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East Midlands  
Combined County  
Authority



# East Midlands Inclusive Growth Commission

## Executive Summary



**W**e are the RSA. The royal society for arts, manufactures and commerce. Where

world-leading ideas are turned into world-changing actions. We're committed to a world where everyone can fulfil their potential and contribute to more resilient, rebalanced and regenerative futures.

The RSA has been at the forefront of significant social impact for over 260 years. Our research and innovation work has changed the hearts and minds of generations of people. Central to all our work are our mission-aligned Fellows; a global network of innovators and changemakers who work collectively to enable people, places and the planet to flourish in harmony.

We invite you to be part of this change. Join our community. Together, we'll unite people and ideas in collective action to unlock opportunities to regenerate our world.

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**We define our ambitions as:**

## **Our mission**

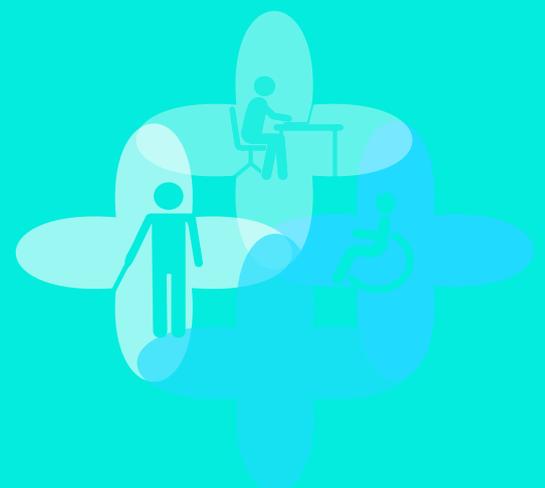
**To enable people, places and the planet to flourish in harmony.**

## **Our vision**

**A world where everyone can fulfil their potential and contribute to more resilient, rebalanced and regenerative futures.**

## **How we deliver our work**

**We do this by uniting people and ideas in collective action to unlock opportunities to regenerate our world.**



# The East Midlands Inclusive Growth Commission

## The Commission

The East Midlands Inclusive Growth Commission was a 12-month exercise to set out a framework for achieving inclusive economic growth in the East Midlands, commissioned by the Mayor of the East Midlands and the new East Midlands Combined County Authority (EMCCA) in late 2024.

We have grounded our recommendations in the *practical and the tangible* – shaped around the unique strengths, challenges and opportunities for the East Midlands today and in future.

The Commission met with over 500 people, and conducted more than 100 separate engagements, including public events, surveys, focus groups, roundtables and bilateral meetings with people and organisations from across the whole region, alongside a wide-ranging programme of quantitative and qualitative research.

## The Opportunity

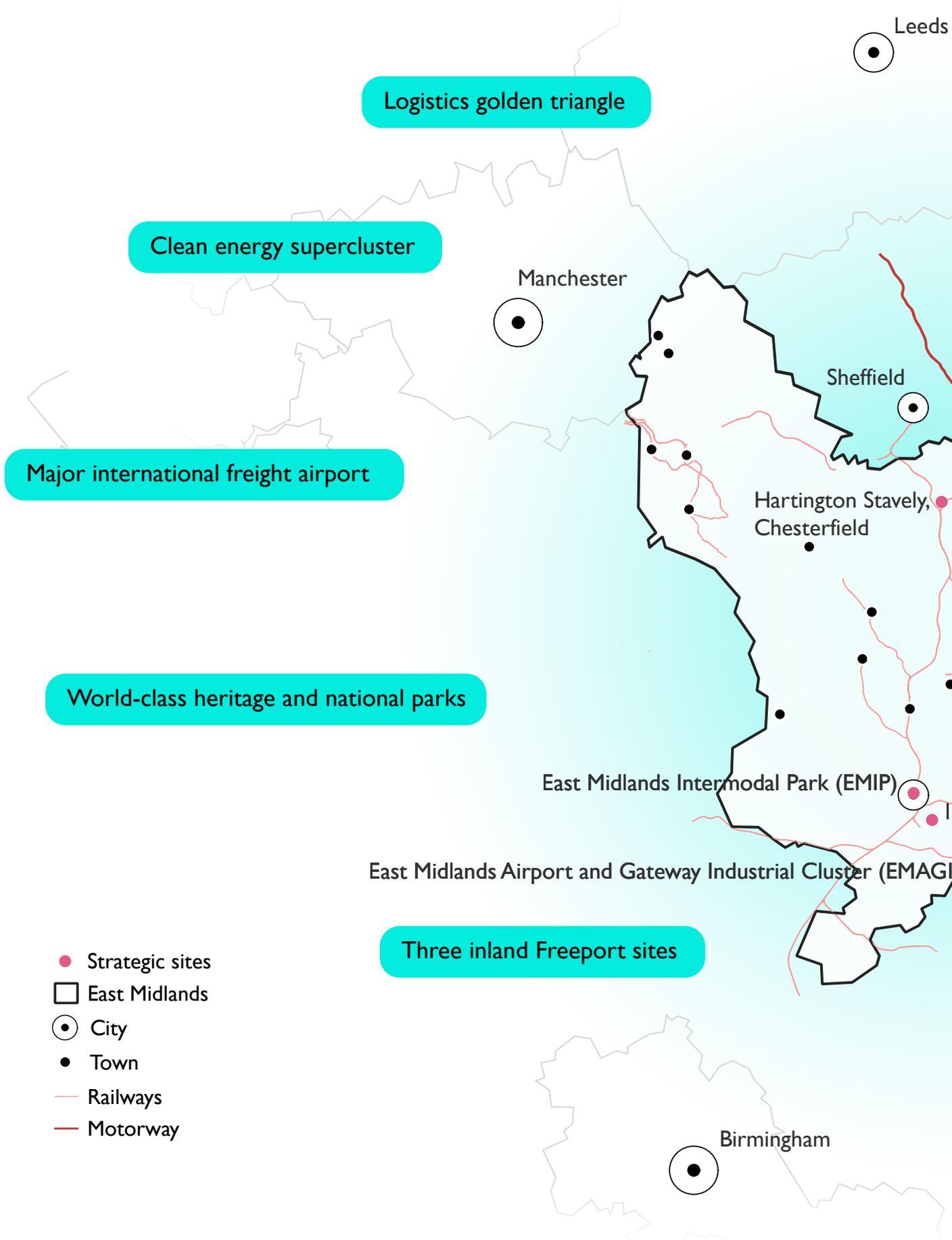
The East Midlands is a region that is hyper-connected and primed for growth. With a population of 2.2 million people and regional Gross Value Added of £60bn per annum, it is **simply too big to fail**. The region is blessed with two dynamic cities, three universities, three freeport sites, three investment zone sites, and industrial strengths in engineering, defence, advanced manufacturing, life sciences, creative industries and professional services.



Rolls Royce Trent XWB engines on the assembly line at the Rolls Royce factory Derby.



# The East Midlands – the opportunity



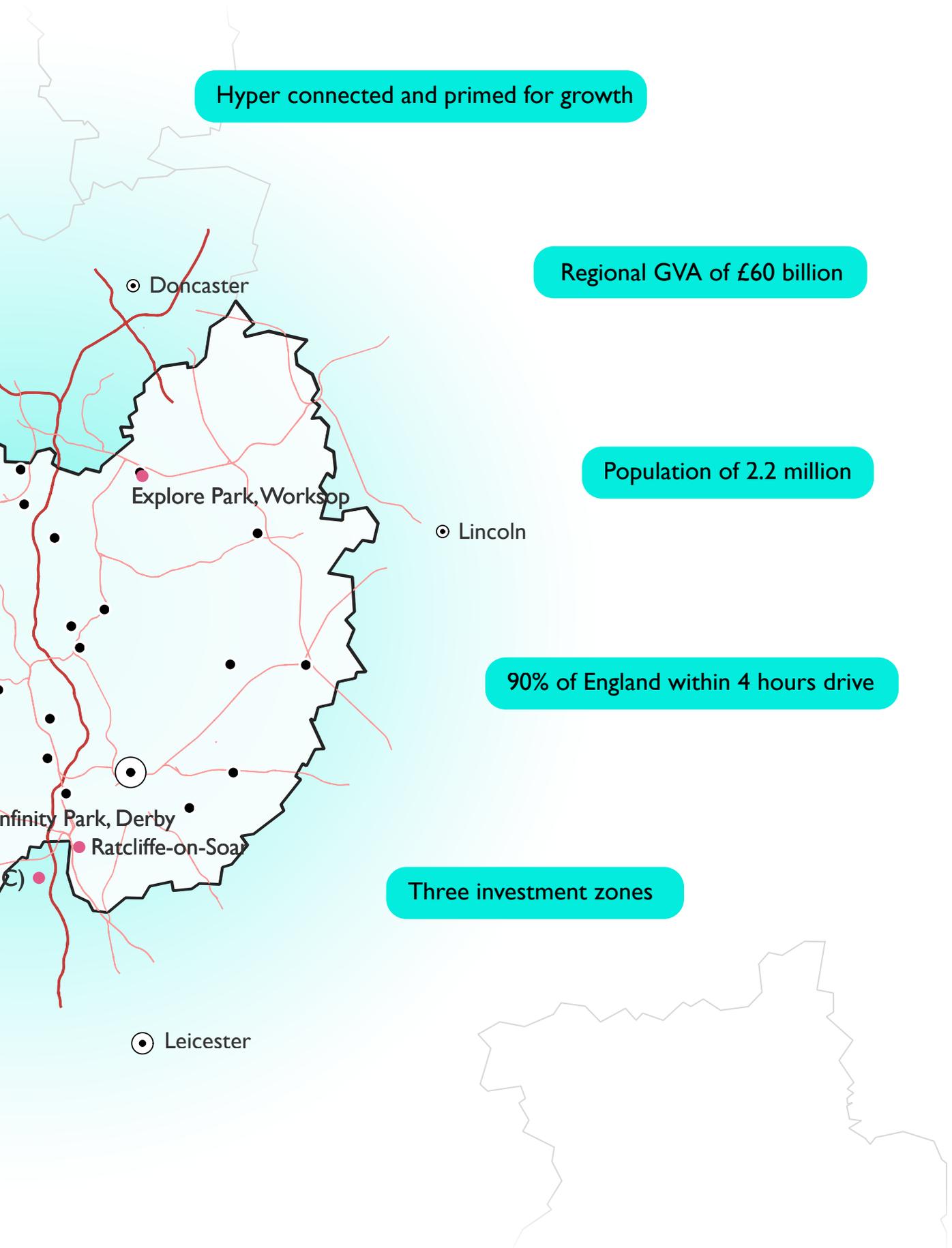
Hyper connected and primed for growth

Regional GVA of £60 billion

Population of 2.2 million

90% of England within 4 hours drive

Three investment zones





Derby city centre

However, the region faces deep challenges. A history of underinvestment, a low skills-low pay equilibrium, elevated rates of health-related worker inactivity, and areas of deep and multiple deprivation. Like much of the rest of the UK, social fabric has weakened, and levels of trust and civic participation are patchy.

**The newly formed East Midlands Combined County Authority and Mayor of the East Midlands have an historic opportunity to put the East Midlands on a path towards achieving its considerable potential. But doing so will require a different model of economic growth.**

The “city-centric” economic geography of Greater Manchester or the West Midlands contrasts with the “poly-centric” nature of the East Midlands region – two relatively small cities, a dispersed set of towns with mixed industrial heritage and recent fortunes, and large rural areas rich in natural assets.

The Combined Authority and Mayor can now take a strategic view across the region that was simply not possible under the previous, fragmented system of local government in England. This offers renewed opportunity to deliver growth that works for places across the region, and the people who live there.

## The five steps to inclusive growth

Inclusive growth is about increasing opportunity.

The Commission’s recommendations are grounded in a theory of change for creating

inclusive growth in the East Midlands. At the centre of our approach is the ‘Opportunity Escalator’ – a simple concept backed up with a sophisticated toolkit that we have produced for the Combined Authority and its partners to use on an ongoing basis to help spread economic opportunity as widely as possible.

- **Step 1: A focus on the government’s eight ‘superstar sectors’ will not be enough for achieving inclusive growth.** Focusing only on growing these eight would lead to a geographically and demographically skewed form of growth that could ‘miss’ the 85% of people who work in other sectors.
- **Step 2: Inclusive growth needs to be grounded in the current skills and strengths of the people who live and work in the East Midlands.** Our unique **‘Opportunity Escalator’ toolkit** provides highly localised insights into the industries and jobs would be suited to individual areas, and the kinds of skills gaps that need to be closed to help workers boost their pay.
- **Step 3: For inclusive growth, we need to address the barriers to people ‘getting on’ the escalator in the first place.** For the Opportunity Escalator to work, it needs to be backed up with plans to improve people’s access to transport and affordable housing, help for them to manage health conditions or caring responsibilities, and a strategy to regenerate the vital social connections that contribute to wellbeing and social mobility.
- **Step 4: The Combined Authority needs to mobilise local coalitions of people and organisations behind its plans.** The Combined Authority cannot act alone to achieve inclusive growth. Residents, businesses, anchor institutions and civil society need to be part of the change.
- **Step 5: Private investment is vital.** While the government plans to invest in transport and economic infrastructure across the East Midlands, the inclusive growth vision needs a step change in private investment levels.

## Inclusive growth in the East Midlands – what are the priorities?

The Commission's analysis shows that the East Midlands has strengths and opportunities across the eight 'industrial strategy sectors' that can unlock well-paid, high-productivity jobs for people in the region in the coming decade.

|                        |                          |                    |
|------------------------|--------------------------|--------------------|
| Advanced manufacturing | Professional services    | Clean energy       |
| Creative industries    | Defence                  | Financial services |
| Life Sciences          | Digital and technologies |                    |

But only around 15% of workers are currently employed in these sectors, and many of the jobs created will require graduate level qualifications. Moreover, the geographical distribution of industrial clusters in these sectors is skewed towards Derby and Nottingham. A 'top down' focus on just these sectors will mean an uneven form of growth.

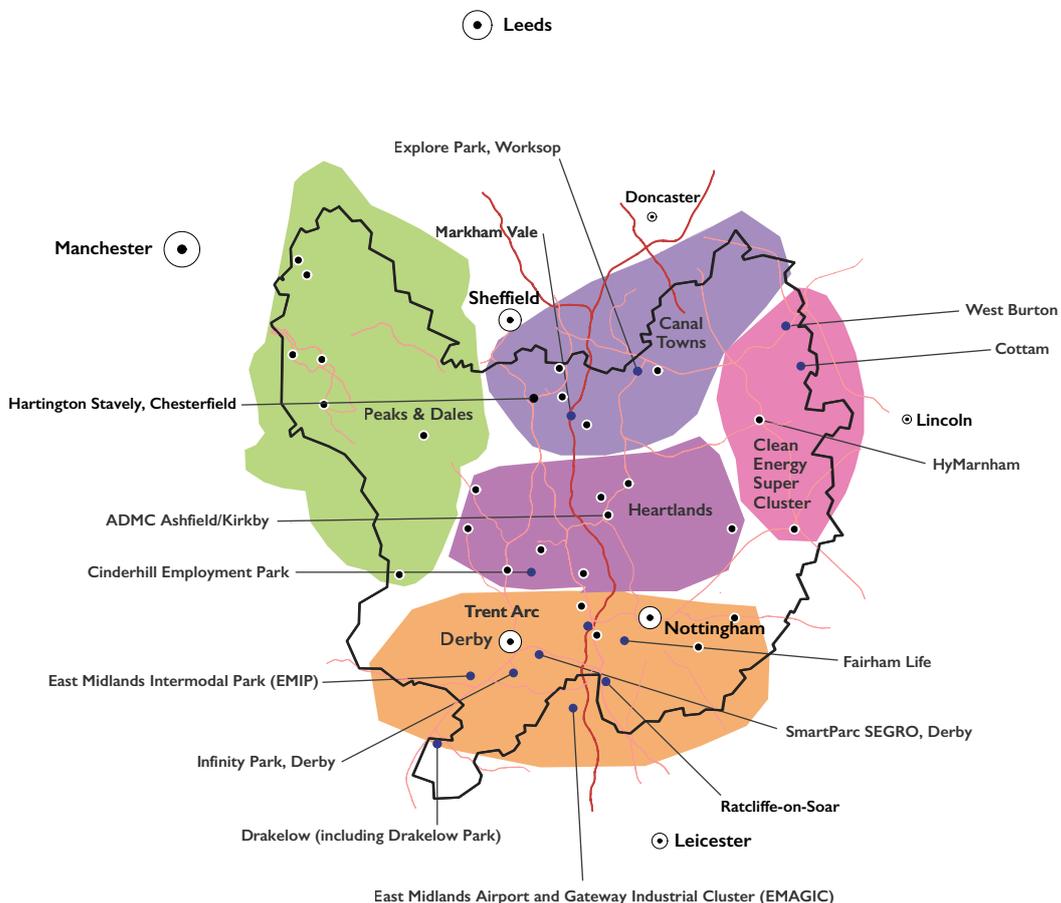
### A 'bottom up' approach

The RSA's Opportunity Escalator offers a 'bottom-up' approach to complement and improve on the top-down picture. It looks at the skills that workers have now, and which types of better-paid, higher-skilled

roles they could move into. It estimates the extent of the skills gaps that need to be closed to make this a reality.

To build up a picture of the types of industries and occupations that would provide the broadest opportunities for inclusive growth in the East Midlands, we ran our model for the different conurbations and employment sites across the region.

Based on the results of our analysis we grouped the East Midlands into 5 key spatial zones. Each of the five spatial zones that the Commission has identified has different strengths and needs to achieve inclusive growth.



## Key insights:

1. The industrial policy for the region needs to include attracting basic manufacturing, distribution, and technical services industries to locate close to urban areas to provide opportunities for pay progression for people currently working in lower paid jobs.
2. This will include working with public sector employers to ensure that some of the large public-sector-driven industries like healthcare and education provide clear and accessible progression routes for people to move up the Opportunity Escalator.

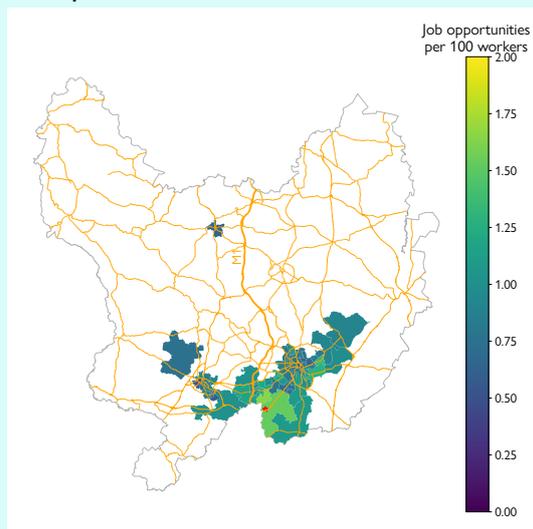
The Opportunity Escalator toolkit provides granular, highly localised information on the best types of work and skills interventions to help local people in a specific area move up the income scale. Using this capability, the Commission developed a bespoke set of recommendations that respond to the needs of each of the five spatial zones.

## Zone by zone: The Opportunity Escalator outputs

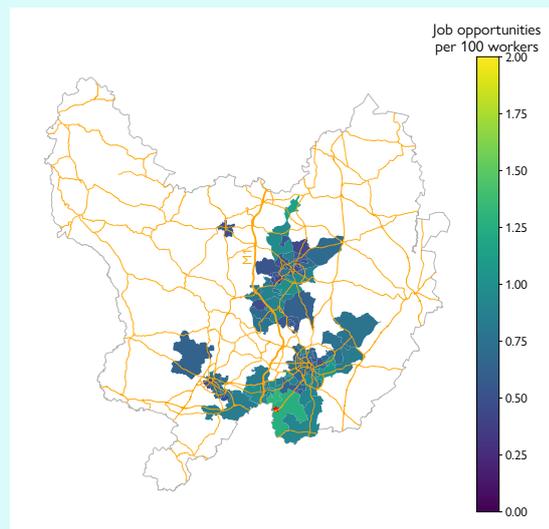
**Trent Arc** – the twin cities of Derby and Nottingham will be major engines of growth in the East Midlands. The Trent Arc concept seeks to maximise the benefits of agglomeration around and between the two cities, including through the incorporation of nearby freeport sites, and through enhanced transport links and housing developments across

the Arc. Our analysis shows that the city centres of Derby and Nottingham have strong potential for high value services and, with the right transport and housing planning, the Arc concept can be leveraged to provide inclusive employment opportunities not just for residents of the two cities, but for those who live further afield.

**Figure 1: Spatial distribution of opportunity generated by Ratcliffe-on-Soar based on existing plans and transport links**



**Figure 2: Spatial distribution of opportunity generated by Ratcliffe-on-Soar with express links to Ashfield and Mansfield.**



Note: 'Opportunity' measured in terms of new job opportunities per 100 workers with relevant skills and pay match.

**Mansfield-Ashfield and surrounds ('the heartlands')** – to the north of the Trent Arc, up the M1, Mansfield-Ashfield forms a connected but separate economic geography with its own industrial characteristics and workforce. Our analysis shows that there is strong potential to deliver inclusive growth in this area through attracting a range of manufacturing and distribution industries to locate nearby, as well as a latent opportunity to better connect people living in the conurbation with the opportunities that will arise to the south in the Arc.

**Chesterfield and the canal towns** – Chesterfield is notable for being outward facing toward Sheffield, with fast transport connections to the city by both road and rail. Some of the towns to the east of Chesterfield are also well connected to Sheffield, but could benefit from better connections eastwards towards the proposed 'clean energy supercluster' sites. Across this area, there are two 'investment zones' backed with public money and tax incentives, and an 'enterprise zone', which includes various flexibilities around business rates discounts and local revenue retention. As with Mansfield-Ashfield, attracting manufacturing jobs locally can be a source of inclusive growth for this area, but this must be combined with a strategy that better connects people to the opportunities available in the Sheffield city region, and eastwards to the sites in the supercluster.

**Clean Energy Supercluster** – to the east of the region lie key industrial sites that are central to plans to make the East Midlands a leading centre of clean power generation in the form of three former coal-fired power stations: West Burton, Cottam, and High Marnham, with West Burton selected as the UK site for the STEP fusion energy project. Surrounding these sites are smaller towns and villages such as Worksop, Retford and Wellow, as well as Newark-on-Trent to the south. With a strong existing rural economy, the key economic objective in these parts of the East Midlands should be maximising the opportunities that will flow from the planned regeneration of these industrial sites for local workers through improving local transport connections westwards and south, and ensuring that affordable housing allows people to locate closer where necessary.

**Peaks and Dales** – Along the west side of the EMCCA area lie the Derbyshire Dales and Peak District. This part of the Combined Authority area has natural and heritage assets that underlie one of the strongest visitor economy offerings in the UK – and one of the most visited national parks anywhere in the world. The area also has a notable mining and quarrying sector, alongside a broader thriving rural economy. For the places in this part of the EMCCA area, there are opportunities for more inclusive growth by improving the quality of the visitor economy offer and having stronger connections into nearby centres of economic gravity, including 'outwards' to Greater Manchester.

## Connections for inclusive growth

Based on the analysis above, the key transport connections needed to join up the strategies for the five spatial zones and realise the potential for region-wide inclusive growth include:

- a Better connections across the planned Trent Arc, around and between Nottingham and Derby, including to major industrial sites.
- b Faster public transport links between Mansfield, Ashfield and surrounding areas into Nottingham and other sites in the Trent Arc in order to widen the span of opportunities provided by site in the Arc.

- c Better connections west and south from the three 'clean energy supercluster' sites in West Burton, High Marnam and Cottam in order for the planned construction phase of the STEP nuclear facility and wider plans to be realised.

**In their strategic planning role, the Mayor and Combined Authority can now join up thinking across industrial policy, skills, transport and housing in a way that was not possible before.**

## Delivering the Opportunity Escalator vision

The Opportunity Escalator toolkit can do more than just describe – it can help provide the routes for workers to move 'up' the escalator to better paid work by identifying skills gaps and showing the types of work would boost people's wages.

**Our analysis shows that, with a working Opportunity Escalator in place, the activities that are planned across the region's 18 key new employment sites could mean 30,000 workers across the region finding better-paid jobs that utilise their existing skills and build on them, with an average boost to their pay of over £6,700 per worker.**

But delivering the vision of a higher-skilled workforce, able to move up the escalator to better work will require a fundamental change to how the skills and employment system works. The Combined Authority should outline an **East Midlands 'Youth Ambition'** that all children in the region receive a guaranteed number of high-quality services through their school years

covering careers advice, experiences of work and mental health support, to build aspiration and support learners into adult life and jobs. This will need to be delivered through partnerships with local schools.

The Combined Authority should also be at the helm of **region-wide co-ordination of industrial policy and the skills system** – involving employers, education providers and the voluntary sector. This should comprise:

1. Ensuring more learners and workers have a 'baseline' of strong Level 2 skills, with a focus on places and schools where outcomes are poor.
2. Shaping post-16 provision to meet the needs of the Opportunity Escalator vision and employers' needs, built around the region's growth strategy.
3. Partnering with employers to build more inclusive employment practices, including through a Good Employers' Charter and procurement framework.

## Breaking down the barriers to inclusive growth

The Commission's work has highlighted the centrality of industrial policy, skills and learning support to creating a more inclusive economy in the East Midlands.

But for the Opportunity Escalator to work, the Combined Authority needs to break down the barriers that stand in people's way of engaging with work. Our analysis has shown that in the East Midlands these barriers include a lack of affordable housing, worker health conditions, and weak social connections and personal support networks.

These elements can have a huge bearing on whether people are able to engage in work, earn a decent income and progress in their career. The RSA's previous work on social capital has shown that the strength of people's personal connections can determine their wellbeing and future earnings. An inclusive growth strategy therefore needs to look beyond the immediate world of employment into the wider factors that also play a role.



To this end, the Combined Authority should:

1. Use its spatial planning powers to unlock affordable housing for those on lower incomes, focusing on areas around the Trent Arc sites and the clean energy supercluster, where forward-looking demand for affordable housing will be highest according to our modelling.
2. Act now to shape the neighbourhood health teams and hubs model: convening and directing towards  
1) joined-up commissioning on preventative healthcare, focused on reducing economic and health disparities 2) use of co-location of services to reach people better, 3) placing social capital-building at the heart of the approach.
3. Develop the first ever mayoral strategy to build social capital: focused on bonding and bridging capital to improve social mobility and wellbeing.
4. Unleash social entrepreneurs by finding ways to back individuals and community groups through the long, difficult process of applications and funding bids.

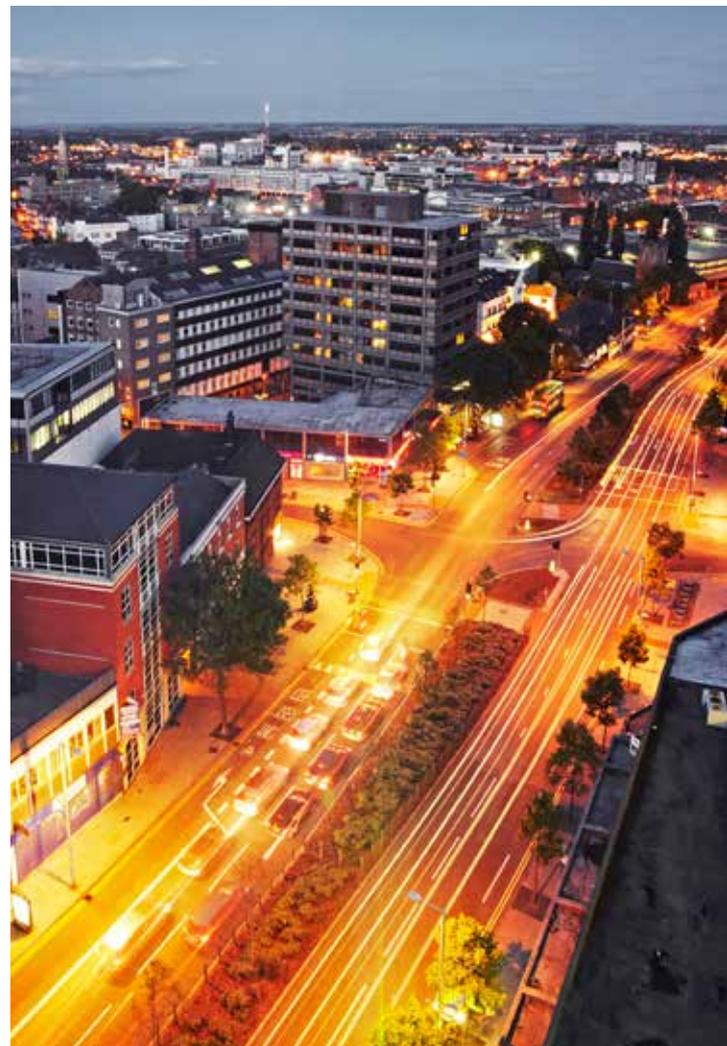
## Mobilising private investment

There is a pressing need to increase private investment for inclusive growth. Our analysis suggests that the East Midlands trails the best performing regions outside London and the southeast for gross investment to the tune of **£18 billion per year**. This is the investment gap that needs to be closed.

But this will only be achieved through proactive, engaged and ambitious leadership from the East Midlands Combined County Authority. This starts with a more compelling story about the investment propositions on offer - making the commercial case for investment clear to investors.

EMCCA should have an investment lead and team who will remain in post over several years to build investor relationships, becoming the trusted point of contact for a network of institutional and social investors who can help to shape investment plans from an early stage.

And through developing these relationships, the Combined Authority should take a 'whole place' approach to mobilizing private investment, making use of regional financing vehicles to create blended capital that can deliver economic growth alongside social and environmental value.



Maid Marion way, Central Nottingham at dusk



# Making it real

## The role of the Combined Authority

The creation of the Mayor and Combined Authority is a huge opportunity for the region. There are 3 main ways in which the Combined Authority can act to deliver the inclusive growth vision:

1. Take a joined-up, strategic view
2. Convene partners, set direction, and build coalitions for change
3. Direct funding and resources towards a small set of inclusive growth priorities

The Combined Authority will need to build local coalitions of actors – residents,

businesses, civil society – to help deliver an inclusive growth plan, and there are examples of this kind of approach delivering results elsewhere, such as the OneCity initiative in Bristol.

It will also need to face outward by building pan-regional partnerships with neighbouring strategic authorities and mayors, fostering key transport links and common industrial interests, to help deliver on economic growth priorities that span any single region.

## Empowering the EMCCA to deliver

To make good on this vision, central government and Whitehall decision-makers must also take steps to ensure that the Combined Authority is set up to deliver it.

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 Commission is of the view that the East Midlands can be a trailblazer for newer combined authorities, offering a blueprint for how to construct a meaningful inclusive growth strategy in a 'polycentric' region.

A region like the East Midlands needs the powers and toolkit commensurate with its size and importance – grounded in the priorities of the inclusive growth strategy – as opposed to a fixed menu of powers being devolved to a pre-ordained timetable.

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. While the 2025 Spending Review took steps towards addressing this, the legacy of the underinvestment remains.
2. **Using the Autumn Budget to give 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 on education and skills**, analogous with the powers given to Greater Manchester, and an explicit role in overseeing the commissioning of more integrated health and employment support services to reduce health-related worker inactivity.

**In return for this package of powers and funding, the Commission believes that the Combined Authority and its partners can help to unlock the national growth mission, reduce worker inactivity, build affordable housing, reduce the regional welfare bill, increase UK exports and contribute more in tax revenues to fund public services – supporting this government's core economic objectives.**

## Table of recommendations from the East Midlands Inclusive Growth Commission

| Recommendation |   |
|----------------|---|
| 1              | A local growth plan that unlocks growth for the whole region, not just the 15% of local workers who are employed in the government's 8 superstar sectors                  |
| 2              | A single regional approach to skills and inclusive jobs, working together with employers and learning providers   |
| 3              | An 'East Midlands Youth Ambition' for all children to have guaranteed, high-quality careers advice, work experience and mental health support from primary school onwards |
| 4              | A Good Employers Charter that forms an agreement with businesses to recognise them and support them to grow in return for more inclusive business practices               |
| 5              | Local transport that links people to job opportunities – whether those opportunities are inside the East Midlands or in neighbouring areas                                |
| 6              | Affordable housing near to where the future jobs will be, to widen opportunity for workers on lower and middle incomes  |
| 7              | Healthcare delivered closer to where people live and work, with a focus on helping people find and sustain work   |
| 8              | The first ever mayoral plan to grow social connections and community fabric, not just the economy   |
| 9              | Backing social entrepreneurs and community groups with funding that frees them up from bureaucracy  |
| 10             | A 'whole place' approach to investment that unlocks social and environmental benefits, and partners with investors for the long term                                      |

### How can central government enable this?

1. By fixing the historic public underinvestment in the East Midlands
2. By giving EMCCA an integrated funding settlement so it can use its budget more flexibly to pursue inclusive growth
3. By levelling up the powers EMCCA has over local skills and education budgets to equal that of the Greater Manchester Combined Authority

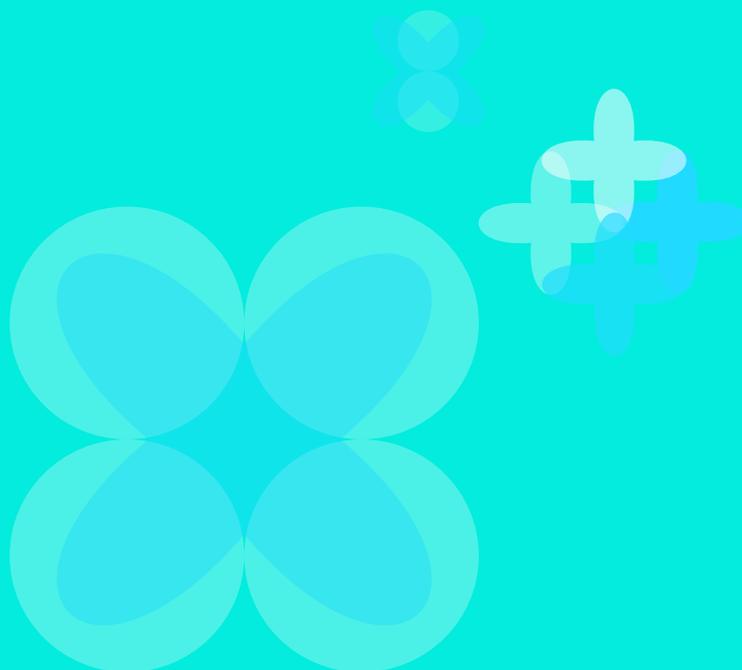
### What should change by 2035

- Better wages and more secure jobs for workers
- Longer healthy life expectancy and lower health-related worker inactivity
- More people able to access good jobs by public transport
- Affordable housing near to where the jobs are
- Stronger communities with better social mobility and higher levels of trust
- Higher investment levels and lower regional inequality



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**We are committed to regenerate  
our world through collective action.**



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