

Section 10

RURAL ECONOMY

The analysis regarding competitiveness, employment, skills, infrastructure and environment is equally applicable to both rural and urban areas. In rural areas, these issues manifest themselves in different ways; therefore it is important to bring these issues to light in a rural context.

Key Features of South East's Rural Economy

- More than 2 million people live in small rural towns (pop. less than 10,000), villages and the countryside.
- 30 rural districts in the region.
- 26 market towns with between 10,000 and 20,000 population.
- 164 small rural towns with less than 10,000 population.
- There are at least 1,400 villages in the region.
- 23% of all South East businesses are in rural areas.
- 10% of the farms in England are in the South East.
- One third of the region is designated as Areas of Outstanding Natural Beauty (AONB) - nearly one third of the total AONBs in England.
- Another 15% land is designated as the Green Belt.
- There are over 700 Sites of Special Scientific Interest.
- 72 km of designated Heritage Coast.
- More than 1.16 million hectares of land in the region managed by farming - 43% land cover under agriculture and horticulture.
- 21 of 119 most deprived wards are in rural areas.

The countryside of the South East is a rich and varied environment, which has largely been created by farming and forestry. It contributes much to the quality of life of the region, yet is dependent on continued active management to maintain it, and is sensitive to pressure from other human activities.

Two thirds of the Region's land area is used for agriculture, and the South East is also one of the most wooded parts of England with a cover of 9.2%. One third of the wooded area is classified as Ancient Woodland, present since at least 1600.

The character and beauty of the countryside is reflected in the amount of land designated as Areas of Outstanding Natural Beauty (AONB).

TABLE 12
Areas of Outstanding Natural Beauty in the South East

Region	No. of AONBs	AONB area (km²)	% of Region in AONB	% of England's AONB area
North East	2	1465	17	7
North West	4	1570	11	8
Yorkshire & Humber	4	921	6	5
East Midlands	1	519	3	3
West Midlands	5	1269	10	6
East of England	4	1122	6	5
London	0	0	0	0
South East	12	6406	33	31
South West	15	7121	30	35

Source: The Countryside Agency, 2001

In addition to its beauty, the South East hosts a wealth of wildlife. It contains a third of England's ancient woodland, two fifths of its lowland heathland, a third of its wildflower meadows and a quarter of its chalk grassland. There are over 700 Sites of Special Scientific Interest (SSSI) covering 7% of the Region, and two thirds of this area is also included in the European Natura 2000 series of designated sites. This is significant given the population and economic development imperatives in the region. All the above factors contribute to the 'offer' of the region, in terms of quality of life and recreation, to its residents and tourists.

Although the land-based sector represents a relatively small proportion of the region's economic activity, it is the sector that maintains the important landscape assets which, in turn, attracts people, businesses and visitors to the region.

It is, however, only one side of the story. The other is concerned with sustaining vibrant rural communities. In-migration coupled with out-commuting amongst those with few immediate demands on the rural economy has a cumulatively adverse impact. The price of housing is increasing (making it unaffordable for local and young people), demand for local services (including village shops and banks) is reduced and activities that in the past have provided local jobs for local people are threatened. Local young people in search of job opportunities then tend to move away and the demographic profile starts to become unbalanced.

The following table suggests that the access to basic services in rural areas is a key issue. Although the access is slightly better in the South East compared with the average for England, 88% rural parishes have no access to a bank, 81% have no access to a doctor's surgery and 44% have no post office.

TABLE 13
Rural Parishes Lacking Basic Services

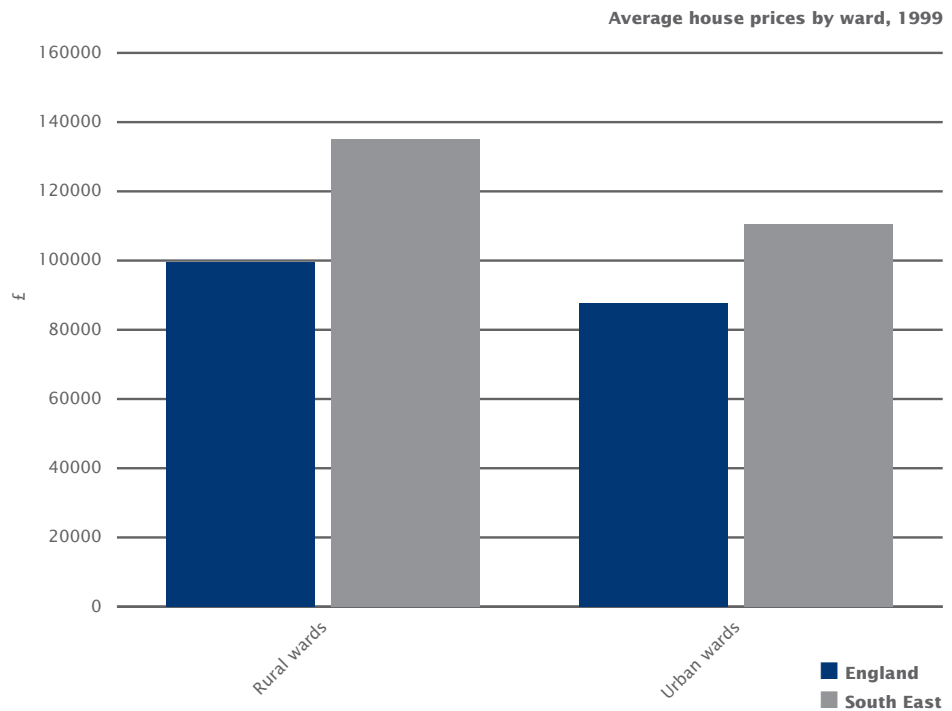
	%	
	South East	England
Rural parishes with no access to a general store	32	43
Rural parishes with no access to a post office	44	46
Rural parishes with no access to a primary school	40	46
Rural parishes with no access to a bank	88	91
Rural parishes with no access to a doctors surgery	81	86

Source: The Countryside Agency, 2001

As shown in the chart overleaf, the house prices in rural areas in the South East are disproportionately high compared with urban areas as well as rural areas elsewhere in England.

Average house prices in rural wards in the South East are 36% higher than average for rural wards in England and 22% higher than urban wards within the region.

FIGURE 44
House Prices - Urban and Rural Comparison



Source: *The Countryside Agency/CACI Ltd, (2001)*

¹ SEEDA study of database of 195,000 Limited Companies

Approximately 23% of all businesses in the region are based in small rural towns (with population of less than 10,000), villages and the countryside¹. The majority of these businesses are in the manufacturing, services and tourism sectors but the land-based sector remains significant.

² *Economic Impact of Foot and Mouth Disease in the South East Region, COSE 2001*

Foot and Mouth Disease in 2001 brought the importance of tourism and its inter-dependence with land-based sectors to the fore. Although there were very few confirmed cases in the region, about one-third of businesses were affected by the epidemic². According to Tourist Board estimates, some £545m was lost by businesses in both rural and urban areas - £310m from staying visitors and £235m from the day visitor market. The number of overseas holidaymakers in April 2001 was the lowest on record, representing a 21% decrease on the previous year.