of income. To what extent does the planning system make it so easy or difficult to deliver this policy objective?



Land use – how can we better manage the land to meet demand for environmental delivery and food production?

Questions to consider

- Will the removal of direct payments and the shift to payments for public goods result in productivity growth in rural areas?
- What has the most potential to drive growth e.g., new farming systems, forestry and woodland, environmental management, other commercial activities such as tourism, retail or hospitality, energy production? And over what timescale?
- What are the barriers to agricultural productivity growth? And how should these be addressed?
- How can a farm woodland economy be developed to incentivise tree planting and carbon sequestration?

Skills – how can we future-proof the rural workforce?

Questions to consider

- What are the skills shortages in rural areas?
- Are there barriers to upskilling in rural areas?
- How do we encourage people to remain living in rural areas?
- How can we encourage investment in rural housing and transport?

Tax – does the tax system provide benefits or barriers to rural productivity?

Questions to consider

- To what extent does the tax system actively encourage or discourage a land manager from investing in their farming/diversified farming business?
- How can we simplify the tax system to encourage rural diversification?
- To what extent does the tax system actively encourage or discourage farming or other land-based businesses from developing innovations that may improve productivity?
- Are there any aspects of way that businesses must engage with the administration of the tax system, now or as contemplated by the digitalization of the tax system project, that may hinder productivity?
- How can we best use tax levers to boost rural productivity?

Process – do government structures/mechanisms help or hinder the development of rural policy?

Questions to consider

- How can government have a joined up rural approach and why does it matter?
- How can we encourage government departments to be more collaborative?
- Should the rural affairs portfolio sit in Defra? Should there be a Treasury unit focusing on the rural economy?
- Should there someone in Treasury to focus on the rural economy?
- Has this government (and successive governments) been ambitious enough about delivering rural objectives?
- To what extent will rural areas be disadvantaged as the country decarbonises, and how should it be addressed? Are rural areas at risk of facing the same battle on electricity grid upgrades as they are on digital connectivity?

To submit evidence please email ruralpowerhouse@cla.org.uk and indicate the area(s) you wish to answer. The closing date for evidence is 30th June 2021.