

# PLAN FOR GROWTH

## PLAN REPLACES THE 2017 INDUSTRIAL STRATEGY

### Key points

- Government's Plan for Growth published 3 March replaces the Industrial Strategy and is led primarily by Treasury and No. 10 as opposed to the Department for Business, Energy & Industrial Strategy (BEIS).
- There remains some uncertainty around the future of Sector Deals, the future approach for sectors and the Grand Challenge missions.
- There is an opportunity for further government engagement in relation to the Economic Vision 2030 work that is currently being undertaken by the CBI.

### What does this mean for the Industrial Strategy?

The publication of the Plan for Growth means that the Industrial Strategy is no more. The justification given by government for scrapping the Industrial Strategy is that much has changed since 2017 including Brexit and COVID-19, and there is now a need for a new framework to 'build back better'.

The Industrial Strategy Council is being disbanded from April 2021, after the publication of their annual report. It is not anticipated that a similar independent body will be set up to oversee the Plan for Growth, as the Plan is made up of many deliverables and themes rather than one overarching policy piece and therefore individual strategies will be monitored rather than the Plan as a whole.

The role of BEIS is also unclear going forward as several new committees and taskforces have been set up, although they are expected to have a part to play. The new groups set up are:

- *National Economy and Recovery Taskforce* chaired by the Prime Minister (catalysing growth, levelling up across the UK and driving public service performance and delivery)
- *National Economy and Recovery Taskforce (Public Services) committee* chaired by Michael Gove, Chancellor of the Duchy of Lancaster (public sector recovery and reform)
- *Better Regulation Committee* chaired by Rishi Sunak, Chancellor of the Exchequer (regulatory reform)

The departure from the Industrial Strategy has meant Local Industrial Strategies in England will no longer be formally agreed or recognised by central government. Further clarity is expected from the Devolution and Local Recovery White Paper which according to the Plan will be published within the next 12 months.

### What has been announced

The Plan for Growth has three pillars of investment and growth. It states that delivering improved **Infrastructure, Skills and Innovation** will be a joint endeavour between local authorities, combined authorities, the devolved administrations and the UK Government. The Plan revolves around the idea that not all growth is created equal and suggests the growth driven by the plan and pillars will help with:

- **Levelling up** the whole of the UK
- Supporting the transition to **Net Zero**
- Supporting the vision for **Global Britain**

Many of the mechanisms to drive this growth have already been announced by government, including in Budget 2020 and Spending Review 2020, National Infrastructure Strategy, Ten Point

Plan for a Green Industrial Revolution. Further announcements on the horizon include, but are not limited to:

- Innovation Strategy
- white paper setting out the future of the railways
- policy paper on the system of economic regulation
- review of R&D tax reliefs, with a consultation published alongside the Budget
- Treasury Net Zero Review, which will further consider where the UK might have comparative advantages and how the UK can maximise the economic benefits from the transition
- shifting incentives to favour low carbon technologies and tackling barriers to action, establish the UK as a global leader across the low-carbon economy.

Many sectors are mentioned in the Plan for Growth, but within Innovation some are specifically highlighted as sectors and technologies that will help to shape the UK's future.

- **Life Sciences** building on the performance and leadership to create the most advanced genomic healthcare system in the world
- **Digital and Creative Industries** nurturing a safe, fair and open digital economy, growing more creative businesses around the country and building on advantages in foundational technologies like AI, quantum computing and digital twins
- **Clean Energy** leading the green industrial revolution, targeting investment in technologies like carbon capture usage and storage, hydrogen and offshore wind
- **Fintech** considering the recommendations from the Kalifa Review of UK Fintech on amendments to UK listing rules, improvement to tech visas, and a regulatory fintech 'scalebox'
- **Ministry of Defence** setting out further actions to foster vibrant and innovative UK businesses in the forthcoming Defence and Security Industrial Strategy

In Opportunities for growth from EU exit [annex] the strongest sectors are identified as **financial services and fintech, automotive, digital, green energy and the creative industries, life sciences.**

There are no mentions of Sector Deals or Grand Challenge missions within the Plan for Growth but existing Sector Deals are expected to continue and missions are expected to be reconsidered through the development of the Innovation Strategy. The CBI is expecting further information on Sector Visions including their role in levelling up over the coming months.

## **CBI's Economic Vision 2030**

Working with McKinsey, the CBI is building a strong foundation of research that will identify exciting and material opportunities where UK business can compete and win in the next decade. Our vision will be distinctly fresh – not another chapter in the same book – and one that energises businesses, and that government can get behind. We are exploring potential business opportunities across six themes:

- Thriving on a new path in post-Brexit trade
- Enabling the prosperity of all UK regions and nations
- Maximising the skills potential of a diverse UK talent pool
- Leading a technology revolution for both early innovators and those in the early stages of transformation
- Decarbonising the UK: decarbonising the globe (Net Zero)

- Achieving better health post-COVID than pre-COVID (Employee welfare and growing the pharmaceutical sector)

Business and government need to unite behind a shared vision to build a modern, dynamic and competitive economy. The twin shocks of COVID-19 and Brexit coupled with structural changes driven by the transition to net zero and technology offer an opportunity to shake off persistent challenges around productivity, regional and social inequality. These unprecedented times call for an unprecedented response and there is an opportunity for the UK to do something different and better than it's ever done before, to set out a vision for how we compete in the world.

### **Further engagement**

The CBI will continue to work with government to ensure that business voices remain closely involved in the execution of the Plan for Growth and we are keen to hear members views in light of this announcement.

Individual policy teams are actively working on the strands within the Plan for Growth, so please do get in touch with them if you have any questions on the individual strands. For more information on what has been announced in the Plan for Growth please get in touch with [Helena Coe](#).