

# UK Industrial Strategy

Role of Science Parks

20 November 2025



# Industrial Strategy Ambitions

Driving Business Investment in the UK



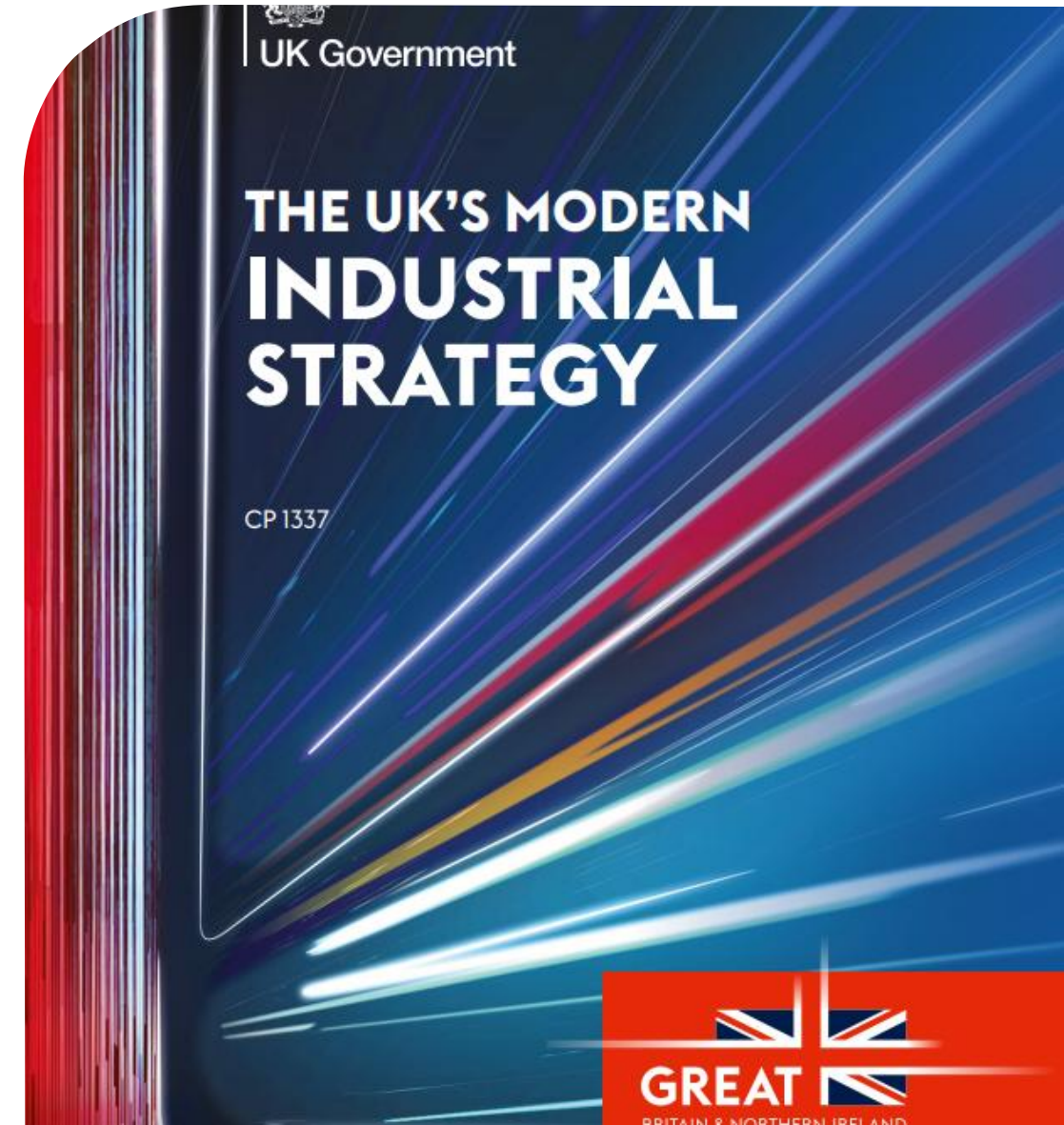
Increase national productivity



Strengthen economic security and resilience



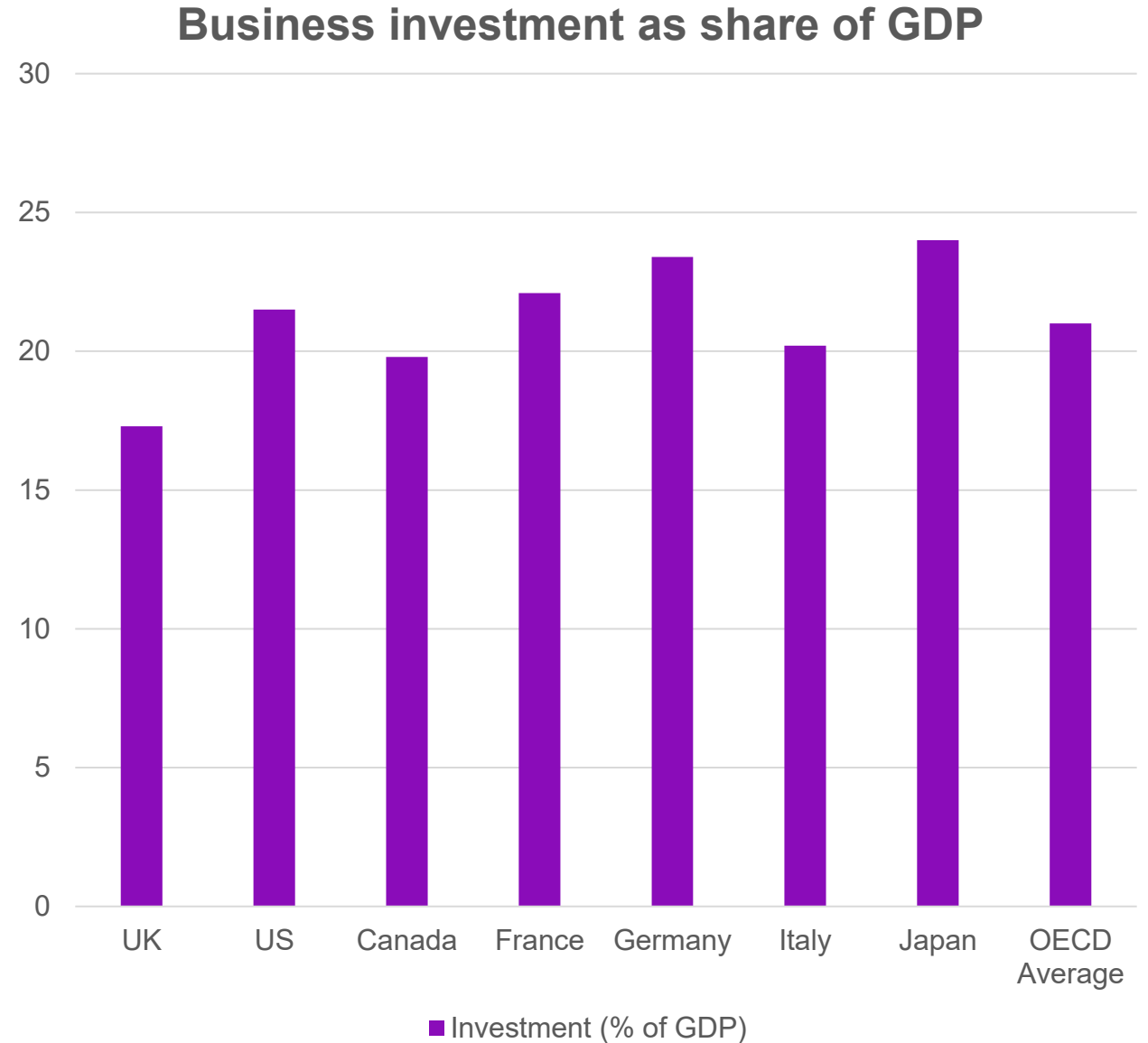
Support environmental goals and the net zero transition



# UK Investment

## OECD comparisons

- The UK has had the **lowest business investment rate in the G7 for 24 of the last 30 years.**
- In 2022 (latest comparable OECD data), the UK ranked **28th out of 31 OECD countries** for business investment as a percentage of GDP.
- Countries like **Slovenia, Latvia, and Hungary** outperform the UK in attracting private sector investment.
- Only **Greece, Luxembourg, and Poland** have lower business investment levels than the UK
- **But why does this matter?**



Source: OECD, 2022

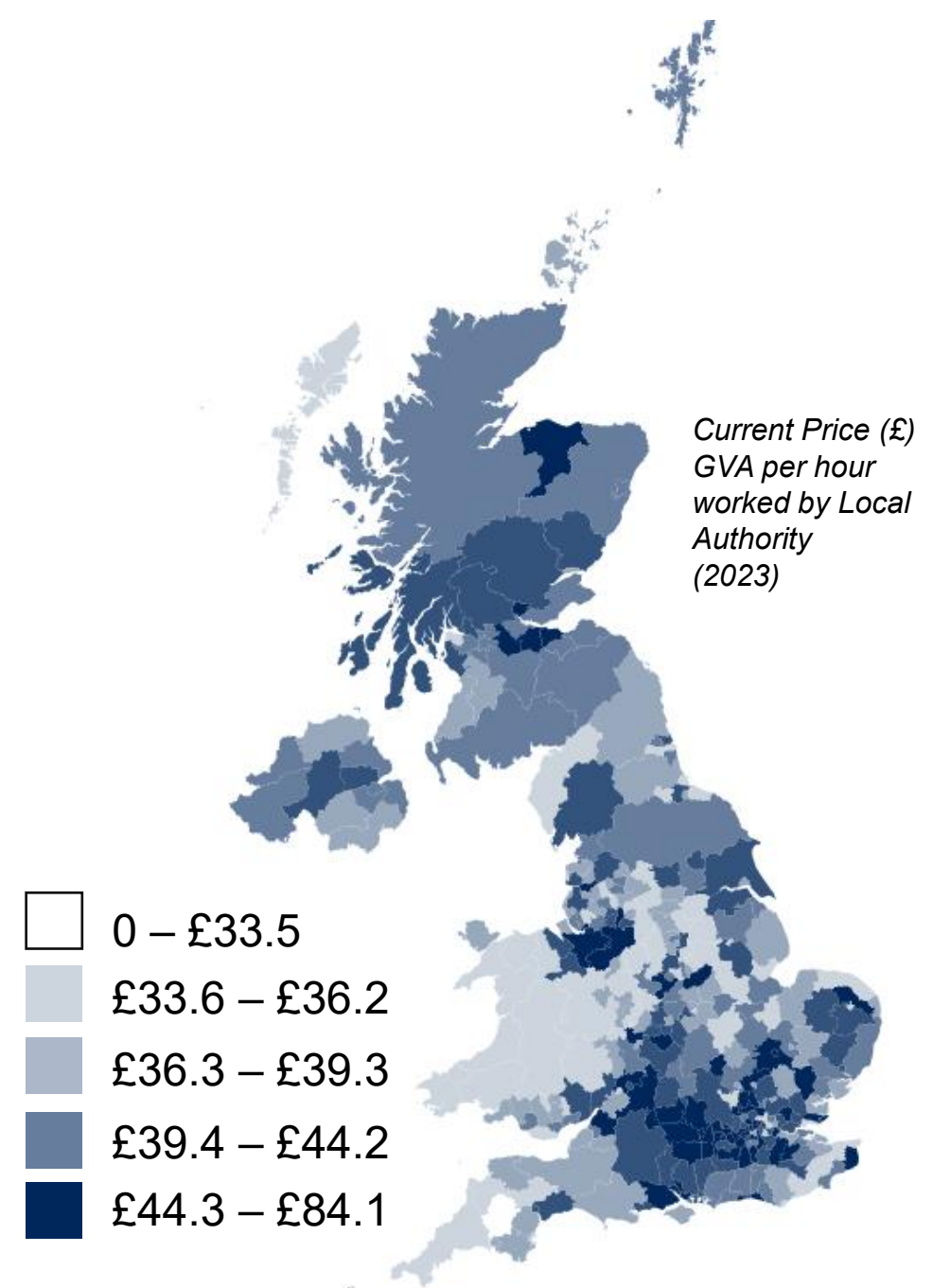
# Productivity landscape

## Strong correlation between low business investment and low productivity

- **Capital Deepening:** Productivity growth often depends on increasing capital per worker (machinery, technology, infrastructure). Low investment slows this process.
- **Innovation and R&D:** Business investment drives innovation, which is a key source of productivity gains. Underinvestment limits technological progress.

But **Correlation ≠ Causation** other factors also influence including skills, infrastructure, regulation, international trade, and management practices

**Acknowledgement within the Industrial Strategy and focus on cross-economy enablers**



Source: ONS 2023 – CBI Economics analysis

# Policy: challenges and opportunities

- Planning & Infrastructure Bill
- 10-year Infrastructure Strategy
- English Devolution white paper
- English Devolution and Communities Bill
- Post-16 Skills strategy
- Trade Strategy
- Clean Power 2030
- Small Business Plan
- Employment Rights Bill
- Regulation Action Plan
- Procurement Reform



# Planning Reform & Infrastructure

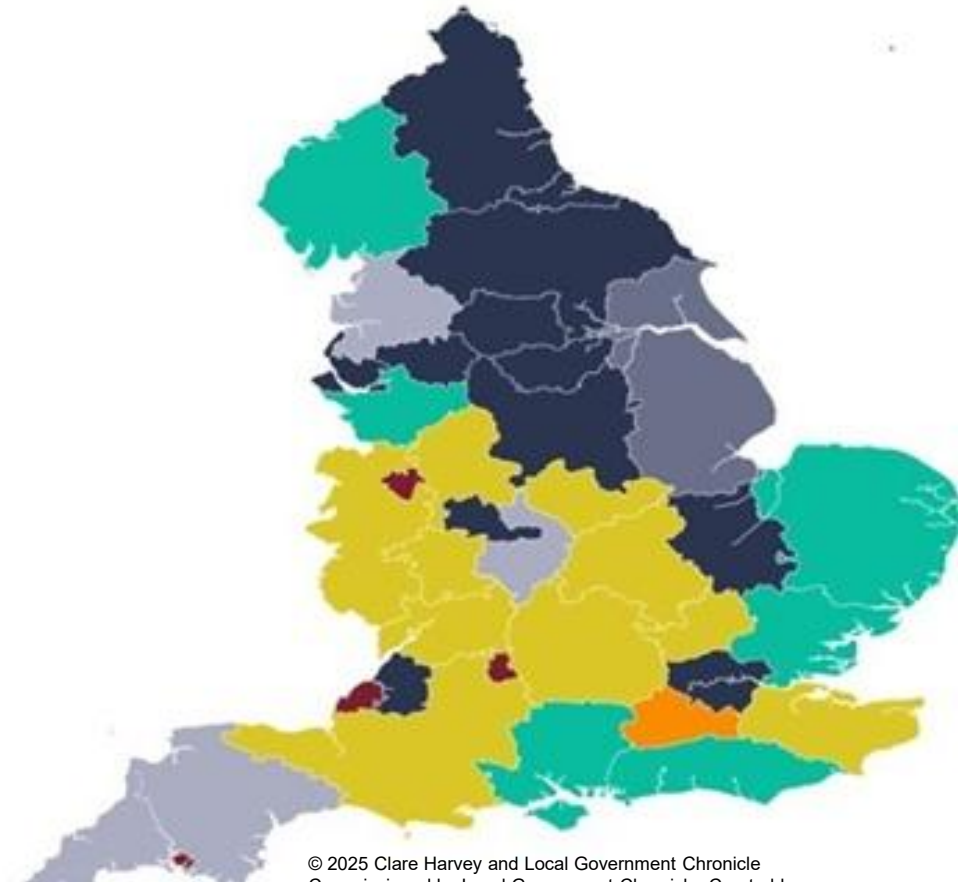
- Government target 1.5m new homes and 150 major infrastructure projects in this parliament
- Progress being made – changes to NPPF, Planning and Infrastructure Bill, 10-year strategy, Housing fund
- Data centres – now considered critical national infrastructure
- **BUT**
- Delays in the planning system, infrastructure delivery and grid connectivity all holding back growth
- More planners needed – 25% of planners left the public sector between 2013 and 2020 (RTPI)
- Average waiting time to get connected to electricity grid is around five years with 1,100 renewable energy projects stuck in the queue (as of October 2024)



# Devolution

- Local Growth Plans meet Industrial Strategy
- Focus on IS8
- Integrated settlements coming for established Mayoral Strategic Authorities
- Decisions made closer to point impact
- Transport and local infrastructure
- Skills and employment support
- Housing and strategic planning
- Economic development and regeneration

■ Strategic authority ■ Priority programme ■ Foundational devolution  
■ First mayoral elections May 2025 ■ Discussions ongoing ■ Devo island  
■ Reorganisation fast track



# Regulation

- Industrial Strategy acknowledges need for regulatory reform to accelerate new and innovative technologies, and services
- Plans outlined to reduce regulatory administration costs for businesses by 25% over this parliament, to streamline the number of regulators, and to establish a baseline for administrative costs.
- Regulator-specific reforms designed to leverage regulation as a driver of economic growth also established.
- Government paper published October 2025 suggested cost business in complying with regulation estimated to be £22.4 billion
- Aim to reduce this cost by £5.6 billion, to be achieved over the course of this Parliament.



# Role of Science Parks

## Connecting with industry

- Accelerating Innovation and Commercialisation
- Supporting High-Growth Sectors
- Enhancing Regional Development
- Fostering Collaboration and Talent Development
- Driving Strategic Research Clusters



# Fostering Innovation and R&D

Science parks provide the infrastructure and environment that enable businesses to innovate. With state-of-the-art facilities, a business home for start-ups, SMEs, and larger corporations focused on cutting-edge research in many of the IS8 industries.

- **Collaboration with Universities:** Many science parks are located near universities or research institutions, which creates an ecosystem where academia, business, and government can work together facilitating knowledge transfer and technology from academia to commercial ventures.
- **Access to Expertise and Resources:** including access to specialist knowledge, skilled personnel, and resources such as laboratories, high-tech equipment, and business support services.



# Encouraging Business Growth and Commercialization

Science parks act as incubators for new businesses, providing support and guidance for start-ups to grow and scale. These parks often offer financial assistance, networking opportunities, and business development services that help early-stage companies bring their innovations to market.

- **Spin-outs and Start-ups:** University spin outs built on research capabilities, providing a platform for these start-ups to thrive, turning academic research into commercially viable products or services.
- **Business Support Services:** Companies in science parks typically benefit from advisory services, access to venture capital, and links to larger companies or investors. This support can help mitigate the risks faced by early-stage enterprises.



# Attracting Investment

Science parks are vital in attracting both domestic and foreign investment. By concentrating innovation and research activities in a particular location, science parks signal to investors that they are places of opportunity and growth.

- **Linking with Global Markets:** As the UK looks to position itself as a leader in technology and innovation, science parks provide a platform for international companies to collaborate with UK businesses and universities. Many science parks also attract overseas talent and investment, contributing to the UK's standing as a hub for global innovation.



# Regional Economic Growth

Science parks are instrumental in driving economic development, contributing to the government's goal for growth in regions across the UK.

- **Place-based Innovation:** Many science parks are located in areas with a strong historical or geographical focus on specific industries. This focus can help regional economies develop specialized expertise and attract relevant investments.
- **Economic Clustering:** Some great examples of science parks at the heart of thriving regions, driving jobs and economic growth – AMRC has significantly raised productivity in South Yorkshire



## Conclusion: Engines for growth

- Government commitment to economic growth in all nations and regions
- Industrial strategy is the North Star that will drive government policy
- Strong focus on IS8 but need to recognise the role of foundational sectors
- Science parks play a vital role in supporting these sectors
- Triple helix – universities – government - industry



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