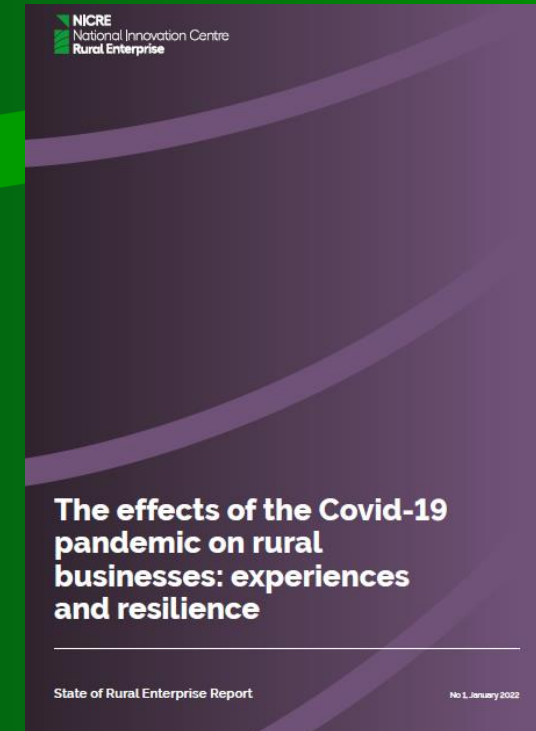


Rural Enterprise Survey 2021 – first findings

Janet Dwyer, CCRI, on behalf of the NICRE partnership –
with Newcastle CRE / Business school + Warwick ERC



NICRE's first State Of Rural Enterprise survey

- Computer Assisted Telephone Interview (CATI) survey, June to August 2021
- 4,055 usable responses - private sector, profit and non-profit businesses employing min. 1 person
- 3 English regions covered, equally: North-East, West Midlands, South-West
- 2,666 non-farm rural businesses, 860 urban (*for comparison*) plus 529 farms (*still to be reported on – not included here*)
- Sectors: Production, Construction, Wholesale Retail & Transport, Hospitality, Business Services, Other Services

Survey: areas of focus

1. Objectives & risk management strategies

- Ambition
- Attitude towards risk, resilience strategies
- Perceived obstacles

2. Experiences of the Covid pandemic

- Effects on business
- Use of government support schemes
- Use of external advice

3. Relationship to community and advisers

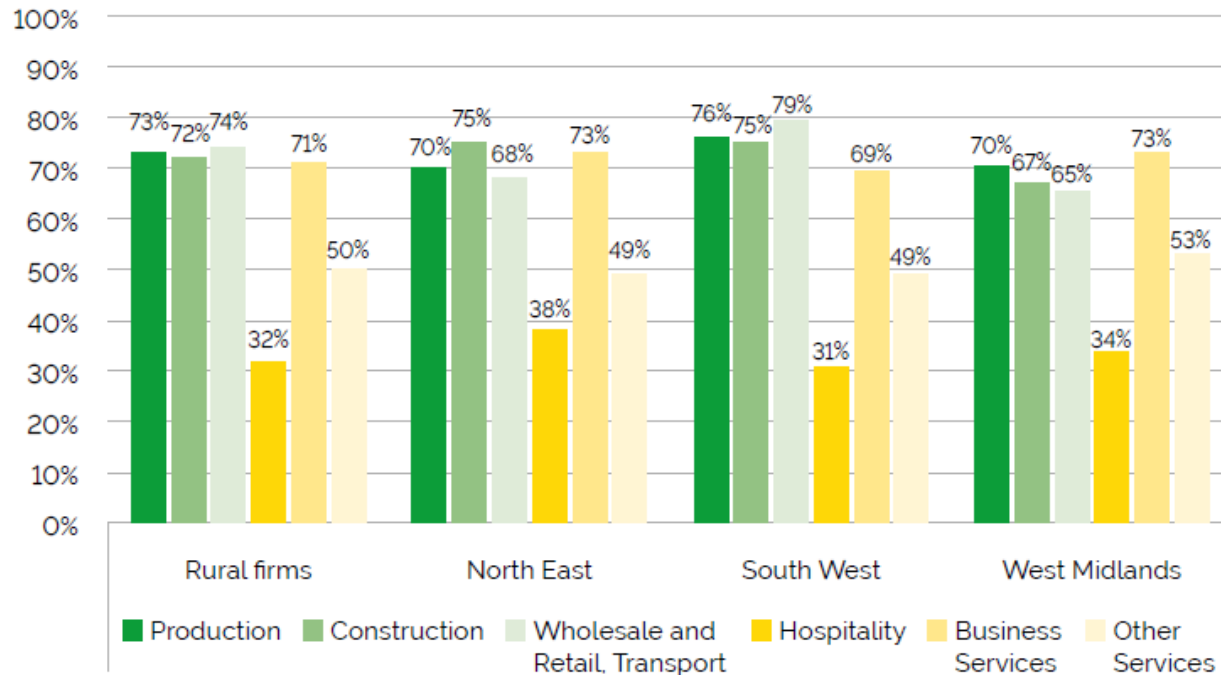
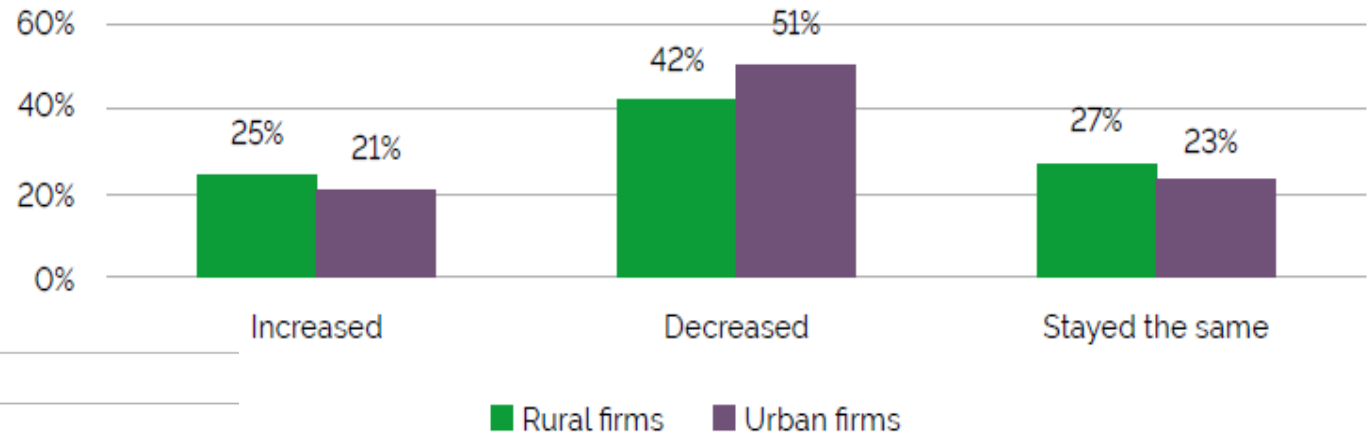
- Perceptions of local infrastructure
- Connections to other businesses and advisers
- Embeddedness in local community

4. Performance & future expectations



Rural enterprises – performance in the pandemic

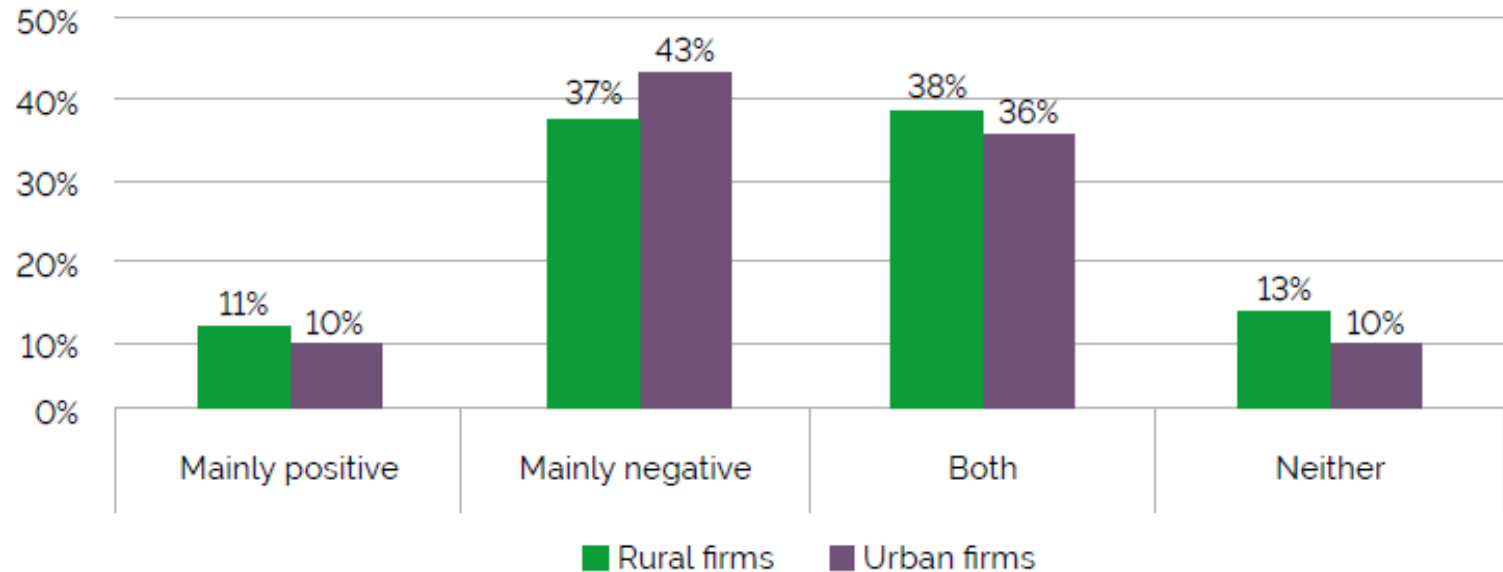
- **Turnover** – more saw a decrease than an increase / steady, 2020-2021, but less than urban firms



- **Profit** – overall less negatively affected than urban firms (66% vs 61% made a profit, 2020-2021), but big differences by sector

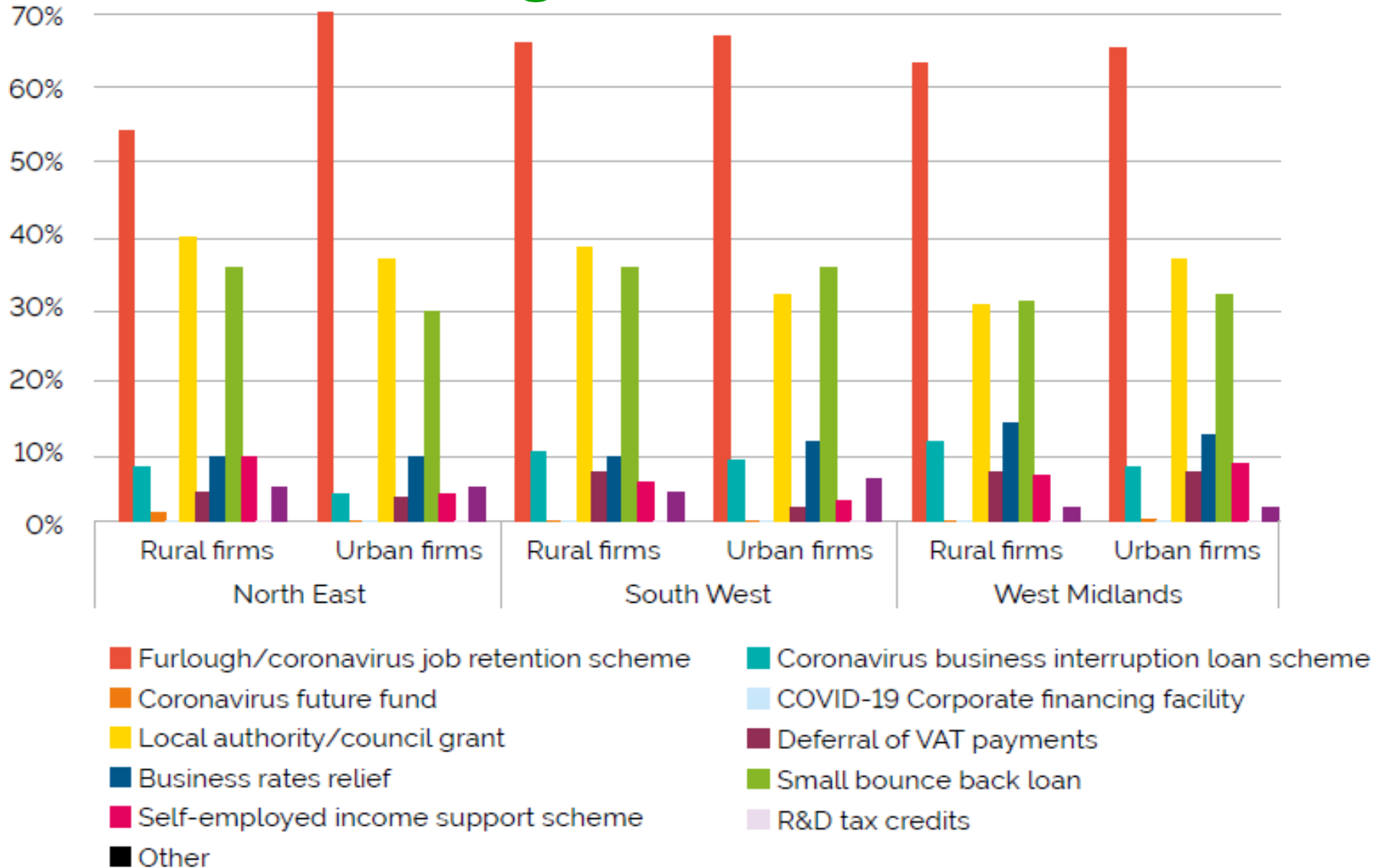
Rural enterprises – performance in the pandemic

- Mixed effects for most – both positive and negative, overall **better than urban**
- In staffing, rural firms more likely to retain staff, but also face difficulties from staff unavailable / unwilling to return to work: - distance may be a factor?



- Main negatives: reduced sales, lower productivity, supply disruptions
- **Main positives: improved business connections, sales or cashflow, or expanded product/service range – new ambitions!**

Use of government schemes – similar to urban



- Notable differences in regional patterns – probably reflects different sectors
- More than for urban, **schemes helped access capital, develop new products, eased cashflow**

Use of advice, in the pandemic

- Overall similar use levels to urban firms, but
- Key regional differences, and different types of advice used:
 - Rural less likely to use formal sources; more family, peers and friends
 - Lower rural use among NE services, SW hospitality, W Midlands production
- Main benefits: hope for the future, advice on interpreting rules, staying open



Use of plans, and strategies

- Fewer rural than urban firms use and update a formal business plan regularly, slightly fewer undertook risk management planning in the pandemic
- Most common strategies to adapt / manage were control costs / improve performance, change production, save energy, and diversify. Much rarer were staff cuts

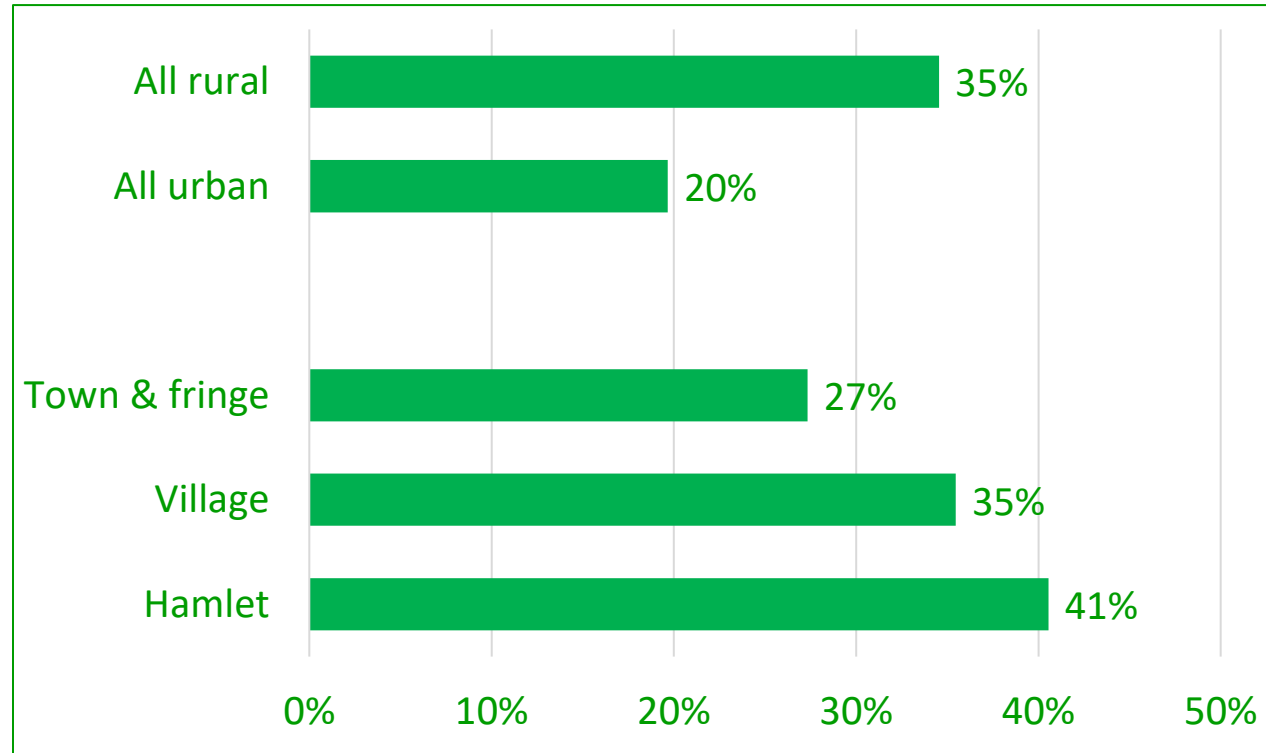
Rural enterprise conditions: Infrastructure issues

- **Poorer rural broadband**

Proportion of firms rating broadband quality very poor or poor, On a Scale of 1=very poor, to 5=excellent

Local broadband quality has a strong and statistically significant positive correlation with resilience.

High quality broadband is the most significant infrastructure factor for improving rural business resilience.

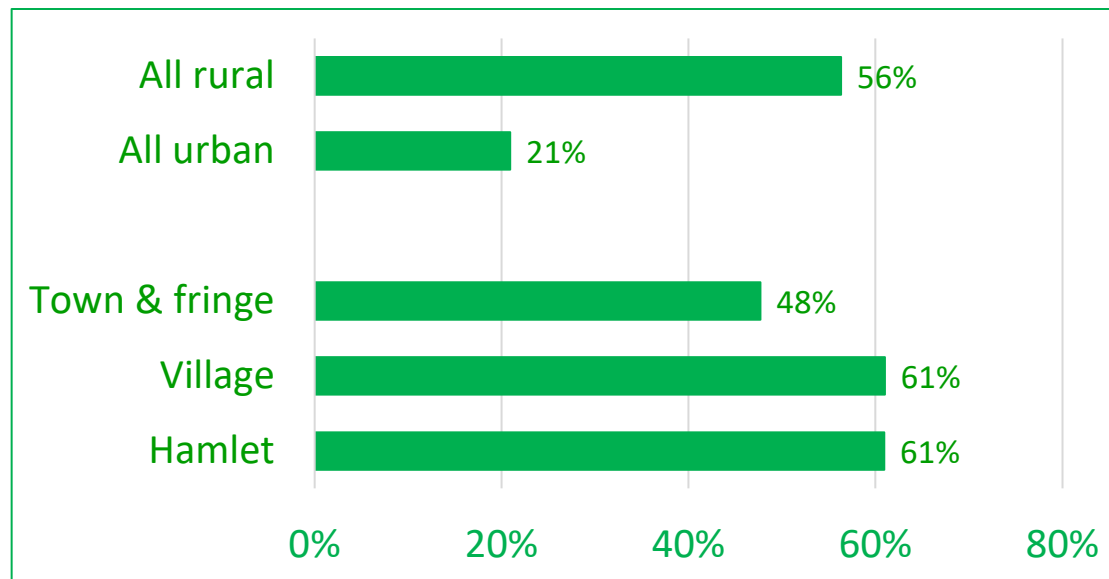


Rural infrastructure – workforce + supply challenges

Rural firms judge transport infrastructure as poorer than urban firms

- 17% rural firms rated transport infrastructure ‘very poor’ (1 out of 5) vs only 8% urban firms
- 36% rural firms rated transport infrastructure quality poor (1 or 2/5) vs 19% urban firms

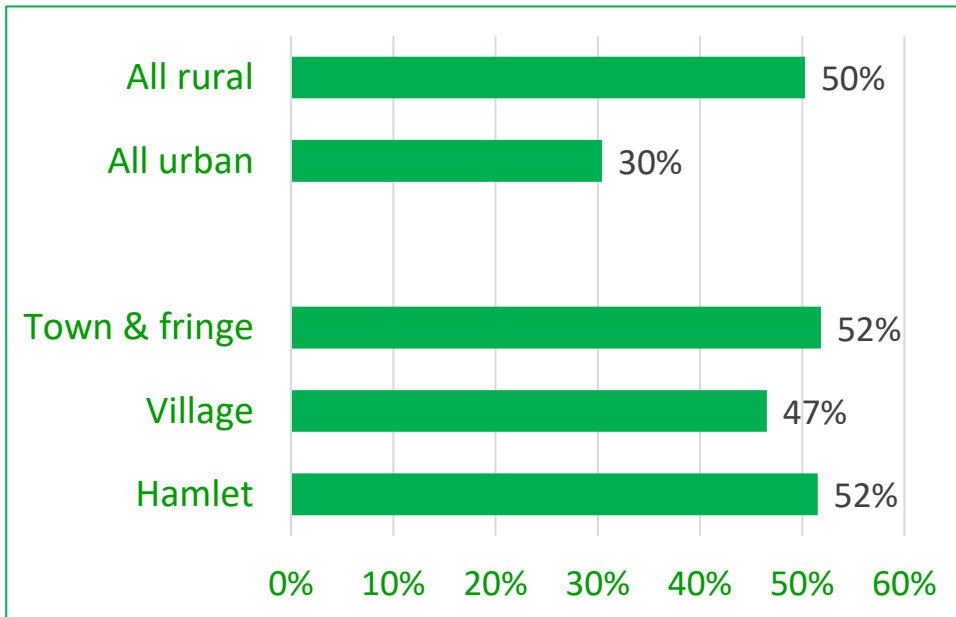
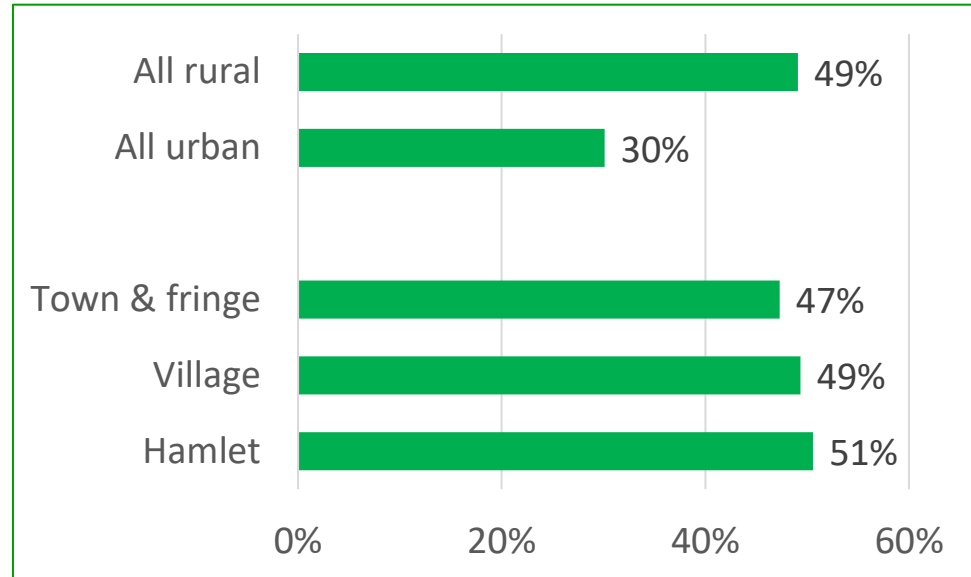
Rural firms judge public transport much poorer than urban firms



Proportion of firms rating public transport very poor or poor, On a Scale of 1=very poor, to 5=excellent

Poorer housing, services

Rural firms judge
affordable
housing provision
much poorer
than urban firms



Rural firms judge basic
services (e.g., banks &
post offices) to be
poorer than urban firms

Proportion of firms rating availability
very poor or poor,
On a Scale of 1=very poor, to
5=excellent



Interim conclusions

- **Significant evidence of innovation**, both in immediate response and medium-term business practice
- Rural firms were **rapid to adapt** and seek to benefit from / turnaround the crisis
- Rural firms showed more characteristics of **workforce-employer loyalty and flexibility**
- Future **aspirations are at least as high as for urban firms**, but opportunities differ
 - More **issues with infrastructure** – impacting performance directly and indirectly
 - More **green** - environment-oriented and climate-aware

Next steps –

- Analyse farming businesses and compare their responses, also by region
- Further examination of detailed issues / response patterns across the full dataset

Thank you!

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 National Innovation Centre for Rural Enterprise



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