UNIVERSITY OF
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The Future of Services in Rural England - a Scenario for 2015.

Final report to Defra

June 2005

Countryside and Community Research Unit

INVESTOR IN PEOPLE

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Countryside and Community Research Unit
University of Gloucestershire

- in association with the University of Cardiff

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Executive Summary

Preamble

1. This research arose from Defra's concern that fostering better and more equitable access to services as part of the social inclusion agenda set out in its 2004 Rural Strategy, needs to be more firmly grounded in an appreciation of a quite rapidly changing context.

2. Accordingly, the research objectives have been to establish:
- the main factors influencing, and the changing nature and intensity of, the demand by rural households for services over the next ten years,
- likely changes in the nature and expression of the factors shaping the supply of such services,
- the implications of those likely changes in demand and supply for the various deliverers and recipients of rural services,
- significant policy implications for government.

3. To those ends, the research has focussed upon:
- services for rural residents, rather than for rural businesses, and rather than 'rural service outlets' as such,
- services provided for those residents by any sector – statutory, commercial, voluntary or community,
- services delivered by any means including fixed-location outlets (whether single-purpose or multi-purpose) mobile units, home delivery and ICT,
- both the demand for and supply of those services.

4. It has, moreover, been generic in conception (i.e. it has sought more to distil general principles and lessons rather to focus in depth on specific services), forward looking in perspective (with the year 2015 being the consistent focus of projection and speculation) and policy-oriented in purpose.

5. But to ensure a grounding in reality, that generic conception has been built upon a broad consideration of trends and issues relating to ten services: namely retailing, education and training, postal and delivery services, financial services, health care, social care, passenger transport, the provision of information and advice, leisure and recreation services, the emergency services.

6. A key methodological point has been a determined focus on the likely 'drivers of change over the decade 2005 – 2015', affecting either demand or supply (taken separately) rather than a reliance on a mechanistic forward projection of existing or putative trends. This accords with the approach favoured in a number of recent 'rural futures' studies, which together have clarified a range of 'drivers', which have served, in effect, as hypotheses in the present research. Table 2 in the body of the report shows how, once validated, the 'drivers' have been taken forward first into speculative statements about the future demand and supply of services, and then into a 'scenario for 2015'.

7. The research has comprised six specific tasks.

1. Desk research around the ten services mentioned above and a wide range of possible 'drivers'
2. Personal interviews with 59 key actors to explore trends, issues, hypothesised drivers and possible futures
3. Four regionally-based focus groups with much the same focus as the interviews but allowing some debate
4. The subsequent crystallisation of a 'draft scenario for 2015'
5. Six further focus groups, with new participants, to consider the validity of the scenario, its likely applicability in different kinds of rural domain and its possible implications
6. The considered revision of the scenario in the light of those discussions and, in relation to it, the distillation of likely implications for government

The Drivers of Future Demand

8. On the demand side, attention has been paid to various drivers or sets of drivers which are likely to change the size and content of the 'basket of services' that England's rural residents will demand by 2015. These drivers are:

- demographic and social change, especially the changing size, distribution, age and socio-economic structure of the rural population,
- cultural change, especially the development of a more demanding, 'it must fit me' clientele,
- rural disposable income – which will increase significantly as a consequence of national economic growth and of substantial and selective migration,
- greater personal mobility (especially 2+ car ownership by rural households) and capacity for communication,
- government policies – be they related to fiscal, social, employment, spatial or transport matters,
- 'non rural resident' demand – meaning demand by rural businesses and by visitors to rural areas.

The Drivers of the Future Manner of Supply

9. By 'manner of supply' is meant just <u>how</u> services are likely to be delivered to rural residents in 2015 – a dimension that will have its own drivers of change. The concept of 'manner of supply' is explored with reference to delivery outlets (fixed, mobile, home delivery, e-delivery), settlement hierarchy (village, small town, larger town) the timing of delivery (e.g. flexible hours, 24/7) and what is termed the 'governance of supply' (i.e. public, private, voluntary / community sectors, by partnerships etc). The issue examined here is how will those dimensions of delivery change over the next 10 years?

10. With that in mind, the list of principal 'supply drivers' bears several many similarities to those of changing demand:

- demographic, social and cultural change – especially in relation to the endowment of social capital in rural areas,

- the diffusion of new technology – notably ICT and especially as it may affect intra-business, business to business, and business to household communication,
- government policies at the national, regional and local levels,
- competition and the changing corporate policies of the various service suppliers.

A Scenario for 2015

11. Reflecting on all those drivers, with the help of the various interviews and focus groups referred to above, produced a scenario of 18 mutually consistent statements all relating to the year 2015; there was so much agreement on this emerging scenario that presenting alternative formulations was felt not to be justified. In this summary it is possible only to list the 18 elements of the scenario making just one or two illustrative points in each case

THE DRIVERS OF CHANGE
1. Demography and Prosperity - more prosperity, more older people and fewer younger people; age and socio-economic structures will be crucial
2. Culture and Values – greater insistence on service quality; less regard for the local community
3. Personal mobility – greater car usage; a greater readiness to access distant service outlets
4. ICT availability – a much increased propensity to access services electronically; more home-working
5. Central government policy – growing reluctance to subsidise loss-making modes of service delivery; more championing of localism
6. Competition and the profit motive – the closure of many private-sector service outlets; much greater reliance on e-delivery
7. Sectors showing increasing or decreasing demand – increased demand for income-elastic services such as health care and leisure provision linked to an active old age; reduced demand for primary and secondary education and for conventional public transport

DELIVERY AGENCIES
8. The role of the principal local authorities – a reduced role in service provision; an increased role in planning, co-ordinating, facilitating and commissioning
9. The greater coordination and integration of the delivery of hitherto discrete services – both managerially and often in physical terms (see 15 below)
10. The growing reliance by government on the voluntary / community / community enterprise sector - to fill gaps; but the sector may be unable adequately to cope
11. The pool of 'younger older' people (those in their late 50s to early 70s) – a significant increase in numbers, but a danger of over-optimism about their value in a human / social capital sense

THE MANNER OF DELIVERY

12. ICT - by 2015 many information-based services will be routinely accessed from home; and much innovation will be apparent in the use of ICT to service a scattered clientele
13. Direct face-to-face contact – will remain an important element of people's expectations with regard to many services
14. The number of single-service outlets – likely to reduce in both villages and small towns in the face of competition from e-commerce and the superstores
15. A significant increase in multi-service outlets – of many different types, but without an overarching strategy to guide their deployment

SOCIAL AND SPATIAL VARIATION

16 Greater polarisation between the majority and the disadvantaged minority – a hard-core of geographically scattered excluded people will remain, including many with low incomes, disability or frailty, and migrant workers
17 At the macro-geographical scale (inter-regional and inter-district) there will be **unevenness** in the incidence of the above trends with accessible, prosperous and relatively well-populated rural areas changing most
18 At the micro-geographical scale (inter-parish) there will also be considerable **unevenness** – in service delivery, with the locality's status in local planning policy terms and the variable incidence of social capital, proving to be important

Some Implications for Government

12. The report concludes with an exposition of a wide range of possible implications for government; suggestions are systematically linked to each of the 18 elements of the preceding scenario.

13. These include a need to anticipate, monitor and respond to the likelihood that, left unchecked, many of the anticipated developments will be socially regressive; a need to put more emphasis upon increasing the human and social capital of rural areas; the desirability of facilitating locally-tailored responses to the various challenges, albeit without abdicating responsibility centrally; the desirability of facilitating and collating lessons from innovation in service delivery such as that relating to ICT, the coordination of service delivery and the expansion of community enterprise; and the need to foster the more co-ordinated planning of service delivery across both the spatial and social dimensions.

Preface

This study would not have been possible without the kind co-operation of some 130 people who took part in one-to-one interviews or in one of the ten focus groups. Their affiliations are reported in the appendices but not their names, in the interest of confidentiality. Many other people spontaneously volunteered suggestions or ideas. We are grateful to them all.

In addition as a research team we greatly valued the advice and support of the project Steering Group, which met on six occasions under the chairmanship of Janet Gawn.

But responsibility for the report remains ours.

Malcolm Moseley, for the research team

Cheltenham

1 The Research Focus

1.1 Rationale and Objectives

Improving the 'access to services' enjoyed by rural residents is a key element of the rural social inclusion which government is committed to enhance (as explained in Defra's Rural Strategy (2004)). It is also a key goal underlying a host of government interventions in the domain of rural service delivery – intervention via, for example, the direct provision of certain services, the selective subsidy of others, the setting and monitoring of targets and standards of service delivery, the regulation of service providing agencies, and the provision of 'infrastructure' (physical, social and administrative) conducive to effective and efficient service delivery.

The fact that all such 'interventions' necessarily occur with only a limited perspective on the future context of service demand and supply provides the main justification for the research reported here. Indeed the need to sharpen that future perspective gains extra force given the time that it normally takes time for policy initiatives in this domain to 'bite'; the concern has to be that 'the goalposts may have moved' by the time that they do.

Accordingly, the original brief for this research stated: "the aim…is to establish the demand for public, private and voluntary services in 5 to 10 years, what this might mean for the delivery of rural services, and the implications and options for service providers". In discussion it was agreed to firm up on 2015 as the focus year and also to broaden the perspective to allow the future of service delivery or supply to be considered in its own right, rather than merely as a consequence of changing demand.

Thus the **agreed objectives** have been to establish:

1. the main factors influencing, and the changing nature and intensity of, the demand for rural services over the next ten years, and associated changing expectations of consumers regarding supply,

2. likely changes in the nature of the factors shaping the supply of such services,

3. the implications of 1 and 2 for the various deliverers of rural services - in the public, private and voluntary / community sectors – including the options likely to be open to them,

4. significant policy implications for government.

1.2 An Overview of Some Earlier Research

There has of course been a mass of research into the delivery of rural services, meaning services provided for or delivered to rural households and to a lesser extent rural businesses. (In the context of social exclusion see, for example, the reviews by

Shucksmith (2004) and the Countryside Agency (2004)). That research has related to a wide range of different services such as health-care, retailing, passenger transport and policing as well as, to a more limited extent, such infrastructure services as water supply, gas, electricity and telecommunications. Much of this work has approached the subject from a particular angle – the changing fortune of village service outlets – and sometimes with an implicit assumption that retaining and bolstering such outlets in an adverse climate is patently a ‘good thing’.

Viewed in the round, that research has embraced the various delivery sectors (public, private, voluntary and community, including hybrids - notably community enterprise – and joint ventures involving various forms of partnership.) It has also spanned the four possible modes of service delivery, namely at fixed outlets such as shops, surgeries and village halls, via mobile units such as mobile libraries and police units, via doorstep delivery such as mail delivery and home help assistance, and electronically whether via the telephone or, increasingly, more sophisticated forms of ICT.

As already suggested, trends in the location and viability of service outlets (including some road vehicles in that term ‘outlets’) have received much attention, for example in the triennial censuses undertaken by the Countryside Agency and its predecessor body. These have tended to reveal a steady reduction of many ‘village services’ e.g. shops, pubs and post offices and of such ‘small town services’ as police stations and small hospitals. Indeed a steady drift of many service outlets ‘up the urban hierarchy’ (i.e. from villages to small towns and from small towns to large towns and to out-of-town locations) has been quite commonplace – though some other services have tended to increase their penetration into rural England in recent years, such as child care and community-run and demand actuated transport.

Concern about the net effects of these trends has centred on their consequences for disadvantaged (generally car-less) people and for aspects of community life that need a physical focus. At the same time, delivering services from fewer, larger and more widely spaced outlets has generally improved the quality of the service – so long as it can be readily accessed. Perhaps not surprisingly, a good deal of innovation in service delivery has been apparent in recent years as service providers have grappled with the conflicting objectives of high quality, wide geographical dispersion and low unit costs – it being apparent that any two, but not all three, of those desiderata are relatively easy to achieve.

1.3 Defining the Focus

It is against that backdrop that the present research was conceived and has been undertaken. Its focus may be defined as follows.

1. Concerned with ‘services for rural residents’ – rather than ‘services for rural businesses’[1] and rather than ‘rural service outlets’ as such. That latter distinction opens the possibility of including service delivery to rural residents that emanates outside rural areas altogether and/ or is electronic or otherwise home-focussed.

[1] Except, to a limited extent, micro-businesses run from home

The term ‘rural’ is taken in this study to mean areas of low population density, including isolated dwellings, villages and small towns.

2 Embracing service providers from any sector – statutory, commercial, voluntary, community – including as suggested by earlier remarks, both hybrid providers (notably community enterprises) and cross-sector partnerships of various sorts.

3 Embracing services delivered to rural residents by any means including:
- fixed location outlets whether single-purpose, multi-service and/ or part-time (hosting peripatetic practitioners for example),
- mobile units (which are, by definition, part-time in their provision),
- home delivery,
- ICT.

4 Concerned equally with the demand for and supply of those services, taking as working definitions of those terms:
- *demand:* want plus the readiness and ability to purchase,
- *supply:* the act of making available a service to would-be consumers.

5 Generic in conception – in the sense that although drawing evidence from a range of individual services (e.g. health-care, training, policing, passenger transport) this study’s concern is to distil general principles and lessons rather than to explore in great detail any one service.

6 Wholly forward-looking in perspective, meaning:
- a focus on 2015 and the years leading up to it,
- a concern for the drivers of change and their likely implications.

7 Policy oriented, with a concern to distil the likely implications of the various putative changes for government
.

Some of these points are developed in more detail below.

1.4 The Services Considered

Despite a wish to concentrate on generic issues, spanning any or all of the services defined in paragraphs 1 to 3 above, it was clearly necessary to explore the circumstances and future prospects of specific services and, after some reflection, it was the ten listed in the table below that formed the focus of the empirical research. It will be noted that both housing and ‘infrastructure services’ (water supply, sewerage, energy supply etc) are excluded from the list, albeit with the important caveat that information and communication technology (ICT) would be at the core of the research – as a driver of change in the demand for and supply of the various services, however, rather than as a service in its own right which it is not.

In the third column of Table 1, below, we set out for illustrative purposes some 30 issues relating to the demand for and delivery of services in a rural context in the period to 2015. This listing is based on our desk research and the various interviews with key actors which were undertaken and which are explained in greater detail below. It is not a comprehensive list; rather it highlights a range of service-related concerns with a clear rural dimension

Ten services	**Comprising principally**	**Thirty issues for 2005 – 2015***
Retailing	Sale of convenience goods and services, and higher order commodities	• Rise of Internet shopping – which outlets will be most at risk? • Will superstores maintain their interest in buying and operating smaller outlets? • Rise of demand for small niche shops in attractive locations?
Education and training	Primary and secondary education, further education and training	• How far can ICT deliver distance learning? Will it make some classrooms redundant? • Falling rolls in some rural areas – will the presumption against rural school closures survive? • Extended schools and children's centres – new rural multi-service outlets?
Postal and delivery services	Delivery and receipt of mail and parcels	• E commerce; increasing delivery to rural collection points rather than to every dwelling? • Future of Royal Mail's 'universal service obligation' in an increasingly competitive climate • Implications of home-working and of home-selling (e.g. E Bay) for collection as much as for delivery?
Financial services	Banking, other financial services and access to cash	• Internet banking and financial advice – death knell of the rural bank branch? • How far can / will the rural post office replace the bank for routine financial transactions? • How to ensure access to cash for car-less rural households distant from cash-points?
Health care	Primary and secondary health care	• With substantial affluent / elderly in-migration, how will the rural demand for health-care change? • What scope for community involvement in delivery of health-care in remote areas? • How far will ICT facilitate patient/ professional interaction at home or in small, scattered venues?
'Social care'	Childcare and pre/ out of school provision. And care for older people	• How best to provide affordable, quality child-care in sparsely populated areas? • What will be the ratio of 'fit' to 'frail'

		older people in 2015 – and what implications for community care? • Role of 'multi-service outlets' (e.g. extended schools and 'pubs as hubs') in social care?
Passenger transport	All forms of transport except the resident's own car or other motorised vehicle	• Role of ICT in planning, promoting and customer care in passenger transport • Continued decline of conventional bus services in favour of demand-responsive smaller vehicle services? • Validity of the alleged ceiling on volunteer involvement in rural transport schemes?
Provision of information and advice	Information and advice on any subject e.g. benefits, job opportunities, health and financial concerns	• Will ICT make redundant the face-to-face provision of information (not advice)? • What scope for local one-stop-shops for information and advice delivery? • A growing demand for business advice for would-be entrepreneurs and existing small businesses in rural areas?
Leisure and recreation services	Activities pursued in communal venues (e.g. pubs, restaurants, shops)	• Will cultural change and growing expectations lead to demise of unadventurous rural pubs and unattractive community buildings? • How far will ICT stimulate home-based leisure and entertainment? • Shopping as a leisure activity – what implications for rural outlets?
Emergency services	Police, fire and rescue, ambulance services	• What role for community involvement – e.g. village-based 'para-medics', retained fire fighters, community police support officers? • Role of ICT in facilitating rapid communication of rural client and urban professional? • More face to face support via multi-purpose outlets and mobile units?

Table 1. The ten services explored in this research

1.5 The Futures Dimension

It was agreed that the research would take the year 2015 as its horizon year – a date far enough ahead for most key drivers of change to have had time to bite, but not so far ahead as to lie in fantasyland. Indeed, in the various interviews and focus groups conducted it was found useful to stress that 2015 is only as far ahead as 1995 is behind us! – a truism, of course, but one that served to keep speculation within the realms of realism. What is and is not likely to have changed by then is the subject of future sections of the report; but it may be useful to suggest now that while the social, economic, cultural and technological context of rural service provision may be significantly different ten years on, the basic physical structure of rural England will have changed only marginally. In particular, the broad pattern of settlements and the physical infrastructure connecting them will surely be much as in 2005, though individual towns and villages may have changed radically.

Some earlier work on possible futures for rural England provided a useful starting point for the present project. The Countryside Agency's 'Tomorrow Project' had already speculated on the changing nature of rural England to 2020, but with a diffuse searchlight spanning a range of rural issues, not just those relating to service provision (Tomorrow Project 2003, Countryside Agency 2003). Usefully that work took an approach built around likely drivers of change and resultant speculative scenarios, and its speculation on those drivers provided one input to this project.

So too did that contained in work undertaken for Defra's Horizon Scanning Project, both in-house work providing an extensive 'baseline scan' of some 160 key trends – about half of them judged to be of great relevance to Defra's work (Defra Horizon Scanning Project 2004) and some commissioned work by the Future Foundation (2004 a &b) – the Rural Futures Project. The latter took 20-year and 50-year future perspectives, and cast its view across the whole rural domain, but its elucidation of likely deep-seated trends and of their possible consequences also proved valuable to the present study.

In short, this earlier work served to reinforce our view that an approach founded not on projecting past trends but on the likely drivers of changing demand for and delivery of rural services – leading to one or more composite and intellectually coherent scenarios of the rural services scene in 2015 – was the one to adopt. It also served to throw up a range of possible drivers, which could effectively be taken forward as hypotheses to be tested in interview with a large number of well-placed actors and other commentators.

1.6 From 'Drivers' to 'Scenario'

As for the '<u>demand analysis</u>', that early scrutiny of the futures literature confirmed that at least the conceptual model of the microeconomist would be valuable (treating demand for a specific commodity as a function of population, income, tastes etc) with the 'independent variables' in such models being in effect the drivers of change. The task was therefore to speculate in as rigorous a way as possible on the nature and force of the main 'demand drivers' as they might develop in rural England between now and 2015 and to apply the result of that speculation to each of the services listed above. In that way some conclusions might be reached about the likely demand for services by rural households in 2015, to be set alongside similar speculation on the 'supply side', thereby allowing the generation of one or more future scenarios whose validity and implications could be explored.

But the '<u>supply analysis</u>' would not be a mirror image of that of demand. While the demand work would focus on 'what and how much will be demanded?' the supply work would focus on 'by what means' supply is likely to happen. Thus the supply analysis would explore the likely impact of various drivers of change upon the 'manner of service delivery' taking that term to embrace at least the following; the agency and sector of supply (public, private, voluntary, community etc), the mechanism of supply (via fixed service outlets, by mobile units, by ICT etc) and the point of delivery (notably dwellings, villages, towns, cyber space etc).

Inevitably in such an analysis demand and supply would not be distinct and separate from one another. Several drivers would impact upon both – for example the degree of ICT penetration in rural households, and certain social and demographic changes that might affect both the consumption functions of rural households and their readiness to help service delivery in a voluntary capacity. And, more fundamentally, what people demand may well be affected by how services are delivered, and how they are delivered may well result in part from the nature and quantity of demand.

But on balance it seemed best – and seems best in this report – to keep demand and supply as separate as possible analytically, before bringing them together at the scenario building stage. See Table 2 below.

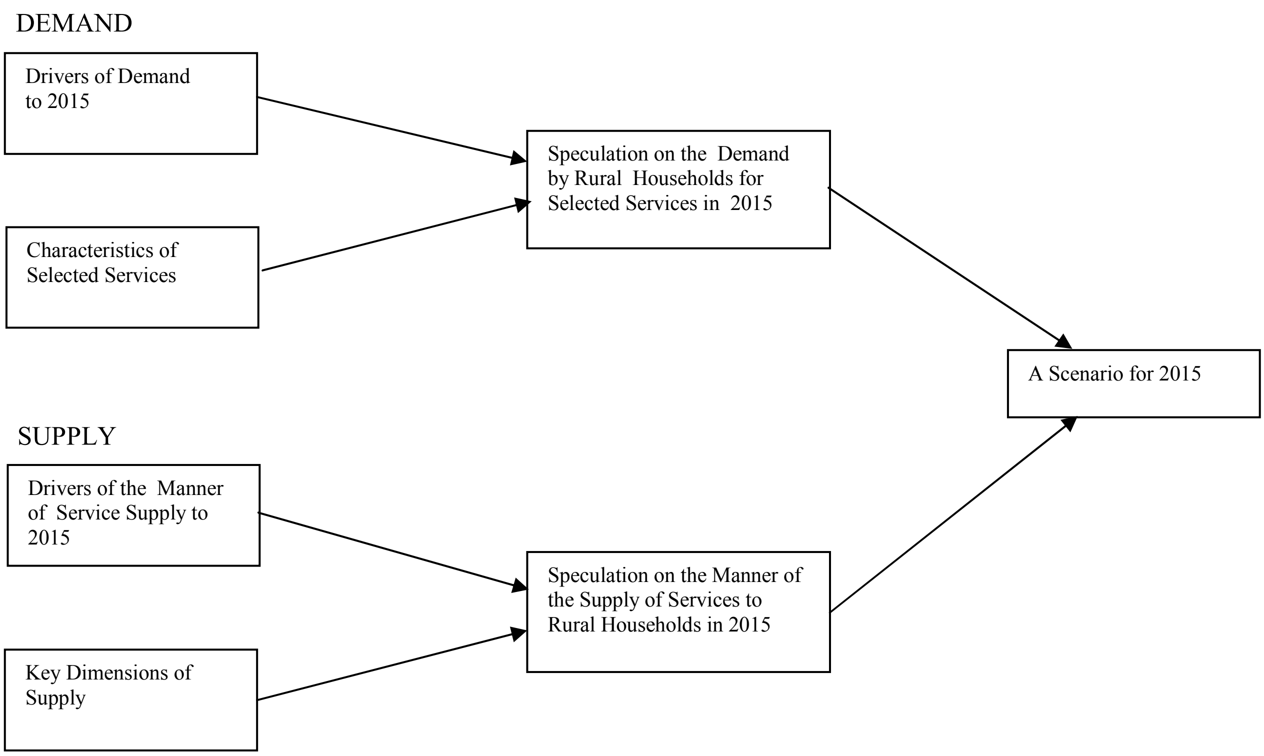

Table 2. Towards a Scenario for 2015: Bringing Together Demand and Supply

1.7 An Overview of the Research Method

Given all of the foregoing it may be useful now to set out in chronological form a summary of the method of this research, with the appendices notably appendix 1 giving more information.

The method was wholly qualitative, it being realised that any attempt formally to model the trends or the demand functions for individual services would be undermined by a lack of appropriate data and conceptual framework. In essence it involved targeted reading, structured discussion with a considerable number of well placed sources, and subsequent reflection upon the ideas and information thus obtained around the key questions underlying the exercise. Five specific tasks were involved, separated by periods of reflection generally involving the project's steering group.

1. Desk Research around both:
    - the ten services listed above, to better understand their current delivery and future issues relating to demand and supply, and
    - a wide range of possible drivers of change as explained above.

2 Personal interviews with 59 'key actors' – including service suppliers, facilitators and regulators, representatives of consumer interests and other experts – to explore trends, issues, drivers and possible future situations.

3 Four regionally-based focus groups, (convened in the East Midlands, North West, South West and Yorkshire and the Humber) with much the same focus – these groups embracing a range of local and regional actors and allowing some debate around the views expressed.

4 Based on the above work, the crystallisation of a 'draft scenario for 2015' – sufficient consensus having emerged in the above discussions to suggest that multiple or competing scenarios would add little value to the analysis. (The flow diagram above shows how the 'scenario' flowed from the preceding work).

5 Using that scenario, six further focus groups (involving fresh sets of participants) to explore the validity of the elements of the scenario, its likely applicability in different kinds of rural domain, and its implications for both local and central government. Of these six groups, four were convened at district level (East Hertfordshire, Eden, North Norfolk and Sedgefield) with the other two bringing together a range of government departments, and local government representatives.

This Final Report does not give a blow-by-blow account of this work – since the stages were in some measure iterative and that would have required unnecessary repetition. Rather it pulls together and distils all of the evidence and informed speculation, around four key themes, namely drivers of demand, drivers of supply, a scenario for 2015, and implications. These four themes are the basis of the remaining four chapters.

2 The Future Demand for Services by Rural Residents – Drivers and Possible Consequences

In this section we seek to identify and explore the main 'drivers' that will affect the changing scale and nature of the demand by rural residents[2] for services in the period to 2015. The main sources include the futures literature on rural England (briefly reviewed in section 1.5 above) and some literature on specific subjects such as demography, car ownership and pensions – though rigorous forward looking and rural-focussed writing on the possible drivers is not plentiful. More valuable has been the evidence – or rather the informed opinion and speculation – provided by our 90 informants questioned in either the one-to-one interviews or the four regional focus groups. They were all given a checklist of possible 'drivers' of rural service demand (and supply) to comment and elaborate on.

Thus we will focus here on 'drivers and possible consequences' as they relate to the scale and nature of the demand for services – not on ways in which that demand might be expressed and satisfied. That is the subject of the following chapter though the distinction is not always an easy one to maintain. For example the actual and projected rapid growth in the ability and readiness of rural residents to use ICT to access services and purchase commodities is strictly a driver of the changing manner of supply of services. In this section we will consider whether such growth affects the 'basket of goods and services' that rural people demand – i.e. the 'what' rather than the 'how' of their purchases.

Another introductory point is that the force of the 'demand drivers' is likely to vary significantly from place to place within rural England. This geographical variation is likely to have both a broad regional component, for example between 'accessible' and 'remote' areas, and a much more local one, for example between neighbouring settlements earmarked, or not, for residential growth. This spatial variation is only touched on in the present section, but it is returned to later.

Finally it should be stressed that these drivers do not operate in isolation; they interrelate. Thus anticipated changes in shopping behaviour, for example may be attributed in varying measure to (at least) factors of demography, affluence, social and cultural change and personal mobility; but in what measure it is impossible to say.

2.1 Demographic and Social Change

It is universally accepted that the number of people living in rural and small town England as a whole will increase significantly to 2015 – and indeed beyond – mainly as a consequence of net inmigration. At the county-level, shire counties such as Cambridgeshire, Oxfordshire, Bedfordshire and West Sussex are expected to experience most growth (in each case around 10% from 2001 to 2011 (Anon 2002)) with others such as Durham, Nottinghamshire, Northumberland and Cumbria growing only by a percentage point or two. It is at the district level that the pattern becomes clearer. Taking the four essentially rural – but notably different - districts that were

[2] With brief reference also to demand by home-based rural businesses and by visitors to rural areas.

the focus of our 2nd round of focus groups we have, for the decade 2003 – 2013 (same source) projected growth rates of; Sedgefield 0.2%, East Hertfordshire 6.0%, North Norfolk 8.0% and Eden 8.6%. Other largely rural districts, especially in the south of England, have even higher growth rates in prospect.

Of course where ‘sheer numbers’ increase, there is likely to be some increase in the demand for goods and services. But it is when we disaggregate the overall increases to look at different types of people that significant findings emerge.

(i) National projections of both longevity and age-specific migration point to a much larger number of **older people** living in rural England in 2015 than is the case today. Thus a rise of some 20 % in the number of 60 – 74 year olds during the period 2002 to 2016 is projected nationally (Shaw 2004) with the corresponding figure for those aged 75 or more being10%. And within the working-age population there will be a significant ageing – the 30-44 year-olds falling in numbers and those aged 45 to 59 increasing. Projections of internal migration disaggregated by age of migrant are not readily available, but the informal indications are that, in part reflecting house price differentials, migrants into rural areas are likely to fall disproportionately into the older age groups. In short, rural England is likely to experience an age profile ageing significantly more than that of the population as a whole.

So what is that likely to mean for the demand for services in rural England?

- Notwithstanding the likelihood of tomorrow’s elderly population being generally fitter and more active than equivalent age-groups today, an increased demand for health care and other personal care geared to the needs of older people seems likely.
- Similarly, an increased demand for other services relative to their needs, such as advice and information services, leisure and education services geared to an ‘active old-age’, demand-responsive transport and community safety and personal security may be anticipated.
- With a higher proportion of tomorrow’s older population likely to be living alone, and their adult children and grandchildren living some distance away, some commentators (e.g. Bunting 2004) suggest that “loneliness in the final years of our life will become a huge issue”. This in turn suggests a growing need for befriending services of some kind as well as a premium placed on easily accessible service outlets and points of social contact.

(ii) As important as the growth in numbers of older people living in rural England will be the declining proportion of **younger people** living there with many areas likely to experience an <u>absolute</u> decline in the number of children and young adults. Nationally the number of under-16s is likely to fall from11.8 million in 2002 to around 10.9 million in 2016 – a decline of about 7 per cent. How this will be distributed between urban and rural areas, and within rural areas, is likely to reflect the availability of housing and employment – with the indications being that middle and lower income younger households will find it increasingly difficult to find affordable accommodation.

What would this mean for the demand for services in rural England?

- A reduced demand for school-age education could place in jeopardy the future of some primary and/or secondary schools especially if it is coupled with financial pressures to rationalise provision.
- But the scale of demand for preschool childcare is more difficult to predict; a decline in the number of 0-4 year olds may well be offset by broader social and economic trends most notably the growing proportion of young mothers aspiring to paid employment and the likelihood of more children living in lone-parent households. But then, many rural areas may experience an absolute decline in the number of women of childbearing age – as noted above - somewhat offsetting this trend.

(iii) The number of people from the **ethnic minorities** is likely to increase in rural areas in the coming years – with two distinct flows to be expected. First, relatively wealthy people, perhaps from the Asian communities in particular, joining the urban exodus for 'rural lifestyle' reasons – whether as commuters, entrepreneurs, teleworkers or retired people. There is very little data on the ethnic composition of migration within England and it is impossible to predict the scale of this particular stream, although until now it has not been substantial. Moreover, except for an increase in demand for certain ethnically distinctive foodstuffs and cultural services the demand implications of any upsurge in ethnic migration may not differ significantly from that of other migrants from similar social groups.

A second group, which may grow in significance quite rapidly with the recent enlargement of the European Union, comprises migrant workers. Again, information is hard to come by, though some recent unpublished work by the TUC suggests that a traditional flow of migrant workers into the big cities is giving way to one targeted more on the smaller towns and rural areas. (See also a recent report by the Citizens Advice Bureau (2004)). Many come from the poorer EU states such as Portugal and parts of Eastern Europe. Such countries have economies with considerable surpluses of agricultural labour and many migrants have found work in agriculture, horticulture and food processing, as well as in the personal care, tourism and hospitality and construction sectors. Often the work is seasonal, low paid and insecure and often strong local concentrations of migrant workers develop – the Boston and Evesham areas are often cited as examples.

These migrant workers may be expected to have quite distinctive needs for services. Usually unaccompanied by children, the schooling implications may be modest. But their needs for information and advice – on a wide range of matters and often needing an interpreter – may be considerable. So too may be their needs for health care and various forms of counselling and support though unfamiliarity with the UK's culture and administration may be a barrier in those respects. To the extent that indigenous population of rural England becomes more prosperous and 'middle class' there is likely to be a growing demand for migrant workers to do the work they are reluctant to do themselves.

(iv) In addition, we should consider the changing **socio-economic structure** of rural England with the probability of a disproportionate increase in many areas of people in the higher social groups. This is already happening of course, and it is likely to be reinforced if the various economic, social and political forces that favour the construction there of up-market rather than affordable housing intensify. Clearly this will modify the ‘basket of goods and services’ that the rural population as a whole will demand in coming years. But we will explore such consequences in the sections on ‘cultural change’ and ‘disposable incomes’ that follow.

2.2 Cultural Change

Here we will consider likely changes in the values, attitudes, tastes and lifestyles of rural residents over the next ten years and how they might affect the demand for services. Whether those changes occur *in situ* or are in some measure imported by migrants need not concern us. Sources of ideas for this discussion include the ‘rural futures’ literature cited earlier, notably Tomorrow project (2003), Defra Horizon Scanning Project (2004) and future foundation (2004 a & b) but the interviewees in our various surveys of opinion very largely bore them out.

The consensus is that the culture of rural society is changing and will continue to change in the coming years so as to give greater emphasis to a set of more individualist and self-centred values summed up in such terms as individuality, self expression and exclusiveness. More and more people will be demanding that the goods and services that they seek should meet their specific, exacting requirements; a so-called ‘it must fit me’ culture. There will be an increased demand for personalised, flexible and tailored services at least as far as the majority is concerned – for excluded groups this is less likely to be the case.

And, as disposable incomes rise (see below), people will be better able to indulge this individualism, to seek the good life that seems right for them – a good life that may place emphasis not just on consumption in a traditional sense but on ‘quality of life’ considerations with connotations of environmental awareness, healthy lifestyles and risk aversion.

What this might mean in terms of services could include:

- a wish for more and better information on the options available linked to a readiness to ‘shop around’ – to exercise informed choice,
- rising expectations - a reluctance to accept a lack of quality in the service or commodity, or in the manner of its delivery,
- more expenditure on health care – the ‘ultimate consumable’,
- a desire to consume as and when ‘it suits me’ rather than when it might be most convenient to the supplier – in modern parlance, a 24/7 lifestyle,
- a preference for geographically diffuse social networks – readily accessed via ICT and the motor car – rather than an assumption that most friends will live locally,
- a growing desire for individualised and often private sector provision, whether paid for out of income or by means of insurance and saving schemes; private health and social care, personal trainers of various kinds, private transport and maybe security,
- a premium placed on environmental quality and on accessing services in attractive places – in terms of both outlets and villages / towns,
- a greater demand for personal services relating to the home and garden, such as repairs, security, cleaning, childcare and other forms of personal care,

- a wish to eat locally produced quality food,
- a propensity to eat out more – good food in a convivial environment.

Such values and behaviour are likely to have significant effects upon local service provision. For example we are likely to see the continuing transformation of country pubs – from 'pubs that do food' to 'smart restaurants with a bar'. We are equally likely to see venues such as village halls and community centres that are 'down at heel' and less attractive pubs with little new investment, increasingly shunned both by individuals organising say, a wedding reception, and by agencies conscious of their clients' expectations, such as playgroup organisers and health care providers. Indeed this is already happening (Moseley and Chater 2003, 2004).

At least three unknowns should be mentioned however, each capable of being a 'backlash' to this exclusive individualism.

First, will the anticipated growth of self-centredness and 'it must fit me' values produce the indifference to the erosion of local community that it would seem to imply – or will it ironically produce an *increased* wish to live in a 'real community' as part of a re-defined good life?

Second, will the culture of working excessively long hours, that has developed in recent years, continue and intensify so that more of the good life can be purchased – or will it be reversed, again as part of a redefined good life which allows more time to do other things, albeit with less money?

Third, will the growing readiness to access services electronically and impersonally be curtailed by a renewed wish for face-to-face contact, for services delivered by a recognisable human being?

Commentators of rural issues and upon cultural change appear split on those questions. Certainly if any 'backlash' implied by those three 'unknowns' does occur this may not be before 2015. If it does occur to any significant extent there would be serious implications for the demand for rural services.

2.3 Disposable Incomes

It is a tenet of the present argument that 'economic development', whether national or 'rural' should not in itself be construed as a driver of the changing demand for rural services. Rather such development, to the extent that it occurs, may best be seen as a driver of increased household prosperity with that prosperity being considered the real driver of demand.

In fact the key variable in this context is the 'total purchasing power' of rural households and the combination of three factors suggests that in ten years time that 'purchasing power' could be a third to a half greater than at present in many rural areas:

- more people living in rural areas (as discussed),
- a greater proportion of them in the higher socio-economic groups (as discussed),

- a general rise in national prosperity, which if it ran at two percent per annum could amount to a growth some 25% in average incomes by 2015.

In specific areas of rural England, where intensive rural development programmes are engendering greater growth in some or all of those elements, the increase in spending power could be that much greater.

Set against this are other factors of which the current uncertainty about the future value of final-salary occupational pension schemes is one. A recent report by the Pensions Commission (2004) indicates that an increasing number of people will retire in the period to 2015 with inadequate pensions, but it suggests that the more serious shortfalls will occur a decade or more after that.

We may speculate about what this significant rise in rural disposable incomes may mean for ‘rural services.’

First it will facilitate the satisfaction of the demands stemming from cultural change as discussed in the previous section; more demand for quality services with ‘it must fit me’ characteristics, less readiness to put up with the second rate. In short a shift to more income elastic goods and services.

Second the greater ‘household penetration’ of two domestic facilities that radically change the consumer’s relationship with the market – first, the motor car, or more specifically a second and third motor car for the household; second the home computer, or more specifically greater and more sophisticated electronic ICT gadgetry. Each of these is discussed briefly in the following section. Suffice it to say that their potency in refashioning the ‘rural services landscape’ will depend in large part on the rising prosperity of rural households – and that rise is likely to be substantial.

But not necessarily for all elements of rural society. If income polarisation were to increase over the coming decade there could be a significant minority of residents unable to ‘chase the good life’ in the way suggested, having to spend most of their money on essentials and attaching less importance to choice and to quality. In similar vein, any north-south or core-periphery geographical variation in the general increase in prosperity would be likely to accentuate spatial variations in projected rural population growth already suggested with consequent effects on total purchasing power. In short the rise of the gastro-pub and of private security provision that may increasingly characterise the rural parts of the prosperous southeast may take rather longer to reach rural Durham or the former mining areas of Cornwall.

2.4 Greater Personal Mobility and Capacity for Communication

We turn now to rising car availability and ICT penetration at household level over the next decade. These two apparently distinct phenomena are treated together since each enhances the resident’s ability to consume services provided afar – the one thanks to increased mobility, the other thanks to an enhanced capacity to communicate with distant suppliers. Each enables the consumer to ‘shop around’ – to exercise greater choice.

As for car ownership all of the literature, and of our interviewees, see this as continuing to rise in the period in question. Neither the cost of motoring nor any foreseeable government policy is likely to restrain a significant rise in both car ownership and use – certainly in the case of residents living in the relatively uncongested rural parts of the country. The crucial element is likely to be the rise in the *second and subsequent* car ownership by rural households – a trend which facilitates the ability of second and subsequent household members (especially women at home) to access more distant service outlets. The Institute of Transport Studies (2001) predicted that the average number of cars per rural household will rise from 1.20 in 2000 to around 1.30 in 2015. Most tellingly the proportion of rural households with two or more cars is likely to rise from around 34% to 40% in that period, with a corresponding slight fall in zero car ownership (to about 16%) and a slightly greater fall in one car ownership.

As far as rural services are concerned the single most profound implication of this trend will be the further erosion of public transport. Other more subtle effects – notably the spur given by newly won personal mobility to non-local service provision - will be considered in the next section of this report when we examine the forces changing the 'manner of delivery' of rural services, greater consumer mobility being one of them.

Turning to the much greater levels of ICT penetration into rural homes (and the next chapter will discuss this in greater depth) one consequence should be mentioned here since it is not simply a matter of 'facilitating the electronic delivery of services' – again a topic for the next section. This extra consequence is the spur being given by growing ICT penetration to teleworking, and thereby the spur to an enhanced demand for certain local services by rural residents. With broadband being universally available across rural England well before 2015, the proportion of rural residents working in knowledge or information based industries or occupations who are thereby *able* to work for at least part of the week at home is likely to increase substantially. Whether they will *in fact* work from home is dependent on a host of other factors both social and economic, but significant growth there will certainly be.

So what local services will teleworkers demand? Here we can only speculate – suggestions include locally available postal and courier services, different types of business advice and support and quite probably local pubs and restaurants to meet with clients and business associates in convivial surroundings. Indeed the capacity to telework that will come from greater ICT penetration, and maybe also the increased traffic congestion that may come from increased car use, is likely to spur an accelerated movement to the countryside of those who have the possibility to work in that way and the resources to buy a rural home.

An important question concerns whether the growth of home working will be spread almost uniformly across rural England. This seems unlikely as very few teleworkers need no personal contact at all with clients, colleagues and associates (Clark 2000) – with the result that it is the more accessible rural areas, where such contact is easier, that seem likely to get the lion's share of the rural teleworking phenomenon and hence of its capacity to bolster rural service outlets.

2.5 Government Policies

A range of government policies may be expected to impact upon the demand for services by rural residents over the next ten years, a key point being that hardly any of those policies will be overtly designed to do so. If the key drivers of such demand are likely to relate to demographic, social and cultural change, and to levels of disposable income and of personal mobility, then the relevant policies for consideration are those most likely to impact thereon. We will therefore speculate briefly on fiscal, social, employment, spatial and transport policies as they might impact upon rural demography, disposable income and mobility in the next ten years – in effect upon a matrix of possibilities. Obviously this can do no more than flag up a number of points for consideration. With the certainty of at least two more general elections in the period in question (i.e. after that of May 2005), and no obvious way of tracing disparate policies through to relevant effects, one has to be tentative.

It may be noted at the outset that very few of the national policies pertinent to rural services outlined in the Rural Strategy 2004 were explicitly directed to the demand-side. Exceptions include a pledge to work with DWP to increase the take-up of the financial entitlements of pensioners and a general commitment to focus economic regeneration programmes in areas of pronounced deprivation; each may be expected to increase the demand for services in the most affected areas.

We may suggest other areas of current government policy which, if sustained, are likely to impact upon the demography, disposable incomes and mobility of rural residents. Thus the starting point comprises:

- current **fiscal** policies involve keeping personal taxation low, controlling interest rates to meet low inflation targets, retaining council tax at least for the present (including a 90% rating on second homes) and keeping fuel tax high in part for environmental reasons;
- current **social** policies include a commitment to reduce poverty and social exclusion and to encourage personal pension planning in recognition that current pension arrangements may prove inadequate for many people;
- current **employment** policies include pursuing full employment as a social goal and moving into employment as many unemployed and inactive welfare recipients as possible;
- current **spatial** policies include encouraging economic development particularly in underperforming rural areas, locally concentrating development in settlements already endowed with a range of services, and facilitating the development of affordable housing albeit at a rate that is generally recognised as insufficient;
- current **transport** policies broadly seek to consolidate recent improvements in local, public transport within rural areas with a switch where possible to demand-responsive modes – but without restraining the growth of car ownership to any significant extent.

The net effect of these and related policies upon the rural demand for services (via the intermediary factors of demography, disposable incomes and mobility) is likely to include:

- a general increase in demand for services in areas where relatively prosperous commuters and other in-migrant are likely to wish to live (especially the more accessible and otherwise attractive areas) and in areas with successful local regeneration programmes,
- an above-average increase in demand for the more income-elastic services attractive to average and above-average earners,
- an increase in demand for the services typically sought by older people,
- an increase in demand for services linked to an expanding and changing employment market, notably childcare, training and advice on job opportunities,
- a local strengthening of demand in the small towns and larger villages earmarked for population and employment growth,
- and a stagnation or reduction of demand in the smaller settlements not so designated.

Looking to the next ten years, and without using party political labels, we may speculate on the effects of significant switches of direction to the political left or right, since no other political scenario is likely to deflect to any great extent the trajectories set out above.

Future Fiscal policies

If *personal taxation* were to be reduced significantly by a right wing government more people with higher disposable incomes would be likely to move into rural areas, shifting the demographic structure there still further towards wealthier and older people. This would be likely to increase the demand for income-elastic services such as private health care and such leisure services as quality restaurants. A significant increase in personal taxation might have the obverse effect.

Interest rates are unlikely to move significantly lower than their levels in 2004. If they were to be increased significantly this would reduce disposable incomes and the ability to borrow. In turn his would deflate the demand for rural homes by wealthier people and take market housing even further from the reach of those on low incomes. The demand for most services would be reduced except perhaps advice services for low-income people.

The future of *Council Tax* is uncertain. A radical reform would impact differently on the disposable incomes of different groups; thus a shift towards a local income tax might hit wealthier people hardest. A higher tax burden on second homes might depress demand for them with possibly reduced demand for retail and leisure services at certain times of the year – depending of course on what happened to the occupancy of those erstwhile second homes.

A really significant increase in *fuel tax* would make the cost of living in the countryside higher for rural motorists reducing disposable income and curtailing inmigration. This might generally depress demand for income-elastic services but increase the demand for welfare and advice services, for public transport and for locally delivered services.

Future Social Policies

A significantly right-wing government might dismantle current anti-poverty and social inclusion strategies driving many low-income households out of rural areas to look for work, cheaper accommodation and /or cheaper goods in the towns. There could be a consequent reduction in demand for healthcare, welfare, education and public transport services. The intensification of such strategies by a leftwing government might have the opposite effect – but this of course is based on an assumption of 'other things remaining equal' and ignoring any effects of a more or less market-led economy on rural prosperity.

New policies on *pensions*, for example to re-establish the link between state pensions and wage levels or to boost personal pension planning, would have effects upon the spending power of older people, but many effects would not work through within the period in question

Future Employment Policies.

At issue here is any reduction of commitment to full employment, perhaps to shake out labour market inefficiencies or to address inflation should that reassert itself. Similarly one may speculate about the effects of an abandonment of the current 'welfare to work' policy whereby additional support is given to people securing relatively low wage employment. Speculation on the effects upon rural demand of any such policy changes is difficult because assumptions would need to be made also about the level of welfare benefits and of personal taxation and the broader effects upon the economy as a whole, but again one could posit various consequences working through via demographic change and the reduced levels of disposable incomes of those most affected.

Future Spatial Policies

Taking 'spatial policies' to embrace a host of policies relating to land-use planning, regional development, transport and housing, the likely effects of significant shifts upon the rural demand for services are clearly disparate and very hard to pin down. But some ideas may be suggested.

Any government will continue to pay at least lip service to the goal of sustainable development. In the rural context this has tended to involve resisting development outside selected larger settlements for both environmental and energy conservation reasons. That policy could change with the 'social sustainability' of small settlements given greater weight and a consequent encouragement of some new development there and the bolstering of local service outlets. In addition what happens in urban land-use planning is also very relevant. If targets to steer most new housing development to urban brownfield sites prove untenable, this will put extra pressure on greenfield sites especially in accessible rural areas with an inmigration of relatively affluent households likely to result and consequent effects on the demand for services.

A significantly left-wing government might make massive investment in rural public transport; a government clearly to the right would be friendlier to car ownership and usage. Such policies would affect the mix of people able to live in rural areas, both those of working age and the retired. Again, demand effects may be posited reflecting a changed socio-economic structure – in addition of course to changes in the demand for services consequent upon levels of personal mobility.

Finally we may mention policies for affordable housing, with left- and right-wing governments likely to differ on the need to support affordable housing programmes rather than rely on the private sector to meet housing demand. Again, consequences for the demand of rural services may be expected mainly via the implied demographic changes

2.6 The Demand for Services by Home-Based Rural Businesses.

So far we have looked exclusively at drivers of the changing demand for services by rural residents. The last two subsections of this chapter, however, go beyond that to consider briefly the future demand for services by home-based businesses and by visitors to rural England. In each case our object is to speculate on how those sources of demand for services might develop to 2015 and the service-related consequences that might ensue. Unfortunately data on these two 'sectors' is very limited and projections about their future prospects almost non-existent. But their relevance to the argument should be clear.

In 2002, rural England contained some 500,000 sole traders and 'micro businesses' - those with fewer than 10 employees - many of them, of course, agricultural or related to farming in some way (Countryside Agency 2004). The number of home-based rural businesses outside farming is not known, but they are likely to span a wide range of sectors to include retailing, construction, tourism and hospitality, personal services, various business, financial and professional services etc.

Many involve teleworkers, defined as people working at home using a telephone and a computer and including both employees and the self-employed (Clark 2000). Certainly there has been a rapid increase in self employment in recent years (Lindsay and Macaulay 2003, 2004) much of it in the information sectors such as banking and finance where redundancies and lifestyle choices have fuelled a shift to home-based self-employment.

According to a DTI report on teleworking, the national total number of teleworkers, broadly defined as above, was already 2.2 million in spring 2001 and all the indications are that this way of working is increasing and will continue to increase with, moreover, a rural or small town location proving attractive for those who can exercise residential choice (Hotopp 2003). One estimate is that as much as a quarter of Britain's workforce is in occupations suitable for teleworking, with many of those involved likely to become in due course 'multi-locational eWorkers' spending at least some of their time working from home (Huws, Jagger and Bates 2001).

That is a dramatic claim. To the extent that it proves well founded, its implications for the demand for services could be considerable. Those teleworkers working on their own account from a rural home-base (and about 40% of all teleworkers are self-employed - Hotopp 2003) may well need specific services on account of their businesses being at home, very small and geographically scattered, though it would be surprising if many of these services (e.g. specialist training, IT support, banking, legal and financial services) were not sourced electronically. But others may not be, for example business advice, postal and delivery services (both receipt and despatch), office supplies, access to cash, and facilities for meeting clients and associates in convivial surroundings.

In short the spawning of home-based and often ICT-based businesses run from rural homes is likely to intensify. What this might mean for the creation or retention of rurally located services – which would thereby be available also to the wider population – is uncertain but likely to be positive. It might usefully form the focus of further research.

2.7 The Demand for Services by Visitors and Tourists

In certain rural areas the demand for services by tourists and other visitors could in large measure influence, if not determine, the services available to the local resident population. At least the visitors' summer-time demand for such services as pubs, village shops, post offices and transport services may permit them to 'tick over' in the winter just covering marginal costs but meeting indigenous demand

That statement not only reflects the current scale of spending by visitors to rural England – reported by Future Foundation (2004a) to be running at some £12 billion annually with 'countryside recreation and tourism now a larger industry than agriculture in terms of numbers employed and turnover' – but it reflects the projected growth of day visits, short breaks and holidays taken in the countryside. Much of this growing demand for rural tourism is driven by factors already mentioned in a different context – greater per capita incomes, an increasing number of healthier and wealthier people of middle and retirement age, the premium placed on culture, tranquillity and environment, and the demand for 'doing' and 'experiencing' holidays many of them fashioned around the rural resource.

We may therefore speculate that in certain geographical areas (notably those with an attractive countryside or coast and/or built environment and/or cultural heritage, including themed towns such as 'book towns' or 'food towns', or with sporting venues or with TV programme connections) and for certain sectors (especially retailing, healthcare, some passenger transport, the despatch of mail, access to cash, the police service and of course the leisure industry to include restaurants, cafes and pubs) the quantity and quality of services available to rural residents in future may depend substantially on the strength of exogenous demand. This may also be true of rural service outlets fortuitously located on major through-routes, such as pubs and shops co-located with petrol stations.

3 The Future 'Manner of Supply' of Rural Services; Drivers and Possible Consequences

We move on now from speculation about the future demand for rural services, to speculation about their future supply. But whereas the last chapter was concerned with the scale and nature of demand, this one is concerned with the manner of supply. In short what is likely to determine how the services demanded by rural residents in 2015 will be delivered?

We will consider the 'manner of service supply' to have four dimensions and the first task will be to explore these with reference to the status quo, highlighting why they are important in the context of accessibility, social welfare and rural development. Then the main drivers likely to modify the manner of delivery will be considered. All this is a prelude to the next chapter in which changing demand and the changing manner of supply are brought together as a 'scenario of rural services in 2015', the implications of which are then explored in the final chapter.

3.1 The manner of supply - dimensions and issues

Four 'dimensions' of service delivery require consideration. They relate to delivery outlets, the settlement hierarchy, the timing of delivery and what might be termed the 'governance' of supply.

(i) Delivery Outlets – the point of 'hand-over'

In every case of service delivery there has to be a point when / where the service supplier and service recipient 'meet' in some way – even if that point of hand-over is not physical but virtual. Here we look at those 'hand-over points' in a generic sense.

In essence, all of the ten services under consideration in this report can be delivered to rural residents at one or more of the following ways; at 'fixed outlets' to which the resident must travel, by 'mobile delivery agents' who travel to or near to the residents' homes, and electronically.

Fixed outlets
These can be of two kinds – 'dedicated' (or single service) outlets, and 'multi-service' outlets.

'Dedicated' outlets include most shops, pubs, surgeries, places of worship etc. They are tending to decline in number, either by closure or by hosting one or more further services. The dynamics of these changes are complex (Moseley 2000, Higgs 2003, Moseley & Chater 2002, 2004)) but they often involve an erosion of the local demand needed to sustain them in that form, the attraction of delivering from fewer larger outlets, and on occasions, the temptation to reap a capital gain by transferring the premises to alternative uses such as residential accommodation. Thus 'village shops' and many specialist shops in small towns are tending to decline in numbers, as are rural post offices and pubs. After a period of decline in the 1980s and early 1990s, primary schools and doctors surgeries have generally stabilised in numbers. Any growth in service outlets appears normally to involve some form of multi-service outlet (e.g. childcare in schools or village halls, and cash delivery via ATMs located in various premises).

Multi-service outlets are becoming more numerous[3] and come about in various ways (Moseley, Parker and Wragg 2004). One way involves a decision to diversify by the innovative owner or manager of a host outlet (e.g. pubs hosting post offices, schools hosting child-care or ICT facilities for wider public use, and village halls becoming venues for childcare or ICT training). Another involves formal planning by a third party – as with the creation of 'extended schools' by local education authorities or of public service 'one stop shops' (Countryside Agency 2003a) by some local authorities and regeneration agencies, and the setting up of 'health centres' of various kinds.

This steady shift towards multi-service outlets generally reflects a wish to better use underemployed space or staff, to spread overheads, to increase 'footfall' to the benefit of each service provider, or to facilitate multi-purpose trips by clients. It may also be intended to increase synergy between providers (e.g. health and social service professionals working in the same building), or it can involve a measure of community altruism or a public relations motive. In short the motivation is generally mixed.

Some other 'fixed outlet' trends may be noted.

A shift to larger and fewer outlets. Underlying the steady decline of small dedicated outlets in rural areas has been a parallel shift to service delivery in larger (and therefore more widely spaced) outlets where economies of scale are more easily reaped and a higher quality of service possible. Examples are the superstore and the district general hospital, as compared with the small village / market town shop and the community hospital respectively. Note that this reaping of economies of scale and increasing of service quality through delivery in larger and better-equipped units is only possible because of the greatly increased mobility of the majority of rural residents. Indeed the enlargement and wider spacing of service outlets and the rise of car ownership (and of 2+ car ownership) may be seen to be mutually reinforcing.

A common criticism of this process is that it normally imposes upon the consumer costs of travel that would otherwise be borne by the supplier. But while that shift causes hardship in some cases (notably amongst the 15% of rural households that do not have the personal use of a car) it seems that most consumers are happy to pay the cost of extra travel to reap the benefits of a higher quality of service than would be available to them locally.

A growth of 'small speciality shops' Bucking that trend towards fewer, larger outlets may be a growth of small 'niche' shops in rural areas – for example up-market

[3] Multi-service outlets have been the recent focus of an inter-departmental working group, convened by Defra

delicatessens in a few villages, serving a discerning clientele which is geographically dispersed and generally car-borne.

Federated outlets. One interesting twist to this process has involved the retention of small outlets linked technically and managerially in some way so as to reap some scale economies. Examples are village shops linked through consortia such as Spar or Londis, and federated village schools enjoying a single head teacher, board of governors and secretariat but with classrooms, in effect, not a few yards apart as in a 'normal' school, but perhaps two or three miles apart. 'United benefices', whereby several neighbouring churches share one priest, provide another example. The growing sophistication and penetration of ICT appears to be facilitating this process of federation.

'Outreach services'

We will use the word 'outreach' in this context to embrace three kinds of service delivery that involve the service supplier travelling out to the consumer, though not necessarily all the way to the consumer's home.

Mobile services involve the supplier travelling to a series of 'stops' and delivering the service there. The best-known examples are mobile libraries and shops. But mail collection from a series of post boxes may be considered to fall in this category.

The main disadvantages of this mode of delivery are the cost of the 'downtime' wasted travelling from point to point and the limited quality of the service. This quality limitation arises partly from the constraints of vehicle size when compared with most fixed outlets (just a few hundred books on a mobile library) and partly from the limited availability of the service to any particular customer (maybe an hour each fortnight in the case of mobile libraries).

What seems to be happening is a modest decline in the case of mobile libraries and a dramatic decline in the number of mobile shops, but an interesting increase in unusual and innovative mobile services, which seem typically then not to become widespread. Examples of innovative mobile services include mobile youth clubs and playgroups (often converted buses), vehicles providing ICT training, mobile post offices (there are now some 50 in rural Britain – PostComm (2003)) and mobile police units sometimes affectionately known as 'bobby buses'. There are also examples of multi-service mobiles, for example mobile libraries with a CAB or police presence on board. Few, if any, new mobile services appear to be run on purely commercial grounds and most, it would seem, involve some measure of cross subsidy.

Home delivery A considerable number of services involve a personal visit to the resident's home. The most common is daily mail delivery, the Universal Service Obligation imposing this ubiquity and frequency on Royal Mail (and on Royal Mail alone). In addition is the delivery of a variety of commodities by commercial carriers, in response to orders placed by mail, telephone or the Internet. Domiciliary care embraces a host of different health and social service related services for the ill or infirm – from home-helps and meals-on-wheels to GP home visits. The emergency services all undertake 'home visits'- in an emergency. Superstores do home deliveries of goods ordered electronically, and this seems to be growing. As for the doorstep delivery of fresh milk, this used to be commonplace even in rural areas just 20 years ago (Moseley et al 1983) but now appears to be quite rare.

Peripatetic delivery By this term is meant the delivery of a service at a succession of fixed outlets by an itinerant supplier. Examples include health professionals such as GPs and chiropodists visiting 'branch surgeries' in a variety of host buildings such as village halls, specialist teachers teaching for a few hours each week in a succession of schools, priests serving several churches in a united benefice and the operation in a succession of village halls of once-a-week luncheon clubs for elderly people. There seems to be some decline in this activity (for example GPs visiting branch surgeries) where the quality of accommodation and facilities is deemed to be inadequate.

Passenger Transport

Transport may be construed as both a service and a means of accessing services. Setting aside the most common mode of travel (i.e. the household's own car) much of the rural provision of passenger transport may be conceived as a form of 'peripatetic service' in that it is delivered to the consumer at a succession of bus stops or rail stations.

After a period of decline, this service is holding its own in rural England thanks to the substantial subsidy by the state of otherwise unprofitable services. But it is the 'domiciliary' delivery of passenger transport that is growing with the expansion of demand-actuated transport that involves not just collecting passengers from their homes (hence 'domiciliary') but often also delivering them to specific chosen destinations - in other words providing a 'door to door' service. Hence 'dial-a-ride' and other services which seek to combine the scale economies of the bus with the flexibility in timing and routeing of the taxi. Social car schemes, whereby for the reimbursement of expenses community minded people drive their own cars to help disadvantaged people make necessary trips, provide another example.

E-delivery.

Finally we consider service delivery in a way that does not require interpersonal contact (at least in the sense of people coming physically together) - namely electronic delivery either via a standard telephone or via more sophisticated ICT technology. Thus we exclude here the mere *ordering* of a service electronically with its subsequent delivery by one of the more conventional means listed above. Clearly, thus defined, these e-delivery services simply cannot involve the delivery of goods or the collection of passengers; they all relate to the transmission of information or of related abstract services such as advice or moral support. Included therefore are the receipt and despatch of much personal correspondence (e mail), financial transactions (e-banking), the resolution of many health concerns (NHS Direct), the acquisition of information on benefits, job opportunities and the delivery of many professional services, much business relating to local government (e government) etc.

An important point is that the delivery of services in this way is generally all the way to the consumer's home – though at the present time some delivery occurs at public IT access-points or online centres located in such outlets as schools, village halls and libraries. Obviously, to the extent that e-delivery has grown, some erosion of the readiness of service suppliers to deliver also in conventional ways (as listed above) has often resulted.

A key question, to be addressed below when we move on to the drivers of change, concerns how the balance of delivery as between these various outlets or channels will evolve in future years? And who will benefit and who lose?

(ii) Location in the Settlement Hierarchy

Just where it is in the 'settlement hierarchy' – a concept embracing individual dwellings, hamlets, villages, small and medium-sized towns and cities – that the actual delivery occurs has obvious implications for personal accessibility. And, for many services, that point of delivery has tended to shift in recent years.

In terms of its relevance to the delivery of the services forming the focus of the present research, it may be useful to consider the settlement hierarchy in ascending order. Enough has already been said of the lowest level of the hierarchy – the individual residence - in the preceding discussion of home-delivery and electronic delivery. We will therefore look in turn at:

- the open countryside,
- the village,
- the small town, and
- the medium-sized / larger town.

The Open Countryside. Several of our ten services are at least sometimes delivered in the 'open countryside':

- 'emergency services' responding to road accidents and other emergency incidents,
- 'information and advice' from and to remotely located phone boxes,
- mail collection from remote mail boxes,
- passenger transport, with many bus stops located remotely away from the villages and towns,
- leisure and recreation involving, for example, isolated pubs.

We will need to consider how the various 'drivers' of demand and supply are likely to impinge on the delivery of such services in such locations.

The Village. Depending on definitions, we have some 15,000 villages in rural England using as a working definition places with more than a few dwellings but a population typically under 2,000. As indicated earlier, dedicated or single-service outlets have tended to be under threat in such locations though public policy has in most cases striven to continue their viability. Such striving has involved a host of measures - including the cross-subsidy of small schools and post offices, affording business rate relief for outlets which are both small and 'sole', the galvanisation of local communities into self-help initiatives and the provision of small grants and business advice to shopkeepers and publicans. How far such support is likely in future years is something we will consider below; in short what do the various 'drivers' imply for the future of service delivery at the village level?

The Small Town There are some 1200 small towns in England, taking as a working definition 'free-standing settlements with 2,000 to 20,000 inhabitants' (Frost and

Shepherd, 2004). Those authors and others (e.g. Land Use Consultants 2004) are at pains to stress the wide variation in the service endowment, local role and prospects of such towns but a few generalisations are still possible;

- small towns themselves both contain and serve rural residents (depending on how 'rural' is defined); they also serve many residents of surrounding villages
- their importance as service centres lies both in the wider range of services typically delivered there, when compared with the village situation, and with the small towns often hosting several outlets of similar type (say three pubs and two supermarkets) – thus offering a measure of choice and competition
- the picture varies but many small towns, especially those nearer the lower end of the size spectrum, have tended in recent years to lose such service outlets as small hospitals, police stations, banks, cinemas and specialist food shops.
- but many have gained one or more superstores, particularly those at the higher end of the size spectrum
- after some years of neglect by public policy, the last few years have seen concerted efforts made by government – notably the Countryside Agency in association with the regional development agencies – to foster the role of small towns as service centres, and at the same time planning policies for rural England are tending to channel new residential development to such towns, as distinct from smaller settlements and the open countryside.
- The variety of the small towns must be stressed. Those with charm and character, coupled with good car parking, may be best placed to retain or expand their service function in future years.

Medium-sized and larger towns (broadly places with 20,000 to 200,000 inhabitants) These towns, with their large department and specialist stores, district general hospitals, colleges of further and higher education, local government offices, mainline railway stations etc, play an important role in delivering services to the largely car-borne rural population. A major trend in recent years has been the local decentralisation of many urban service outlets, most notably those selling food and convenience goods, into out-of-town or edge-of-town superstores and those selling durables and household goods into warehouse-type establishments. When coupled with significant road investment, these outlets are easy to access by many rural residents who often 'bypass' the attractions of the small town (Land Use Consultants 2004) to enjoy the one-stop-shop possibilities and superior choice afforded by trips to larger centres. This is especially the case if these trips can be combined with the journey to/from work and is increasingly facilitated by late-night opening hours.

This drift of service provision <u>up</u> the urban hierarchy and '<u>out</u> to edge-of -town is best explained as the product of various interrelated demand and supply forces, most notably

- a rise in consumer mobility - linked especially to an increase of rural households with two or more cars
- a rise in consumer 'discernment' - meaning a desire for quality products, choice, immediacy, competitive pricing, a quality shopping experience etc - as discussed earlier in the consideration of cultural drivers of changing demand
- the search for economies of scale amongst service suppliers

- greater 'customer consciousness' amongst service suppliers (whether public, private and voluntary) expressed in a drive to meet the demands of the discerning customer.

A key question to be addressed in due course is how far the 'point of service delivery' in this 'settlement hierarchy' sense - open countryside / individual dwelling / village / small town / larger town – may be expected to change over the coming years, and with what consequences.

(iii) The timing of service delivery

So much for the location of service delivery, whether at the outlet or settlement level. What has also happened in recent years is a freeing up of the timing of service delivery. In the 1970s and 1980s, whether accessed personally or by phone, most services tended to be available roughly 9-5pm from Monday to Friday and on Saturday mornings – depending on the service of course (longer for some shops, shorter for banks, differently phased for pubs). Indeed many service outlets closed for lunch and in most small towns traders collaborated to create 'early closing days'.

All this is changing. We now have:
- the 24 hour weekday opening of many superstores, coupled with six-hour Sunday trading,
- some village shops trying to compete with early, late and Sunday opening,
- the (occasional) late-night opening of many other retailers,
- many pubs open in the afternoons and later in the evening,
- 24 hour advice dispensed by NHS Direct,
- virtually unrestricted hospital visiting,
- a rise of 'demand responsive transport' such as taxis, social cars and dial-a-ride,
- and the 24/7 availability of most e-services such as banking, ordering goods and services, making travel reservations, etc.

But set against this are various examples of a temporal curtailment of service availability, such as:
- greater difficulty in getting doctor home-visits at night and weekends,
- the virtual absence of evening and weekend public transport in most of rural England,
- many smaller post offices opening part-time only.

Little has been written on trends in the temporal, rather than geographical, availability of services to rural residents, but some parallels with change occurring on the spatial dimension suggest themselves. Most notably, to the extent that the 24/7 culture embeds and expands then it will be the smaller suppliers, often in smaller settlements, that will have greatest difficulty in responding – possibly undermining their ability to survive at all. For that reason, but also the fact that the examples of 'temporal curtailment' listed above impact most seriously on the more disadvantaged members of the rural population, there may well be adverse social consequences of a sustained shift to 24/7 availability. We will need to consider the likely force of that trend.

(iv) The 'governance' of supply

Under this heading we will consider various matters regarding the nature of the supplier *per se.* Who are now the deliverers and how is delivery organised? These parameters have themselves changed significantly over the past 10 to 15 years with consequences both for the service delivery and the welfare of the various consumers.

Public, private, voluntary, community?
Put simply, there are four main sectors of service supply, as above. In their purest form they are motivated respectively by statutory obligations, the prospect of profit and (taking the voluntary and community sectors[4] together) altruism and welfare considerations.

Significant change in recent years has included the retraction of the public sector (particularly the local authorities) from a role of directly supplying services to one more of causing services to be supplied and monitoring of their provision (a shift from 'rowing the boat' to 'steering' it, as someone remarked).

That shift has often found expression in 'the state' – central and local – contracting with the private and voluntary / community sectors to provide services on its behalf. Indeed it has sometimes involved the creation of voluntary bodies (such as the various NHS trusts) for that delivery purpose.

In similar vein, while the private sector has in recent years increased its involvement in the delivery of certain rural services, such as health and social care, some mail delivery and the delivery of some training, the general picture at least in the more sparsely populated areas has been one of retraction, as with shops, pubs, post offices and passenger transport. In each of these fields it has tended to fall to the community sector to keep the service going, if the state declines to foot the bill.

Consideration of these and other trends in the 'governance' of service delivery is deferred until our reflection upon future 'drivers' since they are likely to be ongoing.

Delivery via Partnerships
A significant feature of service delivery over the past 10-15 years has been the coming together of a range of individual agencies to deliver particular services, with these partnerships often spanning two or more 'sectors' - public, private, voluntary and community – as well as different levels - local, regional and national. Just why partnership working became so significant in the 1990s is complex (in a rural context see Moseley et al 2003) but it related in part to the growing complexity of the problems being dealt with by the state (for example the challenges of crime prevention, of caring for elderly people outside institutions and of increasing personal accessibility to services) and also to the whole issue of 'joined up government' and of seeking synergy from bringing together different actors and resource streams.

[4] The 'voluntary sector' tends to be understood as organisations with a formal, often charitable, status while the 'community sector' is more informal and can include simple good neighbourliness. The former can operate at a variety of scales from national to local while the latter, for want of the formal organisation, which would then give it voluntary sector status, operates essentially at a very local scale.

Thus as regards service delivery to rural residents, partnerships have in recent years been developed for both planning and delivery purposes for example; Early Years Development of Childcare Partnerships, Crime and Disorder Reduction Partnerships, Community Safety Partnerships, SureStart partnerships, Rural Transport Partnerships and Local Strategic Partnerships. Each of those examples embraces both vertical linkage – generally local and central government and the latter's agencies – and horizontal linkage involving the statutory, voluntary / community and, where its involvement can be secured, the private sector as well.

Delivery involving 'the Community'
Another key feature of service delivery in recent years has been the active and growing involvement of volunteers working at the very local level – whom we will call 'the community'. Sometimes this amounts to 'do-it-yourself' - in which groups of local people take it upon themselves to seek to fill a gap in service provision which neither the public sector nor the market adequately serves. Or it can mean community implication in some aspect of service delivery, which is essentially undertaken by some other agency.

Briefly, 'community involvement' in service delivery can take several forms, most notably:
- lobbying and protesting, for example regarding post office closure, the routeing of bus services or applications for a proposed 'change of use' of a local pub,
- researching and planning, for example in local studies of the need for services or in parish plans. Or involvement in consultation forums e.g. Patient and Public Involvement Forums or Rural Transport Forums,
- financing, though local fundraising activities, for example for village hall refurbishment or for the purchase of a minibus, or the submission of funding applications,
- operational management, for example of a community shop or other community enterprise,
- actual service delivery, as with driving a 'social car,' being vigilant as a member of a neighbourhood watch scheme, maintaining and repairing the village hall, caring for a neighbour in a community care scheme.

The point is that there are many constraints which restrict the further growth of 'community involvement,' for example; a shortage of volunteers in certain fields (e.g. drivers of social cars) the inadequacy of funding to complement a community's free labour; the requirements of charity law which may constrain trading in village halls, a shortage of local leadership in many areas, and the burden of new regulations such as those relating to school governors or village hall trustees.

The Growth of Community Enterprise
One specific expression of growing community involvement in rural service delivery in recent years has been 'community enterprise' which comprises 'businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community rather than being driven by the need to maximise profit for shareholders or owners' (Plunkett Foundation 2004 after DTI Community Enterprise Unit 2002). The key point is that these enterprises are definitely trading - i.e. selling goods and/or services rather than primarily operating with the benefit of grants, service agreements, membership fees etc – are in some guise owned and

governed by stakeholder groups including users, clients and the local community, and recycle any surpluses for the public good.

Defined in those terms, the Plunkett research referred to above established that in 2004 there were several hundred such enterprises in rural England, providing a range of services for local people, and including some 200 community-owned village shops, a similar number of community transport schemes and a number of businesses that provide banking (notably credit unions), childcare, day-care and other services. They tend to bring benefits to local communities not just through delivering the specific service – often in areas or for client groups neglected by the market – but through the capacity-building consequent upon the deliberate involvement and training of volunteers.

In the present context key questions include whether the next decade will see more (or less) demands being placed on 'the community' as far as service provision in sparsely populated areas is concerned – whether within or outside the particular vehicle of 'community enterprise' – and whether the community will be able to respond adequately to any such demands.

3.2 The Future Manner of Supply - Drivers and Possible Consequences

We go on now to consider a range of evidence relating to the 'drivers' that are likely to influence the manner in which services will be delivered to England's rural residents in the year 2015. As argued in the preceding section, the 'manner of supply' may be taken to mean:

- the delivery mechanism, including the use of any 'physical outlets', home delivery, mobile provision or other forms of outreach and electronic delivery,
- the location of such delivery within the settlement hierarchy – comprising villages, small towns, large towns, out-of-town locations etc.,
- the timing of delivery (i.e. within the day and week),
- the 'governance' of delivery to include the sector of supply, the use of partnerships and the degree of community involvement etc.

The main drivers, addressed in turn below, may be grouped as follows:

1. demographic, social and cultural change,
2. the diffusion of 'new technology' – notably ICT,
3. Government policy (at the national, regional and local levels),
4. competition and the changing 'corporate policies' of the various service suppliers.

Note that some of those drivers have already been considered in the context of changing demand; now they are considered with regard to the changing manner of supply.

As for source material, the starting point has been various 'futures' literature referred to earlier, in particular Tomorrow Project (2003), Defra Horizon Scanning Project (2004) and Future Foundation (2004a). Hypotheses based in part on that reading then formed the basis of questions asked of some 90 respondents in our programme of personal interviews and autumn focus groups. In addition in-house and largely Internet-based work was undertaken by the research team, especially on the likely pertinence of developments in the application of ICT, and Appendix 7 is a paper written specifically on that topic, with the present section of the report able only to highlight some major points.

(i) Demographic, Social and Cultural Drivers of the Manner of Supply

The key issue here is whether the rural population of 2015 will be more or less ready than that of today to get involved in service delivery, essentially in a voluntary capacity. The significance of that has been alluded to above and will become more apparent when, in subsequent subsections, we look at likely developments in the statutory and private sectors. With that in mind (but not only that) there are several aspects of demographic, social and cultural change that must be addressed.

Population growth
As explained in the 'demand' section, it is clear that the population of rural England will continue to grow significantly in the decade to 2015, largely through a process of counter-urbanisation itself driven by a mixture of 'quest, flight and overflow from the cities'. Strict planning controls may marginally constrain, and locally steer, this outflow but they are unlikely to do more than that. The in-migrants will tend to be in the middle or older age groups, and be generally more prosperous than the national population as a whole and the longer established rural population. Thus we will also see a net ageing of the rural population, both through this selective in-flow and through increased life expectancy.

Some possible consequences of this for 'service delivery' include:

- an increase in the <u>human and social capital</u> of rural England as more people are available, at least potentially, to assist with service delivery within their local communities. And many of these people will be 'ACE' - affluent, confident and educated - with a particular contribution to make. Alternatively (or more likely, in parallel) this in-migration could erode existing social capital, and hence existing informal service delivery, by pricing local lower income people out of the housing market;
- an increase in the <u>labour pool</u> available to service suppliers, as many of these older in-migrants may be looking for some paid work to top up inadequate pensions.

An increase in the number of households, greater than the increase in population.
The national, long-established reduction of household size seems certain to continue, linked to delayed marriage, marriage breakdown, longer life expectancy, in-migrant workers leaving their families at home etc. One estimate (Anon 2002) is that by 2010 about one-third of all households in England will comprise lone dwellers.

Various consequences of this for rural service delivery suggest themselves:

- household fission will add to the pressure for rural house-building already fuelled by in-migration. This adds pertinence to the question 'where will the new homes be built?' with obvious implications for subsequent service delivery;
- in localities where the stock of dwellings remains fixed (notably in areas with strong planning controls) the population is likely to fall, eroding any scale

economies enjoyed by service suppliers and leading to the withdrawal of many service outlets;

- overall there will be significantly more dwellings to service for a given number of people - putting pressure on the cost-effectiveness of the home delivery of such services as mail and package delivery and certain forms of domiciliary care.

An increase in 'teleworking'

Linked to the greater penetration of ICT and of the availability of broadband in the countryside, to statements about preferred lifestyle, and to macro-economic changes favouring a growth in the number of self-employed and of micro-businesses, there is likely to be a significant increase in teleworking. The consequences of this for rural services may mainly be felt on the 'demand side' and have already been discussed. But in addition there are also suggestions that teleworkers will enrich local communities by 'being around' for more of the day and week and by taking a greater interest in community issues, thereby adding to social capital and to informal service delivery in ways already detailed above.

An increase of out-commuting

There seems also to be general agreement that notwithstanding the likely growth of teleworking, the practice of commuting to distant workplaces is likely to increase – especially long-distance commuting from areas currently considered too distant from the main employment centres. In part, this will reflect the improvements being made in transport infrastructure but, in addition, *part-time* teleworking (for example working half of the week at home and half in the office) will free up some capacity on crowded commuter roads and trains.

As well as increasing the local demand for certain services (considered in the previous section) the local consequences of an increased 'commuter population' may include increases in (or alternatively the possible erosion of) human and social capital – and in the resistance to local physical development - each suggested above.

Changing values

As indicated in the preceding section, several commentators have suggested that fundamental changes in the shared values of society are in train – affecting rural as much as urban areas. Indeed, in some respects these changes in values may be taking effect especially in rural areas in so far as they reflect a changing definition of 'the good life' that the more affluent are seeking to indulge by moving to the rural domain. The Future Foundation report (2004a p107) sees this as a trend towards the 'affluent society, the risk-aversion society, the healthy society, the ethical society, the experience society, the 'search for good life' society, and the network society.' It suggests (p52) that "our society is increasingly oriented towards individuality, self expression, uniqueness and exclusivity."

As suggested earlier, the key notions seem to be a growth of self-centredness or 'universal individualism' and 'it must fit me' values, some commentators referring to this as a rise of 'post-modern values'. Again the relevance of this for rural services will lie in large measure on the 'demand side'. But other effects will impinge more directly on the manner of service delivery.

We may suggest the following 'supply-side' developments:

- reduced communitarianism and sense of local community. A reduced feeling of local social obligation and a disengagement from issues around social inclusion,
- related to this, an essentially 'anti-development ethos' with many or most of the in-migrants having been at least in part attracted to rural England by its essential tranquillity and scenic beauty. This could affect the ability of service suppliers to build new outlets on greenfield sites or to undertake changes of use felt to be deleterious, for example closing pubs and redeveloping the building or site for residential use,
- where in-migrants are concerned, higher expectations of service quality inherited from their previous lives in the cities and suburbs, for example regarding the comfort of community buildings or the response times of the emergency services. This is likely to spur service suppliers to seek to improve their performance to the extent that resources allow,
- much less reliance on local service outlets and local meeting places
- an insistence on more personalised services, customer care and flexible ('it-must-fit-me') provision,
- expectations regarding the availability of services at any time of night or day, at any time of the week,
- the greater readiness of (many) rural residents to pay for improved services, especially health care and education but maybe also private policing, via insurance policies or more directly,
- more of a DIY element to service provision – more personal and home security systems and maybe the education of children at home,
- reduced deference to authority – expressed in growing protest about perceived deficiencies of service delivery in a rural context,
- growing value being placed on the <u>experience</u> of accessing services as distinct from the services *per se* – a wish for the personal attention of private health care, a demand for themed pubs and restaurants even if that means travelling some distance, a wish to shop in aesthetically pleasing towns and shopping centres rather than the nearest one with the goods and services required.

Perhaps this can be summed up as 'people will be less accepting and less passive in future'…or perhaps as a further switch from the '1950s /1970s culture' of services shaped by the wishes of <u>producers</u> to the '1990s-and-beyond culture' of 'the <u>consumer</u> rules'?'

A 'pro-community backlash'?

On the other hand, there are suggestions of a backlash against this individualisation of society and the severing of local community connections and responsibilities. As already suggested, such trends as increased living alone and working from home <u>may</u> generate a new respect for territorial communities and the benefits of working together for the common good.

Thus we may witness a growing tension between 'community cohesion and community fragmentation'. And the Tomorrow Project (2003 p83) suggested somewhat tentatively that "as life gets faster and more complex, fragmented and fluid, people will turn to 'place' as a source of security and belonging." If the 'backlash hypothesis' holds sway, we may expect a greater readiness of rural residents to get involved in local service delivery and to insist on (and help to preserve) communal meeting places such as pubs, shops, churches and schools.

The 'network society'

Inextricably part of this cultural change, and reviewed again below when we consider the rapid advances and diffusion of ICT, the 'network society' demands separate attention at this point. The Future Foundation (2004a p52) suggests that "we are entering a 'network society' in which traditional social institutions (e.g. the village, extended family, church) are replaced by a loose and amorphous network of personal contacts, built by educational, social, familial and workplace connections and sustained via mobile telephony, the internet, the car and air transport." Suggested implications relevant to service-delivery (and already touched on, above) include:

- an erosion of local social capital,
- a demand for personalised, flexible and tailored services,
- a reduced interest in what is local, including local services
- a readiness to travel further afield for work, leisure and shopping trips - to more distant towns, supermarkets, garden centres and villages.

The car culture

Constant reference to the force and relevance of advances in communications should not obscure the fact that the rise of personal mobility still has some way to run in rural England, with likely profound consequences for the manner of service delivery. As explained earlier, what will be particularly important is not the rise in household car ownership *per se* (likely to rise only modestly from the current 85% of rural households, since whatever the rise in prosperity, many elderly households will never own a car for reasons of choice or infirmity) but the proportion of people with 'car driver access'.

Certainly by 2015 the proportion of rural households with two or more cars will have risen significantly (some figures were given in section 2.4) with implications particularly for the proportion of women with car driver access (currently 72% compared with adult males at 92%). And as the current generation of late middle-aged, largely driving-licence-holding women replaces the current generation of elderly, largely non-licence holding women, this trend will be underscored. It could be held back to some extent by significant increases in traffic congestion on rural roads, by a massive improvement in rural public transport or by a substantial rise in the real cost of motoring – but there is little suggestion in the literature or our interviews that such developments are likely in the period in question to be of such magnitude to prove a significant constraint.

The possible consequences for rural service delivery of this continuing rise in personal mobility are likely to include:

- a reinforcement of the '365 / 24 / 7 lifestyles' that are developing – with an implication that service providers will have to become much more flexible in the timing of service delivery,
- a greater readiness for rural residents to bypass local provision in order to reach, for example, a favoured school or a 'theme pub',
- related to that, further encouragement of the concentration of service outlets in fewer, larger centres or in car-friendly out-of-town centres,
- the further undermining of public transport and consequent accentuation of social exclusion, with the hardcore of car-less households and individuals becoming further disadvantaged,

- but this being offset to some extent by a greater ‘pool of vehicles and drivers’ being available for social car schemes and other car-based support schemes for elderly and otherwise disadvantaged rural residents.

From ‘farmers’ to ‘rural entrepreneurs’
The rise of pluri-activity on farms and of ‘new farmer identities’ linked to the reluctance of society to continue to underwrite excessive food production, is already leading farmers to exploit their asset base to generate other sources of income. We may see a growing involvement of farmers in food retailing (with in places farm shops replacing village shops?) and, in line with CAP reform’s emphasis on encouraging them to seek diversified sources of income, perhaps also the readiness of underemployed farmers to exploit their skills, vehicles, equipment and dispersed location in helping to deliver other services to rural residents - hitherto the preserve of dedicated service delivery agents. These endeavours could comprise not just farm shops and farmers’ markets and services for tourists, but also other services needing a geographically dispersed source of occasional labour, such as assistance, under contract, to the emergency services.

Putting together all of the above demographic, social and cultural trends, we may ask whether the contribution made by local communities to service delivery in rural England is likely to increase or decrease in the decade to 2015. The preceding text presents a rather gloomy picture in that respect but it is possible to take a more sanguine view namely that the scale and value of community involvement may depend not just on the changing values of rural society (as outlined above) but also upon, for example, the amount of support given to ‘capacity building’ - much of which would have to be funded by government - and the degree of exuberance of regulatory bodies, the evidence suggesting that ‘hassle’ is killing off much volunteering and destroying valuable social capital.

(ii) The Application of ICT as a Driver of the Changing Manner of Supply

A major, possibly *the* major, driver of change in the manner of delivery of services to rural residents over the next decade, will be the much greater adoption and application of ICT. The impact of this upon rural service delivery is likely to arise in two ways:

- through ICT’s facilitation of ‘<u>intra-business and business to business</u>’ interaction, which will change the business context of service delivery, and
- through its facilitation of ‘<u>household to business and vice versa</u>’ interaction, which will change the degree to which, and manner in which, individual households access many services.

These two channels will be looked at separately after a brief introduction to the broadband phenomenon, around which both of those developments will evolve.

In essence, broadband is characterised by a high speed and high capacity Internet connection, which is ‘always on,’ enabling functions to be undertaken immediately and concurrently. While this means that e mail traffic and web page browsing become much faster, it also means that new applications of the Internet have become possible - for example video conferencing, live video and audio, live music broadcasting etc. And a host of ‘service delivery and receipt’ possibilities are facilitated including e-tailing, e-banking, e-government, e-medicine and online learning. Indeed the greater facility of transmitting and receiving information is similarly transforming for example access to on-line transport timetables, the booking of hotels and accessing other services. In addition broadband offers a dramatic reduction of the cost of long distance phone calls.

A key point is that in future Internet access may not be primarily via the PC. Rather it could involve miniaturised hand-held devices, mobile phones and other mobile platforms whereby, with people connected for 100 percent of the time, a host of personalised services becomes possible such as the communication of information about length of wait before a particular bus reaches someone at a bus-stop. But while the two systems will continue to work together, households may not switch overwhelmingly to mobile devices for several years.

Turning to **'intra-business and business to business'** communication, the key point in the present context is that the development of broadband internet access is opening up new possibilities regarding how firms organise their business and their work environment - taking that to mean links with/between their employees, managers, contractors, distributors, partners etc. Commentators seem to agree that two of the main consequences of this will be the growth of teleworking (already discussed in a rural context, above) and the growth of 'out-sourcing.'

As for out-sourcing, the large superstores could in future themselves be less involved directly of the actual sale of goods and services to consumers, leaving that to franchised and closely managed retailers, probably physically within (but possibly also outside) large superstore buildings. There is an observation below about the NHS perhaps becoming more of a coordinator and brand manager than a supplier echoes the same tendency. So too does the rise of federated small local schools (managed by a single head teacher and board of governors or trustees) and an increase of transport operators controlling the routeing and timing of a fleet of (perhaps franchised) minibuses so as best to respond to a constantly changing pattern of demand emanating from 'it-must-fit-me' consumers living in scattered locations. And both household delivery agents (social workers, insurance sales personnel, couriers of goods ordered from mail-order firms) and mobile units (mobile libraries and 'bobby buses' for example) should be able to offer a much fuller service than at present thanks to their immediate and comprehensive access to data bases and to back-up.

Reduced to its essentials all this adds up to a fundamental reassessment of the dominance of 'economies of scale' that have hitherto ruled the world of rural service delivery. And if the delivery of services via small units once again becomes economically viable, why not delivery via small <u>scattered</u> units?

Moving on to communication from **'households to businesses and vice versa'**, a key factor in service delivery is obviously the degree to which access to broadband becomes a reality for rural households by 2015. Without labouring the range of technologies available, and the commercial, governmental and community initiatives being taken to accelerate the spread of broadband in areas of scattered and limited demand, the consensus of opinion is that low-cost broadband will be available to all households in the UK well before 2015, if necessary via wireless technologies. Moreover it is predicted that mobile broadband technology will also be available by

2015, meaning that mobile devices (laptops, phones, PDAs) wherever they are in the country will be able to access a broadband network.

That of course is only half of the matter in hand. The next question is how many rural households will actually have availed themselves of the technology by 2015? We may note in passing that motor cars and an adequate network of roads were in effect universally available in rural England by the 1950s, but fifty years later 'only' 85% of rural households actually enjoy car ownership; so will the take-up of broadband, or of internet access more generally, be faster and deeper than that earlier process of 'innovation diffusion'?

We can only pose that question – but also note that various government initiatives are trying to accelerate 'take-up', paying attention as much to the attitudes and skills that will be necessary, as to the hardware. Much of this effort is centred on establishing 'on-line centres' or other 'e-gateways' such as suitably equipped village halls and schools.

Happily there seems to be some measure of success in reaching socially excluded groups in this way, as claimed in a Countryside Agency (2002) report on ICT and social inclusion. Indeed the latest evidence shows a quite rapid take-up of computer skills and a rapid growth of readiness to use ICT by older people and women. But take-up by the poor and the poorly educated is proving to be much slower (Commission of the European Communities 2004). In short the shape and steepness of the 'take-up curve' (from now to 2015) is unknown though the Futures Foundation report (2004a) suggests 15 million broadband subscribers nationally by 2015. Household take-up of ICT is one of the really crucial parameters determining the pace and nature of developments in service delivery to rural residents during the decade in question.

Depending on how that unfolds, the following could be opened up to the vast majority of rural residents by 2015:

- e-commerce,
- e-banking,
- e government, with most of the government's information-based services delivered electronically by 2010,
- e medicine, with people increasingly managing their own health much as they mange their finances through e-banking and e-commerce today,
- on-line education and training - perhaps with sixth-form and further and higher education students and a host of different trainees increasingly studying at home – with occasional group meetings with teachers and trainers to maintain motivation and to benefit from personal contact.

And social exclusion could be alleviated to the extent that those affected are able to access via the Internet, health information and diagnosis, training for jobs in the vicinity, benefit payments and customised transport.

An interesting question in all of this concerns how far these various 'e-activities' will be genuinely home-based and how far they will be delivered at local centres of one sort or another. The literature refers for example to telemedicine being practised in various online surgeries and health centres with much improved access to patient records, to collated evidence of their lifestyles etc. One suggestion (in Tomorrow

Project 2003) is that "tele-surgery, coupled with less invasive techniques, may sharply increase the number of operations done in local health centres rather than in large provincial hospitals." And e-tailing may require 'pick-up points' such as village shops, especially if the number of potential addresses to deliver to increases significantly with household fission. Similarly libraries could become study centres bringing distance learners together periodically. And 'telework support centres' could become commonplace if people find home-based telework to be too lonely and unsupported an activity.

To explore this further the research team has undertaken a critical web-search to assemble information and ideas on possible changes in rural service delivery over the next ten years or so, which might stem directly from developments in, and the greater application of, ICT technology. Table 3 presents some possible developments – see appendix 7 for a fuller statement.

Service	**Current or imminent ICT development**	**Possible rural service consequences**
Health care	Remote diagnosis, consultation, care and monitoring Better administration of appointments, prescriptions etc	• Less travel and time spent waiting by patients and clinicians • More patient choice and flexibility in appointments
Education and training	E learning networks E learning and Video conferencing	• Improved interaction of tutors and students in sparsely populated areas. Sixth formers working at home or in village school for part of week • Could replace many place-based courses e.g. in vocational training
Financial Services	'Universal Bank' delivered via networked rural post offices	• Reduced financial exclusion of village-bound people
Postal and delivery services	E commerce generally Spread of on-line auction sites such as Ebay	• Increased business for mail and package delivery firms • Spur to the rural informal economy
Retailing[5]	E commerce generally	• The development of pick-up

[5] see appendix 7 on recent research re the growth of e commerce in rural Scotland

	Advanced ICT systems for management	systems using existing village outlets, and the closure of some shops (especially in small towns rather than villages?) • Improved customer awareness
Information and advice	E government Internet as a massive resource of information	• Ability to access government services from home • Less need to visit distant information bureaux and ‘outlets’ such as urban - based travel and estate agents
Public transport	Rise of teleworking GPS technology and live bus information accessed at home	• Less need for public (and private) transport • Public transport better managed & more consumer friendly
Emergency services	Ambulances with video and patient monitoring equipment Rural proliferation of CCTV	• Better paramedic / consultant liaison en route to hospital • Deterrence of burglary from remote outlets e.g. post offices
Leisure and recreation	Easy downloading at home of films and music Virtual social networks	• Demise of some cinemas and clubs? • Reduced use of local social venues. Reduced village social capital / mutual support

Table 3. Some possible rural service outcomes of ICT developments and applications (see Appendix 7 for more detail)

To conclude, it seems that three ICT-related trends are set to transform radically the delivery of services to rural residents over the next ten years. First is the widespread availability of home-based and mobile broadband services allowing rural residents to access a wide range of information-based services, without leaving home. Second is a major increase in the quantity and quality of the information available to households, enabling them to make more informed choices concerning all or most of the services they need. Third is a massive increase in the ability of businesses and other organisations to communicate with potential rural consumers, and to respond innovatively to consumer demand even in small and scattered locations.

(iii) Government Policy as a Driver of the Manner of Supply

There could be at least two changes of government by 2015, but the main 'direction of travel' of policy relating to the provision of rural services seems broadly clear and any government elected in the later years of the decade with radically new policies would surely encounter a lag effect in terms of changing the overall 'landscape' of provision. The respondents in our one-to-one and interviews and focus groups felt that that 'direction of travel' was indeed robust – and also that government policy would certainly be a (some said 'the') major driver of the changing 'manner of delivery', certainly across those sectors in which government has a direct or indirect interest - i.e. in most of them.

Here we will focus on the general philosophy and principles of government policy vis-à-vis rural services rather than on specific policies for individual sectors such as health-care, transport or training, and references to specific sectors will be made only to illustrate such principles.

One such principle is that government will surely remain deeply involved in rural service delivery through the decade in question, as it will remain a politically sensitive issue for whichever party is in power. This sensitivity arises, and will persist, in large measure because of the clash between rising expectations and the inherent difficulty of delivering in a rural context services which are of high quality, readily accessible and cost-effective.

But that 'deep involvement' by no means implies increasing direct government involvement in delivery; indeed the opposite is likely. Governments will increasingly cultivate a judicious but nonetheless effective arm's-length involvement in service delivery in part because of the "decreasing usefulness of national governments faced with highly globalised or localised problems" (Defra Horizon Scanning Project 2004). The delivery of rural services is ultimately a 'highly localised problem' because circumstances, including the nature of need and the capacity to respond, vary so much, and may in future vary more, from place to place.

Relevant themes of government policy over the next decade, all of them essentially reinforcing current policy, include the following (all were raised or reinforced in our surveys).

- The **'choice agenda'** which stresses the need to develop provision geared more to the convenience and preferences of the consumer than that of the provider, is likely to remain in force given the increasingly demanding and discerning rural population, as previously discussed. But widespread scepticism was encountered regarding how it might best relate to rural consumers when ensuring access to just one appropriate outlet is itself often problematic. Research on how rural people trade-off service quality and ease of access may point a way forward - i.e. alternative packages of quality and access may develop and be offered.

- An increasing **readiness of government to devolve** responsibility for service delivery regionally and, in the likely absence of elected regional authorities, more especially locally, is widely expected. This would see central government increasingly insisting upon and rewarding the attainment of targets and standards, and the local authorities and other local actors not necessarily providing the necessary services but certainly ensuring their provision – in effect a two-step devolution process. Central government's future role may centre on the insistence of local rigour in assessing needs and priorities and in the necessary planning to respond to them, in return for funding towards resultant action.

- This devolution of responsibility is likely to continue to involve an emphasis on **cross-sector territorial partnerships** (partnerships extending laterally as well as vertically) for the planning and often the delivery of the necessary services. This is likely to remain popular with government as a way of releasing certain untapped resources, increasing stakeholder 'buy-in', ensuring more joined-up delivery and fostering synergy. Our respondents envisage no diminution of government enthusiasm for local partnerships, with a strengthening in many cases of their delivery role, though the configuration of partnerships will evolve and remain fluid.

- Continuing efforts will be made to **involve both local communities and the formal voluntary sector** in both the planning and the delivery of local services. This reflects positive perceptions of both their cost-effectiveness (partly but not only arising from their frequent mobilisation of some unpaid volunteers) and their capacity to respond to local needs and changing circumstances – indeed recognition of the state's growing inappropriateness at that level. With that in mind, the state will increasingly seek to increase rural areas' stock of human capital (individuals) and social capital (the structures that bind individuals) by funding various programmes of capacity building. This trend was widely welcomed by our respondents but fears were expressed about the sufficiency of such capacity building programmes and the sufficiency and longevity of funding programmes to underpin the voluntary and community sector's core costs.

- One major component of increased reliance on the voluntary and community sectors is a growing readiness to foster **community enterprise**[6] both by engaging it as a contractor to deliver such services as transport, retailing, community care and vocational training, but also by investing in its infrastructure. In this respect the community enterprise sector's attractiveness lies in its combination of social purpose, commercial discipline and volunteer mobilisation.

- Another element of fostering localism and voluntary endeavour comprises the strengthening of those **parish and town councils** willing and potentially able to play a fuller role in delivering, or ensuring the delivery of, services to their constituents. This strengthening currently takes several forms – including the provision of training for clerks and councillors, the awarding of 'quality status' and the operation of national programmes (such as Vital Villages – now defunct) which offer assistance both moral and financial to parish councils ready to 'get involved'. Whether this fostering of local councils

[6] taken in this context to be synonymous with the 'social economy'

actually bears significant fruit in service delivery over the coming years will ultimately depend on factors outside government control relating both to those councils and to other local bodies, particularly the principal local authorities which tend at present to be rather sceptical about their capabilities.

- Going on from that whole theme of 'community mobilisation ' – but not unrelated to it – is the near-certainty that government will continue to champion vigorously the **fuller use of ICT** in rural service delivery. Enough was said in the preceding section on the potential benefits of ICT in that regard; current government initiatives include a commitment to e-government, support for the rolling out of broadband across rural England, support for distance-learning, support for disadvantaged groups in their acquisition of ICT skills, and many others. Government's determination in this regard will prove a major factor in shaping the manner of service delivery over the next decade.

- Another seemingly well established government policy relates to its support for **multi-service outlets** in several guises – with 'extended schools', children's centres, one-stop-shops and various centres for integrated primary health care being good examples (and generally discussed elsewhere in this report). Each is favoured as away of sharing overheads, increasing synergy between providers and providing a more 'seamless' service to rural consumers.

- Finally we must refer to the role of national **spatial planning policies** as a potential influence upon the manner of delivering services in 2015. As earlier suggested, and repeated here for completeness, a gradual focusing of new residential development in relatively few, and generally the larger, rural settlements is likely to make more viable any service outlets located there but simultaneously generate more attention to the challenge of 'outreach' service delivery in one or more of the ways earlier suggested.

Assuming that government policy towards rural service delivery remains broadly constant along those lines at least through the next Parliament - say to 2009-2010 – then the inevitable lag-effect involved in any significant change of direction suggests that the main lines of the 'manner of service delivery' in 2015 are already becoming clear. The next chapter will attempt to crystallise that scenario in some detail, but focussing just on the consequences of government policy regarding service delivery we may envisage:

- more community involvement, often with a community enterprise element, in service delivery,
- more service delivery (not just service planning) by local partnerships embracing at least the statutory and voluntary / community sectors,
- more 'localism' meaning a devolution of responsibility, to local levels,
- more concentration of publicly provided or commissioned services in multi-service outlets in the larger villages and small towns,
- the much greater use of ICT both in the delivery of services (whether public sector services or those provided on behalf of statutory bodies) and in their planning and coordination,

- a greater acceptance of variability in provision, particularly in the remoter areas away from the small towns,
- greater attention by government to outcomes and cost effectiveness than to the details of service delivery.

Our surveys however flagged up some '**great unknowns'** – currently indeterminate developments that could significantly change the situation. The most frequently expressed uncertainties include:

- how far will government accept the local variability in delivery implied by many of the above trends. Could the cry of 'post-code lottery!' become commonplace outside the health-care sector, and if so how would government respond?
- how far will government continue its willingness to underwrite the extra costs of delivering services to a dispersed population and/or impose those costs on other agencies? (In this regard we may mention the expiry in 2008 of blanket support for rural post offices, the current generous support of rural bus services, the imposition upon only Royal Mail of a Universal Service Obligation, the presumption against small school closures)
- has the voluntary and community sector the capacity to do all that is expected of it given current and anticipated levels of support? Indeed would significantly more funding release significantly more capacity – or is a capacity ceiling in prospect?

In short, there seems in current government thinking to be a lot riding on anticipated significant cost savings arising from several of the developments listed above – notably the devolution of responsibility to local levels, greater community involvement, the widespread deployment of ICT, the promotion of joint delivery in several guises – but if they fail to deliver, how long would government's patience continue, and what would be the consequences of its being exhausted?

(iv) Competition and Corporate Policies as Drivers of the Changing Manner of Supply

We have argued above that the changing size and character of the rural population, the widespread adoption of ICT by both consumers and suppliers, and government policies in relation to rural service delivery are all major 'drivers' of change in the manner of rural service delivery. We now turn to developments in the commercial sector as a potential driver in the same sense. This is a distinctive 'driver' in that the commercial sector is essentially motivated by the prospect of profit rather than an ideological commitment to public service or to establishing or maintaining services for social objectives in unprofitable sectors or locations.

In particular the behaviour of certain large commercial companies, with regard to their rural operations, warrants separate attention. In the 'one to one' interviews we explored the role of the private sector with representatives of six such companies and also with six organisations which, in different ways, work to support or augment the rural private sector (namely a retail trading group, a support agency for village shops, the Federation of Small Businesses, Business Link, a group campaigning for community banking and a national 'banking association'.)

What emerged was that as far as small businesses delivering rural services are concerned (e.g. family-run retail businesses including sub post offices, taxi operators and independent pubs) they are best construed more as ‘driven’ (by the macro forces already discussed) than as ‘drivers’ of change in their own right. That is not to say that individual entrepreneurs within the small business sector are not crucially important but that they lack the overall and far-reaching ‘clout’ of a few big players.

The ‘big players’ interviewed in this research comprised:

- a large national bus company with strong rural interests,
- one of the large clearing banks,
- a large ‘multiple food retailer’ – a ‘superstore’,
- Post Office Ltd,
- a large non-brewing pub-owning company,
- a private supplier of health / caring services across a large rural county.

Looking to the next ten years, the following emerged with regard to their rural operations.

The ‘bus company’ anticipates declining patronage as car ownership and use increases in line with growing affluence. It also anticipates its costs, especially labour and fuel, rising faster than inflation. The consequences of this are likely to include further withdrawal from the deeper rural areas, to the extent that subsidy is not forthcoming, with demand-responsive services to some extent taking up the slack.

The bank is faced with increasing competition by other financial institutions having no aspiration to open branches and happy to be selling their products without a face-to-face service. That and a growing consumer readiness to bank by phone and via the internet places in jeopardy many of the remaining small town bank branches that are increasingly reliant on older, more impecunious, clients who are less likely to buy the financial products on which the viability of the branches depends.

As for the ‘superstore’ many trends are relevant including the anticipated further growth of online shopping linked to home delivery (though that trend has not yet shown the growth expected), a clientele which is increasingly discerning with regard to choice and quality, and a need to respond to planning restrictions on new out-of-town developments which are encouraging, as a response, the purchase and operation of small independent chains of shops generally in the suburbs and small towns. The ‘franchising’ of small stores in the larger villages remains a possibility.

The Post Office of course is relevant mainly through the operation on an ‘agency’ basis of several thousand independently owned rural post offices. The latter perform a wide range of services for rural households – a total of some 140 was suggested – including various postal services, financial services and government services. Continued, indeed accelerated, closure of post offices might be expected to the extent that the following happen – a shift of business away from the post office by a more mobile and ICT literate population, a failure by government to clarify, and pay for, specific services to be delivered via the national network of post offices, and any lack of success on the part of the Post Office in its endeavours to diversify the business, for example into a quasi-banking role.

The large pub-owning company recognises that some of its pubs will find it difficult to respond adequately to a growing demand for a 'quality leisure experience' in which good food and ambiance are part of the package. That and the attraction of selling off underperforming pubs if permission for 'change of use' can be secured are likely to result in further pub closures, to the extent that some form of multi-purpose use cannot be secured and made profitable. The role and aptitude of the licensee in all of this is seen as crucial.

Finally the company providing health and caring services in a rural county is encouraged by the likely growth of that county's elderly population, but crucial factors over the coming years will include the readiness / ability of older people and the government to pay for care, and government policy regarding the balance between residential, domiciliary and day care. A decline in residential care is anticipated.

That swift overview of the future perspectives of some commercial service-providers indicates two important things:

- in each case the fortunes of these large companies – and *ipso facto* of the services which they currently deliver – depend in large part on market considerations but with government, in some guise, often playing a key role in bank-rolling demand (or rather, turning 'need' into 'demand') or in determining the context within which decisions are made;
- that said, the future of service delivery in some key sectors – notably but not only retailing, banking and pub-based leisure – will depend in large measure on commercially driven decisions in which social welfare considerations will play little or no part. Decisions taken over the next few years by the large superstores, banking and leisure companies will play a big part in fashioning the landscape of rural service delivery.

4 A Scenario for 2015

We now pull together the main messages from the analyses of demand and supply 'drivers' and of their possible effects, to construct the most likely scenario of rural service delivery in the year 2015.

This has involved in particular drawing up a draft 2015 scenario and submitting it for detailed scrutiny and critique at six focus groups held in December / January involving 40 carefully selected and well placed individuals. Four of those groups were convened at the level of individual rural districts, and the others brought together representatives of various government departments directly involved in planning or managing rural service delivery, and of local government rural specialists brought together by the Local Government Association. Appendix 1 gives further information on the derivation of the draft scenario (which basically involved careful reflection on the product of in-house desk research, the notes of the earlier 59 personal interviews and four 'regional focus groups') and also on the operation of the six December / January focus groups.

That draft scenario comprised 16 carefully worded statements – about drivers, delivery agencies, delivery 'mode' and overarching points – all relating to 2015 and reproduced in Appendix 4. Fifteen of them received clear support from the focus group participants with one, relating to 'younger-older' people (i.e. people in their late 50s to early 70s) as a key resource for service delivery, being heavily criticised. As important, all 16 statements provoked animated discussion, and detailed notes of each group discussion were taken and then analysed to produce a composite resume of the discussions (reproduced as appendix 6).

The scenario set out below is therefore a carefully crafted 'best shot' at what the delivery of services to England's rural residents will look like in 2015. It carries forward the essence of 15 of the draft statements considered in the focus groups (and another, heavily qualified) and elaborates on them in the light of the discussions. And it adds two more statements (namely no 8, plus numbers 16 & 17 which had been subsumed in just one statement in draft) which also derive from those discussions and and/or from revisiting all of the material assembled by the research team over the year, including that emerging from the first wave of interviews and focus groups earlier in 2004.

Obviously it is not possible to be certain that each of the 18 statements in the scenario will have been fully realised by 2015. (Indeed one objective of this research has been to clarify government's ability to forestall or otherwise influence some of them!) However, the process adopted in generating and then validating the statements offers a significant degree of confidence in the likelihood of the statements being realised by that date. Twelve of them were generated through all three of the main research methods adopted: the desk research, the interviews and the regional focus groups, and they were then validated by both kinds of assessment undertaken: the local focus groups and the governmental focus groups. The ratification achieved by these means and the consistent agreement with these statements in the full range of responses suggests that we may be confident that they offer a secure basis for identifying future policy needs.

The remaining six statements were generated and then validated by most, but not all, of the means employed, so that while we may be substantially confident that they will be realised by 2015, it is acknowledged that their systematic confirmation is slightly less complete. In the following presentation of the scenario a footnote is attached to each of these six statements explaining any differences in he way that the statement was either generated or validated.

In summary, therefore, we contend that this scenario is:

- internally consistent; the components hang together,
- as firmly based as possible on empirical evidence, expert opinion and careful reflection.

By 2015…

THE DRIVERS OF CHANGE

1 Demography and Prosperity Rural England will have enjoyed 10 more years of population growth, albeit unevenly spread geographically, with a substantial increase in the number of older and more affluent people. There will have been a relative, and in many areas absolute, decline in the number of young people – both children and young adults. Allowing for both migration and national economic growth, total disposable household income will have increased by a third or more in most rural areas.

2 Culture and Values With regard to expectations of service provision, there will have been a strengthening of more self-centred, ‘it must fit me’ values with a growing insistence on quality, convenience, immediacy and the tailored provision of services. Lifestyles will have evolved to reflect this self-centredness in a likely reduction in local community awareness and concern for one’s neighbour, and the growing spatial diffusion of social networks.

3 Personal mobility Car ownership and car usage levels, already high in rural England in 2005, will have risen still higher particularly with a significant growth in the number of households having two or more cars and a consequent increase in personal mobility and ability to access services at a distance. A growth of demand-responsive public transport will have extended this enhanced mobility to many who lack their own transport, but for occasional trips only.

4 ICT availability The physical availability of broadband throughout rural England will have been a reality for several years. And a majority of households and almost all service suppliers will own or have ready access to the hardware and systems to profit from it – in many cases away from home using miniaturised and portable equipment. ICT penetration amongst older people will have risen dramatically, but not universally, and many poorer and poorly educated people will still be ICT illiterate and/or lacking access to the Internet. Consequences of the generally rapid and widespread adoption of ICT will include a greater readiness to access many services in this way, the ability to make more informed choices in advance of consuming services, a significant increase in home working and the growth of the diffuse social networks already indicated in paragraph 2, above.

5 Central government policy will have remained a major determinant of the ways that services are delivered to rural households. The years 2005 to 2015 will have seen:

- the continued pursuit of the 'choice agenda', partly in response to the cultural shifts referred to in paragraph 2 above, albeit modified to respect the challenge of offering choice in rural context,
- a growing reluctance to subsidise conventional modes of service delivery where these are inefficient or ineffective,
- the championing of 'localism' and of local diversity in provision, with government increasingly fostering innovation and its wider adoption, and ensuring that rigorous procedures are followed regionally and locally in determining local priorities and in ensuring their realisation.

6 Competition and the profit motive will have continued to determine the extent and nature of private sector involvement in service provision albeit with many commercial companies heavily reliant on contracts to deliver services let by the statutory sector (with notable exceptions in retailing, banking and leisure provision where the norm will be for decisions to be taken on purely commercial grounds). Many commercially operated service outlets (e.g. pubs, small shops, petrol stations, banks) will have closed and the 'basket of services' within remaining private sector outlets will, in many cases, have changed to reflect evolving market demands. In addition the private sector will be relying heavily on ICT to deliver its services where at all possible.

7 Sectors showing increasing or decreasing demand.[7] The net effect of the above developments across much of rural England will have been a growing demand for:

- health care, and personal care especially at home, for older, more affluent people,
- leisure and educational activities linked to an active old age,
- demand-responsive transport,
- services of quality – e.g. 'niche' shops, quality pubs and restaurants
- community safety and personal security,
- more generally, income-elastic services.

In contrast, falling demand will have characterised:

- primary and secondary education and children's services generally,
- conventional public transport.

DELIVERY AGENCIES

[7] This statement was added after testing the draft scenario and was not, therefore validated through the local and government focus groups. While elements of the statement were raised in both the desk research and the interviews they were not explicitly discussed in the regional focus groups; rather the statement was composed as a result of the research team reflecting on the full research process.

8 The role of the principal local authorities as service providers will have further diminished, though with some modest increased involvement in service provision by some parish and town councils. The role of the principal local authorities as planners, facilitators, co-ordinators and commissioners of service provision will however have increased.

9 There will generally have been greater coordination and integration of the delivery of hitherto discrete services (e.g. for children – education, childcare and healthcare) and their delivery via partnerships and joint-working.

10 There will have been growing reliance by government on the voluntary / community / community enterprise sector to fill gaps and a significant increase in its role in service delivery. But despite this growth the sector will have been unable fully to respond to expectations for various reasons including insufficient and insufficiently long-term investment in capacity building and infrastructure, and the sort of cultural resistance alluded to in paragraph 2 above.

11 Hopes that the significant expansion in rural England of the pool of **'younger older' people (those in their late 50s to early 70s)** would constitute a substantial resource for community-based service provision will have proved over-optimistic.[8] The unrealistic optimism will have failed to take account of a variety of factors, including that age-group's determination to enjoy itself, its growing involvement in the care of relatives, a need for many older people to continue in paid employment to make up for pension inadequacies and, from 2010, the phasing in of a higher retirement age for women.

THE MANNER OF DELIVERY

12 ICT. Reflecting the developments highlighted in paragraph 4 above, many information-based services will by 2015 be routinely accessed from home by a large proportion of the rural population. These will include banking, much shopping (with home delivery), some health care, some education and training, and accessing information and advice on a range of subjects. Parallel to this, all successful service providers will be making fuller use of ICT to better respond to customer expectations and to the realities of delivering to a geographically scattered population.

13 But direct face to face contact will remain an important element of much service delivery to the extent that resources allow – for example in much of personal and health care, especially where treatment is involved, in retailing where the customer is seeking a pleasurable experience, and in situations where advice rather than simple information is needed.[9]

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[8] The draft scenario contained a very different statement, which suggested that 'younger older' people would constitute a significant resource. However, the testing of the scenario through the local and government focus groups indicated quite strongly that this would not be the case. The statement was therefore rewritten by the research team as a consequence of the consistency of opinions expressed in these two sets of focus groups, but it was not generated through the desk research, the interviews or the regional focus groups.

[9] This statement was generated through the interviews and regional focus groups where there was consistent agreement about its likelihood; but little or no material on the subject was revealed by the

14 In most villages and small towns, the number of single-service outlets will have significantly declined – notably village general stores, freestanding sub post offices, pubs primarily selling liquor, and those small town shops and service outlets most vulnerable to competition from e-commerce and the continuing dominance of the superstores.

15 In contrast, in some villages and many small towns, there will have been a significant increase in multi-service outlets many of them having evolved from the extended schools, pubs as hubs, shops cum post offices, village halls, health centres and shops in petrol stations that were becoming common in 2005.

SOCIAL AND SPATIAL VARIATION

The above trends will have characterised most of rural England during the decade 2005 to 2015 but some disparities should be noted.

16 As a general rule, regarding the access to services enjoyed by rural residents there will have been a process of greater polarisation between the majority (with good or adequate incomes, good health, personal transport and home-based access to the Internet) and the minority (with lower incomes, poorer health, no personal transport and without access to the Internet)[10]. There will remain a hard core of geographically scattered 'excluded people' including most households without a car, many disabled and older people and a growing number of migrant workers attracted by employment shunned by most indigenous residents.

17 At the macro-geographical scale (inter-regional and inter-district) there will be **unevenness** in the incidence of the trends outlined above, with the greatest pace of change apparent in those rural areas characterised by rapid population growth, rising prosperity, a relatively high population density and proximity to the major centres of population[11].

18 At the micro-geographical scale (inter-parish) there will also be considerable **unevenness** in service delivery reflecting *inter alia* the status of the parishes in local planning policy and their variable endowment of social capital and community leadership.[12]

That scenario for 2015 reflects a distillation of the best evidence and considered judgment available in 2005. But several **major unknowns** relating to the intervening decade must be admitted. They include:

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desk research. There was clear agreement at the local and government focus groups that the statement was valid.

[10] This statement derived from the interviews and regional focus groups but did not register significantly in the desk research. There was, however, unequivocal and strong agreement with the statement in both the local and the government sets of focus groups.

[11] While the general point covered in this statement was generated through all three main research methods and validated by both local and government sets of focus groups, the specific distinction between macro- and micro- geographical scales was added by the research team reflecting on the various discussions of the scenario.

[12] idem

- the degree to which government will be willing to underpin on a continuing basis (i) service delivery which is unprofitable for the private sector and considered too costly by the local statutory sector and (ii) capacity building in the voluntary and community sector;
- just how far levels of prosperity rise in rural areas as a consequence of selective migration and general economic growth;
- whether the anticipated rise of more self-centred personal values in rural areas does or does not embrace ‘living in a community’ as part of the ‘good life’ aspired to;
- various unknowns around the adoption of ICT – (i) just how far residents will embrace electronic access to the various services, rather than more personal modes of delivery; (ii) how serious will be the exclusion of disadvantaged groups from ICT, and (iii) how far will teleworking, or more specifically home-working, transform the size and composition of the rural population.

5 Implications for Government

Clearly the scenario as set out in the previous chapter raises a number of policy issues for government – some relating to the efficient and effective delivery of services, others to the consequences, especially social consequences, of the trends and developments indicated. We therefore now attempt to trace the various statements of the scenario through to their likely implications with the numbering of the sub-sections below corresponding to that of the statements of the scenario above.

Many of these suggested implications arose, if tangentially, in the various interviews and focus groups. In addition the research team has systematically reflected on the individual elements of the scenario in the light of the lessons drawn from the whole research project.

1 Demography and Prosperity

(i) Demography.

- Government needs to anticipate, and respond to, a general growth in demand for services geared to the needs of older people, relating especially to health and personal care and demand-responsive transport. An erosion of the capacity of young adults, both within the family and through the labour force to support older relatives and other members of the community will underscore this need.

- Some general decline in the demand for services for children and young adults, such as primary and secondary education, childcare and further education may be expected, and Government will need to respond appropriately.

- These demographic trends are deep-seated but there may be some scope over a 10-year period to mitigate them through planning and housing policies designed to increase affordable housing and attract some population growth to places where services are most at risk from a declining child and young adult population.

- The ratio of 'fit to frail' older people needs to be carefully projected and monitored. Whether older people are potential recipients or providers of care is likely to influence policy. If, for example, there is an increase in older people as recipients of care and a decrease in older people as providers of care, Government might need to intervene to ensure alternative means of service provision.

- Given the ageing of the rural population there will be a continuing need for strong 'face to face' element in service delivery (this point is developed in point 13 below).

(ii) Prosperity

- Service provision will increasingly reflect the demands of more affluent people. There will remain a need for compensatory policies to protect / provide services which are important to less well-off residents, such as public transport and post offices and services for frail elderly people, even if they are quite affluent, such as health and social care.

- There will be fewer people willing to work in poorly paid service jobs in rural areas. In this regard, Government might need to take a still more positive approach to affordable housing policies for rural areas and do more to welcome the in-migration of service workers from home and overseas

2 Culture and Values

- The likely decline in rural residents' identification with their local community and in their readiness to provide informal community care may necessitate vigorous programmes to increase both human and social capital at that local level. This may be most, and most quickly, apparent in the more affluent areas within commuting distance of the main cities.

- The government and the local authorities should beware of the 'first up, best dressed' phenomenon with the most 'pushy' localities and the most pushy social groups securing a disproportionate share of resources.

- The government and the local authorities should be vigilant regarding whose voice predominates in exercises of community consultation and involvement in rural areas

3 Personal Mobility

- Attempting to restrain rising car ownership and use in a rural context is likely to be fruitless. There is a need for vigorous policies to enhance the mobility of the car-less – almost certainly by means of a further expansion of demand-responsive transport. Recent years have seen considerable innovation in this domain but continuing support will be needed for further innovation and the spread of good practice linked to securing efficiency and effectiveness of provision. Again, as we shall see under statement 10 below, the capacity of the voluntary and community sector to cope with expectations in this regard may be questionable. Less 'worthy,' but still important needs for transport will need to be appreciated and accommodated (e.g. youngsters keen to get to a Saturday evening disco as compared with older people needing to get to hospital outpatient appointments).

- The further erosion of 'village outlets' in part because of the rising mobility of the majority will need locally-tailored responses.

4 & 12 ICT Availability and use

- As (i) ICT penetration at household level, (ii) the electronic delivery of more and more services, and (iii) the erosion of conventional modes of service delivery each increase in a mutually reinforcing way, those without the technology and appropriate 'IT literacy' will become progressively, and quite quickly, further disadvantaged. These will include the poor and poorly educated and, to a diminishing extent, the elderly – though probably with a distinction again between the 'fit' and the 'frail' elderly. Government should carefully monitor this trend and its consequences with reference to which people and which services are most affected. In addition the relative merits of a variety of responses should be evaluated such as schemes to assist access to ICT and to provide local training, the development of 'ICT hubs' such as extended schools and village halls, and possibly the encouragement of technological developments such as enhanced mobile phones.

- Many applications of ICT to service delivery in rural areas warrant active encouragement by government in order to secure improvements to service provision, despite the reservations expressed above. For example, the greater use of schools as centres for distance-learning by adults, the facilitation of patient / health-specialist consultation in remoter areas, and the electronic availability of patient records to para-medics.

- The growing availability and sophistication of ICT is set to significantly increase home working. Government may need to consider the adequacy of the services available to this group – e.g. postal and delivery services and business advice. Wider issues relating to the growth of home-working should also be borne in mind; for example increased pressure on the limited housing stock of attractive rural areas is likely to push house prices even higher, with the attendant problems of housing affordability.

5 Central Government Policy

- The 'choice agenda' will be beneficial for those rural residents who can genuinely exercise choice. But government will need to consider its relevance to those whose ability to exercise choice is seriously constrained – because they have insufficient mobility or income or education / skills. Or because they live in such remote or sparsely populated areas that choice cannot be offered. In short, the 'choice agenda' needs to be both rural-proofed and social group-proofed.

- Without carefully planned and adequately financed compensatory measures, any growing reluctance by government to subsidise conventional modes of service delivery will impact deleteriously on

- people who rely on public transport
- the provision of post office services beyond 2008
- coverage by the emergency services in areas of scattered population
- the viability of many primary and secondary schools in rural areas with falling school rolls

Just what might be the best ‘compensatory measures’ is a vast topic, beyond the scope of this report. But clearly there is a continuing need for government to sponsor innovation in local service delivery and the networking of successful innovation. This can be in a variety of domains such as capacity building linked to community-led service provision, multi-service outlets, the application of ICT in novel ways etc.

- Championing ‘localism’ and the fostering of innovation at that level makes good sense in the context of the scenario; local areas have particular needs, resources and contexts. Two points should be made. First, local diversity should not become local unfairness (this links to point 2 above about the dangers of ‘first up best dressed’ and to point 16 below about greater polarisation in access to services). Second, government may need to stimulate even more innovation at the local level by the statutory providers; in this respect there may well be an issue of ‘dismantling bureaucracy.’

6 Competition and the Profit Motive

- Government could usefully note that while in the coming years the private sector will continue to provide some services (e.g. retailing, transport, banking, provision of pubs) in some areas (notably higher density, accessible areas) for some people (e.g. older, affluent in-comers and commuters) they will not provide such services where they cannot make a profit and where they are not commissioned by the state so to do. Any increased reliance on the private sector runs the danger of increasing inequity and neglect of the disadvantaged. Where the private sector is contracted to deliver services government must provide a robust framework of quality and equity requirements such that those unable to pay will still benefit, and also develop contingency plans in the event of the withdrawal of the private sector if the service becomes unprofitable.

- In many cases promoting **community enterprise** offers the prospect of combining the benefits of the market economy with those of local sensitivity and of social conscience. It is a matter of some urgency how best to help the social economy to deliver more to disadvantaged people living in rural areas, given our concerns about the capacity of the community sector.

7 Sectors Showing Increasing or Decreasing Demand

- Increasing Demand With regard to services in this category, government's responsibility may lie in (i) seeking to increase supply, in cost-effective ways, with regard to those services normally provided or supported by the state (e.g. health care, community safety, education provision for older people, and demand-responsive transport). This may include an emphasis on 'prevention' e.g. an emphasis on the 'wellness' of older people and on risk-management by the emergency services (ii) ensuring that the less affluent are not unduly disadvantaged by any shifts in provision that are implied.

- Decreasing Demand Conventional public transport and services for children are the key components here. Transport has already been mentioned. With regard to education there will be a need to foster innovative responses to the prospect of school closures, while ensuring the cost-effective maintenance of standards and consistency for example in the provision of a full curriculum in areas with a low population density. Obviously the need for such responses will vary considerably from place to place; there is no suggestion that the decreasing (or increasing) demand for certain services will be geographically uniform.

8 Role of the Principal Authorities

- The government may need to do more, with some principal local authorities, to develop their priority-setting / planning/ facilitation / coordination / commissioning roles with regard to service delivery. If LSPs are to stay they may need to work more effectively as operators of successful partnerships.

- Where the principal authority withdraws from direct provision there may be a need for 'capacity building' in the sector likely to take over delivery, and a need to ensure consistency of rigour in setting priorities and addressing problems across different social groups and geographical areas.

- Where the involvement in service delivery of parish and town councils is mooted, there are several matters that need to be addressed, including (again) capacity building in that sector, the rolling out of 'quality councils,' the inevitable geographical patchiness of parish council activity, and concerns about 'double-payment' (i.e. to both the parish/ town council and the principal authority) which would need to be addressed by ensuring that the finance follows the function. And again 'safety nets' may need to be in place until the new arrangements settle down.

9 Co-ordination and Integration

- It will be important to determine where lies responsibility for coordinating the delivery of hitherto discrete services. Co-ordination should not be just the responsibility of the service providers, but warrants an overarching responsibility. This begs the question which agencies should have this responsibility. (See scenario point 8 re LSPs and principal local authorities; the role of LSPs may need to be clarified)

- The spatial level at which coordination best occurs needs consideration. Except in specific instances, the regional level may not be the most appropriate – the areas served are generally too large and there are possible dangers of 'urban bias'. The RDAs may not yet be equipped to take on this responsibility. At the principal authority level there is potential confusion in the two-tier areas. Many service delivery partnerships seem to work best at a more local level (e.g. Rural Transport Partnerships) or indeed at the very local (small town / parish) but at that level issues of uneven capacity arise

- Government's role might best lie in:
  - encouraging innovative 'joint working' at the local, often sub-county level, both through addressing the constraints that impede it and by funding some carefully chosen pilot ventures (e.g. in the joint use of facilities, vehicles and personnel – And could more be made of, for example, home care workers to disseminate information on, say, pensions and benefits?). See also Scenario Point 15 re multi-service outlets;
  - addressing the frequently voiced complaint that local partnership ventures suffer from a lack of sustained funding;
  - encouraging more co-ordination between government departments that have responsibility for local service delivery, with possible savings resulting

10 Voluntary / Community / Community Enterprise Sector

- For various reasons advanced in the body of the report, expectations are rising with regard to the voluntary and community sectors' future contribution to service delivery in rural areas. For this expectation to become a reality, and one that genuinely helps the more disadvantaged groups and areas, government should produce a clear policy framework regarding the role of the sector in rural service delivery. This framework should:
  - identify those service sectors, social groups and contexts where this potential is greatest, and conversely those where a strong 'pro- voluntary / community sector' approach, as presently conceived, risks neglecting or even worsening the most serious access-to-services problems;
  - explore and where appropriate alleviate those particular constraints (financial, regulatory, social capital etc) that impede a greater contribution by the sector;

    - in particular address the need for enhanced capacity building at both very local and more strategic levels, the training implications, and the need for adequate and long-term funding;
    - give priority to the needs of disadvantaged and often leader-less local communities within rural areas.

(see also, point 6 above about support for community enterprise)

11 Younger-older people

- 'Making realistic use' of this population group (roughly those aged late 50s to early 70s) in rural areas constitutes a key challenge for government in the coming years. In essence this age-group is set to increase substantially in numbers but also to be constrained from volunteering for 'community service' for a host of reasons considered earlier. Government should:
    - lower its expectations that this social group will provide leadership and a plentiful supply of volunteers – especially in the more disadvantaged localities;
    - consider ways of making such leadership and volunteering more attractive (for example, perhaps, by means of tax-breaks for accredited volunteering, modest untaxed payments for certain work such as participation in social car schemes, reducing the administrative complexities borne by, for example, parish councillors and village hall trustees).

12 ICT (considered under 4, above)

13 The 'face to face' element in service delivery

- With the anticipated rapid rise in the delivery of services by ICT, there will be a need to recognise and respond to the facts that:
    - face to face contact is still preferable, and sometimes crucial, for some services and some social groups; there is a need to identify which ones. A careful audit in this respect would be helpful – i.e. which aspects of which services for which kinds of people? 'Obvious' examples may include health care diagnosis and advice and reassurance for older people especially those living alone. Also much of teaching and learning in primary schools will continue to require face-to-face contact, though this may be less valid with regard to secondary education.
    - face to face contact will be more expensive than reliance on ICT especially in the more scattered rural settlements. It is uncertain whether people will consider video links as 'face to face'.

- Another useful exercise would be an appraisal of the main 'face to face' acts of service delivery occurring at present in rural areas – especially with regard to the 'doorstep delivery' of certain services and the presence of widespread rural outlets such as post offices and village shops. What, for example, would be the social benefits, and the marginal costs, of inducing these existing 'face to face deliverers' to perform other socially valuable duties?

- There may be a case for earmarking some of the net savings accruing to government from the delivery of certain services via ICT, for deployment in targeted face-to-face work.

14 and 15 Single service / Multi service outlets

- For government the key issue is surely that a service is effectively and efficiently provided in certain localities, not that it continues to be provided via a 'single-service' outlet. Given the various advantages of multi-service outlets (already outlined) government should normally welcome and foster this trend.

- But at present this is happening in a largely *ad hoc* fashion, driven by the sporadic and patchy incidence of local community entrepreneurship and/or the policies of certain 'sectoral agencies' such as the education and health authorities. Government may need to:
    - establish a framework for the *ex ante* evaluation of proposals to launch multi-service outlets (e.g. extended schools) so that their implications for existing service outlets (e.g. village halls) and for any neighbouring villages effectively discriminated against, may be given proper consideration
    - more pro-actively, pilot a programme of fostering multi-service outlets across a wide rural area, trying to achieve net area-wide benefits rather than, as at present, narrow one-off successes at the outlet level.

- At the village level the tendency for smaller villages to lose their remaining service outlets may require a response more imaginative than merely one of 'saving threatened outlets' or of improving transport links to larger settlements. There may be a case for a more radical review of rural planning policies (still largely built around the notion of 'key settlements') with a view to fostering in each settlement a greater measure of sustainability in social and economic terms. This in turn may suggest a greater drive towards keeping or injecting one multi-service outlet (varying in character from place to place) in almost all settlements above a certain size.

16 Greater social polarisation with regard to access to services

- This may well be the single most important consequence of all of the service-delivery trends anticipated for the next 10 years. Without clear government intervention the problems experienced by the disadvantaged minority are likely to intensify, for the reasons given, even if the size of that minority may well gradually reduce. These problems will be most acutely felt in certain types of rural areas, notably those with particularly scattered populations or a recent history of economic stagnation, but 'accessibility-deprived' people will be found in all rural areas, even the most prosperous. Merely rural-proofing the policies of largely urban-oriented service providing agencies will not be enough.

- Government might best address this as part of the 'social inclusion' agenda, working towards some sort of 'charter of accessibility entitlements' for deprived groups in rural areas, coupled with a devolution to the local level of responsibility for devising and implementing policies to deliver those entitlements. Putting this suggestion alongside that in the previous paragraph (regarding a need for holistic local strategies for service delivery) three levels of responsibility emerge:
    - government sets broad accessibility entitlements across different social groups and types of service – building in some flexibility to reflect different rural contexts. It also addresses the issue of equitable resourcing and the sponsorship and dissemination of innovation;
    - at the geographical level of the local authority (but with machinery involving more than the local authorities) holistic service delivery strategies are devised; and
    - a variety of agencies (statutory, commercial and voluntary / community) are persuaded or commissioned to deliver appropriately but with a premium placed on local innovation and initiative.

  Of course recent years have seen significant moves in that direction with for example the annual publication of national 'rural service standards,' the work of Local Strategic Partnerships in seeking to develop and implement community strategies, and the broadening of 'local transport plans' to embrace 'accessibility planning'.

17 Unevenness at the macro-geographical scale

- The fact that the pace and intensity of the various trends outlined in this report will vary between regions / counties / districts does not imply that government's vigilance for their adverse effects on disadvantaged groups should itself vary geographically, for two reasons. First, rapid developments (e.g. in the use of ICT for service delivery) will bring a mixture of positive and adverse effects in all kinds of milieu; second, as outlined in point 16, above, the incidence of social polarisation in accessibility terms will also be widely dispersed across rural England. Rather, 'macro-geographical unevenness' provides a further justification for devolving as much responsibility as possible to the local levels, having set an appropriate national framework for action.

- The general point is that the proper spatial planning of service delivery is needed across extensive rural areas (say, whole local authority districts or distinct sub-areas of districts) embracing a wide range of services and service delivery agencies and seeking to address the full range of costs and benefits of different ‘packages’ as they impact upon different social groups and localities. This is obviously problematic, not least because many services remain in the commercial or voluntary sector but some pilot programmes may be useful to explore what may be possible and to develop a methodology for such spatial planning and evaluation.

18 Unevenness at the micro-geographical scale

- At the very local, inter-parish, scale there is likely to be growing variability in the quantity, quality and nature of service delivery and in the levels of accessibility enjoyed by people without their own transport. The implications of this include:
  - a possible reconsideration of planning policies in some areas to see whether some channelling of residential and other development to localities badly affected by the withdrawal of service outlets might alleviate the situation in the long term
  - targeted assistance with capacity building – strengthening human and social capital in the least well endowed localities. (For example, extra support for ‘parish plans’ in the less ‘go-ahead’ parishes)
  - insistence on proper monitoring of such local variations.

Conclusion

Finally we must recall the ‘major unknowns’ alluded to at the end of the scenario as outlined in Chapter 4. The point is that the scenario is the product of informed speculation; it is not a forecast. Just how and how quickly the various drivers will take effect and generate consequences for service delivery and thereby for social in/exclusion remains to be seen. The implication is that government would be well advised to see the present exercise as the start of a programme of ‘informed speculation’, which should be periodically rolled forward.

That said, the above distillation of some implications of the ‘2015 scenario’ for government does not amount to a call for a major change in the direction of policy. Rather there seems to be a need for a refocusing in certain respects, and for renewed vigour in some others.

In that regard, major themes underpinning much of the foregoing have included;

- a need constantly to monitor, and where necessary respond to, the likely ‘unevenness’ (spatial and especially social) of many of the consequences of accessibility-related developments over the next decade;
- a need to foster and strengthen ‘localism’ (not ‘regionalism’) in the orchestration and delivery of initiatives to enhance the accessibility to services enjoyed by disadvantaged groups;

- the good sense of systematically eroding the barriers which currently define the remit of single buildings, vehicles, actors and agencies, and the wisdom of multi-skilling and of multifunctionality;
- the social value of retaining or restoring a face to face element in service delivery especially where disadvantaged people are involved;
- a need constantly to replenish, indeed to enhance, the human and social capital of rural areas, including capacity building in the voluntary and community sector, parish and town councils and in the social economy.

If careful attention is not paid to these and other proposals set out or implied in this chapter, the danger is that by 2015 rural England will have become a much harsher environment in which the sophisticated and well-heeled will prosper and where the disadvantaged will see their access to services – and more generally the quality of their lives – eroded beyond the point where they can adequately respond themselves.

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Appendices

Appendix 1 The Methodology and Execution of the Research

The research method was wholly qualitative, the research team realising that attempts formally to model the trends or the demand functions for individual services would be undermined by a lack of sufficient appropriate data. The research method involved targeted reading, structured discussion with a considerable number of well-placed sources, and subsequent reflection upon the ideas and information thus obtained around the key questions underlying the exercise. Five specific research tasks were undertaken, separated by periods of reflection by the research team generally involving the active participation of the project steering group:

- desk research
- personal interviews
- four regional focus groups
- preparation of a draft scenario
- four local and two government focus groups

As a product of these research tasks, an agreed scenario for future rural service delivery to 2015 was prepared and an assessment made of the implications of this scenario for future government policy.

Each of the five research tasks is discussed in more detail below.

1. Desk Research

Initial desk research provided an overview of published or unpublished research already undertaken by other agencies into the delivery of a wide range of services to rural residents by various delivery sectors. Similarly, research into earlier work on possible futures for rural England, some of it extending up to 50 years into the future, provided a useful foundation for the more limited time horizon - and the narrower scope - covered by this project.

More focused and detailed desk research was then undertaken to examine extant information about two matters:

- ten specific services to rural residents - to better understand their current delivery and future issues relating to demand and supply,
- the wide range of possible drivers of change.

The first of these sub-tasks entailed members of the team researching and preparing internal working notes on each service: retailing, education and training, postal and delivery services, financial services, health care, social care, passenger transport, provision of information and advice, leisure and recreation services and emergency services. A composite report was then prepared that pulled together, condensed and reflected upon the separate reports on the ten services. At this stage in the research a clear distinction was retained between the demand for and supply of services. This was to ensure analytical clarity. It was, of course, understood that supply and demand are intimately connected and, indeed, that one can induce the other; at a later stage in the research, consideration of demand and supply were brought together.

The second sub-task again entailed individual team members examining different possible drivers of changing demand, which were eventually grouped together under the following headings: demographic and social change, cultural change, disposable incomes, greater personal mobility and capacity for communication, government policies (fiscal, social, employment and spatial policies), demand for services by home-based industries, and demand for services by visitors and tourists. As with research into the supply of services, a composite report was prepared that pulled together, condensed and reflected on these separate reports and, again, demand and supply were examined separately at this stage and brought together later.

2. Personal interviews

Personal interviews were conducted with 59 'key actors'. These comprised three sets and included 36 service suppliers, facilitators and regulators, eight representatives of consumer interests, and 15 other experts in the field of rural policy (the full list of interviewees is set out in Appendix 2). The purpose of the interviews was to explore trends in service demand and supply, issues, drivers and possible future situations. Just under half of these interviews were conducted face-to-face, the rest by telephone. In each case the interview was structured around six or seven pre-determined key questions (a core of which were the same for all three sets of interviewees), supported by a set of possible prompts. Clearly the interviews with service providers focused mainly on matters of supply and those with consumers focused mainly on demand, while interviews with experts tended to cover both. In each case the interviewee was asked to look forward to 2015 and, amongst other matters, was asked to speculate on what would be the most influential drivers of change. A record of each interview was written up separately and a composite report was then prepared covering all 59 records.

3. Regional focus groups

A total of 33 people took part in four Focus Groups (see appendix 3) convened and facilitated by the FURS research team and held in four different English regions, namely North West (Penrith), Yorkshire & the Humber (Bradford), East Midlands (Newstead, Nottinghamshire) and South West (Exeter) in September 2004.

Each group had a similarly wide range of participants, typically including representatives of some of the following: Regional Development Agencies, Government Offices, Rural Community Councils, principal local authorities, the Countryside Agency, Primary Care Trusts, Rural Transport Partnerships and Federations of Small Businesses.

Discussion in all four groups was loosely structured around five main issues relating to the anticipated delivery of services to rural residents in 2015. Participants were asked to speculate about and to discuss:

- what would be the main drivers of change
    - demographic, social and cultural factors

  - government policy
  - ICT
  - any other perceived drivers
- what would be the likely mix of service providers
- what would be the potential links between different service providers
- whether there would be geographical variation in service delivery within the region
- what might be the scenario(s) for the delivery of services to rural residents by 2015.

Detailed notes were taken of the discussion at each focus group; these were then written up as four separate reports from which a composite report was produced(see appendix 5).

The reports produced from tasks 1, 2 and 3 were drawn together as the basis for an Interim Report to the Steering Group and they form the substantive basis for Chapters 2 and 3 of the present report.

4. Preparation of the Draft Scenario

From the work undertaken in the first three tasks reported above, a 'draft scenario for 2015' was crystallised (see Appendix 4). Initially the research team anticipated setting out two, three or even four very different scenarios for the delivery of rural services in 2015 and then asking a range of selected stakeholders to assess (a) the likelihood of one or more of those scenarios coming to fruition, and (b) the implications of those different scenarios for their sector or geographical area.

In the event, however, it became clear from the analysis of, first, the 59 interviews with providers and consumers of services and with experts in the field of rural affairs and, second, the four regional focus groups, that agreement cohered around just one such future scenario. In essence the scenario, which was structured around 16 concise statements about future rural service delivery, was a projection forward of many embedded developments. It was acknowledged that some of these would influence urban, suburban and rural areas alike while some would have particular implications for the delivery of services in rural areas. The range of the existing developments included: established government policy, changes already becoming evident in the nature of governance in rural areas, broader and longer-term social, cultural and technological change, and the existing and anticipated economic climate. Few participants in the interviews or regional focus groups predicted significant deviations from this one broad scenario, which was presented to the Project Steering Group before being 'tested' at a second series of focus groups.

5. Six Further Focus Groups

Using that scenario, six further focus groups (involving fresh sets of participants) were convened to explore the validity of the elements of the scenario, to assess whether the character of specific geographical areas might exert an influence on the demand for, or delivery of, rural service in those areas, and to explore the possible implications for both local and central government. The six events all took place in December 2004 or January 2005 and were of two kinds. First, 'local' focus groups (see appendix 4) were held in four different types of rural district characterised respectively as ‘accessible rural’ (East Hertfordshire District), ‘upland-remote’ (Eden District in Cumbria), ‘lowland agricultural’ (North Norfolk District), and ‘disadvantaged-industrial’ (Sedgefield District in County Durham). Second, two ‘government’ focus groups were held, one with representatives of several Government departments convened by Defra, one with representatives of local government convened by the Local Government Association.

A total of 28 people took part in the four ‘local’ focus groups, convened and facilitated by the FURS research team. Each group had a similar range of participants; all included representatives of the County Council, the District Council and the Rural Community Council. Other stakeholders represented included, amongst others: Primary Care Trusts, a Local Strategic Partnership, a Business Link, a Citizens’ Advice Bureau and a Rural Transport Partnership. The two ‘government’ focus groups involved 12 people. In one group nine government departments or agencies took part, and in the other, three representatives from local government.

Discussion in all six of this second wave of focus groups was tightly structured around the 16 statements of the draft scenario, which were grouped under four main headings:

- Context – the Drivers of Change,
- Delivery Agencies,
- Delivery Mode and Outlets,
- Overarching Points.

For each of the 16 statements, an assessment was made whether or not each focus group broadly agreed with it. Additionally, the responses of the four *local* focus groups to each statement were scrutinised to determine whether the statement, or elements of it:

- seemed to apply *more emphatically* in that district;
- seemed to be *less marked* in that district;
- seemed to apply *somewhat differently* in that district from the terms in which it was expressed in the statement.

In each of these circumstances the researchers made an informal judgement about whether the character of each district seemed to influence the validity of the statement in that particular case.

Individual reports were prepared for each of the six groups and then a composite report covering the four ‘local’ groups was prepared, with a separate report for each of the two ‘government’ groups.

6. The Scenario and its Implications for Government

Following the six further focus groups the research team reflected on the draft scenario and modified it slightly; the amended scenario, which was discussed by the Project Steering Group, is set out in Chapter 4 of the present report. The research team then speculated on what might be the implications of each of the, now, 18 statements that comprise the scenario. These speculative implications, which again were discussed by the Project Steering Group, are set out as Chapter 5.

Appendix 2: The 59 Personal Interviews

(i) LIST OF INTERVIEWEES

SERVICE PROVIDERS (36)
A Police Executive Support Officer
The Ambulance Service Association
A Fire and Rescue Service
A Major Pub Chain
Banking Campaign Group
Citizen's Advice Bureau
Department for Education and Skills
A County Local Education Authority
A County Youth Service
A County Business Link
A County Economic Development Service
Royal Mail
Post Office Ltd
A Bank Manager
A Major Clearing Bank
The British Bankers Association
A County Librarian – serving a rural area
A Local Authority One Stop Shop
Citizen's Advice Bureau – Benefits Expert
Former Under-Secretary of State at the Department of Health
The Institute of Rural Health
A Primary Care Trust
A Local Authority Social Services Department
A Provider of Sure Start Pre-school Services
A Provider of Day-Care to the Elderly
A Provider of Day Care for People with Disabilities
A Major Bus Company
Community Transport Association
A Rural Transport Partnership
A National Park
A Major Supermarket Chain
Learning and Skills Council
A Support network for village shops
A Retail Trading Group
A Local Authority Leisure Services Department

CONSUMER VOICES (8)
A Parish Clerk
A Rural Community Council
The Federation of Small Businesses
The Telework Association
PostWatch
A Patient and Public Involvement Forum
Transport 2000
Age Concern

EXPERT COMMENTATORS (15)
An RCC officer with experience of futures analysis
ACRE
Ruralnet
Academic expert on ICT in a rural context
Cabinet Office experts on e-government
Parish and Town Councils (an academic expert)
The Local Government Association
Future Foundation
Land-use Planning Expert
Forum for the Future
NCVO
Defra
Countryside Agency x 2
Centre for Rural Economy, University of Newcastle upon Tyne

(ii) INTERVIEW SCHEDULE

The interview schedule differed depending on whether the interviewee represented a ‘service provider’, or was a ‘consumer voice’ or an ‘expert commentator’.

SERVICE PROVIDERS
In this case the schedule consisted of seven questions or topics for discussion, with a list of prompts for use as appropriate, by the interviewer

1 *Tell me about your particular service at the present time. Tell me about how it is delivered to your ‘rural customers’ and about any particular issues / difficulties / challenges posed by the rural context. Tell me of any significant developments in recent years re ‘serving rural customers’.*

2 *Looking ahead 11 years – to 2015 – what are the main changes you foresee in the way that this service will delivered to rural people. Why do you say that?*

3 *Now can we focus on the various factors or forces (or ‘drivers of change’) that are likely to bring about those and other changes…within that 11-year period? What do you think the main ones are…and why will service delivery be different by 2015 because of them?*

4 *What do you think are the main obstacles / challenges facing companies and organisations needing to respond to such changes? Why do you say that?*

5 *So far we’ve talked about ‘rural areas’ generally. Do you think there will be any significant regional or local variations in all of this – will those factors bringing about change, and the various responses to change, differ significantly from place to place? Why and how?*

6 *So far we’ve mainly spoken about services generally or a specific service (if that’s the case). Can you add anything about your particular company /*

organisation. What are its hopes, fears and plans for the future in these respects?

7 *Please feel free to add any personal views, over and above any relating specifically to your company / organisation – thinking about the delivery of services to rural people in 2015, do you have particular hopes / fears / expectations?*

If appropriate, the interviewer had a list of about five 'service specific' further questions to ask. For example:

Retailing

- Future of e commerce – where will it have reached by 2015?
- More multi-purpose retail outlets in villages and small towns?
- Growing expectations of / implications of, consumers with 'it must fit me' values?
- Greater readiness of consumers to travel to distant and/or special retail outlets?
- Will the 'aesthetics' of the shopping experience increasingly dictate which shops / shopping centres thrive?
- Future of the village shop in 2015?
- Future of the market town as a retail centre?
- Future of the superstore – will 'economies of scale' continue to rule?

CONSUMER VOICES

For these respondents the interview schedule, as set out above, was 'customised' in two respects. Firstly, questions 1 and 6, which referred to specific services were left out. Secondly, three specific questions relating to an (agreed) category of 'rural consumer' were added as follows:

1. *Please give me your views on their changing needs /wants /demands for services up to the year 2015.*

2. *What are your expectations/ hopes / fears regarding the supply of the relevant range of services to that group?*

3. *Finally focusing on 2015 (just 11 years away) – and reflecting on all we have been discussing - please try to spell out what you see as the most likely scenario of that group's access to the services they will need….*

EXPERT COMMENTATORS

For expert commentators, the basic interview schedule and its 'consumer voice' supplement, was adapted as seemed appropriate for each individual – with an eye to the particular contribution they seem likely to make.

Appendix 3: The Four 'Regional' Focus Groups (held in September 2004)

Each of the 'September Focus Groups' was convened on a regional basis, with participants drawn from within a single Government region. They were held in Newstead (Nottinghamshire), Exeter, Bradford and Penrith.

(i) PARTICIPANTS

EAST MIDLANDS REGIONAL FOCUS GROUP
Government Office of the East Midlands
Peak District National Park Authority
Lincolnshire Rural Academy
East Midlands Development Agency
Nottinghamshire RCC
Countryside Agency
Derbyshire RCC
East Midlands Rural Affairs Forum

SOUTH WEST REGIONAL FOCUS GROUP
The Countryside Agency, Exeter Office
South West of England Rural Development Agency
Government Office South West
Citizens Advice Bureau
Central Cornwall Primary Care Trust
Caradon District Council
Devon Rural Transport Partnership
Devon County Council
Somerset Rural Community Council
Connexions Cornwall & Devon
A Network for village shops

YORKSHIRE AND THE HUMBER REGIONAL FOCUS GROUP
Bradford Metropolitan District Council
Government Office Yorkshire and Humberside
Yorkshire Forward Rural Development Agency
East Riding of Yorkshire Council
North Yorkshire Social Services
Yorkshire Rural Community Council
Airedale Primary Care Trust

NORTH WEST REGIONAL FOCUS GROUP
Lancashire Strategic Partnership (Lancashire County Council)
A Local Food Manufacturer
NW Region Federation of Small Businesses
Cumbria County Council, Rural Transport
Carlisle and District Primary Care Trust
Countryside Agency

Community Futures, Lancashire
Voluntary Action Cumbria
North West Regional Development Agency

(ii) STRUCTURE

The focus groups were not structured by a prescribed list of questions but according to a list of issues for discussion. As shown below, these related to the demand for and delivery of services in the next 11 years.

(i) What will drive change in the demand for and supply of rural services over the next 11 years and how? We hope to consider at least….

- *government policies, including regional / local government*
- *demographic, social and cultural change*
- *use of ICT by consumers and suppliers*
- *any changes in the commercial environment of service delivery*

(ii) What will be the 'mix' of commercial, public sector and voluntary / community action in the delivery of services, as the decade unfolds…and the role of government in relation to this?

(iii) What about any changing links between the individual services and service providers?

(iv) Rural England isn't homogeneous. Looking particularly at this region what geographical variations do we envisage, in all of this?

(v) Can we agree on some sort of likely scenario (or scenarios) for the delivery of services to rural residents in this region in the year 2015?

(iii) RESPONSE 'PROFORMA'

The rapporteur took detailed notes and reported the outcome of his / her regional focus group according to the proforma below:

1 Practicalities Date / place etc –Which FURS researcher(s) involved?

Name(s) and affiliation of members of the Focus group (list them)

2 Status Quo i.e. Their thoughts on current situation re demand and supply of services for rural residents – Key issues identified?

3 Observations on the Drivers of Changing Demand by rural residents for services - - from now to 2015. Changing needs, wants, expectations etc

4 Observations on the Drivers of Change in the ways that services will be delivered by 2015

5 Obstacles to change – i.e. impeding responses to these trends by businesses, organisations, consumers, government etc

6 Any likely significant local / regional variations in any of the above?

7 Scenarios for 2015. Views on the outcomes / consequences (circa 2015) of the above forces and changes etc   What will rural England look like then as far as service delivery is concerned? Types of service likely to be more / less in demand. 'Models' of service delivery likely to be more / less in evidence

8 Other significant points made. Or conclusions occurring to you.

9 Literature. List any relevant documents received A very brief resume of their relevant content – in one or two sentences.

Appendix 4: The Four 'Local' Focus Groups (held in December 2004 / January 2005)

Following the one-to-one interviews and the regional focus groups a 'draft scenario for 2015' was drafted and circulated to a number of 'local actors' agreeing to participate in local focus groups. There were four such groups, each convened in a different 'type' of largely rural local authority district. Thus,

- Eden, Cumbria (upland remote)
- East Hertfordshire (accessible rural)
- Sedgefield, County Durham (disadvantaged industrial)
- North Norfolk (lowland agricultural)

(i) PARTICIPANTS

EAST HERTFORDSHIRE
East Hertfordshire District Council (3) –representing Community Projects and Economic Development
Hertfordshire County Council (2)
South East Hertfordshire Primary Care Trust
Community Development Agency for Hertfordshire (the RCC) (2)
Hertfordshire Rural Transport Partnership

EDEN
Voluntary Action Cumbria (the RCC)
Eden District Council
Cumbria County Council
Cumbria Association of Parish Councils
Age Concern Eden

SEDGEFIELD
Business Link County Durham
Durham Social Resource Centre
Business Link County Durham
Durham Rural Community Council
One Voice Network
Sedgefield and District Advice and Information Service
Durham County Council Education Department

NORFOLK
North Norfolk District Council
North Norfolk Primary Care Trust
Norfolk Rural Community Council
Norfolk Rural Transport Partnership
North Walsham Partnership
Norfolk LSP Parish Representative
Norfolk County Planning/Transportation

(ii) THE DRAFT SCENARIO

The scenario was based on the results of the interviews and regional focus groups. It was circulated in advance to the participants in the local focus groups as a possible scenario of the drivers and delivery of services over the next 11 years. Its 16 points formed the basis of discussion with participants being asked about each one'sgeneral validity and whether it could be applied specifically to the rural areas of the district in question. The elements of the scenario were taken more or less sequentially.

CONTEXT – THE 'DRIVERS OF CHANGE' TO 2015

1. Demography. Rural areas will continue to increase in population from 2005 to 2015 – especially older and more affluent people. There is likely to be a loss of young people and fewer residents of conventional working age, though more working from home is probable. All this will impact upon both the demand for services and the means of their supply.

2. Culture and values. Amongst the consumers of services there will be a strengthening of more self-centred 'it-must-fit-me' values, with a growing insistence on quality, convenience and immediacy of provision.

3. Personal mobility. The private car will continue to grow in importance as the preferred means of transport in rural areas, with implications for service delivery.

4. Central government policy will be a major driver of change with its
- growing reluctance to subsidise conventional service provision in sparsely populated areas
- pursuit of the 'choice agenda' and the more personalised delivery of public services
- championing local diversity in provision with national 'outcomes targets'

5. Given the widespread availability by 2015 of **ICT (broadband),** the logistics of service delivery (e.g. transport, schooling, health care, retailing) will be transformed by the suppliers' use of the technology.

DELIVERY AGENCIES

6. The role of **local authorities** as service providers will diminish; their role as facilitators and co-ordinators will increase.

7. The **private sector** will deliver many services where a profit may be made (e.g. some health and social care, transport and retailing) but will withdraw from unprofitable provision.

8. There will be growing pressure on the **voluntary / community / community enterprise sector** to fill gaps, and a significant increase in their role in service delivery, but the sector will be unable fully to respond because of capacity constraints.

9. 'Younger older' people (people in their late 50s to early 70s) will provide a growing resource of voluntary/community assistance in the delivery of some services.

10. There will generally be **greater co-ordination / integration** of different kinds of services (e.g. education, healthcare, child care) and their delivery via partnerships and joint working.

DELIVERY 'MODE' AND OUTLETS

11. In the context of 'statement 5' above, a high proportion of **residents will use ICT** for several of the following; routine banking, home shopping, getting medical advice, some education / training, claiming benefits etc.

12. But direct **face to face contact** will remain an important element of much service delivery to the extent that resources allow – e.g. in much of personal and health care, for advice rather than information provision and for major financial matters.

13. In villages and small towns, the number of **single service outlets** (e.g. shops, pubs, post offices) will decrease significantly with potential adverse effects for many older, frailer or less mobile people.

14. In villages and small towns there will be a significant increase in **'multi-service outlets'** (e.g. 'extended schools', diversified shops, 'pubs as hubs' and petrol stations cum convenience stores).

OVERARCHING POINTS

15. Regarding the access to services enjoyed by rural residents, there will be a **greater polarisation** of the majority (with adequate incomes, good health and personal transport) and the disadvantaged minority (lower incomes, poorer health, no personal transport).

16. Away from the towns there will be **'very local unevenness'** of service delivery with much depending on the endowment of social capital and community leadership, in different parishes.

Appendix 5: The Four Regional Focus Groups – Summary of Points Emerging

Introduction
A total of 33 people took part in four Focus Groups convened and facilitated by the FURS research team and held in four different English regions namely North West, Yorkshire & the Humber, East Midlands and South West. Each group had a similarly wide range of participants, as described in Appendix 2. Discussion in all four groups was loosely structured around five main issues relating to the anticipated delivery of services to rural residents in 2015, again as outlined in Appendix 2:

This composite report is structured to reflect these five issues.

In general, there was greater readiness by participants to focus on present problems rather than the future delivery of service and, further, greater readiness to focus on what *should* happen to improve service delivery in 2015 rather than to speculate on what *was likely to* happen.

The scope of discussion was fairly consistent between the groups and a relatively coherent view emerged about the situation that will develop by 2015.

Drivers of change – demographic, social and cultural
A clear picture emerged across all the groups of the likely demographic state of rural areas over the next 10 years. Overall current trends will continue, with the rural population growing and becoming more affluent, but not in remoter rural areas. The population will continue to be an ageing one, with associated demand for healthcare. There will be a loss of young people to the towns as a result of scarcity of jobs and lack of affordable homes; this will lead to a corresponding loss of labour force (for instance in caring services for elderly) and a reduction in the pool of skills. In turn, this will contribute to a reduction in economic activity and wealth creation.

Wealthier incomers will make little use of some local services (shops, pubs, garages, bus services) and these will continue to decline; these incomers will be more mobile and will continue to look to towns and cities to provide services. Wealthier people from urban areas will also have higher expectations about lifestyle, but not necessarily about services available in rural areas – they will be able to exercise choice and be prepared to travel, and have little time to engage with the local community. The 'hidden minority' of disadvantaged people will be further marginalised, e.g. those without cars. As the population ages, and becomes less mobile, though, it will require access to services locally, but such services will be increasingly difficult to deliver. Older people do provide some opportunities; they tend to volunteer more to deliver services and their growing numbers will/might provide business incentives.

Overall there will be a 'two-speed community', based on polarisation between those rural residents with resources and those without, the mobile and the immobile, the healthy and the unhealthy, the ICT literate and the ICT illiterate. This will have profound implications for the delivery of services.

Drivers of change – Government policies

There was less coherence in the views of participants about future government policies and their impact on the delivery of services. The following account is a collection of points made by different groups and is mainly expressed as what government policy for service delivery *should* be.

The *choice* agenda will continue but it is viewed as largely rhetorical in relation to rural areas; to a certain extent choice relies on a critical mass of population. Where population is sparse it is difficult, for example, to provide secondary schools with different specialisms to choose from, or walk-in health centres.

Social inclusiveness policies will continue to drive the delivery of services under a Labour Government, but better indicators will be needed to identify social exclusion in rural areas; simple numbers are misleading because of the sparsity of population. There will need to be a better means of targeting communities' needs. There must also be recognition of the rural premium – the increased costs of delivering services to more isolated communities.

Health policies will focus on prevention, thereby reducing the need for the delivery of treatment services.

Planning policies should shift from protection and restraint rooted in settlement hierarchies to encouraging development in support of the local economy; albeit there would be resistance from incomers.

It is likely that *transport* policies will be dominated by the need to reduce congestion in urban areas rather than promote accessibility in rural areas. Government fuel policies will influence personal mobility, making it easier or more difficult to access services in urban areas or deliver services to rural areas.

Government will need to take a more aggressive approach to *affordable housing* in order to retain young people and the labour force in rural areas.

Further education will become more difficult to access as a result of the need for a critical mass of students.

There will be a continuing move towards *regional governance*; this might lead to more attention being paid to rural areas but it is likely that regions will be dominated by larger urban centres, and the ensuing upheaval of restructuring might destroy some useful working partnerships.

Overall, government policy on the delivery of services will need to be more co-ordinated e.g. between Defra, ODPM and the Home Office.

Policies on service delivery will need to recognise the need for long-term funding rather than one or two years.

A Conservative Government would take a more market-led approach, be more likely to provide services only if they were economically viable and be less likely to provide services according to need.

Drivers of change – ICT

There were fewer predictions about the influence of ICT on service delivery than might have been expected. However, it was commonly agreed that there will be further developments in ICT that will enhance, but not replace, the delivery of services. People will always want some interaction with each other, and there are some services that will continue to involve actual goods rather than information; these will have to be delivered physically.

Internet shopping will continue to develop – particularly amongst the young, who are already used to this practice – but may not develop as much as is anticipated. At the moment it is not very profitable. There will be more use of local shops as collection/drop off points from larger shopping chains.

ICT is already changing the way that the NHS delivers ‘telemedicine’ whereby, for example, patients’ tests can be sent to the laboratory and returned almost immediately. This will be fine as long as local surgeries have access to patients’ notes for example, which will be held centrally.

Likely mix of service providers

Clear and consistent views were expressed about the change in the mix of service providers.

It is likely that the role of local authorities as service providers will diminish. Instead they will become facilitators or co-ordinators of the delivery of services by other agencies, both private and voluntary. The extension of the effects of the ‘choice agenda’ will provide increased potential for the private sector to deliver services previously provided by the public sector but only where a profit can be made. Private providers will withdraw from unprofitable service provision.

There will be pressure on the voluntary, community and not-for-profit sector to fill the gaps left by the withdrawal of public and private providers, but the sector might well be unable to meet expectations, particularly if low funding levels are maintained. There will be a need to develop the capacity of communities to help themselves, for example in community enterprise initiatives, and for the voluntary sector to become more professional – and to be recognised as such by local authorities.

The shift to community-based delivery of services is likely to benefit articulate rural residents and further disadvantage ‘marginal’ communities. Additionally, articulate, older and relatively wealthy people will not wish to help deliver some kinds of services needed by disadvantaged people such as childcare. There will be a problem of quality control for some community-based delivery, but this might be preferable to no services at all.

There will therefore continue to be a role for local authorities in targeting communities with greatest need and ensuring some ‘welfare floor’ provision, and an important role for the State in strategic planning and in funding the infrastructure.

Specifically, public transport will decline as costs rise above inflation and there will be greater reliance on community transport, which will need to integrate with privately-operated transport running on profitable routes.

Potential links between different service providers

There was broad agreement that there will need to be greater integration between different kinds of service deliverers and a breakdown of the boundaries between them. This might involve the restructuring of organisations to integrate a number of services as with the Children's Trust, where health, social services and education services come under one delivery body.

There will be a need to co-ordinate the various elements of the voluntary sector over the next 10 years, to avoid duplication and competition and to share good practice.

Co-location of the delivery of services is likely to be more common with, for example, more 'extended schools', whereby a range of other services is provided out of hours, will increase, paralleling the location of nursing services in colleges.

Geographical variation in service delivery within the region

All groups felt that the most significant geographical variation will be the continuing polarisation – and inequality - between the *accessible* countryside, where there will be increased wealth, and remote areas where there will be more disadvantaged communities. The marginal, *remote* areas desperately need improvement in service delivery but will not improve unless there is long-term investment; other investment will 'naturally' go to the more accessible areas. Disadvantage in these remote areas will be difficult to service and will not attract the private sector. Communities in these areas will continue to lack the initiative that is required from key individuals who, for example, make community enterprise happen, and will therefore continue to depend on public sector provision.

These variations within regions will erode further the 'single rural voice' that will be necessary to ensure that rural areas are treated fairly in service provision.

Scenarios for 2015

Analysis of the discussion in the four Focus Groups reveals a fairly consistent – and coherent - scenario for 2015.

- The population in rural areas will continue to grow; it will be predominantly elderly and affluent. There will be a loss of young people to towns. This will influence the demand for services.

- The polarisation between the wealthy and the disadvantaged will intensify and there will be a shift towards less socially and economically sustainable rural communities unless Government policies for social inclusion bite more effectively. Current policies on social inclusion are likely to develop unless a Conservative government is elected, in which case uneconomic services are likely to be withdrawn as part of a market-led approach.

- There will be a change in the mix of deliverers of services, with local authorities retreating to an enabling role, some extension of delivery by the private sector, and much greater reliance on the voluntary and community sector to fill gaps where service provision is uneconomic. However, this sector will not be able to cope without significant assistance in capacity building and there might well be significant variations in the quality of service provision. Overall there could well be a reduction in the provision of services, particularly those that cannot be delivered economically.

- The choice agenda will exacerbate inequalities in service provision, as only the more affluent will be able to choose access to services, particularly in the remoter rural areas.

- Rural proofing will continue to be undertaken by Government agencies, but taxpayers might not be prepared to pay the rural premium involved in providing uneconomic services to remoter rural areas.

- Partnership approaches will develop further and be characterised by greater use of multi-service centres.

- The provision of affordable housing will be a key element in retaining young people in rural areas and to provide an employment pool.

Appendix 6: The Four Local Focus Groups – Summary of Points Emerging

Again a composite report of the local focus groups was written, based on the four individual reports of the discussions.

Introduction

The scenario of rural service provision in rural England in 2015, drafted as a result of the first phases of the research, was assessed through focus group discussions with 'stakeholders' in different parts of rural England. The purpose of these focus group discussions was to ascertain (a) whether the general scenario held good for the district represented by each particular group of stakeholders and (b) whether the validity of the scenario differed as a result of differences in the character of the four districts. The four events all took place in December 2004 or January 2005.

With the second purpose in mind, the four focus groups were convened in explicitly contrasting districts as follows:

- 'accessible rural' –East Hertfordshire District
- 'upland-remote' - Eden District in Cumbria
- 'lowland agricultural' – North Norfolk District
- 'disadvantaged-industrial' - Sedgefield District in County Durham.

The above labels are purely indicative; a brief digest of the character of each of the four districts is set out below.

East Hertfordshire District has a growing population of 124,000, half of whom live in a hundred or so villages and hamlets across the district, the others in larger towns such as Bishop's Stortford and Hertford. The population is ageing, with an increase in the proportion of people over 65 between 1998 and 2008. The numbers of pre-school children, children of school age, young adults and people over 85 will all increase during the same period. Currently 16% of the population is retired and 4% unemployed. The population density is some 266 persons per square kilometre. The local economy is dominated by the service sector, including public service. There is a prevalence of managerial, administrative and clerical jobs and the district is mainly prosperous, with higher than average earning, high levels of commuting to London, Cambridge and Harlow, and access to ICT running close to 100%. Agriculture, which is mainly cereal farming, accounts for less than 1% of employment and over half the farms are 'part-time'. Overall, the labour force declined by 12.4% between 1995 and 2001. The area continues to be subject to strict development policies and much of the area is Green Belt or subject to landscape conservation. House prices are high as a result, with demand considerably outstripping supply.

Eden District has a population of only 50,000, living in widely scattered villages and four small towns, the largest of which is Penrith at 14,750. The population is expected to grow by over 5% between 2000 and 2010, five times as fast as Cumbria overall. By 2011, 27% of the population will be over 60; currently 22% are retired. While unemployment is low at 0.8%, there are pockets of deprivation within specific wards and significant deprivation in terms of access/mobility. Objective 2 funding is available for 21 wards and LEADER+ for 24 wards. Eden, the second largest district in England, is classified as 'Super Sparse', the most sparsely populated district in England, with a population density of only 23 persons per square kilometre (check calculation). One quarter of the area is Lake District National Park and half of the area is an Area of Outstanding Natural Beauty. The area is a popular tourism and retirement destination. The local economy is dominated by distribution and public services, with 10% employed in agriculture, which was particularly badly hit by Foot and Mouth Disease in 2001. Demand for housing far outstrips supply so that house prices are high (five times the average annual income), and recent studies have revealed major concern over housing affordability. Public transport is very limited.

North Norfolk District is set in a flat, open agricultural landscape and has a population of 98,000 scattered across a large number of small villages and seven small towns (which account for 44% of the population) such as Cromer and Fakenham. Currently 21.8% of the population is retired, with 32% over 60. The population density is 102 persons per square kilometre. The service sector is the largest employer, and 5.6% of the workforce is employed in agriculture. Tourism plays an important role in the local economy, but employment is low-paid and seasonal. The unemployment rate is 2.6%. Eight coastal wards have Objective 2 status and 10 have LEADER 2 status, and the whole district is designated a Rural Development Area. The district has long been attractive to second home ownership; that and retirement immigration have increased significantly in the past ten years. During the past five years house prices have escalated by 131%. The road network comprises mainly small, narrow country lanes that are tortuous and consequently access is generally slow. Bus services are almost non-existent away from the main roads between market towns.

Sedgefield Borough, a former industrial area with a history of coal mining and heavy/railway engineering, has a population of 87,000, which has reduced from 93,000 in the late 1980s. Four urban areas, including Spennymoor and Newton Aycliffe account for nearly 80% of the population. People over 65 represent 17% of the population. The population density is the highest of the four districts at 402 persons per square kilometre. There is a contrast between the industrial former mining areas and the attractive semi-rural areas including historic villages. Manufacturing (33.7%) is the main employer in the district, with major employment also in distribution and public services. Only 0.4% of the workforce works in agriculture. Partnerships have been formed, including the Coalfields Project, to encourage regeneration of some parts of the district. House prices have risen in recent years in the rural areas, but the urban areas, where over one third of properties are local authority-owned, have abandoned properties and a high turnover of tenants. Public transport is patchy except along main routes and there are low levels of car ownership in the deprived rural areas. Access to services is difficult for people on low incomes in these areas as they have poor access to transport.

Participants and Execution of the Focus group discussions

A total of 28 people took part in four Focus Groups convened and facilitated by the FURS research team. As explained in appendix 4, each group had a similar range of participants; all included representatives of the County Council, the District Council and the Rural Community Council. Other stakeholders represented included, amongst others: Primary Care Trusts, a Local Strategic Partnership, a Business Link, a Citizens' Advice Bureau and a Rural Transport Partnership.

Discussion in all four groups was tightly structured around the 16 statements of the scenario, which were grouped under four main headings:

- Context – the Drivers of Change,
- Delivery Agencies,
- Delivery Mode and Outlets,
- Overarching Points.

For each of the 16 statements, an assessment was made whether or not each focus group broadly agreed with the statement. Additionally, the responses of each focus group to each statement were scrutinised to determine whether the statement, or elements of it:

- seemed to apply *more emphatically* in that district;
- seemed to be *less marked* in that district;
- seemed to apply *somewhat differently* in that district from the terms in which it was expressed in the statement.

In each of these circumstances the researchers made an informal judgement about whether the character of each district seemed to influence the validity of the statement in that particular case. This report sets out below the responses of the four groups to each of these 16 statements in turn, which are set out in italicised text, below.

<u>Context - the drivers of change</u>

<u>1. Demography</u>

'*Rural areas will continue to increase in population from 2005 to 2015 – especially older and more affluent people. There is likely to be a loss of young people and fewer residents of conventional working age, though more working from home is probable. All this will impact upon both the demand for services and the means of their supply.*'

There was general agreement about the validity this statement of the scenario in all four focus groups, albeit there were detailed variations between the different districts. It was anticipated that, by 2015, the population would get older in all districts and that it would increase overall and become more affluent in the three districts other than Sedgefield. It was felt that the number of young people would reduce in all areas, contrary to the population projection for East Hertfordshire, most of them leaving for the urban fringe where there would be better prospects for employment and securing affordable homes. In one area, Eden, a distinction was made between young people who would go to university and thereafter leave the area and others who would stay at home working on low wages. In North Norfolk it was expected that the number of people of working age would remain constant, but elsewhere it was suggested that there would be few jobs for professional or ambitious people, particularly in sparsely populated districts. Jobs would be mainly low paid. With the demise of people of working age, it would be difficult to find employees for poorly paid service jobs. One specific demographic change was thought likely in Eden, an increase in the number of East European workers. It was anticipated that the decline in the number of children of school age would continue, with the resultant threat of further primary school closures. In Eden it was thought likely that planning policies would become more permissive in an attempt to reverse the anticipated demographic processes. Generally it was felt that there might be some increase in home working, particularly where distant businesses allowed flexible working practices, but this would only be marginal.

<u>2. Culture and values</u>

'*Amongst the consumers of services there will be a strengthening of more self-centred 'it-must-fit-me' values, with a growing insistence on quality, convenience and immediacy of provision'*.

It was agreed generally that people's expectations of service delivery would get higher, for example for easily accessible health care, particularly those of the more affluent incomers, and that the pressures on service deliverers would continue increase over the years. However, this would not be the case universally for all people. Some people who choose to move to rural areas will accept a lower quality of provision, such as poor access and lack of choice, as a feature of, or a trade-off against other advantages of, living in the countryside. Locals who have lived in villages for a long time might continue to be reluctant to demand improvements and some would still have low aspirations. This was said to be evident amongst children in North Norfolk. In Eden there was little evidence at the moment of the 'it-must-fit-me' culture but it was anticipated that it would become more prevalent over the next 10 years. Many respondents felt that the notion of choice in rural areas was illusory and that if people wanted better services they would have to pay for them.

<u>3. Personal mobility</u>

'*The private car will continue to grow in importance as the preferred means of transport in rural areas, with implications for service delivery*'.

There was general agreement that there would be greater dependence on the private car, although in two cases, North Norfolk and Sedgefield, it was reported that access to a private car (and usually to two cars within a family) was already essential and could not, therefore, grow further. It was felt that community transport would become more flexible and offer more choice, for example, 'Dial-a-Ride' would become more targeted and efficient, but not on a scale to invalidate the scenario statement. These demand-responsive services will help the car-less minority rather than change the behaviour of the car-owning majority. Respondents were not optimistic that provision would be other than patchy, particularly in more sparsely populated areas, without guarantees of longer-term funding for community transport schemes. Indeed, some felt that access to transport in rural areas would get worse through to 2015. In two of the cases, East Hertfordshire and Eden, there was a feeling that the use of community, or even public, transport might increase as a result of severe parking problems in market towns, but no-one suggested that overall there would be a growth in public transport. It was felt that the shift towards dependence on the private car would cause disadvantage to older, frailer people when they could no longer drive and that this would put pressure on the delivery of other services. On the other hand, people using cars for their journey to work would increasingly combine their work trips with access to a wider range of services. In Sedgefield it was suggested that the situation would not improve without an increase in overall prosperity and that any increase in fuel tax would drive more people to the urban fringe. 'Reverse commuting' was foreseen here, whereby people would live in cheaper accommodation in the urban fringe and commute to villages to work in relatively low paid service jobs such as cleaning and gardening. However, homecare workers would continue to have difficulties, as they would not be able to afford personal transport.

<u>4. Central government policy</u>

'*Central government policy will be a major driver of change with its*

- *growing reluctance to subsidise conventional service provision in sparsely populated areas,*
- *pursuit of the 'choice agenda' and the more personalised delivery of public services*
- *championing local diversity in provision with national outcomes targets.*'

All focus groups agreed with the general direction of this scenario statement through to 2015; they felt that reductions in subsidies to rural areas would not be reversed and that government policy would continue to be urban driven. Budgets will get tighter and Government will expect providers to secure cost savings and greater innovation in service delivery. One respondent suggested that local authorities have not always used additional funding well and will need to become more efficient and joined-up in their delivery/facilitation of services. All felt that the 'choice agenda' was here to stay, but that it would not be relevant to the delivery of rural services, partly because of the sparsity of population. There is perhaps a contradiction in this statement in that choice will depend on subsidy for some people in rural areas; the affluent will have to pay to exercise choice, and the diversity referred to will only be possible if government pays. However, one respondent in North Norfolk expressed the view that people experiencing the higher quality of life in rural areas could not expect subsidies. The sparseness of rural areas – and particularly the 'super sparse' status of Eden would remain unrecognised as there would be insufficient numbers to meet the targets that Government funding is based on. In Sedgefield it was felt that Government might withdraw from historic funding levels for rural areas, partly as a backlash against the hunting lobby, perhaps offering just enough money to support business to keep people quiet. Government policy towards the community/voluntary sector might well be to support the survival of the fittest.

<u>5. ICT (broadband)</u>

'*Given the widespread availability by 2015 of ICT (Broadband), the logistics of service delivery (e.g. transport, schooling, healthcare, retailing) will be transformed by the suppliers' use of the technology*'.

All focus groups saw a continuing pattern of services being delivered more via the Internet. By 2015 access to banking via the Internet is likely to be the only option. Retailers will offer significantly more services online, but the delivery/collection of goods might present an economic problem to suppliers particularly in sparsely populated areas. It is possible that there will be further development of village collection centres, or village shops that will order goods online and deliver to their customers. In Eden it was felt that shops in Penrith would become less viable as a result of greater use of Internet shopping. Most focus groups suggested that schools will offer more e-learning, with sharing of lessons by primary schools, Internet access for secondary pupils in primary schools in remote areas, and the possible sharing management and administration. There will be more availability of learning centres out of school hours. The voluntary / community sector is likely to use the Internet more in its service delivery. (See Statements 11 and 12 below for further information on access to services by residents via the Internet). Government has set a target that 100% of information about local authority services should be available via the Internet by the end of 2005, but expenditure to achieve this has resulted, in Eden, in a reduction of face-to-face access to services.

Delivery agencies

6. Local authorities

'*The role of local authorities as service providers will diminish; their role as facilitators and co-ordinators will increase.*'

All focus groups agreed with this statement; this trend will continue to be part of the national political agenda over the next 10 years and the view was expressed that provision would be reduced to statutory services and meeting government targets. Local authorities will move towards commissioning services from other providers, for example in one focus group it was suggested that "*Primary Care Trusts will become more like Thomas Cook, directing people to services provided by others and branding provision as acceptable*". This, though, could lead to discrepancies in quality of service between authorities. In East Hertfordshire it was thought that parish and town councils might well play a bigger role in service delivery, for example in delivering community transport, even without extension of their powers. Some doubts were expressed, though, whether all local authorities would be competent as facilitators, and it was suggested that there would be implications for democracy in that politicians might have to reassess their elected role in overseeing the co-ordination rather than the delivery of services. In Sedgefield it was thought that local authorities might be given the ability to trade in their own right.

7. Private sector

'*The private sector will deliver many services where a profit can be made (e.g. some health and social care, transport and retailing) but will withdraw from unprofitable provision.*'

While there was general agreement with the statement, there were differences between the focus groups in terms of the extent to which the private sector might deliver services by 2015, and this seemed to relate to the different character of the districts. For example in East Hertfordshire there was a feeling that the private sector will increasingly be contracted by public agencies and partnerships to deliver services such as transport, training and adult education. However, in Eden it was thought that the area is too sparsely populated for the private sector to make a profit except in niches where there is no competition, while in Sedgefield there was a feeling that there will be a decrease in service provision if delivery is left to the private sector as there is little or no profit to be made. There will be potential for growth in community enterprises, but even here there must be the capacity to make a profit. The difficulty of making profits will continue to be compounded by the need to meet Government standards, the burdens of insurance and certification, and the possibility of litigation. In areas where people are wealthier they might be prepared to pay for private services such as home care or the delivery of ready-made meals. Some feeling was expressed that the privatisation of services might reduce the quality of provision as had happened with the deregulation of buses. One specific potential problem identified for the future was that the private sector might trade only for a while and then withdraw, leading to the collapse of other services.

8. Voluntary/community sector

'*There will be growing pressure on the voluntary / community / community enterprise sector to fill gaps, and a significant increase in their role in service delivery, but the sector will be unable fully to respond because of capacity constraints*.'

There was strong agreement with this statement across all four focus groups. It was thought that there will be particular pressures on the voluntary / community sector to deliver some health and social care services by 2015 as public sector cuts bite deeper. All suggested that the voluntary / community sector would be unable to deliver services without significant and sustained investment of resources. It was too readily seen as a cheap alternative that could get by on short-term funding. In East Hertfordshire it was suggested that ad hoc groups would form and dissolve in relation to needs as they arise and disappear. In areas of high deprivation the process of community development is slow and will not be effective unless there is long-term funding. In some districts it was suggested that the sector might be less able to deliver than now. In Eden, for example, it was suggested that in futureAge Concern would only be able to support the very frail; they would not be able to organise social events and would not be able to afford training for staff. Community enterprise might be the way ahead but this, too, depends on capacity, which is unlikely to be there, and the ability to make at least a small profit, which will not be possible in Sedgefield. The Sedgefield focus group also felt there might be a danger that the institutionalisation of volunteering would destroy the goodwill of people who otherwise would be involved.

9. 'Younger older' people

'*Younger older' people (in their late 50s to early 70s) will provide a growing resource of voluntary / community assistance in the delivery of some services*.'
None of the focus groups fully agreed with this statement; it was felt to be wishful thinking. Although people in this age group are likely to feel younger, they will have different priorities such as working longer to pay for their children's higher education or to secure a reasonable pension, taking holidays, looking after older relatives or grandchildren. There were several references to the generation that will move into this age group through to 2015 as being more self-centred, characterised by one participant as "Thatcher's children". Indeed, the number of people willing to help was said in East Hertfordshire and North Norfolk to be shrinking. Volunteering was becoming more demanding in terms of time commitments and was taking on the character of an unpaid job. Specifically in East Hertfordshire it was reported that there was a lack of community spirit, no culture of community initiatives and that people would not know how to get involved even if they were predisposed to do so; they will need active encouragement. In Sedgefield the view was expressed that community involvement was alright for wealthy people, "*but the others will have to work until they drop!"*

10. Co-ordination / integration

'*There will be generally greater co-ordination / integration of different kinds of services (e.g. education, health care, child care) and their delivery via partnerships and joint working*.'

All focus groups agreed with this statement, characterising it mainly as a response to the Government's agenda. All predicted that there will be more partnerships in future, but that they will only work if there is sustained funding of partnerships - partnership working is very expensive of staff time - and continued encouragement of partners to work together. All agreed that partnerships were desirable but there was some scepticism about their likely future success. There were several references to examples where partnerships do work 'on the ground', such as SureStart. However, some participants were less sanguine about partnerships working well in the future at the strategic level. The view was expressed that integrated working will only work well if it is focused on the customer's needs in the first instance. Uncertainty about the role and effectiveness of Local Strategic Partnerships into the future was an issue in two focus groups, Eden and Sedgefield.

<u>Delivery mode and outlets</u>

<u>11. Use of ICT</u>
'*In the context of Statement 5 above, a high proportion of residents will use ICT for several of the following: routine banking, home shopping, getting medical advice, some education/training, claiming benefits etc.*'
<u>and</u>
<u>12. Face-to-face contact</u>
'*But direct face to face contact will remain an important statement of much service delivery to the extent that resources allow – e.g. in much of personal and health care, for advice rather than information provision and for major financial matters'*.

All focus groups foresaw greater use of ICT by residents in accessing services through to 2015, although views amongst the North Norfolk focus group about the extent of this increase varied; it was felt that training would be needed to enable some people to use it. Some doubts were also expressed in Eden that there would be problems of access to Broadband given the existence of aluminium wiring. On the other hand, it was acknowledged in other groups that future cohorts of 'old' people will be more experienced in ICT use; indeed, in East Hertfordshire it was asserted that older people are less 'technophobic' than might be supposed and that the whole community is pretty sophisticated technologically. There was a view in all focus groups that ICT will be used increasingly for accessing information and tracking progress, particularly an increase in the number of people accessing health care information and advice. Worries were expressed in the three focus groups other than East Hertfordshire that disparities between those with access to the Internet and those without would intensify as ICT became the main means of accessing certain services. In Sedgefield, where there are pockets of serious deprivation it was felt that the gap would widen before it closed.

All focus groups felt that face-to-face contact would remain important for some but not all services, that human contact is necessary in rural areas. It was described as potentially a 'life-saver' in Sedgefield and very difficult to replace once lost. It was regarded in Eden as particularly important for old people, vulnerable young people and the disabled. People will still want face-to-face contact with a doctor when they are ill (although it was acknowledged that NHS Direct would screen out some patients). In East Hertfordshire it was thought that some consultation with physicians would be by video link by 2015, but that treatment would remain face-to-face. In the same focus group it was felt that face-to-face contact would remain important for some forms of shopping, particularly shopping for pleasure and 'niche shopping'.

<u>13. Single service outlets</u>
'*In villages and small towns, the number of single service outlets (e.g. shops, pubs, post offices) will decrease significantly with potential adverse effects for many older, frailer or less mobile people*.'
<u>and</u>
<u>14. Multi-service outlets</u>
'*In villages and small towns there will be a significant increase in multi-service outlets (e.g. 'extended schools', diversified shops, 'pubs as hubs' and petrol stations cum convenience stores).*'

Respondents in all four focus groups agreed that the closure of single service outlets will continue for the next 10 years, albeit some niche services might survive and in Eden communities have taken over a brewery, pubs and village shops, and it was thought that this might grow where there are skilled people.

There was general agreement that there will be an increase in multi-centre outlets and that there is already evidence of such centres being created, such as post offices in pubs. In Sedgefield teams assessing housing, social and health care needs work together in Trimdon and this will spread throughout the county by 2015. It was felt in East Hertfordshire that the growth of Children's Centres combining health, education and other services would be significant. The school is likely to be an important focus for multi-centre outlets as Government policy seems likely to continue to protect rural primary schools. One caveat offered in Eden was that if, in future, one service withdrew the whole venture would be vulnerable to closure.

<u>Overarching points</u>

<u>15. Greater polarisation</u>
'*Regarding the access to services enjoyed by rural residents, there will be greater polarisation of the majority (with adequate incomes, good health and personal transport) and the disadvantaged minority (lower incomes, poorer health, no personal transport).*'

While there was agreement with the notion that there would be greater polarisation, participants in the Sedgefield focus group felt this was perhaps too simplistic a view. For example, even in a wealthy home the lack of a second car can cause problems of access to services and it is not just the more deprived villages that have few facilities – and further, there are pockets of disadvantage in affluent villages. Nevertheless, there was general agreement that polarisation will become more intense by 2015 and that a hard core of disadvantaged people would become more isolated. This will be the case particularly in Sedgefield, where there is significant poverty and deprivation, with some people having low incomes, poor health and no car and where "*some residents cannot afford the bus fares, let alone a private car*". In North Norfolk, the polarisation was characterised as being between those wealthier people who lived in rural parts of the district through choice and those that had become trapped there, a 'huge gap' that was a consequence of the continuing movement towards an individualised and fragmented society.

16. Local unevenness
'*Away from the towns there will be very local unevenness of service delivery with much depending on how the endowment of social capital and community leadership in different parishes*.'

All focus groups agreed that local unevenness would increase over the next 10 years, largely because the delivery of services would depend more on the different local capacities of different communities, which in turn would depend on the activities and leadership skills of key individuals. In this respect, Voluntary Action Cumbria (the Rural Community Council) is planning to introduce rural leadership training. Some communities have a tradition of self-reliance, but not all, and a homogenised idea of rural areas in future was thought by the Sedgefield focus group to be unhelpful. The shift away from local authorities in service delivery towards reliance on community involvement will erode the (perceived) consistency of service delivery, particularly across sparsely populated areas. On a more optimistic note, the Eden focus group felt that the move away from a local authority model of service delivery might offer the opportunity for greater innovation and for targeting particular services more accurately on particular homes.

Reflections on the validity of the scenario overall

First it is important to emphasise that the discussions in the focus groups cannot be taken to be authoritative predictions about the future delivery of rural services; in each case they are the opinions of a small group of selected stakeholders. It is possible that a different group would have put forwards different views. For this reason, it is not possible, either, to claim that the particular character of each case study district will influence the future pattern of delivery. The following reflections, therefore, represent only an indication of the validity of the scenario and an intimation of the possible influence that the different character of each district might exert on the future delivery of rural services.

The clearest feature of the analysis was the unanimity of view in all four focus groups of the broad validity of 15 of the 16 statements in the scenario, irrespective of the specific character of each district. However, all four focus groups considered statement 9 concerning the role of 'older younger' people in helping to deliver rural services within the voluntary/community sector to be, to some extent, an invalid statement, and the researchers will need to reconsider and, subsequently, recast this statement. This unanimity of view on all 16 statements suggests that the broad validity of the statements is not influenced by the particular character of each of the districts.

In instances where the statement seemed to apply more emphatically, this was mainly the case for *all* districts - for example all focus groups thought that the community sector would be unable to deliver some services, and that all access to banking will be online by 2015. There were some instances, though, where the statement seemed to apply more emphatically in individual districts: in Sedgefield this related to the relative economic disadvantage of the area (e.g. low predicted access to private car use); in Eden it related to the ‘Super Sparsity’ of population density (e.g. in relation to the predicted withdrawal of Government subsidies); and East Hertfordshire it related to the relative wealth of this district compared with the others (e.g. in relation to the predicted almost universal use of ICT by residents).

In some instances where the statement seemed to apply *less markedly*, this was the case for all districts. For example, focus groups in all districts felt that the ‘choice agenda’ would be largely irrelevant to rural areas, and all felt that partnerships would only work properly with significant increases in funding. On the other hand there were also instances where the statement applied less markedly in just some districts. For example, in Eden and Sedgefield it was thought that the growth of the ‘it-must-fit-me’ would develop more slowly; it was suggested that this might reflect a difference between the south and the north. Focus groups in Eden and Sedgefield also thought that the private sector would not be attracted to delivering services in their districts, in Eden because of its sparely populated character, and in Sedgefield because of its economic disadvantage.

In those instances where the statement seemed to apply *somewhat differently* from the terms in which it was expressed in the statement, there appeared to be no pattern. Sedgefield was the only focus group in which differences were identified and these seemed largely related to the relative economic disadvantage of the district. For example the population was predicted to reduce overall and perhaps become less, rather than more, affluent. Similarly, it was felt that delivery of services through volunteering was unlikely to increase in the district as the types of people willing to engage in the community sector tend to be the affluent and there will not be many of these in Sedgefield in the future.

So, within the terms of the exercise, the overall scenario seemed to hold up well to the assessment of its validity, with 15 of the 16 statements about the future delivery of rural services being confirmed as likely in all four districts. However, the particular character of each district seems, from these discussions at least, likely to influence the way that the scenario will apply in the future delivery of some services in different districts. For this reason a single, homogenous, approach to future service delivery in rural England would not seem appropriate and in this exercise, the most significant variables with implications for future delivery appear to be the relative sparseness of population, the relative remoteness of the area from urban centres, and the relative affluence of the community.

Appendix 7: ICT developments and possible rural service consequences – a web-based literature review

This in-house note was researched and written in May / June 2004 by Dr Michael Clark, a member of the research team who, having recently produced a doctoral thesis on 'rural teleworking' (see Clark, 2000) was well placed to appraise the mass of evidence and assertion, on the Internet, regarding the actual and possible use of ICT in the delivery of services in rural areas. The note was heavily drawn upon in the subsequent research and in the main text of this report. Even though almost a year has elapsed since its compilation, it is reproduced here as one building block of the research, and as a point of departure for any subsequent investigation in this domain.

1. Primary Health Care

The integration of ICT and provision of primary care has been termed "telemedicine", "telehealth" and "telecare". These terms are mentioned in both the NHS Plan and the NHS IM&T strategy. The underlying principle of using ICT to support and transform the delivery of healthcare is at the very heart of the NHS IM&T strategy and the Department of Health's eHealth strategy, and it is clear that ICT is seen as fundamental to the future direction of the NHS. Tele-health is also an integral part of the "Delivering 21st Century IT Support for the NHS", published in June 2002, which sets out the government's strategic implementation plan for delivering the vision set out in the NHS Plan. (http://www.teis.nhs.uk/orgs/dh/IPU2003feb.htm).

There are two main ways in which ICT can assist in the delivery of primary care to rural communities,

- by facilitating remote diagnosis and care, whereby ICT is used to connect specialists with remote and disparate points of care via quality real time video, voice and data links enabling remote monitoring and/or diagnosis.
- By increasing the efficiency of primary care systems, for example, appointment booking, prescription services and records maintenance.

In terms of the former, the NHS Plan sets out a number of areas where ICT will lead to specific primary care applications and states that "The consulting room will become the place where appointments … are booked, test results received and more diagnosis carried out using video and telelinks to hospital specialists" (1.14) (http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4002960&chk=07GL5R)

In addition, the NHS IM&T Strategy refers to diagnosis

"carried out using video and tele-links to hospital based specialists. The thinking is that this would give patients more equitable access to care, less waiting and travelling and clinicians more appropriate referrals, improved use of resources and better continuing professional development" (http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4008976&chk=5TR7le

Clearly, this has massive implications for rural communities which can often have problems accessing quality healthcare because of the distances involved and the 'economies of scale' that currently militate against provision in small, geographically scattered units. Certainly, there are a number of examples of where telemedicine applications are presently being successfully piloted in rural areas:

- Minor injuries units. Accident & Emergency departments are often concentrated in major centres leaving a minority of patients to travel long distances. To increase the convenience for patients, many health authorities have opened so-called minor injuries units in smaller centres of population. These are nurse-led and provide only a limited range of treatments, but in order to provide backup to the nursing staff they are frequently equipped with video-conferencing facilities, linking the MIU to doctors at the main A&E centre. Six such clinics for treating people with minor injuries in Cornwall have been saved from probable closure by an IT project. A telemedicine system, which links the clinics with Plymouth and Truro hospitals via an ISDN connection, allows nurses to run the clinics and consult specialist hospital doctors by video. The clinics are equipped with stand-alone videoconferencing hardware and RadWorks digital imaging software running on Windows NT. The system has also cut down the time taken to examine X-ray results from days to hours. X-rays are now digitised and sent by ISDN (http://crn.vnunet.com/News/80661:)

- Tele-dentistry (http://www.teis.nhs.uk/jsp/search/activity.jsp?project=882). This project evaluates the technical, practical and clinical application of videoconference and clinical imaging systems (Tele-dentistry) in the referral and patient review service to the restorative dental consultant in Aberdeen from rural and distant dental practices in the Highlands of Scotland.

- Rural Out of Hours Cover http://www.teis.nhs.uk/jsp/search/activity.jsp?project=282 This project supports a nurse practitioner at a Primary Care Centre via link to a GP at home. This was found to be effective for casualty/minor injuries

- Tele-dermatology. There is a national shortage of consultant dermatologists, and consequently long waiting lists in many parts of the country to see one. A number of communities have out-sourced part of their dermatology service to a private company. The company employs specialist nurses to take digital photographs of the patient's condition. These are then forwarded through a telemedicine system to a consultant, who may be located anywhere in the UK, and who also returns their advice about management of the condition through the system. A similar system for diabetic retinopathy is being developed.

Whilst many of these applications are centre based, i.e. patients receive care at a local centre, the proliferation of broadband at the household level also opens up the opportunity for remote care, monitoring and diagnosis in the home. Certainly, the successful NHS Direct programme gives a unique insight into the possibilities of remote care for the future. The development of hand-held and mobile devices, which will enable the transmission of realtime voice, data and video as well as GPS location information will create opportunities for accident and emergency services in terms of remote paramedic services.

However, it is widely argued that one of the key issues with telemedicine and telecare is not so much the technology, but the implications for clinical practice and the organisation of workflow process to deliver healthcare. Thus the re-engineering of health care services needs to be the focus for change, rather than the application of ICT *per se*.

The highly successful NHS Direct and NHS Direct Online programmes are good examples of using ICT to deliver healthcare and health information which use the existing communications infrastructure. Their greatest impact has been in the way citizens and patients interact with the NHS and in encouraging patients and professionals to look at new ways of delivering care. Major strategic projects such as Integrated Care Records Services (ICRS) and Direct Bookings (both of which have telemedicine aspects) are also drivers for looking at the business processes within the NHS and developing the NHS telecommunications infrastructure.

The other, equally important point is that of changing clinical practice. Telemedicine has tremendous potential – but to exploit that potential to the greatest advantage it is essential to look at how clinicians interact with patients to deliver care. Simply applying technology to replicate existing processes is interesting and sometimes helpful, but is more often intrusive and not cost-effective. It is important to look at how technology can be used to make treatment better and more effective for the patient, and help clinicians deliver that treatment quickly and safely.

In terms of increasing efficiency, there are also other ways in which ICT will impact on the quality of care received by rural communities (http://www.teis.nhs.uk/about/TEIS/pubs/TRCreport2004.htm).

- Electronic appointment booking. This will allow patients to choose the most convenient place and time for hospital treatment, and for them to be able change their booking later either by telephone to a contact centre, or over the Internet. A contract to provide this service has been awarded to Atos Origin (formerly SchlumbergerSema).

- Integrated care records service. This is being developed to provide a live, interactive patient record service accessible 24/7, by health professionals whether they work in hospital, primary care or community services. It will enable clinicians to access patients' records securely, when and where they are needed, via a nationally maintained information repository. A contract to deliver this has been awarded to BT.

- Electronic prescribing. This programme will enable prescribers to create and transfer prescriptions electronically to a patient's community pharmacist. As well as being more convenient for the patient, this should improve safety, by reducing prescription errors and providing better information at the point of prescribing. It will also ensure that prescription information forms part of each person's NHS Care Record. Three pilot projects are currently being evaluated.

- NHS National Network. The underpinning IT infrastructure programme aims to provide sufficient connectivity and broadband capacity to support the critical national applications and local systems. A contract to procure, integrate and manage networking services was expected to be awarded in early 2004.

2. Education and training

The development of e-learning solutions is fairly well developed already in the UK and distance-learning courses (e.g. those of the Open University which are essentially based on the same principles as these new e-learning courses) prove that the distance-learning format is a success.

There are many examples of e-learning initiatives in the UK. Learn Direct (http://www.learndirect.co.uk/aboutus/) is a government-sponsored initiative in flexible learning, intended to make possible the vision of a 'learning society' where everyone can learn and upgrade their skills throughout life. Over 80% of the courses are online; others are delivered on CD-ROM and there are some workbook-based courses. There is an extensive network of centres in England, Wales and Northern Ireland in locations such as shopping malls, pubs, colleges, companies, high street locations, libraries, football clubs and even a travelling funfair. Centres are designed to be accessible to all and provide foci of study – although much of the work is accessible at home via a PC.

In addition, the government's commitment to and belief in ICT in education was demonstrated by the establishment of BECTA (British Educational Communications and Technology Agency in 2003 (http://www.becta.org.uk/). The BECTA website states that, "In a world increasingly interconnected by networks and dependent on knowledge, the interface between education and technology is vital. Becta works at this interface to harness the opportunities offered by technology to the needs of education. Becta recognises the needs of different phases of education and works to develop coherence in the ICT initiatives across them. Becta's work endeavours to be inclusive, aimed at using the potential of ICT to create educational opportunities and remove barriers to learning. Our purpose is to support the transformation of education through the exploitation and embedding of technology in learning and teaching, in educational organisations, and in developing wider education networks and systems. We are the Government's key partner in the development and delivery of its ICT and e-learning strategy for schools and the learning and skills sector. As a UK agency, we support all four UK education departments in their strategic ICT developments, facilitating knowledge transfer among them in order to encourage innovation and improvement, and bring coherence and synergy to UK-wide developments".

WebCT is a common platform for e-learning and has been adopted by many institutions in the UK to deliver their courses remotely. WebCT comprises a network-based system whereby students and tutors and interact via chat rooms, course materials accessed, and a whole range of other interactive systems to facilitate tutor-student and student-student interaction. The future of such systems clearly lies in the ability to transmit realtime video and audio – enabling households to access lectures

or lessons on-line
(http://www.webct.com/service/ViewContent?contentID=17980017)

The development of broadband and other technologies will clearly facilitate a wider adoption of e-learning primarily through improved interaction with tutors and other students via systems like video conferencing. Such courses could potentially replace traditional place-based courses, particularly in areas of vocational training, as the acquisition of knowledge becomes more important in the job market.

Of course, the development of mobile devices also means that such learning is not restricted to home spaces. For example, The National ICT Research Centre is piloting several new methods to deliver VLEs (Virtual Learning Environments) in rural areas, which include delivery via SMS and WAP to a mobile phone (http://www.learninglab.org.uk/researchcentre/overview.asp?ses=).

3. Postal Services

Most of the literature in this area focuses on the impact of ICT on the post office 'outlet' per se and not postal services as such. However, there are a number of points worth covering in terms of the impact of ICT on rural post offices.

A recent report, *Counter Revolution – Modernising the Post Office Network*, commissioned by the Performance and Innovation Unit of the Cabinet Office has set out a strategy for the future of Britain's Post Office network. (http://www.number-10.gov.uk/su/post/PO/default.htm). It recognizes that post offices contribute a great deal to their communities over and above their role as a place to conduct transactions. It stresses opportunities to diversify into new lines of business, including a new Post Office-based Universal Bank to tackle financial exclusion, and other banking opportunities; e-commerce; one-stop shops for Government information and transactions; and internet learning and access. Ultimately it states that rural post offices should be protected and that the Government should require the Post Office to maintain the rural network and to prevent any avoidable closures of rural post offices (a proposal that the government ahs responded to – at least until 2008).

In terms of postal services per se, there is little direct literature on this subject. However, one can speculate on how a range of current trends in ICT may impact on this service. It could be argued that given the increase of e-commerce, e-banking, e-mail and general electronic correspondence, the overall demand for letter post service may decrease considerably, particularly as the internet may replace paper as the new 'junk mail' medium.

However, at the same time some of these trends are likely to increase the demand for postal services. For example, the increase in e-commerce and the potential reduction in the purchase of certain goods at traditional shop based outlets, will undoubtedly increase the demand for courier and parcel services. The massive success of on-line auction sites, such as Ebay must also have had a considerable impact on the use of courier and parcel services by individual households, in effect acting as virtual mail order companies. The impact of such auction sites on the informal economy (in terms of supporting incomes) should also not be underestimated. In addition, demand for business post services will also increase if the levels of teleworking in rural areas increase.

More generally, technological developments such as electronic parcel/letter tracking, GPS tracking of vehicles, increased management information (regarding for example the nature, scale and location of consumer demand for services) seem certain to make postal services more efficient and cost effective for rural communities.

5. Retailing (including financial services)

There are two elements to retailing that need consideration here.

- tangible product retailing e.g. food, clothes, electronic items etc.
- the retailing of service products such as banking, insurance and investments.

Developments in e-commerce enable the purchase of both types of product electronically but with obvious differences regarding their delivery to the customer.

As for information on e-tailing the following report http://www.scotland.gov.uk/cru/kd01/blue/retail-0 1.htm details some interesting facts more generally and looks at the future of retailing in Scotland to 2015. The report states that e-retailing is forecast to account for approximately 8% of retail sales by 2010 but this will be unevenly spread across retail sectors, with a higher penetration likely in the food-retailing sector. E-retailing will account for the majority of real growth in retail sales in the decade to 2010 with much of the remainder of real growth being accommodated by retailers seeking to increase their sales per sq. metre in existing stores. A wide variety of e-retail formats will be operating with no single format being dominant.

As a consequence there will be need for less floorspace in fixed shops than is provided today with a continuing reduction in low productivity retail space. Indeed the report makes the interesting suggestion that a number of the food and non-food superstores operating today will have been redeveloped or put to other uses by 2010. Town and city centres are likely to remain important with the differentials between core cities and peripheral areas around the city centre likely to increase. The problems already faced by villages with the closure of stores are, it is suggested, likely to be extended to small towns.

However, there are many constraints to extensive penetration by electronic retailing, mainly concerned with establishing appropriate delivery or pick-up systems. Several alternatives are being explored by retailers in different parts of Europe and solutions, satisfactory to retailer and consumer, are likely to be found within a few years. The cost differential between e-retail and store-based systems is reduced as penetration levels increase and returns to scale are achieved in e-retailing

There are several reasons for assuming a willingness of consumers to use e-tailing. These include:

- e-retailing provides the consumer with extra convenience with access into systems from many places – home, work, cafes, leisure locations, by mobile phone, through kiosks

- reductions in costs of equipment to access e-retail formats
- reduction or abolition of charges for local telephone calls
- increasing access to networked computers in the home will increase the familiarity with electronic mail and thus with e-retail ordering
- increasing familiarity with on-line transactions due to innovations in banking will also reduce the unfamiliarity aspects of e-retail
- lower prices of goods via e-retailing than through fixed store retailing, although delivery costs are an added expense for either retailer or consumer
- the potential offered by e-retailing to offer consumers a very wide choice but with guidance so the choice is not confusing
- appreciation that the risks of fraud over e-retail are less than often imagined, probably encouraged by credit card companies wishing to extend credit use on e-retail channels.

There are also good reasons to assume retailers will respond to the consumer, including:

- large firms have limited expansion possibilities through fixed stores, with planning restrictions in effect encouraging e-retail in some sectors, notably food and grocery retailing
- the technology to provide the systems is available
- labour costs in e-retailing are likely to be lower than in store based retailing
- recent increases in property and rent costs contrast with the steady reduction in cost of establishing an e-retail channel
- small firms using e-retail are able to remove the competitive constraint of providing only a limited product range
- a variety of delivery and collection formats are potentially available
- the cost of a warehouse to support e-retailing and associated distribution is much less than the cost of provision of retail stores
- in some product areas where margins are relatively high, small firms may enter the market with low entry costs

On this basis, during the period to 2015, the report states that (in Scotland – but there this is likely to be the same for UK) we are likely to see the emergence of several different e-retail formats, including

- formats with a single high margin product category with home delivery
- formats with staple products with home delivery
- formats with staple products with delivery to a collection point
- formats involving surrogate shopper systems with home delivery or collection
- information services giving the lowest price provider of specified items
- auction type formats for products
- shared multi-retailer virtual shopping centres with delivery
- joint-retailer formats directed at multiple needs of a specific shopper segment.

As well as developments in the purchase of goods, ICT will also have a significant impact on management information of retailers including process and product innovation and market information

(i) Process and product innovation
The e-retail channel will be using technology to create new markets. But fixed store retailers will themselves use technology to try to reduce their costs and to improve customer relationships in order to compete with the lower prices of the e-retail channel.

In food and non-food areas there are likely to be more moves to customer controlled checkout processes. These are likely to be linked to extensive data-warehouses of customer information, which will provide the security checks and enable 'customer loyalty' to be generated and rewarded. Shopper identity will be integral to many transactions with increasing use of various forms of 'electronic cash'.

Over the period being reviewed in this study new products will be launched and will create the basis for new retail formats and enhanced competitive performance by retailers. The mobile phone, for example, has had this effect over the last decade. Developments in domestic support and home leisure technologies may be areas where product development will generate new opportunities for retailers. The last decade has seen the development of extensive new ranges of chilled foods and the widespread availability of internationally sourced foods. This is likely to continue with extension of food ranges using an even more international supply base.

The personalisation of products. Product innovation is also likely in order to increase the ways that products are personalised in the store or between the time of ordering and delivery. This personalisation of products is likely to be a feature of both the food and non-food sectors. In the food sector it is likely that we will see several of the new food formats offering services to produce recipe dishes to the requirements of individual taste. In the clothing sector there is likely to be more individualisation of products both by minor changes made in store and more fundamentally through the production of items to personal specification. The use of information on individuals that is held in the expanding data warehouses is likely to provide the technologies to support this probable move toward more personalisation of products.

(ii) Market and knowledge issues
A managerial area facilitated by the increase in information, which is likely to be extensively developed over the next 10 years is micro-marketing applied to the retail sector. This involves the analysis of retail purchase patterns at individual level and of the relation of these patterns to personal characteristics of the buyer. Very large databases are required and there are emerging new techniques for the analysis of such data. The new electronic retailing methods will add more data into these databases as the detailed tracking of purchase, and browsing, behaviour becomes possible electronically by direct monitoring of the communications links.

5. Information and advice

It is likely that ICT and broadband technologies will lead to the effective home-based or rural centre based provision of a very wide range of information and advice, such as the following;

1. Access to books (i.e. on-line e-books instead of hard copies)

2. Job seeking – there are various examples of how employment centre information and services can be provided via ICT at remote centres or in the home http://www.publicnet.co.uk/publicnet/fe031107.htm)

3. Government - Government at all levels is trying to find ways to improve services, reduce costs and be more responsive to customer needs and demand. The introduction of new technologies will enable all these and the government has established targets for putting government services on-line. (http://www.flexibility.co.uk/issues/modgov/govonweb.htm)

4. Citizens Advice – The CAB has a web presence but more importantly, the Internet provides a massive resource on legal and consumer issues.

6. Public transport and Transport in general

In relation to public transport for rural communities, there are two key issues here.

- How can ICT improve the provision of public transport to rural communities?
- Will ICT reduce the need for transport more generally, thus reducing the need for public transport provision?

(i) ICT and public transport.

A major development in the provision of public transport will relate to the effective dissemination of "real time information" on buses to supplier and consumers. This will be based on GPS technology (Global Positioning Systems) that enables the real time tracking of vehicles to within 2 metres accuracy:

From the consumer's point of view, this will allow the dissemination of live bus information to him / her via a range of fixed and mobile technologies including on and off street displays, web (PC) company intranets, and mobile units such as mobile phones and PDAs (via WAP and SMS technologies).

From the supplier's point of view it will allow live monitoring of vehicle movements, historic management reports, information for timetabling and scheduling, accurate information to review customer complaints and performance monitoring to respond to regulatory complaints. An example of such as system is ACIS Busnet (http://www.acis.uk.com/busnet/overview.asp), which operates in 20 locations across the UK (including Gloucestershire) Improved consumer information for the supplier enables them to predict the demand for services more effectively, resulting in better service to consumers.

Some other applications of ICT to transport, of potential benefit to the rural customer, are suggested by various projects supported by the Countryside Agency. (The text below is written in the future tense being based on project intentions; in many cases project results will by now be available) :

- a countywide Community Transport Database for the three Hampshire Rural Transport Partnerships. The project will establish a core of community transport information, linked to an interactive website and updated regularly.

A pilot database will be developed and is expected to go live to the public in Summer 2002.

- Alston Cybermoor (Cumbria) uses IT to provide local transport information, to reduce the number of car journeys by encouraging car sharing and improve the take-up of existing transport services. The project will develop a website for transport information, and an on-line booking service for taxis and community minibuses. Webcams will provide views of local roads to show travel conditions. The project will include training to use the new services, promotion and project evaluation. This project area is part of the DfES "wired-up communities" project providing Internet access to every household in the parish.

- the 'Information Technology for Community Transport (Worcestershire) project' will involve research and surveys among community transport providers in the county, to prepare costings for an integrated countywide system, which installs equipment and software, and provides training for community transport staff and volunteers.

(ii) ICT and the reduction of travel more generally

Whilst of great interest, little research has been undertaken in this area. Lack of research, however, does not indicate a lack of interest on the part of the UK government. Teleworking is actively promoted by the DTLR and the Department for Trade and Industry (DTI) as a means to reduce work-related travel. E-commerce is promoted by the DTI, whatever the travel effects, as being good for UK business and competitiveness. E-government and the online delivery of public services are also promoted across the board by government departments. To some extent, then, policy has been running ahead of research and analysis of the very complex relationship between ICT-based activities and transport.

To address these issues the DTLR commissioned an extensive literature review to pull together research findings from across the world, to begin the process of building a knowledge base in this field in the UK, and to underpin any future research and policy development. The literature review was carried out by HOP Associates and the Transportation Research Group at the University of Southampton explored how the use of new information and communications technologies (ICT) may impact on travel and on the movement of goods.

In summary, the literature review concluded that: there is a considerable weight of evidence that two forms of teleworking, home-based and centre-based, do have a significant travel reduction effect. Other forms of teleworking (e.g. mobile) have not been sufficiently studied to draw firm conclusions. With regard to e-commerce, there seem be no studies that go beyond extrapolating from figures of current supermarket visits. Thus the research reported that in many respects, it is too early to say what the effects will be.

The positive conclusion however is that telecommuting - using new ways of working to replace commuter travel - clearly does contribute to travel reduction, even when other trips by the telecommuter and household members are taken into account. But regarding other home-based use of ICT (as with e-commerce) the picture is not clear. There is a school of transport experts who argue that ‘complementarity’ (involving new trip generation) will be a more likely consequence of accessing services electronically than will ‘substitution’ (http://www.flexibility.co.uk/issues/transport/virtual-mobility.htm).

7. Police and Emergency Services

Ambulance services.

An earlier section outlined how developments in telemedicine will enable remote diagnosis and the better monitoring of patient health. The next 10 years will undoubtedly see the development of portable examples of the necessary equipment. For example, the The NHS Plan (http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4002960&chk=07GL5R) indicates that “ambulances will be equipped with video and monitoring equipment so that victims of accidents can get the most appropriate care while they are being taken to hospital” (1.12).

In addition, the development of mobile devices may be used by individuals to relay a variety of visual, voice and clinical information to paramedics or doctors in the event of an accident or incident. The first indications of this technology can be seen in the following example of a remote personnel-monitoring service (http://www.teis.nhs.uk/jsp/search/activity.jsp?project=171) whereby patients’ vital signs are transmitted to the triage desk of the A&E department. The first trial tested the system in an urban area and this second trial is testing it in a rural area. The consultant can also communicate with the paramedics. The system provides patients with greater equity of access to emergency care and also provides support to paramedics.

Police Services.

As for the police service, a good deal of research is going into improving voice and data network technology, which will probably take several years to implement. For example, the North Yorkshire Police force is spending £5.4m on a high-speed voice and data network to link up its dispersed rural stations and allow its officers to spend more time on the beat. It would also improve links between police out on the beat to stations and call centres. This will enable the police to work more efficiently without having to come back to the station, giving them more visibility and more time on patrol (**http://crn.vnunet.com/News/1131624)**

However, there are a number of other developments that may assist the police in rural areas. The proliferation of CCTV, both in terms of public space and also in privately owned systems will increase the amount of information available to them. In addition, developments in systems networks will enable them to make better use of this information (and not simply become overloaded). Developments in mobile technology, notably voice and video, may also enable communities to record incidents and relay them to police centres or officers on the beat.

8 Leisure, recreation, entertainment

Many broadband applications are geared towards the leisure, recreation and entertainment market and are likely to extend the number and the quality of entertainment services delivered either in the home or via handheld devices.

Applications include:

- On-line gaming
- Films
- Shopping (which can be considered a leisure experience)
- Virtual reality (virtual experience of a range of activities)
- Music (live and recorded)

Clearly, however, while these services are based upon electronic information many still involve physical activity and travel. It seems unlikely that ICT will, for example, have a big impact on the provision of, or demand for, sports facilities and communal meeting places such as village halls and pubs since whilst many ICT based leisure activities may be based more at home, there could be an increase in demand for non home-based activities.

Conclusion.

With regard to all of the above it is impossible to say just what will or will not be commonplace by 2015 – but the direction of travel is becoming clear. In summary, there will be two ICT based trends, which will influence the development of new forms of service delivery.

1. The widespread availability of home-based and mobile broadband services. These will facilitate the development of a range of new services and new forms of delivering of existing services. Some of the examples given above demonstrate what is possible. The next 10 years will probably see the expansion and consolidation of the new technologies/services detailed above, so while new technologies will of course come along during this time, it seems likely rural areas are only likely to witness the roll out of some of the examples currently being piloted.

2. An increase in the quality of information available to households and businesses/organisations. From the individual household perspective, people will be able to make more informed choices on a range of issues such as health, education and shopping. The implications of this for service delivery are difficult to estimate but it is likely that ICT will replace the need to travel to many place-based points of delivery. However, the implications of this may increase the need and demand for other services, for example, the increase in e-tailing will increase demand for postal and courier services. As for businesses, developments in ICT will massively increase the quality of management information on such things as markets and margins and increase the level of flexibility of organisations in reacting to changing market conditions. Thus ICT and knowledge will be used for competitive advantage and may

enable service providers to supply services/products to presently marginal markets (for example rural areas) where it is currently inefficient to do so. For example, thanks to GPS and broadband, increased knowledge of the real time demand for buses may increase the cost effectiveness of rural transport provision by precisely targeting the location and nature of demand.

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