

The North East Farming and Rural Advisory Network (NEFRAN)
Rural Growth Prospectus 2013-14
September 2013

“Championing growth and sustainability in the rural North East”

Purpose

The purpose of this document is to set out the strategic priorities of the North East Farming and Rural Advisory Network (NEFRAN) and the key actions the network will be progressing in 2013-14.

The priorities and actions are intended to support rural growth and sustainability across the North East Local Enterprise Partnership (NELEP) area and should be seen as being in support of the developing growth plans of the NELEP and proposed North east Combined Authority. The NEFRAN has eight key priorities as set out below and in more detail later in this report.

2013-14 Priorities			
Thematic Priorities			
Rural Business	Rural Community	Environment	Farming and Food
Cross Cutting Priorities			
Rural Premium	Superfast Broadband	Skills	Planning

The role and contribution of NEFRAN

NEFRAN brings together a network of public, private and voluntary and community sector stakeholders in the North East. The partnership is committed to supporting action that improves the prospects of communities and supports the growth of businesses in the rural parts of the region. The NEFRAN was established in 2011 in response to DEFRA's invitation for local communities to establish such networks.

The NEFRAN provides the opportunity for a combined rural voice for the area locally and nationally, working closely with a number of regional and national bodies including the NELEP, Defra and its agencies. The NEFRAN Chair meets regularly with DEFRA ministers. For example the network provides an interface and co-ordination point to influence policy and practice and share intelligence across the region most recently contributing to the North East Independent Economic Review (NEIER). The network also has the scope to collaborate with other Farming and Rural Advisory networks both in the North and across the country.

The network has taken on a key role leading the development of the £5m Rural Growth Network, one of five national pilots supported by DEFRA which is delivering enterprise and growth activity in the rural areas of the LEP (parts of Durham, Gateshead and Northumberland). There is also the exciting opportunity to be part of the work around the emerging Combined Authority (following the Lord Adonis report) and the future shaping of the North East economic landscape.

The Rural North East

NEFRAN shares the NELEP geography with a focus on the rural parts of the North East. This includes the rural counties of Durham and Northumberland along with rural agenda as it applies to the five Tyne and Wear Local Authorities (South Tyneside, Newcastle, North Tyneside, Gateshead and Sunderland). The area includes Northumberland National Park, Northumberland Coast and Lowlands; North Pennine Dales and East Durham, the Northumberland Coastal Area of Outstanding Natural Beauty and most of the North Pennines Area of Outstanding Natural Beauty.

The rural North East includes a range of diverse and distinct settlements including market towns which act as economic hubs. There are also a number of smaller towns and villages in coastal, upland and lowland areas, all of which make a unique contribution to and integrate with, the wider economy of the North East.

The rural North East includes a diverse range of companies and important sectors along with internationally renowned heritage and cultural sites, including the Hadrian's Wall world heritage site and the renowned Bowes Museum. The characteristics of the area include:

- The NE rural economy is a mixed economy, with the public sector the most important in generating GVA. There are a large proportion of SMEs and micro enterprises, with tourism, land based, broader manufacturing and service sectors making important contributions.
- It has a high proportion of businesses in the 0 to 4 fte staff category, and about one third of rural businesses are run from home.
- It makes a high contribution to the NE economy on a number of indicators, including: proportion of enterprises, proportion of employment and proportion of GVA, but the contribution varies between places and sectors.
- Some types of rural businesses are particularly growth oriented: those in the manufacturing sector, businesses with 10+ fte employees, and newcomer-owned firms.
- These growth aspirations are particularly constrained by the financial climate, lack of finance, regulation, recruitment of skilled staff, space constraints, and broadband speeds.
- Local networking provides support to many businesses, and there are crucial inter linkages and dependencies between rural areas and the urban parts of the NELEP area, as well as the wider North and Scotland.

The potential growth of the rural parts of the region is limited by some factors. This includes limited connectivity both in terms of transport and internet/mobile connectivity which limits access to markets and services for communities and businesses. Investment in high-speed and robust broadband is a key priority for the area. There is also the issue of the place of rural concerns within mainstream policy, and a legitimate need to continually champion the rural agenda in mainstream activity and to seek to address the 'rural premium' e.g. the additional costs of delivery in such places. There is also a need to address the skills development needs of rural communities, an area which is also limited by factors of scale and remoteness which can limit the access of such areas to training and learning activity. Finally, it needs to be recognised that 'growth' in a rural context can look very different to growth in a more populated area. The impact of creating small number of jobs in a market town, for example would be comparable to creating a large number of jobs in an urban area.

The rural economy's contribution to the North East and UKPLC

Aggregate statistics provide mixed messages about the relative economic contribution of the rural region to the NE economy. According to former Regional Development Agency (ONE North East) evidence, the rural NE economy provides:

- 44% of the enterprises
- 26% of the employment,
- 14% of the turnover, and
- 25% of the GVA of the region's economy.

With only 18% of the working age population of the NE living in the rural areas, some indicators suggest an impressive contribution. However, aggregate turnover figures are low, and productivity (GVA per employee) in the rural NE (using 'rural county' proxies) is lower than for the region as a whole. Its aggregate GVA and productivity contributions to the region compare unfavourably with the contributions of other rural regions. GVA per capita in the NE rural counties is lower than for the region as a whole which in turn is below the England average. Growth in GVA per capita between 2002 and 2006 was 22% for the NE as a whole, but only 14% for County Durham and 16% for Northumberland. A descending ranking of the 39 rural counties in England, comparing their GVA per capita with the corresponding region as a whole, shows Co Durham at 35 and Northumberland at 29.

Such overall statistics for the rural NE LEP mask some significant variations. For example:

- Co Durham's GVA contribution for the 'production' sector¹ is 25%, a higher proportion than for the NE average.
- While overall rural productivity is lower than for the region as a whole, construction in the rural region exceeds the regional figure, as does business services in Northumberland.
- Three rural 'districts' (Tynedale, Castle Morpeth and Durham) are in the top four performers on the Competitiveness Index for the NE, but some other rural districts are in the least competitive category.

This map shows the North East area with the rural parts highlighted, and is also the agreed geography for the Rural Growth Network, which is mentioned later in this document.

Rural Growth Network Pilot Area



NEFRAN Priorities

The network's priorities have been shaped by its members and are set out via four key 'thematic' priorities mirroring DEFRA's national framework for the farming and advisory network overall. There are also four key 'cross cutting' priorities which NEFRAN feel are important and underpin other activities. There is also a spatial element to the work of the network given the diverse geography of the Rural North East and as such the action to be taken will be sensitive to the diverse needs of the area.

The following list of priorities provides an ongoing commentary about the issues of most concern and importance to NEFRAN, identifying what NEFRAN are looking to work on closely with partners and stakeholders in the North East. The strategic aims under each priority will broadly remain unchanged, but the actions will change to reflect progress and emerging issues following each meeting. Therefore some of the strategic aims won't always have actions identified underneath. (Dates next to items indicate at which meeting the issue was raised).

Thematic Priorities	
Rural Business	
Business Support	Aim: To continue to develop the Rural Growth Network (RGN), and maximise the impact of the RGN for rural stakeholders and delivery/test new approaches to business support.
	Actions:
	<ul style="list-style-type: none"> RGN Business support – NEFRAN to receive regular updates at RGN meetings/conferences – monitor uptake and impact and address issues as they arise.
	<ul style="list-style-type: none"> All NEFRAN partners to promote enterprise hubs and other potential work spaces.
	<ul style="list-style-type: none"> Challenge all partners to identify if they have any capacity to support, mentor or provide workspace for businesses.
	<ul style="list-style-type: none"> Support for businesses to promote closer collaboration between urban and rural businesses. Look to promote supply chain development.
	<ul style="list-style-type: none"> Actively encourage businesses and social enterprises to explore new ways of working such as collaborative buying and maximising different markets; local, regional and global.
	<ul style="list-style-type: none"> Explore the potential of developing a scheme similar to Angel Investment Network (http://www.angelinvestmentnetwork.co.uk/home) for North East rural businesses – 'Angels in Wellies'.
Branding and Added Value	Aim: Make more of the North East 'brand(s)' – what needs to be done to make the most of this and encourage more local produce being bought by local people, provenance. Whilst also making the most of the brand to the wider global market.
	Actions:

	<ul style="list-style-type: none"> • Explore if there is an appetite to use ‘Open Innovation’ techniques to help shape how this, or other issues might progress. Utilise any local expertise in this field.
Access to Finance	Aim: Financial support to be accessible to rural businesses and social enterprises.
Rural Community	
Housing	Aim: To ensure adequate provision of market, local needs and affordable housing to support community and economic growth in NE rural areas.
	Actions: <ul style="list-style-type: none"> • Link housing needs of rural communities with work around developing the planning framework and neighbourhood plans.
	<ul style="list-style-type: none"> • Highlight the needs of an ageing population, appropriate housing in accessible places with good transport links – ‘life-long’ neighbourhoods.
	<ul style="list-style-type: none"> • Work with housing providers on housing needs assessments – which are identifying which areas might need extra input to make them attractive to for appropriate development, and which areas have sufficient ‘activity’ to meet housing needs.
	<ul style="list-style-type: none"> • Lobbying role together with NELEP and the NE Combined Authority, around the importance of providing suitable range of housing in rural areas. This will help provide appropriate housing for local people, as well as help support the attractiveness of working in nearby urban areas.
	<ul style="list-style-type: none"> • Work with HCA to develop specific rural targets around social housing, inviting them to future meetings.
Transport	Aim: To highlight the importance of transport links to maximise economic potential of rural areas and contribute to community life.
	Actions: <ul style="list-style-type: none"> • Work with agencies involved in Newcastle airport development, to maximise the potential positive impact on the surrounding rural area.
	<ul style="list-style-type: none"> • Work to influence the Local Transport Plans through the NE Combined Authority.
Local Facilities	Aim: To support the retention of local facilities in rural areas, to support community life and contribute to a vibrant rural economy.
	Actions: <ul style="list-style-type: none"> • Lobbying NELEP and government regarding the impact of the ‘Rural premium’ – the extra cost of running businesses and delivering services in rural areas.

	<ul style="list-style-type: none"> Co-ordination of local services in market towns and rural settlements – how to ensure the level of facilities meet local people’s needs, i.e. GPs (and other healthcare providers), banks, schools, libraries, shops, post-offices, pubs etc.
Environment	
Energy	Aim: To address issues of fuel availability, choice, cost and fuel poverty in the rural North East.
	Actions: <ul style="list-style-type: none"> Promote bulk-buying energy schemes for commercial, VCS and domestic users.
	<ul style="list-style-type: none"> Identify ways in which NEFRAN can help tackle the issue of fuel poverty and hard to treat properties.
	<ul style="list-style-type: none"> Embrace the Government’s Community Energy Strategy to ensure elements of independent energy resilience are embedded across the rural NE.
	<ul style="list-style-type: none"> Investigate the sustainability of rural petrol stations and the potential impact of closure. Highlight to partners and stakeholders good news stories such as Keilder petrol station and facilitate bringing people together to discuss options.
	<ul style="list-style-type: none"> Link with Planning and a consistent approach to ‘renewable energies’, working specifically with landowners and farmers to identify what they can do and what is available to them. Enable sustainable development in rural areas and through an extension of Permitted Development Rights for smaller scale non-domestic renewables.
	<ul style="list-style-type: none"> Lobby to reduce delays and barriers wherever feasible and help drive the Environmental Permitting agenda to provide exemptions and standard permits for smaller scale and low risk biogas development.
Forestry	Aim: To maximise the environmental and economic benefits of forestry and forestry related products in the rural NE.
	<ul style="list-style-type: none"> Support timber transport groups in the NE to secure government funding to address issues of sustainability relating to the transport of logs from local forests to timber processors, by improving road infrastructure.
Water Quality	Aim: To maintain high levels of water quality in the North East, including the cleanest rivers in England and Wales.
	<ul style="list-style-type: none"> Lobbying for the Water Framework Directive principles to be implemented fairly and without imposing disproportionate costs, and should remove unnecessary or ineffective regulation.
	<ul style="list-style-type: none"> Lobby Government to incentivise, not regulate land use change to deal with diffuse pollution of water and should involve land managers at all stages of the Water Framework Directive process.

Flood and Coastal Defence	<p>Aim: To ensure adequate flood and coastal defences are in place to minimise the impact of flooding on communities and preserving the natural coastline.</p> <p>Actions: Lobby Government on the following:</p> <ul style="list-style-type: none"> • Cost/Benefit analyses should include the integral value of rural communities, the full market value of agriculture land and architectural heritage, food and environmental security, and longer term benefits. • Reducing regulatory barriers to farmers and land managers providing local solutions for flood defence and water level management. • Realignment of coasts and riverine washlands should be managed under voluntary agreements with landowners as part of a sustainable flood defence programme. • Defences to allow active management of natural processes and soft engineering techniques. • Land managers to be fully rewarded for providing flood alleviation benefits and applying to maintain their own defences should be simpler. • Review of financial commitments to fluvial and coastal management with a separate budget for coastal works.
Natural services	<p>Aim: Maximise the potential of the natural heritage resources in the region to support economic growth, whilst ensuring the appropriate infrastructure, investment and skills are in place to ensure long-term sustainability.</p>
Heritage led regeneration	<p>Aim: Maximise the rich historic environment and cultural heritage as key economic and social assets in the North East.</p>

Farming and Food	
Common Agricultural Policy	Aim: To provide a fair CAP system for NE farmers.
	Actions: <ul style="list-style-type: none"> Take all possible opportunities to lobby Government and engage in partnership working to ensure, that once the CAP framework is set in June 2013 that the programme is developed in a fair and consistent manner so that English farmers are operating on a level playing field with other UK farmers.
Disease Prevention	Aim: Maximise the potential benefits to the NE due to continued low levels of bovine TB.
	Actions: <ul style="list-style-type: none"> The North East has for some time had very low levels of bovine TB. NFU with other partners are exploring the potential to build upon this, and explore whether it is viable to become an officially TB free area. If research suggests this is a viable option, partners to consider what input they could have to work together and progress this.
Support for Farmers	Aim: Ensure farming is a sustainable sector within the NE.
	Actions: <ul style="list-style-type: none"> Explore how to approach the issue of how to attract new entrants into farming, and how farmers might succession plan. Within this is the need to identify new ways for farmers to access finance, along with linking with the appropriate learning providers to ensure there are enough entrants with the right skills to sustain the local farming industry.
	<ul style="list-style-type: none"> All partners to maximise opportunities to promote the potential benefits of different ways of working such as share farming and contract farming. Take every opportunity to promote the use of new technology in whichever way is most beneficial. Work with different areas to develop solutions around the mismatch between a move to being on-line and those without access, e.g. moving the Single Farm Payment to be totally digital.

Cross Cutting Priorities	
Rural Premium	Aim: To highlight the issues and costs of supporting growth in rural areas.
	<p>Actions:</p> <ul style="list-style-type: none"> • NEFRAN to agree a narrative around this to support the concept that growth can be achieved in rural areas whilst factoring in the extra costs associated with lower population density. An understanding and definition of what growth means in a rural context – i.e. impact of sustaining or creating a number of jobs as a % of local population or business numbers, rather than the high growth number associated with more urban areas.
Superfast Broadband	Aim: To ensure adequate and timely delivery of superfast broadband services in the rural North East
	<p>Actions:</p> <ul style="list-style-type: none"> • NEFRAN supports the appointment of an officer specifically to develop the demand for superfast broadband and encourage businesses to fully utilise the benefits. It will work closely with the Councils and local providers to promote their work around the roll-out of superfast broadband to our rural areas.
	<ul style="list-style-type: none"> • Each NEFRAN partner will take measures to promote the benefits of utilising superfast broadband with their own stakeholders and partners.
	<ul style="list-style-type: none"> • Highlight good news stories such as loans for satellites, to raise awareness of what is progressing and decrease potential apathy around people feeling there is little point in campaigning for better broadband.
	<ul style="list-style-type: none"> • Receive feedback from the newly appointed RGN ‘broadband’ officer on how tourism businesses are maximising the benefits of broadband. Take forward issues around any blockages identified with the relevant agencies.
Skills	Aim: To address areas of skill shortages and lack of skills training in sectors of key economic potential in the rural North East.
	<p>Actions:</p> <ul style="list-style-type: none"> • Influence the development of the NELEP Skills Action Plan. Include specific issues around: the ability to access learning provision (i.e. travel, virtual) more pertinent in rural areas, and extra associated costs – again the ‘rural premium’: ensure the needs of sectors important to rural life are included in the action plan, for example the needs of the farming industry to ensure there are enough suitably qualified people; and issue of graduate retention by exploring high growth business opportunities in rural areas.
	<ul style="list-style-type: none"> • Strengthen links with local and regional learning providers, including Kirkley Hall and Universities and explore how to unlock local intellectual knowledge.
	<ul style="list-style-type: none"> • Receive regular updates from the RGN Business Support service as it becomes established around skills shortages facing local businesses. Be creative about how these can be addressed.
	<ul style="list-style-type: none"> • Lobby NELEP/Government regarding the importance of linking skills provision with suitable housing and transport links to attract qualified people to the North East.

Planning	Aim: To develop an informed and collaborative approach to positive planning and development management which supports rural economic and community growth, whilst safeguarding our rich heritage in the rural North East.
	<p>Actions:</p> <ul style="list-style-type: none"> • Lobbying and working with local planning departments to ensure they are fully aware of the implications of their policy decisions. Aim to make the LDPs enabling documents which support sustainable and thriving rural communities. Consistency and transparency is very important especially around emotive issues, such as housing developments and wind turbines.
	<ul style="list-style-type: none"> • Agriculture should be exempt from Community Infrastructure Levy. NEFRAN members will make a response when consultation is released on this later in 2013.

Further Information

The NEFRAN Steering Group meets bi-monthly and is co-ordinated by Durham County Council. The group is chaired by the private sector and includes organisations from the public, private and voluntary sectors including nominated leads for the themes highlighted in this prospectus. The NELEP also has a member providing a link to the wider LEP Board and network of thematic partnerships in the area.

Delivery

NEFRAN will work with its wider networks to progress these aims and actions. This document will act as a prompt for future meeting agendas, with guests being invited to enable the network to fully investigate and challenge on specific topics or areas.

Work is on-going to develop a virtual space where network members will be able to share examples of case studies and best practice, for others to share.

Contact Details:

For more information about NEFRAN contact:

Graham Black
Policy Officer
Spatial Policy Team
Regeneration and Economic Development Service
Durham County Council
County Hall
Durham
DH1 5UQ
03000 263422
Graham.Black@durham.co.uk

For more information about this document contact:

Sarah Kidd
Policy Officer
Policy & Research Team
Transformation Group
Northumberland County Council
County Hall
Morpeth
Northumberland
NE61 2EF
01670 624745
sarah.kidd@northumberland.gov.uk

Steering Group

Chair
Steering Group Members *to add*

Rural Growth Network

NCC *to add*