

# Opportunity East: One Year On

How the East of England will  
help deliver the Government's  
economic growth, clean energy  
and new housing missions

November 2025



Local  
Government  
**East**



East of England  
All Party Parliamentary Group



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# 01 Foreword

The East of England is one of the UK's great success stories – a region of world-class innovation, high productivity, and international research. From Cambridge Biomedical Campus and Norwich Research Park, to the construction of Britain's next nuclear power station at Sizewell C and offshore wind farms powering millions of homes, to the ports of Freeport East and Thames Freeport – and airports at Stansted, Luton, Norwich and Southend – linking us to 700 global destinations, our contribution to the nation's economy, energy security and food supply is unmatched. We generate £214 billion a year in Gross Value Added, lead the UK in business research and development per capita, and produce a third of its best farmland output.

This refreshed Opportunity East report shows how these strengths align directly with the majority of the Government's missions: growing the economy, creating opportunity for all including new homes, and making Britain a clean energy superpower. It also sets out, with clarity, the barriers holding us back: underinvestment in our transport and digital networks; critical skills shortages in construction, STEM and public services; water scarcity and climate risks threatening housing and infrastructure; and an ongoing housing affordability crisis. These challenges are not abstract – left unaddressed, they risk slowing nationally significant projects such as Sizewell C and East West Rail, and will make it harder **to deliver just over 227,000 new homes over the next five years – one sixth of England's total targeted delivery.**

The solutions are within reach. We need fairer public investment per head, to match our record as one of the highest

net contributors to the Treasury. We need decisive progress on key schemes, such as the Ely and Haughley rail upgrades. We want to work together with Government to secure **national funding and policy levers to build the right kind of homes in the right places, addressing the acute need for social and affordable homes in the East. Innovation and collaboration in the region's housing sector is strong. We need a national skills plan** that matches the scale of **our housing** ambition. We look forward to devolution that empowers local leaders to unlock sites **with essential infrastructure**, and shapes skills provision and plans strategically for growth **to benefit all communities across the region.**

The East of England is ready to do more, and faster. We are already delivering Britain's green energy transition with projects like Sizewell C and have shovel-ready projects worth over £4 billion, world-class research capacity, and a private sector eager to invest – from Universal Studios in Bedfordshire to new clean energy hubs at Bacton and Freeport East. With the right backing, we can deliver even more inward investment, power Britain's energy transition, close skills gaps, build the homes we need, and boost national productivity.

We thank all the partners – in local government, business, academia and the voluntary sector – who have shaped this report. By speaking with one voice, we make the case for the East of England to be recognised not just as a regional asset, but as a driver of national renewal. We look forward to working with Government to ensure this region delivers its full potential for our communities, for the country, and for the generations to come.



**Jess Asato MP**  
Co-Chair, East of England APPG



**Pam Cox MP**  
Co-Chair, East of England APPG



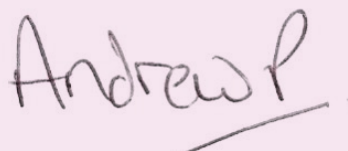
**Marie Goldman MP**  
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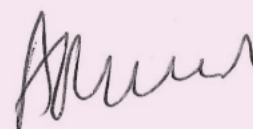
**Cllr Graham Butland**  
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Regional Mission Champion



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#### List of contributors and supporters:

- ▶ East of England Housing Delivery Group
- ▶ East of England Skills Delivery Group
- ▶ East of England Inward Investment Working Group



With special thanks to Suffolk County Council for assistance with statistics

# Opportunity East 2025:

## Delivering the Government's missions in the East of England

**A region of economic productivity and primed for growth:**

GVA will be at  
**£235**  
BILLION  
by 2029



Over


**£1,900**

**Research and Development**

spend per capita – highest of any region in the UK



Economy grew by  
**57%** since 1992  
12 points ahead of the UK average (excluding London)



**270,000**  
businesses



**A strong labour market:**

**3.3**  
MILLION  
jobs




Employment rate of  
**78.6%**



**Fastest growing region in terms of population** between 2011 and 2021




**Jobs in the East of England more productive than the UK average**



**A clean energy powerhouse:**

Generated enough low-carbon electricity in 2023 to power  
**32%**  
of UK homes



Potential to increase this to **90%** by 2035 with investment



Currently host  
**5GW** of installed wind capacity, with a further **10GW planned** installed or in development

Offshore wind presents a  
**£25** billion investment opportunity for the UK



**Delivering the homes we need:**



Ambition to deliver  
**227,000**  
new homes



In 2023/24,  
**28,640**  
homes were built

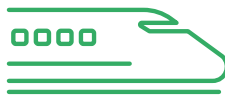


In 2023/24,  
**94,406**  
households were on local  
council waiting lists



In 2023/24,  
local councils and  
housing associations  
built a total of  
**7,002** homes,  
861 of which were for  
social rent

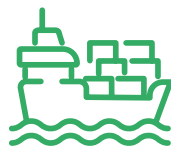
**A connected region:**



**163**  
MILLION  
passenger train  
journeys made  
in 2024/5, the **third**  
highest region in the  
country



Half the UK's container  
freight handled by  
Felixstowe, Harwich  
and Thames Freeport



Uniquely placed to  
connect to  
**700**  
global ports



**4** airports providing  
a critical mobility  
link to the rest of the  
world for air freight

**Tackling the climate crisis:**

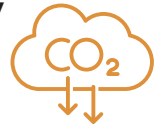


Advancing innovative  
approaches to reduce  
overall pressure on  
the water environment  
and investing in new  
reservoirs

Total greenhouse  
gas emissions  
have fallen by

**39%**

since 2005



Our region  
received just

**£6**



per capita from the main  
climate change funds –  
**the lowest of any**  
**region at just 2.92% of**  
**the funding available**



Extensive partnership  
working by public,  
private and third  
sectors to address  
climate change

# Executive Summary:

## The story so far

Local Government East, previously known as the East of England Local Government Association, alongside the All-Party Parliamentary Group for the East of England, first launched its landmark report, 'Opportunity East: How the East of England will drive national productivity through innovation' in July 2024. Since then, much has changed across the local and central government landscape, and the East has achieved so much. The new Labour Government, elected in July 2024, heralded a new era of mission-led government, announcing its Plan for Change and the following five missions:

- ▶ **Growing the economy**
- ▶ **An NHS fit for the future**
- ▶ **Safer streets**
- ▶ **Opportunity for all**
- ▶ **Making Britain a clean energy superpower**

These five missions have remained front and centre of the Government's rapidly evolving policy agenda, with Whitehall seeking to implement cross-cutting strategies through interdepartmental collaboration and shared outcomes.

Running in parallel, with the publication of the English Devolution White Paper in December 2024, followed by the introduction of the English Devolution and Community Empowerment Bill to Parliament in July 2025, the Government set out its intention to deliver country-wide devolution. This will be achieved by establishing a strategic network of Mayors, and by reorganising the existing two-tier local government system into a simplified system of unitary councils.

In light of this, since the first Opportunity East report was published in 2024, the external operating environment for local government and its partners has changed radically, and, through devolution and local government reorganisation, we are set to see the biggest transformation to local government structure and service delivery for a generation.

The Government announced the outcome of its Spending Review in June 2025. Whilst there were some positive messages for the East, including support for Sizewell C Nuclear Power Station and East-West Rail, many of our key infrastructure asks were not funded. Most notably, Ely and Haughley rail enhancement schemes which would take 98,000 lorry journeys off the road every year<sup>1</sup>. Following the Spending Review, the Government also announced 50 road and rail schemes that would go ahead and, disappointingly, the cancellation of two key road schemes for the region along the A12 and A47. This lack of investment and reversal of previous commitments are a huge blow to the East of England and will significantly hinder housing and economic growth.

As such, the time is right to refresh the report and to reflect on how the East of England as a region, covering Suffolk, Norfolk, Essex, Cambridgeshire, Bedfordshire and Hertfordshire, is perfectly positioned to help the Government to deliver on its missions. It is also right to set out the investment the region needs to overcome the barriers which are inhibiting it from reaching its full potential.

<sup>1</sup> Keeping trade on track

## What we have delivered in the East

Since publication of our first report, the Government has backed several of the key policies asked for within the report. These include:

- ▶ **Support for East-West Rail.**
- ▶ **Continued exploration of community benefit for energy infrastructure.**
- ▶ **More funding to address road repair.**
- ▶ **Two Technical Excellence Colleges in our region, in Bedfordshire and Suffolk<sup>2</sup>.**
- ▶ **Support for funding road projects highlighted in Opportunity East such as the A10 West Winch Housing Access Road, improvements to the A12, and the Army and Navy junction in Chelmsford.**
- ▶ **Continued support for key water infrastructure, including reservoirs in Lincolnshire, the Fens and Suffolk.**
- ▶ **Support for local government funding simplification.**
- ▶ **Funding and final investment decision for Sizewell C nuclear power station.**
- ▶ **Further devolution of skills funding, and a continuation of Local Skills Improvement Plans beyond 2025.**
- ▶ **More devolution with two new Mayoral Strategic Authorities in the pipeline – Greater Essex, and Norfolk and Suffolk.**

The report has also driven collaboration and partnership working across the region to ensure partners speak with one voice on the opportunities and challenges they face, and to work together to come up with innovative solutions. Opportunity East formed the foundation of the East of England's first Infrastructure and Growth Conference and the findings from Opportunity East have been embraced across the region — whether by Luton Airport in support of its expansion advocacy, or in the Bennett Institute's [recent report on the regional economy](#)<sup>3</sup>. Looking ahead, this refreshed report seeks to demonstrate how delivery of the government's five missions is deeply interwoven with unleashing the full potential of the East of England economy.



<sup>2</sup> 40,000 people to get skills in new Technical Excellence Colleges - GOV.UK

<sup>3</sup> East Anglia: Exploring economic strengths and addressing productivity

## Our contribution to the missions

The East of England is already delivering against the government's five missions. Focussing on 'growing the economy' and 'opportunity for all' for example, the East of England is a region of outstanding innovation, opportunity and growth, contributing £214bn in Gross Value Added (GVA) to the economy<sup>4</sup>. Our region's 270,000 businesses<sup>5</sup> and 3.3 million jobs<sup>6</sup> have increased the size of the East's economy by 57% since 1998, outpacing the national average (excluding London)<sup>7</sup>. If current growth trends are maintained, we could be a £235bn economy by 2029\*.

We also lead in research and development (R and D), with the highest business R and D investment per capita in the UK — over £1,900 per person, double the national average<sup>8</sup>. The latest statistics suggest that businesses alone in the East invest over £9.7bn a year, 19.5% of the UK's total share, and the highest in the UK excluding London<sup>9</sup>. This is a credit to the environment of research and development cultivated in our region and supported by our network of world-leading universities.

On food production, the East's Grade 1 agricultural land — the most productive in the UK — supports 12% of England's agricultural workforce and contributes £4.5 billion in farming output annually<sup>10</sup>.

Our economic contribution also reflects the wide range of nationally significant sectors set out in the Government's Industrial Strategy including:

- ▶ Life sciences
- ▶ Agri-tech
- ▶ Digital technology
- ▶ Advanced manufacturing
- ▶ Creative industries
- ▶ Defence, aerospace and aviation
- ▶ Financial services
- ▶ Digital services

In terms of 'making Britain a clean energy superpower,' put simply, the country cannot deliver against its net zero targets without the East of England. Our coast is already home to 5 GW of offshore wind capacity, with nearly 10 GW in development<sup>11</sup>. We generate an amount of electricity able to power the equivalent of 32% of homes in the UK<sup>12</sup>, with projects like Sizewell C set to add 3.2 GW of low-carbon electricity, powering around six million homes<sup>13</sup>, the equivalent of one third of the UK's homes.

\*based on the level of growth delivered between 1998 and 2023 being at least maintained

<sup>4</sup> Regional gross domestic product: all ITL regions - Office for National Statistics - Table 10: Gross domestic product (GDP) chained volume measures (CVM) in 2022 money value, pounds million

<sup>5</sup> Labour Market Profile - Nomis - Official Census and Labour Market Statistics - UK Business Counts (2024)

<sup>6</sup> Labour Market Profile - Nomis - Official Census and Labour Market Statistics - Workforce jobs by industry section (SIC 2007) - seasonally adjusted (March 2025)

<sup>7</sup> Regional gross domestic product: all ITL regions - Office for National Statistics - Table 10: Gross domestic product (GDP) chained volume measures (CVM) in 2022 money value, pounds million

<sup>8</sup> UK gross domestic expenditure on research and development (designated as official statistics) - Office for National Statistics - Worksheet 5: Country and regional breakdown of expenditure on R and D in the UK by sector of performance, 2022 current prices (With population figures via "Population estimates - local authority based by five year age band" from Nomis)

<sup>9</sup> Business enterprise research and development, UK (designated as official statistics) - Office for National Statistics - Worksheet 7: Expenditure on R and D performed in UK businesses: by country or region

<sup>10</sup> Agricultural facts: East of England region - GOV.UK - Table 1.4: Labour force in 2023 (number of people)

<sup>11</sup> EastWind - Offshore Cluster - "Powering the Future 2030" Skills Report

<sup>12</sup> Aldous makes case for East of England in UK's energy system - Opergy

<sup>13</sup> MP update shows Sizewell C "the best prepared nuclear project in modern nuclear history" - Sizewell C



## Our challenges

In spite of our enviable success story, the East of England as a region still faces significant challenges that continue to require investment to unlock potential:

- ▶ **Infrastructure pinch points and historic underinvestment, especially in the transport network.**
- ▶ **A public investment deficit.**
- ▶ **Poor digital connectivity, especially in rural areas.**
- ▶ **Utilities constraints, including clean energy supply chain fragility and a lack of regional integration of assets.**
- ▶ **Low wages and qualifications.**
- ▶ **Skills deprivation and low apprenticeship participation rates.**
- ▶ **High numbers of households on housing waiting lists and in temporary accommodation.**
- ▶ **A housing affordability crisis.**
- ▶ **The impacts of climate change, including water scarcity, flooding, coastal erosion, and how it will affect our local economy, including agriculture and key infrastructure.**

## What we need

In response to these significant challenges and barriers, this report makes a range of 'asks' of Government. In order to unleash the full economic potential of the region, and to enable it to make the maximum possible contribution towards delivery against the Government's missions and housing targets, we call for:

### Economic growth and investment

- ▶ **Leadership and devolution:** Devolved decision-making through a rationalised local government structure that empowers local areas as much as possible, with the East securing powers comparable to the rest of the country.
- ▶ **Research and development and innovation incentives, including:**
  - ▶ **Tax relief enhancement:** increase research and development tax credit rates for projects in designated "Innovation Parcels" within the East.
  - ▶ **Catapult funding:** Increase grants for facility expansion at Adastral Park, Norwich Research Park and Stevenage Catalyst.



## Clean energy

- ▶ Long-term investment stability particularly for offshore wind through Contract for Difference reform.
- ▶ Designation of Bacton and Freeport East as a hydrogen and Carbon Capture and Storage Corridor.
- ▶ Clean energy supply chain support including funding for fabrication, logistics and port expansion.
- ▶ Digital and energy co-location, encouraging data centre development alongside clean energy assets.

## Housing

- ▶ Ensure a fair proportion of funding through the new Social and Affordable Homes Programme for the East of England.
- ▶ Work with local councils, the existing and emerging Mayoral Strategic Authorities and partners to unlock strategically important housing sites.
- ▶ Raise Local Housing Allowance (LHA) rates to reflect current market rents, addressing the gap between benefit levels and actual housing costs.
- ▶ Increase the temporary accommodation subsidy to at least 90% of current LHA rates, to help councils cover soaring costs and support homelessness prevention.

## Skills

- ▶ Give further thought to the funding arrangements for, and duration of, apprenticeships, including allowing child benefit to be paid for apprentices up to the age of 20.
- ▶ Devolve all skills funding to Combined and Strategic Authorities, and in time increase adult skills funding.
- ▶ Ensure Skills England has a strong regional dimension and presence.
- ▶ Support initiatives to recruit and retain teaching staff within skills shortage areas.

## Transport

- ▶ Continued commitment to projects such as East West Rail and working with region to maximise their benefits for communities, businesses, and the wider East.
- ▶ Work with the region to identify how infrastructure which has not yet received funding, such as Ely / Haughley rail upgrades, can be progressed.
- ▶ New funding to support bus networks, particularly in rural areas, and development of Mass Rapid Transport (MRT) schemes.
- ▶ Simpler, longer-term funding mechanisms to facilitate stable regional transport investment pipelines for both maintenance and enhancements, supporting outcomes set out in the strategies of the region's two Sub-national Transport Bodies (STBs), working with Mayoral and local authorities to better join-up strategic transport planning with wider infrastructure across the East.

### **Climate change and water scarcity**

- ▶ Fund and undertake an independent climate change risk assessment for the East of England.
- ▶ Resources to convene organisations set up to help manage water across the region, enabling the sharing of information, and a holistic approach to water management.
- ▶ Investment in strategic flood defences, and generally back investment in infrastructure ahead of need.
- ▶ Stabilise the water sector and provide long-term investment certainty.
- ▶ Accelerate action on environmental restoration and pollution reduction.
- ▶ Scale up nature-based solutions. Government support is needed to mainstream nature-based solutions, including providing seed funding, policy incentives, and mechanisms to unlock private investment through green finance.

### **Digital connectivity**

- ▶ Speed up 5G standalone infrastructure rollout through the appointment of digital champions and through liaison with strategic authorities.
- ▶ Extension of the 5G Innovation Regions Fund or similar.
- ▶ Speed up 5G standalone infrastructure roll out by appointing skilled and experienced digital champions. These could be hosted by the Strategic Authorities, and could stretch across between businesses and local councils to help bridge gaps between policymakers and industry.

### **The role of Local Government East in regional co-ordination**

Addressing the challenges and maximising the opportunities laid out in this report will require genuine collaboration between central and local government, and public and private sector partners, to secure the investment and make the change needed to ensure the East of England plays its part in mission delivery. As we look forward to the establishment of two new Strategic Mayoral Authorities in Greater Essex and Norfolk and Suffolk in 2026, and to further devolution over the coming years, alongside supporting the new system of unitary councils in the region, Local Government East (LGE) stands ready to convene those partners and to facilitate regional co-ordination at scale and pace.

We call on Government to work with LGE, the East of England APPG, and with local partners, to ensure that the East of England can fulfil its mission delivery potential – and to continue to nurture and steward a thriving region where there is genuine opportunity for all.



# How can the East of England kickstart economic growth?

## Introduction

The East of England sits at the heart of the UK economy. Stretching from the Oxford–Cambridge Arc through Hertfordshire, Bedfordshire and Essex, out to Suffolk and Norfolk on the North Sea coast, it is by land the second-largest English region.

The East of England has demonstrated time and time again that, given the right backing, we will deliver.

In recent months, the Government has shown its intent when it comes to our region. From the announcement of Sizewell C as the centrepiece of a nuclear revolution, further cementing our role as the UK's energy powerhouse, to backing East-West Rail, stretching across our region and linking up centres of excellence within and beyond our borders. We are also excited to be headquartering the UK Health Security Agency in the East, both recognising and reinforcing our world-class life sciences credentials.



Crucially, this backing does not just come from Westminster. The private sector is also committing to significant investment here in our region. Universal Studios are investing billions of pounds into a new theme park in Bedfordshire, which will transform our visitor economy and create jobs across our region. Recent investments announced by Stansted and Luton Airports, as well as London Gateway, will help showcase the East of England to the rest of the world. The development of the Wellcome Genome Campus is the latest addition to a region that is at the cutting edge of innovation. Underpinning all of this is investment into new and existing garden towns and communities, providing modern housing to meet the ever-growing needs of our population.

Why is the East of England garnering such interest? Because our fundamentals are excellent.

In 2023, the region generated nearly £214 billion in Gross Value Added (GVA), equivalent to 11 percent of the UK total excluding London<sup>14</sup>. Since 1998, our economy has grown by 57 percent – 12 points ahead of the UK average (excluding London)<sup>15</sup> – and, while public funding per head remains joint lowest in England, the region still generated £96.5 billion in tax revenue in 2022/2023 9.4 percent of the UK total<sup>16</sup>. If current growth trends are maintained, we could be a £235bn economy by 2029\*.

\*based on the level of growth delivered between 1998 and 2023 being at least maintained

<sup>14</sup> Regional gross domestic product: all ITL regions - Office for National Statistics – Table 10: Gross domestic product (GDP) chained volume measures (CVM) in 2022 money value, pounds million

<sup>15</sup> Ibid

<sup>16</sup> Country and regional public sector finances, UK - Office for National Statistics – Figure 1: Interactive map of country and regional public sector finances expenditure and revenue from financial year ending (FYE) 2000 to FYE 2023

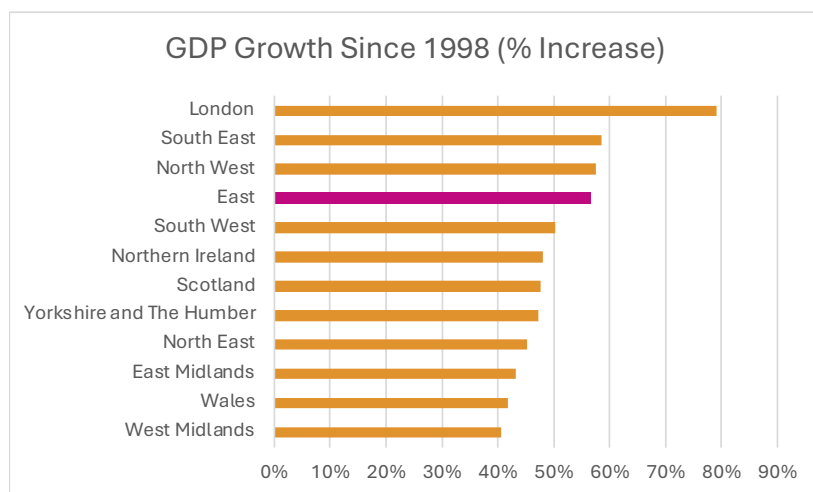


Figure 1: Gross domestic product (GDP) growth by region<sup>22</sup>

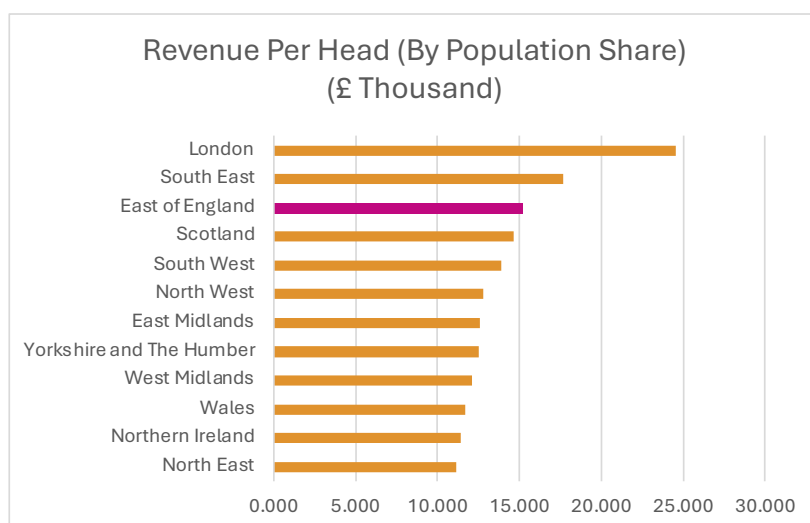


Figure 2: Revenue per head (by population share), £ thousand<sup>23</sup>

<sup>22</sup> Regional gross domestic product: all ITL regions - Office for National Statistics

- Table 10: Gross domestic product (GDP) chained volume measures (CVM) in 2022 money value, pounds million

<sup>23</sup> Country and regional public sector finances, UK - Office for National Statistics

- Figure 1: Interactive map of country and regional public sector expenditure and revenue from financial year ending (FYE) 2000 to FYE 2023

We also lead in research and development (R and D), with the highest business R and D investment per capita in the UK in 2022 — over £1,900 per person, nearly double the England average<sup>19</sup>. The latest statistics from 2023 suggest that businesses alone in the East invest over £9.7bn a year, 19.5% of the UK's total share, and the highest in the UK excluding London<sup>20</sup>. The East underpins the UK's energy and food security. We generate an amount of electricity able to power the equivalent of 32% of homes in the UK<sup>21</sup>, with projects like Sizewell C set to add a further 3.2 GW of low-carbon electricity, powering around six million homes<sup>22</sup>. The East's Grade 1 agricultural land — the most productive in the UK — supports 12% of England's agricultural workforce and contributes £4.5 billion in farming output annually<sup>23</sup>.

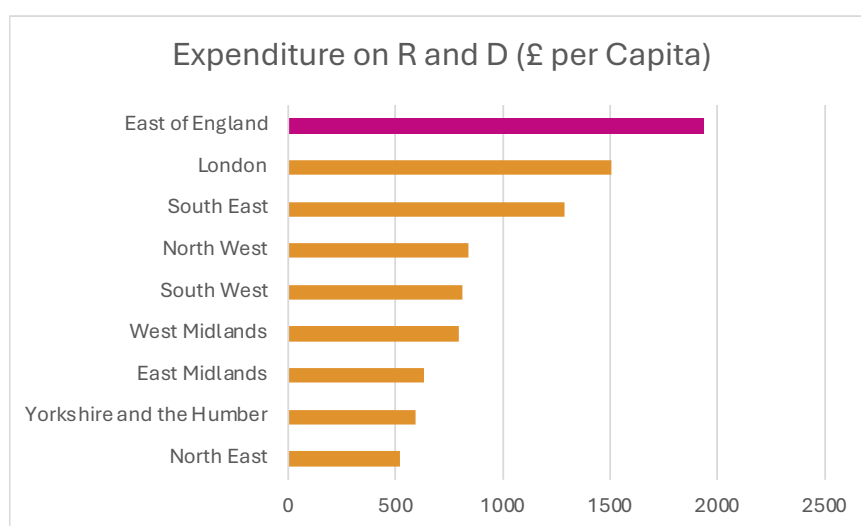


Figure 3: Expenditure on R and D per person by region

<sup>19</sup> UK gross domestic expenditure on research and development (designated as official statistics) - Office for National Statistics - Worksheet 5: Country and regional breakdown of expenditure on R and D in the UK by sector of performance, 2022 current prices (With population figures via "Population estimates - local authority based by five year age band" from Nomis)

<sup>20</sup> Business enterprise research and development, UK (designated as official statistics) - Office for National Statistics - Worksheet 7: Expenditure on R and D performed in UK businesses: by country or region

<sup>21</sup> Aldous makes case for East of England in UK's energy system - Opergy

<sup>22</sup> MP update shows Sizewell C "the best prepared nuclear project in modern nuclear history" - Sizewell C

<sup>23</sup> Agricultural facts: East of England region - GOV.UK - Table 1.4: Labour force in 2023 (number of people)

## High employment, high productivity, high levels of research

The latest data shows that the 3.3 million jobs<sup>24</sup> in our region contributed GVA of £214 billion in 2023<sup>25</sup>, with an employment rate of 78.6 percent<sup>26</sup> - above the national average. Meanwhile our region's productivity in 2023 (measured in GVA per hour worked) stands at £39.70, third highest in England<sup>27</sup>.

Across the East, the total research and development outlay in 2022 was £12.7 billion, 20% of the whole of the UK's spend<sup>28</sup>. At £1,938 per head this is the highest region-wide intensity in Britain. According to these statistics, Business investment accounts for a huge 84% of this<sup>29</sup>, underscoring our region's commitment to private-sector innovation across a broad spectrum of sectors. It is also a testament to our world-beating network of universities in our region.



## World-class sector clusters and drivers of innovation

Data from The Data City suggests that the East of England is home to a disproportionately high number of businesses in key industries specified by the Government's Industrial Strategy launched in 2025 as either crucial to high productivity, or foundational to the UK economy. Furthermore, many of the clusters contained in the East are of truly global significance. These include:

- ▶ **Life sciences:** The corridor connecting Norwich to Cambridge and on through to Oxford is home to world-class life-sciences clusters at Cambridge Biomedical Campus, Norwich Research Park and the Stevenage Bioscience Catalyst. In total, 3,226 life science businesses are located in the region - 15% of all life science companies in the UK<sup>31</sup>.
- ▶ **Clean energy:** Our coast is already home to 5 GW of offshore wind capacity, with nearly 10 GW in development<sup>32</sup>. A new generation of nuclear power at Sizewell C will add a further 3.2 GW of power<sup>33</sup>. Together this mix will power the equivalent of one third of the UK's homes.

<sup>24</sup> JOBS05: Workforce jobs by region and industry - Office for National Statistics - 6. East of England

<sup>25</sup> Regional gross domestic product: all ITL regions - Office for National Statistics - Table 10: Gross domestic product (GDP) chained volume measures (CVM) in 2022 money value, pounds million

<sup>26</sup> Labour market in the regions of the UK - Office for National Statistics - Table 1: Summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, March to May 2025

<sup>27</sup> Gross value added per hour worked - ONS - Gross Value added per hour worked (Countries and Regions)

<sup>28</sup> UK gross domestic expenditure on research and development (designated as official statistics) - Office for National Statistics - Worksheet 5: Country and regional breakdown of expenditure on R and D in the UK by sector of performance, 2022 current prices (With population figures via "Population estimates - local authority based by five year age band" from Nomis)

<sup>29</sup> Ibid

<sup>30</sup> Gross value added per hour worked - ONS

<sup>31</sup> Opportunity East - P28 Citing Data Cities Data.

<sup>32</sup> EastWind - Offshore Cluster - "Powering the Future 2030" Skills Report

<sup>33</sup> About Sizewell C - Sizewell C - "The Power Station at a Glance"

- ▶ **Advanced manufacturing:** There are 1,510 advanced manufacturing businesses in the East of England - 12.5% of all such businesses in the UK<sup>34</sup>.
- ▶ **Defence, aerospace and aviation:** Across the East, firms like Airbus and MBDA in Stevenage, MSI Defence in Norfolk, MEL Group in Sudbury, Marshall Aerospace in Cambridge, and GKM in Essex, deliver technologies and manufacturing that support our national security.
- ▶ **Financial services:** With globally significant leaders in finance such as Aviva in Norwich, Axa in Ipswich and Grant Thornton in Cambridge, the East boasts a growing fin-tech opportunity.
- ▶ **Digital technology:** The region hosts 2,650 digital technology businesses - 12.5% of all digital technology businesses in the UK<sup>35</sup>. There is a growing digital and IT footprint with world-leading research and innovation at Adastral Park near Ipswich focusing on cyber security, Internet of Things, AI and quantum computing.
- ▶ **Agri-tech:** The East of England is a leader in Agritech, defined in the Industrial Strategy as an important frontier industry within the advanced manufacturing sector<sup>36</sup>. The East of England is home to 338 agri-tech related businesses - 20% of such businesses in the UK, demonstrating a strong level of specialisation<sup>37</sup>.
- ▶ **Creative industries:** Creative industries in the East of England employ just under 100,000 people, and the region has many strengths within the sector<sup>38</sup>.

### Trade and mobility

With over half the UK's container freight handled by Felixstowe, Harwich and Thames Freeport<sup>39</sup>, the East of England is uniquely placed to connect to 700 global ports, driving international trade<sup>40</sup>. Likewise, our four airports provide a critical mobility link to the rest of the world for air freight, business and tourism travel. We are an international gateway for the whole country, with 70% of the containers landing in our region travelling up to the Golden Triangle in the Midlands and North<sup>41</sup>.

Added to this are our rail routes, such as the Great Eastern Main Line, West Anglia Main Line and Cambridge-King's Cross route, carrying both commuters, visitors and freight. The East is well connected but needs more investment to complete missing connections and resolve long-standing capacity issues.

<sup>34</sup> Opportunity East – P35 Citing Data Cities Data

<sup>35</sup> Opportunity East – P34 Citing Data Cities Data

<sup>36</sup> Industrial Strategy Sector Definitions List - GOV.UK – The Advanced Manufacturing Sector's frontier industries

<sup>37</sup> Opportunity East – P25 Citing Data Cities Data

<sup>38</sup> ONS, Business Register and Employment Survey (BRES), 2024. The creative industries has been defined using the Department for Culture, Media and Sport (DCMS) definition

<sup>39</sup> Port freight annual statistics: 2024 - GOV.UK – Port Freight Annual Statistics: 2024 Data Tables (Port0201 and Port0400)

<sup>40</sup> Welcome to Felixstowe: A Leader in Container Transport – Capacity and cargo handling: Sustaining UK's trade flow

<sup>41</sup> 2022 Global Seaport Review: Felixstowe, U.K. | CBRE – Intermodal Transportation

The region is also an exporter in its own right, and is the second largest exporter of food and live animals in England, as well as the third largest exporter of mineral fuels and chemicals in England<sup>42</sup>.

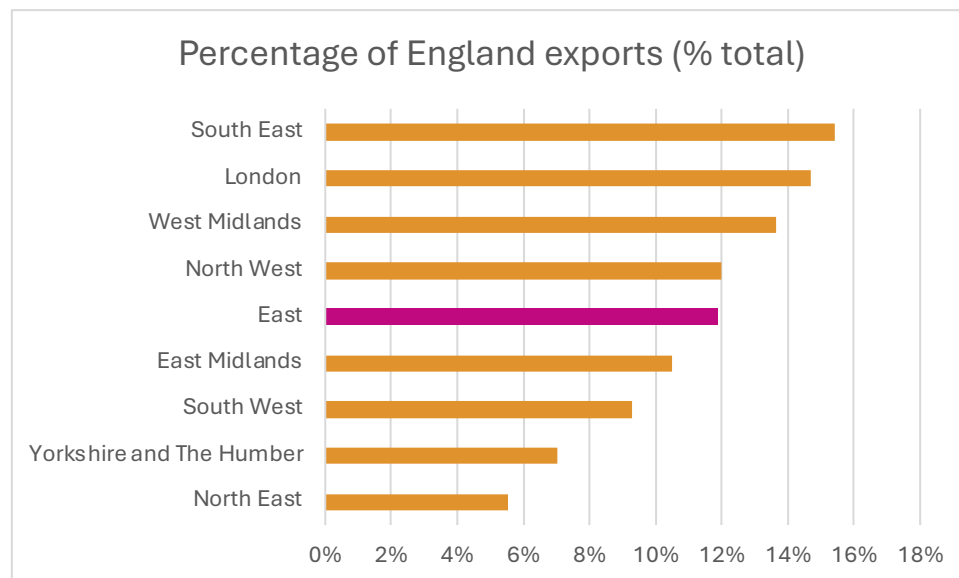


Figure 5: Percentage of exports originating from the East as a percentage of England's total<sup>43</sup>

### East of England Investment Prospectus

Alongside our strengths, the East of England has room for improvement to ensure we remain a great place to live and work. To secure the next generation of world-class investment, we must strive for even more collaboration and co-ordination, both in the corridors of Whitehall and in the domestic and international investor markets.

Earlier this year, through the development of a private-public partnership, we developed our first [East of England Investment Prospectus](#). The Prospectus not only showcases our region to domestic and international investors, but also identifies eight specific investor-ready projects that are looking for private investment.

The East of England Investment Prospectus is a landmark opening salvo for this agenda. Our communities need investment. They have proven, year after year, generation after generation, that when this backing comes, the East of England delivers. It is our responsibility to carry this forward, towards a new age of economic prosperity.

This Prospectus provides investors with a compelling case for engagement, ensuring the East of England continues to drive innovation, economic growth, and national prosperity.

<sup>42</sup> UK regional trade in goods statistics, first quarter, January to March 2025: accompanying tables - GOV.UK  
- "Exports" and "East"

<sup>43</sup> UK regional trade in goods statistics, first quarter, January to March 2025: accompanying tables - GOV.UK  
- "Exports" and "East"

The projects included are shining examples of our region's potential and will be worth more than £4 billion when delivered. Each will have a transformational effect on their communities, driving forward regeneration, attracting new investment, adding significant social value, and creating well-paid, skilled and secure employment for local people. The eight projects are:

- ▶ Chesterford Research Park in Uttlesford.
- ▶ Bushey Golf and Country Club in Hertsmere.
- ▶ Cross Point Logistics Park near Huntingdon and Peterborough.
- ▶ Greater Brookfield in Broxbourne.
- ▶ Hatfield Innovation Campus in Welwyn Hatfield.
- ▶ Portman Road Redevelopment in Ipswich.
- ▶ Southend Airport Business Park in Rochford.
- ▶ Station Gateway in Stevenage.

All of the projects are distinct in their offer and their geography. They are each seeking different types of investment and partners, with different funding and delivery models, but what unites them all is that they are ready to engage with investors, and ready to deliver for their local communities.

Each of these projects are good in and of themselves, but the overarching purpose of this Prospectus is also to improve the quality and depth of engagement with the investor community, and to find a unified voice for the region.

Partnership working is vital to ensuring the success of these projects, and wider work on attracting inward investment to the East of England. Sustainable, impactful, and fair growth can only be achieved if local and central government work closely with the private sector and other partners.

To assist this partnership, the Government's devolution programme offers the East of England a once-in-a-generation opportunity to take this work even further yet, equipping strategic authorities with the strategic powers they need to push forward this agenda. Equally, however, we could not sit and wait for devolution to act; this Prospectus begins the work that devolved authorities must look to continue and expand.

### **A region poised to deliver**

The East of England is poised to drive a step-change in UK growth, economic resilience and living standards. With private capital primed – evident in a £4 billion investment pipeline<sup>44</sup> and high research and development intensity – and committed local partners, the region's story is one of performance and potential under acute constraint. By addressing infrastructure pinch-points, skills gaps and governance fragmentation, the UK Government can unlock that latent potential, delivering on both Whitehall's missions and local ambitions.

<sup>44</sup> East of England Prospectus Launched at UKREiF – Innovation Corridor

## Summary of the challenges

In spite of these economic achievements, this performance masks the untapped potential of our region to be the engine that drives national growth, productivity and resilience in so many of the Government's growth-driving sectors. The East faces perpetual under-investment in infrastructure, and an engrained skills challenge centring on low wages, low qualifications, economic inactivity and sectoral shortages of people. Our region also suffers from water scarcity, poor grid connectivity and poor digital connectivity. All of which is a brake on our region's prosperity and that of its vibrant business community.

### Infrastructure pinch-points

A-roads and motorways in the East experience delays 20 percent above the national average<sup>45</sup>, with particular issues on the strategic and major road networks including the A14/A11 corridors, A47, A10, A120 and A12.

Meanwhile, despite good rail network connection, rail capacity for both passenger and freight services has peaked. Major investment is needed at Ely and Haughley rail junctions and the Trowse bridge in Norwich to increase capacity further.

### Digital disconnection

Our region has the second-lowest full-fibre coverage of any English region,<sup>46</sup> which severely limits the ability of businesses to grow. Meanwhile rural mobile "not-spots" constrain technology-enabled agri-tech and agri-food firms.

### Utilities constraints

Without faster connection to the grid, opportunities to expand housing and employment allocations will be missed, and organisations looking to grow and diversify will be unable to do so. Critically, it also means the region's contribution to decarbonisation will be stifled.

Similarly, as one of the driest parts of the UK, without new reservoirs, the region faces a potential 800 million litres per day shortfall of usable water by 2050<sup>47</sup>. The new reservoirs announced by the Government in the infrastructure pipeline in 2025 are very welcome, and we are working with partners to boost awareness around water issues regionally. However, further moves towards water efficiency may be needed, including the uptake of new water efficiency standards within planning legislation and guidance.

### Lower wages and qualifications

Across large areas of the East, wages are below the national average, and skills shortages are widespread. For instance, only 31.6 per cent of 16–64-year-olds in the East of England hold Level 4+ qualifications (33.9 per cent nationally)<sup>48</sup>.

<sup>45</sup> Transport East Transport Strategy 2023-2050 – P32 Growing towns and cities

<sup>46</sup> broadband-report-march-2025.pdf – English Region Breakdown

<sup>47</sup> Regional Water Resources Plan - Water Resources East – About WRE's first regional plan

<sup>48</sup> Nomis - 2021 Census Area Profile - East Region – Highest level of qualification

Some sectors in the regional economy suffer a particularly acute shortage of in-demand skills. This is especially true in STEMM subjects (i.e., science and maths), construction trades, digital literacy, project management and so-called “soft” employability skills such as creativity and communication skills. Meanwhile, those not in education, employment or training (NEET) exceed national levels, especially in rural communities, highlighting the need for targeted “hidden unemployment” programmes.

### Public investment deficit

The East of England experiences perennial underinvestment from the public purse. If expenditure in the East of England matched the national per-head average, the region would see an extra £10 billion investment annually<sup>49&50</sup>. This would go a long way in unlocking road, rail, digital and green-infrastructure upgrades.

Devolution and local government reorganisation will hopefully simplify the structure but will also increase the number of strategic authorities and mayors within the East of England. This will make it all the more important that the governance surrounding these new institutions is as clear and simple as possible.

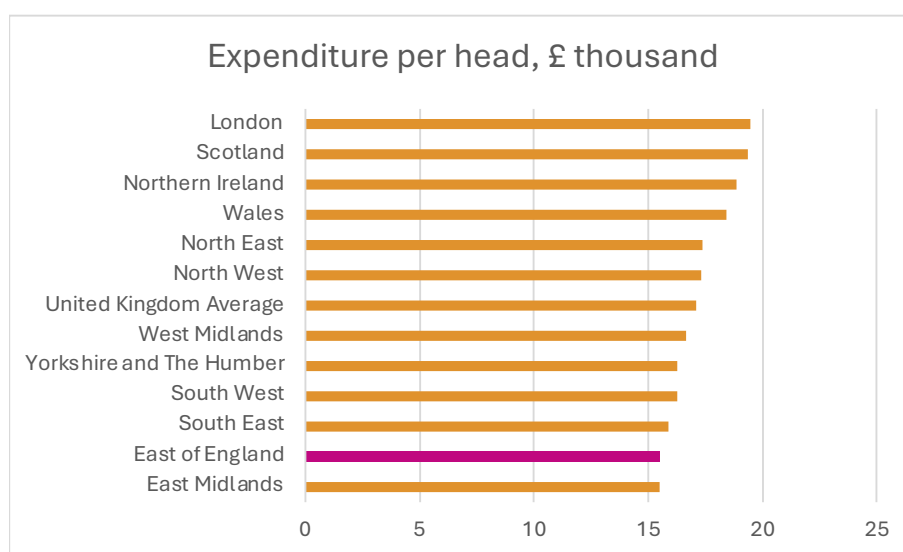


Figure 6: Expenditure per capita for each region in the UK

<sup>49</sup> Country and regional public sector finances, UK - Office for National Statistics - Figure 1: Interactive map of country and regional public sector finances expenditure and revenue from financial year ending (FYE) 2000 to FYE 2023

<sup>50</sup> Nomis - 2021 Census Area Profile - East Region - Demography and Migration

<sup>51</sup> Country and regional public sector finances, UK - Office for National Statistics - Figure 1: Interactive map of country and regional public sector finances expenditure and revenue from financial year ending (FYE) 2000 to FYE 2023

## Top asks

Alongside the set of asks in subsequent chapters, which are sorely needed to boost growth in the East, these asks have been made specifically by our business community:

- ▶ **Leadership and devolution:** There is broad consensus that some form of devolved decision-making through a rationalised local government structure would be welcome. This would give businesses confidence in the long term, and therefore the Government must make good on the promise of working with local communities on the transition through devolution and local government reorganisation to safeguard place-based delivery and a stable investment environment.

- ▶ **Research and development and innovation incentives,** including:

- ▶ **Tax relief enhancement:** Increase research and development tax credit rates for projects in designated “Innovation Parcels” within the East, supporting scale-up of biotech, AI and advanced manufacturing.
- ▶ **Catapult funding:** Increase grants for facility expansion at Adastral Park, Norwich Research Park and Stevenage Catalyst.



# How can the East help make Britain a clean energy superpower?

## Introduction

The East of England has always played a pioneering role in the UK's energy story. From the nuclear and gas developments of the 1960s, through the earliest offshore wind installations in the 1980s, to solar adoption in the 2000s, the region has consistently shown the foresight and capacity to lead. Now, as the country accelerates towards net zero and a more secure, resilient and affordable energy future, this part of the UK offers something unique – a ready-made landscape for energy transformation.

Already in 2023, the East generated enough low-carbon electricity to power 32 percent of UK homes<sup>52</sup>. With investment, planning alignment and infrastructure upgrades, that figure could rise to 90 percent by 2035<sup>53</sup>. Offshore wind, gas, solar, nuclear and hydrogen are all within reach – and in many cases already in motion. The Southern North Sea continues to supply around a third of the UK's natural gas. Farmland is being used not just for crops but for solar panels, battery storage and substations. Cable corridors now cross much of the landscape. Norfolk and Suffolk are energy farmers in the truest sense, and with the right support they could become an energy powerhouse – not just for this region, but for the entire country.

The offshore wind story in particular demonstrates what's possible. The region currently hosts 5 GW of installed capacity, with a further 10 GW planned or in development<sup>54</sup>. 'East Anglia Three' being developed by Scottish Power Renewables is an example of what can be achieved; with 100 turbines and 1.4 GW in capacity, it will be enough to power 1.3 million homes<sup>55</sup>. That alone could provide clean, reliable power to millions more homes and businesses. Turbines are getting larger, more efficient and increasingly cost-competitive. With new investment, local ports could support both construction and servicing. Fabrication yards, training centres and logistics hubs could all expand, creating high-quality jobs and long-term economic growth.

We should not forget the gas industry, as more than 80% of UK homes are heated with natural gas – even the Houses of Parliament<sup>56</sup>. Natural gas plays an essential role in Great Britain's energy system for power, heat and industry. Our net zero pathways show a changing role for gas, with it principally providing low carbon power flexibility and low carbon hydrogen production.<sup>57</sup> Shell are likely to sell their offshore and Bacton Gas Terminal assets in Norfolk to Viaro, a company set to invest heavily in increasing productions from these near to shore, low carbon fields. Other operators, including Perenco could increase incrementally their gas production

<sup>52</sup> Aldous makes case for East of England in UK's energy system - Opergy

<sup>53</sup> Ibid

<sup>54</sup> EastWind – Offshore Cluster – "Powering the Future 2030" Skills Report

<sup>55</sup> East Anglia THREE - ScottishPower Renewables

<sup>56</sup> Future Energy Scenarios 2025: Pathways to Net Zero – P106 Other heating technologies

<sup>57</sup> Future Energy Scenarios 2025: Pathways to Net Zero – P152 Gas supply, storage and networks

with investment, producing home grown gas which emits one-quarter of the carbon emissions of US and Qatar Liquefied Natural Gas<sup>58</sup>. A far more harmful climate change gas, methane, has been tackled by UK operators and our losses are minimal compared to the USA.<sup>59</sup> These companies employ hundreds of people and the supply chain for them in this region is large, operating across the region and utilising our ports daily. For example, a major international service company, Halliburton, recently moved back into Great Yarmouth and is investing there.



<sup>58</sup> <https://www.nstauthority.co.uk/the-move-to-net-zero/net-zero-benchmarking-and-analysis/natural-gas-carbon-footprint-analysis/>

<sup>59</sup> <https://www.gov.uk/government/publications/united-kingdom-methane-memorandum/united-kingdom-methane-memorandum#:~:text=%5Bfootnote%2015%5D,achieved%20reductions%20across%20each%20sector>

One of the most promising developments on the horizon is the potential to turn the Bacton Gas Terminal into a nationally significant low-carbon energy hub. Building on decades of gas expertise and existing infrastructure, Bacton could support both blue and green hydrogen production, as well as carbon capture and storage (CCS). With strategic investment, this single site could enable the decarbonisation of gas supplies, support a new hydrogen economy and help remove millions of tonnes of CO<sup>2</sup> from the atmosphere—all while sustaining the UK's domestic energy resilience. In 2024 and 2025, Perenco invested £40 million to assess the feasibility of offshore CO<sup>2</sup> storage using depleted fields in the Southern North Sea. That work now provides a technical foundation for what could be a UK-leading CCS cluster.

Even more potential emerges when Bacton is viewed in the wider regional context. Just south of it lies **Freeport East**, a strategic economic zone encompassing the ports of Felixstowe and Harwich. As part of its clean growth strategy, Freeport East is developing a **Green Hydrogen Hub**, which will produce, store and distribute hydrogen for use in logistics, transport and industry. Plans are in place for an initial 45 MW electrolyser, with ambitions to scale beyond 100 MW in the next decade. This will support the decarbonisation of port operations and create the potential for green hydrogen export. If Bacton and Freeport East are aligned through investment and planning, the East of England could become home to a joined-up hydrogen corridor—capable of serving domestic users, industry and export markets alike.

Freeport East's commitment to green goes further still. In partnership with Mid Suffolk District Council, Freeport East has agreed a £16.6m funding package to build a state-of-the-art centre on its Gateway 14 tax site. The new centre will have the potential to be an iconic and market-leading hub for innovation and skills in green sectors within the eastern region. They also hope to create a Green Freight Corridor. This would link Freeport East with East Midlands Freeport in a new partnership to support the decarbonisation of transport, and drive enhanced skills and employment initiatives along the length of one of the UK's most important transportation routes.

Further opportunities lie in **Great Yarmouth and Lowestoft**, where local authorities and developers are exploring modular hydrogen production and Carbon Capture and Storage (CCS) integration. Both towns host energy parks adjacent to existing offshore wind connections. Hydrogen East's studies have shown how a decentralised approach to hydrogen, supported by local wind power and grid flexibility, could serve local industrial estates and transport operators. Add in the technical capacity of Norwich, the port logistics of Harwich and the ambition of the New Anglia energy community, and a coordinated, region-wide hydrogen strategy becomes a compelling proposition.

The economic impact of such a transition would be far-reaching. Coordinated investment in hydrogen, CCS and renewables could unlock billions in private capital. It would revitalise the engineering supply chain, support new apprenticeships and technical roles, and strengthen regional infrastructure. East of England businesses would have the confidence to invest in fabrication, maintenance and training. Colleges and universities could expand their energy and engineering

offers. Young people across Norfolk, Suffolk and Essex could enter long-term, skilled, well-paid careers in a sector that's not only growing but helping to solve one of the greatest challenges of our time.

Offshore wind alone presents a £25 billion investment opportunity for the UK<sup>60</sup>. If future Contracts for Difference (CfD) rounds provide stable, investable terms, this pipeline could move forward at pace. Local ports—such as those in Lowestoft, Great Yarmouth and Harwich—could be upgraded to support larger turbine logistics. Fabrication yards and specialist manufacturers could scale up to deliver components at volume. Grid reinforcement programmes could unlock new connections and create greater flexibility across the electricity system.

The East of England's legacy in oil and gas is now creating another long-term opportunity: **decommissioning**. The retirement of Southern North Sea infrastructure represents a multi-billion-pound market. With strategic support, Great Yarmouth and Lowestoft could become UK centres of excellence for offshore decommissioning. They already have the docks, vessels and skills—but with coordination, incentives and investment, they could capture much more of this work domestically. Over the next decade, the first generation of offshore wind farms will also begin to be retired. Scroby Sands, one of the UK's first, is already removing a turbine in 2025. Building up a local capability to support responsible, circular decommissioning now would place the East at the centre of another critical sector.

Nuclear remains a vital part of the picture. The extension of Sizewell B from 2035 to 2055 would provide continued baseload energy and extend the local

economic benefits of the site. Sizewell C, currently in development, offers a major opportunity to expand nuclear generation while creating thousands of jobs and long-term value for the regional economy. With the right training pathways in place, local people can be recruited, upskilled and retained. This requires early action. Colleges, universities and private training providers should be supported to align their curriculum with industry needs. From civil engineering and electrical installation to project management and safety, the region has the potential to deliver the skills required – but this will only happen if learners begin their journey now.

The region is also attracting interest from adjacent growth sectors. **Data centres**, for example, are energy-intensive facilities that rely on a stable, secure electricity supply. With abundant offshore wind and nuclear power available, and the potential for green hydrogen storage and dispatch, East Anglia is well placed to host or support data infrastructure. Strategic co-location of energy assets and data centres could create new jobs, anchor infrastructure investment, and support the wider digital economy.

What ties all of these opportunities together is the need for **integration**. While projects are advancing, a shared vision could deliver far greater impact. A coordinated regional plan—linking offshore wind, hydrogen, CCS, nuclear, ports and grid infrastructure—would enable joined-up planning, attract strategic investment and unlock wider economic growth. Such a plan would connect existing developments at Bacton, Freeport East, Sizewell, Great Yarmouth and Lowestoft, creating a connected energy region with national significance.

<sup>60</sup> UK Offshore Wind Report 2024 P32 Paving the way for future growth

## Summary of the challenges

Despite all of these opportunities, the regional supply chain remains fragile. The major players in East of England energy – ScottishPower (Spanish), RWE (German), Equinor (Norwegian), EDF and Perenco (both French) – have not always been able to invest in regional supply chain companies because the services and supplies have shrunk here. We need to build resilience back into our supply chain. Over the past two decades, deindustrialisation has eroded manufacturing and engineering capability in the UK. Although centres of excellence remain in Norwich, Great Yarmouth, and Lowestoft, many firms are reluctant to invest without clearer signals on project timelines and contract certainty. This, in turn, affects recruitment and workforce development.

## Top asks

To enable energy to both kickstart economic growth and assist in making England a clean energy superpower, a number of enabling actions would make a critical difference. These include:

- ▶ Long-term investment stability particularly for offshore wind through Contracts for Difference reform.
- ▶ Designation of Bacton and Freeport East as a hydrogen and Carbon Capture and Storage corridor.
- ▶ Supply chain support including funding for fabrication, logistics and port expansion.
- ▶ Digital and energy co-location, encouraging data centre development alongside clean energy assets.



Photo Credit Mike Page

# Housing:

## Unlocking the East of England's potential

### Introduction

Realising the East of England's social and economic ambitions depends on providing the right kind of homes in the right places, supported by robust infrastructure and empowered local leadership.

Ensuring everyone has access to a safe, secure, and affordable home is both a fundamental social responsibility and a critical driver for economic growth.

This chapter sets out the innovative approaches and unique opportunities for delivering the much-needed homes for communities across the East of England. It sets out the current challenges impacting housebuilding at the scale required and highlights four asks of the Government, to secure a prosperous and inclusive future for communities across the East of England.

### The Government's housing ambition and housing needs in the region

The Government's national target of 1.5 million new homes by 2029 places a substantial responsibility on the East of England, which is expected to deliver just over 227,000 new homes over the next five years.<sup>61</sup> This allocation constitutes the third highest regional share in England, requiring an annual delivery rate of approximately 45,400 homes. It is no surprise that the East is required to build so many homes – the East was the fastest growing region in terms of population between 2011 - 2021 census<sup>62</sup>.



<sup>61</sup> Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK

<sup>62</sup> Census: East of England has biggest population rise since 2011 - BBC News

<sup>63</sup> Population and household estimates, England and Wales - Office for National Statistics

<sup>64</sup> Nomis - Query Tool - Population projections - local authority based by single year of age

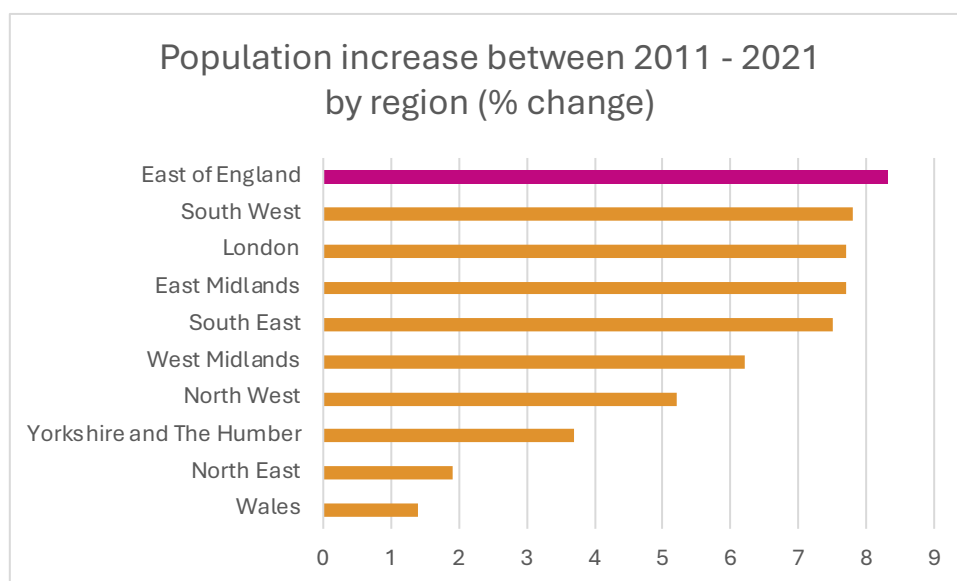


Figure 7: Population Change, 2011 to 2021, Wales and the regions of England<sup>74</sup>

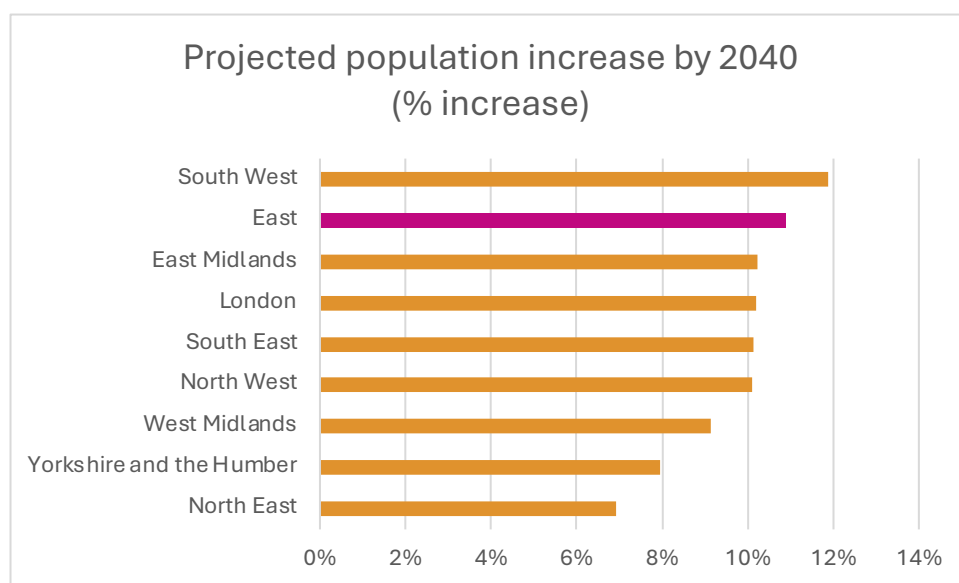


Figure 8: 2022-based subnational population projections<sup>75</sup>

The Government's Spending Review 2025 marks the most significant investment in housing in a generation through a 10 year £39 billion Social and Affordable Homes Programme (SAHP), with a target to deliver 300,000 new social and affordable homes, with at least 60% of the homes as social rent.<sup>65</sup> This commitment brings the much-needed financial certainty for local councils and housing associations striving to build homes to meet acute social housing needs across the East of England.

<sup>65</sup> Delivering a decade of renewal for social and affordable housing - GOV.UK

The East of England has approximately 9,320 households in temporary accommodation<sup>66</sup> and 94,406 households on local council waiting lists<sup>67</sup>, underscoring the urgent need for accelerated social housing provision. Many families on local council waiting lists are living in poor quality, unaffordable, and overcrowded accommodation, adversely impacting physical and mental health inequalities, employment and education.<sup>68</sup>

The housing supply and affordability challenge in the region is impacted by a rapidly expanding and ageing population, a diverse geography spanning coastal, urban and rural areas, and close proximity to London.<sup>69</sup>



## Progress on housing delivery in the region

Despite the challenging financial and policy context, the East of England is making progress in delivering homes to meet housing needs through a range of mechanisms and partnerships, notably:

- ▶ In 2023/24, 28,640 homes were built, supporting over £1.2 billion in affordable housing investment. This activity generated an estimated £6.3 billion in local economic output and supported around 100,000 jobs.<sup>70</sup>
- ▶ During the 2023/24 financial year, local councils and housing associations built a total of 7,002 homes, broken down as follows <sup>71</sup>:
  - ▶ 861 homes for social rent.
  - ▶ 3,822 homes for affordable rent (80% of market rent).
  - ▶ 2,319 homes for shared ownership.
- ▶ In South Norfolk, a total of 333 affordable homes were completed during 2023/24, nearly double the local authority's target of 169.<sup>72</sup>
- ▶ The Affordable Housing Programme in Cambridgeshire and Peterborough delivered at least 1,449 affordable homes between 2017 and 2022 – about 72.5% of government targets.<sup>73</sup>

<sup>66</sup> January – March 2025 Temporary Accommodation figures are a snapshot at the end of the quarter: Table TA1 Tables on homelessness - GOV.UK

<sup>67</sup> April 2023 – March 2024 number of households on local authority housing registers by district England: Table 600 Live tables on rents, lettings and tenancies - GOV.UK

<sup>68</sup> Multiple housing problems | The Health Foundation

<sup>69</sup> Opening the Door, Local Government East, March 2023 and Healthy-Homes-in-the-East-of-England. Local Government East, December 2024

<sup>70</sup> New\_Homes\_Week\_2025\_-\_East\_of\_England\_report.pdf

<sup>71</sup> April 23 – March 24 MHCLG Affordable Supply table 1011C Live tables on affordable housing supply - GOV.UK

<sup>72</sup> Inside Housing - News - Council delivers double its affordable housing target

<sup>73</sup> Affordable Housing - Cambridgeshire and Peterborough Combined Authority

## The economic benefits of building more homes

The National Housing Federation estimates that building 11,000 social homes in the East could create 18,000 jobs and inject £1.3 billion into the regional economy<sup>74</sup>. The housing sector is a major driver of employment and skills development, offering careers in construction, retrofit, and green technologies, sectors that are critical for the region's sustainable growth. When people live close to where they work, productivity rises for individuals and for the wider economy. Homes near work or training help address workforce shortages in construction, care, and public services.

Investment and policy action targeted towards the delivery of more homes is a catalyst for regional and national economic growth. The connection between housebuilding and economic growth is evident in Local Growth Plans across the region, and in Cambridgeshire and Peterborough Combined Authority's (CPCAs) ambition statement to double Gross Value Added over 25 years (GVA).<sup>75</sup>



## Innovation and opportunities for accelerating housing delivery

Across the region, local councils, housing associations, developers, health partners and the wider private sector are working together to deliver homes of all tenures that are responsive to local need.

The region is home to innovative and creative approaches achieved through collaboration.

### Strategic Place Partnerships

Strategic partnerships, like that in Cambridgeshire and Peterborough, offer opportunities to speed up housing delivery and regeneration. The new Strategic Place Partnership (SPP) between Homes England and the Cambridgeshire and Peterborough Combined Authority (CPCA) is a significant opportunity to support sustainable growth and regeneration. This partnership will be vital in areas of high demand, such as Peterborough and the rapidly growing Cambridge area, the fastest growing cities in the region. By unlocking and investing in essential infrastructure, the SPP will create the conditions for faster housing development in priority locations. It will provide a strategic framework to identify, promote, and deliver a pipeline of key sites focusing resources where they will have the greatest impact. The partnership will give a much-needed boost to existing housing sites, helping to increase the delivery of affordable homes to meet the pressing needs of local communities.

<sup>74</sup> The economic impact of building social housing - CEBR

<sup>75</sup> Growth Ambition Statement

## Devolution and Spatial Development Strategies

Devolving powers and funding for housing to Mayoral Combined Authorities through Spatial Development Strategies (SDSs), alongside the creation of new unitary councils through Local Government Reorganisation has the potential to support strategic decisions including tenure mix, site prioritisation, and regeneration strategy. In the East, there is an opportunity to build on the lessons learned from the Cambridgeshire and Peterborough Combined Authority and strategic authorities outside the region, to support Suffolk and Norfolk, and Essex under the Devolution Priority Programme and to maximise the benefits of Devolution for housing growth across the whole region.

### New towns

The East of England is among the leading contenders for the New Towns planned<sup>76</sup>, reflecting the region's strong economic demand and transport connectivity. This is on top of existing urban developments - for example, the Cambridge Delivery Group plans to accelerate housing delivery with up to 150,000 new homes by 2050, making it an ideal site for sustainable mixed-use development. The region is home to existing new towns like that of Harlow and Gilston Garden Town.<sup>77</sup>

## Regeneration

Public and private investment partnerships are supporting regeneration, housing and infrastructure like Anglia Square in Norwich. Norwich City Council and Aviva, supported by £34 million grant from Homes England, is delivering 1,100 new homes and regenerating the urban area. It will become home to leisure and retail spaces and community facilities bringing, social and economic benefits. The investment could create over 3,500 jobs in one of the country's 10% most deprived areas, just 15 minutes' walk from Norwich city centre.<sup>78</sup>

## Health and care integration

Meeting ambitious housing targets requires shifting the focus from numbers alone to a place-shaping narrative. The NHS 10 Year Plan addresses the role local government in its aspirations for neighbourhood health and a more diverse and devolved healthcare system that is closer to communities. Accessible housing that meets local housing need is integral to improving health outcomes. In Central Bedfordshire construction of an integrated health and care hub and apartments were completed in March 2023. This is part of a wider programme of new hubs to provide better care locally in Central Bedfordshire, joining up health and care services for the residents of Dunstable and surrounding villages. The site includes 98 modern, contemporary homes for shared ownership and affordable rent for those over the age of 55<sup>79</sup>.

<sup>76</sup> Building new towns for the future - GOV.UK

<sup>77</sup> Harlow and Gilston Garden Town - HGGT

<sup>78</sup> £350m landmark deal to turbo charge growth in Norwich | Norwich City Council

<sup>79</sup> Grove View Integrated Health and Care Hub, Dunstable

## Rural Exception Housing Schemes

Land parcels in rural areas exempt from certain planning restrictions represent a valuable but underutilised opportunity to deliver new affordable homes where development might not otherwise be permitted. Encouraging the use of rural exception sites can help unlock stalled developments and provide much needed affordable and social housing in smaller communities, provided that environmental and local needs are carefully considered and balanced. Rural exception sites can provide affordable homes for people with a local connection, especially in rural and high-cost areas in areas like Suffolk and Norfolk. Community Led Housing including models such as Community Land Trusts (CLTs), ensures community ownership in perpetuity, and tailors provision to local need.<sup>80</sup>

## Case Study

### Rural exception housing scheme: North Norfolk District Council <sup>81</sup>

North Norfolk District Council promotes Rural Exception Housing Schemes to provide affordable homes in villages where development is normally restricted. These small, well-designed developments are intended for people with a local connection, enabling them to live near family or work. The council collaborates with housing associations, such as Broadland Housing Association, to deliver homes that meet high building and energy efficiency standards, sometimes alongside a limited number of market homes.

Recent examples include developments in Northrepps (19 carbon-neutral homes with rented and shared ownership options) and Hindringham (17 affordable homes). These homes are permanently affordable, with restrictions preventing full ownership (e.g. capped shared ownership at 80%). The schemes help address local housing shortages, support community cohesion, and provide energy-efficient, secure homes for residents. Supermarket workers Claire and Robert, along with their two children aged ten and six, were the first to move into the new development in Northrepps.

"The fact that it is so energy efficient means we don't have to worry about big energy bills, and we know we can stay warm in the winter without worrying about whether we can afford to heat our home. This area is our home, but it's now difficult to find suitable accommodation, which is affordable, even though we both work. We now have a lovely family home where we can bring up our family in security."

- Claire, new tenant

However, there is a clear need for more detailed guidance and support from the Government to help local councils, parish and town councils, and housing associations make best use of rural exception sites. Enhanced national guidance should provide greater clarity on eligibility, streamline the planning process, and ensure that these sites deliver long-term benefits for rural communities.

<sup>80</sup> <https://www.communitylandtrusts.org.uk/news-and-events/its-time-to-lobby-for-funding-and-policy-reform-for-clts/>

<sup>81</sup> Home | Rural exception housing schemes

## Summary of the challenges

Despite progress in housing delivery in the region, challenges in local council funding, viability, planning, transport infrastructure, skills, and environmental constraints persist, impeding housing development. For the Government to meet its ambition of delivering 1.5 million new homes by 2029, it must address these significant challenges pertinent to the East of England.

Region	Lower Quartile Housing Price	Lower Quartile Salary	Affordability Ratio
London	£390,000	£29,109	12
South East	£275,000	£32,503	9.29
<b>East</b>	<b>£245,000</b>	<b>£26,500</b>	<b>8.42</b>
South West	£226,000	£29,590	8.3
England	£190,587	£27,998	6.79
West Midlands	£177,500	£26,770	6.7
East Midlands	£178,000	£26,597	6.65
North West	£145,000	£25,782	5.41
Yorkshire and The Humber	£143,000	£26,809	5.38
North East	£110,000	£28,060	4.27

Figure 9: Table outlining affordability within the East of England (Lower Quartile)<sup>82</sup>

<sup>82</sup> House price (existing dwellings) to residence-based earnings ratio - Office for National Statistics – Table 2a, 2b, and 2c

## Funding for local council housing, homelessness services and supported housing

The way in which local councils are funded to build homes through the Housing Revenue Account (HRA) and provide temporary homelessness accommodation through an outdated subsidy model needs to be fundamentally redesigned.<sup>83</sup> Rising costs for maintenance, safety, and decarbonisation of social housing stock are outpacing rental income growth, threatening the ability to deliver both new and existing social housing effectively without significant additional government grant funding.

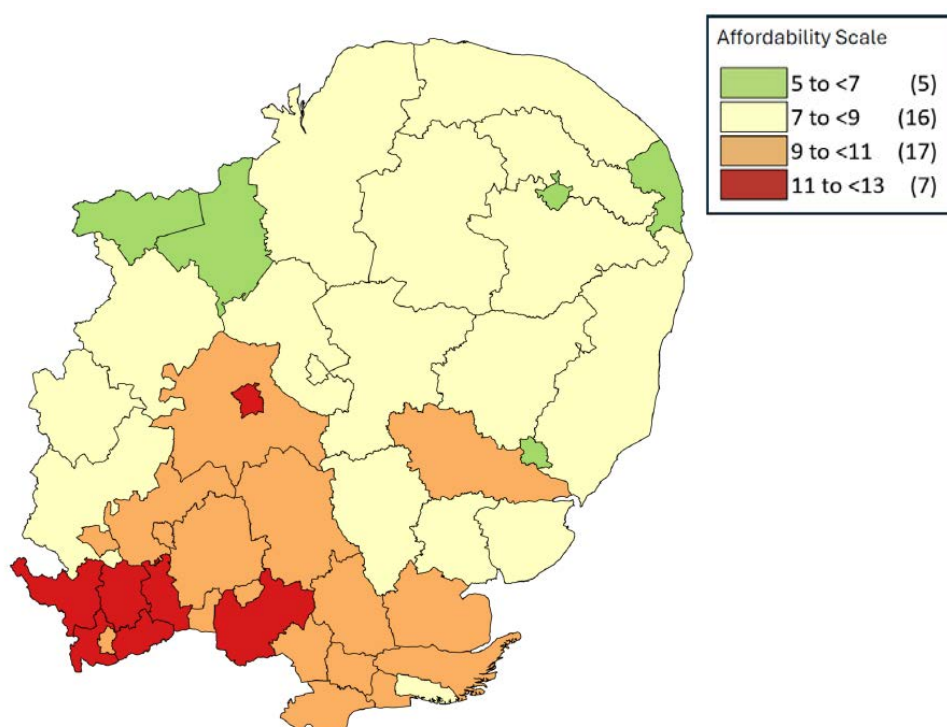


Figure 10: Lower Quartile Housing Affordability Lower Tier Local Authority – East of England (2024)<sup>84</sup>

Retrofitting for energy efficiency and decarbonisation is essential and must come with guaranteed long-term funding. Local Housing Allowance (LHA) rates have been frozen at 2024/25 levels until at least April 2026 which risks placing financial pressure on households and local councils.

Councils continue to receive temporary accommodation subsidy rates far below actual costs a subsidy that has been frozen since 2011. Where private rents are high, there is an increased reliance on expensive options like B and Bs and hotels for temporary accommodation. The Spending Review commitments and proposed rent convergence provide some relief but must substantially improve long-term financial sustainability.

Increased investment is also needed in supported housing, especially for older people and vulnerable groups like care leavers in the East of England. It is imperative that the Government allocates enough of the new Social and Affordable Homes Programme funding to the building of new supported housing.

<sup>83</sup> Securing the future of England's council housing report | Southwark Council

<sup>84</sup> ONS - House price (existing dwellings) to residence-based earnings ratio - Office for National Statistics (Table 2C)

### Viability of affordable housing

Proximity to London exacerbates demand and market pressures, particularly impacting Essex and Hertfordshire, making housing affordability a significant issue in many parts of the region. The cost of building new homes has risen sharply due to inflationary pressures on materials, labour shortages, and increased regulatory requirements and delays, including environmental standards. In many land-led schemes, particularly those focused on affordable housing, the market value of the completed homes remains below the total cost of construction, and make affordable housing unviable currently.

A growing disparity exists between agricultural land values and the prices developers pay for development land. When combined with the standard 20% developer profit margin applied after borrowing costs, this gap increasingly undermines the viability of affordable housing schemes. We therefore urge the Government to review the current land valuation methodologies and critical evaluation of the justification for guaranteed developer profit margins.

### Section 106 contributions

Landowners' expectations for land values are frequently out of step with what Registered Providers can afford for Section 106 affordable homes. This misalignment is a significant barrier to delivering much-needed affordable housing. Targeted government intervention such as clear guidance on land valuation and policies to moderate land price inflation would help bridge this divide and enhance scheme viability.

Residents want to see local infrastructure including bus services, schools, and GP surgeries being delivered in advance of housing, rather than waiting for S106 contributions to be paid once homes are built. The exclusion of Section 106 homes from Homes England grant funding limits Registered Providers' ability to secure affordable homes. Low-cost financing options for acquiring Section 106 homes should be explored, and clear guidance on the pricing structure provided to establish robust standards for the quality and condition of acquired homes.



## Planning and infrastructure

Effective planning and targeted investment are essential to unlocking the East of England's housing potential and supporting sustainable economic growth. Recent reforms to the National Planning Policy Framework (NPPF), together with the forthcoming Infrastructure and Planning Bill, aim to streamline planning processes, reduce delays, and empower local authorities to deliver at scale. In order to avoid stalling progress on allocating land for homes in the region, the Government needs to clarify the current position around local plans and the NPPF.

## Transport

Key transport investment is needed in the East to support housing delivery. The Government has supported road projects highlighted in Opportunity East such as the A10 West Winch Housing Access Road, improvements to the A12, and the Army and Navy junction in Chelmsford. East West Rail will also be a major investment in infrastructure going forward. These will all support housing in the East. However, there is more that could be done. For example, the A12 road widening near Chelmsford, and the dualling of the A47 in Cambridgeshire are crucial for the development of housing in the East of England. The housing target for the region has been increased by 29%<sup>85</sup>, and without crucial enabling infrastructure, it will be increasingly difficult to hit this target.

## Skills and workforce

The Government's plan to recruit 300 additional planners across England's local councils is a welcome step to boost planning capacity and accelerate housing delivery. However, sector experts and local councils warn that this measure is insufficient, given the scale of the current shortage. Further actions are needed to meet demand and clear backlogs in planning applications including statutory consultees for example in flooding.<sup>86</sup>

Expanding the manufacture and use of modular homes would accelerate delivery and the development of green skills, particularly where manufacturing potential is strong. The launch of a new initiative from Government to provide thousands of aspiring construction workers with essential tools and resources to help them begin their careers in the construction industry is a welcome direction, but more needs to be done to resolve the significant staffing gaps that continue to delay housing projects and threaten the achievement of national housing targets. Targeted projects and investment in skills is needed to help address persistent skills shortages in planning and construction.



<sup>85</sup> Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK

<sup>86</sup> Severe shortage of planners delaying thousands of homes

## Environmental factors

The East of England benefits from exceptional environmental assets that are vital to the region's identity and quality of life. Areas such as the Broads National Park provide rich natural habitats, extensive waterways, and green spaces that enhance biodiversity, support tourism, and contribute to residents' wellbeing. However, alongside these positive assets, there are specific environmental challenges that currently constrain housing ambitions and require targeted investment.

Nutrient neutrality regulations in Norfolk and surrounding catchments, designed to protect sensitive water habitats like the Broads and River Wensum, have delayed thousands of new homes due to concerns over increased nitrogen and phosphorus levels in watercourses. Nutrient neutrality requirements, especially in Norfolk, have stalled approximately 12,000 homes, adding £6,000-£8,000 per home in costs and impacting affordability and supply. We are pleased to note that progress is being made on this issue. Water scarcity is another critical issue, particularly around Cambridge, where Environment Agency objections have delayed thousands of homes. Issues of water extraction and sewage pollution occur like that in Hertfordshire's chalk streams.<sup>87</sup>

## Top asks

Regional partners urge the Government to take on the specific recommendations in this chapter and crucially:

- ▶ Ensure a fair proportion of funding through the new Social and Affordable Homes Programme for the East of England is targeted at social rent to meet the needs of local council housing registers.
- ▶ Work with local councils, the existing and emerging Mayoral Strategic Authorities and partners to unlock strategically important housing sites in the East of England, vital for achieving inclusive sustainable growth regionally and nationally.
- ▶ Raise Local Housing Allowance (LHA) rates to reflect current market rents, addressing the gap between benefit levels and actual housing costs.
- ▶ Urge the Government to increase the temporary accommodation subsidy to at least 90% of current LHA rates, to help councils cover soaring costs and support homelessness prevention.

<sup>87</sup> <https://www.hertsgeolsoc.org.uk/chalk-streams/>

# Skills and the East:

## How can we break down barriers to opportunity?

### Introduction

The Government has embarked on major reform of skills policy and delivery. It has published the Get Britain Working White Paper<sup>88</sup> and established Skills England<sup>89</sup> to drive growth across the country, supporting people to get better jobs and improve their standard of living. The Spending Review in June 2025 included the following announcements:

- ▶ The Government will open opportunities for young people to build skills, drive up their income, supporting economic growth, and reducing our reliance on international labour.
- ▶ The Government will support young people into priority sectors like construction, through new foundation apprenticeships and £1.2 billion of additional investment per year in skills by 2028-29.
- ▶ This will include funding to support up to 1.3 million 16-19-year-olds each year – including 65,000 additional learners per year by 2028-29 – to access high quality education and training.
- ▶ The Government will publish its plans for higher education reform, as part of its Post-16 Education and Skills Strategy.

Having a workforce in the East of England with the right skills is absolutely central to the delivery of the Government's economic growth and clean energy missions as well as its homebuilding target and goal of opportunity for all.

To put that another way, unless the East of England region overcomes the challenges it faces in getting skills delivery right, the region will not deliver its economic or clean energy potential, the Government's target number of new homes for the region will not be met, and opportunity for all will not be delivered.

### Key Facts

- ▶ **Participation:** The region recorded the lowest participation rate for further education and skills of all English regions at 3,232 per 100,000 population in 2024/25<sup>90</sup>. This is 20% below the national average of 3,882 per 100,000 population.
- ▶ **Achievements:** Further education and skills achievements in the East are the second lowest of all English regions at 1,057 per 100,000 population in 2024/25. This is 28% below the national average of 1,351 per 100,000 population<sup>91</sup>.
- ▶ **Qualifications:** The East of England is – on the whole – better than the UK average for its share of the population with no qualifications (5.2% compared to 6.9%) and for the proportion with qualifications equivalent of five GCSEs at grades A-C<sup>92</sup>. However, there will be considerable variations within the region regarding these key metrics.

<sup>88</sup> Get Britain Working White Paper - GOV.UK

<sup>89</sup> Skills England - GOV.UK

<sup>90</sup> Further education and skills, Academic year 2024/25 - Explore education statistics - GOV.UK

<sup>91</sup> Further education and skills, Academic year 2024/25 - Explore education statistics - GOV.UK

<sup>92</sup> Labour Market Profile - Nomis - Official Census and Labour Market Statistics - Qualifications (Jan 2024 – Dec 2025)

- ▶ **Degrees:** The East of England has a slightly lower proportion of population qualified to degree level and above; 43.7% of the population compared to 47.1% nationally<sup>93</sup>. This masks some big differences across the region. For example, in the Great Yarmouth district, just 18.2% of adults aged 16 and over hold a Level 4 qualification or above, according to the 2021 Census<sup>94</sup>.
- ▶ **Skills deprivation:** This follows a similar trend to overall deprivation, but is even more exaggerated, with rural and coastal neighbourhoods in King's Lynn, West Norfolk, Great Yarmouth, Lowestoft and Clacton-on-Sea, amongst the top 20% deprived in relation to skills in the country<sup>95</sup>. Some larger urban centres also have neighbourhoods with high skills deprivation such as Peterborough, Luton, Basildon and Norwich.
- ▶ **Adult Skills Funds:** Formerly Adult Education Budgets, the funding available through these at Combined Authority and/or at the provider level (e.g. further education college) have been cut by 3 %and 6% respectively.

Indicative participation rate  
per 100,000 population

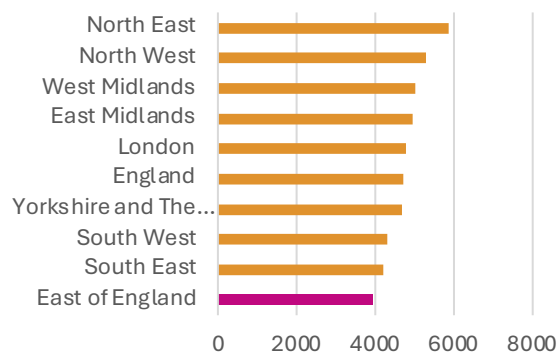


Figure 11: Achievement rate per 100,000 population<sup>96</sup>

Achievements rate per  
100,000 population

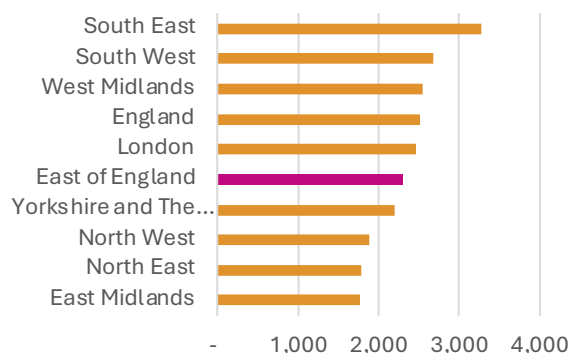


Figure 12: Participation rate per 100,000 population<sup>97</sup>

<sup>93</sup> Labour Market Profile - Nomis - Official Census and Labour Market Statistics – Qualifications (Jan 2024 – Dec 2025)

<sup>94</sup> Education, England and Wales - Office for National Statistics - Figure 3: Highest level of qualification varies across local authorities

<sup>95</sup> English indices of deprivation 2019 - GOV.UK

<sup>96</sup> Further education and skills, Academic year 2024/25 - Explore education statistics - GOV.UK – Featured Table: Further education and skills participation and achievements per 100,000 of population by region

<sup>97</sup> Further education and skills, Academic year 2024/25 - Explore education statistics - GOV.UK – Featured Table: Further education and skills participation and achievements per 100,000 of population by region

## The skills needs of the East of England

The economy of the East of England creates a unique set of skills needs – it is the innovation region with an economy of the future including life sciences, agri-tech and clean energy. Two of the fastest growing cities in the UK are Cambridge and Peterborough<sup>98</sup>. It is expected that the region will deliver 12% of the Government's target for new houses – just over 227,000 - over the course of the parliament<sup>99</sup>. Proportionate to the region's population this is the third highest level of any region in England<sup>100</sup>.

The East of England also has a disproportionately high level of nationally significant infrastructure projects (NSIPs) as well as three major National Grid projects, all creating a rising demand for skilled workers - see map below. These include Sizewell C, East- West Rail, Lower Thames Crossing and offshore wind as well as water reservoirs/pipelines, new hospitals and major developments at airports including Stansted and Luton.

Looking at the future jobs that will be needed in the region, the Construction Industry Training Board (CITB) forecast that 4,560 extra workers will be needed in East of England each year to meet the demand for NSIPs and new housebuilding targets<sup>101</sup>. One project alone, the Sizewell C project, is expecting its current workforce to increase from approximately 1,200 to 7,900 by 2030<sup>102</sup>.

Over the last two years, the skills provider sector has been informed by Local Skills Improvement Plans (LSIPs) led by local Chambers of Commerce. Local government has played a key and growing role in strategic coordination and oversight of skills provision. The Government plans that employer representative bodies (Chambers of Commerce in the East of England) will still manage LSIPs. However, in the future, Strategic Authorities will take on joint ownership of delivery of the LSIP rather than councils.

The region's four LSIPs have identified the following as priority areas for skills and education in the East of England:

- **Green skills:** Skills such as environmental engineering, ecological surveying, and sustainable construction have become increasingly vital to keep up with a growing green agenda. Norfolk and Suffolk, for example, have seen a surge in demand for green skills, particularly in the renewable energy sector. Hertfordshire, Essex, and Cambridgeshire are also witnessing an increasing need for green skills in eco-friendly agriculture, conservation, and renewable energy technology, aligning with the broader national and global focus on sustainability and environmental conservation.

<sup>98</sup> City Monitor | Centre for Cities – Table 1: Population growth

<sup>99</sup> Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK

<sup>100</sup> IBID

<sup>101</sup> Construction Workforce Outlook | CITB – P35 East of England

<sup>102</sup> Setting out the road ahead: Sizewell C awards UK contracts for new roads and infrastructure upgrades - Sizewell C

- ▶ **Digital skills:** The demand for digital skills is required in all the above-mentioned regions, with a focus on areas such as software development, data analysis, cybersecurity, and digital marketing. Employers are seeking individuals proficient in coding, digital content creation, and the use of various software tools and platforms, as well as those with the technical skills to support the convergence of AI and life sciences.
- ▶ **Soft skills:** Employers in the region consistently emphasise the importance of soft skills - communication, teamwork, and adaptability - recognising that they are essential for effective collaboration, problem-solving, and innovation in the workplace. They also highlight that businesses face significant skills shortages and there is a need for a workforce equipped with a blend of soft and technical skills. This is particularly the case for employers in innovative and emerging growth sectors such as life sciences, advanced manufacturing, agri-tech and digital. Moreover, our region needs to develop the ability to adapt to rapid technological changes in order to future-proof our workforce.

- ▶ **Public sector skills:** There are also a large number of skills shortages in the public sector, especially across the health and social care and teaching sectors within the East of England.

From the LSIPs produced across the East of England, it is clear there is a long way to go to better align the needs of private and public employers with education and training provision, and to increasing skills participation rates.

### Skills providers

There are a range of good quality providers of skills, training and qualifications, including apprenticeships, comprising FE, HE and Independent Training Providers across the region. Together they deliver a comprehensive offer across all areas of the curriculum. However, one of the key issues impacting increasing participation is accessibility in its widest sense; transport, format and timing of offer, cost etc.

There are hundreds of organisations and thousands of individuals across the East of England who do an excellent job of ensuring that our young people, and indeed the workforce as a whole, is prepared for the changing economic realities of the next ten years. But they and the region face considerable challenges in engaging more people in the labour market, enhancing education and training opportunities, and increasing skills levels.

## Key opportunities

Regional strengths in key growth sectors provide the opportunity to transform training provision to be more innovative and improve accessibility to skills development that aligns with future market needs. Focussing on digital transformation and green technologies offers the chance to position our region as a leader in these critical future-oriented sectors.

The LSIP process has encouraged positive relations between our education providers and employers, although LSIPs have so far tended to focus more on FE than HE. We do need to do more to address the skills needs of knowledge-intense industries at Levels 4-8, and further work is needed to align the needs of our local employers to skills and training provision. The key role of Strategic Authorities in the future cannot be overstated and their full potential should be maximised.

Work experience and industry placements are vital ways to expose students to the workplace early, allowing them to be in a workplace environment and get a sense of what is expected from them, including the behaviours employers are looking for. We must ensure that employers are fully engaged in this process and can see the benefits of providing placement opportunities to themselves, but also for the future workforce.

## Summary of the challenges

### There are some key barriers to increasing participation:

- ▶ **Aligning the workforce with the skills to meet current and future need:** the number of courses will need to be increased and/or reprofiled; barriers to retraining and to lifelong learning will need to be addressed.
- ▶ **Provision:** given the high number of NSIPs and the fact that one sixth of the Government's housebuilding target is to be delivered in the East of England, there is a strong case for greater provision of higher-level technical skills within the East – and we are encouraged by the announcement of two new Technical Excellence Colleges in our region<sup>103</sup>.
- ▶ **Staffing shortages:** there is a significant shortfall of key trainers and teachers in some parts of the region and in some skills areas. This presents a formidable challenge to delivering the skills the region needs.
- ▶ **Participation:** some people face challenges in accessing training opportunities due to high costs. For example, there are issues around transport and housing affordability, particularly for younger people looking to move or remain in the region. Other challenges also exist in engaging underrepresented groups.

In addition, the region is experiencing specific challenges in certain areas, which are set out below.

<sup>103</sup> 40,000 people to get skills in new Technical Excellence Colleges - GOV.UK

## Apprenticeships

There is broad support for widening of flexibilities in the use of funds available from the Growth and Skills Levy (GSL) including the Government's changes to apprenticeships. We welcome reducing the minimum length of apprenticeships and that studying Maths and English is no longer a mandatory requirement for those aged 19 and over completing their apprenticeship. We also welcome the fact that if the apprentice and their employer agree, they can still choose to study these subjects, and the training provider will offer support and assessment.

The region's partners and wider stakeholders do however have some concerns.

We recognise the choice Government has made to prioritise level 2, 3 and 4 level skills. This will do much to boost employability in the region but there are concerns it will reduce level 7 opportunities in some sectors. For example, there are fears that limiting funding for Level 7 apprenticeship programmes to learners who are aged 21 and under could restrict economic growth in the region by creating significant high-level skills gaps. Some NHS employers have also stated that the narrow age-restriction is incompatible with their institutional inclusivity policies meaning they will not use Level 7 apprenticeships regardless of the age of the learner. We would urge the Government to monitor the situation and to amend policy if concerns are borne out in practice. We would also ask that Government encourages FE, HE and ITPs to offer Level 7 with more freedom and flexibility to make delivery more business friendly and thus an apprenticeship that businesses will want to fund.

We understand the first foundation apprenticeships were made available in August 2025 and will be focussed on industrial strategy priority areas including Construction and the Built Environment, Engineering and Manufacturing, Health and Social Care, and Digital. We welcome the fact that they will be underpinned by an employer incentive payment to contribute to the extra costs of supporting someone at the beginning of their career, such as through coaching and mentoring. There are however some concerns that the new 8-month minimum programme duration for apprenticeships may be too long to allow Foundation Apprenticeships to fulfil their potential. We would urge the Government to keep this under review, and consider flexibility to meet local business needs. Guidance regarding the criteria for providing foundation apprenticeships plus opening up the register of apprenticeship providers would also help bring new Independent Training Providers into the market.

Assessment reform intended to reduce cost and complexity has the potential to do the opposite, whilst creating huge inconsistency in how learners, employers, providers and assessment organisations are working towards robust outcomes. Care needs to be taken to build on the strengths of the current system.

### **Growth and Skills Levy funding for short courses**

Further information about plans to make levy funding available for short/modular courses will be welcomed by employers and providers, particularly given the first of these will be available as soon as April 2026 covering skills such as digital, AI and engineering for the creative industries and advanced manufacturing sectors. It is essential that there are adequate lead times for the design and implementation of fundable courses that meet industry needs.

It is critical that a transparent mechanism is put in place to facilitate the approval of short courses that will be eligible for GSL funding. This will be especially important for the development of skills needed in the eight high-growth sectors identified in the Industrial Strategy as crucial to growth ('IS-8' sectors).

The development of short courses funded from the GSL needs to be evidence-based and take account of the views of SMEs, ERBs/LSIPs and industry bodies such as AELP.

### **Lifelong Learning Entitlement (LLE)**

Rather than the entire cost of upskilling via the LLE being borne by the individual, a co-funding model should be considered to encourage employers to contribute to the costs of training.

It is critical that a transparent mechanism is put in place to facilitate the approval of short courses that will be eligible for LLE funding, especially to support skills needs in the 'MIS-8' sectors.

A clear and accessible process for registration with the Office for Students (OfS) must be available for providers who wish to deliver provision funded by the LLE. This should be proportionate, particularly for independent training providers who only want to deliver LLE provision rather than holding degree-awarding powers.

### **Adult skills fund and devolution**

We welcome the additional funding for Cambridgeshire and Peterborough to be one of the national pilot Youth Guarantee trailblazer areas. This will provide funding for the MCA to try different ways of addressing NEETS issues, including on skills, youth voice and work experience. On the basis this pilot is a success, we would look forward to the other Strategic Areas in the East of England having similar funding and flexibility.

All skills funding should be devolved to Combined and Strategic Authorities (including post-16 skills and apprenticeship funding). Industry and business are not concerned about the varying definitions across Industrial Strategy Zones, Unitaries, LSIP definitions, etc. The key issue is that business can access support and flexible provision as and when needed. Strategic Authorities "owning" and delivering skills would seem the best way to deliver this.

It is further crucial to ensure that Skills England has a strong regional dimension and presence. This would benefit the East of England as it would likely help ensure better accessibility of stakeholders to good quality and timely data. It would also be an opportunity to work more closely regarding gaps in skills delivery and relevant initiatives. We would specifically like to invite an official from Skills England and/or the Department for Education to join the quarterly meetings of the East of England Skills Delivery Group.

The beneficial impact of Adult Skills provision cannot be overstated. The recent Get Britain Working White Paper recognises the 'crucial' role adult education plays in getting people back into work following unemployment or economic inactivity. Adult Skills provision is also highly effective; 78% of learners go on to sustained employment or further training nationally. As such, cuts to funding for Adult Skills provision risks undermining a central pillar of the Government's Plan for Change and should be looked at again at the earliest opportunity. Ultimately the Adult Skills Funds in the East of England should be increased to enable the development of skills to support infrastructure projects in addition to supporting individuals to prepare and move into the labour market and other region-wide employment priorities.

### **Pipeline and access**

We would welcome dialogue with Government to share learning and develop a pilot to support more people particularly into health and social care, including dentistry, for which there is no provision in the whole of the East of England apart from the innovative University of Suffolk Dental CIC – which is a model for other regions. This in part explains the "dental desert" that many people in the region face).

In light of the facts – that the region will deliver 250,000 of the Government's 1.5million target for new houses and that it has a disproportionately high level of nationally significant infrastructure – we welcome the announcement of two Technical Excellence Colleges within the East of England, delivering construction skills much needed in the region<sup>104</sup>.

It would be helpful for the Government to provide clarity on LSIP funding and guidance from May 2026 and ensure employers remain at the heart of skills planning, with full engagement across both FE and HE Skills needs and levels. One of the key issues that keeps coming up from the business sector is the demand for greater modularity and specificity in skills provision. Increasingly skills demands and needs are shifting rapidly, therefore learners and employers don't want to commit to longer term, all-encompassing skills provision packages, but more modular, bite size provision, which can be rapidly adapted or replaced.

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<sup>104</sup> 40,000 people to get skills in new Technical Excellence Colleges - GOV.UK

## Importance of universities in the East of England

The impact of universities on people and places can be truly transformational. Universities are crucial to sparking growth and opportunity, by bringing together student populations, research partners, local businesses, and employers to create vibrant communities, jobs, and opportunity across the UK.

Universities in the East of England are located across the region in cities and towns such as Cambridge, Norwich, Chelmsford, Colchester and Luton. Some institutions, such as Anglia Ruskin University, have multiple campuses across the region.

Recent analysis by London Economics estimated that universities in the East of England alone contributed £9.6 billion in gross output and £5.6 billion in gross value added to the UK economy. This figure includes the economic activity generated by employing people, their

purchasing of goods and services, and the local spending power of staff and students.

In 2021–22, universities in the East of England spent £2.3 billion on staff. Staff spend a proportion of their income with local businesses and on local services, which supports a thriving economy.

The University of Essex, for example, contributes more than £790m to the UK economy and is ranked first in the UK for active Innovate UK funded Knowledge Transfer Partnerships (KTPs) with a wide range of businesses and charities.

Useful Statistics on universities in the East of England:

- ▶ Number of universities: 9.
- ▶ Total number of students: 166,145.
- ▶ Number of staff (full time equivalent) employed: 29,665.
- ▶ Gross output of universities: £9.6 billion.

## Migrants

The East of England still needs to race to the top and attract the best and brightest. The increased cost of the graduate visa should be reversed and proposals in the May 2025 Immigration White Paper - to reduce the standard length of the Graduate visa from two years to 18 months and to introduce a potential levy on university income from international student fees - should be reconsidered.

## Top Asks

- ▶ Further thought to the funding arrangements for, and duration of, apprenticeships including allowing child benefit to be paid for apprentices up to the age of 20.
- ▶ Devolve all skills funding to Combined and Strategic Authorities and in time increase adult skills funding.
- ▶ Ensure Skills England has a strong regional dimension and presence.
- ▶ Support initiatives to recruit and retain further education teaching staff within skills shortage areas.

# Transport challenges and the East - Driving growth in the UK

## Introduction

Improving connectivity in the East is a pivotal enabler to meeting the Government's missions around economic growth, decarbonisation, breaking down barriers to opportunity, and improving health.

In July 2025 the Secretary of State for Transport announced which major schemes will be progressed and funded during the period of the current Spending Review to 2028/29.

This included welcome commitments to East West Rail, Cambridge South Station, and Major Road Network schemes such as:

- ▶ The Army and Navy Sustainable Transport Package in Chelmsford
- ▶ A10 West Winch near King's Lynn
- ▶ A12 improvements near Ipswich

## Summary of the challenges

While the continued investment set out above is welcome, significant road and rail constraints remain. These limit connectivity across our region and to other areas of the country, limiting the flow of goods and people, adding to costs due to delays and reducing the attractiveness of our region for inward investment.

Poor connectivity also leads to inadequate access to services, education, training and employment, particularly for those living in more rural communities. We must do more to reduce inequalities and support our residents to achieve the best possible outcomes. Transport is a significant driver and enabler in this regard.

There is also a significant decarbonisation challenge facing our region's transport network. As the largest contributor to carbon emissions within our region, and producing significantly more emissions than the national average, we must move towards a more sustainable approach. As a region with relatively small cities, market towns and large rural areas, the approach in the East must be different to other regions with large urban metropolitan areas. Both Transport East and England's Economic Heartland's transport strategies set out pathways to achieving this.

Both Strategic Road Network schemes cancelled in the country were in the East; the A47 in Cambridgeshire (Wansford to Sutton) and the A12 improvement in Essex (Chelmsford to A120). Meanwhile, other Major Road Network schemes in the East (developed by local authority partners) are now 'under review'. Authorities in the region have made it clear that not progressing these schemes will have a notable impact on the delivery of planned new employment and housing sites.

Perhaps most disappointingly, improvements to Ely and Haughley rail junctions missed out on funding in the Spending Review (see 'priority project').

England's Economic Heartland and Transport East are now working with partners to understand the implications of these decisions, including identifying ways in which projects may still be progressed.

### Our road network

The region's economic success depends on a web of reliable transport connections. Many journeys are difficult to take other than by car, meaning the reliability of the region's road network is crucial for productivity and access to jobs, training and services. This car-dependency also has a knock-on effect on congestion on our major roads and clogs up our towns and cities. In 2019, there was an average delay of 11.3 seconds per vehicle mile recorded on the Strategic Road Network in the East of England, nearly 20% slower than the national average of 9.5 seconds<sup>105</sup>.

The table on this page demonstrates our relatively poor road connectivity compared to other regions in England. The baseline connectivity score is based on the current road network. A score of less than one indicates that travel speed is below 50 kilometres per hour to all other places, so is poorly connected<sup>106</sup>.

Many journeys, particularly those going east-west, are reliant on a mix of single and dual carriageway A-roads that interconnect with the motorway network serving London, accommodating both local traffic movements and high volumes of strategic freight traffic. In the east of the region, the road network is sparse, with few alternatives, creating challenges in resilience and journey time reliability.

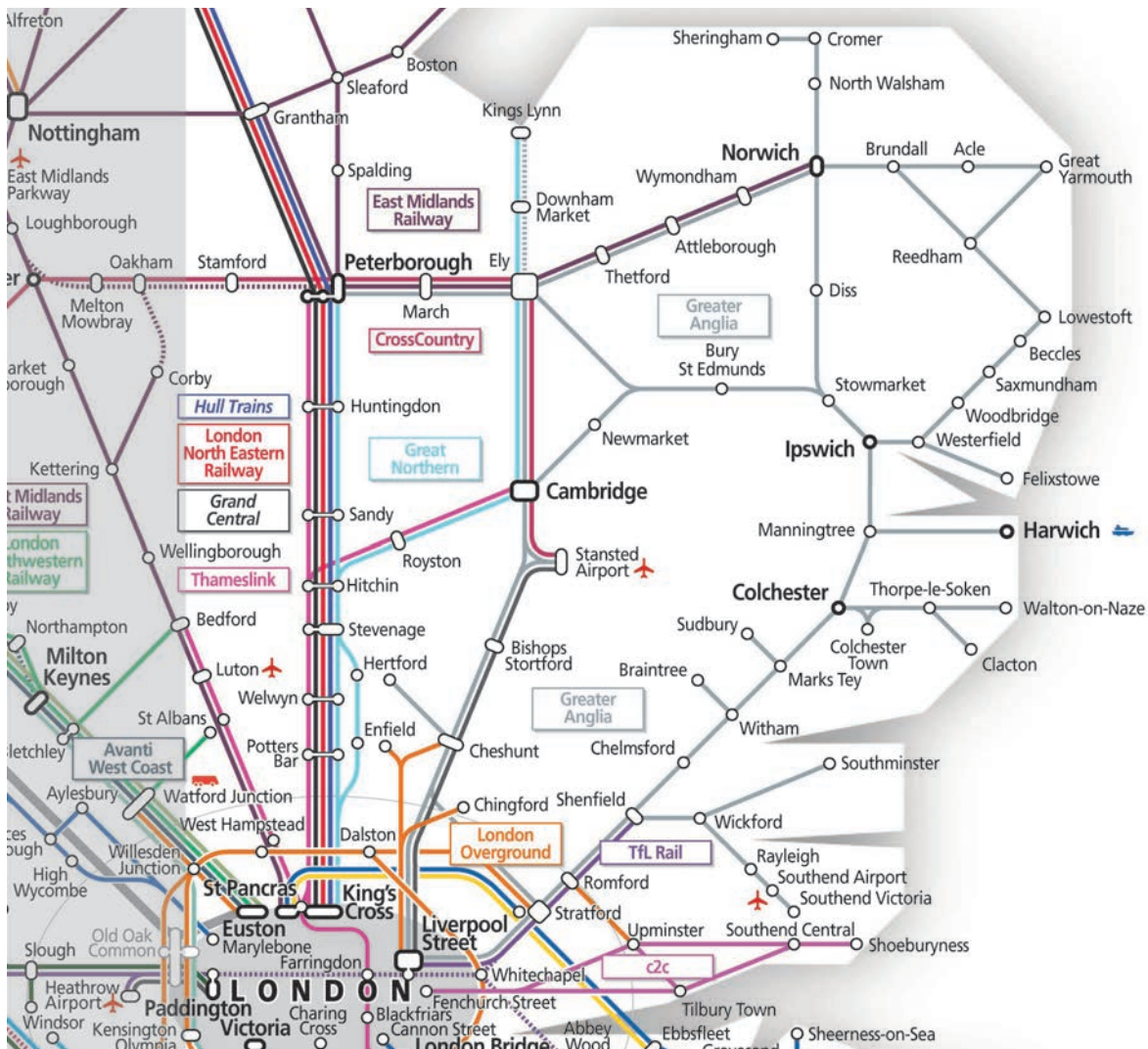
The A1 and A1 (M) is a nationally significant economic artery. Resolving its poor performance – particularly between Huntingdon and Stevenage – is a pressing issue for the region and for the UK as a whole. Pressure on the A1, and the need for a long-term solution, is further exacerbated by growth opportunities in the region, including the investment in Universal Studios.

Region	Baseline Connectivity Score <sup>107</sup>
London	0.52
<b>East of England</b>	<b>0.72</b>
South East	0.85
East Midlands	0.99
North West	1.04
Yorkshire and the Humber	1.11
West Midlands	1.13
North East	1.17
North West	1.18

<sup>105</sup> CD6.3.5 National Infrastructure Assessment (October 2023).pdf P92 Growth across all regions

<sup>106</sup> IBID

<sup>107</sup> CD6.3.5 National Infrastructure Assessment (October 2023).pdf P92 Growth across all regions



The region has a large gap in motorway infrastructure relative to other regions. There are no motorways in Norfolk and Suffolk, leaving much of our region disconnected. Many of our larger, growing urban areas, continental ports and Freeports in the East such as Norwich, Ipswich, Colchester, Felixstowe, Harwich and Thames Estuary do not have motorway links.

## Rail

The rail network in the East of England covers some of the busiest lines in the country, connecting millions of commuters, leisure travellers and freight - 163 million passenger journeys were made last year, the third highest region in the country<sup>108</sup>.

<sup>108</sup> ORR Regional rail use April 2023 – March 2024 Regional rail usage

Passenger demand across all regional rail lines is largely concentrated in the south of the region driven by the London commuter zone, which has extended geographically along lines following the Covid-19 pandemic. However, connections to regional economic centres and international gateways, including Cambridge, Stansted, Chelmsford, Peterborough and Stevenage also see strong movements<sup>109</sup>. Rail freight demand is also high in the region, driven by movements from the expanding London ports on the Thames Estuary and Felixstowe.

Passenger services into London before the pandemic were heavily crowded, and at peak times our lines were at capacity, including the Great Eastern Main Line which operated at maximum capacity without the ability to run any additional trains into London Liverpool Street. C2C trains on the Essex Thameside Line were similarly busy and there have been significant signalling constraints on the line between Upminster and London Fenchurch Street. Thameslink services into London St Pancras in the morning peak are some of the most crowded in the country. Planned housing and economic growth along these corridors, including new Garden Communities, is forecast to increase pressure on these routes at peaks, despite increased working from home.

Travel on other lines tends to be poor with far less frequent services. Network gaps are particularly apparent across Essex, and between Norwich and Kings Lynn. Where east-west connections exist, they can be very low frequency, perhaps one train every two hours. Some of our region's larger towns, such as Haverhill and Wisbech, are not connected to the rail network at all.

Travel to places outside the region apart from London is also often poor. Journeys to the North and Midlands can require multiple interchanges and take the same amount of time, or even longer, than travelling by road. Even when there are direct services, such as from Norwich to Sheffield, Manchester and Liverpool, they are very infrequent with old rolling-stock and limited Wi-Fi.

Rail freight services travelling to and from major ports such as Felixstowe, Harwich, Tilbury and London Gateway also suffer from constrained capacity. These routes predominantly supply rapidly growing centres in the Midlands and North with the materials and goods needed to deliver that growth. While there have been some capacity improvements on the Felixstowe Branch Line, there remain significant constraints on the 'Felixstowe to the Midlands and North' route particularly around Ely, which forces trains to travel to and from the Midlands via North London, adding freight services onto the North London Line.

<sup>109</sup> ORR station usage 2023-2024 Estimates of station usage | ORR Data Portal

London Gateway and Tilbury have rail freight terminals and are investing in increasing on-site rail capacity, but these link into the Essex Thameside Line which is at capacity and heavily used by passenger trains. It also connects to the constrained North London Line, limiting the potential to move freight by rail. Investment is needed to electrify the spur to London Gateway and at Ripple Lane Yard to manage train paths through north London.



## Priority project: Ely and Haughley junction upgrades

Ely and Haughley sit on the cross-country route of the 'Felixstowe to the Midlands and the North' (F2MN) freight corridor, which is the most intensively used and nationally important intermodal rail freight corridor on the network, connecting Felixstowe – the UK's busiest container port – with key destinations across the Midlands and the North.

However, a mixture of single-track sections, restricted speeds, signalling limitations and level crossings in the Ely area act as a barrier to meeting increased demand for freight path, with goods transported long distances to the Midlands and the North by road.

Upgrading Ely and Haughley will also significantly improve passenger services, doubling passenger services on the Ely-King's Lynn and Ipswich-Peterborough routes, and unlocking the potential for other services from Cambridge to the East in the future.

Ely enhancements alone would reduce emissions by 1.7m tonnes over 60 years and cut congestion by 5.6 million hours per year, in part by taking 98,000 lorry journeys off the road every year<sup>110</sup>. Given rises in demand, without intervention at Ely/Haughley, volumes of freight to and from Felixstowe will be increasingly transported by road, further congesting critical routes like the A14 and the motorway network across the Midlands and the North.

Economic analysis shows that the upgrade scheme will deliver a nearly fivefold economic return, with £4.89 in benefits generated for every £1 of investment.

## Priority project – East West Rail

Over the next 10 years the East will be home to one of Britain's biggest rail infrastructure projects, East West Rail, connecting Cambridge and Bedford to Milton Keynes and Oxford. The Chancellor, who in January appointed Lord Patrick Vallance as ministerial champion for the Oxford-Cambridge Growth Corridor, again outlined her support for the scheme at the Spending Review earlier this summer.

The line will support significant economic growth and complement developments such as Universal Studios in Bedford. To truly maximise its transformational benefits to communities and businesses, East West Rail must be integrated with onward connections including improved bus services and active travel links – EEH is leading work in this area.

Delivery of the core East West Rail route should be the catalyst for improved rail connectivity beyond Cambridge to Suffolk and Norfolk, with the ultimate ambition of an 'East West Main Line' which extends all the way to Ipswich and Norwich, supporting the substantial growth potential of these cities and development along key corridors such as the Norwich-Cambridge Tech Corridor, and connections with wider UK economic and innovation centres.

The 'eastern section' could also open-up opportunities for direct connections to Stansted and Colchester, along with onward improvements for coastal locations in Norfolk and Suffolk, home to the growing clean energy sector.

## Top asks

- ▶ Continued commitment to projects such as East West Rail, and working with the region to maximise their benefits for communities, businesses, and the wider East.
- ▶ Work with the region to identify how infrastructure which has not yet received funding, such as Ely/Haughley rail upgrades, can be progressed.
- ▶ New funding to support bus networks, particularly in rural areas, and development of MRT schemes.
- ▶ Simpler, longer-term funding mechanisms to facilitate stable regional transport investment pipelines for both maintenance and enhancements, supporting outcomes set out in the strategies of the region's two Sub-national Transport Bodies (STBs), working with Mayoral and local authorities to better join-up strategic transport planning with wider infrastructure across the East.



# Breaking Down Digital Barriers to Opportunity

## Introduction

The East of England region is relatively rural, with 37% of the population living in local authorities classified as rural<sup>111</sup>. Superfast broadband (i.e. 30 Mbps and above) coverage across in our region is in line with England as a whole at 98%<sup>112</sup>. However, access to the latest online capabilities typically requires ultrafast (300 Mbps +) or gigabit (1000 Mbps) services – and this can be much lower in rural areas. North Norfolk has some of the worst availability of gigabit broadband in the country, with only 54% of premises able to access Gigabit connections<sup>113</sup>. Access to reliable broadband and mobile networks enables businesses to increase productivity by utilising digital tools, streamlining operations, and reaching broader markets. For instance, enhanced connectivity supporting e-commerce, remote working, and digital marketing strategies.

Poor digital connectivity can lock rural businesses into a cycle of underperformance. It can undermine competitiveness, limit growth, and discourage entrepreneurship. Investment in both fixed and mobile digital infrastructure is not merely a technical requirement; it is an economic necessity for rural resilience and prosperity.

## Summary of the challenges

Large portions of the East of England are classified as “rural”<sup>114</sup> and face a series of structural and operational challenges leading to lower productivity and reduced competitiveness when digital connectivity is poor. This can also limit businesses’ capacity to innovate and provide a headwind to growth. Examples of this include:

- ▶ **Reduced productivity and efficiency:** Limited bandwidth prevents the use of cloud-based tools, large data transfers, video conferencing, and digital collaboration platforms and can make tasks like processing transactions, updating websites, or accessing online services become inefficient.
- ▶ **Limited market reach and E-commerce barriers:** Businesses are less effective at engaging in e-commerce, which limits access to wider national and international markets and hampers the use of data-driven advertising and customer analytics.
- ▶ **Lowered speed of innovation:** Technologies such as AI tools, digital supply chain platforms, or smart manufacturing require fast, reliable connectivity.
- ▶ **Mobile connectivity gaps:** Reducing the ability to operate remotely where poor 4G/5G mobile coverage means field-based workers (e.g. contractors, logistics firms) can’t stay connected or update job statuses.

<sup>111</sup> Rural Urban Classification (2021) of Local Authority Districts (2021) in EW | Open Geography Portal

<sup>112</sup> Thinkbroadband.com UK Broadband Report – P7 English Region Breakdown

<sup>113</sup> Check UK Broadband Performance and Coverage Statistics – sorted by “Gigabit”

<sup>114</sup> Rural Urban Classification (2021) of Local Authority Districts (2021) in EW | Open Geography Portal

## Digital connectivity opportunities

Of the 3 million homes in the East of England region, 98.5% have superfast ( $\geq 30$  Mbps) and 84.2% have gigabit capable ( $\geq 1000$  Mbps)<sup>115</sup> connections, which is below the average for England as a whole.

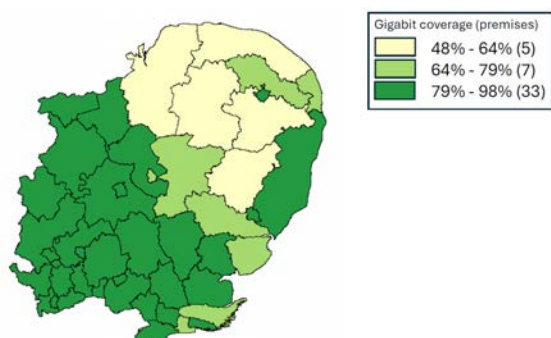


Figure 13: 2025 Gigabit coverage across the East of England<sup>116</sup>

Whilst fixed line connectivity benefits services that can be anchored at a home or work premises, many rural businesses require applications that use connectivity away from these premises which is where high-speed mobile can deliver the most increased benefit.

The Shared Rural Network (SRN) initiative in the UK aims to improve mobile coverage in rural areas, benefiting businesses by providing more reliable connectivity. The program is funded by the government and the four major mobile network operators (EE, Three, O2, and Vodafone), and aims to make 4G coverage available to 95% of the UK by the end of 2025<sup>117</sup>.

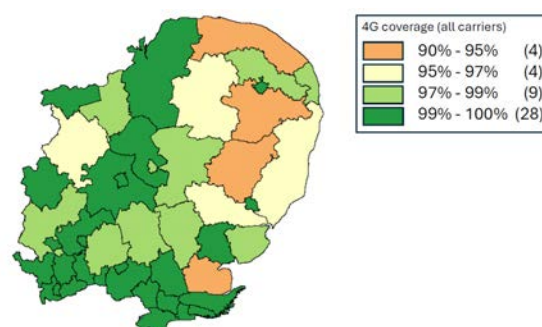


Figure 14: 2025 4G coverage across the East of England<sup>118</sup>

However, 5G has the potential to offer several key advantages when compared to 4G for businesses in the East, including significantly faster speeds, lower latency, and increased capacity for connecting more devices. These advancements enable new applications and use cases that were previously impractical with 4G technology. For example, 5G technology facilitates smart farming practices, including real-time monitoring of crops and livestock, precision agriculture, and the use of autonomous machinery, leading to increased efficiency and sustainability.

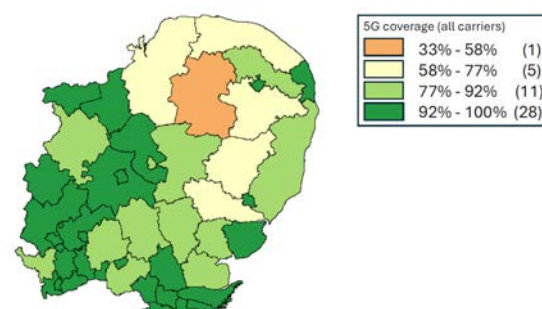


Figure 15: 2025 5G coverage across the East of England<sup>119</sup>

<sup>115</sup> Thinkbroadband.com UK Broadband Report – P7 English Region Breakdown

<sup>116</sup> Ofcom – Fixed coverage local and unitary authority data, 2025

<sup>117</sup> About – Shared Rural Network

<sup>118</sup> Ofcom – Mobile coverage, local and unitary authority data (with 5G), 2025

<sup>119</sup> Ibid

## 5G SA (standalone)

Using 5G standalone technology, it is possible to segment the 5G mobile network to provide different network experiences. For example, it is possible to 'reserve' a section of the public network and prioritise traffic for a particular application. This can provide guarantees around capacity, quality of service, latency and security. The cost for deploying such technology is significant for operators, so public-private partnership opportunities can be a vehicle for accelerating deployment to rural areas.

BT Group successfully demonstrated network slicing for consumer and enterprise use-cases in 2024 at its pilot cluster in Adastral Park, Suffolk.

Adastral Park, BT's global R and D headquarters located just outside of Ipswich, is at the centre of the UK's digital connectivity ecosystem. It is leading in research on quantum computing, cybersecurity, and is the largest patent filer in the UK for AI research<sup>120</sup>. Innovation Martlesham, the park's high tech business cluster, has around 100 companies that work either in or with the digital sector. They range from global organisations like Cisco and Nokia to a diverse collection of SMEs and start-ups. In 2021, the University of Suffolk and BT opened a £9.6m DigiTech centre on the park to train students, graduates and apprentices.

## Priority project – Suffolk business digital champions group

As a predominantly rural region, and one dominated by SMEs, the East of England faces a strategic challenge in ensuring that its growth potential is not hampered by a slower-than-UK average rollout of standalone 5G infrastructure outside of its built-up areas.

Longitudinal research by Suffolk Chamber of Commerce over recent years shows that more SMEs now recognise the transformative effect that 5G-enabled technologies offer them but are hesitant to make the necessary investments until the infrastructure is in place.

As a result, Suffolk Chamber, through the local authority funded Suffolk Business Digital Champions Group, has convened a working group comprising businesses, planners and local political leaders. Meeting on the Shotley Peninsula, south of Ipswich, they looked to develop a rural pilot scheme to boost the local public network and monitor the impact on business activity and growth plans.

It is hoped that this model will be easily scalable to similar rural areas across both the rest of the county and the East of England as a whole to ensure economies of scale for the mobile network operators involved.

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<sup>120</sup> Artificial Intelligence: A worldwide overview of AI Patents and patenting by the UK AI sector – P19, Figure 12

## Top asks

- ▶ Speed up 5G standalone infrastructure rollout by appointing skilled and experienced digital champions. These could be hosted by the Strategic Authorities, and could stretch across between businesses and local councils to help bridge gaps between policymakers and industry.
- ▶ Extension of the 5G Innovation Regions Fund or similar to improve scalable investment projects and best practice to encourage prioritisation of 5G standalone rollout in rural areas.
- ▶ Ensure public funding already committed through the Shared Rural Network is retained, further enabling support for mobile infrastructure deployment, including to fill gaps in 5G deployments and unlock further growth and productivity.



# Water resilience and climate change

## Introduction

Climate change, if unabated, will have considerable impacts for the whole of England. Furthermore, the East of England is liable to be disproportionately impacted due to its coastal location and dry climate compared to the rest of the country.

Climate change is already having an impact on our region. Recent examples highlighted by local authorities in the East include widespread flooding that has damaged sugar beet crops in Cambridgeshire, heatwaves and water-stress events that have led to socio-environmental impacts and disaster responses including hose pipe bans and increased costs to businesses in Central Bedfordshire, increased wildfires in Thetford Forest in Norfolk, and water scarcity constraining new development<sup>121</sup>.

Furthermore, the East of England is likely to be disproportionately affected, owing to its coastal geography and relatively arid climate, when compared with other regions in the UK. The East of England is the driest region in the country and is on the frontline of water scarcity in the UK, facing mounting pressures from climate change, population growth, environmental constraints, and ageing infrastructure<sup>122</sup>. The region receives only around 600mm of rainfall annually — about two-thirds of the national average — and experiences high evaporation losses, making it especially vulnerable to environmental drought. By 2040, the Met Office predicts rainfall will average 2.14mm per day, with parts of Cambridgeshire potentially receiving as little as 1.9mm per day<sup>123</sup>.

## Summary of the challenges

### Water scarcity

Water Resources East (WRE) is the regional water resources planning body for the region. It estimates that, without action, the region could face a shortfall of 800 million litres per day by 2050, roughly a third of current use<sup>124</sup>. This threatens not only households but also key sectors such as agriculture, manufacturing, and technology. Anglian Water is the largest wholesale water company serving the East, and they project a 38% decline in available supply by 2050<sup>125</sup>. These challenges are, in part, driven by statutory environmental requirements, including sustainability reductions aimed at protecting sensitive water-dependent ecosystems.

The environmental factor is equally urgent. Over-abstraction from rivers, wetlands, and chalk streams continues to degrade already sensitive ecosystems, threatening biodiversity and then, in turn, accelerating the decline of iconic species and habitats.

In Greater Cambridge, a national growth hotspot, water scarcity has already become a limiting factor for expansion in development. In response, the Government and regulators have prioritised the area for innovation in water management, including trialling Nature-Based Solutions (NBS) that support increased aquifer recharge.

<sup>121</sup> Climate Risk and Adaptation: The case for a regional “ask” for the East of England - P1

<sup>122</sup> Anglian Water, Thriving East, 2023

<sup>123</sup> IBID P14

<sup>124</sup> Water Resources East, Regional Water Resources Plan for Eastern England, December 2023 – P67

<sup>125</sup> Anglian Water, Thriving East, 2023

This effort is to ensure the region's infrastructure supports both economic growth and environmental recovery.

WRE's Regional Plan sets out a comprehensive approach, combining supply-side measures such as reservoirs, desalination, water transfers, and reuse, with demand-side strategies, including leakage reduction, smart metering, and efficiency improvements, alongside Nature-Based Solutions. However, turning this ambitious plan into reality requires continued collaboration, robust governance, and investment.

### **Instability of the sector**

Given the fragility exposed by Thames Water's financial troubles, it is essential to maintain public and investor confidence across the sector. Clear, stable policy signals are needed to support delivery of multi-decade capital programmes.

### **Environmental restoration and pollution reduction**

Urgent national-level action is required to reduce water pollution, strengthen regulatory enforcement, and properly resource environmental agencies. This will unlock sustainability reductions and improve the ecological health of rivers, wetlands, and aquifers.

### **Strategic infrastructure**

Major schemes like the Fens and Lincolnshire reservoirs, desalination plants, and interregional transfers must be treated as national priorities, with funding and planning permissions accelerated. A step-change is also needed in water efficiency policy, including tighter building standards, a national mandatory labelling scheme, and regulatory reform to support innovation.

### **Wider impacts of climate change**

However, it is not just water supply that could cause crucial issues in the East of England. Other issues that climate change could raise include:

- ▶ **Agriculture:** Flooding poses a direct threat to high-value farmland, while extreme weather could impact crop yields, harming food security.
- ▶ **Energy:** Flooding and sea-level rise could damage key coastal infrastructure.
- ▶ **Transport and international gateways:** Extreme weather can damage or shut down key routes – which are relied upon by the rest of the country.
- ▶ **Housing:** With a reduction in water supply and an increase in the risk of flooding, the East's housing contribution to the UK target will be impacted.
- ▶ **Growth and research:** The East of England is a core part of the UK economy, but heat stress, poor air quality, and disruption from extreme weather events may make it harder to invest.

## Case Study

### – Hemsby, East Norfolk<sup>126</sup>

Hemsby, a village on the East Norfolk coast, has been facing the challenges of an eroding coast for decades. This village has a sandy beach that draws over one hundred thousand tourists and supports local businesses. However, the coastline has been gradually disappearing, putting homes and businesses in danger.

Over the past 50 years, Hemsby has lost about 70 metres of its coastline. Recently, the erosion has worsened, with storm surges and high tides causing rapid damage. In December 2013 an east coast tidal surge caused 7 homes to be lost to erosion. In March 2018, a powerful storm, the “Beast from the East”, hit the coast, causing a further 7 homes to fall into the sea.

Due to a further significant coastal erosion event in 2023 (including Storm Babet) a further 11 properties were lost. Hemsby has lost 25 homes in total since 2013 with many remaining properties now at high risk. This doesn’t just mean losing land – it deeply affects the people living and working in the village. The community’s stability is shaken as homes and businesses are threatened, as about 90% of Hemsby’s multi-million pound economy relies on coastal tourism.

Consequently, the uncertainty on jobs, income and livelihoods in Hemsby resulting from unmanaged coastal erosion is having a wider impact on the vibrant tourism industry across Norfolk as a whole. Safe access to the beautiful sandy beach is key to the visitor experience, which must be sustained to promote current and future prosperity.

Great Yarmouth Borough Council has been working closely with residents and businesses to find a way forward to manage this change. Through the Resilient Coasts project, part of the Environment Agency’s Flood and Coastal Resilience Innovation Programme, the Council is seeking to purchase land for open market housing to grow a fund, to help those who have lost homes to coastal erosion relocate further inland.



<sup>126</sup> Resilient Coasts - Great Yarmouth and East Suffolk | Engage Environment Agency

## Case Study – unlocking growth through collaborative water management: Cambridge and beyond

The Cambridge region is internationally recognised as a hub of research, innovation, and economic dynamism. Yet its potential for future growth is under severe threat from water scarcity. With Government ambitions to deliver up to 150,000 new homes by 2050, and the Greater Cambridge Local Plan already struggling to progress 50,000 homes, water supply has emerged as a critical constraint. The Environment Agency has raised objections to developments like Bourn Airfield and Darwin Green over water supply concerns — marking one of the first times that water has triggered formal planning barriers.

To address this challenge, the Cambridge Water Scarcity Group - a pioneering collaboration between central Government, regulators, Water Resources East, water companies and the local planning authority - has come together to co-design solutions<sup>127</sup>. This group is developing a shared water management plan to enable sustainable growth while safeguarding the region's sensitive chalk streams and aquifers.

A key component is the Grafham transfer scheme, which will move water from Grafham Water to Cambridge as an interim measure ahead of the delivery of the Fens Reservoir. But infrastructure alone is not the full solution. The Cambridge Water Scarcity Group is advancing innovative approaches,

including water reuse, demand management, smart metering, and Nature-Based Solutions, to reduce overall pressure on the water environment.

These efforts align with WRE's Environmental Destination (ED) programme, which uses cutting-edge hydro-ecological modelling to identify where abstraction reductions are most urgently needed to restore environmental health. Early pilot studies in the Cam and Ely Ouse catchment are already shaping local actions, and lessons learned will inform WRE's next regional water resources plan.

Cambridge is becoming a national testbed for adaptive water management, demonstrating how to integrate water efficiency into development plans and how to leverage cross-sector partnerships to overcome environmental and infrastructure challenges. By combining supply-side investment, demand-side action, and environmental restoration, the Cambridge model offering a powerful design for unlocking growth across the wider East of England.

This example highlights that multi-sector, nature-based approaches are not only environmentally necessary but also economically smart, offering a powerful blueprint for building resilience, water security, and sustainable growth across the East of England. By combining collaborative leadership, technical innovation, and forward-looking infrastructure investment, the region has the opportunity to transform water from a constraint into a catalyst — enabling thriving communities, a dynamic economy, and a healthier natural environment for generations to come.

<sup>127</sup> Planning for Greater Cambridge Growth: Final Report, May 2024

## Priority projects – Lowestoft Tidal Barrier

Lowestoft is a town with major regeneration plans, but these plans are being held back by major flood risks. Parts of the town centre and most of the areas on the banks of lake Lothing are in tidal flood zone 2 or 3 – and a flood in 2013 caused tens of millions of pounds of damage to both homes, businesses and infrastructure.

The local authority has been working on a proposal to develop a tidal barrier, but due to design changes, major cost increases and no funding guaranteed, work has stopped. Without additional support, tidal flood risks remain high, stalling much needed regeneration work.

## Priority water projects

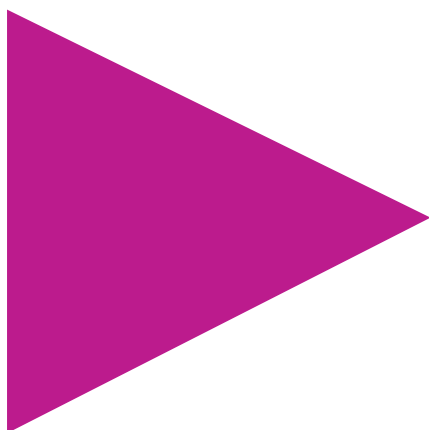
To safeguard the East of England's water future, a suite of priority projects must be fast-tracked. These are central to delivering resilience, enabling growth, and protecting the natural environment:

- ▶ **Major reservoirs:** The Fens and Lincolnshire reservoirs, now endorsed by Defra<sup>128</sup> and progressing through the RAPID process, are critical 'low regret' investments, and have been confirmed in the Government's Infrastructure Pipeline. Together, they will supply hundreds of thousands of homes and support the growing economy.
- ▶ **Grafham Water transfer:** An interim scheme to support Cambridge and protect sensitive chalk streams before the Fens Reservoir is operational.
- ▶ **North Suffolk winter storage reservoir and reuse schemes:** Scheduled for delivery by 2040, these projects will strengthen regional resilience and reduce dependency on stressed sources.
- ▶ **Desalination plants at Bacton and Mablethorpe:** Development funding has been secured for both schemes, offering the potential for climate-resilient, non-rainfall-dependent supply sources.
- ▶ **Leakage reduction and smart metering:** Ofwat's 2024 Price Review has supported ambitious smart metering rollouts, particularly in Suffolk and the Anglian Water area, to be completed by 2030–2035.
- ▶ **Agricultural water resources planning:** Pilot studies, supported by Defra and the Environment Agency, are underway to develop local resource options for farm clusters, ensuring the agricultural sector is fully integrated into the regional water strategy.
- ▶ **Nature-based solutions:** WRE's region-wide mapping and modelling of NBS opportunities — such as wetland restoration, floodplain reconnection, and soil management — offer cost-effective, multifunctional benefits for water resilience and biodiversity.

<sup>128</sup> Department for Environment, Food and Rural Affairs, Addressing water scarcity in Greater Cambridge: update on Government measures, March 2024

## Top asks

- ▶ Fund and undertake an independent climate change risk assessment for the East of England.
- ▶ Resources to convene organisations to help manage water across the region, enabling the sharing of information, and a holistic approach to water management.
- ▶ Investment in strategic flood defences, and generally back investment in infrastructure ahead of need.
- ▶ Stabilise the water sector and provide long-term investment certainty.
- ▶ Accelerate action on environmental restoration and pollution reduction
- ▶ Scale up nature-based solutions. Government support is needed to mainstream nature-based solutions, including providing seed funding, policy incentives, and mechanisms to unlock private investment through green finance.



# 10 A forward-looking region

As this report demonstrates, there is an eagerness within the region to meet the Government's missions and meet the challenges of the 21<sup>st</sup> century head-on. We appreciate the Government's first steps towards recognising some of the key issues in our region – through investments such as reservoirs to tackle our rapidly depleting water sources, and through continued interest in East West Rail. However, without continued investment, there is a risk that the region may not be able to realise its full potential.

## The risks – a lack of investment results in missions not being achieved

There are three missions in particular where the East of England can play a decisive role, but only if the right investment is made. Without it, progress towards these national priorities will be delayed or derailed.

### Kickstart economic growth

- ▶ Weak digital connectivity will hold back our high-tech firms, reducing productivity and competitiveness.
- ▶ Congestion and infrastructure bottlenecks will slow our logistics sector, creating knock-on delays across the country.
- ▶ Climate pressures on agritech and food production will weaken industries that are essential to national resilience.

### Make Britain a clean energy superpower

- ▶ Investors may walk away if essential infrastructure and utilities are not in place.
- ▶ Shortages of skills and training will leave the supply chain unprepared to deliver at scale, undermining the region's clean energy potential.

### Break down barriers to opportunity

- ▶ New development sites risk stalling due to water scarcity.
- ▶ Major housing growth could be paused without enabling infrastructure — Essex councils already fear plans will collapse following the cancellation of the A12 widening.
- ▶ Greater vulnerability to flooding will put both people and businesses at risk.



## The opportunities

However, with the correct investments, there are crucial advantages that our region can offer towards solving these missions.

### Kickstart economic growth

- ▶ Our region is home to a significant number of industries mentioned in the Industrial Strategy and, with the correct investment, we can be at the forefront of economic growth.
- ▶ We can secure the nation's food supplies, crucially important given increasing international pressures.

### Make Britain a clean energy superpower

- ▶ We can support the development of Carbon Capture and Storage, wind, solar, nuclear and hydrogen power all in one region.

### Break down barriers to opportunity

- ▶ We can protect our communities from the impacts of climate change.
- ▶ Our residents will benefit from better homes, better jobs, and better public services.
- ▶ Better skills provision will enable people to find more skilled jobs, boosting productivity.

In addition to the above, the future of devolution and local government reorganisation will be a crucial part of how this region develops. Three of our counties are in the devolution fast track, and we are already home to the Cambridgeshire and Peterborough Mayoral Combined Authority. With support and powers from Government, we can work together to bring prosperity and opportunity to the East of England and the rest of the country.

**Therefore, we call on Government to work with us, and with local partners, to ensure that the East of England can fulfil its promise and continue to deliver for our residents, our businesses, our region, and the whole of the UK.**

