



A proposed plan to support Northamptonshire's Rural Land-based Enterprises

Prepared for Ngage Solutions | 2021



This proposed plan for Northamptonshire's land-based rural enterprises has been built on identifying the challenges that rural businesses and communities are facing in the 21st Century through experience of working with and listening to them.



Introduction

When considering targeted economic strategies, the importance of a rural agenda is frequently overlooked. This omission risks the importance to future economic strength of resources, activities, amenities and people in these areas being neglected and ignored.

The *Northamptonshire's Rural Development Strategy: a proposal* is designed to ensure opportunities for future rural development activities are not missed in the county, by outlining targeted support for businesses which produce our food and manage Northamptonshire's land-based environment. It is presented over three separate documents, each providing increasingly detailed information, evidence and analysis. The three documents are:

- This document: *A proposed plan to support Northamptonshire's Rural Land-based Enterprises* - an outline rural land-based enterprise plan
- *Vision for Northamptonshire's Rural Enterprises* – a more detailed consideration of the current issues
- *Northamptonshire's Rural Development Strategy Evidence Base Document* - the evidence base for the proposals

This Plan for Northamptonshire's rural enterprises has been built on challenges that rural businesses and communities are facing in the 21st century. It identifies priorities and proposes targets for activity to address these issues through policy support and investment in the key rural sectors of farming, forestry, food and tourism.



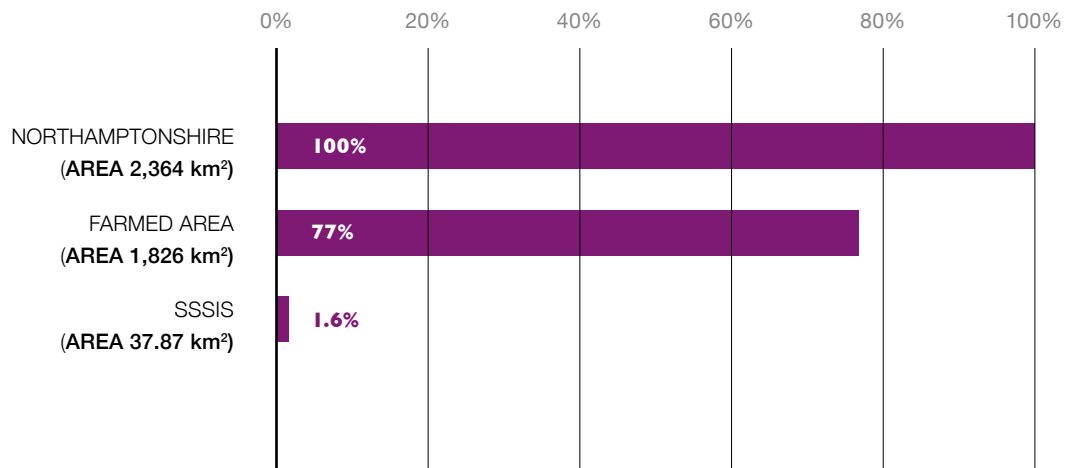
Rural Northamptonshire today



Northamptonshire is a rural county, with one city (Northampton), the urban area's of Corby, Kettering and Wellingborough and a number of market towns; it is very much and in many senses middle-England.

Its rurality is a major attraction to those who live there, and they are anxious to support its conservation, preservation and access as an environment that they have chosen to live and relax in, though not necessarily to work in.

Table 1: Rural Mix of Northamptonshire



Source NOMIS 2019

Population

About 12% of the population of Northamptonshire are deemed to live in rural areas:

Table 2: Rural Population of Northamptonshire

NOMIS 2019				DEFRA 2019	
District	Population	Rurality	Rural Population	Farming Pop.	
Corby	72,218	2%	1,444	-	
East Northants	94,257	23%	21,741	-	
Kettering	101,776	9%	9,160	-	
Wellingborough	79,707	11%	8,768	-	
Daventry	85,950	22%	18,909	-	
Northampton	224,610	0%	-	-	
South Northants	94,490	33%	31,182	-	
Northamptonshire	753,278	12%	91,203	4,256 (0.60%)	

Economy

Statistics for business numbers are based on the numbers and types of businesses registered for VAT. This number is recognised to severely underestimate the number of micro businesses (those employing less than 10 people) since a large number of the self-employed operate below the VAT threshold (2021: £85,000 VAT taxable turnover). It is generally assumed that there are nearly as many non-registered micro businesses as registered.

Table 3: Business sizes in Northamptonshire

District	VAT reg. Businesses	SIZE BAND				TO<£100K
		0-9	10-49	50-249	250+	
Corby	2,955	2,645	245	60	5	2,660
East Northants	3,860	3,545	295	40	10	3,545
Kettering	4,120	3,645	405	55	15	3,760
Wellingborough	6,395	5,960	355	70	10	6,015
Daventry	4,695	4,275	350	60	10	4,260
Northampton	9,270	8,985	805	175	55	8,850
South Northants	5,320	4,850	405	50	15	4,875
Northamptonshire	37,065	33,605	2,380	510	120	33,965

Source NOMIS 2020

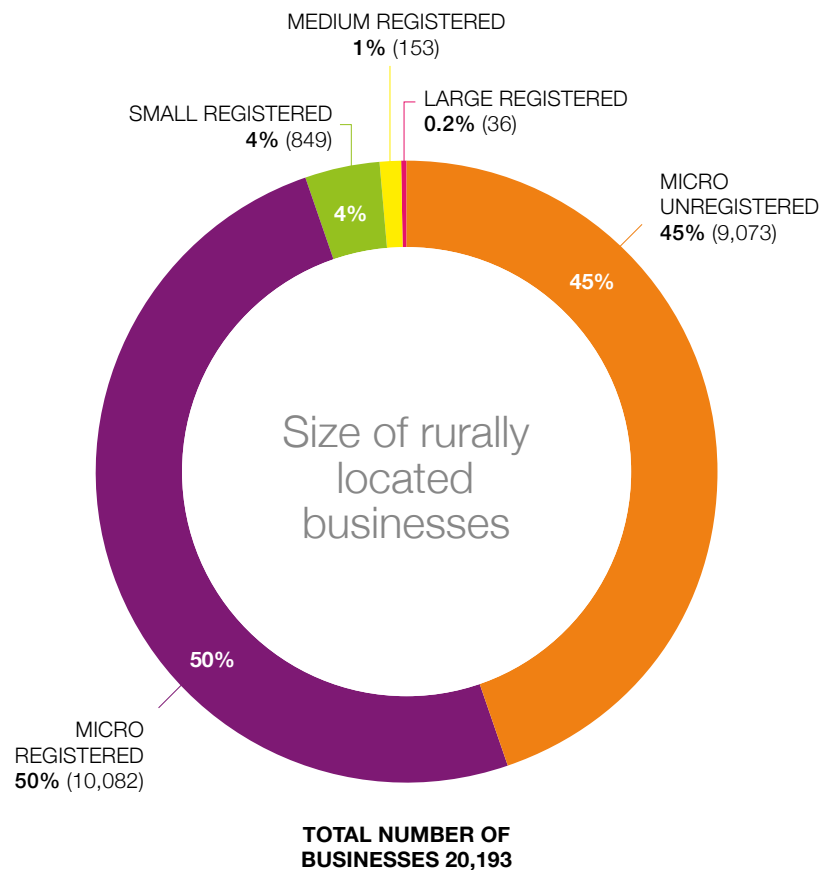


**ABOUT 12% OF THE
POPULATION OF
BUCKINGHAMSHIRE
LIVE IN RURAL
AREAS**

On the assumption that that there are an additional 90% of the registered micro businesses operating below the VAT threshold and unregistered, that would suggest an additional 30,245 micro businesses are run within the county – a total of 63,850.

There are no published statistics for the number of businesses based in rural locations. Using the Defra/ONS proportional estimates of business in rural/urban areas of 30%/70% suggests the following business numbers for Northamptonshire as an indication of probable scale:

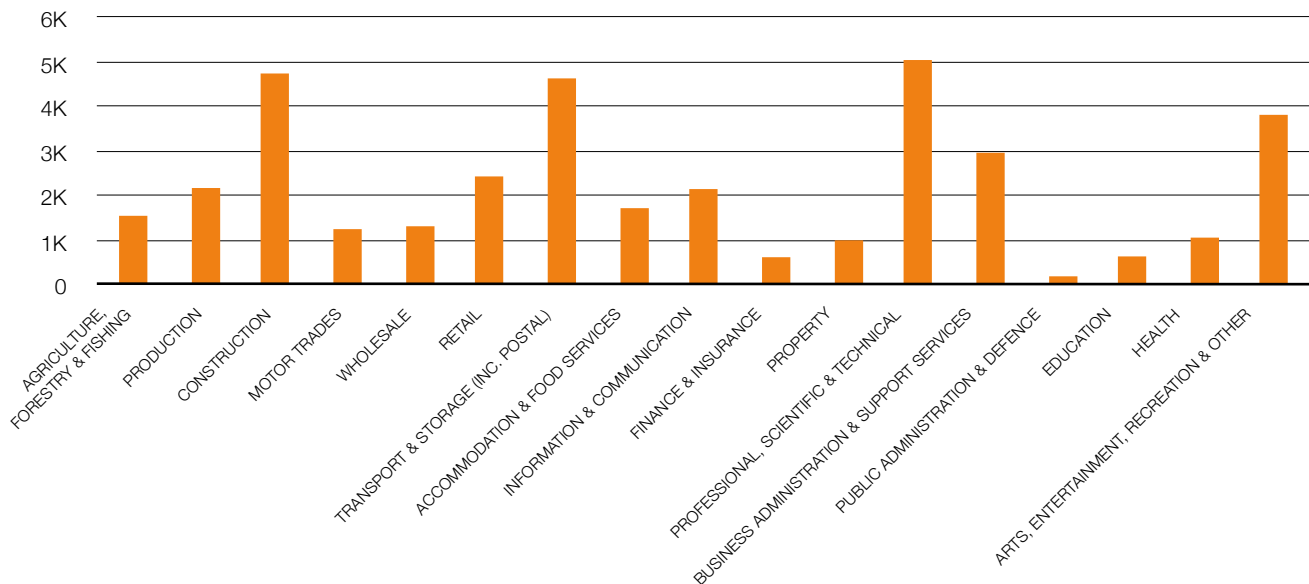
Table 4: Size of rurally located businesses.



Source ONS Number of VAT and/or PAYE based enterprises in districts by employment size bands 2020.

Northamptonshire has a full range of business sectors, with professional; transport; construction and entertainment being especially numerous.

Figure 1: Northamptonshire: number of registered businesses by sector (2020)



Source ONS Number of VAT and/or PAYE based enterprises in districts by employment size bands 2020.

Most of these sectors will have businesses located in rural areas. However, while they will happen to be located in the countryside, they would not necessarily be required by their nature, resource needs or production to be rural and they are not essentially rural businesses in the sense that their business needs are determined by their location.

For the purposes of determining a rural enterprise plan, this document is concerned primarily with those businesses that are defined by their rural location and that depend on it in some way for their survival and sustainability. Many are traditional land-based enterprises (farms, horticultural units, fisheries) but many are not (e.g., accommodation, leisure, food, logistics). Some rurally located businesses are run within redundant farm buildings, where, arguably, the diversification by the farm is a rural business (property letting) but the tenant is not necessarily so and could operate in an urban business park but has chosen not to do so for

reasons of amenity, lower rent or personal choice. In many cases, the needs of both the truly rural and rural-by-choice businesses will be the same and the benefits of meeting those needs will be wider spread. Their importance in terms of generating Gross Value Added should not be dismissed; the agricultural, forestry, food and tourism businesses across the county outperform national trends (Northamptonshire: £40,000 GVA/workforce job in rural areas compared to ££7,300 GVA/head). The county has the potential, through further adding value and improved farm and land management practices, to develop the economy yet further.

However, there are also pressures, needs and opportunities that are specific to the essentially rural land-based businesses and these are the subject of these papers. Many of these particulars apply to rural businesses throughout the UK, but the order of priority and their impact will be specific to Northamptonshire.



Mega trends

There are a few overriding drivers of economic change which have important rural dimensions, and which will create economic opportunities.

Many of these will be encapsulated within national or even international initiatives, to which Northamptonshire business will have to respond. These trends are global and provide themes that will underpin national and local strategies for years to come; four of them with overriding significance are:



The need to reduce carbon emissions



The increase in digitisation of communications and information



The impact of an ageing population



The ability of local communities to be self-sustaining and generate wealth within an increasingly globalised economy



Low carbon

No agenda is more important than shifting to a low carbon economy and production base to mitigate against the impact of climate change. The UK Industrial Strategy states: “the move to cleaner economic growth – through low carbon technologies and the efficient use of resources – is one of the greatest industrial opportunities of our time”. The government has set a target for the country to generate net zero carbon emission by 2050 and the National Farmers Union target for the farming industry is zero net carbon by 2040.

There are challenges for rural areas in these targets, which include:

- The threat to infrastructure and business from increased risk of flooding due to higher temperatures and extreme weather events.
- Increased risk to biodiversity and thereby food insecurity.
- Public transport access is poor and results in greater dependency on private car ownership and usage. Electric charging points are confined to urban and motorway areas making some parts of the county less accessible to modes of “green transport”.
- Rural residents have to travel further to reach jobs, health facilities, shops, education and other facilities. This is only partially offset by the development of on-line services and working from home.
- Rural areas face additional development constraints, although planning policies do support farm diversification and modernisation in principle.

There are business opportunities for conversion and retrofitting lower carbon technologies to domestic and commercial properties. There are land-based opportunities for solar and wind power, and for battery storage facilities to even out power supply from renewable resources. There may also be opportunities for the development of micro power grids from local generation as technologies develop.

Land use systems that increase carbon sequestration are being developed; these include tree planting; the introduction of agro-forestry; and designing arable systems that have plant cover year-round, through the use of catch- and cover-crops, with reduced tillage. There are also opportunities to monetise soil carbon capture, as an offset to its generation elsewhere. Previous grant funding programmes in Northamptonshire have supported businesses within the agri-food supply chain to enhance their performance and sustainability through improved productivity measures. These included linking to energy efficiency and nutrient management measures on-farm, through the purchase of direct drills, GPS systems and “smart” fertiliser application measures.





Digital



Investment in improving digital infrastructure in rural communities could be seen as the most important enabler of innovation and economic growth. Rural areas need access to fast and reliable broadband and mobile networks in order to compete, thrive and reach new markets. This will not only improve the performance of truly rural land-based businesses and enable them to adopt improved working and sales methods but will also open the area up to more businesses entering, that are currently deterred by poor digital facilities and wariness of the standards of such as banking, education and health services.

Artificial Intelligence (AI) and machine learning are general purpose technologies that are starting to transform the global economy, creating new businesses and changing business models in many sectors. They deploy vast datasets to identify better and simpler ways of performing complex tasks. Big data is starting to be used to help farming become more efficient, profitable and environmentally friendly. Farm and agri-food businesses are becoming reliant on agri-tech engineering from drone surveillance on farm to robots picking and packing farm produce.

Improved digital connectivity enables much better and faster communication between people and between producers and their customers, current and potential. People care about how their food is produced, its impact on the climate crisis and the natural environment. Alert businesses want to convey their products' provenance and their ethical standards easily and effectively to a wide audience; being able to do so enables them to compete and make an impact on a wider stage. Not being able to do so is a serious constraint and limitation.



Ageing

The UK population, as in the industrialised world, is ageing. Longer lives will require people to plan their careers and retirement differently. Within the agricultural industry, the age of farmers and their plans for succession being frequently uncertain or absent is one of the major challenges the sector faces. National projections show the rural population over 65 growing to nearly 30% by 2035. This will provide challenges relating to isolation, transport, access to services, especially physical and mental health, and social care.

There will be opportunities for businesses and for communities to deal with these issues imaginatively and innovatively, whilst maintaining respect for the aging population. There will also be specific issues for family-based businesses of succession in farming, to ensure that management retains the energy to continue to drive the business forward, while being prepared to acknowledge the experience and acquired wisdom of an older generation. The struggle to sustain a business is in many cases not just from year to year but from generation to generation and requires tact and sensitivity along with pragmatism and realism.





Wealth creation



Wealth creation in rural areas is threatened and reduced by globalisation, with its push for ever greater economies of scale. Much of the economy has become concentrated into the hands of a smaller number of players; the resulting economies of scale and pressure of customer purchasing power have driven prices paid to producers lower, impacting significantly on the producers' viability. There have of course been countervailing benefits to consumers, but at the same time their spending has been returned to distant locations remote from where that spending occurred. Large grocery multiples, digital giants and manufacturing combines generate limited local returns; the digital companies in particular employ few people and their wage bill is concentrated in a limited number of locations. This system stimulates out-migration and creates a spiral of economic decline which is most obviously seen in many rural high streets.

Increasing concern that this 'take-make-waste' model is destructive, wastes resources, is irresponsible and accumulates problems has led to increasing interest in a circular economy designed to benefit businesses, society and the environment. It is regenerative by design and aims to decouple growth from the consumption of finite resources. Its core elements relate to circular handling of material and energy flows, closing loops, extending product life, increasing usage intensity and increasing local, smaller scale consumption.

Within Northamptonshire, local food and drink businesses are key parts of the rural land-based economy that support and promote the area's local culture and heritage to visitors, as well as providing valuable local services and products to residents. There are a number of microbreweries, distilleries and vineyards across the county. Farm shops are an important part of the rural infrastructure providing locally quality produced and sourced food and drink as well as local jobs and strengthening the supply chain from field to fork. The Big Barn web site identifies ten in Northants. There are also three vegetable box schemes operating in the county.

Rural enterprise issues facing Northamptonshire

Against the background of those trends, there is a range of issues that are impacting on rural businesses in Northamptonshire that should be recognised by those who can influence the economic, social and environmental conditions in which they operate. The issues include:

Economic

- Climate Crisis:
 - Diversity of food systems to supply growing demand.
 - Adjustment required to combat sources of air pollutants.
 - Increase in pests and diseases.
 - Shift to low carbon processes required.
- Long term impact of pandemic and EU exit with businesses operating in rural land-based economy, particularly food and tourism:
 - Economic vulnerability of the high numbers of self-employed to changes in work patterns, technology and opportunities.
 - 2021 recession leading to less spend on high value, niche goods and services.
 - Slow uptake of innovation in developing small rural based businesses during the pandemic.
- Uncertainty over the future of farming:
 - Full removal of direct support to farms (Basic Payment Scheme) by 2027.
 - Grants and business support available to agri-businesses.

- Low skills base in land-based sectors.
- Undermanaged private woodland.
- Low rural coverage of superfast broadband and poor connectivity in some rural areas to mobile networks.
- Planning issues negatively impacting on development opportunities.
- Insufficient supply of incubation units for start-up businesses.

Social

- Infrastructure deficit and gaps in service provision – increasing as the population grows.
- Ageing population and particularly the agricultural workforce.
- Demand for superfast broadband – some white patches in the county for normal broadband coverage.
- A relatively low-skilled workforce and an economy dominated by low value-added activities.
- Pockets of social deprivation.
- Food poverty and food insecurity: ensuring quality food accessible for all in rural communities.

- Negative impact from COVID-19 in food services and accommodation sectors - knock on effect in supply chains.
- Earnings by workforce across the whole of the county are lower than the national and regional averages.
- Competition for affordable housing.

Environmental

- Retaining a sense of place in light of ongoing pressures for development growth and access while protecting and enhancing key features such as the many heritage assets, meadows, woodlands and hedgerows whilst under pressure to produce more food from farmland.
- The impact of climate change on those living and working in the county and the effect on biodiversity.
- Agricultural transition plan and unknowns as to the benefits and opportunities that grant schemes may bring.
- Overmature woodland: lack of active management.
- The impact of HS2 on the countryside in south Northamptonshire.

Strategic priorities for the rural economy of Northamptonshire

Distilling the current situation of rural Northamptonshire, the global trends that surround it, its strengths and weaknesses, and the issues affecting it, the following priorities and targets for action are proposed:

Priority	Target activities
Climate crisis: <i>mitigate the impact of and adapting to climate change</i>	<ul style="list-style-type: none"> Increased uptake of land management mitigation techniques Increased land areas devoted to energy crops
Wealth creation in the rural land-based economy: <i>ensure businesses have access to appropriate business support</i>	<ul style="list-style-type: none"> Establish specialist, affordable rural land-based business advice service offering information, advice and training. Affordable and accessible skills training for rural land-based businesses is available
Food supply: <i>regenerate local food systems and develop short food chains</i>	<ul style="list-style-type: none"> Increased local marketing collaboration Add value to local produce Establish local food hubs Increase in sustainable food production and processing FEAST (Food Enterprise Advisory Support Team) initiative is extended
Wealth creation in the rural economy: <i>tourism</i>	<ul style="list-style-type: none"> Increased number of businesses diversify into tourism Increased food tourism Infrastructure developed to support staycations and short breaks
Innovation: <i>developing all rural businesses to improve productivity</i>	<ul style="list-style-type: none"> Improved digital connectivity Increased renewable energy generation Increased adoption of a circular economy



Conclusion

There are a wide range of bodies whose policies and activities can impact on the economic future of rural Northamptonshire and businesses therein. This includes the West and North Northamptonshire unitary authorities, the South East Midlands Local Enterprise Partnership, Visit Northamptonshire, the Wildlife Trust for Beds, Cambs and Northants and others – as well as the businesses themselves.

Funding opportunities, principally from central government but arising from a number of Government departments, emerge from time to time; they are not always co-ordinated and may not be coherent or rurally all-embracing. They will, however, include opportunities to support elements of rural development.

Agreeing priorities beforehand can enable support for the development of the rural land-based economy so that it is vibrant, sustainable and powerful, and a credit to the whole county of Northamptonshire. This plan is designed to help to achieve those ends.



For more information

Call: +44 (0)1494 927131

Email: info@ngagesolutions.co.uk

Visit: www.ngagesolutions.co.uk

