Written evidence submitted by the Design Council (RIG0051)

1. Introduction

A policy forum was hosted by Design Council at Leeds Beckett University on 20 June 2019. Chaired by Rachel Reeves MP, it brought together national, regional and local representatives of major business, local government and voluntary sector organisations. This report highlights some of the key findings to inform the Business, Energy and Industrial Strategy (BEIS) select committee inquiry, Supporting Regional Investment and Growth.

“Greater efforts to narrow regional disparities are key if we are to truly have an economy that works for all” – Rachel Reeves MP, Chair, BEIS select committee

Design Council was established 75 years ago as the Council for Industrial Design to meet the challenges of the post-war domestic economy, founded on the principles of economic success, education and social value. Those principles still form the basis of inclusive growth across and within the regions.

This report represents Design Council’s summary of the event and should not be read as being endorsed by the individuals and organisations who participated.

2. Summary

Imbalances in economic growth across the country, between and within regions have left many areas struggling. As evidenced in our Design Economy 2018 research\(^1\), the productivity, investment, growth and innovation that flow from a more intensive use of design in both business and the public sector can significantly redress the UK’s regional imbalances. Use of design skills can also create the places that people want to live in, work, visit, and establish businesses.

Design is an indispensable element of change. It is a process of innovation, a means to solve problems and improve products, places, and processes using a variety of methods and a range of skills and experiences.

For business, use of these design skills\(^2\) can significantly increase productivity and produce the connectivity and infrastructure that allows the private sector to invest in new places and connect communities and industries between regions, and support social mobility including access to education and training. They need a workforce comfortable with design and manufacturing disciplines driven by new technology.

For central and local government, the challenge is how to design policies and devolve power for decisions to be made much closer to the ground. This will enable better designed spaces and places, from our space at home to where it is safe to go out, places where people want to stay, start a career and support a family.

The discussion focused on a range of policy initiatives that can support the creation of successful towns, cities and regions, and where the use of design and the greater take-up of design skills can support local industrial strategies and inclusive growth.

3. Business

- Investment in the regions is crucial and needs to be incentivised, particularly in the skills that the businesses of the future will need as they face the challenges of the fourth

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industrial revolution and making a workforce which is resilient to automation and other technological advances. Engaging young pupils and getting them interested in technical skills must be a central objective, but lifelong learning and adult training must also see a step change. The engineering sector is one that has a shortfall in the number of skilled employees the UK economy needs.

- Business support must prioritise the creation of good jobs and inclusive growth, which spreads wealth beyond the current economy’s ability to manage. We must drive investment to those parts of the economy which have lower productivity. Workers using design skills are 29% more productive than the average worker so the greater spread of design businesses can help to redress current imbalances.

- Local Industrial Strategies need to reflect local and regional distinctiveness – there is a risk they might all end up looking identical and missing what makes an area unique and capable of attracting investment. They should reflect the local context of economic challenges and the level of business engagement. Regional agencies and local government need to have confidence in the industrial strategies to take risks for investment in the design of the environment, housing and transport to support clusters and grouping for business and industry in that area.

- We need to encourage deliberate design, not just accidental innovation, married to commercial drivers which enable us both to make and sell. More can be done to enable private business to invest in people and skills, where businesses currently can get a bank loan to invest in capital and equipment but not people. Yet design skills are vital for increased productivity, in particular the long tail of SMEs; as well as design in the processes, management practices and the way we work, adding significant improvements to GDP and opportunities for inward investment. Design Council’s 2018 research provided evidence of this.3

- Universities can and do play a major role in regional development, industry and skills; but we need to invest in skills much earlier in life and put young people at the heart of the challenge to embrace innovation and new technology in a rapidly changing world, including a much-needed boost to teaching Design and Technology which has declined by 61% in schools since 2000.4

- Incentives that helps businesses with the costs of relocation should receive consideration from government – these could help to create useful clusters in diverse parts of the country and be a driver for further investment.

4. Places

- The binding quality of industrial strategies needs to be inclusive growth and to recognise place-making within that approach. There are real differences within regions, which are diverse areas in themselves, with a density of skills and business environments in cities. The challenge is now to design an economy to grow those areas that does not replicate areas of the South East where there can be large differences in power and wealth.

- Inclusive growth has an economic element but also reflects the local population. It needs to recognise both local heritage and contemporary living, to be distinctive and not just “insert name here” on an industrial strategy. From co-creation, collaboration and an exit from silo thinking, places can be created that are genuinely local and distinctive.

• For those parts of the country which feel ‘left behind’, people are disillusioned leading to low aspirations: but this contrasts with real pride in where they live. They lack the tools to thrive. By involving the voluntary and community sector (VCS) within a local industrial strategy, we might encourage business to reinvest profits and make a longer-term difference to their community.

• Collaboration is key to creating successful and inclusive places. A genuine commitment to engaging all stakeholders at the outset and the use of a proven design process would help produce the kind of places where people want to live and invest.

• In particular, improving the environment can be a force for local growth. Investment in local public spaces can make a significant difference to the way people feel about their locality. Green infrastructure can be important to improving people’s lives beyond their economic aspirations – more and more people want to ensure a sustainable town or city and jobs can follow.

5. Connectivity

• The jobs we need can follow from greater connectivity within and between regions. Transport is central to this. Increasing reliable and economical public transport links between places helps people to find the job they want, removes pressure on the more successful places from the stress of relocation, and helps people, especially the young, to access their education and training needs.

• Digital connectivity is helping towns to keep jobs local, but some places are in danger of missing out through poor quality connections. As more of our lives and jobs are conducted online, especially public services and the ability to work remotely, and the environmental cost of work travel becomes harder to justify, more rapid investment in the highest quality digital connectivity needs to be prioritised.

• Better connectivity would disproportionately benefit less-well-off towns, cities and regions through increasing access to learning, work and public services. But it must be designed in a way that takes all users into account from the start. Inclusive growth is within our grasp if we take the opportunity to create the infrastructure we need now.

6. Recommendations

i. The acquisition of design skills must be at the heart of the government response to the Fourth Industrial Revolution for people, products, place and processes that support regional growth.

ii. There is a pressing need for the Government framework for devolution to be published.

iii. We need better working between LEPs and greater connectivity within and across the regions, which recognise and encourage the distinctiveness of local industrial strategies.

iv. Incentives for greater business use of design, research and innovation need to be considered, especially for SMEs
7. Attending organisations

The following organisations were represented at the event, which was held under the Chatham House rule:

CBI
TUC
Midlands Connect
Local Government Association
Centre for Cities
West Yorkshire Combined Authority
Lancashire Local Economic Partnership
Engineering UK
Business in the Community
Channel 4
West Yorkshire Local Economic Partnership
Ernst & Young
Joseph Rowntree Foundation
Groundwork UK
Leeds Beckett University
Gagarin Studio Architects
Aspinall Verdi Property Regeneration Consultants

About Design Council

Design Council’s purpose is to make life better by design. We are an independent charity and the government’s adviser on design. Our vision is a world where the role and value of design is recognised as a fundamental creator of value, enabling happier, healthier and safer lives for all. Through the power of design, we make better places, better products, better processes and better performance.

Recent reports and programmes of work include:

Design Economy is ground-breaking research and learning on the scale and impact of design, productivity and investment.
- The design economy generates over £85 billion for the UK economy
- 1.69 million people are employed in design roles
- Design workers are 29% more productive than the average UK employee
- Use of design varies widely, UK regions with more design businesses are more successful

Designing A Future Economy maps the skills associated with design in the UK and measures the economic value of those using these skills generate.

Design in the Public Sector is delivered in partnership with the Local Government Association working with local authorities for design-led planning to grow the capacity to deliver efficient and effective services that improve people’s lives.

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