

## RUNUP THEMATIC EVENT EXPLORES THE ROLE OF LOCAL STRATEGIES FOR TALENT ATTRACTION AND RETENTION

Cities are widely recognised as playing a fundamental role in the promotion of the knowledge economy but most research and policy has focussed on large cities with World-class educational and research institutes and advanced clusters of economic activity. There are clear and significant gaps in the knowledge of how smaller sized cities, with different levels and types of knowledge institutions and different levels of economic activity can compete within the Knowledge Economy. Yet such cities are recognised within European Union policy as playing a vital role in the implementation of the Lisbon agenda.

The RUnUP network undertook its **Third Thematic Network Event** in the partner city of Barakaldo in Spain in June 2010. RUnUP addresses in a uniquely different way the fundamental issues of how universities should engage with their local communities with a particular focus on medium-sized cities; the role of local authorities and municipalities and the importance of triple helix structures for supporting economic development and encouraging entrepreneurship.



**Innobak Business Centre,  
Barakaldo - The Venue for  
the 3rd RUnUP Thematic  
Event**

In this context it was of particular interest that the network event was held at the **Innobak Business Centre, Beurko, Barakaldo**. The Innobak business centres are a wide network of centres under the same brand, generating an image of Barakaldo linked to high quality services and a strong business offer for companies. As a public: private partnership it enables a wide range of premises to be offered with very competitive conditions in terms of price and services.

The location for the RUnUP thematic event was the Innobak audiovisual centre which is a collaboration between Inguralde (the local economic development company for Barakaldo) and the Institute of Professional Training Tartanga. It provides a mechanism for knowledge attraction and generation and is specifically aimed at companies in the audio visual sector interested in collaboration and networking. It offers 600m<sup>2</sup> of space through 15 offices.

## Introduction

The thematic event included an introductory speech from **Antonio Rodriguez, Mayor of Barakaldo** representing the local RUnUP partner who welcomed the international RUnUP partners and the local attendees from the Basque Country to the event and highlighted the importance of developing and retaining talent in our towns and cities and the need to develop modern, sustainable advanced cities where there is a strong co-operation between government, universities and business.

**Clive Winters, the Lead Expert for RUnUP** introduced the work of the network and its impact in local transformation. Clive highlighted the example of Barakaldo changing from a strong iron and steel heritage with impacts on contaminated land alongside a lack of facilities and green areas into a city with enhanced quality of life and job creation based on a new model for economic development. This city transformation was seen as supporting the ideals of the URBACT II programme and an example of the impact that change in a city can have. Following a review of the URBACT II programme and an overview of RUnUP, Clive highlighted the importance of Local Action Plan Development as a core aim of URBACT in particular assisting city policy makers and practitioners to define and put into practice action plans for sustainable urban development.

Clive concluded by highlighting that the thematic event with a focus on talent attraction and retention would provide a unique opportunity to exchange practice between cities and a mechanism to explore economic development actions supporting the work of URBACT local support groups and the development of local action plans.

## Talent Attraction and Retention Strategy

Following on from the introduction to URBACT and RUnUP, **Andrew Tate from Gateshead Council** (the RUnUP Lead Partner) gave a presentation on the talent attraction and retention strategy for Gateshead. The Sustainable Community Strategy for Gateshead (Vision 2030) focuses on people and place. It seeks for local people to realise “their full potential enjoying the best quality of life in a healthy, equal, safe and prosperous and sustainable Gateshead”. By 2030, the aim is to make Gateshead an economically thriving city that is focused on people and unlocks the potential of local residents by giving opportunities and nurturing aspirations, and increase the Gross Value Added of the borough.



**Andrew Tate, Gateshead Council**

Alongside this has been the development of the 1Plan, which will be publicly launched in June 2010. The 1Plan is the Economic Masterplan for Newcastle: Gateshead which sets out the economic and spatial strategy for the next 20 years. The plan’s aims over next 20 years include the expansion of financial and business services and the acceleration of new firm creation, alongside a need to provide a stronger commitment to innovation, and to pioneer new forms of sustainable urbanism.

The 1Plan sets out a vision for the city of Newcastle: Gateshead as a city of science, technology and innovation, developing and commercialising a new generation of products and services which will address global challenges of economic, demographic and environmental change, with science, creativity, skills and enterprise driving economic growth.

The importance of building a knowledge economy is highlighted as the only viable and sustainable way forward for Newcastle: Gateshead. This represents a significant challenge for Gateshead. The UK Competitiveness Index 2008 highlights that only 14.7% of firms within Gateshead operate in knowledge-based sectors. This is below the national (20.5%) and regional (16.1%) averages and is the lowest proportion of all of the Tyne and Wear Boroughs.

The 1Plan identifies the need for intervention for ten 'key steps' and four 'big moves'. These actions are broadly in alignment with the strategic challenges for Gateshead identified by the Local Support Group in the Baseline study e.g. to create new knowledge based industries, especially around design and creativity, and modernise existing manufacturing and engineering sectors of the economy and promote entrepreneurship.

Focusing on innovation-based, high-order, high-productivity activities will encourage economic vitality and improve quality of life for the resident population, both of which are depended upon for making a successful transition to a knowledge economy. Whereas traditional industry economies have locality issues as a central role, the knowledge economy is driven by:

- Knowledge and skills development – skilled and adaptable workforce
- Innovation and creativity
- Entrepreneurship – raising aspirations, providing support
- Information and communications technology (ICT)

The knowledge economy represents a cultural shift within the economy rather than the growth of new industrial sectors.

A key element of this is talent attraction and retention, in particular the aims are to; attract talented people to Gateshead to develop businesses, especially knowledge based businesses or access the employment created by such businesses; and to retain talented people, such as graduates/skilled people who can support such activities, whilst maximising opportunities for employment in these sectors by supporting local people to develop higher-level skills.

The strategy will aim to; maximise the skills of young people, develop the skills of the existing workforce, attract people with higher level skills to Gateshead, support the families of people who move to the borough to work; retain graduates to live and work locally and to develop new businesses and attract new businesses to the borough.

The interventions fall into four main categories:

- People: Ensuring the right skills mix to meet the future needs of the economy
- Place: Making the borough a more attractive place to live, work and spend leisure time
- Business: Creating an environment that encourages business success and financial stability
- Communication: Maximising economic regeneration through enhanced communication.

### Lea Artibai Regional Strategic Plan

Lea-Artibai is an administrative area (*comarca*) in the north eastern part of the Biscay province, in the autonomous community of Basque Country in Spain with 26,000 inhabitants. It occupies the valleys of the Lea River and the Artibai River and is divided into eleven municipalities. The area of Lea-Artibai has a total area of 206 km<sup>2</sup>. It is bordered by the areas of Durangaldea in the south, Debabarrena (Guipuscoa province) in the east, Uribe in the west and the Cantabrian Sea in the north.

**Ainara Basurko from the Lea Artibai Development Agency** highlighted the work of the programme "esperanza 2013" (Hope 2013) with its focus on innovation and entrepreneurship with its aim of contributing to the competitiveness of the region based on co-operation and collaboration in particular through the creation of new economic activities



and the diversification of existing businesses. Since 2006 there has been a key focus on supporting innovative business initiatives, support for product development, the development of research and innovation projects and support for innovation management within companies.

### Ainara Basurko, Lea Artibai Development Agency

During the period 2007 to 2009 particular emphasis was placed on a regional management model between the Regional Development Agency, Azaro Foundation and Leartiker. Alongside this was emphasis on the offer of services and internal organisation, in particular the development of innovation projects, technological service, sector expertise and the establishment of an observatory for new business initiatives and the building of space for new business initiatives and innovation and research projects for companies and supporting services.

Now in its 2nd phase the programme has 4 key challenges; to increase the number of companies who are innovation active, to improve business competitiveness through the use of the entrepreneurship and innovation building, to develop an entrepreneurial support service and to deliver a strategy for the fields of health, aquaculture and tourism.

### Goierri Innovation Pole

The Goierri Region is a small region in the inland part of Gipuzkoa, situated 40 kilometres from the coast and from the provincial capital, Donostia. It lies in the heart of Gipuzkoa province and is 271.3 square kilometres in size. The Goierri region is made up of 18 municipalities ([Alzaga](#), [Arama](#), [Ataun](#), [Beasain](#), [Gabiria](#), [Gaintza](#), [Idiazabal](#), [Itsasondo](#), [Lazkao](#), [Legorreta](#), [Mutiloa](#), [Olaberria](#), [Ordizia](#), [Ormaiztegi](#), [Segura](#), [Zaldibia](#), [Zegama](#) and [Zerain](#)) with a population of around 42,000 inhabitants.

**Iker Galparsoro from the Development Agency of Goierri** highlighted in his presentation that economic activity takes place mainly within the industrial sector. At present, approximately 50% of employment is concentrated in the industrial sector and 46% in the services sector, within which tourism has become a growth industry in recent years. However, besides providing a high level of support to industrial activity, the development agency offers its services in other areas, such as the region's burgeoning tourist industry, the service for new business ideas and social activities, and Agenda 21, all of which are so important for socio-economic development in the region.

In the industrial sector, metal-mechanical products predominate, and 78% of employed people work for 10 companies. Most other businesses are of the micro enterprise type (SMEs characterised by their small size). In short there is a high level of concentration with regard to both employment and types of business activity.

Goieki is Goierri's Regional Development Agency, whose capital is contributed by the 18 local councils which make up the Goierri region. It was set up in 1993 with the aim of beginning the roll-out of the Regional Strategic Plan. Goieki is made up of five departments:

- [Zerbitzualdea](#), the department which helps regional industry.
- The [Incubator](#), the department whose function is to provide help for business start-ups.
- [GOITUR S.L.](#), whose function is to promote tourism in the region.
- The [Social department](#), whose functions are social in nature.
- The department responsible for Local [Agenda 21](#) and sustainable development
- Other services:
  - Business centre for Local Councils
  - Streamlining of [regional public transport](#) and co-ordinating committee.
  - Financial assistance for the elderly
  - Innovative ideas competition

The innovation pole of Goierri has been designed with 3 key uses in mind; as a location for high tech companies; as a location for existing research and development companies and as a location where entrepreneurs can develop and implement their business ideas.

The pole as a public private partnership is designed to bring to its economic area a long-term emphasis and orientation towards innovation driven by; knowledge transfer between businesses, the university and technology centres and the creation of new businesses in new business sectors. The pole has 5 priority actions, namely:

1. The development of a physical location with university, technology centres and businesses sharing a common location to encourage collaboration and improve competitiveness
2. The interaction of staff and students between the university and businesses located at the pole.
3. The development of new Research and Development workspaces for technology based companies linked to the innovation centre of Goierri.
4. The development of joint research projects
5. The creation a forum to promote entrepreneurship and innovation and to exchange experience



**Iker Galparsoro,**  
**Development Agency of**  
**Goierri**

#### **Talent Attraction and Retention (Solna)**

Solna with a population of 65 000 people is located in the east central Sweden, part of the capital Stockholm metropolitan area. **Monika Rosenqvist from the Municipality of Solna** highlighted that during the early 1990s Sweden suffered an economic crisis, during which Solna was impacted with high levels of unemployment as a result. In 1997, politicians from all political parties in Solna agreed upon a strategy to become the most business friendly municipality in Sweden. Since then, the number of companies has almost doubled to about 8,500 and there is slightly more jobs, 67,000, than inhabitants in Solna. The economy has been transformed into a service and knowledge intensive economy; there is virtually no larger scale manufacturing industry left in Solna. Expansion has intensified the past years and will continue until the year 2025, when the population is expected to reach above 90,000, with an equal number of work places. Solna then encompasses five new city districts, including the “Arena City” with the new National Arena for football and Scandinavia’s biggest shopping mall, the Mall of Scandinavia.

The major sectors of the Solna economy are life science, ICT, corporate services, food and construction. Food and construction are represented by the fact that almost all major construction and food companies have their headquarters in Solna. In the ICT and corporate services sectors smaller companies dominate, although some of the larger consultancy firms in the Stockholm region are moving into Solna.

Public sector work places are found at the Karolinska university hospital and the Karolinska Institutet (KI) University, along with the city employees. KI is a medical university, frequently present in global top 100 rankings, the site of the Nobel Prize awards and Sweden’s top ranked university in 2007. With a staff of 3700, 3000 graduate students and 6000 students it is the largest medical university and the leading research faculty in Sweden. By 2015 a new university hospital (New Karolinska

Solna – NKS) will be constructed in Solna. NKS will replace the current university hospital in Solna and become integrated with the new urban district designed to become the borderline between Stockholm and Solna.

Solna aims at building a sustainable city combining strong economic growth with respect for the environment and sound social development. Growth creates the necessary resources to increase living standard and services to the citizens. Solna shall be an attractive city for citizens, businesses and visitors.

The City of Solna has a strategic location in the Stockholm Region on the road from the Stockholm city centre to Stockholm Arlanda international airport. The city has 67,000 inhabitants, 8000 companies with approximately 65 000 work places. The number of companies in comparison to number of inhabitants is very high and having almost as many workplaces as inhabitants is rather unique from a Swedish perspective. Solna is part of the Stockholm region metro and commuter train network. 62,000 persons commute in to Solna every day and 26 000 Solna residents commute out of the city. The day population is considerably larger than the night population.

Six new city districts are planned/under construction and in 2025 the number of inhabitants is estimated to be 85 000 and the number of workplaces 85 000 as well. Investments are being made in strategic city development and infrastructure projects. These projects cover everything from roads and railways to investments in workplaces, housing and hotels. New city districts always combine housing areas with office premises and service facilities to create a good and vivid living environment around the clock.

One of the new city districts will emerge around Karolinska Institutet (KI) and the Karolinska University hospital on the border of Stockholm. The border area between Stockholm and Solna, which today is an old railway station and a number of motorways, will be covered and new housing, offices and research units will be built on top. The two cities will be joined together and the life science profile of the area will be further enhanced inviting new life science companies and researchers to establish their base here. A new university hospital – New Karolinska Solna - with highly specialised care will replace the old one and be opened in 2015. The institute and the hospital will be joined more closely together and their cooperation strengthened.

Another City district is Arenastaden – Arena City where the new Swedbank Arena for 50 000 – 65 000 spectators is being built. It will be the National Arena for football but also a multifunctional arena for concerts and other events. The district will include Scandinavia's biggest shopping mall, a hotel, housing and offices. The tourism industry with the arena, Film City creative cluster, hotels, restaurants, shops and tourist sites is of growing importance in Solna. The new arena will naturally attract a lot of visitors. The Swedish Football Association in cooperation with a number of Swedish cities has applied to host the Women's World Cup in 2013. If the application is approved the final will be played at Swedbank Arena in Solna. The Swedish crown princess and her husband have chosen Haga Palace in Solna for their future home which will attract a new group of visitors to the city.



There are other business sectors important for Solna's economic development. All big Swedish construction companies such as; NCC, Skanska, JM and PEAB have their head offices in Solna and are among the city's biggest employers. The two main Swedish food retail companies, ICA and COOP, have their head offices in Solna as well as Unilever Sweden. A number of international ICT companies have their Swedish head offices located here. Solna has been recognised as Sweden's most business friendly municipality the last three years in a row and five times in total since year 2000.

### **Innobak Business Centres**

Javier Rodriguez from Inguralde, the host of the network event highlighted the development and work of the Innobak business centres. These are a wide network of centres under the same brand, generating an image of Barakaldo linked to high quality services and a strong business offer for companies. As a public: private partnership it enables a wide range of premises to be offered with very competitive conditions in terms of price and services.

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### **Faculty of Mining in Barakaldo and its future challenges**

The University of the Basque Country (EHU-UPV) is a public institution educating 48,000 students. It has campuses over the three provinces of the autonomous community; in Leioa, Bilbao, Portugalete and Barakaldo, in Biscay, Donostia-San Sebastián and Eibar in Guipuscoa, and in Vitoria-Gasteiz, in Alava.

The University offers a broad range of studies including Medicine, the Sciences, Fine Arts, Law, Economics, Business Studies and Industrial Engineering. The university offers 78 different degrees in more than 1,300 subjects of study, with 43% of courses delivered in the Basque language. The university is now recognised as one of the foremost in Spain, both in terms of the number of degrees offered and the quality of the typical degree awarded.

**Blanca Caballero from the University of the Basque Country** highlighted in her presentation the work of the faculty of mining and its future developments. The study of Technical Engineering has its origins in the Basque Country at the Escuela de Capataces y Facultativos



**Blanca Caballero, University of the Basque Country**

de Minas (College for Mining Foremen and Professionals), which was founded in Bilbao in 1913, with the aim of addressing the demand for trained people arising from the growth of mining and of industry in general.

In 1972 the college became part of the University and was then known as the Escuela Universitaria de Ingeniería Técnica Minera (University College of Technical Mining Engineering), with its courses lasting three years. This programme remained in place until 1982, when the courses at the University Colleges of



Technical Engineering of the UPV/EHU (University of the Basque Country) were modified, with the degree being extended to a four-year course, the first year of which was common to all specialities and of a selective nature.

### **Concluding Remarks**

Talent attraction and retention is a multi-dimensional subject including the issues of transport, housing, health services, education and training, salary levels, career opportunities and lifestyle which impact on individuals in cities in differing ways.

The thematic network event provided some unique insights into this subject from the Basque Country and the transnational partners of the RUnUP network. Talent by its very nature is individualistic and in this regard the event highlighted the work of Gateshead with its strategy on targeting specific groups e.g. local residents, young people as a mechanism to enhance the skills base available to businesses and to enhance the number of knowledge based businesses in the city.

At the opposing end of the spectrum the event heard of the experience of Solna where the number of jobs available is well in excess of the city population and where attraction is important to develop the city community to increase the population by 20,000 but also to meet the requirements of the businesses located there as in excess of 60,000 people commute into the city on a daily basis.

In the context of the RUnUP network the thematic event was to some extent one-dimensional addressing the issues of business competitiveness, innovation and the link between universities and industry as highlighted in the experience of Lea-Artibai and Goierri which were specifically addressing the business attraction and retention dimension.

A significant challenge for Barakaldo in this field is the transfer of the Faculty of Mining from the University of the Basque Country into a student accommodation facility.

The issue of talent attraction and retention is of significant importance to cities exploring their role within the knowledge economy. There is the importance of attracting students to local universities to undertake courses that meet the needs of local employers in the local economy, the promotion of the city to students through its accommodation, nightlife, transport and its career development and income generation potential. The retention of graduates within the city following the completion of their studies. Yet there is a need for a high quality physical infrastructure as highlighted in the development of Solna and also in the establishment of a high quality innovation pole in Goierri.

In conclusion, the network event highlighted the importance of talent attraction and retention and in doing this there is a recognition that the multi-dimensional aspects of the subject at a city level have not been fully explored and developed and that innovation, creativity and triple helix interaction rely on additional dimensions of city activity and infrastructure the implications of which at a city level should be the subject of further work.

**Clive Winters**  
**RUnUP Lead Expert**  
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