



## **Opening and Closing Speeches by Stuart Burgess to the 'Releasing the Potential of Rural Economies: Innovation' Summit**

Merchant Taylor's Hall York, 5 February 2009

### **Opening Speech**

This is the first of four themed Summits that we and the RDAs will be holding across England – and I shall say a little about why we are holding such Summits and what we hope for from you. Today I want to invite you to create and extend a debate on how we encourage and harness Innovation in rural setting and later encouraged in this task by our Secretary of State who will outline how the government is working to tackle some of today's key economic and social challenges for rural England.

#### **Rural Economies have the qualities to overturn recession**

Most of this audience will recognise two truths about England's rural economies.

- They are diverse, enterprising and substantial; but
- like the rest of our national economy they are being challenged by this recession.

We need to build on their strong qualities to overturn this recession - an enterprising spirit and self reliance, firms that are keen to grow, that sell more often to international markets, that combine hard work and community wellbeing.

To build on these strengths what rural firms and communities ask for is to have an **equity of access** to appropriate business advice, employee support, training programmes, funds, affordable housing, accessible services and sustainable transport.....and we in the public sector, national to local, have a responsibility to recognise and deliver this.

As Rural Advocate and chair of the Commission for Rural Communities my role is to articulate these needs and describe how rural economies and communities contribute to wider economic and social goals – to carry the voice of rural businesses and communities to the heart of government.

The invitation by the Prime Minister to advise him of steps to build stronger rural economies gave us a valuable opportunity to describe this economic potential and economic needs, and it was in that advice that the idea of these Summits first emerged. The Government's response to that advice is published today, and I welcome the way in which Government departments, under the leadership of Hilary Benn and his senior official Robin Mortimer came together to consider and respond to my proposals. They took up the debate, they looked for the action and the CRC, RDAs and local authorities want to take that search for solutions to a wider audience and other places.

#### **Diverse economies need effective devolution with rural proofing and mainstreaming.**

One thing I believe this whole activity has settled, hopefully to real effect, is the recognition that our rural economies are just that – economies - places with different balances of consumer and producer activity, with different degrees of connectivity and inter-dependencies with urban and global markets, with different degrees of disadvantage and prosperity.

They are not homogeneous. They are not limited in sectors or outputs.

Thus policies and programmes, no matter where they originate, within or outwith government, need to recognise this and embrace this diversity of needs and potential. The economic wellbeing of many rural communities and economies are based on their assets and sense of place. We support and welcome this nudge away from sector and productivity driven focus of economic policy for rural economies .... From afar communities' 'sense of place and their asset base may be difficult to detect, but those in public and private sectors operating closer to local communities are well placed to recognise and build on it – whether through 'rural renaissance programmes' for market and coastal towns, action groups for rural development, chambers of trade and business associations, or community action networks.

We welcome the recognition and support being given by the government to devolution and local democracy and the aim of strengthening the role of sub-regional and local authorities to work for their economies. Rural areas want devolution that leads to equality of opportunities regardless of place. As the government's response to my report encourages, CRC looks forward to working further with CLG and the LGA, and with RDAs to support them and the new Leaders Forums to bring about effective devolution, and through the new commitment to rural proofing and mainstreaming we and RDAs will work to enhance their awareness and commitment to their rural economies.

But for such devolution to be effective and equitable central government also needs to work harder to avoid setting Frameworks for regeneration and economic development, and allocating resources for delivery Programmes that tackle worklessness or offer retraining and employee support in urban areas where disadvantage, unemployment and poor job prospects, concentrated poverty or low enterprise can be measured and spatially targeted.

Effective and equitable devolution means that those who identify that low aspiration, employment or enterprise is holding back their communities and economies and commit themselves to overturn these weaknesses even if dispersed across their administrative areas, can define appropriate ways of tackling it and access any central resources to overturn these weaknesses.

To achieve equality of opportunity regardless of place, central government plays a critical role in the signals and resources that it sends out, by the frameworks and resource allocations it makes. I am pleased that the report sends out such a strong signal across government of the importance of rural proofing to achieve mainstreaming of rural into all policies and programmes. We are working with the Minister for Rural Affairs for a successful refresh and re-launch of rural proofing and mainstreaming in May and to support RDAs and others as they mainstream rural in representation and actions.

### **Collaborative partnerships and rural champions**

The Government's response to my advice to the Prime Minister was created by a collaborative partnership of six key government departments and input from other agencies. This is a rare and welcome joint effort for rural economies, but the real value of this partnership, I hope, is that rural firms and communities should now be able to look with confidence to economic departments and agencies to bear witness to the strength of our rural economies and press for attention to the needs, potential and challenges of our employees and businesses.

This is being continued with our reporting of intelligence on the impacts of the recession, in which CRC report monthly on the challenges and report them monthly to Hilary Benn and the National Economic Council. The Regional Development Agencies are also reporting impacts and solutions to Ministers and to regional and national councils. They have been joined by a variety of local and sectoral authorities and agencies and between us we are capturing, digesting and reporting intelligence about difficulties being faced across England, and I hope increasingly drawing attention to the good news stories. We need your help and advice to maintain and strengthen that effort, and to spot and advocate solutions that will make a difference.

## So to Summits and Innovation

Amongst the many challenges and solutions I set out in my report to the Prime Minister a proposal for some Summits might seem to be a small one.... but here we are – at the first of four – despite very short preparation time, despite the obstacles and worries that the weather, transport systems and the recession have thrown at us.

I recommended such Summits to allow us to build on the cross- government way of working, to nurture that collaborative partnership, to help distribute the key signal that the Government's response sends about the agenda for rural economies, that it is an inclusive agenda for the public and private sector. But I also wanted to bring the discussion on action back to where it started. Today with you we need to explore and build on progress and plans in the difficult economic climate that we now find ourselves in.

The recommendations in my report came from the many visits and meetings I and CRC have with decision makers and businessmen and women and communities across rural England, supported by hard evidence of economic contribution and challenges from rural economies. I felt it was important then that when national policy makers and decision takers have responded, that we bring back the discussion to people from rural and economic backgrounds, to sense check and to advise on turning rhetoric and ambition into action.

Since I reported several key government policies and programmes for **innovation**, for **investment**, for **leadership** and devolution of the economic development and regeneration, and for community **empowerment** - all themes in my report - have moved on. Some we anticipated in our recommendations, some we didn't. Some are included in the Government response.

- So how aware are rural firms and their representatives of the new policy landscape?
- How do we take up the new measures and further mould existing plans to innovate and inspire and invest our way out of recession.?
- What do you see as the central need for firms wishing to innovate...and has government addressed it?

Innovation is a good one to start with. As we shall hear later this morning, since last year we have a new Innovation policy and programme. In recession however,, innovation is seen to need a luxury that some don't have, the luxury of time. Innovation is often seen in terms of technology and new products. Products take time and investment to develop, test and market. But innovation starts with ideas, ideas for new ways of working, for new collaborations, for new processes, for new markets. Ideas and the ability to see things differently are building blocks of recovery. Ideas don't cost money.

The steps to Innovate is affected by recession, but innovation is central to releasing the potential of rural and urban economies and to making our businesses and communities more resilient. The Government's examination of steps to release the potential of rural economies has offered stronger commitment to build rural in several policy and programmes that support business and community Innovation. We look forward to working with Department of Innovation, University and Skills (DIUS), the Technology Strategy Board and RDAs to identify and address the rural dimensions in any Innovation and Technology strategies and investments, including any New Partnerships for Innovation..... but what all of us in that partnership need to know is what do rural areas and businesses most need to encourage, support and enable them to Innovate.....and that is why at different points in this Summit we will be turning the debate over to all of you to lead.

## **Closing Speech**

Thank you Hilary.

I opened the Summit this morning by emphasising that releasing the potential of our rural economies is a shared agenda. Your Government's response to my Advice to the Prime Minister, draws out a valuable sense of what cross-government working can achieve when it focuses on achieving a common goal. I agree completely that monitoring and tackling the effects of the recession on rural areas also needs such a strong partnership, and the CRC are pleased to work with RDAs and your officials in supporting your championing the cause of rural businesses and communities on the National Economic Council. I very much welcome your proposal and invitation today to join you, the chair of the RDAs and others to look at what further support can be provided to our rural economies and communities.

As you say rural economies have tremendous strengths and qualities on which to build, but in this economic downturn we need to work even harder to prevent those households that were already in poverty, those businesses that were already struggling, those employees who were already in the labour market but on low wages and insecure jobs, to turn the corner. As you put it we need to redouble our efforts.

In your formal Response to my report, you acknowledge the importance of the asset base of rural economies –people, cultural and physical qualities – and a welcome nudge away from a sector and productivity-driven focus of economic policy for rural areas. Rural communities' 'sense of place' is strong and they continue to surprise me in both their awareness of what makes their community different and in the ability of people and businesses have to protect and harness these assets. Community energy initiatives such as those you illustrated are an excellent example of this as are some communities' commitment to protect their shop, their pub and other local services. We do indeed need to encourage and support this, by empowering more local communities themselves. But all of us also need to work to make a success of your government's drive for greater devolution of responsibilities and capacity for economic development. It needs to be real, responsive to local needs and well resourced. We look forward to working with your department, the Communities and local government Department, RDAs and local authorities to achieve devolution that helps deliver equality of opportunity regardless of place.

Central government will of course continue to play the critical role in securing such equality of opportunity, through the signals it sends out, the resources it allocates, the frameworks and programmes it sets up. For rural residents and businesses to achieve such equality of opportunity it is important that decision makers at all spatial levels think, consider, and act with rural as well as urban needs in mind.

I am therefore very pleased that you have sent out such a strong signal across government of the importance of rural proofing to achieve mainstreaming of rural into all policies and programmes. We will work with you and Defra staff towards the refresh and re-launch of rural proofing and mainstreaming in May.

The challenges of housing and development referred to in your speech, are challenges affected by all of these drivers and ambitions – the sense of place, the need for and challenge to community empowerment and devolution of resources and democracy, sustainable communities, the impacts of the recession and ability to release the economic potential of rural areas are all intimately tied together. As we at CRC understand only too well, these various forces are too frequently out of alignment.. I look forward to your Government's response to the Taylor Review. We need to ensure that those who work and grow up in rural areas the real ability to afford to live there.