

How can the Industrial Strategy support the rural economy?

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Background

- The LGA welcomed the development of a national industrial strategy. We have expressed the need for a clearly articulated national economic policy that sets objectives, how local economic growth contributes to this, how local economic inequalities will be addressed, and a clear framework and role for local devolution policy.
- **The potential prize is significant.** If those council areas with below median growth in GDP per head in the period 1998-2021 had instead matched the median growth rate across all councils, it would mean England generating an additional £73 billion in GDP today.

Industrial Strategy Green Paper

- The Industrial Strategy aims to deliver inclusive growth across the UK. It also contains further aims to contribute towards 'net zero, regional growth, and economic security and resilience.'
- The Government propose to target eight growth-leading sectors.
- The green paper outlines that the Government intend to 'concentrate efforts' on city regions, high-potential clusters, and strategic industrial sites.
- It also argues that targeted and prioritised interventions in the economy result in greater outcomes

Growth Sectors	
Advanced Manufacturing	Clean Energy
Creative Industries	Defence
Digital and Technologies	Financial Services
Life Sciences	Professional and Business Services

Rural economy



It is important that all councils across England are equally recognised for their role in delivering local growth. This includes urban areas but also those which are non-metropolitan and rural.



In 2021 we produced [research into the unique challenges facing coastal and rural areas](#) in which there was a £102 billion productivity gap compared to the national average.

How can the Industrial Strategy support the rural economy?

- Councils need to be enabled to best deliver for their communities. As [highlighted in a recent LGA report](#), continued pressure on local government budgets falls disproportionately on non-statutory services including economic development.
- Work with local authorities to understand place-based priorities e.g. Gloucestershire [Agri-Food and Rural Business Group](#). The [LGA's work on lessons learned from previous Local Industrial Strategies](#) found that 'first and foremost, a successful strategy resulted from places taking a long hard look at their economies over the long-term cycle.'
- National statistics make it difficult to identify issues at a granular level – for example, deprivation in rural communities.
- There are particular opportunities for growth in rural, such as through emerging green industry and technologies including aquaculture. **By 2050, there could be 1.18 million jobs in low-carbon sectors.**

How can the Industrial Strategy support the rural economy?

- Support to small businesses. **90% of rural businesses are micro or small businesses.** [Brain drain and a lack of premises have been identified as key blockers.](#)
- The roll out of infrastructure, particularly grid and digital connections. **17 percent of rural residential premises** and **30 percent of rural commercial premises** still do not have access to superfast broadband
- Transport connections. [A recent LGA report](#) found that there is a clearer link between public transport accessibility and economic deprivation in smaller cities and towns with rural areas. **A one per cent decrease in travel time** to the nearest medium employment centre results in a **0.91 per cent decrease in employment deprivation.**
- Devolution and Local Growth Plans. We have supported [work by IPPR North](#) that sets out how greater decentralisation can improve economic growth and also lead to more equal outcomes and reduce regional inequality.

LGA Growth Activity

- Response to the [Industrial Strategy green paper](#), the [Future of Growth Funding](#), [LEP Integration](#), [Green Jobs Framework](#), [microbusinesses](#), [transport and inclusion](#), [Local Industrial Strategies](#).
- LGA commissioned work: A Force for Growth – Local Government’s Role in Inclusive Growth.
 - We hope to Present a forward-looking, positive case to Government and partners, highlighting the role of Local Authorities in delivering inclusive local growth. As part of this work, we wish to highlight the differences between city-based economies, rural economies and sector focused economies and the positive contributions of each – the LGA is keen to show that all areas matter and can make a positive contribution.
- We would welcome any thoughts and feedback. Please contact: alex.howell@local.gov.uk