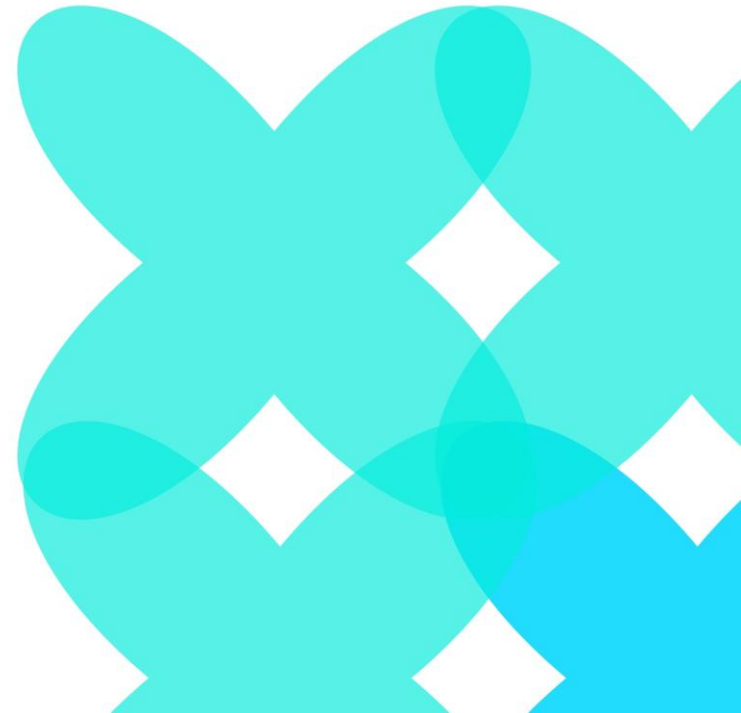




The East Midlands Inclusive Growth Commission



The Commissioners



Andy Haldane
CBE
Chair of the IGC
CEO of the RSA



Dr Andy
Haynes
Former Exec Lead
of Notts ICS



Sir Keith
Burnett FRS
Chair of Nuffield
Foundation



Lord Marvin
Rees
Former Mayor
of Bristol



Sarah Gordon
London School of
Economics



Sir John
Peace
Chair of the
Midlands Engine



Dame Julia
Cleverdon
National Lottery
Community Fund



Gillian Sewell
CEO of
Derbyshire
YMCA

The East Midlands Combined County Authority area



- The East Midlands Combined Country Authority (EMCCA) was formed in March 2024 to act as the **strategic authority for the East Midlands area**
- The authority is led by the **new East Midlands Mayor, Claire Ward** and has taken on powers over transport, housing, skills and education – alongside leading the economic strategy of the region
- The mayor has pledged to **use the new powers and extra funds for EMCCA to build on the region's strengths** and tackle its challenges to make the East Midlands more prosperous and fair, by supporting **inclusive growth**.

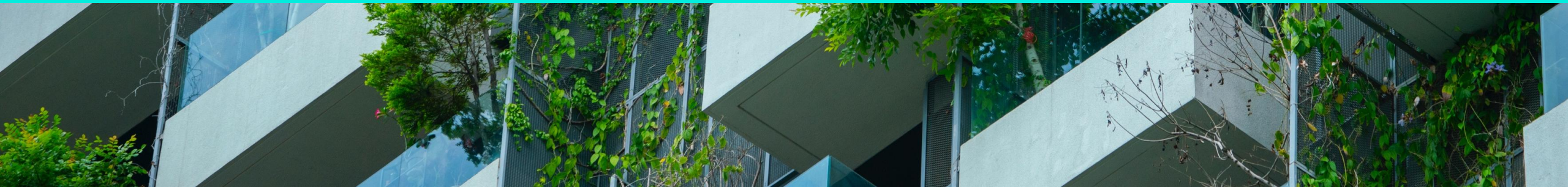


The East Midlands Inclusive Growth Commission

- The East Midlands Inclusive Growth Commission (IGC) is a **12-month exercise, commissioned by the Mayor of the EMCCA Board** to make recommendations on a truly inclusive growth strategy for the region would look like
- You can read more about the Inclusive Growth Commission, and the Commissioners [here](#)
- This slide pack **summarises the interim findings of the IGC**, at the 6-month point and points the direction for areas that the Commission will investigate further in the coming 6 months. It is intended to provoke discussion and challenge, and form the basis for planning the work. **It is not the final word.**
- There is **much more work to be done** in the second half of the Commission to point the way towards a long-term approach to inclusive growth in the East Midlands, Recommendations to this effect will be made in our final report in September Autumn 2025.

The East Midlands: Building an ‘opportunity escalator’ for everyone

Executive summary



The East Midlands Promise

- The East Midlands is a unique region with a **strong portfolio of assets and strengths**, and potential to grow
- It is the **best-connected region in the UK** with 91% of the UK within a 4-hour drive, making it well placed to benefit from networked industries now and in future.
- The East Midlands has a **distinctive industrial mix** with existing strengths in manufacturing, food production, engineering, defence industries, construction and minerals.
- It combines these foundational strengths with a set of **growing and innovative industrial clusters** spanning clean energy generation, the digital and creative sectors, life sciences, and advanced manufacturing
- In Nottingham and Derby, the region is blessed with **two superstar cities**, with leading universities, the potential to form a Trent Arc of economic innovation.
- But this is not a typical city-region, with a 'centre' and 'periphery'. It's a polycentric region of nearly 2,000 sqm with a diverse network of cities, towns and villages – and strategic sites and growth corridors.

The East Midlands Promise (Continued)

- The **spine of the East Midlands up the M1** provides connectivity and a prime location for rapidly developing networked industries like transport, smart logistics and distribution, **with Mansfield, Ashfield and Chesterfield** on the doorstep.
- A diverse region, the East Midlands has a thriving **rural economy**, and a distinctive **visitor offer** that incorporates one of the most visited National Parks in the world, and unrivalled heritage assets.
- And the economy of East Midlands is truly **outward-facing** with strong connections to other centres of economic activity like Manchester, Birmingham, Sheffield and Leicester.
- **Working with partners across the region, and pan-regionally, the new Mayoral Combined County Authority has the opportunity to enhance the East Midlands' reputation as a place where residents can access good quality jobs, grow their businesses, and raise their families in prosperity.**

East Midlands - the opportunity

Thriving industrial clusters with room to grow

- Previous Midlands Engine research has highlighted industrial clusters in defence, clean energy, advanced manufacturing, life sciences, creative industries and professional services

Three inland Freeport sites with tax breaks and investment incentives

- The UK's only inland Freeport with East Midlands Airport and an intermodal rail freight terminal at its heart
- Ratcliffe-on-Soar, a former power station site now moving towards becoming a zero-carbon technology and energy hub for the East Midlands
- East Midlands Intermodal Park adjacent to Toyota manufacturing plant, with potential to become one of the next generation of rail-connected business parks.

Advanced Transport
Manufacturing

Clean
Energy

Digital Creative &
Cultural

Visitor
Economy

Medtech & Life
Sciences

East Midlands - the opportunity

Three Investment Zone sites with committed public investment and tax breaks

- Infinity Park (Derby), Explore Park (Worksop), and Hartington Staveley (Chesterfield)

£383M of private
investment

4000 new jobs for
the region

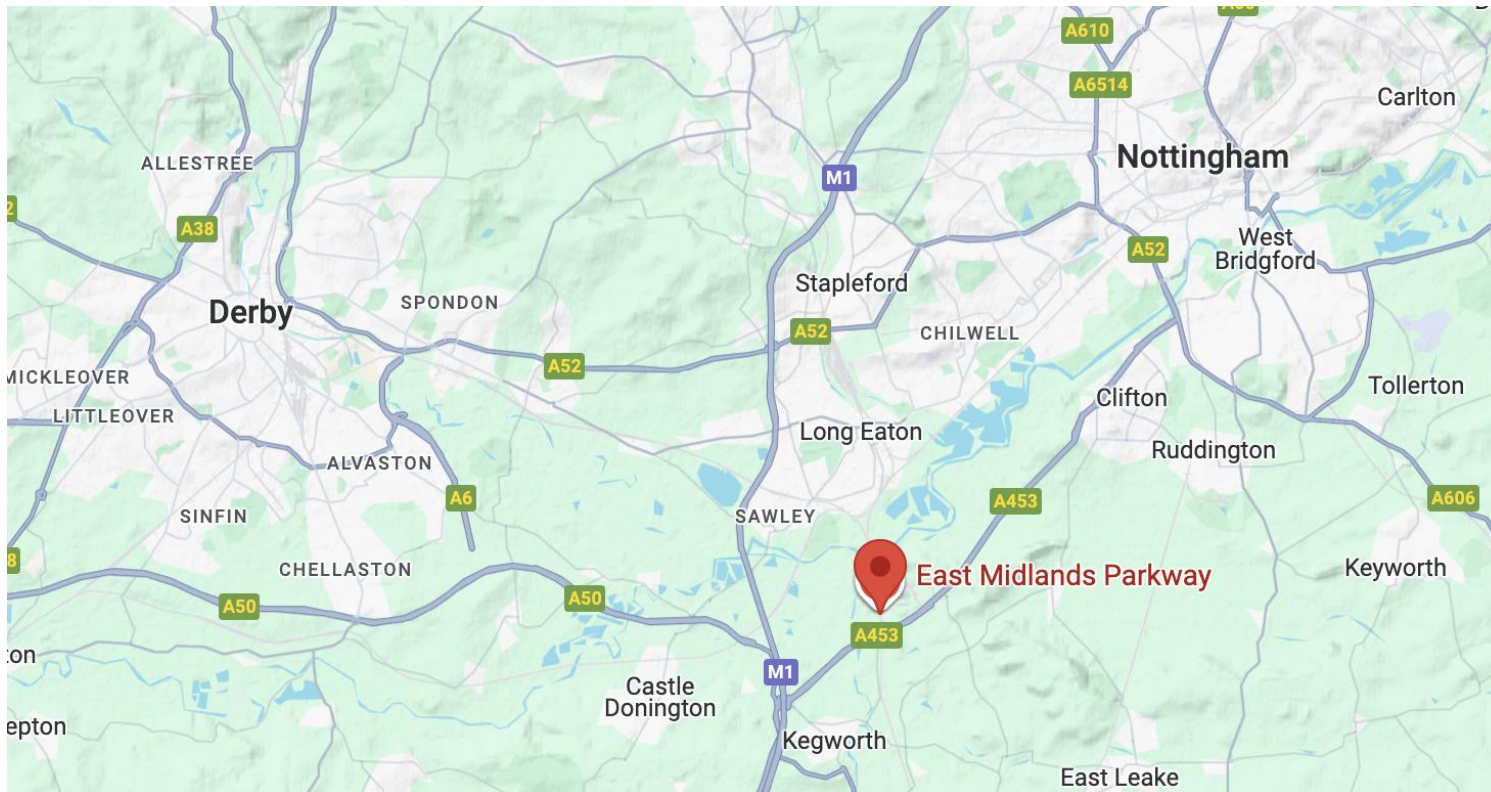
£160M of public
investment

East Midlands – STEP Fusion & Clean Energy

- A record £410 million public investment to develop cutting-edge fusion energy, which promises to be a safe, low carbon and sustainable part of the world's energy supply with potential to help sustain net zero in the future.
- The West Burton power station site, in North Nottinghamshire, will be home to the ground-breaking STEP prototype fusion energy plant.
- Together with other initiatives such as the East Midlands Investment Zone and East Midlands Freeport, can provide the basis for developing a broader clean energy and related sectors cluster across the East Midlands through inducing further development.
- Emerging proposals for Cottam and High Marnham:
 - **Cottam** - concept proposals include energy uses and data storage cluster development
 - **High Marnham** - proposals for the development of a hydrogen production cluster and food and agritech hub
 - Supercluster is set to deliver **6,800 homes, 15,500 jobs and £930m GVA pa.**

East Midlands – Trent Corridor

The East Midlands is more than an ‘inside-out’ city-region, but the **twin cities** in the south of EMCCA have potential to link together into a **knowledge-intensive growth corridor** - a nature-enhancing urban network linking Derby and Nottingham, linking three Midland Mainline railway stations.



East Midlands – Trent Corridor (continued)

Connecting Nottingham and Derby in a Trent Arc could deliver:

- More than 30,000 new homes
- Over 40,000 full time equivalent (FTE) jobs
- £2.4bn in Gross Value Added (GVA) per annum once fully developed
- 2.7 million sqm of commercial floorspace
- Integrated employment areas include city centre sites in addition to East Midlands
- Freeport; Infinity Investment Zone; and two former coal-fired power stations
- (Ratcliffe-on-Soar and Willington).
- Scope for major energy transition investments alongside energy intensive uses e.g. AI and manufacturing.
- Mixed with residential sites in the city centres in addition to Infinity Garden
- Community in South Derbyshire and Toton in Broxtowe, Nottinghamshire.
- Infrastructure will be a key enabler including Jct 24 of the M1 and linked corridors and major investment in the natural capital.



Inclusive Growth – What does it mean?

“An ‘inclusive growth strategy’ for the East Midlands is an approach that seeks to improve incomes, opportunities and wellbeing for the widest number of people across the region as possible”

Andy Haldane, IGC chair



Inclusive growth in the East Midlands

- For truly inclusive growth, the East Midlands needs a **strategy that marries a view of which sectors will matter for growth and job-creation now and in future, with an understanding of the existing skills of the people who live in the region**, and how best to leverage them.
- **This cannot be just about 'superstar' sectors.** Our analysis shows that around 80% of the workers in the region are employed outside of the narrow set of eight 'growth-driving' sectors that the Government has designated as priorities in its Industrial Strategy Green Paper.
- The plan for the East Midlands therefore needs to **foster new industries, while also meeting people at the place they are starting from** – the skills they have now – finding clear **routes for local people to get on and get up an 'opportunity escalator'** that can meet the aspirations of the people of the region, and support them into higher skilled, better paid and more secure jobs in a wider number of sectors

Inclusive growth in the East Midlands (Continued)

- No truly inclusive growth plan could fail to build this opportunity escalator, and **EMCCA is well placed to forge the partnership between business, education providers and government** needed to make getting on and getting up the escalator a reality for local people
- Crucially, an inclusive growth plan needs to address the **social factors** that make it harder to enter and progress in work – these include **health** barriers, **caring** responsibilities, **housing** access and lack of **transport**
- A focus on rebuilding **aspiration** and the **social fabric** of communities will be needed, alongside traditional economic approaches
- The inclusive growth strategy needs to speak to **all parts of the region** – both urban and rural, central and outward-facing



Emerging findings...

1. Alongside a strategy for high growth, high tech industries, the people of the East Midlands will benefit from a wider range of job opportunities in **manufacturing, logistics, construction, health and social care, and the modern services industries, including the visitor economy**
2. These jobs can be **secure, well paid and rewarding** providing opportunities for individual progression and growth, but **employers and government must play their part** in making this a reality
3. The region needs a new partnership between business, educators and government to build a **region-wide skills approach** that helps people 'get on and get up' the opportunity escalator from entry-level to better paid work
4. To support people onto the escalator, the region needs **deeper integration of health and employment support services** to avoid economic inactivity becoming entrenched for both younger and older workers

Emerging findings... (Continued)

5. Concerted efforts will be needed to **build aspiration from a young age**, and to **repair the social fabric of communities** that has been weakened in recent decades
6. Access to **quality, affordable housing** is a priority, with **better transport links** between communities and jobs to widen access to economic opportunities
7. The region is a **unique geography with many nodes and connections**. It needs an economic strategy that can make best use of the strengths and opportunities for different places and communities.
8. **The new Mayoral Combined County Authority, working with its partners, is well placed to build the interconnections and to make the most of the East Midlands' outward-facing character, forging pan-regional collaborations to drive growth and investment that will benefit East Midlands residents.**

A bigger toolkit is needed...

The East Midlands has a population of 2.2 million, spread over 1800 square miles. It is an **industrial powerhouse**, with 11% of its workers engaged in manufacturing versus an average of 7% nationally. It is also a **unique and diverse geography**, encompassing densely populated urban areas in Nottingham and Derby alongside mid-size towns, former mining communities and a sizeable rural geography.

The region is **outwards facing and hyperconnected**, with spurs into many other centres of economic activity.

There is **latent opportunity** in the region, but the East Midlands has suffered from decades of underinvestment and a lack of autonomy over how to pursue inclusive growth. To do this requires a **different model of growth** from the usual city-region approach – the East Midlands can be a trailblazer for the newly-formed Combined Authority model.

A region like this needs the powers and toolkit commensurate with its size and importance.

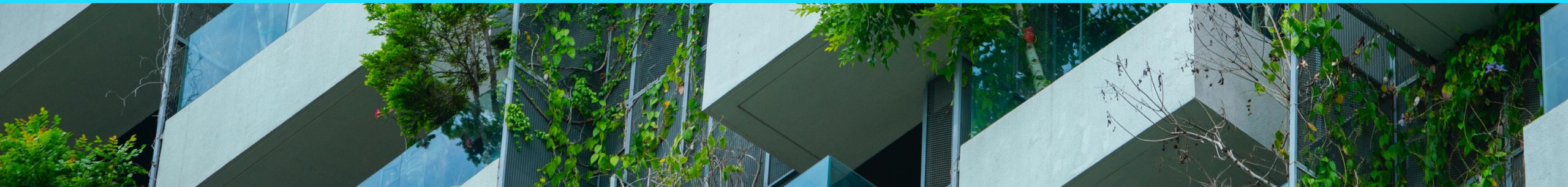
A bigger toolkit is needed... (Continued)

To meet the latent opportunity of the East Midlands, the Combined Authority needs to quickly be placed on a **fast-track for more powers**, funding and flexibility, to include:

1. Fixing the historic underinvestment in the region – public spending per person in the East Midlands is the lowest in the UK, at just £16,785 versus over £21,000 per person in London. This urgently needs to be addressed at the forthcoming Spending Review.
2. Giving the new Mayor an integrated funding settlement across local growth and place, local transport, adult skills, housing and regeneration, buildings retrofit and employment support - to move past the existing wasteful and fragmented approach, and allow the Authority to plan strategically and flexibly
3. Giving the East Midlands an enhanced 'trailblazer' status alongside Greater Manchester and the West Midlands to design more integrated health and employment support services, and shift towards a preventative model of public service provision.

...we cannot expect the East Midlands to be in the fast lane for growth if central government has put it in a slow lane for enhanced powers and budget.

The Inclusive Growth Commission: Our work so far





The exam questions

The East Midlands IGC was set four exam questions by the Mayor:

1. What does inclusive growth mean for the region? What will communities feel is different in ten years' time from a successful inclusive growth strategy?
2. What is the region's unique combination of strengths? How can it best leverage its economic assets across cities, towns and rural areas to grow these?
3. What are the root causes that sit behind the region's well-established challenges in achieving inclusive growth? How can the region tackle these challenges to enable its full potential to be unleashed?
4. What role can the new East Midlands Combined County Authority play to effect change, alone and with its partners, including as part of the systems of public services?



How we approached the question of inclusive growth

We have broken the challenge down into four research areas to help diagnose the issues and shape the solutions:

- 1. Inclusive Industrial Strategy (sectors, strengths and opportunities)** – an analysis of existing industrial strengths and future areas of opportunity, to broaden access to good jobs
- 2. Skills and inclusive growth** – an analysis of current skills supply/demand and future skills needs, focused on how to build an 'opportunity escalator' for local people to find good work and pay progression
- 3. Social factors in economic inclusion** – an analysis of the key routes to inclusion in economic growth, including rebuilding the social fabric, tackling health inequalities, and improving access to good jobs in different places and communities
- 4. The economic geography of EMCCA & around** – a guiding analysis of the people, places and interconnections that matter for achieving inclusive growth in EMCCA

People we are engaging to develop our recommendations...

Local People

Residents surveys and focus groups

Community groups

Local Organisations

Business

Civil Society Organisations

Public Sector Partners (health, education, police, etc)

Pan-regional bodies

Subject Matter Experts

Practitioners on the ground

Academics

Investors

Policy experts

Regional Experts

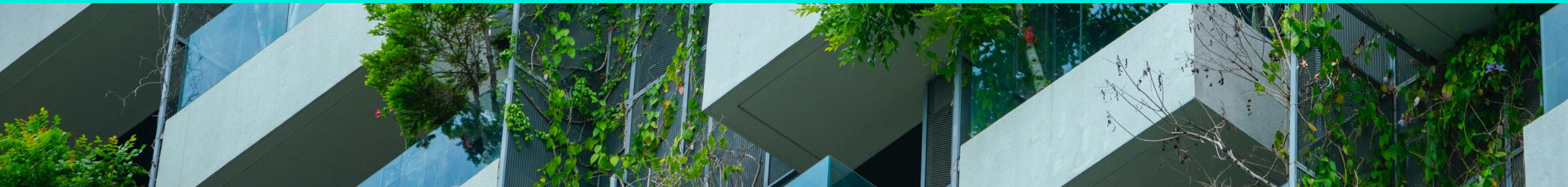
Elected Officials

Local Authority Officials

Neighbouring Combined Authorities

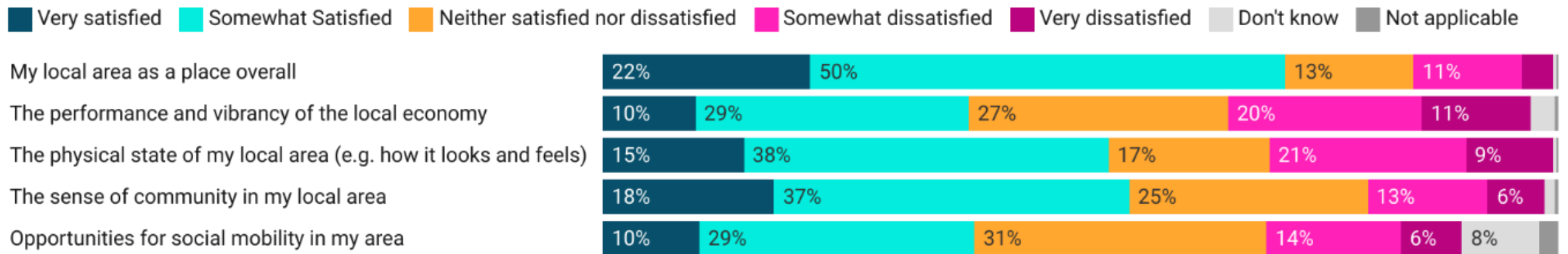
Central Government Depts & Agencies

What will success look like?



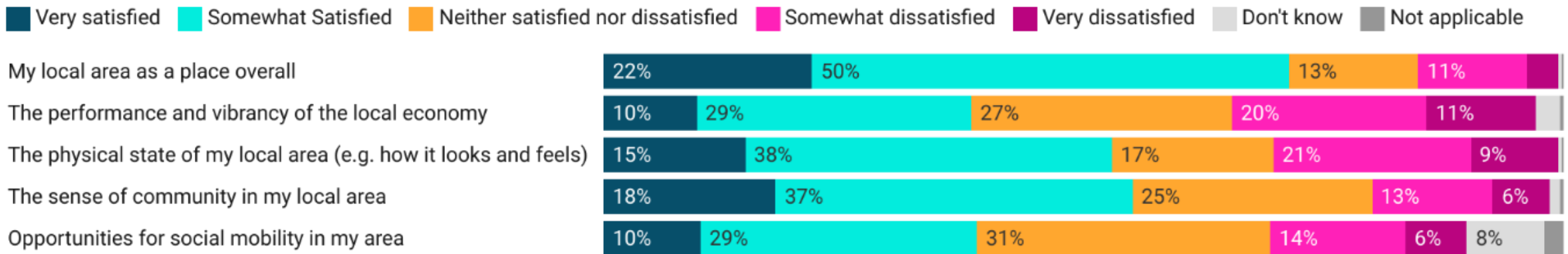
The East Midlands as it is today

- We know that some things are working well in the East Midlands. Most people (71%) are happy with their local area as a place to live, and take pride in the local people, green space and sense of safety.
- But we also know that people are less satisfied with their local economy and that, overall, people think things are getting worse with regards to the local economy and the physical state of their neighbourhood – with a declining sense of community, and a perception of stalling opportunities for social mobility.



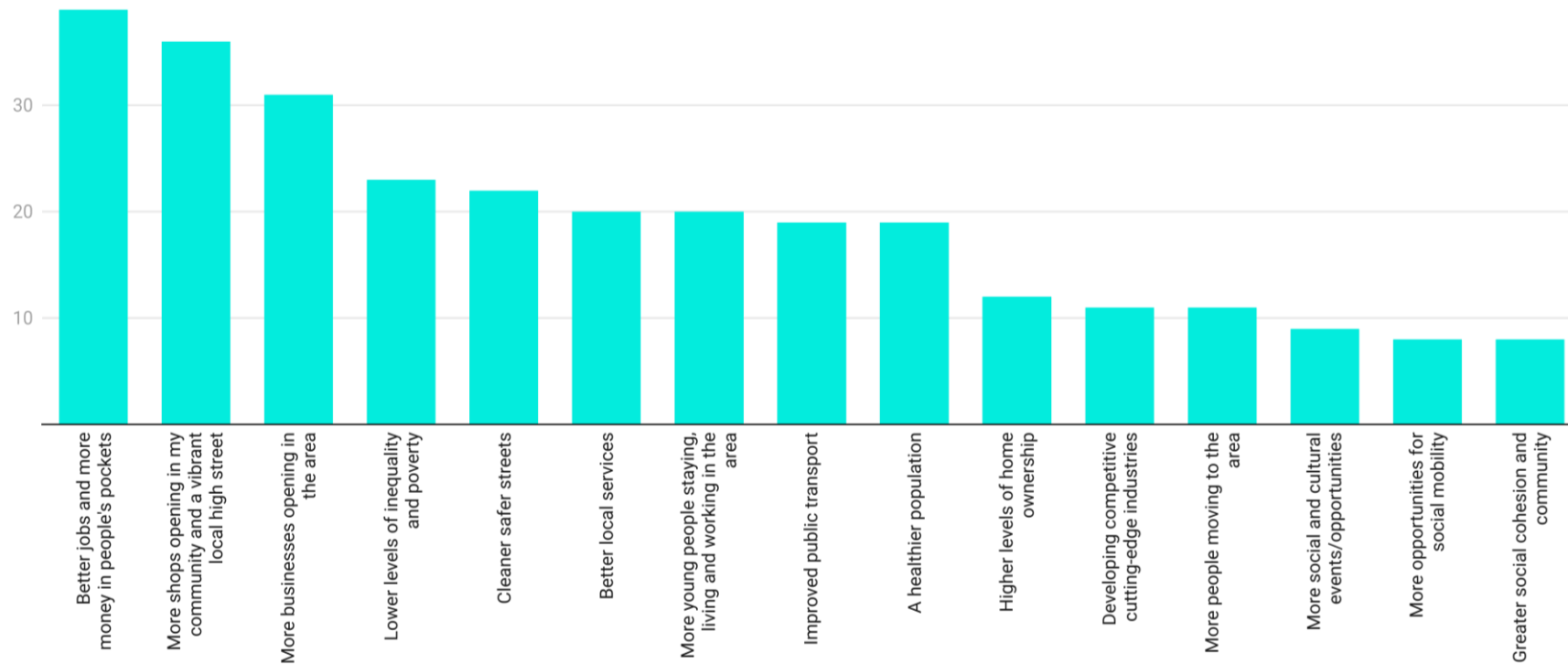
The East Midlands as it is today (continued)

- Only 22% of people said it is easy to find a good quality job in their local area, with particular challenges outside of cities.
- Some facets of local life, like green space, local shops and amenities, are important to residents' daily lives and are a source of satisfaction. Other areas, however, are seen as similarly important but underperforming - including infrastructure, housing, and job opportunities.



Inclusive growth – what does it mean to residents?

Proportion of respondents ranking each item among their top 3 signs of economic improvement



Residents rate better jobs, more money in people's pockets, new businesses opening and vibrant high streets as the signs of successful inclusive growth.

Which of the following would most indicate to you that the local economy was improving over the next 5 years? Rank up to 3 options

Created with Datawrapper

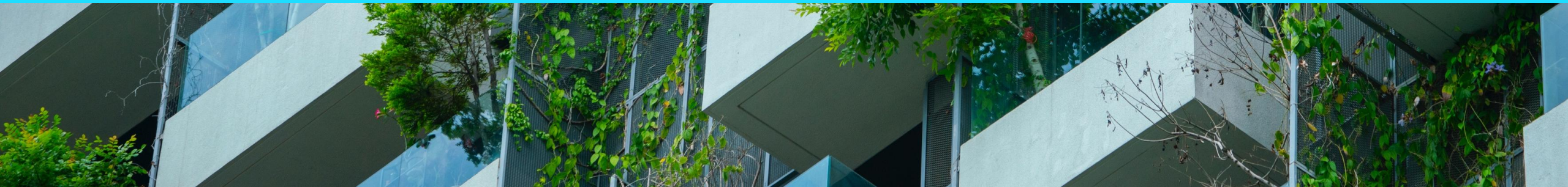


“People living in the East Midlands want to see real change. This can't be narrowly defined as growth in a few 'superstar' sectors. It has to be *more than this* – a plan for economic growth that also regenerates the social fabric of communities and our natural environment.”

Andy Haldane, IGC Chair



Part 1: Sectors and skills for inclusive growth



Sectors and industries – An inclusive growth approach

- Most *growth strategies* begin from a ‘top down’ perspective; they try to identify a set of ‘growth industries’ for region or country, and then they move on to looking at ‘levers’ available to attract them.
- This often involves thinking about the workers or skills that a place needs to *attract* to make these growth industries viable.

An inclusive growth approach to sectors and skills must be more sophisticated than this traditional, narrow approach.

- The IGC has taken a different approach that looks both ‘top down’ at sectors, and ‘bottom up’ at the *existing skills and pathways available* to local people, and marries these different views together in an integrated picture.

Sectors and industries – An inclusive growth approach (continued)

- We are using these insights to build an **‘opportunity escalator’** that aims to maximise the availability and access to good jobs for local people, rather than assuming that workers can be imported from outside the region.
- First, this means taking a **broader view** of which sectors will matter for growth. Cutting-edge industries like life sciences and advanced manufacturing will matter for the East Midlands – but so will a wider range of sectors where high volumes of people already work – like traditional manufacturing, construction, health and social care, and the visitor economy.
- It also means being able to map the skills of the workforce in the East Midlands now, to a positive and realistic vision of the skills of the workforce in the future - and designing a pathway for how we get there.


Creating and sustaining high numbers of decent, well-paid jobs requires a plan that both grows the cutting-edge industries of the future, *and* improves access, pay and conditions for jobs in other major sectors.

Sectors and industries – Current strengths, future opportunities

- The East Midlands has **existing sectoral strengths** in traditional manufacturing, food production, engineering, the defence industries, construction and minerals. The region has a strong health and social care presence, and there has been growth in jobs linked to the visitor and experience economy.
- There has been **recent success in creating high value-added jobs** in the ICT sector and in the professional, scientific and technical services industries.
- Looking ahead, the region has clear **opportunities** in the areas such as clean energy production, advanced manufacturing, life sciences and the creative industries.
- An inclusive growth approach means broadening access to these jobs for people across the region.

Sectors and industries – Current strengths, future opportunities (Continued)

- A pursuit of these growth sectors should be combined with other jobs-rich sectors that can provide **broad job opportunities, good quality work and pathways for progression** to a wide range of East Midlands residents.
- Given the region's unique position and geography, this could include networked industries like transport, distribution and smart logistics, as well as jobs in construction and the modern services industry.



“I’d like to stay around and not have to leave my family and friends, But it’s really hard to get a good job. I feel like I’d have to move to London. You just don’t have the opportunities in a small town.”

Young person from the East Midlands



‘Growth-driving sectors’ are a source of high-quality jobs for the East Midlands but most people work in other sectors.

- The UK Government’s Industrial Strategy Green Paper identified eight ‘growth-driving sectors’, shown in coloured circles on the chart.
- The size of each circle indicates the number of jobs involved. Median wages in the growth-driving sectors is substantially above the national median wage.
- The East Midlands has existing strengths in several of these growth sectors, and growing these sectors offers will bring new, well-paid jobs to the region.

Sectoral employment and wages in the East Midlands

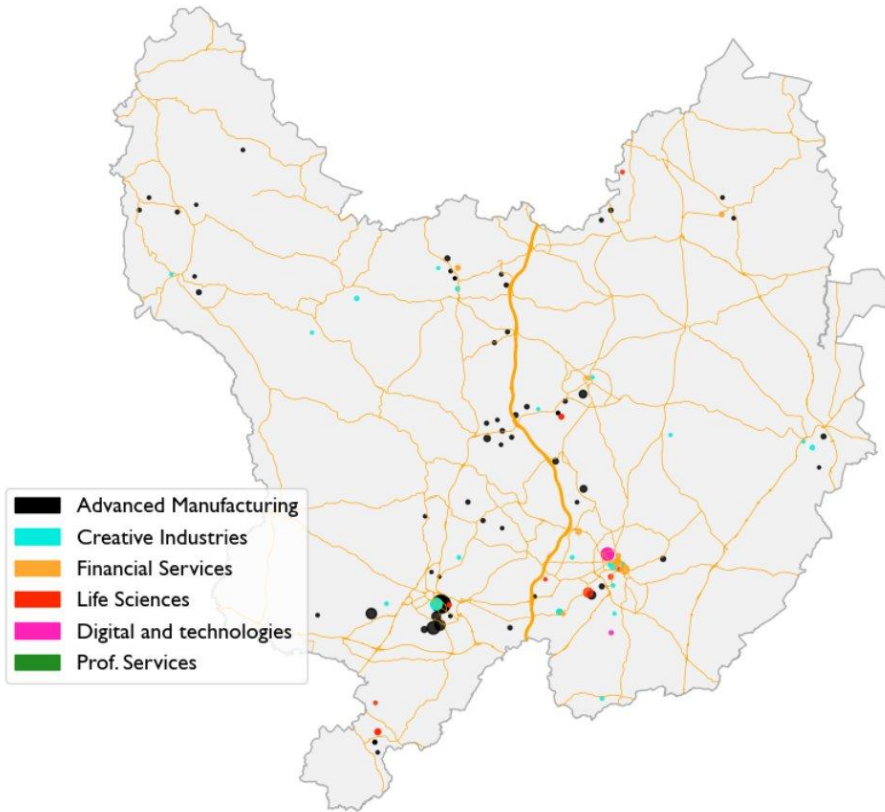


Sources: ONS Annual Survey of Hours and Earnings, Invest 2035. The government's growth sectors are manually mapped onto SIC classifications. It is not possible to do this for the Defence and Clean Energy sectors, as they do not match well to SIC codes.

**...however, most people –
83% of workers – are
employed outside of these
superstar sectors.**

'High productivity' industrial clusters tend to be located around Derby and Nottingham

The location of selected industrial clusters



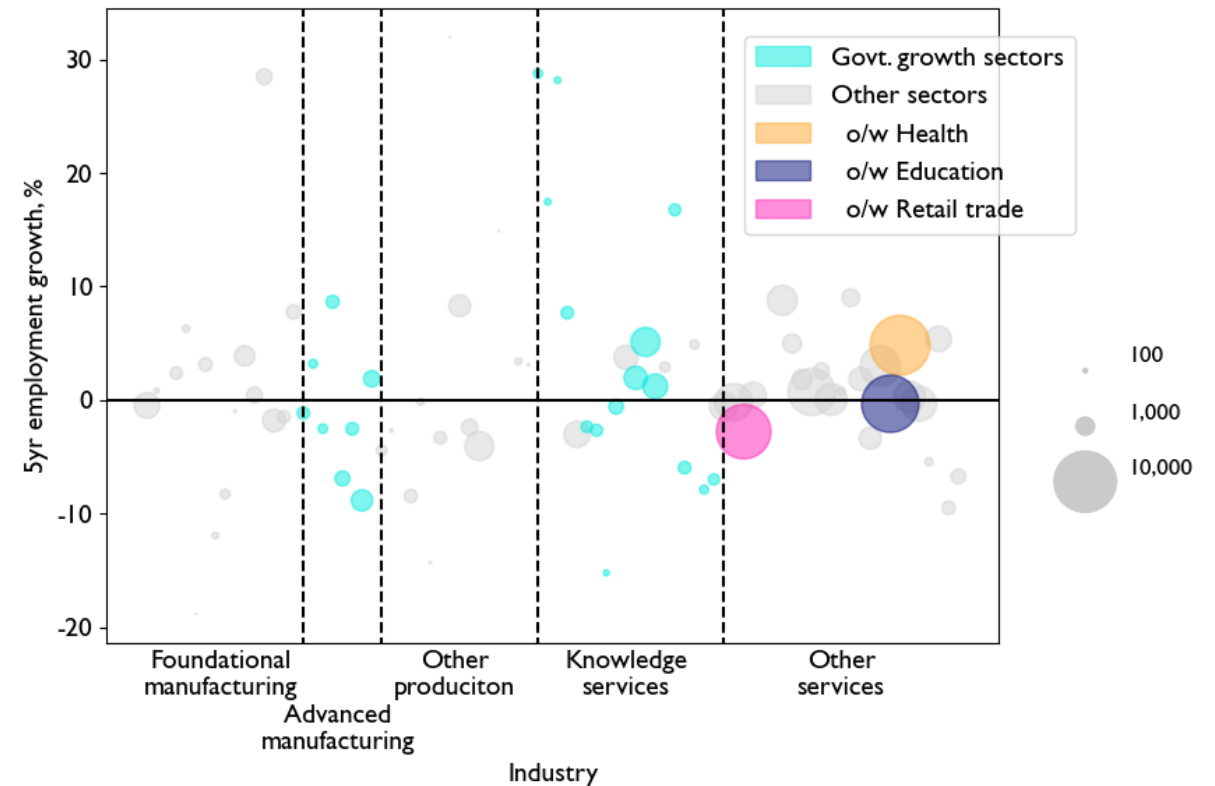
- The location of industrial clusters for the Government's priority sectors matters for which residents can access them and find work.
- The chart shows that many of the industrial clusters for these sectors in the East Midlands are in and around Nottingham and Derby.
- A focus on just these sectors risks not creating opportunities for people in all parts of the region.

Sources: ONS Business Register and Employment Survey, Ordnance Survey, Invest 2035. The government's growth sectors are manually mapped onto SIC classifications. It is not possible to do this for the Defence and Clean Energy sectors, as they do not match well to SIC codes.


Many current jobs in the East Midlands exist in growth sectors outside of the government's 'top 8'

- Most of the East Midlands' employment are found in other sectors, such as traditional manufacturing, agriculture, mining and utilities, construction and the hospitality sector.
- The three largest sources are healthcare, education and retail.
- Many of these jobs-rich industries are dominated by SMEs – and these will remain the key engine of broad-based growth.

Sectoral employment levels and growth rates



Sources: ONS Business Register and Employment Survey, Ordnance Survey, Invest 2035. The government's 8 growth sectors are manually mapped onto SIC classifications. It is not possible to do this for the Defence and Clean Energy sectors, as they do not match well to SIC codes.



“It's clear from our analysis that just focusing on growing some 'superstar sectors' simply will not deliver what's needed for the majority of people and places in the East Midlands. We need to have a broader base, and improve access to jobs”

Sir John Peace, CVO, CSTJ, Chair of Midlands Engine and IGC Commissioner






Where is the opportunity escalator?

“We’ve got a manufacturing base, an engineering base. The jobs out there tend to be level 3 or 4. So local people don’t get a look in”

East Midlands educational practitioner

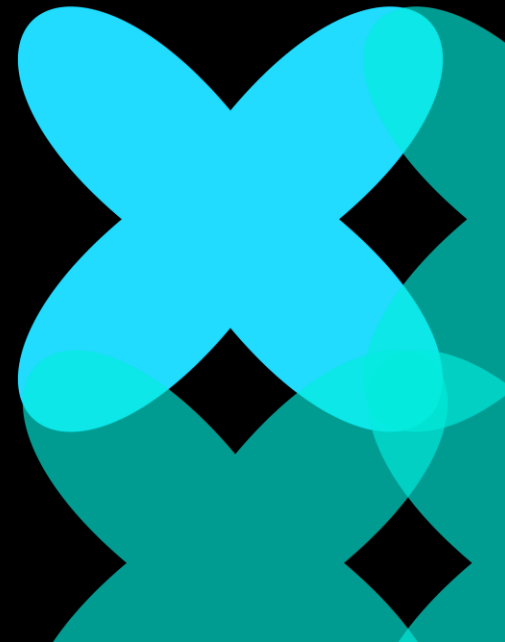
“When people want to take a leap... we don’t have the ability to take risks anymore. Who thinks ‘I’m gonna go and do this training course that costs thousands of pounds with no guarantee of a job at the end of it?’”

Younger worker living in the East Midlands



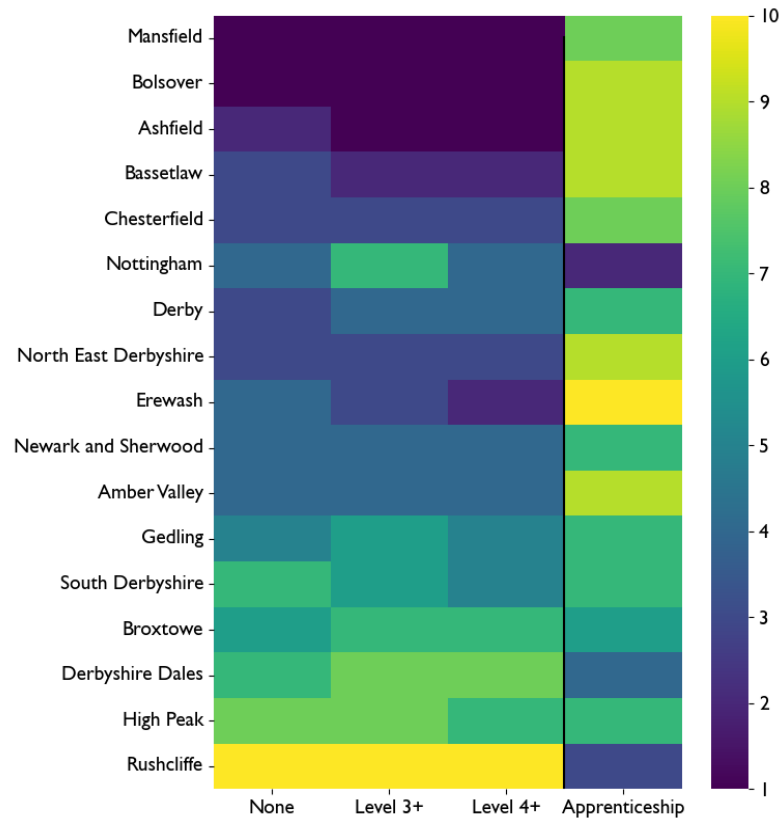
“Building access and opportunities for good work means meeting people where they start from now; helping local people build on the skills they already have and finding clear routes to work. It’s not about ‘importing’ skills from outside the area”

Andy Haldane IGC Chair

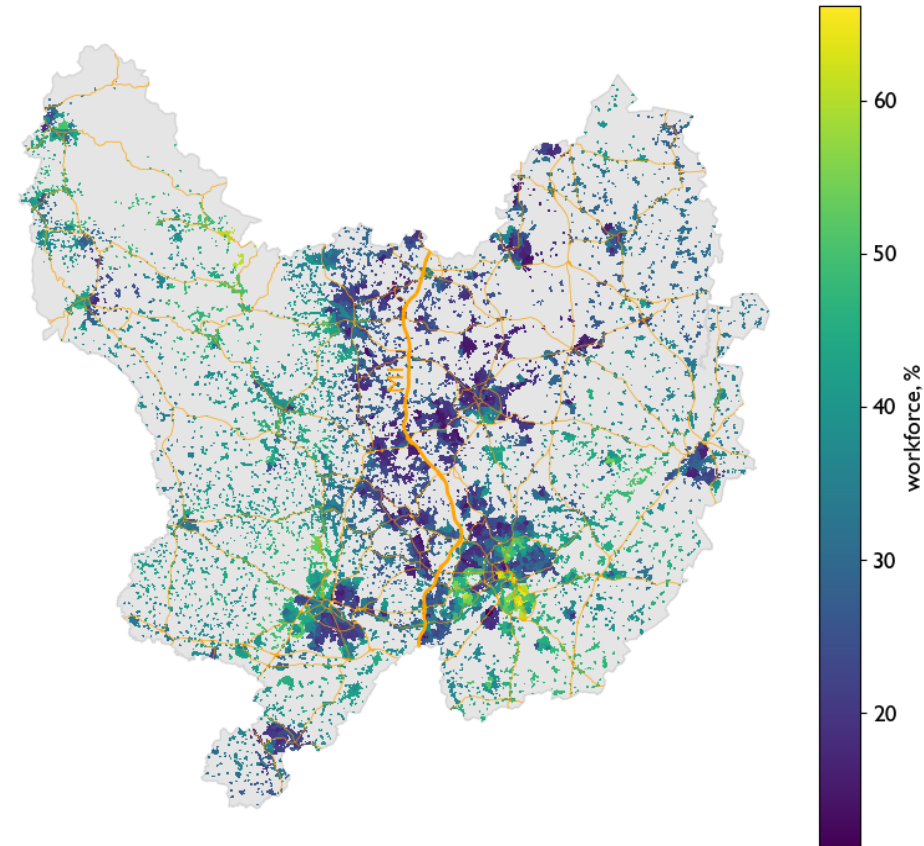


There are large variations in qualification levels across EMCCA – this holds some people back from accessing good work...

Highest level of education, 16+



Level 4+ qualifications



Source: ONS Annual Population Survey. Chart shows the highest level of education for different areas in EMCCA against a national baseline. Darker colours represent worse outcomes.

Sources: ONS Annual Population Survey, Ordnance Survey. Darker colours represent areas with lower shares of the population with Level 4+ qualifications.


Key messages the Commission received on the skills landscape in EMCCA

We spoke to a wide range of people about the skills landscape in the East Midlands – what's working well, and what needs to be improved...

- 1. Local organisations** and employers told us that fragmentation and duplication in skills-provision are leaving clear gaps in provision and a confusing system for people to navigate. There was a broad agreement that building the 'skills of the future' will involve addressing specific sector-based gaps and building more agile institutions.
- 2. People told us that building aspiration needs to start at a younger age** – with more work experience opportunities provided earlier in life – at primary school. Too much is left until too late.

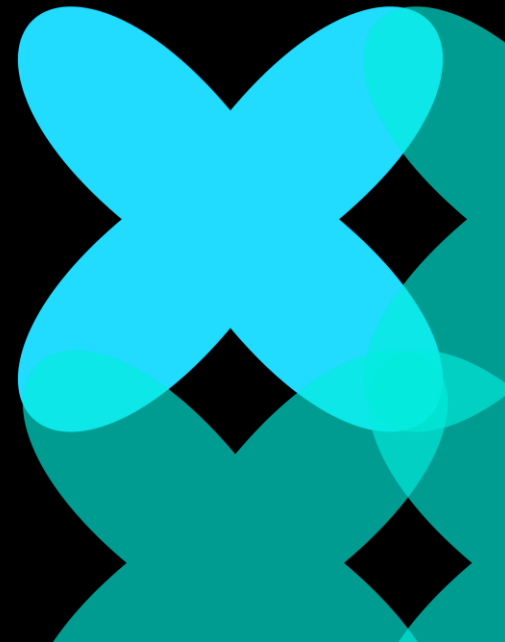
Key messages the Commission received on the skills landscape in EMCCA (Continued)

- 3. East Midlands residents tend to think there are insufficient incentives and flexibility for in-work training and reskilling:** 44% of EMCCA residents expressed an interest in taking on new skills and training, but of these, one third (33%) said that affordability issues had stopped them from doing so.
- 4. Other barriers included difficulties balancing education and work (26%),** a lack of flexibility in courses (24%), and a lack of guidance/understanding on how to navigate the skills landscape (20%).



“There’s a lack of pathways for young people to progress [...] Career support is given to 16 and 17 year olds, but younger people don’t have any idea what options are available to them. They might make the wrong choice at 14 and then get to college and realise they’ve gone wrong. Then they realise they’ve got it wrong, lose faith and their aspiration goes out the window”

East Midlands educational practitioner



Building an ‘Opportunity Escalator’

Improving people's access to good work requires an ‘Opportunity Escalator’:

Practical, step-by-step skills journeys supported by work experience and career guidance that open opportunities to move onto and up an escalator of better-paid, more secure forms of work **across the sectors and industries that will contribute most to growth and employment** in the East Midlands.



Building an ‘Opportunity Escalator’

Step 1: Understanding the skills mix of the East Midlands

Using novel research methods and analysis to understand the skills used in the jobs that people have today.

Step 2: Understand the best mix of industries for the future and the skills they will need

This includes high-growth, high-productivity sectors that will need cutting-edge skills and a broader range of jobs-rich industries that can offer opportunities to learn new skills progress up the opportunity escalator.

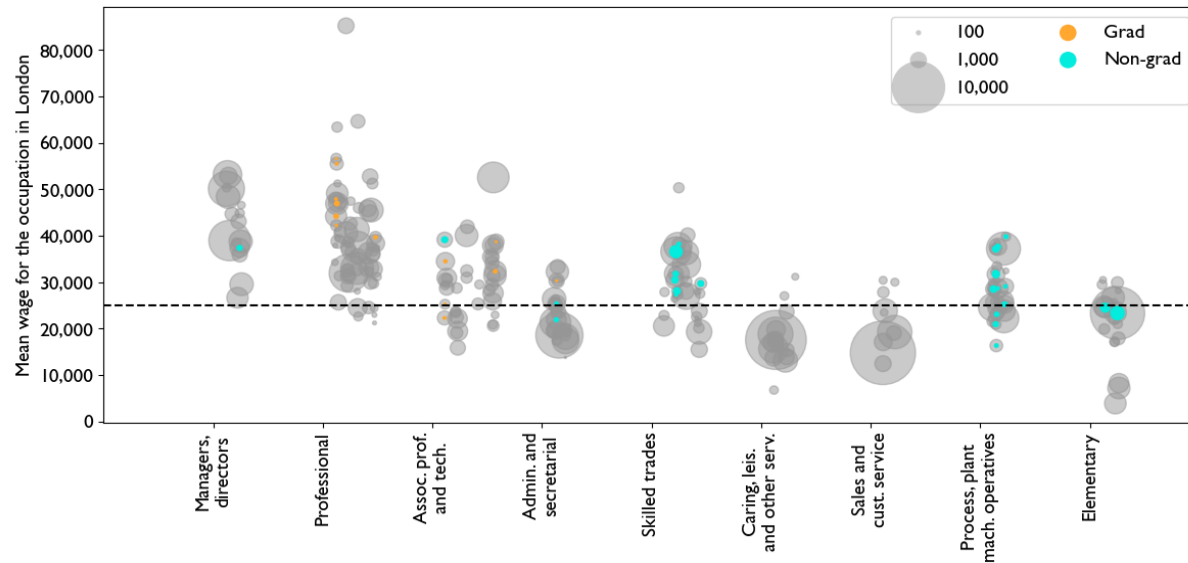
Step 3: Identify the skills interventions needed

Generate a detailed picture of gaps between the skills required to undertake existing jobs and those required in future and identify the courses and infrastructure necessary to facilitate these journeys.



The toolkit for building an Opportunity Escalator

Employment and wages by occupation in EMCCA: Impact of 5000 additional jobs in advanced manufacturing



Component I: Mapping the impact of sectoral growth on the local labour market

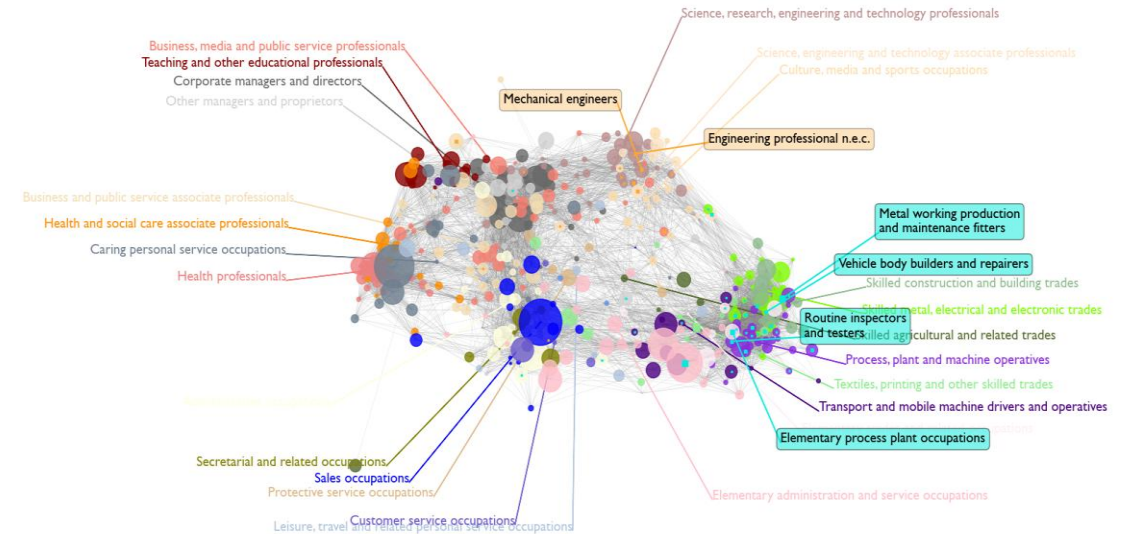
- Step 2 of the Opportunity Escalator requires an estimation of the number, type and pay of jobs that will be created through sectoral growth.
- The existing labour market can be broken down into types of occupation, numbers of people employed in them and median pay for people working in them.
- Using existing clusters, we can model what types of jobs might be created by growth in a sector.
- The chart shows what jobs growth in Advanced Manufacturing might produce in terms of types, graduate vs non-graduate mix, and pay.

The toolkit for building an Opportunity Escalator

Component 2: Assess how compatible new jobs are with existing skillsets

- Steps 2 and 3 of the Opportunity Escalator require an assessment of the similarity of potential new jobs to the skills required to do those that already exist.
- Using a novel deployment of datasets and analytical techniques it is possible to cluster jobs according to similar skillsets.
- The chart is a visual example of such a clustering exercise – the proximity of jobs to each other on the chart is determined by overlaps in the skillsets that workers have. We can overlay potential new jobs and industries into this picture to ascertain how well they might fit with the existing skills base.
- It is also possible to map the skills gaps between job pairs to plot detailed skills pathways for people from one job to another.

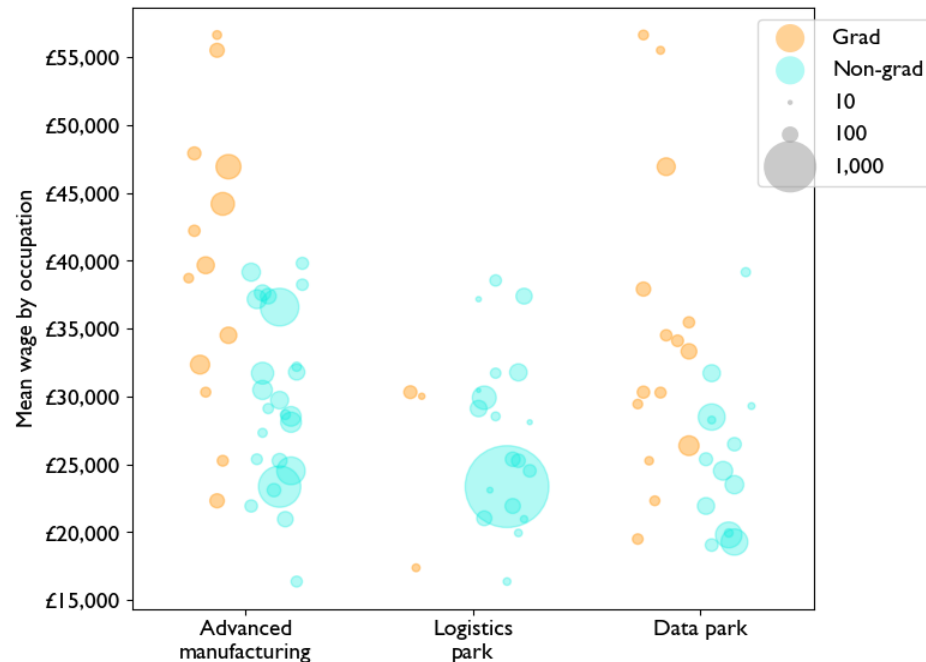
Jobs clustered in terms of similarity of skillsets required



Sources: ONS, O*NET, NFER (Mapping UK SOC2020 to O*NET, Day, Dickerson, Rossi and Wilson, 2023), Treehouse Consultancy calculations.

The opportunity escalator – 3 practical examples

Distribution of jobs in selected industrial clusters



This chart shows the spread of occupations involved in 3 different industry clusters. Each circle represents a different occupation, and is a stylised example based on existing clusters elsewhere in England. Sources: ONS, O*NET, NFER (Mapping UK SOC2020 to O*NET, Day, Dickerson, Rossi and Wilson, 2023), Treehouse Consultancy calculations.

- Deploying the ‘opportunity escalator’ approach and toolkit, EMCCA can look for sectors and industries that have a mix of good quality, well paid entry-level jobs, plus routes for pay progression.
- This chart shows that a typical advanced manufacturing cluster will add both graduate and non-graduate jobs spread throughout the income distribution and will be a highly valuable contribution.
- A new logistics park can create large numbers of non-graduate jobs paid at or around the national average wage, plus opportunities to progress, whereas a data centre development creates noticeably fewer roles.
- An opportunity escalator approach will help to chart the specific journey that workers can make ‘onto’ and ‘up’ to better paid, more secure work.



"Building access and opportunities for good jobs means helping local people build on their skills and develop clear routes to work. Preparing the local base will then enable local business and external investors to thrive and expand, supporting economic growth."

Sir Keith Burnett, Chair, Nuffield Foundation and IGC Commissioner



Case Study:

***An 'opportunity escalator'
approach in Mansfield***



Case Study: An ‘opportunity escalator’ approach to Mansfield

Prior to 2020, Mansfield was one of the largest conurbations in the UK without a higher education presence. Although the area had further education provision, there was a gap in the availability of training for people looking to move towards higher level vocational skills, until Nottingham Trent University (NTU) and West Nottinghamshire College struck a new partnership to build the missing steps on the escalator.

At the heart of the programme is a long-term agreement between NTU and West Nottinghamshire College, creating an NTU HE presence on the West Nottinghamshire College campus.

In 2020, NTU opened the NTU Mansfield University Centre delivering technical qualifications, degree programmes, and apprenticeships from West Nottinghamshire College (WNC)’s main campus in Mansfield. This has grown to include specialist engineering and construction labs and mock hospital wards. The overall spirit of the agreement between the two parties was one of no detriment, instilling trust and commitment from the start.

The partnership with WNC has significantly improved the education and training available to local people and employers in direct response to their current and future needs.



Case Study: An ‘opportunity escalator’ approach in Mansfield

Currently, NTU has 577 students enrolled at the University Centre, studying a variety of courses including construction, engineering, education and nursing and allied health. Over a quarter of students (28%) are from the Mansfield and Ashfield constituencies, over half (58%) are mature students, and over four in ten (44%) are from demographic groups who tend to be under-represented in higher education.

NTU recently celebrated the graduation of the first cohort of nursing students who have studied in Mansfield, many of whom are from the local area. All 76 graduates have already secured employment, many with local hospitals.

This example illustrates the importance of aligning FE and HE provision to meet local employer need and then delivering training in a manner and location that is accessible to local people with diverse backgrounds.



Case Study:
*Joanne's Retraining
Journey*



Case Study: Joanne's Retraining Journey

In her mid-50s, Joanne is embracing a fresh start through an employer-led, work-based apprenticeship at her local college, after decades working in her family's business straight out of school.

She always dreamed of going back into formal education but found it out of reach due to financial pressures, childcare, and work commitments. She's increasingly aware that her physically demanding job won't be sustainable forever, and with an empty nest and more time on her hands, she's made the bold decision to retrain.

As an employer-led programme, the ability to earn while learning was a game-changer. This made retraining financially viable, despite taking a small pay cut, but she ultimately sees this as an investment.

The course's flexibility, with different pathways and taster sessions, has made the transition easier, allowing her to explore new options without feeling locked into a single career route, and reducing the sense of risk.




Case Study: Joanne's retraining Journey

Designed for career switchers, the programme provides a supportive environment where diverse experiences enrich learning, making it a space where Joanne feels comfortable asking questions and even making mistakes.

At the same time, she brings invaluable transferable and meta skills – like patience and teamwork – that younger learners often lack. She sees firsthand how retrainers like herself add real value, not just to the classroom but to future employers, by combining practical experience with fresh learning. Joanne is less confident with more complex IT tasks, but has been able to tackle them head-on by taking an additional college module to build her confidence.

Joanne's journey is proof that retraining isn't just about changing careers – it's about future-proofing skills, embracing new challenges, and proving that it's never too late to learn.



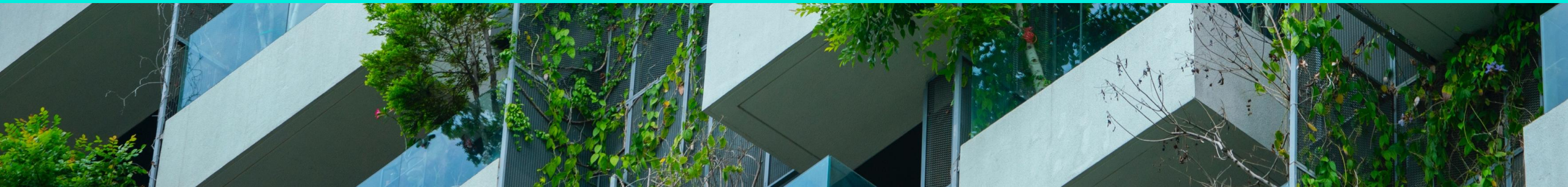
“The escalator is not enough on its own. For many people there are barriers to getting 'on' and 'up' the escalator. The work needs to start with building aspiration at a young age, and breaking down the other barriers that affect people throughout their lives”

*Dame Julia Cleverdon, Chair of the National Lottery Community Fund
and IGC Commissioner*



Part 2: Breaking down the barriers

Health inequalities



Health inequalities are driving economic exclusion

- Health issues and economic outcomes are closely related – for an individual, having worse health means worse employment and pay prospects. In turn, being out of work or on a low income leads to economic deprivation, which worsens people's health.
- In the UK, labour participation has fallen – more people are economically inactive due to illnesses. This is a nationwide issue, but its effects can be seen in the EMCCA region.
- In the East Midlands, there are some areas where up to 60% of the working age population report that they have a long-term illnesses – these are some of the highest rates nationally.
- This is a complex issue, but in our discussions with experts and local stakeholders the Commission has noted two major components driving inactivity in working age adults in the East Midlands.

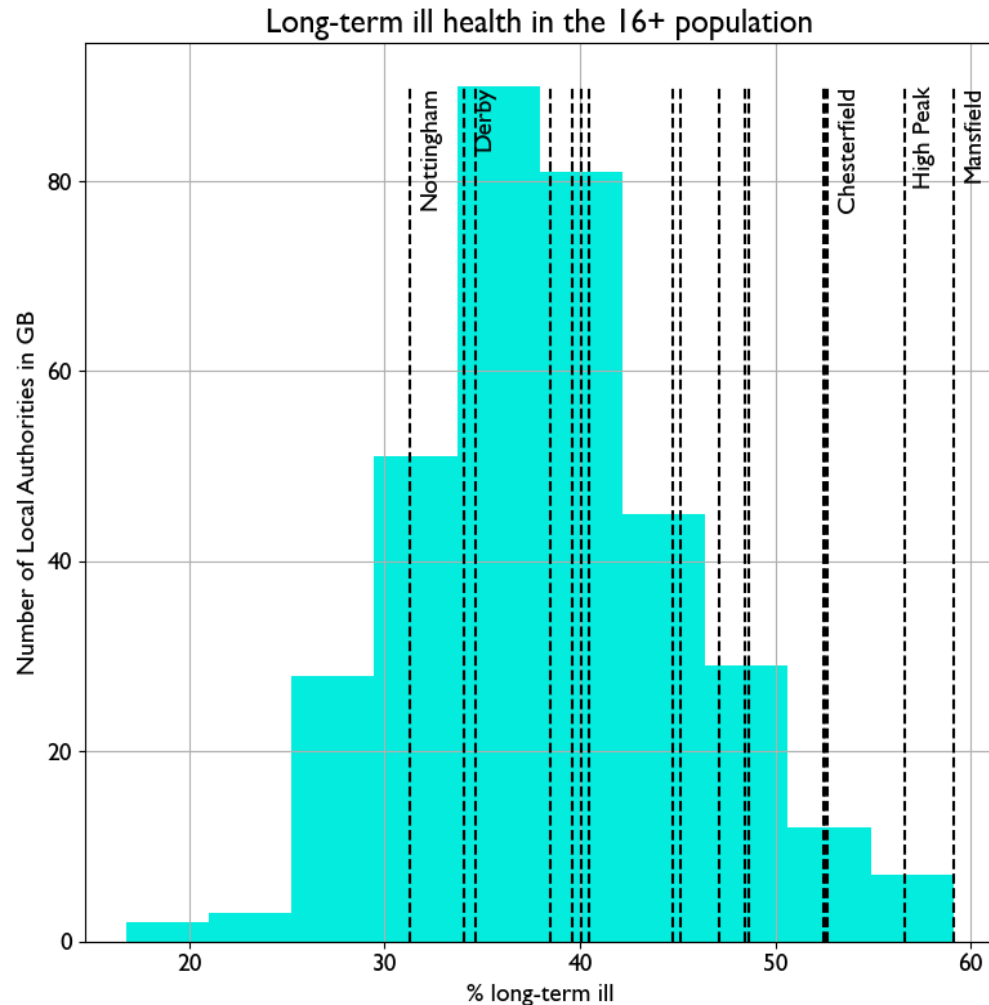
Health inequalities are driving economic exclusion

First, among younger people we are seeing huge rises in poor mental health and anxiety which can affect young people's ability to find work and damage their long-term life chances. Evidence shows that being out of work at a young age can have a 'scarring effect' on lifelong earnings.

Second, for people in their 40s, 50s and 60s we are seeing elevated levels of diseases associated with obesity, lack of exercise, smoking, alcohol and substance abuse.

- These twin issues are not evenly spread across the East Midlands, but are clustered in different places. Support needs to be tailored to local conditions, but scale-able, given the numbers of people at risk.
- Businesses can play their part by working with service-providers to help reach people who are currently excluded from the labour market by health issues and providing worker flexibility.

Long term ill-health in the East Midlands

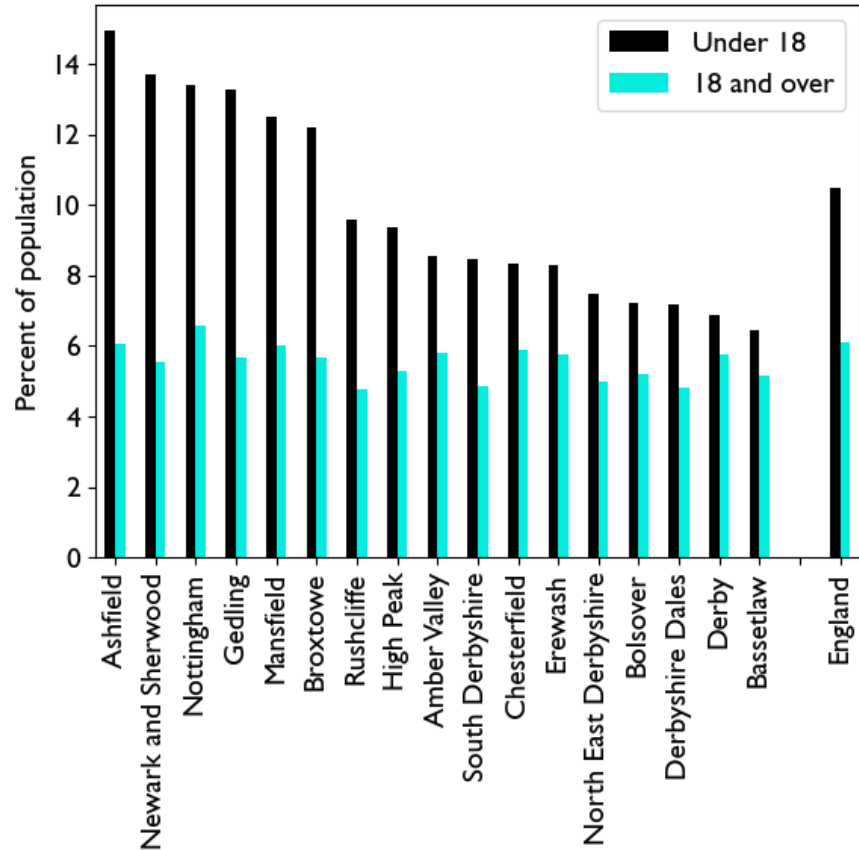


Source: ONS Annual Population Survey.

- This graphic shows self-reported levels of long-term ill health (conditions that have lasted for a year or more) in the over-16 population for different areas in the East Midlands.
- The teal colour is the picture nationally for the UK.
- This illustrates that some areas in the East Midlands have much higher rates of long-term illness than tends to be the case nationally.
- Long term illnesses will be more prevalent in areas with older populations – so cities like Derby and Nottingham with a younger population do better on this chart, but even within those cities there will be neighbourhoods and areas where ill health is acute.

Workers are suffering from poor mental health

Proportions of local populations across EMCCA in contact with mental health services

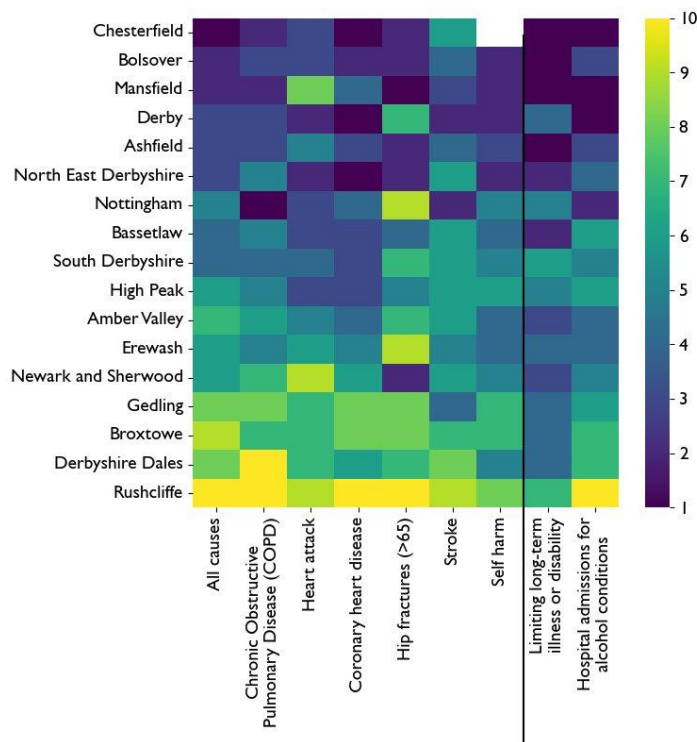


- This graphic shows interactions with mental health, learning disabilities and autism services for under 18s and over-18s in the East Midlands. Due to data constraints, it is not possible to show more detail on over-18s.
- However, this illustrates that younger people are, on average, having far more of these interactions than people in older age groups, and this is likely to be true for those over 18 too.
- Poor mental health and anxiety are the most commonly-reported health issues for people who are economically inactive from ill health, nationally.
- If young people are prevented from working due to poor mental health, this can have a longer-term scarring effect on their income and life chances.

Source: NHS Mental Health Bulletin. Chart shows number of people in contact with NHS funded secondary mental health, learning disabilities and autism services.

Some places in the East Midlands have high rates of serious illnesses

Prevalence of selected illnesses for areas in EMCCA



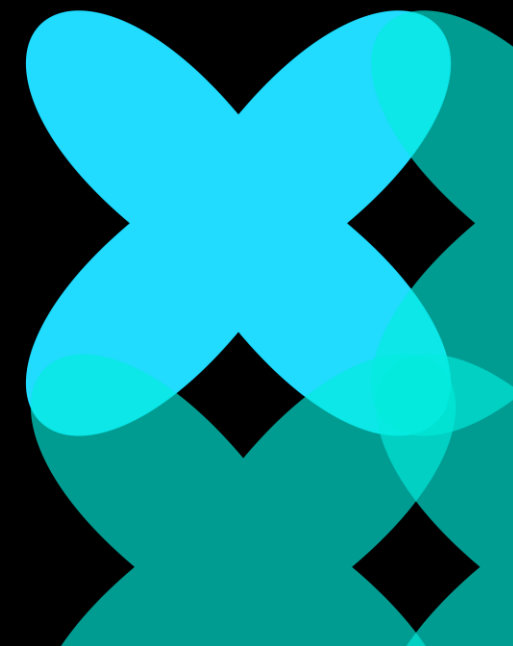
Source: Office for Health Improvements and Disparities. This chart shows the prevalence of selected illnesses for different areas in EMCCA against a national baseline. Darker colours represent worse outcomes.

- Serious illnesses in the adult population are affecting across the East Midlands differently.
- Local health practitioners told us they are seeing working age adults in their 40s, 50s and 60s drop out of the workforce due to the onset of long-term illnesses.
- In these age groups, we are seeing higher prevalence of illnesses linked to deprivation, diet and exercise, including circulatory issues, obesity, musculoskeletal conditions, and liver damage.
- The issue is large scale, but at the local level these health inequalities are clustered in certain places, and sometimes in different ethnic groups, which points towards locally-led approaches to improving health services and employment support.



“To help people to get on and up the opportunity escalator, we need to design healthcare and employment support around their needs. This means better joined-up services at a local level – with local leaders and practitioners involved in the design”

Dr Andrew Haynes, healthcare leader and IGC Commissioner



Case Study:

*‘Wraparound’ health and
employment services*

Case Study: Rhubarb Farm – Langwith, Notts

The Rhubarb Farm is a community initiative that has supported people with health and other barriers to employment to find work by offering tailored employment and training pathways to volunteer workers. The farm has successfully supported volunteers—who often face barriers like unemployment, addiction recovery, or criminal records—in gaining the personal confidence and skills needed to secure employment. This not only improves individual economic prospects but also reduces community-wide health inequalities by addressing one of the key social determinants of health: unemployment. The farm has built partnerships with local businesses to help their volunteers move into work.

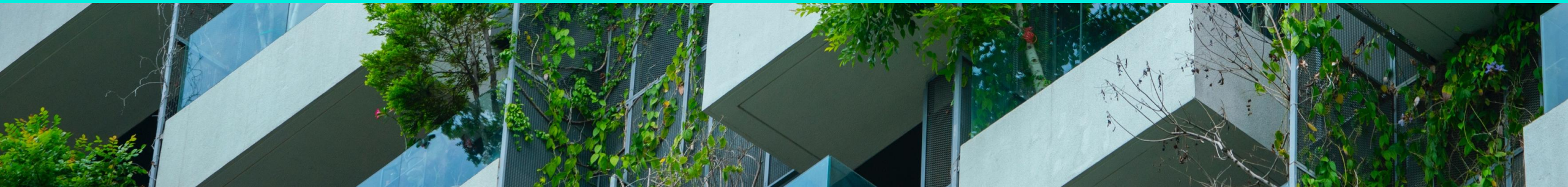
Rhubarb Farm also runs a Community Pantry, providing affordable, nutritious food bags twice a week. This service directly addresses food insecurity, ensuring that vulnerable populations, including older isolated individuals and those with mental health challenges, have access to essential resources. This initiative has been crucial in reducing health disparities by ensuring that all community members can maintain a healthy diet, regardless of their financial situation.

These initiatives have been successful because they directly address the root causes of health inequalities, such as unemployment and food insecurity, while fostering a strong, supportive community through partnerships and engagement with employers.



Part 2: Breaking down the barriers

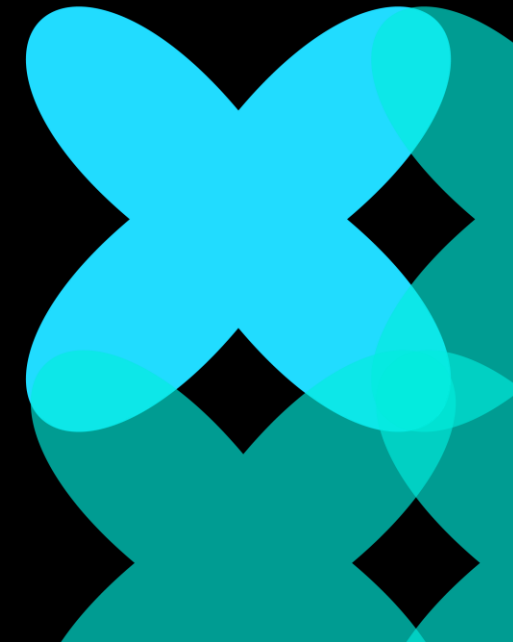
A weakened social fabric





“Social capital is the network of relationships and trust between people in a community. You can't achieve inclusive growth without nurturing it. Social capital is the cake, not the icing”

Lord Marvin Rees, former mayor of Bristol and IGC Commissioner



Social connections and inclusive growth


- A clear theme from the IGC's engagement so far has been the role of social connections, support networks and community in **helping people access and benefit from economic growth.**
- There is growing evidence to suggest that economic deprivation often coincides with low social trust, poor community cohesion, and that people living in economic deprivation **lack personal connections to draw on to help** them get on in life.
- This affects people's individual wellbeing and **weakens their resilience** to personal crises.
- There is also a growing evidence base and literature on concepts of 'social fabric', which takes a similar approach, and also looks at 'social infrastructure' - the **community spaces and hubs where people come** together to form bonds.

In the East Midlands, 22% of residents, rising to 31% in the most deprived areas, felt that the sense of community in their area was worsening.

Residents spoke about a loss of connection and shared spaces, and the ways in which this fed into a sense of powerlessness, fraying cohesion, and rising anti-social behaviour.

Social connections and inclusive growth (Continued)

- In the UK, the Office for National Statistics tracks 'social capital' through a composite measure of four components: personal relationships, social network support, civic engagement, and trust and cooperative norms.
- In its first phase, the IGC has looked at some of the evidence around social connections in the East Midlands to identify some of the themes that the Commission will explore further in the coming 6 months.
- Our work has highlighted that community organisations are seen to provide vital support for those most in need, often enjoy high levels of trust and goodwill, and are crucial for supporting those in challenging circumstances, or furthest from the labour market. But these organisations are suffering from a lack of funding and support.
- In the next phase, through a novel partnership with Meta, the RSA will be able to bring new lenses and insights to bear on the question of the strength of social connections in the East Midlands, and what types of interventions may work to improve this and achieve inclusive growth.



“For me it’s that voluntary sector that’s missing [from the system]. We’ve got national projects that help people out, but that very localized work readiness (before you get to the point of employment) – you need to support people who can’t even think about getting a job.”

Community volunteer

“We have a good voluntary, community and social enterprise infrastructure – organisations empowering communities who might not normally engage”

VCSE worker

“When you’ve normalized living in deprivation and what you’re seeing in these communities is a lack of trust, it’s really hard when you’re presented with opportunities later in life you’re not going to get that buy in.”

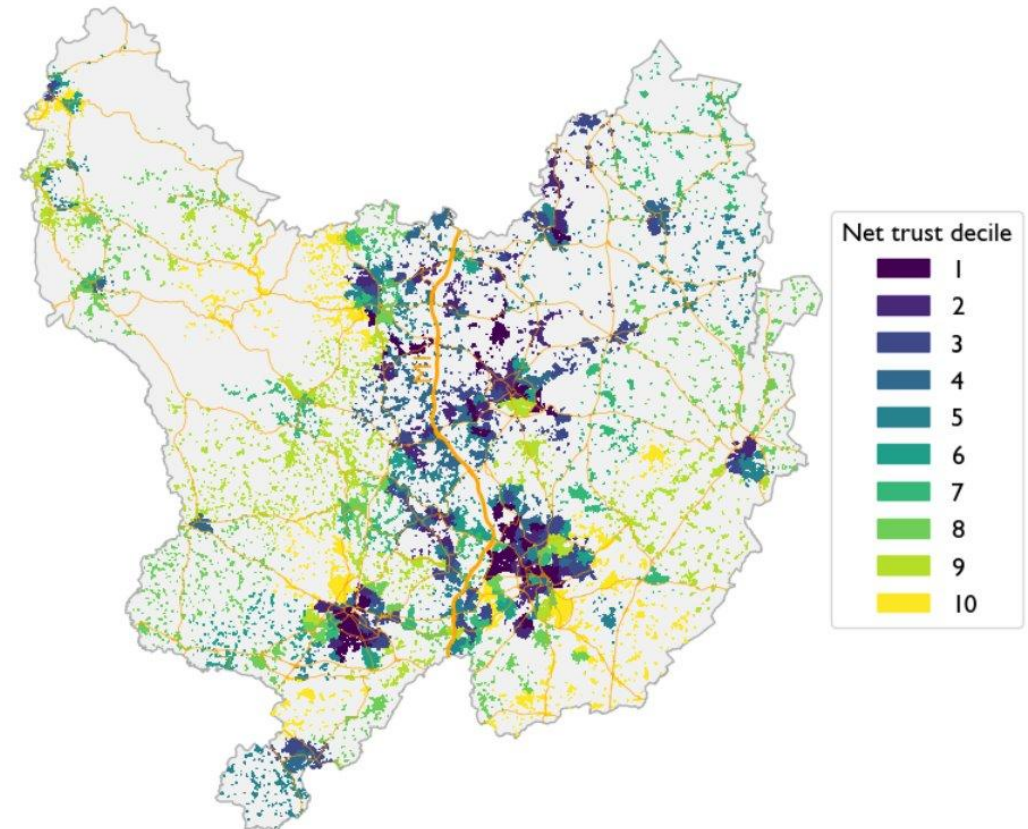
VCSE worker



Trust varies across communities in EMCCA

- “Generally speaking, would you say that people can be trusted or that you can’t be too careful in dealing with people?”
- Respondents were asked whether people can almost always or usually be trusted or that you usually or almost always can't be too careful in dealing with people.
- Net trust is the difference between these two evaluations, with darker colours on this map illustrating where trust is low.
- Low levels of net trust can signal deeper social problems that an inclusive growth strategy needs to address.

'Net trust' levels across the East Midlands



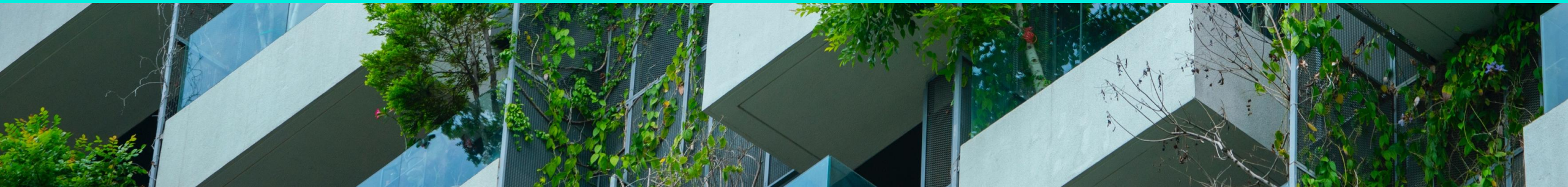
'Net trust is calculated by subtracting the number of negative responses from the number of positive responses for each LSOA. These are ranked nationally, with deciles then assigned for each LSOA. The chart shows those deciles. Source: Onward https://github.com/ukonward/good_neighbours

There are no easy or quick solutions to rebuilding social capital, or social fabric. It requires communities to come together and make a change.

The Commission will look at examples of successes locally, nationally from around the world, and their potential to be applied in the East Midlands

Part 2: Breaking down the barriers

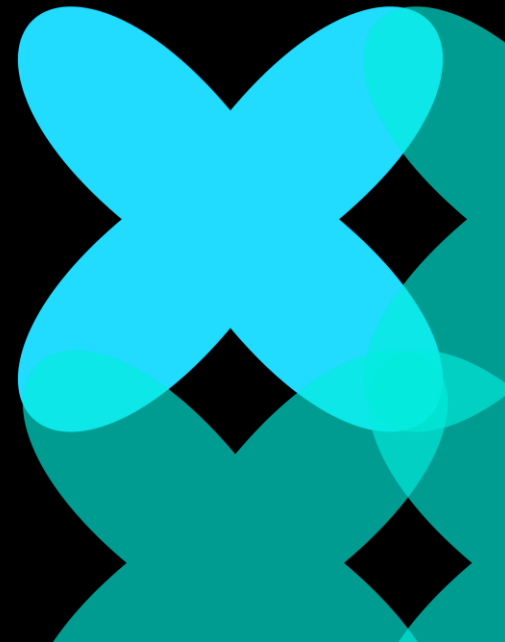
Access to housing





“There is no sharper indicator of economic exclusion than having no home to call your own”

Gillian Sewell, CEO of Derbyshire YMCA and IGC Commissioner

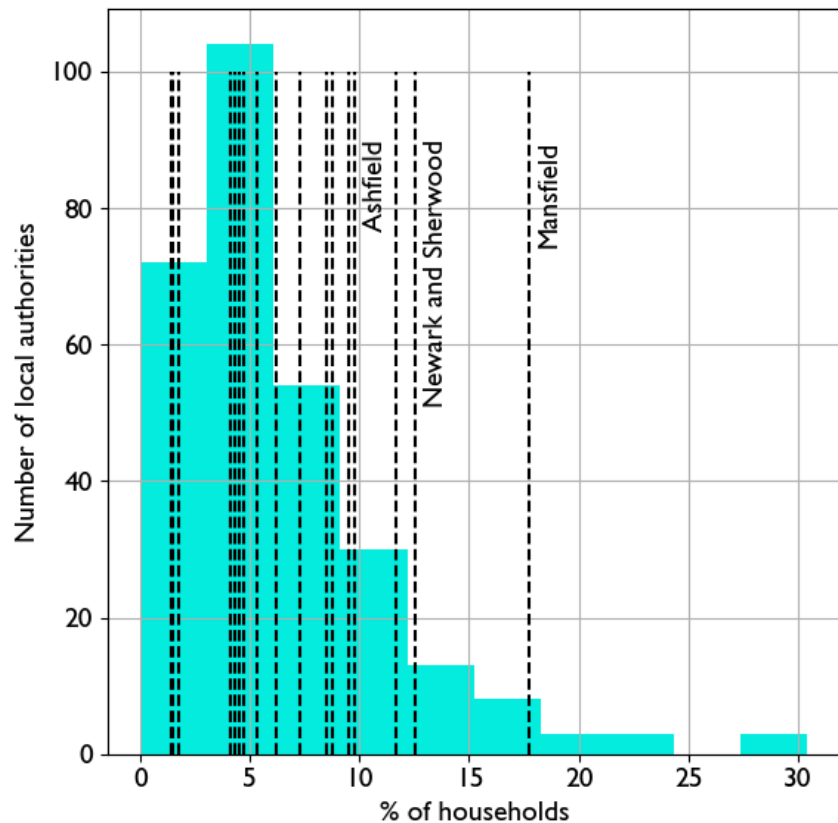


Housing and inclusive growth

- The UK suffers from a **national housing crisis** stemming from a shortage of homes in the places people want to live.
- One **consequence of this crisis** is housing-related issues impeding people from taking advantage of training and job opportunities.
- Research shows housing costs lead to **lower-income people and families living further** from concentrations of high-quality training and jobs.
- High housing costs are also weighing on household finances to the extent that they are forced to **forsake investing in training opportunities**.
- Participants in a civil society workshop flagged fragmented social housing policy and new housing regulations relating to the rental market, which they argued are **driving homelessness**, as barriers to inclusive growth.
- In a survey of EMCCA residents, access to **good quality housing was rated as important but provision rated poor**. The affordability of training was also rated as the biggest barrier to accessing skills training.

Housing access and affordability – social housing waiting lists

Proportion of households on social housing waiting lists for areas in EMCCA relative to the national distribution

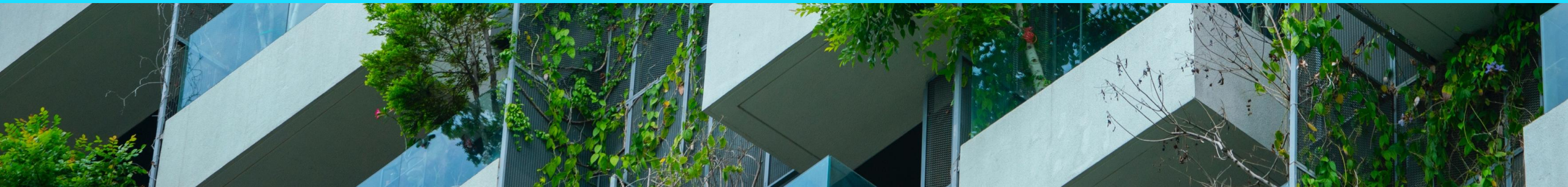


Sources: gov.uk Local Authority Housing Statistics

- The housing market in the East Midlands displays signs of distress.
- The Derbyshire Dales has some of the least affordable houses outside of London and the South East, with prices at 11 times average earnings.
- The chart shows some areas in the East Midlands have a higher-than-average percentage of households on the social housing waiting lists, often in some of the most deprived areas, indicating housing is an acute issue for some lower-income residents.

In the next phase of work, the IGC is going to look more closely at some of the acute housing barriers people in the East Midlands face, the effect these are having on access to good work, and how they might be addressed.

Part 3: A map of East Midlands and inclusive growth



The economic geography of the East Midlands

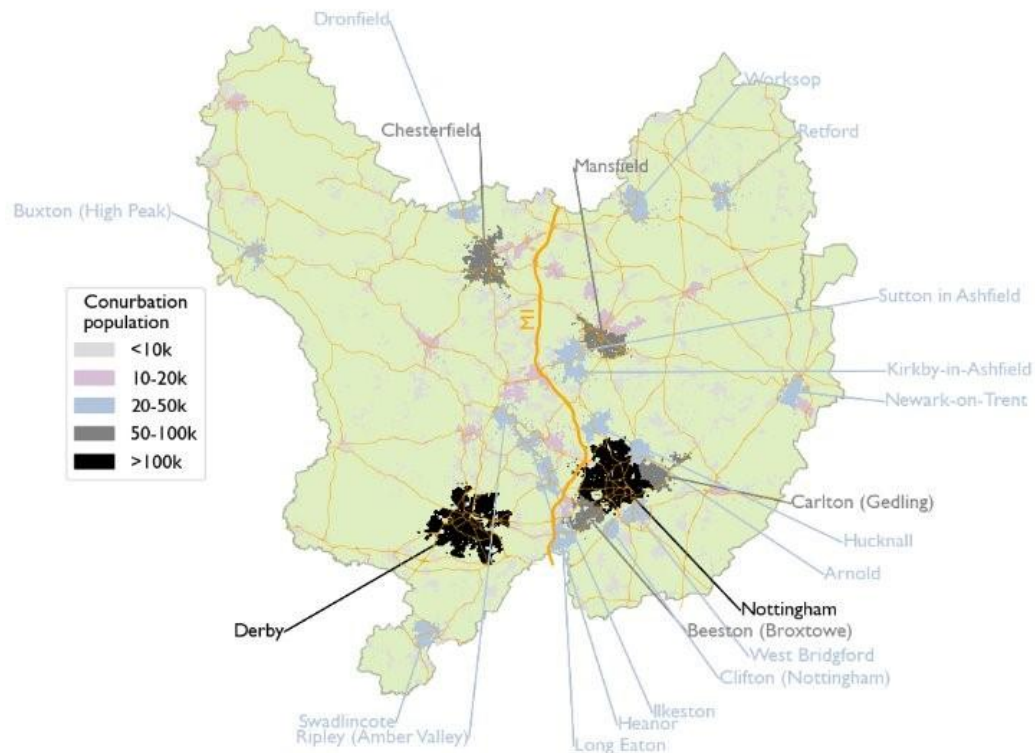
- The East Midlands region is not a typical 'city region', with an interior and an exterior. It is polycentric, with multiple nodes and connections, and a substantially outward-facing economic geography.
- The **twin engines of Nottingham and Derby** can be key part of the East Midlands growth model. There is the scope for a truly transformative '**Trent Arc**' corridor in the south, that leverages the interconnectedness of these two cities and their highly-skilled employee base – much as with the Ox-Cam corridor
- With three freeport sites within the EMCCA area, encompassing a **major international freight airport**, and a top tier industrial site in Ratcliffe-on-Soar power station, the opportunity for new industrial development is sizeable.
- The region is also blessed with an **industrial 'spine'** up the M1 that will benefit hugely from the growth in modern networked businesses - with **Mansfield, Ashfield and Chesterfield** all on the doorstep.

The economic geography of the East Midlands (Continued)

- To the east, the East Midlands also has potential for a **clean energy supercluster** from West Burton to High Marnham, building on the region's strong power-generating heritage and the presence of Rolls-Royce
- The area has a strong **rural economy** and **natural assets** in the Derbyshire Dales, the Peak District and Nottinghamshire's historic countryside, and world leading **heritage assets** underpinning a strong **visitor economy** in the east and west wings of the region.
- Building the connections between these places and between urban communities and green spaces should be a priority for the Combined Authority
- And with the presence of so many centres of economic activity in surrounding areas, the future of the East Midlands will rely as much on making **external connections** to Sheffield, Manchester, Lincoln, Leicester and Birmingham as on internal connections

The EMCCA area is 'polycentric' - with many residents living and working outside of the big urban centres

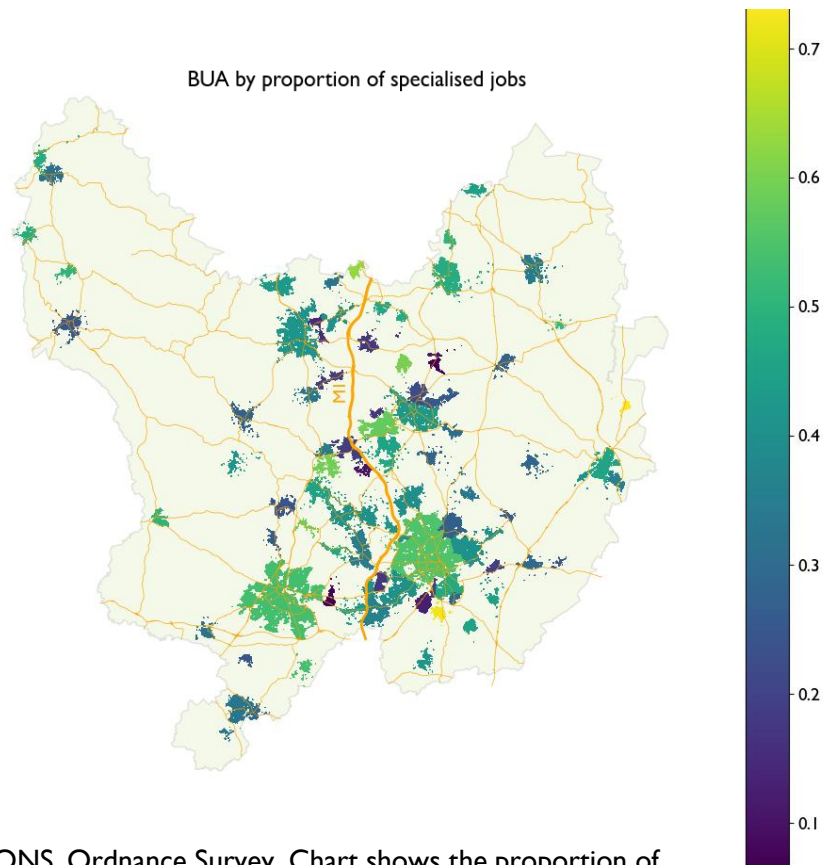
Selected conurbations across the East Midlands,
by population size



- The East Midlands Combined County Authority Area is not a typical city-region, with a 'centre' and 'periphery'.
- It is a polycentric region of nearly 2,000 sqm with a diverse network of cities, towns and villages – and strategic sites and growth corridors.
- The growth model for the region needs to reflect this unique geography, with a varied approach to industrial strategy to leverage the varying strengths of different places.
- With a population in excess of 2.2 million, and £50bn in GVA, the region is too big to fail.

Industrial specialisation is not equally distributed across areas in EMCCA

Levels of job specialisation across the East Midlands

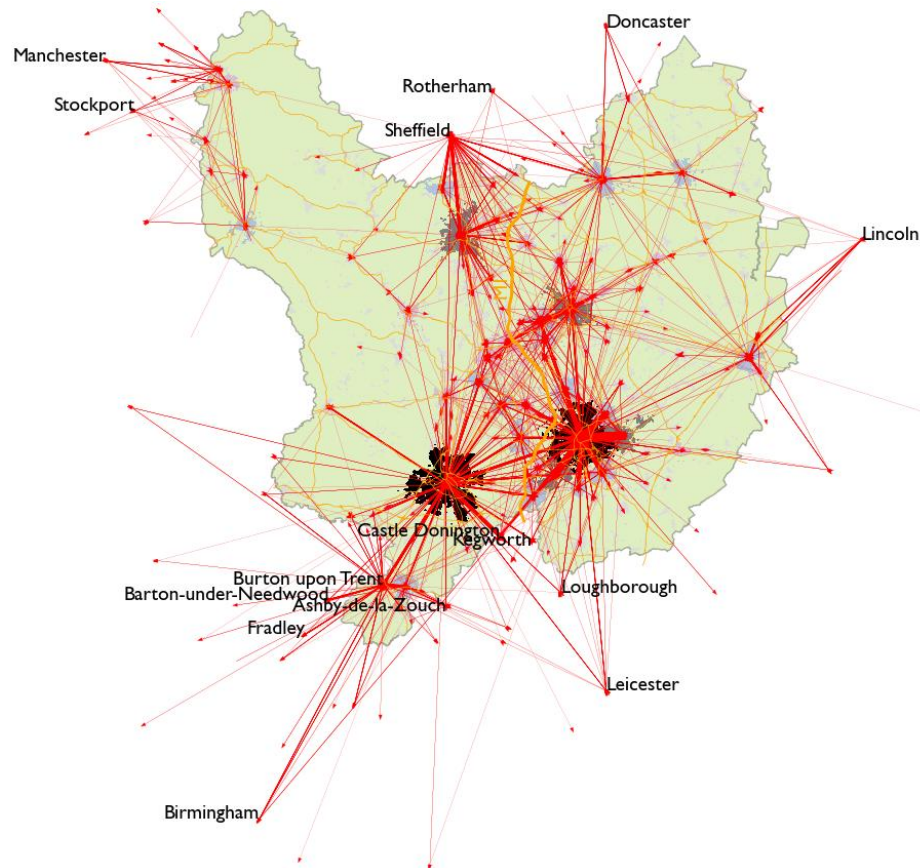


Sources: ONS, Ordnance Survey. Chart shows the proportion of jobs in a built-up area that pass a specialisation threshold, based on their geographic distribution in the UK. Jobs that appear in less places in the UK are deemed more specialised.

- Economic specialisation can be a proxy measure for how many high productivity industries exist in different geographical areas, and how diverse the job opportunities are.
- The East Midlands has uneven levels of economic specialisation – but it is not just clustered in the two larger cities, there are geographies of high specialisation across the whole Combined Authority Area, including in the north.
- The MI 'spine' of the region is an important asset for enhancing and connecting different areas of economic specialisation, and a clean energy supercluster to the east will require additional infrastructure investment.

The East Midlands is a naturally outward-facing region

Outward journeys from EMCCA



- The East Midlands is unusual in the strength of its outward connections - with many journeys taking place between EMCCA and neighbouring towns and cities daily. This graphic shows commuting flows to built-up areas outside of the region.
- This indicates that not all the key geographic centres that will drive growth are inside EMCCA's area, and that strengthening those outward links will be important.
- The new Combined Authority is well placed to take a pan-regional view on how to link parts of the East Midlands up with other centres of economic activity so that residents benefit from a wide range of economic opportunities.

Source: Census 2021, Ordnance Survey. Shows commuting flows between built-up areas, including built-up areas outside of EMCCA with material flows into or out of EMCCA.

Connectivity in EMCCA


- Nationally, the region enjoys an advantageous position and enviable connections. Within the region, however, the Commission's analysis shows that – much like other parts of the country – **some areas in the East Midlands are not well connected** to the places where employment is currently happening.
- Transport is **subject to significant geographic disparities**: In rural areas, only 45% of people we surveyed considered the current provision ‘good’, compared to 60% in urban areas and 70% in Nottingham.
- In our engagement employers and residents alike were quick to raise transport issues. We heard that these disconnected people from good employment, **held businesses back and worsened skills/staffing mismatches**, and discouraged inward investment.
- On public transport, residents spoke about delays, long waiting times, changing timetables, and bus apps that do not always work effectively. Routes also often involved multiple changes and circuitous journeys, with examples of **having to leave the region entirely to then come back** in at the right point.

Connectivity in EMCCA (Continued)

- Safety concerns also surfaced in relation to the location of bus stops and areas around train stations, busy main roads, and bike thefts. These issues make people **less comfortable and confident travelling.**
- In our survey, 34% of residents said that **improvements to transport links would make some of the biggest improvements** to their region and lives, second only to more and better jobs (45%) and rising to 44% in rural areas.

The powers that the new Combined Authority will take on present an opportunity to radically rethink public transport across the East Midlands.

Improved bus services and active travel options should be high on the agenda, with a focus on connecting isolated communities in both rural and urban areas to employment opportunities and green spaces.



“I wanted to be a footballer and got scouted, but my family couldn’t afford that time and travel. Dragging us all to the train station wasn’t realistic, and the buses take way too long from where I live.”

Educational practitioner

“[Bus fares have] gone up a lot. It used to be a pound and now it’s £3.20. If you’ve got a 15-year-old wanting to go to college he’d have to pay £300 for a bus pass. He needs the education but what if he doesn’t have the money to do that. Why are they putting so much pressure on families’ finances?”

Young person



Public transport connectivity can either accentuate or offset the impact of the geographic locations of specialised jobs.

Connectivity to higher-productivity jobs by public transport

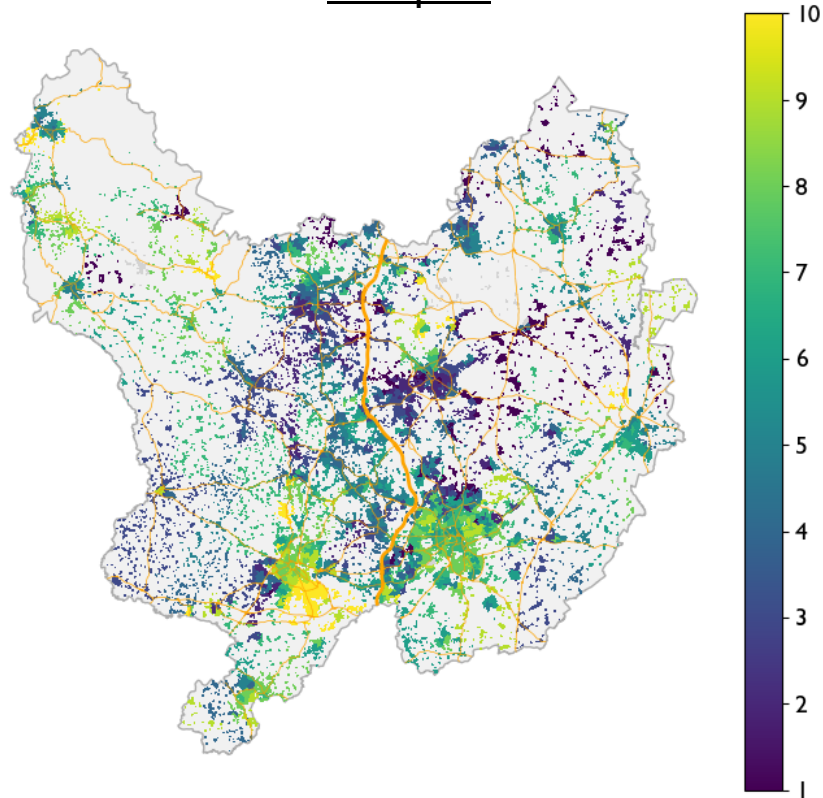


Figure shows connectivity to high-productivity jobs, compared to other parts of the country. 10 represents the best-connected decile, 1 the worst connected. Underlying metric measures the proportion of jobs that are in high-productivity sectors, for all jobs reachable in 30 minutes on public transport. Sources: ONS and OS.

- Understanding the strength of connectivity between different places and high-productivity jobs in EMCCA can inform the Authority's plans for prioritising and planning new public transport investments
- This map shows connections via public transport, with darker areas implying fewer connections to high productivity jobs.
- The ease of access to high quality jobs mirrors the underlying distribution of specialised jobs to some extent.
- But some towns in the central and northern parts of the region are under-served by transport links to good quality jobs

Access to green space

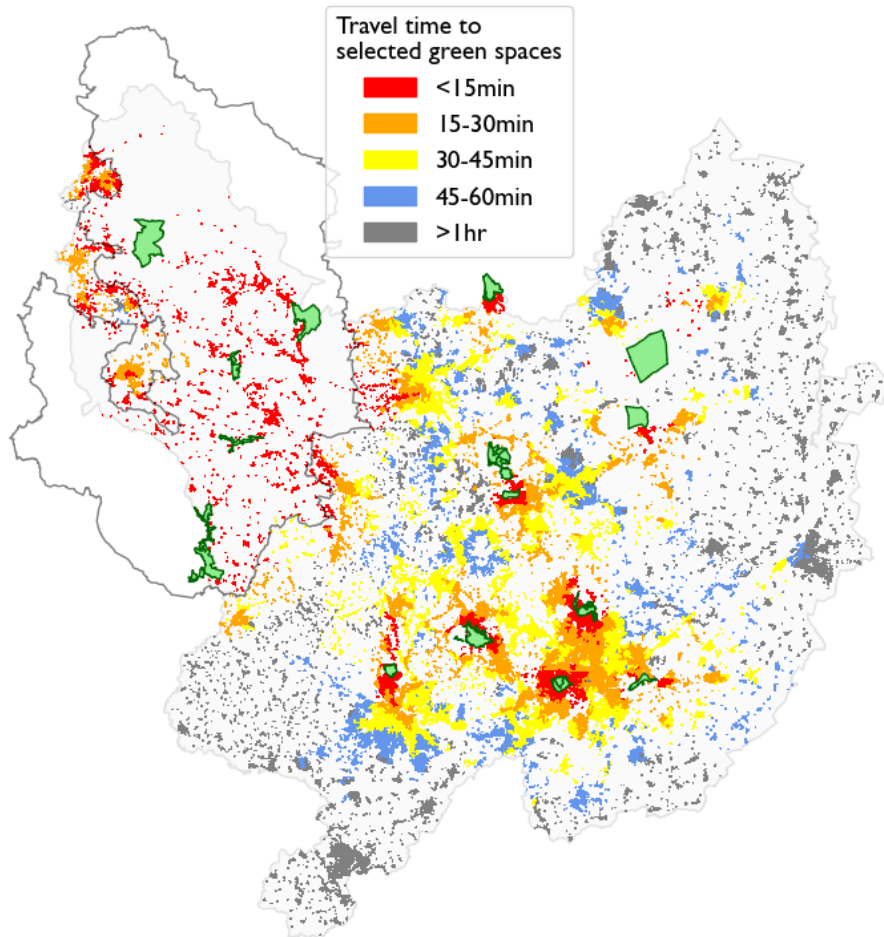
- There is a growing body of evidence that being able to access nature (or ‘green space’) plays a large role in health and wellbeing.
- This includes through better mental health, improved physical activity levels, and possibly better outcomes in relation to obesity.
- Our survey of **local residents** showed that people tend to rate access to green space as very important for how they feel about their local area. But access to quality green space varies by area and neighbourhood, with some places in bottom 10% of areas nationally for access to natural assets.
- The East Midlands has some of the UK’s premier green space, in the Derbyshire Dales and Sherwood forest, alongside **numerous other natural assets, and natural ecosystems** that exist around man-made spaces like canals and farmland.

Access to green space (Cntd.)

- **Improving public transport links** – especially buses - from urban areas to green spaces was highlighted in many of the IGC's engagement with local residents and other stakeholders as a priority for improving access.
- But there are many other ways to **ensure that natural spaces are part of economic development**, including through urban development and regeneration, and by partnerships between private landowners, charitable groups and public authorities to open access to privately owned green spaces.

Despite an abundance of natural assets, there is uneven access to green space in EMCCA

Connectivity to green space by public transport



- People told us that connections to green space via public transport is a key factor in accessibility.
- Our analysis shows that many areas do not have ready or fast access via public transport.
- This needs to be factored into prioritisation decisions for local transport services, such as bus routes.

Sources: ONS, Natural England. Graphic shows travel time to the Peak District National Park and selected other green spaces by public transport. Green spaces are included if they are over 1km² and are public parks, playgrounds, playing fields, nature reserves or country parks.

In the next phase of work, the IGC will look at what types of practical interventions could serve to widen access to high quality green spaces for residents of the East Midlands, and how the regeneration of nature and biodiversity can be prioritised in approaches to economic development.

This will include how to involve private financing in natural regeneration projects.

Case Study:

***Community access and green
infrastructure on a farm***



Case Study: The Grange, Cotham, Nottinghamshire

Situated on the outskirts of the Newark growth point, The Grange is a valuable Green Infrastructure resource which has been created on a working farm.

The farm, which has been worked by four generations of the Pykett family, abounds with interesting landscape features including the River Devon which runs through the farm and a lake created from reclaimed quarry land. Aside from enhancing the landscape, these features also provide pleasant access opportunities for local communities. Some 64 hectares of previously arable land has now been planted with poplars to provide flood storage capacity. There are also many hedgerows, copses and uncultivated field margins which have been established under the Countryside Stewardship Scheme.

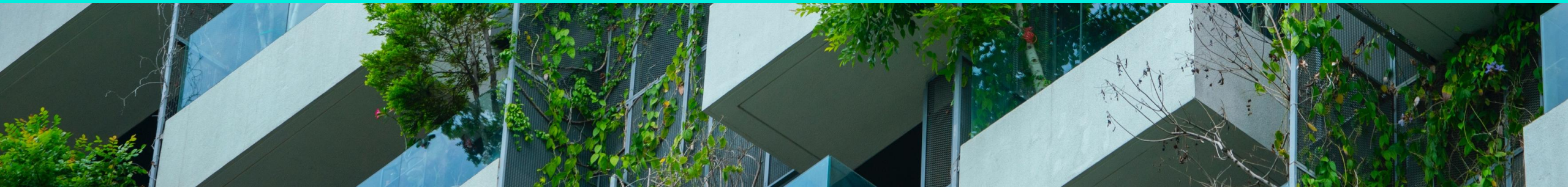
Together, these features enhance the landscape character and biodiversity of the area, providing habitats and food sources for wildlife, including otters, water voles and over 130 bird species. By filling gaps in the bridleway network and linking town with country, the site provides the local community with easy access to green space close to where they live. It is an excellent example of public funding delivering Green Infrastructure on private land.


Source: Natural England – State of the Natural Environment in the East Midlands

Spotting the patterns...

- In the next phase the IGC will be developing a framework to help inform some of the wider solutions for inclusive growth, for the villages, towns and cities across the EMCCA area
- This framework will look at issues such as population size, specialisation levels, connectivity, health, skills levels, housing issues and social capital to recommend actions from a suite of interventions that are tailored to different places, based on the characteristics of those places.
- The economic strategy for Mansfield will never be the same as for Buxton – but some of the opportunities, challenges and solutions will be.
- Our work hopes to bring more light and insight to this question, to help EMCCA and its partners secure a truly inclusive growth strategy for the region.
- That is why we are developing a **place framework** for the East Midlands, based on verifiable data, and informed by local insights.
- **This work is not yet complete – but will be developed in the next phase.**

Leveraging investment for inclusive growth





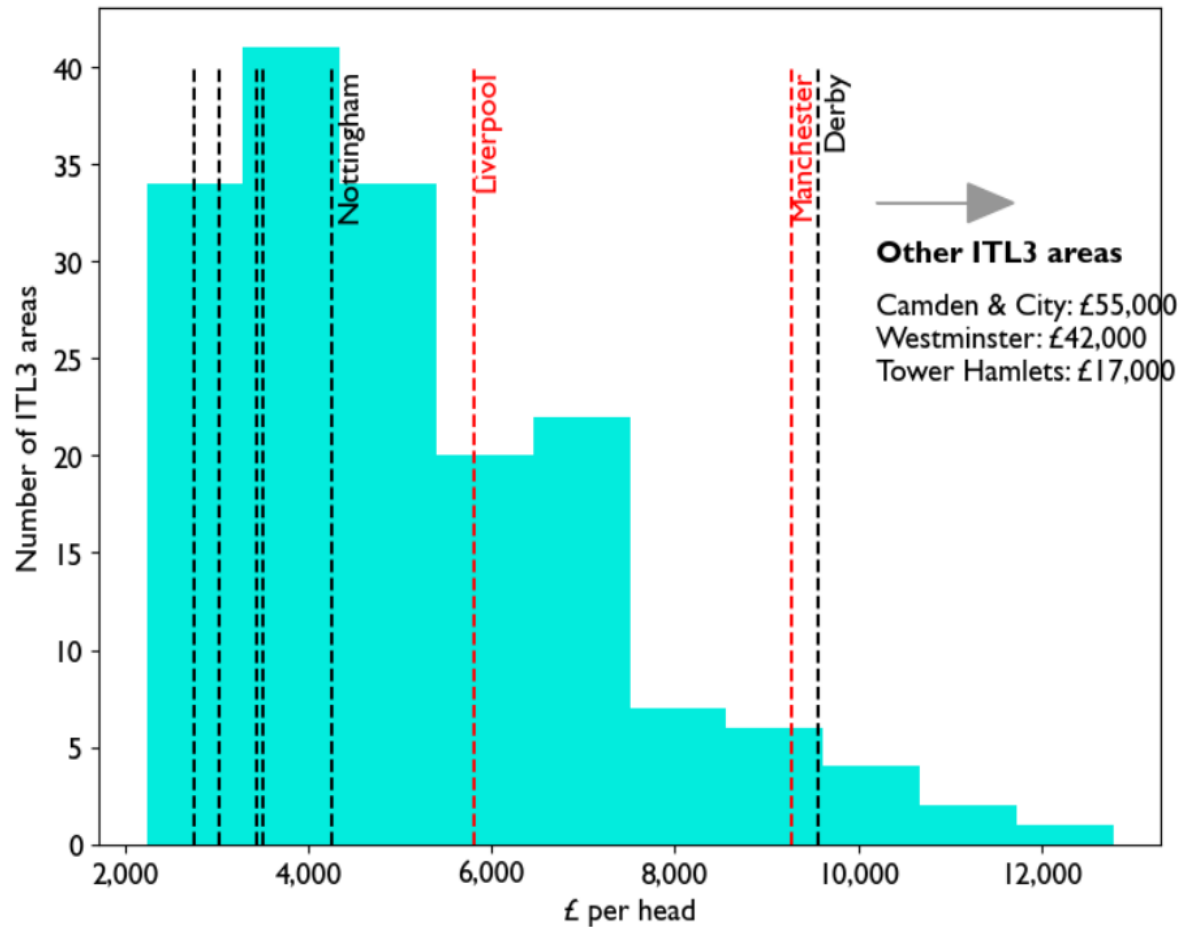
“Unlocking private investment in the East Midlands could be transformative. The opportunities are there, but investors need to see the projects, and the channels to invest”

*Sarah Gordon, Visiting Professor in Practice, Grantham Research Institute,
London School of Economics and IGC commissioner*



Unlocking investment in the East Midlands

Investment levels (per capita)

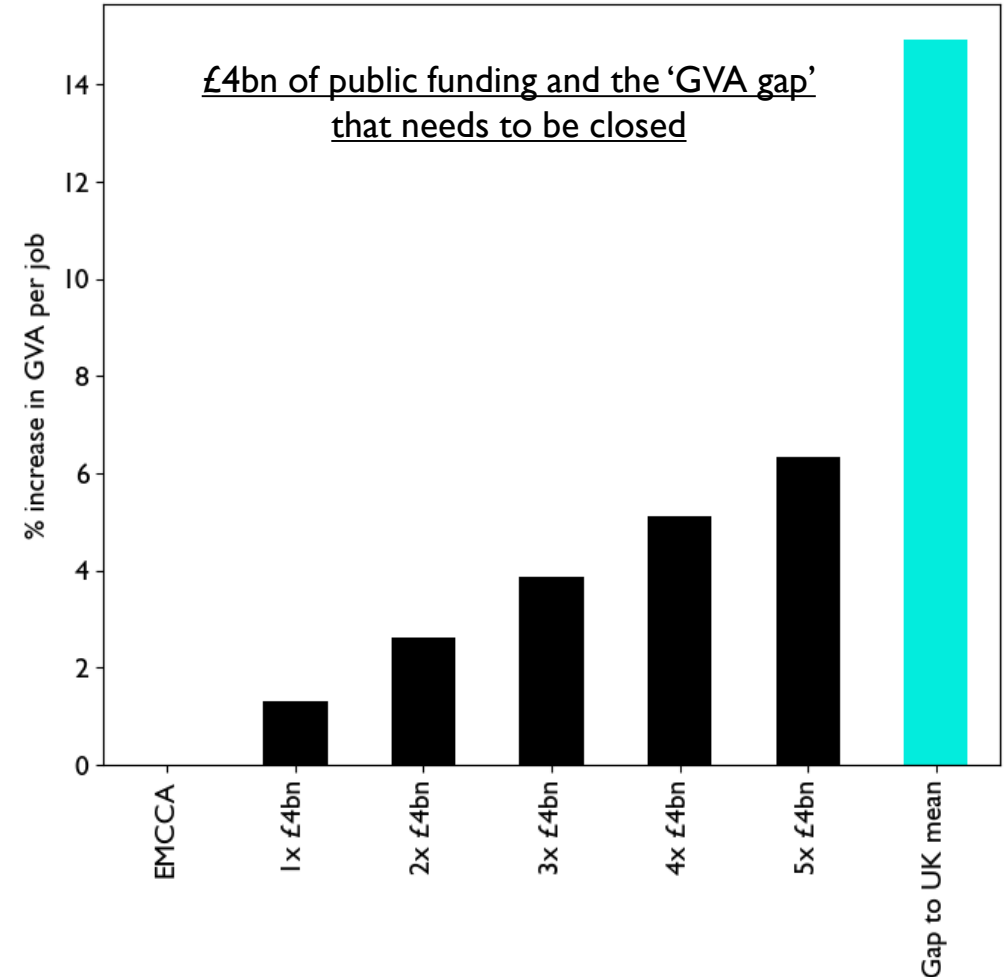


Sources: ONS Experimental Regional GFCF by Asset and Industry.

- This chart shows investment levels (gross fixed capital formation, or GFCF) for different areas in EMCCA and nationally.
- Some areas in the East Midlands perform well against a national baseline shown in teal, but this masks large differences in how urban and rural areas perform in general. Nottingham's GFCF is below levels seen in other urban areas.
- Closing the gap with the highest performing areas will mean drawing in much higher levels of private financing for economic development. Cambridgeshire, Warwickshire, and Luton all have investment per head above £9,000.
- As a Strategic Authority, EMCCA can help raise the profile of the region to major investors, and the IGC's work in the next phase aims to support this in several ways.

The private sector is critical to boosting investment and productivity

- Regional devolution in England will give the new Combined Authority greater control to direct investment in the region, and EMCCA have highlighted up to £4bn of funding that will be under the Authority's direct control in the coming years based on current agreements.
- Directing that investment could help to close the GVA gap to with other regions in the UK and give workers a pay boost, by raising productivity levels in EMCCA.



Sources: ONS Experimental Regional GFCF by Asset and Industry, Brandily P et al (2022) Bridging the gap. The Resolution Foundation.

The private sector is critical to boosting investment and productivity (Continued)

- But a simple analysis of the relationship between regional productivity levels and human and economic capital suggests that **a much larger investment in the economic capital of the East Midlands will be required** to close the gap to average productivity levels in the UK and raise living standards in the region. This emphasizes the importance of leveraging public investment to attract more private sector financing.
- Extending this analysis to size the potential prize on offer shows an increase in per capita investment levels to raise GVA levels in the East Midlands to the UK average would mean an extra £7,500 of GVA per job and a 15% pay increase for workers.



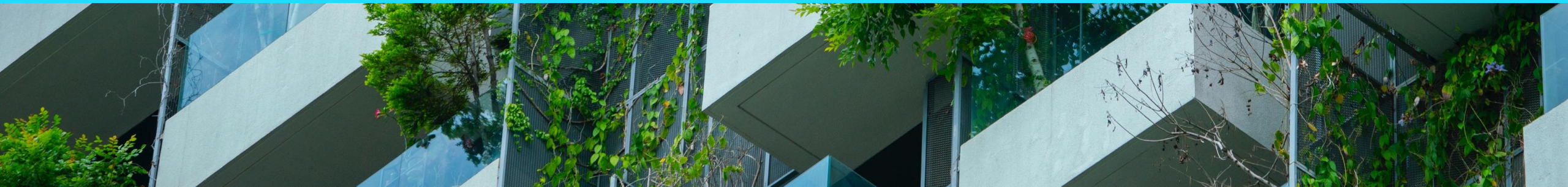
Investors Advisory Group


- To deliver inclusive growth a partnership is needed between public investment and private capital
- In the next phase of work, the ICG will form an **investors advisory group** for EMCCA and invite senior representatives from institutional and social investors and asset owners such as pension funds.
- It will be chaired by Andy Haldane during its inception, but is intended to become a key channel for EMCCA's investment strategy – lasting beyond the life of the Commission
- The group will help to identify investable opportunities across the region and connect potential investors to these opportunities, widening the pool of capital

Blended finance for growth – An East Midlands regional investment fund

- Alongside the Investors Advisory Group, the IGC will do more detailed work to scope the case for a **dedicated regional investment fund** for the East Midlands
- Funds of this kind are an approach that has been tried and tested in other regions to crowd in private finance alongside public investment
- A blended finance fund for EMCCA may be able to leverage capital from the National Wealth Fund and local government pension schemes to crowd in wider private finance to fund inclusive growth priorities, including regenerating natural and social capital
- In the next phase the IGC will explore the potential design, capitalisation and objectives for a new fund

Part 4: Findings and next steps for the Commission





“The East Midlands can be more than the sum of its parts, but there are no short cuts to growth. The mayor needs to be put on the fast-track to more powers and funding to deliver for the area”

Andy Haldane, IGC Chair



Emerging findings...

1. Alongside a strategy for high growth, high tech industries, the people of the East Midlands will benefit from a wider range of job opportunities in **manufacturing, logistics, construction, health and social care, and the modern services industries, including the visitor economy**
2. These jobs can be **secure, well paid and rewarding** providing opportunities for individual progression and growth, but **employers and government must play their part** in making this a reality
3. The region needs a new partnership between business, educators and government to build a **region-wide skills approach** that helps people 'get on and get up' the escalator from entry-level to better paid work
4. To support people onto the escalator, the region needs **deeper integration of health and employment support services** to avoid economic inactivity becoming entrenched for both younger and older workers

Emerging findings... (Continued)

5. Concerted efforts will be needed to **build aspiration from a young age**, and to **repair the social fabric of communities** that has been weakened in recent decades
6. Access to **quality, affordable housing** is a priority, with **better transport links** between communities and jobs to widen access to economic opportunities
7. The region is a **unique geography with many nodes and connections**. It needs an economic strategy that can make best use of the strengths and opportunities for different places and communities.
8. **The new Mayoral Combined County Authority is well placed to build the interconnections and to make the most of the East Midlands' outward-facing character, forging pan-regional partnerships to drive growth and investment that will benefit East Midlands residents.**

A bigger toolkit is needed...

The East Midlands has a population of 2.2 million, spread over 1800 square miles. It is an **industrial powerhouse**, with 11% of its workers engaged in manufacturing versus an average of 7% nationally. It is also a **unique and diverse geography**, encompassing densely populated urban areas in Nottingham and Derby alongside mid-size towns, former mining communities and a sizeable rural geography.

The region is outwards facing and hyperconnected, with spurs into many other centres of economic activity.

There is **latent opportunity** in the region, but this requires **a different model of growth** from the usual city-region approach – the East Midlands can be a trailblazer for the newly-formed Combined Authority model.

A region like this needs the powers and toolkit commensurate with its size and importance.

A bigger toolkit is needed... (Continued)

To meet the latent opportunity of the East Midlands, the Combined Authority needs to quickly be placed on a **fast-track for more powers**, funding and flexibility, to include:

- 1. Fixing the historic underinvestment in the region** – public spending per person in the East Midlands is the lowest in the UK, at just £16,785 versus over £21,000 per person in London. This urgently needs to be addressed at the forthcoming Spending Review.
- 2. Giving the new Mayor an integrated funding settlement** across local growth and place, local transport, adult skills, housing and regeneration, buildings retrofit and employment support - to move past the existing wasteful and fragmented approach, and allow the Authority to plan strategically and flexibly
- 3. Giving the East Midlands an enhanced 'trailblazer' status** alongside Greater Manchester and the West Midlands to design more integrated health and employment support services

We cannot expect the East Midlands to be in the fast lane for growth if central government has put it in a slow lane for enhanced powers and budget.

Next steps for the East Midlands Inclusive Growth Commission

The IGC's final recommendations will be published in September 2025. These interim findings will shape the areas of research and engagement that the IGC will prioritise in the coming months.

This will include deeper work into the key themes of this analysis, including on:

- The key opportunity sectors and leveraging economic assets, such as the freeport sites and 'Trent corridor'
- What it means to build an opportunity escalator in the East Midlands, with a focus on working with employers and education providers on improving skills levels and access to good jobs
- Leveraging investment for inclusive growth – including private and blended finance approaches
- Potential models for joining up health and employment support interventions
- Approaches to regenerating the social fabric of the region, and building social capital for inclusive growth
- How EMCCA can improve access to affordable housing
- How to ensure economic development reinforces environmental regeneration

**Thank you. If you'd like to
get involved, email:**

eastmidlandsigc@rsa.org.uk

