

INFRASTRUCTURE: ENABLING GROWTH BY CONNECTING PEOPLE AND PLACES



EXECUTIVE SUMMARY

Aversion to risk, coupled with long payback times, has resulted in a culture of underinvestment in infrastructure projects in the UK. Overly cautious decisions to ensure Government funds are not wasted has resulted in slow progress, and over half of manufacturers tell us that national road infrastructure has actually got worse in the last ten years. But it is not all bad news. In some cases we have seen great progress like better internet connectivity and the success of the Crossrail project, however there is still something lacking about our desire to advance the foundations of our nation and viewing it as the catalyst to advance our firms and workers.

Look at the construction of the Channel tunnels in the 1980s, famously always over budget, and underutilised for many years. Today, the number of Eurostar journeys contributes around £4bn to the UK economy annually. Many would not think twice about building those tunnels now, but at the time there was great concern for its potential failure and an overwhelming feeling of doom.

Digital infrastructure is overwhelmingly the takeaway success story of the last decade, with the previous Government investing heavily in 5G connectivity and digital rollouts. So, where there is investment, there is success and manufacturers across all regions of England said they had seen marked improvement in digital infrastructure which had helped them invest in digital technologies for their businesses. In turn, this had helped them boost productivity alongside growth and delivery of more good quality, highly paid jobs.

Our latest survey across the sector looks at manufacturers' perception on three specific types of infrastructure: road, rail and digital, and how performance has improved, or not, over the last decade in those three areas. Manufacturers believe that the Government's approach to valuing infrastructure projects puts too much emphasis on cost, and not enough on its potential benefit. While this is unsurprising, the investment

potential unleashed by the digital infrastructure investment over the last ten years is evidence that investment does work and indeed promotes growth, the drive at the heart of this new government's delivery plans.

Regional differences remain, with the North of England still more critical of the state of road infrastructure than anywhere else in the UK. Although when we analyse further, manufacturers in the North West are the most pessimistic about road infrastructure with 68% saying it has got worse over the last decade. But in the North East, just 43% of companies feel road links are worse. The answer here may come from the fact that while cities like Manchester have made great strides in progressing transport infrastructure for public use, it may have come at the expense of reduced road investment.

This latest deep dive into the state of infrastructure for Britain's manufacturing sector also revealed the multiple benefits of such investment. Top of the list came the reduced cost of moving goods and services, with 68% of companies telling us this was a direct benefit. Improved labour mobility in the midst of a skills crisis in the sector was also a key deliverable where there was infrastructure investment, alongside easier digital technology adoption. Increased and more efficient connectivity and higher productivity and efficiency was also highlighted as a major benefit.

Our sector needs this new Government to be bold on its infrastructure investment. Britain's manufacturers have highlighted the need to repair existing road networks with a focus on A roads and Motorways as a key first step. But bringing decisions into local areas is also a must – as there is a need to speed up planning processes by giving increased powers to local authorities and mayors to build local infrastructure faster, such as tram networks. Investment is desperately needed in local bus networks to connect out-of-town areas to give younger people the chance to work in the manufacturing sector and reach manufacturing businesses, while long term rail projects are equally vital to improve east-west connections to truly deliver levelling up and a more equitable share of opportunities.

If the new Government's mission is to promote growth there's no better place to start than with infrastructure. Albeit, the Chancellor has a heavy task of ensuring the nations books are balanced, having recently cancelled or delayed several infrastructure projects to close a £20bn hole. By improving the quality of connections, physical and digital, we will expand on our capacity to deliver consistent, genuine economic growth that benefits all participants in our society.



MANUFACTURERS' RATINGS OF THE QUALITY OF INFRASTRUCTURE

Transport infrastructure plays a critical role in enabling businesses to access customers and new skills. The service quality of infrastructure can also incentivise greater investment as manufacturers attempt to capitalise on high quality access to transport. Manufacturers were asked to highlight the importance of road and rail infrastructure to various aspects of business activities.

The survey findings reveal that nearly three-quarters of manufacturers (74%) say that the road network is significant or very significant for supply-chain management. Furthermore, 64% say that road networks are significant or very significant to enable just-in-time production. This highlights the importance of the road network as a channel to move goods across the nation. Similarly, manufacturers also indicated that roads were important for accessing markets and business development opportunities (64% and 56% respectively).



The same question was posed for rail infrastructure too. The view was almost entirely inverted. Only 37% indicated importance for supply-chain management and 39% said the same for business development. The percentage of businesses citing very significant or significant importance for rail in certain activities varies around this mark, with the lowest share going to investment decisions, with only 31% citing significant importance.

From the get-go, comparing these two types of transport infrastructures, we see evidence that road networks play a relatively more important role for manufacturers. It's not surprising how important the strategic road network is in the UK, covering 4,500 miles of A roads and motorways. By 2050, it is expected that nearly half a trillion pounds of GVA will depend on sectors, like manufacturing and logistics, that make use of the road network¹. Though, this does not mean that rail freight is not important too, as manufacturers rely on both types of infrastructure to move goods around the country. In many cases, these two infrastructures are quite complementary, with freight moving goods between two different points faster, and HGVs picking up the delivered goods to sites.

Rail is also a more sustainable solution to reducing carbon emissions, in comparison to vehicle travel. This is despite many HGVs being electrified, with freight journeys producing 76% less emissions per tonne compared to HGVs. This is partly because of the higher load capacity available in freight trains, as a typical train can carry the combined load of 110 lorries². So, there is a case for future infrastructure investments to tie into increasing the attractiveness of rail freight for manufacturers which would help the UK reach its net zero targets, as well as reduce congestion and pollution on our roads.

This is why Labour's intention to nationalise a rail service could be an attractive prospect for freight users too, particularly if nationalisation could result in a cheaper alternative to road use.

¹National Highways, Economic Role of National Highways: An Overview (2023)
²Network Rail

PHYSICAL VERSUS SERVICE

When most businesses are thinking about infrastructure, they can refer to either physical or service quality. Physical quality can describe the real structure of infrastructure, such as the station architecture which includes platforms and accessibility for trains, or the surface quality of roads which can impact journey times and even damage vehicles. Potholes, for example, are a serious problem for road users today, with drivers more than one and a half times more likely to experience damage to their vehicles because of them.³

Service quality, however, focuses more on the user experience. This includes train frequencies, delays, or congestion and traffic management on roads. In regard to digital infrastructure this can refer to internet speeds and bandwidth. Our research shows that manufacturers are somewhat positive about the physical and service quality of digital infrastructure. Though, few said that digital infrastructure quality was “excellent”.

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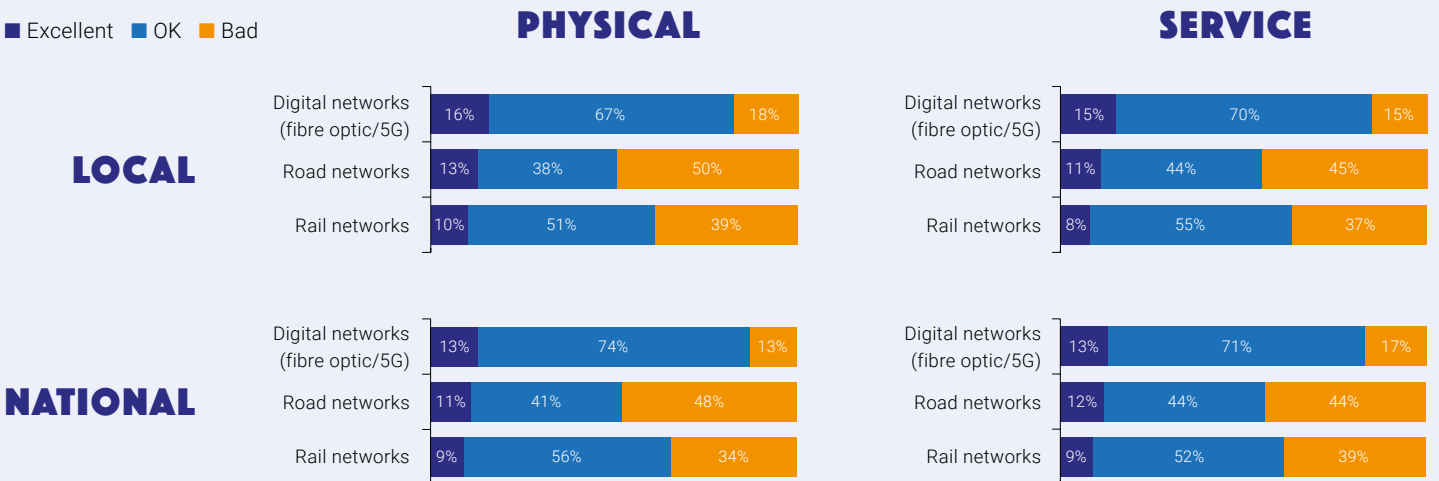
say national digital infrastructure quality is Excellent or OK

As road is evidently the transport network that manufacturers use most, it is concerning that businesses are more pessimistic about it. To accelerate growth and opportunities, such as the adoption of new digital technologies, it is imperative to ensure the foundational pillars of an economy, its infrastructure, is adequately improved and maintained.

Chart 1: Manufacturers’ ratings for physical and service quality of road, rail and digital infrastructure, split by local and national views

% share of responses

■ Excellent ■ OK ■ Bad

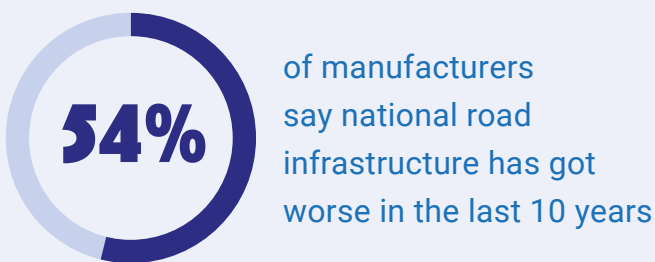


Source: Make UK Infrastructure survey (2024)

³RAC Pothole Index – statistics and data for UK roads | RAC Drive

A DECADE OF TRAILING BEHIND

There's no question that the UK has underperformed on its transport infrastructure investments over the last decade. Investments happened, but they haven't always paid off. Indeed, between 2010 and 2019, the UK did comparatively well investing approximately 0.81% of its GDP on infrastructure development, compared to the G7 average of 0.76%.⁴ Amongst the G7, the UK has had one of the highest investments in transport infrastructure as a share of its GDP in that decade, putting it ahead of the likes of the US and only just behind Japan in the most recent years. Most of the spending is accounted for by investments in projects like the Overground, Crossrail and HS2 – investments that mainly benefited the nation's capital.



Though, there is plenty in the last decade for the UK to take pride in. Such as the completion of the Crossrail project (Elizabeth line), which has become one of the most successful rail links in Greater London. Albeit the project cost nearly £20 billion, its impact on society could be far greater, enabling people to access work and live in new places, giving businesses opportunities to access new markets and adding value to the UK economy. There are other infrastructure projects in

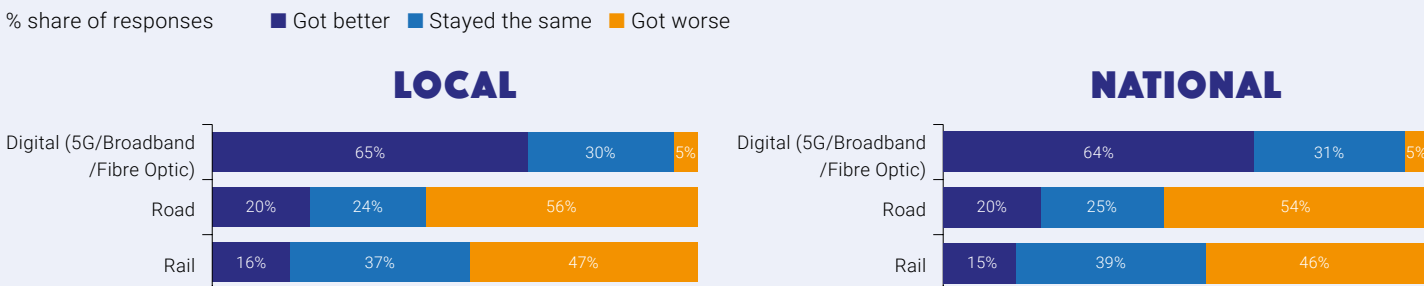
the pipeline such as the expansion of Heathrow Airport and completing the remainder of the HS2 line which is expected to boost the economy despite the great cost of the project too.

And yet, manufacturers believe that the quality of road and rail infrastructure has got worse in the last decade. 47% of manufacturers say that local rail infrastructure has got worse in the last decade, and 37% say that it has stayed the same. Similarly, for road, 56% say it has got worse and 24% say it has stayed the same. User perception is critical as investment choices can be made based on where businesses believe they have the most supportive economic ecosystems to thrive. Infrastructure is just one of the factors that a business will consider when choosing to locate or expand.

On the other hand, the perception of digital infrastructure quality has improved in that time, with 65% of manufacturers saying it has got better. The experience is similar when considering how businesses view the change in infrastructure quality nationally as well. The UK-wide view of manufacturers on these three critical types of infrastructure indicates that manufacturers treat local and national similarly. Manufacturing supply-chains are interconnected nationally and internationally which requires access to high quality road and rail networks (physical and service) both in a local and national setting. Though, local residents may view transport networks differently given it is a key mode of getting to work for many people.

It is concerning that more than half of businesses believe the road networks have worsened, given their importance to them. As referred to later in this report, most manufacturers want to see greater investment in improving UK road networks.

Chart 2: How has the quality of local and national infrastructure changed in the last 10 years?



Source: Make UK Infrastructure survey (2024)

⁴Make UK calculations using OCED data on Infrastructure investment. The OECD defines Infrastructure investment as "spending on new transport construction and the improvement of the existing network. It includes rail, road, inland waterways, maritime ports, and airports"

THE LAST DECADE: REGIONAL DIFFERENCES

As the views of manufacturers for local and national infrastructure are quite similar, the regional analysis will focus primarily on the national perspective and refer to local when relevant. For example, using road as the primary example, the North is relatively more critical of the state of road infrastructure over the last 10 years. If we split the North into the North West, North East and Yorkshire regions, we find that Yorkshire is the most pessimistic of the state of road infrastructure (68% said “got worse”). This is also similar for rail infrastructure too.

Though if we momentarily go back to local differences, we find that more North West manufacturers believe road infrastructure has ‘got worse’ in the last decade, compared to the North East (61% vs 43%). But inspecting the same data for rail networks, we see that more North East manufacturers are pessimistic (‘i.e. they selected ‘got worse’) instead, compared to the North West (57% vs 44%). This highlights an important difference between regional priorities. The North West is home to cities like Manchester which has made great strides in progressing transport infrastructure for public use but this may have come at the expense of reduced road quality and increased congestion. Similarly, the North East may wish to also experience the prosperity obtained by parts of the North West with better rail networks. Though the two regions neighbour each other, it is clear they have had very different experiences in the last decade.

What the regional split also shows is that, out of all parts of the UK, London is by far the least pessimistic about the change in quality of road and rail infrastructure, with only 6% of manufacturers in the city believing road networks to have deteriorated in the last decade.

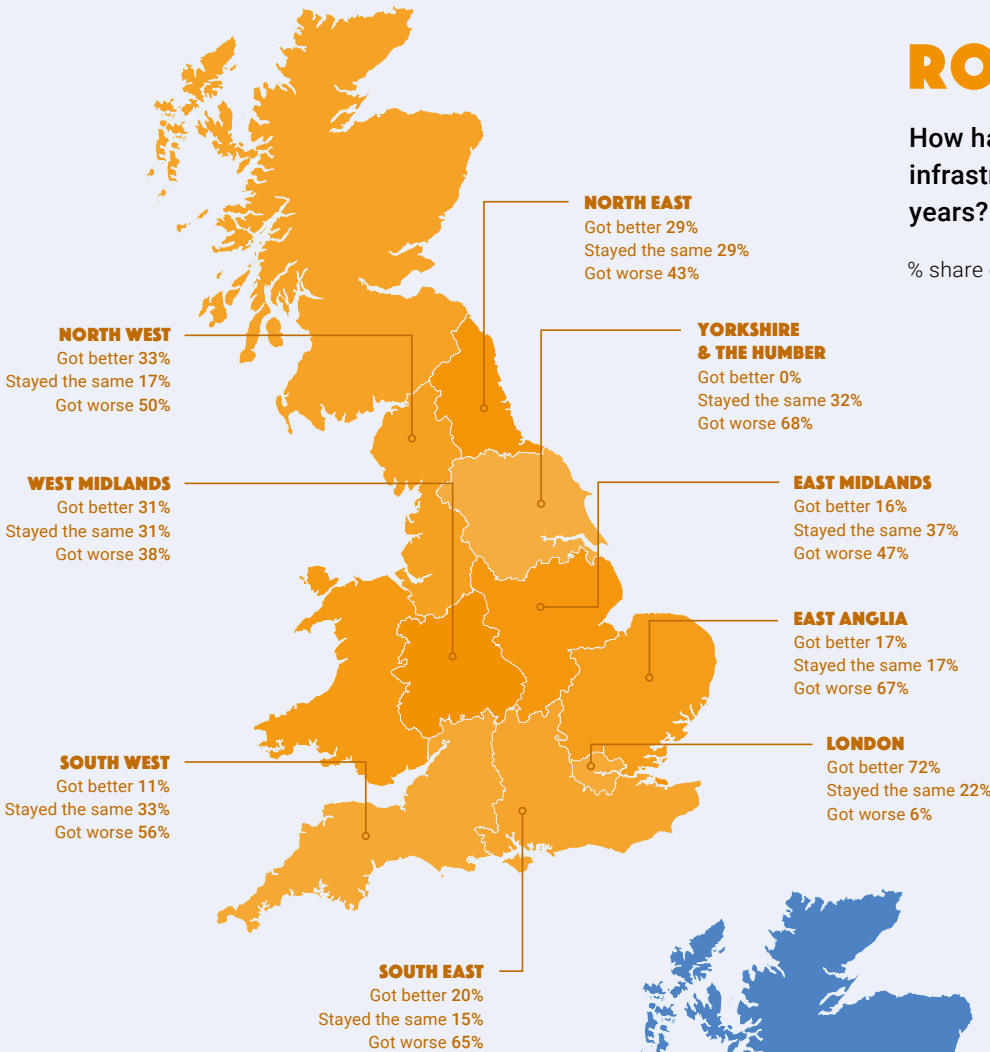
All parts of the UK, including Scotland and Wales believe that the quality of digital infrastructure has got better in the last decade. This is positive and shows the impact that government initiatives like the Superfast Broadband Programme, the £400m Digital Infrastructure Investment Fund or Project Gigabit has had on internet accessibility and quality. Private investment also played a big role in developing broadband infrastructure too. As the survey findings show, all that investment played a part in incentivising and enabling the adoption of digital technologies within manufacturing, from 3D printing to robotics and digital analytics.



ROAD

How has the quality of *national* (road) infrastructure changed in the last 10 years? By high level regions in England

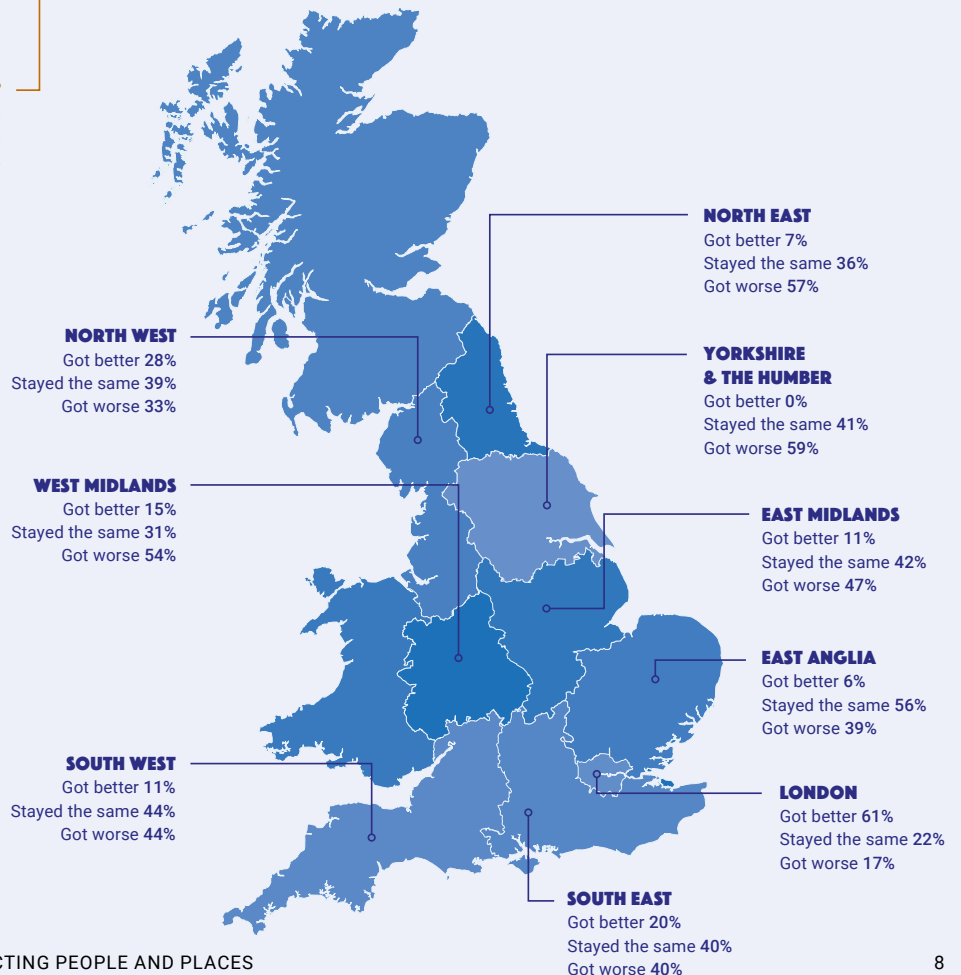
% share of responses*



RAIL

How has the quality of *national* (rail) infrastructure changed in the last 10 years? By high level regions in England

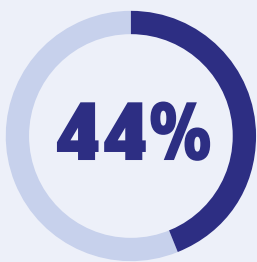
% share of responses*



Source: Make UK Infrastructure survey (2024)
*Scotland/Wales excluded due to insufficient sample

INVESTING IN INFRASTRUCTURE: WHAT'S THE POINT?

So far, the evidence has shown that something needs to change in the way we invest in infrastructure to ensure it reaches all parts of the UK. The benefits of investing in infrastructure are numerous, with a large body of evidence in favour of its positive impact. Research conducted by the LSE found a substantial positive impact of transport improvements on employment and productivity in local areas⁵. Similarly, the OECD cites great benefits to transport infrastructure investments directly to the user (in terms of travel times and safety), as well as indirect benefits that manifest as increasing demand for goods and services in new places and increased social mobility⁶.



of manufacturers say the improved access to digital infrastructure accelerated the adoption of digital technologies

Inspecting the results of the survey findings indicates a positive outcome resulting from the investment in digital infrastructure that has taken place over the last decade. 44% of manufacturers said that access to digital infrastructure had enabled them to accelerate the adoption of digital technologies, though 46% also said there was no impact. Only 10% suggest current access had slowed adoption down which may reflect certain areas where digital infrastructure has not improved in the last decade. Nevertheless, there is a clear point to investing in infrastructure. Governments that take the leap, even when not truly knowing what the costs and benefits could be may still find growth in opportunities.

Investing in digital infrastructure cannot guarantee an increase in the adoption of digital technologies, but the investment itself gave opportunity to the actors of a society (firms and consumers) to make decisions that maximise those opportunities. The same could be said for road and rail as improving either does not guarantee an increase in economic output. Improving road surfaces may reduce journey times and vehicle damage by a marginal quantity, but the impact of this value multiplies exponentially when considering the number of journeys that take place on roads daily. For example, in 2022, 175 tonnes of goods were carried by HGVs across the UK to various destinations, covering 19.5 billion kilometres in distance⁷.

Nevertheless, even with digital infrastructure, 65% of manufacturers still believe it should be a high priority for government investment⁸.

⁵New Road Infrastructure: The effects on firms (2017)

⁶Impact of Transport Infrastructure Investment on Regional Development | OECD iLibrary (oecd-ilibrary.org)

⁷Domestic road freight statistics, United Kingdom: 2022 - GOV.UK (www.gov.uk)

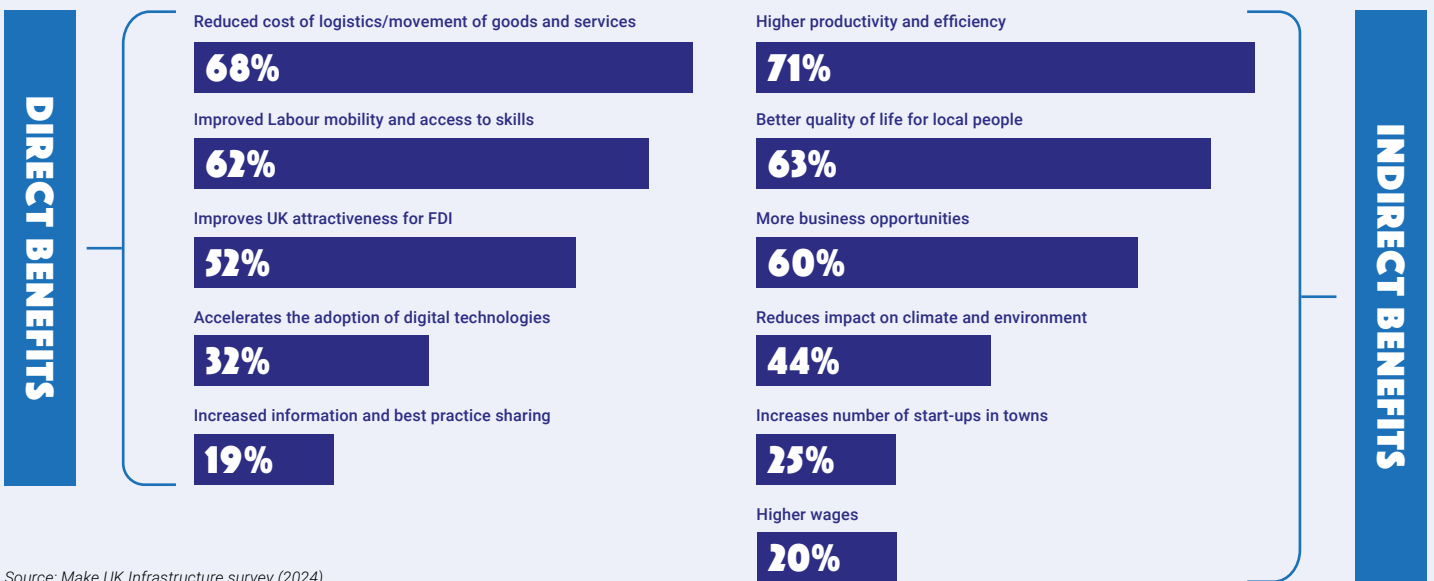
⁸Make UK/RSM, Manufacturing Growth: Infrastructure (2023)



WHAT DO MANUFACTURERS THINK ARE THE BENEFITS OF INVESTING IN INFRASTRUCTURE?

The benefits of better-quality road, rail and digital infrastructure

% share of responses



Source: Make UK Infrastructure survey (2024)



As expected, the two primary benefits that manufacturers expect from better quality infrastructure is in logistics (68%) and labour (62%). Businesses use road and rail networks to move goods across the country and it is also the main way in which people access their place of work. Particularly outside of cities, workers rely heavily on road connections to drive, or use buses, and bikes to get to work. Better quality infrastructure undoubtedly improves accessibility for both

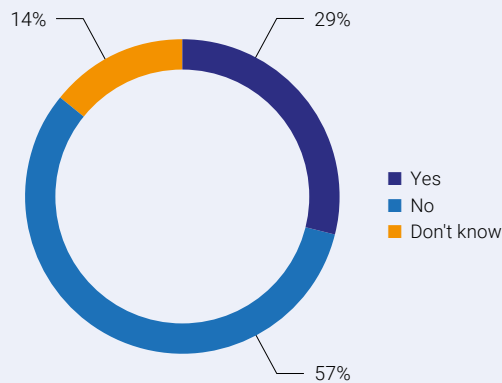
employers and employees. This also relates closely to what manufacturers believe are the secondary (spillover) benefits of higher quality infrastructure with most businesses saying it leads to higher productivity (71%) and better quality of life for local people (63%).

Additionally, manufacturers also say that better quality infrastructure can make the UK more attractive for foreign direct investment (FDI). Whilst many other factors are involved, such as the availability of labour and skills, access to finance and the state’s long-term ambitions to support industry, investors will consider the existing quality of infrastructure as well as the pipeline of projects for the future. This is why it is important to ensure that trust is built into the relationship between Government and the private sector when investing in infrastructure. Decisions like cutting plans for high-speed rail can damage trust in the industry and in turn impact investment choices that ultimately cost the nation.

THE MANUFACTURING COMMUNITY'S RESPONSE TO HS2

Chart 3 – Do you agree with the Government's decision to cancel the northern leg of HS2?

% share of responses



Source: Make UK Infrastructure survey (2024)

Whether or not the previous Government's decision to cut the northern leg of HS2 was the right one or not remains to be seen. However, most manufacturers (57%) do not agree with that choice. Broken down by regions, manufacturers in the north represent the highest share of "No" responses with 61% of businesses disagreeing with the decision. This is in comparison to the midlands (46%) and south (57%). Wales (55%) and Scotland (57%) are also similarly opposed to the decision.

Local or national spending shouldn't be a binary choice, and the cancellation of this project sends the wrong message to businesses, potential investors and people in certain places. The impact of this decision will change the way businesses react to future large-scale projects, which may require the incumbent government to provide guarantees in order to rebuild that trust between the public and private sector.



BREAKING THE MOULD OF THE VALUATION PROCESS

The benefits are clear and there is a long history of infrastructure investments paying off. So why is it so difficult for the Treasury to trust in the process and go all in on infrastructure investment?

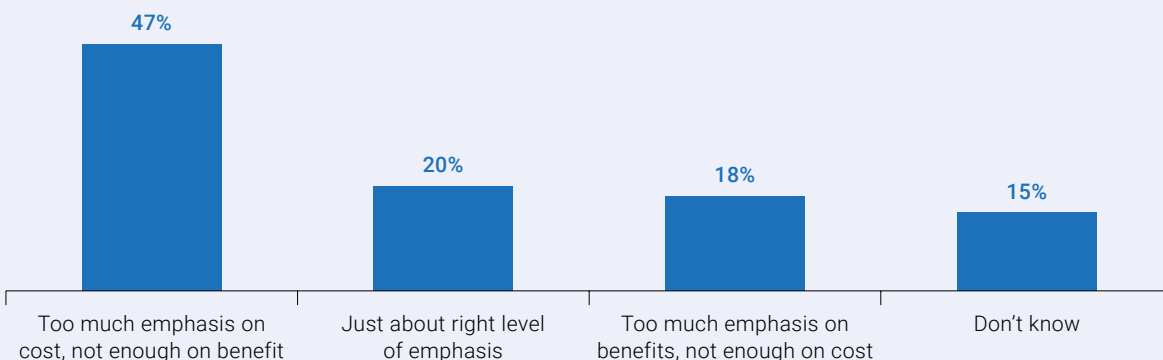
Cost is not the only challenge that is a hindrance to infrastructure development. The House of Commons Public Accounts Committee (PAC) found that the UK lacks the skills necessary to deliver over £800 billion worth of infrastructure projects, including 244 new road, rail and energy projects. The Civil Service lacks sufficient, high quality project management skills that can deliver value for money for taxpayers which makes the investment decisions even more difficult to make.

Prioritisation becomes more important, and for manufacturers when looking at transport networks, roads are accessed more than rail, so it must be improved in the short-term but, long-term, rail presents a solution for decarbonisation and so cannot be neglected.

Manufacturers believe that the Government’s approach to valuing infrastructure projects puts too much emphasis on cost, and not enough on its potential benefit. This is unsurprising and will be difficult to change for the new Government when striking a balance between protecting the taxpayer and delivering on their ambitions.

Chart 4 – Manufacturers’ views on Government’s approach to valuing infrastructure investments

% share of responses



Source: Make UK Infrastructure survey (2024)

What would be a better model to value the potential of different projects? More often than not building new rail lines could result in a loss for many years but the spillover effects on local communities can be difficult to measure. That does not mean they are not there, and we encourage Labour and the Treasury to be more risk-taking on their ambitions for infrastructure by putting more emphasis on second and third order economic impacts. According to McKinsey, investment in infrastructure has a socio-economic rate of return of 20%, meaning every £1 of infrastructure investment can increase GDP by 20p.⁹

However, any project still needs to ensure it can be sustained with sufficient funding to be successful. Private Finance Initiatives (PFIs) were previously used extensively by the previous Labour Government which helped build and maintain infrastructure for 20 years, including schools, prisons and hospitals. However, its use heavily declined after the financial crisis in 2008 before the opportunity was abolished completely in 2018. The new Government has indicated they would not return to the old PFI model, though their manifesto pledges to create or bring certain infrastructures, like GB Energy or rail operations into public ownership. These plans may still need cooperation and finance from the private sector to work, which would require incentives to make infrastructure an attractive investment opportunity.

⁹Four ways to get more from government infrastructure projects | McKinsey

ALTERNATIVE METHOD TO FINANCING: REPURPOSING BUSINESS RATES

Large infrastructure projects will always require central state intervention, such as for projects like HS2. However, decision-making on local infrastructure projects should be in the hands of, and funded by, local governments. Indeed, 55% of manufacturers say that responsibility for infrastructure decision-making should be in the hands of local authorities and councils, and a similar 54% said it should be the same but in partnership with businesses too¹⁰.

There are great examples of where local decision-making powers have worked well. For example, Transport for Manchester's Bee Network programme is working to implement expanded bus services, including night buses that work more collaboratively with existing tram and road networks. The city's mayor has played a key role in developing transport connectivity over many years, and it has been hugely successful thanks to the local knowledge of what residents need to thrive.



want decision-making to be with local authorities and councils

The expansion of devolution deals with more metro mayors to increase regional development could see better infrastructure decisions taken over the next decade. There are already proposals in the pipeline, such as the West Yorkshire Combined Authority (WYCA)'s plans to build mass transit schemes (trams that integrate with existing bus and rail networks) in the region. Such projects will take time to plan, build and become profitable, potentially decades in the making. So funding these projects is no easy feat.

One such possibility of releasing more funding for infrastructure projects could be delivered through more favourable business rates retention schemes. At the time of writing, the new Government has made its intention to abolish the current business rates system, though any new system will take many years to implement. Regardless, the current system only allows 50% of funds to be retained by local authorities, with some local authorities benefiting from greater retention as part of a pilot program initiated by the previous Government. However, that pilot program came with the caveat that the increased business rate retention would come at the cost of reduced funding through other streams (resulting in a neutral impact on the Treasury's pockets).

A new system should be more equitable to the locations that pay into the system. Manufacturers often highlight that, unlike council tax, it is unclear what benefit business rates bring to their business. Businesses don't benefit from local services like rubbish collections and see the tax as purely a disincentive to invest. It would be more equitable to allow local authorities to hold 100% of business rate receipts, which grows over time, and could support the funding of local infrastructure projects.

¹⁰Make UK/RSM, Manufacturing Growth: Infrastructure (2023)

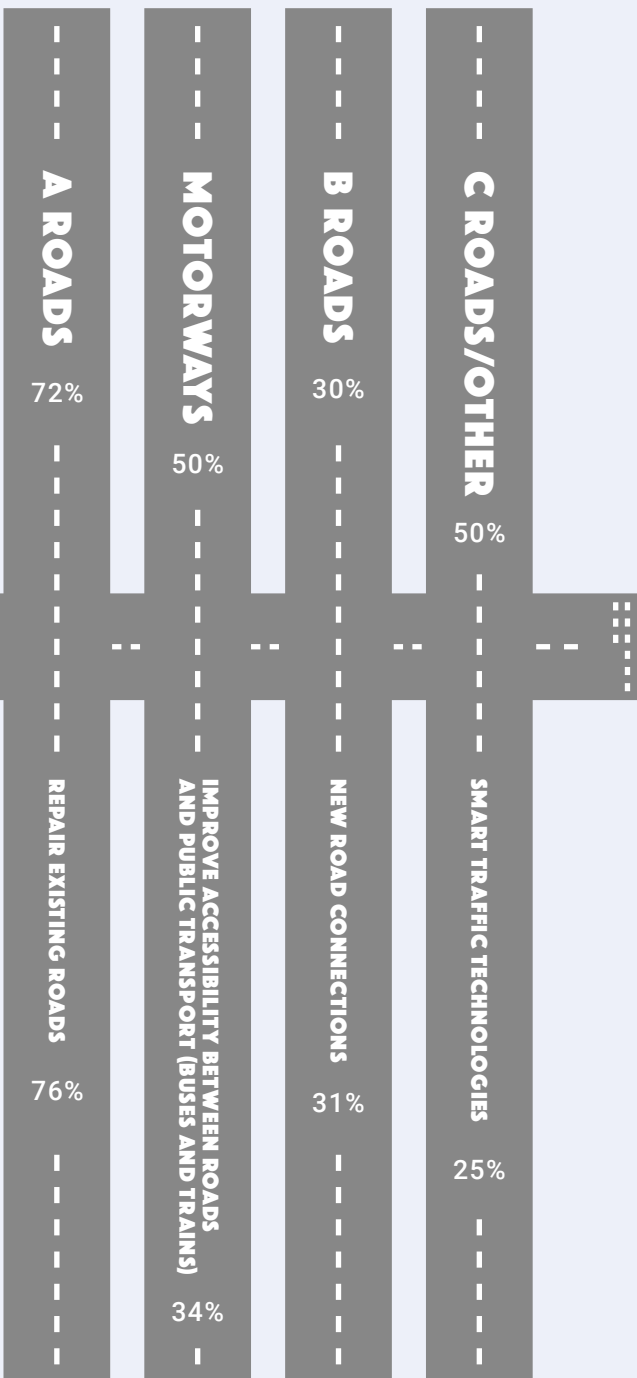
MANUFACTURERS' PRIORITIES: MAKING HARD CHOICES

With limited funds and skills available to deliver improvements in transport and digital infrastructure, it is important the new Government effectively prioritises future investments.

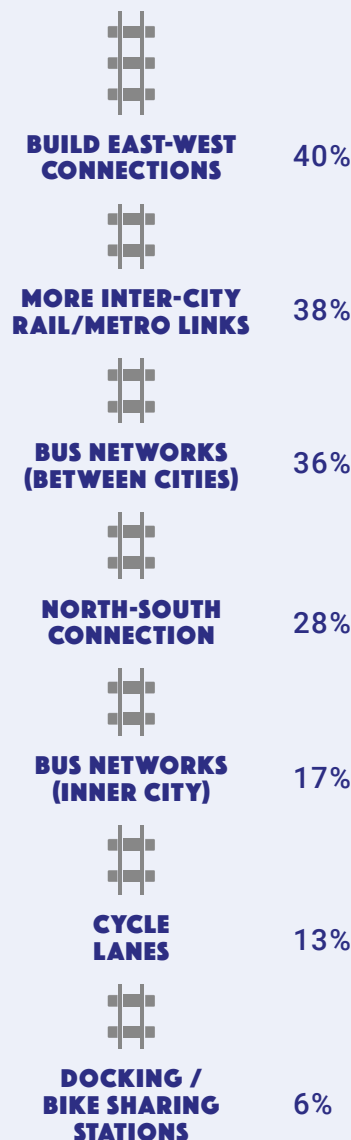
Manufacturers' priorities for road and rail investment

% share of responses for each option

ROAD PRIORITIES



PUBLIC TRANSPORT PRIORITIES



Source: Make UK Infrastructure survey (2024)

ROAD PRIORITIES

Manufacturers primarily make use of high-speed motorways and A roads to move goods and access suppliers and customers. Across 4,500+ miles of the strategic road network (A roads/motorways), heavy goods vehicles completed 10.3 billion miles in 2023, making up 11% of all traffic¹¹.

This is in comparison to rail freight which saw 437 million miles of journeys made, though it is less clear how much of this is directly related to manufactured goods.¹² So it is not surprising that most businesses want to see infrastructure investment take place in these types of roads.

Furthermore, when asked exactly what kind of investment should take place, there is a clear emphasis on repairing existing roads (e.g. surfaces and potholes). This is followed by a need for greater investment in connecting roads better with public transport, such as train and bus stations.

Though fixing road surfaces would not be without cost, the RAC estimates that the current backlog of pothole repairs could cost as much as £14 billion.

Some businesses are also interested in new road connections and increasing use of smart technologies. This could be one way of better integrating roads with rail stations so that road and rail freight can work more seamlessly together.

Manufacturers were also asked if bespoke lanes for HGV/LGVs or increasing speed limits for goods transportation would help. However, few manufacturers showed substantial interest in these (22% and 13% respectively).

¹¹Department for Transport, Road Traffic Estimates (2023)

¹²Office of Rail and Road, Freight rail usage and performance (2024)



PUBLIC TRANSPORT

Rather than just focus on rail, we gave manufacturers the option to choose other types of public transport too. However, the largest proportion of manufacturers (40%) prefer to see greater investment in east to west connections. There are already ongoing projects to improve east-west connections, such as Network Rail's East West Rail to connect Oxford and Cambridge and improve access to the East of England. The Elizabeth line is also one such example connecting Reading in the west to Shenfield in the east.

However, for manufacturers these connections likely need to go further (i.e. faster and wider reaching) to enable better connectivity between the far east and far west locations within the UK. For example, taking two important locations for manufacturers such as Dover and Port Talbot (over 250miles), it takes around 3-4 hours of rail transit time to get from one to the other, almost half a business day. This is in comparison to the Eurostar from London St Pancras station to Paris Gare du Nord (approx. 280miles) less than 2.5 hours.

The Channel tunnels are a UK-EU success story that highlights the benefits of high-speed travel between places and should be replicated more widely within the UK too.

Outside of east-west connections, manufacturers also highlighted interest in bus network connectivity between cities and towns. This is likely to improve access to labour as not everyone is able to afford the cost of owning a car. This is a growing challenge for younger people who face high costs when learning to drive, and furthermore when insuring a vehicle, coupled with a shortage of instructors and limited testing capacity within the DVLA. Manufacturers already experience severe labour shortages and an aging workforce that can only be solved by the adoption of new technologies and attracting a new generation of engineers into the sector. However, without adequate bus networks to reach places outside of towns and cities it will become ever more difficult to attract young people into the industry.

¹¹Department for Transport, Road Traffic Estimates (2023)

¹²Office of Rail and Road, Freight rail usage and performance (2024)



TACKLING PLANNING REFORMS

The planning system in the UK is a significant deterrent to building housing and infrastructure. The current Government has made its intentions to tackle existing issues within the planning system known, though it is mostly to accelerate housebuilding. Equally, we should target outdated laws that prevent the building of key infrastructure. The Nationally Significant Infrastructure Project (NSIP) planning regime was set up in 2008 through the Planning Act to ensure infrastructure projects of national importance would be protected. However, according to the National Infrastructure Commission (NIC), consenting times have increased by 65%, going from 2.6 to 4.2 years. And the rate of judicial reviews had increased to 58% (up from an average of 10%). These changes clearly need to be reversed¹³.

Reforms to planning should target the following areas to instigate change:

- **Speed up the decision-making process:** In 2020, the National Infrastructure Commission established their ambitions to speed up the consenting process for large scale infrastructure projects. There has been some progress in this area since then, with the Planning Inspectorate introducing tier systems into application processes.
- **Push back on NIMBYism:** Large scale infrastructure projects can bring significant benefits to communities, but they can also be disruptive and costly to residents and local wildlife. The planning process for infrastructure projects should involve residents' views in the decision-making process. This may include marketing campaigns to educate those that are against a project on the benefits of the investment.
- **National goals (net zero and levelling up):** Infrastructure projects should adhere to strict criteria that ensure investments will result in additional socio-economic value to new places and promote green growth. This should also include clauses that prioritise local procurement policies to ensure funds are spent on UK supply-chains to generate employment.
- **Devolve powers:** Give local authorities and/or mayors more powers to bypass traditional decision-making processes for local infrastructure investment. As long as they are able to fund these projects themselves.

¹³Delivering net zero, climate resilience and growth - NIC



CONCLUSION

Infrastructure is important. So are skills, finance, trade and accelerating the transition to net zero and digitalisation. For all these dots to connect they need to be embodied within a long-term industrial strategy and no individual challenge can be singled out as the true starting point for this Government. The findings of this research, which focus primarily on uses of road and rail infrastructure for manufacturers, with a hint of digital, shows that manufacturers rely on infrastructure to make their businesses function. Road is currently the most relied upon by the industry, but rail has an important place in improving the movement of goods and skills, so both needs adequate attention for future investment. Digital will need to be integrated to a high standard in all parts of the nation as smart technologies embed themselves further into our way of life.

There's no definitive answer on how to proceed with infrastructure. The hope of this research's findings is to highlight how perceptions of infrastructure quality and performance have deteriorated over the last decade, negatively impacting our capacity for growth and prosperity as other competing nations progress. The UK can still be one of the most attractive places to live, work and invest in and it is imperative for this Government to spell out its bold ambitions for the future. The current Government has already started on this with plans for rail and energy, but it can go further. Infrastructure is one place to start, which will enable the stars to align by creating good quality jobs, powering sustainable energy and connecting us to a digital future. It is the key to progressing all five of the Government's missions. Starting now, we encourage the Government to be bold and brave with their choices, to trust in the process and believe that the dots will connect to accelerate growth.

POLICY RECOMMENDATIONS

- Commit to long-term infrastructure projects to ensure the UK is an attractive place for FDI.
- Speed up planning processes by giving increased powers to local authorities/mayors to build local infrastructure faster, such as tram networks, and road repairs.
- Progress the Fair Funding Review's proposals to increase retention from business rate (or any newly established property tax) receipts so local authorities can flexibly plan long-term investments in infrastructure.
- Repair existing road networks to ensure manufacturers can access logistics and skills, with a focus on A roads and Motorways in the UK.
- Invest in local bus networks that connect to out-of-town areas more frequently to enable younger people to reach manufacturing businesses.
- Long-term rail projects should create more east-west connections to generate a more equitable share of opportunities.
- Rail freight stations and depots should be better integrated with road networks to ensure this mode of transport is an attractive choice for manufacturers.



Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the Fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

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