



The
countryside
charity



Towards a greener Green Book process

Delivering the promise of proportionate
public funding for rural communities

RECOMMENDATIONS

December 2020

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Actions by Government called for by: the **Rural Services Network, Britain's Leading Edge Group, English Rural Housing Association** and **CPRE**, the countryside charity, based on the findings and recommendations in the Pragmatix Advisory Report. To view the full detailed report, click [here](#).

GOVERNMENT VISION FOR RURAL COMMUNITIES

In a debate on 26th November 2020 the Parliamentary Under Secretary of State at Defra, Lord Gardiner of Kimble, said “My Lords, our vision remains that rural communities should prosper, benefiting from the full range of government policies designed to level up opportunity and take the country forward...”

To give effect to the intention that rural communities should benefit from the full range of government policies designed to level up opportunity and take the country forward, **The Government should in the context of the Green Book review go further and:**

Recognise the specific costs and needs of rural communities

- Acknowledge that it needs to spend more to achieve the same outcomes in many rural locations than in urban ones.
- Apply to England the same principles as are explicitly acknowledged in the United Kingdom government's funding settlement for the devolved administration in Wales (namely that there are higher costs and greater need in rural areas).
- Endorse the principle that Levelling Up must relate to revenue spending core allocations and not just to capital spend if its objectives are to be met.
- Endorse the principle that policies do not need to deliver an equal level of resources for rural areas and urban areas but should be fair and equitable and demonstrate proportionality to rural areas.
- Introduce where previous funding has been allocated into the *Green Book's* place-based analysis. (The current failure to view proposals in the broader context reinforces the challenges facing rural areas in securing funding).

Revise Green Book appraisal guidance to reflect rural differences

- Include in its guidance the relative impact of a given monetised value of benefit to rural communities, which have typically lower incomes.
- Commit to regularly reviewing the discount rate and adjusting it when required to better reflect expected growth in per capita consumption over time.
- Include the use of a new lower rural-specific discount rate and/or use ‘sparsity-normalised costs’ – i.e., costs that have been adjusted to reflect the impact of the local density of population to ensure that the appraisal of rural schemes would be like-for-like with urban ones.

- Expand and enhance the *Transformation, Systems and Dynamic Change* Appendix to recognise the potential impact of transformational schemes in rural areas and to give meaningful guidance on how to appraise them. (*The Green Book* struggles to assess the value of 'transformative' projects, which are interventions that deliver step changes in outcomes rather than incremental ones).

Ensure the process considers every intervention in the round

- Introduce at the short-list step of the appraisal process, a requirement that projects meet a threshold target rather than being prioritised. This would allow for policy makers to choose from a range of proposals which all meet cost benefit criteria, but which can then be judged on their ability to support other aims like the levelling up agenda.
- Introduce new clear guidance, either within the *Green Book* or as a separate documentation, on how different policy interventions should be considered together to form an effective and efficient portfolio that meets the needs of varied locations and communities.
- Introduce processes through which the criteria for the success of 'levelling up' is specified in a way that makes visible and encourages progress in reducing rural disadvantage. In turn, these criteria need to be embodied in the broader *Green Book* appraisal process. [It remains unclear on what metrics the success of levelling up will be measured, although productivity, employment and educational attainment are mentioned in the *Green Book* review response. Whatever are chosen need to properly reflect the nature of rural disadvantage].
- Ensure that comprehensive Guidance is issued as to how the appraisal guidance is implemented by government departments and agencies, including LEPs, and incorporates rural proofing requirements. (In this context, the *Green Book* reinforces incrementalism and inertia. Without a robust strategic framework, politicians and officials might reasonably consider each decision incrementally and opt for those initiatives with the highest positive net present social value. This may make sense on case-by-case basis but, when considering the process as a whole, it can result in an unbalanced and distortive portfolio of interventions – and it will likely disadvantage rural communities.)

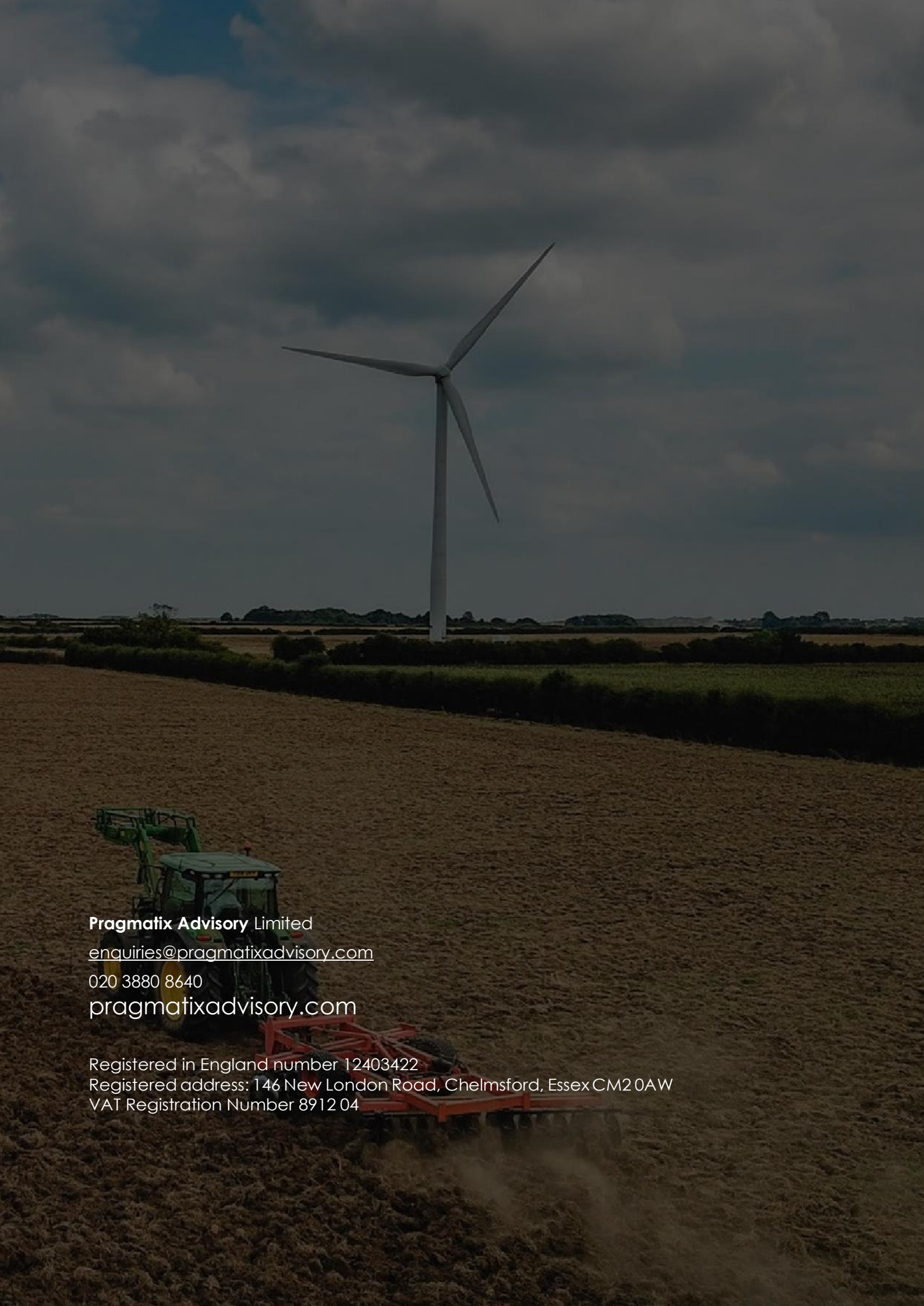
Make sure the information is available to assess and monitor rural impacts

- Endorse the principle that the balance of where funds are deployed and where projects are progressed needs to be seen in greater detail than the regions. (As the Institute for Fiscal Studies highlight, inequalities within regions are larger than inequalities between regions, and it is therefore necessary for government to tackle the issue at a more localised level. This distinction is stark when comparing rural and urban areas within regions).
- Adopt the principle that any framework developed to allocate national funds for levelling up should assess local needs at a minimum for each of England's 101 'Level 3' areas in the *Nomenclature of Territorial Units for Statistics*. (As a start, the Office for

National Statistics should work to expand the coverage of their *Country and regional public sector finances* report to include detail at 'Level 3' of the *Nomenclature of Territorial Units for Statistics*).

Recognise the resource needed for rural communities to make their case

- Make expert resources available for rural authorities to produce businesses cases and advocate for their priorities.



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