

Progressing Rural Contributions to the UK Industrial Strategy

Rural places and economies have potential opportunities to enhance the processes and outcomes of the UK Industrial Strategy, but local and national decision makers need to seek out and respect their contributions.



Policy and Practice Notes

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Rural places, firms and communities can contribute positively to the majority of the UK Industrial Strategy's Grand Challenges, foundations of productivity, sector deals and Local Industrial Strategies. But what do policy, business, community and environmental organisations need to do to turn the visibility of rural economies in the Industrial Strategy into universal support for, and recognition of, their role? How can rural representatives better inform and organise themselves to ensure their businesses and communities are heard, acknowledged and benefit? How should researchers inform ways of harnessing rural economic, social or environmental capital to raise growth and wellbeing?

Are commitments to rural places or economies evident in all Industrial Strategy features and structures?

The UK Government has made it clear that **all places** must benefit from, and contribute to, the Industrial Strategy, including the nation's rural economies and places:

- This signal for rural inclusivity is clear in the national evidence pack for England's 38 Local Enterprise Partnerships to aid preparation of their Local Industrial Strategies.

However there is less evidence that rural contributions, opportunities and needs are being strategically acknowledged in the Industrial Strategy's Grand Challenges, and in Sector or Area growth deals:

- Although the Department of Transport has made a commitment to produce a Rural Strategy for the Future of Mobility Grand Challenge (following publication of the Future of Mobility: Urban Strategy), evidence of rural places in other Grand Challenge missions or strategies is weak.
- Rural businesses and places are thinly represented or engaged in most Sector Councils or forums, and City or Area Growth Deals.
- Sector deals, such as for Food & Drink, or Tourism will have substantial rural contributions and opportunities, but most other industries and sectors also host rural firms, some of which may need targeted help to face specific challenges arising from their distance from support services, markets and business networks, staff recruitment and skills etc.

Does low rural visibility or engagement of rural stakeholders in Industrial Strategy policy measures and deals matter?

A clear commitment to rural places across all of the Industrial Strategy's delivery features is needed in order to:

- Capitalise on the performance, innovation and untapped potential of rural economies, whilst also addressing areas of need linked to raising productivity, choice of jobs / wages, exporting and, in more remote areas, 'new to the market' innovation.
- Help Local Enterprise Partnerships (LEPs) and other local economic development organisations align their prioritisation and selection of activities to include their rural societies' grand challenges and natural capital.
- Provide equitable access for rural enterprises, research and innovations to Industrial Strategy and Grand Challenge resources, such as the £98m Healthy Ageing Industrial Strategy Challenge Fund.
- Bring consistency of prioritisation of rural contributions and opportunities across Local Industrial Strategies (LISs).

How can rural stakeholders improve the evidence, representation and recognition of rural economies at all levels?

All stakeholders have an important role to play:

- Rural organisations, research institutions and policy leaders need to improve and bring together evidence, advocacy, information exchange and leadership, so to generate rural profile and strategic input into Industrial Strategy Grand Challenges, Foundations of productivity and Sector or Area-led proposals.
- Researchers and organisations with expertise and insight into rural communities and economies should work with dedicated researchers and leaders of the Grand Challenges and Foundations to gather and analyse evidence relating to rural contributions, needs and opportunities. This should include innovation and research centres specialised in ageing, data, clean growth and transport.
- All need to generate strategic thinking and leadership for a variety of rural levels and locations. Working with Defra, and the Devolved Administrations' rural economy teams, LEPs and other economic partnerships, rural leaders and representatives should facilitate better networking and collaboration, and share responsibility and experience to inform Sector forums, LISs and Area deals.
- Networks are key to sharing responsibility and expertise in bringing strategic focus to rural issues at a national or local level. They must be developed and supported. Examples include the LEP Network's Rural Group, Scotland's Rural Enterprise Roundtable, English regional Farming and Rural Networks, and local networks such as the East Riding of Yorkshire and Leicestershire Rural Partnerships and the many LEADER Local Action Groups which attract and nurture rural expertise and insight below the LEP level.

Would a Rural Strategy help identify and promote rural contributions to the Industrial Strategy?

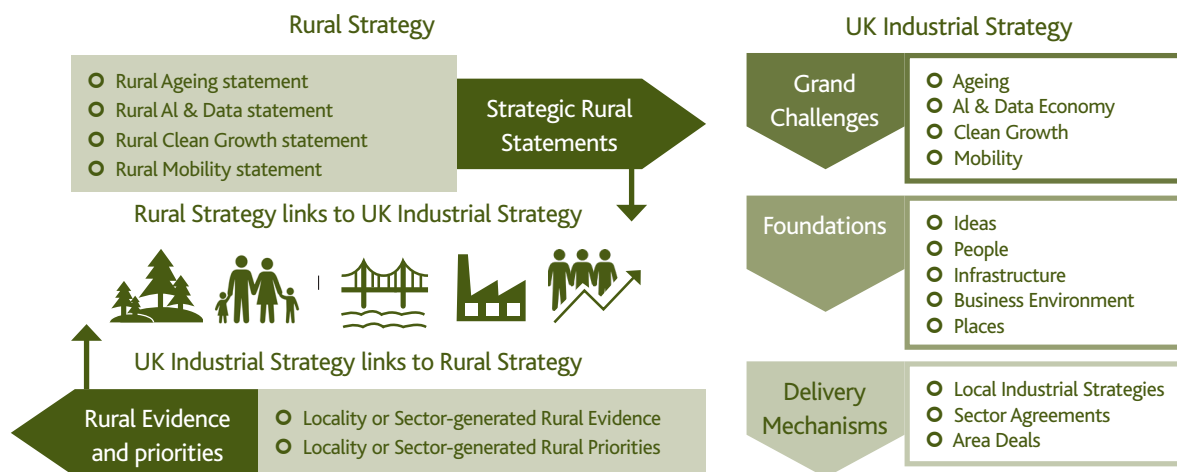
At national scale, a Rural Strategy could provide a framework for a two-way flow of evidence, analysis, vision and priorities for rural economic, environmental and social capital and services within the Industrial Strategy:

- Acting as a central source of additional and targeted rural evidence, policy statements and priorities for Industrial Strategy Grand Challenges, Sector Agreements, LISs and supporting funds.
- Providing a co-ordinating location and mechanism for evidence and priorities of rural economies and natural capital adopted by LEPs and partners in their refreshed Strategic Economic Plans and LISs.
- Identifying and sharing opportunities, innovations and actions led by lower tier economic partnerships in order to enrich national insight and decisions for developing the wider UK and country economies.
- Including evidence-based Strategic Statements describing the rural scale, variety, trends, impacts, opportunities and potential for development and innovation of ageing communities, clean energy, and AI or data-led economic growth. A similar Strategic Rural Statement on Future Mobility would also set the context and evidence for the planned *Future of Mobility: Rural Strategy*.
- Informing policy development and evaluation to ensure equity for rural economies and places across Industrial Strategy and LIS delivery mechanisms and resources.

At local scale LEPs and other local economic development organisations should develop their own rural strategies to inform the mainstreaming of rural issues across LISs:

- Setting out the diversity of rural enterprise and their contribution to city and town economies, international links, natural capital and the choice and quality of work.
- Identifying cross-boundary linkages with neighbouring strategies given particular significance to rural economies.
- Elaborating mechanisms for local co-delivery with rural stakeholders and engagement of rural micro- and small businesses.
- Connecting grand and society-wide challenges with tangible local opportunities for their rural areas.
- Outlining investment criteria and evaluation metrics for defining rural outcomes and measuring success.

The Figure below illustrates a potential model to develop and steer these extended relationships.



Project information

This Briefing Note was written by Roger Turner, Jeremy Phillipson, Matthew Gorton, Pattanapong Tiwasing, Paul Cowie, Sara Maioli and Robert Newbery. It draws on research conducted by the Rural Enterprise UK (REUK) team at Newcastle University. This has been combined with insights from a workshop *The UK Industrial Strategy: Progressing Rural Contributions*, held in Newcastle, March 2019, that was supported by the Industrial Strategy team at the Department of Business, Energy and Industrial Strategy, and involved participants from across the UK, from economic partnerships and rural groups, public and private sector bodies, business organisations, academic institutions and decision makers. REUK is funded by Newcastle University, the Higher Education Innovation Fund (HEIF), Economic and Social Research Council (ES/M500513/1) and Interreg Europe.

Further information

Rural Enterprise UK website:

<http://research.ncl.ac.uk/ruralenterpriseuk/>

Innogrow website: <https://www.interregeurope.eu/innogrow/>

CECAN website: <https://www.cecan.ac.uk/>

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