



OUR BUSINESS, ENERGY & INDUSTRIAL STRATEGY

£1 in 2020 is now worth only 86p today.

Inflation is a two headed tape worm. It gnaws away at reserves for capital investment that must also be plundered to finance increased revenue expenditure. Lost capital is difficult to replace and increased debt only makes matters worse. This is a problem because businesses can't then afford to increase productivity if demand ticks up for their products or services.

Our challenge is this. If one only succeeds by adopting the right policies and attitudes, how can we rally a sense of purpose and the right attitudes amongst a sufficient majority within the UK so they support new policies and give them a chance? This is not an easy thing to do in a post Brexit society fracturing around increasing poverty and confected media outrage at almost anything attempted by a politically weak government and the general lack of direction.

Years ago a French lawyer described matters to me in this way, that in France he could only do what the law allows whereas in England I could do anything I want except what the law forbids.

This is no longer true but it could be again and which mindset, I ask, is more likely to lead to the innovation and growth that will lift us out of stagflation? I voted to remain, but only for the greater good of Europe. Deciding what we do next, what we want, is our next key challenge.

If power lies where people believe it to reside, the Government has lost credibility to effect public change for the good with any bravado and so change will only come if it is nurtured from the bottom up. How to do this well is our third key challenge.

The opportunity is to harness innovation for greater productivity through increased efficiency, not to increase taxes or the money supply to throw money at trophy projects like HS2 or at out-of-control institutions like the NHS.

Infrastructure investing will be critical but it is not the priority spend for government money. People must come first.

I have [recommended](#) what I believe would be a popular rallying call for the nation to support new government guaranteed investment bonds, which could be issued to finance local infrastructure projects or the commercialisation of IPR utilising my proposal for [Young Genius Funding](#), an application form for which is now freely available from our website. This IPR commercialisation strategy might also be well received if it were proposed within any UK application for funding under the Horizon programme.

To attract private investment by putting up a 10-year state or institutional guarantee for a proportion of equity risk makes sense. Even if the guarantee were 99p in the £1 this is better value for money than a £1 grant. If private investment could be raised with a 50p in the £1 guarantee, state purchasing power is doubled and if the guarantee is never called in ten years' time, because there are no losses, then success will have been purchased at a nil cost to the Treasury.

Bridging gaps in the appraisal of modern-day businesses models will also be important.

Until you can define a new product and service and its route to the top in terms that the money understands, then if money is to be invested at the time it is needed, the valuation can should be kicked down the road on the basis of alternative investment strategies that sidestep or compensate for valuation difficulties. The National Security & Investment Act can curb international theft in

sectors of national importance, but it is not a tool for attracting international investment on the right terms. The need for these alternative investment strategies will be great if we are to avoid underselling the nation's silver.

My own suggested areas of infrastructure focus would include food, fish and greenhouses, as well as freeports and enterprise zones in or near deprived areas. I would also add defence and a significant increase in our deep-water shipping capacity. As the USA withdraws from the West to look more to the East, there will be new business opportunities for the UK to provide security for international shipping.

These proposals would nurture change from the bottom up as would the provision of cost effective training and education for future entrepreneurs and networks of local business hubs and mentors all of which would be relatively cheap to establish and results could become evident relatively quickly and be easily measured. Additionally, there are a number of national PE firms. Give them a £1bn to invest in the regions as part of the levelling up agenda and create the second ICFC [3i]. A big political splash in local towns. Better value for money than merely enabling Brummies to reach London 30 minutes earlier.

If there is only a plan A, I believe one must go all out to make it succeed. Success is a mindset that depends on adopting the right policies and attitudes.

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