Department for Business & Trade

Invest 2035: The UK's Modern Industrial Strategy

We thank you for your time spent taking this survey.
Your response has been recorded.

To complete the survey please make sure you have first downloaded and reviewed the PDF, ‘Invest 2035: the UK’s modern industrial strategy’ from this website, or read through the web-accessible document here.

We are grateful for all views. Please answer as many questions as you can but if certain sections are irrelevant, or you feel unable to give an opinion, feel free to leave the answer box blank.

We estimate it will take approximately 30 minutes to complete the full survey (depending on how many sections you complete or are relevant to you). You can save your answers and come back to them at any time.

This is a public consultation that will inform the development of the new Industrial Strategy, the Government's proposed plan to boost investment, growth, and stability. The final Industrial Strategy will be published in Spring 2025, alongside the multi-year Spending Review.

We are asking for your views on our approach, including evidence, analysis, and policy ideas. We welcome input from a range of partners, including businesses, experts, trade unions, local and regional actors, and other interested parties.

The consultation closes at 11:59pm on 24 November 2024.

Download full list of questions

You can download the full list of the questions here: Consultation questions

Print or save a copy of your responses:

At the end of this questionnaire, you have the chance to either print or save a copy of your response for your records. This option appears after you press 'Submit your response'.

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Personal Details

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In what capacity are you replying to this call for evidence?

- ○ Business
- ○ Business association
- ○ Charity
- ○ Member of the public
- ○ Researcher, academic
- ○ Think Tank
- ○ Trade Union
- ◉ **Other**

Pan regional partnership

What is the name of your business/organisation?

Oxford to Cambridge pan Regional Partnership

Which sector do you work in?

Public sector

Are you happy to be contacted directly about your response?

- ◉ **Yes**
- ○ No

Sector Methodology

The Government has undertaken initial analysis to help determine eight growth driving sectors. Future work will build on this analysis to determine the key subsectors within these broad sectors, using evidence collected from this Green Paper as well as further evidence-gathering and use of wider methodologies.

Please read p.16-20 of the PDF (or here online) before completing these questions.

Q1. How should the UK government identify the most important subsectors for delivering our objectives?

In the Oxford to Cambridge region, we have established a Data Observatory which includes detailed evidence about the economy, environment and skills. This has enabled us to identify key sectors, where there is the greatest potential for sustainable growth through improving productivity and encouraging innovation. Our research and stakeholder engagement highlight the following criteria that should inform the selection of these subsectors. 1. Alignment with Strategic Objectives: The Government has prioritised subsectors that directly contribute to its missions. These are closely aligned with the objectives of the Oxford to Cambridge region as outlined in our Annual Review 2024 and the Regional Overview Report. These include: • Environmentally sustainable, innovation-led economic growth: This suggests focusing on sectors that can both drive economic activity and contribute to achieving environmental targets, such as net-zero carbon emissions. • Promoting innovation assets to attract investment: This points to sectors where the region has a competitive advantage in terms of research, technology and expertise, such as life sciences, digital technologies, and future energy. • Delivering high-quality outcomes for communities: This implies considering sectors that create high-skilled, well-paid jobs and contribute to the overall well-being of residents. 2. Existing Strengths and Opportunities: Our research provides insights into the region's existing economic and environmental strengths and opportunities. The Government should identify subsectors where regions already have a foundation for success or where there is significant potential for growth. • The Oxford to Cambridge region has identified strong existing capabilities in life sciences, advanced manufacturing, future energy, and digital technologies. These depend on the region's robust innovation ecosystem, evidenced by high levels of innovation activity among businesses and a strong pipeline of science and technology premises development. • The Oxford to Cambridge region's International Investment Prospectus, which was launched at UKREiiF in 2024, emphasises the region's global significance in research and innovation, attracting significant investment in areas like future energy, smart city technologies, and the digital economy. 3. Addressing Challenges and Weaknesses: The Government should also consider subsectors that can help mitigate the region's challenges. This includes addressing potential weaknesses that might hinder economic and environmental progress. • Our Regional Overview Report highlights water scarcity, transportation limitations, and energy infrastructure constraints as key challenges. Subsectors that contribute to solutions in these areas, such as water management technologies, sustainable transportation solutions, and renewable energy technologies, could be prioritised. • The Oxford to Cambridge Science, Innovation and Technology (SIT) Business Premises study identifies skills gaps as a significant challenge, particularly in specialised fields related to science, technology, engineering, and mathematics (STEM). This suggests focusing on subsectors that can stimulate the development of a highly skilled workforce through initiatives like apprenticeships and collaborations between businesses and educational institutions. 4. Cross-Sectoral Synergies: The Government should look for subsectors that can create synergies across different industries and disciplines. Fostering collaboration and knowledge sharing between these subsectors can lead to innovation and economic growth. • The Partnering for Impact report emphasises the importance of collaborating across broader regions in promoting cross-sectoral collaboration and facilitating a "whole-systems approach" to regional development. The Government could identify subsectors that can benefit from and contribute to this collaborative framework. 5. Data-Driven Decision-Making: Our research, and stakeholder engagement, stress the importance of using data and evidence to inform decisions. • Initiatives such as the Oxford to Cambridge Data Observatory,

which provides access to economic and environmental data, will play a significant role in supporting place-based decision-making. The Government should use this data to monitor the performance of different subsectors and make informed choices about where to focus resources.

Q2. How should the UK government account for emerging sectors and technologies for which conventional data sources are less appropriate?

The UK Government should consider the following approach to identifying emerging sectors and technologies: 1. Develop More Appropriate Data Sources: Conventional data sources may not adequately capture the nuances of emerging sectors and technologies. Our analysis, and stakeholder engagement, recommend developing new methodologies and data sources specifically designed to track these industries. For example, the Science Innovation and Technology business premises study for the Oxford to Cambridge region highlights the need for improved information flow regarding sector-specific demand and occupier requirements. This includes collaborating with sector umbrella organisations, innovation centre managers, science park managers and local authorities to gather more accurate and timely data. 2. Utilise Qualitative Data and Expert Insights: Quantitative data alone may not be sufficient to understand the complexities of emerging sectors. The Government should incorporate qualitative data gathering, such as interviews and focus groups, to gain deeper insights into industry trends, challenges, and opportunities. Engaging with industry experts through workshops can provide valuable information on the specific needs and preferences of these sectors. 3. Embrace Adaptable Sector Definitions: As new technologies and business models emerge, traditional sector classifications may become outdated. The Government should use flexible and adaptable sector definitions that can accommodate the evolving nature of these industries. For example, using the Data City's adaptable sector definitions (RTICs) has proven beneficial for the Oxford to Cambridge region due to its specialisation in emerging industries. Indeed, these already form the basis of the DSIT clustering tool. 4. Promote Collaboration and Information Sharing: The Government should foster collaboration between different stakeholders, including businesses, universities, research institutions and government agencies, to facilitate the sharing of information and best practices. This can lead to a better understanding of the needs of emerging sectors and more effective policy development. For instance, working with universities on research, technology demonstrators, and co-location opportunities can strategically channel collective expertise to unlock significant regional investments.

Q3. How should the UK government incorporate foundational sectors and value chains into this analysis?

Based on our work with partners in the Oxford to Cambridge region, we recommend various strategies the UK Government could consider when incorporating foundational sectors into its analysis. 1. Recognise the Interdependencies of Sectors: Our analysis shows that high-growth sectors rely on a strong foundation of traditional industries. For example, the construction sector is essential for providing the physical infrastructure needed to support the growth of the life sciences, digital technology and space sectors, as well as providing affordable housing. Similarly, manufacturing plays a crucial role in producing the materials and components used in knowledge intensive industries. Recognising these interdependencies can help develop policies that support the growth of both emerging and foundational sectors. 2. Map Regional Value Chains: Understanding the regional value chains associated with emerging sectors and clusters can highlight the critical role played by foundational industries. For example, mapping the value chain for the life sciences sector might reveal that local construction firms specialise in building laboratory facilities or that local manufacturing firms supply specialised equipment. This understanding can help the Government target support and investments to strengthen these links. 3. Invest in Skills Development for Foundational Sectors: The success of emerging sectors depends on a skilled workforce, including those in foundational industries. The Government should invest in training and apprenticeships that equip workers in construction and manufacturing with the skills needed to support these high-growth sectors. For example, there is a need for specific skills to deliver energy efficient new homes and to work on electric vehicles. 4. Promote Innovation in Foundational Sectors: While emerging sectors are often seen as the drivers of innovation, traditional industries also have the potential to innovate and adopt new technologies. The Government should encourage and support innovation in construction and manufacturing to enhance productivity, sustainability and competitiveness. 5. Consider the Impact on Foundational Sectors: Policies designed to support emerging sectors could have unintended consequences for foundational industries. For example, policies that incentivise the development of high-tech office space could lead to a shortage of land for industrial development. The Government should consider the potential impact of its policies on all sectors of the economy.

Sectors

For each of the growth-driving sectors, we set out below how they link to the Industrial Strategy objectives, their strengths, and outline where Government can – in partnership with business and others – go further to support growth.

Please read p.21-26 of the PDF (or here online) before completing these questions.

Q4. What are the most important subsectors and technologies that the UK government should focus on and why?

The UK Government should prioritise the following sub-sectors and technologies, which have been identified in the Oxford to Cambridge region with potential for growth: 1. Life Sciences and Healthcare: This sector is already a significant strength, with the presence of world-renowned institutions and businesses. It leads in the development of innovative healthcare solutions, like the Oxford-AstraZeneca SARS-Cov-2 vaccine. The region has a high concentration of life science jobs, particularly in Cambridge and South Cambridgeshire. There are, however, signs that this sector is starting to develop in the centre of the region where there is space to grow and where housing is relatively more affordable. The enhanced connectivity to be delivered by the East West Rail project will enable further sustained growth with greater connectivity to a skilled workforce. 2. Digital and Technology: The Oxford to Cambridge region, particularly Milton Keynes and Cambridge, has a robust and expanding digital technology sector. The region's universities contribute significantly to this growth through research and spin-offs. The demand for digital and IT skills in this area is continually increasing. 3. Future Energy: The Government's focus on clean technologies and achieving net-zero carbon emissions, as well as energy security, aligns with this region's strengths in future energy. Investment in renewable energy and sustainable practices both drives economic growth and addresses pressing environmental concerns. 4. Space: The Oxford to Cambridge region houses a growing, highly productive space sector with a notable concentration of specialised businesses. Institutions like the National Satellite Test Facility and the National Space Propulsion Facility at Westcott in Buckinghamshire support the testing and development of space technologies in the region. 5. Agri-tech: The region, particularly East Cambridgeshire, boasts a high concentration of Agri-Tech employment. Given the global focus on food security, this sector presents a significant opportunity for sustainable growth and innovation. The region benefits from institutions like Cranfield University and the National Institute of Agricultural Botany (NIAB) in Cambridge, supporting the commercial development of Agri-tech. These sub-sectors are important because they deliver the following: • Economic Growth: These sectors have the potential to generate significant economic growth and high-value jobs. The presence of these high-growth sectors can create a positive spill over effects on the regional economy. • Global Leadership: Prioritising these areas can solidify the UK's position as a global leader in science, technology and innovation, attracting international investment and talent. • Addressing Global Challenges: These sectors play a crucial role in tackling critical global challenges such as climate change, food security, and healthcare advancements. To fully realise the potential of these sub-sectors, the Government needs to address supporting factors like skills development, infrastructure improvements, sustainability initiatives, and the supply of affordable housing. By creating an environment that supports businesses, research, and talent in these areas, the Government can ensure that areas like the Oxford to Cambridge region flourish and are able to contribute significantly to the UK's future prosperity.

Q5. What are the UK's strengths and capabilities in these sub sectors?

Strengths and capabilities in key subsectors: 1. Life Sciences and Healthcare: The Oxford to Cambridge region has over 1,000 bioscience and health technology business sites and is home to world-renowned institutions like Cambridge University Hospitals, Diamond Light Source and the Sanger Institute. The region is known for its innovative techniques in the early diagnosis of life-limiting conditions, pioneering approaches to disease treatment, and groundbreaking research in areas like genome sequencing. Moreover, the success of the Oxford-AstraZeneca SARS-Cov-2 vaccine highlights the region's capacity for rapid development and deployment of crucial healthcare solutions. AstraZeneca is further expanding its presence in the region to strengthen collaboration and biomanufacturing capabilities. 2. Digital and Technology: Milton Keynes is recognised as a thriving tech city, experiencing rapid growth and a high demand for skilled digital talent. The region is home to over 60 research institutions/centres and corporate R&D bases, with businesses showing high innovation activity. The planned MK:U, a new university focusing on the digital economy, will further enhance the region's capabilities by providing specialised training and attracting investment in digital innovation. Supporting this, one in four businesses in the region perform in-house R&D, almost double the national rate. The Cambridge cluster leads global rankings in science and tech innovation intensity (Global Innovation Index, WIPO) and it has offices for a range of top tech companies, such as Arm, Darktrace, Microsoft and Nvidia. 3. Future Energy: The region faces challenges regarding electricity infrastructure, necessitating innovative solutions for sustainable power generation. This challenge also presents an opportunity for the UK to lead in future energy technologies. Projects such as the Chelveston Renewable Energy & Innovation Park, one of Europe's largest combined renewable energy parks, exemplify the region's commitment to sustainable power generation and clean energy storage. 4. Space: The Oxford to Cambridge region benefits from the presence of specialised institutions and businesses contributing to the growth of the UK space sector. The National Satellite Test Facility and the National Space Propulsion Facility, working closely with the Satellite Applications Catapult, provide vital infrastructure and expertise for developing and testing space technologies. This concentration of capabilities positions the UK to play a significant role in the global space industry. 5. Agri-tech: The region has a strong agricultural heritage, with natural capital benefits from food production estimated at over £1 billion annually. This heritage, combined with its scientific and research capabilities, makes the region a natural hub for Agri-tech. Institutions like the National Institute of Agricultural Botany (NIAB) in Cambridge support the development and commercialisation of agricultural technologies. The presence of Agri-Tech businesses and research centres in the region positions the UK to become a global leader in sustainable food production. The UK Government can further enhance these strengths by: • Encouraging collaboration and knowledge sharing between businesses, research institutions, and government agencies to maximise the region's combined expertise and resources, building on existing networks such as Cambridge Cleantech and Oxford Greentech. • Supporting the development of a skilled workforce through targeted education and training programmes aligned with the needs of these subsectors, building on the Local Skills Improvement Plans covering the region. • Investing in key infrastructure, including transport, digital connectivity, and energy capacity, to attract further investment and support sustainable growth. • Creating an environment conducive to innovation

through policies and initiatives that encourage entrepreneurship, research, and development – spreading opportunity to relatively left behind areas.

Q6. What are the key enablers and barriers to growth in these sub sectors and how could the UK government address them?

Our evidence highlights the key enablers and barriers to growth in the Oxford to Cambridge region, focusing on key sectors such as life sciences, advanced manufacturing, future energy, and digital technology. Key Enablers: 1. World-Leading Innovation Ecosystem: The region boasts a globally recognised hub of research, innovation and commercialisation. This is evidenced by: • High concentration of R&D institutions: The presence of top universities like Oxford and Cambridge, coupled with numerous research centres and corporate R&D bases, provides a fertile ground for innovation. • Strong track record of attracting investment: The region has historically been successful in attracting inward investment and is well-positioned with its proximity to London and improved east-west connectivity to continue this trend. • Thriving business population: The region has a high business population growth rate, particularly in the South Midlands, and businesses are more likely to be innovation-active, and conduct in-house R&D, compared to the national average. 2. Highly Skilled Workforce: • Large pool of degree-level educated individuals: The region is home to a substantial workforce educated to degree level, providing a strong talent base for high-skilled industries. • Significant investment in skills development: The region benefits from a higher per capita allocation of funding from the Local Skills Improvement Fund, supporting upskilling and reskilling initiatives. 3. Strategic Location and Connectivity: • Proximity to London: The region's proximity to London provides access to a global financial hub and a wider market. • Improved connectivity: Government investments in infrastructure, such as East West Rail, enhance connectivity within the region and with other major economic centres. Key Barriers: 1. Productivity-Driven Growth: Despite the region having historically high economic output per head, compared to the national average, the gap has narrowed over time, with the population growth rate relatively higher than the output growth rate. This can hinder long-term sustainability and economic competitiveness. However, there are several pockets of high productivity in the region, such as in Milton Keynes and the clusters surrounding Oxford and Cambridge, which could be built upon to improve overall regional productivity. Ensuring major projects like East West Rail translate into generating productivity benefits will be crucial. 2. Infrastructural Limitations: • Transportation challenges: Congestion, inadequate public transport and limited connectivity between key locations within the region impede efficient movement of people and goods. • Energy infrastructure constraints: Grid constraints limit the ability of businesses and renewable energy projects to access sufficient electricity capacity. • Water scarcity: The region faces growing water stress, posing risks to businesses and sustainable development. 3. Skills Gaps and Mismatches: • Shortage of specialised skills: There are significant skills gaps in areas such as STEM, impacting sectors like life sciences, technology and advanced manufacturing. • Disconnect between education and industry needs: This mismatch requires better alignment between educational programmes and the specific skills demands of businesses. This requires even greater interaction between skills providers and businesses. UK Government Actions to Address Barriers: 1. Boosting Productivity: • Incentivise innovation: Implement policies that encourage businesses to invest in research and development, including higher risk projects, adopt new technologies, and enhance their operational efficiency, targeting sectors with the potential to generate good returns. • Support business growth: Provide targeted support to help businesses scale up, access new markets, and improve their productivity, particularly through the provision of suitable premises and skilled labour. 2. Investing in Infrastructure: • Prioritise sustainable transportation solutions: Invest in public transport, active travel infrastructure, and intelligent transport systems to reduce congestion and promote sustainable mobility. • Enhance

energy infrastructure: Address grid constraints and support the development of renewable energy sources to ensure businesses have access to reliable and sustainable energy. • Improve water management: Implement measures to conserve water resources, improve water infrastructure, and promote water-efficient practices to address water scarcity. 3. Bridging the Skills Gap: • Strengthen STEM education: Invest in STEM education and training programs to ensure a pipeline of highly skilled workers. • Foster closer collaboration between education and industry: Encourage partnerships between businesses and educational institutions to ensure curricula are aligned with industry needs and to support apprenticeship and work-based learning programmes. 4. Promoting Inclusive Growth: • Address regional disparities: Target investments and policies to support economic development in areas that have historically been excluded from opportunities. • Support skills development for all: Ensure that skills development initiatives are accessible to all individuals, regardless of their background, to promote social mobility and a diverse workforce. By taking a proactive and comprehensive approach, the UK Government can leverage the region's strengths and overcome the barriers to growth, fostering a thriving and sustainable economy that benefits all.

Business Environment

The government will work in partnership with businesses, trade unions, mayors, devolved governments, experts, and other stakeholders to help address the biggest challenges to unlocking business investment, focusing on the 8 growth-driving sectors and clusters across the country.

Please read p.27-29 of the PDF (or here online) before completing this question.

Q7. What are the most significant barriers to investment? Do they vary across the growth-driving sectors? What evidence can you share to illustrate this?

Our research and stakeholder engagement identify several significant barriers to investment in the Oxford to Cambridge region. These barriers can broadly be classified as: • Economic • Infrastructure • Environmental • Skills Importantly, the significance of these barriers varies across the different growth-driving sectors and in different geographical parts of the region. 1. Economic Barriers: • Productivity-Driven Growth: As set out previously, despite the region having historically high economic output per head, compared to the national average, the gap has narrowed over time, with the population growth rate relatively higher than output growth. This can hinder long-term sustainability and economic competitiveness. However, there are several pockets of high productivity in the region, such as in Milton Keynes and the clusters surrounding Oxford and Cambridge, which could be built upon to improve overall regional productivity. • Exclusion from economic opportunities: Certain areas within the region experience limited access to economic opportunities, creating pockets of deprivation that can discourage investment. While there are generally low levels of deprivation in the region compared to England, with over half of households (53%) not deprived in any dimension in 2021 (compared to 48% in England) there are some pockets of deprivation, particularly in Luton, Peterborough and Fenland, where households ae more likely to be deprived in any dimension (Education, Employment, Health, and Housing) than the national average (Census 2021). 2. Infrastructure Barriers: • Transportation limitations: Congestion, inadequate public transport, and a lack of connectivity between key locations within the region are major concerns. This impedes the efficient movement of goods, services, and people, ultimately hindering economic activity and investment attractiveness. Our Regional Overview Report notes that transportation is a leading source of carbon dioxide emissions, suggesting a reliance on less sustainable transport modes, and identifies congestion and limited public transport as barriers to sustainable growth. • Water scarcity: The region faces significant water stress, with growing demand from a rising population and economic activities putting a strain on limited water resources. This poses a major risk for businesses reliant on a consistent water supply and can deter investment. • Energy infrastructure constraints: Grid constraints, particularly on the electricity distribution network, pose challenges for businesses and developers, especially those seeking to expand operations or adopt renewable energy solutions. The Oxford to Cambridge SIT Business Premises study highlights potential pressures on infrastructure demand, including energy and water supply, associated with the expansion of science and technology premises in the region. 3. Environmental Barriers: • Climate change impacts: The region is vulnerable to various climate change impacts, including flooding, extreme weather events, and changes in agricultural productivity. These factors can disrupt business operations, damage infrastructure, and create uncertainties for investors. Our Annual Report 2024, based on information from our emerging Environment Principles and Regional Overview Report, explicitly lists climate change impacts as a threat, particularly those related to infrastructure, flooding, agriculture, and communities. • Biodiversity loss: The region is among the most nature-depleted in England, and biodiversity loss can impact ecosystem services crucial for various economic activities. • Water stress: The Regional Overview Report 2024 discusses the region’s significant water resource challenges, including flooding risks and water supply issues during summer months, which pose both environmental and economic threats. 4. Skills-related Barriers: • Skills gaps: The region faces a shortage of skilled labour, particularly in specialised

fields related to STEM. This mismatch between the skills available and the needs of growth-driving sectors such as life sciences, advanced manufacturing and technology can hinder business expansion and discourage investment. Our analysis of the Local Skills Improvement Plans across the region has identified a misalignment between industry requirements and available skills, suggesting a need for a greater network of apprenticeships and collaboration between businesses and educational institutions to address skills gaps. Our partners have also expressed an interest in the use of AI to augment labour and improve productivity, enhancing the benefits of the skills workers currently have. • Mismatch between education and industry needs: While the region has a strong network of educational institutions, there's a perceived disconnect between the skills being taught and the specific requirements of businesses. This can lead to a shortage of job-ready graduates and increase the cost of training for employers. Employers in the region require consistent support to articulate their skills needs, and inconsistencies exist in how funding from the Local Skills Improvement Fund is allocated and utilised across different areas. Sectoral Variation in Barriers: The relative significance of these barriers varies across different growth-driving sectors. For instance, while water scarcity might be a more pressing concern for the Agri-Tech sector, skills gaps in specialised areas like data science and AI might pose a greater challenge for the digital technology sector. The Oxford to Cambridge Science, Innovation and Technology (SIT) Business Premises study, being developed by the pan-Regional Partnership, distinguishes between the specific premises requirements and market dynamics of the life sciences sector, with its emphasis on wet labs, and other technology sectors that require a mix of dry labs, offices, and workshops. By targeting investments and policies to overcome these barriers, the Government can create a more attractive and sustainable environment for businesses, fostering economic growth and enhancing the region's competitiveness on a global scale.

Business Environment - People and Skills

The people that create and work in businesses will be central to the success of the growth-driving sectors and clusters, supporting the Government's Growth, Opportunity, and Clean Energy Missions in particular.

Please read p.29-31 of the PDF (or here online) before completing these questions.

Q8. Where you identified barriers in response to Question 7 which relate to people and skills (including issues such as delivery of employment support, careers, and skills provision), what UK government policy solutions could best address these?

No response.

Q9. What more could be done to achieve a step change in employer investment in training in the growth-driving sectors?

No response.

Business Environment - Innovation

Accelerating the rate of innovation and increasing the adoption and diffusion of those ideas, technologies, and processes is an essential step for growing the productivity of our growth-driving sectors.

Please read p.31-33 of the PDF (or here online) before completing these questions.

Q10. Where you identified barriers in response to Question 7 which relate to RDI and technology adoption and diffusion, what UK government policy solutions could best address these?

No response.

Q11. What are the barriers to R&D commercialisation that the UK government should be considering?

Our work has identified a variety of barriers to the commercialisation of research and development in the Oxford to Cambridge region, including: 1. Skills Gaps: A consistent concern raised is the misalignment between the skills required by businesses, particularly in emerging and high-growth sectors, and the skills available in the workforce. The Local Skills Improvement Plans covering our region indicate that there is a shortage of skilled labour in areas such as Cyber Security, Software Development, AI and Green Construction. These skills gaps can hinder the translation of R&D into commercially viable products and services, as well as the generation of innovation via learning-by-doing. 2. Planning Processes: Navigating the planning process can be time-consuming and complex for businesses seeking to develop or expand their R&D facilities. The fast-paced nature of these industries can make it challenging to obtain planning consent in a timely manner. 3. Access to Appropriate Premises: Emerging and high-growth companies, particularly in sectors like life sciences and engineering, require specific types of premises to support their R&D activities. Our work indicates a shortage of suitable premises, including wet labs, dry labs, workshops, and customised facilities, particularly for start-ups and scale-ups. Indeed, smaller incubator spaces for start-up companies are often less commercially viable compared to larger units for more established companies, leading to an undersupply by the market. The availability of affordable, appropriately sized premises is crucial for companies looking to commercialise their research. 4. Infrastructure Constraints: Limitations in key infrastructure, such as transport, energy, and water, can pose significant barriers to the growth and commercialisation of R&D. For instance, grid constraints in the electricity distribution network are a challenge for businesses seeking electricity capacity and limit the growth of renewable energy projects and the learning-by-doing benefits they may provide. Transport infrastructure investments are needed to address congestion, improve connectivity, and support the movement of goods and people. Water stress is a particular issue in the region. This poses a major risk for businesses reliant on a consistent water supply as well as for the delivery of housing. 5. Funding Challenges: Access to funding is crucial for businesses to progress from research to commercialisation. However, securing funding, both public and private, can be challenging, especially for early-stage companies and high-risk research proposals. Uncertainty surrounding funding cycles and macroeconomic conditions can make it difficult for companies to plan and invest in the long term. Firms may also leave the UK and relocate to countries with less risk aversion to R&D investment. 6. Competition for Resources: The concentration of high-growth sectors in the Oxford to Cambridge region leads to intense competition for resources such as talent, funding, premises and infrastructure. This competition can drive up costs and create barriers for companies, particularly smaller ones, seeking to commercialise their research. By understanding and addressing these barriers, the UK Government can create a more supportive environment for R&D commercialisation, helping to translate innovative ideas into economic growth and societal benefits.

Business Environment - Data

Data fuels modern business, both as users and producers. There is a huge opportunity for the UK to use its data more strategically, driving innovation and economic growth, including in the growth-driving sectors.

Please read p.33-34 of the PDF (or here online) before completing these questions.

Q12. How can the UK government best use data to support the delivery of the Industrial Strategy?

1. Developing a robust and accessible data infrastructure: Access to good quality data is essential in guiding policy and action for sustainable economic growth. In our region we have developed the Oxford to Cambridge Data Observatory. The Data Observatory aims to provide transparent, unbiased, and frequently updated economic and environmental evidence to support policy and business case development. This centralised approach to data management can help address challenges such as data disparity and information barriers, which can hinder effective policy implementation. 2. Investing in data analysis capabilities: Providing access to data is only part of the solution. It is crucial to invest in skilled analysts who can interpret and utilise data effectively, for use by democratically elected decision makers. The business case for the Data Observatory emphasised the importance of analyst support to research projects and stakeholders. It is important to fund the training, and development of analytical skills within relevant organisations and support the long-term evaluation of the Industrial Strategy. 3. Focusing on key data areas: There are several critical areas where data is crucial for informing the Industrial Strategy, including: • Skills and labour market: The Government can use data from Local Skills Improvement Plans (LSIPs) to identify skills gaps and inform investment in education and training programs. The Data Observatory can also play a role in collecting and analysing data on labour market trends and future skills needs. • Infrastructure: Data on transport, energy, and digital infrastructure is crucial for informing investment decisions and ensuring sustainable growth. Our work to date has highlighted challenges related to grid constraints, transport connectivity, and digital infrastructure. The Government can utilise data from sources such as England's Economic Heartland, Distribution Network/System Operators, tools provided by the Local Energy Net Zero Accelerator (LENZA), and Ofcom to better understand these challenges and prioritise infrastructure investments. • Innovation: Data on innovation activity, R&D spending, and high-growth businesses is essential for fostering a thriving innovation ecosystem. The UK Innovation Survey provides valuable insights into the innovation landscape. However, the survey only produces estimates based on a small sample of businesses and has limited statistical reliability at a local level. The Government can utilise data on innovation clusters and successful projects to inform policies aimed at supporting startups, scaleups, and attracting investment in key sectors. • Sustainability and environment: Data on natural capital, biodiversity, and environmental performance is critical for ensuring that economic growth is sustainable and aligns with the UK's net-zero targets. The Oxford to Cambridge Local Natural Plan project provides valuable insights into the region's natural capital and the opportunities for enhancement. A summary of this work is available via the Partnership's Data Observatory. The Data Observatory can also play a role in collecting and analysing data on environmental performance and supporting the development of sustainable practices across different sectors. 4. Promoting collaboration and data sharing: The Data Observatory was built partly in recognition of the importance of collaboration between different stakeholders, including government, businesses, universities, and local authorities. The Government should encourage data sharing and collaboration through initiatives like the Data Observatory and by supporting the development of platforms that facilitate data access and exchange between different organisations. 5. Ensuring data transparency and accessibility: Making data publicly available is essential for building trust and enabling evidence-based decision-making. The government should prioritise data transparency and accessibility by supporting open data initiatives, developing user-friendly data portals, and ensuring that data is presented in a clear and understandable format. By effectively utilising data, the UK

Government can foster a more informed, targeted, and responsive approach to delivering the Industrial Strategy, ultimately leading to sustainable and inclusive economic growth across the nation.

Q13. What challenges or barriers to sharing or accessing data could the UK government remove to help improve business operations and decision making?

No response.

Business Environment - Infrastructure

An effective planning system is a fundamental enabler for business investment in our growth-driving sectors. Growth-driving sectors also require high quality infrastructure and transport connectivity.

Please read p.34-36 of the PDF (or here online) before completing these questions.

Q14. Where you identified barriers in response to Question 7 which relate to planning, infrastructure, and transport, what UK government policy solutions could best address these in addition to existing reforms? How can this best support regional growth?

The Government's mission-driven approach provides a new steer with clear priorities for improving the prosperity of the country through sustained economic growth. From a strong position, this agenda presents exciting prospects for the Oxford to Cambridge region, creating further opportunities to deliver the Government's long-term sustainable growth priorities. Strategic collaboration, facilitated by the Oxford to Cambridge pan-Regional Partnership programme, is driving positive change across this important region in the national interest. Established joint working, networks and programmes are aligned with the Government's missions. The region has a pioneering international investment prospectus, which positions the region's key strengths in a globally competitive marketplace, and an external facing regional brand narrative. The Regional Data Observatory guides policy and investment decisions, delivering efficiencies from shared evidence and core resources. Refreshed Environment Principles set clear pathways for partners to come together to lead the transition to net zero, deliver landscape-scale nature recovery, achieve excellence in sustainable water use, support and grow a circular economy, and adapt to the challenges of climate change. And, through collaboration with England's Economic Heartland, East West Rail, the Oxford-Cambridge Supercluster Board and the Arc Universities Group, the pan-Regional Partnership is working to ensure the region maximises the benefits from infrastructure investment. The region's innovation strengths, in areas such as AI, Quantum Computing and Smart City development, have a unique role to play in breaking down barriers in planning and infrastructure, helping to achieve effective place making. For example, Milton Keynes, which has a strong specialisation in digital technology and AI, has recently created a Smart City Experience Centre, which brings to life the positive impact that digital technologies - including robotics and AI - can have on infrastructure and services. The centre allows members of the public to interact with robots that can support in all aspects of life. The Government has signalled its intention to reform the planning system at pace, including introducing new mechanisms for universal coverage of cross-boundary strategic planning to deliver sustainable growth. Strategic planning has the potential to build and sustain investor confidence for both the public and private sectors by creating an integrated framework for growth and investment. The aim should be to create long-term spatial investment frameworks that focus on those policies that address key spatial issues and genuinely drive positive change and deliver good place-making and sustainable growth through planning and investment decisions. Strategic plans should align national and sub-national policy with strategic infrastructure delivery and investment, including energy, water and transport, providing a clear framework for aligning and prioritising funding. They should provide the basis for the preparation of shorter-term and more local plans and strategies and, crucially, ensure the strategy is in place for those elements that have longer-term delivery timescales, including the infrastructure that is fundamental to unlocking economic growth, improving climate resilience and delivering nature recovery. Addressing the barriers outlined in response to Q7. is crucial for unlocking the full investment potential of the Oxford to Cambridge region. This requires a multi-faceted approach involving: • Investing in transportation, energy, and water infrastructure • Promoting skills development aligned with industry needs • Implementing policies to mitigate climate change impacts • Supporting inclusive economic growth, including

enabling the delivery of appropriate business premises for science and technology firms • Fostering a business environment that encourages innovation and collaboration. By targeting investments and policies to overcome these barriers, the Government can create a more attractive and sustainable environment for businesses, fostering economic growth and enhancing the region's competitiveness on a global scale.

Q15. How can investment into infrastructure support the Industrial Strategy? What can the UK government do to better support this and facilitate co-investment? How does this differ across infrastructure classes?

Investment in improved infrastructure is essential to support the UK's Industrial Strategy. For example, the National Infrastructure Report, 'Partnering for Prosperity' in 2017 set out the case for improving connectivity between Oxford and Cambridge to realise the full economic potential of this region with its world-class research, innovation and technology. The UK Government should prioritise investment in infrastructure which supports sustainable economic growth such as East West Rail, which will link Oxford to Milton Keynes, Bedford and Cambridge. Infrastructure as a Foundation for Industrial Growth: 1. Enabling Innovation-Led Growth: The Oxford to Cambridge region, with its concentration of research and innovation, heavily relies on robust infrastructure to translate ideas into commercially viable products and services. This is particularly relevant to the UK's ambition to become a science superpower through the built environment, as identified in the Spring 2023 budget statement: 'boosting the supply of commercial development, in particular lab space, is key to supporting R&D needs and driving investment into high value industries across England, such as the life sciences and advanced manufacturing sectors in the Oxford to Cambridge region.' Investment in transportation networks, digital connectivity, and energy infrastructure is critical for facilitating collaboration, knowledge exchange, and the efficient movement of goods and people within this innovation ecosystem. 2. Attracting Inward Investment: High-quality infrastructure is a key determinant for attracting foreign direct investment (FDI). The Oxford to Cambridge pan-Regional Partnership actively seeks investments in projects that enhance connectivity and support the region's innovation ecosystems, aiming to position the area as a gateway to the UK's economy. Well-developed transport links, reliable energy supply, and advanced digital infrastructure signal a business-friendly environment and increase the region's attractiveness to global investors. 3. Supporting Key Industrial Sectors: Our partnership work has identified specific infrastructure projects aimed at bolstering key sectors. For example: • Bicester Motion's focus on the mobility technology sector: The investment into developing commercial space for this sector leverages the existing automotive cluster and skilled labour pool, attracting businesses and driving growth in this crucial sector. • Northampton's Sustainable Heat Network: This project aims to attract investment into a low-carbon energy solution, supporting the growth of green technologies and contributing to the UK's net-zero targets. • Cowley Branch Line re-opening: This investment in transport infrastructure aims to unlock development opportunities in Oxford, supporting growth in science and research while creating new homes and employment spaces. Further examples of critical infrastructure projects have been identified in England's Economic Heartland's 'Connecting Economies' brochures. UK Government Actions to Support Infrastructure Investment: 1. Clear Policy Frameworks: The Government should establish clear and consistent policies that encourage infrastructure investment. Providing long-term certainty for investors is crucial for attracting the necessary capital. 2. Develop Investible Propositions: The Oxford to Cambridge pan-Regional Partnership already promotes a portfolio of investment opportunities, some of which are infrastructure projects. The Government can support these efforts by: • Providing robust data and analysis: A comprehensive evidence base, like the Oxford to Cambridge Data Observatory, can help investors understand the region's potential and make informed decisions. • Acting as a facilitator: The Government can connect investors

with project developers and local authorities, streamlining the investment process. Infrastructure Class Considerations: 1. Transport: This is a key focus area for the Oxford to Cambridge region. Investment in rail, bus, and active travel networks is crucial for improving connectivity and reducing congestion. Government support may include direct funding and regulatory changes to facilitate private investment in these areas. 2. Energy: The transition to a low-carbon economy requires significant investment in energy infrastructure. Supporting renewable energy projects, upgrading the electricity grid, and promoting energy efficiency measures are crucial. Government policies can incentivise private investment in these areas through feed-in tariffs, carbon pricing mechanisms, and grants for research and development. 3. Digital: Expanding access to high-speed broadband and 5G is vital for supporting digital innovation and the growth of the digital economy. Government policies can encourage private investment in fibre optic networks and promote the efficient allocation of spectrum for 5G. By strategically investing in and supporting the development of infrastructure, the UK Government can create a strong foundation for the success of the Industrial Strategy. This requires a multi-faceted approach that includes clear policy direction, financial mechanisms, and collaboration with local partners and the private sector. Adapting these strategies to the specific needs of each infrastructure class will be crucial for maximising their impact on regional growth and national economic prosperity.

Business Environment - Energy

Access to cheap and reliable energy is an influential determinant of business competitiveness and an important consideration for internationally mobile investment.

Please read p.36-38 of the PDF (or here online) before completing these questions.

Q16. What are the barriers to competitive industrial activity and increased electrification, beyond those set out in response to the UK government's recent Call for Evidence on industrial electrification?

No response.

Q17. What examples of international best practice to support businesses on energy, for example Purchase Power Agreements, would you recommend to increase investment and growth?

No response.

Business Environment - Competition

Competition and consumer policy, including subsidy control, is an important lever across and beyond the growth-driving sectors.

Please read p.38-40 of the PDF (or here online) before completing these questions.

Q18. Where you identified barriers in response to Question 7 which relate to competition, what evidence can you share to illustrate their impact and what solutions could best address them?

No response.

Q19. How can regulatory and competition institutions best drive market dynamism to boost economic activity and growth?

No response.

Business Environment - Regulation

Regulation can address market failures, create economic certainty, and drive innovation to stimulate growth while protecting consumers and businesses.

Please read p.40-41 of the PDF (or here online) before completing these questions.

Q20. Do you have suggestions on where regulation can be reformed or introduced to encourage growth and innovation, including addressing any barriers you identified in Question 7?

There is scope for regulatory changes that could encourage growth and innovation in the following areas: 1. Supportive regulation for the development of Science, Innovation, and Technology (SIT) premises: The Oxford to Cambridge pan-Regional Partnership's SIT study indicates that there is a shortage of suitable premises for SIT activities, particularly for wet labs and high-spec industrial spaces, and that a consistent supply of these premises is required to ensure science and technology activity is commercialised in the UK. This has already been captured, to a certain extent, in the NPPF 2023, and it would be preferable for this to remain in place. To be specific, the NPPF 2023 states: 'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking account of both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.' 2. Address skills gaps and promote lifelong learning: The work of our partners has identified a disconnect between industry needs and available skills, particularly in areas such as digital tech, future energy, engineering and life sciences. To overcome these challenges, the Government can: • Introduce flexible and responsive skills training programs that cater to the evolving needs of the SIT sector. • Strengthen collaboration between businesses and educational institutions to co-develop curricula and provide practical training opportunities. • Incentivise businesses to invest in upskilling and reskilling their workforce, by supporting them to find appropriate courses, and developing relevant part-time courses where reskilling is required. Subsidy of training may also be necessary, given that businesses may not realise the full benefits of an upskilled employee if they change employer. 3. Incentivise sustainable development practices: The Oxford to Cambridge PRP's emerging Environment Principles emphasise the importance of environmentally sustainable growth and the need to achieve net-zero targets. To promote sustainable development, the Government can: • Introduce stricter building codes and regulations that promote energy efficiency and the use of renewable energy sources in new developments. • Offer financial incentives such as grants or subsidies, or green finance initiatives, for businesses that adopt sustainable practices and invest in green technologies. • Develop a regional energy strategy to address grid constraints and promote the deployment of renewable energy. 4. Improve access to finance for innovation: Our work also shows the importance of both public and private funding for early-stage R&D and innovation. The Government can: • Streamline the process for accessing grants and funding for innovative businesses. • Develop new financial instruments specifically tailored to the needs of high-growth startups and scaleups. • Encourage private sector investment in innovation through venture capital schemes or tax incentives, as well as inward investment promotion of the high-value opportunities in the region. 5. Improve transport infrastructure: Transport connectivity is a significant challenge, particularly in more rural areas. To improve connectivity and unlock economic growth, the Government can: • Prioritise investment in strategic transport corridors connecting key economic hubs within the region, including the completion of East West Rail. • Promote sustainable transport options such as public transport, cycling, and walking through infrastructure improvements and incentives. 6. Attract inward

investment: The Oxford to Cambridge International Investment Prospectus clearly sets out the region's potential to attract inward investment. To build on this work, the Government can: • Streamline regulations and processes for foreign investors. • Participate in international events and conferences to promote the region's strengths and investment opportunities. • Develop more bespoke and targeted marketing campaigns aimed at international investors. • Support the evolution of a strong regional brand that reflects the region's unique assets and capabilities. • Offer incentives such as grants for investments in key sectors. By implementing these regulatory reforms and initiatives, the UK Government can create a more conducive environment for growth and innovation, enabling regions to achieve their full economic potential while addressing key barriers and attracting inward investment.

Business Environment - Crowding in Investment

UK firms have access to one of the world's leading financial services sectors. Despite this, as outlined above, the UK has consistently invested less than its international peers, with levels varying depending on firm size, sector, and region.

Please read p.41 of the PDF (or here online) before completing this question.

Q21. What are the main factors that influence businesses' investment decisions? Do these differ for the growth-driving sectors and based on the nature of the investment (e.g. buildings, machinery & equipment, vehicles, software, RDI, workforce skills) and types of firms (large, small, domestic, international, across different regions)?

Key Factors Influencing Investment Decisions are: 1. Access to Skilled Labour: The Oxford to Cambridge region boasts a high concentration of skilled workers, particularly in science, technology, engineering, and mathematics (STEM) fields. However, specific skills gaps exist, particularly in emerging fields like AI, cybersecurity, and future energy. Businesses seeking to invest in these sectors will prioritise locations with access to relevant talent pools and training programs. 2. Availability of Suitable Premises: The availability of appropriate business premises, especially for research and development (R&D) intensive activities, is crucial for attracting investment. Our evidence highlights a shortage of specialised facilities, particularly wet labs for life sciences and high-spec industrial spaces for engineering and manufacturing. 3. Strong Innovation Ecosystem: The presence of a thriving innovation ecosystem, characterised by collaboration between businesses, universities, and research institutions, is a significant draw for investment. Our region benefits from its world-renowned universities and research centres, facilitating knowledge exchange and the commercialisation of innovative ideas. 4. Transport and Digital Infrastructure: Robust transport and digital infrastructure are essential for business operations and growth, influencing investment decisions. Our evidence points out challenges related to transport connectivity, particularly in certain areas within the region. Similarly, access to reliable and high-speed digital connectivity is critical for businesses in the digital age. 5. Access to Funding and Investment: Availability of funding is crucial for business growth, especially for startups and companies engaged in R&D. Public and private funding sources, including venture capital, are essential for driving innovation. 6. Sustainability and Environmental Considerations: Increasingly, businesses are factoring in sustainability and environmental considerations in their investment decisions. This region is committed to environmentally sustainable growth and addressing challenges related to climate change and biodiversity loss. Businesses, particularly those in sectors such as future energy and green technologies, will prioritise locations that support sustainable practices, offer opportunities for green innovation, and align with their environmental, social, and governance (ESG) goals. Variations Based on Firm Type and Investment Nature: 1. Large vs. Small Firms: Large firms may have more flexibility in choosing locations, while smaller firms may prioritise proximity to existing clusters and support networks. 2. Domestic vs. International Firms: International firms may be more sensitive to regulatory environments and government incentives aimed at attracting foreign investment. 3. Type of Investment: Investments in buildings and machinery may be influenced by factors such as land availability and cost, while investments in RDI and workforce skills are driven by access to talent and innovation ecosystems. While these insights offer valuable understanding, it is important to acknowledge that business investment decisions are complex and influenced by a multitude of factors that can vary across different sectors and geographical contexts.

Business Environment - Mobilising Capital

The UK has a complex landscape of public and private business finance providers and institutions. However, the Government knows from businesses that there is still much to do to improve ease of access to growth capital and scale-up finance in the UK.

Please read p.41-43 of the PDF (or here online) before completing these questions.

Q22. What are the main barriers faced by companies who are seeking finance to scale up in the UK or by investors who are seeking to deploy capital, and do those barriers vary for the growth-driving sectors? How can addressing these barriers enable more global players in the UK?

No response.

Q23. The UK government currently seeks to support growth through a range of financial instruments including grants, loans, guarantees and equity. Are there additional instruments of which you have experience in other jurisdictions, which could encourage strategic investment?

No response.

Business Environment - Trade and International Partnerships

The UK is a proud trading country and among the most open economies in the world. The UK holds strong and constructive partnerships all over the world, built on principles of openness and shared prosperity and a commitment to upholding the international rules-based system.

Please read p.44-47 of the PDF (or here online) before completing these questions.

Q24. How can international partnerships (government-to-government or government-to-business) support the Industrial Strategy?

International partnerships can play a significant role in supporting the UK's Industrial Strategy. These partnerships, both government-to-government (G2G) and government-to-business (G2B), can contribute to the strategy's success in various ways. Attracting Inward Investment and Global Expertise: 1. Promoting the UK as an Investment Destination: The Oxford to Cambridge pan-Regional Partnership, backed by the UK Government, actively seeks international investment to support the region's innovation-led growth. This is highlighted in the International Investment Prospectus which showcases investment opportunities to a global audience and emphasises the region's strengths in areas such as life sciences, future energy and mobility technology – all of which are aligned with the proposed sectors in the Government's Industrial Strategy. International partnerships can help amplify these efforts by promoting the UK as a whole as a prime location for businesses and research institutions seeking to expand globally. 2. Accessing Global Talent and Innovation: International partnerships can facilitate the exchange of knowledge, skills, and talent. Our research, and stakeholder engagement, highlight the importance of a "dynamic skill base" for driving innovation. G2G partnerships can promote research collaborations, student exchange programmes and joint initiatives that attract international expertise to the UK, contributing to the development of a world-class workforce and fostering innovation. 3. Leveraging Global Value Chains: The Industrial Strategy aims to strengthen the UK's position in global value chains. International partnerships can help UK businesses access new markets, forge partnerships with overseas suppliers, and integrate into international production networks. This can lead to increased exports, job creation and economic growth. Specific Examples of International Partnerships: 1. Trade Missions: Trade missions, such as those led by the Midlands Engine Partnership to countries like Turkey, have produced significant benefits. These missions facilitate G2B connections, allowing UK businesses to showcase their capabilities to potential international partners and investors. 2. Collaboration with International Cities: The Thames Estuary Growth Board highlights its collaboration with cities such as New York and Singapore on issues such as flood resilience. These G2G partnerships allow for the sharing of best practices and the development of innovative solutions to shared challenges. UK Government's Role in Facilitating International Partnerships: 1. Diplomacy and Trade Agreements: The Government can leverage its diplomatic relationships and negotiate favourable trade agreements that reduce barriers to trade and investment. This can create a more attractive environment for international businesses to operate in the UK. 2. Promoting UK Expertise: The Government can play a proactive role in showcasing UK expertise in key sectors, attracting international partners seeking specific capabilities. This can be done through targeted marketing campaigns, participation in international trade fairs, and supporting initiatives that foster collaboration between UK businesses and research institutions with their international counterparts. 3. Supporting International Collaboration: The Government can provide funding and resources to facilitate international research partnerships, student exchange programs, and joint initiatives that promote knowledge transfer and innovation. International partnerships are crucial for supporting the Industrial Strategy's objectives. They can help attract inward investment, enhance the UK's innovation capacity, and strengthen its position in the global economy. The Government can leverage these partnerships to drive economic growth and

deliver on the strategy's ambitious goals. Pan-Regional Partnerships have been effective in supporting Government with these international partnerships.

Q25. Which international markets do you see as the greatest opportunity for the growth-driving sectors and how does it differ by sector?

No response.

Place

A core objective of the industrial strategy is unleashing the full potential of our cities and regions by attracting investment and creating the best environment for businesses in them to thrive.

Please read p.48-50 of the PDF (or here online) before completing these questions.

Q26. Do you agree with this characterisation of clusters? Are there any additional characteristics of dimensions of cluster definition and strength we should consider, such as the difference between services clusters and manufacturing clusters?

No response.

Q27. 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?

No response.

Q28. 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?

The Industrial Strategy plays a significant role in driving economic growth across the UK, particularly within city regions and clusters of growth sectors. This is achieved through a multifaceted approach involving Local Growth Plans and other policy mechanisms that capitalise on regional strengths and address specific challenges. Local Growth Plans will be a key instrument for translating the national ambitions of the Industrial Strategy into regionally tailored actions. They provide a framework for identifying local priorities, allocating resources, and coordinating efforts between local authorities, businesses, and other stakeholders. Our analysis, and stakeholder engagement, while primarily focused on the Oxford to Cambridge region, provides insights into how LGPs can contribute to accelerating growth: 1. Identifying and Supporting Key Sectors: LGPs can help identify and promote growth sectors specific to each region. For example, the Oxford to Cambridge region's strength is in science and technology, with a focus on areas like life sciences, future energy, and mobility technology. LGPs can prioritise investments in infrastructure, skills development, and business support tailored to these sectors, fostering their expansion and attracting further investment. 2. Addressing Regional Disparities: Our analysis acknowledges the existence of economic disparities within regions, highlighting the need to spread opportunity and success to areas of relative social and economic deprivation. LGPs can target interventions to address these disparities, ensuring that the benefits of growth are distributed more equitably across a region. This may involve supporting infrastructure development in less developed areas, promoting skills training programmes targeted at disadvantaged communities, or providing incentives for businesses to start-up and scale-up in these areas. 3. Facilitating Collaboration and Coordination: LGPs can act as a catalyst for bringing together diverse stakeholders, including local authorities, businesses, universities, and community groups. This collaboration is essential for identifying shared priorities, coordinating efforts, and leveraging the collective strengths of a region to drive growth. Policy Mechanisms to Complement Local Growth Plans: In addition to LGPs, our stakeholder engagement suggests other policy mechanisms that can support the Industrial Strategy's goal of accelerating growth in city regions and clusters: 1. Investment in Infrastructure: High-quality infrastructure is crucial for enabling businesses to thrive. This includes transportation networks, digital connectivity, and energy infrastructure. Government support for these key projects through direct funding, public-private partnerships, and streamlined planning processes, are essential for the successful delivery of infrastructure projects. 2. Skills Development: A skilled workforce is fundamental for driving innovation and productivity. Our evidence emphasises the need to develop a 'dynamic skill base' aligned with the needs of growth sectors. Policy mechanisms to support this include funding for apprenticeships and training programmes, collaboration between businesses and education institutions to develop relevant curricula, and initiatives to attract and retain skilled workers. 3. Support for Innovation: Fostering innovation is key to the Industrial Strategy's success. Our analysis highlights the importance of research and development, technology transfer, and the creation of supportive ecosystems for innovation. Policy mechanisms to support innovation include funding for research grants, tax incentives for R&D activities, and the creation of innovation hubs and clusters that facilitate collaboration and knowledge exchange. The Industrial Strategy should aim to accelerate growth in city regions and clusters through a strategic combination of Local Growth Plans and complementary policy mechanisms. This

requires a place-based approach that recognises the unique strengths and challenges of each region, fosters collaboration between stakeholders, and prioritises investments in infrastructure, skills, and innovation. By effectively implementing these strategies, the UK Government can create the conditions for sustainable and inclusive economic growth across the country.

Q29. How should the Industrial Strategy align with Devolved Government economic strategies and support the sectoral strengths of Scotland, Wales, and Northern Ireland?

No response.

Partnerships and Institutions

The ambition set out across this paper can only be realised in partnership. Only by working with the network of businesses, investors, civil society, international partners, local leaders and devolved governments who play a critical role in the UK economy, can we shape and deliver an industrial strategy that can truly drive growth.

Please read p.51-53 of the PDF (or here online) before completing these questions.

Q30. How can the Industrial Strategy Council best support the UK government to deliver and monitor the Industrial Strategy?

The Industrial Strategy has recognised the need for the Government to work at scale and enable the potential of cities and regions to be realised. The importance of geographic scale is well understood, given that business clusters need to “take advantage of economies of scale, talent pipelines, land, supply chains, knowledge spillovers, and more”, and coordinating sectoral and business environment policies will be a key part of unblocking growth potential. This language supports the need for the Industrial Strategy Council to think geographically broadly and identify where there are synergies within sectors, regardless of administrative boundaries. To effectively deliver on this thinking, the Industrial Strategy Council will need to work closely with partners on the ground through established networks, such as the Oxford to Cambridge pan-Regional Partnership. This Partnership already works across boundaries, and convenes businesses, universities, local government, and the third sector. For example, the Innovation Network of Networks brings together representatives from science and innovation clusters such as Cambridge Cleantech and Oxfordshire Greentech. The Council can support the government by identifying key networks and actors, working with them to understand what delivery can look like in their region or sector, and using their insight to shape the Government’s delivery plans. Working with regional partnerships will be an effective way to facilitate that process. Additionally, the Industrial Strategy Council can rely on existing sources of information that are readily available and tailored to local areas. Resources such as the Oxford to Cambridge pan-Regional Partnership’s Data Observatory will be critical to understanding local economies and monitoring progress. The Council can also make use of existing networks to assess how stakeholders on the ground react to the Strategy’s delivery.

Q31. How should the Industrial Strategy Council interact with key non-government institutions and organisations?

It is important that the Industrial Strategy Council liaises closely with local and regional organisations to understand the challenges and opportunities that they face. Given other stakeholders will have clear national groupings through which to engage – such as trade unions, business, academia – local areas risk missing out, particularly where they do not yet have a mayor and thus no natural interface with the Industrial Strategy Council through the Council of Nations & Regions. Non-government institutions and organisations may not have established lines of communication into national government and the Industrial Strategy Council. Using relationships and learnings from others will help the Strategy land at pace with all stakeholders. Utilising the structures which these stakeholders are already using reduces the work needed to identify, approach, and engage non-government organisations. In the case of the Oxford to Cambridge pan-Regional Partnership, these stakeholders are already engaged and collaborating on the issues the Industrial Strategy seeks to address: how to embed sustainability into all activity, what opportunities for investment are there, and how to work together to lower barriers to growth are core questions the Partnership brings together leaders to answer. The Partnership's work provides a strong base of engagement and thinking for the Council to build on when engaging with key non-government stakeholders. It is best to ensure concerns or issues of one group (for example, universities) that will naturally impact the work of another (for example, businesses) are addressed from the outset. Again, regional organisations like the Oxford to Cambridge pan-Regional Partnership will be crucial to this. They have already brought together different groups, established effective working relationships between them – and on relevant issues like the delivery of sustainable economic growth – and opened up lines of communication between them. This last point may be particularly important for the Industrial Strategy Council.

Q32. How can the UK government improve the interface between the Industrial Strategy Council and government, business, local leaders and trade unions?

The ability to work effectively with regions will be critical to the success of the Industrial Strategy. With the current proposed approach to devolution, there is a risk that that the 'voice of business', which was such an important part of previous arrangements, such as Local Enterprise Partnerships, will not be heard with sufficient strength. Not all businesses have memberships with the FSB, CBI, or a Chamber of Commerce. In the case of the Oxford to Cambridge region, the pan-Regional Partnership has established networks and relationships that bring together local government, universities, businesses, trade bodies, and the third sector. Other regions will have similar bodies, such as the Midlands Engine. Establishing a relationship between the Industrial Strategy Council and cross-boundary, cross-body partnerships will create a helpful conduit between government and local stakeholders. The work facing the Industrial Strategy Council on a national level will require collaboration with those who represent stakeholders. An apolitical voice bringing together all those that would otherwise need to be engaged with separately will support the Council's outreach to government, business, local leaders, and trade unions. The Industrial Strategy Council should make use of those existing networks to improve communication between the Council and stakeholders, especially where they are already working on issues relevant for the Industrial Strategy. Drawing on existing relationships and existing knowledge bases will also improve communication between stakeholders.

Theory of Change

Economic growth is a complex issue with interrelated short-term and long-term drivers, many of which are structural in nature.

To effectively prioritise policies within the industrial strategy, targeted at the right sectors and types of economic activity, the government needs to rationalise this complexity into a series of potential causal pathways. This will also help to identify where to further develop the evidence and analysis.

Please read p.55-57 of the PDF (or here online) before completing these questions.

Q33. How could the analytical framework (e.g. identifying intermediate outcomes) for the Industrial Strategy be strengthened?

No response.

Q34. What are the key risks and assumptions we should embed in the logical model underpinning the Theory of Change?

No response.

Q35. How would you monitor and evaluate the Industrial Strategy, including metrics?

No response.

Additional Information

Q36. Is there any additional information you would like to provide?

No response.