Opportunity East
2026 Budget Submission

The East of England: The UK's Growth Engine Ready to Deliver

For decades, the East has quietly powered the national economy. It is one of the UK's most productive regions, generating more than £214 billion of economic output annually, while attracting almost £10 billion of private sector R&D investment every year. It leads the country in business research intensity, feeds the nation, and sits at the heart of Britain's energy future.

The East is where world-leading life sciences meet advanced manufacturing; where globally significant ports connect Britain to international markets; where innovation clusters drive discovery and commercialisation; where one-third of England's highest-quality agricultural land is situated; and it is home to key defence industries and airbases crucial to our country’s security.

The region is also strategically important for energy, and the home of major energy assets, including offshore wind, nuclear, gas and emerging hydrogen technologies and carbon capture and storage. These are helping secure the UK's future resilience, and are crucial to the construction of the UK’s future, greener, energy system

Yet, despite its contribution to UK prosperity, the East has not received investment in line with its economic importance. The region receives the lowest levels of public investment per head in England – a full £3,100 per head less than London – creating growing pressures on housing, transport, water, energy, digital infrastructure and skills.

The Government’s recent Cabinet Statement, Rewiring the State, has also raised these concerns, and we eagerly await answers for how the Government will address this. This lack of investment is no longer simply a regional issue; it is now a national barrier to growth.

The message from our flagship reports, Opportunity East, and Opportunity East: One year on, is clear: if the Government wants to reindustrialise the country and ensure growth in every postcode, then investment in the East will pay dividends.

The opportunity is substantial. With fairer investment and stronger partnership between national and local government, the East could become a £235 billion economy by the end of this Parliament, generating additional tax revenues, jobs, homes and energy capacity that benefit every part of the United Kingdom.

Key Messages

1. Rebalance the UK's regional spending

The East of England receives less public expenditure per head than the UK average by £1,000 per person. The Government should rebalance funding as per Rewire the State to remedy this.

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2. Reindustrialise the East through skills and the industrial strategy

The East is home to knowledge-intensive clusters, and an energy sector that could power the country. To ensure their growth, the East needs access to mayoral schemes ahead of Mayors being elected in the East to avoid a devolution deficit.

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3. Infrastructure is the critical constraint

The East of England is now reaching the limits of its infrastructural capacity. New infrastructure will help – but we must train more skilled workers through the Skills England's East of England Skills Partnership for Investment and Infrastructure.

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4. Affordable Housing is needed

Our region is one of the least affordable in England. The Government should strengthen the Social and Affordable Homes Programme 2026-2036 with targeted support for the East.

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5. Connect our international gateways through Ely and Haughley

With the ability to connect our international ports with the Midlands and the North, this key junction upgrade will deliver growth across the country – and deliver homes in the East.

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

Challenge 1: Match our funding with the rest of the UK

Proud to host UK Investment

We are proud that the East of England is trusted to deliver key infrastructure projects, including key parts of the UK's energy future. We are also proud that the private sector has followed suit, with massive investment in the region, including the Universal Theme Park in Bedford, and the highest per-capita investment in R&D in the UK.

Consistently asked to do more with less

The East of England receives £1,200 less per person in public expenditure than the national average, the lowest of any region in the UK. It is a full £3,200 less per person than London – more if net capital investment is included. If expenditure in our region were increased to just the national average, the region would have an extra £8 billion to invest in skills, infrastructure and housing.

Rewiring the East of England

The Government's recent Cabinet Statement, Rewiring the State, has raised concerns around the "large regional disparities between current levels of public investment per head in different parts of the country". This is exciting to hear, and we ask the Government to remain committed to rebalancing the UK economy to back growth opportunities in the East of England.

Region	Per Capita Public Expenditure	Difference to UK Average
London	£18,139	£2,010
North East	£17,155	£1,025
North West	£16,517	£387
West Midlands	£16,220	£90
Yorkshire and the Humber	£15,975	-£154
South West	£15,829	-£301
South East	£15,232	-£898
East Midlands	£15,078	-£1,052
East	**£14,916**	**-£1,214**

Challenge 2: Recognise us as the heart of the UK Industrial Strategy

An opportunity to reindustrialise

The East of England generated £214bn in GVA in 2023, this equates to 11% of total UK GVA outside London, growing 57% since 1992, with the potential to reach £235bn by 2029. It leads the UK on business R&D intensity and hosts 1,510 advanced manufacturing firms behind a £4bn shovel-ready pipeline spanning every county and combined authority.

The home of core strategic sectors

The East of England is home to a disproportionate number of businesses in core strategic sectors outlined in the industrial strategy. These include sectors such as creativity, advanced manufacturing, life sciences and clean energy. These sectors are crucial to the future of UK growth.

We can provide the energy that UK manufacturing needs

In addition, UK energy is expensive with industrial electricity costing 40% more than France's this year. The British Industrial Competitiveness Scheme cuts bills by c.25% for manufacturers, but it is considered bureaucratic. The East hosts 44% of the UK's existing offshore wind capacity, Sizewell C and B, Bacton, and an estimated cumulative £122bn investment in energy production and distribution by 2050.

Delivery at the local level

The East has one established mayoralty and the potential for further MCAs in the region. In anticipation of future changes, we want the East to be able to access funds such as the £500m Mayoral Recyclable Growth Fund currently reserved for North and Midlands mayors. There’s also a need to supercharge the region’s Industrial Strategy Zones with stronger levers to deliver more investment and catalyse wider growth.

What can be achieved support: Freeport East Industrial Strategy Zone

In 2025, Freeport East advanced £250m of private sector investment across its development sites, enabled over £200m of international inward investment into the wider East of England, and invested nearly £20m in skills, innovation and business growth programmes. This included Assan Panel's £45m UK manufacturing facility at Gateway 14, Stowmarket, creating more than 100 high-value jobs.

Challenge 3: Invest in infrastructure and skills to deliver growth

A growth success that has now reached capacity

The East of England has one of the largest housing growth targets and is already scheduled to deliver some of the country's largest infrastructure programmes, including Sizewell C, offshore wind expansion, a new reservoir and significant transport investment including East West Rail.

However, the simple fact is the East of England is running out of road in terms of its capacity to deliver infrastructure and growth.

A rural region with unique challenges

The East wants to continue succeeding and is keen to continue contributing to the UK’s growth. But to do this, key road upgrades must be considered, connectivity must be boosted to enable businesses in rural areas, and money must be allocated to ensure a reliable supply of freshwater for both business and residential uses.

A skills pipeline to ensure delivery of national and local ambitions for the East

When it comes to skills there is growing concern that the East of England is not yet equipped with the tools, flexibility and funding needed to deliver its ambitions at the scale required.

Employers across infrastructure delivery are united in reporting that skills shortages are becoming one of the principal constraints on growth. CTEC report that current training provision is focussed on housing skills with little or no provision in readiness for the estimated 50,000 jobs that will be generated by the region’s NSIPs. At the same time colleges report that they are turning away learners in precisely those technical disciplines where demand is strongest.

Partnership working with the East

This disconnect between employer demand and available training capacity risks undermining both national economic objectives and the Government's own industrial priorities. The region therefore welcomes the East of England Regional Skills Partnership but calls for this to be turbocharged with input from Local Government East, the region’s Mayor and Combined Authority and the East of England APPG.

Challenge 4: Address the housing affordability crisis in the East

Priced out of the region

Due to the success of our region, the East was the fastest-growing region between 2011 and 2022. It is also expected to be the second fastest growing region in England going forward, with a population increase of 10% predicted by 2040. This will place more pressure on our already fragile housing market.

High costs impact every sector

With homes costing nine times the regional household average income, the East of England is one of the least affordable regions in the UK. This has a knock-on impact on every sector of the region, making it harder to attract and retain talent, while also driving up costs for local authorities through temporary accommodation bills.

Building Affordable Housing

The Government has signalled its intention to increase housebuilding significantly, and this news is welcome. However, in order to increase the affordability of homes in the East of England strengthen the Social and Affordable Homes Programme 2026-2036 with targeted support to build local authority development capacity, skills and access to development-ready land, while addressing the financial viability and infrastructure barriers that constrain housing delivery across the East of England.

What can be achieved with support: Harlow and Gilston Garden Town

The Gilston area of Harlow and Gilston Garden Town will deliver seven connected villages with 10,000 homes, including 2,300 affordable homes, supported by 660 hectares of parks, woodland, sustainable travel corridors and active travel routes designed for long-term community life.

Schools, community infrastructure, healthcare, sustainable transport and green infrastructure have been secured through collaboration with Hertfordshire County Council, the NHS and the HGGT partnership - embedding stewardship and community participation from the start. With delivery now underway, Gilston shows how strong local leadership and collaborative planning between developer, LPA, local community and the County Council can create well connected, sustainable villages at scale - setting a benchmark for future UK placemaking.

Challenge 5: Support a key rail junction upgrade - Ely Area Capacity Enhancement

Massive potential for housing growth

The Ely Area Capacity Enhancement (encompassing Ely and Haughley junctions) would double the number of passenger services on the Ely-King’s Lynn and Ipswich/Norwich-Peterborough routes. Completion of these enhancements would support the construction of thousands of homes, taking advantage of the huge engines of growth within the East of England, notably Cambridge. Network Rail’s own outline business case suggests it could stimulate 277,000 extra rail passenger journeys a year at a conservative estimate. It is also the essential foundation for a more transformative vision for passenger service improvements across the East.

A corridor of international importance

Ely and Haughley junctions sit on the cross-country “Felixstowe to the Midlands and the North” nationally significant freight Corridor. Upgrades to these junctions would boost network capacity from 6.5 trains an hour to 10 – an increase of nearly a third. This not only acts as a boost for the East of England, but for industry in the Midlands and North, as the line is a vital connection to the international gateway in Felixstowe. If the Government is to meet the new 40% increase in rail freight by 2040, this infrastructure upgrade is essential. It also removes 97,000 HGVs from the road each year, benefiting the Strategic Road Network and reducing carbon emissions, and it frees up capacity elsewhere on the rail network supporting the rapidly growing Thameside ports including London Gateway.

Excellent value for money

The most recent business case suggested that the proposed scheme would return £4.89 in benefits for every £1 invested. Continued delay risks delivery of planned growth across the East and increasing costs for the whole of the supply chain on the movement of goods.

What the Government can do

Fund the East in line with other regions

The East of England has experienced perennial underinvestment from the public purse, despite our exceptional growth. We ask that the Government make good on its promise to rebalance the country as set out in "Rewiring the State".

Support our reindustrialisation

Support for local industries can be effectively delivered at the local level, be it through industrial investment, skills policy or convening key stakeholders in support of strategic clusters. However, the East of England is a special case due to the region being home to only one Strategic Authority. There is therefore a risk that it will miss out on growth opportunities and crucial funding. Therefore, we ask that the East be able to access mayoral funding in advance of any devolution agreements being finalised in our region, so that businesses in the East are not left behind and the risk of a devolution deficit is minimised.

Invest in our enabling infrastructure through skills

The Government should expand, empower and better fund Skills England's East of England Skills Partnership for Investment and Infrastructure. Only through this can we ensure that the infrastructure in our region is developed at scale and delivers a lasting legacy for the East of England.

Support the East to develop affordable housing

The Government should strengthen the Social and Affordable Homes Programme 2026-2036 with targeted support to build local authority development capacity, skills and access to development-ready land, while addressing the financial viability and infrastructure barriers that constrain housing delivery across the East of England. Without this support, the region will be unable to deliver the scale of social and affordable homes that communities urgently need.

Green light the Ely Area Capacity Enhancement

While we are aware that this may be a matter more suited for the spending review next year, we want to reiterate that the Ely Area Capacity Enhancement scheme represents incredible value, would boost housebuilding in the region, and grow the whole country by enabling better freight connections to the Midlands and the North. We ask that this scheme is prioritised.

References and sources

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