

Institution: University of Cumbria		
Unit of Assessment: UOA17: Business and Management Studies		
Title of case study: Influencing and shaping public policies to benefit local and regional economies		
Period when the underpinning research was undertaken: 2013 - 2018		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Frank Peck Dr Gail Mulvey	CRED Research Director CRED Senior Research Fellow	2010 – present 2010 – present
Period when the claimed impact occurred: 2014-2019		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact (indicative maximum 100 words) <p>The Centre for Regional Economic Development (CRED) has conducted research on spatial patterns of economic development and the effectiveness of policies designed to correct unequal performance at various scales. Research has been conducted on the design and effectiveness of business support in peripheral regions and the relatively poor performance of the rural economy in the north of England and the Anglo-Scottish Borderlands. CRED research has contributed significantly to the evidence-base used to support the Borderlands Growth Deal, the Local Industrial Strategy for Cumbria and strategies to address worklessness in West Cumbria. At the European level, research on variations in research and innovation performance has been used by the European Commission to identify target countries for programmes under Horizon Europe designed to reduce innovation divides across the European Union. The findings have influenced decisions on the allocation of funding between Member States to support research development under Horizon Europe 2021-2027.</p>		
2. Underpinning research (indicative maximum 500 words) <p>Since 2007, researchers in CRED have conducted applied research related to the causes and consequences of local and regional imbalance in levels of economic development. The research on border regions in particular has involved ongoing collaboration with researchers at the Universities of Northumbria and Newcastle as well as Heriot-Watt in Edinburgh.</p> <p>Supporting business development in peripheral regions (R1, R2 and R3). Research has been completed on the role of business support for the spatial pattern of economic development. In 2016, Peck, Jackson and Mulvey conducted research for the UK Government on growth-oriented small businesses in North-West England and the findings were subsequently published in 2018 (R1). This work showed how small businesses in peripheral regions can gain competitive advantage through strategic use of regulatory knowledge, a factor not widely recognised in conventional small business support. Other work has included an examination of the role and significance of rates relief for business support in Wales (R2) and an assessment of business support strategies initially adopted by Local Enterprise Partnerships (LEPs) in England (R3). These critiques have subsequently informed our engagement with the Industrial Strategy developed by Cumbria LEP.</p> <p>Effects of administrative borders on business support and public policy (R4, R5). It is widely recognised that borders present barriers for coordination of public policy and knowledge exchange. We have developed ideas concerning cross-border innovation systems and applied this model to the Anglo-Scottish Border (Peck and Mulvey, 2018 – R4). This work has been informed by a series of research commissions carried out on behalf of public sector partners in the Borderlands. More recent research focused on issues associated with Brexit for rural areas in the “far north” of England (R5). In 2017, in collaboration with the Universities of Northumbria and Heriot-Watt, CRED was successful in securing funding from the ESRC to deliver a Research Seminar Series on “The Implications of Brexit for Economic Development and Devolved Governance in the North of England”. This explored the implications of Brexit for economic development in the North East and Cumbria and the consequences for public and private sector relationships across the Anglo-Scottish Border.</p>		

Strategies to reduce spatial divides in research and innovation in Europe (R6).

At the European scale, Frank Peck has authored research conducted on behalf of the European Commission concerned with targeting interventions designed to overcome research and innovation divides in Europe (published in 2018 – R6). The research demonstrates that these divides have become more complex and nuanced and cannot be reduced to simple East-West or North-South contrasts. The research demonstrated that indicators conventionally used to measure research and innovation (such as publication, patents, R&D expenditure) capture only limited aspects of innovative processes and reliance on single indicators can yield misleading conclusions about the performance of different territories. In particular, the range of indicators generally used to measure innovative performance give prominence to economies composed of larger firms with dedicated R&D functions in manufacturing industries rather than territories characterised by high proportions of SMEs and dependence on services. Recommendations were made regarding the suitability of a range of indicators used to identify countries and territories that might benefit from EU funding to improve research and innovation performance.

3. References to the research (indicative maximum of six references)

References include four articles (R1-4) in peer-reviewed journals. R5 is a report published jointly by the Universities of Cumbria, Northumbria and Newcastle that builds on evidence gathered through an ESRC-Funded Research Seminar Series. The sixth output (R6) is a single-authored report published by the European Commission containing detailed comparison of indicators of research and innovation performance using the most recently published data.

- R1. Peck, F., Jackson, K., and Mulvey, G. (2018). Regulation and growth-oriented small businesses in North-West England. *Journal of Small Business and Enterprise Development*, Vol 25 (Issue 2), 294-312. doi.org/10.1108/JSBED-07-2017-0232.
- R2. Peck F., Parry S., Mulvey G., Jackson K., Cabras I., Jackson J. (2014). The role and significance of rates relief for supporting businesses in Wales. *Environment and Planning C: Government and Policy* 32 (6), 982 – 999. doi.org/10.1068%2Fc1224b.
- R3. Peck, F., Connolly, S., Durnin, J. and Jackson, K. (2013). Prospects for “place-based” industrial policy in England: the role of Local Enterprise Partnerships. *Local Economy* 28 (7-8), 828-841. doi.org/10.1177%2F0269094213498470.
- R4. Peck, F., and Mulvey, G. (2018). Cross-Border Collaboration in Economic Development: Institutional Change on the Anglo-Scottish Border, *Journal of Borderland Studies*, Vol 38 (1), 69-84. doi.org/10.1080/08865655.2016.1257365.
- R5. Cowie, P., Mulvey, G., Peck, F. and Shaw, K. (2018). *Brexit: Implications for the rural north of England*. Northumberland County Council and the Institute for Local Governance. ncl.ac.uk/media/wwwnclacuk/centreforruraleconomy/files/discussionpapers/brexitruralnorth-summary.pdf. This 122 page report output builds on evidence gathered through an ESRC-Funded Research Seminar Series on ‘The Implications of Brexit for Economic Development and Devolved Governance in the North of England, UK in a Changing Europe.’
- R6. Peck, F. (2018). Review of Issues Related to Methods, Criteria and Indicators for Widening Actions. *European Commission, DG Research and Innovation, Unit B5 Spreading Excellence and Widening Participation*. ec.europa.eu/newsroom/horizon2020/document.cfm?doc_id=54490. 58 page report prepared for the EU Commission.

4. Details of the impact (indicative maximum 750 words)**Impact 1: Influencing the Economic Strategies of Cumbria Local Enterprise Partnership**

Our research work related to business growth and support in peripheral regions has informed policy and practice in local economic development and has had a direct input into the evidence-base used to support policy design.

CRED researchers were invited to advise the Cumbria Local Enterprise Partnership on development of strategy, and to contribute to the evidence-base for Cumbria's Local Industrial Strategy (LIS) used to steer the County's economic development. The evidence-base documents used to support the LIS acknowledges the role played by researchers in CRED, noting that *"There has also been very helpful challenge, advice and input from CRED at the University of Cumbria"* (S1, see page 4). As implied in this statement, CRED researchers have played a key role as "critical friend" to the interpretations placed on economic data for the County. CRED's contribution to this evidence-base has been informed by prior research on the role of Local Enterprise Partnerships in economic development (see R3). This includes a review of evidence of business research and innovation activity in Cumbria (commissioned by Cognitive Cumbria Partnership, 2016) demonstrating that Cumbria has a very poor record for business innovation using conventional measures of formal R&D. This commission is also directly cited in S1 as evidence of CRED's influence on the County's economic strategy. A Senior Manager from Cumbria County Council has commented as follows:

"CRED plays an important part in the field of economic development, using its knowledge and research to keep partners informed. Key areas that have been helpful have been in relation to informing the development of the Local Industrial Strategy and providing regular insights into different topics in the in-Cumbria magazine". Senior Manager of Economy, Enterprise and Place, Cumbria County Council) (S2).

Impact 2: Benefitting programmes to address employability and worklessness

CRED was commissioned to undertake a midterm review (2018) of Copeland Borough Council's (CBC) 'Skills and Work Partnership'. The Partnership aims to address worklessness in Copeland which has three local areas (Sandwith, Harbour and Mirehouse) in the lowest Decile of the Index of Multiple Deprivation (10% most deprived areas in England). The Partnership involves 20 members comprising of community organisations, skills and training bodies, and further education institutions, across which a range of projects are offered. This includes training for advice workers, courses to help people get into work, funding for interview clothes or specialist work equipment, and subsidies for traineeships. Drawing on R3, CRED's midterm review utilised insights on place-based approaches to industrial strategy as well as skills and recruitment strategies of large industrial employers. The review raised a number of key issues for consideration, including how members can strengthen ties with local employers and manage the duplication of services within the Partnership, and was cited in CBC's 18/19 Programme Review (S3).

As a direct result of CRED's midterm review, the Partnership developed a *Copeland Work & Skills Employer Advisory Group* where local employers from all sectors have the opportunity to gain a better understanding of the Partnerships work and skills opportunities. The 2018/19 Programme Review (S3) states that this Group *"is proving particularly helpful to employers who can find the myriad of employment and training support confusing. It also helps to increase the dialogue between employers and work and skills providers, and understand the needs of employers"*. CBC's Work & Skills Programme Officer stated that citing CRED's mid-term review benefitted the Councils engagement with employers and *"generate(d) a sense of authenticity around Partnership activities"* and *"led to increased support from employers towards Partnership programmes"* (S4).

CRED's review helped the Partnership to identify gaps in provision or where activity needed to be enhanced, providing recommendations for improved coordination between organisations in addressing worklessness. This resulted in CBC instigating a compilation of information on each members' expertise and offered activities, leading to the development of an online employability tool. S4 stated that *"the development of an online employability tool to increase provision pathways and for partners to collaborate better is also as a result of recommendations from previous research."* The review was also cited by CBC in funding applications to the Copeland Community Fund and Sellafield Ltd. for further programmes supporting inclusive growth and reducing worklessness. S4 stated that *"funders recognise the validity of previous research and this has led to further financial investment for the current programme 2019-2022"*. The research-informed documents have also been cited to neighbouring authorities, e.g. Allerdale Borough Council, which is keen to set up a similar Partnership (S4).

Impact 3: Prompting major investment (Government Inclusive Growth Deal) for economic development

Our research has provided vital evidence to support cross-border initiatives involving authorities either side of the Anglo-Scottish border or 'Borderlands' (Cumbria, Northumberland, Dumfries & Galloway, and Scottish Borders). In 2015, the Borderlands economies accounted for £21bn in terms of gross value added (GVA), equivalent to GVA of £19,491 per capita; compared to £23,685 in Scotland and £26,159 in England. Borderland businesses grew 11% between 2011 and 2016 compared to 24.3% in England and 18.8% in Scotland, whilst a comparatively lower proportion of workers are in professional or technical occupations. CRED identified lack of cross-border coordination in policymaking as an inhibitor of growth and development, and a need to improve local authority communication across the England/Scotland border as well as between counties in England and Scotland.

The Borderlands Partnership was established in 2014 in response to these challenges and *'to unlock the South of Scotland and North of England's potential as an economic hub to encourage new business and job opportunities.'* In 2016, Ekos, a consultancy practice specialising in economic and social research, was commissioned to develop a high level Framework for the Borderlands Partnership to be used with ongoing dialogue between the UK and Scottish governments. This framework cited two CRED research reports as supporting the development of the Borderlands proposition, and proposes as part of 'Next Steps', negotiation with the UK regarding securing and leveraging funding (S5). Ultimately, this framework was successful and the 'Borderlands Growth Deal' was contained in the 2017 Conservative Party manifesto (S6).

Following from the 2017 government manifesto commitment, the Borderlands Partnership commissioned CRED to undertake an additional review outlining the need and evidence for intervention to support of business and economic growth. This informed the Partnership's bid to UK government to realise the Borderlands Growth Deal, announced by the UK Government in July 2019, with £394.5m invested in the five local authority areas on either side of the Anglo-Scottish Border (S7). This was followed by a 'Heads of Term Agreement' defining the areas and activities to be prioritised for support. A Senior Manager Economy at Cumbria County Council has highlighted how the Borderlands research was *"useful in providing a robust evidence-base to inform the development of proposals for the Borderlands Inclusive Growth Deal...[and] helped lead to the Heads of Terms announcement for the Deal that was made in July 2019"* (S2). This is further corroborated by the Economic Adviser at Northumberland County Council, who also commented: *"The development of the Borderlands Partnership and the Growth Deal have been influenced by both of these documents (CRED reports) and the cross border partnership working which has grown from the initial discussions (S8)"*

Impact 4: Influencing EU strategies on reducing disparities in Research and Innovation

At the international scale, CRED Research has also had impacts on strategies to develop the European Research Area and to reduce disparities in research & innovation performance within the European Union. The EU aims to stimulate knowledge economies through investing in research and innovation. Participation in EU research programmes however, presents barriers to some Member States where existing networks are often fragmented or research capacity is under-developed. The Composite European Innovation Index varied considerably in 2016 from high performing countries with an index over 120 (Sweden, Denmark, Finland, Netherlands, UK, Germany) compared to the eight lowest performing Member States with indices below 70 (principally, the new accession states). In response to this issue, the EU has developed its "Spreading Excellence and Widening Participation" Programme which provides funding to build research capacity in disadvantaged Member States.

Between 2014 and 2018, Prof Frank Peck provided independent expert advice to evaluate research proposals under H2020 - "Spreading Excellence and Widening Participation". These experiences culminated in a commission in 2018 to examine methods and criteria used to determine targeting of EU funding to support Member States that perform less well in research and innovation performance (R6). Feedback received from a representative of the European Commission on 8th May 2020 indicates that this study has had significant policy impact.

The findings have informed debates within working groups reporting to EU Institutions on the need to provide funding to support Member States that under-perform in terms of research and innovation. The findings have had a: “*significant impact by providing evidence for the political debate between the Commission, the Member States and the European Parliament for the identification of the target countries for the future widening actions under Horizon Europe*” (S9). There are also plans to extend the SEWP Programmes to Non-EU Associated Countries and the indicator sets and methods proposed will also be used “*for the identification of associated countries that would benefit from widening actions*” (S9).

5. Sources to corroborate the impact (indicative maximum of 10 references)

- S1. Murphy, G., Nicol, S. (2019). *Cumbria Local Industrial Strategy: Evidence Base*. Cumbria LEP. thecumbrialep.co.uk/resources/uploads/files/Cumbria-Local-Industrial-Strategy-Evidence-Base.pdf. See pages 4, 32 and 142 for citation of CRED research as informing the evidence base.
- S2. Testimonial from Senior Manager Economy, Enterprise and Place, Cumbria County Council to support claims about impact on Cumbria LEP Strategy and LIS. [Corroborator 1].
- S3. Copeland Borough Council. (2018). *Copeland Work and Skills Partnership Programme Review 2018/19*. https://www.copeland.gov.uk/sites/default/files/attachments/annual_summary_year_3.pdf. See page 4 for evidence of outcomes of CRED informed review.
- S4. Testimonial from Work & Skills Programme Officer, Copeland Borough Council to support claim about impact on worklessness projects. [Corroborator 2].
- S5. Kelly, C. (2016). *The Borderlands Inclusive Growth Initiative: A Framework for Unlocking our Potential*. Ekos Consultants. See page 3 for citation of CRED research in preparation of the high level framework. Provided as PDF.
- S6. The Conservative Party. *Our Plan for a Stronger Britain and a Prosperous Future, The Conservative and Unionist Party*. <http://ucrel.lancs.ac.uk/wmatrix/ukmanifestos2017/localpdf/Conservatives.pdf>. See page 33 re Inclusive Growth Deal.
- S7. Ministry of Housing, Communities & Local Government, Office of the Secretary of State for Scotland, The Rt Hon Jake Berry MP, and The Rt Hon David Mundell MP (1 July 2019). *Boost for Borderlands: Growth Deal signed. £394.5 million being invested into the 5 local authority areas on both sides of the border between England and Scotland* (press release). <https://www.gov.uk/government/news/boost-for-borderlands-growth-deal-signed>.
- S8. Testimonial from Economic Adviser, Northumberland County Council, to support claim about the effectiveness of local economic policymaking and partnership, impacts of Brexit and increased communication between local authorities either side of the Border. [Corroborator 3].
- S9. Testimonial from Head of Sector, DG Research and Innovation on the research benefitting EU policy regards to improved identification of member states for financial support. [Corroborator 4].