

# INFRASTRUCTURE FOR INNOVATION AND INCLUSION

**East of England and the UK's Innovation  
Corridor: an economic vision that  
delivers both innovation and inclusion in  
a critical region for the UK economy in  
post Brexit Britain**

# JOINT APPG HIGHLIGHTS

The East of England APPG's document 'An Engine for the Nation's Prosperity' highlights a series of recommendations for government action and investment. The UK's Innovation Corridor APPG's publications 'An Industrial Strategy: towards a growth prospectus for the UK's Innovation Corridor' and 'Towards a collaborative approach for investment in strategic infrastructure in the UK's Innovation Corridor' also make the case for continued public and private investment in London and this part of the wider South East and East of England. These two important All Party Parliamentary Groups are working together to encourage other public and private sector bodies to support their recommendations and make the economic case to deliver innovation and inclusion in a critical region of the UK.

The East of England region, connected to London via the UK Innovation Corridor (UKIC), is a dynamic high growth global knowledge region. Its importance and contribution to the present and future success of the UK economy needs to be promoted and acknowledged, and critically – be backed by government powers and resources.

**Economic success, high rates of economic growth and job creation have created significant pressures on housing and infrastructure. Current skills policies and funding do not ensure that all of our residents and young people can participate in the region's success, nor do they provide the skilled workforce that employers need. Lack of investment in transport and broadband infrastructure means that some places, and people remain disconnected from economic wealth and prosperity. Our region is also vulnerable to climate change, and action must be taken now to deal with this threat.**

In order to help our global knowledge region and competitive global industries to continue to succeed, and to ensure that all our communities and residents' benefit, we need to ensure that the following priorities are addressed:

- Greater devolution of powers and resources, including the future Shared Prosperity Fund – to councils, the Mayor of Cambridgeshire and Peterborough Combined Authority, London

Mayor and Greater London Authority, and emerging (Sub-national Transport Bodies) STBs and Local Enterprise Partnerships (LEPs). We also need to recognise where solutions are best met at the regional and UKIC level and work together to achieve that.

- Infrastructural investment to connect the ideas, talent and enterprise that characterise this region. Public spending on transport in the East of England per capita is approximately 65% lower than in London and this is clearly too low.
- Digital infrastructure is as important as physical infrastructure and as a broad area that consists of many urban and rural sites, we should be seen as the vanguard of 5G for the UK, with a superfast fibre network to enable ubiquitous connectivity.
- Employment locations and premises needed to be provided for future growth. Most of our successful business and technology parks are full, and we wish to encourage investment and jobs growth throughout the region and capitalise on existing centres of excellence.
- Skills provision needs to improve and investment in workforce skills to meet employer needs is vital to ensure all communities and residents benefit from growth. There are significant local variations in skills attainment and participation in the labour market.

- Housing need in the East of England is set to increase significantly by 20% which equates to 520,290 extra homes over the fifteen-year period from 2016. Alongside this, the building of ‘community’ is key to our approach.
- The East of England and UKIC areas are vulnerable to climate change and the region’s

strategic and key role in decarbonising the economy, in particular with the supply of energy, needs to be prioritised and invested in. We also need to have greater focus on flood defences.

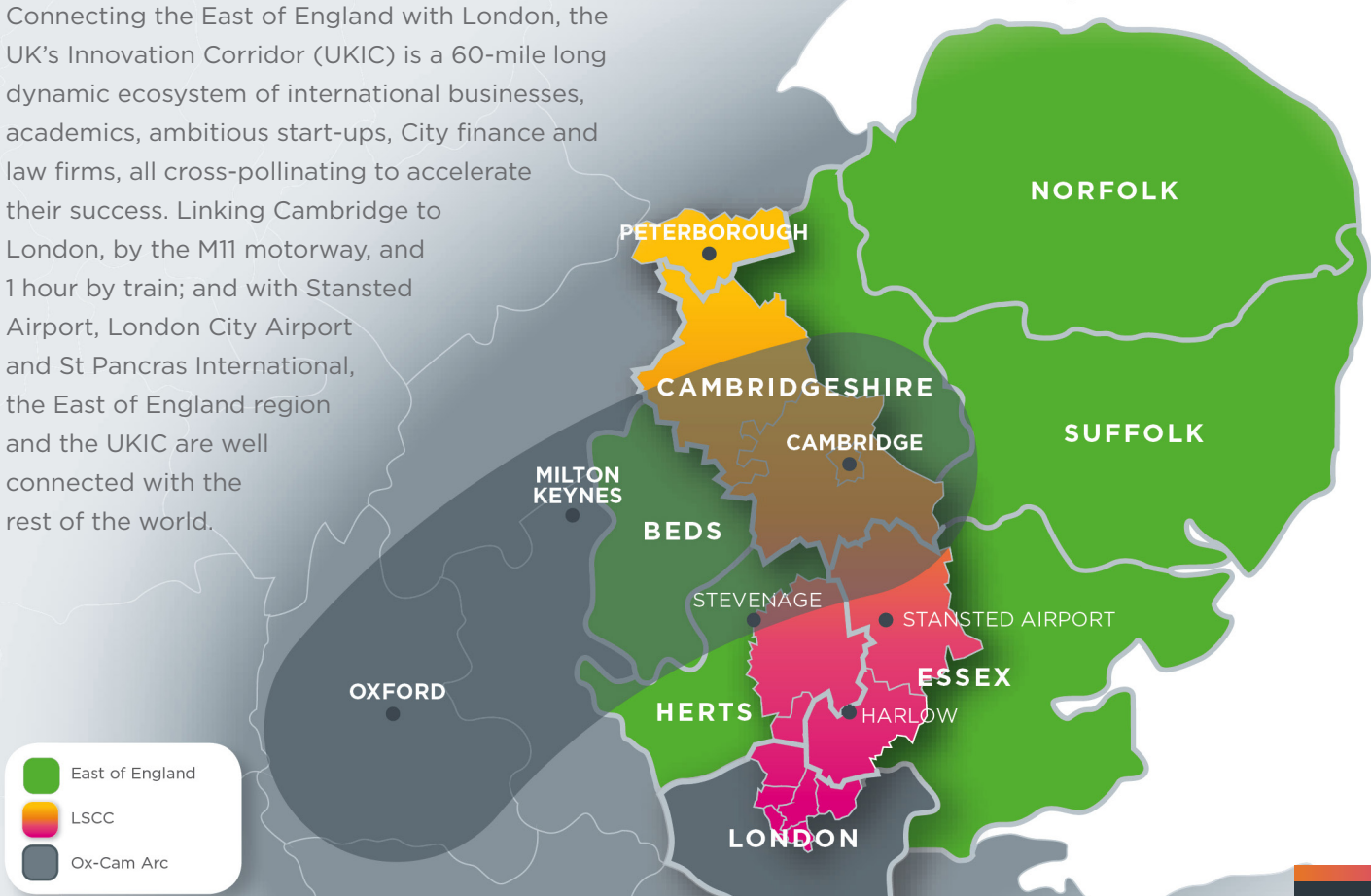
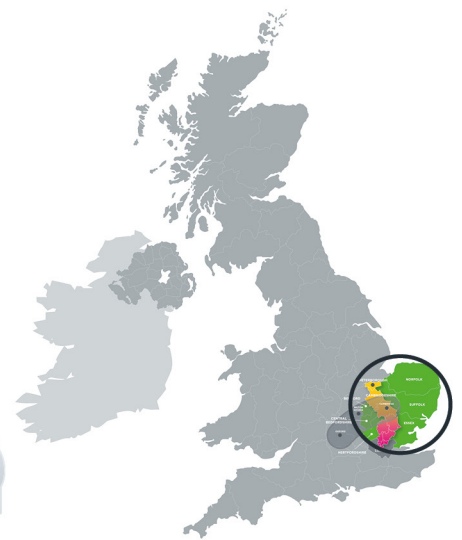
These summarised priorities are addressed in detail later in the document.

# A CRITICAL REGION FOR THE UK ECONOMY

## A dynamic region and innovation corridor that is a Global Gateway

The East of England is situated north-east and adjacent to London, comprising the county authority areas of Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk; and the unitary authority areas of Bedford, Central Bedfordshire, Luton, Peterborough, Southend-on-Sea and Thurrock.

Connecting the East of England with London, the UK’s Innovation Corridor (UKIC) is a 60-mile long dynamic ecosystem of international businesses, academics, ambitious start-ups, City finance and law firms, all cross-pollinating to accelerate their success. Linking Cambridge to London, by the M11 motorway, and 1 hour by train; and with Stansted Airport, London City Airport and St Pancras International, the East of England region and the UKIC are well connected with the rest of the world.



## ■ A high growth global knowledge region

With one-fifth of all jobs in knowledge-based industries, the East of England region and UKIC are leading regions for international growth, with 13.4% GDP growth in the East of England and 11.9% growth in UKIC between 2012 and 2015. This places both the East of England and UKIC ahead of many other international comparators such as The Triangle (9.9%), Boston-Massachusetts (7.4%), Greater Munich (6.6%), Ranstad (6.5%) and the Ruhr Valley (1.9%), but behind Silicon Valley (19.1%)

## ■ Competitive global industries

The East of England region is a centre for nationally and internationally recognised expertise in sectors such as life sciences, ICT, finance and manufacturing as well as agriculture, farming, food production and AgriTech. Business sector R&D expenditure is the second highest of the regions in the UK and 63% above the national average. Many of these industry strengths, in particular Life Sciences and ICT & Digital (and increasingly AgriTech), are concentrated in and around the UKIC – with the location of London’s global financial and business services at one end of the UKIC, and Cambridge’s high technology industries at the other.

## ■ World-leading firms and research institutions

17% of all life sciences employment in England is based in the UKIC – a success built on 37 research institutes and organisations such as Amgen, AstraZeneca and the MRC Laboratory for Molecular Biology in Cambridge, The Wellcome Sanger Institute in South Cambridgeshire, GlaxoSmithKline in Stevenage, Quadram Institute in Norwich, Public Health England in Harlow and the Francis Crick Institute in London. The East of England connects with London to support

leading multinational ICT & Digital tech giants and innovative new start-ups – and is a world leader in artificial intelligence, with such firms as Deepmind and Darktrace; multinational tech giants such as Arm Holdings, Google, and Imagination; and leading corporate R&D centres, such as Microsoft’s European Research Lab, Cambridge Display Technologies, Google, Citrix, Xaar, Red Gate, Aveva, Arm, Imagination Technologies, and ACI Global.

## ■ Entrepreneurial advantage

The business population grew by 37% in the UKIC and 19% in the East of England Region between 2013 and 2018, higher than Boston Tech Corridor (9%) and The Triangle (3%), but lower than Greater Munich (105%), and the Ruhr Valley (120%). The start-up and entrepreneurial support institutions in the UKIC and East of England are world-renowned, and include Stevenage Bioscience Catalyst, St John’s Innovation Centre, BioPark, The Bradfield Centre, The Orbis Energy Centre, and Future Business Centre.

Many parts of the region invest heavily in the start-up community, most notably Cambridge, but this is a much wider phenomenon. For example Stevenage Bioscience Catalyst which has over the last five years, invested several hundred million pounds in start-up and scale-up businesses.

## ■ Attracting businesses and creating jobs

UKIC and the East of England region experienced 18% and 12% employment growth respectively between 2012 and 2017, second only to the international comparator area of Shenzhen (22%) and well ahead of Greater Munich (9%) and Silicon Valley (3%). The rate of jobs growth in the UKIC and the East of England also exceeded the Midlands Engine (11.1%), the M4 Corridor (10.7%), and Northern Powerhouse (10.3%).

# REQUIREMENTS TO DRIVE FUTURE UK GROWTH AND INNOVATION

The objective of this combined report is to begin to cement specific policy and delivery proposals to secure innovation and inclusion across the region. We are seeking widespread support for the priorities recommended. There remains detailed work to be completed, but the recommendations below represent a clear direction of travel, based on a strong economic vision for the region.

## ■ Devolved decision making

Moving forward greater devolution of government powers and funding, including the future Shared Prosperity Fund are required. Further devolved powers and resources for councils, the Mayor of Cambridgeshire and Peterborough Combined Authority, London Mayor and Greater London Authority, and emerging STBs and LEPs – are part of the solution for meeting the challenges we have outlined here, and could be tied to revenue-raising powers for the region. Some challenges are also best met at a regional and Corridor level, particularly climate change, water resource management, and sustainable growth.

## ■ It is critical to invest in infrastructure to connect ideas, talent and enterprise

The success and ability to invest in the capacity for growth in the East of England and UKIC depend upon the provision of infrastructure. There is a need for better connected ports and airports and enhanced links between our fastest growing places and businesses clusters. Government figures show that public spending on transport in the East of England per capita is approximately 65% lower than in London. Spending per head in the East of England is just £402 per head of population compared to £1,019 for Londoners. The

UK average is £483. We need to understand and realise a more effective percentage and resulting figure per head.

UKIC recently commissioned an independent report which highlights 13 infrastructure projects as major priorities for the economy. This, along with priorities identified by the East of England LGA, includes improvements to a number of important transport corridors, some running north-south such as the A1, A10 and M11 and others east-west including the A14, A47 and A120 (the latter are in need of a range of improvements). Rail infrastructure investment is needed along the Great Eastern Main Line (GEML), the West Anglia Main Line and the key freight and passenger corridor between Felixstowe and the West Midlands. This will provide better connectivity for Norwich, Cambridge and Ipswich and maximise the impact of new trains. Key priorities include increased capacity on the GEML south of Colchester, quicker journeys to London Stansted Airport, completion of the Ely area upgrade programme, as well as the planned East-West Rail (connecting Oxford and Cambridge). Mass Rapid Transit schemes are also at the concept phase for Greater Cambridge and Hertfordshire. The region's ports and airports also require support to fulfil their potential as global gateways. Crossrail 2 and four-tracking the West Anglia

Main Line are also priority projects, unlocking a vast number of jobs and homes across London and the Greater South East.

Work is still to be concluded on each specific policy ask justified with specific outcomes that they would achieve and the East of England and UK Innovation Corridor APPGs will be supportive of these as they arise.

## ■ Digital infrastructure in addition to physical

There remain a small but increasingly challenged number of communities that do not yet have universal access to fibre enabled broadband, and there are too many businesses still without full fibre connection. Sites along the Cambridge Norwich Tech Corridor are also dependent upon the delivery of Local Full Fibre Networks (LFFN).

As a broad area that consists of many urban and rural sites, we should be seen as the vanguard of 5G for the UK, and instead of patches of digital proficiency, we should look to provide wholesale, ubiquitous connectivity across communities and businesses, and within the core physical infrastructure (roads, rail, housing etc.) as it is developed.

## ■ Providing the employment locations and premises needed for global industry leadership are clear opportunities for the UK

A recently commissioned report (AstraZeneca, Cambridge: driving growth in life sciences) showed that the Cambridge life sciences cluster could generate an additional £1 billion per annum for the UK economy and provide an extra 6,000 jobs by 2032. The East is already a centre for the UK's clean energy sector, with 63% of the UK offshore wind capacity sited off the East of England coast. Knowledge-based industries account for one-fifth of all jobs across the UKIC and one-sixth of jobs in the East of England region.

There is room for improvement in productivity and GVA performance. Rates of productivity vary considerably within localities that comprise the East of England and UKIC, ranging from £33 in Cambridgeshire to £29 in Norwich and East Norfolk, £31 in Peterborough, and £47 in Inner London. The East of England economy has grown by 22%, and the UKIC by 21% over the 5 years between 2012 and 2017 – placing it middle ranking behind the comparator areas of West London Alliance (26%), Oxford to Cambridge Arc (25%), and level with the Midlands Engine (21%). We can only address uneven growth, and supply-side barriers to future growth if we can improve the supply of skills, the availability and quality of new housing, the availability of employment land and premises, and the ability to connect communities and workers to jobs and opportunities.

There is an increasing need for more workspace and premises for employment uses in the East of England and UKIC. Many of the successful and most prominent technology business sites and premises are now fully occupied such as Stevenage Bioscience Catalyst. Many successful sites want to expand, such as the Wellcome Trust at Hinxton in South Cambridgeshire, and there are many opportunities for new, specialist sites to come forward to fulfil the growing need. These needs are further illustrated by the significant increases to Commercial property rental values in the last five years – a rate of increase over ten percentage points higher than in the Oxford to Cambridge Arc.

## ■ Invest to improve the supply of skills and community access to jobs

On average, the UKIC labour supply is highly skilled with 44% of residents with degree level qualifications well above the national average (38%). This masks marked local variations in the Corridor and the East of England. In areas such as Islington, Camden, Cambridge and Haringey between 54% and 67% of residents

have at least degree-level qualifications or higher, whereas in areas such as Breckland, Broxbourne, Peterborough, Epping and Tendring, between 20% and 35% have these qualifications.

Economic participation also varies significantly by locality. Within the East of England and UKIC, districts with higher than average unemployment rates include Uttlesford (4.6%) and Cambridge (4.8%). There are particularly high pockets of unemployment in Chelmsford (5.7%), Great Yarmouth (6.1%), Hackney (5.8%), Hertsmere (7.7%), and Peterborough (5.7%).

Progress is being made with the development of a Regional Skills Concordat by UKIC partners. Launched in April 2019, the Concordat aims to improve the provision of skilled labour for employer needs, and to help local people access higher-skilled jobs. At the recent East of England APPG, recommendations were made for the apprenticeship levy to be more flexible and for far better, and earlier, careers advice so that those living in the region are aware of future employment opportunities. The importance of 'upskilling' training and ongoing adult education was also emphasised.

## ■ Housing need is set to increase significantly for all types

Housing need in the East of England is set to increase by 20% - 520,290 extra homes - over the fifteen-year period from 2016. But delivery of all types of housing - social, private rented and owner occupied - is hampered by a number of constraints. Homelessness is a significant issue as is the need to provide the appropriate accommodation required by those reaching retirement. Providing affordable housing and sustainable, quality communities for the residents and workers in the region continues to be a significant challenge.

It is also important for government to recognise that this region has sustaining and creating great places for people to live and work at its heart.

Regeneration work is underway in Stevenage, Harlow and Bishops Stortford, and there are significant new communities south of Cambridge and in Harlow and Gilston, where significant effort is taken to retain the green heritage of parts of the area.

We should also recognise that alongside housing, employment and skills, is the need to review and invest in other provisions across the region, such as hospital and health facilities.

## ■ Environmentally sustainable growth

The East of England and UKIC area are highly vulnerable to climate change - whether through surface flood water risk, or aridity and water supply, which could have a significant impact on the nation's food supply. Particularly to the east of the region with its long coastline, we are susceptible to flooding for surface water and tidal surges and it is critical to safeguard the environment for the future.

The region's strategic and key role in decarbonising the economy, in particular with the supply of energy - through the large array of wind farms developing off the East coast, proposed new nuclear power stations at Sizewell and Bradwell and emerging opportunities for carbon storage in the Southern North Sea gasfields - needs Government support. Some of the region's leading businesses, like Anglian Water, have committed to carbon neutrality by 2030. The government's commitment to carbon neutrality by 2050 is welcome, but this could go further, and faster.

We would like to see further investment regarding decarbonising the economy, addressing the opposites of flood and drought, and further investment in green jobs. Both APPGs believe that the Government should make green energy of strategic importance to the East.

# FOR MORE INFORMATION

Please find below the links to the core documents that provide further detail on this summary

East of England submission to the 2019 Budget and Spending Review

<https://eastofenglandappg.org.uk/wp-content/uploads/2019/07/EEAPPG-Budget-Submission-2019.pdf>

UK Innovation Corridor Industrial Strategy Prospectus (<https://innovationcorridor.uk/ukic-lis>) and independent infrastructure review (<https://innovationcorridor.uk/ukic-infrastructure>)

Or contact us at

[eeappg@devoconnect.co.uk](mailto:eeappg@devoconnect.co.uk) | [@EastEnglandAPPG](https://twitter.com/EastEnglandAPPG) | [www.eastofenglandappg.org.uk](http://www.eastofenglandappg.org.uk)

[john.mcgill@lsc.co](mailto:john.mcgill@lsc.co) | [@UKICNews](https://twitter.com/UKICNews) | [www.innovationcorridor.uk](http://www.innovationcorridor.uk)