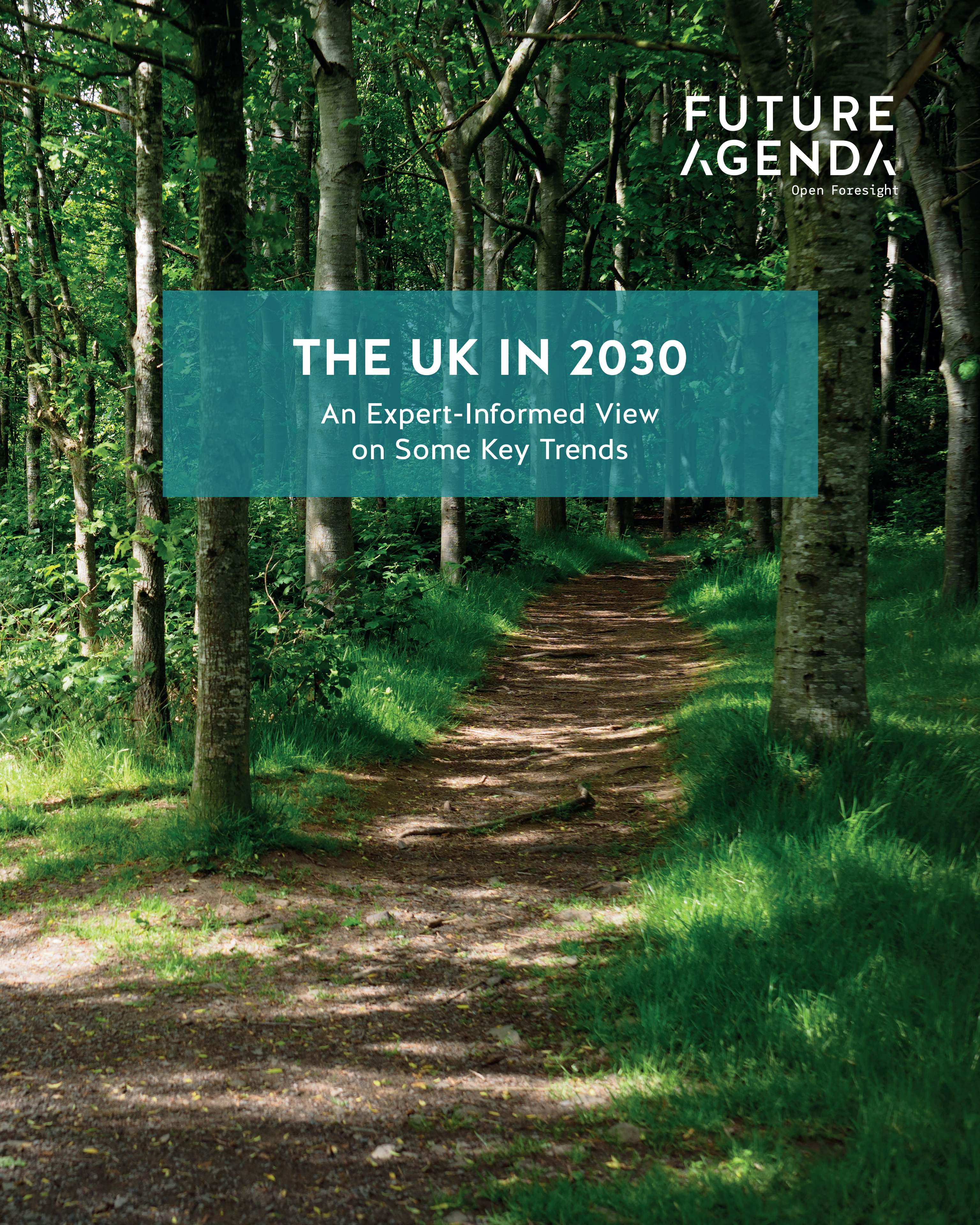
FUTURE AGENDA
Open Foresight

THE UK IN 2030

An Expert-Informed View on Some Key Trends



Looking Ahead

At a time when there is much speculation on what the next twelve months may bring, some are also looking ahead to prepare for the longer term. What will the UK be like in 2030 when the nation is post-Covid, post-Brexit and post-Johnson? Now that vaccines are being rolled out and the initial outline hard Brexit deal has been done, how will the UK fair over the decade – economically, socially and demographically? What changes are already locked-in and what is open to future variation? Based on numerous discussions with a wide range of experts across the UK in late 2020, this document explores some of the key potential trends for the next decade and highlights where the UK may be heading.

Context

Having a well-defined future view is never easy – particularly in times of uncertainty. However, if we can differentiate between the certain, the probable and the possible we can build a clearer picture of the future which may help to challenge assumptions. Since 2010, Future Agenda has been using open foresight to explore decade-long trends with a high degree of accuracy. The World in 2020, written in 2010 for example, accurately anticipated a range of developments such as a global pandemic, the challenges around data privacy, the scaling up of electric and autonomous vehicles, the widespread use of drones and the building impact of solar energy. All of these were anticipated through extensive expert dialogue across multiple disciplines to curate an integrated, informed perspectives which can be accessed by everyone.

We used a similar approach to explore the pivotal shifts ahead for the UK. Following multiple expert discussions including academics, regional and central government, social and business leaders, as well as the military, this document summarises eight areas of alignment about UK 2030 but also highlights three fields where there is substantial difference of opinion.

What We Know About the UK in 2030

Our conversations identified eight core areas where we can have confidence that changes will take place. These trends are:

1. A Changing Demographic Mix
2. Accelerating to Zero Carbon
3. Improved Digital Connectivity
4. Declining Economic Influence
5. More Devolved Power
6. Rising Inequality
7. Emphasis on the Local
8. UK Leadership

Of course, none of this is absolutely certain but these are all areas where we saw a strong alignment amongst the experts we consulted. We hope you find it a useful provocation for planning and decision making about future priorities and actions.

Trend 1 | **A Changing Demographic Mix**

A growing, ageing and more diverse UK population

By 2030, the UK will have the fastest growing and second largest population in Europe: This growth will vary across geographies. England's population is projected to grow by 5.0%, with much of this focused in the South East. In contrast for Northern Ireland, the figure is 3.7%; while for Wales and Scotland, the figures are 2.7% and 1.8% respectively. Overall, we will be ageing faster and, most likely, we will have fewer children. The proportion of the population aged 75 and over will grow by 2m to 11m - and is projected to almost double over the next 25 years. With varied birth rates and the shift in sources of immigration, the country as a whole will also be more diverse with multiple cultures, religions and languages. Although, post-Brexit, net migration may fall a little as it shifts to countries beyond Europe, we can still expect a further 2 million citizens from international migration while around one million will come the ageing population and "more births than deaths". The non-white population, which will largely be a younger demographic, is expected to be greater than 20% of the total for the first time, the majority of whom will continue to live in many of the larger cities. Smaller towns and rural locations are correspondingly expected to be home for an ageing, predominately white population. That said, despite the impact of COVID, the attraction of urban life remains. By 2030 over 85% of the UK population live in urban areas: one of the highest rates in Europe.

Trend 2 | **Accelerating to Zero Carbon**
Widespread adoption of renewable energy

With more frequent flooding, hotter summers and shorter winters the growing impact of climate change is increasingly accepted worldwide and momentum to combat global warming builds. Resilience becomes a priority. Although there is no agreed global blueprint for adaptation and mitigation, different economies around the world step up to the challenge. The UK plays an active role here but does not lead across the board. Nevertheless, the UK policy on renewables, electric vehicles and carbon capture all help to accelerate the shift towards net zero in many local regions and, as a whole, by 2030, the nation will be achieving 100% renewable energy supply for the majority of the year.

However, for instance, the month of November remains a challenge. Low levels of sunlight and insufficient wind limit the ability to generate sufficient renewable energy. More innovation in more efficient long-term storage of electricity is therefore seen as pivotal to ensuring that the UK can continue to use renewable energy through low supply periods. Also, while many regions gain from greater access to renewables, this is not universal. Some energy-intensive sectors, such as the ceramics industry and parts of steel production, where the business cases for adaptation is poor, struggle to progress to meet targets. While there is confidence in 100% clean energy by 2040, and several cities are at the fore of adoption, 2030 proves too great a hurdle for everyone.

Trend 3 | **Improved Digital Connectivity**

Faster digital network access for many, but not all

By 2030, 5G mobile will be available to 90% of the UK population with 6G launching in several cities. This move to 5G provides the promised higher speed, increased capacity and drives up to 3% net GDP growth. Focused on key infrastructure links and urban areas, multiple new services emerge. However, access is not universal and those living in remote, rural locations continue to lag behind. Despite having access to faster connectivity, for some communities the digital divide remains. Poverty, poor digital literacy and lack of opportunity all constrain take up. Although the digital divide narrows as low-cost access is delivered without parallel investment in skills development and cross-country incentivisation for the continued digital transition, key segments of society fail to benefit from the wider transformation impacting the majority. Questions on data transparency, value and control remain and are areas of continued advocacy and emergent policy focus.

Trend 4 | **Declining Economic Influence**

No longer a top 10 global economy

Irrespective of how its' GDP fares, by 2030 the UK will have dropped out of the top 10 globally as the growth of the economies of E7 nations accelerate. Indonesia, Mexico, Brazil and Turkey all experience higher levels of progress than their G7 counterparts. Alongside China and India, they will collectively account for half with world's economy. As a result the relative value of sterling declines and, when it drops outside the world's top ten economies, the UK influence over the global hierarchy declines. Pragmatically Britain seeks to still operate as part of a European partnership but reposition itself as a global broker rather than rekindle aspirations to be a global power.

Within the country, after a period of rising unemployment due to the post-Covid, post-Brexit 2021-24 recession, manufacturing remains smaller than in many peer economies and the service sector continues to dominate as its share of GBP in UK plc rises from 75% to more than 80% by 2030. Many of the high-value service jobs and most company HQs remain in the South and so overall income continues to be focused there. Although different governments try to mitigate this regional imbalance by driving greater public sector relocation and some private investment seeks to prioritise more diverse future opportunities, the economic dominance of London and its hinterland remains. The deepening North-South economic divide seeds ongoing concern and calls for substantial action.

Trend 5 | **More Devolved Power**
Regions and cities taking greater control

Occurring at different speeds and with varied levels of political support at national, regional and local levels, the UK experiences more devolution and sustained decentralisation. This empowers multiple communities to seek more influence. As power is devolved, English regions also gain more control of their economies and there are more shared federated assets: A more decentralised, devolved UK will continue to fund and access common infrastructure such as financial systems, defence capability and digital networks. Several English regions achieve more control of policy and action – some, such as the South West and North West, are increasingly confident and set their own path. The three smaller nations also have increasing influence on issues such as defence.

Although with a decline in oil revenues, the economic argument for Scottish Independence declines, emotional and political momentum continues to grow. It becomes a matter of “when not if” and many we spoke to saw that 2025/26 is the most probable date for a referendum that leads to a vote for an Independent Scotland which in turn rapidly seeks to re-join the EU. For many, even more likely than Scottish Independence, is the start of reunification for Ireland. They think, given the terms of the Good Friday agreement and the challenges of the post-Brexit trading relationships, Irish Reunification is increasingly credible. It is being prepared for politically and is supported demographically.

Trend 6 | **Rising Inequality**

Sustained gaps across wealth, health and education

Continuing the ongoing trend from the last few decades, the UK becomes increasingly unequal with a rising GINI coefficient. For many there is an unstoppable wealth shift, no matter how extreme the potential political intervention. Some of these exaggerate the problem. Take, for example, the deployment of HS2 which largely benefits London and the professional classes in a few key cities. Those by-passed by these projects find it hard to prosper. As a result, the share of income for the top 1% grows further, with the middle and lower classes having progressively less. Alongside this expect to see an increased focus beyond income inequality to asset inequality. It is in investments, property and pensions where the divides within even affluent areas become more apparent.

Money and material possessions aside, both health and education inequality also increase. As one indication of health inequality, life expectancy already varies significantly within cities. This intra-city disparity grows and in the poorest districts, expect people to die ten years younger than the UK average. Lastly, and linked to both digital connectivity and low-income levels in some communities, there is mounting concern around inconsistency in access to education. At 16 children from a disadvantaged background are at least 18 months behind their more fortunate peers.

Trend 7 | **Emphasis on the Local**

Making more of the nearby community

Pre-Covid19 there was already an underlying trend towards deeper connections with the local rather than the national. The pandemic accelerated and amplified this significantly and, by 2030, with trust in central government still well below average levels, a priority for many is for the regional and local communities. With more single households, a significant share of the population living alone, often renting, are increasingly stressed, stretched and lonelier. Many crave connection and interaction and so seek to make more of their neighbourhood social networks. As those who are able choose to work from home or near home, interactions with local retailers, food and beverage outlets, shared workspaces and walkable leisure attractions increases. For many, retirement at age 65 is economically infeasible. We are also living longer so, as few can fund a 30-year retirement with a 40-year career, the UK pension age moves towards 70. Meantime, those who are able to work stay in the same role for longer, and many prefer to stay in their community rather than retire abroad. Continued common interests and activities are a priority.

Trend 8 | **UK Leadership**
Four core, lasting strengths

Independent of some of the above, the UK continues to lead in four major areas - higher education, finance, science and the creative industries. These have global impact. As a core part of this, international collaboration and new connections with the higher growth economies E7 are sought. Academically the UK continues to have **leading global academic centres**. Institutions like Oxford and Cambridge lead international rankings and so do not compete regionally – they are global and operate at a different level, going beyond national issues and priorities and tapping into wider talent pools and funding. Allied to academic research, key clusters remain at the fore in **scientific, but not innovation leadership**. While the UK includes some of the most science-intensive regions in the world, turning leading research into high-value, good-jobs within commercially focused innovation at scale remains a cultural challenge: building a $1bn rather than a $1tn business remains the ultimate ambition.

In the world of finance, **City of London prominence** is sustained. While some Euro-focused business migrates post-Brexit, a relatively proactive regulatory mindset, a deep talent pool and lower trading costs keep London at the fore globally. Lastly, there is also significant **Creative Industries growth**. Contributing over £150bn a year to the UK economy by 2030, the creative industries aim to add an extra 1 million jobs over the decade and whether in film, TV, music, design, fashion or architecture, UK based talent continues to drive innovation.

Together these eight trends, about which there is strong consensus, portray a country that is moving ahead in some areas in the next decade but also being progressively challenged generally.

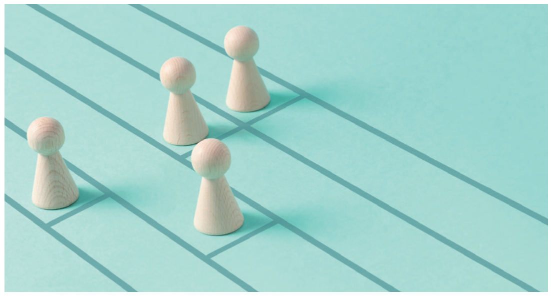
Three Key Areas of Debate

1 | The Lasting Impact of Brexit

Although a residual positive vs. negative view of Brexit is still strongly aligned to how people viewed the topic from the start, and probably voted, the long-term consequences are still unclear. While most acknowledge a short-term economic impact hit, some see that the economy will rebound and be a global leader, others not.

The more bullish support the vision of the UK being an outward-looking nation and global services provider building on existing financial, creative and advisory strengths: In 2030 it could be more prosperous because its trading markets expand beyond Europe. A free trade champion, the UK will become a low tax, low regulation environment that is ambitiously open to unrestricted global trade. Technology innovation and service sector growth drive increasing GDP with benefit shared throughout the country. In terms of migration, although government projections assume continued migration to support the expanding economy, several foresee a significant drop, slowing but not halting overall population growth.

There are many who differ and see that this is a decade of major economic challenge - a sustained period of lower productivity, continual negotiation on tariffs, key problems for Northern Ireland, rising unemployment and less influence. Some also see that, as services were not included in the Brexit deal, the City of London could be negatively impacted by a sustained shift of international talent and business to Paris and Frankfurt. Others support the notion that how the UK is seen by the rest of the world may well be increasingly driven less by GDP and more by its public stance on the issues that matter most.



2 | Sharing Advantage

Irrespective of how the UK economy fares, there is significant variation in how people see a move to a more equitable society occurring in the future. Whether or not the overall UK economy eventually rebounds post-pandemic, there are evident challenges around growing inequality, increased poverty and rising unemployment to address. Some see that a mass reskilling of core communities is called for and that taking advantage of the digital transformation of the economy requires massive upskilling. However, while such skills development may be credible for large employers, public and private, with 60% of the working population in SMEs, funding this will be a stretch for the majority.

Some believe that rising inequality, the North-South Divide and intra-city disparity simply reflect how the UK system as a whole has been, and still is, tilted to benefit the few. There is a "planned advantage" locked into UK society and, no matter how significant a shift there may be in political leadership over the decade, this is unlikely to be reversed. One consequence of this is that, even as the professional classes, the wealthy and a good proportion of those who live in and around London may gain over the decade, advantage and wider benefit will not be shared with others. In particular, there is widespread concern that many cities such as Bradford, Middlesbrough, Stoke and Wolverhampton will all fall further behind. In fact, beyond the few major cities, the challenge of nurturing the opportunity that creates jobs, attracts talent and funds social investment may be too great a hurdle. In contrast we also spoke to several whose eye was focused on the next generation and who hope for a regrouping around shared values at the heart of the community will help foster positive change. New collaborations may well seek to reignite the economy, overcome recent conflict and rebuild a collective shared future.

3 | National Identity

Lastly comes the long-standing question of identity and whether or not by 2030 its citizens will indeed align themselves to the concept of being a member of the United Kingdom. Rekindling the apparent unity that occurred with the 2012 London Olympics continues to be an aspiration – but one that is not met. For the 10 million who live in Scotland, Wales and Northern Ireland, being British has always been a questionable, and sometimes politically charged, issue when there is a far stronger national identity for the home nations. But by 2030, some suggest that the same may be true for those in several regions of England, such as the South West or the North East. The idea of being English for many has been hijacked by the far right and this will become increasingly marginalised. Beyond a few pivotal sports events, mainly in football, aligning around St George's flag may be a challenge. The prominence of regional allegiance above the national may therefore grow and being a Geordie, Scouse, Mancunian, Brummie or Yorkshireman could again a primary source of identity.

For those who consider that the Union will be sustained, they suggest that the UK is unified by three long-term institutions – the monarchy, the military and the currency. While all three will clearly exist in 2030, it is likely that we will see change in at least one of them and not all will be as strong. As such the notion of being British may well be something that only the older population ascribe to. To what extent the UK is viewed a nation in the future may be driven by how much the next generation chooses to agree.


FANCY SILK
MANGO

Moving Forward

At a time when there are many reasons for some to be anxious about the present uncertainty, few of the UK experts we consulted were as optimistic about the future of their country as their counterparts in many other nations. However, neither were all pessimistic. Post-Brexit there are multiple reasons why the UK is going to be in even greater transition than other countries dealing with digitisation, shifting power and influence, population growth and climate change as well as the potentially lasting changes post-Covid. There is however both significant opportunity and challenge and how these are addressed is evidently going to influenced by myriad issues. Alongside the eight key trends, around which there is strong consensus, these additional three areas will be significant moderators of the future of the UK, and so will impact overall fortune and coherence.

As these foresights about the UK in 2030 are used by more companies, governments and regions to help challenge assumptions, focus initiatives and better prepare for the decade ahead, we will provide regular updates on key actions and additional perspectives. Equally, if you have alternative views, examples or nuance that you feel should be included in future views, please do let us know.

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The World in 2030

This is one of 50 global foresights from Future Agenda's World in 2030 Open Foresight programme, an initiative which gains and shares views on some of the major issues facing society over the next decade. It is based on multiple expert discussions across all continents and covers a wide range of topics. We do not presume to cover every change that will take place over the next decade however we hope to have identified the key areas of significance. Each foresight provides a comprehensive 10-year view drawn from in-depth expert discussions. All foresights are on https://www.futureagenda.org/the-world-in-2030/

Previous Global Programmes

The World in 2020 was published in 2010 and based on conversations from 50 workshops with experts from 1500 organisations undertaken in 25 countries as part of the first Future Agenda Open Foresight programme. This ground-breaking project has proven to be highly accurate in anticipating future change and the results have been used by multiple companies, universities, NGOs and governments globally. Rising obesity, access not ownership, self-driving cars, drone wars, low cost solar energy, more powerful cities and growing concerns over trust were just some of the 50 foresights generated. For more details: https://www.futureagenda.org/the-world-in-2020/

Five years on, the World in 2025 programme explored 25 topics in 120 workshops hosted by 50 different organisations across 45 locations globally. Engaging the views of over 5000 informed people, the resulting foresights have again proven to be very reliable. Declining air quality, the growing impact of Africa, the changing nature of privacy, the increasing value of data and the consequence of plastics in our oceans are some of the foresights that have already grown in prominence. For more details: https://www.futureagenda.org/the-world-in-2025/

About Future Agenda

Future Agenda is an open source think tank and advisory firm. It runs the world's leading Open Foresight programme, helping organisations to identify emerging opportunities, and make more informed decisions. Future Agenda also supports leading organisations on strategy, growth and innovation.

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