

## **United Kingdom Country Report**

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on

**"Mobilising the regional foresight  
potential for an enlarged European Union"**

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## **Executive Summary**

The UK provides many interesting observations for both researchers and practitioners of Regional Foresight. The UK National Foresight programme was launched in 1993 following the white paper on “science, engineering and technology, realising our potential”. It has a panel-based structure and operates on a five-year cycle.

Traditionally regions have been seen as a platform for the National Foresight programme to inform and influence the thinking of the business community to aid competitiveness (particularly of SMEs). As a result many UK regions have become involved in Foresight as a result of Government funding support (1996-97,2000-02).

The foresight approaches developed within the regions have tended to be prescriptive – related to the work of the national programme with only a few areas “regionalising” this information through the work of local expert panels. And indeed it is only where regional resources have been established to develop local knowledge and data that foresight initiatives have been successful. This is highlighted in the approaches of both Scotland and Northern Ireland reported in this paper and those of the North-East and West Midlands that have been discussed elsewhere (2,3,4).

The UK experience of foresight has been very diverse. In 1999 only four regions in the UK were involved in foresight at a local level. Following the creation of the UK Foresight Business and the Regions Team that had increased to 11 regions by the end of 2001. However following the end of Central Government financing at the end of March 2002 the amount of regions involved has been significantly reduced. This highlights the requirement for foresight to be embedded and owned within a strong regional network and for data to be developed and owned at a regional level.

*This paper concludes that to fully adopt the principles of Foresight, UK regions should adopt a more inclusive regional approach using the whole range of tools and techniques available to them (3) and should consider adopting such approaches within other strategic areas (e.g. social and physical regeneration, regional policy) in addition to business development.*

## **1.0 Introduction**

### **1.1 The UK National Foresight programme**

The **UK Foresight programme** is the Government led initiative managed by the Office of Science and Technology that looks at what might happen in the future and what we need to do now to secure long-term competitive advantage and enhanced quality of life.

Foresight brings together the voices of business, Government, the science base and others to identify the challenges and opportunities that we are likely to face over the next ten to twenty years or more. In doing so, foresight aims to bring about a culture of change for the better in the way business and the science base relate to each other and to the future.

The programme was launched in 1993 following the white paper on “science, engineering and technology, realising our potential”. It has a panel-based structure and operates on a five-year cycle.

During the consultation periods of the first Programme (1993-95), OST Programme managers were so preoccupied with delivering the national Foresight that consideration of the regional level was essentially set aside for later phases. Nevertheless, Foresight Panels were encouraged to hold meetings and workshops in the regions, lest the Programme might be perceived as a London-centric affair. Once the Panels had reported in 1995, OST still lacked a strategy and the resources to engage regions in Foresight – their approach essentially took the sector Panels as the hubs of Foresight activity rather than the regions.

However, the DTI Innovation Unit was also committed to implementing Foresight and saw the regions as an arena in which its activities could have value-added. Consequently, just under £1 million was distributed to the regional Government Offices (GOs) over an 18-month period in 1996-97. The GOs were given the freedom to spend this money how they thought best fit, and most appointed ‘Foresight Regional Co-ordinators’, organised awareness workshops, and in some cases, set up regional Foresight panels. Since the money was from the Innovation Unit and was being spent by DTI officials in the GOs, the focus was on dissemination and implementation of national Foresight results to the business community, with SMEs especially targeted. From research we conducted some years ago, it would seem that most Regional Co-ordinators found dissemination and implementation an uphill struggle – events were often poorly attended and there were difficulties in ‘translating’ Foresight ‘messages’ into a language that SMEs could easily relate to. The level of funding was also relatively low when compared to other sources of funding (e.g. ERDF) and this was a further disincentive for many GOs. Moreover, there was considerable doubt over the duration of funding, and, as it turns out, the money dried up after 18 months for most regions. Without resources, regional level Foresight dissemination and implementation activities

petered out for the most part, with Northern Ireland and North East England the notable exceptions.

By late 1998, the blueprint for the second cycle of the national Foresight Programme had been agreed, and this saw an increased role for the regions. It had been recognised that one of the areas where foresight had not been wholly successful in the first round was in engaging small and medium sized businesses and making Foresight relevant to them.

The **Business and the Regions Team** within the UK Foresight programme was established in April 1999 at the start of the current round of Foresight.

The team was set-up with two main aims

- To increase participation in Foresight by the business community, in particular small and medium sized businesses, and,
- To promote Foresight across all the regions of the UK including Scotland, Wales and Northern Ireland.

The focus of promoting foresight in the regions has been to embed Foresight in **Regional Strategic Planning**, particularly within the economic and innovation strategies of the Regional Development Agencies (RDA's) that became operational (within England) in April 1999.

It is interesting to note the linkage between Foresight implementation in business and the regions – the OST has long had difficulties in reaching the business community, especially SMEs, and it is now believed that the regions are one of the best 'levels' at which this can be achieved. At the same time, business competitiveness issues form a large part of the briefs of the RDAs, suggesting some congruence with OST strategy.

The approach taken by OST/DTI was to fund (until March 2002) regional Foresight Co-ordinators, most of whom are associated with the RDAs. However following a recent review of the Foresight programme in the UK the Foresight Business and the Regions team has been disbanded and regional funding has ceased, meaning that those regions wanting to use a foresight approach must use regional resources.

## **1.2 UK Regional Foresight Programme Activities**

In addition to the work of the National Foresight Panels, OST have also supported the development of other Foresight related initiatives that support regional development:

Sitting alongside the extensive work undertaken by the Foresight panels and the wide range of information available to help business prepare for the future, a **Foresight training toolkit** provides a practical, flexible resource for business advisors to promote and encourage the adoption of this future driven perspective. Comprising a range of materials, tools and guides for use in workshops, in company sessions and in seminars the guide is intended to become a powerful support to the application of Foresight.

Whether for use in open sessions with representatives from a range of enterprises, or for use within a company these materials provide the means through which a business advisor can raise awareness, open minds and facilitate change. The toolkit is modular in construction and designed to be used as both a reference work, providing information, guidance and ideas for a trained advisor as well as a structured facilitation resource that supports the delivery of training sessions. Supporting the development of Foresight in the regions training centres for the toolkit have been established in Scotland, Northern Ireland, North-East and the West Midlands.

In addition OST have also supported the development of a **Young Foresight programme**, an independent charity who are now encouraging the UK regions to develop local initiatives. Young Foresight is a revolutionary project aimed at giving students direct experience in all the skills needed to create a successful product or service: from conceptualisation, to design, to adaptability in the market place. It encourages students to anticipate future trends and consumer behaviour and design products that will perform well in a world that hasn't yet arrived. The project aims to bring design and technology alive in the classroom by introducing local industry to its future workforce and helping teachers meet the standards set by the new curriculum. Across the UK companies will be working alongside schools to brainstorm about the future and develop real products for tomorrow's world.

## **1.3 National – Regional Foresight: A Review**

The national OST Foresight programme has developed the most significant foresight oriented set of activities within government that has the potential to engage with urban and regional issues. At the moment, the national programme's primary objectives do not deal with urban and regional issues in any comprehensive way. It is not therefore surprising that urban and regional policy makers rarely use

Foresight to inform their futures thinking because the programmes have not been targeted at their needs. Yet the foresight reports published by the national panels do often make important assumptions about the role of cities and regions, not only as a backdrop to the future, but also as a site in which foresight could be implemented. This is also echoed by the rollout of the Small Business Foresight process and tool-kit to regions by OST.

Following the review of the UK Foresight programme, OST have withdrawn funding support from the UK regions and have disbanded the Business and the Regions Team. However of greater concern is the change in focus of the national programme on technology developments (e.g. coastal and flood defences and artificial intelligence), forcing regions to develop their own activities or utilise existing resources to explore urban and regional issues, devolving responsibility for such activity to Regional Development Agencies and their regional partners.

These developments support the views of Marvin (1) who identifies a range of Government departments who are involved in Foresight related activities and who concludes that “It is difficult to see how central government can develop a clear view of how it sees cities and regions being shaped across a range of policy areas without a more effective and focused foresight capacity”.

These developments highlight the responsibility for regional government organisations and their partners to develop and co-ordinate their foresight capability. Marvin (1) highlights the potential for such an approach in the North-West of England, while Keenan (4) has considered the role of Foresight within the devolved administrations (Scotland, Northern Ireland and Wales) of the UK.

## **2.0 Foresight across the UK**

The UK approach to regional foresight has been the subject of other research studies (3,4), however a detailed assessment of the current position within the UK regions and urban centres has not been undertaken and is outside of the scope of this paper. A review of the current UK regional foresight position is difficult to undertake given the funding status of the regional programmes that were operational within the Regional Government Offices, Regional Development Agencies and associated institutions until the end of March 2002.

In this paper we will instead focus on those regions that have developed significant foresight activity and in particular highlight the work of those programmes that operate within a devolved administration.

Foresight activity in the English regions of the North-East and West Midlands have been the subject of other case studies (3,2) and they highlight how foresight can support the development of economic sectors and clusters within regions.

Elsewhere Foresight has been particularly well received within the devolved administrations with both Scotland and Northern Ireland highlighted as regional exemplars.

## **2.1 Foresight in Scotland**

Foresight activity in Scotland is promoted by a Forum comprising representatives of the Scottish Executive, Scottish Enterprise, Highlands and Islands Enterprise, CBI (Scotland), the Scottish Higher Education Funding Council (SHEFC), the Committee of Scottish Higher Education Principals, and the Royal Society of Edinburgh. Like Wales, the perception is that the academic community has embraced Foresight – for example, SHEFC has been embedding Foresight in Scottish HEIs through its Research Development Grants, which in 1999, were worth around £10 million. On the other hand, implementation in the business community has failed to meet expectations. Thus, in 1999, the Forum decided to appoint a full-time Foresight Co-ordinator whose focus is mainly on stimulating the participation of business interests in Foresight, using the following approaches:

- Using Foresight to support longer-term ‘foresighting’ processes
- Working through existing business intermediaries and networks
- Encouraging intermediaries to assume ownership of Foresight
- Building on national Panel outputs
- Turning Foresight findings into action

Scottish Enterprise hosts the Scottish Foresight Coordinator, whose main focus is to promote Foresight as a tool for business to think about and respond to future change in a structured way. The Coordinator works with a wide spectrum of companies, business intermediaries and other organisations across Scotland from across the public, private and academic sectors. While a key goal is to help individual companies better manage change, this is being achieved by channelling efforts through a range of trusted business intermediaries – industry bodies, networks and local delivery organisations – who, in turn, have a sustainable influence over company activities.

Scottish interests and priorities have been ‘mapped’ against the various national Panels to indicate the range of organisations that might wish to participate in Foresight. These include a wide range of industry bodies, trade associations, cluster development teams and professional institutes. It has been important to identify where Foresight can most effectively add value to existing or planned activities – for example, some sectors may already have structures (networks, organisations) in place that are considering futures issues. Where these exist, the idea is for Foresight to provide additional strategic inputs. Where they are absent, the hope is that Foresight can facilitate the creation of new, collaborative structures focusing on futures issues.

The most visible Foresight activity in Scotland has been the various workshops and events organised over the last year to support the UK Programme's Panel consultation and dissemination drive. However, these have been complemented by Scottish activity, including the organisation of an SME workshop on the use of tools and techniques for anticipating and responding to the future, a series of Foresight seminars hosted by the Royal Society of Edinburgh, and exhibiting the Foresight stand at a number of trade affairs and conferences.

Human and financial resources devoted to Foresight implementation in Scotland are relatively limited so the approach adopted has very much focused upon the facilitation of ownership and action by others. In all cases, the objective has been to design longer-term processes around future market opportunities. With this in mind, the Foresight Co-ordinator has sought to follow a similar route to his English and Welsh counterparts in supporting the work of the various Scottish Enterprise Cluster Teams, which are working closely with industry and academia.

In Scotland, Foresight activities for business are being channelled through a wide range of business intermediaries which represent or support companies : industry and sectoral representative bodies; National Training Organisations; professional institutes and associations; and other business support bodies such as LECs and Chambers of Commerce.

A Scottish Foresight Coordinator is involved in promotion and implementation based at Scottish Enterprise and the Scottish Foresight Forum, chaired by the Scottish Executive, ensures complementarity with related policies and programmes. The objective is to influence business intermediaries by encouraging them to adopt as part of their mainstream activities a stronger focus on future issues and challenges. This, in turn, will help stimulate companies to be proactive in anticipating and responding to future economic, technological and social change to increase their longer-term competitiveness.

## **2.2 Foresight in Northern Ireland**

In 1994, a number of Government departments in Northern Ireland jointly established a Northern Ireland Technology Foresight Group to disseminate Foresight and to decide upon priorities for the province. The priority areas chosen were food & drink, clean processing, IT, electronics & communications, biotechnology, and sensors. At around the same time, the Northern Ireland Growth Challenge (NIGC) had been set up to stimulate general industrial activity in the province through private sector funding. The Foresight Group got together with NIGC and set up five (later six) industrial sector panels to identify regional priorities and to define the structural and cultural barriers to industrial growth. The sector panels set up were Engineering, Food & Drink, Textiles and Apparel, Life & Health Technologies, and IT, Electronics and Communications (later to become six when the ITEC Panel split to look at Software, and Networks & Systems separately).

They operated by providing leadership and drawing together contributions from Government, the research base, trade bodies and other key organisations. A team from Northern Ireland Growth Challenge supports each panel, and a Steering Committee was established early on to oversee the formation and workings of the

six sector panels. All panels were tasked with looking at how relevant lessons learnt in the UK Technology Foresight Programme could be applied to industries in Northern Ireland. The aim was to promote economic growth and competitiveness and to improve the quality of life through increasing the pace of innovation.

Although all panels were urged to perform their work within a common framework, little effort was made to enforce this. Indeed as the work of each group progressed, it was clear that they were operating in accordance with the spirit of the exercise and this, coupled with the high level of enthusiasm exhibited by panel members, was deemed to ensure an acceptable result. The format adopted included meetings, seminars, questionnaires, and in the case of one panel, a study visit to a known centre of excellence. To assess progress, panel chairmen were required to report what had been achieved at Steering Committee meetings. These reviews helped panels note what others were doing and provided a useful forum for the sharing of information about the consultative processes adopted by each.

In line with the objectives set for Foresight in Northern Ireland, the panels made swift progress. In early 1997, their aim was to identify strategic threats/opportunities for their sector. From there they were asked to produce a series of recommendations that would facilitate development of their sector. Panels' recommendations were published in late 1997 and were wide-ranging, focusing on areas such as technology transfer, business support activities, networking, the creation of virtual centres, spreading best-practice, links between universities and industry, education, infrastructure requirements, and trade bodies. Recommendations were later refined in 1998 with a view to panels implementing a specific project that would fully address what they felt to be their most important recommendation. Whilst impacts are difficult to measure, those involved in the Northern Ireland exercise believe that the province has benefited from Foresight in that issues that might have been ignored have, as a result of Foresight, been addressed or at least identified.

In all, over three hundred companies have taken part in this initiative. All panels have identified areas of technology that they believe to be important and suggested projects aimed at improving the uptake of technology and enhancing Northern Ireland's strategic capability. Although some difficulties were encountered with the formation of most of the Panels, once they had begun their work, the general level of enthusiasm rose significantly. However the general business culture in Northern Ireland would appear to be overly conservative, with many small companies reluctant to invest in new technology, and largely unaware of the developments occurring within their sector at international level. Effective communication beyond the panels has therefore been deemed fundamental to increasing the general level of involvement in Foresight. For this reason, the panels are still in place, and have been busy pushing for implementation of their recommendations, as well as continuing consultation. It would seem that some recommendations have been implemented from all of the sector panels.

Those involved have welcomed the opportunity to think about the future in a structured way, network and share common strategic concerns with those active in

their respective sector, and identify how technology can be employed as a competitive weapon.

The Northern Ireland Foresight programme, is regarded as a regional exemplar by the DTI, and is now managed by the Centre for Competitiveness in partnership with IRTU who coordinate a number of Panels and project teams tasked with applying Foresight principles to their respective industrial sectors.

The Centre for Competitiveness (CforC) actively supports the development of an internationally competitive economy in Northern Ireland with an emphasis on stimulating innovation, productivity improvement and quality excellence in private, voluntary and public sectors. The primary role of the centre is to assist local organisations (particularly SME's) achieve sustainable competitive advantage through the services of specialised 'Centres of Expertise'. The Centres of Expertise focus on key drivers for growth and competitiveness including foresight, competitiveness assessments, the knowledge economy, best practices and international value adding alliances.

### **2.3 Foresight in Wales**

Activities related to the implementation of the UK Foresight Programme are managed jointly by the WDA (Welsh Development Agency) and the NAW (National Welsh Assembly), but the WDA role is becoming more important with time, and a WDA staff member has been given management responsibility for Foresight co-ordination.

Results of the first round UK Foresight Programme had limited impact on the Welsh scene due to a number of problems: there was a lack of a defined implementation strategy, as well as insufficient resource being made available for implementation. In addition, the outputs and performance indicators were not well defined. There was no clearly defined and agreed institutional champion for Foresight at a regional level in Wales, and there was a lack of engagement with companies, particularly SMEs for these activities, even though the regional brief was focused mostly on implementation in business. SMEs were for the most part not included in the Foresight research and preparation process, and as a result they had little ownership of the results. The eventual impact on these SMEs was therefore minimal. Another problem was that the focus of the exercise was seen to be too theoretical, and it has become evident that the term 'Foresight' seldom resonates with SMEs for whom the term evokes a feeling that the process is too academic and the issues lack immediate relevance. On the positive side, the Higher Education Funding Council for Wales showed considerable commitment to Foresight, including it as a key criterion for its bids for funding from the Higher Education Institutes (HEIs) in Wales.

Despite the problems outlined above, it would be fair to say that foresight activity in Wales has closely followed (and been limited to) the national Programme. However, with the inception of the National Assembly for Wales, the region now has a greater degree of flexibility in how it organises its approach to potential regional

development issues such as Foresight. There is no institutional reason why Wales cannot have its own Foresight programme or similar, provided the practical and political environment is appropriate. The framework for innovation and technology development in Wales, as developed and continued within the Wales Regional Technology Plan (RTP), provides a strong foundation for activities such as Foresight. The RTP emphasises the importance of helping companies to think strategically and long term about innovation, and it is likely that any Foresight-type activities that are developed in Wales will have this as their primary objective.

## 1.0 Discussion and Conclusions

The UK provides many interesting observations for both researchers and practitioners of Regional Foresight. While a detailed examination of Foresight within the UK regions and its urban centres needs to be undertaken and is outside the scope of this paper an overview of current activity highlights many issues.

Marvin (1) has highlighted 5 challenges for communities interested in mobilising regional foresight capacity and this provides a suitable framework for us to assess the capability of Foresight within the UK regions.

1. **National - Regional Relationship:** Keenan (4) has established a classification system for evaluating the relationship between regional and national foresight programmes and has applied this to a review of foresight in the UK regions (4).

Historically many UK regions have become involved in Foresight as a result of Government funding support (1996-97; 2000-02) and as a result the foresight approaches developed within the regions have tended to be prescriptive – related to the work of the national programme and focussed either on the business community or universities.

The establishment of Regional Development Agencies in April 1999 and the recent changes affecting the funding of UK regional foresight activities provides a unique opportunity for the UK regions to reposition their foresight activities and develop programmes that support the work of regional policy makers. However the term “foresight” is inextricably linked to the UK national programme rather than being considered as a valuable collection of tools and techniques (3) and this is a potential blockage to foresight development in the UK.

2. **Regional Positioning:** The UK regions are culturally, socially and economically different, yet the style and positioning of foresight activity is similar. All regions have decided to take an approach based on the development of economic activity, for the most part basing their work on material cascaded down from a national level with only a few areas “regionalising” this information through the work of local expert panels. And indeed it is only where regional resources have been established to develop

local knowledge and data that foresight initiatives have been successful and this is the case with the best practice regions of the UK.

- 3. Regional Governance Frameworks:** The UK approach to regional foresight has had limited success in delivering the foresight message to business and the methods employed have involved a limited number of regional actors. To adopt foresight successfully the UK regions should adopt a more inclusive regional approach using the whole range of tools and techniques available to them (3) and should consider adopting such approaches within other strategic areas (e.g. social and physical regeneration) and deliver this work through a network of regional and local organisations.
  
- 4. Services, Functions and Regional Actors:** Traditionally regions have been seen as a platform for the National Foresight programme to inform and influence the thinking of the business community to aid competitiveness (particularly of SMEs). This has limited the use of foresight within regions and in some cases funding for such activity within regions after March 2002 will not be continued.

Marvin (1) has highlighted the limited knowledge of Foresight within the directorates of the regional development agencies and this represents a clear challenge for practitioners of Foresight to highlight the use and importance of these techniques in regional and local government within the areas of social and physical regeneration, infrastructure development (e.g. ICT) as well as business growth. In addition Foresight timescales in the UK are short-term in duration (based on the needs of SMEs) and to fully support regional policy this timescales need to be extended. Only if the scope of activity is broadened will the full potential of foresight be realised.

- 5. Partners and Stakeholders:** Across the UK, OST have used the Regional Development Agencies and Government Offices as their key intermediaries in delivering Foresight. This has often been through the funding of a Foresight Co-ordinator within the region with the objective of increasing the participation of the business community in Foresight. As a result the key partners in delivering activity have been the business support community and key business groups within regions.

However, Winters (2) has identified that those successful regions in the UK operating a foresight programme are often operated by other organisations including technology transfer companies and universities who have direct contact with business.

In the long-term if the development of Foresight in the regions of the UK is to be achieved the regional partners need to be networked (1) and extended to incorporate a wider range of regional and local partners (see services, functions and regional actors).

The UK experience of foresight has been very diverse. In 1999 only four regions in the UK were involved in foresight at a local level. Following the creation of the UK Foresight Business and the Regions Team in April 1999 that had increased to 11 regions by the end of 2001. However following the end of Central Government financing at the end of March 2002 the amount of regions involved has been significantly reduced.

The UK experience highlights the requirement for foresight to be embedded and owned within a strong regional network and for data to be developed and owned at a regional level.

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