

YOUR LONDON AIRPORT
Gatwick

Produced by
**Coast to
Capital**

Airport Economic Zones

Research report
July 2022



Contents

1	Foreword.....	01
2	Executive Summary.....	04
3	Introduction.....	08
4	Domestic Zones.....	11
5	International Zones.....	54
6	Gatwick's Future Economic Zone.....	79
7	Conclusions.....	90
8	Information Sources.....	102

1.1. Foreword by Gatwick Airport

Like other international airports, the last two years have presented unprecedented challenges to all parts of Gatwick's business – including our staff, passengers and airlines. However, due to swift actions taken in response to the pandemic, the business remains resilient and our focus is now very much on rebuilding the operation and passenger numbers as international travel markets return. The reopening of the airport's South Terminal on 27 March 2022 is a testament to our optimistic assessment that Gatwick will bounce back and retain its position as one of Europe's leading international gateways.

Gatwick is a vital part of the UK's national infrastructure and is a major driver of growth for both the regional and national economies. As we rebuild our passenger numbers to pre-pandemic levels over the next two to three years, and undertake significant investment, this will enable us to offer even more choice for travelers and generate additional benefits for our local communities and supply chains. We are already looking towards the future. The redevelopment of Gatwick railway station promises to bring an exciting new gateway to the airport, and we are progressing plans to bring our Northern Runway into routine use alongside our Main Runway.

We take our role in driving the recovery of the region seriously. Our role at the very heart of our local economy, together with the close working relationships we have forged with local partners and stakeholders over many years, means that we are always exploring ways in which we can maximise our potential by delivering a sustainable, resilient and

competitive future for the airport and our region as a whole.

Developing a clear regional identity for the local economy is key as we seek to recover from the pandemic and take advantage of new trade and investment opportunities in the context of a Global Britain. We commissioned Coast to Capital Local Enterprise Partnership to prepare this report to look at leading domestic and international examples of airports and how their surrounding regions work collaboratively to promote themselves and attract investment. We hope this research can provide an evidenced baseline for future consideration of this kind of collaborative work in our region, and also stimulate discussion among stakeholders around common approaches.

On behalf of all the team at Gatwick, we look forward to working with our partners across the community to help ensure the airport supports the future prosperity of local people, businesses and the regional economy.

Stewart Wingate, Chief Executive Officer, Gatwick Airport



1.2. Foreword by Coast to Capital

Gatwick Airport is at the geographic and economic heart of the Coast to Capital area. As the local enterprise partnership for the region we have always recognised the catalytic role the airport plays in our economy – driving growth, trade, and jobs. As we shift our focus to recovery from the pandemic and look to seize new opportunities presented by a Global Britain, that role is more crucial than ever.

We have a track record of working with the airport to create sustainable growth in our region. The redevelopment of Gatwick railway station exemplifies this – with Coast to Capital thrilled to be co-funding the project along with the airport. Infrastructure upgrades of this kind are critical as we seek to build back from the pandemic and take advantage of new business realities.

So is developing a clear identity for the region – and that's why I am really pleased Coast to Capital has been able to contribute to this research. This report is an important first step in that process. Successful places are always open to learn. By looking at leading examples of airport regions in the UK and overseas working together to promote themselves and attract investment we can create that evidenced baseline necessary for future discussion of this in our area.

On behalf of the team and Board at Coast to Capital, we thank Gatwick for the chance to contribute to this piece of work and look forward to participating in future discussions with our partners and stakeholders on this topic.

Julie Kapsalis, Chair, Coast to Capital



2. Executive Summary

2.1. Executive summary

This research report looks at leading domestic and international examples of airports and their surrounding regions working collaboratively to promote themselves and attract investment. The purpose is to provide an evidenced baseline for future consideration of this in the region around Gatwick Airport, and stimulate discussion among stakeholders around common approaches.

Each domestic zone is assessed according to a series of metrics which provide a rounded understanding of how it is constituted and operates. This is supported by quantitative data on the region's performance economically and in areas such as educational attainment. International zones are explored according to a slightly different set of metrics, in an attempt to understand their role within national economies and approaches to inward investment.

2.2. Key findings

The research into airport economic zones (AEZs) has highlighted that there is no single approach that is best, but rather the approach should be bespoke to the area and should result in an identity that can be clearly communicated and promoted.

AEZs require a group of willing partners to come together and work collectively. They are generally a ground-up process which originates locally. Private and public sector collaboration is prevalent in all the examples of AEZs considered in the research. The two US zones and

Tenerife include private sector involvement at the highest levels of the operation. Combined authorities like Greater Manchester in the UK, or San Diego and Fairfax County in the US, have advantages where decision making is streamlined. However, multiple authority approaches can work too, as the UK Innovation Corridor shows.

Function follows form in many places. AEZs tailor how they operate based upon their particular assets and advantages. For the AEZs dominated by enterprise zones, these areas are mainly concerned with business attraction and are areas with strong existing assets, inward investment and public funding. Function may change according to external events and therefore adaptability is key. The Heathrow Strategic Planning Group has responded with agility to the shift in focus from airport expansion to recovery from the pandemic. Dublin has done likewise in response to Brexit.

The research illustrates a range of geographies and scale in AEZs. Luton Airport's economic zone is small and concentrated. Others, such as San Diego, cover an area larger than any of the domestic AEZs in this research. Scale and appropriate geographies are a reflection of the governance framework for the AEZ. Luton is a unitary authority and that authority governs the AEZ, so focusing on that geography makes sense. San Diego is a city within the wider San Diego county – its economic zone reflects this. Some zones, such as the UK Innovation Corridor, appear to have defined their geography around regional assets – stretching their boundary to incorporate areas or facilities which align with the character of the zone.

AEZs form an identity out of the set of assets and characteristics that make that region stand out against others. An intricate understanding of the package that areas offer allows for this. Zones with a successful identity and brand, like the UK Innovation Corridor and Fairfax County, present a unified and clear articulation of the key questions an external audience have: What? Where? Why? How? Identity and brand can be overdone or duplicated to the point of confusion. Manchester Enterprise Zone, with the many sub-brands and partnership organisations that promote parts of its zone, is an example of this.

The most successful zones utilise local political power in practical ways – such as in leveraging funding, getting hold of policy levers, and profile raising. Examples include ad hoc arrangements, where advocacy seeks to resolve specific issue areas, or more formalised approaches such as the UK Innovation Corridor’s All-Party Parliamentary Group (APPG). Successful advocacy and lobbying on behalf of AEZs creates a legitimate and authoritative voice for that region. It centralises communication and allows for clear messages to be conveyed to pertinent stakeholders.

Manchester Enterprise Zone has the most developed approach to attracting inward investment among the domestic zones. It has strong working links with the Department for International Trade. International examples, particularly those in the US, have greater local control over planning and incentives. This seems to allow them to adopt a more proactive approach to targeting investment. Places without incentive packages use other pull factors to draw in investment. Major companies, institutions, R&D, and skilled workers are key.

Most airports within the domestic zones deliver skills academies and place innovation at the heart of the zones activity, with the exception of Luton where construction in relation to the expansion of the airport is the focus. Institutes of Technology (IoT) are also present in most of the domestic zones, highlighting how areas with airports can contribute to and benefit from higher level technical education in the local area. As areas look to recover from the pandemic, these skills and innovation assets will be key, supporting sustainable growth in key sectors of the economy.

2.3. Next steps to consider

Beyond the findings detailed above, stakeholder feedback has outlined some possible next steps which could help inform prospective work towards defining Gatwick’s future economic zone. These were:

- Having looked at airport-based economic zones, further analysis of city-based inward investment models could support further understanding of options. Examples could include Belfast and Bristol.
- Exploration of how engagement with the Department for International Trade could be integrated into a Gatwick economic zone and bring national services to a more local level.
- Develop a greater understanding of what success looks like for AEZs. This could be achieved by conducting more in-depth interviews or conversations with some of the examples the research considered. Impact too – how do the example zones assess and measure their

impact on regional economies?

- Developing a business case would be a key step in work towards Gatwick's future economic zone. Consulting and engaging with stakeholders to identify targets and how it would make a practical difference to the local, regional and national economy would form part of this.
- Ensure that work links in and is integrated into existing activity happening in the region and the forming of new promotional material or assets (for example, Gatwick Diamond Initiative's work on a new website).
- Looking at other potential geographies and areas which could be included in or interact with a Gatwick economic zone. Greater Brighton, the labour market travel-to-work area around Gatwick and the LSIP geography are among these.

3. Introduction

3.1. Background

Airports are major economic assets to the regions around them and as such attract international recognition. Companies, attracted by connectivity, base themselves nearby. Jobs are created, both directly and indirectly. They can catalyse development and their critical role within national economies draws governments to invest in the infrastructure around them.

With these benefits, how those regions around airports are defined is of crucial importance. What is the functional economic area around an airport? How does this foster the development of industry clusters? Does branding this area bring in investment? These questions are extremely pertinent. They help us understand how an area can be positioned and marketed at home and abroad, and what makes a coherent approach to doing so.

Through this report, Gatwick Airport seeks to understand how other domestic and international airports, and their immediate economic zones, position and market themselves.

3.2. Airport Economic Zones

Airport economic zones (AEZs) exemplify a focus on place. At the core of this is an attempt to define what that place does, what it should be known for, and why this should interest the wider world. Ways of doing this vary. Some are policy driven – such as enterprise zones or freeports. Others are network based, drawing together partners to act in a coordinated

manner – like the UK Innovation Corridor. Each seeks to articulate a set of identifiable attributes which makes their place stand out against the rest. And despite different methods of achieving this, the imperative behind doing so is remarkably consistent – competition.

This may be national competition. Domestic airports compete against each other to attract airlines that are seeking a UK location. Here, airports need to tell a compelling story about their airport's operation and capability, and about the region that surrounds it. Especially in the context of economic recovery from the pandemic, jostling among airports to attract airlines is heightened. Those airlines are looking more carefully at their decisions. Opportunities for diversification are key. Where they once may have focused heavily on leisure travel, business and cargo markets are rising in importance. Therefore, the industry surrounding the airport is crucial. Catchment areas and population demographics likewise.

Regions themselves are also competing. Place-based initiatives and regional growth are under renewed focus with the Levelling Up agenda. More places than ever are competing to attract the attention of central government and private investors. Each needs a message – a story it can tell and promote to these parties.

Competition is also increasingly global. Airports, as fundamental enablers of the globalised economy that defines the 21st century, are more aware of this than most. Capital, companies, and consumers have such an array of options that to attract attention you need to stand out. The rise of emerging markets and changes in consumer preferences

add to this. New players are attracting investment, meaning airports need to be more vocal about their offer. Much of this stems from the trends of globalisation which define the modern world economy. It is also being increasingly driven by the need to shape a post-Brexit economy and a government with Global Britain ambitions.

Regions face the same challenges. Competition nationally for investment is fierce enough, but on the global market this becomes even more stark. Global companies and investors are unlikely to have an in-depth knowledge of the UK and its economy beyond London. AEZs are a way to resolve this – pairing the connectivity which brings people into a region with a story about that place.

What emerges, then, is the opportunity for airports and their regions to engage in a win-win scenario. Both are responding to national and global competition. Both need to stand out to attract investment. Both need ways of talking to new audiences which may be less informed on what their place is about. These shared challenges are what brings airports and their regions together in this manner. It is a symbiotic relationship which can benefit both parties.

3.3. Approach

The following chapters consider domestic and international examples of AEZs. Each zone is assessed according to a set of metrics outlined in the methodology section before each chapter.

Having explored these comparator examples, Chapter 6 turns to

Gatwick's own economic zone. Various definitions of this exist, so the chapter will consider three different variants of this.

Finally, a conclusions chapter reflects on the findings of the research.

4.Domestic Zones

4.1. Methodology

Five domestic AEZs will be explored in this chapter. These have been chosen through preliminary research into the most developed examples of AEZs across the UK. These are:

- UK Innovation Corridor (Stansted Airport)
- Manchester Enterprise Zone
- Luton Rising
- Heathrow Airport
- East Midlands Freeport

A number of metrics will be looked at for each of these zones. Together, they provide a broad understanding of how they are constituted and how they operate. The metrics are:

- Partnerships and governance
- Form and function
- Geography
- Population and demographics
- Infrastructure and transport
- Sectoral industry base
- Skills and innovation

- Gross value added (GVA)
- Earnings and cost of living
- Educational attainment levels
- Employment and claimant data

To provide more detailed quantitative analysis, as well as the five AEZs, the local authority area (borough or district) which contains each zone's airport is also considered. This enables more useful comparison between zones of varying geographies. These are:

- Uttlesford District (UK Innovation Corridor)
- Metropolitan Borough of Manchester (Manchester Enterprise Zone)
- Luton Borough (Luton Enterprise Zone)
- London Borough of Hillingdon (Heathrow Airport)
- North West Leicestershire District (East Midlands Freeport)

UK Standard Industrial Classification (SIC) codes at the 2-digit level are used to analyse the sectoral industry base for each domestic zone. These codes were used as it allows for a consistent comparison of industries across UK regions. The codes have been italicised throughout the report for ease of reference. More detail on the codes and their definitions is available on the Office for National Statistics' website.

UK Innovation Corridor



£200bn gross value added (GVA) in 2019



3.6 million people within the Corridor in 2020



Lobbying through **APPG**



Key sectors include **Life Sciences; Agri-tech; ICT, Digital and Media; and Business Services**



Low claimant rate of **4.6%** in December 2021



Stansted Airport 4th busiest in 2019 with 27m passengers



52% of the working age population have qualifications of NVQ4 and above



Annual median earnings are on average **£3,600** higher than the national average



Skills and innovation infrastructure: **Stansted Employment & Skills Academy, The Innovation Core and over 7 higher education institutions**



Consortium of **61 organisations** across public, private and education sectors from London to Peterborough



4.2. UK Innovation Corridor

The UK Innovation Corridor (UKIC) links London with Cambridge, covering Stansted Airport and some of the fastest growing and most productive areas of the UK.

Stansted Airport was the fourth busiest airport nationally in 2019 – serving 27m passengers. It had flights to over 200 destinations across 40 countries in Europe, Africa and Asia. The Airport also handles considerable volumes of cargo, over 254,000 tons in 2020, placing it third behind Heathrow and East Midlands airports. Acquired by Manchester Airports Group (MAG) in 2013, it has since seen significant investment in terminal improvements. A major expansion plan to 43m passengers a year now looks to be going ahead with approval by the planning inspectorate after it was rejected by the local authority. Plans await confirmation, but this will likely involve the construction of a new arrivals terminal and extensive modernisation to other existing facilities.

The UKIC was formed in 2013 by a voluntary consortium of local authorities, businesses, universities and colleges which work closely with the area's Local Enterprise Partnerships (LEP). It is a multifaceted grouping which promotes, lobbies and attracts investment into the region. Its messaging majors on an identity as the UK's 'fastest growing region'. The narrow corridor it represents encompasses many of the UK's most productive areas and leading scientific, technological and financial assets. There are three enterprise zones within the region – Royal Docks, Harlow and Alconbury – these provide clusters of new activity,

complementing established locations such as London and Cambridge.

Partnerships and governance

The consortium is governed by a non-statutory board chaired by an independent business. There are 61 organisations associated with the UKIC. This is broken down to three levels of sponsorship: Members (32), Partners (20), and Affiliates (9).

The price of membership is provided on request. Members are entitled to apply to join the UKIC Board in a non-voting capacity and their organisation is added to any branding material. They benefit from involvement in annual conference panels and in marketing material. Members are mostly made up of local authorities and educational institutions.

Partners pay £10,000 a year. They receive associated branding on the UKIC website, and at small events and activities. They benefit from involvement in steering groups for those smaller events and projects and will receive delegate places at the annual conference.

Affiliates pay £2,000 annually. They receive affiliate branding on the website and affiliate branding at one specific event, with associated social media promotion for that event. They are listed and acknowledged at the annual conference. Affiliates can also use the UKIC logo on their own website.

Form and function

The UKIC is primarily a promotional and coordinating organisation. It acts to market the potential of the region it covers and brings partners together to engage constructively towards supporting it. It also lobbies on behalf of it.

Unique to this AEZ among others considered in this report is the political lobbying capacity it has. The UKIC acts as the secretariat for the Innovation Corridor All-Party Parliamentary Group (APPG). This is a cross-party grouping which includes MPs for areas within the region and two members from the House of Lords. The presence of this APPG provides weight to the recommendations and requests made by the UKIC as a whole.

The APPG and the reports that it produces give it a voice to government. Documents produced by the UKIC, such as their 'Global Scientific Superpower' brochure, make specific requests to government. In this most recent publication the UKIC has asked the government for operational funding of between £200,000 and £300,000 to match private and public sector contributions – enabling them to scale their 'ability to coordinate, plan, promote and deliver for the wider UK economy'.

Geography

The UKIC covers a narrow yet large geography, stretching from central London in the south to Peterborough in the north. The assets within the area drive the geographic layout. Enterprise zones sit at the southern and northernmost edges, for example. Transport is also key. As highlighted

further below (see infrastructure and transport section), road and rail lines act as a spine running up the length of the region. It can therefore be understood as a narrow corridor which mirrors these transport links, spilling over on either side to capture the urban areas and assets nearby. Figure 1 provides a visual illustration of the geography.

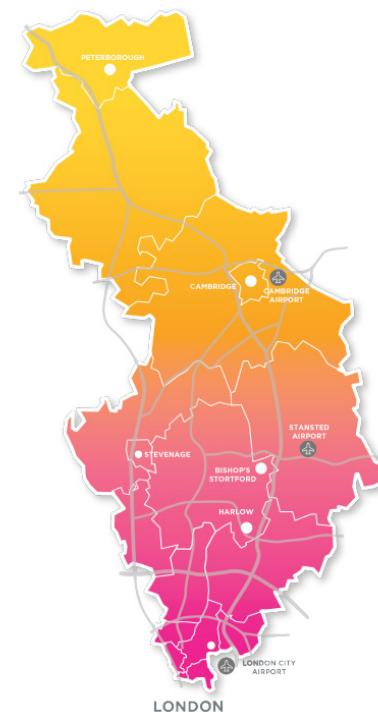


Figure 1: Geography of the UK Innovation Corridor © The UK Innovation Corridor

The economic zone covers an area of around 1,705 square miles. This represents a geography nearly three times the size of the Gatwick Diamond and around 60% larger than Coast to Capital.

Location	Total area (sq mi)
UK Innovation Corridor	1,705
Coast to Capital	1,060
Gatwick Diamond	600

Source: Standard Area Measurements, ONS – 2020

Population and demographics

The UKIC is home to a growing population of 3.6m people, the largest of the domestic AEZs in this chapter. Major population centres include the London boroughs of Haringey, Waltham Forest and Enfield to the south; East Hertfordshire and the nearby towns of Stevenage and Harlow in the central area; and Cambridge and Peterborough to the north.

The Corridor has a higher proportion of residents between 15 and 44 when compared to the national average. 20% of the population are aged 15–29, compared to 18% nationally. 22% of the population are aged between 30–44, compared to 20% nationally.

The total population in Uttlesford, the District Council home to Stansted Airport, was estimated at 92,800 in 2020, a similar size to Crawley, but with only 43,746 jobs representing 47% of the resident population. The area has a much lower proportion of younger people aged 20–39 at 20% of the population, compared to 26% nationally. Conversely, they have a higher proportion of residents aged 45–59 at 23%, compared to 20% nationally.

Location	Population (2020)	Ages 15–29	Ages 30–44	Ages 45–59
UK Innovation Corridor	3,629,300	20%	22%	19%
Uttlesford	92,800	15%	18%	23%
England	56,550,100	18%	20%	20%

Source: Population estimates, ONS – 2020

Infrastructure and transport

Two roads and two railway lines form the spine of the Corridor and provide fast and direct links through the length of the region.

The M11 motorway runs directly through the central belt of the Innovation Corridor from the North Circular Road in East London to the A14 northwest of Cambridge. It provides direct access to the key urban centres of Harlow, Bishop’s Stortford and Cambridge. Junction 8A for the A120 road to Stansted Airport opened in 2002 and has vastly improved vehicle access to the airport both from the north and south. The A1 and A1(M) runs up the western flank of the Innovation Corridor. The road links London with Stevenage and Alconbury – two key sites within the Corridor.

The West Anglia Main Line begins from Liverpool Street and Stratford at the Innovation Corridor’s southern edge. It connects key assets and areas within the region, including Harlow and Cambridge. In 1991, a single-track branch opened linking the line to Stansted Airport. This allows for journeys to the airport from London’s Liverpool Street in 50 minutes; and from Cambridge in 30 minutes. In addition, the East Coast

Main Line runs through the western half of the Innovation Corridor, stopping at Stevenage, before bearing eastwards to Peterborough at the northern edge. Peterborough is a major interchange station due to this, also serving local east-west services. Travel times from Peterborough to Kings Cross, where the line begins, are around 50 minutes.

A key focus of the UKIC's lobbying efforts have been around improvements to infrastructure and transport in the region. A 2021 publication by the organisation requested improvement to the West Anglia mainline and improvements to junction 7 of the A1(M) to unlock growth of the industrial base of Stevenage and its scientific opportunities.

Sectoral industry base

Key sectors in the UKIC include international finance, creative industries, advanced technology, knowledge economy industries, and bioscience. The most specialised industries in the Corridor are in *Financial Services* and *Information Service Activities*, both with location quotients (LQ)¹ over 3, illustrating these sectors are 3 times more specialised in this area compared to the national average.

The UKIC area has significant specialisation in broader sector groupings such as life sciences; agri-tech; ICT, digital and media; and business services. Both life sciences and ICT, digital and media are around twice as specialised as the country as a whole. The concentration of knowledge-focused businesses is also 50% higher than the rest of the UK. With

242,800 employees in ICT, digital and media, the Corridor is home to leading multinational tech giants such as semiconductor designers Arm and innovative new start-ups.

From the Cambridge Cluster through to Hertfordshire's technology businesses, and Tech City in London, the UKIC is a world leader in artificial intelligence. 17% of all life sciences employment in England is based in the UKIC. This success is built upon 37 research institutes.

Looking at the immediate local area around Stansted Airport, the most specialised sector in Uttlesford was *Air Transport*, with a LQ of 19.4 and just over 2,300 jobs. This is like Crawley in that *Air Transport* is the most specialised sector in the local authority area in which the airport is located. Uttlesford also has the second-highest LQ for this sector (after Crawley) among the local authority areas considered throughout this report. Major employers in this sector include Titan Airways. The airport itself is within the *Warehousing and Support Activities for Transportation* sector, employing over 1,600 people at the end of 2021 and with a LQ of 3.9.

¹ Two digit Standard Industrial Classification (SIC) codes were used to determine location quotients (LQ). LQs are calculated by comparing the concentration of jobs in a specific industry in the local economy relative to the country as whole.

The second most specialised sector in Uttlesford was *Scientific Research and Development* with a LQ of 8 and over 1,800 jobs. Companies within this industry include Charles River Laboratories and Isogenica.

Location	Total jobs (2020)	Sector	Location quotient
UK Innovation Corridor	2,315,289	Financial Services	3.8
		Information Service Activities	3.4
Uttlesford	43,746	Air Transport	19.4
		Scientific Research and Development	8

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- Stansted Employment & Skills Academy – the Academy works with around 200 employers in the airport community in partnership with Harlow College. It is a one-stop shop for anyone interested in on-site vacancies and provides tailored aviation training programmes and apprenticeship schemes to enable job seekers to gain relevant skills.
- Aerozone Stansted – An education facility at the airport for young people aged 5 to 18 and aims to educate them on STEM, careers at the airport and history of the airport.
- University Technical Colleges – the Corridor has two University Technical Colleges (UTC); the Mulberry UTC which specialises in healthcare and medical services and digital technology as well as

the London Design and Engineering UTC.

- London City Institute of Technology – Collaboration between Newham College, Queen Mary University of London

Existing/planned innovation infrastructure:

- The Innovation Core – lies at the centre of the Corridor and is home to an ecosystem of leading companies, institutions, and academia with ground-breaking ideas at their heart. Connecting the Upper Lee Valley and the mayoralty of London with the mayoralty of Cambridgeshire & Peterborough.
- Stevenage Bioscience Catalyst has launched an accelerator programme to give start-ups working on data-enabled drug discovery, genomics and advanced therapies the skills they need to get potential new drugs and therapies to market more quickly.
- Harlow Science Park – a new campus-style destination for business focusing on all areas of science, technology, research and innovation.

Gross value added (GVA)

The UKIC has a GVA of £200bn, representing 14% of national GVA. The growth rate of the region has been consistently above the UK average, both before the 2008 financial crisis and afterwards, although at a lower rate. A key element within the UKIC's offer to the government in promotional material is the capability to scale GVA to £350bn by 2050.

The total GVA for Uttlesford in 2019 was £2.3bn, which is the lowest GVA compared to the other local authority areas within domestic AEZs.

It also had the lowest GVA per head at £30,187 and GVA per hour worked at £27.96, potentially highlighting a higher proportion of lower paying jobs in this area in relation to the airport.

Location	GVA pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
UK Innovation Corridor	£200,239	£75,600	£37.50
Uttlesford	£2,321	£30,187	£27.96
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Annual median earnings in the UKIC are on average £9,500 higher than the national average, likely due to the highly educated population.

Annual median earnings for residents in Uttlesford was estimated as £26,752 in 2021, this is slightly higher than the national average of £26,192 and, apart from the London Borough of Hillingdon, higher than the other local authority areas. Annual workplace-based earnings were nearly £2,000 lower at £24,755, suggesting that those who live in Uttlesford may commute out of the area for higher paying jobs.

However, when you compare earnings with house prices in the area, Uttlesford becomes one of the most unaffordable places to own a house when compared to the other AEZs. Prices are 16 times higher than resident earnings and 18 times higher than workplace-based earnings, the highest ratios when compared to the other local authority areas.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
UK Innovation Corridor	£29,348	£30,346
Uttlesford	£26,752	£24,755
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

The Corridor has an estimated 2.7m jobs (2020) and 52% of the population educated to degree level or above.

The proportion of residents with NVQ 1 and 2 followed similar levels to that of England, yet it has much lower percentages of residents with NVQ 3 or 4.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
UK Innovation Corridor	48	64	79	89	8	7
Uttlesford	36	58	78	89	6	6
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

In December 2021, the claimant rate in the Corridor was lower than the national average at 4.6% of the economically active population over the age of 16, compared to 5.5% nationally.

The employment rate in Uttlesford was 74% as of September 2021, following a similar rate to England, however the area had a lower

proportion of economically active at 77%, compared to 79% nationally.

The lower economically active rate may explain the even lower claimant rate for Uttlesford at 2.8% in December 2021, the lowest rate compared to the other local authority areas. The rate is 2.7 percentage points lower than the national rate and 6.4 percentage points lower than the Metropolitan Borough of Manchester, which has the highest claimant rate of the local authorities.

Location	Claimant rate % (Dec 2021)	Employment rate % (Sept 2021)
UK Innovation Corridor	4.6	77
Uttlesford	2.8	74
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

Manchester Enterprise Zone



£74.9bn gross value added (GVA) in 2019



2.8 million people in Manchester Enterprise Zone



Independent strategic group **Manchester Enterprise Zone Strategic Board** supported by the **Enterprise Zone Landowners Commissioning Body**



Key sectors include **Logistics; Textiles; Manufacturing; Graphene; Pharmaceutical and Medical**



Higher than average claimant rate at **7.4%** in December 2021



Manchester Airport 3rd busiest UK airport with 29m passengers in 2019



Lower than average higher qualifications with **39%** with qualifications of NVQ4 and above



Annual median earnings are on average **£2,000** lower than the national average

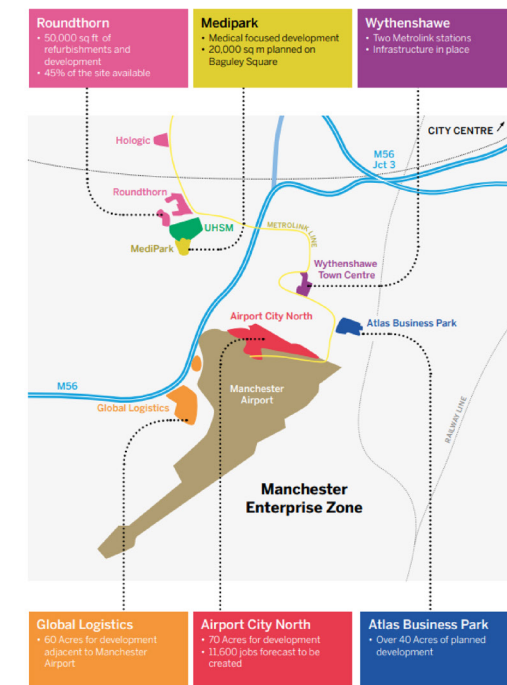


Skills and innovation infrastructure: **Manchester Airport Academy, IoT and 5 higher education institutions**



Enterprise zone made of **8 individual sites** around the airport and city centre

Airport City Map



4.3. Manchester Enterprise Zone

Created in 2012 as part of the new wave of enterprise zones across the UK, Manchester Enterprise Zone (MEZ) is a nexus of eight individual sites within two main locations. Despite this dispersion across separate locations, linkages between each of the sites mean the zone is best understood as a singular, integrated proposition. As the zone's functional economic area, this proposition can be seen as synonymous with the combined authority area of Greater Manchester. Reference to population, geographic, economic and other metrics for MEZ are therefore the same as Greater Manchester.

Each of the eight individual sites receive policy levers derived from their status as enterprise zones. These include: 100% business rate discount worth up to £275,000 per business over a 5-year period; government support to ensure the roll-out of superfast broadband; and simplified rules relating to local authority planning decisions. Enterprise zones also receive access to business support, usually provided by the local authority, which aids companies in relocating and establishing themselves in these zones.

The first main area is clustered around Manchester Airport. Often referred to collectively as 'Airport City', this includes six of the eight distinct sites described earlier: Airport City North; MediPark; Wythenshawe; Global Logistics; Roundthorn; and Atlas Business Park. Together they form a long-term plan (construction will likely complete close to 2030) to create a new industrial and logistics hub which feeds off the connectivity

provided by the airport. Each has a focus for usage which are detailed further below (see form and function section). Much of the funding for this development is from China. Beijing Construction Engineering Group announced in 2013 it would invest £800m into the project – among the largest one-off investments in Britain has ever received from China. It aims to create over 16,000 new jobs and over 5m sq ft of new commercial property space.

The second main area is 'Corridor Manchester', located north of the airport within the city centre. An extension of Airport City, Corridor Manchester aims to complement the industrial and logistics capacity the former creates with high-value innovation activity. The area comprises around a square mile of the city where there is a high concentration of knowledge-intensive companies and institutions. Within this are the remaining two of the eight sites of the wider MEZ. Each offers occupants the enterprise zone benefits described above. Their functions are detailed below (see form and function section). At present the area generates around 20% of the city's economic output and contains a workforce of over 60,000. By 2025 it aims to have added a further 20,000 jobs. Many will be filled by the hiring of the more than 70,000 students based in the area.

Manchester Airport itself has seen strong growth in recent years. In 2011, it overtook Stansted as the third busiest airport in the UK. As passenger numbers rose consistently, it underwent a major expansion in 2017 to double the size of Terminal 2. The terminal upgrade, the centrepiece of a £1bn transformation programme, will allow for sustainable growth of up to 45m passengers a year. The only airport in the UK other than

Heathrow with two full length runways, the airport has capacity for up to 50m passengers annually but is restricted due to aircraft movement regulations.

Partnerships and governance

MEZ has an array of partners involved in governance. Key stakeholders include Manchester Airports Group (MAG), other landowners, Manchester City Council, the other nine Greater Manchester authorities, and development partners.

To manage these interests and ensure a cohesive approach, a Manchester Enterprise Zone Strategic Board was established. Members represent Manchester City Council, Trafford Metropolitan Borough Council, Manchester Airport, the University Hospital of South Manchester (UHSM), MIDAS (Manchester's investment agency), Manchester Growth Company (MGC) and the Greater Manchester LEP. This Board aims to ensure that the MEZ can maximise its potential to benefit the combined authority area. This includes managing the delivery of the strategic vision, marketing and co-ordination of development across the enterprise zone sites, and monitoring the performance of the enterprise zone against key measures including the fiscal and employment outcomes to be secured across the zone.

Supporting the Strategic Board is an Enterprise Zone Landowners Commissioning Body. This is chaired by MAG and includes the Chief Executive of Manchester City Council, UHSM and the Chief Executives of Stockport and Oldham Councils as members. This Body is the principal

grouping for ensuring that the enterprise zone is managed effectively in accordance with objectives and that the landholding interests across the zone are fully represented.

Form and function

Looking at the first main area – Airport City – there are specific functions for each of the six sites within it. Most revolve around industrial and logistical use, with some sectoral focuses.

Airport City North, directly next to the airport, focuses on manufacturing, industrial and logistics uses. It has 70 acres for development and over 20,000 employees already on site. It aims to attract advanced manufacturing companies and institutions. Hotel development, shops and restaurants are also being encouraged to allow for an integrated offer to prospective tenants.

Global Logistics is a nearby separate site, just southwest of the airport. It has immediate proximity to the M56 through Junction 6. It offers flexible plots for development, from 20,000 to 600,000 sq ft, on fast-track timescales. As the name suggests, this site is very much focused on attracting logistics activity, taking advantage of the connectivity provided in this location.

The ambitions of the MediPark site are significant. Namely, to create the largest health and life science research and development centre in Europe. It specifically caters for life sciences, pharmaceuticals and healthcare companies, and is situated adjacent to the University Hospital of South Manchester – an internationally recognised research centre. A

link is provided to the skilled workforce present at the hospital, university, and the Corridor Manchester location in the city centre.

Roundthorn is to the northwest of the airport. An existing commercial area, as part of the enterprise zone its facilities will be refurbished and enhanced to provide high quality office and industrial properties. The site is connected to both the airport and the city centre through the area's tram network.

Wythenshawe is a town centre just north of the airport. A concentrated set of office buildings to the east of the town had been left vacant for an extended period, leading to incorporation into the enterprise zone to promote investment to remodel and rebuild this stock of properties. Shell UK have a prominent location on the site they plan to vacate. Intervention will attempt to attract data centre and back-office functions.

Atlas Business Park is an established and mature business park which contains over 225,000 sq ft of usage on site already. It has a large range of Grade A office space and is well connected to surrounding locations by road and public transport. The tram network connects the Park to the airport and city centre.

The second main area – Corridor Manchester – contains two further sites with enterprise zone status. Both these sites, which straddle either side of Oxford Road, benefit from nearby transport hubs and proximity to the University of Manchester, Manchester Metropolitan University, the National Graphene Institute, and the Central Manchester University Hospitals NHS Foundation Trust.

Manchester Science Park offers a range of options for companies working in health, life science, advanced materials/engineering, and technology. This includes flexible or long-term desk space, offices and lab spaces for occupiers ranging from start-ups to global companies. Over 125 science-based companies are already located on the site, which offers programmes and events to support business growth on site.

Citylabs Campus is home to Citylabs 1.0, a biomedical centre of excellence currently undergoing expansion with the development of Citylabs 2.0 and 3.0 – which will act as centres for health and medical technologies. This will provide significant new Grade A office and laboratory space for companies and institutions.

Across all the sites, MEZ goes beyond some other examples in the UK in particular ways. Its approach to attracting inward investment is a prime example. The zone receives support from the Department for International Trade (DIT) for international business enquiries, and active encouragement from DIT and MIDAS – Manchester's investment agency – to attract overseas companies to locate there. Success of this approach can be seen in the significant overseas investment (primarily from China) into the development of the zone.

Geography

MEZ covers 493 square miles. This includes the airport and the eight enterprise zone sites. Those sites by themselves make up a small fraction (around 2 square miles) of the larger geography but are highly integrated into the wider combined authority area of Greater Manchester.

The collection of sites in the Airport City location are small hubs scattered around Manchester Airport, and the innovation district, Corridor Manchester, is less than 10 miles north of the airport. Parallels can be drawn to the UK Innovation Corridor, which while covering a large area overall, is driven by a select number of business parks and enterprise zones located within it. Figure 2 shows the set of sites which make up the Airport City Enterprise Zone surrounding the airport.

Location	Total area (sq mi)
Coast to Capital	1,060
Gatwick Diamond	600
Manchester Enterprise Zone	493

Source: Standard Area Measurements, ONS – 2020

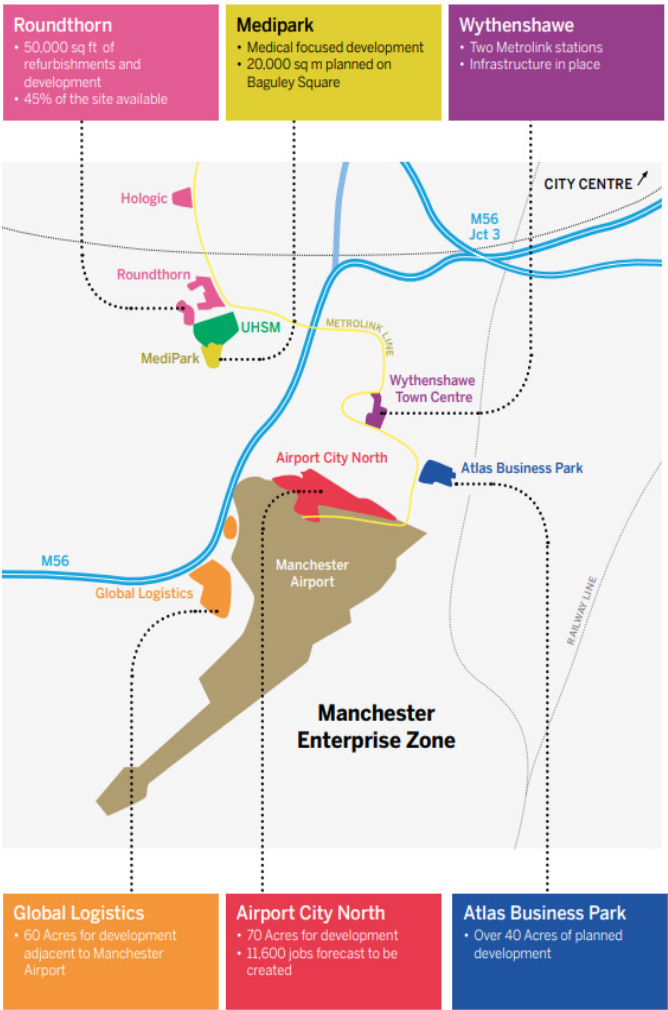


Figure 2: Airport City geography © Manchester Enterprise Zone



Figure 3: Manchester Science Park and Citylabs Campus sites within the wider Corridor Manchester geography © Manchester Enterprise Zone

Population and demographics

MEZ has an estimated population of 2.8m (2020), the second largest of the domestic AEZs in this chapter. The area has a higher proportion

of residents aged 15–29 at 20% compared to 18% nationally, and a much lower proportion of residents over 60 at 21% compared to 24% nationally.

The Metropolitan Borough of Manchester has a total population estimated at 555,700 in 2020. The area also has the largest number of jobs with just over 400,000, representing 73% of the resident population. This is lower than the 84% in Crawley, but still much higher than the proportion in the other local authority areas within UK AEZs.

The area also has a significantly larger proportion of residents aged 20–39 at 41% of the population, compared to 26% nationally. Subsequently, Metropolitan Borough of Manchester has a much smaller proportion of residents over 60 at 13% of the population, compared to 24% nationally.

Location	Population (2020)	Ages 15–29	Ages 60+
Manchester Enterprise Zone	2,848,300	20%	21%
Metropolitan Borough of Manchester	555,700	30%	13%
England	56,550,100	18%	24%

Source: Population estimates, ONS – 2020

Infrastructure and transport

The airport is linked to the city centre through the area's tram network. This also stops in Wythenshawe Town Centre, which is part of the enterprise zone.

The sites are close by each other and well connected to the airport (a 20-minute drive away) and within walking distance of Manchester

Piccadilly for national rail connections.

The M56 runs adjacent to the airport and provides immediate access to the Airport City North and Global Logistics sites of the enterprise zone.

Regular trains depart from Manchester Airport to Manchester Piccadilly station in the city centre which takes 20 minutes. High Speed 2 plans include a link to Manchester Airport, allowing travel to London in 60 minutes.

Sectoral industry base

Logistics is a dominant industry within MEZ. The airport's links to the strategic road and rail networks make it a hub for distribution in the North West. In terms of location quotients, *Electricity and Gas Supply* was the most specialised SIC code sector, at 2.3 times the England average.

As reflected in the Medipark site, pharmaceutical and medical sectors are particularly strong in MEZ. It is home to several preeminent medical research institutes and Europe's biggest cancer treatment centre. The Corridor Manchester location of the zone encompasses both the Central Manchester University Hospitals NHS Foundation Trust (within the largest clinical academic campus in Europe) and Manchester Science Partnerships Central Campus.

MEZ also possesses the highest concentration of graphene expertise globally. It was at the University of Manchester where in 2004 two scientists isolated the material for the first time anywhere in the world. The material has the potential to revolutionise a huge number of

industries and products, from electronics to composites. To support the sector's continued development, £121m has been invested in the National Graphene Institute and the Graphene Engineering Innovation Centre, based at the University. Both are part of the Corridor Manchester location discussed above.

Following a similar trend to Crawley and Uttlesford, the most specialised sector in the Metropolitan Borough of Manchester was *Air Transport*, with a LQ of 4 and 4,500 jobs. Whilst this is a much lower position compared to Crawley and Uttlesford, it illustrates the importance of this sector especially in a large area with a diverse industry base. Major employers in this sector include Flybondi airlines and SOS Air Cargo, whilst the airport itself is within the *Warehousing and Support Activities for Transportation* sector, employing nearly 2,500 people at the end of 2021 with a LQ of 1.7.

The second highest specialised sector in the Metropolitan Borough of Manchester was *Creative, Arts and Entertainment* with a LQ of 2.7 and just over 4,000 jobs. Some of the larger employers in this sector include the Palace Theatre and Arts Council England.

Location	Total jobs (2020)	Sector	Location quotient
Manchester Enterprise Zone	1,321,746	Electricity and Gas Supply	2.3
		Programming and Broadcasting Activities	2.0
Metropolitan Borough of Manchester	407,310	Air Transport	4
		Creative, Arts and Entertainment	2.7

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- Manchester Airport Academy – a highly successful employment and training programme designed to assist unemployed residents back into work.
- Greater Manchester Institute of Technology² – approved in 2021 and led by the University of Salford with Wigan and Leigh College. It is envisaged that new students will be enrolling at the institute from September 2023.

Existing/planned innovation infrastructure:

- Oxford Road Corridor – an existing innovation district with a unique concentration of knowledge, business and cultural assets. An extension of Manchester Airport City, its aim is to position the North West as a leading innovation cluster. The area is already home to over 120 life sciences, pharmaceutical, healthcare and technology

² Greater Manchester Institute of Technology bid news release

academics, clinicians and world-leading health institutions. The Corridor builds on these assets.

Gross value added (GVA)

The GVA for MEZ was estimated at £74.9bn in 2019, representing 4% of the national economic output.

In 2019 the GVA for the Metropolitan Borough of Manchester was estimated to be £24.5bn, the largest of the local authority areas within UK AEZs.

However, whilst GVA per head was above the national average at £47,891, this is much lower than the Crawley GVA per head of £61,200 and lower than the London Borough of Hillingdon within the Heathrow Airport AEZ.

In terms of GVA per hour worked, the Metropolitan Borough of Manchester had the second lowest rate of the local authority areas at £33.40, with only Uttlesford having a lower rate.

Location	GVA Pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
Manchester Enterprise Zone	£74,971	£26,775	£31.50
Metropolitan Borough of Manchester	£24,522	£47,891	£33.40
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Annual earnings in MEZ were on average £2,000 lower than the national average in 2021 and workplace-based earnings are nearly £100 more than resident earnings.

Following a similar trend to the other local authority areas, workplace-based earnings (£28,001) in the Metropolitan Borough of Manchester were higher than resident earnings (£23,003) in 2021. The median annual earnings for workplace-based employees were roughly £5,000 more than the median resident earnings.

Median house prices in the Metropolitan Borough of Manchester were the lowest out of all the local authority areas within UK AEZs in this research and lower than the national average. House prices were 7 times higher than workplace-based earnings and 9 times higher than resident earnings. This makes it the most affordable local authority area within any UK AEZ, with ratios lower than the national average of house prices at 11 times higher than both resident and workplace-based earnings.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
Manchester Enterprise Zone	£24,293	£24,390
Metropolitan Borough of Manchester	£23,003	£28,001
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

MEZ has a lower proportion of residents with higher level qualifications. Only 39% of the population are educated at degree level or above, compared to 43% nationally.

Qualification levels in the Metropolitan Borough of Manchester followed similar levels to England, but with slightly higher proportions of working aged residents with NVQ 4 and 3 qualifications at 48% and 64% respectively, compared to 45% and 61% nationally.

The area also had lower proportions of working age residents with NVQ 1 at 85% compared to 88% nationally, and low proportions of those with Other and No qualifications at 8% and 7% respectively, compared to 6% nationally for both those levels.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
Manchester Enterprise Zone	39	58	75	86	6	8
Metropolitan Borough of Manchester	48	64	75	85	8	7
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

The employment rate in MEZ was slightly lower than the national average at 72% compared to 75% nationally in September 2021. The area also had a much higher claimant rate at 7.4% in December 2021, compared to 5.5% nationally.

Despite the Metropolitan Borough of Manchester having a larger proportion of jobs compared to resident population, the employment rate is nearly 6 percentage points lower than the national average at 69%. The area also has a lower rate of economically active population at 76% compared to 78% nationally.

These lower levels could explain the higher-than-average claimant rate for the metropolitan borough, which was at 9.2% in December 2021. This is 3.7 percentage points higher than the national average and the highest rate of local authorities within UK AEZs in this research.

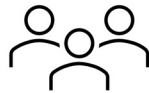
Location	Claimant rate % (Dec 2021)	Employment rate % (Sept 2021)
Manchester Enterprise Zone	7.4	72
Metropolitan Borough of Manchester	9.2	69
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

Luton Rising



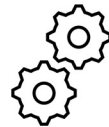
£6.3m gross value added (GVA) in 2019



213,500 people in Luton



Wholly owned and managed by **Luton Council**



Key sectors include **Aviation; Logistics; Automotive Manufacturing & Engineering and Travel Agencies**



Higher than average claimant rate at **8.7%** in December 2021



Luton Airport 5th busiest UK airport with 18m passengers in 2019



Lower than average higher qualifications with **34%** with qualifications of NVQ4 and above



Annual median earnings are on average **£550** lower than the national average



Skills and innovation infrastructure: **Construction Skills Training Hub, Morton House and 1 higher education institution**



Enterprise zone made of **3 complementary sites** around the airport



4.4. Luton Rising

London Luton Airport Ltd rebranded in late 2021 as Luton Rising. The new trading name for the airport attempts to reflect the unique status the airport has as being wholly owned by Luton Council. It also integrates the airport into other council assets, as they take a coordinated approach to growth and development in Luton, which is seeing considerable change and investment.

As it stands, the airport is the fifth busiest nationally, handling 18m passengers in 2019. It supports over 27,000 jobs and £1.8bn in economic activity. Future LuToN is the proposal to expand Luton Airport's maximum passenger capacity to 32m, building a second terminal, and making best use of the single runway. A statutory consultation on the plans concluded in April 2022. Oxford Economics forecasts a rise to 40,000 jobs supported through direct, indirect, and induced effects because of the expansion, and additional £1.6bn in economic activity.

The expansion is part of a wider set of transformations in Luton, particularly around the airport, supported by over £1.5bn³ of private investment. Integral to this is the Luton Enterprise Zone. Supported by South East Midlands Local Enterprise Partnership, the programme is expected to deliver up to 7,200 new jobs and attract significant inward investment into Luton.

Luton Enterprise Zone comprises three complementary sites surrounding Luton Airport: New Century Park; Bartlett Square; and Airport Business

Park. Detail on the function of each site is provided below (see form and function section). When fully operational (sites are currently under construction), the enterprise zone aims to attract businesses from aerospace, engineering, and advanced manufacturing to Luton. This will be supported by mixed-use developments on the sites to provide hotel and residential facilities.

Partnerships and governance

Luton Rising appears unique among AEZs explored in this research for the solitary nature of its partnerships and governance. The Board of Directors is appointed solely by Luton Council and is predominantly constituted of elected members from the authority.

This partnership and governance structure, though unusual among other zones considered, reflects Luton as a place. It is a town, borough, and unitary authority. Therefore, it can be understood as a singular unit, without a host of internal stakeholders that would require representation through its governance structures.

Form and function

New Century Park is the first phase and has outline planning permission for a scheme which aims to bring 3,200 jobs to a previously undelivered key employment site east of the airport. The development will be mixed-use incorporating business, commercial and light industrial units. Proposals include the construction of a new road to connect the site to junction 10 of the M1 (see infrastructure and transport section), bolstering

³ [Luton Airport | Enterprise Zones \(communities.gov.uk\)](https://communities.gov.uk)

the connectivity of the site.

Bartlett Square also has planning permission for 2.5 acres of commercial development. It is directly adjacent to Luton Airport Parkway Station and the Luton Direct Air-Rail Transit scheme under construction (see infrastructure and transport section). The £100m development will support up to 2,000 local jobs and provide 240,000 sq ft of new, high quality commercial space. Morton House will be a skills, innovation and business hub expected to create 200 new jobs in a four-storey, 33,000 sq ft building next to Bartlett Square.

Airport Business Park plans are under development. Expectations are this will complement the two other sites through provision of further office space and light industrial units.

All three sites will benefit from the business incentives derived from enterprise zone status. These include enhanced capital allowances; 100% business rate discount on qualifying premises; simplified planning rules; and funding for superfast broadband.

Geography

The unitary authority of Luton is situated in Bedfordshire, around 30 miles north-northwest of London. It has a total area of 16.74 square miles.

The enterprise zone around the airport is less than a square mile in size. Luton represents the most concentrated airport economic zone considered in this research, founded mainly in its partnership and

governance structures but also because of this geography.



Figure 4: Luton Enterprise Zone © HM Government

Location	Total area (sq mi)
Coast to Capital	1,060
Gatwick Diamond	600
Luton Borough	16.74

Source: Standard Area Measurements, ONS – 2020

Population and demographics

Luton was estimated to have a total population of 213,500 in 2020, but with only 91,295 jobs representing 43% of the resident population. This is also the lowest proportion of jobs out of the five AEZs.

Luton has a higher proportion of residents aged 0–14 at 23% of the population, compared to 18% nationally and a higher proportion of

residents aged 25–39 at 23% of the population, compared to 20% nationally. Subsequently, the area has a much lower proportion of those over 60 years old at 17% of the population, compared to 24% nationally.

Location	Population (2020)	Ages 0–14	Ages 25–39	Ages 60+
Luton Borough	213,500	23%	23%	17%
England	56,550,100	18%	20%	24%

Source: Population estimates, ONS – 2020

Infrastructure and transport

Luton Direct Air-Rail Transit (DART) is a significant infrastructure and transport enhancement which is set to benefit the airport. Work is well advanced, and the system will become operational sometime in 2022. The DART, a fully automated, cable-hauled system, will transport passengers between Luton Airport Parkway station and the terminal in under four minutes. This will seek to replace large parts of the bus and coach transport system used currently, enabling more sustainable and energy-efficient means of transport to and from the airport.

Luton Airport Parkway station has operated since 1999. It is on the Midland Main Line from London St Pancras, with journeys into London in just twenty-two minutes. These fast services run twice an hour. The airport has lobbied for an increase to four an hour during peak times. Thameslink trains connect the airport further south, stopping at Gatwick Airport station and onwards to Brighton.

The airport lies a few miles from the M1 motorway. It is linked to junction 10 of the road through a dual carriageway. This provides connections

southwards to the M25 and London, and northwards to the Midlands and beyond.

As referenced above, the first phase of work for the New Century Park enterprise zone site will see the construction of a new £100m road infrastructure scheme, linking the site to junction 10 of M1. This will be delivered as part of the airport expansion plans.

Sectoral industry base

Luton was historically a goods-based economy, particularly in sectors such as car manufacturing and engineering. Mirroring shifts seen predominantly in the north of England, this has changed over the years to a mainly service-based economy, with retail and airport sectors the strongest.

The most specialised sector in Luton was *Air Transport* in 2020 with a LQ of 13 and over 3,000 jobs. Major employers such as easyJet and Wizz Air are included within this sector, whilst the airport itself is within the *Warehousing and Support Activities for Transportation* sector, employing just over 800 people and a LQ of 1.6.

The second most specialised sector in Luton was the *Travel Agency and Tour Operator* sector with a LQ of 6.5 and nearly 2,000 jobs. Employers in this sector include Tui UK and Etimad Travel. Luton has the highest LQ in this sector compared with other local authority areas within AEZs, followed by Crawley with a LQ of 5.5. This potentially highlights that these airport areas are highly reliant on leisure travel as opposed to commercial or freight.

Location	Total jobs (2020)	Sector	Location quotient
Luton Borough	91,295	Air Transport	13
		Travel Agency and Tour Operator	6.5
Crawley	94,477	Air Transport	37
		Travel Agency and Tour Operator	5.5

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- Construction Skills Training Hub⁴ – established in 2018, the hub is a joint venture with Luton Council, Luton Rising and Volker Fitzpatrick-Kier (VFK) to promote skills development in the construction industry.

Existing/planned innovation infrastructure:

- Morton House⁵ – a new skills, innovation and business hub expected to create over 200 jobs. Luton Rising acquired a 33,000

[4 Construction Skills Training Hub news release](#)

[5 Summary of Morton House development](#)

Domestic Zones

sq ft building in 2020 and refurbishments works are underway. A launch date is not yet confirmed.

Gross value added (GVA)

The total GVA for Luton in 2019 was estimated at £6.3bn, slightly higher than Crawley, but lower than the Metropolitan Borough of Manchester and the London Borough of Hillingdon.

However, GVA per head for Luton was slightly lower than the national average at £33,732, compared to £33,809 nationally. This is the second lowest rate of the local authority areas, with only Uttlesford having a lower GVA per head.

In terms of GVA per hour worked, Luton is in a slightly better position with a rate of £36.29. This is slightly higher than the national rate of £35.20 and higher than the local authority areas in the UK Innovation Corridor, Manchester Enterprise Zone and East Midlands Freeport AEZs. This illustrates that Luton has a slightly more productive labour market as GVA per hour worked is a direct comparison between economic output and labour input from those in employment, whereas GVA per head divides economic output by total resident population, which also includes those who are economically inactive.

Location	GVA Pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
Luton Borough	£6,310	£33,732	£36.29
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Luton is another area where workplace-based earnings are higher than resident earnings at £26,744 and £24,560 respectively. These earnings follow similar levels to that of England, but the median house prices are lower than the national average, making it more affordable than the Metropolitan Borough of Manchester within Manchester Enterprise Zone and North West Leicestershire within the East Midlands Freeport AEZ (see 4.6).

Median house prices were estimated at £265,000 in 2021, giving the area earnings to house price ratios in line with the national ratios. Prices were 11 times higher than resident earnings and 10 times higher than workplace-based earnings.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
Luton Borough	£24,560	£26,744
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

Qualification levels in Luton for NVQ 1, 2, 3 and 4 are consistently at least 10 percentage points lower than the national average, following a similar trend to Crawley. Whilst Crawley had the lowest proportion of residents with NVQ 4 within the local authority areas, Luton has the highest proportion of residents with no qualifications at 11%, compared to 7% for Crawley and 6% nationally.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
Luton Borough	34	50	67	76	13	11
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

The employment rate in Luton in 2021 is the lowest of anywhere in the UK AEZs, at an estimated 68.9%. This rate is six percentage points lower than the national rate of 74.9% and 20 percentage points below the Crawley rate, which is the highest of anywhere in the UK AEZs.

Luton also had a high claimant rate at 8.7% in December 2021, with only the Metropolitan Borough of Manchester having a higher rate out of the local authority areas. Luton's rate was also 3.2 percentage points higher than the national rate of 5.5%.

The low qualification levels, low employment rate and high claimant rate could highlight that Luton has a higher proportion of lower paid jobs in sectors that were impacted by COVID-19 restrictions.

Location	Claimant rate % (Dec 2021)	Employment rate % (Sept 2021)
Luton Borough	8.7	69
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

Heathrow Airport – Joint Spatial Planning Framework (JSPF)



£76.8bn gross value added (GVA) in 2019



1.6 million people within the JSPF in 2020



Part of the **Heathrow Strategic Planning Group (HSPG)**



Key sectors include **Transport and Logistics; Aviation; Manufacturing; Pharmaceutical; Tourism; Digital; Professional Services and Creative Industry**



Claimant rate in line with national average at **5.3%** in December 2021



Heathrow Airport the UK's busiest airport in 2019 with 80.9m passengers



54% of the working age population have qualifications of NVQ4 and above



Annual median earnings are on average **£4,500** higher than the national average

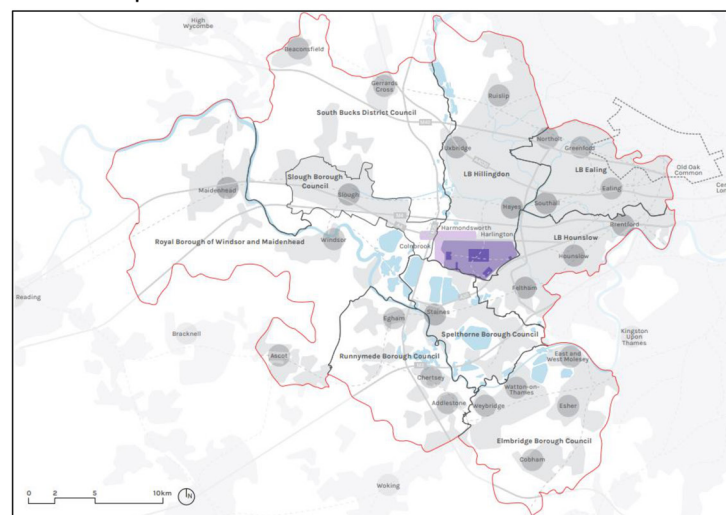


Skills and innovation infrastructure:
Heathrow Employment and Skills Academy, IoT and over 10 higher education institutions



JSPF Partnership group made up of **9 local authority areas** around the airport

JSPF Map



4.5. Heathrow Airport

Heathrow is the busiest airport in the UK and a key node of the global transport network, for both people and cargo. Prior to the pandemic it was the second busiest airport in the world by international passenger traffic, and the seventh by total traffic. It contributes £4bn⁶ to the UK economy and supports nearly 140,000 jobs across its broad supply chain. The role it plays in trade is significant too. Heathrow is among the twenty busiest airports globally for cargo, loading and unloading over 1.6m tonnes in 2019. This amounts to a value of around £188bn⁷, or 20.6% of all UK trade of goods. This is forecast to grow to over £200bn by 2025.

The airport serves 203 destinations across 84 countries. Its most popular destinations, in order, are New York, Dubai, Dublin, Amsterdam, and Hong Kong. Heathrow plans for an expansion with a third runway to the north-west of the existing two. This scheme is supported by government policy through the Airports National Policy Statement. Ultimately, the plans would provide capacity for an additional 260,000 flights per year, which could see passenger numbers rise upward to 135m by 2050⁸.

The national role that Heathrow plays is evident due to the scale of operation, yet its impacts are most intensive in the region surrounding it. Different definitions of this exist, yet the most prominent and developed example is the Heathrow Strategic Planning Group (HSPG).

[6 Economic Impact of Heathrow Airport, CEBR, 2021 - PowerPoint Presentation \(cebr.com\)](#)

[7 Economic Impact of Heathrow Airport, CEBR, 2021 - PowerPoint Presentation \(cebr.com\)](#)

[8 Heathrow Expansion Consultation Document, June 2019](#)

The group was formed in 2015 to jointly shape expansion proposals among local stakeholders.

Partnerships and governance

The HSPG is independent from the airport but works closely with it. It is a partnership of local authorities and LEPs responsible for the land use, transport, environment and economic development of the area around Heathrow Airport. It is an unincorporated, informal joint working partnership. Slough Borough Council is the accountable body for the small core team of technical and administrative staff who service the Group.

Different levels of partnership exist with the HSPG. The full list of members is:

- London Borough of Ealing
- London Borough of Hounslow
- Surrey County Council
- Spelthorne Borough Council
- Elmbridge Borough Council
- Runnymede Borough Council
- Buckinghamshire County Council
- South Bucks District Council

- Slough Borough Council
- Royal Borough of Windsor and Maidenhead
- Thames Valley Buckinghamshire LEP
- Enterprise M3 LEP
- Thames Valley Berkshire LEP

Within this wider group of partners, a ‘core area’ is identified as the Joint Spatial Planning Framework (JSPF). These are local authority areas which are more intrinsically linked with activities at the airport (i.e. greater proportions of their populations work at the airport) and will be more intimately affected by expansion proposals. This area consists of:

- Elmbridge Borough Council
- Runnymede Borough Council
- Spelthorne Borough Council
- Royal Borough of Windsor and Maidenhead
- Slough Borough Council
- South Bucks District Council
- London Boroughs of Hillingdon, Ealing, and Hounslow

Form and function

The original function of the group was to support the shaping of the proposed expansion of Heathrow. As these plans have cooled, the focus

is now primarily on recovery from the impact of the pandemic on air travel. In February 2020 HSPG, working with consultants Arup, produced an Economic Vision and Action Plan. The plan targets the maximisation of economic productivity, skills, jobs and business development in the HSPG area. A refresh of this document is planned for this year to consider the impacts of the pandemic.

A new position statement – Heathrow 360: Gateway to the UK – was produced in 2021. It reaffirms the role of HSPG as a body to lobby, steer, and promote the development of the Heathrow economic area. A future is envisaged around four ambitions which are said to demonstrate the role the HSPG area plays for the UK. These are to be a:

1. Business hub and network built around innovation zones, business assets, and the concentration of major international HQ buildings.
2. Transport hub with a major hub airport and major land-based hub with connections to other parts of the UK (see infrastructure and transport section below).
3. Gateway to the UK for air cargo and a focus on cleaner, smarter urban logistics across the sub-region.
4. Green sub-region to support decarbonisation of aviation and the airport.

Beyond this strategic function, HSPG works with several other organisations to ensure the airport is sustainably planned and managed, such as infrastructure providers and environmental management bodies. This forms a key part of the spatial planning work that the areas in the core JSPF area have undertaken since 2015.

Geography

As highlighted in the partnerships and governance section above, the full HSPG membership group includes partners which, when mapped, form a large geography stemming outwards from the airport. Figure 5 illustrates the wider area and the core JSPF area (shaded in red).

The core area of the JSPF mentioned above is where much of the economic analysis HSPG performs focuses on. This is formed of the boroughs bordering the airport or closely linked with it. Figure 6 shows the area in more detail.

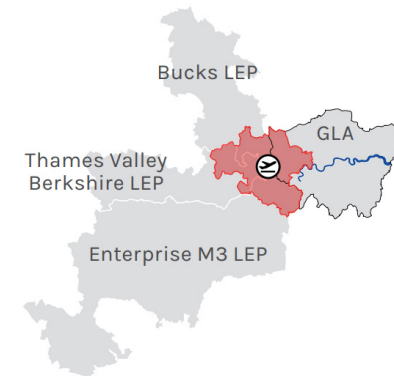


Figure 5: Full HSPG membership geography © Heathrow Strategic Planning Group

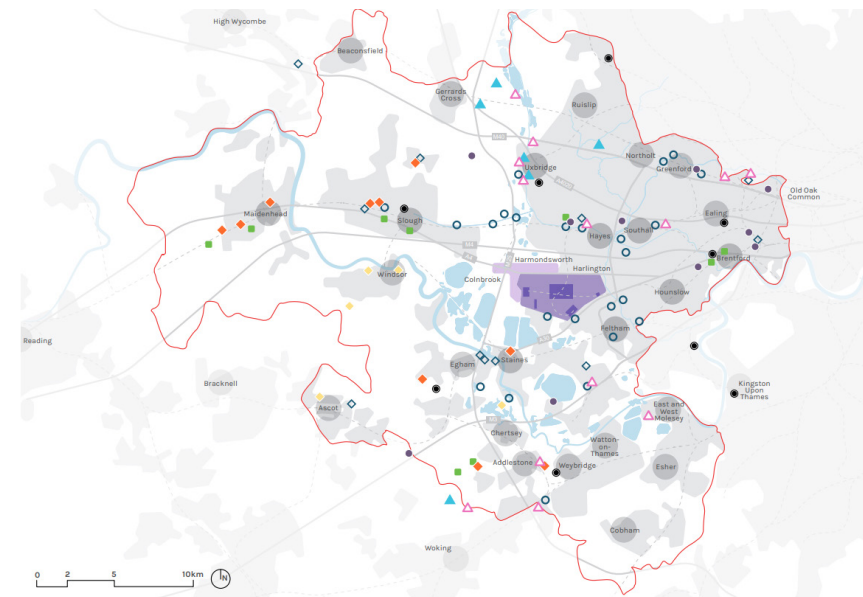


Figure 6: JSPF geography © Heathrow Strategic Planning Group

The total size of the JSPF area is 318 square miles, slightly larger than Chichester district at 304 square miles.

Location	Total area (sq mi)
Coast to Capital	1,060
Gatwick Diamond	600
Heathrow - JSPF	318

Source: Standard Area Measurements, ONS – 2020

Population and demographics

Total population for JSPF area was estimated at 1.6m in 2021.

The total population for Hillingdon, was estimated at 309,000 in 2020, the second highest of the local authority areas after the Metropolitan Borough of Manchester. However, the area had a much lower proportion of jobs when compared to the resident population at 62% and just over 190,000 jobs.

Hillingdon had a higher proportion of residents aged 20–39 at 29% compared to 26% nationally, and subsequently a much lower proportion of residents over 60 years old at 19% compared to 24% nationally.

Location	Population (2020)	Ages 20–29	Ages 30–44	Ages 60+
Heathrow - JSPF	1,619,900	12%	22%	21%
Hillingdon	309,000	13%	23%	19%
England	56,550,100	18%	20%	24%

Source: Population estimates, ONS – 2020

Infrastructure and transport

Heathrow is connected to the strategic road network through both the M25 and M4. Airport expansion plans would see major works to reconfigure the M25 underneath a possible third runway.

Heathrow Express provides a non-stop direct service to London Paddington taking 15 minutes. Trains also leave every 15 minutes. The Piccadilly line of the London Underground provides access to all terminals at the airport as well as maintenance areas. Every hour six Crossrail (now known as the Elizabeth Line) trains will serve Heathrow terminals, further connecting the airport to central London destinations and westwards out to Reading.

Investment in improved infrastructure is considered by HSPG as essential in delivering economic renewal and supporting a green recovery from the impacts of the pandemic. The group supports proposed schemes such as the (currently paused) Western Rail Access to Heathrow and are developing a shared position statement on Southern Access to Heathrow.

Sectoral industry base

Figure 7 provides a sectoral overview of the JSPF geography as described by the HSPG. These categories focus on the HSPG's own research and do not correspond to the SIC code analysis used in other places throughout this research. Icons correspond to those used in Figure 6.



Figure 7: JSPF sectoral industry base © Heathrow Strategic Planning Group

Air Transport was the most specialised sector in the JSPF at 15 times more specialised than the national level, highlighting a strong concentration of airport jobs in this wider area. *Programme and Broadcasting* activities was the second most specialised sector in the JSPF with a LQ of 8.2, this was also the highest LQ for this sector out of the local authority areas within UK AEZs.

Domestic Zones

The most specialised sector in Hillingdon in 2020 was *Air Transport* with a LQ of 15.7 and over 8,000 jobs. Major employers such as British Airways and IAG Cargo are included within this sector, whilst the airport itself is within the *Warehousing and Support Activities for Transportation* sector, employing just over 7,000 people and a LQ of 5.6.

The second most specialised sector in Hillingdon was *Manufacture of Beverages* with a LQ of 9.2 and 2,100 jobs. Major employers in this sector include Coca-Cola and Lucozade.

Location	Total jobs (2020)	Sector	Location quotient
Heathrow – JSPF	825,827	Air Transport	14.8
		Programme and Broadcasting	8.2
Hillingdon	190,635	Air Transport	15.7
		Manufacture of Beverages	9.2

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- Heathrow Employment and Skills Academy – the Heathrow Employment and Skills Academy was set up as a response to the severe challenges that airport retailers and other support activities at the airport faced in 2004 in recruiting and retaining staff with the appropriate skills.
- West London Institute of Technology – led by Harrow College and Uxbridge College, with Heathrow as an employment partner.

Existing/planned innovation infrastructure:

- Heathrow Centre of Excellence for Sustainability – a hub of learning aimed at solving some of the environmental challenges facing Heathrow and other airports. Launched in 2019, with an innovation prize scheme for submissions focused on innovative approaches to reducing environmental impact of the airport.
- Fly2Plan project – a digital catapult project with Heathrow as a partner to find ways to improve efficiencies and cut costs in aviation industry.
- London West Innovation District – a new aviation and logistics-based district established within and surrounding Heathrow to bring solution seekers, solvers and scalers together to collaborate and innovate to help create a more impactful and sustainable future.

Gross value added (GVA)

The estimated GVA for the JSPF area was £76.8bn in 2019. In 2019 Heathrow Airport generated an estimated £188bn⁹ in trade through the airport, and passengers entering the UK through Heathrow spent an estimated £16.6bn.

Total GVA for Hillingdon was estimated as £15.4bn in 2019. Apart from the Metropolitan Borough of Manchester, these are the highest GVA figures of the local authority areas considered in this report.

Whilst GVA per head in Hillingdon was relatively high at £55,787, these levels were lower than the £61,208 GVA per head in Crawley. However, when we look at GVA per hour worked, Hillingdon had the highest rate

⁹ [Economic Impact of Heathrow Airport, 2019](#)

of the local authority areas. These rates are also much higher than the England rate of £35.20, illustrating a highly productive workforce in these locations.

Location	GVA Pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
Heathrow - JSPF	£76,783	£47,989	£52.30
Hillingdon	£15,419	£55,787	£46.87
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Annual earnings in the JSPF area were on average £4,500 higher than the national average, making it one of the highest-earning AEZs.

Hillingdon is one of the few areas within domestic AEZs that has resident earnings (£30,236) higher than workplace-based earnings (£28,709). Residents tend to earn £1,500 more per year than workplace-based jobs.

However, the median house prices in Hillingdon were estimated at £460,000, almost double the national average, making it among the most unaffordable areas to live across the local authority areas. House prices were 15 times higher than resident earnings and 16 times higher than workplace-based earnings. Uttlesford is the only other local authority area within an AEZ with higher ratios.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
Heathrow - JSPF	£30,644	£30,835
Hillingdon	£30,236	£28,709
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

The JSPF area has a much higher proportion of residents educated to degree level or above at 54%, this is 11 percentage points higher than the national average and is the highest proportion out of all other UK AEZs.

Hillingdon has much higher proportions of the working age population with NVQ 4 at 55% compared to 43% nationally, and higher proportions with NVQ 3 at 69% compared to 61% nationally. This could be due to the area having a strong higher education presence with both Brunel University and Harrow College & Uxbridge College located within the borough.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
Heathrow - JSPF	54	61	78	88	6	6
Hillingdon	55	69	78	86	8	7
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

The claimant rate in the JSPF area was similar to the national average in December 2021 at 5.3%, compared to 5.5% nationally.

The employment and claimant rates in Hillingdon were similar to the national rates in 2021. They had an employment rate of 74.2% compared to 74.9% nationally, and a claimant rate of 5.5%, which was the same as the national rate.

Location	Claimant rate (Dec 21)	Employment rate (Sept 21)
Heathrow - JSPF	5.3	75
Hillingdon	5.5	74
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

East Midlands Freeport



£39.3bn gross value added (GVA) in 2019



2.3m people in the Freeport area



Coalition of **3** counties, South East Midlands LEP, universities and private business



Key sectors include **Green and Clean Energy; Mining and Quarrying; Forestry; Logistics and Aviation**



Claimant rate in line with national average at **5.2%** in December 2021



Annual median earnings are on average **£2,000** lower than the national average



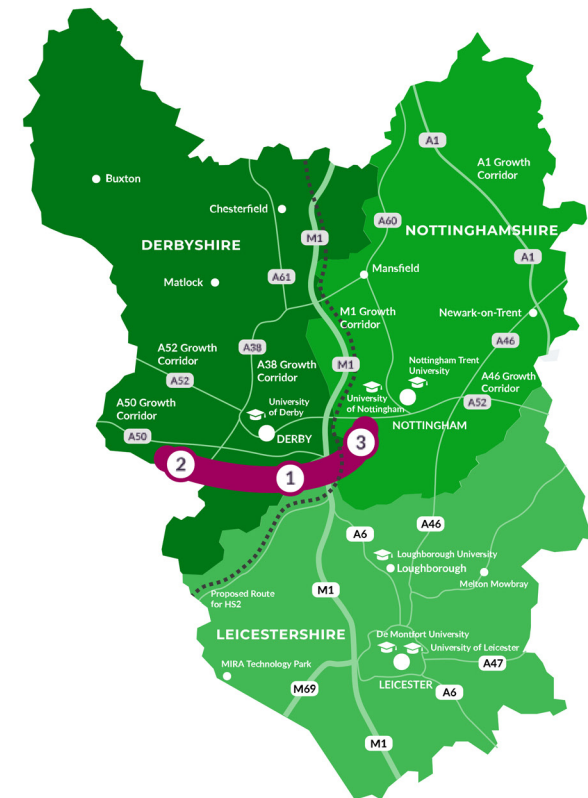
Lower than average higher qualifications with **39%** with qualifications of NVQ4 and above



The only inland UK Freeport with **3** sites across the three counties



Skills and innovation infrastructure: **East Midlands Airport Academy, IoT, CoE in Satellite Applications, Hydrogen Innovation Zone and 7 universities**



4.6. East Midlands Freeport

East Midlands Freeport (EMF), based around East Midlands Airport, was announced as a successful freeport bid by the UK government in March 2021. It will be the UK's only inland freeport – all other successful bids were from seaports.

Freeports are a flagship government policy that create special, designated areas within the UK's borders where different economic regulations apply. They are centred around a port (be that air, rail or sea), but can extend up to 45km beyond those ports. Variations of freeports exist around the world. The UK has created a bespoke model which includes a comprehensive package of measures comprising tax reliefs, relaxed customs procedures, business rates retention, expedited planning regeneration decisions, a focus on innovation, and trade and investment support. Eligible businesses located within a freeport area will also have access to range of tax incentives, such as enhanced capital allowances, stamp duty relief and employer national insurance contributions for additional employees. Though similar to enterprise zones, freeport incentives go further in attempts to stimulate economic activity. They will also receive more government backing, with up to £25m of seed funding.

Though only the fourteenth busiest in the UK by passenger traffic, the airport is a major hub for freight operations throughout Europe due to its central location within the UK. It handles the second most freight in the

UK after Heathrow and is the only airport in the UK to have split operations between passengers and cargo.

Partnerships and governance

EMF combines public and private sector bodies in its delivery model. These partners include the three counties the freeport sites are located in (see geography section), the area's LEPs, universities, and private businesses – including East Midlands Airport and SEGRO.

The delivery of freeports is primarily locally led, by a coalition of these key stakeholders. Initially formed in response to the bidding competition, since being successful they have transformed into a Freeport Governing Body. These bodies will be responsible for delivering all aspects of the freeport. The government supports by providing expertise and advice where needed.

Form and function

EMF comprises three sites that straddle three East Midlands counties (Derbyshire, Nottinghamshire and Leicestershire). Each has a particular function which are outlined below.

Site 1 is East Midlands Airport and Gateway Industrial Cluster (EMAGIC). This site will act as the primary customs facility for the freeport, where goods can be flown in and out of the UK without incurring tariffs. It includes SEGRO's logistics park, a 700-acre development targeted specifically at logistics and trade activity.

Site 2 is East Midlands Intermodal Park (EMIP). EMIP is adjacent to the

Toyota manufacturing plant, a nationally significant asset. Investment in the site will see a focus on modal shift, enabling it to become one of the country's leading rail-connected business parks. This plays into companies' net zero aspirations and reduces the carbon emissions endemic to manufacturing and trade.

Site 3 is Ratcliffe-on-Soar Power Station. The power station is one of only three coal-fired power stations left in the UK. It is due to cease operations in September 2024, creating a large development opportunity. Owned and operated by Uniper, post-closure it will move towards becoming a zero-carbon technology and energy hub for the region. Plans are being formed but sustainable onsite energy generation (possibly hydrogen) is a likely use.

Geography

As mentioned, the freeport area can be understood as the three counties its sites lie across. The freeport's geography has significant advantages for the type of manufacturing and trading activity it seeks to stimulate. Centrally located in the UK, over 91% of the country's population is within a four-hour drive.



Figure 8: East Midlands Freeport geography © East Midlands Freeport

Together, the freeport area (the three counties shown above) is 2,676 square miles in size. That is over 2.5 times larger than the area covered by Coast to Capital.

Location	Total area (sq mi)
East Midlands Freeport	2,676
Coast to Capital	1,060
Gatwick Diamond	600

Source: Standard Area Measurements, ONS – 2020

Population and demographics

The freeport area has a population of over 2.3m, but with a larger ageing population and smaller younger population than the England average. 15% of the population are aged 15–29 compared to 18% nationally, and 28% are over 60 years old compared to 24% nationally.

In 2020 the total population in North West Leicestershire was estimated to be 104,000, the second smallest population among local authority areas, with only Uttlesford having a smaller population. The area also had a smaller proportion of jobs compared to resident population with just over 62,000 jobs, representing 59% of the population.

North West Leicestershire has a similar proportion of residents aged 0–19 at 22% compared to 23% nationally. But they have a smaller proportion of residents aged 20–44 at 29% compared to 31% nationally.

North West Leicestershire has a slightly higher proportion of residents aged 45–59 at 22% compared to 20% nationally, but then has a higher proportion of residents over 60 at 26% compared to 24% nationally.

Domestic Zones

Location	Population (2020)	Ages 15–29	Ages 30–44	Ages 60+
East Midlands Freeport	2,353,700	15%	18%	28%
North West Leicestershire	104,800	16%	18%	26%
England	56,550,100	18%	20%	24%

Source: Population estimates, ONS – 2020

Infrastructure and transport

EMF's location provides immediate access to the UK's strategic road network. It is near the intersection of the M1, A42 and A50 at Donnington Park. This connects the freeport directly to population centres in the East Midlands and most of the UK's major cities are within reasonable reach.

Site 1, EMAGIC, includes a strategic rail freight interchange and freight terminal, operated by private company Maritime. Immediately to the north of the airport and with rail access from the Castle Donnington line and road access from junction 24 of the M1 motorway, it unites air, road and rail freight in a central location.

Site 2, EMIP, as referenced above (see form and function section), will see investment to transform it into one of the county's leading rail-connected business park. This work will form part of the creation of a planned Strategic Rail Freight Interchange (SRFI) located next to the A38/A50 Burnaston Interchange and Toyota's vehicle manufacturing plant, on the south western side of Derby.

Site 3, Ratcliffe-on-Soar Power Station, is adjacent to East Midlands Parkway station. In November 2021, the government confirmed HS2

will connect to the station. This, along with electrification of rail lines surrounding the freeport, will improve freight and passenger accessibility to and from the site.

Future connections with the Nottingham Express Transit tram network have also been considered by local authorities in the region. Though proposed, no formal plan for delivery is yet available.

Sectoral industry base

EMF will focus on emergent sectors such as green growth and clean energy. This will include a focus on alternative fuels including hydrogen and low carbon technology. The most specialised sector in the freeport area is *Mining and Quarrying* at 5 times more specialised compared to England, followed by *Forestry and Logging* at 3.5 times more specialised.

The most specialised sector in North West Leicestershire was *Other Mining and Quarrying* with a LQ of 35.1 and 1,300 jobs. Major companies in this sector include Aggregate Industries and Breedon Cement. Although *Air Transport* was not the most specialised, it was still within the top five most specialist sectors in the area with a LQ of 5.7 and close to 1,000 jobs. Companies such as Heavyweight Air Express and Air Logistics are included within this sector, whilst East Midlands Airport is within the *Warehousing and Support Activities for Transportation* sector, employing over 600 people and a LQ of 3.1.

The second most specialised sector in North West Leicestershire was *Postal and Courier Activities* with a LQ of 8 and 4,200 jobs. Key employers in the sector include Premier Logistics and MG Haulage.

Domestic Zones

Location	Total jobs (2020)	Sector	Location quotient
East Midlands Freeport	906,363	Mining and Quarrying	5
		Forestry and Logging	3.5
North West Leicestershire	62,145	Other Mining and Quarrying	35.1
		Postal and Courier Activities	8

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- East Midlands Airport Academy – established in 2013 to provide a service to individuals in the local community who are looking for work at the airport as well as a bespoke recruitment service for airport employers.
- East Midlands Institute of Technology – led by the University of Derby and partnering with Derby College, Loughborough College. The institute was approved in 2021 and is in the process of being set up with an opening date not yet released.

Existing/planned innovation infrastructure:

- East Midlands Centre of Excellence (CoE) in Satellite Applications – led by University of Leicester and aims to bring business and academic research together to solve market needs and boost economic growth through the development and commercialisation of satellite applications. This established CoE¹⁰ is supported by the Satellite Applications Catapult and UK Space Agency.

[10 East Midlands Centre of Excellence in Satellite Applications](#)

- East Midlands Hydrogen Innovation Zone – the University of Nottingham Energy Institute and Propulsion Futures Beacon are developing a plan for an East Midlands Hydrogen Innovation Zone – to connect regional initiatives around green growth and freeport developments.

Gross value added (GVA)

The GVA for the EMF area is estimated at £39.3bn, representing 3% of national GVA. The total GVA for North West Leicestershire was estimated at £3.7bn in 2019, making it one of the smaller local authority economies.

GVA per head of population was higher than the national level at £41,153, compared to £33,809 for England. However, when you look at GVA per hour worked, the rate is slightly lower than the national level at £34.03 compared to £35.20 nationally. This suggests that the area has a slightly less productive labour market.

Location	GVA Pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
East Midlands Freeport	£39,300	£17,086	£31.60
North West Leicestershire	£3,795	£41,153	£34.03
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Annual earnings in the freeport area are on average £2,700 higher than the national average and workplace-based earnings are £856 higher than resident earnings.

Workplace-based earnings in North West Leicestershire were slightly higher than resident earnings and were at similar levels to the national average at £26,917. However, resident earnings were slightly lower than national resident earnings at £25,595.

North West Leicestershire's median house prices were estimated at £232,500 in 2021, slightly lower than the national average of £280,000. House prices were 9 times higher than both resident and workplace-based earnings, making it the second most affordable local authority area and more affordable than the national average.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
East Midlands Freeport	£24,961	£23,583
North West Leicestershire	£25,595	£26,917
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

Following a similar trend to the Manchester Enterprise Zone area, the East Midlands Freeport area has a lower proportion of the population

with higher qualifications, with only 39% educated at degree level or above.

Qualification levels in North West Leicestershire were largely in line with the national rates, but with slightly higher proportions of residents with NVQ 3 at 66% and NVQ 2 at 80%, compared to 61% and 78% respectively.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
East Midlands Freeport	39	60	78	89	5	6
North West Leicestershire	41	66	80	87	7	6
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

The freeport area has a similar employment rate to the national rate at 76%, compared to 75% for England. The area also had a similar claimant rate of 5.2% compared to 5.5% nationally. The employment rate in North West Leicestershire was slightly higher than the national average at 75.1%, and is the second highest rate of the local authorities areas considered throughout the report, with only Crawley having a higher rate at 89.3%.

However, counter to the other local authority areas that had higher employment rates, North West Leicestershire has a much lower claimant rate.

The rate in December 2021 was 3.3%, which is 2.2 percentage points lower than the national rate and the second lowest among local authority areas, with only Uttlesford having a lower rate of 2.8%.

Location	Claimant rate (Dec 21)	Employment rate (Sept 21)
East Midlands Freeport	5.2	76
North West Leicestershire	3.3	75
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

Comparison tables



Rank	Domestic airport economic zones (AEZ)	GVA per hour worked (2019)
1	Heathrow - JSPF	£52.30
2	Gatwick Diamond	£38.00
3	UK Innovation Corridor	£37.50
4	Coast to Capital	£36.70
5	Luton	£36.29
	England	£35.20
6	Five Authorities	£33.50
7	East Midlands	£31.60
8	Manchester Enterprise Zone	£31.50



Rank	Domestic airport economic zones (AEZ)	Claimant rate (Dec 2021)
1	Luton	8.7%
2	Manchester Enterprise Zone	7.4%
	England	5.5%
3	Heathrow - JSPF	5.3%
4	East Midlands	5.2%
5	UK Innovation Corridor	4.6%
6	Five Authorities	4.4%
7	Coast to Capital	4.2%
8	Gatwick Diamond	3.1%



Rank	Domestic airport economic zones (AEZ)	Median annual earnings (2021)
1	Heathrow - JSPF	£30,740
2	UK Innovation Corridor	£29,847
3	Gatwick Diamond	£27,680
	England	£26,198
4	Coast to Capital	£26,116
5	Five Authorities	£26,053
6	Luton	£25,652
7	Manchester Enterprise Zone	£24,342
8	East Midlands	£24,272



Rank	Domestic airport economic zones (AEZ)	% with NVQ4+ (2020)
1	Heathrow - JSPF	54%
2	UK Innovation Corridor	52%
3	Gatwick Diamond	46%
4	Coast to Capital	45%
5	Five Authorities	45%
	England	43%
6	Manchester Enterprise Zone	39%
7	East Midlands	39%
8	Luton	34%



Rank	Domestic airport economic zones (AEZ)	Total area (sq mi)
1	Five Authorities	3,545
2	East Midlands	2,676
3	UK Innovation Corridor	1,705
4	Coast to Capital	1,060
5	Gatwick Diamond	600
6	Manchester Enterprise Zone	493
7	Heathrow - JSPF	318
8	Luton	16.74
	England	50,301



Rank	Domestic airport economic zones (AEZ)	Population (2020)
	England	56,550,100
1	Five Authorities	4,507,200
2	UK Innovation Corridor	3,629,300
3	Manchester Enterprise Zone	2,848,300
4	East Midlands	2,353,700
5	Heathrow - JSPF	1,619,900
6	Coast to Capital	1,565,700
7	Gatwick Diamond	816,300
8	Luton	213,500

Comparison tables



Rank	AEZ Local Authorities	Air Transport Location Quotient
1	Crawley	36.9
2	Uttlesford	19.4
3	Hillingdon	15.7
4	Luton	13.0
5	North West Leicestershire	5.7
6	Metropolitan Borough of Manchester	4.0



Rank	Domestic AEZs	Air Transport Location Quotient
1	Heathrow - JSPF	14.8
2	Luton Rising	13.0
3	Gatwick Diamond	9.3
4	Coast to Capital	5.0
5	Manchester Enterprise Zone	1.2
6	Five Authorities	2.1
7	East Midlands	0.5
8	UK Innovation Corridor	0.4

5. International Zones

5.1. Methodology

This chapter broadens the scope of the research to include six international examples of AEZs. These zones have been chosen through preliminary research and in discussions with Gatwick Airport. The six zones are:

- Tenerife
- Singapore
- Barcelona
- Dublin
- Fairfax County (Washington Dulles Airport)
- San Diego

A slightly different set of metrics will be used to investigate the international AEZs. This is a response to two factors. First, data of the type used in the domestic zones chapter is less readily available for these examples. Second, greater variation in contexts (different countries) makes comparisons between zones more difficult.

The research therefore seeks to draw out key attributes from these zones which provide an overview of how they are formed and what they do.

The metrics are:

- Geography
- Infrastructure and transport

- Sectoral industry base
- National economic context
- Role in inward investment and trade

Tenerife, Canary Islands

Why Tenerife?



£164m gross domestic product (GDP) 2019



Population of **966,354** in 2020



Why Tenerife? an investment platform providing advice and guidance



Key sectors include **Digital Economy, Creative and Cultural, Tourism, Renewable Energy and Blue Economy**



3rd busiest port in Spain with **6.5m** passengers



Two airports; **Tenerife North** and **Tenerife South** – served about 8m passengers in 2021



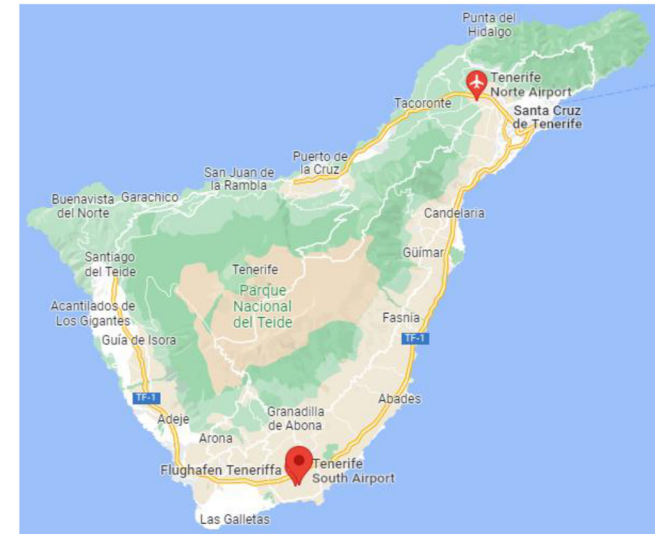
Two **higher education institutions** and **Science and Technology Park (Intech)**



Economic incentives such as, **European Union, Canary Islands Special Zone (ZEC)** and **Tenerife Free Trade Zone (ZFT)**



Land area of **785 square miles**



5.2. Tenerife

Tenerife is an interesting example of how public and private sector organisations came together to establish a central brand of 'Why Tenerife?' for the area to encourage inward investment and capitalise on the unique assets of the area.

Why Tenerife? provides a single platform with information, advice and guidance on investing and doing business in Tenerife. It brings together key partners with an interest in promoting the commercial opportunity of the region and provides free and bespoke services for investors and entrepreneurs. Trading as a for-profit company, it is made up of a network of public and private institutions that includes the Port Authority of Tenerife, the Island Council of Tenerife, the Chamber of Commerce of Tenerife, the Canary Islands Special Zone (ZEC) and the Tenerife Free Trade Zone (ZFT). Each partner organisation has a representative that works at Why Tenerife? to provide inward investment services.

Whilst the airports of Tenerife are not part of the platform, they are clearly important infrastructure assets and central to supporting the economy.

Several companies have chosen to locate in Tenerife due to the location and desirable tax incentives such as the Canary Island Special Zone, with a 4% corporation tax instead of the typical 30% seen elsewhere, and the Tenerife Free Trade Zone, with total exemption from import duties. For instance, IT company Gear Translations¹¹ chose Tenerife as costs were 30% lower than elsewhere and for the exceptional connectivity to

other locations.

Geography

Tenerife is located in the western part of the Canary Islands, with a population of 966,354 in 2020.

It is also a strategic location, half-way between Europe, Africa and America with a land area of 785 square miles. This location gives an excellent access route between Europe and Africa, supporting international trade between the two continents.

¹¹ Gear Translations press pack 'Why Tenerife'

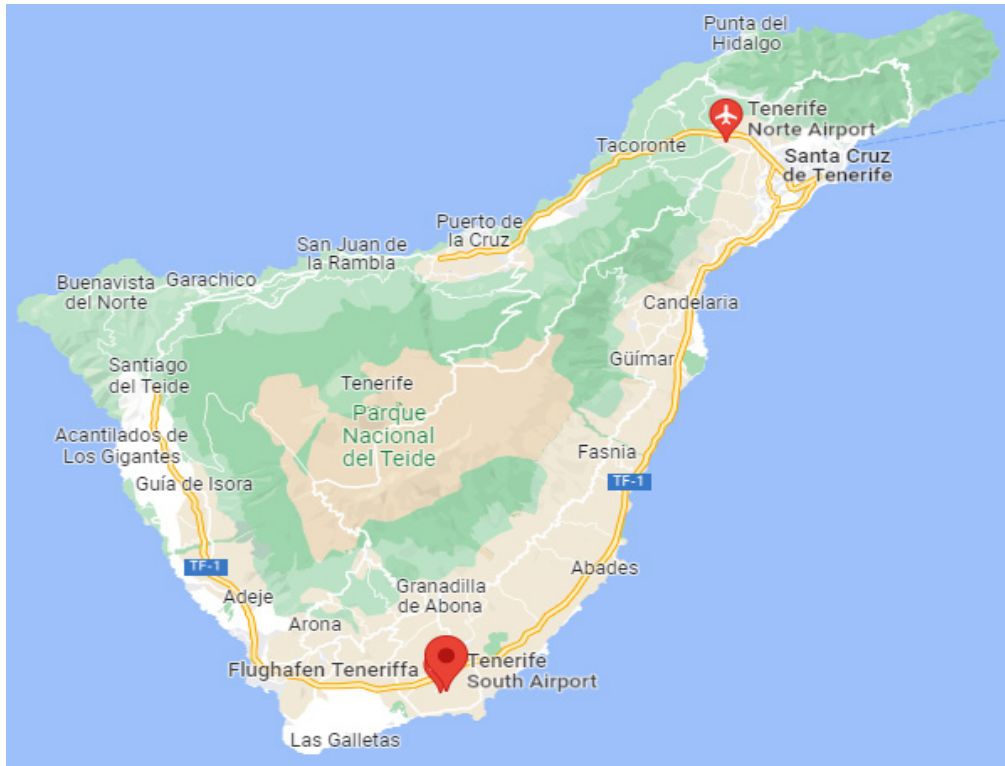


Figure 9: Geography of Tenerife © Google Maps

The land area and population size of Tenerife is similar to that of West Sussex County. West Sussex has a land area of 769 square miles and an estimated population of 867,600 in 2020.

Infrastructure and transport

The island has one of the busiest port authorities with over 6.5m passengers in 2019, ranking third in Spain, eleventh in Europe and twenty-fourth worldwide. The port of Santa Cruz de Tenerife is a meeting point for fishing boats, commercial and passenger ships and sports. It

is one of the most important of the Canary Islands ports in terms of passengers.

Tenerife has two international airports, Tenerife North Airport (Los Rodeos) and Tenerife South Airport (Reina Sofía). The former is largely used for inter-island and domestic flights, while the latter is predominantly used for international traffic.

Both airports are owned by ENAIRE, a public corporate entity controlled by the Spanish government. Operations at the airport are managed by Madrid headquartered company Aena.

Tenerife North Airport (Los Rodeos) is located to the north of the island and is roughly 6 miles from the capital. It handled 3.8m passengers in 2021 and over 54,000 flights.

Tenerife South Airport (Reina Sofía) is located in the heart of the tourist area and had 4.6m passengers in 2021 and over 41,000 flights, making it the second busiest airport in the Canary Islands.

Sectoral industry base

Tenerife is the economic capital of the Canary Islands. Tourism is the most prominent industry by a distance and underpins the island's economy. Tourism forms part of a strong service sector, which makes up 83.5% of the total economy. Other sectors have key roles too – industrial sectors make up 8%, construction at 7.4% and 1.1% for the primary sector, which includes activities to support the sustainable development of the economy.

Despite this traditional focus on tourism, Tenerife is targeting diversification of its economy, promoting the island as a technology and knowledge centre. Activities related to the digital economy, creative and cultural industries, blue economy, professional services and renewable energy are of increasing importance.

A strong ecosystem of assets presents an opportunity to grow these sectors. A series of scientific and research centres are located across the island. This is illustrated by the presence of TEIDE-HPC, a supercomputer among the most powerful globally, which provides capability for internationally significant research to occur on Tenerife. INtech, a science and technology park, is part of the wider Canary Islands Network with cutting-edge scientific facilities and research centres.

National economic context

Tenerife has the highest GDP out of all the islands in the Canary Islands at an estimated £164m in 2019. Its tourism industry brings in vast quantities of spending which makes it of importance to the Spanish exchequer.

The presence of assets such as the TEIDE-HPC adds another dimension to this importance. The Spanish mainland only has one other supercomputer which outperforms the TEIDE for research purposes. Tenerife is also home to two higher education institutions, University of La Laguna and European University of the Canary Islands. The University of La Laguna is a public research university and the oldest in the Canary Islands covering a range of subject areas. The European University of the Canary Islands is a private sector higher education institution and

integrated with the Laureate International Universities network. Together these institutions provide a strong knowledge base with training in areas such as Telecommunications, Law, Health Sciences, Mathematics, Business Administration, Tourism and Physics.

Role in inward investment and trade

The area benefits from the Tenerife Free Trade Zone (ZFT) and Canary Islands Special Zone (ZEC). Both schemes offer tax and administrative advantages with the aim of promoting economic and social development in the area.

As part of the European Union, they benefit from free movement of people within the union and have several visas available for foreign investors, entrepreneurs and highly skilled workers.

Why Tenerife? is primarily focused on attracting investment into the island by promoting an understanding of Tenerife beyond tourism. Its tax regime is highly competitive, particularly when compared to mainland Europe locations, and guarantees exceptional conditions for investment and trade.

Singapore



£411bn gross domestic product (GDP) 2020



Population of **5.8m** in 2021



Owned by the **Government of Singapore** and operated by the **Changi Airport Group**



Key sectors include **Financial Services, Industrial, Textiles, Technology and Manufacturing**



Largest port in Southeast Asia carrying **37.2 million** twenty-foot equivalent (TUEs) in 2019



Changi Airport which includes the Jewel Airport with **68m** passengers in 2019



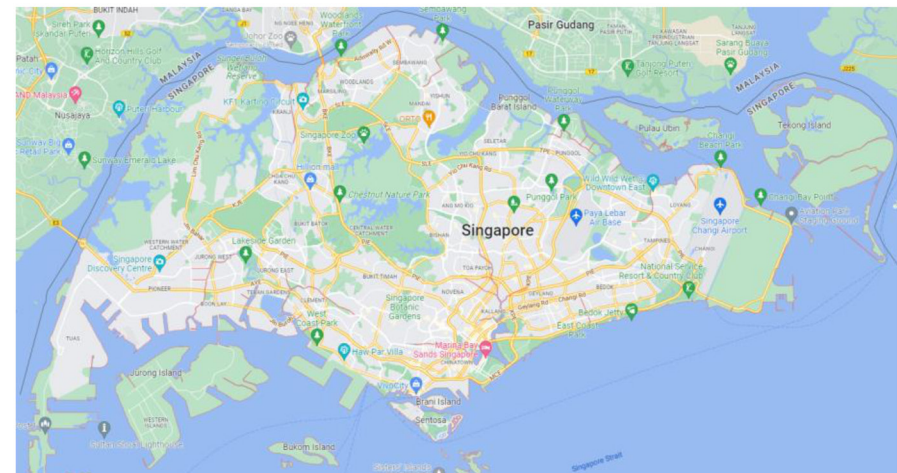
Six **higher education institutions** and **several vocational and technical colleges**



Economic incentives such as, **Free Trade Zones** and **investor friendly tax regime**



Land area of **283 square miles**



5.3. Singapore

Singapore, officially the Republic of Singapore, is a city-state with an estimated population of 5.8m in 2021. The nation's territory is constituted by one main island and 63 satellite islands and islets. This combined area has increased by some 25% since independence from Britain as a result of major land reclamation projects.

After gaining independence in 1965, Singapore experienced remarkable economic growth and diversification. Once a key trading post for the British Empire, the region became an important world trade centre and developed powerful financial and industrial sectors. It is the only country in Asia with an AAA sovereign credit rating from all major rating agencies. With a highly developed market economy based on its geographic location and historic role as a centre of trade, it is one of the so-called Four Asian Tigers (along with South Korea, Hong Kong and Taiwan) that underwent rapid industrialisation in the latter half of the twentieth century.

The airport is a major asset and a tourist attraction in its own right. As part of the airport's plan to expand Terminal 1, the strategic decision was taken to develop Jewel Changi in 2019. The Jewel was developed by famed architect Moshe Safdie and is a state-of-the-art mixed-use building that brings together nature themed attractions with exceptional retail and hospitality experiences. The airport has won several awards since opening and works to achieve its mission to encourage tourists to book longer stays, rather than connecting through to other destinations.

International Zones

Geography

Singapore is located at the southern tip of the Malay Peninsula and roughly 85 miles north of the Equator. The city state has a total land area of 283 square miles. Singapore is the second-most densely populated country in the world, with 21,681 people per square mile. To put its size in context, Singapore makes up a slightly smaller land area than Chichester District in West Sussex, which is 303 square miles. Chichester District is also much less densely populated, with just 354 people per square mile.

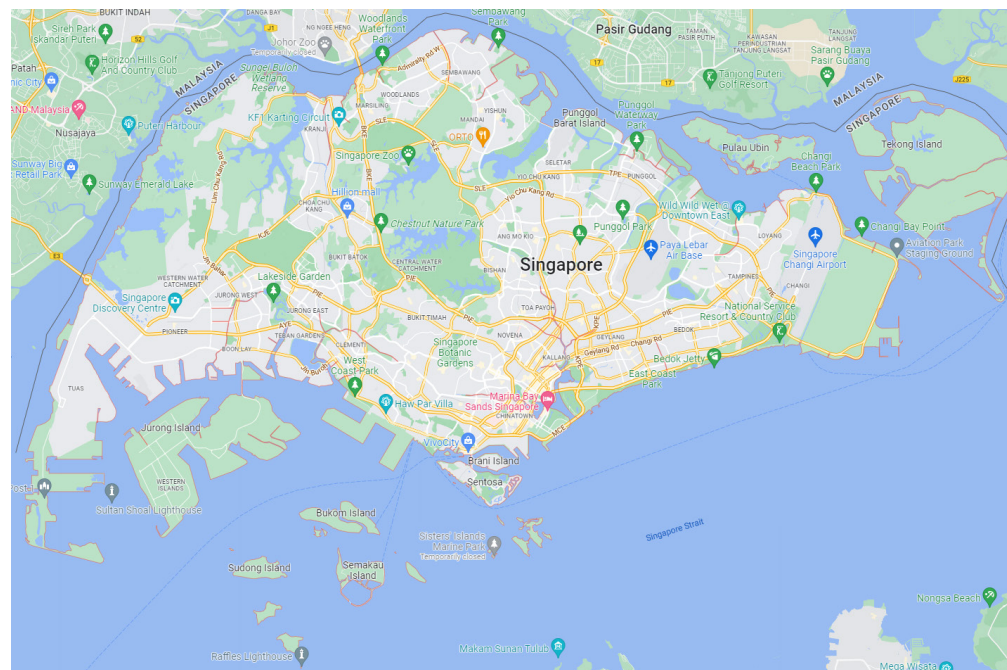


Figure 10: Geography of Singapore © Google Maps

Infrastructure and transport

Changi Airport has won several awards for Best Airport and is one of the busiest international airports in the world with over 68m passengers in 2019. It is owned by the government of Singapore and operated by Changi Airport Group and the Civil Aviation Authority of Singapore.

Opening in 1981 and located in the Changi district, approximately 15 miles east of downtown Singapore, the airport has four terminals and has become the focal point for Singapore's status as a world-class aviation hub.

Singapore also has the largest port in Southeast Asia, one of the busiest in the world in terms of shipping tonnage. The Port of Singapore Authority oversees shipping activity and over half of the cargo that goes through the port is containerised cargo.

Singapore also has well developed road networks and highways. As congestion increased, the government opened a light-rail mass-transit system in the early 1990s to link major population centres with employment centres and the central business district.

Sectoral industry base

Singapore has developed powerful financial and industrial sectors and is one of the most advanced economies in Southeast Asia with an estimated GDP of £411bn in 2020. Their financial services are highly sophisticated and offer seed funding to firms looking to develop or introduce new technology.

In recent years, there has been a move away from labour intensive industries such as textiles, to high-technology activities such as the manufacture of electronics and precision equipment, which provide higher value added to the economy.

Tourism plays a central role in Singapore's economy with its central Southeast Asian location and excellent air transportation infrastructure. To capitalise on this position, large investments have been made to improve airport facilities as mentioned above.

National economic context

Singapore has an exceptional education system with a range of vocational, technical and university institutions for post-secondary education. The National University of Singapore is one of six autonomous universities in the area. It is the largest and best-known higher education institution in Singapore, a comprehensive and research-intensive institution with a diverse course offering.

Singapore is a key business hub within East Asia more broadly, comparable to centres such as Shanghai and Hong Kong. As a small city-state, Singapore's economic success is in part due to the internationalised nature of its economy; approximately 44 percent of the country's workforce is made up of non-Singaporeans.

Role in inward investment and trade

Historically, the Singapore government had a large role in economic development and established several incentives to attract foreign

direct investment (FDI), chief among those were the creation of free trade zones. The government maintains a relatively investor-friendly tax regime which encourages activity from early-stage companies to large multinational corporations wanting to locate their operations in Singapore.

Barcelona, Spain

VISIT AND
LOVE IT

BARCELONA
WITH YOU



£137bn gross domestic product (GDP) 2018



Population of 4.6m in 2018



Online platform **Meet Barcelona** managed by the City Council



Key sectors include **Digital economy; Creative and Cultural, Health Sciences (Sportstech and Foodtech); Blue and Green Economy and Visitor Economy**



Land area of 39 square miles



The **Port of Barcelona** is Spain's main port for international traffic with over 2m passengers in 2019



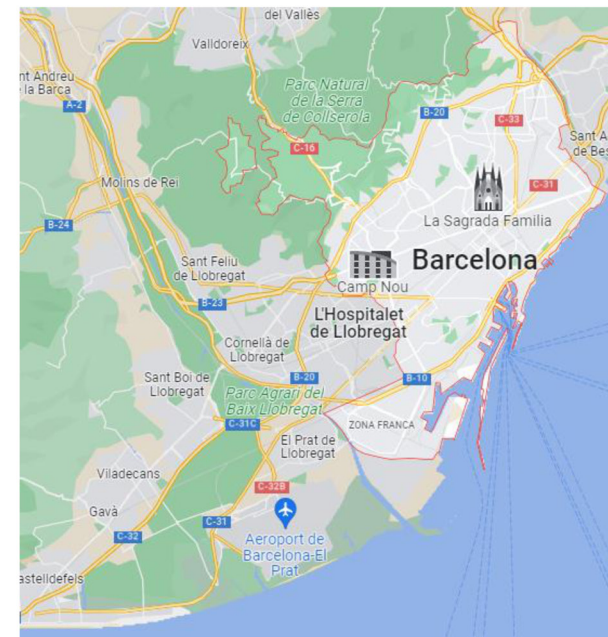
Barcelona-El Prat Airport 2nd busiest in Spain with over 52m passengers in 2019



Eight **science and research centres** and **12 universities**



Economic incentives such as, **European Union** and **Fira de Barcelona** exhibition centre



5.4. Barcelona

Barcelona is a coastal city in the northeast of Spain. The second most populous municipality in the country, in 2018 had a population of 1.62m within the metropolitan area, with 4.6m residents in the wider urban area. One of Europe's leading economic, financial and cultural centres, it is also a popular tourist destination with over 7m people visiting every year prior to the pandemic.

The city plays a critical role in Spain's economy. It has significant specialisation in scientific industries, particular biotechnology. Eight research centres with various focuses are located in its vicinity, including the Barcelona Institute of Science and Technology - a world leader in multi-disciplinary scientific research. It is home to twelve universities offering courses in a range of disciplines, including research, commerce and artistic studies. The University of Barcelona is among Spain's largest universities, with 63,000 students, and one of its top science institutions.

Barcelona is also a major transport hub. The Port of Barcelona is Europe's busiest passenger port. El Prat Airport was the sixth busiest across the continent in 2019. High speed rail lines connect the city to other major population centres across Spain and into France and the rest of Europe.

Geography

Barcelona is the largest city and capital city of the Catalonia region of Spain and is located 90 miles south of the French border. The city has a land area of 39 square miles and population density of 41,000 per square mile.

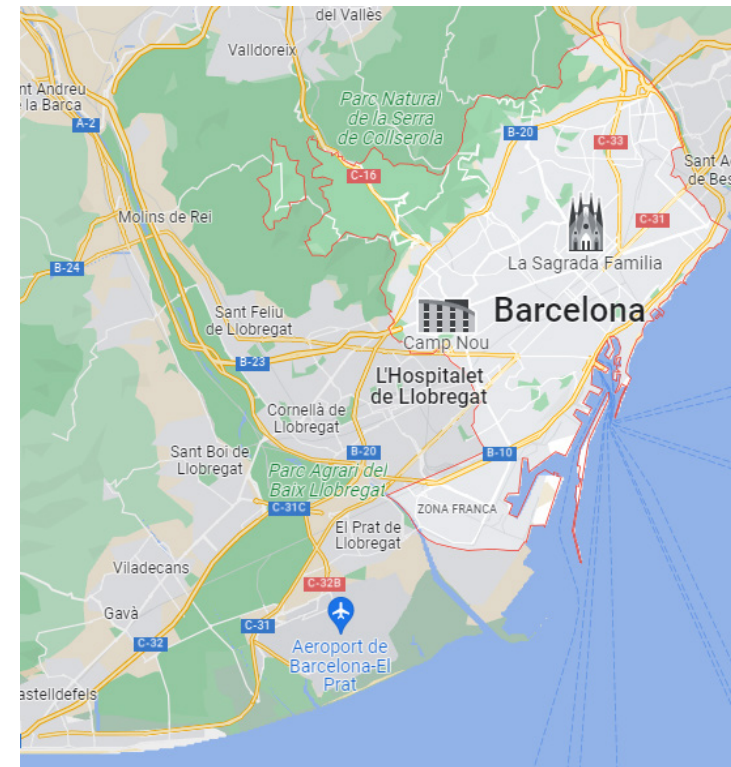


Figure 11: Geography of Barcelona © Google Maps

Barcelona has a land area around double the size of Luton, featured in the domestic zones chapter. The city is comparable in size to Bristol in the UK, although with a much greater population density (41,000 vs. 11,000 people per square mile).

Infrastructure and transport

Barcelona is home to Spain's major Mediterranean port accommodating ships from across the world and providing a ferry service to the Balearic

Islands and Genoa, Italy. The city is an important European shipping centre.

The city has a range of public transportation options including a metropolitan subway connecting to the wider urban region and the airport. Freeways around the city also link Barcelona to the Catalonia highway network, joining up to the mountain tunnel in the Pyrenees and providing access to the French highway network.

The Barcelona-El Prat Airport is the second largest and second busiest airport in Spain with over 52m passengers in 2019. It is located 15km southwest of the city centre and consolidated as a strategic point of reference in the Euro-Mediterranean airspace. Owned by ENAIRE and operated by Aena, the airport has won several awards over the years, more recently the COVID-19 Airport Excellence Award by Skytrax in 2021. In 2021 a £1.4bn plan to expand Barcelona Airport was agreed that will increase passenger numbers to 70m a year.

Sectoral industry base

The city's economy is supported by long established links to external markets and leading industries such as pharmaceuticals, automobiles, electronics and appliance manufacturing. Historically, the economy was dominated by the textile industry, but over the years the service industry has grown and accounts for approximately four-fifths of all jobs.

National economic context

Business facilities such as the Fira de Barcelona, were built for cultural

and commercial purposes to help position the city as a central reference point in Southern Europe. The Fira de Barcelona is the city's major trade exhibition centre and one of the most important trade fair organisations in Europe with a high volume of quality events. It is a consortium made up of the Barcelona City Council, Catalan government and the Chamber of Commerce of Barcelona. The centre is estimated to contribute more than £3.4bn to the £137bn Barcelona economy and over 35,000 jobs. With exhibitions dating back to the late 1800s, the centre is experienced in delivering large exhibitions and evolves with changing market demands.

The city is considered a major cultural centre, with famous works by Antoni Gaudi such as the Sagrada Familia and Casa Milà, and the F.C. Barcelona stadium which attracts on average 78,000 fans for weekend league matches.

Role in inward investment and trade

Barcelona City Council hosts an online portal called 'Meet Barcelona', with information on visiting the city, investing in business and studying. Under the business section, Barcelona Activa is listed as the local development agency. The organisation works to promote the economic competitiveness of the city and a vision to establish Barcelona as an international benchmark city for entrepreneurship, quality of life and environmental values.

Barcelona Activa has a strategic vision to boost activity in the following sectors:

- Digital economy
- Creative and cultural industries
- Health and bio, Sport (sportstech) and Food (foodtech)
- Industry 4.0
- Blue and the green economy
- Economy of proximity
- Visitor economy
- Retail and hospitality

Barcelona Activa offers advice, training, support and connections for businesses and entrepreneurs.

The city is home to one of the Catalonia Trade & Investment offices. Catalonia Trade & Investment is the Catalan government's agency for foreign investment and business competitiveness with the aim to make it easier for multinationals to invest in the region. The agency promotes the region abroad, supports investment bids, provides advice and guidance throughout the investment process.

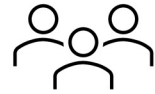
As an indication of Barcelona's success in attracting foreign investment the trade and investment office list case studies, such as a Dutch chemicals manufacturer opening a site in Barcelona to act as the European hub for their 57 sites across Europe. The company is quoted as having chosen Barcelona due to the city's strong expertise in logistics and supply chains, the excellent education system providing a talented workforce

with the right skills, the stability of the economy and attractiveness of the city - which makes it easy to attract talent from abroad.

Dublin, Ireland



£24bn gross domestic product (GDP) 2021



Population of 2m in 2021



Land area of 2,696 square miles



The **Industrial Development Agency** is a 'semi-state body'



Key sectors include **Financial Services; ICT; Professional Services; Life Sciences and Pharmaceutical**



The **Dublin Port** is Ireland's premier port with close to 1m passengers and carrying 758,013 twenty-foot equivalent (TUEs) in 2019



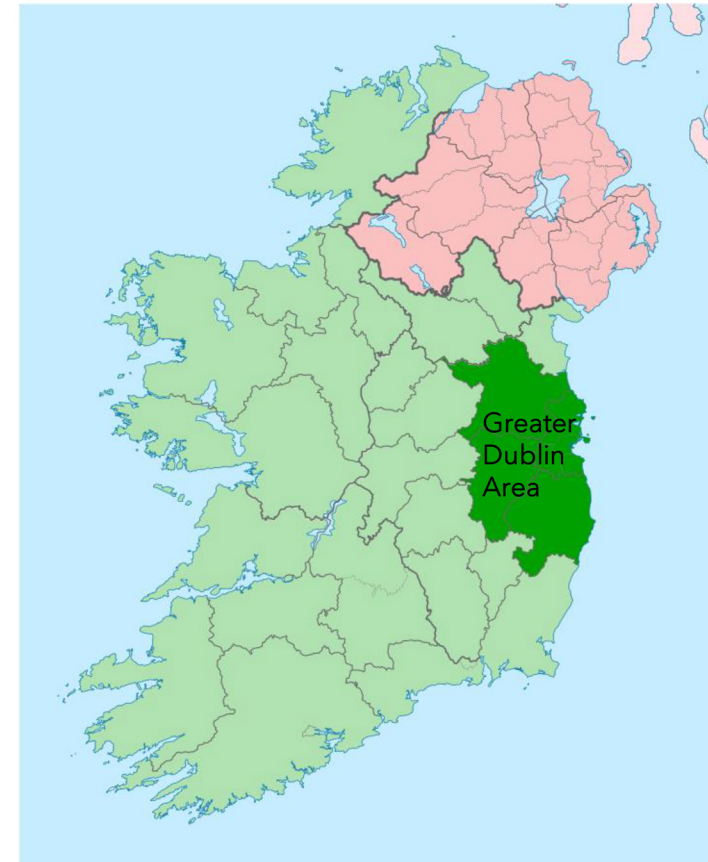
Dublin Airport 12th busiest in Europe with 32.9m passengers in 2019



Enterprise clusters such as, **Digital Hub** and **Silicon Docks**. Four **universities** and **two IoTs**



Low corporate and business taxes and **European Union member**



5.5. Dublin

Dublin is the capital and by far the largest city in Ireland. It is one of the world's wealthiest and most expensive areas, with the Globalization and World Cities Research Network listing it as a global city in 2018 (placing it in the top 30 of cities worldwide).

Since the 1990s, the region has excelled in attracting a number of high-value global pharmaceutical and technology companies. Many major companies including Microsoft, Google, Amazon, Facebook, Twitter and Pfizer now have European headquarters and/or operational bases in the city. Several are located in enterprise clusters like the 'Digital Hub' and 'Silicon Docks'.

Low corporate and business taxes have drawn many of these companies to the Greater Dublin Area. Major employers are also clustered here to take advantage of the talent pool – just under 2m live in the region – and the international connectivity it provides through Dublin Airport. Dublin is home to four universities and two Institutes of Technology.

Dublin Airport is an international airport owned and operated by DAA – a state-owned airport company. It is 4.3 miles north of Dublin city centre. In 2019, 32.9m passengers passed through the airport – its busiest year on record – making it the 12th busiest airport in Europe. The airport is building a new 'North Runway', which should be operational this year (2022). Reflecting the status and priority the Irish government give FDI and trade, Dublin Airport makes a big point of focusing on the role the new runway can have in enabling inward investment and exports.

International Zones

Geography

The Greater Dublin Area constitutes the city of Dublin and its hinterland and suburban areas. Definitions vary but Figure 12 below demonstrates the scale of a commonly accepted understanding (in dark green) compared to the wider country.

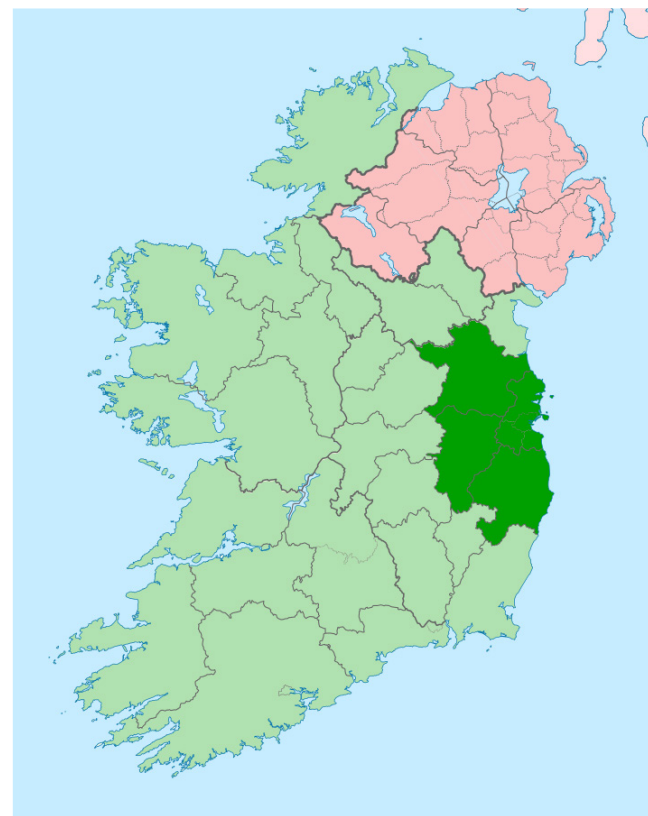


Figure 12: Greater Dublin Area © Google Maps

The Greater Dublin Area is around 2,696 square miles. For comparison, the Five Authorities area around Gatwick is 3,545 square miles.

Infrastructure and transport

Ireland's road network is centred around Dublin. The M50 is a semi-ring road around the south, west and north of the city (the ocean is to the east). From here, regional roads spread out to the rest of the country. The Dublin Port Tunnel which opened in 2006 provides heavy-goods vehicles with improved access from Dublin Port to Dublin Airport.

The city has two main termini station in Heuston and Connolly. Five railway lines connect the wider Greater Dublin Area, which serve more peripheral commuter towns. In 2004 the city launched a new light rail (tram) system named Luas. The network carried over 34m passengers annually in 2018.

A metro service for Dublin was first proposed in the Irish government's 2005 transport plan. As of September 2021, the opening date is expected to be in the mid-2030s.

Sectoral industry base

The Greater Dublin Area's economy specialises in financial, ICT and professional sectors and had an estimated GDP of £24bn in 2021. The area hosts around 60% of the entire nation's employment in these sectors. The prominence and success of these sectors reflects the fact that they draw in the most amounts of foreign direct investment. The life science and pharmaceutical sector is also strong with major companies

such as Pfizer based in the region.

National economic context

The Greater Dublin Area is the economic centre of Ireland and continues to play an integral role in the wider Irish economy. Around 900,000 are employed in the Area, nearly a fifth of Ireland's entire population.

It also plays a significant role in the European economy as the headquarters of many major companies. The presence of high-value technology firms makes Dublin a continental capital for the sector.

Role in inward investment and trade

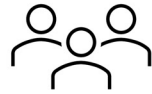
The Greater Dublin Area is where the vast majority of inward investment into Ireland as a whole is targeted. The Industrial Development Agency (IDA) is responsible for the attraction and retention of inward foreign direct investment. The agency was founded in 1949. It has evolved into a 'semi-state body' (state-owned enterprise) which plays a key role in the relationship with foreign investors.

While IDA Ireland gets its funding from the Irish State (with costs circa £40m in 2017), as an autonomous non-commercial state-sponsored body, it maintains its own independent board and governance. IDA Ireland is authorised to issue grants and financial incentives to firms coming to Ireland (paying out around £80m in 2017).

Fairfax County, USA



£96bn gross domestic product (GDP) 2020



Population of 1.1m in 2019



Fairfax County Economic Development Authority is funded by the government with a business led board



Key sectors include Professional, Scientific and Technical; Defence; Aerospace; Cybersecurity and Financial Services



Home to the Central Intelligence Agency (CIA) headquarters



Washington Dulles and Reagan National airports handled 48 million passengers in 2019.



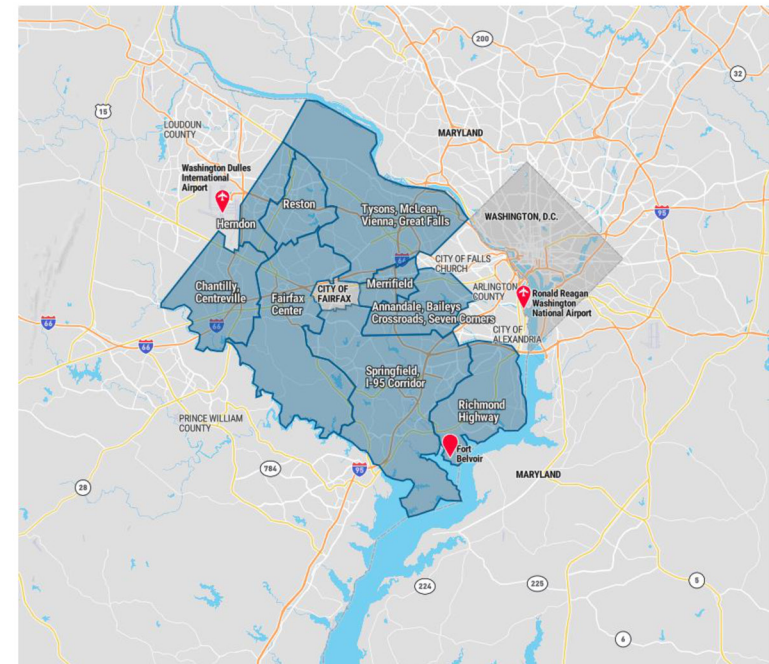
Five major colleges and universities, including Georgetown University, and an Innovation Centre



Soft-landing service, low corporate income tax, employment programmes and the Economic Incentive Program



Total area of 406 square miles



5.6. Fairfax County

Fairfax County is located in the Commonwealth of Virginia in the US. With over 1.1m residents, it forms part of the suburban ring of the nation's capital, Washington, D.C. Predominantly suburban in character throughout, it has multiple small to medium sized business districts and urban centres, rather than one identifiable core. It is a very wealthy area. The first US county to reach a six-figure median household income, it currently has the third-highest median household income of any county-level jurisdiction in the US (second is Loudoun County, immediately adjacent to Fairfax). The county is home to the headquarters of intelligence agencies such as the Central Intelligence Agency (CIA).

Washington Dulles International Airport is situated at the north-eastern edge of the county and covers both Fairfax and Loudoun counties. The airport is 26 miles west of downtown Washington, D.C. It is one of three major airports of the larger Baltimore-Washington metropolitan area (which has a population of nearly 10m), with the others being Reagan National Airport and Baltimore/Washington International Airport. Reagan National Airport is just off the eastern edge of Fairfax County and provides significant domestic connectivity. Dulles is the largest of these three airports and is the region's international air hub, handling over 24m passengers a year pre-pandemic. It has the most international passenger traffic of any airport in the Mid-Atlantic outside the New York metropolitan area. Taken together, Reagan National Airport and Washington Dulles handled 48m passengers in 2019.

The economy of Fairfax County revolves around knowledge-intensive industries including professional services and technology. Proximity to the capital means high levels of employment for the federal government and its contractors. The county is also home to numerous nationally significant employers and Fortune 500 company headquarters.

Fairfax County Economic Development Authority (FCEDA) supports the county's economy through a variety of means. An array of services and functions have two main overarching aims – to promote the region and support business growth and expansion. To promote the region, FCEDA communicates with an external audience, marketing the county as 'one of the world's best business locations'. The authority has three business investment divisions – National, International and Business Diversity which works with companies seeking to move into the region. For businesses seeking growth and expansion, the FCEDA also has market intelligence, real estate and communications service divisions which support companies in charting their next steps.

FCEDA is provided with statutory footing by the Commonwealth of Virginia and led by a board of county business leaders and funded by the Fairfax County government.

Geography

Fairfax forms part of the large, urban Washington-Baltimore metropolitan area, and is the most populous county within this sub-national area. Its neighbouring of Washington, D.C. is key to its economic success. The county has a total area of 406 square miles – around three quarters

the size of Surrey. Figure 13 below depicts its total geography and sub-areas.

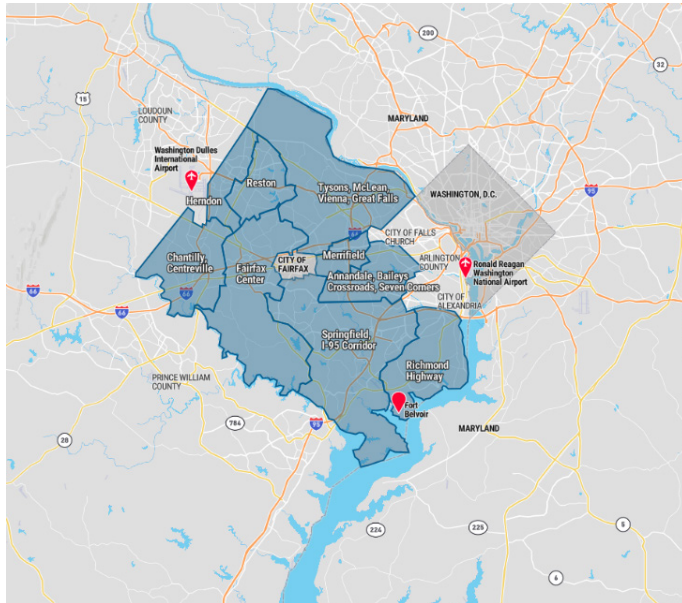


Figure 13: Geography of Fairfax County © Google Maps

Infrastructure and transport

Several major highways run through Fairfax County, including Interstates 495, 66, 95 and 395. These provide primarily east-coast connections to other major regional population centres. Through junctions and linkages, they provide access to the rest of the United States.

Fairfax County also has multiple public transportation facilities. Washington Metro's Orange, Blue, Yellow and Silver lines extend into the county, linking the area with the city centre and other suburban locations.

International Zones

Sectoral industry base

Fairfax County is a global technology hub – home to over 8,000 technology-focused enterprises. Proximity to Washington, D.C. is a driver. Many tech firms in the county provide solutions to government and high-importance industries which cluster around the capital. One in every four jobs is directly related to the technology sector, which attracts a constant influx of young talent from around the US and the world. Access to policymakers and leaders who are shaping the future regulatory environment for these sectors is a crucial aspect.

Fairfax County also has a range of knowledge-intensive sectors which are highly developed. 25% of employment in the county is in technical, scientific and professional services (four times the national average).

Defence, aerospace and cybersecurity industries flourish in the county through the proximity to the Pentagon (HQ of Department of Defense). The government contracting opportunities this provides means large companies and their supply chains have access to customers and regulators relevant to their sector.

The financial services industry in the county is notable for its openness to emerging technology and possessing one of the strongest IT workforces in the US. Global firms in accounting, auditing, insurance and tax have major operations in the area. Again, access to the Department of the Treasury and the Federal Reserve is of key importance. Trade associations and networking possibilities born out of this create a cluster of national significance.

National economic context

The sophistication of both the technology and professional services sectors makes Fairfax County stand out nationally in economic terms. In a number of aspects, and despite its small geography, the county's specialisations makes it of note even within the context of the large economy like the US. The wealth of the area is among the highest nationwide. It is home to some of the biggest companies anywhere in the country, and the scale of government influence is unparalleled to anywhere except Washington, D.C. itself. The government is the largest employer in the county, making up 4.3% of the county's total employment. A US Department of Labor study published in 2007 described Fairfax County as the second 'economic pillar' of the Washington-area economy, along with D.C.

Role in inward investment and trade

FCEDA activity promotes and supports foreign direct investment into Fairfax County. Collateral, including targeted material (e.g. a prospectus for UK companies), articulates the benefits of the region. The authority's soft-landing service and go-to-market assistance supports the process of companies relocating to the county.

The FCEDA also has offices and representatives in locations around the world. These are available to companies wishing to gather more information or discuss the financial benefits of basing their US operations in Fairfax County. This is true for established companies as well as up-and-coming technology entrepreneurs.

Efforts are targeted on what the authority considers the highest-value markets for FDI and inward investment. In addition to California in the US, these are:

- Continental Europe
- India
- Israel
- South Korea
- United Kingdom

Investment prospectuses and resources are aimed specifically at these locations to maximise impact.

San Diego, USA



£186bn gross domestic product (GDP) 2020



Population of 3.3m in 2019



San Diego Regional Economic Development Corporation is independently funded with business, government and civic leaders as members



Key sectors include Manufacturing; Defence; Cybersecurity; Aerospace; Medical devices and Technology



Total area of 4,260 square miles



The Port of San Diego - top 30 of US container ports with 3m metric tonnes of cargo annually



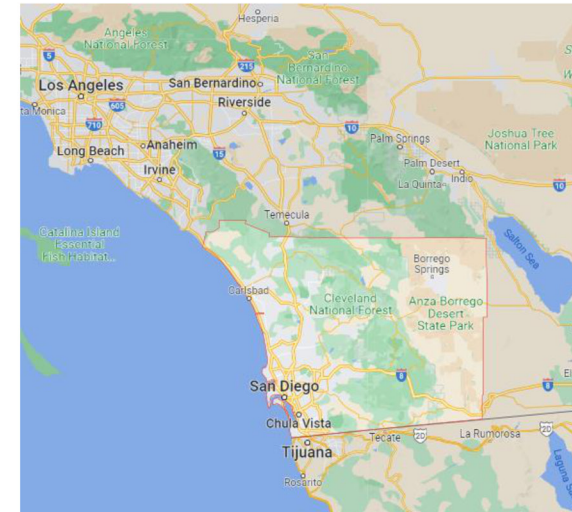
San Diego International Airport handled over 25m passengers in 2019



Talent finding programmes and seven universities, including UC San Diego



Foreign Trade Zone, World Trade Center San Diego and a range of investor benefit packages



5.7. San Diego

San Diego is a city in the US state of California on the coast of the Pacific Ocean and immediately adjacent to the Mexican border. The city has a population of 1.4m (2019), making it the eighth-most populous city in the US and second-most in California, after Los Angeles. The city is the county seat (capital) of San Diego County, the fifth most populous county in the country (3.3m).

San Diego International Airport is three miles northwest of the city's downtown. It is publicly owned and operated by San Diego County Regional Airport Authority. Though primarily serving domestic traffic, it has nonstop international flights to Mexico, UK, Canada, Japan, Germany and Switzerland. The airport had seen strong, sustained growth in passenger traffic for decades before the pandemic, reaching over 25m in 2019. A redevelopment of the airport's Terminal 2 was completed in 2013. A completely new Terminal 1 is currently under construction and will be complete sometime between 2026–2028.

San Diego Regional Economic Development Corporation (SDREDC) takes the primary role in driving growth and promoting the San Diego region. It is an independently funded, nonprofit corporation that mobilises business, government, and civic leaders around an economic development strategy which connects data to decision making, maximises regional prosperity, and enhances global competitiveness – positioning San Diego effectively for investment and talent.

In addition to this strategic function, SDREDC engages directly with companies looking to expand, stay, or locate in the San Diego region.

The organisation is governed by a board of directors comprised of directors and trustees responsible for strategic management. Directors are senior-level executives who represent companies that invest in and fund SDREDC. These include high-level executives from major companies in the area and presidents or principals of educational institutions. Trustees are critical stakeholders to the broader economic development objectives – from both public and private fields.

Geography

The county borders Mexico to the south, Imperial County to the east, and Riverside County to the north. It forms an area of considerable size, at 4,260 square miles. This makes it the largest airport economic zone explored in the research by a comfortable margin.

Population is concentrated in the county's western third, where San Diego city sits. The eastern two-thirds of the county include mountains and deserts and is sparsely populated.

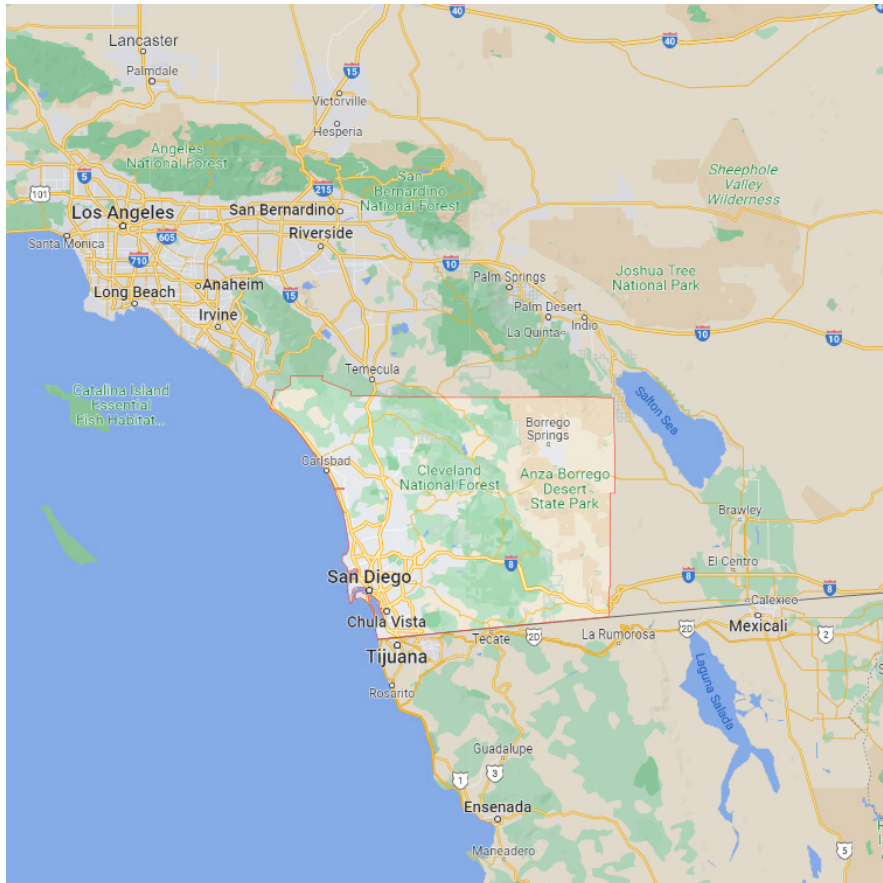


Figure 14: Geography of San Diego © Google Maps

Infrastructure and transport

Transportation by car is the primary means of getting around in San Diego and it is well served by a network of freeways and highways. Interstate 5 runs south to Tijuana and north to Los Angeles from the city. Interstates 8 and 15 run east and northeast respectively, providing

access to nearby conurbations including the Arizona Sun Corridor, Las Vegas and Salt Lake City.

Long discussed but as yet unrealised proposals to connect San Diego airport to the light rail system may be integrated into the expansion and redevelopment work occurring at and around the Terminals. If extended, this would provide quick public transportation from downtown to the terminal. Space for the development of a station facility and track have been left available in the airport's expansion plans for this purpose.

San Diego is situated next to the busiest land port of entry in the western hemisphere. The San Ysidro Port of Entry is the primary land border crossing between San Diego and Tijuana, Mexico, with approximately 120,000 passenger vehicles, 63,000 pedestrians, and 6,000 trucks crossing back and forth each day. The port is huge driver of cross border trade and economic activity.

The Port of San Diego is a seaport which is in the top 30 of US container ports, bringing in nearly 3m metric tonnes of cargo every year. It is the primary port of entry for a range of car manufacturers including Honda, Fiat, Audi, and Volkswagen. It is notable as it is a deep-water port, including the only major submarine and shipbuilding yards on the West Coast.

Sectoral industry base

San Diego is home to a dynamic manufacturing cluster that spans many industries, including defence, aerospace, medical devices and technology. Its proximity and links into Mexico form a cross-border

manufacturing cluster specialised in high-value products.

The region has the largest concentration of military assets in the world, powering a defence industry of national importance. Taking into account induced effects from the cluster, around 20 per cent of San Diego's gross regional product is the result of defence-related spending. The cluster feeds new sub-sectors like unmanned systems and cybersecurity. The region is seeing these areas grow in international markets through exports.

In recent times the region has emerged as a hub for healthcare and biotechnology innovation. This has been driven by – and led to – a clustering of major pharmaceutical companies, research institutions and universities. This top-level segment is supported by numerous small and medium sized life science firms. SDREDC market themselves as one of the top three life science markets in the world.

National economic context

With companies that are genuinely pioneering in their fields and sectors described above, San Diego is regarded as a dynamic economy of national importance with an estimated GDP of £186bn in 2020. It has a mix of heavy industry – partly driven by the military presence – and the startup culture which defines much of California's cities. In 2014 Forbes named it the best place to start a business in the entire country. They pointed to the strong fundamentals, young and diverse talent pool, educational institutions and high quality of life as key factors. In 2021 Forbes named it as third nationally in a list of best cities for small business.

Role in inward investment and trade

The commercial port and its location on the US-Mexico border make San Diego a key asset in the nation's international trade infrastructure. The city has authorisation from the federal government to operate as a Foreign Trade Zone – analogous to a freeport in the UK – where goods can be processed and reexported without incurring customs charges.

World Trade Center San Diego (WTC) is an affiliate of the SDREDC that helps to cultivate a pipeline of export-ready firms, drives inward investment and enhances connectivity to foreign markets. There are two prongs to the support. The Export Specialty Center provides for small companies interested in learning about exporting and international growth. MetroConnect is a program for small and medium sized companies which are ready to export and grow internationally.

WTC plays a key role in encouraging foreign investment by stewarding the region for high-priority foreign delegations and supporting international route service development – working directly with the San Diego County Regional Airport Authority (who own and operate San Diego International). Retention and expansion consulting services are also offered to foreign firms employing San Diego residents.

Furthermore, WTC seeks to amplify the region's economic brand abroad by spearheading annual trade missions to key international markets, as well as creating and distributing global marketing materials.

6. Gatwick's Future Economic Zone

6.1. Methodology

Without one singularly identifiable AEZ for Gatwick, research into the airport's own economic zone looks at three different examples: the Gatwick Diamond, Coast to Capital, and the Five Authorities area. These are regions which The Gatwick Airport Masterplan of 2019 and Economic Impact Assessment of 2021 considered as economic areas around the airport.

These areas are assessed according to the same metrics as the domestic zones under Chapter 4. These are:

- Partnerships and governance
- Form and function
- Geography
- Population and demographics
- Infrastructure and transport
- Sectoral industry base
- Skills and innovation
- Gross value added (GVA)
- Earnings and cost of living
- Educational attainment levels
- Employment and claimant data

6.2. Gatwick's future economic zone

Gatwick Airport is the UK's second largest airport and flies a range of both long-haul and point-to-point services. In 2019, it was the 10th busiest in Europe, and 42nd globally. It has seen strong, consistent growth since the turn of the century. Before the pandemic it handled 46m passengers a year, up from 30m in the early 2000s. Gatwick is among the most efficiently run airports worldwide, with its single-runway operation managing more aircraft movements than many major European airports with two or more runways.

Barcelona, Dublin, and Malaga represented the busiest routes in 2019. Short-haul travel such as this has been key to Gatwick's growth, with low-cost airlines such as easyJet basing themselves at the airport. Gatwick's long-haul routes are key to the role it plays in international trade. Gatwick was the fifth-busiest airport nationally for cargo (measured by the weight of freight handled) in 2018. Heathrow was first with East Midlands Airport a comfortable second. Stansted and Manchester, with similar compositions of short vs. long-haul flights, both handled more freight in 2018. Unlike the model seen at airports such as East Midlands, Gatwick does not have dedicated freight flights. All cargo travelling to or from the airport is carried in the belly-hold of passenger aircraft.

In 2019, Gatwick transferred to new management with VINCI Airports now owning the majority shareholding (50.1%). The remainder is owned by a consortium of investors and managed by Global Infrastructure Partners (GIP), who have operated Gatwick since 2009. As a global

operator, VINCI Airports designs, builds and operates 53 airports worldwide, including Belfast International in the UK.

A nationally significant infrastructure asset, Gatwick is a major driver of growth on both a regional and national level, and one of Europe's principal gateways. In 2019, the airport supported more than 135,000 jobs and contributed over £8.3bn to the UK economy. Consider also the £7.5bn in trade it facilitated each year before the pandemic and the scale of the impact is clear. This economic significance means various local and regional partnerships identify Gatwick as an asset and articulate its role as relevant to them.

Partnerships and governance

Currently, there is not one singularly identifiable AEZ for Gatwick Airport. Different constellations of partners and geographies exist and there is not an overarching, collaborative approach or governance which focuses an economic zone to an external audience.

Form and function

The Gatwick Diamond is best understood as a business location which emanates outwards from Gatwick Airport and covers much of the immediate economic area around it in West Sussex and East Surrey. Operating within it are the Gatwick Diamond Initiative (GDI) and Gatwick Diamond Business (GDB). The Gatwick Diamond Initiative (GDI) is a business-led economic partnership. It was initially established to provide an economic identity to the area around the airport. Since then, the

economic landscape has changed and other geographies (such as the Local Enterprise Partnership) also support this function. The GDI's website describes their key objectives as promoting the area as a world class business location, attracting inward investment, helping to retain existing business, and fostering the growth of new businesses. Promotional documents and branding support this. Gatwick Diamond Business (GDB) is a business community run by and for its members. It represents businesses large and small located within and around the Gatwick Diamond area and runs seminars and events that allow its members to network and build relationships.

Figure 15 below displays a branded piece of material from the GDI¹² which displays a representation of the urban centres within the area and the transport connections underpinning it.



Figure 15: Gatwick Diamond © The Gatwick Diamond Initiative

Coast to Capital Local Enterprise Partnership (LEP) is a business-led

¹² The map illustrates the core Gatwick Diamond area, but as a functional economic area, with Gatwick Airport at its heart, the area extends more widely and is not restricted by local authority boundaries.

Gatwick’s Future Economic Zone

collaboration between private, public and education sectors. It covers a diverse area which includes East Surrey, Brighton & Hove and West Sussex.

One of 38 LEPs across England, it aims to support the regional economy through business engagement and support, skills initiatives, and by working with partners to bring forward transformational projects across the region. The future of LEPs looks set to change over the coming years in response to the government’s 'levelling up' policy. As there is no existing devolution deal in the Coast to Capital area, the LEP will continue to provide economic leadership for the foreseeable future.

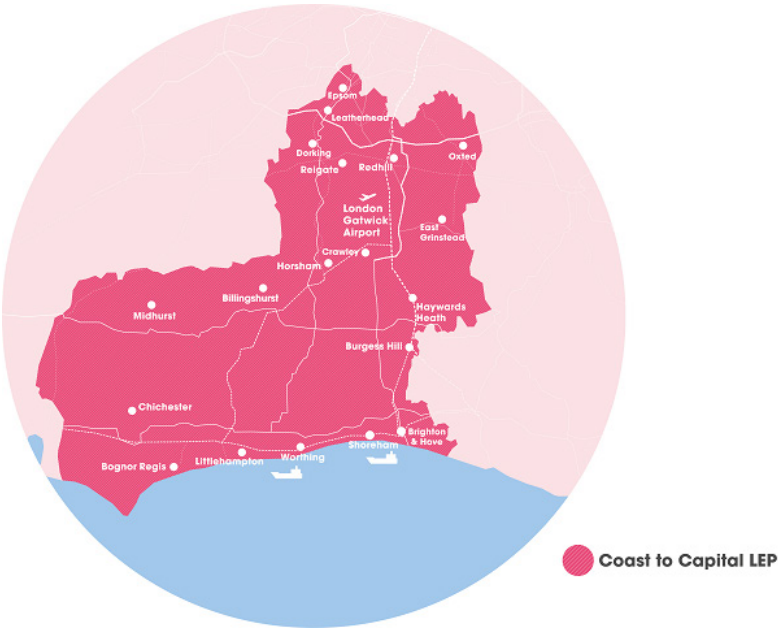


Figure 16: Coast to Capital © Coast to Capital LEP

The Five Authorities area is made up of five local and unitary authorities

surrounding Gatwick Airport: West Sussex, East Sussex, Surrey, Kent, and Brighton & Hove. No joint governance frameworks exist between these authorities. However, there are considerable economic linkages across the region and scope to build on this reality to create structures which support it. Many of the places within the Five Authorities area share similar characteristics.

Geography

The Gatwick Diamond area is just over 600 square miles. It is also the most urban of the geographies by proportion, and largely suburban in character. Key centres include Crawley, Reigate-Redhill, Dorking, East Grinstead, Horsham, Haywards Heath and Burgess Hill.

Coast to Capital represents a larger area than the Gatwick Diamond at around 1,060 square miles. It extends further westwards than the Gatwick Diamond, incorporating the rural areas that exist in this part of West Sussex.

The Five Authorities area is by a distance the largest geography at 3,545 square miles. East Sussex and particularly Kent are large areas which include extensive Areas of Outstanding Natural Beauty (AONB) and are therefore very rural and sparsely populated in places. Similarities in the urban form of medium-sized towns is present across much of the Five Authorities area. Royal Tunbridge Wells, in West Kent, is a prosperous commuter town of a similar nature to those found in East Surrey and West Sussex, for example. Parallels can likewise be seen between the seaside Kent towns of Ramsgate and Margate and those on the coast in

East and West Sussex.

Location	Total area (sq mi)
Five Authorities	3,545
Coast to Capital	1,060
Gatwick Diamond	600

Source: Standard Area Measurements, ONS – 2020

Figure 17 below displays these geographies layered on top of each other. The representation of Coast to Capital includes the areas of Croydon (the northern-most bit of light green) and Lewes (the most south-easterly light green segment) but after boundary changes in 2018, these areas are no longer part of Coast to Capital. The Gatwick Diamond geography (darker green) is not an exact likeness either. Gatwick Diamond Business has members that extend over a larger geography. Gatwick Diamond Initiative has involvement from both Croydon to the north and Brighton & Hove to the south.

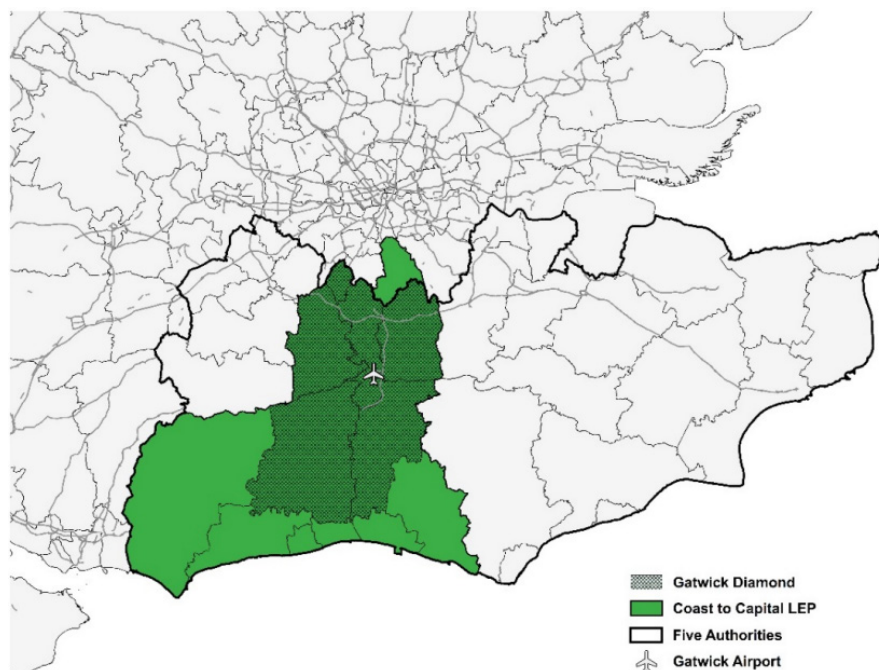


Figure 17: Gatwick Diamond, Coast to Capital and the Five Authorities area overlaid © Oxera

Population and demographics

The Gatwick Diamond area had a population of over 800,000 in 2020. Much of this population is concentrated in the urban centres described above, or in their surrounding suburban hinterland.

As of 2020, Coast to Capital had a population of just over 1.55m people. Brighton & Hove and along the coast to the west are densely populated urban areas. Brighton & Hove is the second most populous urban area in South East England, after the Southampton-Portsmouth urban area (not including London).

Being by far the largest area geographically, unsurprisingly the Five Authorities area is also the most populous. Over 4.5m live within the authorities it covers.

Looking at a more local level around the airport, Crawley Borough has an estimated population of 112,000 residents. It differs from the national figures around age distribution in notable ways. Its proportion of residents aged 0–14, for example, is higher at 21% than the national level of 18%. The opposite is true in the 15–29-year-old cohort, with 17% compared to 18% nationally.

It also has a larger 30–44 age group at 24% of the population, compared to 19% nationally. The 60+ bracket is markedly lower at 19% than 24% nationally.

Location	Population (2020)	Ages 15–29	Ages 30–44	Ages 60+
Crawley	112,500	17%	24%	19%
Gatwick Diamond	816,300	15%	19%	26%
Coast to Capital	1,565,700	17%	19%	26%
Five Authorities	4,507,200	18%	18%	26%
England	56,550,100	18%	20%	24%

Source: Population estimates, ONS – 2020

Infrastructure and transport

Transport connections are a key asset of the Gatwick Diamond, Coast to Capital, and the Five Authorities areas. In many ways these connections and the infrastructure which underpins them has shaped the development of these economies. The railways have led to many towns in all these areas becoming part of London's commuter belt. The pandemic has

threatened to alter this dynamic as homeworking has risen in prevalence. As restrictions are eased and many firms encourage workers back into the office it is still too early to tell what long-term impact this will have on commuting patterns.

The Brighton Main Line is a railway spine running north to south through Gatwick Diamond and Coast to Capital areas. Commencing from both London Victoria and London Bridge, the railway converges at Croydon and continues south through the region until it reaches Brighton. In doing so it passes through many urban centres and Gatwick Airport itself. Towns that do not lie directly on the line are instead linked to both London and Brighton by way of other railway lines that connect onto the Brighton Main Line.

In Kent we see a similar network on railway trunk routes which connect its commuter towns to the capital. Towns such as Sevenoaks and Tonbridge have rapid links into the city centre and are some of the busiest parts of the railway network in the country. Kent also possesses the only high-speed line operational in the United Kingdom: High Speed 1. Starting from St Pancras in London, it travels through Kent, stopping at Ebbsfleet and Ashford, and onwards to France via the Channel Tunnel.

All three regions also contain integral parts of the national strategic road network. The M25 runs through Surrey and Kent in the north. The M23 runs southwards off the M25 through the Gatwick Diamond to Crawley, continuing onto Brighton as the A23. In Kent, the M20 branches off the M25, running through the county and connecting to the Channel Tunnel, providing an alternative option to travel to continental Europe.

Significant intra-regional connections exist too. Though less developed than the north-south routes already described, railway lines run east to west across West Sussex and Surrey to East Sussex and Kent. 'A' roads and their feeder carriageways traverse the South Downs National Park and the High Weald Area of Outstanding Natural Beauty linking the urban areas across the wider Five Authorities geography.

Sectoral industry base

Within the three potential economic geographies that this report has identified, significant crossover between sectoral strengths exists. Financial services, medical technology, and pharmaceuticals are strong in the Gatwick Diamond. As the Coast to Capital geography extends further south and west, industries such as horticulture and creative, digital and IT (CDIT) become increasingly prevalent. Figure 18 illustrates this by showing some of the major companies within key industries of Coast to Capital and plotting their location on a map.



Figure 18: Sectors and major companies © Coast to Capital LEP

Gatwick Airport attracts a cluster of aviation, aerospace and defence industries around the Crawley area. The most specialised sector in the Gatwick Diamond is *Air Transport*, at 9 times more specialised than the national level. *Air Transport* is also the most specialised sector in Coast to Capital with a location quotient of 5, followed by *Manufacture of Computer, Electronics and Optical Products* at 3 times more specialised. Horticulture, viticulture and food manufacturing industries are spread across the Coast to Capital rural areas. Insurance and financial services are a particular strength in Crawley, Mid Sussex and Brighton & Hove. Pharmaceutical industries are very strong in the West Sussex area. CDIT is a particular strength of the Brighton economy but there are also

clusters in the north, benefitting from connectivity to London. Medtech is a strength of Crawley, with world leaders such as Elekta and Varian. There are also advanced manufacturing and engineering clusters in West Sussex and Crawley.

The Five Authorities area has a similar sectoral profile to the Coast to Capital and Gatwick Diamond areas. *Fishing and Aquaculture* and *Forestry and Logging* are the top two most specialised sectors in the Five Authorities area with location quotients of 2.9 and 2.7 respectively, however *Air Transport* comes in a close third with a location quotient of 2.1. Life sciences and manufacturing are strong in Kent, drawing parallels with neighbouring East Sussex which also has a strong manufacturing industry; it provides 14.5% of GVA in Hastings for example.

Looking at Gatwick's immediate area in more detail, at the two-digit standard industrial classification level, 10% of Crawley's jobs (just over 9,700) are in the *Air Transport* sector. When using Location Quotient (LQ) analysis to understand the level of specialism relative to the country as a whole, this sector represents a LQ of 36.9, highlighting this as the most specialised sector in Crawley. Major employers within this sector include easyJet and Virgin Atlantic, whilst the airport itself is within the *Warehousing and Support Activities for Transportation* sector, employing over 1,700 people at the end of 2021 and a LQ of 6.

When compared to local authorities in the other domestic AEZs, Crawley has the highest LQ in *Air Transport* at 36.9 with all other areas having LQs below 20.

The second most specialised sector in Crawley is *Manufacture of Computer, Electronic and Optical Products* with a LQ of 10.7. This sector includes specialist medical companies such as Varian Medical Systems and Canon Medical Systems.

Location	Total jobs (2020)	Sector	Location Quotient
Crawley	94,477	Air Transport	36.9
		Manufacture of Computer, Electronic and Optical Products	10.7
Gatwick Diamond	376,008	Air Transport	9.3
		Extraction of Crude Petroleum and Natural Gas	6.0
Coast to Capital	686,996	Air Transport	5.0
		Manufacture of Computer, Electronic and Optical Products	3.0
Five Authorities	1,713,447	Fishing and Aquaculture	2.9
		Forestry and Logging	2.7

Source: Jobs by industry, Emsi Burning Glass – 2020

Skills and innovation

Existing/planned skills infrastructure:

- Coast to Capital Institute of Technology – consortia led by Chichester College Group, partners are NESOT and the Universities of Brighton and Sussex. The project received approval in 2022. It is set to include a new state-of-the-art facility at Crawley College. The new hub is expected to be complete by March 2024. The Institute will provide skills support across an area which covers East Surrey, West Sussex, Brighton & Hove.

Existing/planned innovation infrastructure:

- Crawley Innovation Centre – led by Crawley Borough Council. The Centre will be situated in Manor Royal Business Improvement District nearby the Airport. The project received approval in 2022 is expected to be operational before the end of 2023.

Gross value added (GVA)

Gross value added (GVA) in Coast to Capital was estimated as £46.6bn in 2019. In the same period the GVA for Gatwick Diamond was estimated at £26.7bn, representing 57% of Coast to Capital's GVA, highlighting a strong concentration of economic activity within the Gatwick Diamond. For the Five Authorities area, the GVA was estimated at £97.5bn in 2019, which is the second largest out of the domestic AEZs (the UK Innovation Corridor being the largest).

In 2019, GVA for Crawley was estimated to be £6bn, this represents 13% of Coast to Capital GVA.

However, when we look at GVA per head of total resident population, Crawley well outperforms against the national level and compared to the other geographies considered in this report. GVA per head was £61,209, which is nearly double the Coast to Capital and national values of £34,165 and £33,809 respectively. Crawley's GVA per head is also the highest out of the other five local authority areas. This could be due to Crawley's high proportion of jobs in relation to the resident population and higher annual earnings for workplace-based roles. The jobs represent 84% of the population and annual workplace earnings in Crawley were £30,995,

much higher than the national average of £26,204 and the highest out of the other local authorities within the domestic AEZs.

In terms of GVA per hour worked, Crawley's rate of £37.10 is slightly higher than both the Coast to Capital and national rates of £36.70 and £35.20 respectively. Although this is not the highest rate compared to the other local authorities in the five other domestic AEZs, with Hillingdon having a higher rate.

Location	GVA pounds million (2019)	GVA per head of population (2019)	GVA per hour worked (2019)
Crawley	£6,057	£61,209	£37.10
Gatwick Diamond	£26,700	£33,375	£38.00
Coast to Capital	£46,624	£34,165	£36.70
England	£1,702,078	£33,809	£35.20

Source: Regional Gross Value Added (GVA), ONS – 2019

Earnings and cost of living

Annual earnings in Coast to Capital were similar to the national average, however house prices were around £120,000 more, making prices 15 times higher than earnings compared to the national average of prices 11 times higher than earnings. Residence earnings in the Gatwick Diamond were nearly £2,400 more than national earnings, but median house prices were £171,000 higher than national prices. This makes the Gatwick Diamond an even more unaffordable area with prices 16 times higher than earnings. House prices in the Five Authorities were slightly lower than Coast to Capital and Gatwick Diamond, but earnings remained similar to the national level, making prices 14 times higher than earnings.

Annual workplace-based earnings in Crawley were around £4,000 higher than resident annual earnings, potentially illustrating there is a higher proportion of higher skilled jobs at businesses based in Crawley, however the residents of Crawley are not necessarily employed in these roles.

This is further illustrated when we look at the ratio of earnings to house prices. House prices are 10 times higher than workplace earnings but are nearly 12 times higher compared to resident earnings.

However, these ratios are still much lower than at the Coast to Capital level where house prices are 15 times the resident earnings and 16 times the workplace-based earnings. This highlights the unaffordability of the region and potentially explains the high proportion of commuters travelling to London for higher paying work.

Location	Residence-based earnings (2021)	Workplace-based earnings (2021)
Crawley	£26,669	£30,995
Gatwick Diamond	£28,536	£26,824
Coast to Capital	£26,750	£25,482
England	£26,192	£26,204

Source: Annual Survey of Hours and Earnings, ONS – 2021

Educational attainment levels

The Gatwick Diamond, Coast to Capital and Five Authorities areas have highly educated populations with 45% of residents in each area educated at degree level or above. This is slightly higher than the national rate of 43% with NVQ 4 or above (equivalent to degree level). These are also

some of the highest proportions compared to the other domestic AEZs, with only the Joint Spatial Planning Framework (JSPF) for Heathrow having a higher proportion.

The proportion of working age residents in Crawley with qualifications at NVQ 1, 2, 3, 4 and above are consistently 10% below the national average. This may be due to the lack of a higher education presence in the area.

However, they have a much larger percentage of residents with ‘other qualifications’ (this includes foreign qualifications as well as some professional qualifications) at 16%, compared to only 6% nationally. This could be due to 19% of the Crawley population being from ethnic backgrounds, compared to 10% nationally.

Location	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
Crawley	31	50	65	77	16	7
Gatwick Diamond	46	63	80	90	7	5
Coast to Capital	45	64	81	90	6	4
England	43	61	78	88	6	6

Source: Qualifications, Annual Population Survey, ONS – 2021

Employment and claimant data

The claimant rate in the wider geographies around Gatwick were slightly lower than the national average in December 2021. The Gatwick Diamond had the lowest rate of the three with a rate of 3.1%, followed by Coast to Capital at 4.2% and Five Authorities at 4.4%. All three of the regions also had relatively high employment rates in September 2021

compared to the national average of 75%. The Gatwick Diamond had the highest rate at 80.4%, likely due to the high rates in Tandridge and Crawley at 89.6% and 87.2% respectively.

As mentioned earlier, the employment base in Crawley makes up 84% of the resident population, the highest compared to local authorities in the other five domestic AEZs. This also translates to a much higher employment rate for Crawley at 87% as of September 2021, compared to 75% nationally.

Whilst Crawley had some of the highest claimant rates¹³ across the country during the pandemic, as of December 2021 the rate was 5.7%, down from 9% in March 2021. However, the December rate was still 1.5 percentage points higher than the Coast to Capital rate and slightly higher than the England rate of 5.5%.

Location	Claimant rate (Dec 21)	Employment rate (Sept 21)
Crawley	5.7	87
Gatwick Diamond	3.1	80
Coast to Capital	4.2	79
England	5.5	75

Source: Claimant Count and Annual Population Survey, ONS – 2021

¹³ Centre for Cities analysis, January 2021

7. Conclusions

7.1. Preface

This chapter of the report presents conclusions reached on reflection of the research into the domestic and international AEZs, and the benchmarking of these to Gatwick.

This report is a first step in understanding the landscape of AEZs and how this might apply to future approaches to developing a regional identity by Gatwick Airport and its partners. The conclusions formed seek to draw out findings from the research and relate them to Gatwick, offering points for consideration as the work towards constructing a regional identity evolves.

The conclusions have also been informed by a stakeholder roundtable with key regional partners where the findings of this report were discussed. Attendees at the roundtable included:

- Crawley Borough Council
- West Sussex County Council
- Surrey County Council
- Gatwick Diamond Business
- Gatwick Diamond Initiative
- Manor Royal BID
- Sussex Chamber of Commerce
- Surrey Chamber of Commerce

- London Chamber of Commerce and Industry
- CBI South East and Thames Valley
- Develop Croydon
- Invest Crawley
- Greater Brighton Economic Board
- Elekta
- KPMG

7.2. Stakeholder feedback

The purpose of this report is to create an evidenced baseline from which future discussion of an airport economic zone around Gatwick can stem from. To that end, we held a stakeholder roundtable with key regional partners to receive their feedback on the research and what considerations should be taken moving forwards. This section reflects on feedback we received and looks at the next direction for the work towards defining an economic zone around Gatwick Airport.

Partnerships and governance

Successful AEZs, both domestic and international, demonstrate strong partnerships. Individual organisations involved in the zone are there because they have agreed upon a set of aims and objectives which guide their collaboration. Governance structures are then formed out of the constellation of partners and the aims.

Feedback from stakeholders at the roundtable reinforced the importance of strong partnerships and appropriate governance structures. For future consideration of an economic zone around Gatwick, a key step will be forming those strong partnerships on display in the successful examples this research has considered. A feature of those example zones is how in coming together to form a group they achieve more than they can as singular organisations operating independently. Coming to agreement on objectives and a strategy for achieving those is crucial.

Form and function

The research shows that the form and function of AEZs are incredibly varied. When looking at the examples in this research, we see function following form in many places – in that the sectors, activities, and focuses of a zone are influenced by the comparative advantages it possesses. Geography plays a role in this. The assets that define a zone will be based upon what is, and is not, included in that zone.

Stakeholders reflected on the fact that in all three of the potential economic zones around Gatwick the research looked at (the Gatwick Diamond, Coast to Capital, and the Five Authorities area), there are a wide variety of sectoral strengths. There was agreement that a critical step would be narrowing down a broad array of sectors to a set that the zone has a significant advantage in. A zone's appeal and brand is determined by what makes it unique – it therefore cannot seek to be everything to everybody.

There was also recognition that defining a form and function for an

area is also instrumental in securing private sector involvement and sponsorship. A clear articulation of what the zone is, how it operates and its priority sectors will support the forming of working relationships with the private sector.

Identity and brand

It was acknowledged at the roundtable that when constructing an identity and brand for an economic zone, understanding the audience is integral. Stakeholders commented on the fact that they were more familiar with the international zones than they were the domestic zones. Part of this was due to audience focus – as AEZs, many look beyond their internal markets of the country they are based in. Attracting foreign investment is a key aim for many and the familiarity of international zones to stakeholders reflects that.

Discussion was held over what the right audience for a Gatwick zone would be. Foreign direct investment was recognised as an important aim, yet new business realities created by the pandemic also led to comments on how domestic investment could be targeted too. Company relocation has been an emergent theme of recent years, and could be a worthwhile consideration for a future Gatwick economic zone with regards to attracting inward investment.

Attracting investment

Attracting investment was one of the key topics of conversation at the roundtable, reflecting how central it is to the functioning of many of the AEZs the research explored. Partners in attendance supported the idea

of more effectively coordinating approaches to investment attraction across the region.

A key point for future consideration was how to define and identify the type of inward investment the region would seek to attract. Forming an idea of target companies – whether that be larger manufacturers or smaller technology or knowledge-based companies – was seen as key. As was agreeing target markets – the domestic market should be looked at as well as foreign opportunities.

Stakeholders representing the Chambers of Commerce across the region and the Gatwick Diamond Initiative shared work and activity they were already involved in towards attracting investment and stimulating international trade. It was recognised that rolling this activity into a future economic zone would be critical and would create a strong offer.

Geography

Stakeholders discussed the potential geographies around Gatwick that could be appropriate for an economic zone and there was wide recognition that further exploratory work would be needed to narrow down and define the most effective geography.

Discussion was also had on land use across the region around the airport and how this would influence the geography of an economic zone. Stakeholders raised how the wider area around the airport still had significant capacity for new commercial space and that new facilities were being constructed and coming online.

There was also acknowledgement that modern businesses did not always require the size of space that more traditional companies might have. High-quality coworking and flexible office space is important, as is larger plots for manufacturers or scientific uses. Understanding the availability and provision of each would be crucial to forming an effective geography and understanding targets for inward investment, as well as the possibility for existing businesses to grow and expand.

Skills and innovation

Skills and innovation capability were key areas of focus for the promotional materials of many of the AEZs the research looked at. Recognising this, stakeholders reflected that a Gatwick zone would have a lot of assets it could promote in this regard. The Crawley Innovation Centre and the Institute of Technology, both in close proximity to the airport, are assets of significance that would support the competitiveness of a future Gatwick economic zone.

This conversation was related to the form and function and identity and brand points detailed above. Where there are key innovation and skills advantages, that should be reflected in the sectoral focus the zone would have. Where innovation is taking place and in what industries the region is creating the skills for the future should be a major consideration when narrowing down and selecting a number of main sectors which would define the zone.

Incentivisation

Stakeholders at the roundtable recognised that incentivizing activity

within a potential Gatwick economic zone would be crucial. Many of the international zones in particular had significant incentives to attract companies into the region and to expand and grow when already there.

Some options for doing this were considered. Simplified planning zones in sites around the region could be one avenue to explore further. The research touched on the fact that neither the Gatwick Diamond or Coast to Capital had an enterprise zone in their areas. With the prospect of further enterprise zones unlikely, partners would need to consider other potential options for feasible and low cost incentive packages which could act as pull-factors for companies to locate in the region, and for companies already there to expand and grow.

The international examples were particularly pertinent to discussions on the topic of incentives. Greater flexibility and capability to create bespoke incentive packages were present, and could provide useful learnings for a future Gatwick economic zone.

Advocacy and lobbying

Stakeholders at the roundtable reflected on the fact that though it would be a consideration for a latter stage of evolution of an economic zone around Gatwick, advocacy and lobbying for the zone would be a crucial element to address.

With new waves of devolution likely as a result of the government's levelling up agenda, understanding how a Gatwick economic zone would interface with new regional powers and activity would be key. Discussions pointed back to how the partnerships and governance

structures that would underpin a potential Gatwick economic zone would be key in devising a strategy for advocacy and lobbying.

7.3. Findings based on the research metrics

The following are reflections based on the key research metrics considered when analysing each of the comparator zones.

Partnerships and governance

Overall, the AEZs considered in this research were developed from the ground-up, defined by the key regional partners, as opposed to being top-down choices of a national or central government or institution. Partner organisations come together to work collectively on what they see is a regional issue or opportunity. This is evident in the international examples considered, particularly Tenerife, and in the domestic too. The slight exceptions to the rule may be East Midlands Freeport, Manchester Enterprise Zone and Luton Rising, which are based around enterprise zones. Freeports and enterprise zones are central government policy and in some sense top-down. However, gaining freeport or enterprise zone status is a competitive process and still requires a partnership approach and local decision making as to the geographic extent of the zone and of its assets.

Partnerships are primarily driven by the public sector at an early stage in the UK zones considered. Local authorities or institutions identify the issue and are instrumental in beginning the work towards an AEZ. International approaches are more mixed. San Diego and Tenerife are examples of AEZs formed through the leadership of the private sector,

in the case of the former, and through a joint approach in the case of the latter. San Diego is the only zone where the public sector is not heavily involved in some capacity. Once operational, however, all zones show extensive collaboration between both the private and public sectors.

There are examples of AEZs which stem from combined authorities, like Manchester Enterprise Zone in the UK or Fairfax County in the US, and those more akin to a merger of equals, where similarly sized local authorities group together – such as in the Heathrow Strategic Planning Group. There is not an obvious correlation between a combined authority and a successful AEZ, though there are advantages. Where the geography of the AEZ and the combined authority is the same, like Greater Manchester/Manchester Enterprise Zone and Fairfax County, those organisations can fast-track decision making and be agile in their conversations with investors and external parties. Where there is a more extensive network of local authorities involved in the zone, differing views and dispersed decision-making presents more of a hurdle. Places like the UKIC seek to mitigate this through creating bodies which can speak and act on behalf of the whole area in a coordinated way. The UKIC's APPG and the role of MPs in that area streamlines an otherwise convoluted structure.

Form and function

The form and function of AEZs varies immensely amongst the examples in this research. This indicates that rather than there being one preferred approach, there are multiple ways to create a successful AEZ.

Function appears to follow form in many places. AEZs tailor how they operate based upon their assets and competitive advantages. For example, AEZs with enterprise zones are focused on attracting businesses to new sites. Luton Rising and Manchester Enterprise Zone devote significant amounts of marketing collateral and promotion to this. Those with strong existing assets focus more on lobbying for public funding for infrastructure upgrades and privately sourced inward investment. The UKIC is the best example of this. Where there is a need to diversify an economy overly reliant on a sector, like in Fairfax County, much of the AEZs focus is on attracting companies from other industries to the area.

Some zones show the ability to adapt their function in response to a changing external environment. Dublin and Ireland's inward investment attraction agency, the IDA, pivoted focus to attracting firms seeking to leave the UK in the wake of the Brexit vote, for example. The Heathrow Strategic Planning Group has recently shifted its core focus from Heathrow expansion to addressing recovery from the pandemic. This allows zones to respond effectively to opportunities, in the case of Dublin, and challenges, in the case of Heathrow, directing resource to where it is best used rather than following previously agreed objectives for the sake of it.

Geography

Scale varies across the comparator airport zones we have explored. Effective AEZs appear to approach the question of size and scale by assessing economic assets around them and incorporating those which

support the formation of the type of economic zone they envisage.

For example, the UKIC has a geography which is primarily driven by subsuming assets which support its vision of being seen as the area with the highest potential for growth in the UK.

Luton Airport's economic zone, in contrast, has a more locally focused identity. It is not seeking to stretch its boundaries to include nearby economic centres such as Milton Keynes and Cambridge to the north, or London to the south. The extent of the AEZ is set by the leading role that the unitary authority plays in the operation of the airport and in setting the economic strategy for the area.

International economic zones offer more variation in scale still. American examples such as San Diego reflect the reality that America is vastly bigger than the UK. Its county area is an administrative boundary which also forms the basis of the geography that the Regional Economic Development Corporation seeks to articulate. It is larger than even the Five Authorities area around Gatwick, which constitutes a large part of south east England. Yet in contrast to the Five Authorities area, this is not a merging together of distinct regions with various layers and distinctions in governance. It is largely centrally administrated and is therefore an eminently coherent area. San Diego also makes much of its links beyond this central county area. The cross-border connection to Mexico and to the neighbouring Imperial County forms part of a regional manufacturing cluster that is a key part of the area's attraction for firms in related industries.

The geography of a potential AEZ around Gatwick will depend on the vision that partners choose to pursue. If the area around Gatwick is a professional services and financial hub, links into Brighton and London are crucial components. If it is an advanced manufacturing centre, eastward links into East Sussex and Kent, and westward into West Sussex around Chichester are key – with northern and southern extension of less significance. In reality, of course, the area around Gatwick is multifaceted and has strengths in a range of sectors. Integrating these strengths into an overarching vision will be what determines an effective scale.

Other considerations of an appropriate geography might include aspects of tourism and the visitor economy. External stakeholders such as the Gatwick Diamond Initiative identify how this a key part of an overall strategy for inward investment. Further research into how more tourism-based geographies overlap or differ with more purely commercial interpretations would be an important step to take in this regard. This can be related to the operations of Gatwick and how international airlines see the effective geography around the airport. The area's fast connections into London, which attracted around 30m tourists a year prior to the pandemic, is also relevant to this.

Finally, it would also be useful to note how geographies around skills development in the region are evolving, and how this should feed into discussions around Gatwick's future economic zone. Sussex Chamber of Commerce was one eight Local Skills Improvement Plan (LSIP)¹⁴ trailblazers selected by the Department for Education. This constitutes another geography in the region which will be relevant to both the public

[14 LSIP Trailblazer Report](#)

and private sectors. The LSIP area runs from Gatwick Airport south to Brighton and along the entire Sussex coastal strip, described as an 'inverted T'.

7.4. Broader observations

The following are conclusions drawn from broader points which can be seen across the AEZs looked at in this research.

Advocacy and lobbying

AEZs with a developed approach to advocacy and lobbying utilise local political power in practical ways – such as in leveraging funding, getting control over policy levers, and raising their region's profile. Examples of this vary across the zones. Some have ad hoc arrangements, where advocacy seeks to resolve specific areas as they arise. Domestically, Manchester Enterprise Zone excelled at this during the time the enterprise zone around the airport was being formed. They exploited the vested interest Westminster had in its success (George Osborne was promoting his Northern Powerhouse policy) and used this to raise the awareness of the zone and attract significant foreign investment.

There are also more formalised approaches, typified by the UKIC and its APPG. Though holding no official place within the legislative functions of parliament, APPGs have proved useful devices for concentrating views on a specific subject matter.

The UKIC APPG says its purpose is to champion the Corridor as one of the most economically productive regions of the country which has

uniquely developed specialisations in science and technology. By acting as a core hub of legitimacy for the very UKIC concept, it has the influence required to bring public, private and third sector organisations together in support of the vision. Its main vehicle for doing so is its annual general meetings. Taskforce or specific meetings are also convened by the UKIC – thereby drawing on the legitimacy the APPG provides – to bring key partners together to discuss items. For example, a West Anglia Taskforce event, bringing together stakeholders including MPs, business CEOs and Network Rail, to discuss increasing investment in the West Anglia Mainline.

The success, then, of the APPG is that it has created a legitimate and authoritative voice for the region. The UKIC is the brand that promotes the area, but the APPG is the vehicle through which it speaks. If responding to a consultation or a spending review, for example, the response will come from the APPG. If wishing to bring together stakeholders, as described above, invitations will come from the APPG. It centralises the communication coming from those participating in the UKIC and allows the message to be delivered by those actors closest to the power centres of government – the MPs.

Identity and brand

At their core, AEZs are an attempt to distinguish a particular place from its competition. A compelling identity is therefore integral. Doing so requires regions to first gain an intricate understanding of what makes them unique, and then turn this into a brand for external audiences. It is evident that both the domestic and international zones explored

have worked through this question and created clear ideas of what their region's strengths are, and therefore what it should be known for.

Zones with successful identities and brands, the UKIC and Fairfax County in particular, present a unified and clear articulation of where the zone is, why people should be interested in it, and what opportunities are there within it. They address the question of what sets a region apart from others.

The research has shown pitfalls that can occur with approaches to identity and brand too. Luton Rising, the brand for the airport and its AEZ, is not as focused as other examples. Perhaps because the airport and the enterprise zone around it are under the control of the local authority, it is split between promoting the airport's statutory consultation for its expansion plans and marketing commercial space developments. Rather than one central hub, Manchester Enterprise Zone appears to have a many layered approach to marketing via its many partners.

The UKIC, on the other hand, manages to focus attention on its main website and communication channels. This is done well despite the region representing a wide array of partners and areas, demonstrating a successful approach to creating a coherent identity across a large area.

This is pertinent to Gatwick with the various definitions that exist of its economic zone or regional area. A number of websites, brands and communication channels take a role in talking about the economic area around the airport. A key consideration of any attempt at forming a cohesive regional identity needs to be clarity for external audience.

Engagement can be better captured and catalysed if it is centralised in one overarching brand. This does not mean local and individual identities cannot exist within it. Pooling efforts will provide these with more exposure, not less.

Attracting investment

The domestic AEZs vary in their approaches to attracting inward investment. Manchester Enterprise Zone has the most developed example. Here, the zone and its partners work closely with key regional and national organisations on attracting investment. Close relationships have been formed with the Department for International Trade (DIT), for example. It links into the work which has been pioneered by the mayoral combined authority in its established inward investment agency, MIDAS. Focus has been on proactive targeting of countries for investment into Manchester Enterprise Zone, particularly China, but also leading companies which align to sectoral development occurring within the enterprise zone.

What is of note when looking at the domestic zones is that there is a limit to what they can do with regards to inward investment. Quite unique to the UK is the centralisation of inward investment. DIT takes a leading role, as one would expect, but little of substance is passed down to a regional level in terms of levers which can be pulled. Dislocation between inward investment agencies and planning authorities also constrains the depth of conversations that can be had with companies that may be seeking to move to the area. Commonly this results in AEZs instead promoting existing or planned developments which they know will be

seeking tenants now or in the near future. The biggest opportunities to attract investment come from those areas within regions which have policy levers. East Midlands Freeport has government commitment on significant funding and a set of incentives for firms to locate there. That can be used by authorities participating in the freeport to attract business.

This contrasts to the powers that international zones such as Fairfax County and San Diego possess. The economic development corporations which promote these regions are given statutory footing by the county administrations, which themselves have discretion to use levers such as incentives and planning. This allows for more impactful conversations with companies that may be considering investing in the region. Unlike the UK, where constant dialogue with DIT and planning authorities would be essential, these corporations can be a one-stop-shop for investors. Likewise, Dublin's economic area is integral to the economy of Ireland. While the inward investment service there is a national agency, its focus is primarily on the Greater Dublin zone. This too provides for a more streamlined approach than is possible in many cases in the UK.

Discussions around the Levelling Up White Paper have involved the possibility for the devolution of business rates to mayoral combined authorities. This would constitute a significant advantage for these areas in the race to attract investment. They could then have the type of conversations which, as described, are generally more possible abroad. Those authorities and their inward investment agencies could negotiate in conversations with investors and use the business rates lever to close deals. In the domestic zones considered, Manchester Enterprise Zone

would therefore stand to benefit further.

Incentivisation

Unlike the majority of case studies in this report, Gatwick does not have either policy-backed economic areas, such as an enterprise zone or freeport, nor a combined authority likely to receive devolved business rates powers. In the absence of these assets, the airport and its partners would need to consider carefully how best to position themselves to attract companies and investment in a competitive market.

Incentives are crucial to attracting new people, companies and investment into the area. They are often integral to marketing and promotion efforts and help areas stand out against competitors in what is a congested market. Enterprise zones have relatively weak incentives for major companies, yet they at the very least indicate government support to development and economic growth in that area. Foreign companies are very aware of the sporadic and unreliable nature of planning policy in the UK, and even with minimal financial benefits that may be accrued through location in an enterprise zone, the commitment from government and local authorities can be extremely important. New designations of enterprise zones appear to have stalled and they no longer appear a central focus of government growth policy. Freeports were a policy driven heavily by the current government when they came to power and have been rolled out relatively quickly. Gatwick Airport and regional partners made a submission which was unsuccessful. Beyond this initial tranche of designations, it does not appear new freeports in England are likely anytime soon.



Figure 19: Enterprise Zone Map © HM Government

A Gatwick AEZ would need to consider how to incentivise economic activity without these policy-based approaches present in other areas. This is likely to be based more on the existing assets of the area, such as sectoral strengths and future developments. The Gatwick Freeport bid submitted by the airport and regional partners articulated a case of this nature in arguing a freeport in the region would create fast returns due to the major companies and infrastructure already present in the area.

Skills and innovation

Airports and their economies have been hit hard by the pandemic. As they continue to recover there is an opportunity to rethink the way that they connect with skills and innovation ecosystems.

All the domestic zones, apart from Luton Rising and Gatwick, have an employment and skills academy focused on servicing the airport and its immediate economy. These appear to have launched in response to recruitment challenges over the years and to ensure local residents get access to training and employment opportunities that arise through the airport. A potential Gatwick AEZ offers the opportunity to explore what is and isn't working elsewhere and to develop a model for employment and skills that is fit for the future plans of the airport and the surrounding economy.

Each of the domestic zones, apart from Luton Rising, has an established or newly developing Institute of Technology (IoT). It would therefore seem airports are a strong driver in the establishment of IoTs. They will offer a strong response to the impact of the pandemic, in terms of upskilling local populations, helping with diversification of the sector base and providing talent to help accelerate the decarbonisation of the existing industries.

Innovation appears to be at the heart of each of the zones, apart from perhaps Luton Rising. Throughout this document we have seen that airports and AEZs attract highly innovative industries into their locale as a result of their connectivity and international focus. The strongest

zones are those that link their innovation activity to that of the airport, the airport being an excellent testbed and potential customer as well as a driver of technological innovation.

In short, there is an excellent opportunity for an emerging AEZ to firmly tie in its skills and innovation infrastructure and activity with that of the airport and its associated sectors.

7.5. Next steps to consider

Beyond the reflections and observations detailed above, stakeholders in attendance at the roundtable outlined some further possible next steps which could help inform future work towards a Gatwick economic zone. These were:

- Having looked at airport-based economic zones, further analysis of city-based inward investment models could support further understanding of options. Examples could include Belfast and Bristol.
- Exploration of how engagement with the Department for International Trade could be integrated into a Gatwick economic zone and bring national services to a more local level.
- Develop a greater understanding of what success looks like for AEZs. This could be achieved by conducting more in-depth interviews or conversations with some of the examples the research considered. Impact too – how do the example zones assess and measure their impact on regional economies?
- Developing a business case would be a key step in work towards

Gatwick's future economic zone. Consulting and engaging with stakeholders to identify targets and how it would make a practical difference to the local, regional and national economy would form part of this.

- Ensure that work links in and is integrated into existing activity happening in the region and the forming of new promotional material or assets (for example, Gatwick Diamond Initiative's work on a new website).
- Looking at other potential geographies and areas which could be included in or interact with a Gatwick economic zone. Greater Brighton, the labour market travel-to-work area around Gatwick and the LSIP geography are among these.

8. Information Sources

8.1. Domestic Zones

UK Innovation Corridor:

- [The UK Innovation Corridor](#)
- [Infrastructure needs of UK Innovation Corridor](#)
- [Innovation Assets](#)
- [The UK Innovation Corridor - Local Industrial Strategy Growth Directive](#)
- [UKIC - Global Scientific Superpower](#)
- [The Innovation Core](#)
- [Stansted Airport - Employment and Skills](#)
- [London City Institute of Technology](#)

Manchester Enterprise Zone:

- [Manchester Enterprise Zone - 5 Year Review - 2012-2017](#)
- [Corridor Manchester - Enterprise Zone](#)
- [Invest in Manchester - Enterprise Zones](#)
- [Manchester Airport Enterprise Zone](#)
- [Manchester Airport City - Enterprise Zone Overview](#)
- [Oxford Road Corridor](#)
- [Manchester Airport Academy](#)
- [Greater Manchester Institute of Technology](#)

Luton Enterprise Zone:

- [Luton Enterprise Zone - Overview](#)
- [Luton Rising - Luton Airport Enterprise Zone](#)
- [Aerozone Stansted - Education centre](#)
- [Luton DART \(Direct Air-Rail Transit\)](#)

Heathrow Airport:

- [Heathrow Strategic Planning Group - Overview](#)

- [Vision and Development Principles for the Heathrow sub-region](#)
- [Economic Development Vision and Action Plan - Arup](#)
- [An Economic Vision for the Heathrow Strategic Sub-Region](#)
- [Heathrow Centre of Excellence for Sustainability work](#)
- [Heathrow and Digital Catapult - Fly2Plan](#)
- [Economic impact of Heathrow Airport - Cebr](#)
- [Heathrow Academy](#)
- [West London Institute of Technology](#)
- [London West Innovation District](#)

East Midlands Freeport:

- [East Midlands Freeport - Overview](#)
- [UK Freeport bidding prospectus](#)
- [East Midlands Freeport Proposal - 2021](#)
- [East Midlands Centre of Excellence in Satellite Applications](#)
- [East Midlands Hydrogen Innovation Zone](#)
- [East Midlands Airport Academy](#)
- [East Midlands Institute of Technology](#)

8.2. International Zones

Tenerife:

- [Why Tenerife - Overview](#)
- [Ports of Tenerife](#)
- [Tenerife overview - Britannica](#)
- [University of La Laguna](#)
- [The European University](#)

Singapore:

- [Visit Singapore - Changi Airport](#)
- [Jewel Changi Airport](#)
- [Singapore overview - Britannica](#)

- [Post-Secondary Education Institutions - Singapore](#)
- [Singapore - The World Factbook](#)
- [Singapore Education System](#)
- [Changi Airport - Initiatives](#)
- [Foreign Direct Investment in Singapore](#)
- [Port of Singapore](#)

Barcelona:

- [Barcelona overview - Britannica](#)
- [Barcelona Airport](#)
- [Barcelona Population](#)
- [Barcelona Airport - Key statistics](#)
- [Barcelona Airport Expansion](#)
- [Meet Barcelona - Overview](#)
- [Barcelona Activa](#)
- [Fira Barcelona - Trade show](#)
- [University of Barcelona](#)
- [FC Barcelona Football Club](#)
- [Catalonia Trade and Investment](#)

Dublin:

- [Economic Profile of Dublin](#)
- [GDP of Dublin - OECD](#)
- [Dublin Port](#)
- [Dublin Universities](#)
- [IDA Ireland](#)

Fairfax County:

- [Fairfax County Economic Data](#)
- [Fairfax County Economic Development Authority](#)
- [Fairfax County - Overview](#)
- [Fairfax County - Transportation](#)

San Diego:

- [San Diego Economic Data](#)
- [San Diego Regional Economic Development Corporation](#)
- [World Trade Center - San Diego](#)
- [San Diego County - Overview](#)
- [San Diego International Airport](#)
- [San Diego Metropolitan Transit System \(MTS\)](#)
- [San Diego Public Transportation](#)

8.3. Gatwick's Future Economic Zone

Gatwick Airport:

- [Gatwick Airport - Economic Impact Assessment - Oxera - August 2021](#)
- [Gatwick's Economic Value Report - May 2021](#)
- [Gatwick's Economic Contribution through Trade and Investment - Oxford Economics - June 2018](#)
- [Gatwick Airport's Outline Employment, Skills and Business Strategy - Autumn 2021](#)

Gatwick Diamond:

- [The Gatwick Diamond](#)

Crawley:

- [A year of Crawley - Impact of the pandemic - Centre for Cities - January 2021](#)

Coast to Capital:

- [Crawley Innovation Centre](#)
- [Coast to Capital Institute of Technology](#)

8.4. Quantitative Research

- Regional gross value added, Office for National Statistics (ONS) – 2019
- Claimant count, ONS – December 2021
- Population estimates, ONS – 2020
- Annual Survey of hours and earnings, ONS – 2021
- Qualifications, Annual Population Survey, ONS – December 2021
- Jobs by sector, Emsi Burning Glass – 2020

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