

UK Industrial Strategy: Rural Opportunities and Challenges

20 March 2018

#RurEntUK

Rural Enterprise UK

- A five year research, enterprise and implementation initiative aiming:
 - to analyse and disseminate evidence of growth opportunities and challenges for businesses in UK's rural areas
 - to identify solutions to overcome impediments to raising productivity in rural areas and foster rural business development and growth.
- Advisory group - BEIS, Defra, Scottish Gov, FSB, SPARSE, SRUC

Rural Enterprise UK



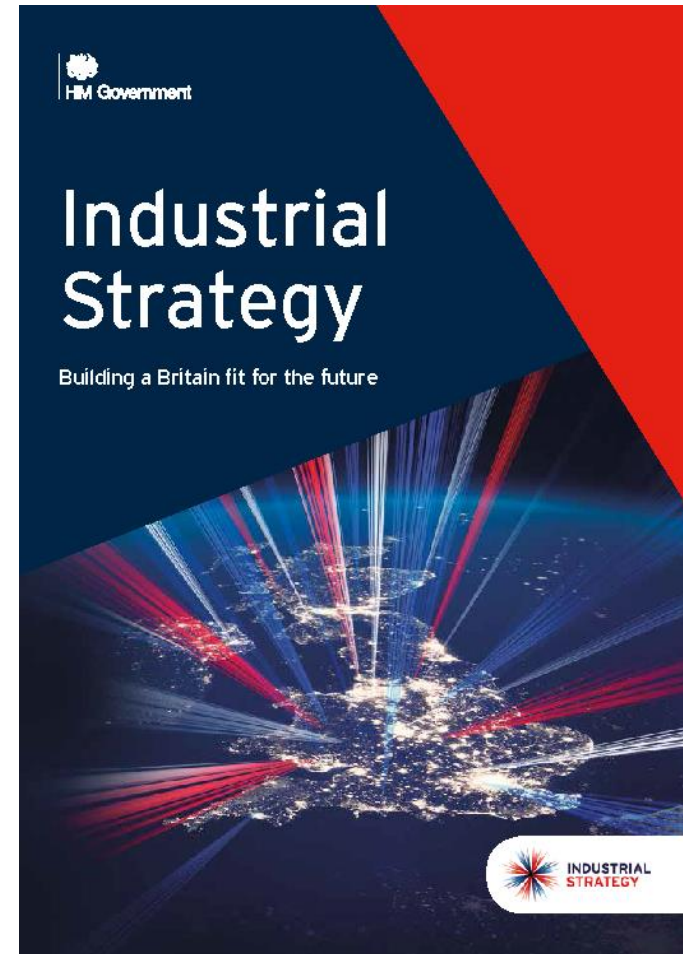
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Purpose of Workshop

- To provide an update on and inform plans for delivering the Strategy
- To examine opportunities and challenges for rural economies in implementing the Strategy
- To provide stakeholders with a collective opportunity to identify future rural delivery needs, guidance or activities

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Rural Enterprise UK

From Green Paper to Industrial Strategy

- Green Paper Jan 2017
 - Rural mentioned a handful of times and in narrow terms – emphasis on lagging productivity and broadband
 - Little mention of rural environment and land based sectors
 - No mention of rural strengths



“The residents of ... rural areas also experience large variations in wages, standards of living and life opportunities. Productivity ... lags behind the UK average. If rural businesses in England had the right conditions to grow and the productivity gap lessened, an extra £28 billion per year could be added to the rural economy annually. Rural businesses face particular challenges and barriers ... shortage of work premises, slow internet connections ... lack of knowledge transfer between business communities.” p.109

From Green Paper to Industrial Strategy

- White Paper November 2017.
 - Improved coverage of rural needs and opportunities
 - Wider framing
 - Rural added to spatial lists “*cities, towns and rural areas*”
 - Plans for agriculture, agri-tech, food and drink
 - Natural capital underpinning economic growth
 - Rural examples. Eg. SW Rural Productivity Commission
 - Recognition of comparative advantages of rural areas

“Our cities, towns and rural areas have competitive advantages that will be essential to shaping our economic future”. p.217

Rural Dynamism

- Rural places are shaped by relationships with urban centres and vice versa
- 'Rural' is no longer synonymous with decline
- England's rural small businesses achieve turnover performance similar to urban firms, and are more likely to report a profit
- Similar numbers of rural and urban firms wish to grow



Rural Dynamism

- Recognising diverse sources of dynamism within contemporary rural economies



*Crystal
Scientific*

IHC Engineering



Foundations of (Rural) Productivity



Foundations of (Rural) Productivity



Ideas

the world's most innovative economy

Grand Challenges:



AI and Data Economy



Healthy ageing



Clean growth



Future of mobility

Transforming construction



Data to early diagnosis & precision medicine



Transforming food production



Next generation services



Energy revolution



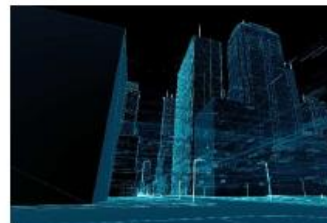
Healthy ageing



Audience of the future



Quantum technology



➤ Rural areas at vanguard of key socio-economic trends and innovative responses

Foundations of (Rural) Productivity



People

good jobs and greater earning power for all

- Longstanding and structural challenges
- Persistent pockets of low pay, low skill and low choice
- Recruiting and retaining staff
- Fewer plans to increase leadership capabilities or introduce new working practices



Foundations of (Rural) Productivity



Infrastructure

a major upgrade to the UK's infrastructure

- Addressing wider weaknesses in affordable housing, transport and services vital in meeting businesses' skills and recruitment
- Ensuring our rural communities are well connected, digitally and physically
- Learning from the Rural Growth Network Pilots in enabling growth



Foundations of (Rural) Productivity



Business environment

the best place to start and grow a business

- Initiatives, sector deals and other measures will need to demonstrate equitable commitment to firms operating in rural areas
- Measures tailored to differences between rural and urban firms in terms of the plans, obstacles and use of support
- Rural firms are committed to creating new products and exporting, and have untapped potential



Foundations of (Rural) Productivity



Places

prosperous communities across the UK

- Realising place-based potential and linking places into broader networks
- Embedding rural needs and prospects within Local Industrial Strategies, Devolution and Growth Deals



Conclusion

- Rural economies warrant equity of attention within the nation's economic growth plans and industrial strategies
- How can business organisations, agencies and others work together to take up the opportunities presented in the Strategy?

