

# SOCIAL ENTERPRISE, FARMS AND CARE IN RURAL ENGLAND

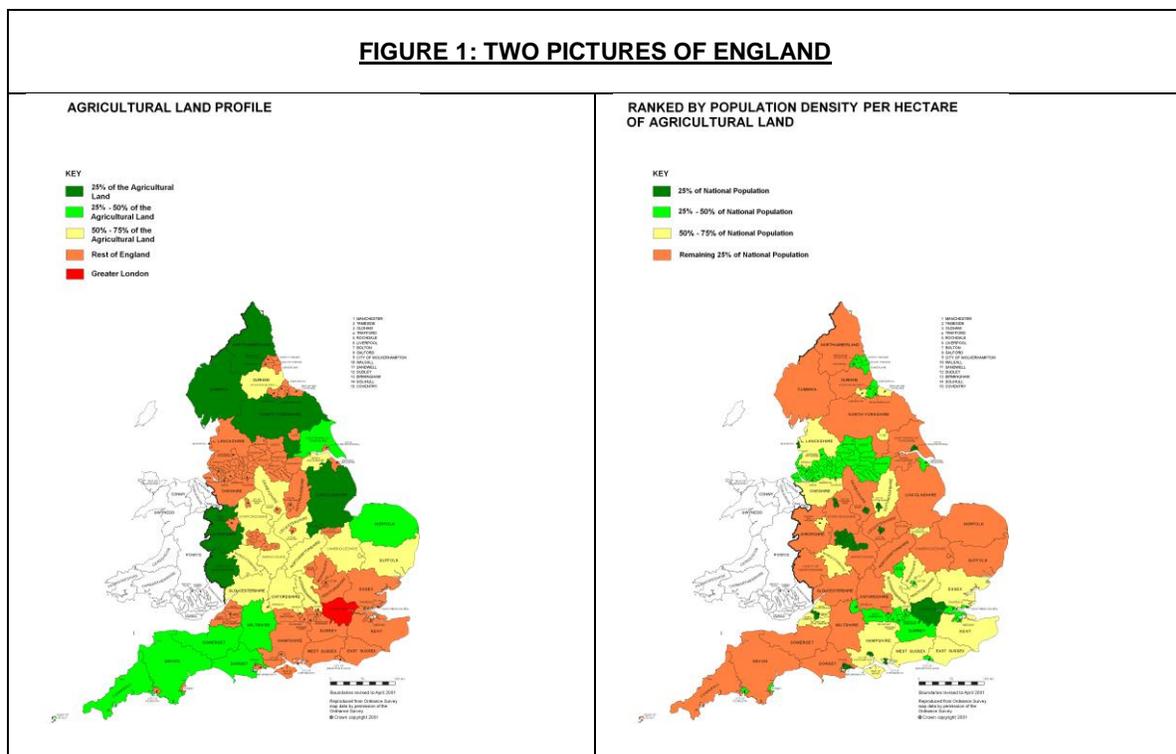
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## Introduction

This paper presents an analysis of the economic situation in the English countryside and explores the implications for the development of social enterprises in rural areas, particularly the potential for farms to be locations for such care-based businesses.

## Ways of Looking at England

The maps presented in Figure 1 illustrate two ways of looking at essentially the same information. The 'Agricultural Land Profile' (on the left) indicates the locations of quartiles of agricultural land area ranked according to the amount of agricultural land per head of local resident population. The map on the right (a residential population profile) indicates the locations of quartiles of population ranked according to the local residential density.



In the map on the left, the 'most agricultural' areas are coloured in two shades of green. In the map on the right, it is the 'most residential' areas that are coloured in the two shades of green. It is interesting to consider the significant difference which results from using 'most agricultural' or 'least residential' to define the area of Rural England.

## The Significance of London

In order to appraise the economic situation of rural England it is necessary first to appreciate the particular significance of London in relation to the country as a whole.

**Table 1: London in a European Context**

	City Population	National Population (million)	City as % of Nation
<b>LONDON</b>	<b>7,517,700</b>	<b>60.1</b>	<b>12.5</b>
<b>Amsterdam</b>	<b>743,393</b>	<b>16.3</b>	<b>4.6</b>
<b>Berlin</b>	<b>3,396,990</b>	<b>82.4</b>	<b>4.1</b>
<b>Madrid</b>	<b>3,155,359</b>	<b>40.2</b>	<b>7.8</b>
<b>Paris</b>	<b>2,144,700</b>	<b>60.2</b>	<b>3.6</b>
<b>Rome</b>	<b>2,547,932</b>	<b>58.0</b>	<b>4.4</b>

Table 1 contains figures which indicate two aspects of London's significance in comparison with other European capital cities. Firstly, London contains a very large number of people; more than twice as many as Berlin or Madrid for example. Secondly, London is much more dominant within the national population than the other capitals; containing a proportion more than three times that of Paris for example.

**Table 2: London in England**  
(population)

<b>LONDON</b>	<b>7,517,700</b>
<b>Birmingham</b>	<b>992,400</b>
<b>Sheffield</b>	<b>516,600</b>
<b>Liverpool</b>	<b>444,500</b>
<b>Leeds</b>	<b>443,247</b>
<b>Manchester</b>	<b>437,000</b>
<b>Bristol</b>	<b>393,000</b>

Table 2 illustrates London's dominance in relation to other cities in England. The next six most populous English cities together amount to less than half the population of London.

## Agricultural England

For analytical purposes it is helpful to identify Agricultural England as an area counterposed to London and to the Metropolitan-Urban centres which contain little or no farmland. Figure 2 illustrates the geographical breakdown used in the analysis which follows. The rural area (coloured green on the map) contains rather more than half the country's farming (accounting for more than half of all cereals, vegetables, horticulture, meat, dairy and other livestock products) and a resident population equivalent to that of London. It is important to stress the significance to be attached to the separate treatment of London; this is in profound contrast to the analysis reported by the Commission for Rural Communities (CRC, 2007) which, by amalgamating the capital with other urban areas of England, distorts the appraisal of the relative position of rural England considerably.



## English Occupational Structure

The economy of different areas can be characterised by the occupational classification of the inhabitants. Table 3 contains figures that provide a description of the local economy in the chosen areas of England on this basis.

**Table 3: Occupational Classification of the English Population**  
(percentage of English total in each class)

	London	The Countryside	Metro-Urban	Elsewhere
<b>All People</b>	15	15	22	48
<b>Population Aged 16-74</b>	15	15	22	48
<b>Population Aged 16-74 in Employment</b>	15	15	20	50
<b>Managers and Senior Officials</b>	17	15	17	52
<b>Professional Occupations</b>	<b>20</b>	13	18	49
<b>Associate Professional &amp; Technical</b>	<b>19</b>	14	18	49
<b>Administrative &amp; Secretarial</b>	17	13	20	50
<b>Skilled Trades</b>	<b>10</b>	<b>19</b>	21	51
<b>Personal Services</b>	13	16	22	50
<b>Sales &amp; Customer Service</b>	13	15	23	50
<b>Process, Plant &amp; Machinery Operatives</b>	<b>9</b>	16	25	50
<b>Elementary</b>	<b>11</b>	16	23	50
<b>Large Employers &amp; Higher Managers</b>	<b>19</b>	13	16	52
<b>Higher Professionals &amp; Lower Managerial &amp; Professional</b>	<b>19</b>	14	18	49
<b>Self-Employed &amp; Own-Account</b>	14	<b>20</b>	17	50
<b>Self-Employed (excluding FT Farmers)</b>	14	<b>18</b>	17	50
<b>Intermediate &amp; Lower Supervisory &amp; Technical</b>	14	15	22	50
<b>Semi-routine &amp; Routine</b>	11	16	25	49
<b>Never Worked &amp; Long-term Unemployed</b>	<b>24</b>	<b>9</b>	<b>31</b>	<b>35</b>
<b>Full-time Students</b>	<b>19</b>	11	24	45
<b>Not Classifiable</b>	12	16	24	47

Special economic characteristics of each area can be observed by comparing the proportion of each occupational category with the proportion of the population as a whole (or the proportion of the working population) contained in that area. Accordingly, professional occupations are particularly significant in London. Likewise, self-employment is especially important in the countryside (Agricultural England), even when farmers are left out of the account; this observation is supported by a number of other independent descriptions of the economy of rural England.

From a public policy perspective, given the links that poverty and social deprivation have with households that are workless, it is notable that the long-term unemployed and those who have never worked are relatively few in rural England, being concentrated in London and the other metro-urban centres.

## Age and the Countryside

It has become an item of conventional wisdom that the implications of an ageing population (strictly, a population with an increasing fraction consisting of the elderly) will be felt more particularly in rural areas. Table 4 presents figures reflecting population age structures in England according to the geography already developed in the present analysis.

**Table 4**

**Age-group composition of the local population within England**  
(% of each age-group in local population)

	Age groups (years)				
	0-15	16-24	25-44	45-64	>64
Metro-urban	21.0	11.7	28.5	23.1	15.7
London	20.2	12.1	35.3	19.9	12.4
Countryside	19.0	9.5	26.4	26.3	18.9
Elsewhere	20.1	10.6	28.7	24.4	16.1
<b>ENGLAND</b>	<b>20.2</b>	<b>10.9</b>	<b>29.3</b>	<b>23.7</b>	<b>15.8</b>

Although it is true that the proportion of the population above retirement age is higher in the countryside (Agricultural England), the difference from the national picture as a whole is not dramatically marked. Such structural differences as there are in population terms suggest an age-related tidal-flow life-cycle model, with overall movement into London from the countryside by 16- to-44-year-olds balanced by emigration from London to the countryside by those over 45.

The presumption that the elderly suffer more from illnesses and infirmities than the rest of the population, and that this constitutes a significant social burden, may be justified. However, the scale of the extra incidence of such burdens in rural England should not be overestimated. It is also interesting to observe that despite the concern often expressed about the viability of rural schools, the school-age fraction of the population is not especially low in Agricultural England.

## Health in Agricultural England

Table 5 contains reported data regarding the general health of the population as assessed by the members of the population themselves.

**Table 5**

**The General State of Health: how the local population assesses its own health**

	Good Health	Fairly Good Health	Health Not Good
	(% of local population)		
Metro-urban	66	23	11
London	71	21	8
Countryside	69	23	9
Elsewhere	70	22	8
<b>ENGLAND</b>	<b>69</b>	<b>22</b>	<b>9</b>

There is not much difference in the way that English people assess their own health according to where they live. Superficially at least, those who live in the Metro-urban areas appear to feel slightly less healthy than those who live everywhere else.

Similar conclusions apply when consideration is given to the incidence of long-term illness. Table 6 shows the results from an enquiry concerning long-term illness, health problem or disability sufficient to limit daily activities or work.

**Table 6**

**The Prevalence of Limiting Long-term Illness**  
(proportion of local population)

	%
Metro-urban	21
London	16
Countryside	18
Elsewhere	17
<b>ENGLAND</b>	<b>18</b>

{limiting long-term illness covers any long-term illness, health problem or disability which limits daily activities or work}

Once more, apart from a slight suggestion that the Metro-urban areas outside London have a higher incidence, there is little to distinguish the different parts of England in this regard.

Care in the Countryside

Table 7 contains data reflecting the scale of involvement in care by the population in the different areas of England. Given that one-in-five of the population as a whole suffers from a limiting long-term condition (see above) it should not, perhaps, be surprising that one-in-ten people are involved in some level of care.

**Table 7**

**Proportions (%) of the local population providing different levels of care**

	hours of care provided each week			TOTAL
	1-19	20-49	50+	
Metro-urban	6.8	1.3	2.5	10.7
London	5.8	1.0	1.7	8.5
Countryside	7.2	1.0	2.0	10.2
Elsewhere	7.0	1.0	1.9	9.9
<b>ENGLAND</b>	<b>6.8</b>	<b>1.1</b>	<b>2.0</b>	<b>9.9</b>

As before, there is little difference in the incidence of care-provision across the different areas identified in our study.

Age, Health and Care in Rural England

To summarise the conclusions of the analysis presented so far: there is no evidence that the burden of care falling on the population of rural England is much different to that which is experienced elsewhere or across the country as a whole. Further data are presented in Annex A and Annex B to illustrate that the composition of the care-force, according to age or occupational status, is also characterised by its uniformity across the areas of the England we have identified.

## Household Expenditure Patterns

It has already been noted that although the age and health profiles of the rural population (described as those inhabiting the area designated as Agricultural England) are not radically different from the population of England as a whole, the occupational structures of the countryside (Agricultural England), London, the Metro-urban centres and elsewhere do vary considerably. The outcomes of this variation in economic circumstances are reflected in the household expenditure patterns presented in Table 8 (derived from the annual survey 'Family Spending produced by the Office of National Statistics). The figures given here are annual averages for the period 2002-2005.

**Table 8**

### **Weekly Household Spending (£)**

		London	Rural	Town & Suburb	Metro- urban
1	Food & non-alcoholic drinks	45.20	48.90	42.46	40.30
2	Alcoholic drinks, tobacco & narcotics	10.70	12.00	11.34	12.50
3	Clothing & footwear	26.20	23.80	21.69	23.40
4	Housing (net), fuel & power	55.90	38.50	35.94	35.70
5	Household goods & services	33.30	39.50	29.06	23.70
6	Health	5.60	5.90	4.83	3.30
7	Transport	61.80	76.40	57.65	44.30
8	Communication	14.10	11.50	10.62	10.70
9	Recreation & culture	59.60	67.40	56.05	52.20
10	Education	10.90	7.10	4.37	[3.90]
11	Restaurants & hotels	43.90	36.40	33.63	32.20
12	Miscellaneous goods & services	39.40	41.00	31.50	28.10
13	Other expenditure items	81.30	78.10	57.73	48.00
	<b>Total expenditure</b>	<b>487.90</b>	<b>486.40</b>	<b>396.87</b>	<b>358.50</b>

In contrast to the position regarding health-status and care-provision, there is considerable divergence in household expenditure. Households in London and the countryside (each area containing about 15% of the population) enjoy spending levels well above those of the Metro-urban areas (where about 20% of people live) and in the towns and suburbs (where the remaining half of the households live). Those in the capital and the rural areas spend over 35% more than those in Metro-urban centres and 20% more than those living elsewhere. These differences remain even when spending on housing and on transport (both arguably naturally greater in London and the countryside) are removed from consideration. Generally, spending **patterns** are similar across the country as a whole; it is spending **levels** that vary significantly. The scale of these divergences between rural England and the rest of the country are masked by the amalgamation of London with the rest of the non-rural areas in the most recent UK government publications reporting household expenditure. This results in the implications of these major divergences remaining unexamined in the (otherwise excellent) work of the Commission for Rural Communities (CRC, 2007), reliant as that work is on the inappropriately composite data.

## Public Services and State Provision

The commitment to state provision of civil or social services (in addition to the longer-established tradition of military services) on behalf of the public in general, has existed, in Britain at any rate, since at least the second half of the nineteenth century (or more arguably the sixteenth). Such provision does not necessarily proceed from a recognition of express collective concern and

beneficent will so much as from recognition that conditions of unalleviated poverty, with associated deprivation and squalor, threaten not only the welfare of those living in such circumstances but also the interests of everyone living in general social proximity to them, through the externalities produced by those conditions (such as contagious diseases or criminality). In other words, public health and social welfare services are conceived as essential defensive measures (analogous to the rationale for maintaining the armed forces).

### Social Enterprise and Public Services

State direct provision of welfare support is required to aim at uniformity in quality of provision (in order to avoid inappropriate discrimination amongst citizens). There are also requirements for cost-effectiveness and quality enhancement (ideally a culture of continuous improvement). There is a potentially paralysing policy disjunction between doing things differently (to create improvement) and codification of performance (to ensure uniformity). Innovation proceeds on an experimental basis, according to the mechanism of trial and error. Since, in the context of public services, error equates to sub-standard delivery, which is unacceptable - and since most experiments, in this sense, are bound to fail – innovation in public service is virtually impossible (especially when a financial liability for compensation in regard to sub-standard provision exists).

It is in order to break out of the stranglehold imposed by this policy disjunction (the 'double bind' or 'Catch 22' situation) the twentieth century British liberal consensus has evolved a solution in the form of Social Enterprise. This prospectus views the state as a collective commissioning agency purchasing public service provision from a multiplicity of sources each of which is discretely liable for failure to meet contractual standards whilst separately responsible for working practices and provision of facilities. Social Enterprise is the umbrella term used to describe a variety of quasi-business models according to which operations designed to deliver welfare services may operate. Such entities may sell their 'product' or form of service both to private consumers and to public commissioning authorities. Although in principle allowing for complete detachment of the state from direct responsibility for provision, historical circumstance requires a lengthy or indefinite period of transition or mixture of modes (which may include public-private partnerships as well as separate private and public direct delivery). In order to qualify as a Social Enterprise from the state's point of view an organisation must be one in which profits or surpluses are not distributed amongst shareholders or proprietors; instead such funds must be devoted to reinvestment in the operation to increase scale and/or quality of service provision. This commitment to investment and abjuration of dividend is the hallmark of a social enterprise, not any particular business format. The distancing of the state's commitment to financing services from the form in which they are delivered, whilst still imposing (minimum) standards, is intended to create scope for innovation, with consequent benefit for the entire community.

### Public Services in Rural Areas

The critical mass of population (and more especially sub-population) required to justify separate or specific public service provision is less likely to obtain in the more sparsely inhabited rural areas than in metro-urban districts. Rural areas suffer from the absence of economies of scale in service provision, allied to the existence of irreducible distance-related costs of delivery and difficulties of arranging for coincident assistance (e.g. requiring staff of different services to be in the same place at the same time). This means that public services are more expensive to provide in rural areas than in metro-urban centres.

### Social Enterprise and Rural England

As has been illustrated already, the demographic profile of the countryside (as instanced within Agricultural England) is not radically dissimilar to the rest of England. Specifically, the demands of care-provision are equally felt. What is substantially different is the economic context, in particular the levels of expenditure at the disposal of resident households. Rural England can be clearly characterised as a relatively prosperous residential environment. It is also an environment in

which public service commitments are relatively expensive to maintain. This combination of circumstances makes rural England particularly suitable for the operation of social enterprise to be encouraged. Not only will the state particularly wish to avoid direct provision (because it is relatively expensive, thus meaning that state expenditure will be more cost-effective elsewhere) but also the local population will be more likely to demand (i.e. wish for and be able to pay for) supra-minimum standards of service. And because farms are the base for a significant fraction of businesses in rural areas (and not just for agricultural production - only a minority of farms confine their activities to primary food production) it should be expected that farms will have a prominent role in developing the business of care-provision.

### The National Care Farming Initiative (UK)

The NCFI brings together farmers developing care-based enterprises, public sector care-commissioning agencies (including health and rehabilitative services) and other supporters (including corporate sponsors, philanthropic bodies and individuals). Operating throughout the UK, the NCFI is structured around regional clusters allowing for local circumstances to determine local practice whilst maintaining a national hub to facilitate inter-regional information transfer and a central identity to maximise political impact and to encourage the development of nationally recognised standards of operation and professional development. Regional organisation is preferred in order to capture the benefits expected from co-ordination within the ambit of Government Offices and Regional Development Agencies as well as compatibility with EU initiatives such as those promoted under the aegis of the ESF. The national hub takes responsibility for maintenance of a database to facilitate referrals within and across regions.

Funding of the NCFI sufficient to ensure sustainability as a social enterprise will derive from a number of sources:

1. Subscriptions – it is envisaged that there will be differential rates of membership subscription (i.e. for individual farm businesses; public commissioning agencies e.g. local authorities or NHS trusts; corporate sponsors; individual supporters);
2. Facilitation Fees – a (small) percentage levy on transactions/commissions arranged;
3. Advertising Revenue – derived from use of the NCFI website and from product endorsement;
4. Grants and Donations.

A Limited Company format with a commitment to reinvestment of all profits or surpluses for the purposes of care farming is a potentially suitable business format (although others are possible).

### Conclusions

The demographic profile and incidence of the need for care services is not much different in the countryside than in other parts of England. The economic circumstances of the rural population are significantly different from those of households elsewhere outside London. Social Enterprise is likely to be particularly suitable and encouraged by the government as a format for the provision of public services in rural areas because costs of delivery are irreducibly higher there than elsewhere. Because farms form a significant fraction of local firms in rural areas (and are predominantly family businesses far from confined to agricultural production) they are likely to provide the platform for care-based businesses. The NCFI is a nascent rural social enterprise with a financially sustainable future based on co-ordination of care-commissioning with care-provision on farms.

## Sources of Evidence

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## ANNEX A:

### INFORMAL CARE PROVISION ANALYSED ACCORDING TO AGE OF PROVIDERS

#### Provision of Unpaid Care by Age Groups within the Designated Areas (unpaid carers as a percentage of all local people in each age class)

Age Groups	England	Countryside	Greater London	Metropolitan Areas	Elsewhere
All People	10.1%	10.4%	8.6%	10.8%	10.0%
0 to 15	0.9%	0.9%	1.0%	1.0%	0.9%
16 to 34	6.0%	5.5%	5.7%	7.3%	5.6%
35 to 49	13.7%	13.3%	12.3%	15.8%	13.3%
50 to 59	21.2%	21.0%	18.4%	22.3%	21.3%
60 to 64	18.3%	18.3%	15.9%	18.6%	18.6%
65 to 84	12.6%	12.6%	12.0%	12.7%	12.7%
85 and over	5.0%	5.4%	5.0%	4.5%	5.1%

#### The Age Distribution of Unpaid Carers within the Designated Areas

Age Groups	England	Countryside	Greater London	Metropolitan Areas	Elsewhere
0 to 15	1.9%	1.6%	2.3%	2.1%	1.7%
16 to 34	14.9%	11.2%	20.8%	17.3%	13.4%
35 to 49	29.4%	27.1%	31.6%	30.5%	28.9%
50 to 59	26.7%	29.1%	22.2%	24.9%	28.0%
60 to 64	8.9%	10.0%	7.3%	8.5%	9.2%
65 to 84	17.4%	20.0%	15.0%	16.1%	17.8%
85 and over	0.8%	1.0%	0.8%	0.6%	0.8%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%

## ANNEX B: INFORMAL CARE PROVISION ANALYSED ACCORDING TO OCCUPATION OF PROVIDERS

### All Unpaid Carers: Provision of Unpaid Care by Designated Areas and by Economic Activity

(% of each employment class within the local population)

Economic Activity	England	Countryside	Greater London	Metropolitan Areas	Elsewhere
All People	12.8%	13.1%	10.7%	13.9%	12.8%
Economically Active	11.5%	11.7%	9.6%	12.7%	11.5%
Employee - Part Time	16.2%	15.8%	14.6%	17.4%	16.1%
Employee - Full Time	10.2%	10.1%	8.5%	11.8%	10.2%
Self Employed - Part Time	17.5%	18.5%	14.6%	18.2%	17.9%
Self Employed - Full Time	11.8%	12.4%	10.2%	12.5%	11.8%
Unemployed	10.6%	10.8%	9.9%	11.1%	10.6%
Full-time student	5.2%	4.4%	6.4%	6.2%	4.6%
Economically Inactive	15.4%	16.0%	12.9%	16.0%	15.7%
Retired	16.7%	16.5%	15.2%	17.0%	17.0%
Student	4.6%	4.1%	5.2%	5.2%	4.1%
Looking after home/family	23.3%	23.2%	19.8%	27.5%	22.6%
Permanently sick or disabled	13.6%	14.4%	11.9%	13.5%	14.0%
Other	10.1%	10.6%	8.4%	10.7%	10.5%

### All Unpaid Carers: Provision of Unpaid Care by Designated Areas & Economic Activity

(% of local carers coming from each employment class within the local population)

Economic Activity	England	Countryside	Greater London	Metropolitan Areas	Elsewhere
All People					
Economically Active	60.6%	60.3%	61.2%	58.1%	61.8%
Employee - Part Time	15.2%	16.3%	11.9%	14.7%	15.9%
Employee - Full Time	<b>33.0%</b>	<b>29.8%</b>	<b>34.1%</b>	<b>32.8%</b>	<b>33.8%</b>
Self Employed - Part Time	2.7%	3.6%	3.0%	1.7%	2.9%
Self Employed - Full Time	5.9%	7.6%	6.6%	4.3%	6.1%
Unemployed	2.8%	2.2%	4.0%	3.4%	2.4%
Full-time student	1.0%	0.7%	1.7%	1.1%	0.9%
Economically Inactive	39.4%	39.7%	38.8%	41.9%	38.2%
Retired	<b>17.9%</b>	<b>20.7%</b>	<b>14.0%</b>	<b>16.9%</b>	<b>18.5%</b>
Student	1.5%	0.9%	3.0%	1.8%	1.2%
Looking after home/family	12.1%	11.2%	13.4%	13.2%	11.4%
Permanently sick or disabled	5.5%	4.9%	4.9%	7.2%	5.0%
Other	2.4%	1.9%	3.4%	2.8%	2.1%