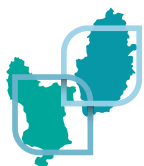


Partnering with



East Midlands
Combined County
Authority



East Midlands Inclusive Growth Commission



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Our Approach

This year-long Commission has employed a wide range of methods and drawn on a broad swathe of evidence to build a granular and multifaceted picture of the places and communities that make up the East Midlands Combined County Authority area.

Our distinctive place-based, bottom-up and iterative approach has sought to root our analysis and thinking in the local context, and has actively engaged stakeholders, experts and residents at every stage. As such, we can say with confidence that all of our recommendations are built on firm foundations of robust evidence, in-depth local insights, and collaboration with local leaders.

Our approach has centred on rigorous secondary evidence-gathering and detailed analysis of both publicly available and proprietary datasets to model labour markets.

A key component of this work is the ‘Opportunity Escalator’ toolkit, which aligns local and regional labour market characteristics with potential industry sectors to assess their suitability for inclusive growth. This toolkit employs a range of statistical techniques and is primarily built on publicly available data from sources such as the Office for National Statistics (ONS) and O*NET.

In addition to the Opportunity Escalator we have incorporated a wide array of datasets to explore broader socio-economic factors.

These include data on the social determinants of health, skills development, learning outcomes, and employment opportunities. Most of this supplementary data comes from government sources, including the ONS, the Department for Education, and Nomis (via the Annual Population Survey).

Supplementing this with qualitative insights, we engaged over 500 regional and national stakeholders and experts through interviews and focus groups to hear about the region’s assets and challenges, and to surface areas where EMCCA and this Commission could add value. These stakeholders represented a broad cross-section of the region and society, drawn from the public, private and third sectors. As well as gathering sectoral insights, this also served to broker positive relationships and build consensus and a coalition around our work, laying the groundwork for continuity beyond the life course of the Commission.

In parallel, we shaped our research and recommendations in direct collaboration with local residents, ensuring that our outputs reflected their own lived experience, needs and priorities for the region.

To this end, we conducted a representative survey of 2,000 local residents, ran a workshop with young people from across the region, and convened three place-based workshops in urban, rural and post-industrial communities to capture

EMCCA's heterogeneity. We also developed short vignettes – 'Portraits' of the East Midlands – charting the experiences and challenges of real-world individuals to capture the lived reality of the region and surface gaps in provision and examples of good practice.

To craft and refine our recommendations, we convened five thematic policy roundtables – relating to skills, aspiration, health, community, and housing and transport – bringing together a cross-section of relevant regional stakeholders and national experts.

Acknowledgements

Throughout this process, our Commissioners have provided invaluable support and guidance, drawing on their respective thematic and local expertise to steer the Commission to a successful conclusion.

The Opportunity Escalator toolkit at the centre of the Commission's work was developed in partnership with Treehouse Consultancy. We also benefited from the specialist expertise of associates Lesley Giles (Skills), Adele Marshall (Health) and Alejandro Mina Calvo (Economics).

We would like to express our immense gratitude to everybody who shared their time and insights with us, by attending one of these meetings, sending us case studies, or supporting the work of the Commission in any way.

Special thanks go to all members of our Expert Advisory Group for their time and reasoned advice, and especially Rich Pickford, Will Rossiter, Jenny Davies and Tiffany Trundell for helping us to bring the group together.

We would also like to thank all the members of the Investment Advisory Group for their time during the Commission's work, and for showing a continued interest in being an informed and engaged network to help realise the Combined Authority's vision of inclusive growth in the region.

Special thanks to the leadership team at West Notts College, Mansfield Campus for hosting the launch of our interim report in March, and to Mandie Stravino, Kate Martin and the rest of the team at Derby College for offering your space for the Commission to use for our engagement.

Finally, the RSA and Commissioners would like to thank Damien Dacey and Michael Rich at the EMCCA for their ongoing engagement and support with the Commission's work, acting as a vital link between the Commission and teams in the Combined Authority and constituent authorities.

We 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.

Find out more at thersa.org

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

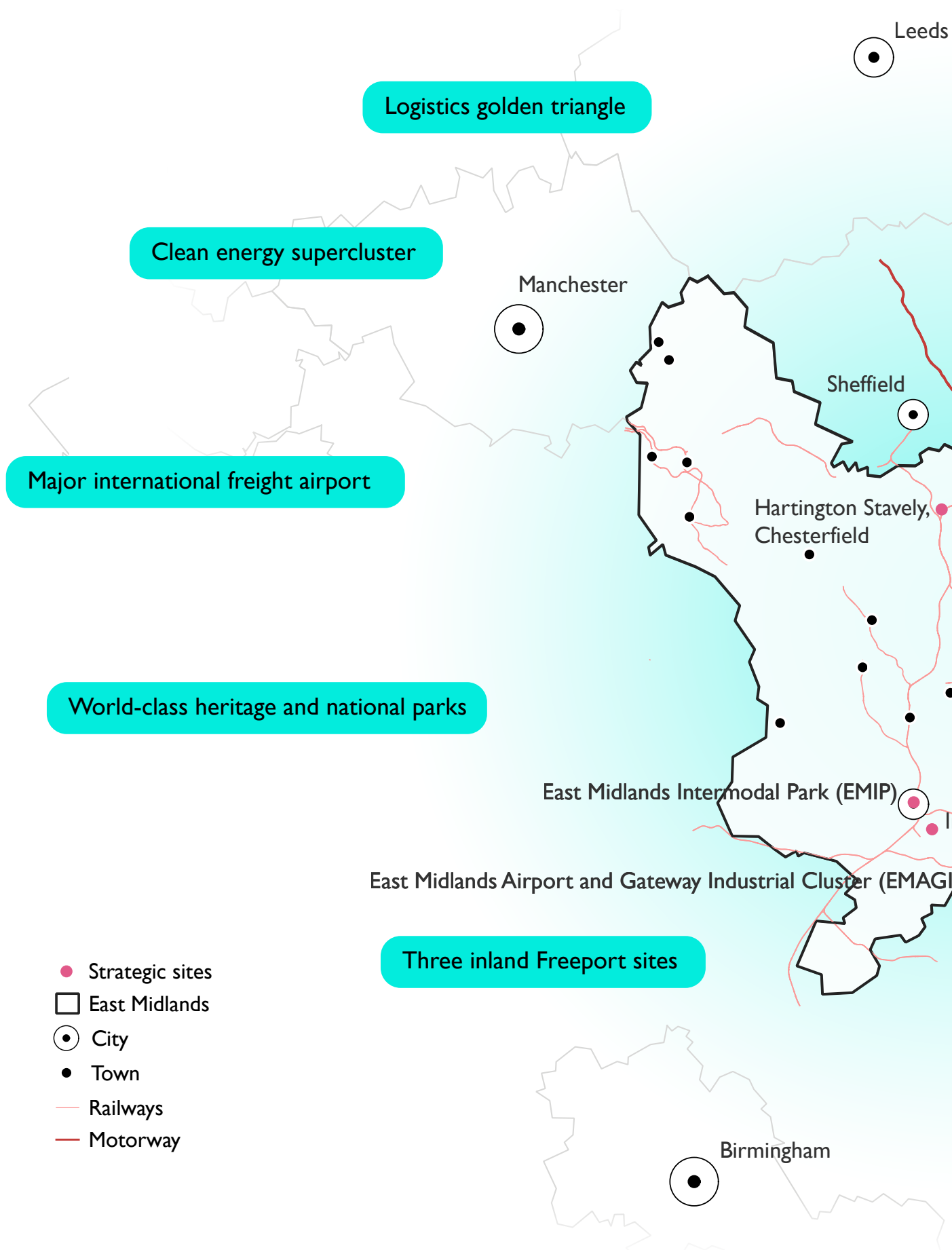
We do this by uniting people and ideas in collective action to unlock opportunities to regenerate our world.

About our partner



The East Midlands Combined County Authority

One of the largest regions in the UK, we bring together the cities of Derby and Nottingham and the counties of Derbyshire and Nottinghamshire. Representing 2.2 million people and a £60bn economy, Mayor Claire Ward works with partners across the region and beyond to unlock the region's full potential by driving inclusive, sustainable and long-term growth. Home to globally renowned sectors in advanced manufacturing, renewable energy and aerospace, we are determined that every community, from our largest cities to our smallest towns and villages, share in the benefits of devolution: generating good jobs at scale, raising living standards and ensuring opportunities are distributed fairly. We are embarking on a major transformation of our region, investing in transport, housing and infrastructure that connects people to opportunity, alongside the skills and support that enable our people to seize it.



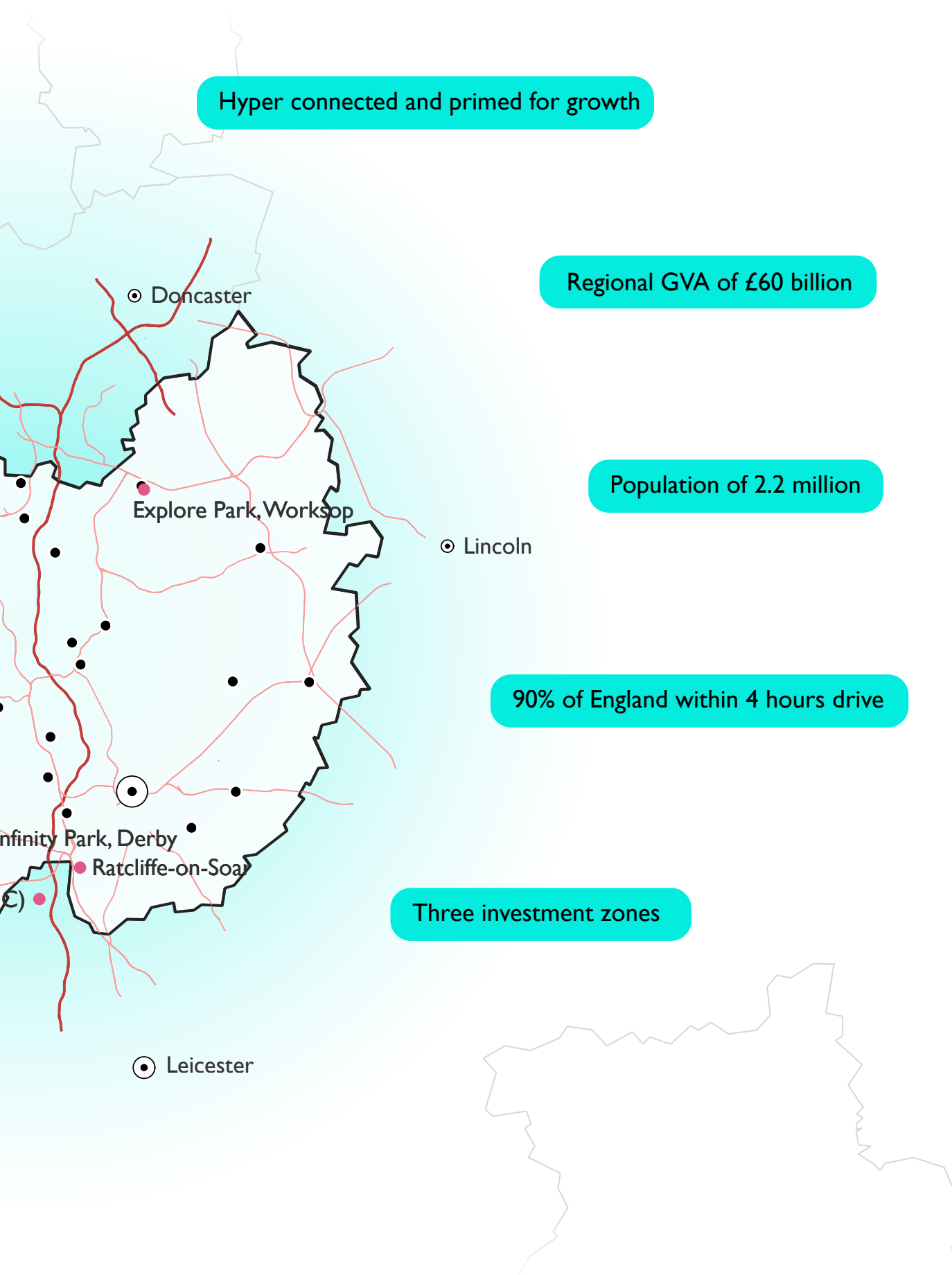
Hyper connected and primed for growth

Regional GVA of £60 billion

Population of 2.2 million

90% of England within 4 hours drive

Three investment zones



A message from the Mayor

Inclusive growth is the type of growth that the East Midlands deserves but does not yet have. It is a model of growth that values everyone's contributions whilst also sharing out the benefits. When I say that I want to make this region the best one to live, work, and learn, it is inclusive growth that will get us there.

I convened the Inclusive Growth Commission because this was the first step to building the economy that the region deserves. I wanted an independent, cross-sector body – one that drew on local, national, and international expertise – to spend time examining our challenges and opportunities, so that as we invest our resources, we do so in a way that is focused and clear-sighted.

Under the chairmanship of Andy Haldane and with the support of the RSA, the Commission has given us that clarity, delivering a rich and insightful report, combining rigorous analysis with both strategic and practical recommendations for East Midlands Combined County Authority (EMCCA) and its partners. I am grateful to the Commissioners and to everyone who worked with them to get us here – it was a huge effort, and it has great value.

As you would expect, some of the content is challenging, even uncomfortable – but we should not shy away from that. That discomfort reflects the challenges that some of our residents live day in, day out, and those of us in leadership should not feel comfortable until those challenges are tackled.

This report starts to map ways in which we might do this, drawing on our region's strengths, assets, and untapped potential. It proposes policy solutions to the realities of developing new skills when you are already in work – the 'opportunity escalator' – and places that thinking alongside some of the other barriers that people face, whether that is housing, transport, or social capital.

Fundamentally, it is a call to action, not just to me and the East Midlands Combined County Authority – but to our whole region. We must work together to give this region the economy it deserves, and that is what we will now do.



Claire Ward
Mayor of the East Midlands

Chair's foreword

It has been a privilege to chair the Inclusive Growth Commission (IGC) for the East Midlands. The IGC was initiated last year by Claire Ward, Mayor of the EMCCA. Working alongside fellow Commissioners, RSA colleagues and EMCCA officials, this report details the findings and recommendations of the IGC in supporting inclusive growth in the region.

The East Midlands has enormous economic potential, sitting as it does at the very centre of the UK. Yet much of that potential remains unfulfilled. That in part reflects the relative neglect of the region as a home for investment, public and private, domestic and foreign. The IGC report's recommendations seek to reverse these trends, making the region a magnet for people and businesses, public investment and private finance, to unlock its economic potential.

Doing so will require a different model of economic growth than that pursued by many other Combined Authorities across England. Their "city-centric" economic geography contrasts with the "poly-centric" nature of the East Midlands region – two relatively small but rapidly expanding cities, a dispersed set of towns with mixed fortunes and large rural areas with huge natural assets. This variegated geography calls for an economic strategy that meets the needs of the whole region and all of its citizens.

That is why the work of the IGC has been built around the need for a truly inclusive approach to growth. This is reflected in the process used to gather intelligence and craft recommendations for the report, which has drawn on extensive outreach to hundreds of businesses and citizens,

as well as public sector and voluntary organisations. The views of that diverse set of stakeholders have shaped crucially the report's final recommendations and we are extremely grateful for their support.

Those recommendations are guided by a simple principle – everyone in the region should have the opportunity to progress, whatever their background and wherever their home. Opportunities are key to the flourishing of individual citizens, as well as to the vibrancy and inclusivity of growth across the region as a whole. Everyone should have well-defined pathways to progress, from early years to adulthood, with the investment in their skills, housing and health needed to unlock those opportunities.

Making that happen, on a region-wide basis, requires a co-ordinated effort among a wide set of stakeholders – schools, colleges and universities, businesses, health and voluntary organisations, public sector institutions and, of course, citizens themselves. Through the work of the IGC, we have built a novel and highly ambitious analytical engine to drive that co-ordination – what we have called the "Opportunity Escalator".

The opportunity escalator we have built for EMCCA can help address a number of the questions facing stakeholders in the region who are the key enablers of inclusive growth. What careers pathways are best suited to citizens enabling them to get on or up the skills and pay ladder? What skills programmes are needed from learning providers to meet the local skill needs of citizens and businesses? How do we create effective talent pipelines for businesses to enable them to thrive? And how do we identify gaps in health, transport and housing provision to enable these matches to be made?

By answering these and other questions in a highly granular, spatially-specific way, the opportunity escalator can serve as the foundation for an inclusive growth strategy for every part of the East Midlands. And not just the region. For our work can, we believe, serve as an exemplar for how inclusive growth strategies might be pursued across a number of other Combined Authorities whose geography mirrors the East Midlands.

As such, this report serves not only as a blueprint for the East Midlands but for industrial strategy and economic growth generally. This people-centred model of growth places far greater emphasis on bringing together the bottom-up skills and jobs requirements of those living in the region with the top-down sectoral specialisms of businesses operating in the region. It recognises too the need for accompanying investment in transport, housing and health infrastructure.

This new approach can only be delivered, however, if EMCCA has the requisite powers. That calls for a more ambitious and expansive approach to devolution, moving the EMCCA region from the middle to the fast ("trailblazer") lane and experimenting with the decentralisation of new powers, including over education and skills. It also calls for strengthening cross-regional partnerships with other Combined Authorities, which are key given the centrality and connectivity of the region.

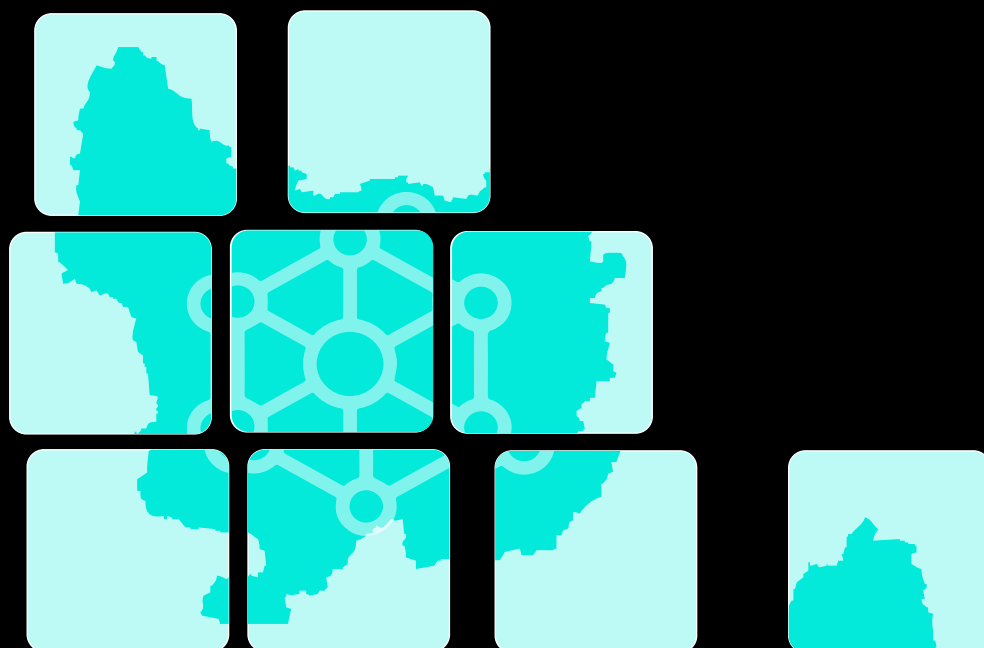
My hope, and that of other Commissioners, is that this report can not only shape the growth strategy of the region but that, in doing so, it will expand opportunities and improve outcomes for those living in every part of the region. That is the essence of inclusive growth. The East Midlands has, without question, a great story to tell. This report not only tells that story but will, we hope, help in crafting its exciting next chapters under Mayor Ward's inspiring leadership.



**Andy Haldane, Chair of the
Inclusive Growth Commission**

INTRODUCTION

— A FRAMEWORK FOR INCLUSIVE GROWTH IN THE EAST MIDLANDS



1 Introduction

The Inclusive Growth Commission has been a 12-month exercise to set out a framework for achieving inclusive economic growth in the East Midlands. The scope of the work has been broad, and the Commission was asked to think long-term, beyond the current parliament or business cycle.

Nevertheless, we have grounded our long-term vision and recommendations in the *practical* and the *tangible* – shaped around the unique strengths, challenges and opportunities for the East Midlands today and in future.

In developing these recommendations, the Commission has 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.

The East Midlands is an endlessly diverse region, characterised by major expanding cities and industrial hubs co-existing alongside rural places, world-class natural assets and heritage sites.

If there is one key insight that the Commission would underline about fostering inclusive growth in the East Midlands it is that an inclusive growth plan must recognise the differing strengths and requirements of different places and communities in the region – and set them up to succeed. The growth plan for Nottingham must necessarily be different from the growth plan for Mansfield, and for Buxton. They must speak to each other, but it is right that they have different emphases.

The unique opportunity of having a single Combined County Authority and Mayor is to take a strategic view across

the region that was simply not possible under the previous, fragmented system of local government in England. To make the crucial links and connections both within the Combined Authority area, and to the places outside that will matter for inclusive growth – whether those are the towns and cities in neighbouring authority areas, or the network of national and global investors whose backing will be needed to make these recommendations a reality.

A framework for inclusive growth

The Commission's 12-month programme of research and engagement has led us towards a theory of change for the East Midlands grounded in the practical and tangible insights that we have gathered, and built around evidence. The Commission did not simply want to write a report that will gather dust on a shelf, but rather to leave behind a practical set of tools and approaches for achieving inclusive growth.

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. The Opportunity Escalator approach seeks to help people get on the escalator to economic prosperity by supporting them to overcome the barriers that stand in their way, and then to get up the escalator to better paid, more secure forms of work.

Behind this concept lies a theory of change for inclusive growth that has emerged from our work and forms the basis of the Commission's recommendations.

Step 1: A focus on 'superstar sectors' will not be enough for achieving inclusive growth

The government's 2025 Industrial Strategy identifies eight different sectors that it places at the heart of the UK's growth story for the next 10 years.

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

These eight 'superstar sectors' have high growth and productivity potential, and are industries where the UK as a whole may be able to capitalise on existing strengths and emerging capabilities to create high value, well paid jobs and improved export performance over time.

It is important that a national strategy of this kind makes clear prioritisation choices, but it does not follow that these 8 sectors will be the optimal route to economic prosperity for all places in the UK, or that they will foster the kind of broad-based, inclusive economic opportunities that will benefit people and places across the East Midlands.

Our analysis shows that around 85% of the people [living and working] in the East Midlands are currently employed outside of these sectors.

Our mapping of industrial clusters in the East Midlands shows that, while there are some clear and identifiable clusters present in the region for these sectors, they are largely based around the two major cities of the region, and those beyond the two major cities are largely in the advanced manufacturing sector.

Moreover, we know that many of the jobs that will be created through the expansion of these sectors are likely to be graduate level jobs which will not be as accessible for the many people already in the workforce.

It is the case, therefore, that while growing these high value, high productivity sectors should be a priority for the East Midlands, a focus purely on these would lead to a geographically and demographically skewed form of growth that could serve to exclude many people and places in the East Midlands.

Step 2: An inclusive growth strategy needs to be grounded in the current skills and strengths of the people who live and work in the East Midlands

In order to spread economic opportunity as widely as possible, the region's Local Growth Plan must look beyond the eight 'superstar' sectors to identify a much broader set of industries and types of work that will provide realistic, tangible paths to progress to higher pay and more secure employment for people in different places across the region.

Our unique 'Opportunity Escalator' toolkit provides highly localised insights into what those types of industry and jobs would be suited to individual areas, and the kinds of skills gaps that need to be closed to help workers move on and up the escalator.

Using our methodology, we found that fostering industrial clusters in a range of manufacturing activities in and around Mansfield could utilise the existing skills of the workforce better than some alternative industries, while providing pathways to better paid work, and boosting incomes for workers in the lower half of the income distribution with increases ranging from 21% to 44%.

For areas like Buxton that have existing strengths in the visitor economy and hospitality, fostering complementary

activities such as archives, museums and other cultural activities could create clear pathways for workers to move up the income scale to better paid work while building on their existing skillsets.

This is a radically different way to think about industrial and skills policy, based on cutting edge data and new insights into worker skillsets and their paths through work.

It allows for industrial policy to be 'bottom up' – based on the people and places in the East Midlands – bridging the shortfalls of a purely 'top down' assessments of growth potential.



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

Step 3: For inclusive growth, we need to address the barriers to people 'getting on' the escalator in the first place

In order to spread economic opportunity Our work has shown that various barriers stand in people's way of engaging with Good Work in the East Midlands, and that some of these barriers are preventing large numbers of people from being economically active.

For the Opportunity Escalator approach to make a difference, it needs to be backed up with plans to improve people's access to transport, quality housing, to help

them manage health conditions or caring responsibilities which may make it difficult to work standard hours, and to foster the vital social connections that contribute to wellbeing and social mobility.

The Commission's report features key recommendations across all of these themes which should act as principles for how the Combined Authority approaches its plans in each of these areas, and allocates its budgets.

Step 4: The Combined Authority needs to mobilise local coalitions of people and organisations behind its plans

Inclusive economic growth is not something that can be managed in a top-down, mechanistic way. The most successful examples, such as the OneCity initiative in Bristol, achieve meaningful change through mobilisation of residents, businesses and voluntary organisations, and collaboration at scale.

For real change, the Combined Authority will need to find ways to mobilise and empower people and communities to get behind the vision and help to make it a reality.

The RSA, as a 270-year-old social impact organisation has a network of 31,000 Fellows based across the UK and the globe who are changemakers in their places and communities, and who have responded in force to the call for input to the inclusive growth report. Many of our Fellows in the

East Midlands are keen to help see the vision through, but their efforts will need to be shaped by and supported by many others in communities across the East Midlands who may have been completely unaware of the Commission's work to date. Mobilising the coalitions needed for real change is at the heart of the approach that the Commission recommends.

Whether the task at hand is rebuilding the fraying social fabric of communities to tackle loneliness and isolation, or finding ways to support more people with health conditions into work, the Combined Authority will need to unite people and organisations behind these objectives, and empower them to find strategies that work for them and their places in the East Midlands, with a sense of ownership and direction.

Step 5: Mobilising private investment

Finally, and crucially, in order to make inclusive growth a reality for the East Midlands, our report makes recommendations on how to mobilise private financing behind the objectives.

While it is true that combined authorities and mayors are being given greater powers and budgets to deliver for their areas, public funding will never be enough to close the prosperity gap between the East Midlands and other parts of the UK.

Our analysis shows that per capita investment levels in the East Midlands need to treble in order to close gap with the best performing regions outside of London and the southeast.

But this cannot happen solely on the public purse. That is why part of the Commission's work has been to seed a new network of venture, institutional and social investors and help to galvanise them around the Combined Authority's emerging plans for economic development in the region.

To take this work forwards, the CA must now foster this network to develop long-term relationships and seek to create rounded propositions that can attract

financial backing – a pipeline of investable projects, that build in commercial, social and environmental considerations from the outset.

These 5 steps are the Commission's theory of change for the inclusive growth in the East Midlands.

The details of how the Combined Authority and its partners should go about these are contained in the chapters of our report.

Key among them is the Opportunity Escalator – the practical toolkit that the Commission has built and is leaving behind for the CA to use to progress this vision.

Alongside this are the structures that the Commission has seeded, such as our Investors' Advisory Group, or our coalition of local researchers and academics who helped to shape the report's evidence base and conclusions – which can and should be part of the mission to deliver inclusive growth in the East Midlands.

If these steps can be followed, our analysis suggests that the size of the prize on offer could be immense for the region. If an Opportunity Escalator approach is put in place for the jobs that are planned to be created across the region's top 18 new industrial sites, it could see 30,000 local workers moving up the income scale, with a boost to their incomes of, on average, £6,700 a year. Closing the regional investment gap would unlock £200 billion in economic benefits for the region over the next 10 years. This is just a snapshot of some of the rewards from achieving truly inclusive growth.



Table of key recommendations

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

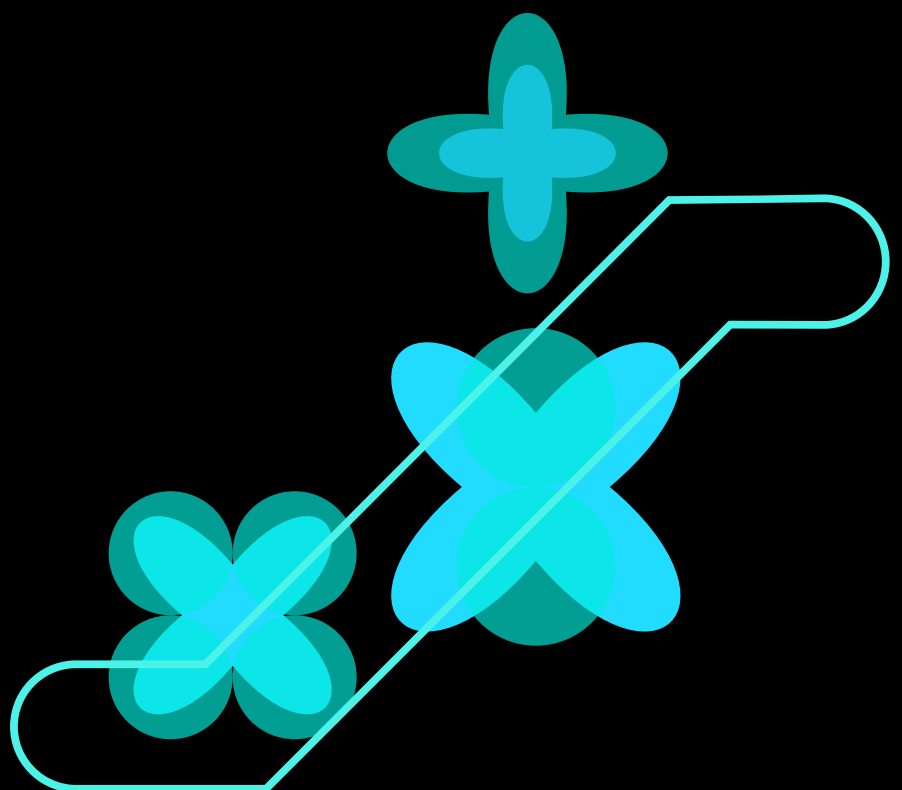
How can central government enable this?	
1.	By fixing the historic public underinvestment in the East Midlands
2.	By giving EMCCA an integrated funding settlement so it can use its budget more flexibly to pursue inclusive growth
3.	By levelling up the powers EMCCA has over local skills and education 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





PART 1 – THE OPPORTUNITY ESCALATOR WHAT IS IT?



2 The Opportunity Escalator – what is it?

Inclusive growth is about increasing opportunity

When we published our interim findings in March 2025, the Commission set out a vision of an escalator of economic opportunity in the East Midlands – a simple, easy-to-navigate and system-wide approach to helping people find work locally with better pay and conditions.

The idea behind the Opportunity Escalator is that people can 'get on' and 'get up' – taking manageable steps to improve tier skills and job prospects, no matter where they are starting from.

Both parts of this are important – people face barriers to getting on the escalator, such as health problems, a lack of transport, caring responsibilities, and unaffordable housing. They need better support, more embedded in community life, to enable this.

They also find it difficult to get up the escalator into better paid, secure work, because education and training can be complicated, expensive and too rigid for their needs. For inclusive growth we need to fix both problems.

Barriers to getting on

Health conditions

Caring responsibilities

Need for flexibility

Lack of housing

Lack of transport

Low social capital



Help getting up

Non-graduate entry routes

Opportunities for pay progression

Clear learning pathways to higher skills

Employer-supported training

'Good work' at the heart of the approach

Behind this simple idea, the RSA and the Inclusive Growth Commission have built a new toolkit which can support the Combined Authority, education providers and employers to be smarter and more targeted in the way they support people to find routes to better pay and conditions. It is a data-driven approach, and one that is highly localised in its insights. It is a powerful toolkit for informing local growth plans, and can act as a single point of reference with insights for all the key parties to inform a joined-up, system-wide approach.

Why we need a toolkit like this

Governments and businesses tend to think about the world of work as split into 'sectors' – like manufacturing, retail and healthcare. Frequently, the economic plans that business and government put together are focused on how to attract certain 'superstar' sectors to an area.

They are targeted by comparing indicators such as employment share, sector

productivity, and exports. The result is a shortlist of sectoral priorities that represent a set of 'best bets' for driving productivity and generating well-paid jobs.

This is the 'top down' approach to economic planning and often leads to a scramble for investment in a few limited areas of economic activity such as Artificial Intelligence or electric vehicle battery manufacturing.

Often this type of analysis is supplemented with a plan to improve the 'horizontal', 'fundamentals', or 'enablers' of economic growth to achieve higher productivity: infrastructure, investment, skills, the business environment (tax and regulation) and so on. More recently, the word 'place' has been added to this list and is used to capture the idea that different places will need different mixes of interventions to promote growth.

However, the overall aims do not change and these tend to result in 'one size fits all' approach.

There are eight 'superstar' sectors named in the UK government's industrial strategy, which combined authorities are encouraged to target in their local growth plans. But we know that only 15% of workers in the East Midlands are currently employed in those eight sectors.¹

Attracting superstar sectors and firms to the East Midlands should be a central part of any industrial strategy for the region; however, a strategy aimed only at attracting these sectors and firms will not help the majority of local people to access better jobs.

Inclusive growth means having a plan that also speaks to the other 85% of workers. This plan needs to be grounded in the skills, strengths and challenges faced by the existing workforce, while remaining strategic – offering a framework that helps set priorities and avoids 'jam spreading'.

But to make inclusive growth a reality, we need a toolkit that can identify what skills people living in an area already have, and what types of jobs they can move into that will offer realistic, better-paid opportunities to get up the escalator over a sensible timeframe. This is particularly important in a place that is polycentric, with different demographics and industrial mixes across the region.

It is not realistic to expect a mechanic to become a nuclear physicist overnight. But people with mechanical skills could find good quality, well-paid work helping to build and maintain a nuclear facility, using the knowledge they already have, and building on it.

What people need is a clear way up the escalator so they can make that choice for themselves. That is why we built the Opportunity Escalator toolkit.

How it works

We have used cutting-edge data that links people's current job to the skills they have and use every day, and we have modelled how far they can realistically travel to

find work based on local transport connections.

Using this data we have built an analytical engine that can tell you what kinds of better paid, higher skilled job opportunities a person could potentially move into at any point in time, building on their existing skills. It can tell you which of these skills they might need to develop to make this a reality.

It is a powerful tool that can be used in 4 different ways:

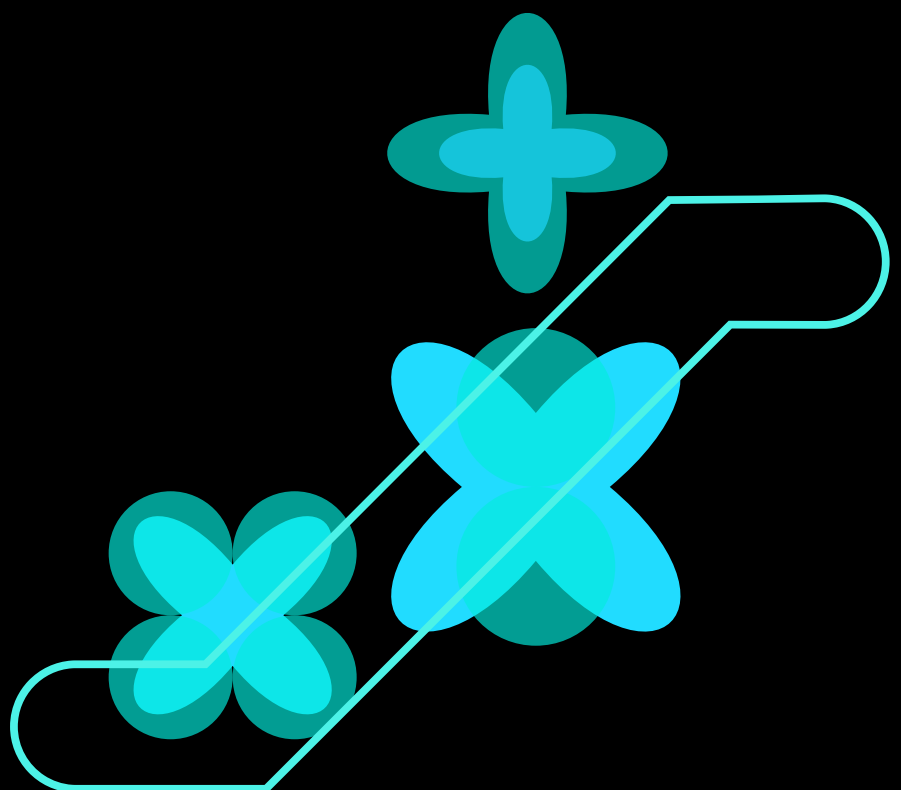
- 1 **Government** – can use this to understand which industries will provide the best opportunities for people in their area to find better pay and conditions, and what skill policies and funding are needed to help people get there.
- 2 **Education providers** – can use this to shape the courses they offer to support people into better work and meet local demand from employers and new industries.
- 3 **Businesses** – can use this when they are recruiting staff or planning new sites, because it can tell them who the workers are that will be well-suited to the jobs they need to fill, and the skills they need to focus on.
- 4 **Residents** – can use this to understand what job opportunities might be open to them with their existing skills in their area, and which skills they can easily build on to find a route to better pay.

The Inclusive Growth Commission's analysis and recommendations to the Combined Authority are shaped around the insights we have gained from applying the Opportunity Escalator toolkit in the East Midlands, alongside all the wider evidence and input we have received from those who have shaped the Commission's work – residents, local businesses, community and voluntary groups, policy experts, local and regional leaders, and many others.

¹ Based on RSA calculation



THE OPPORTUNITY — GETTING UP



An inclusive industrial strategy for the East Midlands

Most economic growth plans could be described as 'top down'. This includes the current iteration of the UK's national industrial strategy, 'Invest 2035'.¹ It picks eight sectors as national priorities based on:

- 1 *Current strengths: the UK's highest productivity and most internationally competitive sectors and key drivers of growth within the economy*
- 2 *Emerging strengths: sectors in which the UK could feasibly develop a comparative advantage, often because of their proximity to the UK's current strengths – this analysis considers:*
 - *Forecast growth*
 - *The future importance of the sector*
 - *The UK's global position now and in the future*

This approach can underpin a national plan such as the industrial strategy, to provide a clear and consistent basis for allocating scarce resources for industrial policy across the country. However, it is not sufficient to be applied at a more local level to develop a local growth plan, nor does it take a view on what inclusive growth might look like at a local level.

To do so, it must be supplemented with a 'bottom-up' view that starts closer to the people and places involved and looks at what types of economic development will be best matched to where those people and places are starting from now.

One of the frequent criticisms of concepts of inclusive growth is that it is hard to define and measure. Our Opportunity Escalator toolkit allows for a data-driven and methodologically consistent way of thinking about inclusive growth in a place by looking at how accessible job opportunities are to local people by public transport; the number of local people whose income could be boosted by finding a job in a given occupation, and; the skills gaps that need to be closed to allow them to do it.

A top-down analysis of the EMCCA region

We have made the case for a bottom up industrial strategy to complement the current top down one. However, the top-down approach is an important starting point for an inclusive growth strategy, to avoid missing areas of high opportunity. So the Commission's work began by creating a robust top-down assessment of the East Midlands economy and areas of opportunity.

To this end, we ranked industries across five different 'strengths and opportunities' metrics and then assigned them a composite score to give a sense of their potential priority in a local growth plan. The five areas were:

1. Revealed East Midlands comparative advantage, based on current employment levels locally
2. Yearly growth in sectoral Gross Value Added
3. Growth in employment in the East Midlands for the past 5 years of data available
4. The global growth rate for that sector, to illustrate how that sector is faring internationally
5. How each sector's share of total world exports has changed, illustrating that there is a growing share of world trade in this sector

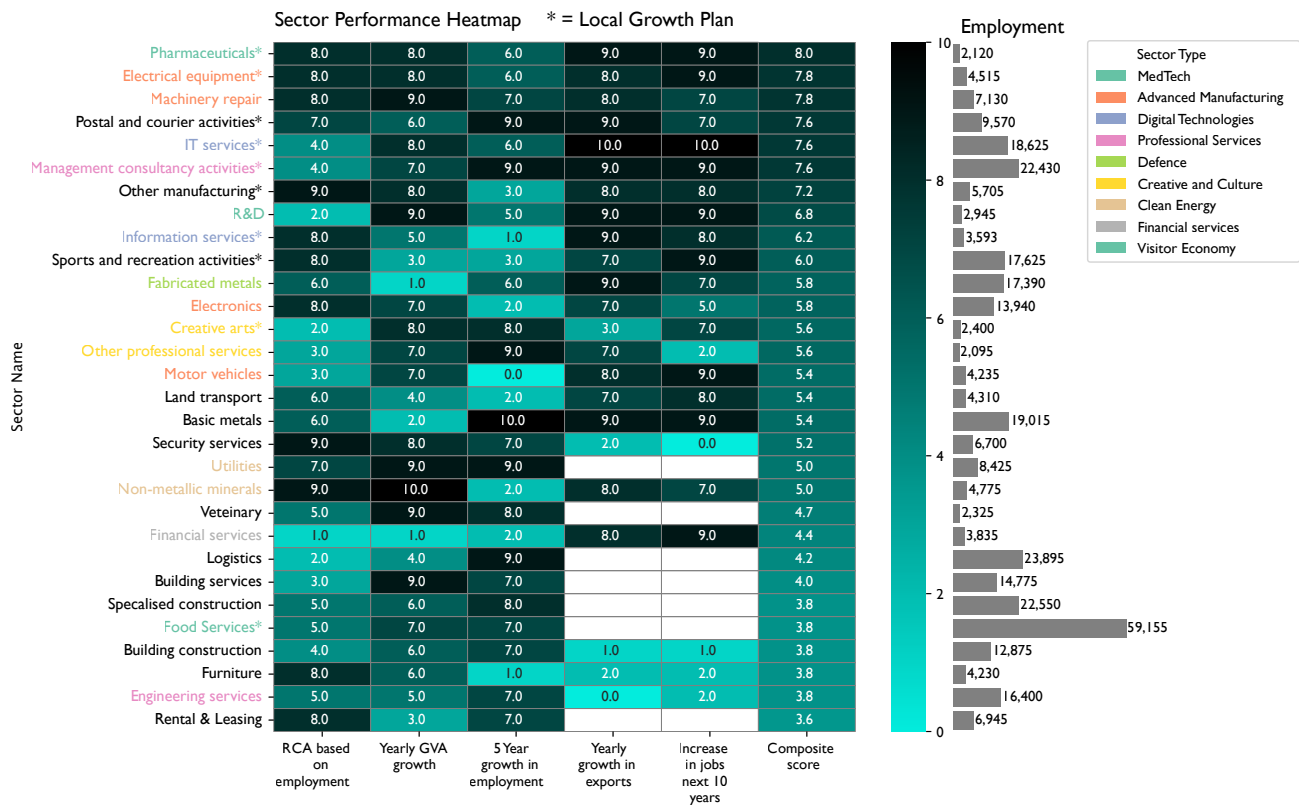
Figure 1 shows the sectors ranked according to their composite scores and captures the number of people in the East Midlands working in each. Sectors that feature in some of the other plans and strategies that have been developed nationally or in the region in recent years are also highlighted, including the current industrial strategy and the draft 'local growth plan'.

¹ [UK's Modern Industrial Strategy 2025](#)

The results were that we saw some of the key 'IS-8' sectors reflected very broadly as areas of strengths and opportunity for the region – including **advanced manufacturing, life sciences, defence, clean energy and creative industries.**

These have been identified as priorities in the EMCCA's emerging Local Growth Plan work. However, many of these of these subsectors are small overall in employment terms and therefore would need to grow before they could drive inclusive growth through broad-based employment opportunities.

Figure 1: Top 30 sectors by composite score



Sectors are coloured if they wholly or partially correspond to one of the 'IS-8' sectors. An asterisk indicates the sector is provisionally included in EMCCA's draft local growth plan.

Opportunity Escalator – general insights on sectoral priorities

The RSA's Opportunity Escalator offers a bottom-up approach to complement and improve on the top-down picture.

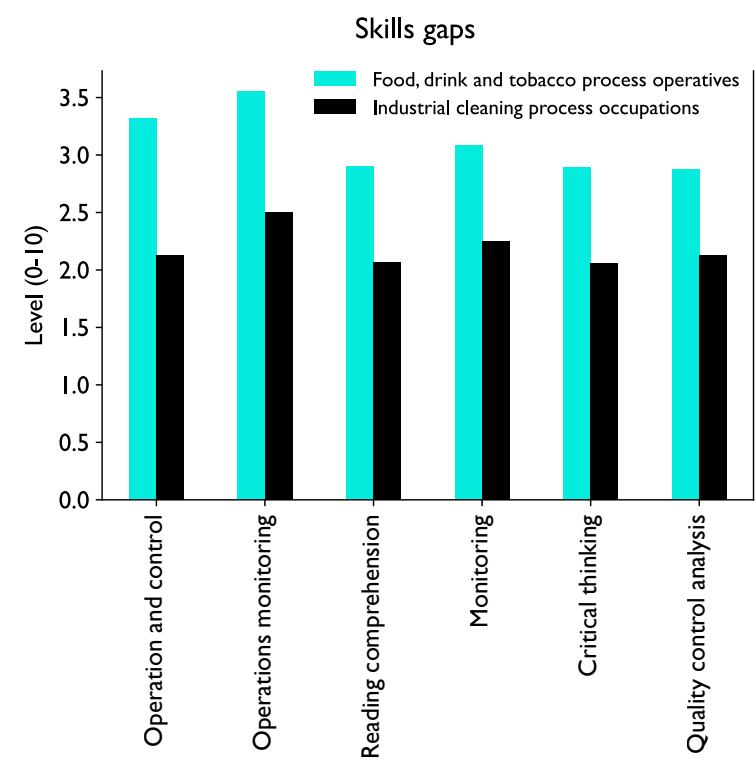
It works by taking a specific site (such as a freeport) or geographic area (such as a town) and looking at the skills of the people who work there (or people who can reach the site by public transport) in order to say something about:

1. The types of better paid work those workers could do with their current skillsets,
2. What 'skills gaps' would need to be met to enable this, and
3. What the benefit would be in terms of pay rises for workers if they moved up

the escalator into a better paid job – or, put differently how many people's income would be 'boosted'.

To begin 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 across the region, and we also looked at which types of industry would provide broadly inclusive job opportunities for local people at different planned employment sites, such as the East Midlands freeport sites and the Automated Distribution and Manufacturing Centre near Ashfield – comparing this to the existing plans for the site.

Figure 2: The top six skills required for the ‘food, drink and tobacco process operatives’ occupation



The graphic highlights the top six skills required for the ‘food, drink and tobacco process operatives’ occupation. These skills are ranked by the level required to successfully perform the tasks from a skill level of 1 to 10, the graphic identifies the skills with the largest gaps between current workforce capabilities and job requirements – in this case the skills gaps are bridge-able, indicating a close match.

Manufacturing and inclusive growth

Our analysis shows that many people could see their wages and skills levels boosted from opportunities to move ‘up’ the escalator in manufacturing work. These results are due to substantial demand for non-graduate workers in manufacturing industries, offering relatively high wages compared to other occupations requiring similar skill levels, leading to a large overall boost in incomes for workers starting in the bottom half of the income distribution.

However not all manufacturing roles have the same inclusive impacts; the more technical and advanced the manufacturing, the higher the skill levels required are. For example, the *manufacturing of basic metals* would provide a good ‘skills match’ for more workers who are currently in the bottom half of the income distribution, when compared to *pharmaceutical products*, and therefore basic metals

manufacturing jobs have the potential to move greater numbers of people up the income distribution.

In this instance, 42% of the local workers who would be highly matched to a job in the manufacturing of basic metals could be drawn from the lower half of the income distribution compared to only 30% of workers in pharmaceutical products.

These types of industries also have the advantage of having a strong need for the technical skills that are already available in the labour market within EMCCA. Manufacturing roles often have a large skills overlap with lower-skilled manual jobs in other sectors, making it a natural progression path for many currently underutilised workers.

But is not just a story about non-graduate skills. Graduates also play a critical role in the sector, particularly in areas such

as operations management, inventory control, logistics, and back-office functions. These roles often command a wage premium and require a blend of technical and administrative competencies. As manufacturing continues to evolve with 'digital integration' and automation, the need for both skilled non-graduates and graduates is expected to grow, reinforcing the sector's potential as a key driver of inclusive economic mobility in EMCCA.

That manufacturing should show up so strongly in the East Midlands is no surprise; the proportion of the East Midlands workforce already employed in manufacturing is higher than any other region in the UK. For many workers on lower incomes, taking incremental steps to improve their skills levels and move up the Opportunity Escalator into higher-skilled, higher paid forms of work in the manufacturing sector will be the clearest route to improved pay.

This points to the need for an ongoing focus on maintaining and attracting traditional manufacturing activity to the region to provide broad-based opportunities for local people to progress, and for a skills system which helps people gain the practical skills and experiences that will help them up within those sectors.

Services sectors and inclusive growth

Though manufacturing industries remain important for the East Midlands, we know that the manufacturing share of employment is declining, not just in the UK, but in developed countries more generally.² This can be partly attributed to automation, and partly to the shift towards overseas production in places like Asia where labour and other inputs are cheaper.

In its place, the UK has seen a switch towards services industries – which now accounts for 80% of total gross value added.³ UK services exports have been a success story of recent decades; the UK is now the second biggest exporter of services in the world – and this growing

share of services trade means the UK is now the fourth largest exporter in the world overall (services and manufacturing combined).⁴

We found that when the Opportunity Escalator toolkit is applied with slightly different parameters, focusing on income mobility in the lower-middle of the income distribution, a range of service-based professions emerges as key potential contributors to inclusive economic growth. The types of roles within services sectors that emerge as candidates are particularly notable for their fluidity between traditionally graduate and non-graduate entry points, making them accessible to a wider proportion of the workforce.

Sectors such as health and human care services, computer programming, accounting, legal services, and education stand out in this regard. These professions often feature career pathways that allow for progression through vocational training, apprenticeships, or modular qualifications, enabling non-graduates to transition into roles that were historically degree dependent.

One example is within education, where there are clear and incremental career paths to higher skilled, better paid work. Education also has greater flexibility and seasonality in employment structures allowing time for upskilling. As an example, educational support assistants are a prime candidate to upskill to fully qualified teachers; this provides a boost of income upwards of £18,000. Those working in public-facing and personal services industries also have a high level of crossover in skills required in the education industry, a *play worker* for example could have a wage uplift from the first decile of income by undertaking additional training to become a *teaching assistant*. This permeability between skill levels is crucial for fostering inclusive growth, as it opens higher-value employment opportunities to individuals from diverse educational and socioeconomic backgrounds.

2 [Manufacturing accounts for a relatively small and declining share of total employment in rich countries](#)

3 [ONS, 2023](#)

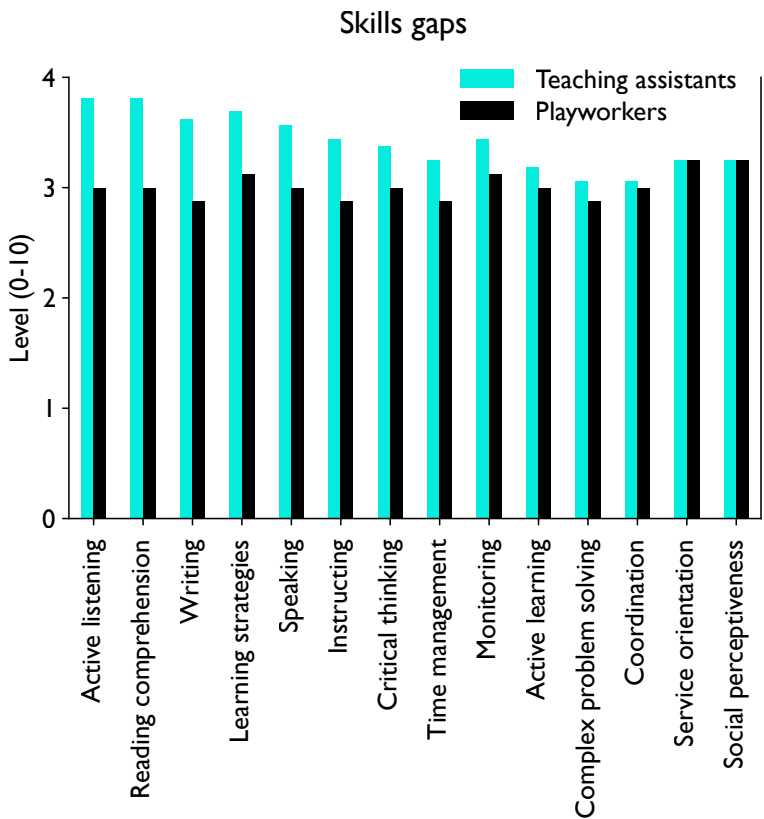
4 [UK becomes world's fourth largest exporter as services boom](#)

An inclusive industrial strategy for the East Midlands

Human health & social work activities and education account for a 24% share of existing employment in the East Midlands and are also sectors where the public sector tends to either directly employ, or to indirectly fund, many of the workers involved.

A key inference is that the Combined Authority and its partners will want to work closely with public sector employers in the region to ensure that they shape their recruitment, retention and progression practices around some of the aims of the inclusive growth strategy for the East Midlands, given that these will be key channels for large numbers of workers to get up the escalator to better pay and conditions.

Figure 3: Skills matching between different roles of play workers and teaching assistants



The opportunity escalator – a place-focused approach

The conclusions in the previous section gave a general view on balancing sectoral priorities in the region's inclusive growth strategy.

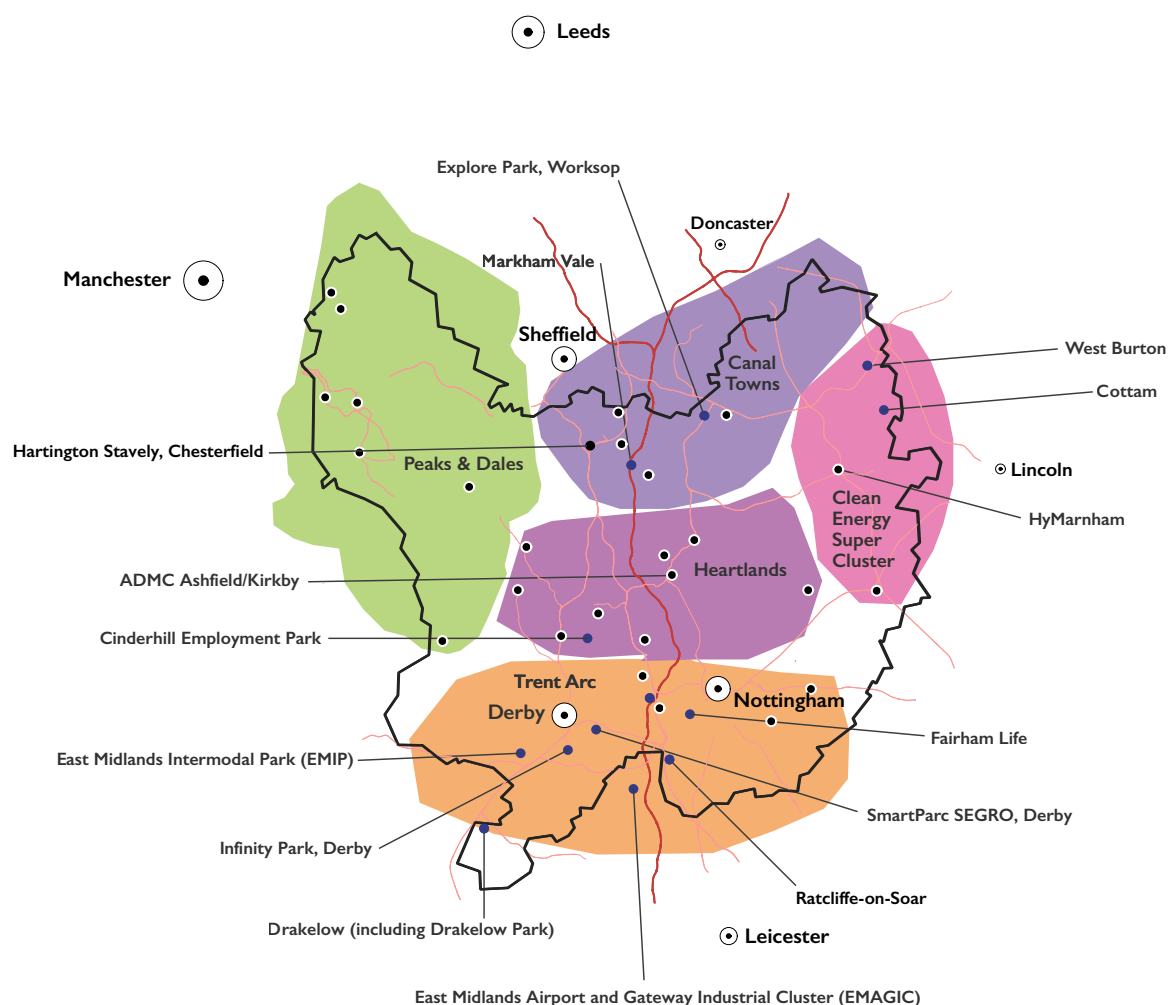
However, the real strength of the Opportunity Escalator toolkit is that it can look at a granular, highly localised level to understand the best types of work and skills interventions to help people in a specific area move up the income scale, and also factor in existing or proposed transport connections and housing developments in order to inform choices on inclusive growth.

We can ask the OE model what types of new jobs and industries would help to raise pay and skills levels for local workers. By running this type of analysis multiple times,

looking at different aspects of local labour markets, and combining this with wider analysis about place characteristics and the transport connections and journeys people take between places, the Commission has developed spatial a framework for approaching inclusive growth in the East Midlands which can guide the choices that the Combined Authority will seek to make across industrial policy, skills, spatial planning and elements of social policy.

There are similarities between the spatial zones we identify, and the seven 'opportunity areas' that the Combined Authority has highlighted in its recent spatial vision document, but the Commission's analysis emphasises diverges in some areas.⁵

Figure 5: Spatial Zone Map



5 [EMCCA 2025 Spatial Vision](#)

The 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.

The Arc is the perhaps greatest opportunity for unlocking the latent potential in the East Midlands economy, creating the potential for 30,000 new homes, more than 40,000 full-time jobs, a £2.4bn boost to the regional economy and 2.7 million square feet of commercial space.⁶

The Combined Authority's plans for the Arc include a 'nature-enhancing urban network' between the cities of Derby and Nottingham, including two 'industrial strategy zone' development areas – the East Midlands Freeport and the Infinity Park Investment Zone, and three mainline railway stations at Derby, Nottingham and East Midlands Parkway.⁶

Priorities for inclusive growth

Derby and Nottingham are major cities with a host of specialised industries and deep, complex labour markets.

For many people currently working in lower skilled occupations, our Opportunity Escalator model shows that opportunities in basic manufacturing and certain services industries will provide routes to better paid, higher skilled work, and these industries should feature in the industrial mix envisaged for development sites in the cities and wider Arc.

We also looked at the types of occupations that are well suited to providing routes for people in the middle earning deciles to move up the escalator, and we saw differences in results that reflect the industrial mix of the two cities.

When factoring in regional income distribution and population characteristics, industries like *professional services and other knowledge-intensive sectors* emerged as particularly strong candidates for inclusive growth here. These included occupations in activities of head offices, management consultancy, computer programming and related IT services, advertising and market research, and civil engineering. All of which tend to offer higher wages, clearer progression routes, and greater resilience to economic shifts than other lower-skilled manufacturing-based work. These industries featured a high match of potential candidates to required jobs, however many of these roles still faced skills mismatches in technical aspects of the roles (rather than the mismatches in social or foundational skills often found in lower skilled industries), and therefore may require focused effort on the part of the Combined Authority, employers and education providers on technical skills to help people move into these roles.

Our analysis shows that the city centres of Derby and Nottingham have strong potential for high value services, and that 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.

Better connections across the Arc

The Commission's analysis also points to the value of better connections across the Arc as key to achieving inclusive growth. Workers on lower incomes tend to rely on public transport connections for work, and may not look for work in places that are difficult to reach.

For some of the envisaged sites in the Arc there are existing fast public transport routes, and good road connectivity, but they may lack regular and affordable rail and bus services, or suffer from other gaps in provision.

⁶ EMCCA Investment Prospectus 2025

An example of this is the East Midlands Intermodal Park (EMIP) site situated adjacent to the existing Toyota plant on the outskirts of Derby. Currently public transport connections limit the number of people who will be able to benefit from the jobs that will be created at this site. Despite the existence of a train service that runs from Derby city centre to the nearby village of Willington which takes only 7 minutes, connections on either end of the train service limit the reach of these opportunities.

Our analysis shows that with faster links between outer Derby and the EMIP site, both local residents and the businesses based at the site would benefit, with a larger boost to local incomes, more jobs 'matched' to a local worker who would be able to carry out the role, and smaller skills shortfalls that would need to be filled in order for businesses to staff the roles created.⁷

Figure 6: Graphics illustrating the difference in labour market size with fast links into Derby



Mansfield-Ashfield and surrounds ('the heartlands')

To the north of the Arc, up the M1, Mansfield-Ashfield forms a connected but separate economic geography with its own industrial characteristics and workforce.

Though historically and administratively separate towns, with a rich industrial heritage, the *Centre for Cities* note that the area that encompasses the two towns of Mansfield and Ashfield now forms a single modern conurbation – and with a population of 240,000 is one of the UK's 50 biggest urban areas.

When a place of this size and significance lies at the heart of the region, strategically located along the M1, the path to inclusive growth for the East Midlands can only run through Mansfield and Ashfield.

Our Opportunity Escalator analysis for these areas shows that there are two main routes to improving the breadth of economic opportunities for residents. There is strong potential to deliver inclusive growth in this area through a focus on 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. This dual approach leverages both the unique assets and skills of the people who live there, and its prime location along the M1 corridor and within reach of Nottingham city centre.

⁷ See technical annex, EMIP case study

The opportunity escalator – a place-focused approach

Priorities for inclusive growth

The economy of Mansfield, Ashfield and surrounds demonstrates a strong performance in manufacturing, particularly in sectors such as fabricated metal products, food production, and machinery repair and installation. This is illustrated through our Opportunity Escalator toolkit, which shows high levels of potential jobs matching for occupations in these areas, indicating that local workers already possess the skills needed to meet employer demands in these industries.

New manufacturing roles could contribute significantly to boosting incomes in the lower half of the income distribution, with increases ranging from 21% to 44%, and offer moderate to strong upward mobility for middle earners.

The low 'non-graduate shortfall' statistics in the table below suggests that new manufacturing jobs in the area could be filled from within the current non-graduate workforce.

Industry	Jobs Matched	Lower half boosted	Middle Income Distribution Boosted	Grad shortfall	Non graduate shortfall
Manufacture of fabricated metal products, except machinery and equipment	82%	38%	17%	31%	8%
Computer programming, consultancy and related activities	82%	25%	15%	69%	4%
Manufacture of food products	81%	39%	5%	39%	5%
Manufacture of basic metals	80%	42%	14%	41%	9%
Manufacture of paper and paper products	79%	44%	12%	47%	8%
Repair and installation of Machinery and equipment Sewerage	72%	44%	20%	39%	9%

Column explanations: "Jobs matched (%)" refers to the percentage of jobs for a given site that can be filled from the local workforce based on a suitable skills match in the workforce. These matches are prioritised to identify jobs and workers that have small, bridge-able skills gaps and provide a wage uplift for the matched candidate.

"Lower half boosted" refers to the percentage of matched workers that would see an increase in income and their job, who are starting from within the lower half of the income distribution (deciles 1 to 5).

"Middle deciles boosted" refers to the percentage of workers matched that have had an increase in income and their job has started in deciles three to six of the income distribution, representing mid-skilled workers and recent graduates

"Grad shortfall" – the percentage of jobs that require a degree that could not be matched to a suitable worker in the local workforce by the 'opportunity escalator' toolkit, implying the person may need to be recruited from outside the area.

"Non grad shortfall" – the percentage of jobs that do not require a degree that could not be matched to a suitable worker in the local workforce by the 'opportunity escalator' toolkit, implying the person may need to be recruited from outside the area.

Faster connections to Nottingham and the Arc sites

For workers in Mansfield, Ashfield and the surrounding areas one of the key opportunities in coming years will stem from being better-connected to the developments that will take place in the Trent Arc.

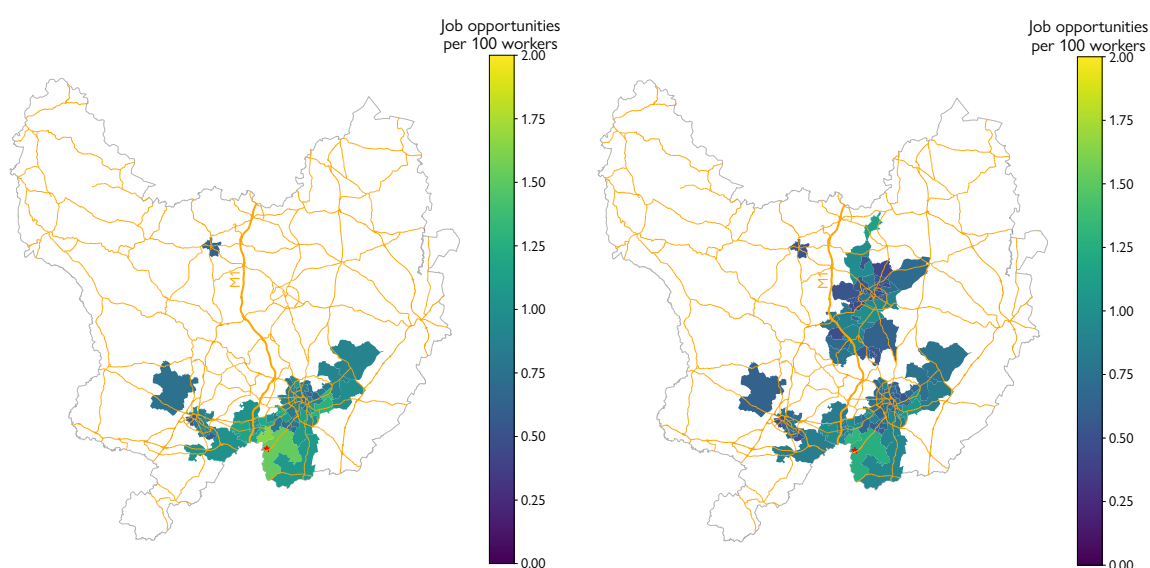
Taking one of the major East Midlands freeport sites, the redevelopment of the Ratcliffe-on-Soar power station, as an example, we find that improving public transport connections for residents of Mansfield and Ashfield to be able to access

the site within an hour on public transport would have a major effect on how widely the economic opportunities from the development would be spread, adding an additional 100,000 workers to the labour market for the site.

The graphics below illustrate which areas workers with the requisite skills could be drawn from to fill the range of roles that will be created, and it can be observed that a higher share of workers from in and around Ashfield and Mansfield would be expected in those roles if a faster connection existed.

Moreover, extending the reach of the labour market in this way would result in more suitable workers being matched to the new, better-paying jobs, and a significantly smaller number of graduate and non-graduate roles that could otherwise not be matched to a worker in the local workforce. This demonstrates that a faster connection would create meaningfully better outcomes for both employees and employers at the site.

Figure 7: Job opportunities per 100 workers with and without fast connections



The chart on the left shows the kinds of new graduate and non-graduate jobs that will be created through the construction phase, with existing jobs in the area shown in grey circles.

The chart on the right shows how many of these new jobs can be closely matched to a worker currently in the local labour force, and the extent of worker 'shortfalls' where our model could not match a role to local worker's skillset.

A theme of the Commission's work has been recognising where outward connections will matter for inclusive growth just as much as connections within the EMCCA area. This dynamic is well evidenced in Chesterfield and Staveley, and some of the surrounding towns and villages.

Historically, the area running west from Chesterfield, through Worksop and Retford was connected by the Chesterfield Canal, onwards into south Yorkshire and Lincolnshire – this was a vital route for trade and used for transporting coal, quarried material and agricultural goods.

Our Opportunity Escalator analysis shows that today the local skills base is well suited to a variety of modern manufacturing and services sector industries that have the potential to provide high quality, better paid work opportunities for people living and working in the area. These insights can help to inform the strategies employed in the two local investment zone sites, and the enterprise zone in Markham Vale.

However, stronger connections could also improve the prospects for inclusive growth.

The opportunity escalator – a place-focused approach

Priorities for inclusive growth

The Opportunity Escalator analysis when run agnostically reveals that Chesterfield and its surrounding areas possess a strong alignment between the existing local skills base and a range of modern manufacturing and service sector industries driven by the aforementioned connection to the Sheffield labour market.

Sectors such as computer programming, civil engineering, and the manufacture of transport equipment show high job matching rates, up to 82%, indicating that local workers are well positioned to fill

roles in these industries, this also implies that many of these workers commute out of the EMCCA region into Yorkshire.

Many of these sectors also offer meaningful boosts to income for those in the lower half of the earnings distribution, with figures ranging from 20% to 36%, and moderate gains for middle earners. However, the data also highlights significant graduate shortfalls, particularly in high-value sectors like financial services and advanced manufacturing, suggesting a need for targeted skills development.

Industry	Jobs Matched	Lower half boosted	Middle Income Distribution Boosted	Grad shortfall	Non graduate shortfall
Computer programming, consultancy and related activities	82%	29%	18%	11%	4%
Repair and installation of machinery and equipment	78%	20%	8%	5%	9%
Financial service activities, except insurance and pension funding	71%	20%	8%	20%	5%
Insurance, reinsurance and pension funding, except compulsory social security	71%	32%	7%	16%	10%
Civil engineering	70%	29%	13%	10%	10%
Manufacture of other transport equipment	70%	33%	13%	16%	8%
Other manufacturing	70%	36%	11%	12%	10%

Stronger connections north and west

Chesterfield currently benefits from excellent road and rail links to Sheffield which means that people living there can draw from a broader range of well-paid jobs and occupations that are reachable for them.

Census data shows that many people living in the area travel to Sheffield for work. The Combined Authority is well placed to work with the neighbouring South Yorkshire authority to maximise the reach of these opportunities for residents, and to improve transport links between Sheffield city centre and other parts of the northern EMCCA area.

However, a major source of economic opportunity for the area is to ensure better access for more people by affordable public transport both northwards to the Sheffield city region, and eastwards to the Clean Energy Supercluster area, encompassing the three decommissioned power stations.

Currently, it takes over an hour by public transport for residents of Staveley to travel Sheffield, and services are infrequent. Connections by road and rail to the east are poor, particularly given the scale of opportunities that will arise from achieving the Clean Energy Supercluster vision.

Clean Energy Supercluster

To the east of the EMCCA area lie three 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 Spherical Tokamak for Energy Production (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.

Priorities for inclusive growth

The business case for STEP envisages over 35,000 job years⁹ in the construction phase alone,¹⁰ and the Commission's analysis shows that investment and construction on this scale has the potential to boost the incomes of 2,200 people currently on lower incomes yearly from the EMCCA region.

However, as it stands, far too few people are within a commutable distance from the construction sites, and there is an urgent need to plan for affordable housing and faster transport links to the area.

For some of the towns and villages surrounding the three power station sites, the opportunities that could arise there are immense, and may represent one of the clearest sources of high-quality employment opportunities for residents. Many of the jobs in the near term will be skilled trades and construction jobs to build and remediate the existing sites.



Ratcliffe on Soar Power Station in Nottinghamshire

8 Job years refer to a measure of employment over time, used in economic impact assessments. A job year represents one full-time job sustained for one year. This is a cumulative measure, for example if an investment creates 100 jobs for 10 years, this is equal to 1,000 job years.

9 [STEP Economic and Wider Impact Assessment Final Report](#)

The opportunity escalator – a place-focused approach

However, our analysis suggests that there is an acute need for local authorities to begin planning now for improved public transport links and construction of affordable housing in the area, if the potential benefits are to be felt locally.

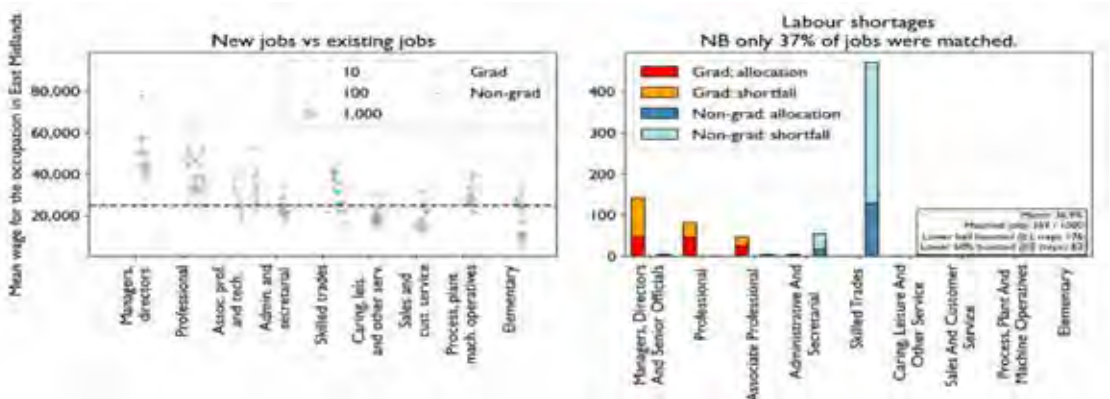
As an example, we took one of the main activity areas from the STEP business case for the ‘construction phase’ of the project to look at the jobs matching and skills gaps implied under current plans. The construction phase aims to generate 12,993 annual average jobs, with 3,758 of these jobs coming from within the EMCCA region. It is also estimated that 1,200 people will have to be trained in skilled areas including welding, electrical and mechanical work and that 330 apprenticeships are required during remediation and construction.

The Mayor’s ‘superloop’ concept of a linked multi-day circular network of walking and cycling trails around the entire region is a key example of how the visitor economy offer of the East Midlands could be further enhanced to raise its profile and attract longer stays.

Our analysis showed large shortfalls of available workers in skilled trades based on the current workforce that can reach the site by public transport. In our analysis, only 37% of the envisaged jobs could be ‘matched’ to a local worker, implying many workers would need to be found from outside the area.

The Opportunity Escalator toolkit could be of use to the authority and its partners is helping to reach workers whose skills would be well-suited to these roles, and whose incomes would receive a boost from taking on the work.

Figure 8: New Jobs in ‘construction of buildings’ industry and shortfall of labour driven by the clean energy super cluster



The above graphic illustrates the potential distribution of job opportunities for people in the lower half of the income distribution for roles that could be created at the Ratcliffe-on-Soar site. The second graphic illustrates the potential for a much greater geographic distribution of employment based on the skills people have in each area, if the site had faster connections to Mansfield and Ashfield as measured in terms of ‘job opportunities per 100 workers for the relevant workers’.

10 Mayors of East Midlands greater Manchester South Yorkshire pave the way for a bold new future for the peak district

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.

Priorities for inclusive growth

The Peak District consistently ranks in the top three most visited destinations in the UK, with nearly 14 million international and domestic visitors each year, supporting 30,000 direct and indirect jobs across the three regions and delivering a near £3bn annual economic impact.¹¹

As a predominantly rural area with a strong visitor economy, the path to inclusive growth for places in the Dales and Peaks will tend towards strengthening connections to nearby centres of economic activity, and targeting higher-value visitor offers and attractions.

A recent tripartite 'Peak Partnership' between the three regions will work towards promoting a shared visitor economy offer encompassing sporting events, cultural and outdoor experiences which may encourage visitors to spend more time and money in the area.

The Partnership also recognised the potential importance of local road connections to the area and improved rural bus services for both commuting and leisure journeys, which have the potential both to improve access to employment, and to draw in more visitors who rely on public transport.

Our Opportunity Escalator framework helps to illustrate the types of higher-value visitor economy activities and job types that could help to boost the incomes of people currently working in lower-skilled hospitality or retail occupations.

Moving towards 'high value' visitor economy employment

Current employment in the visitor economy sector is disproportionately concentrated in low skilled industries such as basic retail and hospitality. While employing many people, these industries typically offer lower wages and limited career progression.

In contrast, higher-value subsectors related to the visitor economy such as libraries, archives, museums and other cultural activities and accommodation tend to generate better income opportunities and demand more advanced skill sets. Attracting and growing these kinds of subsectors to the EMCCA region, could significantly enhance local skill levels and raise average earnings across the visitor economy workforce.

For instance, a conservation professional worker could earn a wage premium of 11% when transferring and upskilling from an *administration* role. However, to support this transition, it is essential to address existing skills gaps.

Current major skills gaps in the related to the visitor economy involve basic customer and social interaction skills including customer experience and service design and, foreign language proficiency.

Technical skills such as social media management, customer relations management (CRM), and visitor data management, currently also limit the sector's ability to evolve and compete effectively.

The opportunity escalator – a place-focused approach

Based on our modelling of the top 18 new industrial sites in the Combined Authority's plans, achieving the Opportunity Escalator vision of inclusive growth for those 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.

The prize for places that are better linked up to opportunities is substantial. Our analysis suggests that three times as many workers in Mansfield could be employed in these new jobs if the town was better linked to the industrial sites in the Trent Arc.

Conclusions and recommendations

- 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 below has different strengths and needs to achieve inclusive growth.
- The Commission's work has identified that industrial policy for region needs to include an ongoing focus on 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.
- 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 key public transport connections needed to achieve the potential for inclusive (and cleaner) growth in the region include:
 - Better connections across the Trent Arc, around and between Nottingham and Derby, including to major industrial sites
 - 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
 - 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 addition, our analysis supports the conclusion that, in order to improve the accessibility of these new, well paid jobs to people in lower income deciles, the resources available for unlocking affordable housing across the region should be increased, and would be best focused in areas around the Arc sites, and the supercluster, where forward-looking demand for affordable housing will be highest.

Opportunity Escalator – the results

When we run our 'Opportunity Escalator' analysis for places across the East Midlands, manufacturing industries consistently emerge as strong candidates for workforce development and boosting worker incomes, based on the existing skills of the workforce. This includes both basic materials and parts manufacturing, food manufacturing, and subsectors of production that are involved in supply chains for the 'advanced manufacturing' activities prioritised in the Industrial Strategy.

Taking the food manufacturing industry as an example, strong jobs matches include upskilling those who work in elementary roles such as a shelf filler to be able to be a warehouse worker; this has a clear income premium of ~£7,000 (moving a worker from the 2nd decile of the income distribution to the 4th) while also being a job that offers clearer progression and potentially more stable hours.

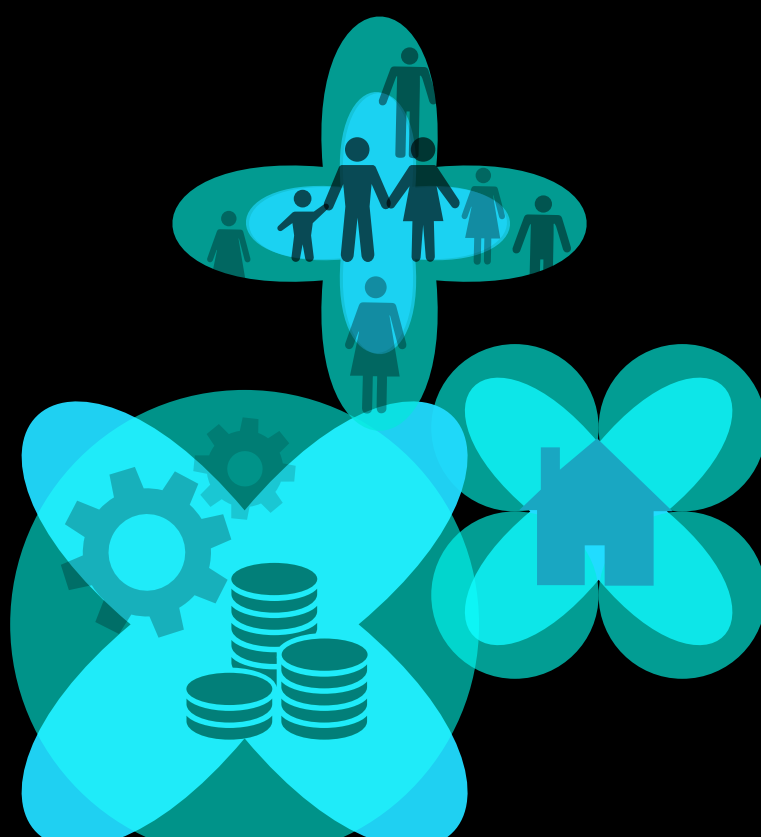
Food drink and tobacco process operatives are another key role in the food manufacturing industry. Based on the skills required, this occupation is a good match for people currently working in industrial cleaning process-based occupations – i.e. they have a small 'skills gap' to close and would benefit from a higher wage if they moved from one to another.

Our analysis is based on running these exercises many times for different places in the region and observing which types of roles get highlighted as potential progression routes for workers already in employment in the area.





BUILDING AN OPPORTUNITY ESCALATOR FOR THE EAST MIDLANDS – ASPIRATION AND SKILLS SYSTEM REFORMS



3 The Opportunity Escalator in practice – aspiration and skills system reforms

Throughout this Commission, we have heard consistently from many contributors that to make inclusive growth in the East Midlands a reality there must be a focus on supporting the aspirations of people who feel disconnected from economic opportunities, and under-served by the existing model of economic growth. We heard that this work needs to begin with young people to develop and realise their ambitions.

This is an area where the Combined Authority can act in concert with its partners to improve and move beyond existing careers guidance and work experience opportunities to make sure that every child in the region benefits from meaningful experiences of work, careers guidance and aspiration-building from an early age; this long-term process needs to start in primary school, bring in families and communities, and strengthen young people's resilience and autonomy through mental health and financial literacy skills, among others.

We heard that young people too often grow up without knowing what opportunities there are locally for them to succeed, or how to access them. In the absence of clear and structured support, this can lead to apathy and disengagement. In certain pockets, we also see entrenched intergenerational challenges and worklessness, and people's geographic boundaries and sense of potential are both severely constrained, compounding this issue.

Unlocking the East Midlands' potential will require us to unlock individuals' potential, equipping every child with the knowledge, skills and aspiration needed to lead a successful and prosperous life.

To achieve this vision, the Commission recommends that EMCCA develop an *East Midland Promise* of high-quality careers guidance, work experience, and personal development to set up every young person in the East Midlands for success, underpinned by:

- Early intervention that builds understanding and awareness of careers, as well as broader life skills (including financial literacy and mental health skills)

- Streamlined employer engagement, aligned to aspiration, that enables them to play a proactive role in building talent and potential
- Improved incentives to do so, implemented through a Good Employment Charter, procurement powers and public sector anchors
- And an Aspiration Learning Network to capture innovative approaches to building aspiration to test and scale across the region.

What we heard about aspiration

Across every stakeholder group we spoke to, including young people, this issue surfaced consistently and organically.

In a representative survey, over half (51%) of young people said that local opportunities for good work are poor, and many perceive a sense of decline in their communities.

This sets in motion a vicious cycle, whereby limited prospects for a good career and future feed into apathy and disengagement, holding individuals – and the region – back.

"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."

– A young person from the East Midlands

This is particularly pronounced outside of the region's cities, with issues of long-term post-industrial decline and intergenerational worklessness in certain communities.

"It's quite a small-town mentality [where I live]. My mates won't even leave the town. They don't know how to get on a bus, let alone get a job."

– A young person from the East Midlands

We know – from residents, stakeholders and the existing evidence – that young people struggle to access targeted and timely careers guidance, and often lack workplace exposure and readiness when it comes to entering the workforce.

Building aspiration across the EMCCA region will be a long-term project, drawing on a range of economic, social and cultural levers. One area where the Mayor and Combined Authority can add value is building awareness and work-readiness from an early age, going beyond standard approaches that put the onus on learners, and instead working with families, communities and employers to establish strong foundations for a thriving future.

Supporting aspiration from an early age

Over recent years the role of aspiration in inclusive growth has received greater attention, more coherent delivery infrastructure, and more stringent statutory expectations and guidance.¹

Schools and their careers leaders may struggle to provide high-quality careers guidance amid resource constraints, leaving them dependent on differing levels of management interest in providing these types of support, creating a postcode lottery for learners.

While employers are keen to play an active role, they face a lack of incentives or recognitions for support to learners through work experience or apprenticeships.

Across all of the Commission's work into education and skills we have applied a simple 3 stage heuristic to categorise interventions are different stages of life, and for different purposes. This starts with building initial education and aspiration

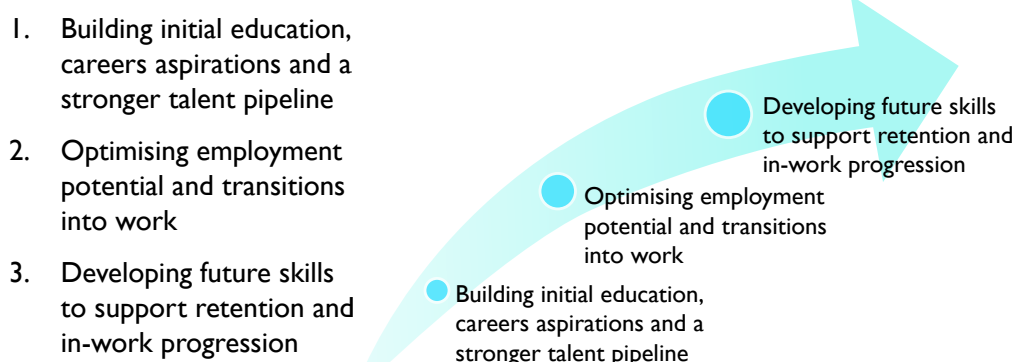
“ I ain't got a clue what's going on in Nottingham in terms of the jobs [...] They're getting an English teacher to talk to people about [careers] but they're not qualified. They'll give us a 20-minute session, that's about it: 'Go off into the real world and try not to commit any crime. ”

A young person from the East Midlands

However, several challenges remain; young people in the East Midlands report sporadic and impersonal guidance, work experience of limited interest and value to them, and difficulty navigating the complex educational landscape.

from an early age, before moving to initiatives designed to support the transitions into work, before finally moving to interventions designed to support people to keep their skills up to date and maximise their opportunities to progress.

The work on building aspiration needs to be focused in the first two stages.



¹ House of Commons Library, 2023

What can the Combined Authority do differently?

While EMCCA has few direct 'hard' levers over this agenda, it is an area where the Combined Authority and the Mayor could drive better outcomes through their coordinating role and convening power,

A new Youth Ambition

Young people need to perceive and experience work opportunities in their area for them to want to build a career in their place, and workplace exposure is key to successful transitions into the world of work.

"Work experiences seem to be impossible to find. All the in-person ones are down south in London, maybe Edinburgh. But I don't think there's any work experience that I'd want to pursue here."

– A young person from the East Midlands

We heard that careers guidance is often sporadic, impersonal and seen as a 'tickbox' exercise – for learners and/or teachers – and that not everybody has access to good experiences of work – especially in rural areas and some of the post-industrial towns in the region.

To address this, the Mayor and EMCCA set a goal to ensure that every young person has access to high-quality careers guidance, and a guaranteed number – and quality – of meaningful 'experiences of work' to build their confidence, autonomy, ambition and work-readiness. The East Midlands Youth Ambition would come from the Mayor, but it will need to be delivered in partnership with educational providers, employers, communities and families to meaningfully shift the dial on stubbornly low levels of aspiration.

An East Midlands Youth Ambition should ensure high-quality careers guidance and a portfolio of work experience placements for any young person, across a range of locations, formats and sectors, and embracing innovative models of delivery.

to strengthen careers guidance and work experience and to catalyse aspiration.

Our recommendations on how to go about this are set out below. Chief among these is an East Midlands Youth Ambition to all learners in the region of tailored and timely guidance and meaningful experiences of work.

Guidance and placements should be rooted in the local labour market and inclusive growth strategy, showcasing the diversity of jobs and occupation types available.

Increasing the number of available placements will require streamlined employer engagement and improved incentives, and should be tailored to the individual, but short tasters of different workplaces and sectors – in lieu of a week-long placement – might be more appropriate to build curiosity and exposure at Key Stage 3, with a more traditional placement or a 'real-world' project at Key Stage 4.

This is critical to our framework for developing a strong talent pipeline for the region that supports people to achieve their goals, establishing strong foundations for autonomy and aspiration, and building work-readiness to smooth transitions into work.

With many schools already operating at capacity, and high-quality guidance proving resource-intensive, this support will not be found wholly within existing staffing and resources. It will demand a package of support and materials external to the schooling system, but delivered through primary and secondary schools that minimises the extra burden on teachers.

Given funding constraints, it is likely that the Combined Authority will need to resource this creatively, including through finding synergies with their adult skills budget, and via an integrated financial settlement would provide much needed flexibility and discretion to direct resources to where they will be most impactful.

The Derby promise:

The Derby Promise is a cross-sector collaboration designed to “expand opportunities, raise aspirations, and promote the wellbeing of the next generation.” Bringing together businesses, educators, and cultural organisations, the initiative creates a unified approach to supporting young people’s personal and professional growth. By pooling resources, expertise, and networks, partners work collectively to ensure that every young person in Derby can access the tools and experiences they need to thrive.

The programme provides a rich blend of guidance, skills development, and cultural enrichment, delivered both in schools and in the wider community.

Young people can take part in career insight days with local employers, hands-on workshops with industry experts, or creative projects in partnership with arts and heritage organisations. These activities are designed not only to build employability but also to foster pride in place, a sense of belonging, and an understanding of the city’s diverse opportunities.

By celebrating local talent and showcasing real pathways to success, the Derby Promise inspires confidence, sparks creativity, and broadens horizons. It stands as a model for how a city can work together to invest in its future generations.

[2 Derby City Council. \(2024, May 15\). Derby Promise will build a brighter future for the city's next generation.](#)

The East Midlands Youth Ambition will require partnership-working and targeted wraparound support. Such interventions might include summer schools in collaboration with the local

further and higher education sectors to build employability and skills, and a Mayor’s Mentoring Scheme to provide networking opportunities and guidance with a trusted adult.

West Midlands mayoral mentoring scheme:

The West Midlands Mayor’s Mentors scheme aims to give young people from all backgrounds and communities the opportunities, skills, and support they need to flourish. By pairing each participant with a trusted adult mentor, the scheme provides consistent guidance, encouragement, and a safe space to discuss aspirations and challenges.

Delivered in partnership with a network of local mentoring organisations, the programme has already supported over 10,000 young people. Mentors meet regularly with their mentees to set personal goals, develop action plans, and build key life skills such as communication, resilience, and decision-making. Sessions

are tailored to the needs of each young person, ensuring support is relevant and impactful.

Beyond skills development, the scheme helps young people expand their networks and gain insights into education, training, and employment pathways they may not have encountered before. By combining practical advice with personal relationships, the West Midlands Mayor’s Mentors scheme inspires young people to believe in their potential and take confident steps toward their future.

This model could serve as a promising template for targeted support in EMCCA at those facing particular disadvantage.

The Opportunity Escalator in practice – aspiration and skills system reforms

In order to deliver the East Midlands Youth Ambition, the Combined Authority will need to combine actions across the following for areas:

Early intervention to build the foundations for aspiration

We have heard consistently that aspiration-building needs to start much earlier, with evidence that ambitions can be capped as early as six years old.³ While this has received less attention in policy discourse, there is an evident consensus in support of early intervention, as well as nurturing a foundational sense of autonomy and responsibility.

Primary education has an obvious and important role to play in this, and the Combined Authority should provide training and materials to teachers by which to nurture children's curiosity around work and understanding of why it is important.

However, this is insufficient in isolation. For those most at risk of disengaging from education, families and communities will need to play a role.

"Family should be there to support you. If you've got the people closest to you, you feel more confident in yourself to continue doing what you're doing."

– A community worker in Derby

Parents are often the go-to source of advice for young people, but they may lack the knowledge and confidence to provide this.

"Recently, I couldn't decide whether to go to uni or college or [straight into] work. And I really needed some advice. My parents tried but they said only I can make that decision and know what's right for me. But I really needed that help and information and advice."

– A young person from the East Midlands

The Combined Authority should support schools and community organisations to bring parents into this process, through initiatives like careers evenings from an early age, and materials/tools to help them talk to their child about this.

Co-location of services in community settings would also be more welcoming to parents who themselves had a negative experience of school, and provide a 'whole-family' service. This should support parents' employability, while also supporting them to set a positive example and nurture long-term thinking about their child's career planning, thus helping to tackle issues of intergenerational disadvantage.

Start small dream big:

This pilot programme, rolled out by the Careers & Enterprise Company, works in over 2,000 primary schools to support disadvantaged young people to raise aspirations, build awareness of the world of work, and challenge stereotypes. Recognising that career ambitions and self-belief begin forming early, Start Small Dream Big intervenes at a pivotal stage, ensuring children are encouraged to imagine a wider range of futures.

The programme focuses on equipping primary teachers with the skills and confidence to embed careers education into everyday learning. Through training sessions, curriculum resources, and peer support networks, teachers learn how to

connect classroom topics to real-world roles, making lessons more engaging and relevant. In addition, the initiative coordinates school visits from employers, introducing pupils to diverse role models and career pathways they may never have considered.

By making career exploration part of normal school life, Start Small Dream Big helps children understand the link between what they learn today and the opportunities available tomorrow. In doing so, it fosters curiosity, broadens horizons, and breaks down limiting assumptions about what is possible, particularly for those facing disadvantage.

³ What works? Career-related learning in primary schools

All of the above should focus on not just careers, but broader life skills and confidence. Financial literacy, for instance, should be woven into personal, social, health and economic classes to instil a sense of autonomy and responsibility among young people, and help them to understand the importance of financial and careers planning. Strategies for dealing with poor mental health or anxiety alongside confidence-building should also be priorities for nurturing young people's capabilities and resilience.

"I think for a lot of young people, it's not that they can't get the jobs or don't have the skills, but they don't have the confidence."

– A teacher in the East Midlands

While employers are keen to play a positive role in young people's careers and aspirations⁵, they have also told us that they have insufficient information and resources to do this effectively, especially in smaller organisations. They also struggle with a complex and fragmented landscape, and limited understanding of technical educational pathways and qualifications.

We therefore recommend **a streamlined approach to employer engagement that consolidates employer-facing activity under a 'single front door' for business support, aligned to skills and aspiration.**

Barclays' LifeSkills

LifeSkills is a free tool and programme that can be used by educators, the VCSE sector, or individuals to build employability and financial literacy at the same time. It is designed to help people understand and prepare for the world of work, while giving them the practical money skills needed to thrive. LifeSkills works with people as young as five years old, supporting them throughout their educational journey and beyond. The programme also engages parents and families, recognising that building aspiration is most effective when reinforced at home.

Through an accessible online platform and in-person workshops, LifeSkills offers practical tools, interactive learning modules, and hands-on activities that help participants identify their strengths, develop transferable skills, and set realistic career goals. Resources are tailored to different age groups, ensuring content is engaging and relevant. It also embraces a 'whole family' approach, working with adults to develop their CVs while their children can take part in teambuilding games, for instance. By combining self-reflection exercises with practical skill-building, LifeSkills empowers individuals to see their potential, increase their confidence, and take proactive steps toward their ambitions.

A 'single front door' for employers, aligned to aspiration-building

Building a strong portfolio of opportunities for young people will require concerted employer engagement and buy-in.

Evidence from our review highlights the importance of early exposure to the workplace in shaping career aspirations and improving employment outcomes. Yet, employer engagement remains uneven, with only 11% of businesses offering apprenticeships and limited use of FE colleges for training⁴.



⁴ [Employer skills survey 2022](#)

⁵ [Conditions for transition: Supporting young people onto apprenticeships and technical pathways – a regional analysis](#)

The Opportunity Escalator in practice – aspiration and skills system reforms

The Combined Authority should simplify and streamline employer engagement and business support in ways that incentivise them to play a proactive and positive role in building young people's work-readiness and exposure, with recognition and rewards for doing so.

While larger anchor and/or national employers may still require more bespoke engagement, this should also seek to go beyond the 'usual suspects' and target smaller organisations and sectors. Sectoral bodies and intermediaries may be an effective way to penetrate into harder to reach groups.

The Combined Authority should, for instance, provide a single point of access for guidance, signposting, and administrative support for smaller organisations, to make it easier for employers to take on learners and support their development. This should use an 'employer-friendly language' aligned to their priorities (such as workforce and recruitment).

This should dovetail with the Combined Authority's forthcoming digital work experience portal, to widen access.

Strengthened incentives for employers

As noted above, employers are eager to play a proactive role in supporting local young people's transitions into good work. However, at present there are insufficient incentives to do so. The apprenticeship levy, for instance, was seen to offer insufficient incentives and flexibility, and offering work experience was seen as administratively and financially burdensome.

To build a strong portfolio of workplace experiences and routes into good work, it is vital that employers have incentives and rewards for their efforts. This should balance employers' organisational needs and social responsibilities through a series of 'carrots and sticks'.

The Combined Authority could use an East Midlands Good Employment Charter to strengthen rewards and incentivises for employers who play a positive, proactive role in nurturing talent and aspiration.

Gaining 'good employer' accreditation should be linked to providing experiences of work, or related outreach with local learners to help deliver the East Midlands Youth Ambition.

'Good employer' status could also be tied to local government procurement in the region. Recent reforms to procurement frameworks have granted local and combined authorities greater discretion to tackle local challenges through their approach to contracting, including through building 'social value' objectives into their assessment.

The Good Employment Charter should confer accreditation to signatories that commit to, for instance, taking on work experience students and/or apprentices; this might benefit from a tiered model – akin to the Disability Confident scheme – to accommodate organisations of varying sizes and resources, improving access for SMEs to public procurement contracts while bringing them into the aspiration-building process.

The Combined Authority should also use its convening and coordinating role to encourage other public sector employers in the area to adopt these good practices, and to implement similar conditions in their own procurement to embed this across the region.

An ‘aspiration learning network’

Delivering the East Midlands Youth Ambition will mean trialling new approaches and scaling up the approaches that work.

This should be a designated role within the Combined Authority and/or the regional Careers Hub, working with providers and stakeholders to capture innovative ways of working, and supporting them through evidence-gathering and evaluation. This would provide a strong basis for testing, learning from, and scaling innovative approaches across the region.

This should be aligned to the Careers and Enterprise Company’s evidence-gathering, but aimed at regional challenges and opportunities.

Outwith the Combined Authority, this network should also promote learning exchange with other areas and networks, and could gather evidence by which to argue for further powers and resources for local authorities to trial new approaches.

Taken together, action in these four areas would support the East Midlands Youth Ambition approach, and provide the basis for a much stronger focus on building aspiration from an early age, involving parents and communities in the process, and supporting businesses to both contribute and benefit from the approach.

Resident experience – Jessica’s first job

When Jessica, a young woman from Nottingham, left college she felt uncertain about what to do next. Jessica’s route to work wasn’t without challenges. Job applications felt confusing—she “didn’t know where the stuff was meant to go” on her CV—and starting in new places was daunting. Meeting new people and working in large groups initially made her uneasy.

She got support from a local employability agency, where her advisor worked to build her confidence, taking the time and effort to identify her aspirations and skills. She set the pace and priorities of these sessions, ranging from support with writing a CV to mock interviews. This took her confidence from a self-reported six out of ten to an eight over the course of just a few sessions.

With limited paid experience to draw on, she worried about how to stand out to employers. Her advisor, however, worked with her to identify transferrable skills and examples from her personal life – including how looking after her niece showcased her caring, diligent nature, and her ability to juggle multiple tasks. She reflected that we often have skills that

we’re unaware of until someone takes the time to tease these out.

She also secured a supported internship at a local hospital, allowing her to gain practical experience while also accommodating her specific needs – such as being accompanied to placements and receiving check-ins, until she was ready to work more independently. This, along with group work in a supportive environment at the agency, has helped her to get more accustomed to working with others and confident in her abilities.

All of this has led to Jessica securing her first job. She’s “excited about starting and also a bit nervous” but she and her advisor have developed a two-week onboarding checklist, breaking down what could be an overwhelming experience into small manageable tasks, and will keep in touch monthly for her first six months, ensuring she settles in and thrives.

Her journey shows how investing in personalised, steady and timely support at key transitions can break down barriers and open doors.

How the skills system should evolve for inclusive growth

Introduction and key recommendations

For the Combined Authority and its partners to achieve a more inclusive growth model in the East Midlands a root and branch transformation of employment and skills ecosystem is needed.

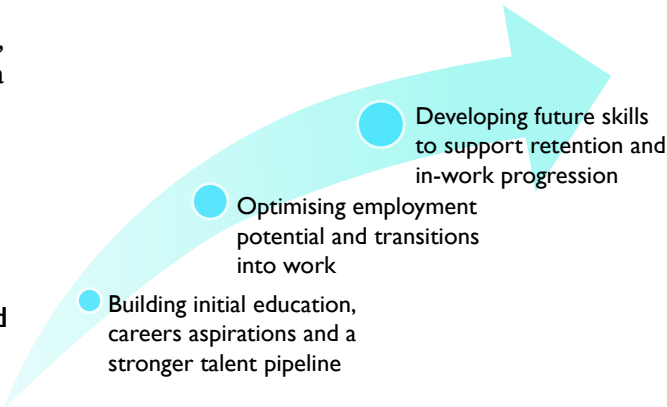
Building aspiration from an earlier age is a major part of that, and delivering the East Midlands Youth Ambition of higher quality work experience and careers advice will be key, but it is equally important for the Combined Authority to shape secondary education, further education, higher education and adult skills training around some of the aims of inclusive growth and their industrial strategy.

These are the latter two stages in our 3-stage framework.

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
3. Partnering with employers to build more inclusive employment practices

To effectively convene and direct the skills and employment system for inclusive growth, the East Midlands Combined County Authority will need the requisite powers and funding. The Commission is of the view that the enhanced powers over local education that the

1. **Building initial education, careers aspirations and a stronger talent pipeline**
2. **Optimising employment potential and transitions into work**
3. **Developing future skills to support retention and in-work progression**



The insights that our Opportunity Escalator model provides about how to foster inclusive work opportunities for people across the region will remain theoretical unless the whole system pulls together towards a shared vision.

In this chapter the Commission provides insights for improving educational outcomes, adult skills and lifelong learning in the region, and how these can be shaped around delivering the Opportunity Escalator vision.

The Combined Authority can work with its partners in the region and nationally to deliver the Opportunity Escalator vision of inclusive economic growth in three main ways:

Greater Manchester Combined Authority have been given under their 'trailblazer' deal with HM Government is the minimum necessary for EMCCA to unlock the potential in the region, and that greater powers to drive improved local school outcomes may be needed.

Insights from the Opportunity Escalator

The Opportunity Escalator (OE) toolkit offers two broad types of insight that are useful to learning providers and employers:

1. **Compatibility** – the toolkit illustrates how compatible a person's current skillset is to perform a new job role, and whether their pay would be improved if they moved into the new role;
2. **Closing Gaps** – the toolkit can quantify current skills gaps that need to be closed, though formal learning, on-the-job training or other interventions.

The OE toolkit can show this kind of info for a single worker, or it can be aggregated for a whole worker population, to illustrate what the best matches and missing skills are for that worker population.

Chapter 2 sets out the value of the OE for potential users in the East Midlands. For example, learning providers could use it to forecast changing demand for courses.

Alternatively, it could help firms broaden their recruitment searches into sectors and roles that they previously would not have targeted, but which have high skills matches to the roles they need to fill.

The Opportunity Escalator can form part of a common framework and shared set of information that learning providers and employers can draw upon to plan and help people to move up the escalator into better-paid, higher-skilled roles.

The existing skills and employment landscape in the East Midlands

The Combined Authority and its partners across the skills and employment system have a unique opportunity to shape the region's future workforce.

The Commission estimates that at least 80% of the workers in the region have engaged directly with the region's skills system at secondary schools or afterwards.¹ This means it is within the region's gift to shape the supply of future skills to fit the needs of both residents and employers.

However, the Commission heard from numerous experts and professionals in the field that the English post-16 skills system is characterised by fragmentation, complexity and institutional churn, a story that is widely replicated across England.² In this context, employers and learning providers can find it difficult to collaborate. Although many examples of good practice exist, we heard that, in general, employers struggle to identify relevant training, engage with providers and invest in workforce development.

The current government has given new and existing Combined Authorities a role in shaping further education, directing adult skills funding and in delivering various programmes to improve skills and employment outcomes in their areas. Our analysis below identifies the key evidence and levers that will be important in deploying these powers and monies to deliver better outcomes in the East Midlands.



¹ [Employed graduates remain close to their home regions for work, Regional profiles East Midlands, How workforce qualification levels differ across England and Wales – Census 2021, ONS](#)

² [For example, see the Skills Minister's keynote address to the Association of Colleges – GOV.UK](#)

Secondary Education

GCSE results are a strong predictor of life chances and career outcomes. As a region, the East Midlands performs slightly below the national average for English and Maths GCSEs. Across England, 67% of pupils achieved a grade 4 or above compared to 65% in the East Midlands.³ However, this masks large spatial disparities across the region. In Mansfield 45% of students leave school without a Level 2 qualification in Maths and English.

There are both urban and rural areas in the East Midlands that perform poorly on GCSE results, with Mansfield, Ashfield and Nottingham performing worse than other parts of the region. The disparities between places in the East Midlands are also evident when looking at outcomes for 'disadvantaged' pupils.⁴

Figure 1: GCSE 9-4 Pass rates in English and mathematics⁵

Local Authority	Overall	Girls	Boys	Disadvantaged ⁶
Mansfield	55%	55%	55%	31%
Ashfield	56%	61%	50%	34%
Nottingham	58%	62%	54%	43%
Bolsover	58%	62%	54%	37%
Bassetlaw	59%	62%	57%	44%
South Derbyshire	61%	60%	61%	47%
Derby	61%	64%	58%	38%
High Peak	61%	60%	62%	32%
North East Derbyshire	65%	67%	64%	44%
Newark and Sherwood	65%	65%	65%	36%
Erewash	66%	67%	64%	42%
Amber Valley	66%	70%	63%	41%
Chesterfield	67%	67%	67%	44%
Gedling	69%	69%	69%	43%
Broxtowe	69%	71%	68%	45%
Derbyshire Dales	70%	73%	67%	45%
Rushcliffe	79%	80%	77%	54%

3 Source: Key Stage 4 results

4 Pupils are defined as disadvantaged if they are known to have been eligible for free school meals at any point in the past six years (from year 6 to year 11), if they are recorded as having been looked after for at least one day or if they are recorded as having been adopted from care.

5 Source: Key Stage 4 results

6 Pupils are defined as disadvantaged if they are known to have been eligible for free school meals at any point in the past six years (from year 6 to year 11), if they are recorded as having been looked after for at least one day or if they are recorded as having been adopted from care.

While many schools face difficulties with infrastructure and availability of staff and support services, it is striking that a disproportionate number of the lowest performing students are serviced by academy trusts.⁷

Academy trusts have been part of the story of improved school results in some parts of the country, but there is evidence that some are underperforming in the East Midlands. Regionally, 86%

of secondary schools are Academies, Academy Converter or Academy Sponsor led, compared to the national average of 83%⁸. However, at last inspection before December 2024, all of the schools ranked 'inadequate' and 90% of those ranked 'requires improvement' were academy trust led.⁹ The Combined Authority currently has no levers at its disposal to address this directly.

Post-16 skills system

In the East Midlands region, the delivery of skills initiatives and courses across these pathways involves eight further education (FE) colleges¹⁰, three universities¹¹, and various independent training providers and community-based, third sector providers. In addition, there are employer-led facilities including several academies at Rolls Royce, Toyota and Uniper.

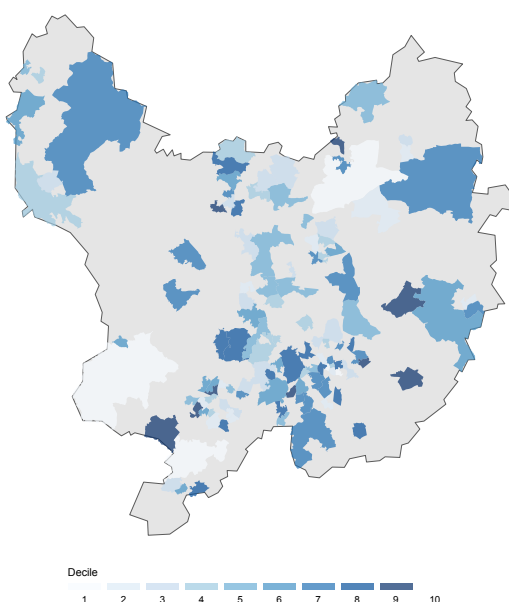
However, where a child in the East Midlands grows up has a bearing on if

and how this system is accessed. Spatial disparities in GCSE attainment persist through to future career prospects.

Low educational attainment traps the region into a low wage, low skills equilibrium. Areas with low levels of GCSE 9-4 passes are more likely to directly enter the workforce in low skilled employment or become unemployed than their peers who have successfully achieved a pass (Figures 2 and 3).

Figure 2: Passes in both English and mathematics GCSEs

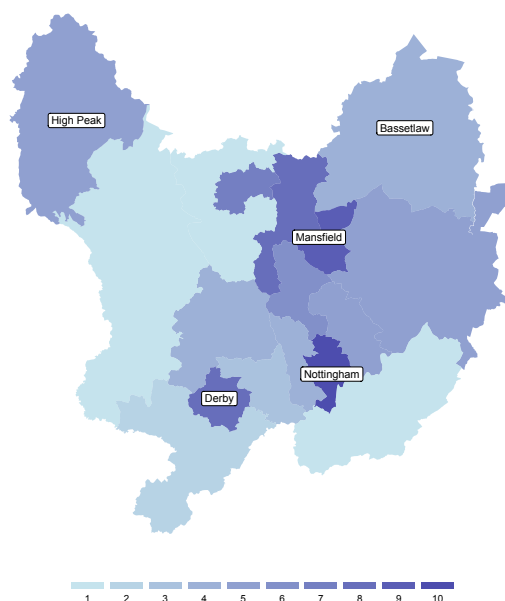
Deciles of school GCSE performance, lowest decile represents the lowest percentage of students passing



Source: [Figure 1:4 Key Stage 4 Results](#)

Figure 3: 16-18 year old school leavers with no sustained destination

Academic year 2022/23, sustained participation for a 6 month period in the destination year.



Source: [16-18 Destination measures](#)

7 An academy trust is a non-profit company that operates and governs one or more academy schools, which are publicly funded but independent of local authority control.

8 [Schools, pupils and their characteristics](#)

9 [School inspections and outcomes](#)

10 Burton and South Derbyshire College, Chesterfield College, Derby College, Lincoln College, Nottingham College, West Nottinghamshire and North Nottinghamshire.

11 University of Derby, Nottingham Trent University, University of Nottingham.

How the skills system should evolve for inclusive growth

Apprenticeships and technical education

The East Midlands has a strong history of technical and vocational education, linked to its heritage of engineering, manufacturing and energy industries. Throughout the Commission's work we saw strong evidence of effective partnerships between employers and education providers in this field. However, when viewed in aggregate, outcomes are not currently delivering inclusive growth.

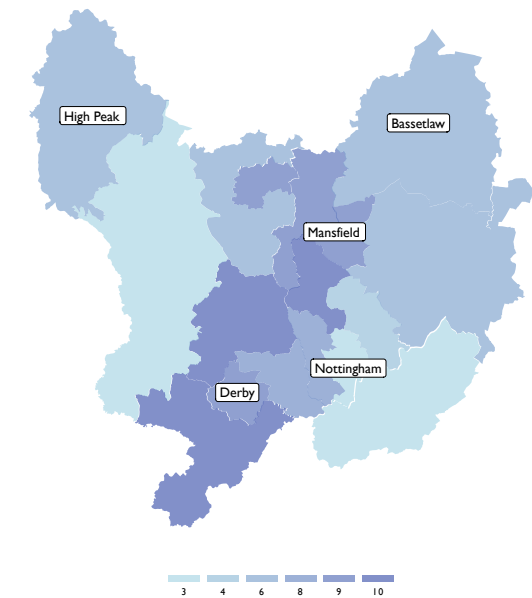
The East Midlands is roughly in line with the national average for students choosing

Unsurprisingly, spatial variation in learning pathways translates into patterns of qualification attainment across the East Midlands. Overall, 32% of the regional workforce report having qualifications at Level 2 or below as their highest qualification compared to 27.7% for the English economy as a whole.¹²

Rushcliffe, Broxtowe, and the Derbyshire Dales all have more than half of their working age population qualified to Level 4 and above, exceeding the national

Figure 4: 16-18 year old school leavers entering apprenticeships

Academic year 2022/23, sustained participation for a 6 month period in the destination year:



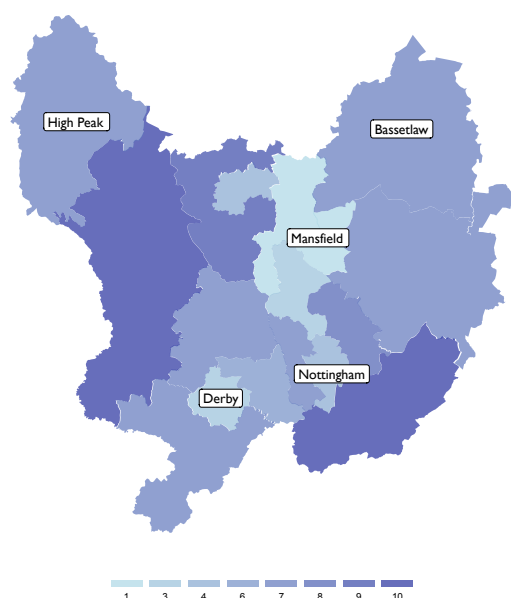
Source: [16-18 Destination measures](#)

apprenticeships after leaving school (8% compared to 7% across England). However, apprenticeship take-up is driven by areas with the poorest school attainment, such as Ashfield where 11% of students start apprenticeships after school (Figure 4).

This indicates that improving the quality and outcomes from apprenticeships could be a key channel for supporting school leavers from areas that currently have low GCSE attainment.

Figure 5: 16-18 year old school leavers entering higher education

Academic year 2022/23, sustained participation for a 6 month period in the destination year:



Source: [16-18 Destination measures](#)

average. In contrast, this drops to less than a quarter in Bolsover and Ashfield, where the share of people with a Level 2 qualification is greater than those qualified to Level 4 and above (Figure 6).¹³

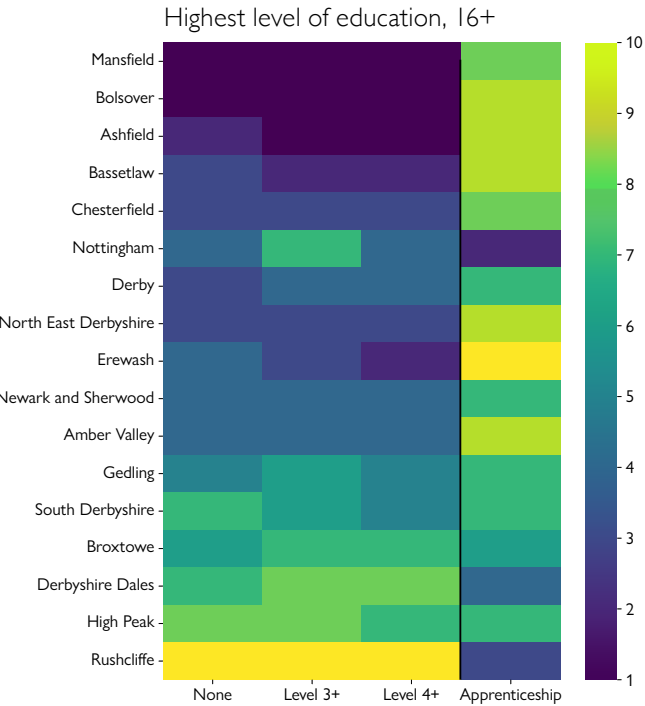
The picture in the East Midlands is clear and is backed up by other research: qualification gaps as early as 16 are becoming a persistent barrier to economic growth and social mobility.¹⁴

¹² Nomis. (2023). Labour market profile: January 2023 – December 2023. Office for National Statistics.

¹³ Nomis. (2024, April 16). Annual Population Survey: January 2023 to December 2023 estimates.

¹⁴ Innovation Generation: next steps for social mobility

Figure 6: Spatial variation in educational attainment in the East Midlands



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.

The East Midlands also faces a persistent challenge in aligning its technical and further education offers with the evolving demands of the labour market. Despite recent reforms, the region continues to experience underinvestment in foundational technical pathways.

Funding for further education and adult skills has declined significantly in real terms since 2010, with classroom-based adult learning enrolments falling by around 60%¹⁵. This has constrained the capacity of providers to deliver high-quality, industry-relevant provision, particularly at Levels 2 and 3.

Higher education outcomes (HE)

The East Midlands is blessed with a strong HE sector that has shown an ability to work with local employers and local FE providers to help build clear and inclusive pathways into higher qualifications, and better-paid work. The Commission launched our interim report at the joint West Nottinghamshire College and Nottingham Trent University campus in Mansfield, where the collaboration between FE and HE institutions to help broaden opportunities for well-paid work to local people was clearly on show, and we highlighted this example in our interim report. In our subsequent work we have encountered other examples of this kind of approach.

15 [Department for Education. \(2025, July 2\). Adult education and skills funding allocations: Update for 2025 to 2026. GOV.UK.](#)

How the skills system should evolve for inclusive growth

Case study – the collaboratory research hub

The Collaboratory Research Hub, delivered in partnership between Nottingham Trent University, the University of Nottingham and De Montfort University, aims to “support local communities through partnership, research and collaboration.”¹

The programme offers PhD studentships to local candidates who may lack the formal qualifications usually required to pursue a doctorate, but who bring with them deep experience of working within their communities and a strong commitment to making a positive difference. Over the course of 8 years, it will train 50 PhD candidates.

Each candidate receives training in research methods and is supported by two supervisors from two local universities, alongside a community partner from a civic or community organisation. Under this guidance, they

undertake multi-year research projects that are developed with, by, and for local communities and stakeholders.

Alongside enhancing the skills, confidence and qualifications of its students, the programme seeks to generate meaningful impact for local communities. It aims to engage more effectively than traditional academic research, ensuring projects are shaped around lived experience, and co-creating evidence and solutions to address local challenges. Recent examples of relevance to this Commission include a multi-generational enquiry into aspiration and transitions into work across the former coalfields of the East Midlands.

This demonstrates inclusive growth in action – bridging academia and society while ensuring research is rooted in, and beneficial to, the communities it serves.



Nottingham Trent University

The rate of students choosing higher education is slightly below the English average (37% in the East Midlands vs 39% nationally). Mansfield and Bolsover have the lowest rates of higher education attendance and the highest rates of learners entering employment post-school. Both major cities, Derby and Nottingham, also have low rates of university attendance, ranking in the lowest three deciles nationally.

Alongside this spatial variance in take-up, there is evidence that graduate skills in the East Midlands are being under-utilised and that some of the industries prioritised for growth in the East Midlands may struggle to find the right graduate skills in the local workforce.

Across the Combined Authority area, degree holders are predominantly employed in high-skilled roles¹⁶, with over 70% of graduates and around 20% of

non-graduates occupying such positions. However, in some parts of the East Midlands, people who possess graduate skills are not currently using them in their work; in Mansfield only 60% of graduates work in high-skilled fields, compared to over 80% in Rushcliffe.

This is one kind of skills mismatch, and there may be a link here to labour mobility across the region, which may be insufficient to allow for better matching of skills to roles across different places – a point which we highlighted in Chapter 2.

Another type of skills mismatch evidenced by analysis from ONS labour market statistics and supported by our own Opportunity Escalator analysis, suggests that graduates are lacking some of the skills needed for better-paying roles in the East Midlands, particularly at the managerial and directorial levels.¹⁷

Figure 7A: Skills mismatches in the graduate labour market

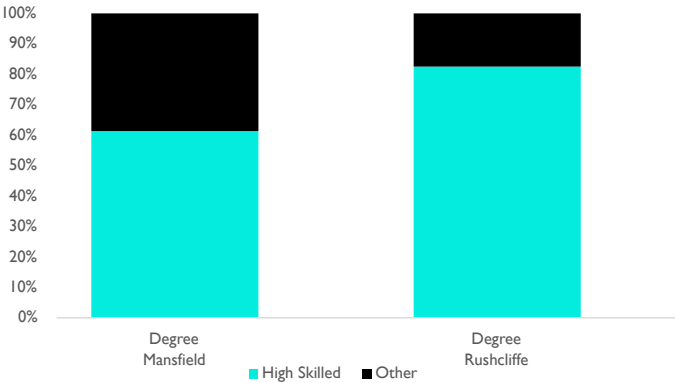
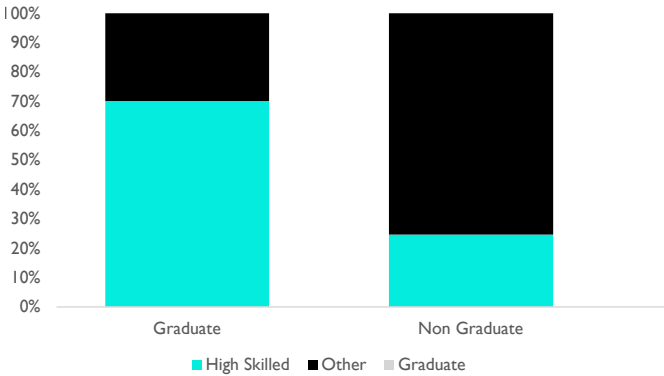


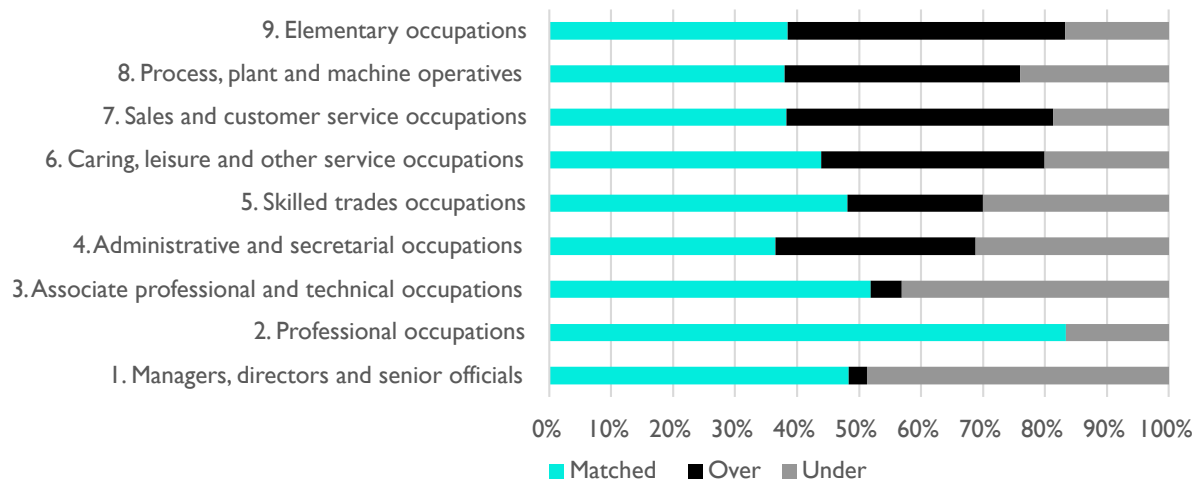
Figure 7B: Skills mismatches in the graduate labour market



¹⁶ [Standard Occupational Classification \(SOC\)](#) classifies jobs in terms of skill level and skill content. SOC 1 to 3 is used as a proxy for high skill level. Figures should be treated as estimates and considered to be broadly indicative rather than precise measures, due to data limitations.

¹⁷ [Qualification mismatch estimates in England and Wales: 2021](#)

Figure 8: Skills matching across SOC occupations



While the Combined Authority has limited direct control over HE provision in the area, it does have a strong and collaborative relationship with the three local HE institutions, and our work suggests that evolving this collaboration towards the more formal Greater Manchester model, with its 'Civic University Agreement' for co-ordination with HE providers to benefit the local labour market is a strong option, and one that could help to shift the dial on this in East Midlands.

In-Work Progression and Lifelong Learning

Delivering the Opportunity Escalator vision of inclusive growth requires the whole system in the East Midlands to evolve. Once people enter the workforce, the key channels for helping them move up to the escalator are the opportunities they have to improve their pay and skills levels through in-work training and progression.

As technology and business practices change many workers will need to update their skills. The twin challenges of automation and a switch away from carbon intensive industries means that many workers will need to update their skills or switch between occupations through their working lives. The Opportunity Escalator model makes a virtue of this by showing

the routes that are open to people, based on live information about what roles are being created in the local labour market.

But this comes against a backdrop of falling rates of training and re-skilling nationally and locally.

Evidence from the UK employer skills survey shows that the share of employers providing training in the EMCCA region are below the national average, and falling.¹⁸ In 2024, on average, the training provided by employers in the East Midlands only reached 50% of workers, a materially lower share than for England as a whole (63%)¹⁹.

The proportion of workers that received training has seen a reduction of 12 percentage points since 2017 (when training reached 62% of workers in the region and was at similar levels to England as a whole).²⁰

Training is also more common amongst those workers who are already more highly skilled – degree-holders are three times as likely to carry out adult learning than those without, suggesting that people are being trapped in low skill, low wage professions by a lack of training.²¹

18 [Employer Skills Survey](#)
19 [Employer Skills Survey](#)

20 [Employer Skills Survey](#)
21 [Social Mobility Commission, 2019](#)

What the Combined Authority can do differently

A system-wide response to the Opportunity Escalator

The Combined Authority has a critical role to play in directing the local skills system towards delivering inclusive growth.

To achieve coherence, it is essential to develop a shared strategy that integrates the efforts of Skills England, EMCCA and local partners. This strategy can be underpinned by outputs from the Opportunity Escalator toolkit and supplemented by robust labour market intelligence.

Delivering the Opportunity Escalator vision will need clear governance arrangements and mechanisms for collaboration between providers, employers and local authorities.

The Combined Authority, is uniquely placed to bring together training providers, employers and learners to help direct the provision of education and training that will support the local growth plans, and support inclusive growth.

The proposed Integrated Financial Settlements and reforms to the Skills and Growth Levy offer a pathway to simplifying learner and employer journeys. These reforms should allow for modular, 'stackable' training options that are responsive to local labour market needs.

In line with our recommendation in the previous chapter, careers services must be strengthened, with a focus on personalised guidance, outreach to disadvantaged groups, with better coordination between national and local actors towards local growth aims.

The Combined Authority's role in managing the regional Careers Hub and implementing the Youth Guarantee and sector skills programmes will be critical in this regard.

Fragmentation of funding and delivery across national and devolved programmes remains a challenge. To address this, the Combined Authority should work with Skills England and other strategic authorities to align planning, funding, and performance frameworks. This includes

integrating national initiatives such as the Growth and Skills Levy and the Lifelong Learning Entitlement with regional priorities.

By coordinating efforts across further education, higher education, and employer-led training, the Combined Authority can reduce duplication, enhance navigability, and ensure that resources are directed efficiently.

Improving school outcomes

Shaping the system to support people onto and up the Opportunity Escalator should begin with greater focus on improving outcomes in the lowest-performing schools in the region. The Combined Authority's role and powers in this regard are currently limited, but there are several ways that it could contribute to improving outcomes in the East Midlands:

- **Linking secondary education to local economic strategy:** Using the Combined Authority's broader powers in skills and economic development to influence priorities for local schools, including linking them with employers – helping to create clear pathways for young people into further education, training and employment.
- **Convene and Facilitate:** promote the sharing best practices among schools and academy trusts that have managed to reduce educational disparities and improve outcomes.
- **Pilot Programs:** supporting pilot programs to test new locality-based models for school improvement, aligned with inclusive growth aims.

By taking a proactive role in identifying and supporting underperforming schools, and working with constituent authorities and other partners to align school priorities with broader regional economic strategy, the Combined Authority can place greater emphasis on the centrality of school outcomes to achieving inclusive growth.

Investing in technical education

Given pockets of low education attainment, the Combined Authority should prioritise long-term investment in routes back into the education system and work, such as T-Levels, Foundation Apprenticeships, and vocational qualifications.

The introduction of Foundation Apprenticeships, targeted at young people aged 16 to 21, offers a promising route into priority sectors such as construction, digital, and health. However, success will depend on sustained funding, employer incentives, and integration with existing provision.

The Combined Authority can also lead the development of sector-specific academies and collaborative delivery models. The East Midlands Institute of Technology provides a strong foundation, bringing together universities, colleges, and employers to deliver advanced technical training. This model should be extended to other priority sectors, supported by devolved funding and aligned with Skills England's national strategy.

East Midlands Institute of Technology (EMIoT)

Through the East Midlands Institute of Technology (EMIoT), Loughborough College, the University of Derby, Loughborough University, and Derby College Group (DCG) are spearheading a £13 million initiative to develop the advanced skills required to address the grand engineering challenges associated with clean growth. By focussing on engineering, manufacturing, digital technologies, and sustainable construction, the EMIoT is equipping students with the expertise needed to excel in a rapidly evolving, data-driven economy. The EMIoT offers tailored programmes in engineering and manufacturing technologies, information and communication technology, science and mathematics, and construction. These specialised courses are designed to meet the demands of industry 4.0 and support the transition to a net zero carbon economy. The institute has industry collaboration at its heart and works closely

with leading global employers like Rolls-Royce, Toyota, National Grid ESO, Alstom, Fujitsu, Uniper, and Bloc Digital. These partnerships ensure that students gain the precise skills required by the industry to tackle clean growth challenges, positioning them at the forefront of the green economy. Students benefit from world-class training environments with state-of-the-art facilities across all four partner sites, ensuring they are equipped with the practical skills and experience needed to contribute to the UK's clean energy future. The EMIoT is a prime example of how educational institutions can directly contribute to Labour's clean energy mission by fostering a new generation of skilled professionals who will drive the green economy forward and play a critical role in supporting the UK's journey to net zero greenhouse gas emissions by 2050.²²

22 [East Midland Institute of Technology](#)

Supporting transitions into work

The establishment of the Combined Authority offers an opportunity to leverage devolved powers and funding to exploit strategic opportunities to support transitions into work, particularly for disadvantaged and underrepresented groups.

- **Scaling Up Pre-Employment Training:** The expansion of pre-employment training through Skills Bootcamps and Sector-Based Work Academies is essential. These programmes have demonstrated success in equipping individuals with sector-specific skills and improving employability. The Combined Authority's implementation of Skills Bootcamps in priority sectors such as digital, green energy, and health has already shown promise. To maximise impact, these initiatives will need to be co-designed with employers to ensure alignment with local labour market needs and to guarantee job interviews or placements upon completion. The Adult Skills Fund (ASF), now devolved to the Combined Authority, provides a vital mechanism to scale these efforts, particularly for those with low or no qualifications.
- **Delivering the Youth Guarantee and Connect to Work:** The Youth Guarantee and Connect to Work programmes could be a major step forward in tackling youth unemployment and economic inactivity. The Combined Authority's role as a Youth Guarantee trailblazer authority enables it to integrate these programmes with wraparound services, including health, financial, and transport support. Drawing on best practices from Scotland and Greater Manchester, EMCCA can deliver a coherent offer that combines education, training, and employment support – and one that complements the East Midlands Youth Ambition.

- **Expanding Outreach and Careers Services for adults:** To reach those furthest from the labour market, the Combined Authority can expand targeted outreach and adult careers services. A blended delivery model, combining digital platforms with face-to-face support in community settings such as libraries and health centres, could improve accessibility.

Lifelong learning

The Combined Authority can help create a coordinated strategy to advance in-work progression and lifelong learning with employers and training providers. This strategy has the potential to align national reforms with local needs, leveraging the region's unique assets and addressing its structural weakness.

- **Promote Modular, Flexible Learning through the Lifelong Learning Entitlement:** The introduction of the Lifelong Learning Entitlement (LLE) provides a critical opportunity to modernise adult learning and widen access to higher technical and degree-level education. The LLE is designed to support learners to follow modular and stackable learning pathways, enabling individuals to upskill and reskill throughout their careers. Alongside this, there is the lifetime skills guarantee, which provides free courses at Levels 2 and 3 to help adults to fill skills gaps during their working lives. The Combined Authority should work with local providers to ensure the regional offer includes flexible, short-form courses aligned to labour market needs, particularly at Levels 3 to 5. This will be essential to meet growing demand in sectors such as advanced manufacturing, health and social care, digital, and clean energy.

How the skills system should evolve for inclusive growth

- **Partner with employers on the Growth and Skills Levy:** Employer investment in training remains low across the region, with only 58% of employers providing training and many citing cost and relevance as barriers. The reform of the Apprenticeship Levy into the new Growth and Skills Levy offers a renewed mechanism to incentivise employer co-investment. The Combined Authority may wish to advocate for devolved control over a portion of the Levy to support regional priorities and sector-specific training. Employers must be engaged as co-designers of training provision, particularly in growth sectors, and supported through targeted incentives, such as sector skills funds and innovation vouchers. Sector bodies like CITB and ScreenSkills offer models for pooling resources and delivering industry-endorsed training that could be replicated regionally.
- **Promote Good Work through the Good Employers' Charter:** Improving job quality is essential to support retention, progression, and productivity. We have recommended that the Combined Authority should

develop a regional Good Employment Charter, drawing on successful models such as the Greater Manchester Good Employment Charter. The Charter should define standards for secure work, fair pay, inclusive recruitment, and effective people management. Accreditation and benchmarking can encourage employer participation, while integration with public procurement and investment criteria can incentivise adoption. The Charter should be supported by a network of employer champions and embedded within the Combined Authority's broader business support and growth strategy.

- **Build sector partnerships:** The Combined Authority should strengthen collaboration with industry bodies, anchor institutions, and local providers to co-design training aligned to occupational standards and future skills needs. Initiatives such as the East Midlands Institute of Technology and the Mansfield University Hub demonstrate the value of cross-institutional partnerships in delivering high-quality technical education. The Combined Authority should explore the development of Technical Excellence Colleges and sector academies, modelled on the Greater London Authority's Skills Academies Programme, to build regional capacity and support SMEs. These networks can help overcome barriers to training, particularly for smaller firms, and foster a culture of lifelong learning across the region.



The role of employers

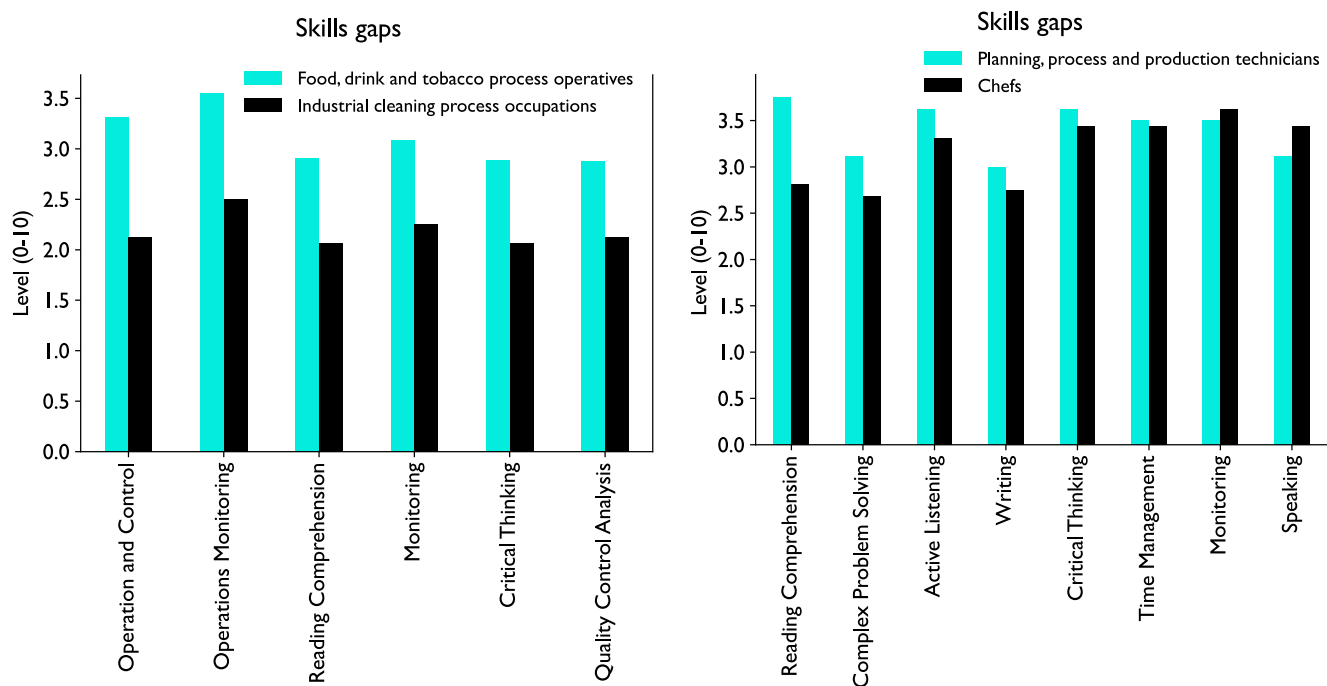
A consistent theme running through the skills and employment system's role in making a success of the Opportunity Escalator is the importance of employers.

As envisaged in the Local Skills Improvement Plan, employers should be part of the solution to structural issues including skills mismatches, regional income disparities, and labour market inefficiencies by working alongside government to invest in workforce development – and benefit from stronger supply of workers with the right skills.²³

The 'Opportunity Escalator' can be a key tool in this process. The tool can be used to help identify candidates currently working in other industries whose roles consist of a similar set of daily tasks to the desired job, and it can summarise the level of worker-skills in an area where a business is planning an investment.

This allows businesses to factor in a wider pool of candidates for new roles, enabling inclusive recruitment that benefits both the business and the worker. It also allows for fine-grained progression and skills planning for individual workers.

Figure 9: Skills matching across SOC occupations



Firms can play their part in developing smoother transitions into work through the Good Employer Charter; actively offering more apprenticeships, internships, placements, and structured experience of work opportunities to people from communities and areas that currently face persistent barriers to Good Work.

23 [LSIP for East Midlands](#)

How national government can empower EMCCA to deliver

For EMCCA to effectively convene the skills and employment system in the East Midlands it needs the requisite powers. There are examples of other Combined Authorities across England effectively undertaking this role, most notably Greater Manchester Combined Authority (GMCA). The Commission is of the view that GMCA's powers over the adult skills systems is the minimum necessary for EMCCA to unlock the potential of its region in these areas. These powers include the ability to:

- **Strategically plan and commission** adult education and training provision for residents aged 19 and over. This enables the GMCA to align skills training with the needs of local employers, particularly in key sectors, to support economic growth.
- **Manage and allocate the Adult Skills Fund**, deciding how this budget is distributed among local colleges and training providers.
- **Introduce new flexibilities** that go beyond national rules. This includes the ability to offer certain courses for free to a wider range of people, such as those earning below the National Living Wage, to make skills training more accessible.

- **Design and deliver a range of programmes** beyond core adult skills funding, such as **Skills Bootcamps**, which are intensive, short-term training courses designed to meet specific employer needs and lead to a guaranteed job interview.
- **Align skills with wider policy goals.** The GMCA's control over the adult skills system is a key part of its broader strategy to improve health, well-being, and economic inclusion in the region. It can use skills funding to support people into work, reduce economic inactivity, and address skills shortages.

Schools are an area the Government might explore going beyond the GMCA suite of powers. The Combined Authority currently has no formal levers to address underperforming schools as a driver of poor labour market outcomes.

An enhanced role might take the form of an ability to formally propose to the Department for Education that an underperforming local academy school or chain should be considered for take-over by a better-performing alternative trust, and to have a 'right to a reply' from the Department on that proposal.



Resident experience – 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 – which she joined 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.

"I had children, for one, and I had commitments with my parents, so I would maybe start something, but never be able to pursue it. [Now] I can focus, because I know I've just got to think about what I've got to do, and not necessarily thinking about whether my girls are okay or they need anything?"

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 type of work I was doing, it is a heavy job, and while I can still manage it now, I know at some point in the future, by the very nature of the work, it may not be possible. So, for the last couple of years, I've been thinking, 'what else could I do?' And had drawn a blank until I saw the programme being advertised."

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. 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.

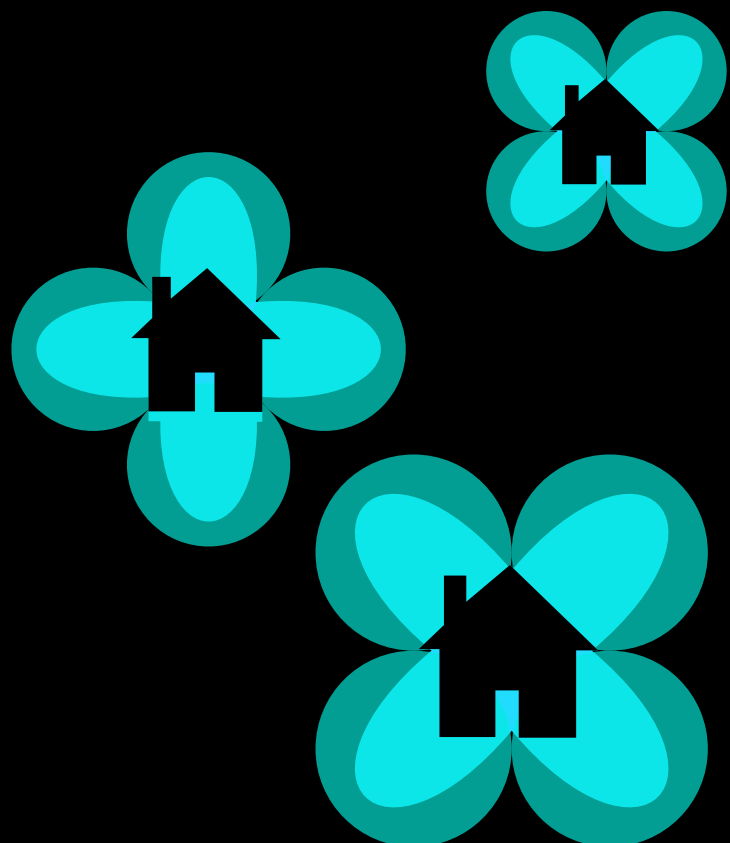
"You've got experience – life experience – because everybody coming in from school or university may not have that experience of a working environment, so that's already [baked in]. So you've got that discipline there, and it's primarily about studying to learn the skill and obviously be in the workplace with a more developed opinion, I suppose, of a working environment."

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.



PART 2 – BREAKING DOWN THE BARRIERS: AFFORDABLE HOUSING



4 Affordable housing needs and inclusive growth

To make the Opportunity Escalator a reality, the Combined Authority and its partners must also address the barriers that prevent people from being able to access work, and to progress to higher skilled, better paid roles. A key barrier that our work has highlighted is the availability of affordable housing.

The concentration of new industrial sites across East Midlands represents a huge potential opportunity for bringing new, well-paid jobs to the area.

Alongside the need for stronger transport connections to maximise inclusive growth, our analysis also shows that demand for affordable housing will increase sharply in the area, based on the pattern and location of expected employment.

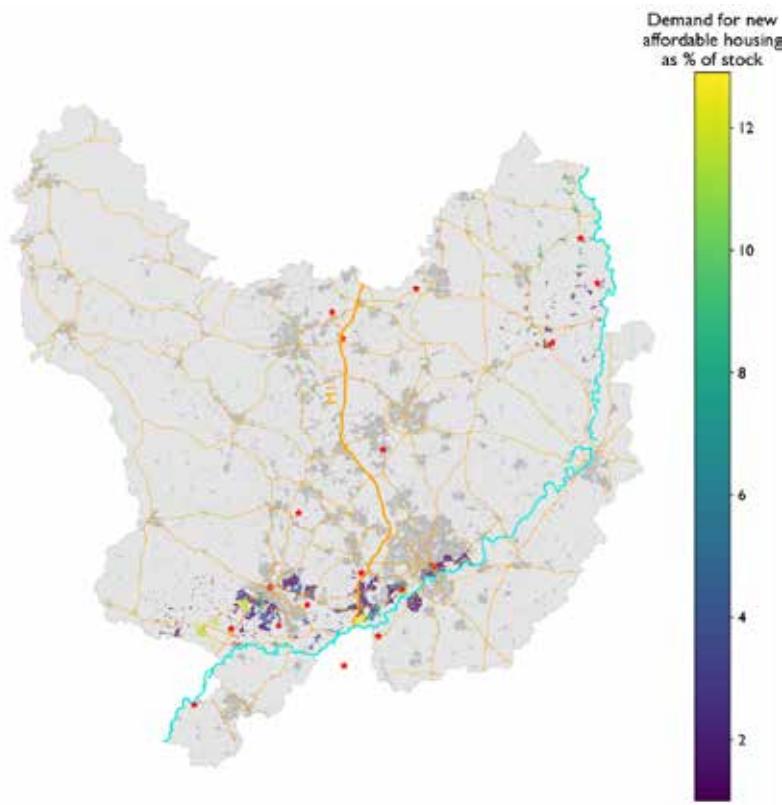
We mapped the effect of the creation of new jobs in the area and looked at the wages of workers in the new industries that will be created. Alongside this, we looked at the affordability of the current housing stock relative to the wages that these workers would earn.

What our analysis pointed to was a spike in projected demand for affordable housing that was centred within the Trent Arc and to the northeast of the region around the clean energy supercluster. There was markedly less than forward-looking demand in the central parts of the region and to the west.

While the Combined Authority will need to weigh up many factors when deciding where to prioritise resources for affordable housing in the East Midlands, our analysis illustrates the value of EMCCA as a strategic authority being empowered to plan industrial strategy, transport and housing alongside each other, and implies that there are areas where existing economic plans will fail to deliver inclusive opportunities unless they are given due consideration and priority.

But alongside this future affordable housing demand, the Combined Authority faces various challenges in helping people in existing acute housing need to be able to engage in work, today.

Figure 1: Housing analysis – aggregated



¹ Department for Levelling Up, Housing and Communities. (2024, October 30). Statutory homelessness in England: Financial year 2023 to 2024. GOV.UK.

Addressing acute housing needs in EMCCA

In the 2023-24 financial year, 24,240 people in East Midlands approached their local authority for help with homelessness.

For those without a stable home or income it can be extremely difficult to move into work or training, and experiencing homelessness can lead to people losing their jobs or dropping out of training.

Many people who are at risk of homelessness will end up living in supported accommodation or temporary accommodation. While these are vital interventions to prevent homelessness, people can sometimes end up essentially trapped in these forms of accommodation due to the lack of housing options to move into. The benefits system compounds this problem by creating financial barriers or disincentives for people living in supported or temporary accommodation to move into work and independent living.

The Commission's work included looking into the issues surrounding acute housing needs in the East Midlands with a view to understanding how this affects people's ability to engage with employment and training, acting as a barrier to inclusive growth.

We found the below themes and issues came through our engagement and research, including a range of causes that relate to national policy as well as areas where the Combined Authority may be able to use its available levers to make a difference in achieving inclusive economic growth.

Key issues

Benefits are too low to live on, especially for under 25s

Many people living in supported housing – particularly those under the age of 25 who receive a lower Universal Credit standard allowance – feel that benefits do not give them enough money to live on.

Two-thirds (66%) of people living in supported housing who the local Young Men's Christian Association (YMCA) surveyed in 2023 expressed this, with only 6% stating that Universal Credit provided enough money to live on². People felt that it was difficult to focus on getting into work when they were struggling to afford essentials such as food or heating. At that point, people's main priority is not progressing into employment or training, but basic survival.

Work disincentives

If someone living in supported or temporary accommodation works enough hours that their Universal Credit (UC) is tapered down to nothing, their Housing Benefit is then also subject to tapering based on their earnings. Housing Benefit is tapered at a higher rate than Universal Credit at 65p to the pound rather than 55p to the pound for UC.³

Once people begin to see their UC allowance tapered away they face a financial cliff edge where they lose more money from their benefits than they are receiving in earnings, so they are financially worse off from working more. These effects discourage people from going into work and make it much more difficult for people to move into independent living by paying off debts, saving money for a deposit or being able to afford moving costs.



² YMCA Derbyshire. (2025). Annual impact report 2025 [Unpublished report]

³ Department for Work and Pensions. (n.d.). Housing costs and Universal Credit: What you can get. GOV.UK.

Pen Portrait: Julie, 23, Nottinghamshire

Julie lives in supported accommodation after family breakdown. She has a part-time minimum wage job (11 hours a week) and wants to progress into full-time work so she can rent her own place.

In Nottinghamshire, the median rent for a one-bed flat is £713 per month, with an up-front deposit of around £822 – out of reach without savings.

At 11 hours a week, Julie still receives Universal Credit alongside Housing Benefit, and her rent is covered. But if she increases her hours, her UC quickly tapers to zero.

At that point, Housing Benefit begins tapering at 65p per £1, leaving her responsible for the high rent on her supported accommodation. Just one extra hour can leave her worse off by over £127 a month.

Instead of being able to save towards a deposit, extra work exposes Julie to higher housing costs she cannot cover. The benefits system turns aspiration into risk, making her financially worse off for trying to increase her hours and build independence.

Lack of move-on accommodation

Most people living in supported or temporary accommodation in the East Midlands, and more generally, get stuck there for long periods of time because of the lack of social and affordable accommodation to move into afterwards.

There is a nationwide shortage of social housing relative to demand, leading to waiting lists many years long in many local authorities.

Rent levels in the private rented sector can be high, and Local Housing Allowance rates typically do not cover the rent for most properties. Young people struggle to access or stay in the private rented sector as they are more likely to be earning lower wages or working unreliable zero hours contracts. To compound this, under 25s receive a lower level of Universal Credit, they are less likely to have savings for a deposit, and many young people do not have a family member or friend who can act as a guarantor for them.

When people are prevented from being able to look for and benefit from work due to acute housing needs it can lock them into a cycle of insecurity and inactivity. Many of the problems identified above are driven by national welfare policies – often the legacies of decisions taken under previous administrations.

However, the new Combined Authority has some levers at its disposal to improve the availability of affordable housing. To achieve inclusive growth in the East Midlands the Commission has drawn out the following recommendations for the Combined Authority and its constituent authorities:

- **Boost social and affordable housebuilding** by auditing use of brownfield sites and land use planning; strengthening Section 106 agreements and Community Infrastructure Levy (CIL) mechanisms; and lobbying for funding to create a regional housing investment fund which could directly resource affordable and social housing development.

Snapshot: A lack of move-on accommodation

At the time of publication, YMCA Derbyshire has 185 residents relying on the organisation for their accommodation

In a recent survey 77% say they cannot move on because no affordable housing is available, rather than other factors

Increasing numbers have been “stuck” in supported housing for 5–7 years

- **Tackle challenges to move-on** from supported and temporary accommodation by establishing a regional framework for move-on accommodation and supported housing pathways; ensuring consistency across local authorities in social housing allocations policies; investigating a guarantor and deposit scheme for people with no access to these; and working with housing associations and private landlords to improve access to sustainable tenancies.
- Ensure a **fairer, needs-based distribution** of use of Discretionary Housing Payments (DHPs) across the region, rather than inconsistencies between councils. The EMCCA could bring together authorities to utilise this to enable growth and stabilise housing opportunities for those trying to get into work.
- **Stronger intervention in the private rented sector** by investigating the impact of regional control over landlord licensing, rent affordability measures, and tenant protections.
- Advocate to ensure that **devolution allows better alignment** of housing access with economic and skills strategies.





1. Introduction

Health and wellbeing are intrinsically linked to economic outcomes. The relationship runs both ways: poor health can be an impediment to finding work, and a lack of stable income can mean people's health and wellbeing deteriorates.

Nationally, the UK has seen rising levels of worker inactivity attributed to poor health, and rising levels of health-related benefits claims.¹

This pattern can be observed in parts of the East Midlands, where rising ill health is keeping people out of work, limiting access to economic opportunity, and adding pressure to already stretched health services.

We estimate that, for EMCCA, closing the gap to the UK average would save about £830 million a year through higher employment (fewer people out of work due to sickness), around £30 million a year in NHS spending linked to long-term sickness, and roughly £226 million a year in health-related benefit payments. Taken together, the total economic and fiscal cost could be reduced in about £1.1 billion per year. Over 2025–2035, this equals about £9.8 billion in today's prices.

Our 'Opportunity Escalator' framework for inclusive growth recognises that poor health can stop people from stepping onto, and moving up, the escalator to good work, and our recommendations in this area are focused on those areas that are most relevant to inclusive economic growth.

We have particularly highlighted the role of mental health and anxiety disorders affecting younger workers, and physical health conditions such as musculoskeletal disorders affecting older workers as being large-scale drivers of health-related inactivity in working age adults in the East Midlands.

In developing these recommendations, the Commission ran policy roundtables and convened expert groups to gather evidence on the causes of economic activity linked to ill health, and how those could be addressed locally, including by the new Combined Authority. We heard that the shift to a neighbourhood health team model will present opportunities to improve the delivery of healthcare and supported employment services in the poorest neighbourhoods.

Summary of recommendations

- The creation of neighbourhood health teams 'under one roof' in the new NHS Ten Year Plan presents an opportunity for the new Combined Authority to ensure health inequalities and the economic inequity underlying them are addressed and not just described. The Combined Authority should work with the ICB to identify and target support to those communities with heightened levels of health-related worker inactivity and align widening economic opportunities to those suffering from or at risk of long-term health conditions.
- The Combined authority should work with the NHS, public health authorities and other local partners to ensure that the neighbourhood health model includes a clear focus on supporting people into work.
- This should include a focus on the co-location of services in places that will improve accessibility, and joining-up complementary services, including through smarter use of public and community assets.
- In line with our recommendations in Chapter 6 on social capital, the Combined Authority should help to place approaches that seek to build social capital at the heart of the agenda, given its strong impact on wellbeing and economic mobility.
- The Combined Authority should ensure that employers are supported and rewarded for recruitment and retention policies that make work accessible and rewarding for those with illnesses, including through the Good Employers' Charter and championing of the Disability Confident scheme.
- It can also champion improved gathering, sharing and use of data, to make existing data work harder for the region, improving the evidence base for decisions, fostering cross-sector collaboration, and enabling more proactive, equitable, and efficient delivery of services.

¹ [The role of changing health in rising health-related benefit claims](#)

The state of health and inactivity in the East Midlands

Inactivity and long-term illness

Lost productivity due to long-term illness and sickness absence places an economic cost on the region. In 2022, approximately 101,700 individuals in EMCCA were economically inactive due to long-term sickness, with an additional 4,400 temporarily inactive due to short-term illness.²

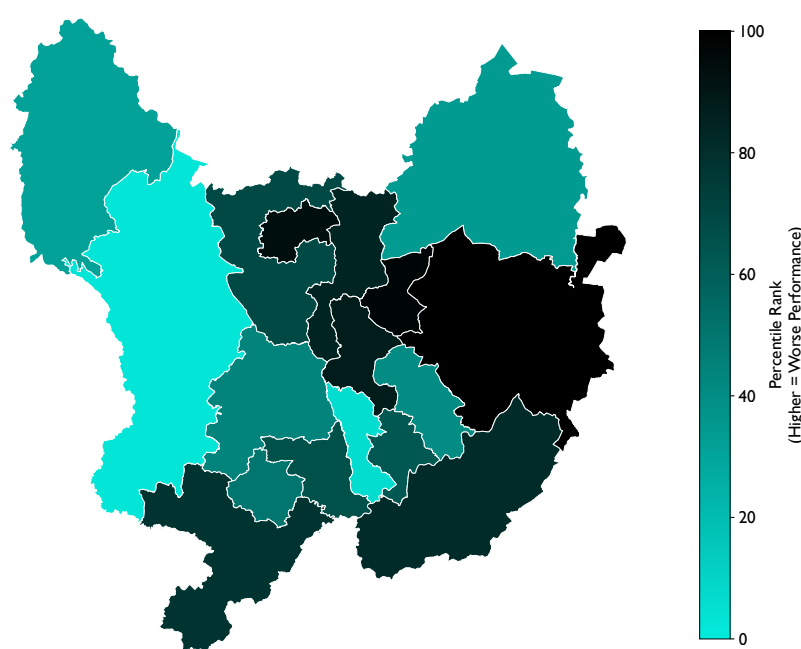
In the East Midlands, the share of economically inactive individuals stands at 21.5%, closely aligned with the national average of 21.2%.

However, a greater proportion of economically inactive people in the region report long-term illness as the primary reason for their inactivity, 38% compared to 33% nationally. This pattern is particularly pronounced among those aged 50 to 65, where 59% in the East Midlands cite long-term illness versus a national figure of 51%.

Figure 1 shows Local Authority Districts in the East Midlands, shaded by their percentile rank for rates of economic inactivity due to long-term sickness among individuals aged 16 and over. The percentiles are based on the national distribution, meaning that darker areas represent districts with some of the highest sickness-related inactivity rates in England, not just within the East Midlands.

The data reveal stark variation across the region. Newark and Sherwood ranks highest in the region, with 54.8% of its inactive population reporting long-term sickness, placing top 1% of areas nationally. Other districts with notably high rates include Mansfield (46.4%), Chesterfield (43.8%), and Ashfield (42.9%), all in the top 10% of national rankings. In contrast, areas like Broxtowe and Derbyshire Dales report much lower sickness-related inactivity, with 15.9% and 12.4%.

Figure 1: Inactivity due to long-term illness percentiles



Source: Annual Population Survey (APS) data; from April 2024 to March 2025.

² [Economic inactivity due to long-term sickness by region, UK: 2007 to 2022](#)

Breaking down the barriers: health and inactivity

The Commission's research and engagement with health professionals has highlighted two key drivers of long-term illness that are causing large numbers of people in the East Midlands to become or remain economically inactive, particularly in areas of high deprivation. These are high prevalence of poor mental health and anxiety disorders among younger adults which are affecting younger workers' ability to engage with work at a critical point in their working life, and high prevalence of musculo-skeletal (MSK) issues among the older working age which often causes people to 'fall out' of the labour market prematurely. There are strong links between the wider determinants of health and so-called 'lifestyle' factors such as diet and exercise.

Physical health and MSK conditions

The EMCCA area has consistently poorer health outcomes compared to the national average across several key indicators. Healthy life expectancy is lower for both women and men, and the region has a higher overall death rate. Risk factor prevalence is also worse, particularly in Derbyshire and Nottinghamshire, with higher rates of smoking, obesity,

and diabetes than the England average. Preventable deaths are higher in the region, particularly from cardiovascular disease, cancer, and alcoholic liver disease, with respiratory disease being the only exception. Long-term musculoskeletal conditions are more prevalent in Derbyshire and Nottinghamshire than in Derby and Nottingham.

Table 1: Comparative health profile, EMCCA vs. England

General health outcomes	Derby	Derbyshire	Nottingham	Nottinghamshire	England
Healthy life expectancy (Female)	55.9	61.0	56.8	59.7	61.9
Healthy life expectancy (Male)	56.6	61.2	57.2	60	61.5
Deaths from all causes, all ages (per 100,000)	1048	1153	1201	992	964
Smoking prevalence, 18+ (%)	10.5	12	18.2	10	11.6
Obesity prevalence, 18+ (%)	33	30.8	27.4	29.9	28.9
Diabetes prevalence, 17+ (%)	7.6	8.4	6.5	7.9	7.7
Deaths from alcoholic liver disease considered preventable, under 75 (per 100,000)	27.9	21.4	26.4	20	19.2
Deaths from cardiovascular disease considered preventable, under 75 (per 100,000)	37	30	48.8	32.3	30.5
Deaths from respiratory disease considered preventable, under 75 (per 100,000)	19.8	17.2	28.6	16.9	20.2
Deaths from cancer considered preventable, under 75 (per 100,000)	56.2	50.7	66	50.1	48.8
Long term musculoskeletal problems prevalence, 16+ (%)	17.9	21.5	15.9	20.3	17.9

■ Below national average ■ Above national average

Source: Indicators published by OHID based on data from ONS, NHS England, and GP Patient Survey; last year with available data³

³ [Health trends in the East Midlands](#)

Mental health and young populations

EMCCA presents a mixed picture in terms of mental health outcomes. As shown in Table 2, the data shows that Derby and Nottingham record higher levels of anxiety and lower levels of happiness than Derbyshire, Nottinghamshire, and the national average. Dementia and Alzheimer's, which are a general problem in the region, are also particularly prevalent in Nottingham and Derby.

In general, hospital admissions for self-harm among young people are lower, but they remain a particularly acute issue for the 10–14 age group in Derbyshire, which is substantially above the national average.

Derbyshire has the highest proportion of school pupils with identified mental health needs at primary and secondary level. Derby and Nottingham also sit above the UK average.

Table 2: Comparative mental health profile, EMCCA vs. England

Mental health outcomes	Derby	Derbyshire	Nottingham	Nottinghamshire	England
High anxiety prevalence 16+ (%)	29.3	21.1	24.8	20.2	23.3
Low happiness prevalence 16+ (%)	9.8	7.6	9.3	8.8	8.9
Suicide rate 10+ (per 100,000)	11.6	11.8	11.1	10.6	10.7
Hospital admissions for self-harm, 10-24 (per 100,000)	180.6	284.6	161.3	233.4	266.6
School pupils with mental health needs (%)	3.4	3.6	3.4	2.7	3.3
Deaths involving dementia and Alzheimer's disease	203.7	174.0	209.1	186.1	158.8

■ Below national average ■ Above national average

Source: Indicators published by OHID based on data from ONS, and NHS England; last year with available data.⁴

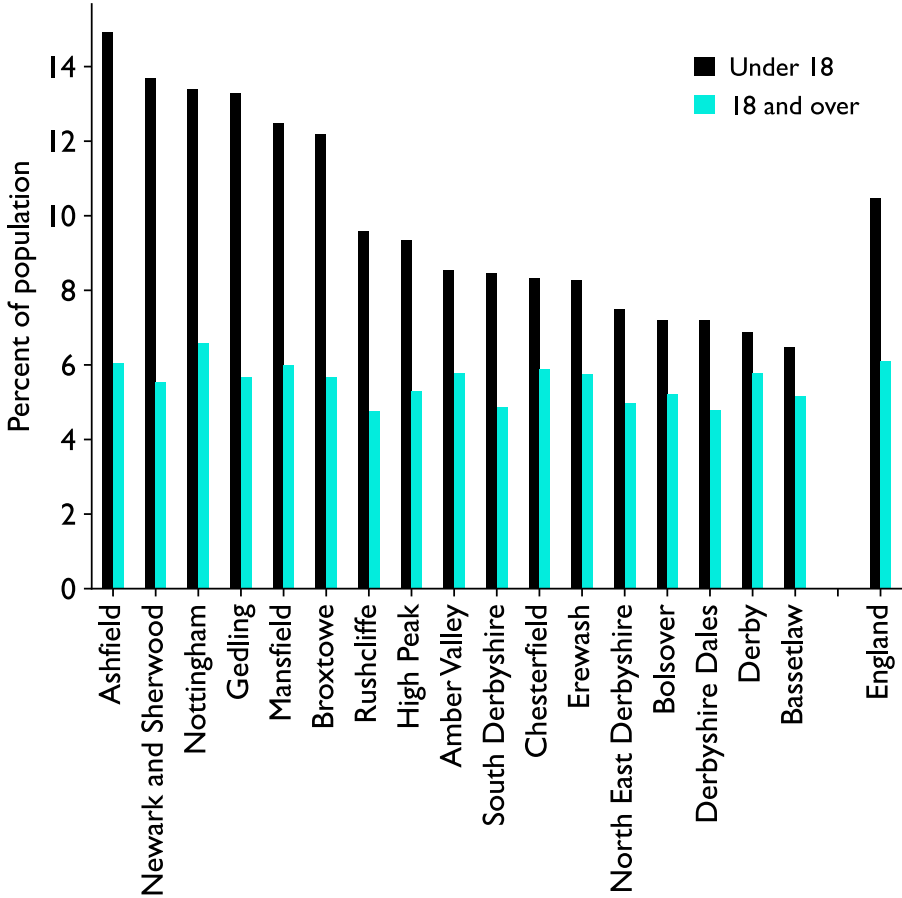
These findings highlight the complexity of mental health in the region, which is also somehow reflected in service use patterns. Figure 2 overleaf shows the share of the population in contact with NHS-funded secondary mental health, learning disabilities, and autism services. It is not possible to break this down into age cohorts for adults over 18, however, across the East Midlands, children and young people have markedly higher rates of service contact than adults on average

and we heard that this trend was reflected among younger working age adult cohorts.

Areas such as Ashfield, Newark and Sherwood, and Nottingham stand out with the highest rates across both age groups. Most East Midlands local authorities report above-average contact levels for under-18s compared to the national average, indicating either higher need or more effective identification and referral processes.

⁴ [Health trends in the East Midlands](#)

Figure 2: NHS funded mental health and disability services contact



Source: NHS England Mental Health Services Data Set (MHSDS); from April 2023 to March 2024.

Notably, this trend predates the COVID-19 pandemic. Population-adjusted data from 2018 on mental health-related benefit claimants showed that the East Midlands already had higher rates among adults under 45 years old relative to the England and Wales average.

Health services and waiting lists

Since the COVID-19 pandemic, NHS waiting lists for many types of services have soared, and this has been linked in some commentaries to the rise in worker inactivity and health-related benefits claims. Recent research has found no strong link between waiting lists and health benefits claims.⁵

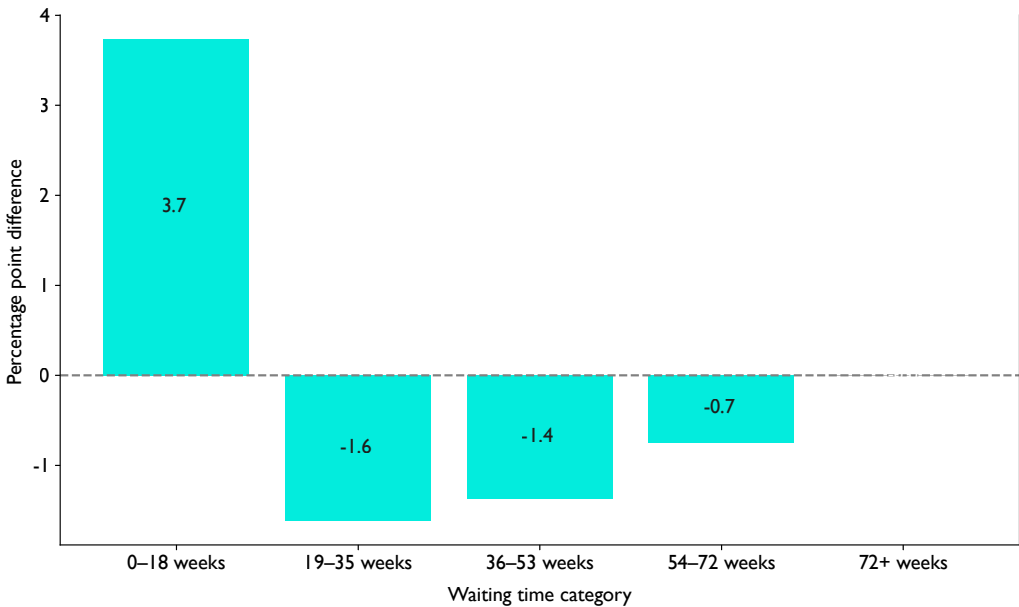
The Commission's work in the East Midlands finds nothing to contradict this national picture.

Figure 3 presents the percentage point difference in waiting times between NHS Trusts in the East Midlands and the national

average for March 2025. It shows that for Trusts serving the Combined County Area, a greater share of patients was waiting less than 18 weeks for elective treatment, in the East Midlands than the national average, indicating relatively shorter average waiting times. From our engagement with professionals in the field, we heard that official waiting lists often fail to capture the true extent of need, particularly in poorer areas, where a lack of access to health services in the first place prevents people from addressing the health issues that may be holding them back from being able to work.

5 [The relationship between NHS waiting lists and health-related benefit claims](#)

Figure 3: East Midlands vs. national: percentage point difference by waiting times



Source: NHS England Referral To Treatment (RTT) waiting times; from March 2025.

Health, place, and deprivation

One pattern that emerges through all the Commission’s work is that the spatial distribution of economic deprivation across the East Midlands maps closely to health outcomes.

Local-level maps in Figure 3 reveal the geographic concentration of disadvantage across three key dimensions: income, education, and health. While each domain presents a distinct pattern, there is a strong degree of overlap, pointing to persistent, interrelated challenges facing particular communities.

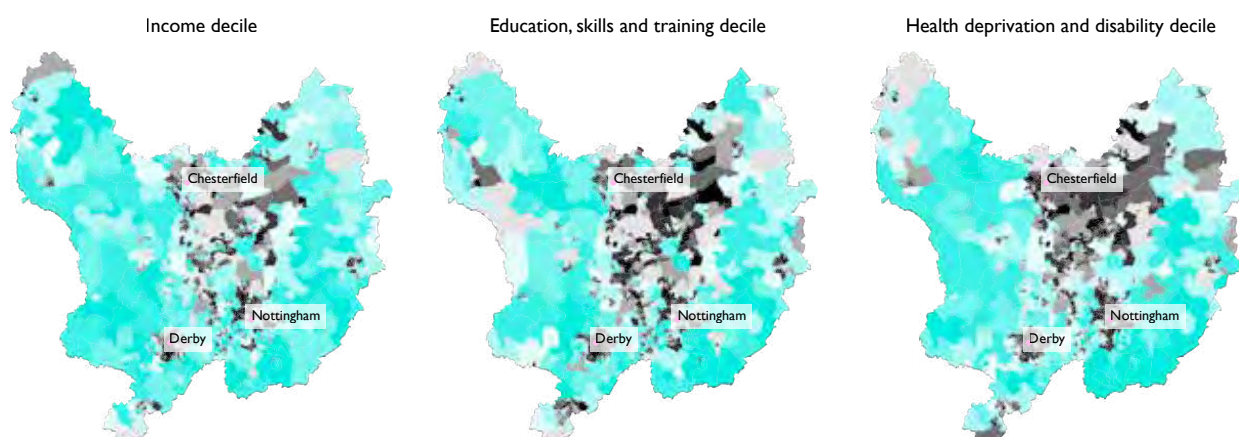
Income deprivation is most pronounced in and around the urban centres of Derby, Nottingham, and Chesterfield, but it also affects smaller towns and rural areas that are often masked by more favourable county-level averages. Health deprivation, including indicators such as premature mortality, long-term illness, mental health problems, and disability, closely mirrors the patterns seen in income and skills inequalities.

The alignment across these indicators reflects the cumulative impact of socioeconomic disadvantage. Figure 3 suggests that the health outcomes outlined in this chapter are shaped not only by access to healthcare but by a wider set of structural factors, low income, poor-quality housing, limited educational opportunities, and fragile social support systems. Therefore, as will be discussed later in this chapter, addressing health inequalities in the East Midlands will require action beyond the remit of national or local health services alone.



Old Market Square in Nottingham

Figure 4: Local patterns of deprivation across income, education, and health in the East Midlands



Source: Index of Multiple Deprivation (IMD) data from NOMIS 2019 release (based on 2015–2018 indicators).

Inequalities in access to health centres

The Geographic Data Service publishes the Access to Healthy Assets & Hazards (AHAH) index, a multidimensional score that proxies how healthy neighbourhoods are across four different dimensions.

The first map in Figure 5 focuses on the health domain of the AHAH index, which combines average drive time data from to the nearest GP, hospital, pharmacy, and dentist.⁶ Compared with the rest of England, the East Midlands ranks among the poorest-performing regions, with the lowest scores concentrated in rural and semi-rural areas. Here, low population density and long travel times to primary care, hospitals, and specialist services create persistent barriers to access. In terms of healthcare access by transport, the most disadvantaged communities, scoring in the bottom 1% nationally, are in Derbyshire Dales, Rushcliffe, Bassetlaw, and Newark & Sherwood. Other rural districts with multiple areas in the lowest deciles include High Peak, South Derbyshire, and parts of Amber Valley and North East Derbyshire.

Although some of these areas may be considered more affluent, they can often lack nearby GP surgeries, have limited public transport, and rely heavily on car

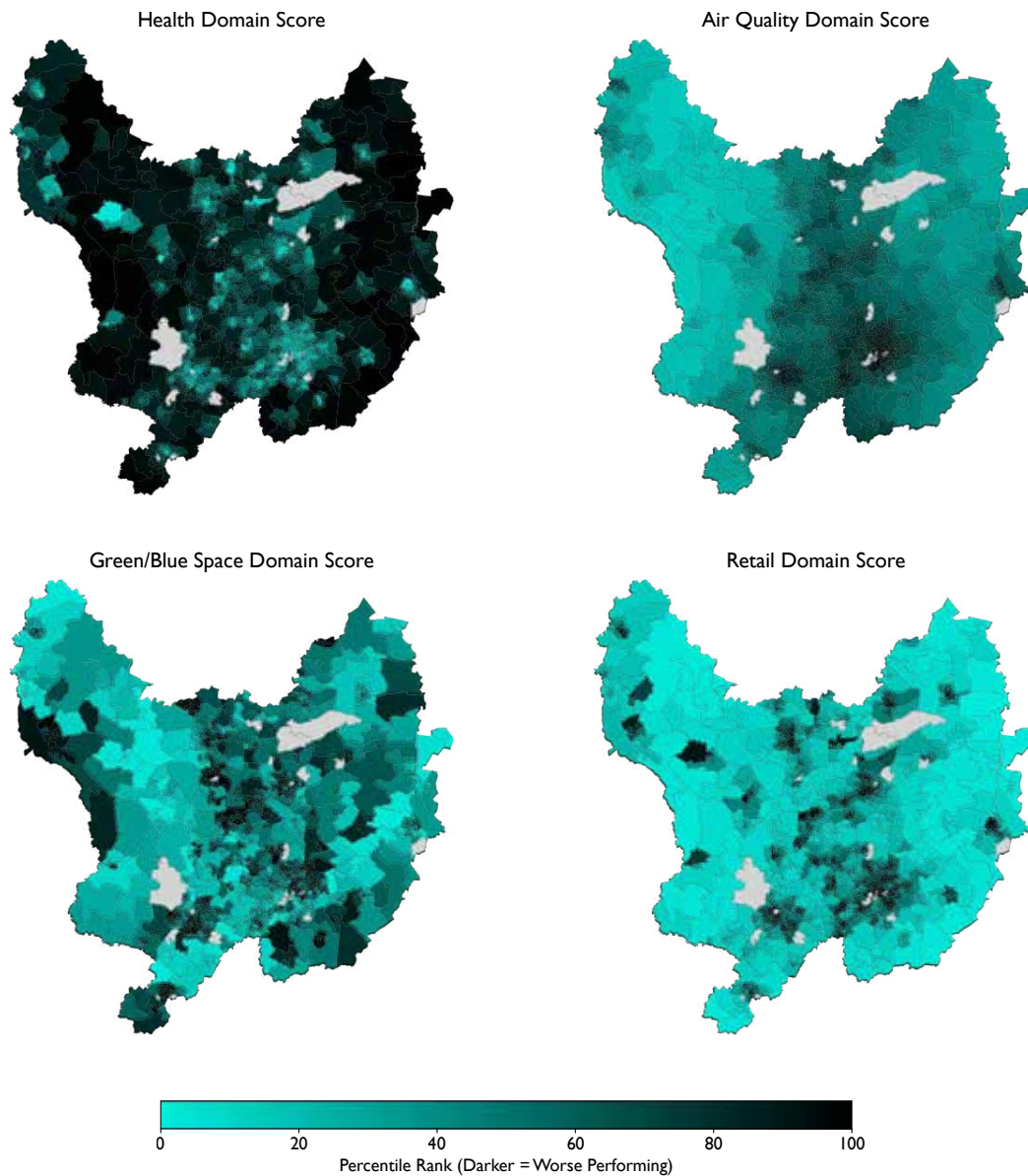
travel to reach health facilities, highlighting the need for targeted investment in outreach, mobile provision, and transport infrastructure.

The remaining three maps in Figure 5 broaden the understanding of access to health-related resources by incorporating additional environmental and lifestyle indicators. These include proximity to retail outlets such as fast-food restaurants, pubs, tobacconists, and gambling venues; access to passive green and blue spaces such as parks, rivers, and lakes; and exposure to air pollutants including NO₂, PM_{2.5}, and SO₂.

The results show distinct patterns. Air quality is poorest in urban centres and along major transport corridors. The retail domain score indicates higher exposure to unhealthy outlets in cities while rural areas generally fare better. The retail domain score also indicates higher exposure to unhealthy outlets in cities while rural areas generally fare better. Access to green and blue spaces is good in rural areas but more limited in densely built-up urban zones. All of this data illustrates the nuances and place-based characteristics that can contribute to poor health and related barriers to work.

⁶ Although only 79% of households in the East Midlands own a car (National Travel Survey), drive time remains a practical and widely used proxy for measuring healthcare accessibility. It captures the spatial distribution of services across an area and highlights how proximity, or the lack of it, can shape access to essential care.

Figure 5: Access to healthy assets & hazards by dimension in the East Midlands



Source: Access to Healthy Assets & Hazards (AHAH) index, published by the geographic data Service; last actualised in 2024.

Systemic barriers to better health and employment outcomes

Through the IGC's engagement, including via policy roundtable and expert advisory groups, participants told us about various systemic barriers to better health and employment outcomes.

Key among these is a **bias towards acute care over preventative care** in funding and commissioning approaches, which has led to delivery models that fail to meet people's needs, and often mean that interventions are delivered too late, once

people may already have experienced an impediment to being able to work. There was widespread recognition of this point among health professionals, and there has been concerted effort to address this in recent years, but the Commission heard that the ongoing move to neighbourhood health teams in the 2025 NHS Ten Year plan was an opportunity to address this.

We heard that fragmented and **disjointed commissioning of services** in health and

Breaking down the barriers: health and inactivity

employment support systems can be a barrier to efficient service delivery, and this view is supported by wider studies.⁷ Currently, some services that are designed to support those with ill health back into work are commissioned by Integrated Care Boards, some are commissioned by the Department for Work and Pensions, and some are commissioned by local authorities. In addition, commissioning often differs greatly between areas, meaning that there is a lack of shared understanding and coherence around the objectives of interventions, the populations being targeted, the measured outcomes, and consistent evaluation and learning. This often surfaces as a disjointed experience for the user, where they have to use 'several front doors' to different types of services along the way, and may experience 'cliff edges' between services, or at different stages of life.

We heard that **community assets tend to be under-utilised** in existing service provision. Facilities such as multi-service community hubs have the potential to deliver better and more accessible services, particularly for people who face barriers in travelling to hospitals. Moreover, these services can be more readily delivered in the places that people know and are likely to visit often, and where they can build trusted relationships with others. Existing NHS estate is part of the picture

here; we heard from NHS estates experts who estimated that there was latent opportunity to increase patient access in the East Midlands by 100,000 visits per year just by shifting services out of acute care locations and utilising the existing estate better with no additional maintenance costs.⁸

We also heard about support for employers and 'employer responsibility' relating to employees with health conditions. Many employers have taken steps to make recruitment and working practices more accessible and flexible for those with health conditions, however gaps remain, and smaller businesses in particular may struggle to adapt workplaces and processes, and to find the right guidance to do so. The key to widening access to work for people with health conditions will be working with employers to recognise the steps they can take to support individual workers, and the benefits this can bring to the business.

In our engagement, we also heard that ethnic and racial factors need to be recognised in healthcare and employment support design and delivery. These often overlap with economic deprivation. The King's Fund and many others have produced research and recommendations that should be factored into commissioning, service design and delivery.⁹

What could the Combined Authority do differently?

Given the recent publication of the 10-Year Plan for the NHS and the responsibility of ICBs to shape the delivery of integrated neighbourhood health teams this is a unique opportunity for the Combined Authority to convene and influence the shape of future care delivered to communities. Neighbourhood delivery gives the opportunity to ensure health

inequalities and the economic inequity underlying them are addressed and not just described. The Combined Authority should work with the ICB to identify and target support to those communities with heightened levels of worker inactivity and align widening economic opportunities to those suffering from or at risk of long-term health conditions.

7 [Business, Innovation and Skills and Education Committees Careers education, information, advice and guidance](#)

8 [Trusting place: Improving the lives of local people through place-based approaches](#)

9 [Ethnic health inequalities and the NHS](#)

Strengthen the approach for those awaiting intervention for health issues which are creating economic inactivity

Whilst overall waiting times for interventions are acceptable for the East Midlands compared to the national picture, there is an immediate opportunity to ensure the access to and outcomes from treatment for those experiencing economic inactivity are aligned and standardised across the providers in the ICB. This will build on and scale examples

of good practice around identification and prioritisation, prehabilitation and post-treatment support. There is an opportunity to align approaches across mental and physical health so that people with multiple complex requirements can experience a more coherent pathway through different services.

Strengthen commissioning through cross sector collaboration

We heard from many stakeholders that the current commissioning landscape is fragmented which can result in competing priorities, ineffective service delivery and underutilisation of estate that could be used for used for community-based delivery models. There are many actors in the healthcare, employment and careers support system which pursue different objectives presenting a complex landscape which is difficult to navigate.

The Combined Authority can use its convening powers to bring together providers, employers and policymakers

around joint commissioning frameworks that ensure integrated, person centred delivery to bring services closer to the people and communities that need them.

EMCCA needs to clarify its role in shaping this delivery within the developing Integrated Neighbourhood Health teams planning with a focus on helping citizens from our most deprived areas have access to and benefit from the Opportunity Escalator. It is only when the opportunities described in this report touch these communities that a foundation for truly inclusive growth will be realised.

Community wall painting together



Champion colocation, accessibility and prevention

There is wide support across the East Midlands for the concept of “neighbourhood health teams under one roof”. For this shift to integrated care to succeed, consideration must be given to the interrelated and complex barriers beyond those immediately related to health issues.

Whilst neighbourhood teams will often operate on a peripatetic basis, there are significant opportunities that arise from those requiring a physical location. Evidence from international models reinforces the potential of community hubs when they are embedded in the fabric of local life and designed around real-world needs. Hubs are most effective when located in familiar, trusted settings such as schools, libraries and community centres which are easily accessible. With planned national initiatives around mental health in schools, careers and access to employment it will be critical to ensure aligned planning and location within the context of neighbourhood health. Services should be tailored to the needs of the local communities and flexible to evolve with the changing local priorities.

With these insights in mind, EMCCA could champion a programme to create world class neighbourhood hubs which change the support to our most deprived areas and rural communities with low access.

In the near term there are two things EMCCA may wish to consider:

- a Given the fragmentation in provision described from people’s experience, there is an opportunity to look in detail at a small number of the most deprived neighbourhoods and effectively map provision of and access to services for employment, careers, secondary schools and health. This could identify opportunities for intersectional intervention e.g. mental health support around careers hubs or streamlining offers into a single location where citizens can have multiple needs met during a single visit.
- b Under the principle of “one estate”, map underused local authority, NHS and public assets to identify voids and capacity to consolidate services to unlock value through initiatives such as the Healthy Places programme. Using the well-developed population health data available in the ICB this could be used to identify priority areas which face low access scores currently. NHS Property Services have provided such collaboration in Manchester and other areas. This approach could also be applied to prevention, for example improving access to blue and green spaces in areas where accessibility is poor.

In the medium term, EMCCA should draw upon international and UK evidence such as the Jean Bishop Integrated Care Centre in Hull to work with and oversee ICBs aligning commissioning processes and service design, so that healthcare, employment support and social care are planned and delivered together.

Place social connections and social capital at the heart of the approach

A key insight from the Commission's work is the importance of social connection to health wellbeing and economic mobility. Chapter 6 covers our recommendations on social connections in detail. However, these insights need to be integrated across all the areas of the East Midlands' inclusive growth strategy.

There is a positive correlation between feeling a sense of belonging in communities and better health outcomes, with greater effects of social connections on mental health improvements.¹⁰

This is particularly important for unemployed people who have the worst self-reported health, excluding individuals with long-term health conditions and disabilities.¹¹ The impact of unemployment on low self-reported health, however, decreased when there were strong social connections present.¹²

If vested with a strategic oversight role, EMCCA has an opportunity to promote social connections for more resilient health and employment systems, and place this at the heart of the neighbourhood-led approach.

Strengthen the use of data in healthcare and supported employment pathways

The East Midlands has a mature system for the capture and analysis of population health with data integration from primary/secondary/social care and wider datasets such as Mosaic which bring individual and household demographic, behavioural and lifestyle characteristics. Truly integrating the intelligence this data provides into local decision making brings powerful insight as demonstrated by Salford City Council who shaped strategic priorities and guided interventions allowing for more efficient resource utilisation. Similarly Transport for West Midlands used this data to develop new services to support decarbonisation.

EMCCA could therefore consider several approaches.

- a Convene partners to develop secure, consistent and purpose driven protocols for data sharing and governance which protect standards but facilitate sharing and real time collaboration. Drawing in models from elsewhere such as Wales, these should include both quantitative and qualitative lived experience data.

- b Provide oversight to promote training, peer learning and resource sharing to facilitate decision making, building the platform and capability for a future integrated healthcare organisation
- c Encourage more involvement from researchers in the local universities in both the analysis of data, and in progressing academic research around the interventions and benefits of integrated health and inclusive growth.
- d Consider commissioning and publishing an annual review of progress within East Midlands around the progress against stated deliverables relating to inclusive growth and local integrated healthcare.

This combined strategy would make existing data work harder for the region, improving the evidence base for decisions, fostering cross-sector collaboration, and enabling more proactive, equitable, and efficient delivery of services.

¹⁰ [The Health Foundation. \(2024, March 4\). Community cohesion](#)

¹¹ [The Health Foundation. \(2024\). How employment status affects our health](#)

¹² [The Health Foundation. \(2024\). How employment status affects our health](#)

Support employers and strengthen employers' responsibility

Improving health and employment outcomes in the East Midlands requires a broader shift in employment practices that will make it easier for those with health conditions to find and stay in work. Many employers in the region are aligned to this and engage with schemes such as 'Disability Confident' which sets out best practice and standards. But gaps remain, and some employers struggle to understand what they can do to widen access and opportunity, and the benefits it can bring to the business.

EMCCA has a key opportunity to influence this agenda by championing higher standards of employment practice through the promotion of regional frameworks, building on models such as the *Good Employment Charter* and the *UK Government's Disability Confident scheme*.

The *Good Employment Charter*, developed in areas such as Greater Manchester¹² or West of England¹³, sets out principles for fair pay, secure work, flexible arrangements, inclusive practices, and employee wellbeing. Adapting or endorsing a similar charter for the East Midlands would allow EMCCA to visibly lead on promoting equitable employment as a lever for both productivity and social justice.

The *Disability Confident* scheme¹⁴ offers a complementary approach, supporting attract, hire, and retain people with long-term health conditions and disabilities – including those with chronic illness, mental health conditions, or fluctuating impairments that may not be formally recognised as disabilities. The scheme operates across three voluntary levels – Committed, Employer, and Leader – allowing organisations to progress at their own pace with free guidance and mentoring from accredited employers.

Practical tools such as the Health Adjustment Passport help identify and agree reasonable adjustments, supporting early intervention and personalised workplace solutions.

Evidence from the 2023 Ipsos survey highlights the scheme's impact in promoting equitable employment while strengthening workplace culture and operational performance. Among the 1,233 employers surveyed, 71% reported that hiring or retaining an employee with a disability or long-term health condition had a positive effect on staff morale, 83% saw no negative impact on productivity, 63% had hired someone with a long-term illness or disability since joining the scheme, and nearly half had improved recruitment practices, such as making interview adjustments and training hiring managers.

To strengthen uptake, EMCCA could embed Disability Confident standards within its economic development and procurement strategies, requiring or incentivising participation for businesses applying for public contracts, accessing regional funding, or partnering on local initiatives. This would help shift inclusive employment from an optional extra to a baseline expectation in the regional economy.

It will be important to provide support for SMEs to be able to achieve accreditation under this approach, and to allow flexibility for smaller businesses to achieve this over time in order to avoid excluding them from public contracts. As in the Commission's earlier recommendations, and scaled approach should be taken where the expectations on employers are progressively higher for larger businesses.

By applying strong inclusive employment practices in the Good Employers Charter, building on the Disability Confident approach, EMCCA has an opportunity to normalise inclusive employment practices, reduce stigma around health-related barriers to work, and create a labour market that reflects the diversity and needs of the East Midlands workforce.

¹² Greater Manchester Combined Authority. (n.d.). [Greater Manchester Good Employment Charter](#)

¹³ Good Employment Charter. (n.d.). [Good Employment Charter](#)

¹⁴ Department for Work and Pensions. (2024, April 24). [Disability Confident employer scheme](#). GOV.UK

Case Study: The Jean Bishop Integrated Care Centre, Hull

Overview

Opened in 2018 in East Hull, the Jean Bishop Integrated Care Centre (ICC) is a pioneering facility designed to support older people at high risk of hospital admission. It brings together a multidisciplinary team, including GPs, geriatricians, advanced nurse practitioners, therapists, pharmacists, social workers, and voluntary sector partners, to deliver joined-up, person-centred care in a single location.

Why it works

- Preventive model: Each patient begins with a home visit to understand their needs, followed by a same-day assessment and care plan developed by the on-site team. This approach shifts the focus from reactive treatment to early intervention and prevention.
- Measurable impact: The centre has achieved a 50% reduction in emergency hospital admissions among its patient group, with further reductions in A&E attendance, overall hospital use, and medication costs. Patients report

improved wellbeing and confidence in managing their health.

- Co-location in action: The ICC successfully co-locates NHS services, adult social care, and voluntary sector staff under one roof. Its design supports not only shared service delivery but also day-to-day collaboration between teams.
- National recognition: The centre has received multiple awards, including the 2020 Partnership Awards' Best Social Infrastructure Project. It is widely cited as a national exemplar of integrated, community-based care.

Relevance for the East Midlands

The Jean Bishop Centre demonstrates how strategic co-location and service integration can improve outcomes while reducing pressure on acute care. For EMCCA and its partners, it offers a replicable model for future neighbourhood hubs, especially when tailored to local needs and rooted in trusted, everyday settings.



Resident experience

– Fabe's plan to achieve his dreams

Fabe has navigated a number of severe mental health conditions that have prevented him from working. In his mid-thirties, he's now being supported to achieve his dreams of helping people like himself.

"[I want to be able to] say I've done it: a guy with diagnosed mental health issues, living on the street on and off, all the way to becoming a mental health nurse, helping and supporting other patients who I was in the same position [as...] I want to say to people that have been in a bad place, there's always light at the end of the tunnel... you have to believe in yourself."

Fabe just wants to lead a "normal life" that has often felt out of reach – owning a home, having a family, enjoying a vibrant social life. His mental health has created significant barriers for him, both professionally and personally: a fear of going outside, difficulties in social settings, and problems with memory and processing information.

This has made learning and working difficult for him, and is, he reflects, poorly understood by employers or the Job Centre. Past experiences with training providers left him feeling misunderstood, unsupported, and hopeless.

"To be honest, they didn't understand at all. They didn't even have the time to talk to me – about how they can help me, what support they can put in place. Another organization I went to a few years back [...] I've got nothing against them, but they didn't understand anything. They're like robots: they put a leaflet in front of you, and expect you to just write [an application]."

It's only now, with a new local support agency, that he's breaking down these barriers. His advisor took the time to work through his aspirations and what motivates him – helping others – and working out a practical path to his dream role as a community practice nurse. Together they took a diagnostic approach, identifying gaps in his qualifications – namely, in maths – and finding accessible and structured

ways to tackle these. Now he's enrolled in a local Level 1 and 2 maths course, setting him up for college and with a plan in place for getting some work experience. Staff also coordinate across these roles so, "Everyone can be on the same wavelength and know where I'm at and where I'm heading," avoiding repetition and frustration.

But for Fabe, the critical ingredient has been trust: he trusts his advisor deeply, and knows that she will go above and beyond for him. When he found out that his course would be outside of the usual agency office, he says, "That set off my anxiety big time. But with how lovely she is, said she didn't mind nipping with me to go and meet the tutor with me."

"I trust [my advisor] a lot – without that working relationship, there's nothing."

It's clear to Fabe that if you invest in people, they will invest in the process.

"They've been fantastic. They've helped me so much [and] they've gone the extra mile with me [...] and that makes [me] want to go the extra mile [too]."

For Fabe, it's not just the excitement of having a job and giving back, it's about the doors that opens to living a full life and setting up virtuous cycles:

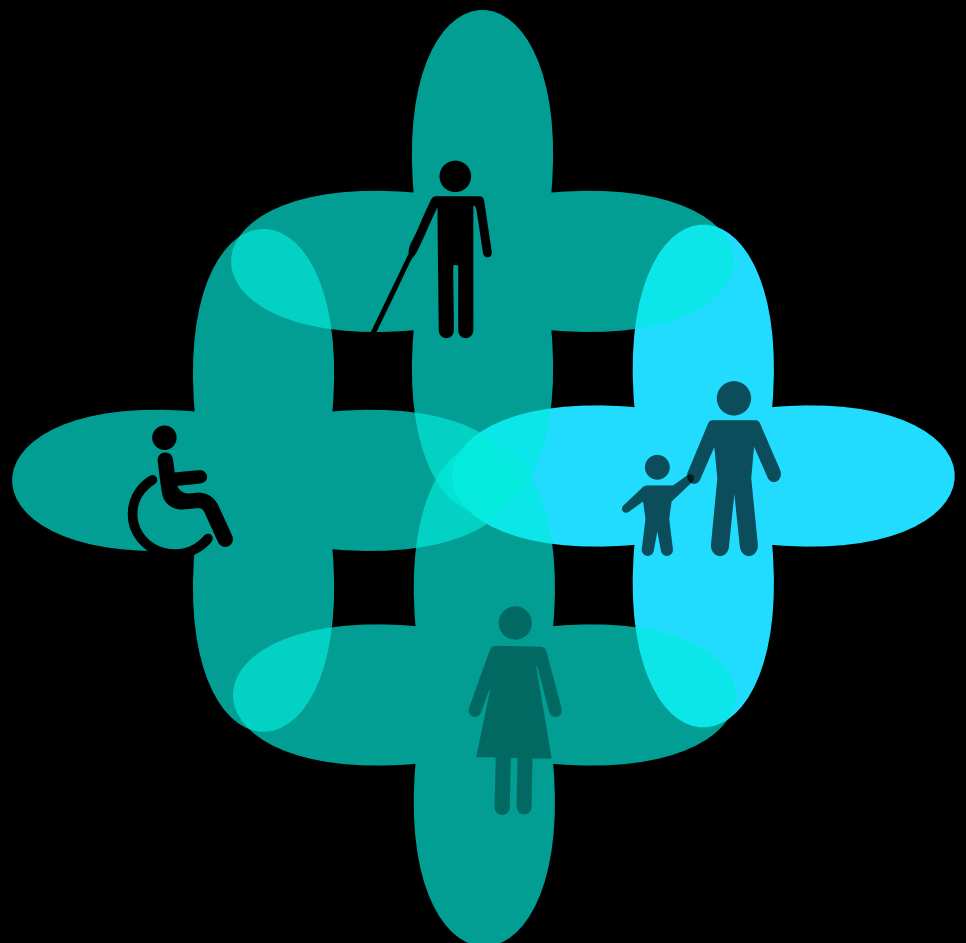
"That [sense of] purpose, routine, independence – that's the main one. And it can open up different doors that obviously you need money to do things. [You can] learn to drive [...] travel around, book a holiday, meet new people, and [that's great for] my mental health [...] Playing pool, going out shopping. I know it's it sounds stupid but to me it's big going shopping and making friends and other things is a big deal for me because I've never had that before."

Fabe's story is testament to not only his own hard work and determination, but also to the transformative impact of taking the time to understand individual needs, build trust, and coordinate support, avoiding 'one-size-fits-all' approaches, and instead laying the foundations for lasting progress.





BREAKING DOWN THE BARRIERS: SOCIAL CAPITAL AND INCLUSIVE GROWTH



Chapter summary and key recommendations

Historically, economic growth plans have had little to say on the role of social connections, community and social fabric on economic outcomes. However, there is a growing body of evidence that points to the importance of social capital¹ – the strength and depth of an individual's social network and community – in determining people's life chances and, by extension, who benefits from economic growth.

The 2025 *Revealing Social Capital* study, on which the RSA was a partner, found that children from low-income households who grow up in areas with lots of mixing between income groups earn more as adults – around an additional £5,000 per year – compared to children from similar backgrounds who mix less with high-income peers.² Coupled with a growing body of related research, there is now a compelling case for the importance of social capital in economic outcomes.

Any inclusive growth strategy would be deficient without an element that seeks to build social capital and improve people's access to economic opportunity through stronger social connections.

- 1 The Mayor and Combined Authority should develop the first ever region-wide plan to strengthen of social connections alongside the economy, for improved wellbeing and economic mobility.
- 2 Each of EMCCA's constituent authorities should have a plan tailored to its area to nurture social capital
- 3 The Combined Authority should drive coordination across service providers and communities to locate services in settings that are trusted, frequently used and are convenient for service users from diverse communities. Neighbourhood health hubs are a key area where this approach could be applied.

- 4 The plan should be backed up with a package of measures that provide technical advice and direct financial support to help individuals and community groups to navigate funding applications and establish social infrastructure.

Summary of recommendations

Relationships and social fabric are not easily observable so there is no single definition of what constitutes social capital. There are, however, four broad categories of relationships between individuals and institutions that recur:

- Bonding capital: ties between individuals from close knit groups that have a strong sense of belonging.³
- Bridging capital: connections across different types of people – for example socioeconomic status, age, language – that are often not in the same social circle.⁴
- Linking (or 'vertical') capital: connections between individuals or groups and formal institutions or people in positions of authority, such as government agencies, service providers, or political representatives.⁵
- Civic engagement: participation in voluntary associations, community organisations, and other forms of collective activity that help generate norms of reciprocity, trust, and networks of social connection.⁶

1 [Social capital I: measurement and associations with economic mobility 108–121](#)

2 [Revealing Social Capital](#)

3 [The Strength of Weak Ties, 1360–1380; Bowling Alone: America's Declining Social Capital, 65–78](#)

4 [The Strength of Weak Ties, 1360–1380; Bowling](#)

[Alone: America's Declining Social Capital, 65–78](#)

5 [Social Capital: The Challenge of International Measurement – The Measurement of Social Capital at International Level](#)

6 [Bowling Alone: America's Declining Social Capital, 65–78](#)

Collectively, these different types of relationships that embody trust, shared norms and identity shape our fortunes and our experiences.

For more than half a century, there has been a well-documented decline in social capital across many anglophone countries.⁷ Factors ranging from increased female participation in the labour force to the increased digitalisation of social activities (e.g. entertainment, work, shopping, activism) have led to a decline in casual socialising and civic participation across a range of measures.

The fall in social capital has likely had underappreciated effects across all parts of society. The evidence points to a strong link between social capital and economic growth⁸, even after accounting for other factors such as infrastructure and skill levels.⁹

Social capital boosts growth by unlocking opportunities for individuals from lower-income households. In both the US and UK, poorer children growing up in neighbourhoods where there is greater economic integration and mixing is shown to materially boost their income prospects over their lifetime.¹⁰

A recent meta-study found a 10% boost in trust raises an economy's relative economic performance by over 1% of GDP.¹¹ In part this works through trust reducing the costs associated with doing business.¹²

Our relationships are also key for wellbeing and health. Research in the US indicates places with greater social capital display lower rates of diabetes, arthritis, cognitive decline and other chronic conditions.¹³ The cumulative effect of loneliness and isolation in health terms has been estimated to be equivalent to smoking 15 cigarettes a day.¹⁴ In the UK, recent work by a research consortium including the RSA has demonstrated a link between bridging capital – cross-socioeconomic connections – and wellbeing.¹⁵

Finally, social capital matters for the effectiveness of government.¹⁶ Government requires public trust for its legitimacy. Research shows trusted and inclusive institutions have been key to the success of nation states for many millennia.¹⁷ It follows that depleted social capital blunts the effectiveness of government and public services.



Community group discussion

7 [Bowling Alone](#), 2001

8 [Economic Growth and Social Capital in Italy](#). 295–307

9 [Does social capital have an economic payoff? A cross-country investigation](#). 1251–1288

10 [Social capital I: measurement and associations with economic mobility; Social capital in the United Kingdom: evidence from six billion friendships](#)

11 [The link between trust and economic prosperity](#)

12 [Social Capital 2025: The Hidden Wealth of Nations](#)

13 [The good life: lessons from the world's longest study of happiness](#)

14 [Loneliness and social isolation as risk factors for mortality: a meta-analytic review. Perspectives on psychological science](#)

15 [Social capital in the United Kingdom: evidence from six billion friendships](#).

16 [Counting the Cost of Bowling Alone](#)

17 [Why Nations Fail: The Origins of Power, Prosperity, and Poverty](#)

Social capital across the East Midlands

Society does not keep records of human relationships in the same way it does for economic connections so tracking it is challenging. It has been possible to show that social capital in its many and various forms is not distributed evenly on a geographic basis.¹⁸ However, these data are often collected through surveys and limits on sample sizes constrain the extent to which it is possible to draw conclusions about a specific place. For example, the ONS measures of social capital are only available for geographical units larger than the entire Combined Authority Area.¹⁹

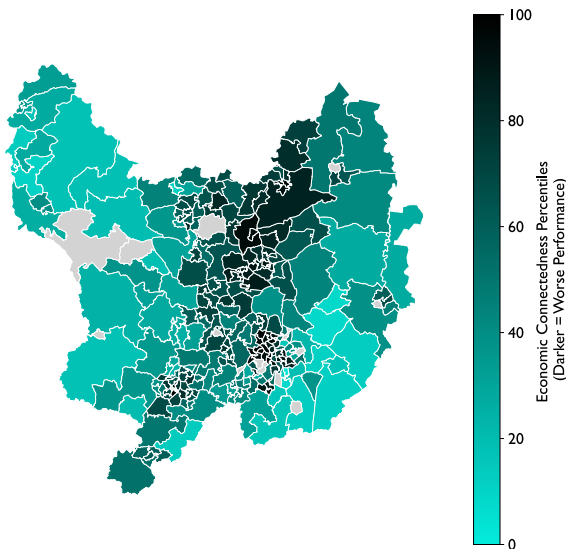
The internet, digitalisation and social media have the potential to transform data on social connections, allowing for

more place-specific analysis and tracking through to implications for individuals and communities.²⁰

Using an example of this cutting-edge data and research²¹, we can map both bonding and bridging capital across EMCCA.

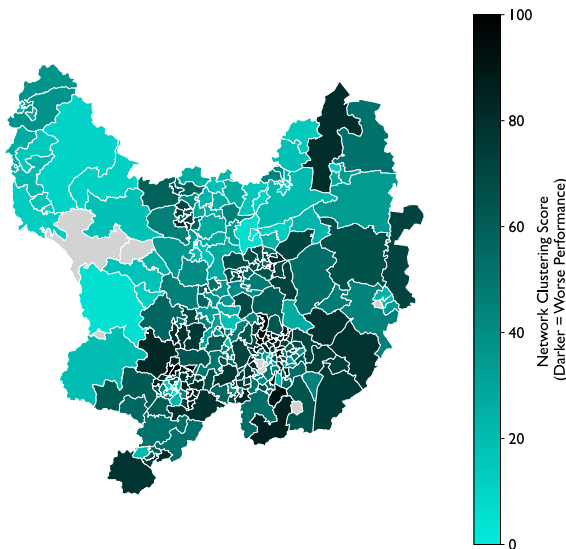
Our work shows that, nationally, connections across socio-economic divides ('bridging') tend to be weaker in more deprived areas, and there is some evidence that these deprived areas have higher clustering friendships, i.e. a higher share of people's friends that are themselves friends with each other, forming a close-knit but more inward-looking community, pointing to higher 'bonding' capital.

Figure 1: Bonding capital in EMCCA



Source: Revealing Social Capital, BIT and RSA
Note: Network clustering ('bonding') metric from RSC analysis. Captures the tendency for a person's friends to also be friends with one another. At the community level, it reflects the average tightness of friendship networks among residents and serves as a measure for bonding social capital.
This map shows percentile ranks across all UK MSAs. Higher percentiles and darker colours represent worse relative performance

Figure 2: Bridging capital in EMCCA



Source: Network Clustering Percentiles
Note: Economic Connectedness ('bridging') metric from RSC analysis. The share of friends that people from low-income backgrounds (below the median income) have who come from high-income backgrounds (above the median income). It shows how connected individuals from less advantaged backgrounds are to those from more advantaged backgrounds within their social networks.
This map shows percentile ranks across all UK MSAs. Higher percentiles and darker colours represent worse relative performance

18 E.g. see Bowling Alone 2001
19 The Office for National Statistics (ONS) measures social capital in the UK using 25 headline indicators, grouped into four domains: personal relationships, social network support, civic engagement, and trust and cooperative norms. The data are available at International Territorial Level (ITL) 1.

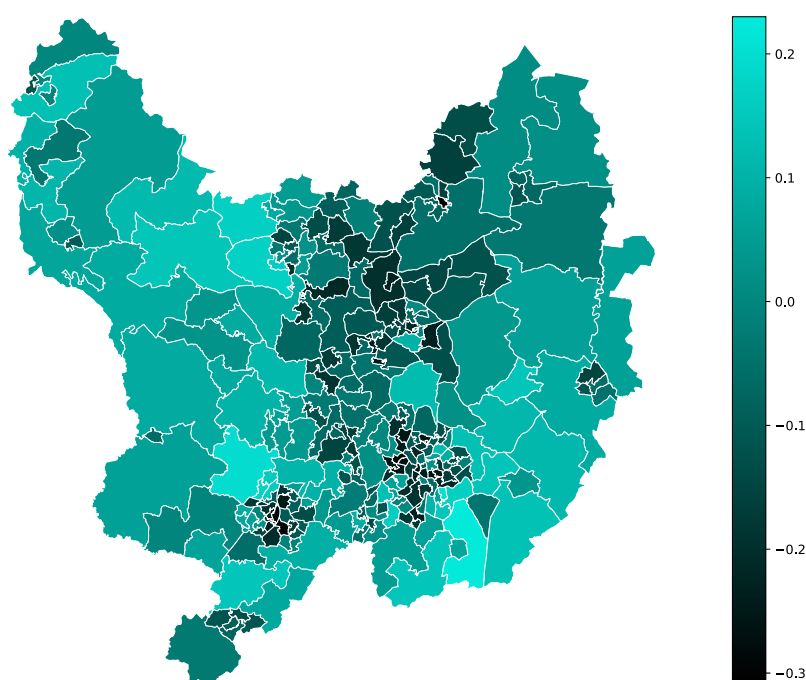
20 For example, the Revealing Social Capital research project which uses Facebook data.
21 See Social capital in the United Kingdom: evidence from six billion friendships for details

This can be seen in some parts of the East Midlands, where the picture for bridging capital is the inverse of that for bonding capital (Figure 3).²² The frequency of relationships between people of different socioeconomic status – so-called ‘economic connectedness’ – is lowest in deprived urban areas, particularly in the north of the region around Mansfield and Ashfield. This fits with wider research that shows economic connectedness tends to be lower in post-industrial urban areas.²³ The same research also finds that economic connectedness is correlated with higher levels of trust. In EMCCA, this is a relationship that appears to hold. Trust tends to be higher in rural areas compared to urban counterparts (Figure 3).

This data matches the anecdotal evidence provided to us throughout the Commission’s work from residents, community activists and practitioners who often witness the effects of these trends in their daily lives.

Although the link is less strong, levels of trust appear to correlate with the prevalence of institutions that are rooted in communities, such as charity sector organisations (Figure 4). This fits with research on ‘linking capital’ and civic engagement, which suggests social capital and levels of trust are not just a product of our relationships with each other but also our interactions with institutions. Anecdotally, it is commonly acknowledged that civil society and volunteering boost social capital and there are now moves to put measurement of this impact on a more robust footing.²⁴ Further, residents in some of our focus groups commented on the decline of community spaces and the effect that has had on opportunities to develop capabilities such as confidence and communication.

Figure 3: Net trust levels in EMCCA



Source: [Onward](#)

Note: 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.

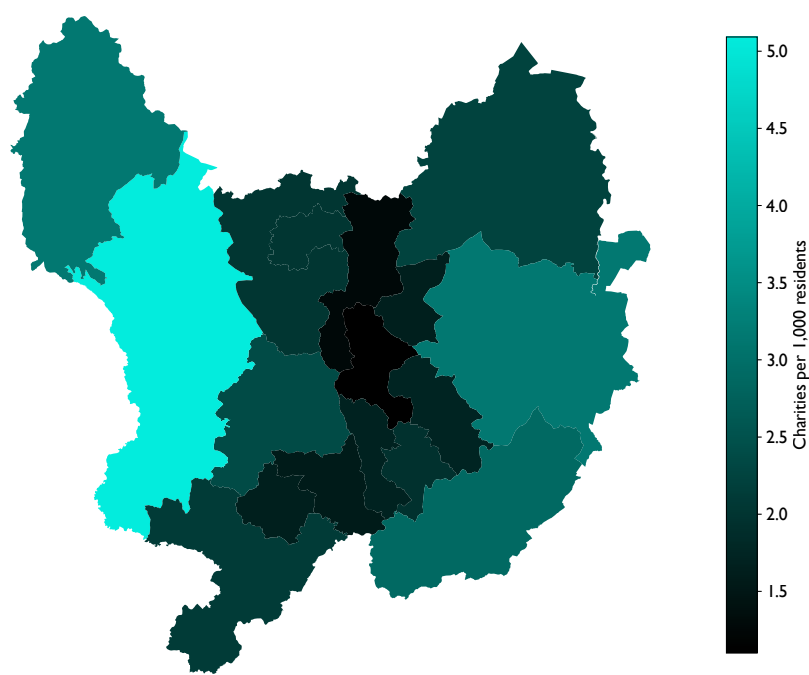
Darker colours represent lower net trust.

22 For the purposes of this report, bridging capital is taken to be the share of friends that people from low-income backgrounds (below the median income) have who come from high-income backgrounds (above the median income). This measure is called ‘Economic Connectedness’.

23 [Social capital in the United Kingdom: evidence from six billion friendships](#)

24 [Civil Society and Volunteering: A force for growth?](#)

Figure 4: Charities by Local Authority District



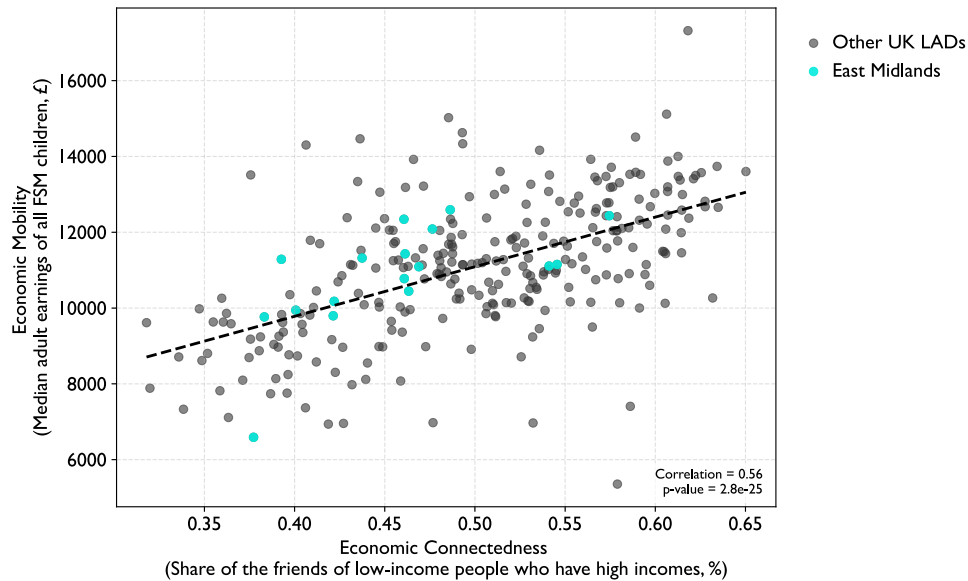
Source: [Registered charities in England and Wales](#)

Perhaps most importantly for inclusive growth, economic connectedness plays a major role in driving social mobility in the UK, making it particularly relevant to our Opportunity Escalator approach.²⁵

Figure 5 shows the correlation at the national level and suggests the relationship holds in the East Midlands. Although more work is required to understand the

nature of the relationship, it hints at who you know being important for finding out about, or being recommended for, opportunities, both critical for getting on and up the escalator. Consequently, nurturing this type of bridging social capital needs to be a priority for any inclusive growth strategy.

Figure 5: Relationship between economic connectedness and economic mobility in the UK



Source: [Social capital in the United Kingdom: evidence from six billion friendships](#)

25 [Social capital in the United Kingdom: evidence from six billion friendships](#)

Growing social capital – what works

The centrality of social capital to the economic and social outcomes, and its decline over recent decades, points to the need for an urgent response.

There are initiatives at both national and local levels, across the public, private and civil society sectors that implicitly aim to grow social capital, and national programmes focusing on elements of social capital such as loneliness and cohesion, these often focus on closer community bonds rather than bridging and linking capital.

Nurturing diverse social connections requires us to understand how they form. Recent research points to the importance of 'exposure' to others in forming relationships with them. This is not only in terms of who²⁶ (for example, do we come across different types of people) but also whether this exposure is repeated, which has been shown to be critical for forming deeper bonds.²⁷

However, exposure is not always enough. Humans have a natural 'friending bias' towards people similar to ourselves.²⁸ This bias changes depending on the setting and activity; while it is high in contexts such as neighbourhoods it can reduce in environments like the workplace, hobby groups or sports teams.²⁹ It appears having a common interest around which to coalesce – identity (e.g. religion), activity (e.g. sports teams), purpose-led communities (e.g. volunteering) and common third spaces – is particularly important for reducing bias.³⁰

Any strategy for growing social capital might look to maximise exposure both to types of people but also settings that

reduce friending bias and build trust. Across both the UK and international contexts, the evidence suggests the most effective interventions to build social capital are those that actively shape the conditions for relationships to form and deepen.

Successful programmes tend to place heavy emphasis on the setting for building social capital. Embedding programmes in trusted local institutions (e.g. libraries, religious groups, sports clubs) appears to improve their efficacy.³¹ This was articulated to us firsthand by residents and as part of the Commission's policy roundtable focused on social capital.

Some authorities are already aware of this, as exemplified by case studies such as Electric Daisy (see box overpage).

This will also mean nurturing trust through the design of new institutions, services or buildings. Social capital is often built unintentionally through incidental connections formed around institutions (health centres, nursery schools, school drop off) or the built environment (e.g. depending on their design, green spaces can either catalyse social connections or serve to separate communities³²). Consequently, programme and place design must intentionally create the conditions for these 'unexpected gains.'³³

26 [Social capital II: determinants of economic connectedness](#)

27 [Attitudinal Effects of Mere Exposure – NEED URL](#)

28 [Social capital II: determinants of economic connectedness](#)

29 [Social capital in the United Kingdom: evidence from six billion friendships](#)

30 [Social capital II: determinants of economic connectedness; Youth sport volunteering: developing social capital?](#)

31 [Tailoring Cultural Offers to Meet the Needs of Older People During Uncertain Times: A Rapid Realist Review](#)

32 [Social capital in the United Kingdom: evidence from six billion friendships](#)

33 [Unanticipated Gains: Origins Of Network Inequality In Everyday Life. New York; Social Capital and Community Group Participation: Examining 'Bridging' and 'Bonding' in the Context of a Healthy Living Centre in the UK](#)

Electric Daisy, Derby City Centre

Electric Daisy (ED) is a site in the heart of Derby city centre that was transformed from a disused wasteland into a community hub, garden and event space. The aim is to bring people together through nature. Its journey through establishment to subsequent flourishing provides useful insights into the key principles for nurturing similar initiatives across the East Midlands and beyond.

Set-up

ED is the brainchild of community organisation Down to Earth Regen (DTE) and its founder, Jamie Quince Starkey. Realising Jamie's vision required the support of three key organisations and senior champions within each:

- Previously Jamie worked on the shopfloor at Rolls-Royce. The company, and particularly its Executive General Counsel – Mark Gregory, saw the potential benefits for Derby, one of its core sites, and agreed to continue paying his wages giving Jamie the space to work.
- The endorsement of Eden Project and its founder Sir Tim Smit was critical for giving the idea legitimacy. An email from Sir Tim catalysed a relationship with Derby City Council and Jamie describes his mentorship as 'invaluable'.
- Once convinced of the idea, the Derby City Council Senior Leadership team put its full weight behind it. The Council created a steering group to support the establishment of ED and help navigate hurdles such as planning and licensing. It also provided the site for a peppercorn lease.

Nurturing connections

Electric Daisy is a multiuse site, with activities ranging from supporting children with respite care through to hosting weddings and DJ nights. Purpose and convenience drive use of the space – regardless of why people visit the site, Jamie and his team try to ensure they leave understanding its goals. The aim is for a subset of people to transition into feeling some ownership and responsibility to help it flourish and improve the city centre.

The initiative has been widely successful in engaging varying and diverse groups. The opening day welcomed over 1000 people; in Electric Daisy's second year it welcomed over 50,000 people through the door; now in its third year visitors have reached triple that number.

The diverse events engage with the various audiences in and around Derby city centre, from music events, talks, children's 'stay and play' sessions, gardening workshops, plus many more.

Working for ED is another route to building social capital. Staff are recruited based on attitude and enthusiasm for the mission rather than skills or experience. People learn through doing. Success is staff moving up or on to other organisations (while remaining lifelong friends of the initiative).

“To have the support across the board at DCC was massive, it gave us time to understand and learn system infrastructure and how things worked if you want to make something happen, we just wouldn't have had the time to create Electric Daisy if we didn't have the handholding from DCC for its creation and development.”

– Jamie Quince-Starkey

Services

As the community has become familiar with Electric Daisy a growing number of services have located activities there. A local sixth form for neurodiverse children was one of the first partners, helping the DTE team plant the garden and get the site ready to be open to the public, this gave some of the young people within Derby city centre a sense of ownership and accountability for helping to create positive change on their own doorstep. This in turn built trust amongst other organisations that

similar activities could be run efficiently and in compliance with safeguarding and other procedures.

Subsequently, Derby City Council has familiarised its employees with the ED offer. As a result of being aware of the site, services as diverse as Community Service, Perinatal support to education services and more – and excellent example of the opportunities and benefits for co-locating public services with broader cultural and community infrastructure.

“Down to Earth Derby is my favourite project in the whole wide world.”

– Sir Tim Smit (Eden Project)

Breaking down the barriers: Social capital and inclusive growth

Another key ingredient for success is initiatives that create the time, trust and practical means for people to connect, cooperate and access support, rather than assuming that physical proximity or shared activities automatically produce cohesion.³⁴ For example, a synthesis of research into growing social capital³⁵ pinpointed National Citizen Service summer youth skills programmes in the UK as consistently associated with improvements in social cohesion and social support among participants based on high-quality evaluations. In Hong Kong, regular group Tai Chi practice was found in two high-quality studies to increase social support significantly. These findings suggest that structured group activities with a consistent and participatory format, whether physical or social, may be particularly effective in building cohesion and support.

The importance of supporting trusted intermediaries to lead programmes, including community co-creation efforts, and connect citizens to institutions came up repeatedly. When selecting partner individuals or organisations, those that are trusted by the community tend to be better placed compared to those that are influential or central within the network.³⁶ Involving the community in the design and execution of programmes frequently comes up as improving the chances of success³⁷, however community participation should be targeted at specific decisions and its efficacy relies on good leadership.³⁸

Social entrepreneurs also need support in the form of resources. The Commission's roundtable surfaced the importance of investing in people at the outset of projects to given them the time and space to grow an idea – a sentiment that was echoed in our engagement with residents and RSA Fellows in the East Midlands.

Participants stressed that not everyone wants to set up a charity in order to obtain funds, and this acts as a barrier to projects getting off the ground. Support also means reducing bureaucracy associated with securing funding wherever possible and providing support with technical processes such as planning, budgeting and procedures where they are necessary.

There are a range of models emerging for funding social capital initiatives. The North East Combined Authority has directly financed a Flexible Social Finance Fund designed to support organisations tackling poverty and encourage community-owned institutions.³⁹ The London Borough of Barking and Dagenham has used its Community Infrastructure Levy (a charge on development to help fund necessary infrastructure such as transport schemes and schools) to fund social infrastructure such as community centres and spaces.⁴⁰ This is a charge on development to help fund infrastructure such as transport schemes and schools required in order that the community can benefit from new developments. Social infrastructure is also emerging as a potential asset class for social investors.⁴¹

34 [Systematic review of community infrastructure \(place and space\) to boost social relations and community wellbeing: Five year refresh](#). London, [A Difficult Mix: Issues in Achieving Socioeconomic Diversity in Deprived UK Neighbourhoods](#). Urban Studies

35 [What works to improve social capital?: A rapid review of the effectiveness of interventions aimed at improving social capital outcomes \(neighbourhood belonging, social support network and community cohesion\)](#)

36 [Innovation, social capital and regional policy: the case of the Communities First programme in Wales](#). Regional Studies

37 [Tailoring Cultural Offers to Meet the Needs of Older People During Uncertain Times: A Rapid Realist Review](#)

38 [Social Capital and Community Group Participation: Examining 'Bridging' and 'Bonding' in the Context of a Healthy Living Centre in the UK](#), [Social capital and regional policy: the case of the Communities First programme in Wales](#)

39 <https://www.northeast-ca.gov.uk/news/economy/mayor-backs-community-businesses-and-social-enterprise-with-1m-fund>

40 <https://oneboroughvoice.lbbd.gov.uk/cil-funding>

41 [The impacts of scaling social infrastructure investment.pdf](#)

What can the Combined Authority do differently?

The importance of social capital to an inclusive economy and society in the East Midlands means it must be central to any inclusive growth strategy. Bridging capital in particular is emerging as a key enabler of approaches such as the Opportunity Escalator, with connections across socioeconomic class helpful for identifying and moving into new careers.

In the UK and beyond, at national and local levels alike, nurturing social capital's role in inclusive growth has not been given the prominence it needs. The East Midlands Combined County Authority can correct this in the East Midlands, and be a trailblazer for other strategic authorities.

To reflect its importance to inclusive growth, the Commission recommends EMCCA establish the first ever mayoral Social Capital Strategy.

This strategy should:

- Describe the key channels between social capital and inclusive growth for EMCCA.
- Provide a set of social capital objectives to coordinate actors within the EMCCA system.
- Articulate the action EMCCA will take in pursuit of social capital goals.
- Set out how central actors in the system can align to progress the strategy.

Based on the evidence collected during the Commission, the strategy might comprise of three principal strands:

- 1 Each of EMCCA's constituent authorities should have a plan tailored to its area to nurture bonding and, in particular, bridging social capital.
 - a. There is strong and growing evidence that friendships between children from low-income households and more affluent counterparts significantly boost social mobility. These connections may be generating opportunities to get on and up the Opportunity Escalator.
 - b. Both types of capital have been shown to have a range of health benefits and should be actively nurtured as part of prevention strategies for illnesses such as mental ill-health amongst young people.
 - c. The plans should respond to growing evidence on the settings and conditions that encourage both tight community bonds and relationships between different types of people to form.
- 2 Coordination across service providers and communities to locate services in settings that are trusted and convenient for users of different backgrounds.
 - a. Embedding programmes in settings people know, visit often, and trust improves their efficacy.
 - b. Co-location with organisations that are not council services makes visiting more desirable.
 - c. The design of institutions, services to encourage social mixing in waiting areas can boost their impact.

Breaking down the barriers: Social capital and inclusive growth

- 3 A package of measures that provide technical advice and financial support to help individuals and community groups establish social infrastructure.
 - a. Leadership and intermediaries rooted in communities are key to nurturing social connections and trust.
 - b. Support needs to be targeted at people rather than just projects. Not everyone wants to set up a new organisation to get an initiative up and running.
 - c. Support should be focused on providing social entrepreneurs with time and mentorship, critical success factors for start-up social enterprises. Knowledge gaps and financial obstacles create a 'valley of death' that stymies many start-up social enterprises from establishing a sustainable business model.
 - d. Community participation in designing and delivering programmes is important, but needs to be targeted and is best directed by leaders located in communities.
 - e. There are a range of examples of how to sustainably fund a package of measures, from direct funding through to levies on new developments and blended finance models.

The size of the prize

Our previous work on social capital found that children from disadvantaged backgrounds who develop more bridging social capital (connections with higher – socioeconomic-status peers) go on to earn about £5,100 more per year as adults, on average. Applied to EMCCA, this equates to around £27 million in extra earnings in 2025, rising each year as new cohorts benefit. In total, it could generate about £1.4 billion in extra earnings for people from disadvantaged backgrounds over 2025–2035 in today's money.





Maid Marion way, Central Nottingham at dusk

PART 3: MOBILISING PRIVATE CAPITAL FOR INCLUSIVE GROWTH



7 Mobilising private capital for inclusive growth

Chapter summary and key recommendations

The East Midlands already attracts significant amounts of private investment, and as a result of future funding commitments, the Combined Authority is able to leverage at least £1.1bn in public funds over the next 5 years as well as the £2bn capital investment in regional transport announced in the recent spending review.

However, even with this welcome allocation of public spending to the region, there is a pressing need to increase private investment for inclusive growth. The Inclusive Growth Commission identified a range of opportunities to encourage more private capital into the region, but these will only be seized through highly proactive, engaged and ambitious leadership from the East Midlands Combined County Authority.

Few other combined authorities are demonstrating this kind of leadership. There is real potential for the East Midlands Combined County Authority to differentiate its approach.

The Inclusive Growth Commission identified options to address these challenges, including blended finance approaches, where public investment is used to catalyse private investment, and social finance, building on initiatives already underway in the region or in the rest of the UK. It also identified the overriding importance of building a strong partnership network.

Critically, the Inclusive Growth Commission recommends a focus on establishing and supporting 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.

More work needs to be done on creating a recognisable investment “offer” in the region, backed up by a pipeline of investable projects of different types and scale, and presented via a narrative about where the East Midlands is heading

which makes clear what the advantages to investors of working with the East Midlands Combined County Authority will be. Learning from other place-based investment initiatives, such as The Good Economy’s work with the Midlands Engine, will be crucial.¹

Large patient capital inflows are required to finance major projects, particularly in infrastructure and clean energy. The region also needs more small-scale initiatives to create opportunities for people who are currently marginalised from the workforce, or unable to live in the areas where these opportunities will arise. Without the latter, there is a risk that more investment will simply perpetuate existing inequities in the region. All of this points to building a coalition of investor partners from a range of backgrounds, and taking a “whole place” approach as plans are designed.

Summary of recommendations

- Develop a distinctive narrative around the investment opportunities in the East Midlands and its offer to a range of different investors.
- Maximise the advantages of scale that the combined authority model provides by publishing a compelling and long-term investment strategy, with clearly defined investable opportunities presented in it.
- Establish the Inclusive Growth Commission’s Investor Advisory Group (IAG) as a permanent forum supported by the East Midlands Combined County Authority, with regular meetings and a mandate to develop investment partnership models for the region, both large-scale institutional investment and social impact investment.
- Based on the IAG’s work, establish a lasting partnership network of relevant public and private investors, to include asset owners and asset managers with experience of investing in UK places and public investors such as

¹ For more detail, see The Good Economy/Midlands Engine, Place-based Prosperity: [The institutional investment roadmap for Midlands growth \(March 2025\)](#)

the National Wealth Fund, the British Business Bank, local pension funds (including Local Government Pension Scheme funds), the National Lottery Fund, relevant charitable foundations and social investors.

- Identify and support the investment lead (and team) at the Combined Authority to provide a permanent point of contact for private investors and support to business in developing investable propositions. Ensure that this team has the relevant financial expertise and support to ensure a “conversation of equals” with private investors and central government.
- Explore the potential to launch a blended finance regional growth fund, building on already existing models and with an ambitious target to leverage in private finance.
- Review the Combined Authority's existing procurement processes to ensure that procurement maximises the advantage to local social enterprises and SMEs.

The investment opportunity

The East Midlands Combined County Authority's area sits in the centre of England, with fast transport links – both rail and road – to the north and south, and a major international freight airport on the doorstep. It is home to several firms of international significance, including Experian, Boots, Toyota, Alstom, and Bombardier. Rolls Royce has 17,700 staff across the East Midlands, the majority in its campus just outside Derby.²

Sixty per cent of the UK's defence spending already occurs in the region, and this is expected to rise sharply in line with national defence spending plans.

STEP, the £400m government-funded industry partnership programme to develop a prototype nuclear fusion powerplant, is based in West Burton, in the north-east of the region, paving a way for the commercialisation of fusion energy.³

The insights from the Commission's Opportunity Escalator analysis have identified several distinct geographic zones across the authority area where industrial policy must be shaped around the characteristics of the workforce and the specific opportunities present in those places. There is complementarity between the Commission's analysis and elements of the Combined Authority's 'spatial vision' document⁴ which outlines opportunities to attract new investment into the region for regeneration and place-making, drawing on its heritage, both natural and man-made, and building on its strengths in energy, transport and tourism.

These include the 'Trent Arc', a plan to maximise the agglomeration benefits of developments spanning the region's two major cities of Derby and Nottingham. Plans include two development areas – the East Midlands Freeport and the Infinity Park Investment Zone – and upgrades to three mainline railway stations, Derby, Nottingham and East Midlands Parkway. The Combined Authority believes that Trent Arc has the potential for 30,000 new homes, more than 40,000 full-time jobs, 2.7m square feet of commercial space and a £2.4bn boost to the regional economy. Achieving the Arc vision will require a concerted effort to bring in private capital to back specific sites, the provision of affordable housing, and wider social and sustainable development.



Cromford Mills, Derbyshire

2 Rolls Royce, stakeholder interview (July 2025)

3 [About STEP](#)

4 [East Midlands Emerging Spatial Vision](#)

5 [East Midlands Combined County Authority Trent Arc](#)

Other major investment opportunities identified by the East Midlands Combined County Authority and reflected in the Commission's analysis are⁶:

- 1 The East Midlands clean energy supercluster: The UK Government has committed billions to the development of fusion technology, and its prototype power plant will be built in the East Midlands at West Burton, one of three former power stations that will together form a new high-tech Supercluster. It will feature an R&D Innovation Campus aiming to attract engineering and technology businesses, unlock 15,500 jobs, build thousands of net-zero homes and provide a £930m boost to the East Midlands economy.
- 2 Regeneration of 'the heartlands': this area is currently recovering from the loss of industry but is characterised by good connectivity (the M1 motorway) and proximity to the clean energy Supercluster. The East Midlands Combined County Authority plans to improve public transport to connect people with training, work, and leisure opportunities in the region, alongside faster broadband and funding for community-led projects.

However, some of the other propositions included in the Spatial Vision document are, as yet, underdeveloped and may not be feasible propositions for private investment due to a potential lack of commercial opportunity and/or early investor input to shape the proposals. This needs to be addressed as soon as possible.

Closing the 'investment gap' in the East Midlands

To help the area realise its potential, the Combined Authority will need to work to close the 'investment gap' that the East Midlands has experienced relative to other parts of the UK.

The East Midlands has experienced a persistent trend of underinvestment. Gross fixed capital formation, which accounted for 13.8% of Gross Value Add (GVA) in 2007 prior to the global financial crisis, fell to just 10% by 2019 before the onset of the COVID-19 pandemic. Only 7.9% of this investment was directed toward non-real estate activities, highlighting a narrow investment focus. In contrast, the West Midlands saw a smaller relative decline and higher allocation towards non-real estate investment, with investment remaining at 11.7% of GVA in 2019, of which 9.1% was allocated to non-real estate sectors⁷

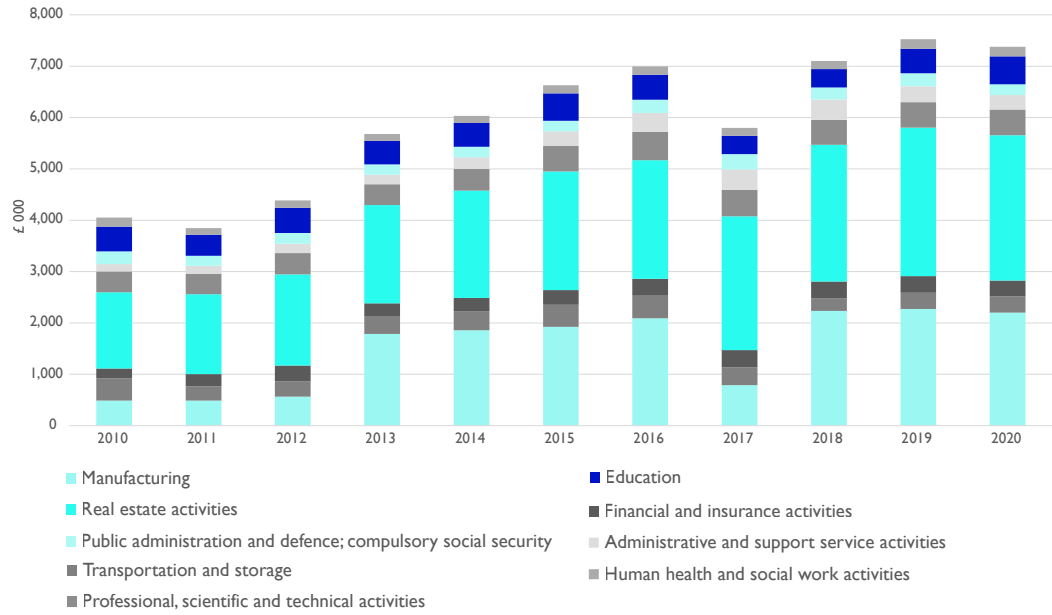
While essential for housing businesses and people, real estate investment alone does not support the development of a resilient, regenerative region. A more balanced approach is needed that channels capital into a broader spectrum of economic assets, to foster long-term regional vitality and inclusive growth, as highlighted in the RSA's 'Urban Futures' report.⁸

6 [East Midlands Combined County Authority, East Midlands Vision for Growth](#)

7 [Gross fixed capital formation – by sector and asset; Regional gross value added \(balanced\) by industry](#)

8 [RSA Urban Futures Commission](#)

Figure 1: Gross Fixed Capital Formation by industry EMCCA 2010-2020

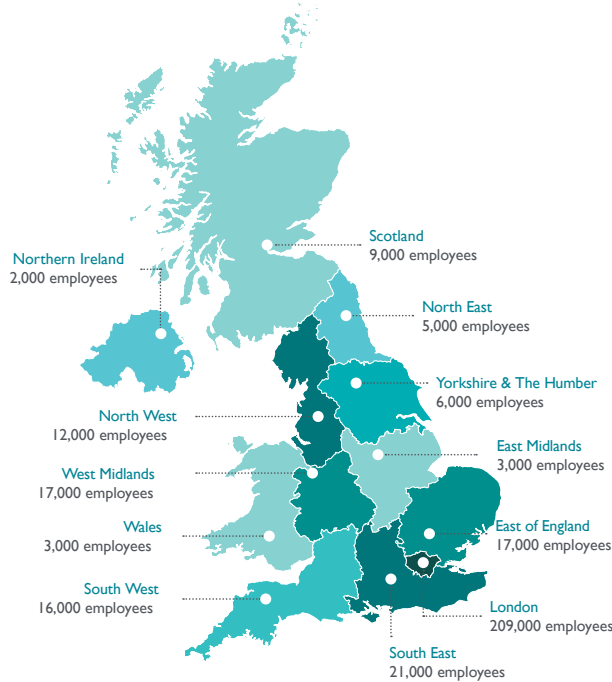


Alongside the relatively low quantum of investment, the East Midlands currently has relatively shallow local pools of financial capital and expertise, including venture capital and private equity firms, whose investment is required to support a strong start-up and scale-up business

environment. This is not unique to the East Midlands; these firms have a disproportionate focus on London and the south of England. However, the presence of local venture-capital-backed businesses in the East Midlands is noticeably low.

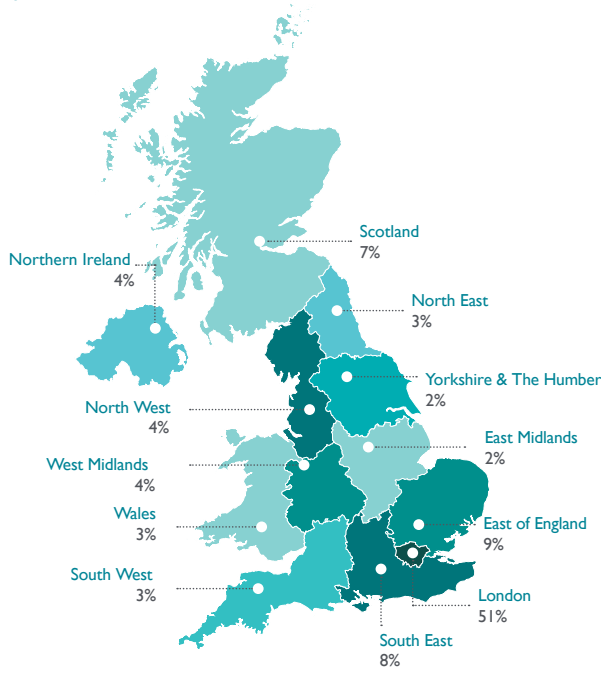
Figure 2: Venture capital investment neglects the East Midlands⁹

Employment across venture capital backed businesses by nation and region



Note: Employment allocation to UK nations and regions is a high-level estimate based on the headquarters location of each company
 1 Economic contribution of UK private equity and venture capital 2023/
 2 UK Government press release

Proportion of companies backed at venture stage by General Partners in 2023



Note: Figures are rounded to the nearest percentage

9 Brit Venture capital in the UK

Mobilising private capital for inclusive growth

The UK government has introduced a range of measures designed to unlock more investment into the country's cities and regions. These include:

- The launch of the National Wealth Fund in 2024, with £27.8bn on its balance sheet for investment in the UK, and a mandate to mobilise private investment at a target ratio of 1:3 (i.e. £3 of private investment mobilised for every £1 of public investment).¹⁰
- The British Business Bank was allocated an additional £10bn of capital as part of the Industrial Strategy announced in June 2025, increasing its total financial capacity to £25.6bn, in support of its mandate to support start-up and small businesses in the UK and to crowd in private capital.¹¹
- The Chancellor's recently announced Leeds Reforms are designed to encourage more retail investment into UK companies and allow the inclusion of Long Term Asset Funds in stocks and shares ISAs.¹²



Nottingham skyline

- The Mansion House Accord is a voluntary commitment by seventeen of the UK's largest defined contribution pension providers to invest 10% of their main default funds into private markets, with 5% into the UK. This implies that total assets under management invested into UK private markets would increase from £10bn to £37bn.¹³
- The Pensions Scheme Bill leaves open the possibility of a mandatory 5% target if the voluntary commitment is not met and proposes consolidation of UK local authority and defined benefit pension funds, providing the scale to allow asset owners and managers to allocate to sectors traditionally regarded as too risky.¹⁴

These initiatives will complement efforts already underway in the East Midlands to attract more private investment at scale to the region. In addition, the Inclusive Growth Commission has identified a set of enablers which could support and amplify these efforts. These underlie our recommendations:

- 1 Blended finance, using public investment and other de-risking mechanisms to crowd in private investment, including the potential launch of a new public-private investment vehicle.
- 2 Social finance, replicating successful initiatives in the East Midlands and the rest of the UK which seek to generate positive social impact as well as a financial return.
- 3 Stakeholder engagement, through strong leadership, building the narrative and networks which will support a sustainable inward investment model for the region.

¹⁰ HM Treasury, policy paper, National Wealth Fund: Mobilising Private Investment

¹¹ British Business Bank total financial capacity increased to £25.6bn

¹² Leeds Reforms to rewire financial system, boost investment and create skilled jobs across the UK

¹³ <https://www.pensionsuk.org.uk/Policy-and-Research/Document-library/Mansion-House-Accord>

¹⁴ <https://bills.parliament.uk/bills/3982>

Enabler 1 – blended finance

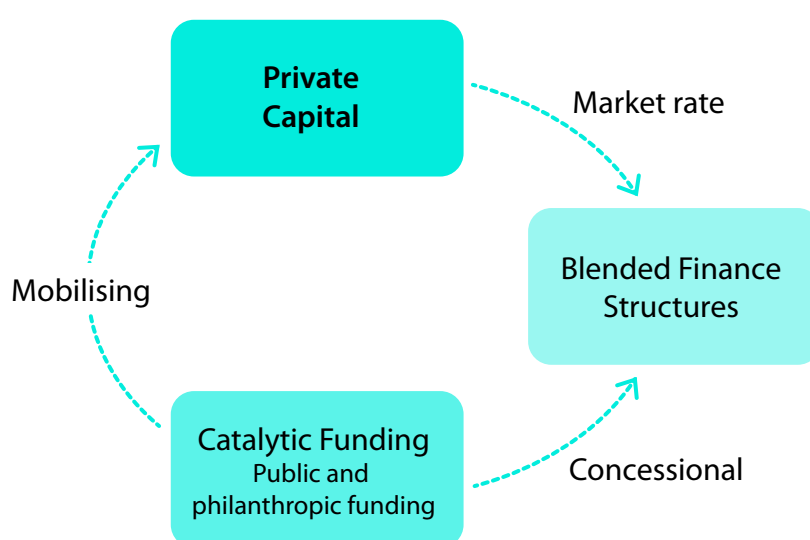
Blended finance is used in a range of settings and at different scales – both within and outside the UK – to deliver more investment into policy priorities such as housing. Expanding its use in the East Midlands could crowd in significant amounts of new private investment into the region.

What is blended finance?

Blended finance combines private capital in search of a financial return with other, often more risk-tolerant 'catalytic' capital from public or philanthropic sources. This approach allows public investors, such as central government or Local and Combined Authorities, to take advantage of investor appetite for savings and investment products that deliver positive socioeconomic benefits alongside capital appreciation or income yield.

Figure 3: Key elements of blended finance¹⁵

Combining private capital in search of an investment return with other more risk-tolerant 'catalytic' capital



Blended finance has traditionally been deployed more in development finance contexts than in developed markets such as the UK, although the US and EU have rolled out significant blended finance programmes in recent years. Emerging markets have provided testing grounds for a range of successful blended finance approaches, such as loan syndication platforms, like the International Finance Corporation's Managed Co-lending Portfolio Program, and co-investment by government entities and commercial asset managers.¹⁶

For a regional authority such as the East Midlands Combined County Authority, there is a range of blended finance options which could direct more investment into growth priorities such as housing or transport. Blended finance instruments which would be relevant in this context include direct investments, joint ventures or other financial instruments such as long leases and loans.

¹⁵ HM Treasury, policy paper, National Wealth Fund: [Mobilising Private Investment](#)

¹⁶ For more detail, see Sarah Gordon, [Investing in our future: practical solutions for the UK government to mobilise private investment for economic, environmental and social policy priorities](#)

Case Study:

Sizewell C – multi-billion-pound blended finance for the clean energy transition

In July 2025, the UK government announced the £38bn final investment decision for Sizewell C, a new nuclear plant on the Suffolk coast which is expected to deliver power to the equivalent of 6m homes. At peak construction, Sizewell C will support 10,000 jobs directly employed in the project, and many more in the nationwide supply chain, as well as creating 1,500 apprenticeships. 70% of the value of construction is set to be awarded to British businesses – Sizewell C Ltd anticipates it will have 3,500 UK companies in its supply chain.

The government will take an initial 44.9% stake to become the single biggest equity shareholder in the project, with other shareholders including La Caisse with 20%, Centrica with 15%, EDF with 12.5% and Amber Infrastructure with an initial 7.6%. France's export credit agency, Bpifrance Assurance Export, will provide a £5bn debt guarantee to back the company's

commercial bank loans. Alongside this investment, the UK's National Wealth Fund is making its first investment in nuclear energy, providing the majority of the project's debt finance, working alongside Bpifrance Assurance Export.

The Sizewell C project is consolidated to the government's balance sheet, meaning that all investment from the government and new investors is on the balance sheet (unlike the majority of Private Finance Initiative (PFI) assets). The total equity and debt finance made available exceeds the target construction cost of around £38bn (2024 prices), which the government believes will act as a safeguard for taxpayers in case of overruns, as will the fact that investors will lose potential revenue in that event.

Source: [Gov.UK press release Sizewell C gets green light with final investment decision](#)

Whilst Sizewell C is a multi-billion-pound blended finance initiative, there exist plenty of examples of smaller scale initiatives, which have proved highly effective in delivering on their goals, and an increasing number of specialist investment firms, with a successful track record of designing and implementing place-based blended finance initiatives.

In addition to these examples, there is a range of blended finance investment vehicle models which the East Midlands Combined County Authority could explore, building on the track record of successful initiatives elsewhere in the UK, such as the £500m Mayor of London's Energy Efficiency Fund¹⁷, or Bristol City Leap, a multi-year public-private partnership.

“Our aim is to crowd in private investment when it isn't already flowing, to provide funding where it is hard to come by, or where we can unlock further funding.”

– Joanne Patrick, Head of Impact Funds (UK), Amber Infrastructure.

¹⁷ Amber Infrastructure internal presentation. For more information see [Mayor of London website](#), [Mayor of London's Energy Efficiency Fund](#)

Case Study:

Crowding in institutional investment at scale for the net zero transition

The English Cities Fund is a £400m joint venture established in 2001, to drive greater institutional and private investment into English towns and cities. It has one public and two private partners: Homes England (50%), Muse Developments (25%) and Legal & General (25%). Since it was established, it has progressed schemes worth about £1.6bn in Liverpool, Salford, Wakefield, Canning Town and Plymouth, focusing on challenging, often stalled sites that other investors would not take on.

Homes England identifies strategic sites and supports early-stage viability, helping de-risk projects and attract investment, L&G brings patient institutional capital, while Muse delivers development capability. Regeneration projects are delivered in collaboration with local authorities and public bodies.

Flagship developments:

- Salford Central, Greater Manchester: £2.5bn regeneration, creating a 240-acre new commercial district and up to 7,000 new jobs.
- Millbay, Plymouth: £215m Gross Development Value* delivered; 600 new homes, new office and retail space and “refreshed” public realm.
- Canning Town, London: £200m GDV delivered; 650 new homes, two public squares, and a new home for the historic Rathbone Market.

Over the lifetime of the fund (to 2026), the potential to generate social impact has been identified as 20,000+ jobs; 4,500+ sustainable homes; >145,000 sq ft of community facilities; 420,000 sq ft of retail and leisure space to support education, health and wellbeing and social infrastructure, and £400m in Gross Value Add per annum.

*Gross Development Value refers to the estimated total market value of a development project once it is completed.

Source: L&G internal presentation. For more detail see [English Cities Fund website](#)



Chesterfield town centre

**The East Midlands
Combined County Authority
and blended finance**

Existing models provide potential blueprints for an East Midlands-specific blended finance regional investment fund. These include the English Cities Fund (see case study above) and the West of England Combined Authority’s new Green Growth West Fund.

Social impact investment encompasses loans, equity investments, funds and specialist products such as outcomes contracts, where the public commissioner makes payments wholly or in part based on the social outcomes achieved. Some of the areas where social impact investment can be particularly effective include health and wellbeing, social and affordable housing, financial inclusion and community resilience.

**Case Study:
Green Growth West Fund**

The Green Growth West Fund was launched in 2024 by the West of England Mayoral Combined Authority, with an initial £10m of investment and the target of mobilising £90m of further public and private investment into the fund over a two-year period. Management of the fund was put out to tender to

commercial fund managers, with the mandate won by Amber Infrastructure. The fund is supported by the place-based impact investor, BBRC, which provides investment readiness services, including identifying investment opportunities. and attracting investment to the region.

Enabler 2 – social finance

The Inclusive Growth Commission also identified opportunities for more social impact investment to support the region’s inclusive growth agenda, particularly around housing and support for social enterprises.

The East Midlands Combined County Authority has an opportunity to support social impact investment in several ways. In addition to the examples provided below, introducing a commitment to procure from local social enterprises and SMEs could have a significant impact. This is already encouraged by the 2013 Public Services (Social Value) Act.¹⁹

What is social impact investment?

Social impact investment describes the targeting of capital towards business models and assets that seek to contribute to solutions to the UK’s societal challenges, helping to build stronger communities and improve lives. It can be defined by an intention to create measurable social benefit, alongside a financial return.¹⁸

18 For more detail, see [Better Society Capital](#) “What is social impact investing”

19 The Public Services (Social Value) Act requires people who commission public services to think about how they can also secure wider social, economic

and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

Case Study:

Community resilience investments

Social enterprises, charities and small businesses play an important role in their communities. They support vulnerable people, create jobs and contribute to the local economy. Many viable and sustainable enterprises struggle to access affordable finance from mainstream finance providers. This is because they may be unable to offer a 'security' to back the debt, they may lack a track record, and traditional lenders perceive them to be high risk.

Providing manageable and appropriate finance can enable organisations to achieve much needed impact within

their own communities. Examples of organisations which have taken social investment to help improve service delivery within their communities are Food Works, a social enterprise tackling food waste in Sheffield, and New Leaf CIC in Birmingham, a community interest company which helps people facing complex barriers to employment find work. Community resilience can also be supported through investment into Community Development Finance Institutions, which lend money on to small businesses which drive the local economy and create jobs in underserved areas.

Source: L&G internal presentation. For more detail see [Better Society Capital](#)

Some of the benefits of using a social impact investing approach are that it allows Local or Combined Authorities to use grant funding in a different and potentially more efficient way. Rather than simply awarding a grant, funding can be used to catalyse private investment and, in some cases, to deliver a financial return to the authority.

A typical approach is for an impact investing firm to work with a Combined Authority to identify a central government grant pot that could be used by the CA to invest in an appropriate fund and then attract matching private capital. One example is the £950m grant funding allocated in the recent Comprehensive Spending Review for Local and Combined Authorities to bid into MHCLG to provide temporary accommodation.²⁰

For capital projects, the CAs can also borrow from the Public Works Loan Board (PWLB) to bring further leverage

capacity.²¹ A further advantage is that, if invested in an appropriate equity fund, the grant is defined as an equity investment, remains as a net asset on the Combined Authority's balance sheet and is, in most cases, repaid.

Social impact investment provides a different, more inclusive, way of thinking about how to tackle a specific social challenge, for example not just providing temporary housing but seeking to deliver a permanent route out of homelessness. There are numerous potentially replicable models for the East Midlands Combined County Authority to use, building on initiatives underway both within and outside the region.

In particular, the East Midlands Combined County Authority may wish to consider how social enterprise and social investment opportunities can support the large-scale projects described in the "investment opportunity" section above.

"In order to deliver lasting change in communities, we believe that it is essential that people feel able to access opportunities and reach their potential. Community and social enterprises are key to this, since they are able to reach people in unique ways and provide tailored and long-term support to enable them to move forwards. However, they themselves require the 'right money, at the right time' to develop and grow their business models, so that they can deliver their services and impact in a sustainable way. This is where social investment has a role to play, providing appropriate finance and support, particularly to those unable to access commercial finance."

Matt Smith CBE, CEO, Key Fund

20 [Local Authority Housing Fund 4th round](#)

21 [United Kingdom Debt Management Office, PWLB lending facility](#)

Case Study:

Supported housing – community regeneration and financial return

Specialist impact investor Resonance, through its Supported Homes Fund, provides supported housing for people with learning disabilities and autism across England, including in Mansfield in the East Midlands. The fund acquires and refurbishes properties to create suitable living spaces, partnering with specialist housing and support providers who then offer support and tenancy management. The aim is to enable independent living within the community, close to amenities and facilities.

The benefits of the investment go beyond the support it provides to vulnerable

people. In Mansfield, the property the fund has purchased and refurbished is a former night club that had been empty for a number of years and the project thus also supports town centre and high street regeneration.

The open ended “evergreen” Supported Homes Fund raised £15.25m from four investors, including Oxfordshire County Council and Greater Manchester Combined Authority, providing a replicable pathway for the East Midlands Combined County Authority to follow. The yield is 6.4%.

Source: [Resonance, Supported Homes Fund impact report 2023-24](#)

Case Study:

The Key Fund – lending to social enterprises

The Key Fund invests in community and social enterprises in the North and Midlands of England, that have traditionally been excluded and turned down by mainstream lenders. In its 2024 financial year the fund invested nearly £4m in loans and grants to 100 organisations, leveraging a further £4m in additional financing. Over 70% of these investees were based and operating in the top 30% most deprived communities.

Organisations the Key Fund supports in the East Midlands include:

CAST Angling Project: using fishing and hands-on work to spark and sustain young people's interest and motivation in learning new skills and pursuing their objectives, helping them progress into successful future pathways. The Project delivers training in small groups in a way that promotes empowerment and personal responsibility, acknowledging achievements through national qualifications such as BTECs. The project is financed through a mix of grants, social investment and contracts.

Source: [The Key Fund](#)

Belong Nottingham: promoting the effective integration of migrants, refugees and asylum seekers into British society, by providing support, information and guidance on four main areas: employability and careers advice; learning and education; welfare rights and health and community development. Funders include Nottingham City Council, the National Lottery Community Fund and A B Charitable Trust.

Communities Inc: helping people to make connections that build a sense of community. Examples of projects it delivers include Future Leaders of Nottingham, working with Nottingham City Homes and Nottingham City Council on a citywide positive action programme, which identifies diverse future leaders from organisations across the city and supports them to gain the skills, knowledge and experience needed for senior management and board positions. It earns revenue from contracts and sales, as well as receiving grant support.

Case Study:

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Source: L&G internal presentation. For more detail see [Better Society Capital](#)

Enabler 3 – stakeholder engagement

In addition to specific initiatives to encourage more private investment at scale and into social finance, the Inclusive Growth Commission identified a set of critical actions to support these initiatives. Research into best practice in attracting private capital and working successfully with private investors to address public policy priorities corroborates the Inclusive Growth Commission's findings and has emphasised the overriding importance of:

- 1 A compelling narrative, to make clear the distinctive offer the East Midlands presents to a range of different investors.
- 2 A partnership model, to build trusted relationships between the East Midlands Combined County Authority, investors and community representatives.
- 3 Brave leadership, to provide the clear strategic direction that investors need to commit their capital with confidence.

The East Midlands Combined County Authority has a real opportunity to deliver on these goals. But strong leadership and the commitment to building a network of relationships across the investor

community are key to doing so. Ideally an investment lead and/or team at the East Midlands Combined County Authority will be put in place and will remain in post over several years. This team would be able to establish and sustain the necessary relationships with private investors, building on the work of the Investor Advisory Group established by the Inclusive Growth Commission. Additional steps to support this goal are listed in the next section.

The value propositions which most of the UK's combined authorities present to institutional investors are very similar and it will be important for the East Midlands to develop a more compelling "brand" and narrative to make clear its comparative advantage. This would be supported by the data analysis tools which the Inclusive Growth Commission has developed in its Opportunity Escalator, including the transparent identification of skills and transport availability. The offer could build on initial ideas suggested by the Investor Advisory Group, including:

- Developing a "brand" profile which highlights the advantages for institutional investors of investing in the region e.g. "The East Midlands appeals to institutional investors with its strategic central location and a diverse, pro-growth economy anchored by a strong pipeline of

Mobilising private capital for inclusive growth

investment opportunities in advanced manufacturing, clean energy, and logistics, all of which are coordinated for the benefit of institutional investors through the newly established and consolidated East Midlands Combined County Authority.”

- Building a reputation for being the most welcoming, pro-active combined authority with which institutional investors can work, by establishing and supporting an investment team, a pipeline of investable projects and a friction-free project approvals process.
- Developing a clear proposition of the additional benefits of working with the East Midlands Combined County Authority, for example: clarity and stability of long-term vision; willingness to deploy blended finance models.

Models elsewhere in the UK, for example Bristol City Leap²², suggest that private investors’ willingness to commit funds depends critically on a long-term (10-30 year) partnership plan and vision.

It will also be key to strengthen relationships with local pools of investment capital, such as pension funds, building on examples such as the collaboration between the Greater Manchester Pension Fund and the combined authority in that region.

“What we need to create a sustained investment partnership is a [public] partner who is aligned with our values, has an appetite to innovate and, most importantly, can provide ‘can-do’ political and institutional leadership. So much of the success of these partnerships depends on building strong relationships.”

– Julia Goldsworthy, Head of Social Impact Investment, Legal & General, and member of the Inclusive Growth Commission’s Investor Advisory Group



Woodland trail in the Peak District

²² [About Bristol City Leap](#)

Case Study:

Greater Manchester Pension Fund (GMPF)

GMPF takes a place-based impact investment approach which integrates financial returns with positive local impact by addressing specific place-based priorities. The model, as described by The Good Economy, is based on four core characteristics: (1) defining place and understanding local priorities; (2) collaboration and stakeholder engagement; (3) intentionality to create positive impact and (4) impact management and reporting.

GMPF has a dual-objective investment strategy: achieving financial returns in line with its fiduciary duty while delivering positive regional impact. Key highlights include:

- 1 Leveraging devolution funding to build local place-based impact investing capacity.
- 2 A dedicated multi-asset local investment allocation which is opportunity-led and targets investments in housing, commercial real estate, SME finance, clean energy, social infrastructure and social investment.

- 3 A long-standing and collaborative working relationship with the Greater Manchester Combined Authority (GMCA), underpinned by political stability, clear investment parameters, strong governance, and innovative blended finance models. Key to attracting pension investment is the fact that GMCA used its 2015 devolution funding to build in-house investment capability and seed revolving funds to catalyse private investment, including from GMPF.
- 4 Annual impact reporting to provide transparency and accountability to all stakeholders.

Over the years, GMPF has built a balanced, multi-asset portfolio comprising investment in SME finance, commercial real estate, residential housing, social and green infrastructure, and social investment. Two thirds (66%) of investment is located in Greater Manchester and the North West, demonstrating GMPF's role in the region's local economic and sustainable development.

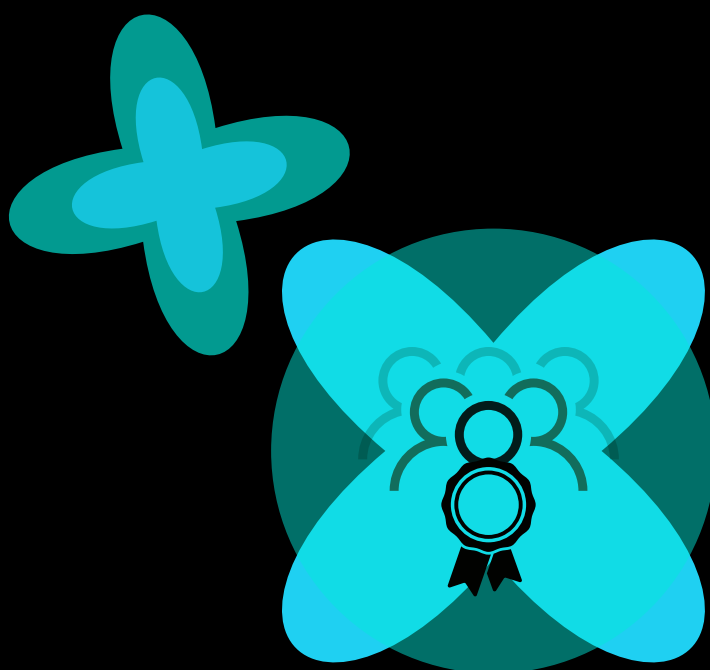
Source: L&G internal presentation. For more detail see [Better Society Capital](#)

The size of the prize

EMCCA needs more investment each year to reach its potential. To close the investment gap with the best performing region outside of London and the southeast would mean a trebling of investment levels, or £18 billion more per year. If the region sustained that uplift, it could generate about £211 billion extra for the economy by 2035 in today's money, once the multiplier benefits of public investment are included.



MAIN RECOMMENDATIONS: THE ROLE OF THE COMBINED AUTHORITY



8 Main recommendations: the role of the Combined Authority

Throughout this report, the Inclusive Growth Commission has made recommendations on how the East Midlands Combined County Authority can work with its partners – in national government, locally, and internationally – to deliver a vision of inclusive growth for the region.

These recommendations span industrial policy, education and skills, spatial planning, and unlocking private investment alongside how to foster greater social capital, better outcomes for people with health conditions, and a more equitable housing system for those in acute housing need. Each section of our report delves more deeply into these areas and tries to identify the main ways that the Combined Authority can intervene and collaborate to achieve inclusive growth.

Our overarching top 10 recommendations for delivering inclusive growth are summarised below. In this section of the report, we reiterate some of the main ways that the Combined Authority can help to deliver this vision for inclusive growth.

In the Chapter 9, we highlight the ways that business and civil society can mobilise behind the inclusive growth vision, and in Chapter 10 we set out what will change in the real world if the vision is realised – and some metrics that could be used to measure this over time.

The Commission's 10 leading recommendations:

The Combined Authority should...

1. ... develop an inclusive Local Growth Plan that recognises the value of industries beyond the 8 'superstar sectors' in the national Industrial Strategy. This plan should be based on insights that the Opportunity Escalator analysis has generated for local areas – focused on the industries and skills needed for inclusive economic growth.
2. ...lead region-wide strategic co-ordination of industrial policy and skills system – involving employers, education providers and the voluntary sector. To ensure that the Opportunity Escalator insights are used to inform the approach, there should be a dedicate team in the Combined Authority who can help different users to benefit from its insights.
3. ...make an East Midlands Youth Ambition to all children in the region of guaranteed careers advice, experiences of work and mental health support, to build aspiration and support learners into adult life and work.
4. ...develop a Good Employers Charter to encompass: 1) contributions towards meeting the East Midlands Youth Ambition, 2) a commitment to partnering with the Authority to deliver the Opportunity Escalator vision, and 3) an enhanced focus on flexible employment for those with health conditions.
5. ...develop a local transport plan that prioritises linking places up to their nearest source of economic gravity to maximise inclusive growth opportunities for local workers – both inwards and outwards from the authority area – working with neighbouring mayors where appropriate.
6. ...prioritise affordable housing near to strategic employment sites to broaden access to well paid jobs for those in lower income deciles – using the full range of levers available.

7. ...act now to shape the neighbourhood health teams and hubs model: convening and direction towards
1) joined-up commissioning on prevention, 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
8. ...develop the first ever Mayoral strategy to build social capital: focused on bonding and bridging capital to improve social mobility and wellbeing.
9. ...unleash social entrepreneurs by finding ways to back individuals and community groups through the long, difficult process of applications/funding bids.
10. ...take a 'whole place' approach to mobilising private investment – with a dedicated investment team that partners with investors from the beginning, backed up with vehicles to unlock social and environmental outcomes.

Across these 10 recommendations, there are 3 key 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 East Midlands Combined County Authority area sits at the heart of England, and parts of the region are highly connected to nearby centres of economic activity like Manchester, Birmingham, Sheffield, Leicester, and Lincoln. A key part of the role of the mayor and Combined Authority is building pan-regional partnerships with neighbouring strategic authorities and mayors around areas of shared economic interests.

This means developing joint approaches on key transport links and common industrial interests, to help deliver on economic growth priorities that span any single region.



Main recommendations: the role of the Combined Authority

Empowering the EMCCA to deliver

The Combined Authority, like any unit of government, will always have to balance competing objectives, funding constraints, capacity constraints and the opportunity costs of different courses of action, but it is clear that it plays a central and guiding role in outlining the vision, and delivering the reality, of inclusive growth in the East Midlands.

In order to make good on this vision, the Commission contends that 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 the newly-formed Combined Authority model – a leading example of how to achieve a meaningful inclusive growth strategy for a ‘polycentric’ region.

A region like this needs the powers and toolkit commensurate with its size and importance – grounded in the priorities of the inclusive growth strategy.

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.

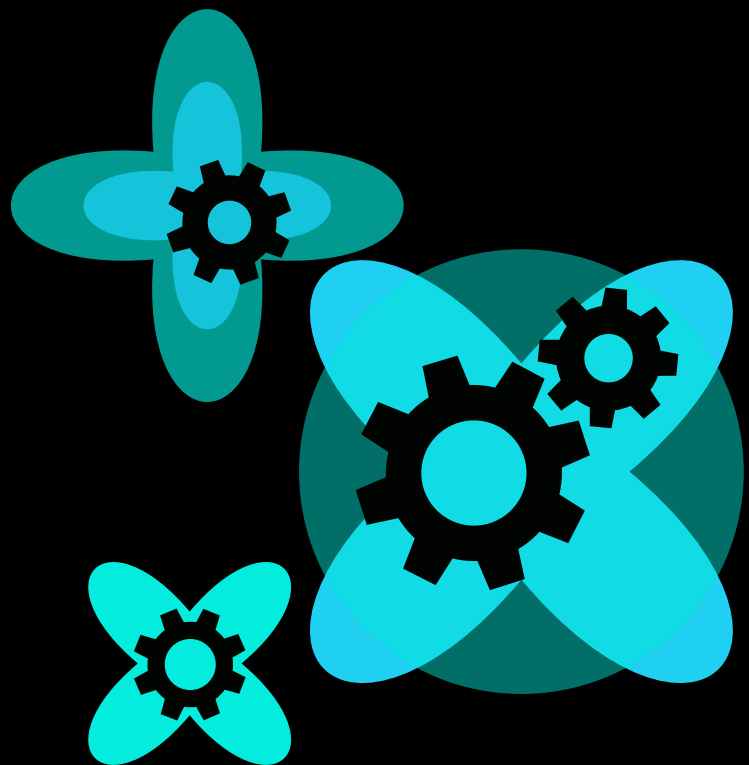
In return for this package of powers and funding, the Commission believes that the Combined Authority and its partners can help to unlock the national growth mission, reduce worker inactivity, reduce the regional welfare bill, increase UK exports and contribute more in tax revenues to fund public services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

It is the Inclusive Growth Commission’s view that 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 – and that this is an opportunity for the current government to show that its devolution agenda is not just about delivering for the big city regions, but empowering the whole new crop of mayors and combined authorities to be able to deliver for their people, their places, and their unique economic geographies.





MOBILISING COALITIONS FOR INCLUSIVE GROWTH



9 Mobilising coalitions for inclusive growth

The Combined Authority cannot make good on inclusive growth aspirations for the East Midlands alone. Its goals must be shared by the wider system – public, private and civil society sectors alongside residents – and achieving them needs to be a collective endeavour.

The case studies in this report feature successful practice across all parts of the Commission's recommended approach to inclusive growth. However, a common ingredient for success running through all the examples is collaboration across a variety of actors – coalitions for change.

Collaboration across the East Midlands system should be hardwired into EMCCA's approach.

It follows that:

- EMCCA will need to partner widely and build coalitions of actors from across the system around the region's inclusive growth goals if they are to be met.
- Support should be nurtured through an open approach to building partnerships, ensuring actors across the system have a hand in shaping initiatives.
- A partnership approach is dependent on the openness of organisations across the East Midlands to lending their support. This support should be recognised and rewarded.
- Ensuring these coalitions are impactful and accountable for a system as large and complex as the East Midlands will require formalised and well-resourced initiatives. It should not be assumed that the Combined Authority will be always or solely be in the lead, or able to provide funding for these initiatives; wider society and business need to mobilise behind them.

These principles sit at the heart of several of the Commission's recommendations.

Public, private and civil society institutions working in partnership will be central to supporting people onto the Opportunity Escalator:

- Building aspiration amongst young people through the **East Midlands Youth Ambition**.
- Harnessing the potential of a **neighbourhood health hubs** to reroute people from the path to acute illness towards sustainable work with good pay and conditions.
- Regenerating **social capital** by growing important connections within and across communities, and rebuilding as trust in institutions.
- Recognising and rewarding businesses that help to deliver the aims of the Opportunity Escalator approach through a **Good Employers Charter**.

Meanwhile, ensuring people can get up the Opportunity Escalator will require partnership across the system, from learning providers responding to skills gaps that are identified, to employers embracing non-traditional career paths and personal circumstances when recruiting with the Combined Authority providing clarity and stability in setting its industrial policy for the region.

Finally, the structures that have been seeded through the Commission's work should be taken forwards by the Combined Authority and evolve as needed for the work of delivering inclusive growth – including our Expert Advisory Group and the Investors Advisory Group.

Case Study:

The Bristol One City Initiative

The Bristol **'One City'** initiative is a unique governance model that brings together public, private, and third-sector partners to address the city's long-term challenges. Launched in 2019, it's not a plan owned solely by the local council but a collective effort to make Bristol a "fair, healthy, and sustainable city" by 2050. It remains in place today, with annual revisions and ongoing projects.

Building Local Coalitions

The 'One City' initiative's core strength lies in its ability to build and sustain local coalitions. It empowers various actors to collaborate on shared goals. This is structured through the **Bristol City Office** and a series of **Thematic Boards** that oversee six key areas:

- **Homes and Communities**
- **Health and Wellbeing**
- **Children and Young People**
- **Economy and Skills**
- **Environment**
- **Transport**

These boards are comprised of influential stakeholders from diverse sectors, including city officials, business leaders, academics from local universities, and representatives from the voluntary and community sector. The collaboration is not just about consultation but about co-designing and delivering projects. For instance, the initiative's climate goals are guided by the **Bristol Advisory Committee on Climate Change**, an independent body of experts.

Achievements and Impact

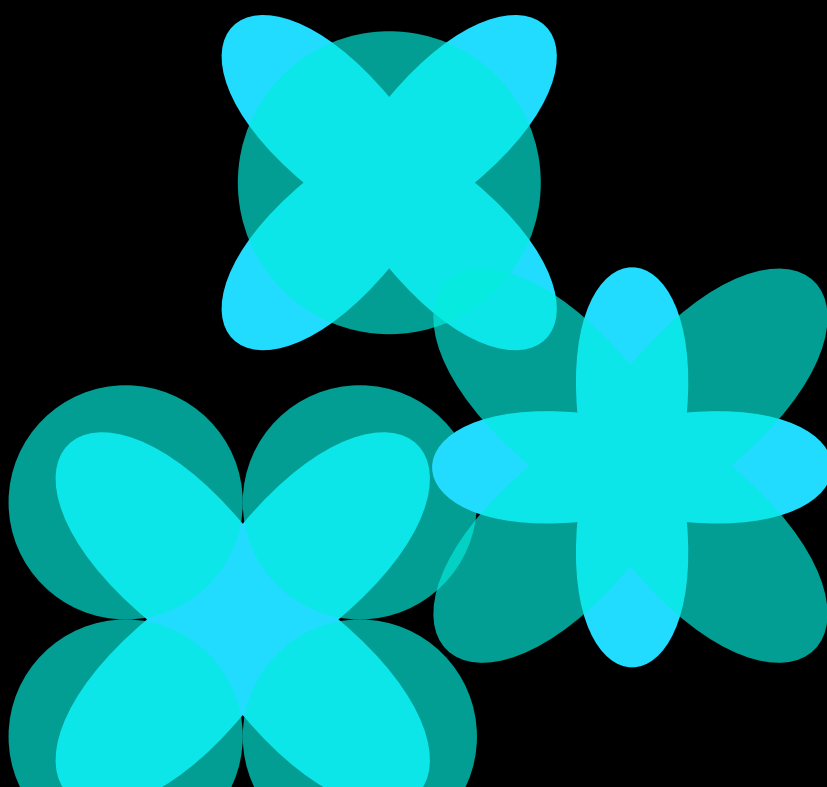
The 'One City' approach has resulted in several successful, collaborative projects that would have been difficult to achieve through traditional governance methods.

- **COVID-19 Response:** The pre-existing network of City Partners enabled a swift and coordinated response to the pandemic, facilitating quick information sharing and resource mobilization across the city.
- **Period Poverty:** The "Period Friendly Bristol" initiative brought together multiple One City Boards and stakeholders, including businesses, to create a city-wide donation and distribution network for menstrual products.
- **Climate Action:** The One City Plan is aligned with the UN Sustainable Development Goals and sets ambitious targets for Bristol to become carbon neutral and climate-resilient. This has led to the creation of the Bristol City Leap partnership, a 20-year collaboration with private sector firms to attract over £750 million in investment for low-carbon infrastructure projects. The city has also received international recognition, including the EU Mission Label for Climate Neutral and Smart Cities, a testament to the credibility of its collaborative climate plans.
- **Tackling Inequality:** Initiatives like **OurCity2030** have been launched under the 'One City' umbrella, aiming to provide pathways for young people from underrepresented communities to secure jobs with a median salary. This project involves a partnership between businesses, community partners, and education providers.

The Bristol 'One City' initiative is still very much active and evolving. The **One City Plan** is not a static document; it is reviewed and updated annually to reflect changing circumstances and new challenges, such as the ongoing cost of living crisis. The model has proven resilient and adaptable, with key partners demonstrating a continued commitment to the collaborative approach. The plan itself is a **collective product**, owned by the city's partners rather than the council alone, ensuring its long-term viability and impact.



THE EAST MIDLANDS IN 2035 – A VISION OF INCLUSIVE GROWTH



10 The East Midlands in 2035 – a vision of inclusive growth

The Inclusive Growth Commission's work has been long term, and broad in scope. For the Commission's recommendations on how to achieve inclusive growth truly to feel tangible, it is useful to set out what success might look like over a time horizon that people growing up or working the region today can imagine.

The Commission's analysis highlights a huge opportunity for the East Midlands: following the Opportunity Escalator approach for the region's top 18 new industrial sites could boost 30,000 low-earners' wages by £6,700 a year. The prize for places that are better linked up to opportunities is substantial. Our analysis suggests that three times as many workers in Mansfield could be employed in these new jobs if the town was better linked to the industrial sites in the Trent Arc.

Alongside this, building social connections for greater income mobility could mean £1.4bn in additional earnings for the poorest residents over the next decade, and closing the region's investment gap could unlock £200bn in economic benefits by 2035.

The East Midlands, like the rest of the UK – and to some extent the rest of the globe – is facing a set of major challenges the responses to which will define what life is like in the region for the coming decade, and set the path beyond that – automation, the rise of Artificial Intelligence, climate change, and an ageing population.

This closing chapter of our report is intended to highlight some of the outcomes which, if achieved, would signal that the East Midlands has chosen a more inclusive approach to economic growth, and had already felt its benefits.

A healthier, happier, better paid workforce

Our report has shown that health, happiness and good work are inextricably linked. Having a working Opportunity Escalator in place means helping people to get on and get up. If the Opportunity Escalator approach is placed at the heart of how local government, businesses,

educators and workers collaborate in the East Midlands, then all three outcomes could be achieved.

People living and working in the East Midlands should have a better sense of the options that are open to them across the range of industries and occupations, and the pathways they can follow to move up to higher skilled work and better pay. There should be no 'dead end' jobs, and people should know how they can keep their skills up to date in the face of changing technology and new modes of production. Wages, wellbeing, and healthy life expectancy would all be higher than they are in 2025, and the East Midlands would have closed or eliminated the gap with the best performing areas in the UK.

Children growing up in the East Midlands would also have a stronger sense of what opportunities are open to them locally, and the value of engaging with them. Graduates would remain in the area after studying. Parents and the wider community would be involved in supporting children to achieve their full potential, and local employers would feel they have a stake and role in shaping the skills and experiences that school-leavers take with them into the world of work.



What we should see:

- More people staying in the region to work after study
- Improved skills levels and better skills matching for workers
- Higher social mobility and wage progression
- Longer healthy life expectancy and lower health-related worker inactivity

Transport and housing that works for people and the economy

The Commission's work has helped to set out the principles for a transport and housing approach that maximises the economic opportunities for different people and places in the region.

For local people to benefit from growth, they need to be able to live near to, or travel easily to, the places where better paid jobs are located. Sometimes this will be city centres, but sometimes it will be industrial sites located outside the urban centres. The remote working revolution has released some workers from the need to be based on a specific site, but there will continue to be huge swathes of the economy that are irreducibly 'in person'.

In 2035, the East Midlands should be serviced by a clean, affordable public

transport system that will take workers from their homes to their places of work – whether those places happen to be within the region, or to lie outside its borders.

The Mayor and Combined Authority will have worked in partnership with neighbouring authorities to ensure that people can benefit from the growth that will happen in neighbouring towns and cities, with convenient, simple timetabling, and low-friction ticketing and fares.

Meanwhile, those wishing to live closer to their places of work would benefit from affordable, sustainable housing that is specifically aimed to improve access to local economic opportunities for lower earners. This will mean the Combined Authority and its partners making explicit choices about where to target limited funding for affordable housing provision so that it is shaped around where new jobs and activity will be.

What we should see:

- More workers able to access key employment sites by public transport
- Affordable housing with commuting distance of new employment sites
- Pan-regional partnerships to increase accessibility and employment opportunities for East Midlands workers to benefit from economic growth in neighbouring regions



Stronger places, with nowhere left behind

Our report has shone a light on the importance of place, social connections and community to economic outcomes and recommended the first ever mayoral strategy to improve social connections for inclusive growth.

With healthcare, employment services and support networks embedded deep in the community, people would know who to go to for support when they need it and would trust both their neighbours and their local institutions more. This has the potential to create a virtuous circle of stronger civic participation, stronger communities, higher quality social connections, and in turn, better economic outcomes evidenced through higher social mobility.

Individuals who want to make a positive change in their community would be backed up and supported to do so.

And while different places in the East Midlands will continue to face different economic opportunities and challenges, each will have been empowered to follow a path that will put its residents in the best position to benefit from economic growth – whether that growth is driven by cutting edge technologies, human creativity, a thriving visitor economy, or applying modern, sustainable farming practices.

What we should see:

- Greater co-location of services at the neighbourhood level, with joined up provision
- Stronger community ‘bonding’ and ‘bridging’ capital
- Increased civic participation rates and trust in institutions

A proud and distinctive East Midlands story

Our report has shown that the East Midlands has a rich heritage and is brimming with potential. Its people, its assets, and its history – all point to a region that can become more than the sum of its parts – a magnet for investment and high-skilled industry, with a strong foundational economy that employs people in secure and rewarding work. By 2035, the East Midlands should have closed the investment gap that exists between it and the best performing regions outside of London and the southeast and have a clear regional identity that engages residents and external investors alike.

This will take sustained collaboration between people, businesses, civic organisations and government – coalitions for change that outlast electoral and business cycles, and can stay focused on the prize of inclusive growth. Though coalition members may come and go as time passes and priorities evolve, the sign of success will be that they continue to coalesce around an agreed set of long-term outcomes.

The East Midlands has an opportunity to be a beacon of success for places that do not conform to the simple inside-outside, city-region geography – a region that manages to combine urban development with industrial regeneration, nature conservation with a world class visitor offer, and to maintain the character and charm of its rural places, while connecting people there with opportunities that lie on their doorstep so that all can feel part of a distinctive East Midlands story.

What we should see:

- Capital investment flows that match the best performing regions outside London
- Coalitions for change that have sustained and delivered meaningful outcomes for local people, as with the Bristol OneCity Initiative
- Improved recognition of the East Midlands as a place, and how it is achieving inclusive growth

Table of key recommendations

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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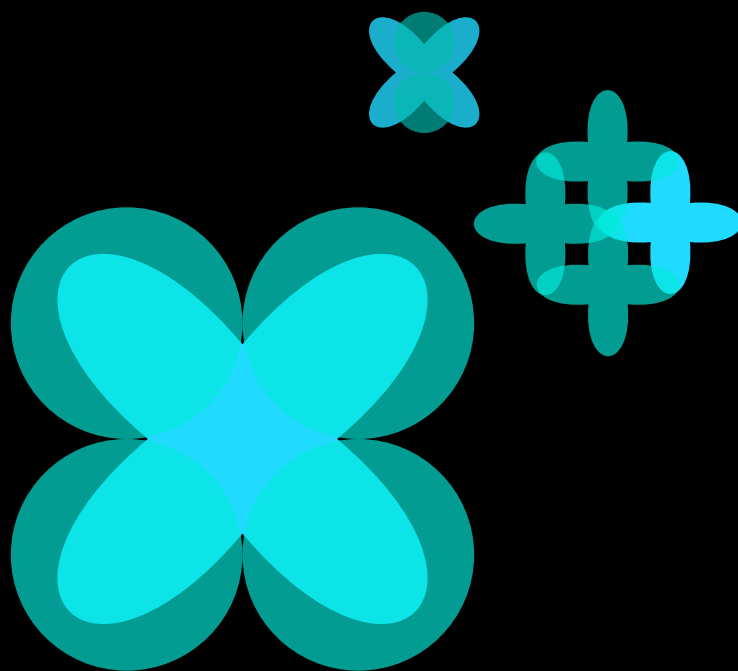
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