

# Investment in Places



Project prospectus for places  
looking to improve local  
prosperity

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## What is productivity?

Productivity is a positive notion which allows societies, people and firms to “do things better” by creating proportionally more value relative to the amount of resources being used. This is associated with technological change and innovation, requiring joined up value creating activities. It includes investment in places, people, digital capabilities and organisational knowledge. As a result of productivity growth, places become more prosperous, and people will get better off in terms of living standards and general well-being.

## Project Aim

The Productivity Institute, headquartered at The University of Manchester, launched the **Investment in Places** project in September 2023. The Institute will work with places to better understand how they can improve productivity, along with their economic and social conditions with the aim of becoming more prosperous.

The project aims to work with stakeholders in places across the UK to help develop a broad-

based investment strategy which will allow these places to improve the productive use of their resources. The project team will be working closely with The Productivity Institute’s eight Regional Productivity Forums (RPFs) to identify potential places and partners across the UK and will continue to work with the RPFs for the duration of the project.

## Context

This project aligns with the missions as laid out in the Levelling Up White Paper, launched in February 2022, to give every citizen of the UK the opportunity to flourish, meaning people everywhere benefitting from sustained rises in living standards and well-being and living longer and more fulfilling lives.<sup>1</sup>

Specifically the project aims to operationalise the “six-capitals” concept as developed in the White Paper. This recognised that achieving better outcomes will require an understanding of a number of interdependent factors and identifies six drivers that will address spatial disparities. These are referred to as capitals, as follows:

- **Physical capital** Infrastructure, equipment and housing.
- **Human capital** the skills, health and experience of the workforce.
- **Intangible capital** innovation, ideas and patents.
- **Financial capital** resources supporting the financing of companies.
- **Social capital** the strength of communities, relationships and trust.
- **Institutional capital** local leadership, capacity and capability.

We are also interested in an additional important factor, **natural capital**, the investment in which could support environmental conservation, access to green space, and contribute to net-zero targets by reducing CO<sub>2</sub> emissions.

The capitals closely align to The Productivity Institute’s Productivity Lab drivers of productivity with their regional scorecards. We have aligned our research agenda with the Levelling Up Advisory Council which advises the Department of Levelling Up, Housing and Communities (DLUHC) on how to implement the Levelling Up strategy.



<sup>1</sup> The missions are outlined the Levelling Up the United Kingdom White Paper

## The research activities

A research team from The Productivity Institute would like to work with places across the UK. We will share our research findings with the Department for Levelling Up, Housing and Communities. The research will involve a series of linked case studies, which will consist of four parts:

- 1. Places will own the plan and lead on its development.** The project will be based upon the 'action research' approach which is characterised by working in close partnership with places, iteratively, to develop their investment strategy. We will engage with key stakeholders in the place (local policy makers, business, education and civil society) and complement their institutional capacity.
- 2. A data toolkit will be developed which tracks investment for each place.** The data, which will in part be based on official data available at the subnational level and in part on complementary data collected at the local level, will be integrated into a database maintained by The Productivity Institute's Productivity Lab.
- 3. An evidence-based report will be produced to improve understanding of the ways in which places shape policy options and opportunities.** A key goal of this project is to use the seven capitals approach to help places better understand trade-offs and complementarities of different investment opportunities. Going forward, the report will help the place liaise with the central government as the UK shifts towards more devolved decision making.
- 4. Sharing information across places.** Places can learn from other localities and a conference will bring participants together to share findings.

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A key objective of the research is to assess the capitals that are required as the core components of successful regeneration. The research team will use the seven capitals framework as organising principles for understanding how local policy makers make their investment decisions.

We will identify how the features of the capitals themselves interact with each other in shaping and framing priority-setting decision-making processes at a local level. There will need to be a commitment to:

- private sector investment
- regional social cohesion around a common purpose of shared prosperity
- devolved authority and public investment from central to regional and local government



## How can places take part?

The places that we would like to work with will have a population of approximately 100,000-350,000 (this can be a residential population and/or including a working population).

### Strong partnership collaboration

Places will need to collaborate across key local and regional stakeholders, for example, Local Authorities, business networks (such as Chambers of Commerce), education providers and skills and labour market leads.

Partners from the public, private and the community and voluntary sector should all play a key role in the development of the investment strategy.

### An investment opportunity

Places will need a planned initiative or activity that will support growth in their area. As a measure of success, we will be looking for one substantial demonstration of an investment-based plan taking into account the various capitals and with a commitment from stakeholders in the first year following the project. Examples could include:

- **Sectoral clusters** such as science parks, start-up labs
- **Infrastructure development**
- **Repurposing/regeneration** of existing sites
- **Innovative joining up/strengthening of existing assets**, such as lifelong educational pathways, health care provision (significant innovation to service delivery/provision)

### Time Commitment

Stakeholders will not need to make a financial commitment to being involved as a case study, however, there is an expectation that they will attend several events and activities such as scoping meetings, focus groups and provide feedback on written reports.

### Contact

For more information, please contact Marianne Sensier at The University of Manchester by emailing [Marianne.Sensier@manchester.ac.uk](mailto:Marianne.Sensier@manchester.ac.uk)



## What do places gain from participation?

The places that participate will not only inform academics and policy makers about how the capitals are translated into practice, but they will also gain guidance in how they can create an investment strategy specific to their own needs and assets. They will receive access to the data toolkit that will enable them to identify drivers of growth and evaluate progress, guidance on how to operationalise the capitals and a report on creating/enhancing an investment strategy.

They will widen their networks, learning from similar places. We do not intend to ask stakeholders to do something entirely new. In fact we hope the project will tie in with an existing plan(s), aiming to explicitly apply the capital-based investment approach to it.

### Time scales

The 12 places will be added in a stacked manner in two cohorts of six places. Each place case study will take about one year from start to end date with approximate time scale as follows:

Time Scale	Work focus	Outcome
Month 0	Send prospectus and survey link	Place agrees to participate
Month 1	On-line scoping meeting	Agree scope of case study
Months 2	Data & Policy Review	Data report from research team and review of relevant literature
Months 3-4	Place visit. In-person presentation of the background data and seven capitals	Sharing intelligence, feedback from group
Months 5-6	Position paper sharing initial recommendations	Gathering further feedback
Months 6-7	In-person stakeholders meeting	Feedback from stakeholders
Months 7-8	On-line follow-up meetings	Further collection of evidence to feed into final report
Months 9-10	On-line presentation of final report and Productivity Lab's Data Toolkit. Send follow-up survey link	Conclusions presented to key stakeholders with a discussion of the strengths and weaknesses of the capitals
Months 11-12	Networking event for all six Places stakeholders	Discussion of reports drawing out similarities and differences



## About The Productivity Institute

The Productivity Institute is a £32 million investment, made possible by a grant of £26 million from the Economic and Social Research Council (ESRC) and an additional £6 million from our partners. Based on the premise that the long-term underperformance of productivity in the United Kingdom threatens a future of global excellence in economic performance and shared prosperity across the nation, The Productivity Institute's mission is to lay the foundations for an era of sustained and inclusive productivity growth. Our broad-based interdisciplinary research programme focuses on identifying the causes of the stagnation in UK productivity and making proposals for solutions and with strong regional engagement with stakeholders across the whole country.

### THE PRODUCTIVITY INSTITUTE PARTNERS

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## About Regional Productivity Forums

Our Regional Productivity Forums sit at the heart of The Productivity Institute's practitioner engagement strategy, in addition to a select number of strong partnerships at a national level. The forums are involved in the implementation of research insights, the design of practical business and policy interventions, and in providing input to the development of the Institute's future research agenda. Members include stakeholders from policy, community and business leaders from local, national and multinational enterprises. Each Productivity Forum is chaired by a regional business leader and supported by a Forum Lead from each of the partner universities.

