

# THE SUFFOLK SMALL BUSINESS PROJECT

## FOUR SCENARIOS TO 2020

The aim of the Suffolk Small Business project is to examine the business conditions in which the Suffolk Small Business community will operate out to the year 2020.

As the future is full of uncertainties, it was felt that the use of scenarios would be the most appropriate way to encapsulate the possible futures for the Suffolk Small Business community.

The project examines the key economic drivers out to 2020, considers the critical uncertainties facing the Small Business community, and presents four different scenarios for the future.



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### Introduction

One of the problems faced by a small independent futures practice is that it rarely owns the projects that it works upon. It is usually the case that the small independent practice acts as part of a larger project team and that the ownership rights to the piece of work lay either with the client or with the main contractor.

This led the practice, in 2003, to consider undertaking a *pro bono* futures project, the purpose of which would be to provide a live example of our futures work so that prospective clients could see the type of project upon which we could be engaged. It would also have the effect of driving traffic to our company web site, which is another of our key corporate objectives. There was also another reason. At meetings within the profession I often discuss with colleagues our methodology in producing scenarios. One of the objectives of the current work is to provide a live demonstration of how a project might develop, along with some IPR<sup>1</sup> that colleagues might be able to use in their own work.

Once we had decided that we wanted to undertake a *pro bono* scenario project, we then needed to consider the topic. The focus of our work is very much on the practical aspects of futures – how the results might affect those for whom we are conducting the work in a practical sense. We also wanted a topic that would have a fairly immediate payback in terms of the target audience. Bearing this in mind, we decided upon a project that looked at small business futures. This would allow us to draw upon the management skill sets that we had in-house (i.e. we would not need to buy in any expertise).

The focus would be on the English county of Suffolk. We appreciate that this is a small focus geographically, but a wider focus would simply absorb an undue amount of our own resources. Originally, we thought to run the project out to 2015, but, on reflection once the research aspects of the project had begun, we felt that the year 2020 would be a more appropriate focus as it is far enough to be considered a long range view, but it is also near enough to avoid the allegation of being too speculative.

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<sup>1</sup> IPR (Intellectual Property Rights) are said to be the key driver of the Information Age. In this case, Intellectual Property is seen as a key source of value.

The objective of the project is to generate four scenarios for the Suffolk Small Business community out to 2020. It is intended that the scenarios would be used by small businesses in Suffolk to inform themselves about the possible environments in which they are likely to find themselves operating. A second potential user group of the scenarios is the group of advisors to small businesses in Suffolk. Finally, we would hope that the scenarios might be used by the policy makers in Suffolk as a means of informing themselves about the possible future environments for small businesses in the county.

The report is a distillation of the research, interviews, surveys, and focus groups undertaken in obtaining the information necessary to generate the four scenarios<sup>2</sup>. In presenting the report, we have divided the analysis into two sections. Part I examines models of economic growth that may be important to the development of the small business community in Suffolk and provides a review of the likely critical uncertainties facing that community in the years to 2020. Part II takes these critical uncertainties to determine four possible outcomes (scenarios) by 2020. Those who are not familiar with the technical construction of scenarios may wish to skip Part I initially, and may wish to move straight to Part II on the first reading.

It is generally true that we get the future that we deserve. If we want a future that works for us rather than against us, then we need to act proactively in the present to ensure that we can enjoy our preferred outcome in the future. We can influence the future if we plan for it, and this project is one of many steps to ensuring that Suffolk has the small business community it deserves in 2020. The project can help us point to the possible futures for the Suffolk Small Business community. It is up to us to ensure that we guide ourselves into the desired futures that we would want for the community.

Stephen Aguilar-Millan  
The Greenways Partnership  
December 2004

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<sup>2</sup> The research is published in full on our web site at [www.greenways-partnership.com/sbp.htm](http://www.greenways-partnership.com/sbp.htm). It amounts to over 600,000 words, and includes 10 maps.

# **PART I: SETTING THE SCENE**

## **The Economic Drivers**

There is a danger, when approaching a review of a small geographical area, of neglecting the wider economy in which that area operates. Small Business in Suffolk operates in a wider national and international economy. The UK economy is quite open, with a significant percentage of GNP being derived from international trade. Suffolk is no exception to this rule, both in physical terms (with the location of the Haven Ports at the gateway to Europe), and in terms of intangibles through the development of an ICT<sup>3</sup> sector within the county.

Whilst we cannot deny the importance of the technological revolution in terms of computing, we do feel that it is something of a mistake to rely solely upon a technological focus. The revolutionary phenomenon lies in the transformation of the business processes enabled by the technological advances. We can now talk of flatter and leaner management processes, “just-in-time” inventory management systems, and customer focussed CRM<sup>4</sup> systems. The point is that the technology has enabled us to do things differently and has impacted to lower the costs of doing business.

There are three implications of technology lowering the costs of doing business. First, it has paved the way for the low inflationary environment that was first seen in the late 1990s, and which continues today. This is quite important as a backdrop against which business planning is undertaken. Second, it has lowered the threshold at which small businesses can become global players. Relatively small businesses, armed with an effective web site, can now project themselves on the global stage. In this respect, the old adage that “size matters” is becoming less true. Thirdly, the technological revolution has paved the way for services to dominate the Western Economies. This has led to a less volatile business cycle as the service sector does not have an inventory cycle in quite the way that the manufacturing sector does.

The technological revolution still has a long way to run. Indeed, a renewed burst of innovation is predicted for the period 2006-2010<sup>5</sup>, as a number of latent and converging technologies

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<sup>3</sup> Information and Communication Technology (ICT) acts as the heart of the Information Revolution by providing the necessary elements of hardware, software, and communications technologies.

<sup>4</sup> Customer Relationship Management (CRM) systems act as the bridge between the old enterprise logic and the new paradigm of the Support Economy.

<sup>5</sup> See “Business 2010: Mapping The New Commercial Landscape” by Ian Pearson & Michael Lyons (Spiro 2003)

start to reach mainstream adoption. Computers are becoming faster and more powerful; they are communicating to each other, and are acting to reduce operational costs. This will increase the density of communications amongst businesses. In many ways, the new world economy is a networked economy. In a networked economy, the question of geographical location is of far lesser importance. It is at this point that the technological revolution becomes intertwined with the second key driver to economic revolution – the expansion of market economies.

The period 1980-2000 saw the retreat of central planning as a technique of resource allocation within economies. As with the revolution in technology, this revolution in the way that resources are allocated still has a long way to run. There are problems with relying solely upon the market as a means of resource allocation, but it cannot be argued that this is a predominant method at present. Looking out to 2020, we can see the market bringing very tangible benefits to small businesses in Suffolk. With the futures of so many people associated with the expansion and development of the market, it is inconceivable that an alternative method of resource allocation will come to predominate in the next fifteen years.

This backdrop – the development of technology and the expansion of the market – provides the environment in which Suffolk Small Businesses will have to operate. This is likely to be quite a positive environment for small business. Technology is forcing down the costs of entry into markets. It is also enabling small businesses to have a global view of their operating environment, which is being enhanced by nations across the globe embracing market opportunities. The next fifteen years will be a time when the proactive small business will be able to seek opportunities on the global stage.

There are three aspects to a proactive community developing to exploit these opportunities.

1. In the Knowledge Society, the key to business development is the ability to leverage knowledge creatively. To do this, a community will need to encourage the development of a Creative Class, and that policy ought to focus on encouraging the development of that group of people<sup>6</sup>.
2. As the rise of the knowledge worker depends upon the development of information and communications technology, this same technology can be used to automate most routine Information Society work. The Information Society is being replaced by the Dream Society. In the Dream Society, our purchases are an expression of our personal values, our self-identity. A proactive community will develop a firm base of Dream

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<sup>6</sup> More about the Creative Class can be found at [www.greenways-partnership.com/backgrou\\_files/Page807.htm](http://www.greenways-partnership.com/backgrou_files/Page807.htm).

Society businesses<sup>7</sup>.

3. In a “Post Modern” society, autonomy and diversity have come to replace the authority, conformity, and hierarchy of society under Managerial Capitalism. This phenomenon is “The New Society Of Individuals”. The new society of individuals is giving rise to a new model of consumption, a new enterprise logic. The new enterprise logic is what has come to be known as Distributed Capitalism. The proactive small business in the future will be the one that is organised on the basis of Distributed Capitalism and operates within the Support Economy<sup>8</sup>.

The proactive small business, however, will still need to interact within a real community of people.

One of the key drivers to Small Business in the local economy is the size and composition of the population. The general population provides both the workforce and the customer base of the Small Business community. Any consideration of the future of the Small Business Community has to examine the degree to which the population of Suffolk will change in the future.

Before examining the future prospects for the population of Suffolk, it is important to review the immediate past – if only to see what trends are apparent. We decided to look as far back as we are looking forward. The most salient feature of the period 1981-2001 is the growth of the population within the county. During this period, the population of the county grew by 13%. For each year, there was, in addition to the organic growth in population, a net inflow of migrants into the county. Of these, 43.0% originated from the London Region, and 20.4% originated from the South Eastern Region. However, in this context, Essex is counted as part of the South Eastern Region, and there is evidence to suggest that much of the movement to Suffolk from the South Eastern Region (about 67% of the total movement) was of a distance of less than 10 miles<sup>9</sup>.

It is at this point that density statistics assume their significance. 16% of those moving to Suffolk did so to trade up their housing. This is a distinctly English phenomenon that needs to be explained for overseas readers. In England, during the period 1981-2001, the disparate inflation of house prices gave rise to a situation where those people living in London could sell their London accommodation, clear their mortgage finance, and buy a similar or larger house

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<sup>7</sup> More about the Dream Society can be found at [www.greenways-partnership.com/backgrou\\_files/Page979.htm](http://www.greenways-partnership.com/backgrou_files/Page979.htm).

<sup>8</sup> More about the Support Economy can be found at [www.greenways-partnership.com/backgrou\\_files/Page1093.htm](http://www.greenways-partnership.com/backgrou_files/Page1093.htm).

<sup>9</sup> A fuller discussion of our research into the population of Suffolk for the period 1981-2001 can be found at on our web site at [www.greenways-partnership.com/backgrou\\_files/Page1266.htm](http://www.greenways-partnership.com/backgrou_files/Page1266.htm).

with the remaining funds from the sale of their London house. As Suffolk is only an hour away from London, the period 1981-2001 saw the growth of Suffolk as part of the London travel-to-work area.

16% of those moving to Suffolk did so to trade up their housing. 13% moved to Suffolk for work reasons, including those who used the released equity from their London property to fund a business start-up. 9% moved to Suffolk to live in a better area, and 9% moved to Suffolk as part of their retirement. Over the long period, the attractiveness of Suffolk as a place to live and a place to retire has affected the composition of the population of Suffolk<sup>10</sup>.

The traditional County Dweller lifestyle groups have not grown as fast as the Independent Elders, High Income Families, and Suburban Semis lifestyle groups. The Independent Elders, particularly their concentration in the Aldeburgh-Snape-Southwold triangle, represent the development of the Suffolk Coast as a retirement location, in the same way that Dorset is a retirement location. The High Income Families and Suburban Semis lifestyle groups represent a core of commuters coming to live in Suffolk. Their concentration along the main commuter railway lines to London (Manningtree-Ipswich-Stowmarket-Diss) indicates the development of Suffolk as part of the commuter heartland of Southern England<sup>11</sup>.

In the immediate future between 2000 and 2010 the population of Suffolk is predicted to continue growing. During this period, the forecast is for the population to grow by 5%. We rather feel that this is likely to understate the growth of the population. The evidence for the 1990s indicates that the rate of inward migration has accelerated. If the growth rate of the population is accelerating, then forecasts based upon past growth rates will understate the growth prospects for the population.

Looking ahead to the longer term, there is nothing to suggest that this process will abate. Property in Suffolk still looks cheap in comparison with comparable property available in, say, Surrey or Sussex (part of the commuter heartland south of London). As long as this continues, and as long as the journey from Suffolk to London takes about the same time as the journey from Sussex to London, the pressure will be for those people moving out of London to do so into the northern commuter heartlands, which now includes Suffolk. There is evidence to suggest that Suffolk property prices are very highly correlated with London City bonuses, and

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<sup>10</sup> This fact was made quite evident in our survey of small business in Suffolk. 46.5% of those surveyed stated that what is great about doing business in Suffolk is that it is a great place in which to live, whilst 28.1% of those surveyed stated that what is great about doing business in Suffolk is that Suffolk people are nice to do business with. For a fuller discussion of this point, see our web site at [www.greenways-partnership.com/survey\\_files/Page758.htm](http://www.greenways-partnership.com/survey_files/Page758.htm).

<sup>11</sup> See our research on the lifestyle tribes in Suffolk at [www.greenways-partnership.com/tribes.htm](http://www.greenways-partnership.com/tribes.htm).

that, as soon as City bonuses are announced, people start to look to move out of London to Suffolk<sup>12</sup>.

If we are right, then, during the next twenty years, the change of the composition of the middle class within Suffolk will continue. We can easily foresee the further development of the Suffolk Coast as a retirement location, along with the expansion of the commuter belt outwards from the main rail links. This is likely to diminish the numerical importance of the Country Dwellers and to change the nature of the county away from a rural perspective to become more suburban in outlook and presentation<sup>13</sup>.

The key issue that will surface in the period 2000-2020 will be the relationship between Suffolk and London. How will the population of Suffolk interact with London? How will the migrants from London affect the nature of Suffolk? In turn, our answers to these questions will impact on the ability of the Suffolk Small Business community to utilise a Creative Class, to develop businesses rooted in the Dream Society, and to use Distributed Capitalism to operate in the Support Economy. These critical uncertainties are the issues that we shall deal with in considering the key drivers for our scenarios.

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<sup>12</sup> We held a focus group session on this issue on 19<sup>th</sup> April 2003. It was interesting to see the strength of feeling that this issue generates. Notes from the session can be found at [www.greenways-partnership.com/background\\_files/Page494.htm](http://www.greenways-partnership.com/background_files/Page494.htm)

<sup>13</sup> A fuller discussion of our research into the lifestyle tribes within Suffolk, along with their impact and their future development can be found on our web site at [www.greenways-partnership.com/tribes.htm](http://www.greenways-partnership.com/tribes.htm) and as part of the Small Business Project at [www.greenways-partnership.com/background\\_files/Page1331.htm](http://www.greenways-partnership.com/background_files/Page1331.htm).

## **The Critical Uncertainties**

In the section dealing with the Economic Drivers that are propelling the Suffolk Small Business community, we established that the growth of the community was being driven by a number of economic forces and a number of demographic forces.

The key economic forces were the development of a Creative Class within the Support Economy that provides service offerings for the Dream Society. Equally, the key demographic forces affecting the Suffolk Small Business community are the rate of inward migration into the county and the degree to which this is changing the social composition of the county. We now need to examine the degree to which these forces will have an effect on the Suffolk Small Business community, and to identify the critical uncertainties surrounding their impact.

The central element of the model by which the Suffolk SME community develops is through the development of the Creative Class. Modern economic theory holds that economic growth in a given location is driven by the locational choices of creative people (the holders of creative capital). In one sense, the theory does not represent a radical departure from traditional locational theory. In traditional theory, economic growth in a given location is driven by the locational choices of firms (the holders of physical capital). However, as the emphasis of the economy moves away from physical capital (land, plant, and equipment) and towards creative capital (or what some might term “human capital”), the locational decisions of the Creative Class become more significant in determining which areas will grow and which areas will not grow.

The Creative Class prefer places that are diverse, tolerant, and open to new ideas. An attractive place need not be a large city. It must be a place where the Creative Class can find suitable peer groups. Creative agents tend to cluster around creative agents, reinforcing each other’s productivity. These nodes of creativity then coalesce to form larger economic units or firms. These firms locate in areas where they can grow and develop. The evidence suggests that creative people are attracted by an abundance of high quality amenities, openness to diversity, and opportunities to validate a creative identity. The challenge to Suffolk is to develop an environment that becomes the locational choice for the Creative Class.

The development of a Creative Class is likely to be a necessary but not sufficient condition for the take-off of the Suffolk economy. A further condition is likely to be the development of service offerings within the Support Economy. The way in which businesses are organised reflects the society in which they operate. In a “Post Modern” society, autonomy, and diversity

have come to replace the authority, conformity, and hierarchy of Managerial Capitalism. The rise of the individual based organisation will eventually lead to the demise of the hierarchical organisation of leaders and followers. The Post Modern organisation must allow all participants to express their voice – to become a networked organisation<sup>14</sup>. This business model forms the basis of the Support Economy. In order to thrive in the future, small business in Suffolk will have to adopt the business model of the Support Economy.

The final sufficient condition for the take-off of the Suffolk economy would be to develop a range of offerings that are based in the Dream Society. The concept of the Dream Society arose from a consideration of what would come after the Information Society. In many ways, the Information Society contains the seeds of its own destruction. The rise of the knowledge worker depended upon the development of information and communications technology. This same technology can be used to automate away most routine Information Society.

In the Dream Society, our purchases are an expression of our personal values, our self-identity. The market for emotions underpins the Dream Society. Consumption will become a value statement, and the value statement will be encapsulated and embodied in the story (or “branding”) of the products or services. The challenge to the Suffolk Small Business community is to develop a range of service offerings that appeal to the emotional market that underpins the Dream Society.

There are a number of key uncertainties to the development of the small business sector within the Suffolk economy. There is no doubt that Suffolk is a great place to live. There are a number of genuinely world class cultural beacons, the regeneration of the Waterfront in Ipswich and the sympathetic development of rural Suffolk are both likely to enhance the built environment, Suffolk has one of the lowest crime rates in the UK, and is considered to have one of the safest urban environments in which to live in the UK. There is evidence of small businesses relocating from London to Suffolk principally for the reason of an improvement in lifestyle.

On the other hand, Suffolk does not have a significant research University. There are some links with the University of London and MIT through the IP-City initiative, but none of these initiatives have led to the development of a sizeable student population that is integrated into

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<sup>14</sup> In terms of spiral dynamics, the traditional enterprise logic is very much based in the Red and Orange reaches of the Spiral. It could be argued that the new support economy is located more in the Green areas of the Spiral. See [www.greenways-partnership.com/survey\\_files/Page774.htm](http://www.greenways-partnership.com/survey_files/Page774.htm) for a discussion of the theory around this issue. As it happens, our small business survey indicated that the Spiral Profile of small businesses in Suffolk was very Red in profile, with a minor spike in Orange. See [www.greenways-partnership.com/survey\\_files/Page446.htm](http://www.greenways-partnership.com/survey_files/Page446.htm) for the results of the survey.

the host population<sup>15</sup>. Furthermore, respondents to our Small Business Survey indicated that the small business community feels that the IP-City Initiative, based around the BT-Exact site at Martlesham Heath, is very remote from the small business community, and is not sufficiently integrated into that community for there to be an effective transfer of technology from the laboratory to market-place. This is in sharp contrast to the evidence that we collected on our trips to Princeton and Stanford Universities in the USA<sup>16</sup>.

Our research indicates that there is a small Bohemian cluster in central Ipswich that forms a nucleus of a creative hub, but that this cluster has not reached the critical mass necessary for the development of a vibrant creative cluster. It only represents 1.7% of the population of Suffolk, way below the 20% threshold that is suggested as necessary to develop critical mass<sup>17</sup>. Indeed, the close proximity of London (just an hour or so from Ipswich by train) attracts creative talent away from Suffolk to what would appear to be, from the perspective of the Creative Class, a more attractive lifestyle. Our Small Business Survey indicated that many of the creative class who we interviewed viewed Suffolk as a great place to live, but saw London as an even better place in which to work<sup>18</sup>.

Our research indicates that Suffolk is dominated by two lifestyles – the traditional Country Dwellers and an accumulation of more suburban lifestyles (Suburban Semis, Blue Collar Owners, High Income Families, Independent Elders, and Mortgaged Families). Whilst the “Country” and the “Suburban” are an important part of the make-up of the Suffolk population, and whilst they both contribute much to what makes Suffolk a great place in which to live, we have to suspect that they are actually inimical to the development of Suffolk as a Creative Centre. The lifestyles are essentially conformist and resistant to change, and both of these features act to retard creativity.

However, this is changing, and there are reasons to expect that it might change significantly out to 2020. The impending development of the University Campus, the migration of the Creative Class from London and the South East, and the development of Suffolk – particularly Ipswich – as a creative centre could be sufficient to kick-start the transformation necessary

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<sup>15</sup> For example, our research discovered that there are only 10 students from the University College London based in Suffolk. This is too small a population to act as a catalyst to act as a dynamo for the local small business community.

<sup>16</sup> Our economic models highlight the importance of knowledge transfer from the local academic sector to the local small business sector. Our attitudinal research found that current public sector initiatives to stimulate this transfer, with the possible exception of the Suffolk Institute of Technology, had largely failed to make a significant impact. Indeed, 10.9% of those surveyed stated that the poverty of public initiatives actively hindered the development of the Small Business Community in Suffolk.

<sup>17</sup> See [www.greenways-partnership.com/tribes\\_files/Page487.htm](http://www.greenways-partnership.com/tribes_files/Page487.htm) for further details.

<sup>18</sup> 14.5% of the Small business population, when surveyed, stated that they did not work at all in Suffolk. Most of these worked in London. See [www.greenways-partnership.com/survey\\_files/Page758.htm](http://www.greenways-partnership.com/survey_files/Page758.htm) for more details.

for the development of the Support Economy.

In this respect, Suffolk has a number of plus points. The work-force tends to have a relatively high degree of technical education, broadband connections are being rolled out as a matter of priority throughout the county – particularly to the more remote rural areas, and there is a general willingness in the SME sector to embrace technological change. If the transformation were to start in Suffolk, it is quite likely that progress could be at a rapid rate.

The successful company in 2020 is likely to be “small” in cultural terms - irrespective of size in terms of other measures. Its smallness means that it can interact with its customer base on an intimate level. It also values its staff to a high degree, and enables and empowers them to deliver the best possible customer experience. Although it will be a labour intensive company, authority within the company will be distributed on a network structure rather than a hierarchical structure in an attempt to capture as much staff creativity as possible.

Suffolk is ready for development as a creative centre, should the transformational forces reach critical mass. The problem is that there are relatively few early adopters of new lifestyles. This may suffocate the transformation before it takes hold. The issue is whether enough people would adopt a creative lifestyle in order to give it the critical mass necessary for the new paradigms to take hold.

This brings us to a critical uncertainty facing the development of small business in Suffolk out to 2020. If, for whatever reason, Suffolk does establish an economy based in the Dream Society, then it can reasonably expect to develop a high value added Small Business community. If, on the other hand, Suffolk misses the opportunity to locate in the Dream Society, then it can reasonably expect the development of a Small Business Sector characterised as backward-looking, dominated by the service sector, with low value-added work, and resultant sluggish economic growth.

The demographic forces that affect the Suffolk Small Business community are a reflection of the society which the small business sector serves. Small businesses draw from the local workforce to deliver their service offerings, and they generally sell into the local community as their customer base. In this way, changes that affect the local population are likely to impact greatly upon the Suffolk small business community.

The immediate future between 2000 and 2010 is for the population of Suffolk to continue to grow. During this period, the forecast is for the population to grow by 5%, mainly as a result of

inward migration from London and South East England. Looking ahead to the longer term, there is nothing to suggest that this process will abate.

London could be a source of opportunity for Suffolk small business. The City is only an hour away by train, or just over that by car, and increasing numbers of Suffolk small businesses are using those links to sell into the London market. However, if improved transport links allow Suffolk small businesses to sell into the London market, it is also true that the same links would allow easier access to London businesses to sell into the Suffolk market. In this respect, Suffolk small businesses would be crowded out of the “home market” by “imports” from the London economy.

It is also possible that Suffolk could become a dormitory community for London. In this model, the business people living in London relocate to Suffolk for lifestyle reasons (Suffolk is a great place to live), but continue to operate their businesses and work from a London location. In this model, the Suffolk small business community acts as a facilitator for a London dormitory. Those relocating in Suffolk can do so in one of two ways. First, they can settle permanently in Suffolk and commute to work in London. Second, those living in London can remortgage their London properties and use the equity released to buy a weekend/ holiday home in Suffolk.

During the next twenty years, the change of the composition of the middle class within Suffolk may well continue. We can easily foresee the further development of the Suffolk Coast as a retirement location, along with the expansion of the commuter belt outwards from the main rail links. This is likely to diminish the numerical importance of the Country Dwellers and to change the face of the county away from the rural perspective to become more suburban in outlook and presentation.

We are of the opinion that the relationship between the Suffolk small business community and the London market is likely to be of central importance in the years to 2020. How will the population of Suffolk interact with the London market? How will the migrants from London affect the social composition of Suffolk? These critical uncertainties are the key issues that need to be examined in our scenarios.

# PART II: THE SCENARIOS

## Introducing The Scenarios

In Part I we have established that the two critical uncertainties facing the Suffolk small business community in the years to 2020 are the extent to which Suffolk becomes a suburb of London, and the degree to which Suffolk reaches critical mass to undertake organic - as opposed to dependent - economic growth. From this, we can derive a Futurescape of four scenarios:

1. A rural Suffolk with growth dependent upon other areas. This is a future that is much the same as it is today. We have called this scenario “***Plus ça change***”.
2. A rural Suffolk with an organically growing economy. This is a future where Suffolk becomes an economic dynamo on its own terms. We have called this scenario “***The Suffolk Treasure House***”.
3. Suffolk as a suburb of London with growth dependent upon other areas. This is a future where Suffolk becomes absorbed into a Greater London. We have called this scenario “***The London Playground***”.
4. Suffolk as a suburb of London with an organically growing economy. This is a future where Suffolk becomes a thriving area, but as part of a Greater London. We have called this scenario “***Cockney Suffolk***”.

Each of these points in the Futurescape has something to offer the present. However, the various constituencies in the present may have distinct preferences for the future that they prefer.

The next step in the exercise is to identify the factors upon which the uncertainties would play. The 2004 SME Survey, the evidence of the public focus groups, along with the evidence collected from a number of private briefings led us to identify ten key factors upon which the uncertainties would play. These are:

1. Would large companies locating in Suffolk stimulate the development of a Creative Class?
2. Would inward investment into Suffolk stimulate an accelerator effect on the Suffolk economy to develop the small business sector?
3. Would the University Campus enhance the development of a Creative Class within the county?
4. Would the University Campus act to change the social composition of the county?
5. Would improved transport links to London have an impact on the Futurescape?

6. Would environmental change have an impact on the Futurescape?
7. Is Broadband rolled out across the county to become widely accessible?
8. Does farming diversify?
9. Are the Country Dwellers crowded out by an inwardly migrating population?
10. Will there be a reversion to tied accommodation as a means of solving a housing shortage?

These factors are the issues that the Suffolk small business community feels are likely to be the key issues affecting the future. Of course, it is the case that other communities will have a different set of factors. However, for the purposes of this study, these are the factors that we shall concentrate upon as they are derived directly from the Suffolk small business community.

The next step in the process of scenario building is to generate a cross impact matrix that examines the impact of each of the key factors upon each scenario. The cross impact matrix is set out on Page 17. The cross impact matrix serves as an *aide memoire* to allow us to generate a snapshot of the Futurescape in each of our scenarios. We have described each of the scenarios separately in the following pages.

The scenarios are, by definition, descriptions of a set of possible futures. Elements of all of the scenarios might come to pass in the actual future. Quite equally, none of the elements in the scenarios might come to pass in the actual future. The scenarios are not forecasts. They are indicators of our best estimates of what the key elements in the future might be and how those elements might play out.

Although our work in creating the scenarios is now complete, there are a number of measures that can be taken to drive the study forward. Outside the scope of this study is an exercise in “back-casting” (the opposite of forecasting) to track each of the scenarios back from 2020 to today. The purpose of this exercise would be to discern a number of critical milestones between now and the future. This has the benefit of mapping the future in order that we can discern which possible future is becoming the actual future. As a company, we have committed to undertaking a further survey of the Suffolk lifestyle tribes in 2007 - assuming that the data is still available to us - to map the changing population in Suffolk. Other milestones in the path to the future are available to our clients.

The back-casting exercise would also inform the conversation about preferred futures. This would be of assistance to policy makers within both the Public Sector and the Private Sector. The future is not a determined entity, and our actions today will impact on the shape of the

future that we experience. To this extent, we have a choice over the preferred futures in which we live. The milestones to the future would enable us to examine the effectiveness of policy in shaping the future.

However, we believe that the greatest impact of this study will be to inform us about how to structure small businesses so that they may be prepared for the future. To this end, we have developed a Case Study of one of our clients, Talk 24 Assist<sup>19</sup>, to demonstrate how the results of this study can be used to great effect. Commercial success does not occur by accident. It is the result of careful planning and forethought, both of which have been delivered by this project.

The future that we would most prefer is the Suffolk Treasure House - a Suffolk that retains its rural charm, and yet which has the capacity to compete in a global economy. This, indeed, would be a golden future. Our challenge to the Suffolk small business community is to join us in making it happen.

Whilst we are grateful to the many people who helped in undertaking this project, a special thanks goes to Victoria Freestone of the European Futures Observatory for her assistance in helping us to sort the mass of data from the research into a digestible form, and for her help in the construction of the Cross Impact Matrix, which is pivotal to taking the analysis from research data to constructive scenarios.

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<sup>19</sup> Details of the Case Study can be found at [www.greenways-partnership.com/sbp\\_files/Page702.htm](http://www.greenways-partnership.com/sbp_files/Page702.htm) This study was published by the World Futures Society in its annual conference volume in July 2005. See "Talk 24 Assist: A Case Study In Practical Futures" in "Foresight, Innovation, and Strategy" C.Wagner (Ed) WFS 2005 p. 305.

# CROSS IMPACT MATRIX

## THE IMPACT OF KEY FACTORS IN EACH SCENARIO

	<b>Scenario 1</b> <i>Plus ça change</i>	<b>Scenario 2</b> Suffolk Treasure House	<b>Scenario 3</b> The London Playground	<b>Scenario 4</b> Cockney Suffolk
<b>Question 1</b> Large business stimulates the Creative Class?	NO - low levels of integration in the host economy.	YES - seamless integration into the global economy.	NO - only low value jobs are located in Suffolk.	YES - Suffolk SMEs service inward locators.
<b>Question 2</b> Inward investment acts as an accelerator?	NO - low levels of integration.	NO - not a great deal of investment.	YES - Branch offices create localised growth.	YES - Suffolk SMEs service inward locators.
<b>Question 3</b> The University stimulates the Creative Class?	NO - small creative impact.	YES - University has an impact.	UNCLEAR - Will the talent fly to London?	YES - University has an impact.
<b>Question 4</b> The University accelerates social change?	NO - small impact by assumption.	YES - impact by assumption.	NO - small impact by assumption.	YES - impact by assumption.
<b>Question 5</b> Do improved transport links impact?	NO - continued poor transport links.	UNCLEAR - will it matter in a wired world?	YES - aids weekenders and the leisure sector.	YES - facilitates Suffolk operating globally.
<b>Question 6</b> Environmental change impacts the Futurescape?	YES - Suffolk remains rural.	YES - climate change helps rural diversification.	UNCLEAR - more rural poverty but less rural business.	NO - economy not based in the rural sector.
<b>Question 7</b> Widely accessible Broadband?	NO - low levels of roll-out.	YES - Suffolk integrates into the global economy.	UNCLEAR - good urban network, poor rural network.	YES - a precondition for organic growth.
<b>Question 8</b> Does farming diversify?	NO - no impetus for change.	YES - farming is no longer commercially viable.	NO - farming is retained as a theme park activity.	YES - becomes more leisure based.
<b>Question 9</b> Are the Country Dwellers crowded out?	NO - changes not critical.	NO - changes not critical.	YES - Newcomers swamp the Country Dwellers.	YES - Newcomers swamp the Country Dwellers.
<b>Question 10</b> A reversion to tied accommodation?	NO - housing isn't a major issue.	YES - inward migration causes a housing shortage.	YES - inward migration causes social divisions.	YES - inward migration causes a housing shortage.

## **Scenario 1: *Plus ça change***

### *Introduction*

The essence of this scenario is that nothing key changes to the structure of the Suffolk small business community in the years to 2020. This scenario is almost a base-line scenario, outlining what might come to pass if there are no structural changes to the SME sector within the economy out to 2020. Of course, there will be changes to the vehicles by which small business delivers its goods and services. We can expect the IT revolution to change the ways in which we live our lives, the communications revolution will change the gadgets by which we communicate and may even introduce new mediums of communication to us. However, the point is that, although the ephemeral aspects of our lives may change, the main pulse of life for Suffolk small businesses will remain as unchanged as they have for the past seventy five years.

### *Narrative*

Suffolk still will be a predominantly rural economy, characterised by small town and suburban lifestyles. At the turn of the century, it had been hoped that the encouragement of large companies within the county would stimulate growth in the SME sector. By and large, that didn't happen. Whilst some inward investment has stimulated SMEs in a number of localised areas, it hasn't introduced sufficient money into the economy to have a major impact. Indeed, one of the political issues of the day is that vast sums are spent on encouraging large companies to locate in Suffolk, but with such scant effect. Many feel that the money would have been better spent directly within the local economy rather than being sucked out of Suffolk and remitted to the head offices of the inward investors.

Some had hoped that the establishment of a University of Suffolk would galvanise the economy. Sadly, this did not happen. The University never managed to establish itself within the academic community as a beacon of excellence, and the brightest pupils in Suffolk continued to go to study outside of the county. All in all, the brain drain that crippled the Suffolk economy in the twentieth century continued well into the twenty first century. Suffolk in general and Ipswich in particular, never quite managed to establish itself as a centre of creative excellence. Of course, the death knell was sounded to the policy of establishing a centre of creative excellence in 2012. It was in that year that the take-over of BT by the US telecoms conglomerate Engulf & Devour led to the closure of the research facility at Martlesham Heath. For many years, the pretensions to a Hi-Tech sector in Suffolk had been dependent upon a single player, and the closure of the facility exposed the lack of substance behind the hyperbole surrounding the Ip-City initiative, which was quietly closed down

shortly afterwards.

With the closure of the research facility at Martlesham Heath, the triple problems of low Broadband penetration, poor transport links, and a degraded environment further hampered the Suffolk small business sector. For years, the public agencies had been campaigning for better Broadband roll-out within Suffolk. Their pleas fell upon deaf ears. A number of innovative solutions had been attempted to enhance rural communications, but none of them had managed to capture the imagination of the public. Low take-up rates led to high overheads, resulting in costly Broadband facilities. The closure of the BT research facility at Martlesham Heath became a symbol of the relative backwardness of the communications infrastructure in Suffolk.

This impression was further highlighted by the continued poor traffic infrastructure within the county. The roads within Suffolk were seen as slow and dangerous. The response of Suffolk County Council by imposing even more speed restrictions on the roads was perceived as making the Suffolk roads ever more slow and dangerous. The combined prospect of traffic congestion when coming into Suffolk, and slow driving conditions within the county started to reverse the trend of Suffolk becoming a weekend destination. This trend was further enhanced by conditions on the railways. By the end of the twentieth century, the commuter line to London was at capacity. With no significant investment in the passenger rail-link, this situation had deteriorated further out to 2020. As travel times to London were increasing, as the experience of disruption on the line increased, Suffolk as a commuting prospect had become less attractive. This retarded the inflow of commuters relocating to the county from what it otherwise would have been.

The industrial revolution passed Suffolk by in the nineteenth century. By and large, the information revolution of the twentieth century has also passed Suffolk by. The composition of the SME sector in the county is still heavily influenced by the food production and food processing sectors. This had three key impacts in the years to 2020. First, as the agricultural sector is still land based, the county was still likely to be disproportionately affected by climate change. Second, without any great commercial pressure to change, the process diversification in farming had not significantly accelerated. And thirdly, without great expansive pressure from outside, the social composition of the county remain dominated by the Country Dwellers.

By 2020, the weather patterns experienced within the county had changed slightly, but significantly. Most worrying was the tendency towards more extreme and violent weather

patterns. Whilst the rising sea levels have not yet had as great an impact as some had feared, the great storm of 2009 did lead to a significant encroachment of the sea into a number of areas of coastal farmland. The local populations felt very isolated and abandoned by the Government as the policy for sea defences was implemented. Whilst Civil Servants argued that a more diversified farming sector would have led to fewer losses being experienced, the local population were not impressed by what they felt as an uncaring attitude from Central Government. This translated into an upswell of political support for the Countryside Alliance, and was one of the defining moments that led to this loose grouping to become a formal political party.

The absence of significant inward investment and the abatement of the trend towards the greater relocation of commuters in Suffolk meant that the fears expressed by some about local populations being crowded out by newcomers did not materialise. This meant that Suffolk managed to retain much of its traditional charm. In more practical terms, it meant that the acute housing shortages that had been predicted did not come to pass either. Of course, there remained pockets of rural deprivation, but these pockets were much as they have been for decades.

All together, Suffolk remains a quaint place, a little backwater that has an aspect that time has forgotten about the county. It retains much of its rural charm. It is often said that Suffolk is a great place in which to live, which it is. It is also said that Suffolk is a hard place in which to do business. This aspect of life in Suffolk has not changed much since the turn of the century, which explains why it is that the small business sector in Suffolk is relatively underdeveloped.

### *Milestones*

If this scenario were to come to pass, what would the key milestones be? We feel that there are five key milestones that need to be looked for:

1. Large companies - that there continues to be a very small number of large companies located in Suffolk, and that they are poorly integrated into the local small business community.
2. University of Suffolk - this initiative fails to become a world centre of excellence that attracts high quality students and high quality teaching staff.
3. Net loss of brainpower - poor employment prospects and a mediocre University fail in the net retention of brainpower within the Suffolk economy.
4. Infrastructure degradation - higher transport times within Suffolk and to areas outside of Suffolk combined with poor ICT roll-out in the Suffolk economy.
5. Social composition - Suffolk ceases to be an attractive place for commuters to relocate

and for seniors to retire to.

These are empirical propositions. We can measure the extent to which they are, or are not, actually happening. Evidence that suggests that they are happening may also suggest that elements of this scenario will be present in the future.

Of course, this is not to say that we would find this future desirable. If we did, then we could take steps to see that it comes to pass. If we find it undesirable, then we could take steps to ensure that it didn't come to pass. The key point is that the future is in our hands. It is up to us to decide what we are to make of it.

## **Scenario 2: The Suffolk Treasure House**

### *Introduction*

The prospect of this scenario is quite exciting. In this scenario, the county retains its traditional rural character, as London does not dominate the county. In contrast, Suffolk does become fully integrated into the world economy. In doing so, the pulse of the business community in Suffolk changes. Although the pace of business increases dramatically, the business community is able to take full advantage of the collapse of time and space that the ICT Revolution has brought about allowing it to deliver world class service offerings to their customers. It is able to take advantage of the 24 hour clock to offer service deliveries all day long, and it has taken advantage of the expansion of the EU as a means to reduce the costs of doing business. By 2020, Suffolk has become a fashionable place in which to operate a small business.

### *Narrative*

Despite the influx of people relocating from London, either as an escape from City Life or as a place to which they can retire, Suffolk has managed to retain the traditional rural character that it had for centuries. It is that rural character that attracts those locating in the county. In a perverse way, the county did well from the failure of the authorities to attract significant amounts of inward investment in the first decade of the twenty first century. The lack of an accelerator effect in the small business community forced it to look further afield for their markets. It forced it to embrace the global economy.

The policy of attracting creative professionals fleeing from an oppressive life-style in London and South East England to locate in Suffolk started to pay dividends towards the year 2010. By then, the county had firmly established a creative base, and had started to develop an international reputation as a creative powerhouse. In the early days, many of these small businesses remained commercially viable by sub-contracting to larger businesses, mainly in the London area. As the flight of talent from London continued into the new century, this market started to represent a significant financial transfer from the capital to Suffolk. It was from this financial transfer that the success of Suffolk was underwritten.

The establishment of the University of Suffolk had a positive effect upon the development of the county. The work of the staff of the new University in engaging the small business community in a positive way helped to develop the close links between the two which was to pave the way for the successful co-operation that led to the creation of the Science Park in 2013. Although seen originally as a teaching University, the courage of the University Board to

abandon undergraduate teaching in 2009 and to focus exclusively on research and Graduate Studies was crucial to the development of the reputation of the University as a world class institution. In return, accepting the need for the University to retain its status as a centre of excellence, the business community was more than generous in the funding of posts at the University. Freed from the hum-drum of undergraduate teaching, the University found that it could attract some of the best teachers of their day. However, it was the ability of the University to retain close contact with its roots that allowed the University to have a marked impact upon the local business community.

In many respects, the continued poor transport links within the county and the poor links to the rest of the UK acted in a way that stimulated the development of the small business sector. By making it hard to do business in the real world, the poor transport links facilitated the development of the capacity to do business in Suffolk through the virtual world. As the small business sector started to see cyberspace as their natural marketplace, the geographical focus of the community lifted to a global perspective. By 2008, it was quite common to meet in Suffolk small businesses with customers from at least three continents. This global focus was further enhanced with the expansion of Stansted Airport in 2012. Once open, the local small business community started to use Amsterdam as the global hub, via the connections from Stansted. Indeed, by 2015, it was quicker to hub from Suffolk to Amsterdam than to travel by train from Suffolk to London Heathrow or London Gatwick.

The further isolation of Suffolk from London geographically was reflected in a political change. At the turn of the century, Suffolk was relatively Eurosceptic in its stance. Suffolk voted against the EU Constitution in the 2006 referendum. However, the increasingly global perspective of the small business community and the relative detachment of Suffolk from London started to change this view. The rise of the Euro as an international reserve currency led Suffolk businesses increasingly to price in Euros, and to settle their accounts in Euros. By 2011, the situation had changed sufficiently for Suffolk to vote in favour of joining the Euro zone. Unfortunately, the rest of the country did not agree, and Sterling was retained, which detached even further the Suffolk business community from the rest of the UK, and particularly from London. A survey of Suffolk small business conducted by the Bank of England in 2015 found that 86.4% of B2B commercial transactions in the county were undertaken in Euros. It is hardly surprising to see why, in the Referendum of 2017, Suffolk voted overwhelmingly to become an independent political unit within the EU, much on the same basis that Malta had evolved into.

By 2020 it was difficult to deny the effects of climate change. They had become plainly visible

through the rising level of the sea, the more extreme weather patterns, and the increase in rainfall experienced within the county. All of this served to make farming less viable than at the opening of the new century. However, it also had the effect of releasing a large land bank for the business community to use. Part of this land bank was used for housing, but the development of housing initiatives was constantly plagued by labour shortages. Part of the land bank was used to develop modern commercial buildings on Greenfield sites. This facilitated the roll out of broadband across the county, as it was much easier to create a new infrastructure than to modify an existing one. Finally, the land bank was also used to develop leisure facilities within Suffolk. However, Suffolk never really developed as a leisure destination, owing to the poor transport links to the rest of the country. The leisure market that did exist in Suffolk was mainly based upon catering for those residents who already lived there - particularly the Independent Elders who had chosen Suffolk as their retirement location.

Over the years, there was some change within the social composition of Suffolk. The inward migrators tended to be High Income Families and Independent Elders, and the University attracted Stylish Singles and Bohemians. However, none of these trends was sufficiently large to crowd out the Country Dwellers. Those who did feel the pressure were those located towards the bottom end of the social ladder. This pressure was expressed in the form of an acute housing shortage within the county. Inward migrators increased the demand for property, a buoyant small business sector - funded by a wealth transfer from London - fuelled the liquidity of the local property market, and an acute shortage of building workers held the supply of housing in check. All of this resulted in a dramatic increase in property values within the county.

House prices rose to the point where those on the lower rungs of the property ladder were priced out of the market. The authorities responded with one or two innovative schemes (the use of residential Porta-cabins in Ipswich, the creation of "Tent-Town" in Bury St Edmunds), but these failed to capture the imagination of the population in Suffolk, who wanted to live in traditionally built accommodation. In the early years of the century, this pressure resulted in a local political backlash against incomers. However, by 2010, it would appear that it had been generally accepted that the prosperity enjoyed by the county was dependent upon the efforts of the incomers, particularly those located within the Creative Class.

Over the period 2005-2020, the Suffolk small business community developed to the extent that it was one of the most prosperous in Europe. This income was translated into wealth through the local property market, which, in turn caused acute social problems. The homeless

and overcrowded families seen in Suffolk in 2020 are the direct result of the success of the commercial sector over the past 15 years. They are a threat to the continued prosperity of the county, as they diminish the residential attractiveness that was the basis of that commercial success.

### *Milestones*

If this scenario were to come to pass, what would the key milestones be? We feel that there are five key milestones that need to be looked for:

1. Large companies - that there continues to be a very small number of large companies located in Suffolk, and that they are poorly integrated into the local small business community.
2. University of Suffolk - this initiative succeeds in becoming a world centre of excellence that attracts high quality students and high quality teaching staff, and that the University fully integrates with the local small business community, who, in turn, give the University their full support in terms of time and money.
3. Net gain of talent - good employment prospects and a world class University manage to retain talent within the Suffolk economy and attracts talent from other regions in the UK and from other countries around the world.
4. Infrastructure - higher transport times within Suffolk and to areas outside of Suffolk are combined with good ICT roll-out in the Suffolk economy. This alters the vision of Suffolk businesses to become more global in their view by fully using the commercial possibilities to trade in cyberspace.
5. Social composition - Suffolk continues to be an attractive place for commuters to relocate and for seniors to retire to. However, whilst not crowding out the Country Dwellers, there are great stresses within the social composition of Suffolk that lessens its appeal as a destination in which to locate.

These are empirical propositions. We can measure the extent to which they are, or are not, actually happening. Evidence that suggests that they are happening may also suggest that elements of this scenario will be present in the future.

Of course, this is not to say that we would find this future desirable. If we did, then we could take steps to see that it comes to pass. If we find it undesirable, then we could take steps to ensure that it didn't come to pass. The key point is that the future is in our hands. It is up to us to decide what we are to make of it.

## **Scenario 3: The London Playground**

### *Introduction*

The possibility of this scenario actually happening is seen as something of a nightmare to many of the current small businesses in Suffolk. The small business community envisaged by this scenario remains remote, fragmented, and tied to low value added activities. London bears an overwhelming influence upon the community, which means that much of the traditional character of the county is lost. Equally, the Suffolk economy becomes dependent upon the London market for its economic prosperity. There will be areas that do share this prosperity, but, by and large, most of the prosperity will be narrowly focussed within the small business community, and a general prosperity is unlikely to be enjoyed by the bulk of the inhabitants of Suffolk.

### *Narrative*

There are some who say that the course of events witnessed in Suffolk to 2020 represents the culmination of a long-term trend that first became evident 50 years earlier. It was in the 1970s that a number of financial companies moved their back office processing facilities to Suffolk. This trend continued until about the end of the twentieth century, when the same companies started to relocate their back office facilities to the developing world.

However, the India Gate atrocity of 2007, where a local terrorist group successfully detonated a dirty bomb which paralysed much of the off-shore infrastructure of outsourced activities, triggered the reversal of that trend. By 2010, much of the back office processing of the UK financial institutions had been relocated back to the UK, with Suffolk becoming a much favoured location for this activity.

This boost to the local economy was welcomed by the public authorities at first. It provided a localised boost to the local labour market, and had quite an accelerator effect upon local small businesses. It wasn't until much later on that the longer-term costs of this trend became evident. One of the first costs that became evident was the impact of the newly located businesses on the recently opened University of Suffolk.

The University of Suffolk was launched with high hopes of becoming a world centre of academic excellence. However, it was also charged with meeting the needs of the local business community, and it was in this paradox that the problem occurred. By 2009, most of the employment growth in Suffolk was to meet the demand of the inwardly locating businesses. However, as most of this employment growth was for junior to mid-level clerical

workers (management and more skilled staff were parachuted into Suffolk from other areas - most notably London and South East England), the demand for training by employers was for workers located in the low value added areas of corporate life. Local critics, with some justification, accused the University of “dumbing down” the labour market as it sought to meet the needs of the local employment market. In either case, the University of Suffolk could in no way claim to be a world class centre of academic excellence by 2020.

This had a negative effect on the local small business community in a number of ways. The lack of a high value added sector within the Suffolk economy meant that it remained an economy that lagged the rest of the UK in terms of disposable income. The failure of the University to become a centre of excellence meant that Suffolk did not become a cultural centre within the UK. Taken together, this led to the more gifted young people of Suffolk continuing to look to other parts of the UK - most notably London - for their prospects of career advancement. By 2020, the Suffolk population had aged more appreciably than other areas in the UK, and was populated by a relatively high number of households who lived well below the average UK household disposable income. Under these conditions - the flight of young talent and an impoverished customer base - the Suffolk small business sector struggled to find prosperity.

Those small businesses, who did find prosperity, did so by following the traditional route - selling into the London market. By 2009, the pressure on Central Government to improve the transport links to London was overwhelming. The newly located large businesses wanted to facilitate the movement of their staff, small businesses wanted access to their principal market, and the population in general wanted a greater degree of integration with London. This led to the development of the Regional Transport Plan by the newly elected administration of Michael Portillo. By 2014, the full benefits of the improved investment in road and rail links was starting to be felt.

Suffolk was becoming more closely integrated into the London market - it was starting to become part of London. The improved links served to facilitate the flight of talent from Suffolk and the influx of weekend residents to Suffolk. The leisure sector did benefit from these improvements, but once again, the bulk of the newly created jobs were at the minimum wage, which meant that prosperity was not readily shared around the county.

Running parallel to the improved transport links were the improved communication links between Suffolk and the wider world. The influx of Branch Offices and “Country Head Offices” led to a greater demand for an improved communications infrastructure. Generally

speaking, this demand was satisfied, but gave rise to a curious paradox. On the one hand, the communications links between centres of business, such as Ipswich, and the wider world were world class; the communications links between the non-developed areas of Suffolk and the wider world were virtually non-existent. A curious division emerged in the small business community - the Broadband haves and the Broadband have-nots. Many had hoped that this division would have disappeared by 2020, but it had not. By 2020, it had become a key factor in determining the location of small business. The areas with good ICT access developed at an appreciably rate faster than those without good ICT access.

This provides a good part of the explanation of continued rural poverty in Suffolk to 2020. The remaining argument can be summarised in the term “environmental degradation”. By 2020, the full effects of climate change had started to be felt in Suffolk. The net effect of this was to quicken the pace at which farming was no longer commercially viable. Some farmers responded to this trend by moving out of farming and into the growing leisure industry. However, for many, this was the lesser of the two evils, as the leisure industry proved to be quite fickle in terms of commercial viability. For many in the farming community, there was no choice other than to struggle on in the face of ever increasing poverty. The occasional farmer hit the jackpot when their land was re-designated as suitable for residential housing development, but the sight of a prosperous farmer in 2020 became as rare as the sight of a healthy fox after the fox-hunting ban of 2005.

Over the period 2005 to 2020, the early century population forecasts for inward migration had proven to be significantly understated. The population of Suffolk actually rose by 22% during the period 2001 to 2020. Of the additional 150,000 new permanent residents, 135,000 moved into Suffolk - mainly from London and South East England - as inward migrants. This served to significantly change the nature of the county. Many newcomers were High Income Families who were relocating to what they saw as an improved lifestyle in rural surroundings. A good number of newcomers were Independent Elders as Suffolk became the new retirement destination for the well heeled. The effect of the inward migration was to crowd out the traditional Country Dwellers living in Suffolk.

The crowding out was felt most keenly in the housing market. Labour shortages in the construction industry restricted the rate at which houses could be brought into habitation, and, by 2012, the growth of housing demand was growing much faster than housing supply. Liquidity to the local housing market was brought by the incomers, mainly at the expense of the existing residents. This resulted in very high house price inflation in Suffolk, and resentment on the part of the indigenous population towards those moving into the area.

Although this spilled into local politics, it never quite found root at a policy level within Government, which many in Suffolk saw as retaining the London interest.

Whilst these divisions in the community of Suffolk have yet to find a voice politically, there are signs that the tensions have become quite acute. It is not now uncommon for weekenders to find their houses broken into and vandalised. Generally speaking, when this does occur, the local residents tend to be unsympathetic towards their plight. In many ways, Suffolk has come to be similar to West Wales of the 1980s - populated by two different groups who are extremely hostile towards each other. We cannot see, at this point in time, exactly how this will play out. However, under the newly proposed devolution legislation, it is quite likely that Suffolk will deem weekender homes as uninhabited and subject to seizure for use as social housing. Although Suffolk has become a suburb of London, Suffolk people have not become Londoners.

### *Milestones*

If this scenario were to come to pass, what would the key milestones be? We feel that there are five key milestones that need to be looked for:

1. Large companies - that current policies of attracting inward investment into Suffolk work, and that a significant number of inward investors locate offices within the county. As this happens, the key functions to the company remain in the point of origin, either in the UK or overseas, and that the primary objective in locating in Suffolk is to reap the benefits of lower staff costs and of lower premises costs.
2. University of Suffolk - this initiative fails to become a world centre of excellence. It fails to attract high quality students and high quality teaching staff. The University does not fully integrate with the local small business community, because its primary focus is to serve the employment needs of the large employers locating within the county.
3. Net loss of talent - poor employment prospects and a mediocre University fail in the net retention of talent within the Suffolk economy. Good transport links to London aid the flight of young talent away from Suffolk.
4. Infrastructure - improved transport links to areas outside of Suffolk are combined with good ICT roll-out in parts of the Suffolk economy. This creates a paradox within the Suffolk business community. On the one hand, in those areas with good links, first class businesses are located. On the other hand, in those areas with poor links, business tends to remain under-developed and impoverished.
5. Social composition - Suffolk continues to be an attractive place for commuters to relocate and for seniors to retire to. This crowds out the Country Dwellers, and there are great stresses within the social composition of Suffolk. However, this fails to lessen the appeal of

the county as a destination in which to locate.

These are empirical propositions. We can measure the extent to which they are, or are not, actually happening. Evidence that suggests that they are happening may also suggest that elements of this scenario will be present in the future.

Of course, this is not to say that we would find this future desirable. If we did, then we could take steps to see that it comes to pass. If we find it undesirable, then we could take steps to ensure that it didn't come to pass. The key point is that the future is in our hands. It is up to us to decide what we are to make of it.

## **Scenario 4: Cockney Suffolk**

### *Introduction*

The chance of this scenario actually happening is seen by many small businesses in Suffolk as quite real. It is a possibility that is met with both anticipation and dismay. There are those in Suffolk who are currently working to bring it about, and there are those in Suffolk who are currently striving to ensure that it does not come to pass. In this scenario, much of the traditional character of Suffolk is either lost or changed as the county becomes engulfed by inward migration. The newcomers are likely to bring a great deal of wealth to their new homes, which manages to propel the small business sector onto a path of fast growth. As we shall see, the changes to the nature of the Suffolk character and to the Suffolk economy are not without their costs. By 2020, many will question whether the cost of this scenario is one that they are willing to pay.

### *Narrative*

At the turn of the century, it was public policy in Suffolk to attract the inward migration of large employers to the county. This policy worked very well, as a number of overseas companies established their European Head Offices in the county, and as a number of UK businesses relocated their central administration centres to the county. The trade wars with the Far East and the Indian Sub-Continent of 2007-08 caused many UK companies to recall their offshore centres to the UK. The relatively low cost of land and the close proximity of London led Suffolk to be considered as the ideal location for returning central administration centres.

This trend had an immediate and beneficial effect upon the local small business community. Many of the inwardly locating businesses operated a system of local preference in their purchasing, which gave a significant boost to local businesses. The sums of additional purchasing power that were pumped into the local economy were sufficient for the local SME sector to achieve a take-off effect onto the next level of operation. In turn, this stimulated the development of the Creative Class in the county through the links between the small business sector and the University of Suffolk.

The establishment of the University of Suffolk was pivotal to the later development of the small business sector in Suffolk. Whereas many had original forebodings about the effectiveness of the University as an institution, by 2009, the doubters had been won round. A combination of seed funding from the newly located businesses, and funding originating in the small business community itself, forced the University to lift its performance to a world

class level. Many of the original staff were replaced by 2009, as business became more insistent that the University achieved its potential, and as businesses became less tolerant of staff who under-achieved. In return, the business community embraced the performing staff, who were as likely to be found in the private sector as in their teaching roles as time wore on.

This had the effect of changing the social composition of Suffolk. With the campus in Ipswich as the epi-centre, the population of the county became more urbane, more cosmopolitan, and more bohemian. By 2015, the Bohemian class in Ipswich crossed the key threshold of 25% to trigger something of Cultural Revolution within the town. Within two years, Ipswich had become one of the hippest places in Europe, and was ready to ride the wave of popularity that accompanied the “European Dream” of 2020 and beyond. The “Backwoods Festival” of 2017 was something of a precursor of the cultural changes to come, and was an indicator of how far things had changed by 2017. Surprisingly, the festival - a gathering of artists, poets, musicians, and dancers - was almost entirely funded by private sector sponsorship, much from the small business sector. This was very much an indicator of how far the Creative Class had taken hold within the county.

Of course, these were not the only changes to the social composition of Suffolk during the period. Two other groups were starting to assert their predominance. The improved transport links to London assisted the development of Suffolk as commuter location. Originally locating along the axis of the main rail lines within the county, the commuters - also known as “High Income Families” and “Suburban-Semis” in demographic terms - had moved away from the main railheads by 2020, and were more evenly distributed amongst the general population of the county. The second group of incomers were those retiring from London and the South East. For many years, the South Coast of England had been the main retirement destination of this group. However, the impact of global warming, just starting to become discernible by 2020, made places such as Dorset just a little too uncomfortable and it made places such as the East Coast just a little more temperate. Those retiring followed the weather, and the East Coast started to gain ascendancy over the South Coast as the retirement spot in England.

These three trends - the development of a Creative Class, the influx of commuters, and the influx of people retiring to Suffolk - had the effect of crowding out the Country Dwellers who lived in Suffolk. Indeed, many saw this process as one of London swamping the countryside. The conversion of the Countryside Alliance from a pressure group to a formal political party in 2012 gave voice to these divisions within society. However, as the economy was no longer dominated by the rural sector, the financial weight that under-pinned the predominance of the Country Dwellers as a political force was no longer there. This is not to say that they were

unimportant politically. However, their relative political importance had significantly declined by 2020.

In many ways, this was a reflection of the wider integration of Suffolk into the national and international economy. Two trends enhanced this integration. First, the developments of transport links between Suffolk and the wider world. The expansion of Stansted Airport facilitated these links. As the air network across Europe developed, and as local businesses started to use Amsterdam as their hub for inter-continental flights, so it became much more usual for small businesses in Suffolk to have a truly international customer base. Secondly, the influx of large businesses into Suffolk gave weight to the voice calling for a fully digitised infrastructure. By 2010, this had been created, which allowed small businesses in Suffolk to service a truly global market. Both of these trends were exploited fully by local SMEs in the decade beyond.

It would be wrong, however, to see Suffolk purely in terms of a Hi-Tech economy. As farming became less viable commercially, many farmers seized the opportunity to put their land to alternative use. Much of that use was based in the leisure sector. Traditionally, the leisure sector is categorised as being one in which there are a multitude of low-productivity, low value added, jobs. In the case of Suffolk, the story was different. Even at the start of the twenty first century, there was an acute shortage of staff for low-grade minimum wage work. The establishment of the University of Suffolk did alleviate this position on a temporary basis, but the latent student workforce was soon absorbed into the new leisure sector. The new leisure sector (as opposed to the old one, the one characterised by low value added work) was devoted to exploiting the opportunities arising from the development of the Dream Society. By 2012, people were very focussed on finding meaning to their lives, and they were prepared to pay a premium price to do so. As a response to this demand, a number of alternative communities were established within Suffolk, devoted to helping people find the meaning of their lives. As land came out of farming, it was abundantly available for this purpose.

It is unfortunate that the land was not made available for residential housing. The growth in the demand for housing, dominated by the influx of new families from other areas in the UK and from overseas, always ran ahead of the growth of the supply of housing. This, in combination with the growing prosperity of the county, led to house prices growing in Suffolk well in excess of house price inflation in the UK generally. It resulted in an increase in overcrowded dwellings in Suffolk and helped to put a sharp point to the antithesis between the newcomers and those originally from Suffolk. It added a bitter edge to politics in Suffolk. Although the authorities attempted a number of novel solutions to the housing crisis, they

simply lacked the resources to produce an effective solution to the problem. By 2020, this remains the single most divisive issue faced within the county.

In many ways, it helps to define Cockney Suffolk. In the London of Dickens, there were great disparities of wealth. Fortunes were made and fortunes were lost. The old had to give way to the new, and the new classes did not hesitate to flaunt in triumph their newfound place in the world. Those who lost out in the changed arrangements simmered in their resentment at the newcomers. Just as this might describe the London of Dickens, it also describes the Suffolk of 2020 - Suffolk had finally experienced the Industrial Revolution.

### *Milestones*

If this scenario were to come to pass, what would the key milestones be? We feel that there are five key milestones that need to be looked for:

1. Large companies - that current policies of attracting inward investment into Suffolk work, and that a significant number of inward investors locate offices within the county. As this happens, the key functions to the company relocate into Suffolk, acting as a stimulus to the local small business sector.
2. University of Suffolk - this initiative succeeds in becoming a world centre of excellence that attracts high quality students and high quality teaching staff. The University fully integrates with the local business community, who, in turn, give the University their full support in terms of time and money.
3. Net gain of talent - good employment prospects and a world class University manage to retain talent within the Suffolk economy and attracts talent from other regions in the UK and from other countries around the world.
4. Infrastructure - improved transport links to areas outside of Suffolk are combined with good ICT roll-out in parts of the Suffolk economy. These links are instrumental in the development of first class businesses.
5. Social composition - Suffolk continues to be an attractive place for commuters to relocate and for seniors to retire to. This crowds out the Country Dwellers, and there are great stresses within the social composition of Suffolk. However, this fails to lessen the appeal of the county as a destination in which to locate.

These are empirical propositions. We can measure the extent to which they are, or are not, actually happening. Evidence that suggests that they are happening may also suggest that elements of this scenario will be present in the future.

Of course, this is not to say that we would find this future desirable. If we did, then we could take steps to see that it comes to pass. If we find it undesirable, then we could take steps to

ensure that it didn't come to pass. The key point is that the future is in our hands. It is up to us to decide what we are to make of it.