

Embedding rural into a UK Industrial Strategy:

A Workshop at the Rural Entrepreneurship Conference, Newcastle University, June 2017

Structure of Workshop

This Workshop was convened as the closing event of the Rural Entrepreneurship Conference, 2017 which this year was held at Newcastle University. People attending this workshop included some of those who had attended the REC, 2017, academics and others from Newcastle University, and representatives of rural business organisations and networks in North east England. The Workshop was chaired by Roger Turner, Knowledge Exchange Facilitator for Rural Enterprise UK@ Newcastle University, who prepared this record.

Following an introduction to the draft Industrial Strategy, to Defra/ BEIS's Workshop for rural representatives about the draft Strategy, and an update on progress, by the Workshop Chairman, four short presentations were made to provide perspective from four spatial levels of how rural economies' contribution to the aims of the Industrial Strategy could, or should, be captured.

- Dr Paul Cowie, Newcastle University, (see *Catapult* ppt. attached)
- Dr Gary Bosworth, Lincoln University, (see *Midlands Engine* ppt. attached)
- Janice Rose, Northumberland County Council, who spoke of the planned North of Tyne Combined Authority and Growth deal, and making it a rural exemplar aligned with the Industrial Strategy (see *Rural Exemplar* ppt. attached); and
- Andy Dean, Assistant Director, Rural Services Network and rural economy lead for Sparse.

Andy Dean's key messages to the REC Industrial Strategy Workshop, June 2017

There are important contributors to the Industrial Strategy below City Deals/ Combined Authorities that should be recognised and built upon in sparsely populated areas and small districts.

Businesses in these areas are spread out and often less 'visible' to LEPs, government departments and others but have a significant economic contribution to make. These can be helped to contribute more to the sector and place dimensions of the Industrial Strategy, but need different resources and support mechanisms than larger local authorities and businesses. Businesses can be helped to become stronger drivers of strategy and programmes through clustering around local networks and business hubs.

In the North East, for example, the 'Rural Connect' network brings together 37 rural enterprise hubs and helps them and the businesses in their networks to tie into the strategic processes and programmes which exist. Such networks will also help to deliver bottom-up devolution, which still needs to be recognised in the Industrial Strategy, as a missing piece in the drive for a rebalanced economy and locally inclusive growth.

These introductory presentations were offered to stimulate discussion and proposals from the diverse audience. Those attending the Workshop were invited to identify concerns and offer ideas by posting these on three flip charts, under headings of Problems, Solutions and Examples. This narrative captures, and draws on their issues and proposals, some of which were discussed in a closing session for the Workshop and Rural Entrepreneurship Conference.

Problems:

Lack of awareness or appreciation of rural contribution and challenges

Expression of this challenge in rural areas and needs ranged from, high level political issues, ie. 'Brexit' and lack of political continuity to, lack of knowledge as to the competitiveness of current rural footprint in the Industrial Strategy, and lack of national interest in or focus on farming's importance. They questioned for example why there was no acknowledgement and commitment in the Strategy to previously agreed 'Sector deal' for farming. Participants attached such lack of rural awareness, experience and responsibility to policy makers, decision makers and consumers, and specifically mentioned lack of recognition of links between economy and environment, and urban consumers and rural provisions of food, water, environment and recreation.

Challenges of funding and support:

As with the previous challenge, expressions of the nature of this problem ranged from the strategic to the specifics of support for rural economic activities. At the strategic end of this spectrum, concerns were expressed about lack of continuity of government initiatives unnecessarily adding to delivery costs and to businesses unfamiliarity with available support; no funding for ecosystem services; lack of innovative support to raise productivity and competitiveness; and similar lack of geographical and sectoral flexibility in funding programmes. More specific concerns were raised about the complexity of LEADER programmes, of the work that applicants had to put in to successfully access LEADER, the failures of RPA and Natural England processes and systems to deliver payments, lack of flexible funding for connection networks, and the lack of industry investment in natural capital, despite their impact on such capital. Weaknesses were not solely attributed to lack of funds, but also to 'low awareness of available support, resources and development opportunities'.

Limitations in connectivity –physical and virtual

Strategic or generic concerns ranged across poor digital connectivity, 'dreadful' mobile connectivity, poor wi-fi connection, poor roads and rural transport. Some were clearly more frustrated and specific than others, ie 'travel/ roads - poor single carriage on A1' and 'HS Broadband distribution' contrasted with, 'internet would be a start!' This lack of poor connectivity was viewed as placing rural areas at competitive disadvantage to urban centres, exacerbating distance to services.

Labour and skills challenges

Problems in rural labour markets embraced both ends of the skills spectrum – lack of low-skilled labour pool, lack of high skilled workers, and understaffed public services such as GPs and NHS. Participants particularly recognised the challenge of retaining young people, when faced with attraction of cities and prosperous regions. Loss of young people wasn't only viewed as work-driven, but similarly the impacts were wider than loss of workers, as they took "with them – energy, ideas, enthusiasm, innovation"

Business specific problems

These were identified as lack of leadership skills amongst small and micro-businesses, lack of capacity for start-ups, isolation of home based businesses or homeworkers, the lack of business mentoring and of connections between entrepreneurs. A participant also drew attention to the role of peripheral small towns, some of which host individual sector-leading or globally-trading businesses, yet their scale, location and character rarely secures adequate support to sustain and build on such businesses.

Solutions

As requested participants offered solutions to many of the Problems listed above, and as with the Problems some of them were very strategic and others lay at the other end of the spectrum and were specific to a specific problem. Thus for the person who identified 'understaffing of GPs and NHS as a problem, their recommendation was to 'train more services (Drs)'; another identified the single carriageway of the A1 as a transport problem, to which the solution was listed as 'Dual A1 and improve road repairs'. Thus some solutions map directly onto the specific problems listed above. This includes some of the strategic policy or advocacy challenges listed under Lack of awareness or appreciation of rural contribution and challenges. Thus 'Map rural 'Industrial Strategy' footprint' was requested as a solution to the 'Lack of knowledge as to the competitiveness of current rural footprint in the Industrial Strategy'. Where possible, Solutions are presented under the headings in Problems section.

Lack of awareness or appreciation of rural contribution and challenges:

Several participants suggested that the rural voice should be stepped up and aggregated to improve knowledge and promotion of rural benefits amongst the public and policy makers. In part this would be helped by providing more rural experience to decision makers, cutting out use and discussions with consultants and increasing government contact with 'people at the coal face – or should that be the field level'. They also called on governments to stop creating new language for existing issues and initiatives, and build on and support good practices and programmes rather than introducing new schemes, including the 'Sector deals'. At least one participant recommended that government's Smart Cities and agenda, holistic approach and tools should be applied to rural areas – perhaps encouraged by the short description of the Urban Cities Catapult programme presented by a Panel member.

Challenges of funding and support:

Very few solutions to the challenges identified for funding and support. Participants requested that processing of growth development fund applications should be speeded up as small firms can't spare staff or owners too much time away from daily tasks to attend to such applications. Whilst one participant accepted that some sector funding should be handled centrally, regional funding is needed perhaps through LEPS.

Limitations in connectivity –physical and virtual

In contrast several solutions were offered to address connectivity problems. These extended to the strategic – 'increase high speed trains to improve commuting and spread skills more evenly and improve road repairs - but they also include a suggestion to facilitate a Rural uber, ie bring the gig economy to facilitate transport solutions in isolated rural areas with little or no transport infrastructure. Turning to the connectivity of communication facilities - broadband and mobile – solutions range from only licence providers who provide more than 95% broadband coverage; providing and encouraging pooling 'voucher' funding for full fibre broadband to create networks; look for new digital solutions beyond high speed broadband, including the space sector. Satellite apps etc; to support for Community and Business Fibre partnerships to self- build fibre networks. Turning to mobile reception, it was recorded that such provision is very good in Norway – a potential example to look at? Greater use of drones was suggested, particularly to undertake mapping in hard-to-reach rural areas to inform farming and other uses of these areas – perhaps including communication networks?..

Labour and skills challenges and Business specific problems

Agri-tech, and a handful of solutions aimed at farming and food were posted as Solutions applicable to some rural sectors, businesses and labour markets. Recent increases in cost of food production and imports were noted on the Problems chart, and probably led to suggestions that the UK should adopt a national focus on the value, and food security benefits, of the UK's agriculture sector, with examples of this from Japan and Sweden. Another person requests that decision makers plan to make the UK self-sustaining through organic food. This, and other rural sectors of large numbers of small producers, would benefit from the development and application of aggregated supply and demand fulfilment solution – of which an example is being developed by the Social Enterprise Bread Works.

Creative /Cultural Industries, one of Scottish Government's six Growth Sectors, with notable rural presence could also benefit from such solutions. Participants argued for a higher profile for these in the Industrial Strategy. Apparently, its' rate of growth (56% between 2010-14) markedly exceeds the national rate of economic growth

Solutions offered to boost rural business numbers, productivity or performance included: (re)introduction of entrepreneur mentoring, and adoption of peer-to-peer mentoring as an approach to business networking; sector-specific leadership training, a support system for green economy and nature-based businesses, were proposed. Similarly support for rural business start-ups was suggested through rural innovation/ incubator hubs, whether physical or virtual, whilst another requested that paid advisors should be employed to provide a support 'secretariat?' to entrepreneurs. (Perhaps) in contrast to this reliance on traditional business-focused drivers, at least two proposals were made for working through local community-led approaches to change management and decentralised development, with rural community energy offering resilience and jobs. Focused support for business-led regeneration of peripheral small towns was called for to release economic and community growth in these rural towns and surrounding areas.

Examples

The final section records the several 'examples' of solutions noted by participants. As the Problem, Solutions and Examples flip-charts were separated at the event, it has been a challenge to match all examples to specific problems or solutions. This is the writer's best attempt:

Some 'solutions' were too generic to clearly match to a problem or solution, eg. 'RELU'; 'Advocates for rural communities', 'Business Link. Support' and 'Simple, Bottom up funding streams for Rural Economy.' The CLA's *Countryside Matters* Campaign, however, was an example designed to raise awareness amongst the public, and perhaps policy makers, of the important contributions generated by the countryside and farming and the urban rural links. Swedish examples of national attention to food security and added value emerged, with Food Cost Conference illustrating the Swedish national food security policy, and reference to Japan's national focus on agriculture (?Japan 6 Enterprise?) was also posted. Swedish Beef Industry Leadership programme was listed as an example of sector-specific leadership programmes referred to under Business specific solutions above, as was the 'truly bottom up' approach that country adopts to its LEADER programme, linked to the desire to see bottom-up rural economy funds.

Closer to home, Welsh examples emerged to illustrate rural community-led change processes (Rural Alliance in Brecon Beacons) and business sector's business network (eg Brecon Beacons) and as a case study of the contributions of the green economy (eg Eco Dyfi at Machynlleth). Tax incentives for private sector engagement in eco-system were suggested. Examples to address rural weaknesses in broadband, included Fell End 'self-dig' superfast broadband community in Cumbria. North Pennines AONB is currently working with a technology company to develop a GeoAudio app to provide experience based information for visitors. The project is funded by the European Space Agency.

Rural Connect, www.ruralconnect.biz was offered as an example of business support that works successfully for rural businesses and scattered business hubs. This works through peer-to-peer support, provision of paid advisors to act as secretariat to entrepreneurs, and connects local business hubs and was started with Defra support, and research and activity from Newcastle University. Another example involving Newcastle University was described by a social entrepreneur who is working with the University to pilot an online local food ordering platform in the north east. This could be expanded through <https://openfoodnetwork.org.uk/> to enable local food producers and consumers to connect and boost production and sales from small scale local food producers etc. He has offered to explain and demonstrate this platform to Defra/ BEIS decision makers.

Summary and conclusion

The Workshop was held as the final event in the Rural Entrepreneurship Conference 2017, hosted by Newcastle University. It attracted a variety of British and international participants from academic institutions, business representatives, businesses and decision makers.

Our exploration of what the UK Industrial Strategy could mean for rural Britain and how to integrate rural economies into the Strategy, was led by a panel with considerable experience of research, representation and policy development. Their presentations illustrate the contributions and challenges for rural enterprise and economies at national, sub-national, local levels, for public and private sectors.

Participants presented their thoughts about how rural should be embedded in the Strategy by posting issues and ideas under three headings - Problems, Solutions and Examples. Emphasis was requested on the latter two headings. However, it was clear from questions and comments that for many including those from the UK, that this was their first substantial engagement with the draft Industrial Strategy. This partly explains the fuller articulation of Problems or challenges, perhaps than Solutions and Examples. Nevertheless, some interesting solutions and illustrations for addressing strategic or specific problems emerged. We hope that Defra and BEIS will follow up these ideas and examples. Drawing on presentations and discussions, the Workshop Chairman prepared a summary of Roles for the UK's rural economies in an Industrial Strategy.

Workshop participants expressed disappointment that land-based and wider rural enterprises and economies are not better represented and visible in the draft Strategy. They wish to see this change. They expect measures to deliver the Industrial Strategy, and develop the UK economy will be as appropriate, accessible and effective for rural economies as for cities and regions. We offer these presentations, concerns, ideas and proposals are offered to encourage government departments to deliver an Industrial Strategy that works for and applies to the whole of the UK.

What roles for rural areas in the UK Economy and its Industrial Strategy?

1. Rural areas enable British society and particularly our cities and larger towns to function smoothly, without concerns about sourcing their essentials of life and work - food, drink, water, energy, minerals, building and other raw materials, connectivity between places and people!
2. Rural areas enable British society and places to breathe and expand – physically, spiritually, temporally
3. Rural areas enable British society to meet many of its global environmental obligations, and contribute to a sustainable future for the planet
4. Rural areas and small towns make important contributions to internationalisation of society and economy, through attracting global firms, investment, workforce and visitors and making significant contributions to exporting of goods and services.
5. Rural economies provide an important part of the nation's business supply chains, by hosting more than a quarter of its businesses, supporting more firms per head of resident population, generating new businesses, products, services and processes at comparable rates to urban England, and for many cities and urban settlements housing important segments of their commuting labour force.
6. Our rural areas and small towns continue to provide such capacity, activities and business drivers, often with inequitable attention, resources and commitment from public and urban sector bodies and places.....just imagine what we could do if others truly recognised rural Britain's qualities, contributions and ambitions!

Roger Turner,
REC Workshop Chair,
Knowledge Exchange Facilitator for Newcastle University's Rural Enterprise UK

16 June 2017



Rural Enterprise and the Industrial Strategy

15th Rural Entrepreneurship Conference

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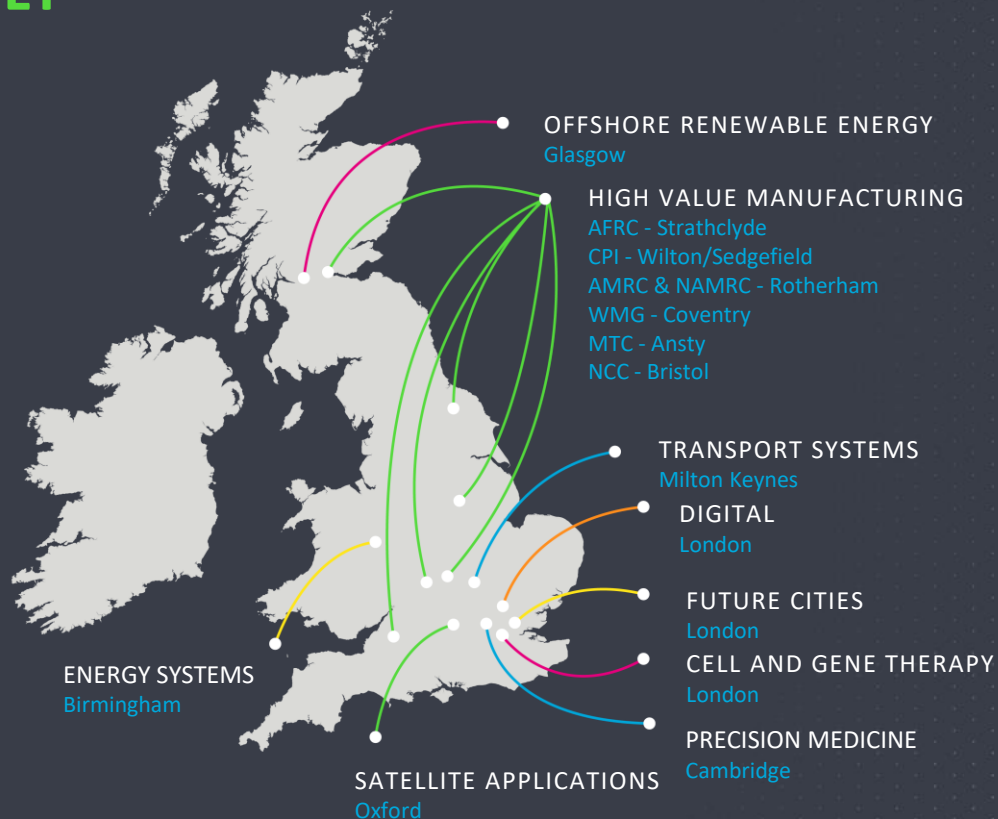
Dr Paul Cowie



WE ADVANCE URBAN
INNOVATION, TO GROW
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CITIES BETTER

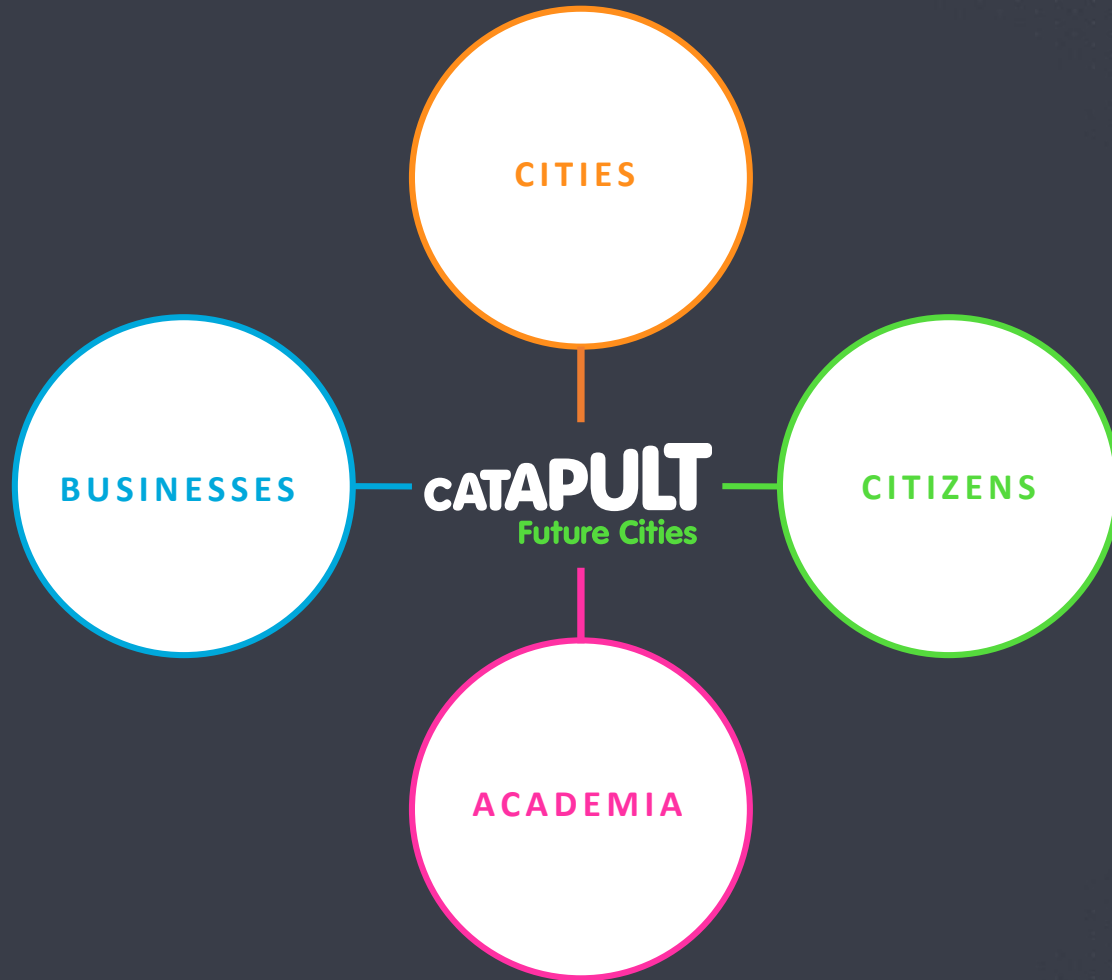
THE CATAPULT FAMILY

- Closing the gap between concept & commercialisation
- Unlocking opportunity & reducing innovation risk
- Ten world-leading innovation centres



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- FCC convenes businesses, universities, investors, innovators and cities.
 - It tests and develops new products and services to accelerate them to market.
 - Enable the adoption of innovations in cities around the world.
 - Aims to be a bridging institution in the Quadruple Helix





The Industrial Strategy

- “The objective of our modern industrial strategy is to improve living standards and economic growth by increasing productivity and driving growth across the whole country.”
- 10 Pillars:
 - Investing in Science, research and innovation
 - Developing Skills
 - Upgrading Infrastructure
 - Supporting Businesses to start-up and grow
 - Improving procurement
 - Encouraging trade and inward investment
 - Delivering affordable energy and clean growth
 - Cultivating world leading sectors
 - Driving growth across the whole country
 - Creating the right institutions to bring together sectors and places

The 10 pillars



Investing in science,
research & innovation



Developing skills



Upgrading
infrastructure



Supporting businesses
to start and grow



Improving
procurement



Encouraging trade
& inward investment



Delivering
affordable energy
& clean growth



Cultivating
world-leading sectors



Driving growth
across the
whole country



Creating the right
institutions to bring together
sectors & places

The Rural in the Industrial Strategy

- “.....the digital economy is creating new opportunities to bring well paid jobs to rural areas.”
- “Productivity in rural areas across the country 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 to close this gap, including a shortage of work premises, slow internet connections and a lack of knowledge transfer between business communities spread thinly over wide areas.”
- “Meanwhile, many rural areas are held back by weak digital infrastructure. The average download speed in urban areas is at least three times faster than in rural communities, limiting people’s ability to seize the opportunities of the digital economy”
- “We have launched a Tourism Action Plan, setting out a comprehensive set of actions to drive growth in inbound tourist spend across the whole of the UK.”

Challenge Areas

Bioscience & Biotechnology

Increase UK self-reliance in food, energy and materials production.

Leading Edge Healthcare & Medicine

Improve patient outcomes through cutting-edge, personalised therapies and new antimicrobials and establish the UK as a world leader in the development and commercialisation of cell and gene therapies.

Manufacturing & Materials of the Future

Ensure that the UK leads the world in the sustainable manufacturing and delivery of the next generation of products and components.

New Energy Technologies

Become the global lead in solving the energy challenge of supplying clean, affordable energy securely to ever more-demanding societies around the world.

Quantum Technologies

To create UK economic wealth, and an economy that works for everyone, by overcoming challenges using next generation quantum technologies in areas such as sub-surface imaging, GPS-free navigation, advanced sensing and communications.

Robotics and Artificial Intelligence (RAI)

To create UK economic wealth, and an economy that works for everyone, by overcoming challenges using RAI technologies in areas such as hazardous environments, autonomous transport, health & social care and advanced decision making with AI.

Space and Satellite Technologies

To create UK economic wealth, and an economy that works for everyone, by overcoming challenges using satellite-based technologies in areas such as communications, navigation and earth observation.

Transformative Digital Technologies

To create UK economic wealth, and an economy that works for everyone, by overcoming challenges using digital technologies such as data, AI/ML, cyber security, immersive, HPC, modelling and 5G.

Integrated & Sustainable Cities

Establish the world's best smart city demonstrator, introducing 5G technologies and applications, attracting global mobile companies to the UK.

Technologies for the Creative Industries

To create UK economic wealth, and an economy that works for everyone, by overcoming challenges to anchor and grow the UK creative sector and its contribution to wealth generation and society.

Industrial Strategy Challenge Fund

- **8 challenge areas plus two additional “themes”**
- **For each area there is:**
- **A summary of the strawman challenges; An overview of the fit with criteria.**
- Evidence of a potential global market that could be created or disrupted by new innovation which is potentially large, or fast growing and sustainable;
- Evidence that the UK has capabilities to meet market needs in terms of research strength and business capacity;
- Evidence that now is the right time to accelerate advances in this field to generate significant social and economic benefits;
- Evidence of a business commitment to work with government to achieve this and that government support will make a difference.

Advanced Urban Services Sector

- Attempt to get round Whitehall reluctance to be seen to be intervening in places
- Dominant role of market orthodoxy evident in the strategy.
- Government can only intervene in limited circumstances: Market Failure, information asymmetry etc.
- Draws inspiration from the Digital Creative Sector which has been perceived as successfully drawing together disparate range of businesses and given a strong voice.
- Crucially for rural areas, does open the door. The focus is the activity of the business not its location.

Thank you

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The Rural in the Midlands Engine Strategy

Dr Gary Bosworth,

Reader of Rural Geography
University of Lincoln

Rural Entrepreneurship Conference; Newcastle, 16th June 2017

Thank you for listening, any questions?

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Objective 5: Enhancing quality of life

- “the Midlands is a great place to live work and visit” with 2 UNESCO World heritage sites and 7 AONBs
- Investment in new “garden villages”
- Foster the local tourist economy
- Investment in walking routes and cultural attractions
- But I can’t see a strategy to promote the wider potential of rural economies through generic infrastructure improvements, skills development, planning or joining up of rural and urban economic thinking

Promoting entrepreneurship

- There is a lack of entrepreneurial dynamism with fewer business start-ups per head than many other regions
- BUT – we know that rural areas tend to have higher numbers of businesses per head although this is not acknowledged
- Agri-food and drink processing is cited as a sectoral strength. £6.5m allocated to boost this sector in Lincs.
3 food enterprise zones: Holbeach, Hemswell & Grimsby

What is the Rural Economy?

- Economic activity in rural areas – spatially defined OR
Economic activity that itself might be described as rural?
- Are there many different rural economies?
- “The economy of rural and urban areas has to be seen as complimentary parts of a larger economic entity. There is no such thing as simply an urban economy, just as there is also no rural economy” (Cabus & Vanhaverbeke 2003, p14).

A wider appreciation of rural assets

What does rurality provide as an asset to businesses?

- space and freedom to think, peace, security (relational)
- views, experiences, aesthetics, nature (recreational)
- community, networks, lifestyle (personal/social)
- authenticity, freshness, artisanship (branding)
- What types of businesses can prosper in rural areas based on the features of those places?
- How can these be supported to become part of urban-rural regional economies?

Smart Specialisation in Rural Areas

- More attention on eco-innovations and the bio-economy & opportunities arising from exploiting the interdependences between urban and rural places
- “the innovation that does take place in rural areas ... is not well incorporated into standard approaches to defining and measuring innovation” (Dargan & Shucksmith 2008)
- innovation in rural areas mainly came from diversification into other activities than agriculture, also combining different technologies as well as organisational and marketing strategies (OECD, 2006; 2014)

Rural Economy Post-Brexit

- IPPR report: Britain's rural areas represent a forgotten opportunity
- The first opportunity in decades to better match policy and public funds to urgent farming issues in England – now we can share a new national vision and policies for farming (CPRE 2016)
- Withdrawal from the EU brings the chance to take an innovative approach, updating agricultural policy and addressing new opportunities and challenges (IPPR North)
- Opportunities for Universities and agri-tech development (to compensate for decline of migrant labour)
- New approaches to managing rural assets – Rural Wealth Fund

Thank you, any questions?

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North of Tyne: National Rural Exemplar

North of Tyne (1)

- Administrative areas of Newcastle, North Tyneside and Northumberland covering 5,210km² with a population of 810,000
- Functional economic geography that is home to 23,000 businesses - 85% of working residents work in the area and 90% of learners
- Total GVA of £17bn with employment growth increasing at a faster rate than any other area in the North of England
- BUT productivity remains below the national average

North of Tyne (2)

- Only Combined Authority that extends from centre of a core city, through urban fringe and rural market towns, and out to the most remote countryside - represents a microcosm of England
- Includes quality uplands and coast with National Park, AONB, UNESCO World Heritage Site and Green Belt designations
- Part of a wider rural economy that straddles the England and Scotland border
- Existing range of rural research and innovation assets

Devolution

- North of Tyne committed to becoming a national exemplar for rural growth and stewardship
- Pioneer the delivery of the Industrial Strategy through a rural lens
- Lead and showcase the delivery of the Government's 25-year ambitions for the environment; and the food, farming and fishing industries
- Aim is to maximise productivity from rural settings - with a rural location seen as no barrier to growth

Rural Productivity Plan

- Draws together economic, social, and environmental outcomes and how they interrelate
- Explores the relationship and interdependency between urban and rural areas
- Provides a mechanism to bring public sector, businesses, communities and academia together
- Scope to extend to a wider “Borderland” geography and to work with other rural areas

Rural delivery

- Opportunity to showcase excellence in rural development building on North East Rural Growth Network
- Scope to tailor “urban-centric” initiatives to rural settings - Rural Enterprise Zone; Coastal Action Zone; Heritage Action Zones; etc
- Ability to influence rural delivery programmes in a post-Brexit context with a new kind of Rural Development Programme
- Ensure that exemplar rural activity “sings to the next level”

Rural proofing

- Opportunity to deliver national programmes through a rural lens
 - employability and skills
 - business support and scale-up
 - sector specialisation and innovation
 - housing growth
- Make the case for mobile and digital connectivity solutions
- Demonstrate the value of the countryside to the country's supply of food, energy and utilities

Questions and Discussion