

Opportunity East

Matthew Stewart, Policy and Programmes, EELGA

Fiona Tuck, Associate Director, Metro Dynamics



- EELGA has commissioned Metro Dynamics to develop an Economic and Infrastructure Review for the East of England
- We will use this report to highlight the strengths of the East of England, and to highlight the opportunities present in our region which can support broader UK growth ambitions
 - But also recognising challenges the region faces and where we can look to Government for additional support
- This report is designed to ensure the region remains high on the agenda of politicians and leaders, particularly pertinent with a forthcoming General Election

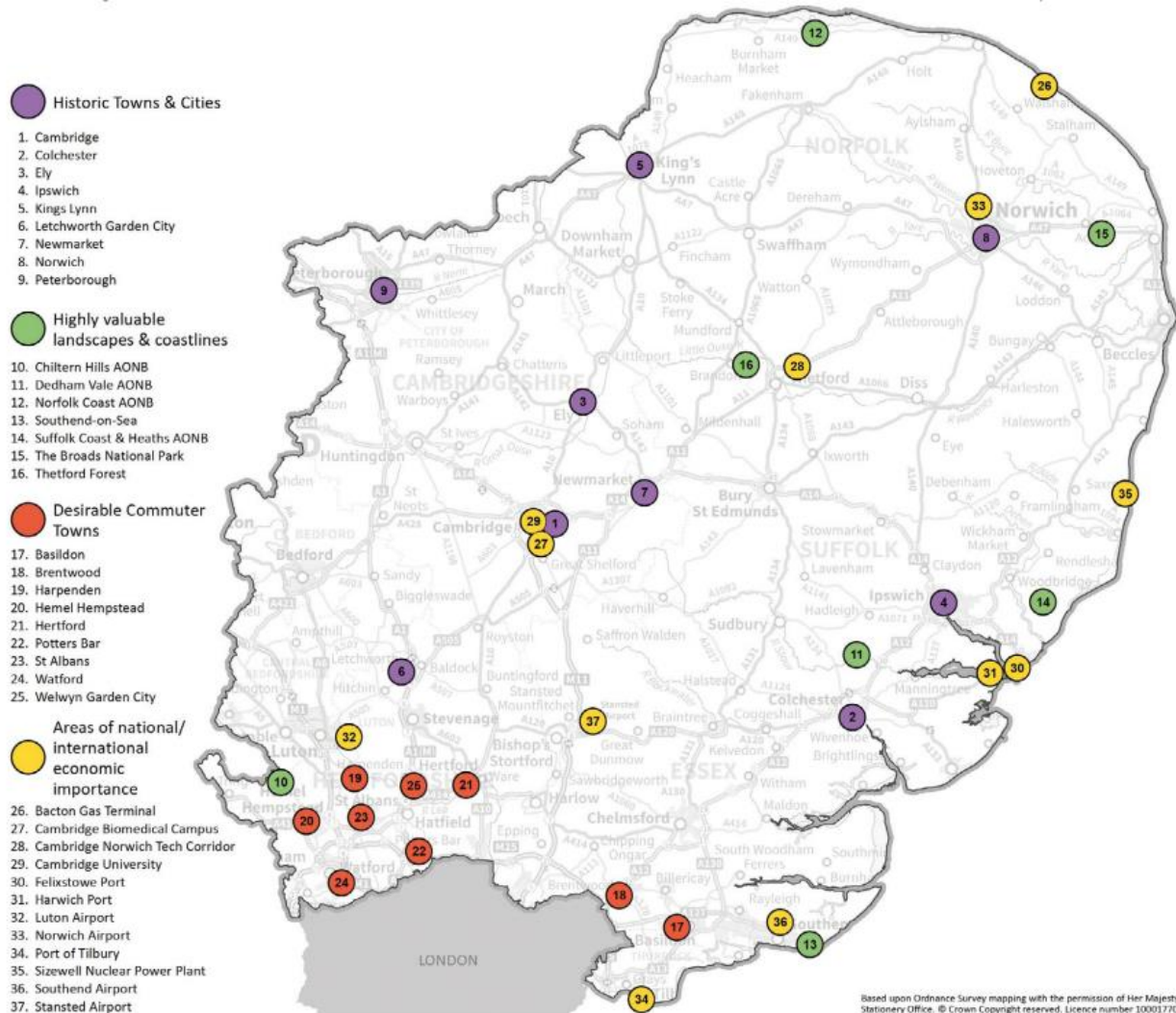
Aims of the session

Metro — Dynamics

-
- Want to build on the excellent research that regional partners have developed to date and add to this via stakeholder engagement
 - To date we have spoken to over 40 stakeholders from across the region
 - We're keen to get your perspectives on the region's major strengths and opportunities as well as challenges we need to overcome
 - Our review will ultimately arrive at a narrative which articulates the region's role in supporting growth nationally
 - This will also draw out challenges, particularly relating to infrastructure to demonstrate where we need additional support
 - Providing a foundation for informed decision-making
 - By taking part in this workshop you will have the opportunity to actively participate in shaping our regional narrative
 - Ensuring this reflects its true potential and challenges

East of England as a place

Metro — Dynamics

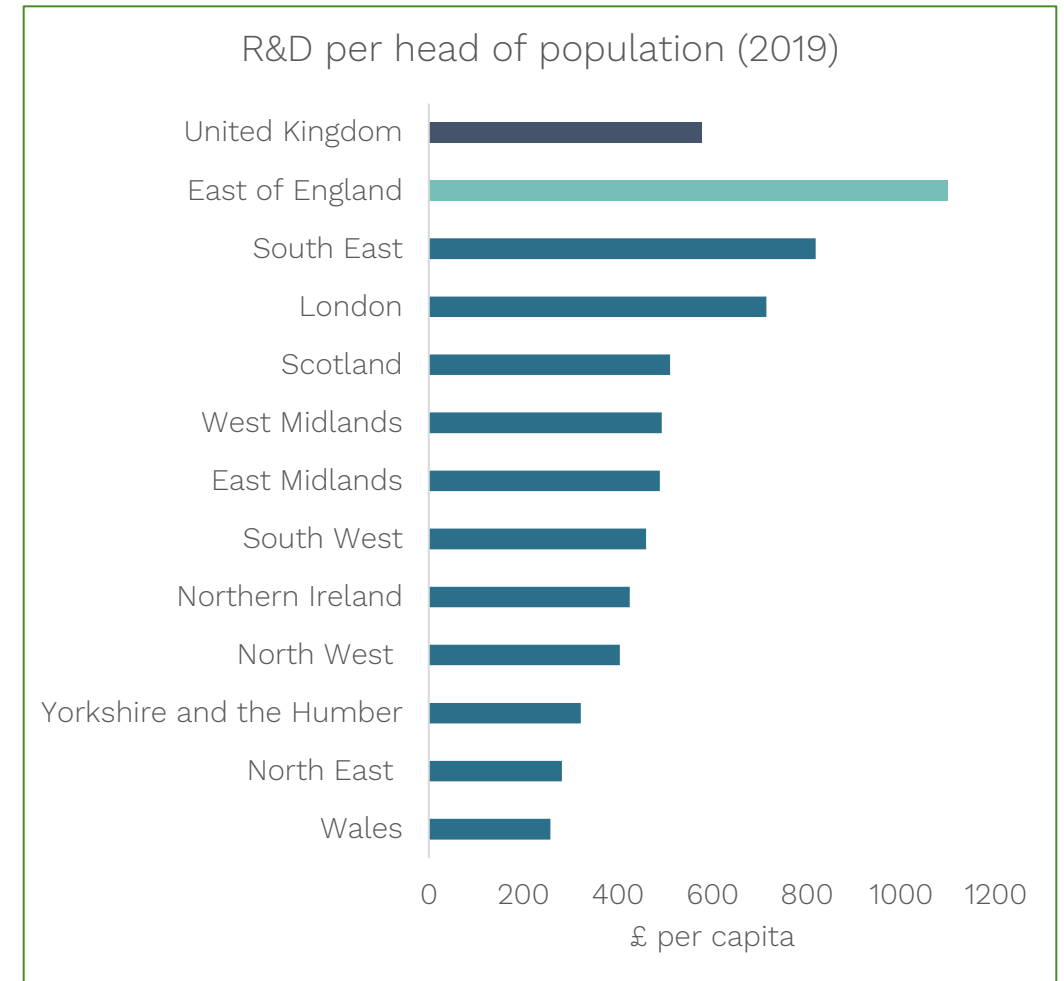


- Large and diverse region
- Fastest growing population over the last decade.
- Good quality of life
- A number of small and highly productive cities
- Strong links to London, particularly to the west
- Large areas of rural and coastal communities

High productivity + sectors

Metro — Dynamics

- Strong driver of the national economy; GVA grown to £162bn in 2021, representing 11% of the UK economy excluding London
- One of the most productive regions in the country outside of London in terms of output per hour and job
- Highly innovative region – 18% of R&D expenditure across the UK in 2019, equating to £1,100 per person - highest across the UK
- Specialisations in life sciences, digital technology, clean energy, agri-tech and advanced manufacturing:
 - Nationally important life sciences cluster in Cambridge; cell and gene therapy catapult centres in Braintree and Stevenage
 - Adastral Park leading in quantum computing and cybersecurity
 - Renewable energy generation capabilities - wind power, through nuclear to hydrogen and solar as well as natural gas assets; offshore renewable energy catapult site in Lowestoft
 - Expertise in food and plant science including Norwich Research Park, Rothamsted Research
 - Cutting edge of Advanced Manufacturing including in Peterborough, Cranfield



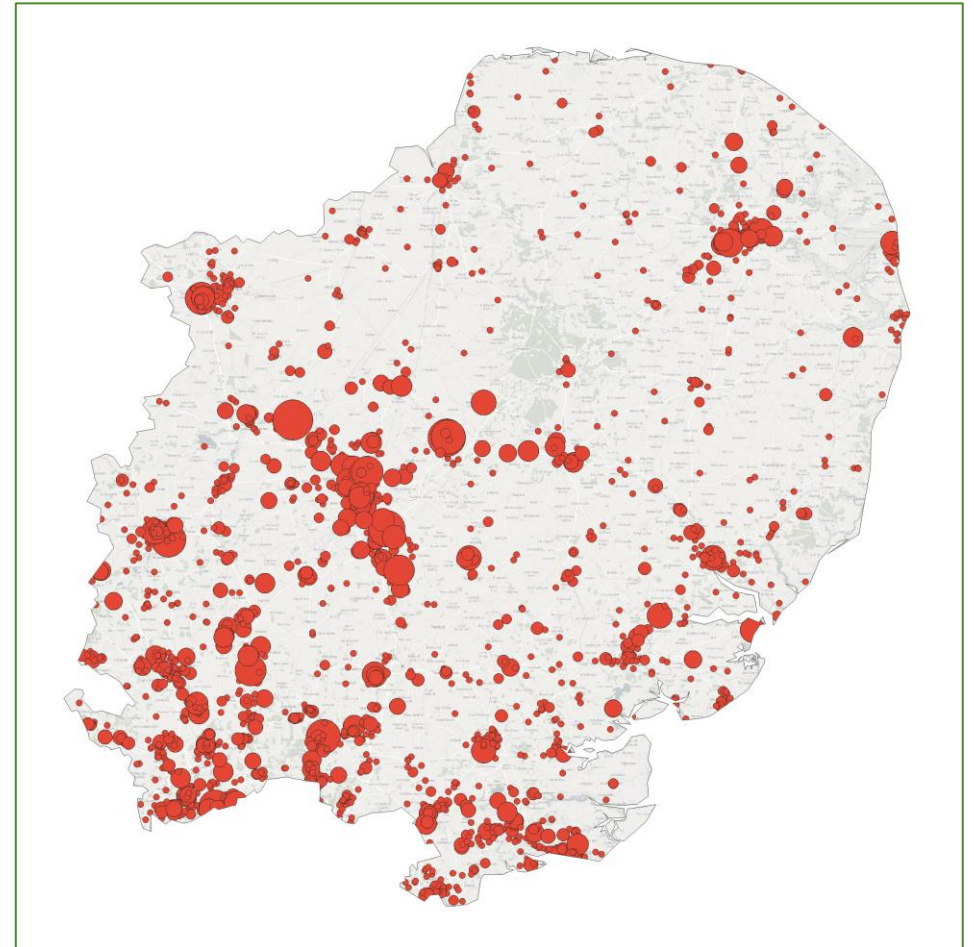
Source: ONS Gross domestic expenditure on research and development, by region, UK; ONS Population Estimates (2019)

Sector map – life sciences

Metro — Dynamics

- Here is an example of one of the region's strengths in life sciences
- In total, 3,330 life science businesses are located in the East of England, making up 15% of all life science companies in the UK (The Data City, 2023)
- Well known clusters around Cambridgeshire but the map shows that there are life sciences businesses across the region, including clusters around Norwich and Watford

Life Sciences businesses in the East of England



Source: The Data City (2023)

Nationally significant economic assets

Metro — Dynamics

International gateway to the rest of the country

- Half the UK's containerised goods are moved through the region
- One of highest exporting regions nationally – £51bn in goods and services in 2021 (8% of UK total)
- Two of the top five largest UK airports by passenger volumes in Stansted and Luton
- Home to Freeport East and Thames Freeport

Crucial source of food production

- In 2022, GVA from farming reached £4.5bn, with the largest contributions coming from wheat (£1bn) and poultry (£658m)
- Accounts for a third of England's Grade 1 (excellent quality agricultural land)
- Accounts for over 12% of England's agricultural labour

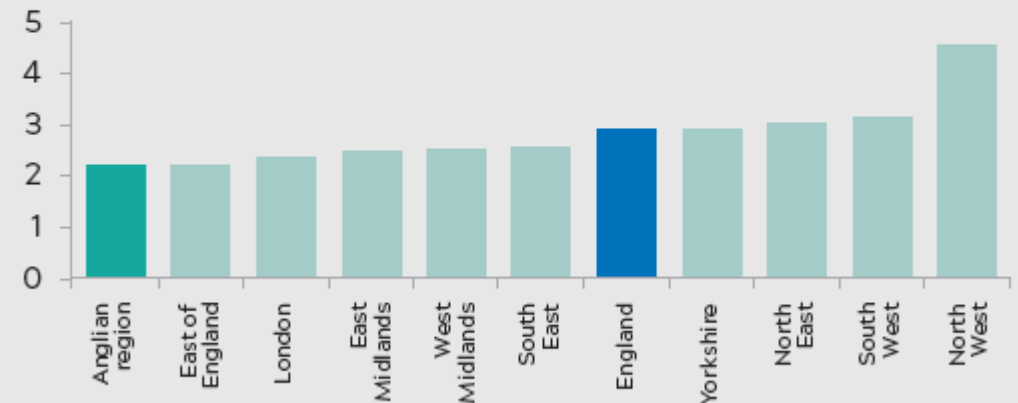
Major contributor to the UK's energy and net zero ambitions

- Department for Energy Security and Net Zero (2022) estimate the East of England accounts for around a quarter of electricity generated by offshore wind and a quarter of installed capacity from offshore wind, the highest in the UK
- Amongst regions with the highest number of sites generating electricity from renewable sources in the UK

Regional challenges

- But despite this, the region faces infrastructure issues undermining our potential:
- **Road and rail connectivity** – despite positive funding announcements for the region around HS2 redistributed funds including Ely and Haughley rail junction funding, further improvements are needed including links to airports and freeports
- **Scarce water supply** – Water Resources East estimate water shortages of 800 million litres per day by 2050, equating to a third of regional usage. Scarce supplies already impacting business expansion and housing developments including in Cambridgeshire
- **Constrained grid network capacity** – grid constraints are preventing further solar/wind sites. Nationally there are currently more than £200bn worth of projects sitting in the connections queue and National Grid estimate that around 40% of them face a connection wait of at least a year
- **Housing affordability** - house prices are over 10 times as high as annual earnings in the region (8 times as high nationally)
- **Digital connectivity** – investment in fibre networks over recent years but connectivity issues remain, with wide divergence in 5G connections. 5G coverage lower than national average
- **Climate change** is a particular challenge given our region's geography
 - At the same time as the region faces drought, flooding is also an issue.
 - Two fifths of land lies below sea level (Anglian Water 2023)
 - 1.2% of properties face high flood risk, well above the 0.9% national average (Anglian Water 2023)

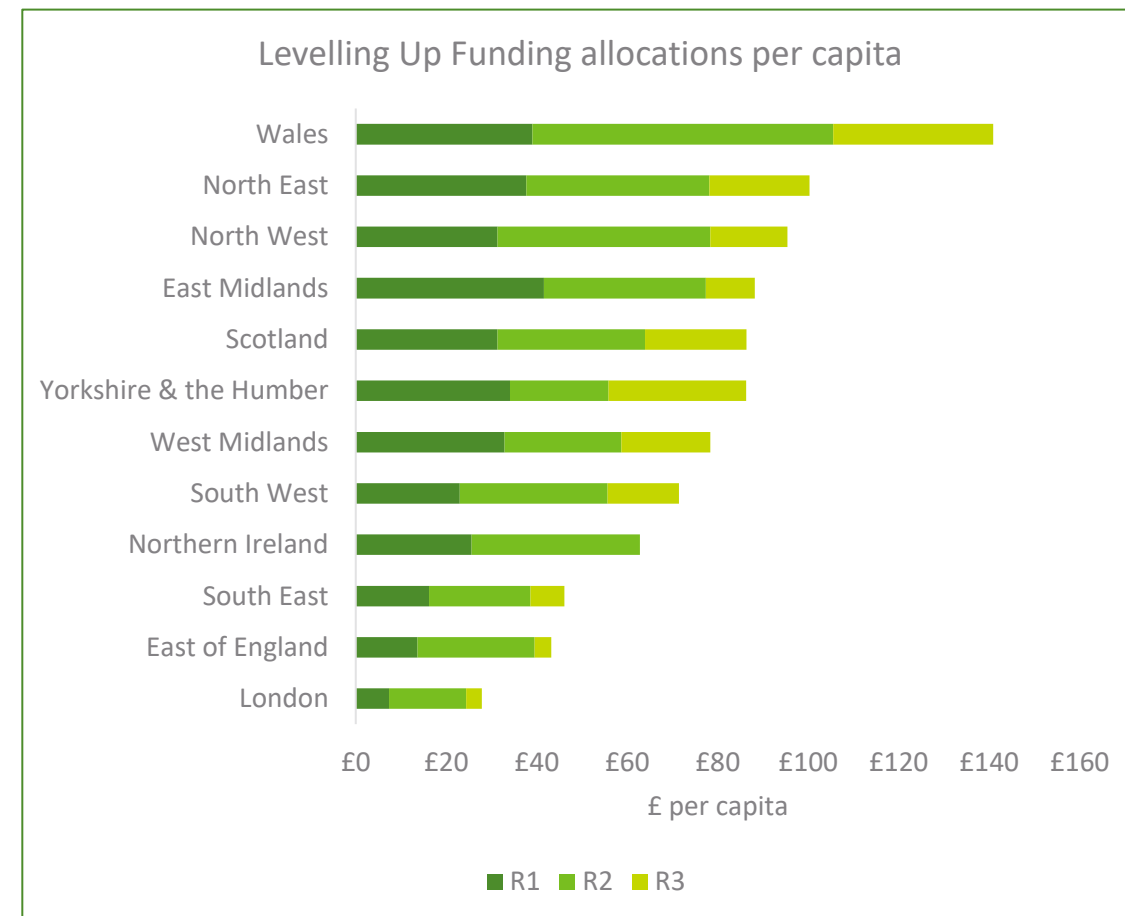
**Rainfall precipitation projections
(mm per day, 2023-2040 average)**



Investing in the East of England

Metro — Dynamics

- The region also faces entrenched deprivation particularly in some of our rural and coastal areas
- We cannot reach our potential and overcome the challenges we face without Government support
- The East of England receives some of the lowest public funding across the UK
 - Public expenditure in the East of England in 2022/23 was over £1,000 lower per capita than the UK average
 - The East of England received the second lowest Levelling Up Funding per capita across the UK



- We want to discuss the region's major strengths and challenges with you in breakout rooms
- During our first half an hour we want to get your thoughts on:
 - **What do we want to be saying about our region?**
 - **What are the successes we need to be telling government?**
- In the second half of our break out rooms, we want to understand **how to best convey our region's challenges so they resonate with government?**

Next steps

Metro — Dynamics

➤ Two more workshops in January

- 1 on innovation in the region (emerging sectors, universities) - 22 January 14:00-16:00
- 1 on the green economy and climate change – 30 January 10:00 – 12:00

➤ Feedback to steering group made up of regional stakeholders

- Further test emerging strengths/opportunities and challenges over the course of the next month

➤ Economic & Infrastructure review completed by end of March