

## **Industry Forum December Newsletter**

### **Turnarounds take time but are worthwhile**

We live in amazing times. The UK electorate voted in July for a serious-minded government, committed to better public services, and an economy focused on growth and a sustainable energy transition, but according to the media they are already suffering buyers' remorse. The US electorate, having tried such an approach for four years, have just elected Donald Trump. We don't yet know, if they will suffer similar regrets. A common feature of both countries is that trust in politicians is low.

The UK government is following a classical business turnaround approach, which will incur pain before economic gain. Inevitably, this is bearing down hard on consumers and consumer-facing businesses, but, short of magic, what was the alternative? Trust has to be earned, and this does not happen overnight. The focus on home-building must be right, given the serious effects of housing costs on young families. The scale of the building programme will expose supply chain problems in skills for which the only solution will be training local staff or importing foreign labour.

The government has a strong mandate, but also faces a comprehensive set of challenges at home and abroad. To help make the UK economy more productive, three actions appear worth trying: First, strengthening Civil Service skills in the areas of procurement and value for money. Second, adopting policies that encourage intelligent risk capital formation as opposed to the extractive model that pervades UK privatised services. Thirdly, addressing some glaring public sector problems such as the poor records and communications systems which bedevil the NHS, and don't necessarily need high-tech solutions. Similarly, the abysmal state of railway ticketing and passenger information could be addressed quite quickly and would save consumers and businesses costs and frustration.

Early in the New Year, we are planning a House of Commons business reception, to continue meeting ministers and new backbenchers. Baroness Jacqui Smith has agreed to lead a roundtable, on the vital topic of 'Fixing the Skills Crisis.' and Bill Esterson is going to speak about the Energy Transition. We are organising a series of member-sponsored House of Commons dinners on key issues, including AI opportunities, cybersecurity, and intellectual property. We are also inviting Keir Starmer's five backbench mission ambassadors to speak about plans and progress for the five ambitious, cross-departmental

missions, upon which so much depends. These meetings will give members the opportunity to meet some new, up-and-coming MPs, who have strong sector skills and expertise.

We wish all our members and friends Happy Holidays and look forward, enthusiastically, to working with you in a busy and productive 2025.

## ***Energy transition - the obstacles and opportunities for the UK***



***Date TBC***

***Speaker:***

***Bill Esterson MP, Chair of Energy Security and Net Zero Committee***

The connection between the use of fossil fuels and climate change is now beyond scientific dispute although there are still powerful politicians and vested interests resisting the transition. The UK government is committed to the attainment of net zero emissions by 2050 and crucially doing this as rapidly as possible. Bill Esterson, MP, Chair of the Energy Security and Net Zero Select Committee will lead a discussion on the obstacles and opportunities arising from this transition.

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## ***Fixing the skills crisis***



***Date TBC***

***Speaker:***

***The Rt Hon Baroness (Jacqui) Smith of Malvern, Minister for Skills***

The skills crisis is absolutely at the top of the agenda for Industry Forum members. Changes in immigration policies and inadequate education and skills training programmes are causing shortages in sectors including agriculture, healthcare, plumbing, programming and the leisure industries. This is currently hampering businesses and will be a restraint on growth. The Rt Hon Baroness (Jacqui) Smith of Malvern, Minister for Skills, will outline how the Labour government plans to tackle this issue and lead a discussion.

Our other meeting plans for 2025 include:

- An industrial strategy for growth
- Decarbonising homes - making it happen
- Could reform of consumer credit regulation support higher growth?’
- Policy priorities for the Middle East, Afghanistan and Pakistan
- Working with the new US administration
- Improving our digital infrastructure would be a win/win for businesses and the economy
- Policy priorities for safe and sustainable, high-quality buildings.
- An integrated plan for the UK road and rail networks
- Achieving a new positive relationship with Europe
- Future UK environment and climate policy, and business engagement
- Delivering real world benefits from science, innovation and technology
- Funding radical change.

These are all major topics which we hope to cover in some depth at meetings and policy workshops.

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## **Big Change Research Programme**

Work is proceeding on the following topics:

**Why we need a more united Europe**

**How do we get UK climate plans back on track?**

**The reality of what AI means**

**Combatting the growing threat of the lone terrorist**

This programme will lead to short papers and roundtables over the next few months.

If you are interested to participate in these projects, in any way, please contact [jwyer@industry-forum.org](mailto:jwyer@industry-forum.org)

Our most recent Industry Forum meeting focused on:

## ***Budget 2024 - the turning point?***



**31 October 2024**

### ***Speakers:***

***Will Hutton - Political economist, author and journalist***

***Vicky Pryce - Chief Economic Adviser, CEBR***

***Andrew Smith - Chief Economist, Industry Forum***

The Industry Forum assembled a stellar panel of economists to decide whether Rachel Reeves's 'Budget 2024' is the turning point for the UK economy which it so badly needs. The meeting was hosted by the Chartered Insurance Institute and Matt Connell, Director of Policy and Public Affairs at CII, welcomed guests to the famous 'Walkie Talkie' building in the City. Vicky Pryce - Chief Economic Advisor, CEBR, Will Hutton - Political economist, author and journalist and Andrew Smith - Chief Economist, Industry Forum looked behind the headlines to see how the budget starts to address the deep-seated economic problems of the UK and teased out some optimism that a systematic and focussed approach will bring a growth bonus that the OBR and International Monetary Fund couldn't predict from bare economic forecasts. There were a number of key takeaways: The spending, borrowing and taxing plans are high and involve some risk, but given the situation any new administration would have faced the same questions for which a laissez-faire approach has no credible answers. Starting to address the problems in public services, infrastructure and housing will have economic benefits from the investment expenditure and improved industrial cooperation which cannot be quantified at this stage. Overall, the conclusion of the meeting was that Budget 2024 can be called a turning point although many questions remain. These include, 'When will we reform our over-complex tax system?', 'How will we repair relations and trade with our European neighbours?' and 'How can we regain the international stature to help tackle worsening geopolitical problems?' Detailed ideas on remaking Britain are contained in Will Hutton's book, 'This Time No Mistakes,' and the Industry Forum is planning a busy forward programme of dialogue on many of the other issues facing the UK.

### ***New members welcome***

The Industry Forum was established in 1993, and has held over 500 meetings with top policy-makers since then. It is one of the most experienced, and well-networked, business policy think-tanks in the UK. If you're not already a member, and would like

to help shape our agenda, host events, and receive invitations to all meetings, get in touch by email at [info@industry-forum.org](mailto:info@industry-forum.org), or give us a call to find out more on 0207 434 0090.



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