



Association of Directors of
Environment, Economy, Planning & Transport

Consultation response

Submission from ADEPT

Invest 2035: the UK's Modern Industrial Strategy

November 2024

ADEPT

Place is where things get done. Place directors deliver solutions locally

The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) is the voice of place directors who are responsible for providing day to day services including local highways, recycling, waste and planning, whilst preparing for the longer term.

ADEPT is a membership based, voluntary organisation with members across England. We bring together directors from county, unitary, metropolitan and combined authorities, along with sub-national transport bodies and corporate partners drawn from key service sectors.

ADEPT members develop long term strategies, investment and infrastructure needed to make their places resilient, sustainable, inclusive and prosperous. They drive clean, sustainable growth, delivering the projects that are fundamental to creating more resilient communities, economies and infrastructure. These services include housing, environmental and regulatory services, planning, economic development, culture and highways and transport.

ADEPT develops, supports and represents members to make their places more resilient, sustainable, inclusive and prosperous, leading the transformation of local authorities. We proactively engage with central government on emerging issues, promoting initiatives aimed at influencing policy, regulation and funding, developing best practices and by responding to government initiatives and consultations.

For more information on ADEPT please visit the website: www.adeptnet.org.uk

RESPONSE TO CONSULTATION

Below we provide a summary response to the themes outlined in the consultation document and then responses to the specific questions where we believe ADEPT has a locus.

We welcome the Government's desire to produce a long-term Industrial Strategy...

Economies do not just 'appear'. They evolve from the right mix of factors of production, sparked into life by innovators and entrepreneurs and supported by institutions in the public and private sector. Long-term, consistent, pro-growth policies working within a stable macro and micro-economic framework, enabling productive businesses to grow is critical to the UK's future success.

Setting out a 10-year framework is an important statement of intent which will encourage investment in the businesses that create wealth, the people they employ and the places they live. As local authority place directors we have seen the flat-lining economic growth and the stalling of investment exacerbated (if not directly caused) by inconsistent, short-term policies and chronic under-funding of institutions which should be playing a pro-growth role.

Setting a course and, largely, sticking to it is important in itself. This framework needs to be built to last the course of many parliaments and work through successive economic cycles. Local authorities are expert in local implement. Achieving results is hard and takes time. A pro-growth planning system, for example, does not happen within sufficiently capable planners to manage the process. The current national shortage of planners will take years to address.

...and understand the focus on growth sectors...

The focus on eight growth sectors to improve the UK's productivity is an understandable way of targeting resources on industries which will give us the best chance to remain globally competitive. There is a reasonable body of evidence to suggest that our economies are path-dependent – that what we are good at today will often, with the right R&D, innovation, investment and support lay the path for what makes us productive tomorrow. The sectors chosen will each have a rationale, some of which is laid out in the green paper.

The green paper does not make the reductionist mistake of assuming that the world of the future will 'all be about' digital technology or the service sector. In advanced manufacturing and clean energy technologies we have demonstrated our ability to produce goods which are globally competitive – but need to make them increasingly so.

...however, growth happens in places which need physical and social infrastructure.

Most of the sectors described exist in places which provide the right mix of the factors of production. As directors of place, we are well used to working with inward investors who are clear about the requirements they have when making new investments. The mix is dependent on the nature of the business but will generally include a workforce with the right skills, appropriate real estate and proximity of suppliers. For knowledge-intensive businesses this mix might include proximity to universities. For sectors producing or transporting goods it will include ability to get goods easily to market.

Lack of physical or social infrastructure can readily cause a blockage in the growth plans of growth firms. Inability to attract a skilled workforce, lack of availability of real estate and transport delays are all real costs on businesses which impede productivity. Constraints on space, low skills levels or poor connectivity may hamper the development of clusters and reduce the benefits from agglomeration effects.

Local and combined authorities in general and place directors in particular play a role in ensuring that these constraints are addressed, and that infrastructure supports rather than impedes growth. But a decade of austerity has significantly reduced the speed at which we can manage and catalyse the process – whether this be in supporting regeneration of brownfield land, building necessary transport links or simply enabling business premises to add space to their premises.

It is critical that economic policy does not forget the places where people live work and visit...

While the 8 focus sectors may provide a significant proportion of high-value economic growth, they do not necessarily represent the sectors that residents see and experience in their everyday lives. Visit any market town or small city and the majority of visible employment and signs of economic health will be provided by the retail sector, visitor economy, call centres, distribution depots, tradespeople and small-scale business services; or by public sector employers in health, government and blue light services.

While an industrial strategy may not be focused on the places where these sectors come together, broader economic policy should be. Understanding the impact of business rates on high street stores competing against internet retailers, tax decisions on pubs and restaurants, national insurance decisions on social care workers is critical to the health of the visible economy.

While ‘levelling-up’ as a policy-driver was short-lived, the desire it spoke to – that the place where I live should look and feel decent and provide good places to work, live, learn and visit – remains important. A set of economic policies which is all about growth sectors risks widening current geographical inequalities which have become chronic since the shift away from mining and heavy industry through the 1970s and 80s. It is local authorities which are then tasked with picking up the pieces of deprivation and under-achievement.

And finally, a point on institutional architecture. Devolution and the creation of (Mayoral) Combined Authorities has been an important development, with widespread support across the political spectrum. The Modern Industrial Strategy underscores the importance of MCAs and no doubt the Devolution White Paper will develop this further. However, as representatives of local authorities across the country (many of which are not likely to be in MCAs in the near future) there needs to be ways in support for growth sectors which exist in these places can be provided through local rather than combined authorities.

Responses to specific questions

The questions below are ones which ADEPT feels we have a specific locus or expertise to comment:

27) What public and private sector interventions are needed to make strategic industrial sites ‘investment-ready’? How should we determine which sites across the UK are most critical for unlocking this investment?

- A policy framework which gives sufficient incentive for public and private sector to commit to working together long term to bring forward a pipeline of sites
- Understanding the actual and latent growth plans of existing businesses and the specific barriers to these – cannot rely on ‘build it and they will come’
- Increased grid connectivity, in advance of need so as not to pause development

- Flexible funding to fill viability gaps

28) How should the industrial strategy accelerate growth in city regions and clusters of growth sectors across the UK through local growth plans and other policy mechanisms?

- Local Growth Plans should support the local economic eco-system within which both growth sectors and other businesses exist
- They should define specific, place based, interventions which either provides direct funding or bends mainstream spend towards local need