

UNBLOCKING GROWTH:

FIXING PLANNING TO UNLOCK UK
MANUFACTURING INVESTMENT



Executive Summary

Manufacturing investment is rooted in bricks and mortar, and by its very nature depends on planning. However unglamorous planning rules may seem, expanding capacity, upgrading facilities and investing in low carbon technologies all hinge on timely and predictable planning decisions. Yet evidence from the nation's manufacturers suggests the current system is too often a source of friction rather than a driver of growth.

This report finds that planning is not simply a technical constraint, it is fundamentally a growth issue. Almost half of manufacturers say the planning system is slowing their ability to grow or invest, while only a small minority say it actively supports growth. Looking beyond individual business experience, nearly half rate the system as ineffective, pointing to a wider lack of confidence in how the system functions overall and whether it is aligned with economic priorities. Taken together, this suggests that even where planning is not directly constraining firms, it is too rarely operating as an enabler of investment and growth.

Crucially, the biggest impact of planning is not always canceled projects, but rising costs. Manufacturers most commonly report that delays increase costs, eroding

the viability of investment even when projects eventually proceed. Alongside delay, manufacturers highlight deep structural barriers: complexity, high compliance costs and inconsistent decision-making across authorities, creating a system that is hard to navigate, expensive to engage with and unpredictable in its outcomes.

Manufacturers are also clear about what would help. Strong majorities support clearer spatial planning and coordinated regional approaches to land use, alongside stronger strategic or mayoral powers to improve delivery and align land, infrastructure and industrial priorities. However, while planning reform is underway, implementation is phased and manufacturers' experience suggests a persistent gap between policy intent and real world impact.

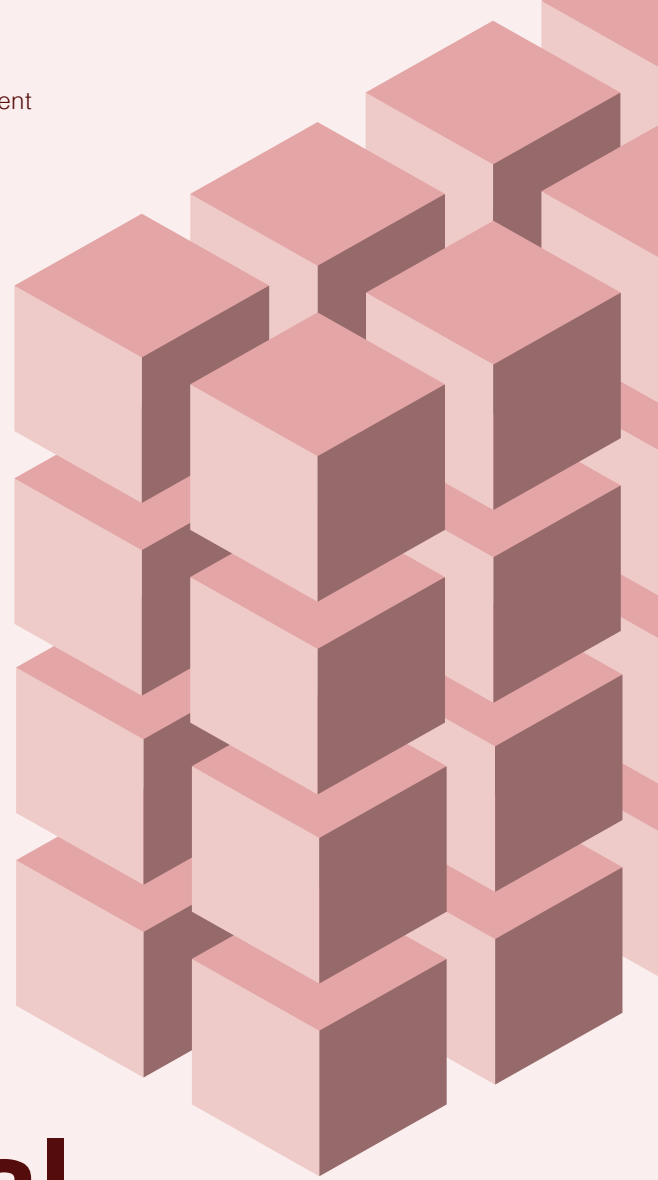


RECOMMENDATIONS

1. **Introduce a 'Manufacturing Growth Test'** for planning reform to assess whether reforms are actually reducing cost, complexity and uncertainty for businesses looking to invest, expand and decarbonise.
2. **Fast track strategic manufacturing investment** for strategic manufacturing projects and regions, particularly those driving productivity, net zero or supply chain resilience.
3. **End postcode planning** through stronger national rules to remove uncertainty and inconsistency from different local authorities.
4. **Cut the cost and complexity of planning applications** to speed up and simplify applications.
5. **Fix environmental processes** so they are predictable and proportionate and move away from a case by case negotiation.

KEY STATS

- **Nearly half (46%) of manufacturers** say the planning system is holding back the UK's economic potential
- **Nearly half (43%) of manufacturers** believe the planning system is slowing their ability to grow or invest in their business
- **Nearly half (48%) report** that the biggest barrier is the complexity of planning regulations
- **65% of manufacturers** say coordinated regional planning would make it easier to expand
- **67% say it is important** that mayoral or strategic planning powers are used to support manufacturing
- **53% reported** that lower compliance and application costs would make it easier for businesses to invest
- **Over half of manufacturers (54%)** say environmental policies that protect species such as newts and bats have effected planning proposals



Planning: a real barrier for business

WHY PLANNING MATTERS FOR MANUFACTURING GROWTH

Manufacturing investment is physical and site specific - and ultimately lives or dies by planning. When planning works, investment follows. When it doesn't, growth stalls. However unglamorous planning can seem, expanding capacity, upgrading sites and investing in low carbon technologies all hinge on timely and predictable planning decisions.

The planning system therefore plays a critical role in enabling, or, as this report highlights, constraining growth. It shapes the pace of capital investment, the ability of manufacturers to respond to demand, and the UK's attractiveness as a destination for manufacturing activity in terms of ease of operation and domestic and foreign investment.

In the context of an industrial strategy focused on productivity, regional growth and the energy transition,

ensuring the planning system supports manufacturing investment is essential. Yet evidence from the nation's manufacturers suggests the current system is too often a source of friction rather than a driver of growth.

Planning is not simply a technical constraint, it is a growth issue. Delays, complexity and uncertainty are slowing investment, raising costs and weakening the UK's competitiveness as a destination for manufacturing. The biggest impact is not always cancelled projects, but rising costs: even when projects go ahead, planning is quietly driving up costs and eroding their viability.

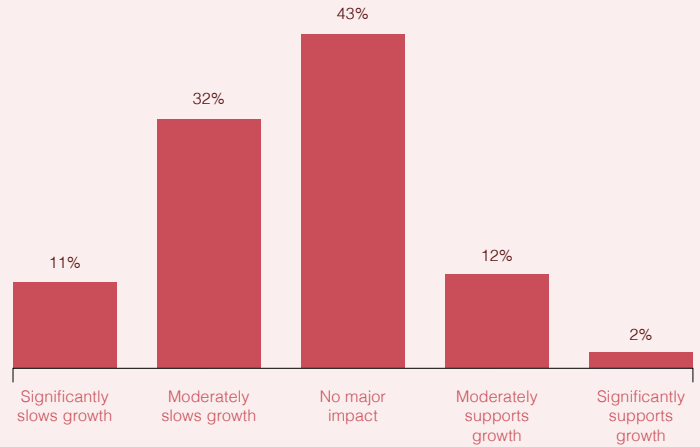
Without a system that works in practice, the ambitions of industrial strategy, on growth, decarbonisation and regional development, cannot be delivered.

IS PLANNING HOLDING BACK DELIVERY OF INDIVIDUAL BUSINESS GROWTH?

The impact of the planning system on manufacturing shows that a substantial share of businesses experience it as a constraint. Almost half (43%) of manufacturers say the planning system slows their ability to grow or invest, highlighting its direct impact on business activity. Proof that planning isn't just influencing investment decisions, it's slowing them down.

Whilst 43% report no major impact, and only 14% say the system actively supports growth. This exposes a clear gap between the reality on the ground and the ambition of industrial strategy and Government's planning reforms to remove barriers and unlock business growth.

Chart 1: Whether the current planning system is affecting manufacturers' ability to grow or invest

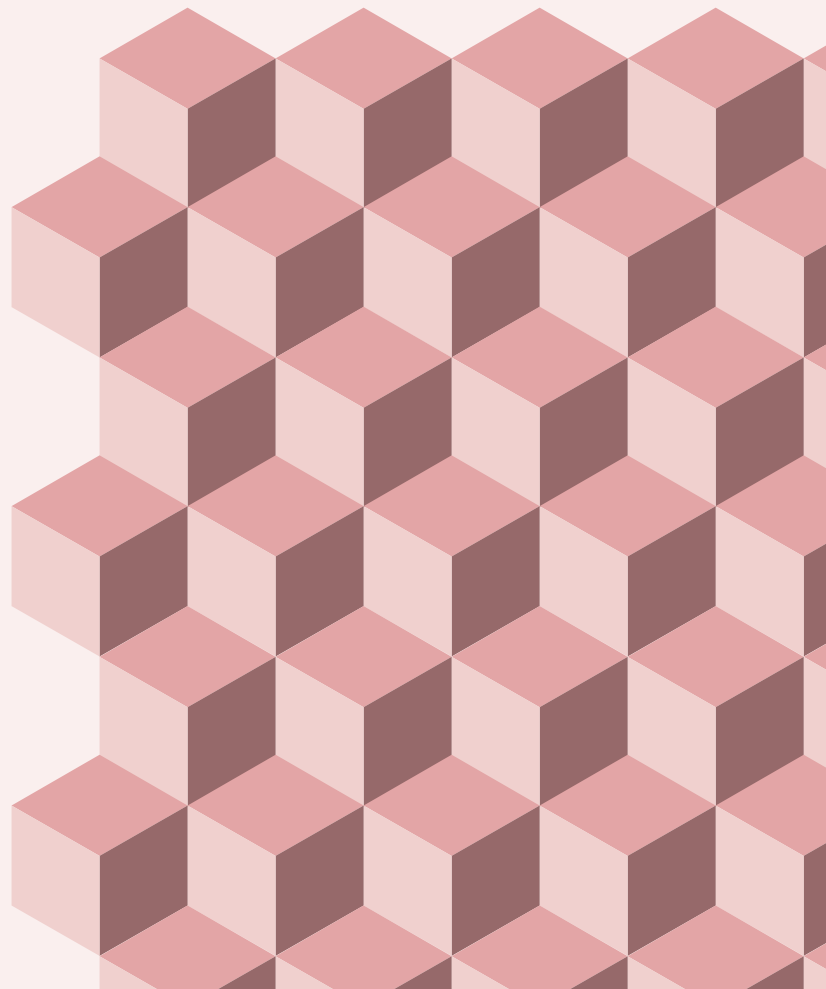


Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

THE PLANNING SYSTEM
ISN'T JUST SLOW.



**IT'S COMPLICATED,
COSTLY AND
UNRELIABLE.**



THE SYSTEM IS HOLDING BACK THE UK'S ECONOMIC POTENTIAL

Looking beyond individual business experience, manufacturers' broader assessment of the system paints an even more challenging picture. Again, almost half (46%) rate the system as ineffective, pointing to a lack of confidence in how the system functions overall.

Taken together, this suggests that even where planning is not directly constraining manufacturers, it is not operating as an enabler of growth. At best, the system is uneven; at worst, it is failing to support industrial growth at scale.

WHAT IS ACTUALLY GOING WRONG?

Key barriers in the planning system

Manufacturers face deep, structural problems in the planning system. These problems are not just delays, but complexity, cost and inconsistency. The biggest barriers are the complexity of regulations (48%), the cost of compliance (44%), and inconsistent decisions across authorities (38%). This is essentially a triple threat for manufacturers, creating a system that is hard to navigate, expensive to engage with and fundamentally unpredictable.

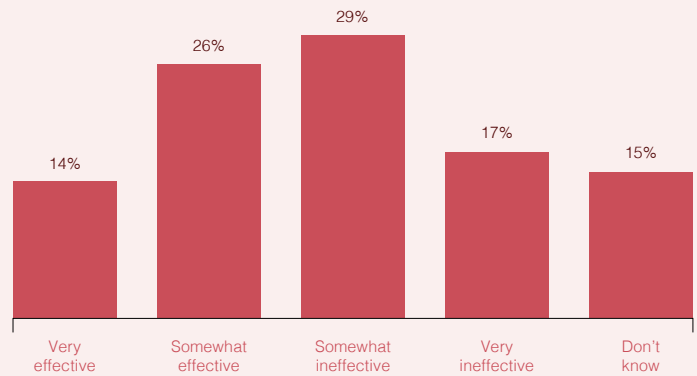
Delays of course matter, but they are not the core problem. Complexity, cost and inconsistency are just as damaging. Currently the system is hard to navigate, expensive to use and unpredictable in its outcomes.

PLANNING ISN'T JUST HOLDING PROJECTS UP, IT'S MAKING THEM

MORE EXPENSIVE AND LESS EFFICIENT.

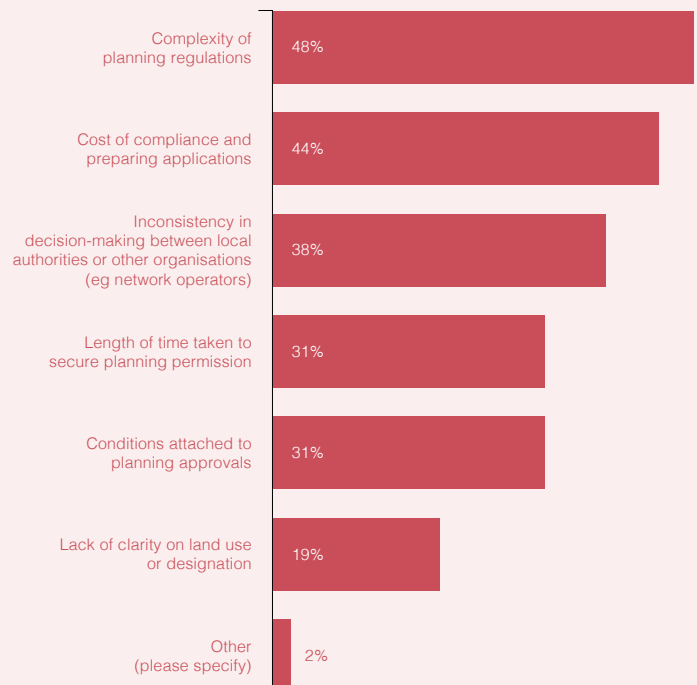


Chart 2: Extent to which manufacturers believe the planning system effectively supports manufacturing-led economic growth



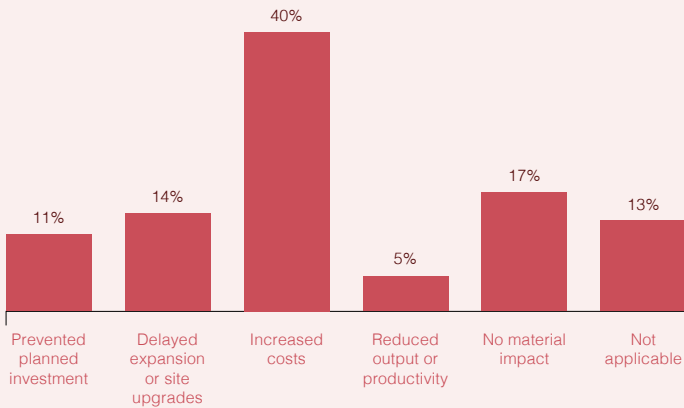
Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

Chart 3: Which aspects of the planning system manufacturers find most challenging



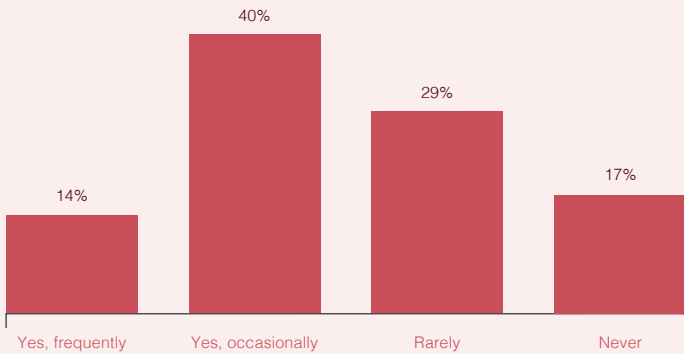
Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

Chart 4: Biggest impacts of planning delays on manufacturers' businesses over the last three years



Source: Make UK, Unlocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

Chart 5: Extent to which environmental requirements (e.g. species surveys) create obstacles for manufacturers' planning applications



Source: Make UK, Unlocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

Real world impact of planning delays

Planning delays have clear and damaging real world impacts on manufacturers. 40% report increased costs, making this by far the most significant consequence. Delayed expansion or site upgrades, prevented investment, and reduced productivity trailed far behind increased costs. This shows that even where projects go ahead, delays steadily erode their viability by driving up costs, stretching timelines and adding uncertainty.

Environmental requirements - a growing problem

We've seen it in the media, with high profile examples such as the £100m 'bat tunnel' on HS2, which has come to symbolise how environmental requirements can add cost and complexity to major infrastructure projects. But beyond the headlines, the issue is often more practical: requirements such as seasonal surveys for species like bats and newts can delay projects by months if timing is missed, adding uncertainty at critical stages.

Against this backdrop, environmental requirements are a growing source of friction in the planning system. Over half of manufacturers (54%) say they create obstacles at least occasionally, with 14% experiencing this frequently, pointing to a system where regulation is increasingly adding delay and complexity. While not universal, the impact is significant - particularly in sectors facing more stringent requirements.

The issue isn't the principle of environmental protection, but how it operates in practice: adding delay, cost and uncertainty without consistent or predictable outcomes.



CASE STUDY 1: HS2 AND THE 'BAT TUNNEL'

The HS2 project has become the most high profile example of environmental requirements driving cost and complexity in infrastructure delivery. A £100 million bat protection structure - often referred to as the "bat tunnel" - was built in Buckinghamshire to protect rare species along the route.

The project has been widely cited in political and media debate as evidence of how environmental requirements can add significant cost and delay to major infrastructure. While there is debate over whether design choices or regulation itself drove these costs, the example highlights a wider issue: the current system can result in expensive and highly complex mitigation measures, increasing the cost and uncertainty of delivery.

CASE STUDY 2: SPECIES SURVEYS AND PROJECT DELAYS

Beyond headline examples, environmental requirements can create more routine, but still significant, delays through survey and assessment processes. For species such as bats and great crested newts, surveys can only be carried out during specific seasonal windows, often requiring multiple visits across a defined period.

If these windows are missed, projects may be delayed by several months while waiting for the next survey period, adding both time and cost to development. In some cases, surveys may need to be repeated if projects are delayed, compounding the impact.

This illustrates how, even where the underlying objective is proportionate, the way environmental requirements are applied in practice can introduce delay, cost and uncertainty at critical stages of investment.



How do English and Welsh planning systems compare?

Planning is a devolved matter, and whilst broadly the English and Welsh systems are not too dissimilar, there are notable differences.

This comparison highlights a key trade off: England's system (post planning reforms) is more flexible and growth focused but often fragmented and unpredictable in practice, while Wales takes a more strategic and coordinated approach, providing greater clarity on

where development should happen, but with stronger sustainability requirements and less flexibility.

Neither system yet consistently delivers the speed, certainty and cost efficiency manufacturers need.

Area	England	Wales	Implications for manufacturing
Overall approach	Plan led system with strong emphasis on growth, housing delivery and flexibility	Plan led system with stronger focus on sustainable development and long term wellbeing	England is more explicitly pro growth, but Wales takes a more balanced, long term approach
National framework	National Planning Policy Framework (NPPF) – principles based and open to interpretation	Planning Policy Wales (PPW) + Future Wales national spatial plan	England allows more flexibility but creates inconsistency; Wales provides clearer national direction
Strategic planning	Historically fragmented; strategic planning only partially reintroduced (e.g. mayoral plans)	Strong national spatial strategy (Future Wales) with clear development priorities	Wales offers more coordination and certainty; England suffers from fragmentation
Local plans	Local plans vary significantly by authority, with limited national alignment	Local Development Plans must align with national spatial strategy	More consistency in Wales; greater 'postcode variation' in England
Decision making consistency	Greater scope for interpretation and variation between authorities	More top down alignment from national and spatial plans	Manufacturers face more unpredictability in England
Environmental approach	More case by case and negotiation-driven (changing through the reforms)	More integrated into national policy and long term planning	England = more uncertainty; Wales = clearer rules but potentially stricter constraints
Sustainability focus	Important but balanced alongside growth objectives	Central to system (e.g. Wellbeing of Future Generations Act)	Wales may have higher upfront requirements; England more growth led but less consistent
Upfront process	Less front loaded; issues often arise later in the process	More front-loaded (e.g. consultation, drainage requirements)	Wales can be slower upfront but more predictable; England often sees delays later
Legislative structure	Complex, fragmented and frequently updated system	Moving towards a more consolidated and coherent legislative framework	England is harder to navigate; Wales aiming for greater clarity
Planning culture	Flexible but inconsistent; more reactive decision making	More strategic, plan led and nationally coordinated	England risks unpredictability; Wales offers clearer direction but less flexibility

The key to unlocking growth

CURRENT REFORMS TO THE PLANNING SYSTEM

The Government has recognised many of these challenges and is pursuing a significant programme of planning reform through the Planning and Infrastructure Act and wider policy changes. These reforms are intended to speed up decision making, reduce complexity, improve coordination and rethink how environmental requirements are applied, including through more strategic land use planning and new approaches such as Environmental Delivery Plans.

However, the experience of manufacturers suggests a gap between policy intent and reality. Many still encounter a system that is slow, costly and difficult to navigate. While reform is underway, with many of the provisions having come into force from late 2025 and early 2026, implementation is phased, with many of the most significant changes still to be rolled out through secondary legislation and guidance reform is underway, but for manufacturers, the experience on the ground has yet to change. The risk is that policy progress does not translate into real world impact.

Make UK believes Government must go further, ensuring planning shifts from being a barrier to a driver of manufacturing growth.

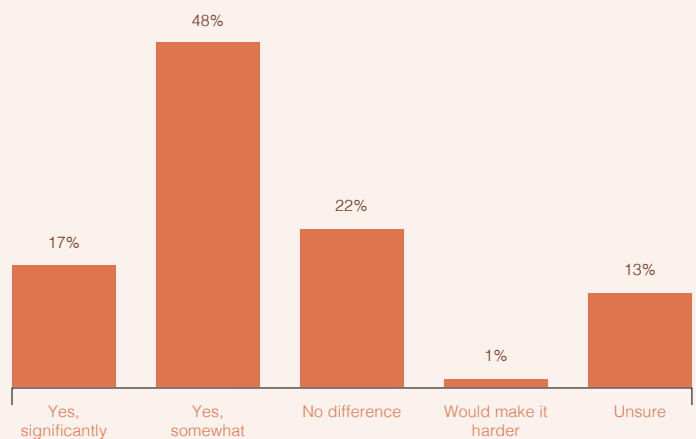
What do manufacturers think can actually help?

Manufacturers are clear about what needs to change. Their priorities align closely with Make UK's recommendations, highlighting the need for a system that is faster, simpler, more coordinated and more flexible.

Land and spatial reform

There is strong support for a more strategic approach to land use to unlock manufacturing growth. 65% of manufacturers say clearer land designation or coordinated regional planning would make it easier to expand. This reflects the real difficulty manufacturers face in securing suitable industrial land and navigating competing uses.

Chart 6: Whether clearer land designation and coordinated planning would make it easier for manufacturers to grow



Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

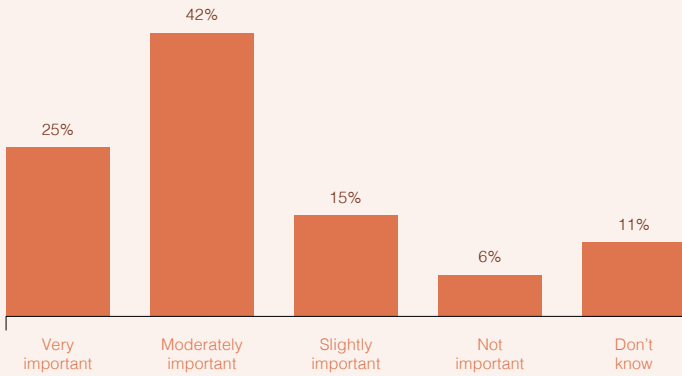
A more strategic, spatially coordinated planning system, through zoning or manufacturing clusters, would directly support industrial growth.

This underpins the case for stronger national planning rules and more coordinated spatial strategies, as set out in Make UK's recommendation to end postcode variation and improve consistency across the system.

Strategic and mayoral planning powers

Manufacturers see a clear role for stronger regional and strategic planning powers in driving growth. 67% say it is important that mayoral or strategic planning powers are used to support manufacturing, highlighting demand for more proactive, joined up regional leadership. This points to support for devolving planning powers, scaling up strategic tools like development corporations, and taking a more coordinated approach to industrial development. Stronger regional planning can cut through fragmentation and better align infrastructure, land use and industrial priorities.

Chart 7: Whether manufacturers see mayoral or strategic planning powers as important for supporting manufacturing growth



Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

This reflects the need for better coordination across the system, supporting Make UK's recommendation for clearer national frameworks and more joined up delivery.

Cross cutting priorities

These priorities map directly onto the planning reforms needed to make the planning system work for manufacturing in practice.

Speed

Manufacturers need a planning system that moves at the pace of investment, not one that slows it down. 47% wanted faster approval times – which are essential to reduce uncertainty, unlock projects sooner and keep capital flowing into UK manufacturing. This directly supports the case for a fast track route for strategic manufacturing investment.

Simplicity

The system is too complex and too costly to navigate. 53% reported that lower compliance and application costs would make it easier for businesses to invest, particularly for SMEs with more limited capacity to manage lengthy applications. This aligns with the need to simplify planning processes and reduce compliance costs.

Coordination

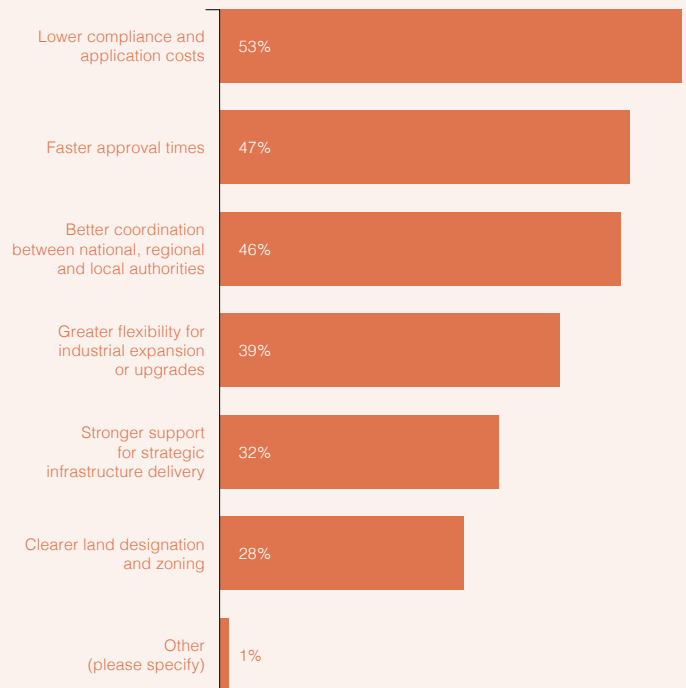
Poor coordination across national, regional and local bodies is a major barrier. 46% manufacturers felt that better alignment is needed to reduce duplication, improve consistency and ensure planning decisions support wider economic and infrastructure priorities. This reinforces the need for stronger national rules and improved coordination between different parts of the system.

Flexibility

Manufacturers need the ability to expand and adapt their sites quickly in response to changing demand and technologies. 39% felt that a more flexible system would allow firms to upgrade, scale and modernise without unnecessary constraint. This highlights the importance of a more responsive system that enables firms to expand and adapt quickly.

Taken together, manufacturers' priorities point to a system that is faster, simpler and more predictable, exactly the areas targeted by Make UK's recommendations.

Chart 8: Manufacturers' views on the top priorities for a reformed planning system



Source: Make UK, Unblocking Growth: Fixing planning to unlock UK manufacturing investment, 2026

Make UK recommendations

The direction of planning reform is clear. But to deliver for manufacturing, Government must now go further.

1. Introduce a 'Manufacturing Growth Test' for planning reform

The Government must demonstrate that planning reform is delivering tangible outcomes for industrial investment. A formal 'Manufacturing Growth Test' should assess whether reforms are actually reducing cost, complexity and uncertainty for businesses looking to invest, expand and decarbonise. Planning reform cannot be judged by process changes alone, success must be measured by whether it enables real investment on the ground.

This should include:

- Tracking decision times, costs and outcomes for manufacturing projects
- Measuring progress against key barriers identified by industry (complexity, cost, inconsistency)
- Publishing regular performance data at national and local level

Success measure: progress should be reported annually against clear metrics, including decision times, application costs and predictability for manufacturing projects, so Government can demonstrate whether reforms are delivering real-world improvements for industry.

2. Fast track strategic manufacturing investment

Not all development is equal. The planning system should prioritise and accelerate projects that drive economic growth, productivity and net zero. Government should introduce a dedicated fast track route for strategic manufacturing investment, particularly in critical sectors and industrial regions. Delays to key industrial projects have disproportionate impacts on growth, supply chains and the UK's competitiveness.

This should include:

- Clear criteria for strategic manufacturing projects
- Guaranteed timelines for decisions
- A streamlined, end to end consenting pathway

Success measure: Government should publish and monitor delivery timelines for fast tracked manufacturing projects, with clear performance targets (e.g. maximum decision times) and transparent reporting where these are missed.

3. End postcode planning through stronger national rules

Manufacturers face significant inconsistency in planning decisions across different local authorities. Government should strengthen national planning policy to ensure that key rules affecting industrial development are applied consistently across England. Uncertainty over planning outcomes increases risk and deters investment. Businesses need confidence that similar projects will receive similar decisions, regardless of location.

This should include:

- Clear national guidance for industrial expansion, upgrading and site use
- Reduced scope for local variation where it creates unnecessary inconsistency
- Greater alignment between national policy and local decision making

Success measure: Government should track and publish regional variation in planning outcomes for similar types of industrial development, with the aim of reducing inconsistency and demonstrating greater national alignment over time.

4. Cut the cost and complexity of planning applications

Planning reform must go beyond speed and directly tackle the cost and complexity of the system. For many manufacturers, particularly SMEs, the challenge is not just delay, but the time, resource and expertise required to navigate the process. A system that is expensive and difficult to use acts as a barrier to investment, even if decisions are eventually approved.

This should include:

- Simplified and standardised application requirements
- Streamlined evidence and documentation expectations
- Proportionate approaches for routine upgrades, retrofit and expansion

Success measure: Government should measure and publish the average cost and resource burden of submitting planning applications, setting a clear expectation that these should fall over time as reforms are implemented.

5. Fix environmental processes to be predictable and proportionate

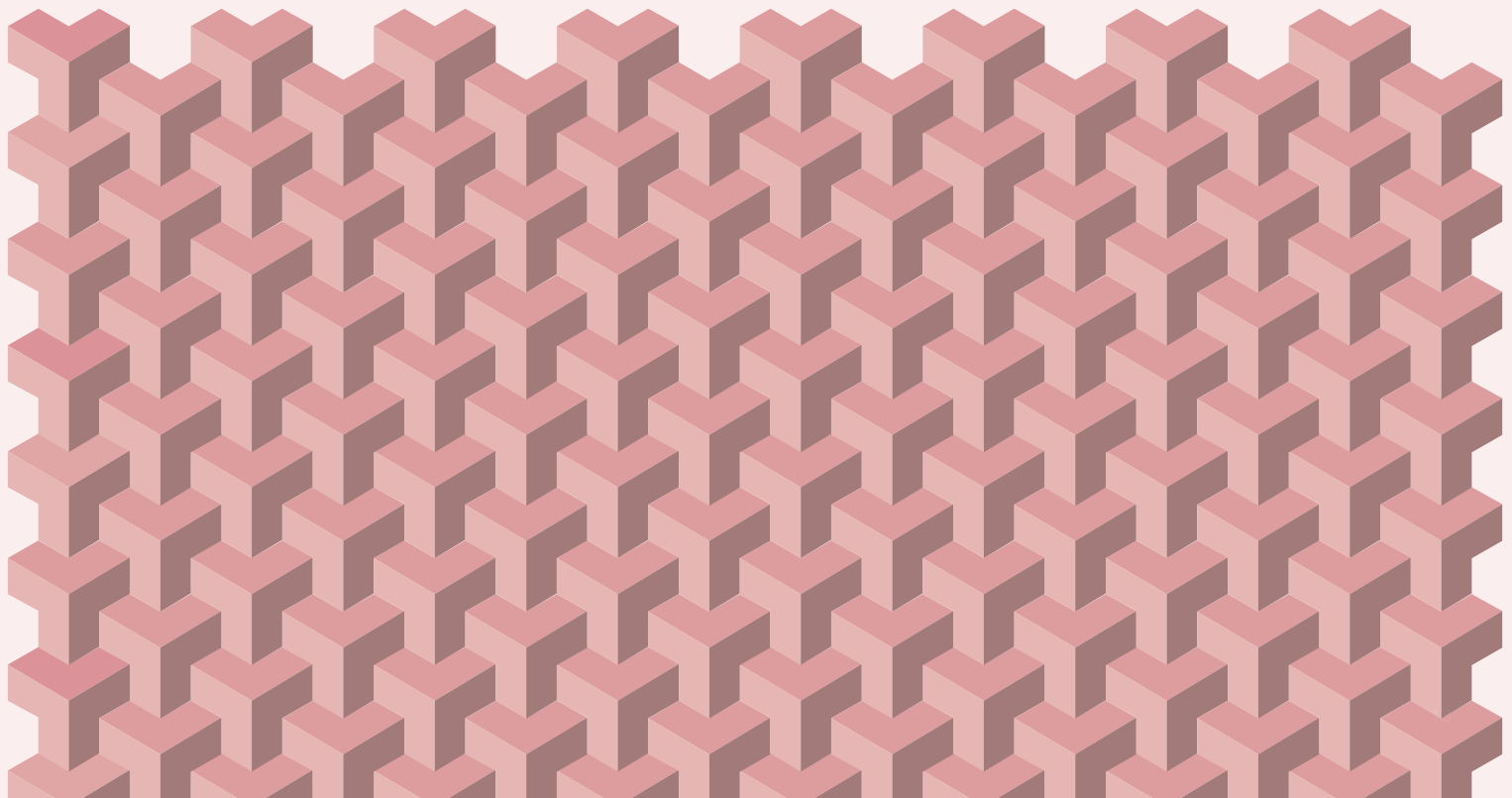
Manufacturers support environmental protection, but the way requirements are applied in practice often creates delay and uncertainty. Government should

move decisively away from fragmented, case by case negotiation towards a more consistent and strategic approach. Unpredictable environmental processes increase risk, cost and delay, particularly for projects on constrained or complex sites.

This should include:

- Standardised requirements for environmental assessments and surveys
- Wider use of strategic mitigation approaches
- Clear timelines and expectations for environmental approvals

Success measure: Government should set and monitor clear timelines for environmental assessments and approvals, alongside tracking the frequency of delays caused by environmental requirements, to ensure reforms deliver greater certainty in practice.



Conclusion

When the system works, it enables growth, unlocks investment and supports the UK's industrial ambitions. But as this report shows, too often it does the opposite.

For many manufacturers, planning is still slow, complex, costly and unpredictable. It is not simply delaying projects, it is increasing costs, eroding viability and weakening the UK's competitiveness as a destination for investment. Even where reforms are underway, businesses are not yet feeling the difference on the ground. The system remains in transition, but for businesses looking to invest today, the barriers remain real.

This matters beyond individual businesses. Planning sits at the heart of the Government's ambitions on productivity, net zero and regional growth. Without a system that works in practice, industrial strategy risks becoming ambition without delivery.

The direction of reform is right - but it is not yet sufficient. Manufacturers are clear about both the problems and the solutions. The challenge now is execution: turning policy into performance, and ensuring that reform delivers measurable change for businesses on the ground.



About



Make UK, The Manufacturers' Organisation, is the representative voice of UK manufacturing, with offices in London, every English region, and Wales. Collectively we represent 20,000 companies of all sizes, from start ups to multinationals, across engineering, manufacturing, technology, and the wider industrial sector. Everything we do – from providing essential business support and training to championing manufacturing industry in the UK and internationally – is designed to help British manufacturers compete, innovate, and grow. From HR and employment law, health and safety to environmental and productivity improvement, our advice, expertise and influence enable businesses to remain safe, compliant, and future focused.

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For more information, please contact:

Faye Skelton
Head of Policy
Make UK
fskelton@makeuk.org



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**ELECTRIFY
INDUSTRY**

UK STEEL

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FS.18.05.2026