

Rural Services Network

Presentation – **Economic Development in Rural UK**

February 2019



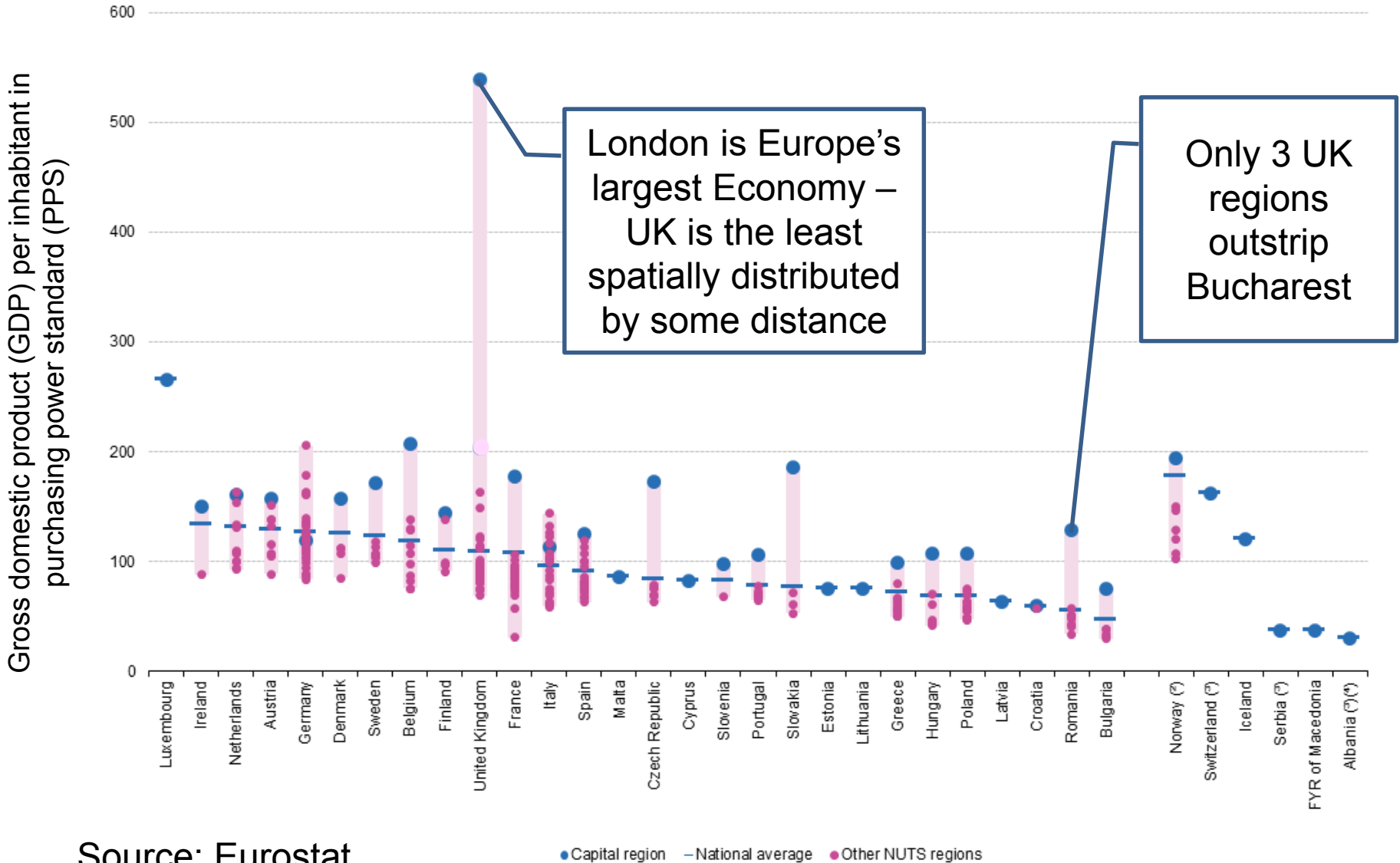
Introduction

- Nigel Wilcock, Executive Director, Institute of Economic Development
- Also Director Mickledore since 2009
- Background, Regional Development Director, EY

Introduction

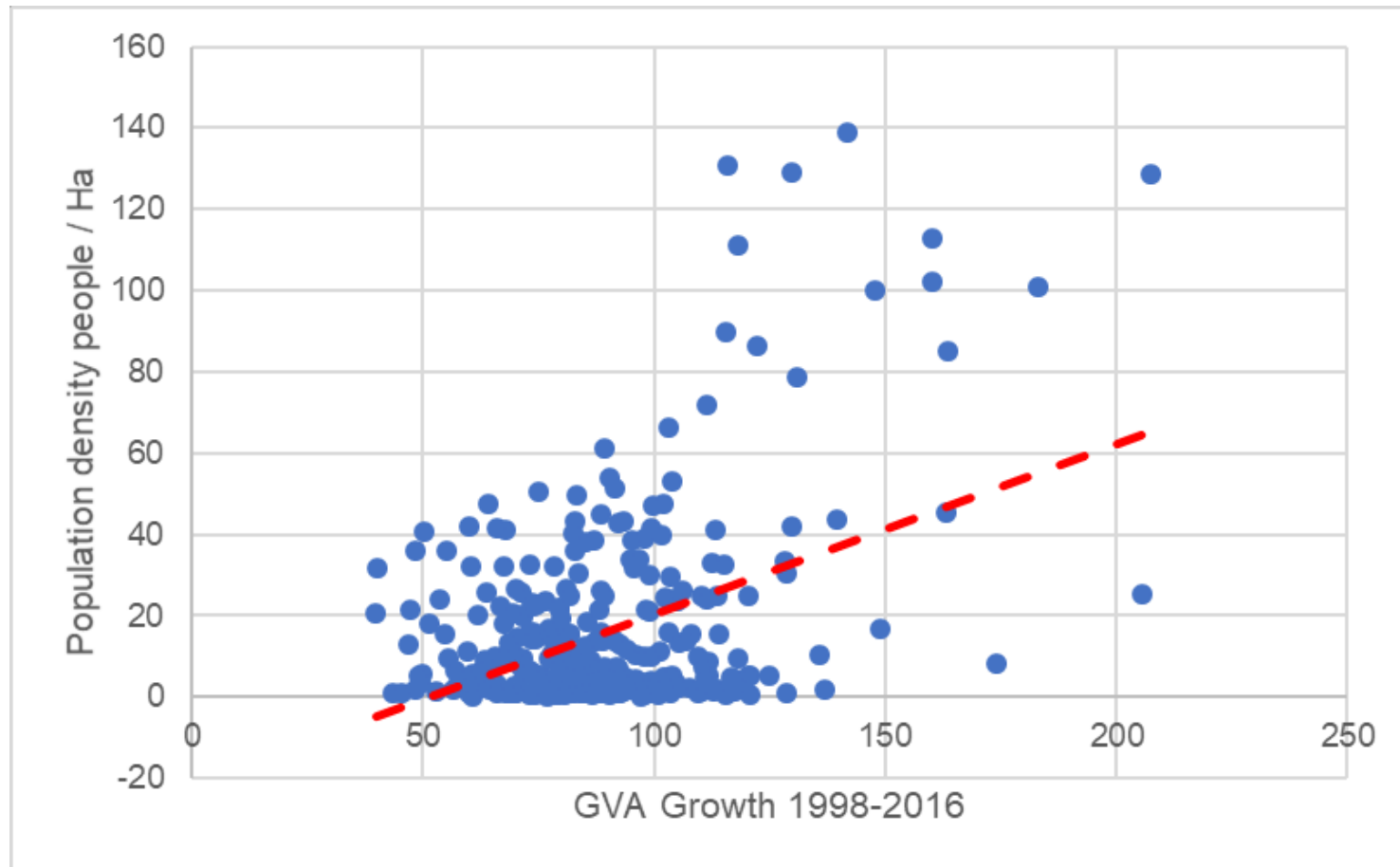
- Context
- West Midlands perspective
- Key challenges
- Some solutions

The UK is not one economy



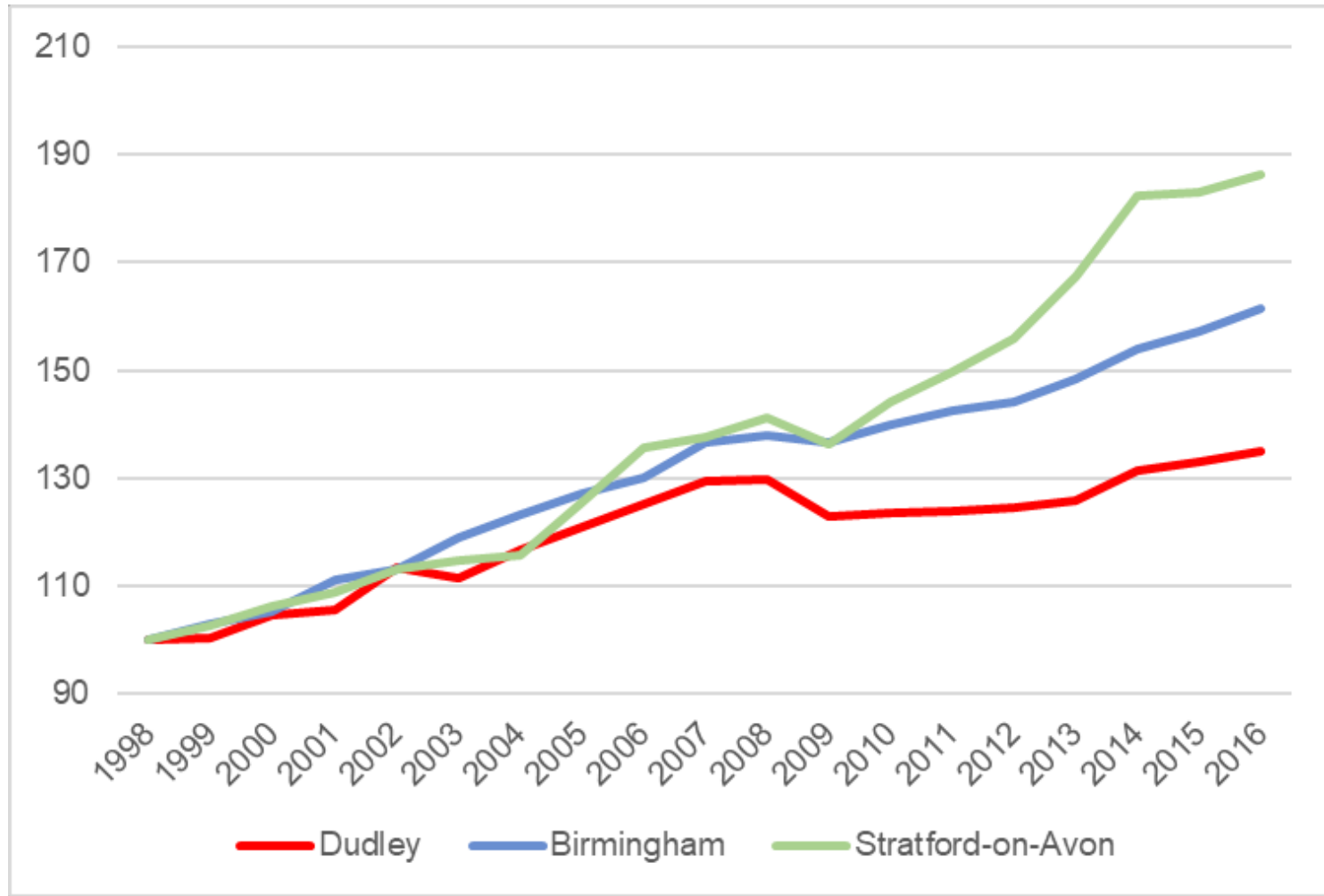
Source: Eurostat

GVA growth & employment density



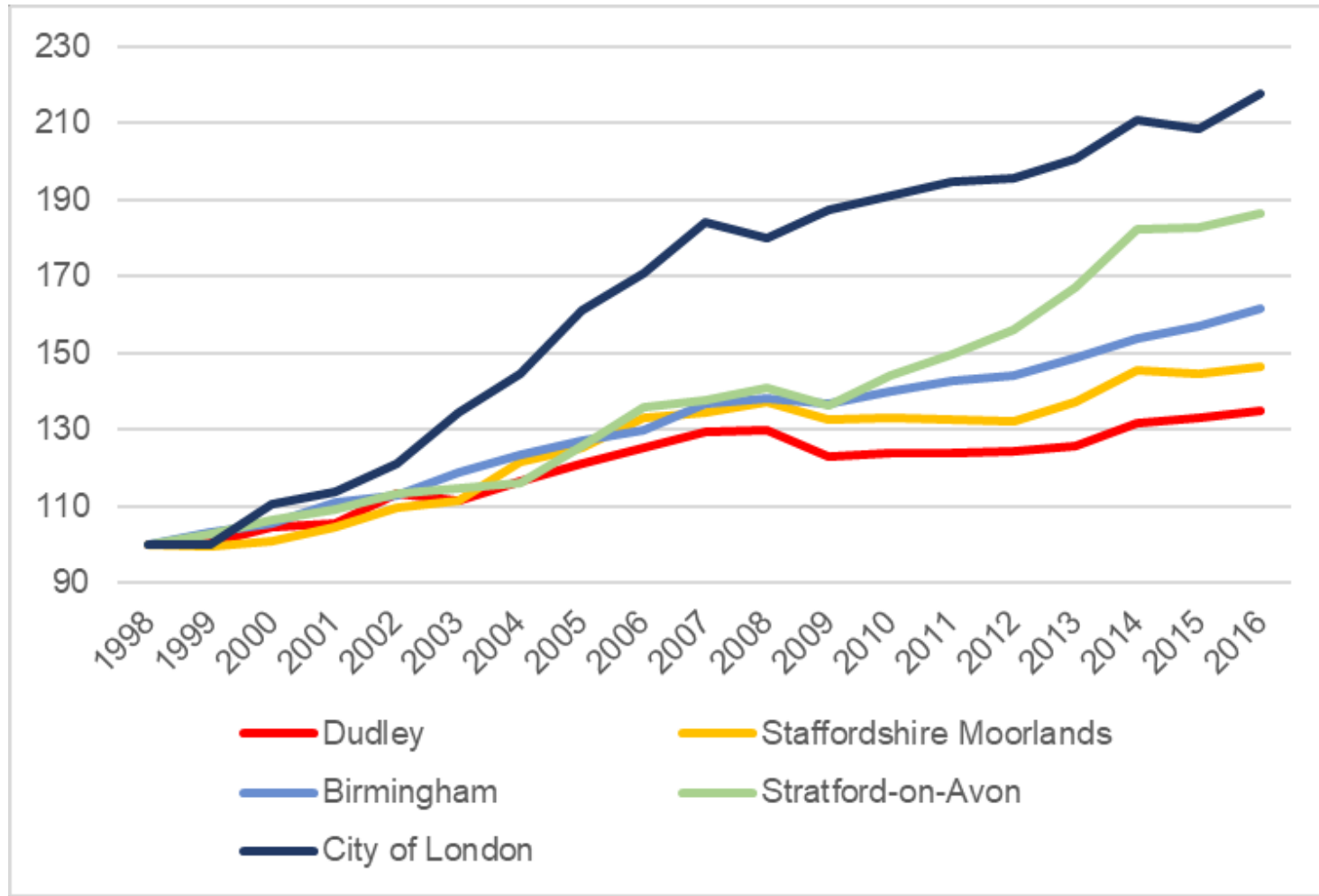
Source: IED analysis of ONS

Local Authority GVA 1998-2016



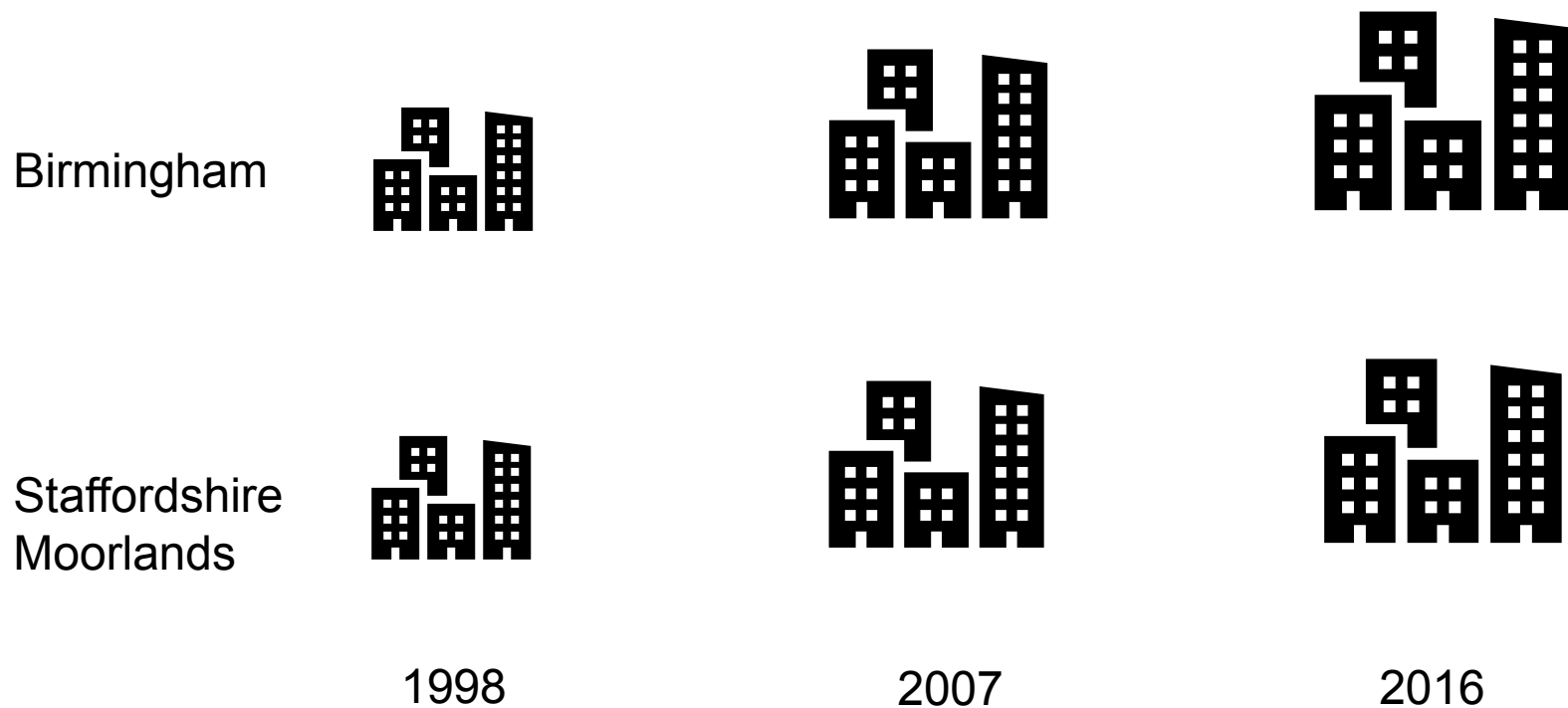
Source: ONS

Local Authority GVA 1998-2016



Source: ONS

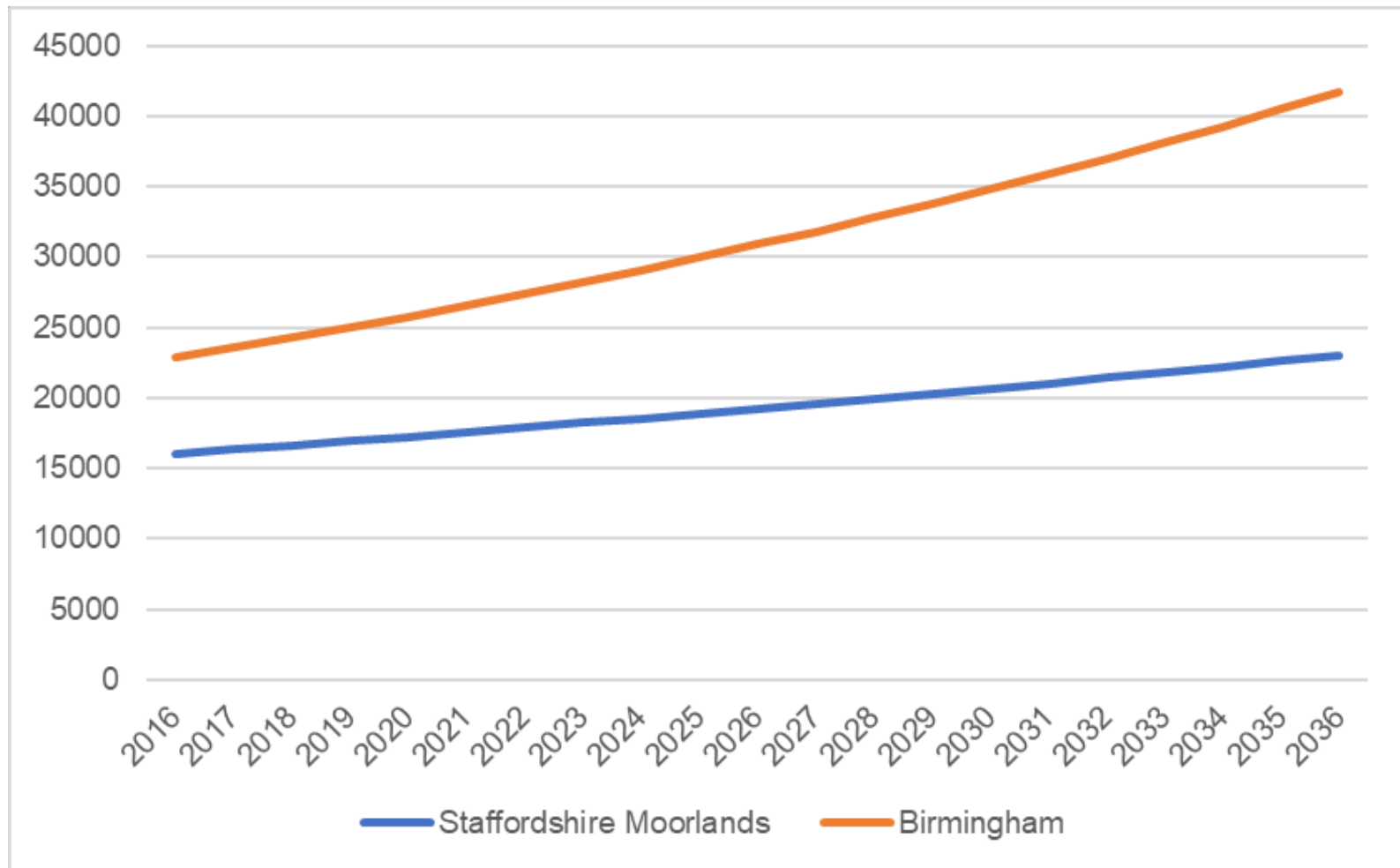
Local Authority GVA/head 1998-2016



Source: ONS

De-coupling

Local Authority GVA at 2016 growth rates



Source: ONS

General Observations

- Largest imbalance in UK is between London and regions (unlike France & US where the largest imbalance is between metropolitan and rural)
- Too simplistic to equate rural characteristics with slower growth – depends on many other factors (skills and sector balance)
- In the UK the challenges remain under-performing towns
- Evidence of some decoupling post recession
- Trends in economic development – the ‘Fourth Industrial Revolution’ likely to create a existential threat to many rural communities
- Rural communities likely to face the most serious economic issues of any locations in the UK over the next 20-30 years

Very strong headwinds

- Very rapid deployment of infrastructure required – favouring densely populated areas:
 - Speed and capacity of data (mobile and fibre) transfer
 - Future mobility systems
 - Decarbonised energy systems
- Increasing attractiveness of city living for younger demographic accelerated by available infrastructure increasing magnetism
- Economies of agglomeration appear to have been more important in the digital economy (counter intuitive) eg silicon roundabout
- Challenges around social care provision, public transport and rural employment (further loss of agricultural and manufacturing employment accelerated by Brexit) encourage de-population
- Larger number of rural communities reach tipping point where local businesses no longer sustained by available income

Industrial Strategy

The industrial strategy actually illustrates the point

Grand Challenges	Key enablers
AI / Big Data	<ul style="list-style-type: none">▪ First in class data connectivity▪ Super computing capacity
Ageing	<ul style="list-style-type: none">▪ Mobile connectivity▪ Primary / secondary healthcare connections▪ Digital records, capability, willingness
Future mobility	<ul style="list-style-type: none">▪ Charging / fuelling infrastructure▪ Transport hubs▪ Sharing / ownership models
Clean growth	<ul style="list-style-type: none">▪ Power networks▪ Smart systems▪ Decarbonised heat

What next?



Critical Success Factors

Priorities

1. Digital connectivity
2. Housing
3. Business hubs
4. Community self-help
5. Mobility clubs
6. Decarbonise heat

Of course, there are many 'micro' initiatives that can improve the current community – but rural economic development urgently needs to consider a longer term / strategic approach

1. Digital connectivity

The key enabler – and there is something that rural communities can do



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The World's Fastest Rural Broadband

B4RN is a professionally designed fibre optic broadband network, registered as a non-profit community benefit society, and run by a dedicated local team with the support of landowners and volunteers. We offer 1,000Mbps FTTH broadband to every property in our coverage areas, costing households only £30 per month.



About Us

Broadband for the Rural North Ltd or 'B4RN' was launched in December 2011 by a local volunteer group led by industry expert Barry Forde. Registered as a...



B4RN Service

Our service is one of the fastest, cheapest and most reliable in the world, with households getting full gigabit service for only £30/month...



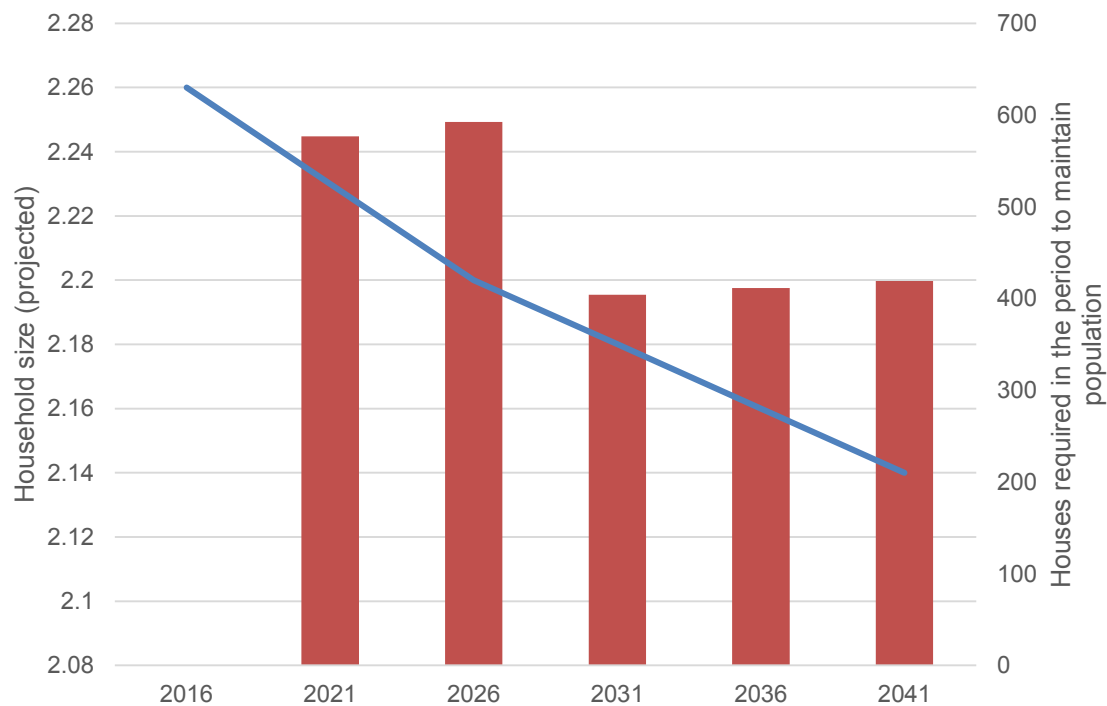
B4RN Community

B4RN is built on community spirit. We rely on strong volunteer support, as well as help from landowners. In return all profits go back into the community...

2. Housing

Without building more homes, the population shrinks and ages. This challenges the viability of rural communities

Staffordshire Moorlands – households and houses required



3. Business Hubs

Creating some element of critical mass and economy



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WORKSPACE | RESOURCES | COMMUNITY
FOR INDEPENDENT THINKERS & CREATORS

4. Community self help

Communities generally have a range of different 'civic' assets at their disposal

Kirkby Lonsdale and Lune Valley Community Interest Company

The dry stuff first: A Community Interest Company (CIC) is a special kind of limited company. It is registered at Companies House. Its assets can only be used for the benefit of its local community.

The Kirkby Lonsdale CIC was set up in 2011 to support the Town Council. South Lakeland District Council was considering closing public toilets and their tourist information centre in the town. The weekly market, held on SLDC land each Thursday, was also under threat.

The town council successfully negotiated to lease these services from the district council. This led to the formation of the CIC who were better suited to manage these services on a day to day basis. The CIC can take guidance from the town council but is free to develop its own projects.

The CIC has had a number of project leaders since its formation. The current person is the Tourism and Town Manager, who is a part-time employee. Sarah Ross identifies how best to promote the town to residents and visitors, and works to maintain services and bring new attractions to the town, attractions which are suited to a relatively unspoiled market town.

5. Mobility clubs

Atkins – rethinking transport as a mobility service

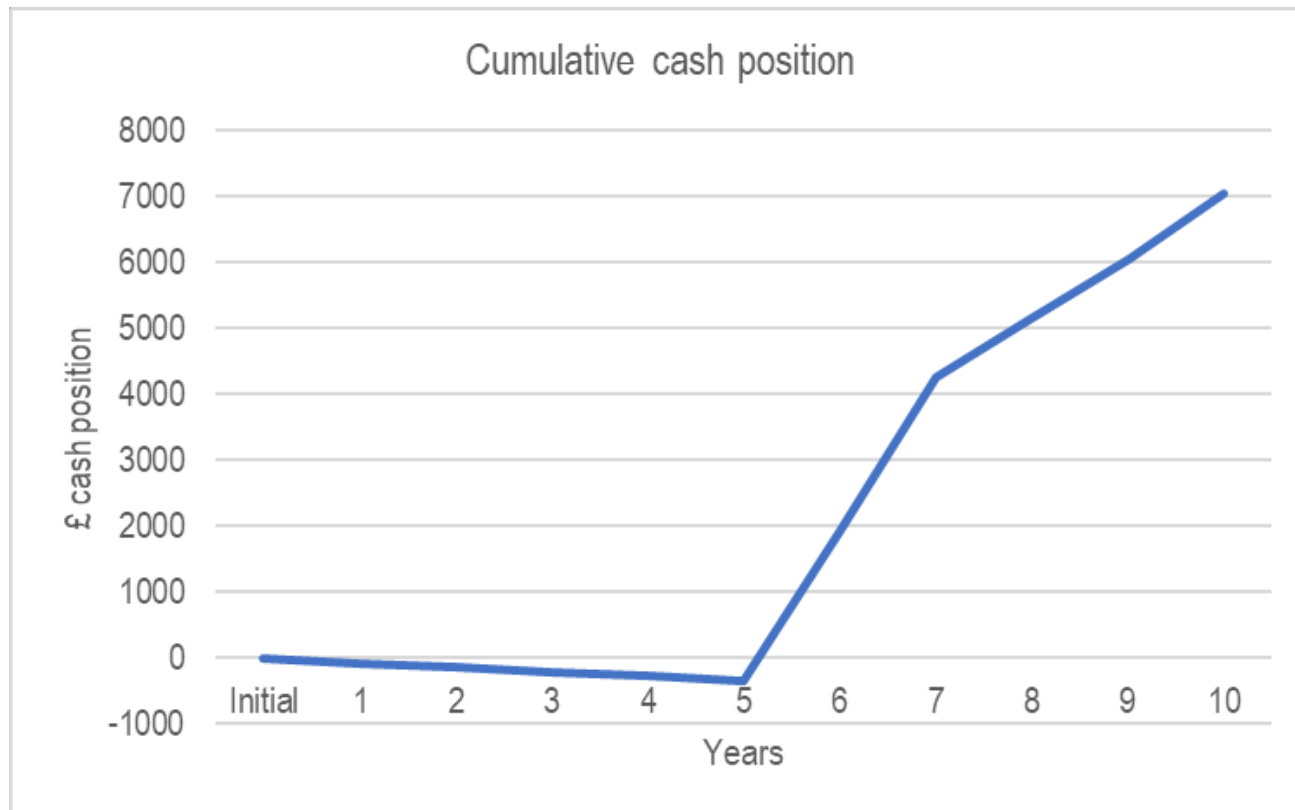
Delivering Intelligent Mobility in The Northern Powerhouse: Taking the UK from Transport to Mobility

Nathan Marsh | 21 Mar 2017 | [0 Comments](#)



6. Decarbonising heat

Decarbonising heat and reducing energy costs to off gas grid customers – a commercial modelling issue not a technology issue. Household cash profile:



Conclusions

- Rural communities likely to face the most serious economic issues of any locations in the UK over the next 20-30 years
- This threat will be existential for some
- Keeping up with general economic growth is unlikely – but there are many interventions that can avoid catastrophe
- This can sustain communities with their USP – quality of life for those that choose it

Thank you and contact

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