Stantec

Invest 2035

Stantec's response to Invest 2035:
the UK's modern industrial strategy

In an era of rapid technological and geopolitical change, the Invest 2035 green paper offers a positive framework for UK growth and a step in the right direction.

Strong foundations built on a productive construction industry, modern infrastructure and logistics networks, as well as a talented and diverse skill base can create a more targeted approach to investment and play to regional strengths. A quicker, coherent and strategic planning system will encourage economic growth and improve our ability to compete internationally and avoid conflicts between regions.

All of this should provide the backbone for national economic resilience, supporting growing industries while also creating confidence for the UK to capitalise on future opportunities and innovate across the whole economy.

Our responses to the Department for Trade's online survey focused on the questions which our teams are best placed to respond. We answered questions relating to:

- the UK's foundational sectors
- enablers and barriers to growth
- changes and improvements needed across planning, infrastructure, and transport
- the importance of improving the UK's infrastructure
- the role and characterisation of clusters
- how public-private interventions can support strategic industrial sites
- the role of city regions and Local Growth Plans.

Our comments principally relate to three core themes:

1) A dynamic economy with strong foundations
2) Regional resilience and industrial clustering
3) Planning for growth

These themes feature throughout our responses to specific questions, and we have summarised our views on them below, along with illustrative case studies and recommendations.

We will support the Industrial Strategy by facilitating and enabling some of the country's most important infrastructure and development projects—from realising key port infrastructure and associated commercial & industrial floorspace, to driving its connection into transport, clean energy, water and community infrastructure across the UK. We want to use our experience and expertise to help get the detail right and help deliver on the strategy over the coming years.

Stantec's perspective is informed by our global view of industry, infrastructure and the built environment. We are a global leader in sustainable engineering, architecture, and environmental consulting. Our professionals deliver the expertise, technology, and innovation that is needed to manage ageing infrastructure, demographic and population changes, the energy transition, and more.

We operate globally, including Canada, the USA, Australia, China and throughout Europe. In the UK, Stantec employs close to 4,000 people and is a market leader working with both public and private sector clients in water resource management, energy, planning and design, and environmental assessment.

A dynamic economy with strong foundations

Sectors such as life sciences, advanced manufacturing, and emerging energy technologies–like hydrogen for example, are vital to the UK's future economic success.

Investors in these industries need to know that the UK is equipped to and will build places where ideas can flourish, and that they are able to get products to the market and end users quickly.

Property and construction, the quality of our infrastructure, and the UK's logistics and distribution networks are foundational to all eight growth-driving sectors identified in Invest 2035. They can help create and grow a dynamic economy in which British businesses can capitalise on existing strengths and gain a competitive advantage in emerging technologies.

• The construction sector–arguably any growth economy's most important foundational sector–is critical both for commercial and technological innovation, as well as accommodating the workforce. Following a period of intense build cost inflation and supply chain challenges, the government should recognise construction as a key enabler; our most promising growth industries will suffer if we cannot build places for businesses to innovate and scale up. This is particularly important in regions like the south east of England, where the housing crisis is constraining the labour market and movement of people. Delivering 1.5 million homes across this parliament is a bold target but cannot happen without, among other things, a strong supply chain and construction sector.

• Our logistics and distribution network has a direct impact on the UK's ability to trade. From warehousing to road, rail freight and ports (sea and air), this sector directly supports our manufacturing, creation, and growth economies. An efficient logistics and distribution network is critical to economic security, supply chain strength, economic resilience, and growth.

• Modernising infrastructure through investment in water, energy, data technology and other critical sectors–will help unlock development and give businesses confidence to invest in the UK. The UK's industrial development is also closely tied to energy capacity. The planning system must evolve to recognise this, simplifying processes to attract investment in areas like renewable energy, hydrogen production, and carbon capture. A continued focus on accelerating Nationally Significant Infrastructure Projects (NSIPs), resourcing and directing PINS and statutory consultees appropriately and widening the remit of this regime is critical.

Beyond these foundational sectors, we also need government to remain focused on creating a more inclusive, fair and economically mobile society–by improving housing affordability and quality of life across the country, rebalancing our regional economies, and investing in skills to ensure that people have greater agency over where they live and what they do for work.

Legacy Industrial transformation for Rotherham

As one of the UK's largest brownfield regeneration sites, Waverley represents a huge opportunity to transform legacy industrial land (the former Orgreave coal mine) into a productive and sustainable contributor to Rotherham and the wider South Yorkshire region.

Since the early 2000's we have been supporting Harworth to realise the transformation of the site into an Advanced Manufacturing Park, as well as an extensive new community. One which provides substantial community infrastructure including a medical centre, mixed use local centre, community centre, school and public realm. Delivering the necessary and significant remediation and infrastructure to allow the housing and economic generators to come forward has been a top priority, but has been arguably slow, despite a strong and committed client and a positive local authority.

Proactive relationships between the local authority and government agencies helped provide serviced development platforms for housing and industrial housing to be delivered in a more streamlined way. Harworth has used its technical expertise and delivery strategy for large complex brownfield sites to open Waverley up for development by forward fronting the blue, grey, and green infrastructure. This has enabled over 2,000 homes to be delivered in the last 13 years as well as attracting global names to the Advanced Manufacturing Park, with over 1.7 million square feet built out. This wouldn't have been possible without the remediation, infrastructure, and detailed masterplan for the wider site as well as joined up thinking and collaboration.

Recommendations to government

- Invest in construction skills and support SMEs to strengthen the sector, which is fundamental to the UK's growth and innovation
- Continue to place housebuilding at the core of the domestic policy agenda to ensure sufficient homes of all tenures support a more mobile and dynamic labour market
- Recognise the poor state of UK infrastructure and invest in its modernisation to ensure we can remain globally competitive and provide the platform for private investment and development
- Support our logistics and freight industries to enable domestic and internation trade and ensure businesses can get their products to market effectively and efficiently

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Regional resilience and industrial clustering

Our country remains one of the most regionally imbalanced and economically unequal in the developed world. This is arguably the UK's single most important distribution concern. Life outcomes are highly correlated to place, almost all cities outside the south east of England lag behind the UK average and OECD counterparts, and agglomeration effects across our city regions are relatively weak.

The government is therefore right to focus on place-based growth. There are strong socio-economic and symbolic imperatives to do so.

As outlined in Invest 2035, the growth potential of our city regions and industrial clusters are enormous. We need our regions to become more than the sum of their parts. Devolution and regional leadership are critical, and we are pleased to see the government's support for this model. Investment should be tailored to local conditions, recognising regional differences in economic strengths and opportunities. Urban innovation districts, particularly in sectors like life sciences, are reshaping cities by creating high-quality jobs in well-connected areas, supported by housing and efficient transport networks.

There are good models of economic clustering across the UK. Well established and highly productive clusters range from the City of London (financial services) to Cambridge (life sciences) and West Cumbria (nuclear), with other parts of the country developing clusters through investment to support innovation and attract foreign direct investment, for example in Teesside (chemical production and green energy).

However, not all areas can or will attract high-tech industries, so support for foundational sectors as outlined above is necessary to stimulate growth across the whole country. We must pursue inclusive growth, not growth at all costs.

Combined authorities provide the framework for a sub-regional approach to industrial and economic development. The introduction of Local Growth Plans can be another mechanism through which this is managed, but there is a risk they may lack a regional dimension and could create competition and/or a disconnect between neighbouring plansWe must avoid neighbouring places competing with each other as competition for resources will undermine national growth potential.

A green growth revolution in the Great South West

Dorset, as part of the Great South West, is a new UK destination for international investment in clean energy. Opportunities include a deep water offshore wind hub to service the offshore renewable sectors including deep fixed, FLOW and floating solar, as well as the potential to host complementary nationally significant green infrastructure projects such as Small Modular Reactors (SMRs), carbon dioxide (CO2) capture and storage (CCS) and clean green hydrogen, as well as related opportunities such as grid improvements, desalination and data.

Stantec is working with Dorset Council, Real Growth Ltd and regional partners to facilitate a coherent strategy for maximising this opportunity and delivering a clean energy cluster in the region with wider links to Hinkley Point C and FLOW in the Celtic Sea.

Harnessing its unique geography and geology and leveraging the existing deep-water port at Portland, Dorset has a unique proposition with ambition and commitment to align with delivery of both Invest 2035 and accelerating delivery of Net Zero by 2047 and 95 percent renewable energy by 2050.

The prospective clean energy investment opportunities in Portland would accelerate the production of renewable energy and industrial decarbonisation through CCS and clean green hydrogen. With excellent connectivity to the English Channel, projected offshore wind projects, UK industrial emitters as well as European markets, the pan Dorset area is well positioned to host the rapid deployment of projects between 2024 and 2030, sensitively designed and implemented as progressive responses to sustainable development goals to strengthen economic security, resilience and improve community wellbeing.

Recommendations to government

- Foster collaboration between public and private sectors to accelerate the development of green energy technologies like hydrogen, CCUS, and energy storage
- Improve the connectivity of key industrial sites, such as those near ports, and transport links to urban innovation districts, to foster growth in knowledge-intensive sectors like life sciences and consider identifying additional investment zones linking ports with these sites
- Adopt a ‘Vision and Validate’ approach for transport planning to ensure infrastructure development is well planned and can promote sustainable behavioural change
- Ensure energy supply meets the growing demands of residential and industrial sectors, including through encouraging more innovative approaches to heat offtake and trading between neighbouring occupiers
- Promote ‘devolution by default’ to ensure all regions can benefit, while taking steps to avoid unnecessary regional competition
- Improve capital mechanisms to help the private sector invest in infrastructure and ensure efficient use of existing assets

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Planning for growth

Businesses and investors often cite the complexity and risk involved in the English planning system as a barrier to investment. The potential for industrial clustering is constrained by this and the time it takes to move from planning through to build out. This includes even our most successful growing industries for example, the underlying planning permission that approved the AstraZeneca Discovery Building at the Cambridge Biomedical Campus was validated in 2006 but not occupied until 2021.

Local Development Order (LDOs) and Simplified Planning Zones (SPZs), which are already available as part of the existing planning system, can provide a practical solution by simplifying planning processes, reducing uncertainty and delay, and enhancing the attractiveness of development sites for investors. Aligned to regional and local strategic plans and in combination with financial incentives through Enterprise Zones, Freeports and Investment Zones, LDOs and SPZs can make strategic sites investment ready.

The operation of the planning system has arguably been biased towards restraint. The publication of the draft National Planning Policy Framework (NPPF) is a welcome move. We support the government's intention to take a more interventionist approach where this is necessary to secure universal coverage of up-to-date Local Plans, with the overall aim to rapidly boost the number of planning permissions as the starting point for increasing delivery.

We also need to ensure that there is sufficient land in place, and allocated on a flexible basis, to attract investment. A lack of availability of suitable sites in proximity to housing and infrastructure should not be a barrier to investment and growth.

The planning system should more strongly promote collaboration across local authority areas, if not strategic planning, then this could include a mandatory requirement to work together and ensure needs are met across wider housing market and employment market areas.

Gravity, a blueprint for a smarter, cleaner future

The 616-acre former Royal Ordnance Facility south of Bristol was officially closed in 2008 at the heart of the recession. Recognising the need for regeneration, Sedgemoor District Council began collaborating with landowners BAE Systems to stimulate market interest and attract investment.

Traditional planning tools and strategies proved ineffective due to the site's size, complexity, and the local economy. However, public-private sector collaboration and use of an LDO has subsequently led to a successful outcome at this strategic industrial site.

Salamanca Group Ltd purchased the site from BAE Systems in 2017 and repositioned the site to a global marketplace and as a key destination for international investment in the UK focused on accelerating responses to climate change.

Stantec provided lead consultant support for Gravity, supported by a wider team including LDA, Ecology Solutions and Womble Bond Dickenson.

Stantec has extensive experience and knowledge of LDOs, having written the Planning Advisory Service advice note on them. In the case of Gravity, the LDO that was adopted by the council's executive was scoped to be extensive, planning for many different scenarios, and more flexible than an outline planning application as it set parameters for development but did not restrict the investor to a specific use.

The LDO played a crucial role in attracting international investment. The current investor has stated that the LDO was the most important factor in its investment decision. The LDO allowed for the sale of 75 percent of the gross development area to one commercial occupier for a battery manufacturing facility.

The use of an LDO at the Gravity site has proven successful in attracting significant international investment and facilitating development to transform the economy of this part of Somerset and the south west of England. With the public and private sector working together through the development and adoption of the LDO, it allowed for a complex, longer-term strategy to be implemented and to attract investment in the short term. The LDO has been a key tool in making the Gravity site ready for investment and will continue to play a crucial role in its future development.

Recommendations to government

- Simplify the planning process to enable faster, more efficient development and invest in under-resourced planning authorities, statutory consultees and PINS
- Speed up infrastructure planning and expand the NSIP regime to ensure a coordinated approach to transport, energy, and water systems to support new development
- Align planning for jobs, housing, and infrastructure, ensuring that new employment opportunities are supported by nearby housing and infrastructure
- Provide targets for employment development in Local Plans
- Encourage local planning authorities to over-allocate land for development to provide greater choice for the market and ensure sufficient investment opportunities
- Expand the use of Local Development Orders (LDOs) and Simplified Planning Zones (SPZs) to reduce uncertainty and attract investment and link them with Enterprise Zones (EZs), Investment Zones and Free Ports
- Enforce cross-boundary collaboration between local authorities to ensure that regional and strategic needs are met

For more information about our activity in this field or the support we can offer your project get in touch with your local Stantec team/contact, or contact our business development director, Jenni Montgomery.

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Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure. We innovate at the intersection of community, creativity, and client relationships to advance communities everywhere, so that together we can redefine what's possible.