

ROUTES TO PROSPERITY – AN ECONOMIC AND TRANSPORT EVIDENCE BASE FOR THE EAST MIDLANDS



Transport for the
East Midlands

SYSTRA

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EXECUTIVE SUMMARY

The East Midlands is a region of 5.1m people comprising the city and county areas of Derby, Derbyshire, Leicester, Leicestershire, Lincolnshire, Northamptonshire, Nottingham, Nottinghamshire, and Rutland.

The East Midlands sits at the heart of the country and is crossed by nationally significant road and rail routes which also provide access to key international gateways. However, transport infrastructure and services are generally poor and chronically under-invested, which impacts negatively on growth, productivity and aspects of social mobility. The evidence presented in this document provides the foundation for making the case for increased transport investment to support both regional and national economic growth. It has been prepared by SYSTRA and Connected Economics for Transport for the East Midlands (TfEM).

Regional social and economic challenges

The East Midlands economy generated £157bn of gross domestic product (GDP) in 2023 – around 6.6% of the English total. The region supports 2.4m jobs.

Within the East Midlands there are several distinct economic geographies which contribute to a ‘polycentric’ settlement structure:

- A dense corridor of activity stretching from Leicester through Nottingham and Derby to Chesterfield, broadly aligned with the M1 and containing the bulk of the region’s population.
- A more outward-oriented southern economy in Northamptonshire, closely linked to London, the South East and adjacent to the Oxford–Cambridge area.²
- A predominantly rural, production-focused economy across much of Lincolnshire, with Lincoln acting as a partial exception.
- Peripheral rural and coastal areas characterised by lower density, older populations and weaker labour market accessibility.

Across the region as a whole, the East Midlands is struggling with:

- **Low productivity:** Gross value added (GVA) per head is 24% below the English average.
- **Low growth:** Over the last 25 years regional output has grown by 43% compared to 60% in England as a whole.
- **Falling behind rapidly:** The gap in output per head compared to England has grown consistently and rapidly from 13% in 1998 to 24% in 2023.

As a result the East Midlands has been growing its economy by growing its population, not by becoming more productive.

Economic performance is hampered by low levels of higher education, which is reflected in a low productivity mix of business sectors and occupations such as professional and technical roles. This regional inequality is reflected in pay that is around 10% lower than the English average. Many residents understandably look elsewhere for jobs, leading to substantial net outward commuting to neighbouring regions.

These economic challenges are coupled with pockets of deep deprivation in the urban centres, some former mining settlements along the M1 corridor and rural coastal communities. Levels of education, skills and training, and geographical barriers linked to poor transport connectivity are particular issues.

As a consequence, the region also scores poorly in educational and occupational mobility, with younger residents finding it difficult to outperform the generation that preceded them.

Critical underinvestment

Levels of national investment in the East Midlands have been declining for 25 years. Over the last five years alone the East Midlands has lost out on around £24bn of public funding relative to the English average. Public spending per head has consistently been the lowest in the country over the last five years across the categories of expenditure that drive growth: economic development; science and technology; and particularly transport.

The East Midlands received the lowest public expenditure on all transport in 2023-24 out of all the UK's nations and regions, and the lowest in England in terms of rail spending specifically. Over the last five years, it has been left further behind spending in the North East, North West, Yorkshire and Humber, and particularly the West Midlands.

For rail, this underinvestment has undoubtedly played a role in the very low rail trip rate for the average person in the East Midlands, which is under half the average for non-London English regions, and the low proportion of internal rail trips, with nearly three-quarters of rail trips in the East Midlands made to destinations outside the region.

Looking forward, the region is unlikely to see any benefits from the transformational national projects prioritised by Government. HS2 has been truncated and will not extend from Birmingham to the East Midlands. East-West Rail and Northern Powerhouse Rail will both bypass the region. Furthermore, in the 2025 Spending Review, the previously planned electrification of the Midland Mainline through Leicester, Nottingham, Derby and Sheffield, was 'indefinitely paused'.

Key economic opportunities

The dense polycentric city cluster of Leicester, Nottingham and Derby contains many high growth sectors and clusters of innovation. The cities' influence spreads well beyond administrative boundaries, shown in patterns of economic density, commuting behaviour and travel to work areas. There is a clear opportunity for better city-wide and inter-city connections to build regional productivity, innovation and growth. However, this is hampered by poor quality local and intra-regional public transport connections. Fractured labour markets and barriers to business connections are hampering the powerful economic force of agglomeration and hitting productivity. This requires a regional network-wide approach to boost performance, support higher paying jobs and supercharge the transition to a post-industrial economy.

With relatively low wages and low property costs, the East Midlands presents the perfect opportunity to accommodate growth. However, low levels of public investment in transport and economic development is leaving the region left behind. Instead of growing regional employment, residents are increasingly leaving to find jobs elsewhere.

1. INTRODUCTION

1.1 What is Transport for the East Midlands?

Transport for the East Midlands (TfEM) brings together the region's local transport and highway authorities under the auspices of East Midlands Councils¹. The core purposes of TfEM are:

- To provide collective leadership on strategic transport issues for the East Midlands.
- To develop and agree strategic transport investment priorities.
- To provide collective East Midlands input into Midlands Connect (and other relevant sub-national bodies), the Department for Transport and its delivery bodies, and the work of the National Infrastructure and Service Transformation Authority.
- To monitor the delivery of strategic transport investment within the East Midlands, and escalate concerns to the relevant delivery bodies and the Department for Transport.

The work of TfEM is overseen by a Board comprising elected members nominated by its constituent authorities and is supported by officer groupings.

1.2 About this document

This document serves as a core 'anchor' document, collating data across demographic, economic and connectivity indicators for the East Midlands region (and its sub-regions within)². Its aim is to identify the challenges and opportunities for the region, and provide the evidence to make the case for investment in

¹ [East Midlands Councils - Our Work](#)

² When considering the presentation of data in this document at a local authority level or lower, it is important to note that the local government reorganisation in 2021 abolished Northamptonshire County Council and its seven district councils, and created two new unitary authorities, North Northamptonshire and West Northamptonshire Councils. Therefore, much of the data prior to 2021 is only available at a

transport connectivity to enhance the region's economic performance and prosperity. As noted in the TfEM Shared Vision for the East Midlands³:

"The East Midlands has a strong track record in delivering high levels of housing and employment growth in the national interest. But with better connectivity we could do so much more."

1.3 Context and recent history

Like much of the UK, transport networks and services in the East Midlands have undergone significant change over the last 30 years.

The road network has seen some major enhancements. Investment in several strategic corridors has been significant, particularly the M1, A453, A46, A14 and A52. Local schemes such as the Lincoln Eastern Bypass and the Melton Mowbray distributor road will deliver better connectivity for residents to employment and unlock housing development.

However, some key corridors such as the A1, A5 and A38 have been neglected and are now inhibiting growth. Despite previous investment, lack of capacity at M1 Junction 24 is frustrating the delivery of the East Midlands Freeport. More generally, many highway assets across the East Midlands are reaching the end of their design life and will require renewal and/or increased maintenance over future years.

Northamptonshire-wide level and, where appropriate, has been presented as such, combining data for North and West Northamptonshire from 2021 onwards. In some datasets, it has not been possible to combine the data, and therefore the different incarnations of the local government structure have been presented separately.

³ [Our Shared Vision for the East Midlands](#)

Rail privatisation in the mid-1990s led to the emergence of distinct operators for the region such as East Midlands Railway and CrossCountry and, following national trends, rail passenger traffic experienced significant rises into the 2000s and 2010s, influenced by a strong economy and increased road congestion in towns and cities.

In that time there were some successes in terms of rail investment. Both Nottingham and Derby stations have benefited from major schemes to improve capacity and operation, whilst the truncated Midland Mainline investment programme has delivered some benefits through partial electrification, increasing London services through to Corby and implementing more long distance ‘high speed’ intercity services north of Bedford. New stations were opened in Corby (2009) and Ilkeston (2017).

East Midlands Airport, now the second-busiest UK airport for freight traffic, is part of a major freight hub in the region, co-located with DHL, UPS, FedEx and Royal Mail, and incorporating the rail-served East Midlands Gateway. East Midlands Parkway station was also opened in 2009 but has struggled to find a role. However, the freight hub is now an established Freeport – the UK’s only inland Freeport – and continues to attract investment.

The Nottingham Express Transit, the city’s tram system and the region’s only light rail system, first opened in 2004 with expansions in 2015 doubling the size of the network. The latter investment was part-funded by the city’s workplace parking levy, and has been one of the very few successful examples of locally generated revenue leveraging in greater central government investment to the benefit of local public transport journeys.

However, the region has also been impacted by the truncation of HS2. Initially to be delivered through a new station at Toton on a route to Leeds, and then via direct High Speed services between Birmingham and Nottingham as part of the Integrated Rail Plan. The subsequent cancellation of HS2 has left a major gap in committed rail schemes for the East Midlands. The next phases of Midland Mainline electrification have also been ‘indefinitely paused’ in the 2025 Spending Review.

Midlands Connect was established in 2015 as the sub-national transport body for the Midlands (excluding Northamptonshire which falls within ‘England’s Economic Heartland’), with grant funding from the Department for Transport. It aims to bring together a range of partners to drive investment in the transport network

across the whole Midlands, and has helped to secure development funding for projects such as Midlands Rail Hub and the A46 Newark Bypass. However, the position of the sub-national transport bodies, including Midlands Connect, is changing due to the Department for Transport’s decision to reduce and then withdraw their funding by March 2027.

This decision results from the Government increasingly devolving transport funding and decisions to mayoral combined authorities (MCAs). In the East Midlands context, combined county authorities covering the authorities in Derbyshire and Nottinghamshire and Greater Lincolnshire have been established. The remaining areas of the region are at different stages along the devolution journey. The English Devolution and Community Empowerment Bill, which will receive Royal Assent in 2026, will establish a new framework for the devolution of powers, potentially instigating an acceleration of the process in these remaining areas.

1.4 The importance of transport connectivity to economic performance

Regions and their settlements interact through a web of economic relationships that extend far beyond their administrative boundaries. These inter-regional linkages take several forms — including shared labour markets, supply-chain and business-to-business connections, access to shared assets such as airports and universities, and the movement of people for leisure and consumption. Together, they underpin patterns of specialisation, collaboration and productivity across the national economy.

Transport connectivity plays a role in facilitating, sustaining and deepening these relationships by providing reliable and cost-effective links between economic centres. In most contexts, speed and low costs in transport and communication provide a direct substitute for physical proximity. Agglomeration, the effect of bringing businesses and workers closer together, can bring economic benefits to these areas, providing a wider access to suppliers, clients, and infrastructure; efficiently matching workers to jobs and consumers with suppliers; and learning from each other within dense networks of connected businesses. Larger and

denser labour markets may allow for more efficient allocation and division of workers, or an incentive to invest in skills.⁴

SEGRO Logistics Park East Midlands Gateway and the emerging East Midlands Freeport are examples of the benefits of clustering businesses and infrastructure, with improved transport connections enhancing this clustering. The proximity of East Midlands Airport, the M1, the Strategic Rail Freight Interchange, and 4.5m sq. ft of logistics development can aggregate freight and logistics demand across the region, nationally and internationally.

1.5 A regional transport heritage

Transport, logistics, and associated engineering sectors have formed a cornerstone of the East Midlands economy over a long period of time, employing tens of thousands across warehousing, haulage, rail operations, maintenance, and advanced manufacturing. Supply chains serving retail, healthcare, automotive, and aerospace have historically sustained both urban centres and rural communities.

Located near the geographic heart of England, the East Midlands sits at the crossroads of the nation’s road and rail corridors. The M1, A1, and A46 link the region swiftly to London, the North, and the East Coast, while intercity rail services connect Nottingham, Derby, Leicester, and beyond to Birmingham and London. This centrality has long enabled efficient distribution and market access, underpinning investment and clustering in transport-intensive industries.

The region’s industrial identity is closely related to transport. Derby emerged as an historic rail city with locomotive works, signalling innovation, and rolling stock design that shaped standards across Britain. Nottinghamshire and Leicestershire contributed engineering expertise, component manufacture, and skilled labour

across a range of engineering disciplines. Locally-based companies such as Trentbarton, Rolls-Royce, Raleigh and Toyota continue this legacy today, whilst the newly formed Great British Railways will have its headquarters in Derby.

East Midlands Airport anchors one of the UK’s busiest air cargo clusters, hosting express parcel integrators, dedicated freight operations, and extensive airside warehousing. Surrounding logistics parks integrate seamlessly with motorway and rail freight interchanges, enabling late cut-off, next-day delivery nationwide, and has positioned the East Midlands as a critical part of the UK’s goods and e-commerce system.

1.6 Document structure

The structure of the document continues as follows:

- **The East Midlands** – an overall profile of the region and its people.
- **The spatial economy** – the region’s key economic indicators, industries and trends.
- **Transport expenditure** – trends in public expenditure on transport in the region.
- **Transport demand and travel patterns** – transport demand in the region, and how people and businesses move around.
- **Inside the East Midlands** – a deeper dive into the profiles of the sub-regions within the East Midlands.
- **Key themes and insights** – a discussion around the themes, findings and insight gathered from the data and research presented in the previous chapters.
- **Strengths, weaknesses, opportunities and threats** – a SWOT analysis of the region, drawing on the evidence collated.

⁴ Daniel Graham & Patricia Melo, Advice on the Assessment of Wider Economic Impacts: a report for HS2, March 2010.

2. THE EAST MIDLANDS

2.1 Overview

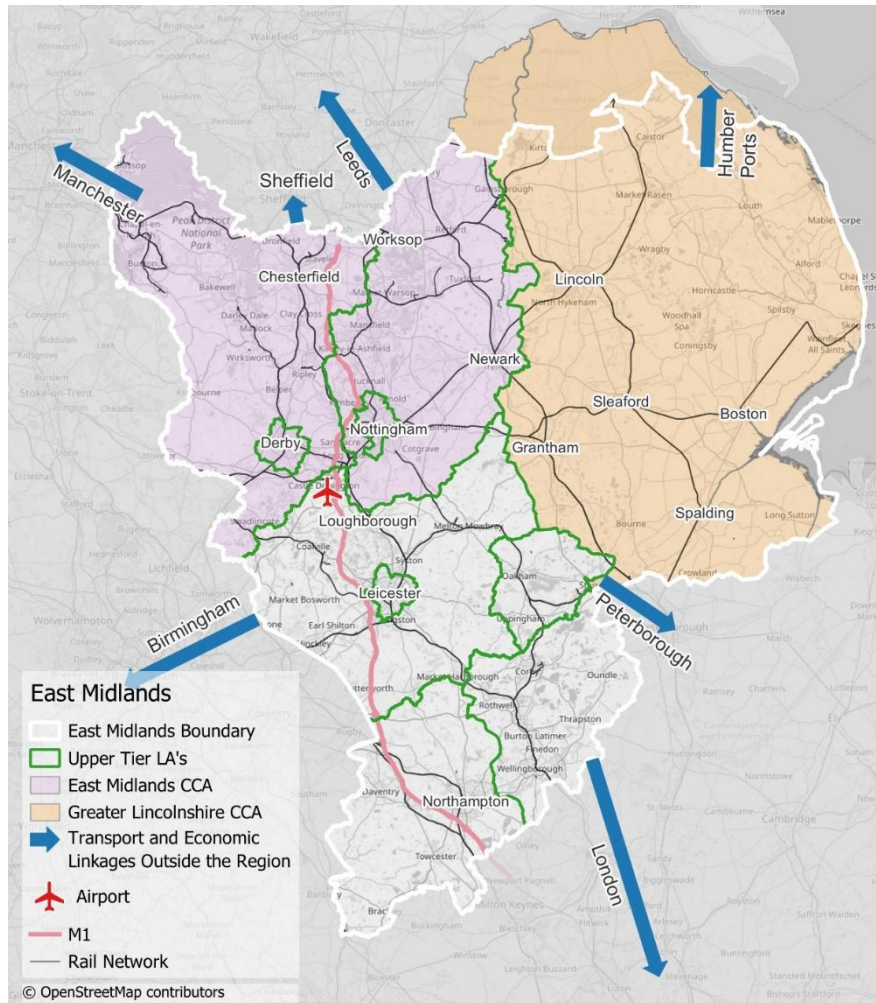


Figure 1. Overview of the East Midlands

The East Midlands is a polycentric region with a mix of urban, suburban, rural and coast areas. This is reflected in its economy, its population and its transport network. The large rural areas of the Peak District National Park in the north-west of the region, across to the Lincolnshire Wolds and Lincolnshire Coast in the east, contrast with a patchwork of towns and cities. Nottingham, Derby, Leicester and Lincoln are its cities, with the former three being its most populous urban centres, alongside a number of larger towns such as Northampton, Mansfield/Ashfield, Boston, Chesterfield and Loughborough.

The East Midlands is strategically located in the centre of the country, with two of the UK's primary transport corridors, the M1 motorway and the East Coast Mainline, running through its heart. East Midlands Airport, as well as the emerging East Midlands Gateway and Freeport, are situated between Derby, Leicester and Nottingham.

As noted previously, the region currently has two Combined County Authorities with elected mayors:

- **East Midlands Combined County Authority (EMCCA)** – created in 2024 as the UK's first combined county authority, comprising the four local authorities of Derby, Derbyshire, Nottingham, Nottinghamshire.
- **Greater Lincolnshire Combined County Authority (GLCCA)** – created in 2025, comprising in the East Midlands the local authority of Lincolnshire, with close relationships across the Greater Lincolnshire area with the East Midlands, incorporating North East Lincolnshire and North Lincolnshire in Yorkshire and the Humber.

The remaining areas of the region are at different stages along the devolution journey with a number of potential options still on the table.

Table 1. Overview statistics of the East Midlands

Overview statistics	
Population (2024)	5.1m (7.3% of UK population)
Total output (GDP) (2023)	£157bn (5.8% of UK GDP)
Total output (GDP) per head (2023)	£31,446 (UK £39,845)
Urban/rural split ⁵	77% urban, 23% rural
Employment rate (September to November 2025)	75.0% (UK 75.1%)
Unemployment rate (September to November 2025)	6.0% (UK 5.1%)
Median gross weekly pay (2023)	£721 (UK £767)
Number of businesses (2025)	403,000 (7.1% of UK total)
Annual change in businesses (2025)	12.6% (UK 3.5%)

- Improving the connectivity across and between communities.
- Protecting the environment.
- Supporting the development of healthy lifestyles and places.

LOCAL TRANSPORT POLICY

The local transport policy context is a mixture of emerging and adopted Local Transport Plans (LTPs) at both a combined county authority and local highway authority level, with different areas at different stages in producing their new plans. Based on a review of the plans and policies available, the themes and priorities common across all were:

- Generating improved economic opportunities through transport investment.

⁵ Defined by the Department for Environment, Food & Rural Affairs rural-urban classifications and the 2021 Census.

Table 2. Local transport policy summary

Authority transport plan	Vision	Themes	Notable strategic schemes/priorities
East Midlands LTP (emerging)	By 2040, communities in the East Midlands will benefit from reliable, inclusive and sustainable connectivity, through integrated transport and high-quality digital infrastructure, broadening access to opportunity and reducing reliance on private cars, while driving investment across the region.	<ul style="list-style-type: none"> ○ Increase modal choice ○ Better connect communities ○ Create better economic opportunity ○ Protect our environment 	<ul style="list-style-type: none"> ○ Trent Arc – urban network linking Derby, Nottingham, the Freeport and Infinity Investment Zone. ○ Canal Corridors – connecting growth around Chesterfield station and Investment Zone sites to the Supercluster. ○ Supercluster – development of three former coal-fired power stations.
Greater Lincolnshire LTP (emerging)	Supporting the creation of a sustainable transport system that will connect communities to create good lives, with independence, wealth and good health.		<ul style="list-style-type: none"> ○ Rural bus pilot – demand responsive transport. ○ Rail infrastructure and services, including line speed improvements between Cleethorpes and Doncaster, Lincoln and Nottingham, and more direct links to major cities. ○ Development of a Key Route Network, and investment in key routes such as A1, Grimsby Western Relief Road, and A46 Newark Bypass. ○ Implementation of multi-modal freight strategies.
Leicester City Council LTP (draft)	The transport vision for Leicester is for a carbon neutral, growing, healthy, accessible and connected city, with clean air supporting a high quality of life and travel experience for people and a vibrant local economy.	<ul style="list-style-type: none"> ○ Connected corridors and hubs ○ Connected healthy neighbourhoods ○ Managing demand for car use 	<ul style="list-style-type: none"> ○ Electrification of the Midland Mainline through Leicester ○ Transformed Leicester station ○ Improving public transport and active travel ○ New P&R sites
Leicestershire County Council LTP4 (adopted)	Delivering a safe, connected and integrated transport network which is resilient and well managed to support the ambitions and health of our growing communities, safeguards the environment whilst delivering economic prosperity.	<ul style="list-style-type: none"> ○ Enabling Health and Wellbeing ○ Protecting the Environment ○ Delivering Economic Growth ○ Enhancing our Transport Networks Resilience ○ Embracing Innovation 	

<p>Rutland County Council LTP4 (adopted)</p>	<p>A transport network and services that support sustainable growth, meet the needs of our most vulnerable residents and help improve health and wellbeing.</p>	<ul style="list-style-type: none"> ○ Population growth ○ Working in Rutland ○ Learning in Rutland ○ Living in Rutland ○ Visiting and enjoying Rutland 	<ul style="list-style-type: none"> ○ Highway network management plan ○ Reducing car dependency ○ Reducing deaths and injuries on local roads
<p>North Northamptonshire LTP (emerging)</p>	<p>None currently identified, Baseline Report drafted and final version being prepared.</p>		
<p>West Northamptonshire LTP (adopted)</p>	<p>West Northamptonshire has moved rapidly to achieve a net zero emissions transport system by 2045. Working together with our communities we have made travel by active modes like walking and cycling the natural first choice for short trips, travel by public transport has become increasingly attractive and accessible, and communities are less dependent on private cars. Our transport system is both safer and cleaner, benefitting our health and the environment, and supporting the access needs of everyone in our community to foster social inclusion and wellbeing. More resilient infrastructure and services increase opportunities for people to live their best lives by facilitating vibrant town and local centres, and a thriving local economy.</p>	<ul style="list-style-type: none"> ○ Connecting people better ○ Shaping healthier places ○ Mobility enabling prosperity 	<ul style="list-style-type: none"> ○ New Rugby Parkway station ○ New stations at South Northampton and Weedon Bec/Daventry ○ New rail service between Northampton and Old Oak Common ○ Improved Northampton loop services ○ Extended East-West Rail services to Northampton ○ Weedon Fast Line freight loops A43 dualling ○ A5 Towcester relief road

2.2 Population

POPULATION DENSITY

The East Midlands as a region has a lower population density (measured by usual residents per square kilometre) than England – 312 residents compared to 434, equivalent to 72% of the England average.

At a local authority level, the densest populations are around the urban centres of Derby, Nottingham, Lincoln, Leicester and Northampton, as well as the A52 corridor between Derby and Nottingham, and towards Chesterfield and Mansfield/Ashfield, in close proximity to the M1 corridor.

Other pockets of population density include locations around Loughborough and Coalville, and the closely clustered Northamptonshire towns of Corby, Kettering and Wellingborough.

Rutland and Lincolnshire have the lowest number of residents per square kilometre, at under 130, 25-30% of the national average.

Compared to the national average, population density in the East Midlands is over a quarter lower. The region's population is primarily focused around the urban centres in Derby, Nottingham and Leicester, along with the wider M1 corridor.

There are large areas of low population density across the region, particularly in the rural areas of Rutland, Lincolnshire and north-west Derbyshire.

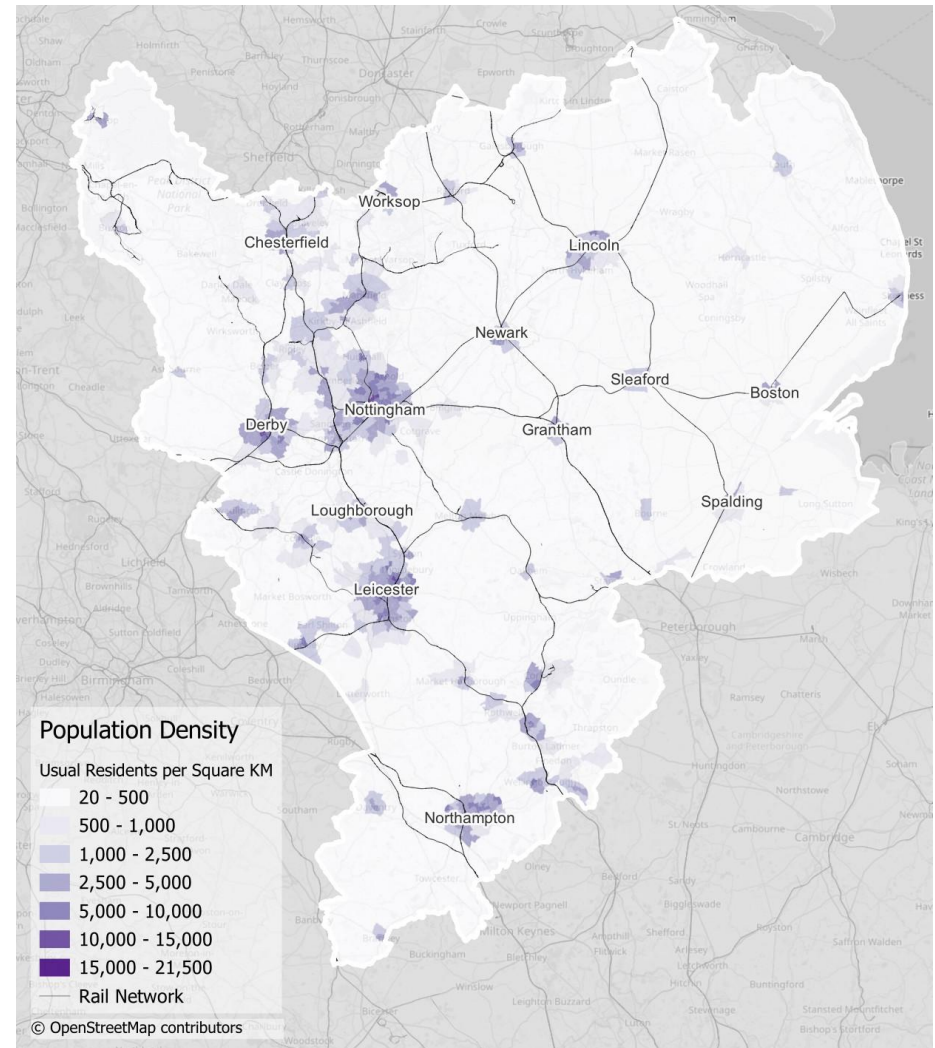


Figure 2. Population density (2021) (Office for National Statistics (ONS))

POPULATION GROWTH

Over the last 20 years, population growth has been mostly concentrated in the south and west of the region, particularly in the local authorities of South Derbyshire, North West Leicestershire and Harborough, where growth has been as much as a third since 2004. Northamptonshire, Charnwood, North Kesteven, Boston and South Holland have also seen population growth in excess of 20%.

Some more rural authorities such as High Peak, Derbyshire Dales (both constrained by the Peak District National Park) and East Lindsey have grown by less than 8% above 2004 levels. It is the suburban and rural commuter belts around the major cities where population growth has been generally the highest – with the exception of Erewash, Broxtowe and Gedling which are heavily constrained by the Nottingham-Derby greenbelt.

The population projections to 2032, released in 2025 by the Office for National Statistics, estimate that the East Midlands will increase on average by just under 7% – above the national average of 6.4% and also above the South East, West Midlands, South Yorkshire and the North West regions.

South Derbyshire, North West Leicestershire and Harborough are again projected to have the most significant population growth of between 14% and 20%. Indeed, all three are amongst the top ten local authorities nationally by percentage population change, with South Derbyshire only behind City of London (49%) and Tower Hamlets (20%). By contrast, Erewash, Lincoln and Chesterfield have the lowest projected increases in the region, of below 3%.

Historic population growth has been clustered around the urban centres in the south and west of the region. Growth in the remote rural areas of Lincolnshire and the Peak District has been much slower.

Population projections to 2032 follow a similar geographical pattern, with the commuter areas surrounding Leicester, Derby and Nottingham less constrained by greenbelt experiencing the largest projected increases. South Derbyshire has the highest projected growth rate in the country outside of London.

These patterns, both historic and projected, potentially suggest an overall shift in population from traditional urban centres into more suburban or semi-rural areas with fewer public transport options.

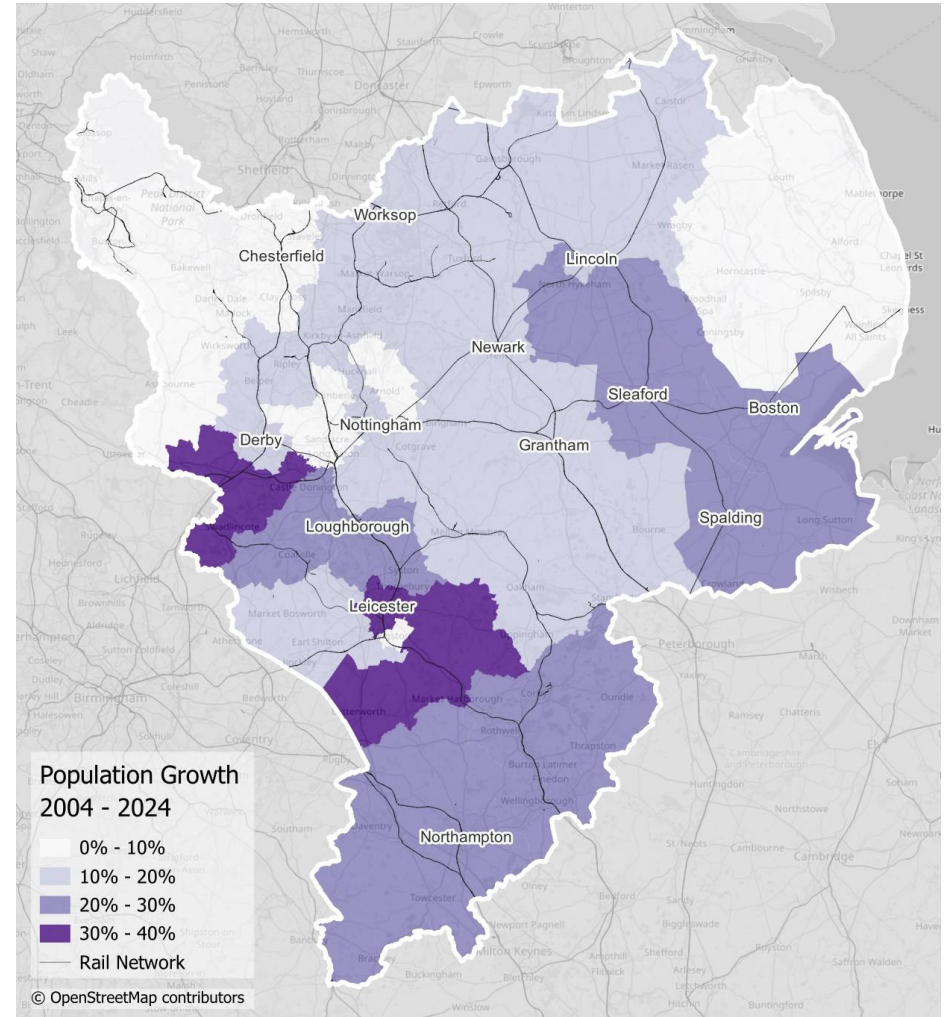


Figure 3. Population growth (2004-2024) (ONS)

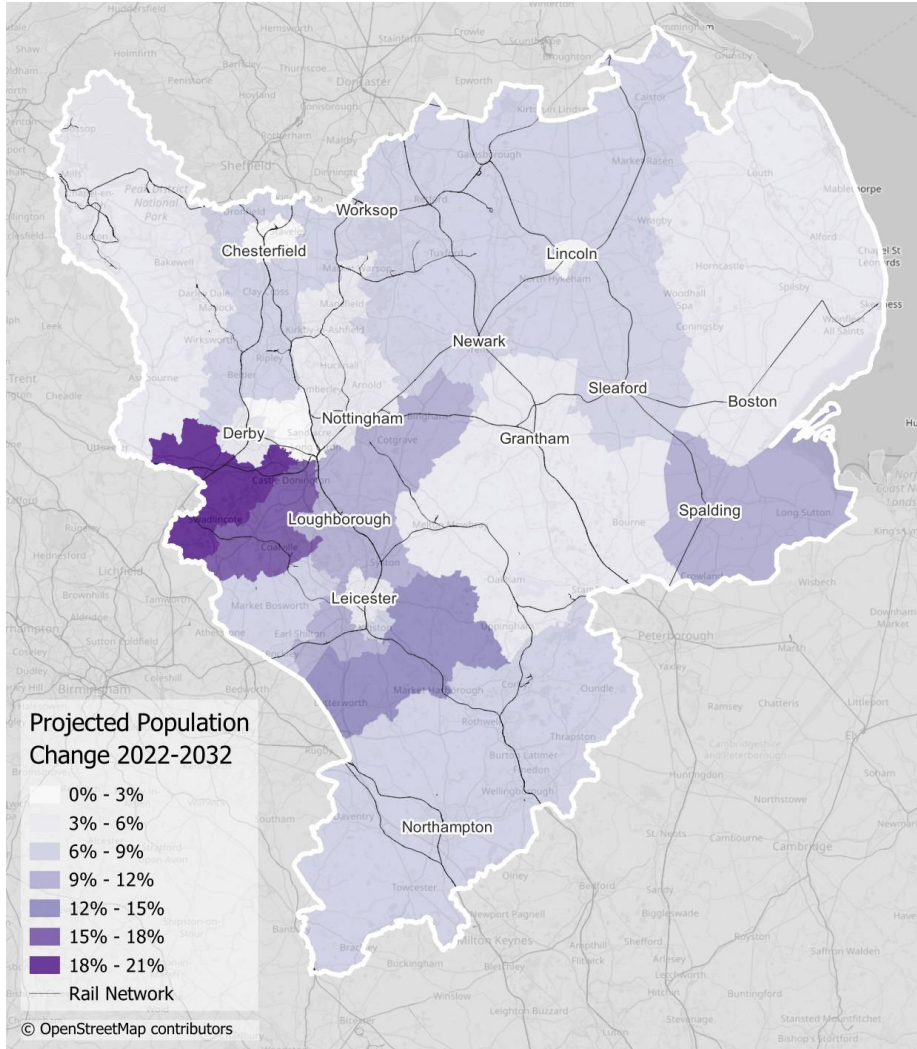


Figure 4. Projected population change (2022-2032) (ONS)

POPULATION AGE

The proportion of the population at working age is 62.4%, slightly below that of England at 63%. This gap in the working age population is seen in the 25-49 age group, with those aged between 16 and 24 slightly above the national average.

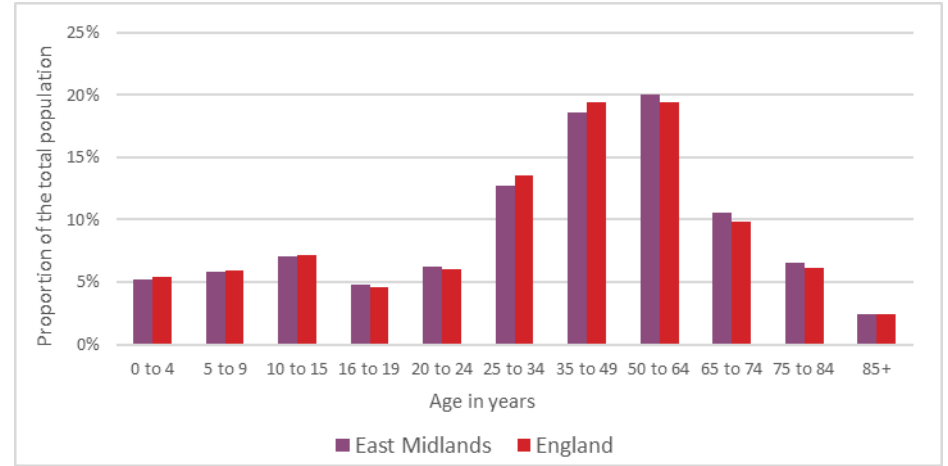


Figure 5. Proportion of total population by age group (2021) (ONS)

The highest concentrations of working age people can be found close to the urban centres, particularly Nottingham (70%) and Leicester (67%), with more people aged 65 and over around the Lincolnshire coast and rural Lincolnshire (23%), and in the Peak District (High Peak – 22%).

In terms of the location of the future workforce, the highest proportions of people aged 15 and under are in Leicester (21%), Derby and North Northamptonshire (both 20%).

The East Midlands population is slightly older than the national average, although it has a larger than average population between the ages of 16 and 24 years old. The working age population is most highly concentrated in Nottingham and Leicester, whilst the region’s rural areas (such as Lincolnshire and parts of Derbyshire) are generally older.

Rutland, Lincolnshire, Nottinghamshire and Derbyshire have the highest proportion of dependents compared to their working age population, whilst Nottingham and Leicester have the lowest. High dependency rates have implications for a range of public services, including transport.

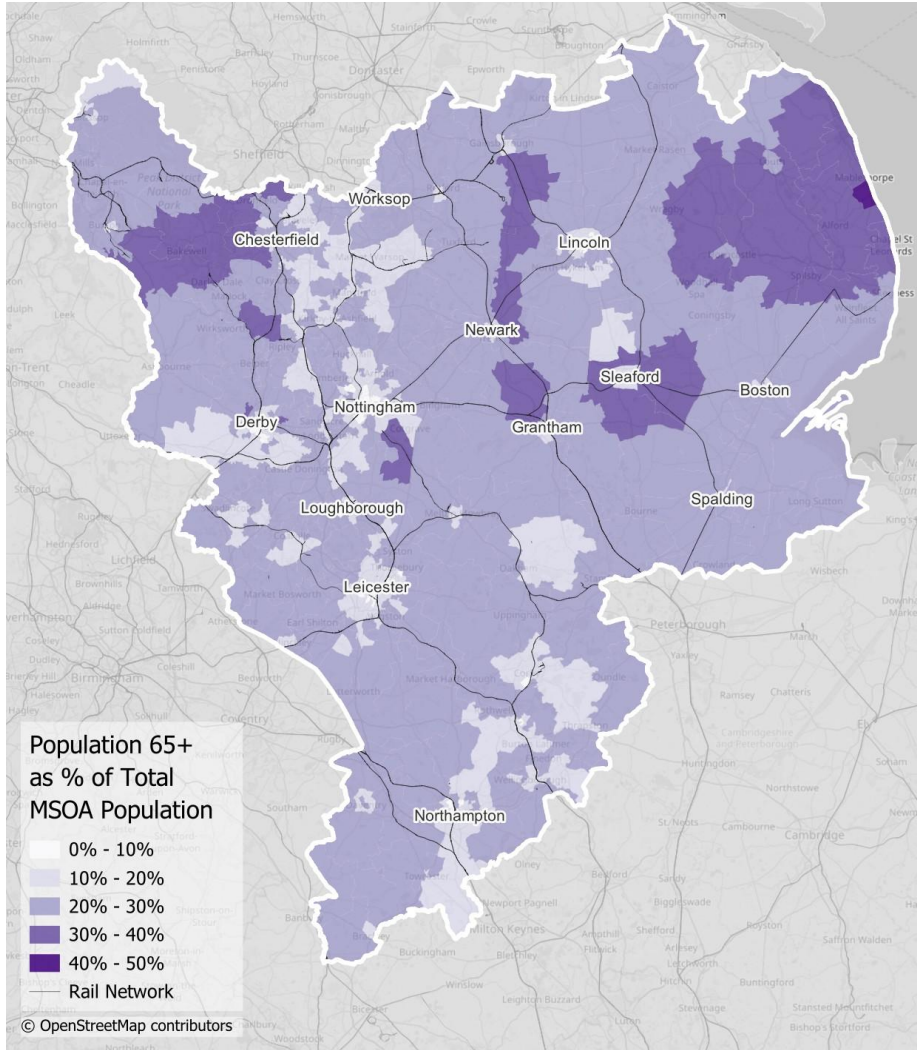


Figure 6. Distribution of population aged 65+ (2021) (ONS)

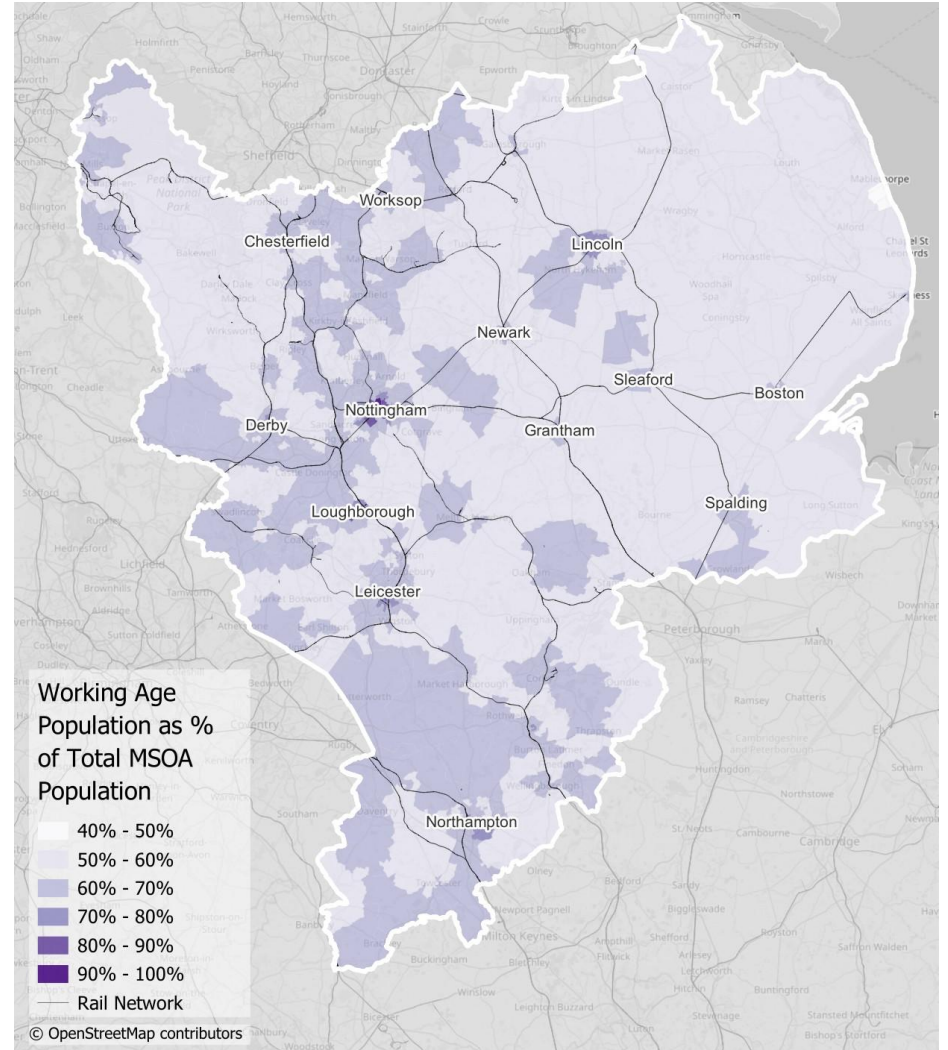


Figure 7. Distribution of working age population (2021) (ONS)

2.3 Housing

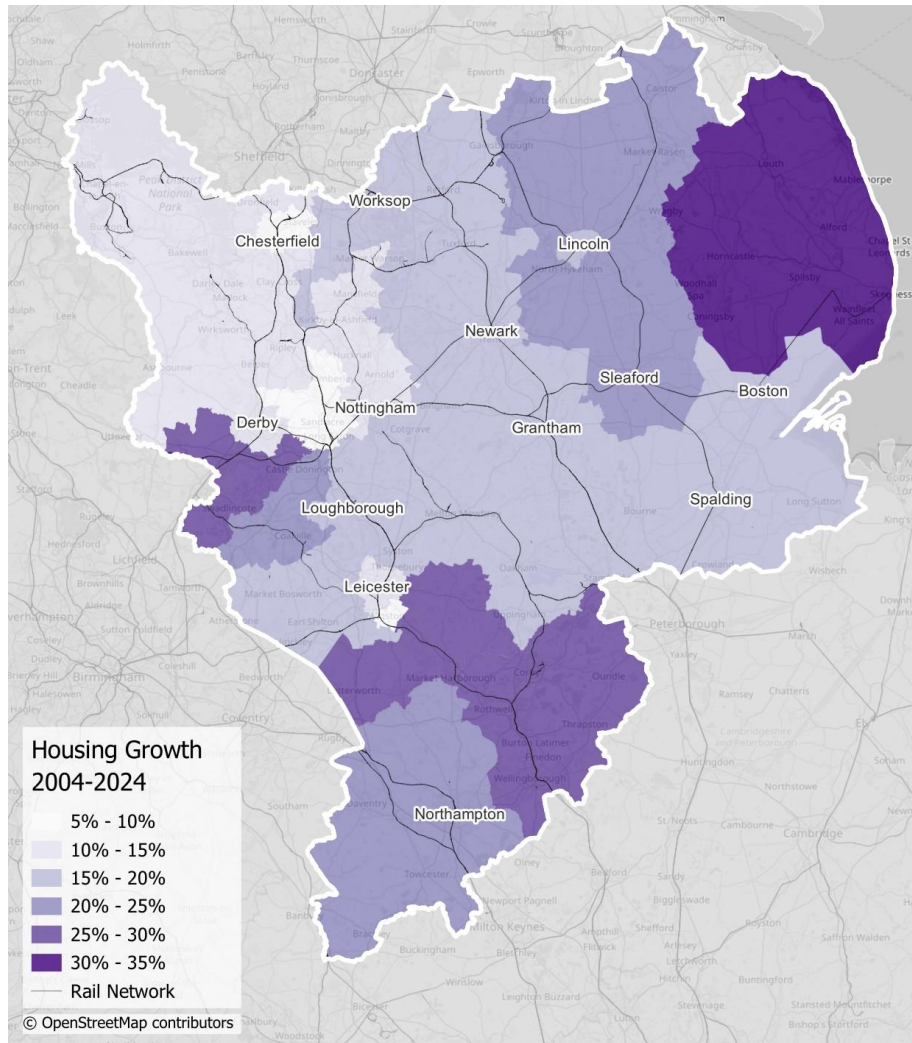


Figure 8. Housing growth 2004 – 2024 (ONS)

Over the last 20 years, housing growth in the region has been proportionally greatest in South Derbyshire, North West Leicestershire, Northamptonshire and (surprisingly given the low level of population growth) in East Lindsey, which have all grown by over a fifth over the last two decades. The lowest percentage growth in the region is in Chesterfield, Erewash and Oadby and Wigston, all of which have grown by less than 10%.

Considering how future housing growth might accommodate future population growth, two methods of calculating future housing growth were reviewed: the Government’s standard method for identifying local housing need from the National Planning Policy Framework (NPPF)⁶ (2022-2032), which uses dwelling stock data and adjusts for local affordability, and household projections from the ONS (2024-2034). The housing growth projections at a regional level are relatively similar between methodologies (11.6% (NPPF) and 11.9% (ONS)). However, there are notable differences at local authority level, particularly:

- South Derbyshire – 25% (NPPF) and 12% (ONS)
- Derbyshire Dales – 9% and 16%
- Oadby and Wigston – 9% and 16%
- North West Leicestershire – 19% and 13%

Comparing both methods against future population projections, the only areas of the region that are predicted to have a greater proportional growth in population than housing are North West Leicestershire and South Derbyshire, which are the areas with the largest population projections to 2032.

Other areas where the projections of housing and population over the next ten years are broadly proportionally equal are Bolsover, Charnwood and Harborough. By contrast, Rutland, Erewash and Chesterfield are areas that where housing growth exceeds population growth over the next decade.

It is important to note that average household size across the country is in decline (due to smaller family sizes and more single occupants), therefore housing growth would be expected to be faster than population growth to accommodate this trend.

⁶ National Planning Policy Framework (Ministry of Housing, Communities and Local Government, 2024)

Housing growth broadly matches the pattern of population growth over the last 20 years, with common areas including South Derbyshire, North West Leicestershire and Northamptonshire. The exception to this is on the Lincolnshire Coast – the population in East Lindsey, which covers much of the Lincolnshire coastline as well as some market towns inland, has grown by just 8% over two decades, whilst housing stock has grown nearly one third.

In comparing housing growth to the population projections, it is notable that East Lindsey is only projected to grow by 6% to 2032, whilst areas such as South Derbyshire and North West Leicestershire (with historically strong housing growth) have more buoyant population growth estimates of 15-20%.

In comparing housing and population projections together, the areas of the region with the highest forecast population growth, North West Leicestershire and South Derbyshire, are potentially not forecast to grow their housing stock by a sufficient amount to accommodate this growth.

2.4 Deprivation

At a regional level, the East Midlands has a greater proportion of its population in the 10% **most deprived** decile in the country than the national average in two domains (and two sub-domains) of deprivation:

- **Education, skills and training domain** – 12% of its population (top left of the graph in Figure 9) (10% nationally). Measures the lack of attainment and skills in the local population. Within this domain, there are two sub-domains where the region had a relatively high proportion of the population in the most deprived decile:
 - **Children and young people sub-domain** – 10.1% (9.7%). Incorporates attainment, entry to higher education, and pupil absence.
 - **Adult skills sub-domain** – 13% (10%). Incorporates qualifications and the ability to speak English.
- **Geographical barriers sub-domain** (within the housing and services domain) – 14% (10%). Includes a connectivity score, measuring travel time to retail, education, health, employment and leisure/entertainment destinations by walking, cycling and public transport.

In terms of the 10% **least deprived** decile in the country, the region has the greatest proportion of the population in this decile in two domains (and two sub-domains):

- **Barriers to housing and services** – 13% (top right of the graph in Figure 9) (9%). Measures the physical and financial accessibility of housing and local services. Within this domain, there is one sub-domain where the region has a relatively high proportion of the population in the least deprived decile:
 - **Wider barriers** – 26% (10%). Incorporates housing affordability, household overcrowding, homelessness, broadband speed and patient-to-GP ratio.
- **Living environment** – 13% (top right of the graph in Figure 9) (10%). Measures the quality of the local environment. Within this domain, there is one sub-domain where the region had a relatively high proportion of the population in the least deprived decile:
 - **Indoors** – 15% (10%). Incorporates the conditions, energy performance and private outdoor space of housing.

At a local authority level, for the overall index of multiple deprivation, Nottingham (28%), Derby (22%) and Leicester (20%) have the largest proportions of their population in the **most deprived** decile in the country. There is also a notable concentration of deprivation on the Lincolnshire Coast – the district of East Lindsey has over half its population in the top three most deprived deciles in the country, behind only Leicester and Nottingham by this measure, and none of its population in the top two least deprived deciles, the only East Midlands district where this is true. This suggests a heavy skew towards greater deprivation in the population in this area of Lincolnshire.

Considering the geographical barriers sub-domain specifically (presented in Figure 11), which focuses on transport connectivity, the districts that have the highest proportion of their population in the most deprived decile are Rutland, West Lindsey and South Holland. Two of these districts are in rural Lincolnshire, with East Lindsey and North Kesteven also skewing heavily towards most deprived in this sub-domain, highlighting the transport connectivity barriers that this area of the region contends with.

At the other end of the scale, the districts of Rushcliffe (41%), Broxtowe (both in Nottinghamshire, 25%) and Harborough (in Leicestershire, 23%) have the largest proportions of their population in the **least deprived** decile. Furthermore, the

population of Rutland is all in the five least deprived deciles in the country, and 80% of the population of Rushcliffe is in the top three least deprived deciles.

As might be expected, Leicester and Nottingham perform best in the geographical barriers sub-domain, far ahead (17% and 16% respectively) of any other district (Derby is third at 3%) in terms of population in the least deprived decile. Indeed, there are only four local authorities in the region with any population in the least deprived decile, and only 3% of the region’s population is in the least deprived decile (compared to 14% in the most deprived).

Compared to national averages, the East Midlands is more deprived in the domain of education, skills and training, and the sub-domain of geographical barriers, the latter incorporating a transport connectivity score to key destinations.

The region has relatively more of its population in the least deprived deciles for barriers to housing and services (despite skewing towards more deprived in the geographical barriers sub-domain) and the living environment (with indoor conditions in particular skewing towards least deprived).

The urban centres of Nottingham, Derby and Leicester, as well as the M1 corridor, tend towards greater deprivation, particularly in the domains of education, skills and training; income; and crime. The Lincolnshire Coast also has significant pockets of deprivation, particularly in the domains of housing and services, employment, and health.

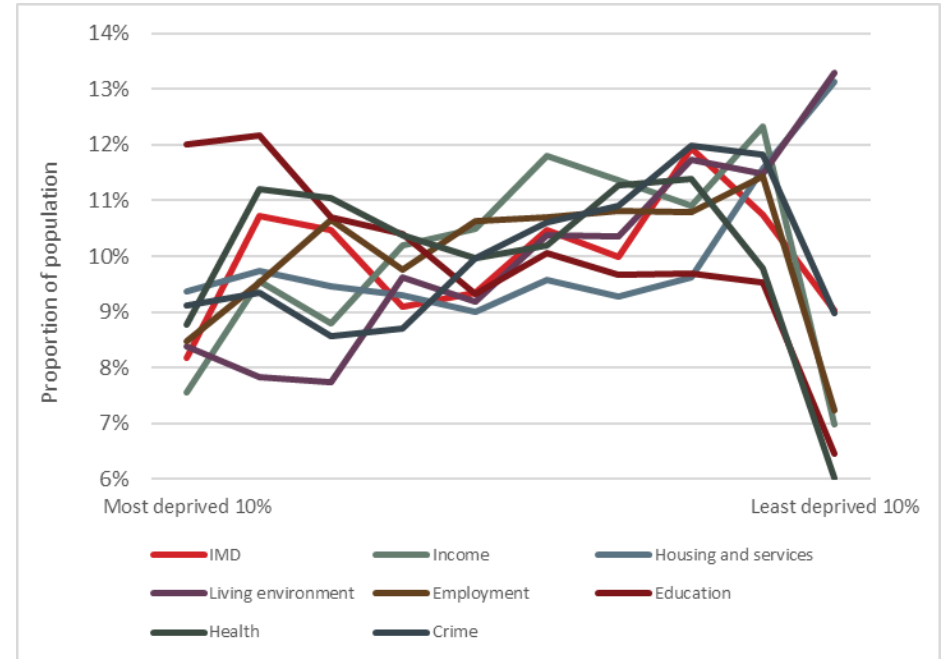


Figure 9. Proportion of the population per decile per deprivation dimension

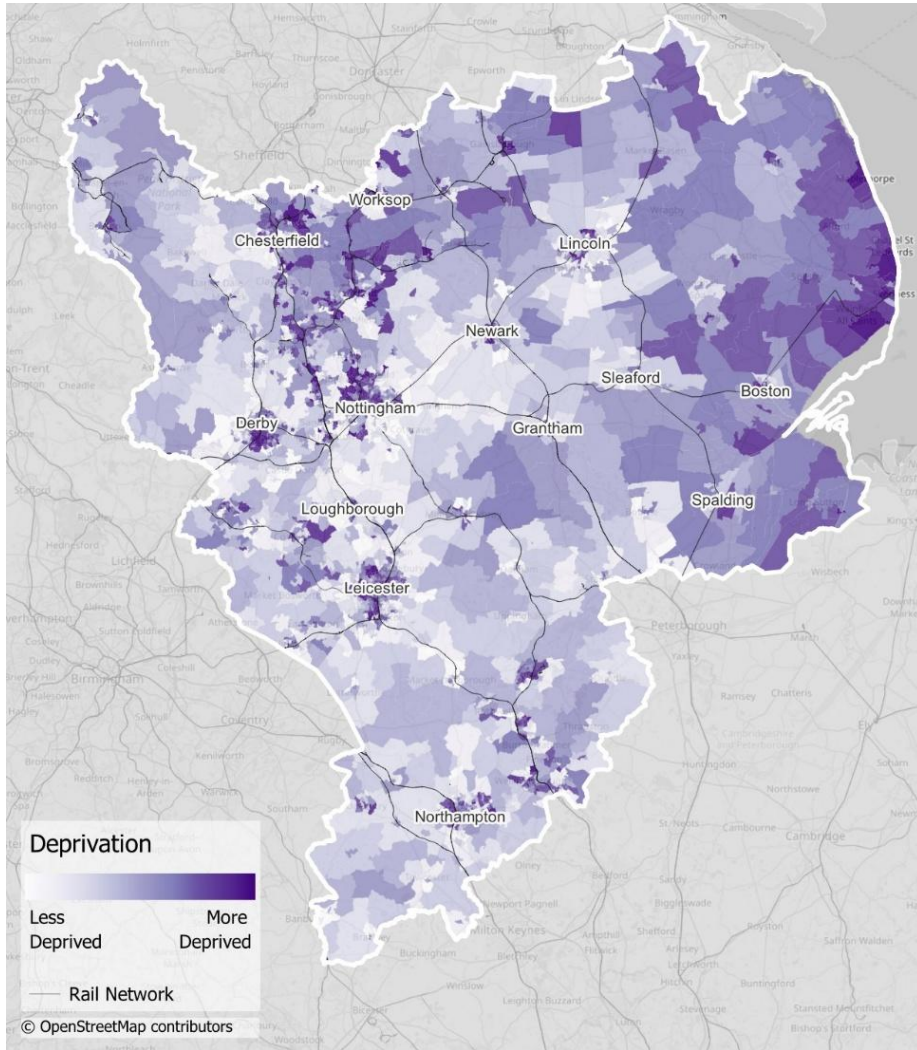


Figure 10. Deprivation (Ministry of Housing, Communities and Local Government)

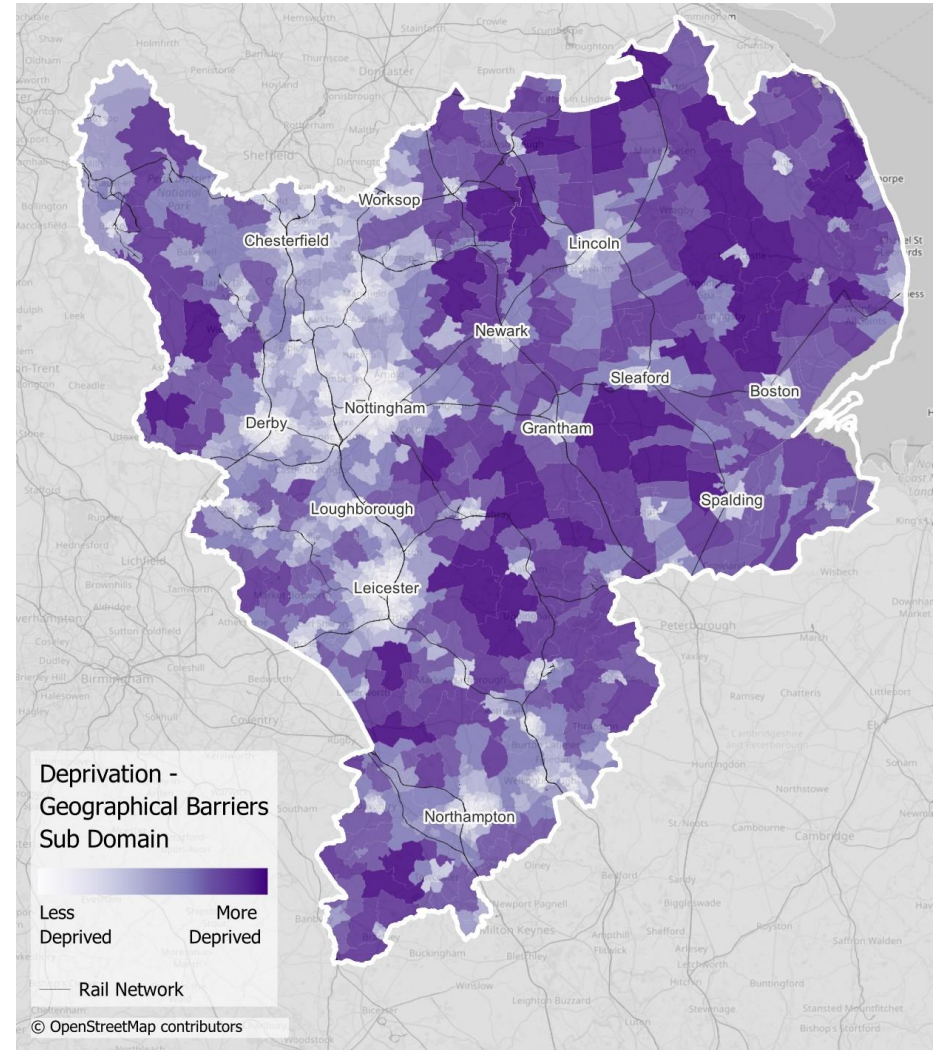


Figure 11. Deprivation – geographical barriers sub-domain (Ministry of Housing, Communities and Local Government)

2.5 Social mobility

The social mobility index⁷ encompasses four composite measures of social mobility. Each region is then graded from least to most favourable against each of the composite measure. The composite measures are:

- **Promising Prospects** – the most 'promising prospects' for 25 to 44 year olds – measured by levels of education, professional work, and earnings. The index measures how well young people from similar socio-economic backgrounds do in education and the labour market.
- **Conditions of childhood** – measured by childhood poverty, and the qualifications and occupation levels of parents. This index captures whether the conditions children grow up in are good for promoting social mobility.
- **Labour market opportunities for young people** – labour market opportunities for 16 to 29 year olds across the UK, measured by their occupation level and unemployment rate. This index shows which areas offer more or less favourable employment opportunities for young people.
- **Innovation and growth** – which local authorities in the UK offer more or less favourable conditions to help promote innovation and economic growth – this is measured by each area's broadband speed, business spending on research and development, and percentage of residents with postgraduate qualifications.

At a regional level, the East Midlands falls within the 'middle' group for most measures and across most local authority areas. The exceptions to these are:

- Leicester – **least favourable** for conditions of childhood.
- Lincolnshire – **unfavourable** for innovation and growth.
- Nottingham – **unfavourable** for conditions of childhood.
- Rutland – **favourable** for conditions of childhood.

Digging deeper, the East Midlands ranks the lowest of all regions in the country (at 22%) in the percentage of people whose parents did not have a degree but have a degree themselves, demonstrating low educational mobility and a low proportion of people who are able to educationally outperform their parents. By

way of contrast, the proportion is 26% for the West Midlands, 30% for the North West and 39% for London.

In terms of housing mobility and linking home ownership between people and their parents, the East Midlands ranks 4th in the UK in the percentage of people who own a home whose parents do not (48%). This demonstrates the relative ability of residents in the East Midlands to achieve upward housing mobility compared to their parents, outperforming regions such as London (35%), Yorkshire and the Humber (44%) and the North East (45%).

Considering occupational mobility, Derbyshire, Nottinghamshire, and Lincolnshire rank in the lowest 20% in the country in upward mobility (achieving a higher occupational class than your parents), whilst Leicestershire, Rutland and Northamptonshire rank in the highest 20%.

At a regional level, the East Midlands falls within the 'middle' group for most measures and across local authority areas. However, there are some notable outliers, such as conditions for childhood, which are unfavourable in Leicester and Nottingham, but favourable in Rutland. Lincolnshire is also rated as unfavourable for innovation and growth.

Of significance is that the East Midlands is bottom of all UK regions in terms of educational mobility, with a large proportion of its residents unable to educationally outperform their parents. The region ranks higher when considering upward housing mobility, behind only the South West, Wales and Scotland.

It is generally considered that good public transport accessibility and connectivity drives upward social mobility. The fact that the East Midlands ranks low in the country in terms of educational and occupational mobility in particular potentially points to its residents unable to access wider and higher quality education and employment opportunities, and issue to which transport is a major contributor.

⁷ [State of the Nation 2024 \(Social Mobility Commission\)](#)

2.6 The environment

ENVIRONMENTAL DESIGNATIONS

The East Midlands features a number of environmental designations and protected landscapes. These include the Peak District National Park in the north-west of the region, which also includes a number of sites of special scientific interest (SSSIs). There are also clusters of SSSIs on the Lincolnshire Coast, rural Nottinghamshire, The Wash, and around Rutland Water.

The Lincolnshire Wolds is a designated National Landscape (formerly known as an Area of Outstanding Natural Beauty).

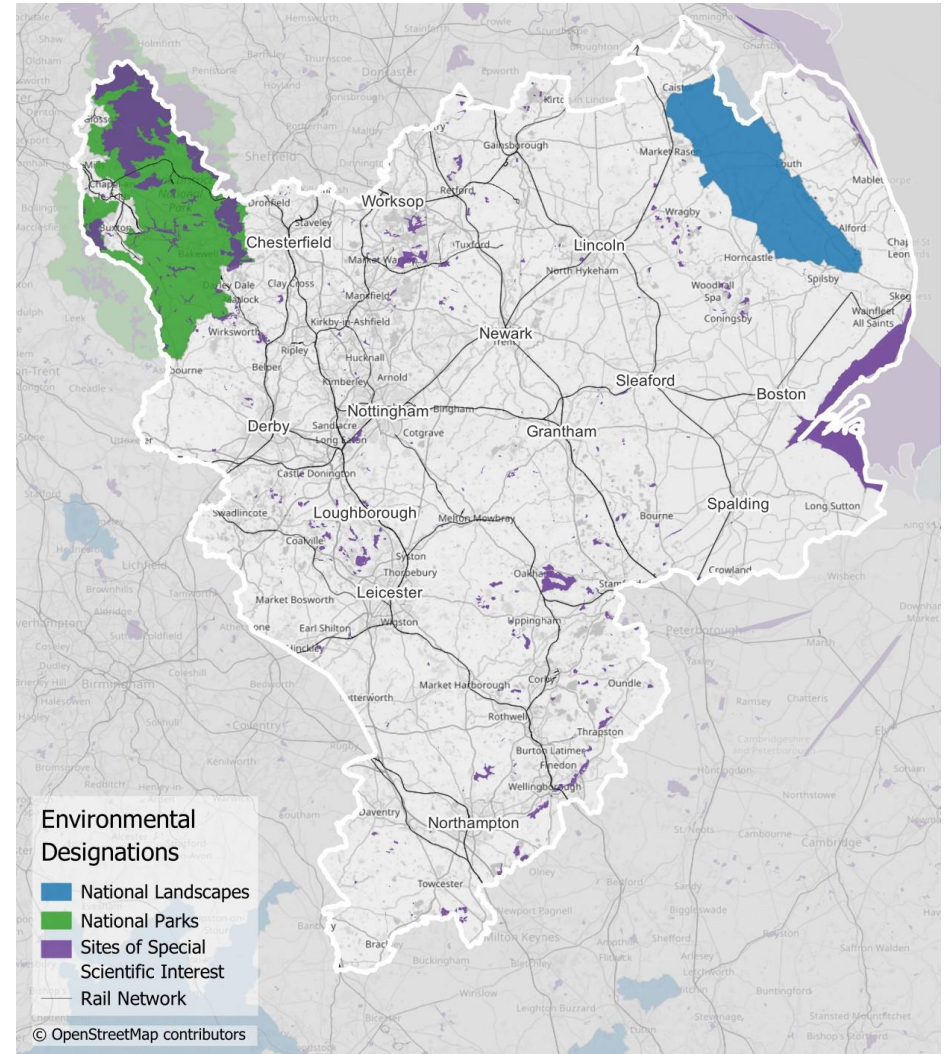


Figure 12. Environmental designations (Natural England)

AIR QUALITY

The Daily Air Quality Index⁸ measures levels of air pollution, determined by the highest concentration of five pollutants:

- Nitrogen dioxide
- Sulphur dioxide
- Ozone
- Particles < 2.5µm (PM_{2.5})
- Particles < 10µm (PM₁₀)

Each pollutant is rated against an index ranging from 1-10 depending on the concentration of each. The data for the region demonstrates that in 2025, 85% of days were rated as low across all five pollutants and 15% were rated as moderate. This is an overall decline in air quality compared to 2023 and 2024, which had a greater number of days rated low, but a slight improvement on 2022.

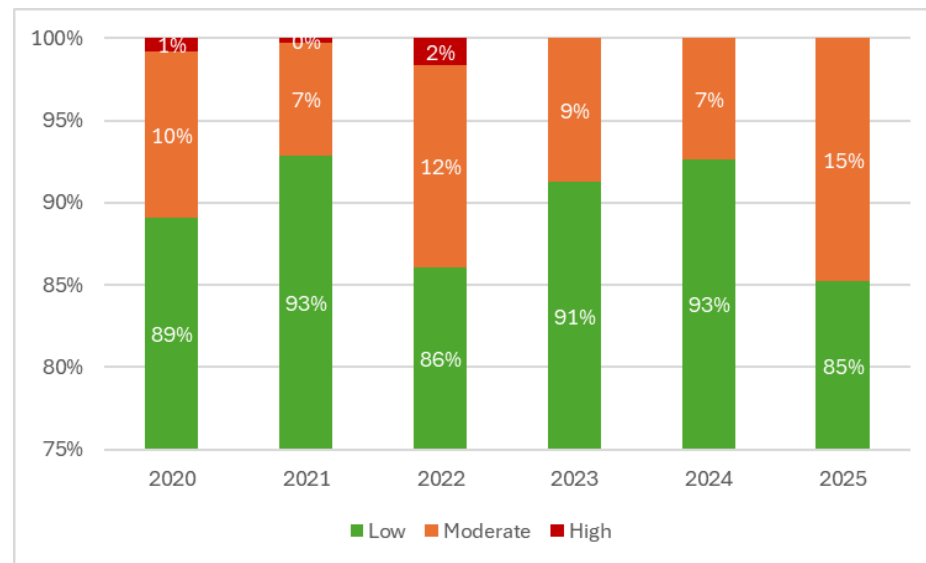


Figure 13. Daily air quality index (Department for Environment, Food & Rural Affairs)

GREENHOUSE GAS EMISSIONS

On a per capita basis, the East Midlands has continually tracked above the national average for greenhouse gas emissions. The gap narrowed between 2005 and 2009, before gradually widening up until 2021. Since 2021, the gap has slightly narrowed again but remains over two tonnes of CO₂e per capita greater, 117% of the national average.

In terms of the distribution across the region, the cities of Derby, Leicester and Nottingham emit on a per capita basis around three-quarters to two-thirds of the national average. As might be expected given the larger distances and more fragmented transport network in rural areas, the parts of the region with the highest per capita emissions are in High Peak, Rutland, Bolsover, the Derbyshire Dales, and parts of rural Lincolnshire.

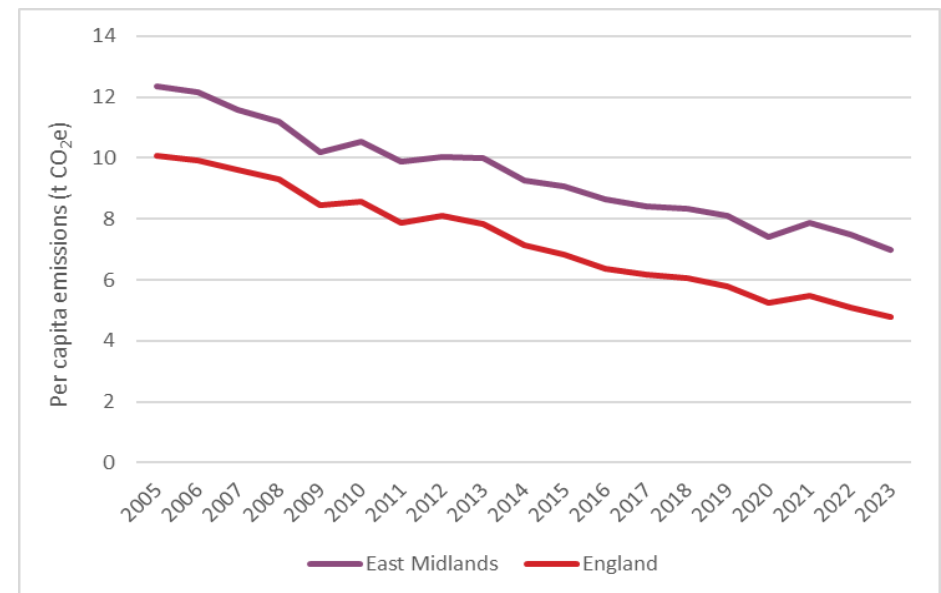


Figure 14. Per capita greenhouse gas emissions 2005-2023 (Department for Energy Security and Net Zero)

⁸ [Daily Air Quality Index \(Department for Environment, Food & Rural Affairs\)](#)

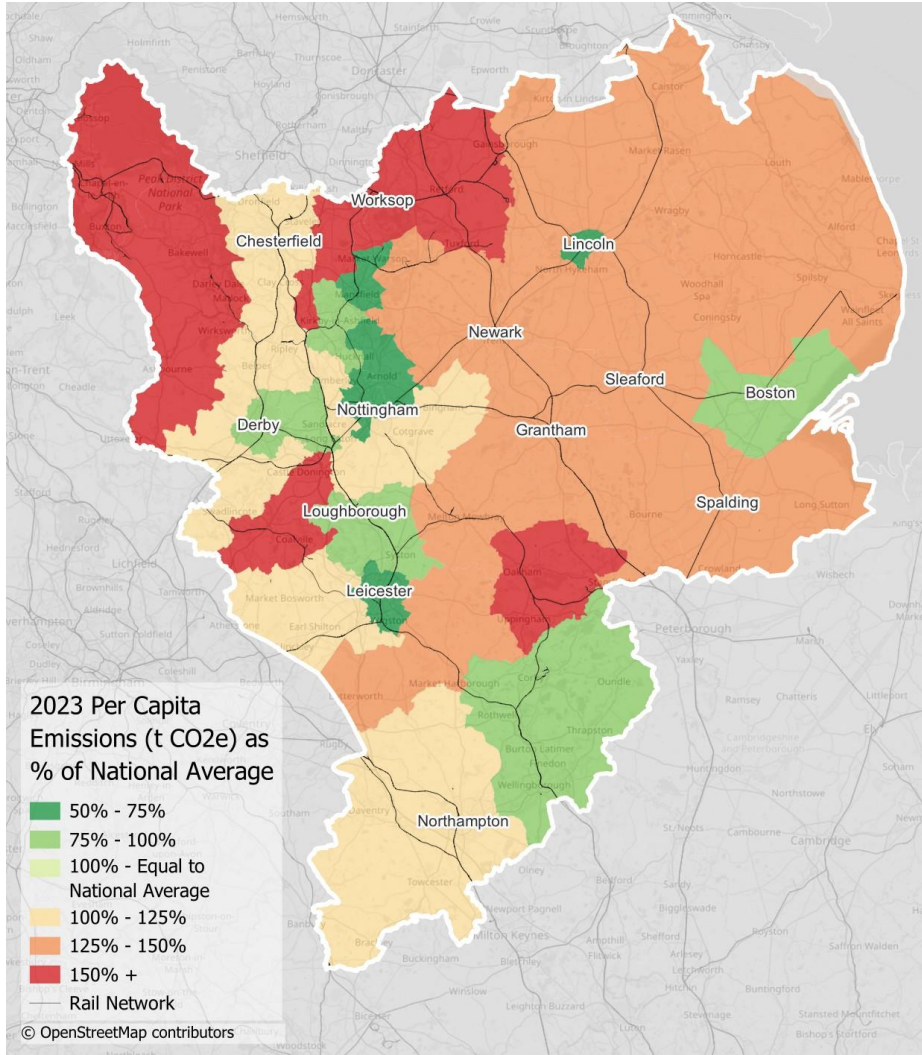


Figure 15. Per capita greenhouse emissions as a proportion of national average (2023) (Department for Energy Security and Net Zero)

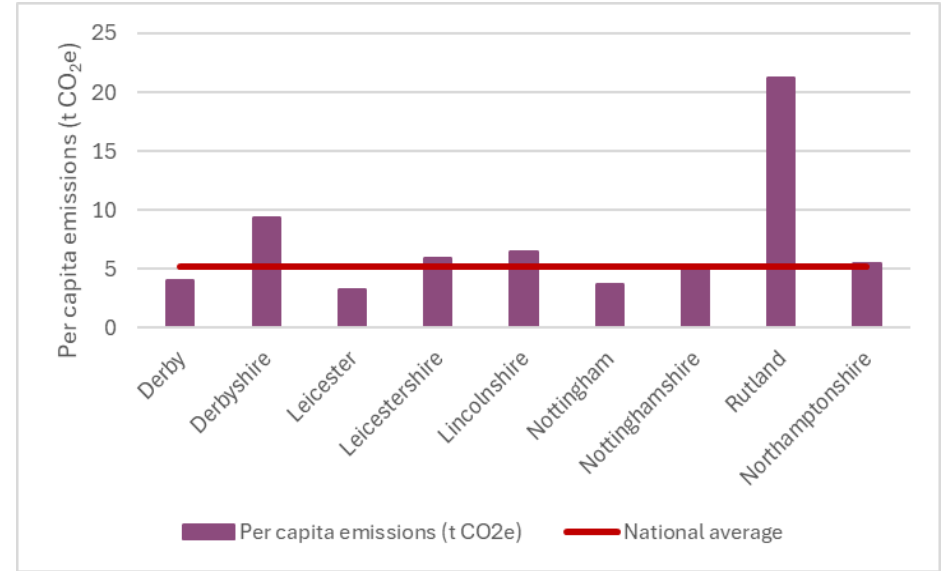


Figure 16. Per capita greenhouse gas emissions by local authority (2023) (Department for Energy Security and Net Zero)

At a regional level, the East Midlands produces more CO₂ emissions per capita than the national average, although this gap has been narrowing slightly since 2021. The parts of the region with the highest per capita emissions are in its rural areas, such as Derbyshire, Rutland and Lincolnshire. The region’s cities emit less than the national average per capita.

FLOOD ZONES

The East Midlands has large areas of land in Flood Zones 2 and 3, particularly along the Lincolnshire Coast and around The Wash. There are also significant areas of land at risk north of Gainsborough and into North Lincolnshire, and southwards down the Trent Valley towards Newark. The at-risk areas around Spalding to the south of Lincolnshire extend to the edge of the region and its boundary with the East of England. Approximately 2% of the region is within Flood Zone 2, which are areas with less than 1% annual probability of flooding from rivers and 0.5% from the sea.

Approximately 10% of the region is in Flood Zone 3, which are areas with greater than 1% and 0.5% annual probability of flooding from rivers and the sea respectively. The large areas in Flood Zone 3 include settlements such as Boston, Spalding, Skegness, Gainsborough, Newark and parts of Nottingham.

It is worth noting that, as noted above, East Lindsey and the Lincolnshire Coast has experienced housing growth by nearly one third in an area of the region at greatest risk of flooding, with the potential for subsequent economic and social impacts. The future viability of flood defence on the Lincolnshire Coast without sustained investment is a major concern⁹.

In addition to the proportion of land in the region at risk of flooding noted above, an assessment by insurance giant Aviva in 2025 of the number of properties at risk of flood from the sea, rivers and surface water¹⁰ estimates that, in total, the East Midlands had 472,735 properties at risk of flooding in 2025 (20.4% of the total housing stock). This figure is estimated to rise to 566,856 (24.5% of total housing stock) by 2050 due to the impact of climate change only¹¹.

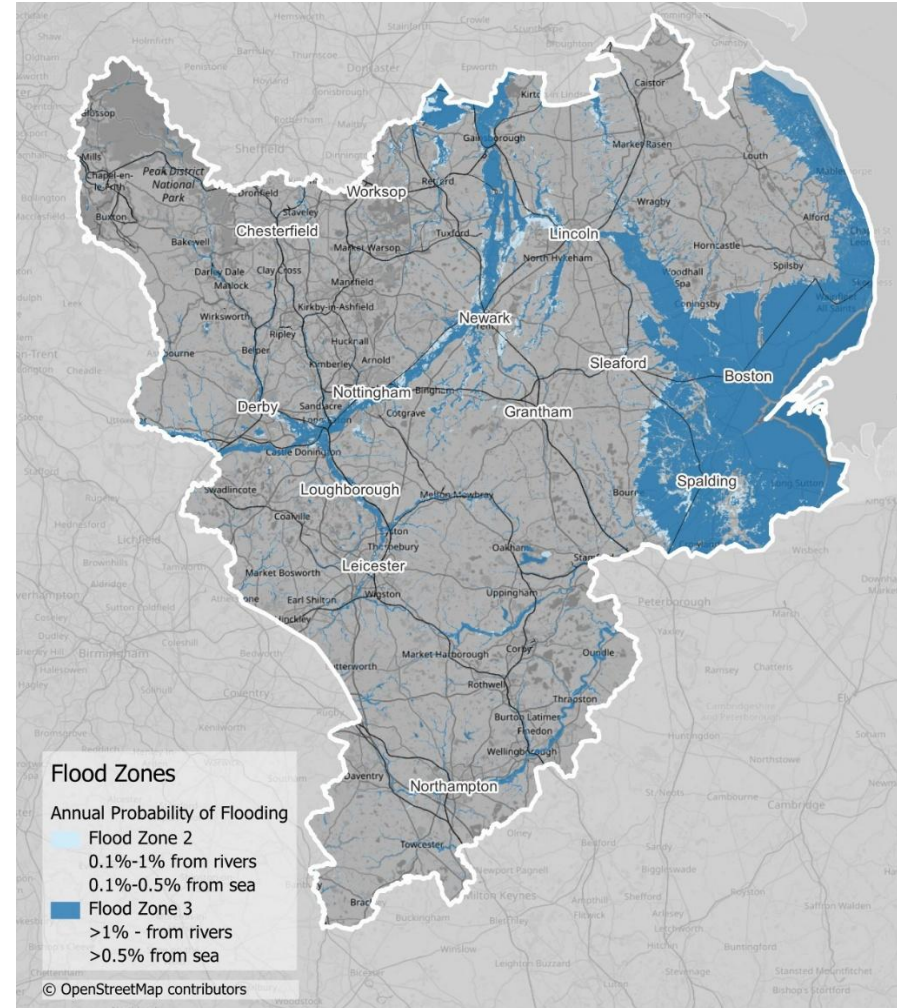


Figure 17. Flood zones (Environment Agency)

⁹ [Report to Environment Scrutiny Committee \(Lincolnshire County Council, 2025\)](#)

¹⁰ [Building future communities 2025: Getting ready for a changing climate. \(Aviva, 2025\)](#)

¹¹ Figures do not take into account additional homes built after 2025.

LAND USE

The East Midlands is primarily made up of agricultural land (over 80%), with the remaining fifth primarily built land, woodland and natural greenspace.

There are notable differences in the make-up of land uses within the region. Lincolnshire has a much a higher proportion of agricultural land, at 92%, with only 4% of land built on. By contrast, the EMCCA area is only 71% agricultural land with 13% designated as built.

Table 3. Regional land use proportions (2018) (CORINE¹² Land Cover)

Land use category	% of total land
Agriculture	81%
Natural Greenspace	2%
Woodland	3%
Coastal	1%
Freshwater	1%
Built Land	9%
Urban Greenspace	2%

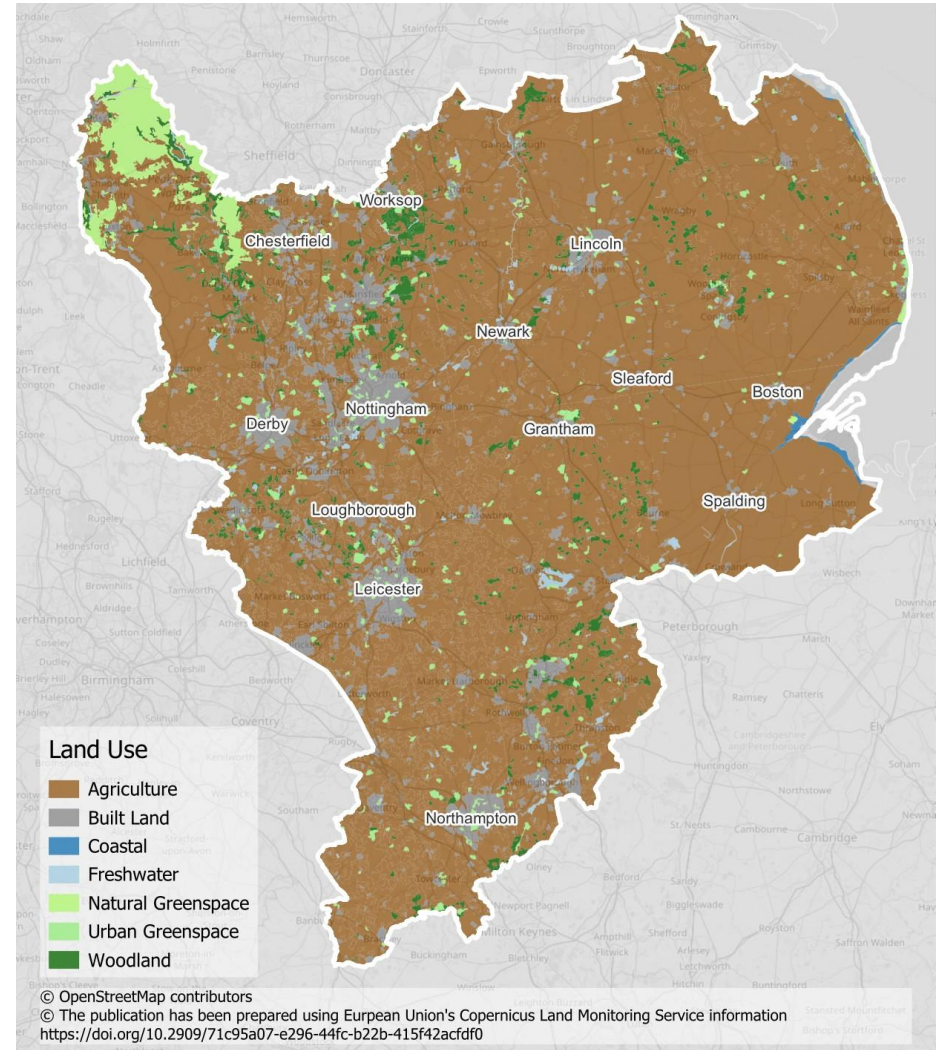


Figure 18. Land use (2018) (CORINE Land Cover)

¹² [Coordination of Information on the Environment \(European Commission\)](#)

2.7 Digital connectivity

The UK average for access to ultrafast broadband (UFBB) (defined as a data service or connections that delivers a download speed of greater than 300MB/s) is 85% of residences. Across the East Midlands, the average is slightly above this, at 87%.

There is a clear gap in provision between urban and rural areas. The cities of Derby, Leicester and Nottingham all have over 96% of residences with UFBB, whereas Lincolnshire is below 75%. Other pockets of poor coverage include rural Derbyshire, Nottinghamshire and Leicestershire.

The picture is similar for commercial premises. The East Midlands average (86%) is significantly above the UK average (69%), with the region's cities offering the best coverage and its rural areas suffering from significantly more connectivity black spots.

Table 4. Proportion of ultrafast broadband availability (2025) (Ofcom)

Sub-region	Ultrafast broadband availability	
	Homes	Premises
East Midlands Combined County Authority	89%	87%
Greater Lincolnshire Combined County Authority	76%	75%
Leicester, Leicestershire and Rutland	88%	87%
North and West Northamptonshire	95%	94%
UK	86%	69%

At a regional level, the East Midlands has good provision of ultrafast broadband services, particularly for commercial residences, compared to the national average. However, there are significant pockets of poor connectivity in the region's rural areas.

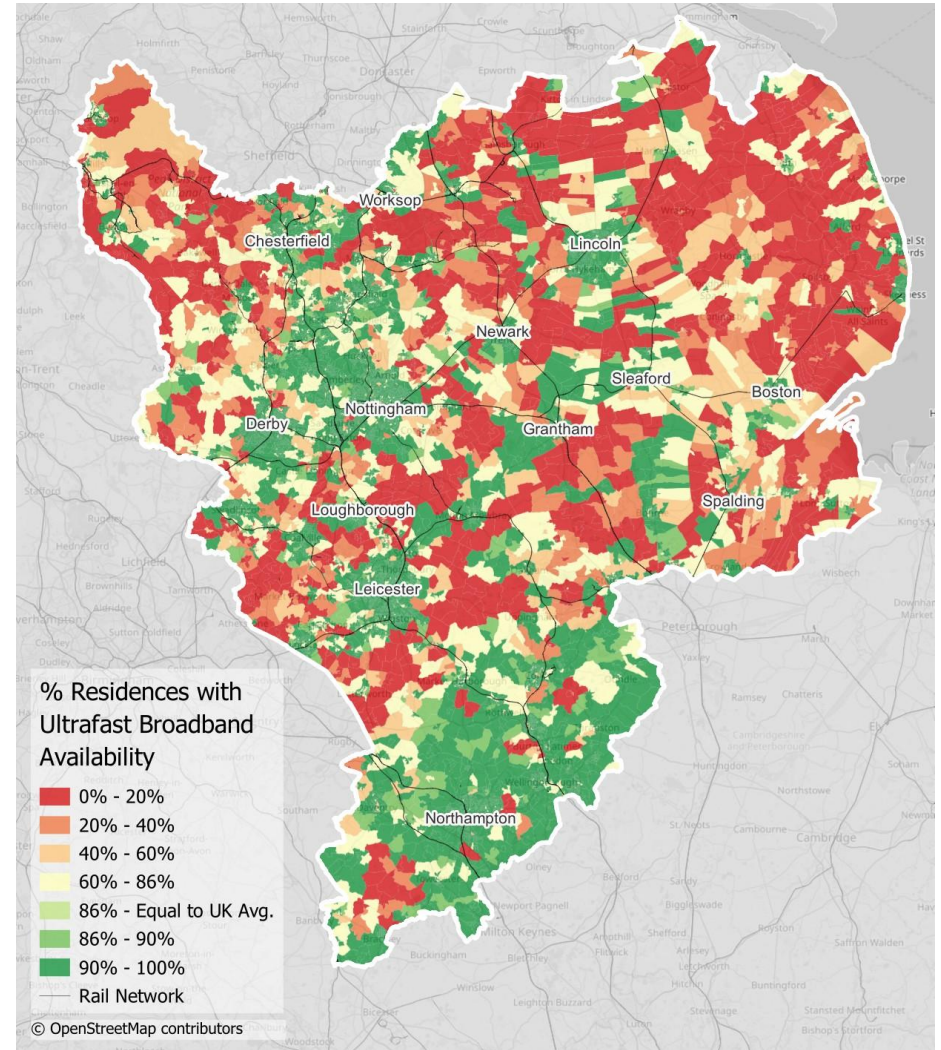


Figure 19. Proportion of residences with UFBB availability (Ofcom)

3. THE SPATIAL ECONOMY

3.1 Structure and scale of the economy

The East Midlands economy generated £157bn of gross domestic product (GDP) in 2023 – around 6.6% of the English total. The region hosts 2.4m jobs.

Over the 25 years to 2023, the region's economy grew by 43% in real terms – considerably slower than growth in England as a whole which grew by over 60%.

The economy is polycentric – characterised by multiple mid-sized urban economies rather than one dominant core. The regional economy is also spatially asymmetric with economic activity clustered primarily in the broader M1 corridor which serves the industrial core. The three cities of Derby, Leicester and Nottingham account for around a quarter of all regional economic output, with other market towns in this corridor such as Loughborough, Mansfield and Chesterfield contributing to economic density in this western part of the region. Further poles of activity around Northampton in the south, more sparsely distributed urban areas and market towns across the west (such as Grantham, Newark and Sleaford), and at the Lincolnshire coastal periphery complete the polycentric picture.

A large, diverse, well-located economy – but spatially fragmented, and underperforming in growth terms.

3.2 Economic performance and productivity

Gross value added (GVA) per head in the East Midlands lagged 24 percentage points behind England in 2023. A better measure of productivity is output per workplace employee which shows a shortfall of 15% compared to England as a whole. Over the last 25 years the region has fallen further behind. Output per workplace employee is similar to peers in the North East and West Midlands but lagging behind the North West.

UNDERSTANDING PRODUCTIVITY IN THE EAST MIDLANDS

There are many ways to express outputs and inputs and each can help understand the reasons for the East Midlands' economic performance. This section breaks down different measures of inputs and outputs and explores the reasons for gaps between the East Midlands' economic performance and that of its peers.

Simple measures of productivity are based on output per head. This simply captures the total economic output and the total number of residents in a region. The GVA per head of the East Midlands is 76% of the UK average. A small part of the shortfall is explained by demography and the employment rates. The region has a slightly smaller share of working age people and a slightly lower share of these people who are actually in work. Together these close the gap by around 2%.

More instructive measures of productivity compare total output with the total number of people working in the region. This shifts the basis of the calculation away from residents to reflect commuting into and out of the region. This makes a big difference because around 107,000 people commute into the region each day while 146,000 commute out of it to jobs elsewhere. Output per filled job in the region is 85% of the English average. Adjusting for commuting narrows the gap with the English average by seven percentage points to 15 points.

This difference can further be broken down by exploring the influence of the sectoral mix, the occupational mix and the number of hours that people work. East Midlands industries are skewed towards less productive activities such as transport and storage. Jobs are also skewed towards less productive occupations such as sales, customer service and elementary occupations. Each of these effects account for around 3% of the productivity gap. Output per hour worked is around 90% of the English average once these factors are accounted for.

Workers in the East Midlands keep quite similar hours to their English peers, working around 1% fewer hours per worker. Adjusting for this means that the gap between output per worker is slightly bigger than the gap between output per hour.

After taking account of all of these factors, the residual productivity gap between the East Midlands and England as a whole is around 10%. Some of these factors point to opportunities to boost economic output – for example by shifting the nature of activities in the region or reducing local unemployment – but also points where structural factors (like local demography) may contribute to a persistent gap.

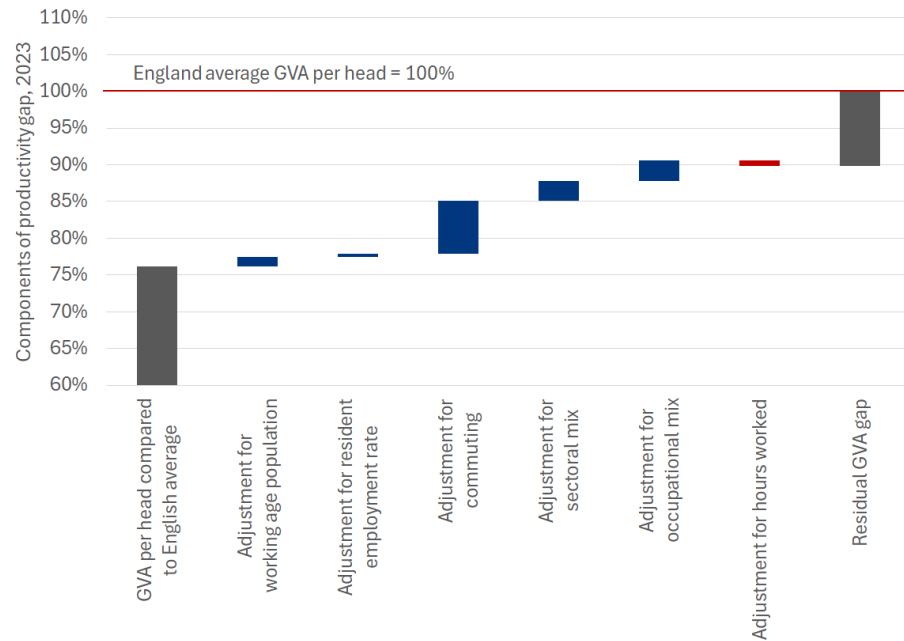


Figure 20. Decomposing the East Midlands' productivity gap (2023) (Connected Economics analysis)

The East Midlands GVA per head deficit has grown consistently and substantially worse over the last 25 years. In 1998 GVA per head stood at £27,000 in England and £23,600 in the East Midlands – a gap of 13%. In the 2000s the gap averaged 17% and in the 2010 it averaged 20%.

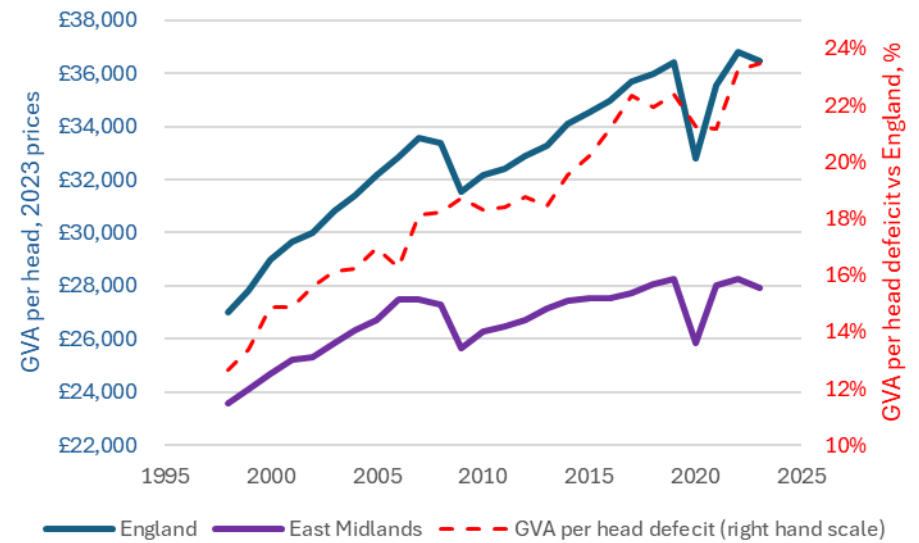


Figure 21. GVA per head chained volume measures and the GVA per head gap between the East Midlands and England (2023 prices) (Connected Economics analysis)

SUB-REGIONAL PRODUCTIVITY

Labour productivity shows no clear pattern across the region. South Derbyshire boasts the highest output per worker. This is due mainly to a large and productive manufacturing sector driven by a few large firms like Futaba (automotive exhaust systems) and JCB Power Systems, both headquartered at Dove Valley Park. Labour productivity is lowest in Mansfield where the economy is more skewed towards the health and education sectors. This analysis captures all workers and is not corrected for hours worked, so variation may also be due to local differences in the prevalence of part time work.

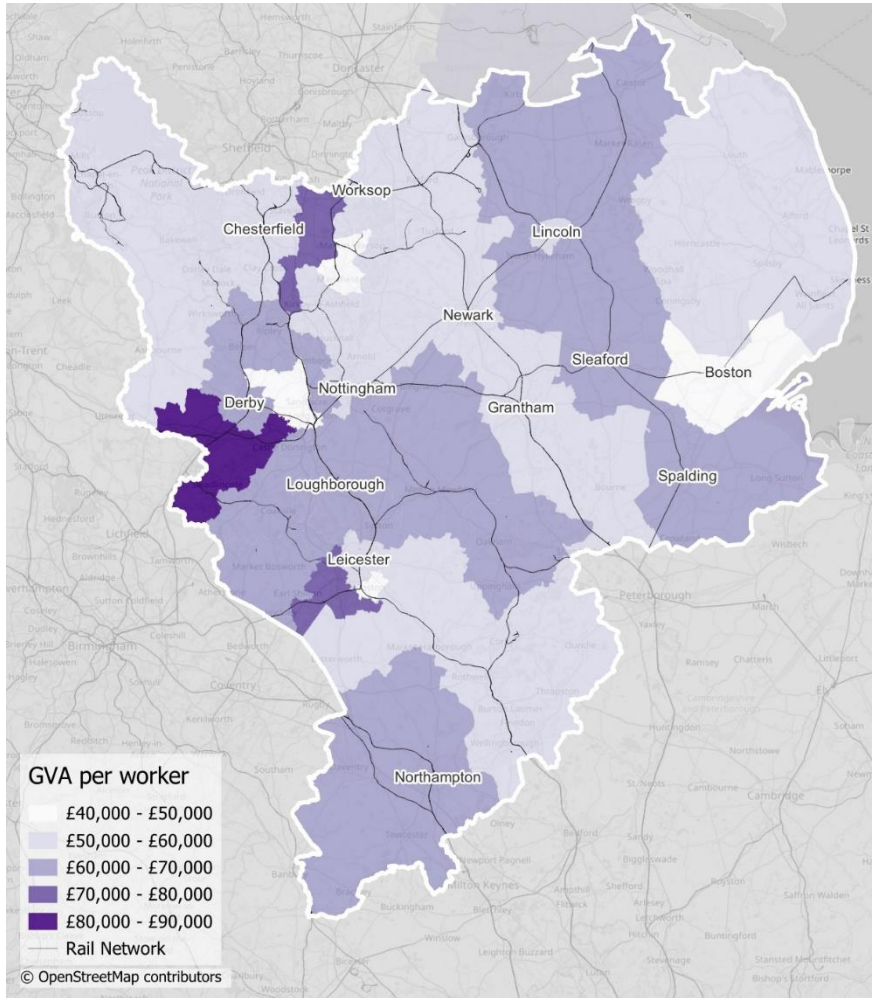


Figure 22. GVA per worked excluding imputed rent (2023) (ONS, Connected Economics analysis)

Output per head is around 24% less than the UK average. However, much of this is due to net outward commuting from the region. GVA per workplace employee – a much better measure of productivity – lags around 15% behind the national average. Productivity is hampered by the mix of jobs and activities. Productivity has been consistently falling further behind the UK average.

3.3 Industrial and sectoral structure

In 2023, the East Midlands generated £140bn of GVA and £157bn of GDP. The difference between the two reflects taxes and subsidies on products. The economy grew by 11.8% over the preceding ten years. Growth has been slower than in the UK overall which saw 16.8% real growth over the same period.

The largest sector of the East Midlands economy is manufacturing, accounting for 15.6% of economic output. This is followed by wholesale, retail and the motor trade (12.7%), and then real estate (11.6%) and health (9.2%).

This pattern is quite different from the average across England as a whole. Manufacturing makes up a much larger share of output in the East Midlands – as shown by the green diamond in the chart. Other sectors like agriculture, forestry and fishing, and transport and storage are also overrepresented compared to the UK average. Other sectors are significantly under-represented in the region – notably finance and insurance, information and communications and professional, scientific and technical activities.

The East Midlands is a manufacturing powerhouse, but under-developed in finance and IT and other professional and technical activities.

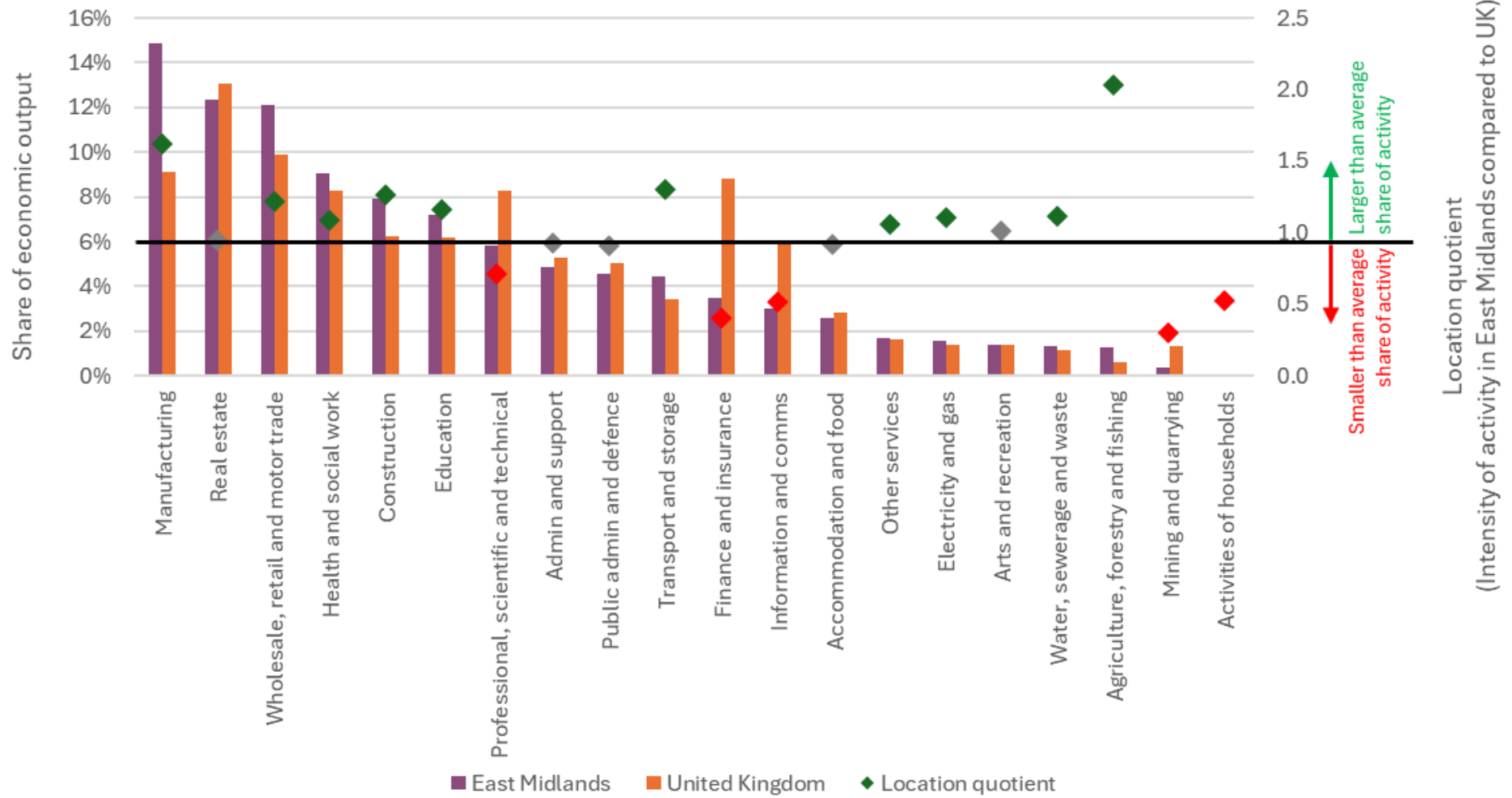


Figure 23. Share of economic output by sector and sector location quotients (2023) (ONS)

3.4 Clusters, hubs and growth poles

Geographically, economic activity is concentrated in the three largest cities of Nottingham, Leicester and Derby – each accounting for more than £9bn of economic output.

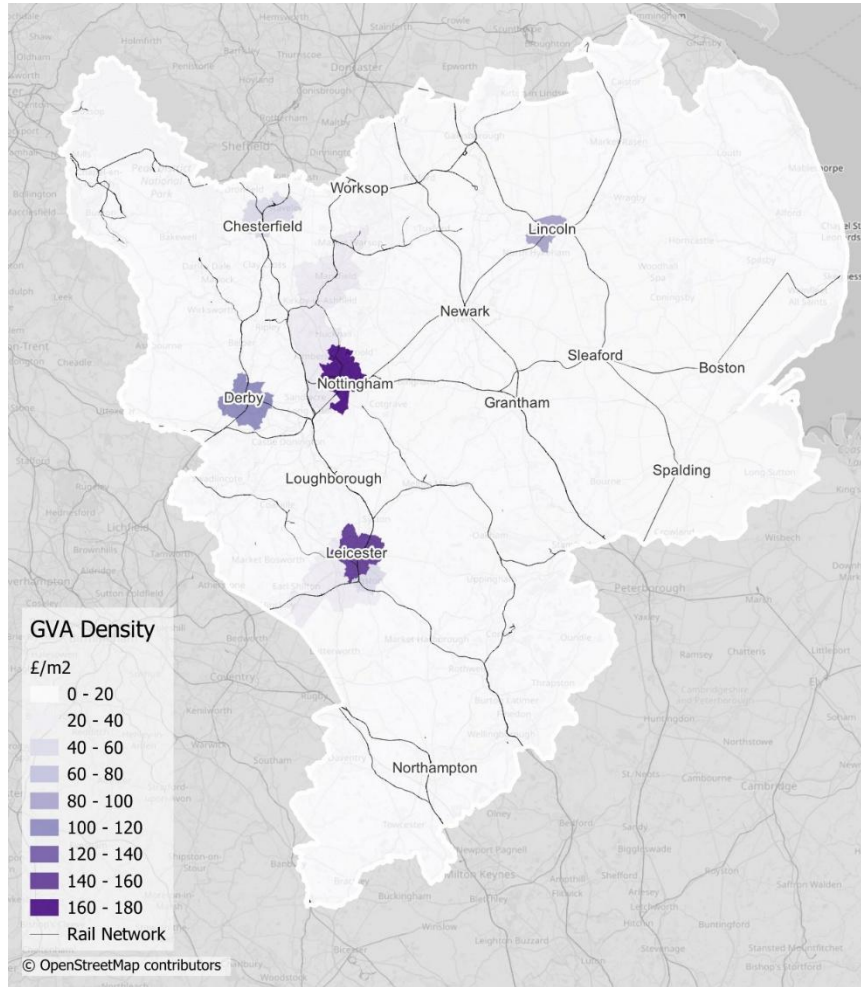


Figure 24. GVA density of East Midlands districts (2023) (ONS)

The smaller urban areas of Chesterfield and Lincoln also stand out for their concentrations of activity. However, West Northamptonshire and North Northamptonshire are also large economies – together generating around £25bn of economic activity.

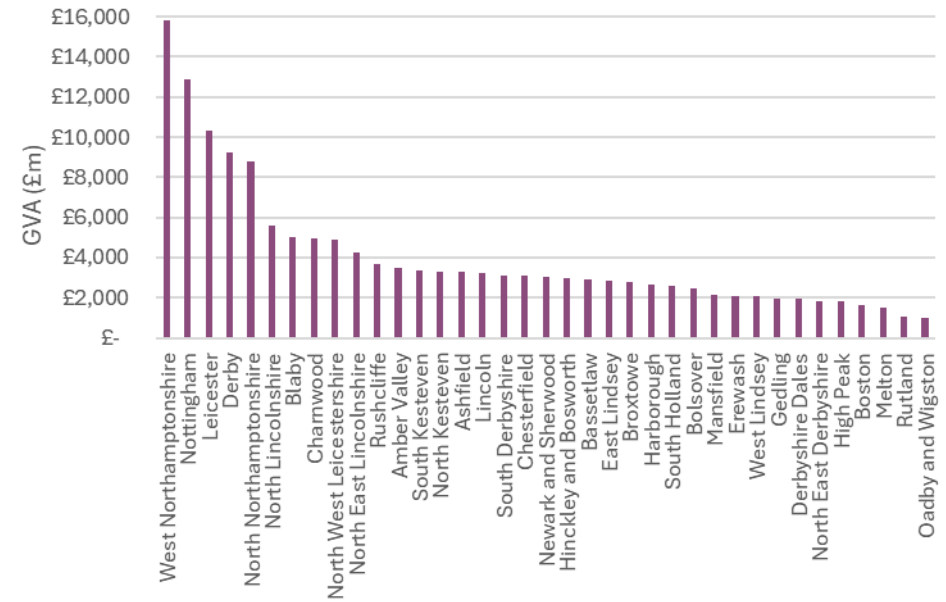


Figure 25. GVA of East Midlands Districts (2023) (ONS)

The spatial pattern of activities shows the north of the region more focused on manufacturing (particularly around Derby), the south focused on transport and storage (particularly North West Leicestershire hosting East Midlands Airport and Gateway Logistics Park) and finance and insurance (particularly West Northamptonshire). Clusters of local activity include food and drink and textile manufacturing in Leicester, retail in Nottingham, engineering in Derby and agriculture in Lincolnshire, as well as the East Midlands Freeport sites in an arc running from East Midlands Intermodal Park (EMIP), running across Southern Derbyshire via East Midlands Airport and through South Nottinghamshire to Ratcliffe-on-Soar.

Many of the growth sectors in the Industrial Strategy¹³ have clusters in the East Midlands. The notable exception is financial services which does not have a local cluster. These sector clusters are shown in Figure 26, clearly highlighting the importance of the M1 corridor through Leicester/Loughborough, Nottingham/ Derby and up towards Chesterfield/Sheffield.

Clusters are powerful but dispersed – transport integration determines how well they function as a system.

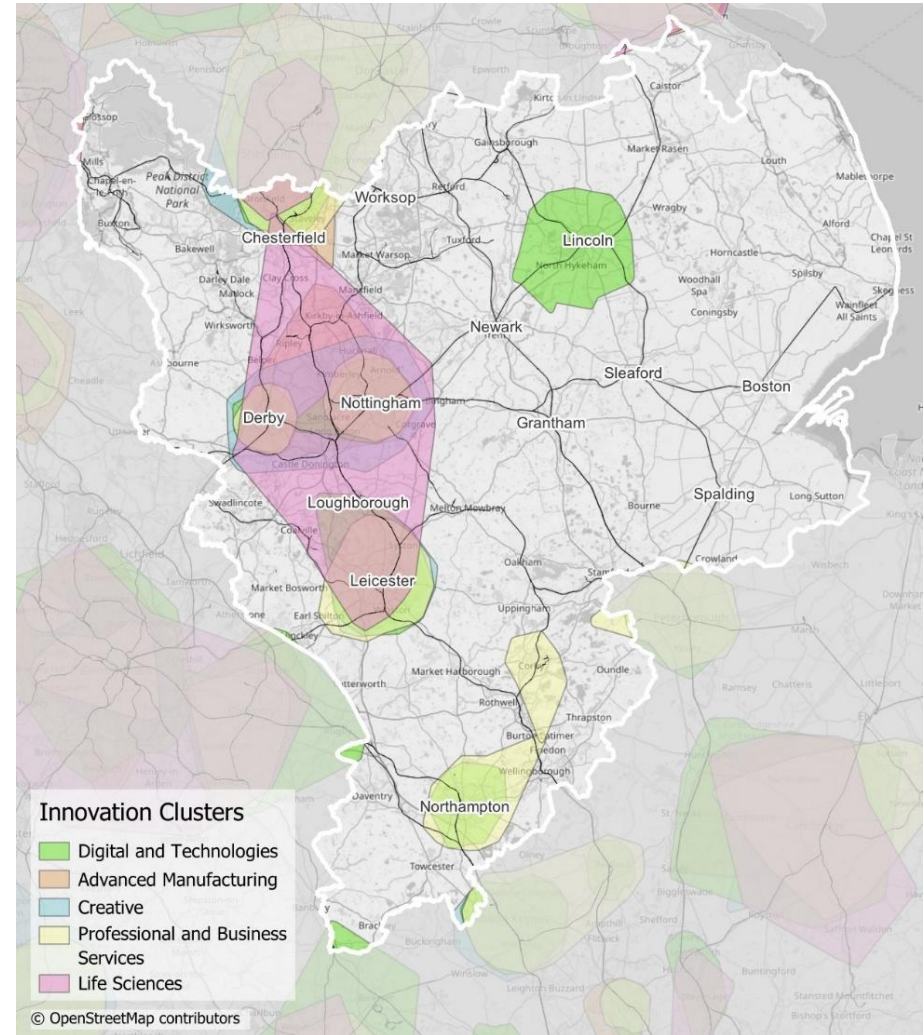


Figure 26. Cluster maps of Industrial Strategy sectors

¹³ [HM Government \(2025\), The UK's Modern Industrial Strategy. London: Department for Business and Trade.](#)

3.5 The labour market and workforce

LABOUR SUPPLY AND ECONOMIC ACTIVITY

Of the five million people that live in the East Midlands, around 3.1m are of working age and 2.6m are economically active. From the 1990s to around 2010, the economic activity rate was consistently higher than England as a whole and unemployment generally lower. However, the financial crisis in 2009 hit the East Midlands hard, driving many people out of the labour market entirely. Since then, economic inactivity rates and unemployment have broadly followed those of England – although with greater volatility. The latest data (August 2025 to October 2025) shows the share of economically active people in employment is slightly higher than in England (75.0% compared to 74.8%) and the unemployment rate is slightly higher.

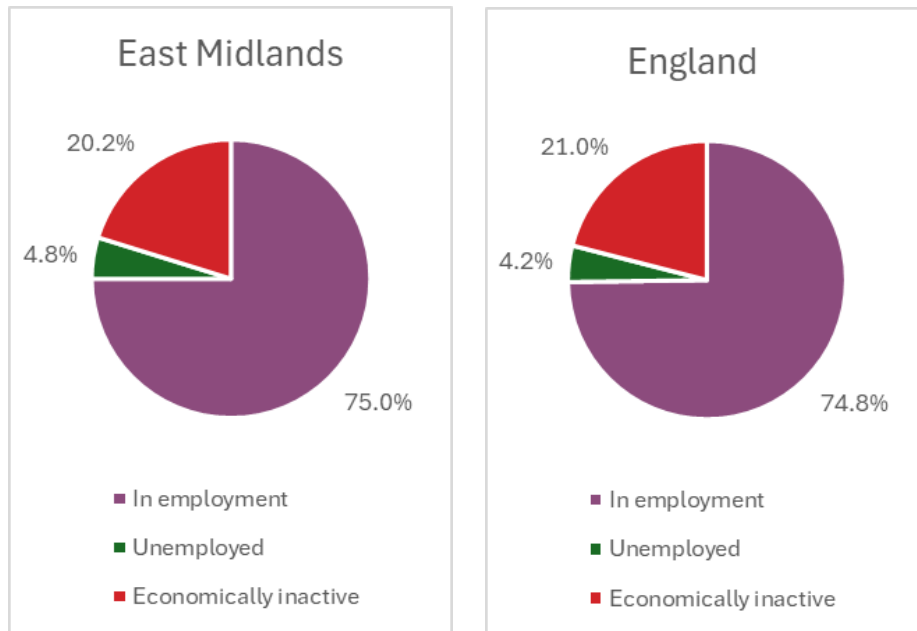


Figure 27. Economic activity (2025) (ONS)

A key reason for inactivity is health. The region has nearly 200,000 long-term sick. This represents 6.4% of the working age population – higher than the 6.0% share found in England as a whole. In the East Midlands, long term sick people equate to 30% of all economically inactive people and the excess in the rate compared to England equates to 12,000 additional people long-term sick at an economic cost of around £800m in lost economic output.

Males in the East Midlands can expect to live five months less than people in England as a whole, and females four months less. However, there is a larger difference in the time spent in poor health. Males can expect 13 months less healthy lifetime and females 20 months. In the region, life expectancy is higher in rural areas and lower in the cities. The mortality rate from chronic obstructive pulmonary disease (COPD) is the same as England while obesity levels are higher (29.1% compared to 26.5% for England as a whole).

Residents of the East Midlands have a notable deficit in the highest levels of qualifications. Only around 29% have a degree level qualification or above compared to 34% of the English population. Within the region, Leicester shows a high level of people with no qualifications while Rutland has a high share of degree qualified residents or higher.

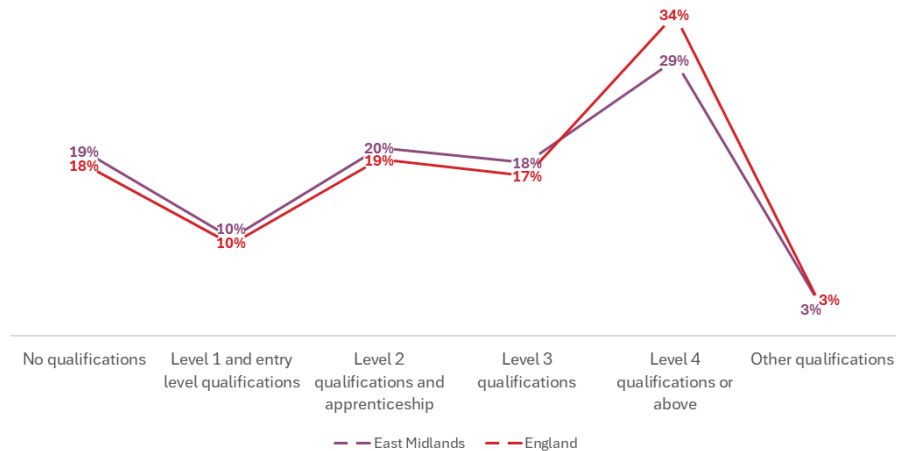


Figure 28. Level of qualifications (2021) (ONS)

Highly qualified residents are concentrated in the hinterlands of Leicester and Nottingham and in the north-west of the region. Fewer well-qualified residents live in the Lincolnshire coast area.

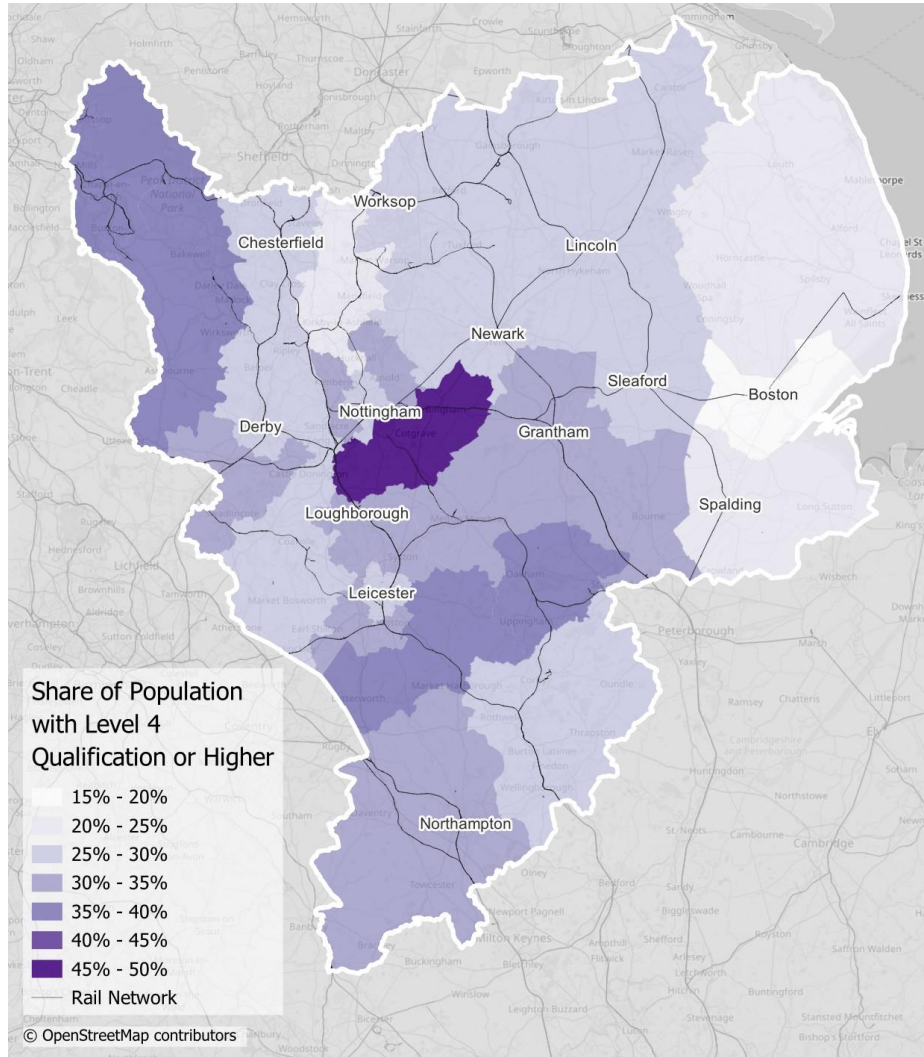


Figure 29. Share of population with Level 4 qualifications or higher (2021) (ONS)

LABOUR SUPPLY AND OCCUPATIONAL MIX

The occupational mix shows that professional occupations are under-represented in the East Midlands compared to the English average while process, plant and machine operatives are over-represented.

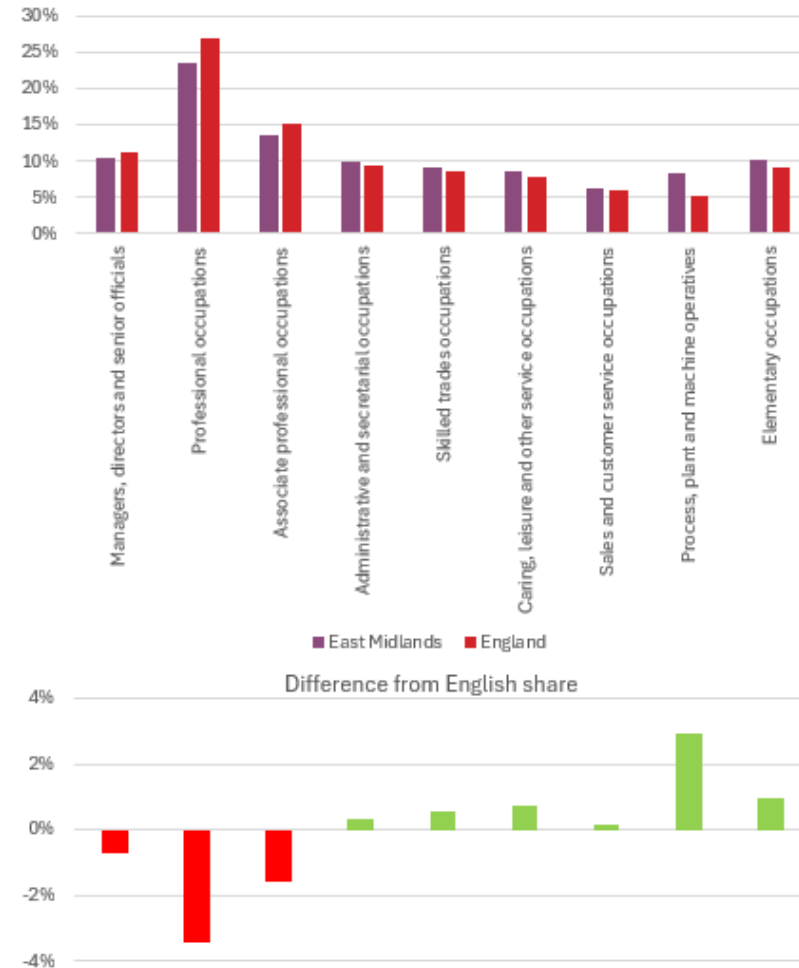


Figure 30. Occupational mix (2023) (ONS)

LABOUR DEMAND

The economic activities of the East Midlands support around 2.5m workforce jobs.

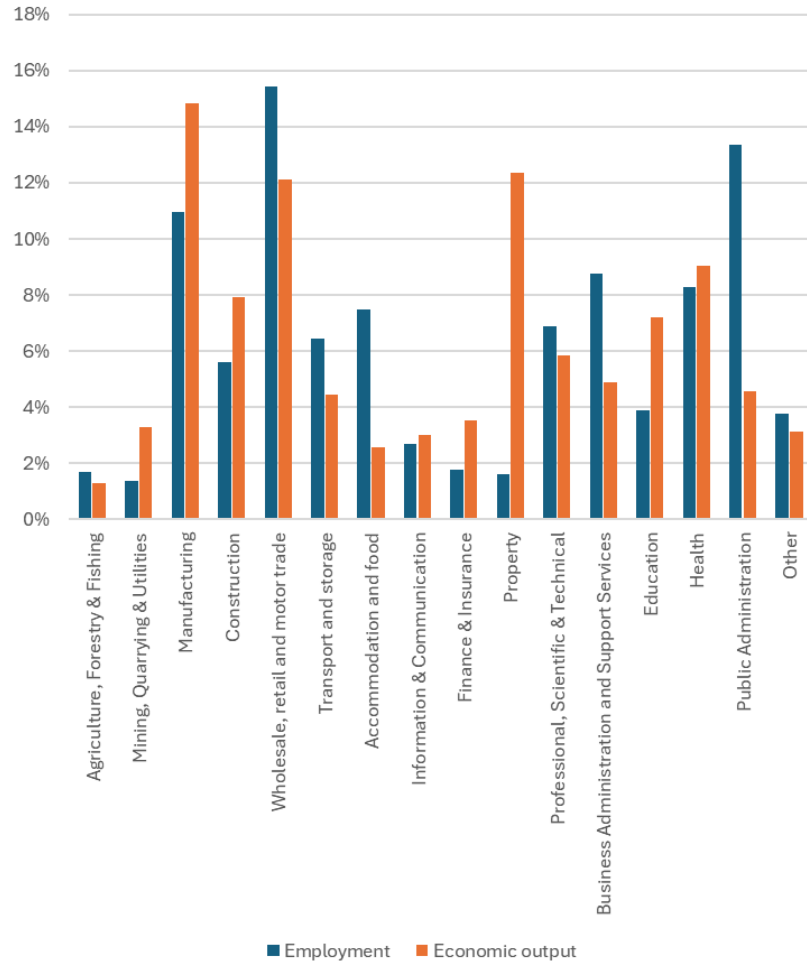


Figure 31. Share of employment and economic output (2022) (Business Register and Employment Survey, ONS)

Workforce jobs are concentrated in wholesale, retail and the motor trade (346,000 jobs, 15.4% of jobs), public administration (299,000 jobs, 13.3% of jobs), and manufacturing (246,000 jobs, 14.8% of jobs). The labour productivity of different sectors can be seen in the difference between employment shares and economic output shares. Manufacturing, for example has high labour productivity and its share of output is higher than its share of employment, while the wholesale, retail and motor trade sector has relatively low labour productivity and needs 15.4% of regional employment to generate 12.4% of regional GVA. (Note that this assessment of labour productivity does not capture differences in full and part time jobs and hours worked, so should be treated as indicative.)

Over the longer term, regional employment growth has matched that of the England as a whole. Difficult economic conditions after the financial crisis hit the East Midlands harder than nationally, but it had rebounded by 2014. More volatile growth since then saw growth spurts in 2019 and 2024 causing employment to keep pace with the national average.

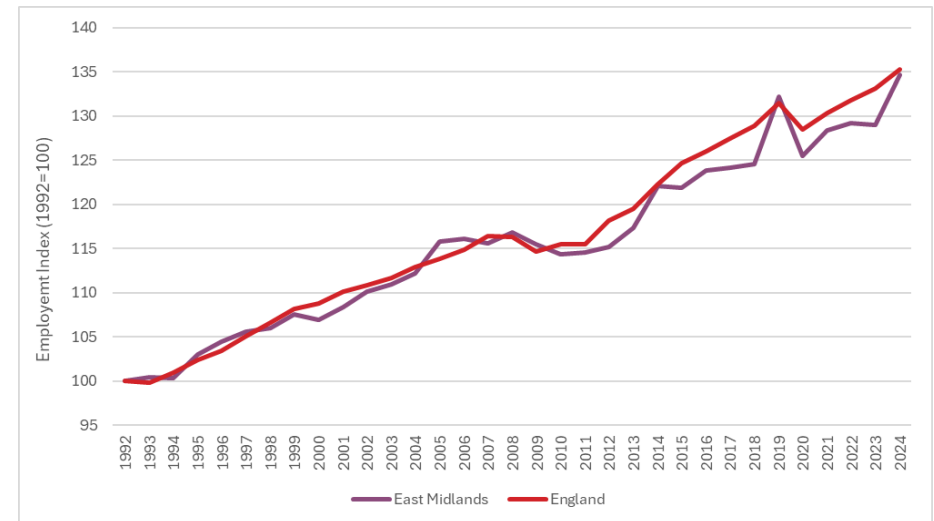


Figure 32. Long term employment index (aged 16 and over) (ONS)

SPATIAL LABOUR DEMAND AND TRAVEL TO WORK

There were 2.2m workplace employees in the East Midlands in 2024. Nottingham hosted the most (216,000) and Rutland the least (15,000). The dense employment centres in the cities and city fringes are clearly visible in Figure 33.

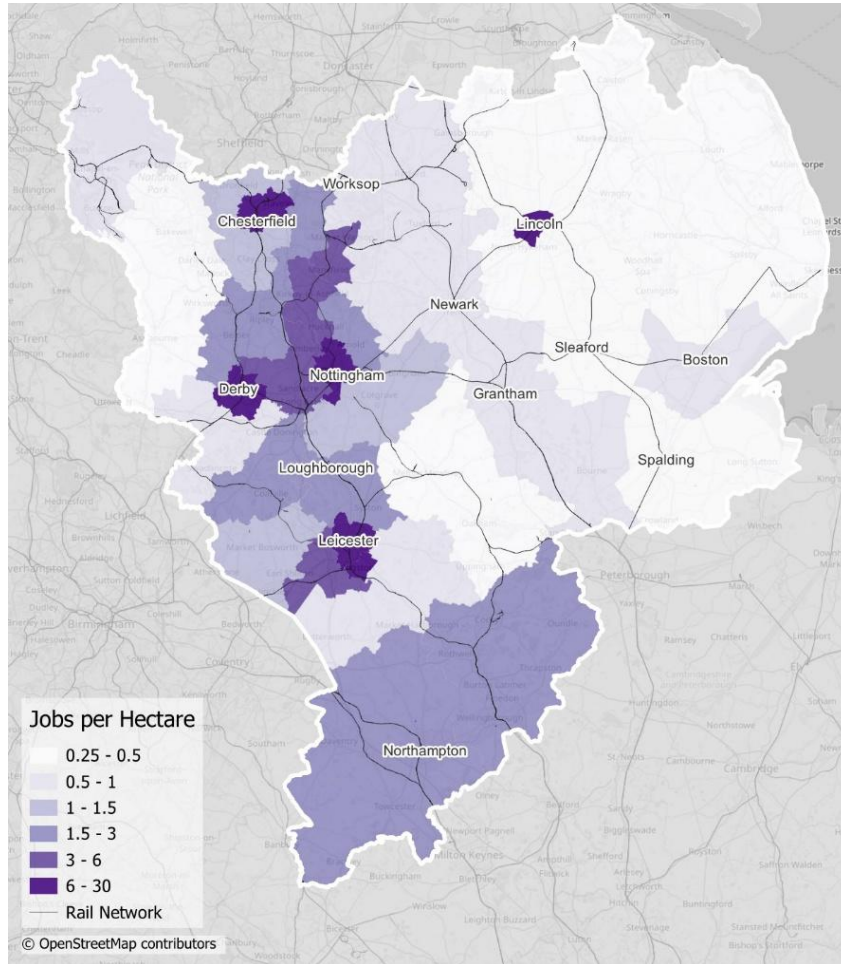


Figure 33. Workplace jobs per hectare (2024) (ONS)

Employment in the region grew by around 8% over the ten years from 2015 to 2024. Most of the region enjoyed positive growth with particular hotspots in

North West Leicestershire (+38%), Blaby (+28%) and Rushcliffe (23%). However, employment contracted slightly in six of the 35 districts, notably in Bolsover (-6%) and Amber Valley (-4%).

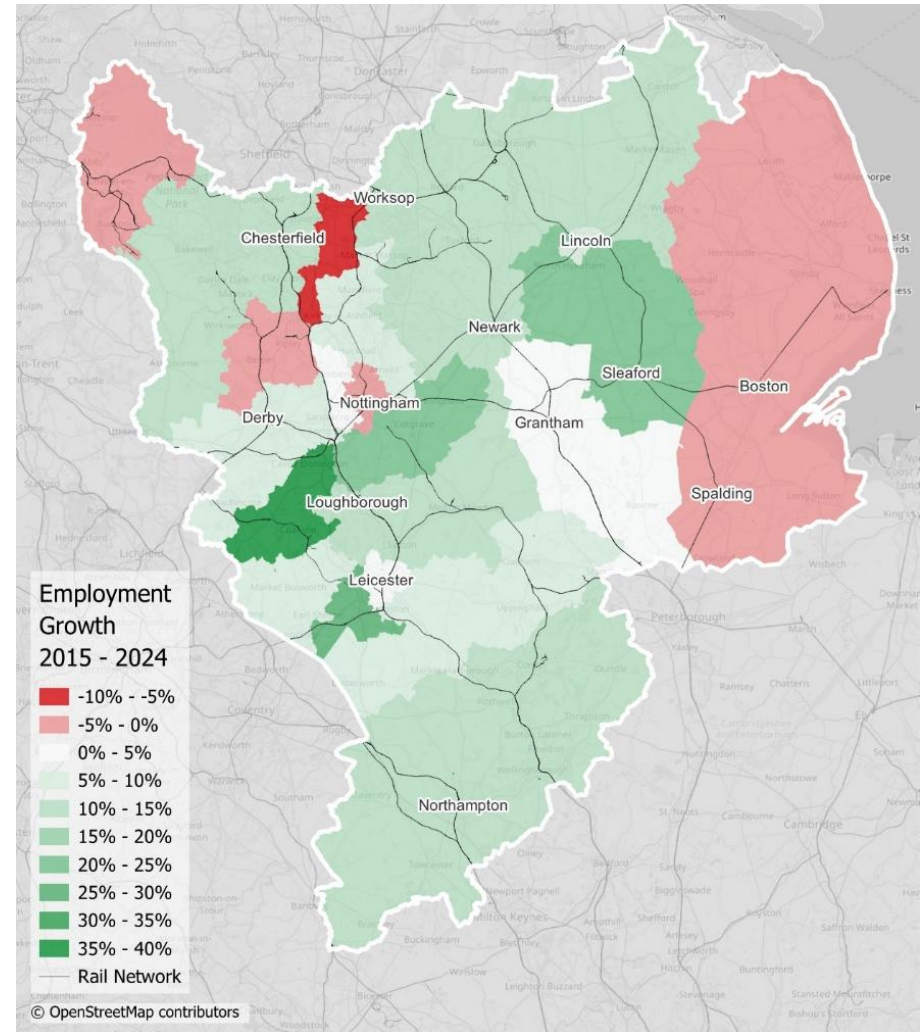


Figure 34. Percentage workplace employment growth (2015-2024) (ONS)

There are 1.47m commuters living in the East Midlands with the remainder of the workforce working from home or having no regular place of work. Leicester,

Nottingham and West Northamptonshire have the highest numbers of resident commuters – each with over 100,000 – while Rutland has the fewest, reflecting its smaller population.

Jobs in the East Midlands are difficult to come by. Job density is a measure of the number of jobs per person aged 16 to 65, and measures only 0.79 in the East Midlands – lower than peer regions such as the West Midlands (0.82) and the North West (0.83), but higher than the North East (0.74). In London job density is 1.07. This forces residents to look beyond the region for jobs. Of the 1.47m commuters, 146,000 (9.9%) go to jobs outside the region.

Overall, 107,000 people or 7.5% of people that work in the East Midlands commute in from neighbouring regions. The region therefore sees significant net outward commuting or around 39,000 people. (Note that this data is drawn from the 2021 census which was affected by the COVID-19 pandemic. This will have affected the scale of commuting and could also have affected the patterns of it.)

Commuting is very different in different areas. By far the largest net in-commuting is seen in Nottingham with around 54,000 people commuting in and 30,000 commuting out, leaving net inward commuting of around 24,000. Other significant net attractors of labour are North West Leicestershire, West Northamptonshire, Derby and Leicester. The residential areas that see the most net outward commuting are North Northamptonshire, North East Derbyshire and Gedling in Nottinghamshire.

Commuting flows beyond the region are significant. More than one third of High Peak residents that commute go to places outside the region (mainly Manchester) while for Gedling in Nottinghamshire this is only 2%. Almost all districts show net out-commuting from the region with only three out of 37 showing low levels of net inward commuting (Harborough in Leicestershire, Chesterfield, and North Kesteven in Lincolnshire). The largest numbers of net out-commuters are seen in North Northamptonshire and High Peak in Derbyshire.

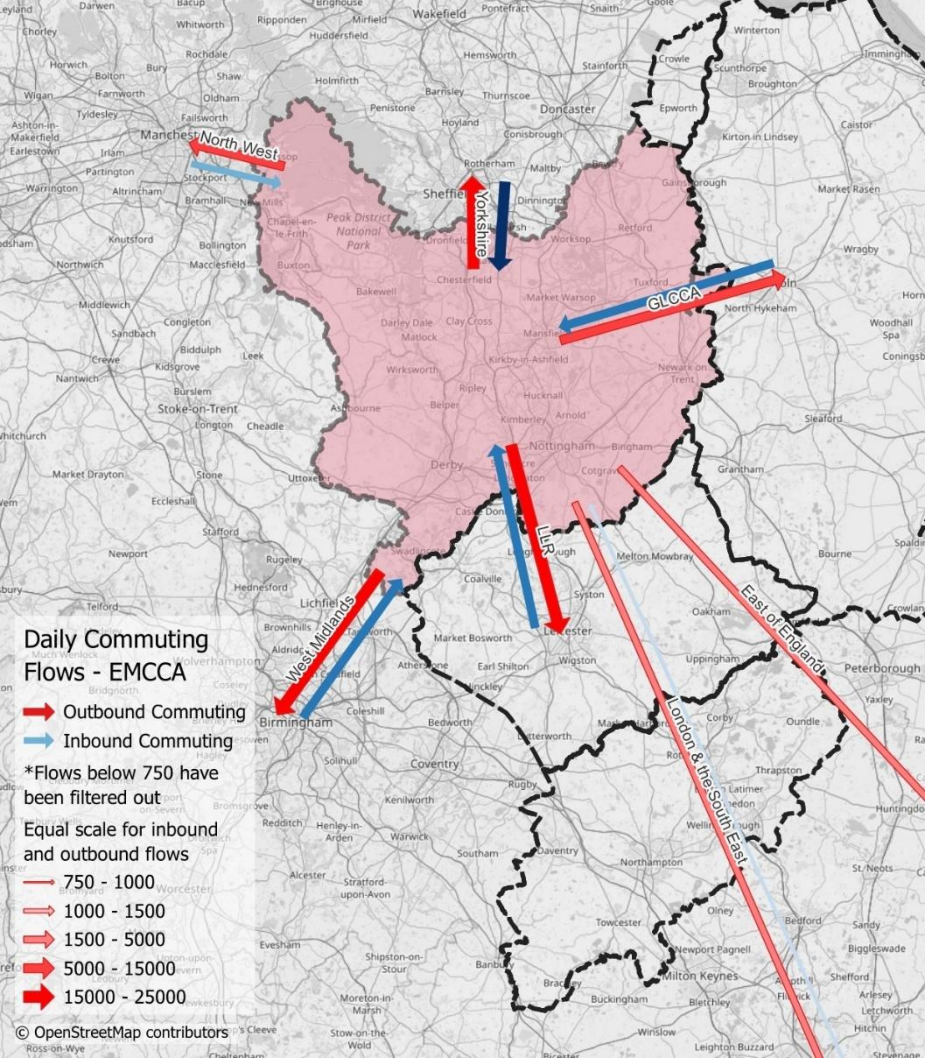


Figure 35. Daily commuting flows to/from East Midlands Combined County Authority (2021) (ONS)

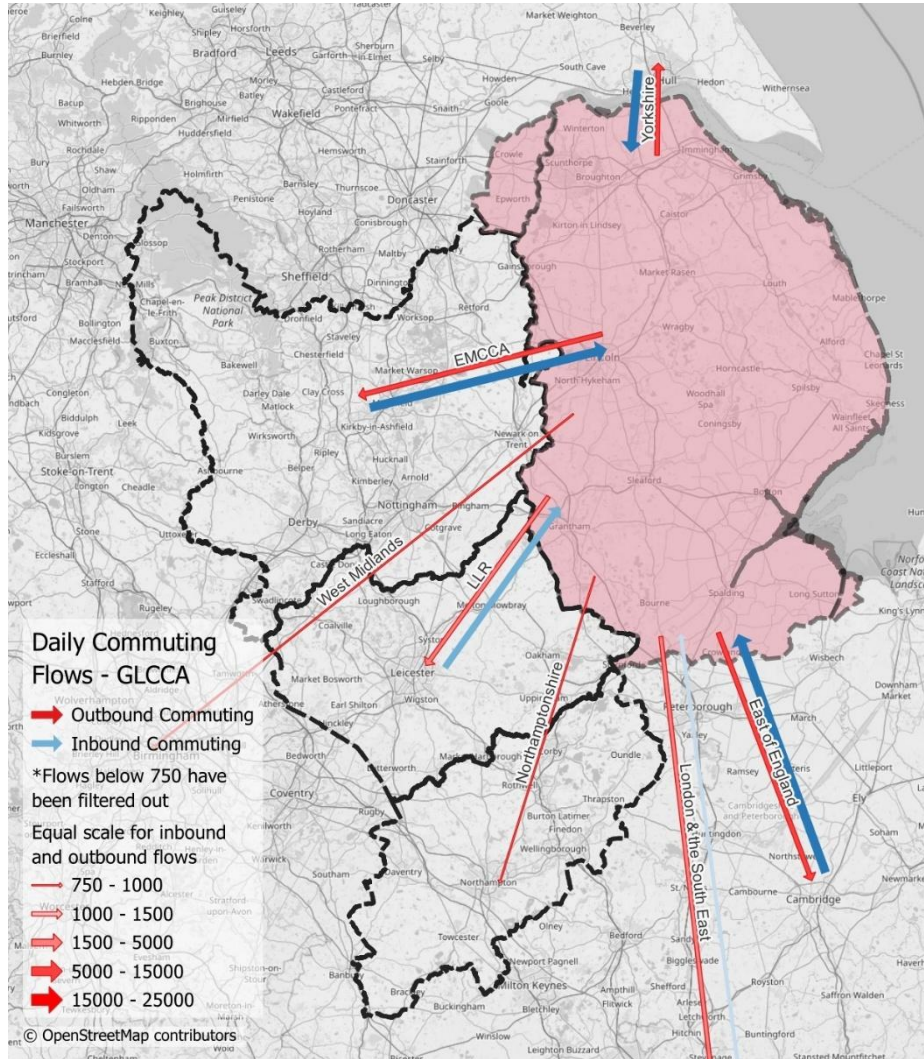


Figure 36. Daily commuting flows to/from Greater Lincolnshire Combined County Authority (2021) (ONS)

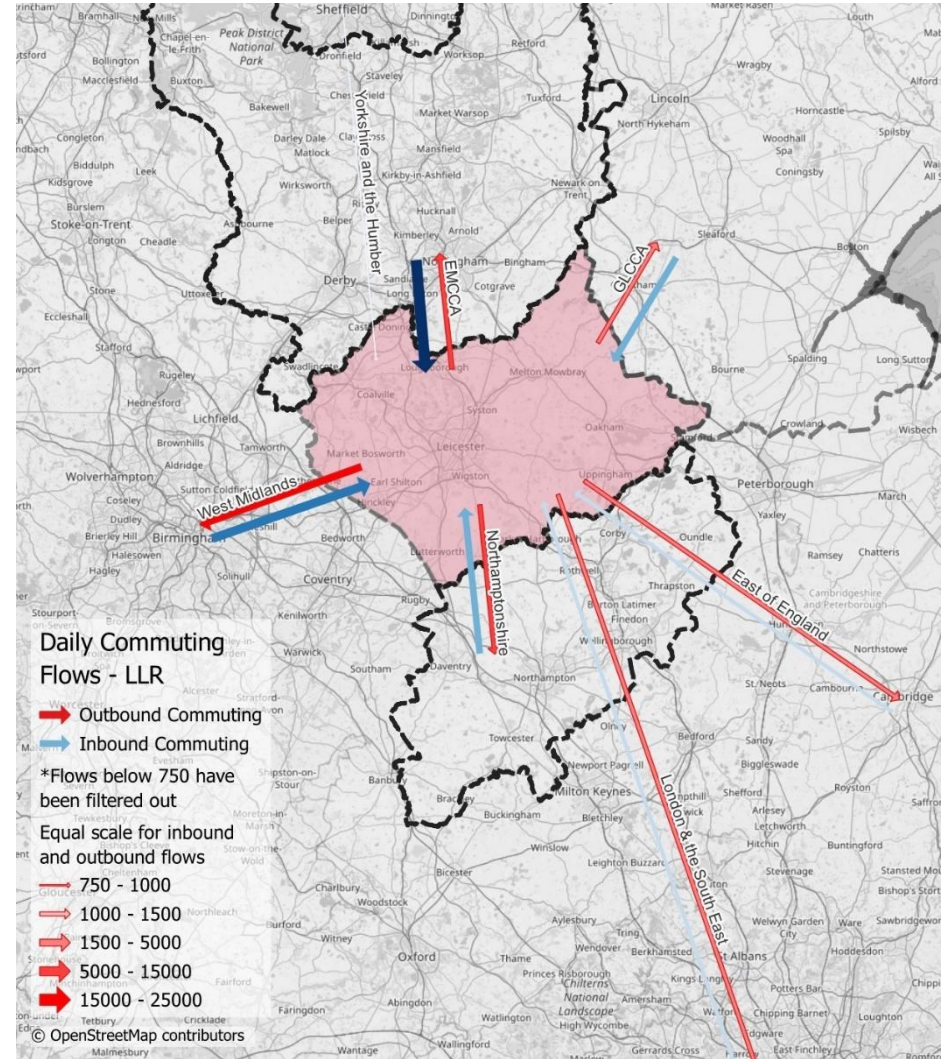


Figure 37. Daily commuting flows to/from Leicester, Leicestershire and Rutland (2021) (ONS)

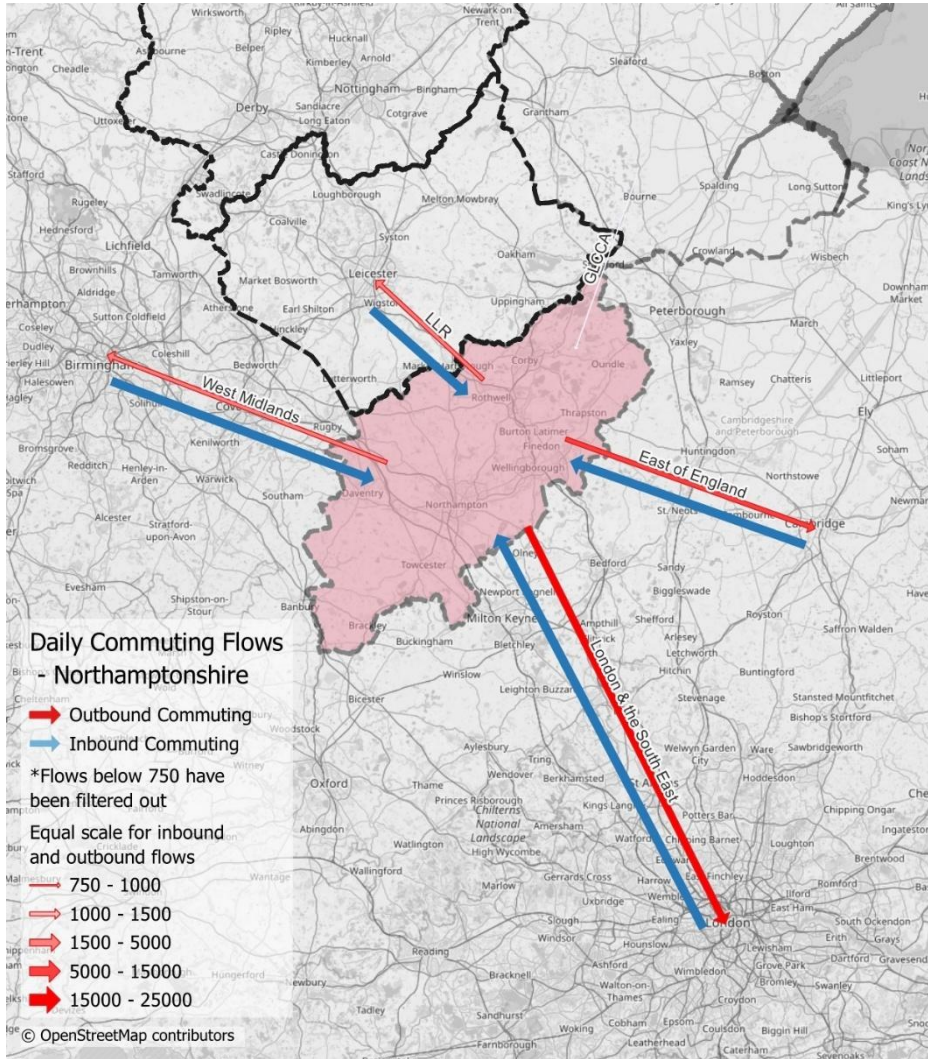


Figure 38. Daily commuting flows to/from Northamptonshire (2021) (ONS)

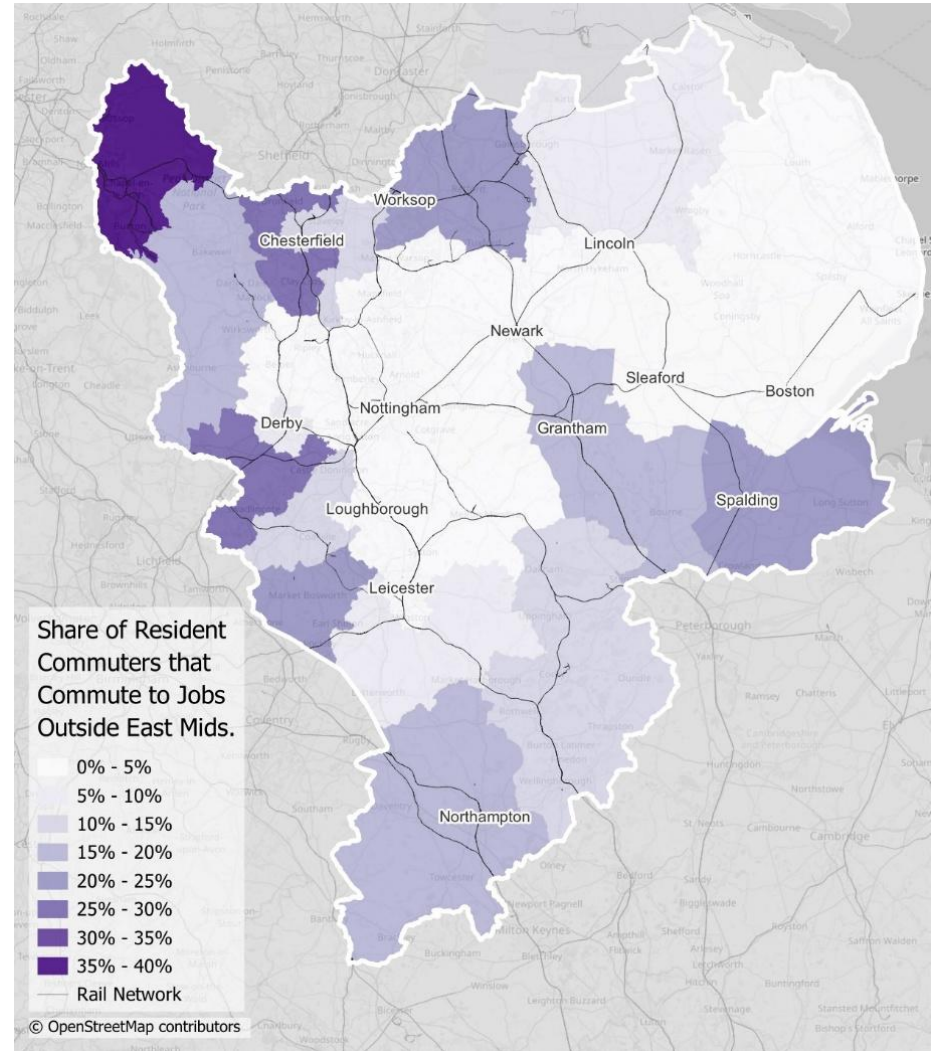


Figure 39. Share of resident commuters that commute to jobs outside the region (2021) (ONS)

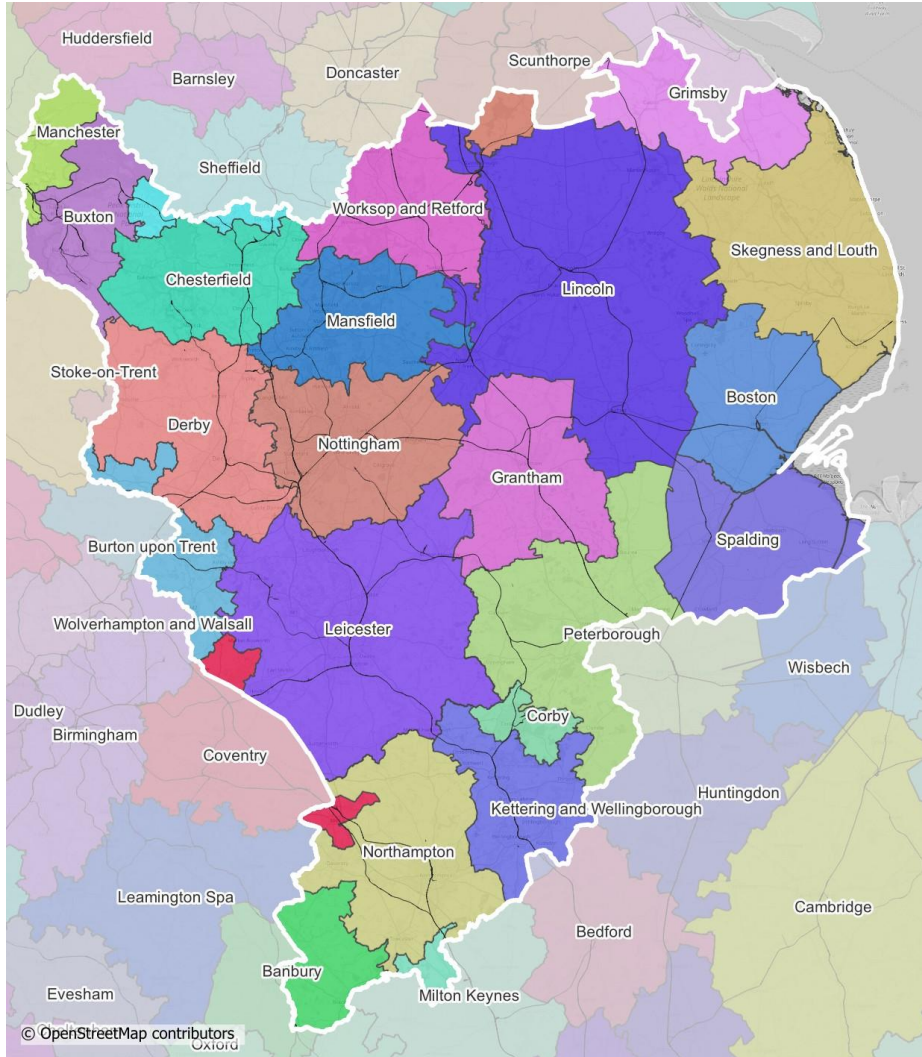


Figure 40. Travel to work areas (2011) (ONS)

There are 15 defined travel to work areas that sit within the East Midlands, and several more that cross its boundaries such as Peterborough and Banbury to the south, Burton-upon-Trent to the west and Grimsby to the north.

LABOUR MARKET OUTCOMES

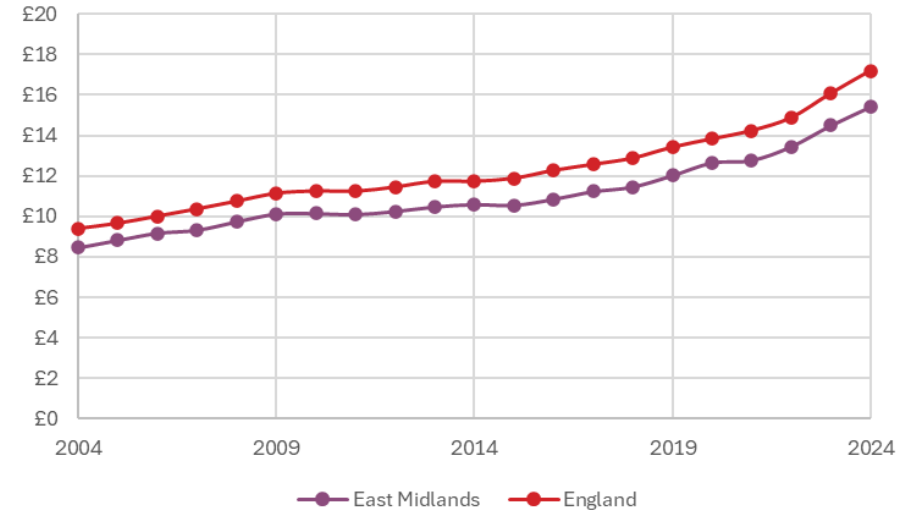


Figure 41. Gross hourly pay (Annual Survey of Hours and Earnings, ONS)

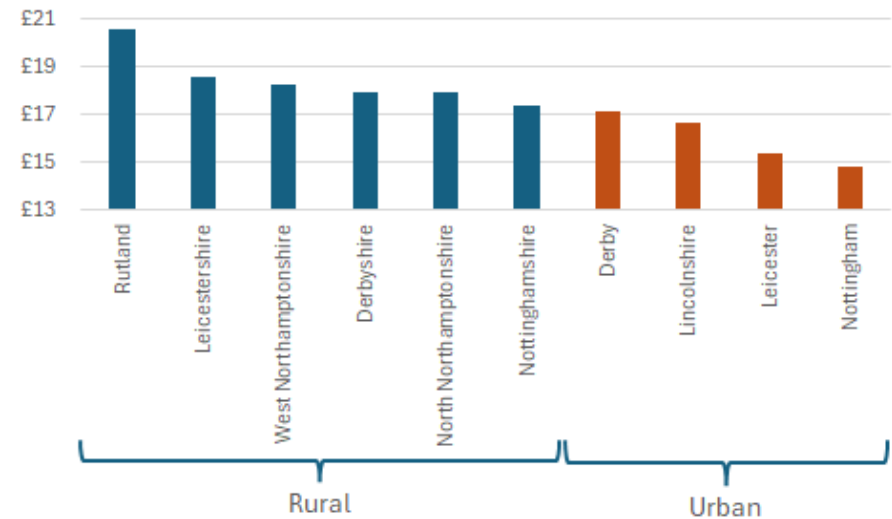


Figure 42. Workplace based gross hourly pay by county (2024) (Annual Survey of Hours and Earnings, ONS)

With few jobs in the region, a relatively unskilled workforce and an economy skewed to lower value occupations and sectors, wages in the region are relatively low – consistently around 10% below the English average.

While pay is lower, it follows same trajectory as England – showing that the same national macroeconomic forces tend to drive changes in it.

Pay is lowest in Leicester and Nottingham and highest in rural areas – Rutland, Leicestershire, Derbyshire and Northamptonshire.

With relatively few jobs around, and skewed to lower value activities, regional wages are low. Labour markets are regionally fragmented with many workers looking outside the region for employment. Better transport enlarges employment search areas and opportunities and helps rebalance labour supply and demand.

3.6 Trade, connectivity and economic linkages

The East Midlands is a trading economy. The total value of exports of goods and services in 2020 were £114bn – or around 103% of the value of the region’s economic output. (Goods can be traded multiple times as parts move through supply chains. Trade values may therefore count the value of the same good or service more than once – so trade values can be larger than the value of economic output.)

Around a quarter of trade is international and three quarters domestic.

DOMESTIC TRADING RELATIONSHIPS

The total value of exports of goods and services to other regions of the UK in 2020 were £84.5bn and international exports – or around three quarters of the value of regional economic output. Note that these interregional trade statistics are experimental and should be treated with caution.

Domestic exports of goods and services are of similar magnitudes with goods exports of £44bn and services exports of £41bn. Three quarters of goods trade is in wholesale, retail and the motor trade with most of the remainder in the manufacturing sector.

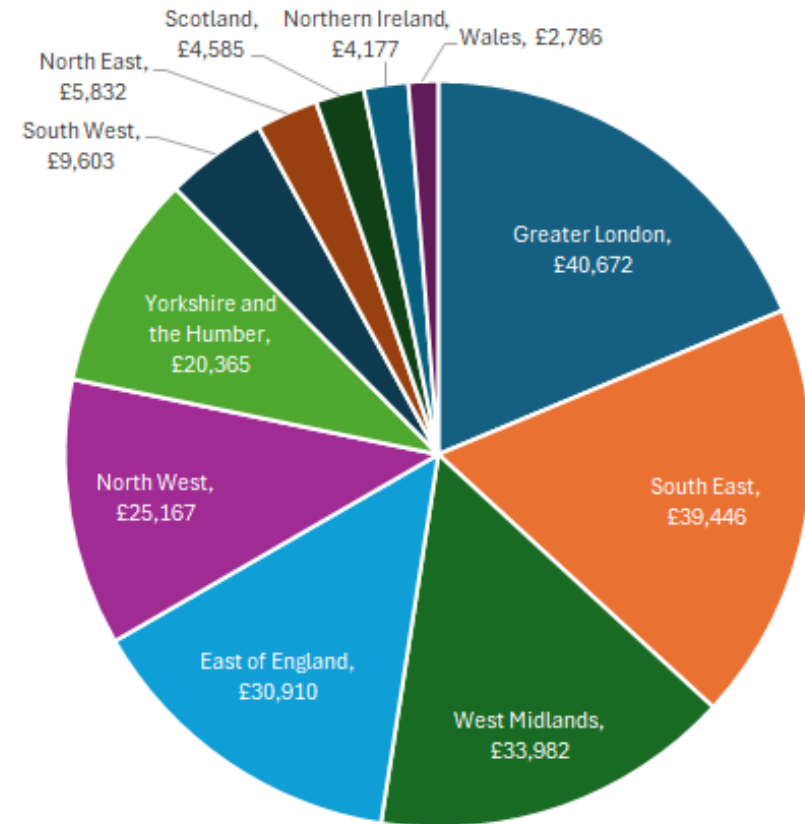


Figure 43. Value of domestic trade in goods and services by regional partner (£m, 2019-2020) (ONS)

The main domestic trading partners are Greater London, the South East and the West Midlands, which together account for more than half of interregional trade.

INTERNATIONAL TRADE

While domestic trade is balanced between goods and services, international trade is dominated by goods which make up around 80% of international exports from the region. Goods exports were valued at around £23bn in 2020 while services exports were valued at around \$7bn.

Overall, trade is split quite evenly between EU and non-EU countries with 45% of exports going to the EU and 55% outside it. Country-by-country data is not available for services which make up the bulk of the East Midlands’ international trade flow, but in goods trade, the USA is the largest export market (25%), followed by Germany (10%). The largest share of goods imports also comes from the United States, followed by Germany, France and then Spain.

Two thirds of international goods exports are in the manufacturing sector and the remainder mainly in wholesale and the motor trade.

The East Midlands punches above its weight in goods movement but below in value creation.

3.7 Industrial land value

The East Midlands as a region sits at the bottom of the country in terms of rateable value of commercial floorspace, providing companies in the region looking to grow, and those outside looking to move in and invest, an opportunity to do so at relatively low cost.

Across the region, the highest industrial property costs are in Nottingham, Lincoln, Blaby in Leicestershire, and Broxtowe in Nottinghamshire. In contrast to the cities of Nottingham and Lincoln, property values in Derby and Leicester are 18-23% lower.

Lincolnshire has some of the lowest rateable values in the region, particularly in the north and south of the county, as well as parts of rural Derbyshire and Northamptonshire.

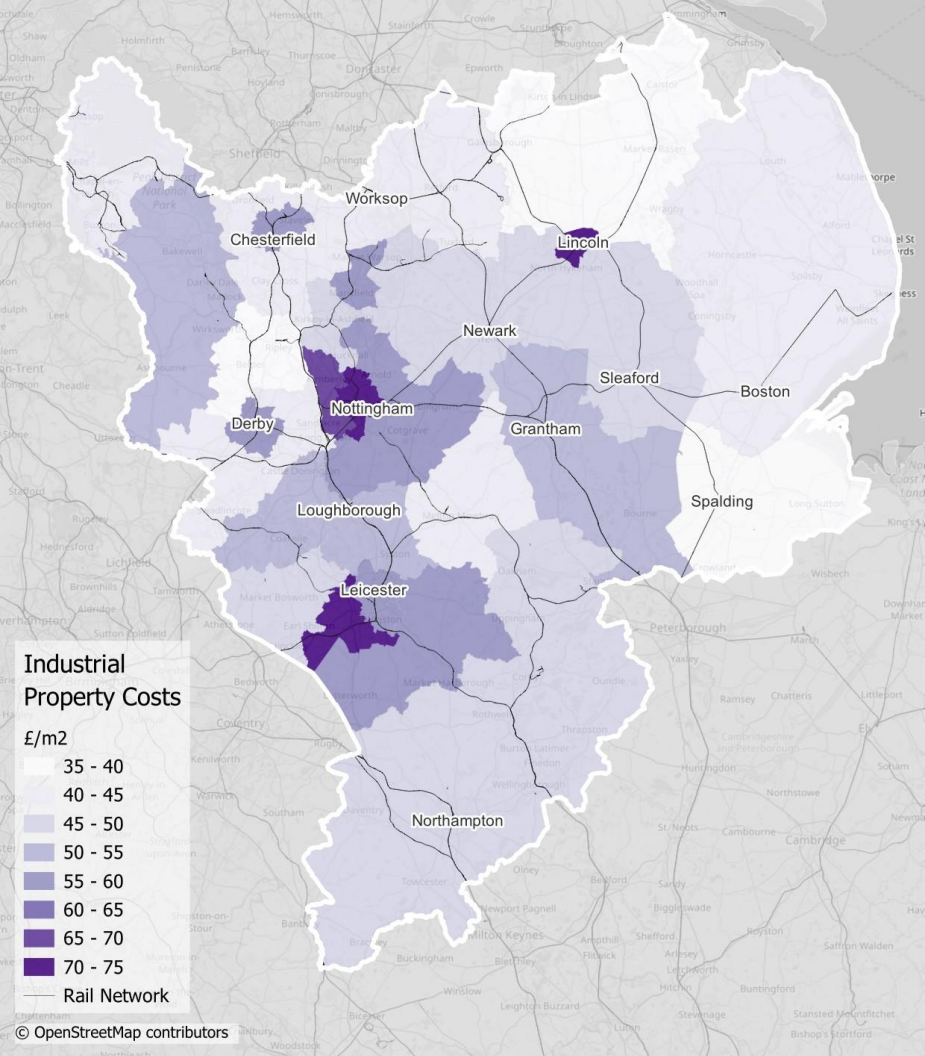


Figure 44. Rateable value of business floorspace by local authority (2019/20) (VOA administrative data)

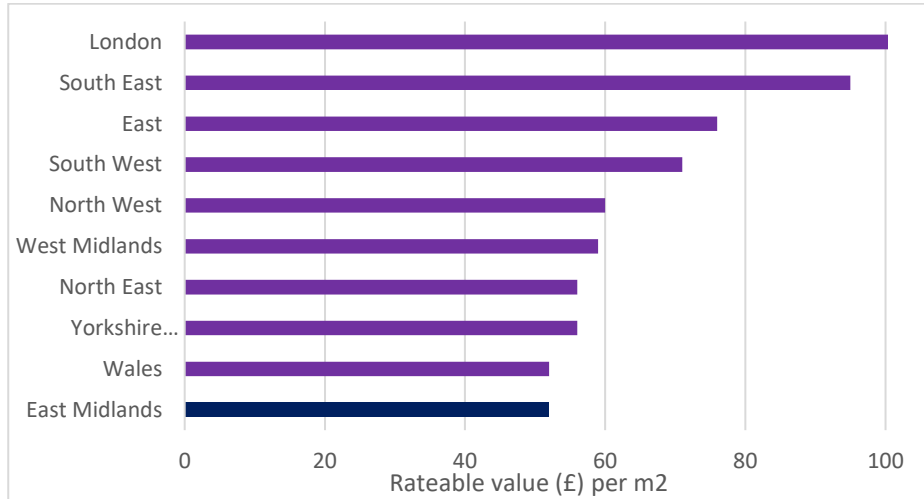


Figure 45. Rateable value of business floorspace (2019/20) (VOA administrative data)

3.8 Research, innovation and investment

The East Midlands research ecosystem centres around hubs in:

- **Nottingham** – comprising University of Nottingham, Nottingham Trent University, Nottingham Science Park and key public and private innovation centres such as Queen’s Medical Centre and Boots. The cluster’s main research strengths are in life sciences and pharmaceuticals, advanced materials, medical technologies, data science and AI.
- **Derby** – focussing on rail, power, aerospace and advanced manufacturing, and characterised by major employers such as Rolls-Royce and Toyota Motor Manufacturing UK as well as public assets such as the University of Derby and Infinity Park advanced manufacturing campus.
- **Leicester** – while a broader innovation cluster surrounds the university, Leicester’s most visible cluster is in space and planetary science, anchored by Space Park Leicester and the National Space Centre.
- **Loughborough** – focussed on the university and engineering, materials and sports science.

Research intensity is high at Nottingham, Loughborough and Leicester while the other regional universities focus more on undergraduate teaching. Business

investment in research and development is low. Per head it is only around half of the English average in 2023. This partly reflects a decline of the region’s corporate research base as the regional textiles and heavy industry sectors have declined. The region has relatively few mid-size technology firms scaling innovations.

Public funding in the East Midlands is the lowest level of all UK countries and regions. Over the last five years the region has missed out on around £24bn of public funding compared to English average funding levels. The average English resident benefitted from £12,625 of government expenditure in 2023-24 but the average East Midland resident only got £11,603. The average Londoner benefits from more than £3,000 more public expenditure than a person in the East Midlands. Regional public spending has consistently been the lowest in the country over the last five years.

This underinvestment is widespread across the categories of public expenditure that drive growth: economic development; science and technology; and transport. It is particularly acute in capital expenditure. Per head the region receives £987 of capital investment per person per year – compared to £1,428 on average across the UK. Capital expenditure in neighbouring regions is considerably higher – £1,526 in the North West and £1,311 in the West Midlands for example.

In the field of economic development the picture is even worse. The region receives only around half the UK average investment (£333 per head per year compared to £613 across the UK as a whole).

As demonstrated in earlier sections, the economic performance and productivity data demonstrates that the East Midlands is underperforming compared to national averages and other comparable regions, and this is perhaps partly (although not wholly, as the previous analysis demonstrates) attributable to the underinvestment set out above. As the industrial land value data demonstrates, if the investment gap can be closed, there is the potential for an added stimulus into the region to stretch further compared to other areas of the country.

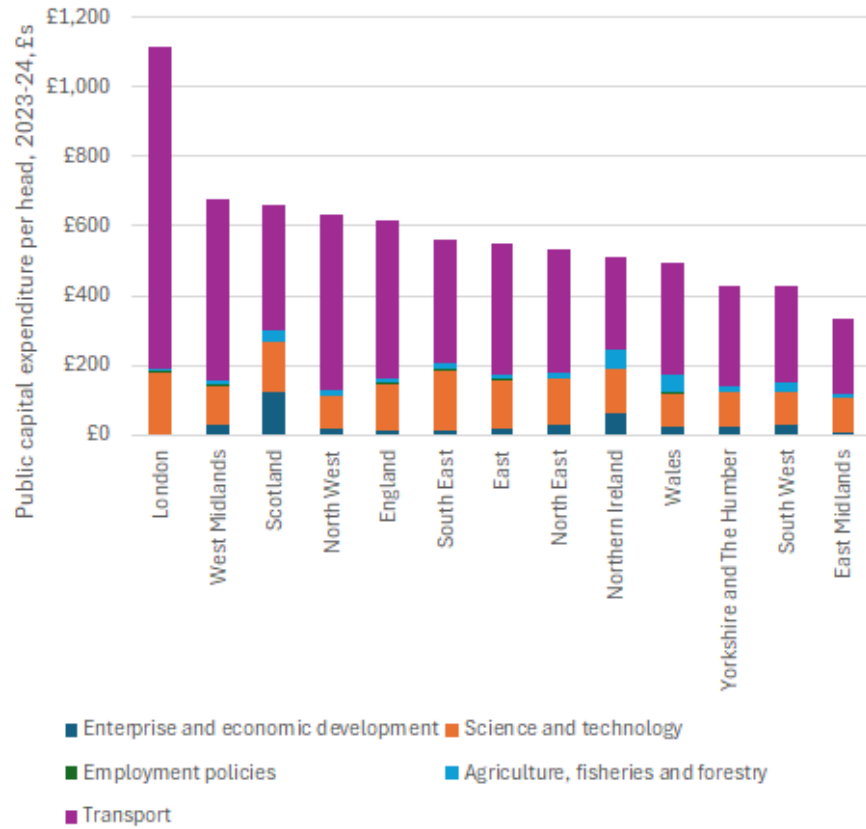


Figure 46. Public capital expenditure per head (£, 2023-24) (Public Expenditure Statistical Analysis, HM Treasury)

4. TRANSPORT EXPENDITURE

4.1 Transport funds and investment allocations

A number of different funds and investment routes for investment in transport services and infrastructure are available to the region and its constituent local and strategic authorities. These are summarised below.

○ National Highways Road Investment Strategy (RIS)

- An investment strategy for the strategic road network in England, published every five years. RIS 3¹⁴, covering the period 2026 to 2031 was published in March 2026. An interim settlement covering the period between the end of RIS 2¹⁵ in 2025 and the new RIS 3 in 2026 was awarded to National Highways in the 2025 Spending Review, totalling £4.8bn. RIS 2 investment totalled £27.4bn.

○ Network Rail Control Period (CP)

- Network Rail's delivery plan for operations, maintenance and renewals activities in Great Britain. CP7¹⁶ covers the five years between 2024 and 2029 and includes funding of £45.4bn.

○ Rail Network Enhancement Pipeline¹⁷

- A rolling programme of rail network investment in England and Wales introduced in 2018 and originally planned to be published annually. However, it has not been updated since 2019. It does not include operations, maintenance and renewals activities carried out by Network Rail, and does not include HS2.

○ Bus Service Improvement Plans

- Funding allocations for local transport authorities to provide bus service improvements in England.
- Total funding awarded for 2025 to 2026 was £40.5m to EMCCA and £44.3m across ten local authorities.

○ Transport for City Regions

- A multi-year, consolidated funding settlement to enhance the local transport networks of England's largest city regions between 2025/26 and 2031/32. It is paid to the nine eligible mayoral strategic authorities.
- EMCCA was awarded £2bn in the 2025 Spending Review.

○ Active Travel Capability Fund

- Funding that supersedes the Consolidated Active Travel Fund for the 2026/27 to 2029/30 financial years. It includes both capital funding to support the development and construction of walking, wheeling and cycling facilities in England outside London, and revenue funding to support network planning, early scheme design, and community engagement and training activities. It is paid to mayoral combined authorities with integrated settlements by the Ministry of Housing, Communities and Local Government. It is paid by Department for Transport for other authorities.
- The region was awarded £43.3m across ten local authorities.

○ Integrated Settlements

- Devolved funding for mayoral strategic authorities for the 2026/27 to 2029/30 financial years. The two combined county authorities in the East

¹⁴ [Road Investment Strategy 3 \(Department for Transport, 2026\)](#)

¹⁵ [Road Investment Strategy 2 \(Department for Transport, 2020\)](#)

¹⁶ [Control Period 7 \(Network Rail\)](#)

¹⁷ [Rail Network Enhancements Pipeline \(Department for Transport, 2018\)](#)

Midlands, EMCCA and GLCCA, do not currently have a devolution settlement that includes devolved funding.

4.2 Public expenditure in transport

Public expenditure on transport in the East Midlands is low compared to the rest of the country, and has remained so despite the growing levels of investment outside London since the COVID-19 pandemic. In both current and capital expenditure, the East Midlands is ahead of only the North East region in terms of 2023/24 spend and is continuing to lose ground with the regions above it. In 2019/20, capital spend in the East Midlands was 40% of that in the North West and 46% of that in the West Midlands – by 2023/24, expenditure in the East Midlands had dropped to 29% and 36% of these same regions respectively. The East Midlands has also seen its share of total capital expenditure in England reduce since 2019/20 (with only the South East and East seeing a greater reduction in national share), and has seen the second smallest percentage increase in capital expenditure since 2019/20 (18%, compared to 45% for England, 61% for Yorkshire and the Humber, and 67% for the North West).

The picture is similar in terms of spending per head, with regions such as the North West, North East, and Yorkshire and the Humber having seen their spending since 2019/20 increase by 50-60%, whilst spending per head in the East Midlands has only grown by 23% over the same period. In 2023/24, it was the region with the lowest spending on transport per head in the country and was the second lowest in terms of growth in spending since 2019/20, ahead of only the South East.

A similar story is true when considering spending on railways only. The East Midlands had the lowest spending on railways per head in 2023/24, dropping below the South West, which it had briefly surpassed in 2022/23. Spending on railways in the region has only increased by 47% since 2019/20, significantly outstripped by the increases in the North East (138%), North West (81%), Yorkshire and the Humber (72%) and the West Midlands (66%).

Highlighting a potential link between investment and demand and mode share, the average rail trip rate for the East Midlands (seven trips per person per year) was ahead of only the North East, and under half that of the West Midlands (13) and the North West (16). It is also significantly below the national average, although this is significantly skewed by London. However, even when the effect of

London is removed, the average rail trip rate for the East Midlands is still under half the non-London average.

This, coupled with the underinvestment outlined in the regional per head expenditure data, potentially demonstrates that this underinvestment may be playing a role in constraining rail demand and causing the region to be underrepresented in terms of rail demand.

Table 5. Rail trip rates (2023/24 ORR regional rail usage and 2022 ONS population data)

Region	Average rail trip rate (per person per annum)
London	107
South East	27
East	25
North West	16
West Midlands	13
Yorkshire and The Humber	12
South West	9
East Midlands	7
North East	6
England average	30
Non-London average	16

Bringing further context to the data above is the proportion of rail trips that are internal to the East Midlands, which is markedly low compared to the other regions (apart from the East, areas of which lie within the wider London commuter belt, and would therefore have strong flows to the capital). What is

notable is that, for the East Midlands, flows to London are almost equal to that of internal trips. This is not the case for regions such as Yorkshire and the Humber, the West Midlands and the North West, where the London market is between 12% and 23% of the internal market.

Table 6. Proportion of internal rail trips (2023/24) (ORR regional rail usage)

Region	Proportion of internal rail trips
Scotland	88%
North West	70%
London	64%
Wales	63%
West Midlands	62%
Yorkshire and the Humber	57%
South West	50%
North East	40%
South East	29%
East Midlands	27%
East	20%

In total transport expenditure, the East Midlands was second bottom nationally in both current and capital expenditure in 2023/24, and it has seen the second smallest percentage increase since 2019/20.

On a per head basis, spending on transport (and particularly railways) in the East Midlands has also been persistently low compared to the rest of the country. Increases in spending since the pandemic in regions such as the North East, North West, and Yorkshire and the Humber, partly an illustration of the effect of integrated settlements for longer established mayoral combined authorities, have dwarfed that of the East Midlands.

Furthermore, the regional rail trip rate is low, further illustrating the low levels of investment and the latent demand that could be released through investment.

Further analysis demonstrates that almost three-quarters of rail trips in the East Midlands are with origins or destinations external to the region. This dominance of outward flows is potentially partly a symptom of the underdeveloped regional network, supporting the points around underinvestment above, coupled with good services to the capital from the cities in the region, but is certainly something of an outlier compared to most other regions of the UK.

Table 7. Public expenditure on transport (£m, current expenditure, sorted by 2023/24) (HM Treasury)

	2019/20	2020/21	2021/22	2022/23	2023/24
London	1,955	7,504	4,512	3,542	3,456
South East	1,906	3,956	2,806	2,462	2,638
North West	1,046	1,783	1,685	1,568	1,699
East	1,029	2,326	1,606	1,313	1,416
Yorkshire and The Humber	805	1,609	1,101	1,055	1,153
West Midlands	753	1,300	1,134	1,062	1,127
South West	787	1,463	940	782	886
East Midlands	535	1,239	822	717	758
North East	390	787	511	457	497

Table 8. Public expenditure on transport (£m, capital expenditure, sorted by 2023/24) (HM Treasury)

	2019/20	2020/21	2021/22	2022/23	2023/24
London	5,395	5,002	6,437	7,805	8,290
North West	2,303	2,611	2,983	3,512	3,841
South East	2,961	3,394	3,195	3,022	3,316
West Midlands	2,007	2,213	2,594	2,835	3,171
East	1,906	2,029	2,261	2,244	2,457
Yorkshire and The Humber	1,006	1,261	1,195	1,338	1,615
South West	1,120	1,251	1,372	1,450	1,608
East Midlands	914	989	978	1,007	1,079
North East	563	711	729	994	971

Table 9. Public expenditure on transport (£ per head, sorted by 2023/24) (HM Treasury)

	2019/20	2020/21	2021/22	2022/23	2023/24
London	827	1,410	1,244	1,279	1,313
North West	455	595	629	676	729
West Midlands	466	592	626	648	706
South East	529	797	646	584	628
East	468	692	609	556	599
North East	361	568	469	541	541
Yorkshire and The Humber	331	525	419	432	495
South West	338	479	405	387	429
East Midlands	299	459	369	349	368
<i>England</i>	487	736	652	651	693
<i>Scotland</i>	683	858	866	877	763
<i>Wales</i>	418	536	471	494	566
<i>Northern Ireland</i>	348	495	479	421	484
<i>UK</i>	496	729	656	655	687

Table 10. Public expenditure on railways (£ per head, sorted by 2023/24) (HM Treasury)

	2019/20	2020/21	2021/22	2022/23	2023/24
London	653	925	842	952	1,047
West Midlands	288	388	473	510	477
North West	243	338	352	384	440
East	233	433	363	320	359
South East	249	446	328	321	327
North East	111	201	183	213	264
Yorkshire and The Humber	130	240	228	206	223
South West	148	230	195	163	178
East Midlands	119	213	190	185	175
<i>England</i>	275	427	388	403	432

5. TRANSPORT DEMAND AND TRAVEL PATTERNS

5.1 Car ownership

Across the East Midlands, there is a higher proportion of homes without access to a car (24%) compared to England as a whole (19%). There is a slightly higher proportion of homes with one car compared to nationally (41.3% compared to 40.9%), and lower proportions of homes with two or three or more cars.

The areas with the highest concentration of no car or van availability are in large part clustered around the urban centres and the key rail lines. Out of all the sub-regions, the EMCCA area has the highest proportion of households without cars, with North and West Northamptonshire the lowest. This partly reflects the greater public transport availability in the cities of Derby and Nottingham, compared to more rural areas of the region.

North and West Northamptonshire has the highest proportion of households with three or more cars, at 12% (10% nationally). This could indicate a higher number of households in higher income groups in this area.

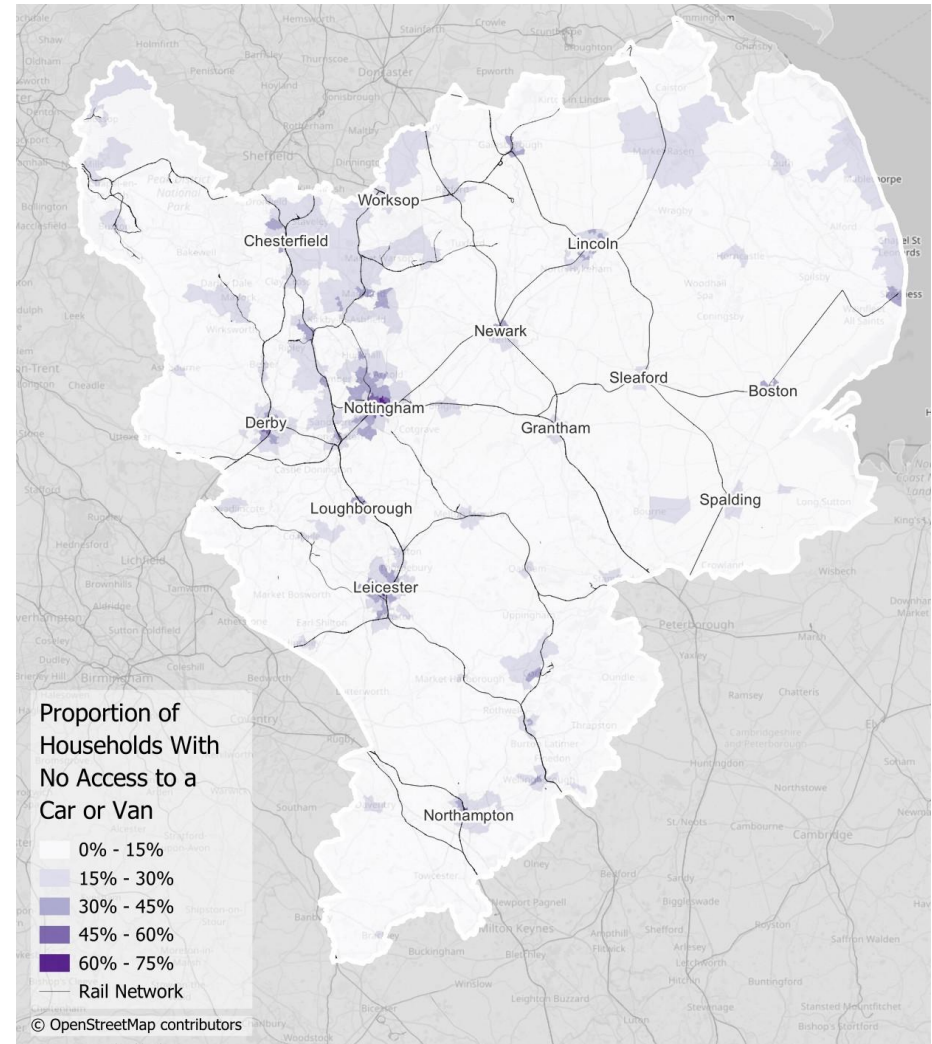


Figure 47. Proportion of households with no car (2021) (ONS)

5.2 Travel to work mode share

In using the 2021 census to assess the travel to work mode share across the East Midlands, there needs to be some caution and context provided. Data for the 2021 census was collected during the COVID-19 pandemic when there were still restrictions in place in terms of travel and a resultant much larger propensity to work from home. Therefore, in the analysis presented, those that stated they work from home have been excluded from the results. Therefore, it is likely that the census data does not capture a travel to work picture that is truly representative of today, given that those who travelled to work at the time of the census were more likely to be key workers or in roles that could not be carried out remotely. Nevertheless, it is a useful indicator in terms of the differences within the region.

The areas of the East Midlands with the lowest car mode share for commuter journeys in the data are, as might be expected given the higher public transport availability, in the cities of Leicester and Nottingham. There are some notable more rural areas with quite low car mode share, such as the Derbyshire Dales and Bolsover, but these are potentially being skewed by the quite large work from home proportions in these areas.

It is also notable that Glossop in High Peak has the highest rail mode share of anywhere in the region, at nearly 4%, and one of only two middle super output areas in the region with a rail mode share higher than 2.5% (the other being Hadfield East and Tintwhistle, also in High Peak).

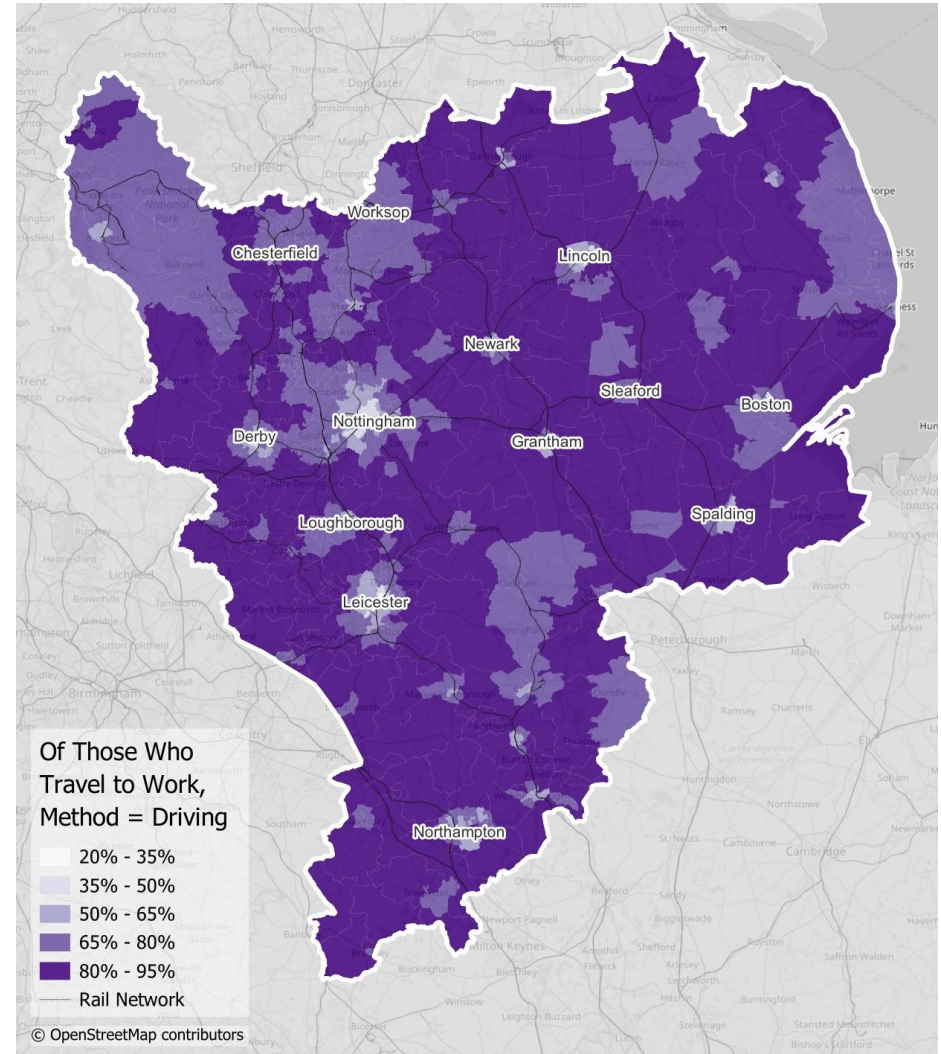


Figure 48. Method of travel to work = driving (excluding work from home) (2021) (ONS)

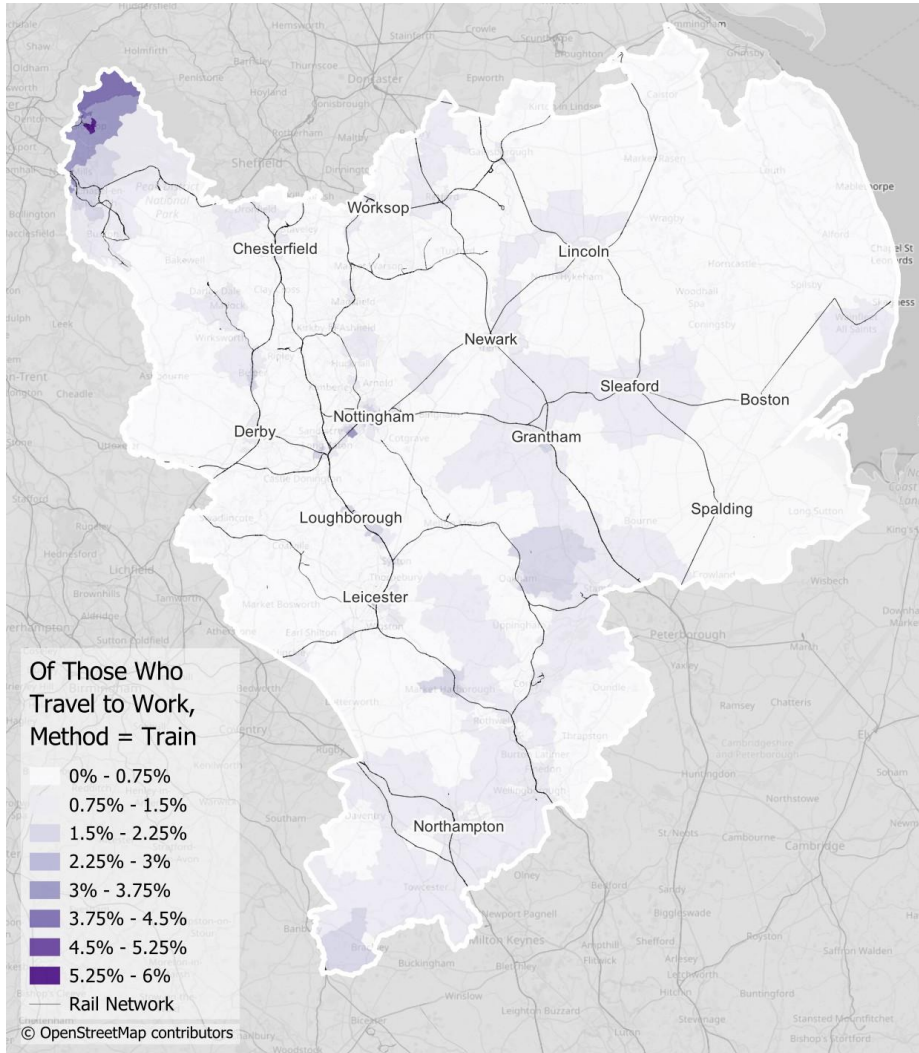


Figure 49. Method of travel to work = rail (excluding work from home) (2021) (ONS)

Of the East Midlands residents who commute to work 78% of those do so by car, the highest of all other regions within England. When adding in national comparisons, the region comfortably exceeds the value for England of 71% and is second only to Wales, where 82% of commuters travel by car.

Table 11. Method of travel to work (excluding work from home) (sorted by car mode share) (2021) (ONS)

	Train (incl. underground, metro, light rail and tram)	Bus, minibus or coach	Taxi	Motorcycle, scooter or moped	Car (incl. as driver or passenger)	Bicycle	On foot	Other
Wales	1%	3%	1%	0%	82%	1%	9%	1%
East Midlands	1%	4%	1%	1%	78%	3%	11%	1%
West Midlands	2%	6%	2%	0%	78%	2%	9%	1%
North East	2%	6%	1%	0%	76%	2%	10%	2%
South West	1%	4%	0%	1%	76%	3%	13%	1%
East	4%	3%	1%	1%	76%	3%	11%	2%
Yorkshire and The Humber	1%	6%	2%	0%	75%	3%	11%	1%
North West	2%	6%	2%	0%	75%	2%	11%	1%
South East	4%	4%	1%	1%	74%	3%	12%	2%
<i>England</i>	6%	6%	1%	1%	71%	3%	11%	2%
London	26%	15%	1%	1%	38%	5%	11%	2%

5.3 Trip purpose

By average distance travelled, people in the East Midlands in 2024 primarily travelled for commuting (15%), visiting friends at home (15%), and for holidays or day trips (14%). The share for commuting is slightly less than the average for England excluding London (16%), as it is for holidays or day trips (17%). People in the region generally travel further for shopping, visiting friends and personal business than the national average.

The share for commuting in the region is lower than the peak of 21% in 2021, with travel for business, personal business, sport or entertainment, and holidays or day trips having increased. ‘Just walk’ trips reached a high in 2021 of 3%. This broadly follows national average patterns since the pandemic in 2020 and 2021.

When considering the change over ten years, commuting has reduced slightly from 17% in 2014, as has business, shopping and visiting friends elsewhere, with single percentage point increases for visiting friends at home and other escort trips.

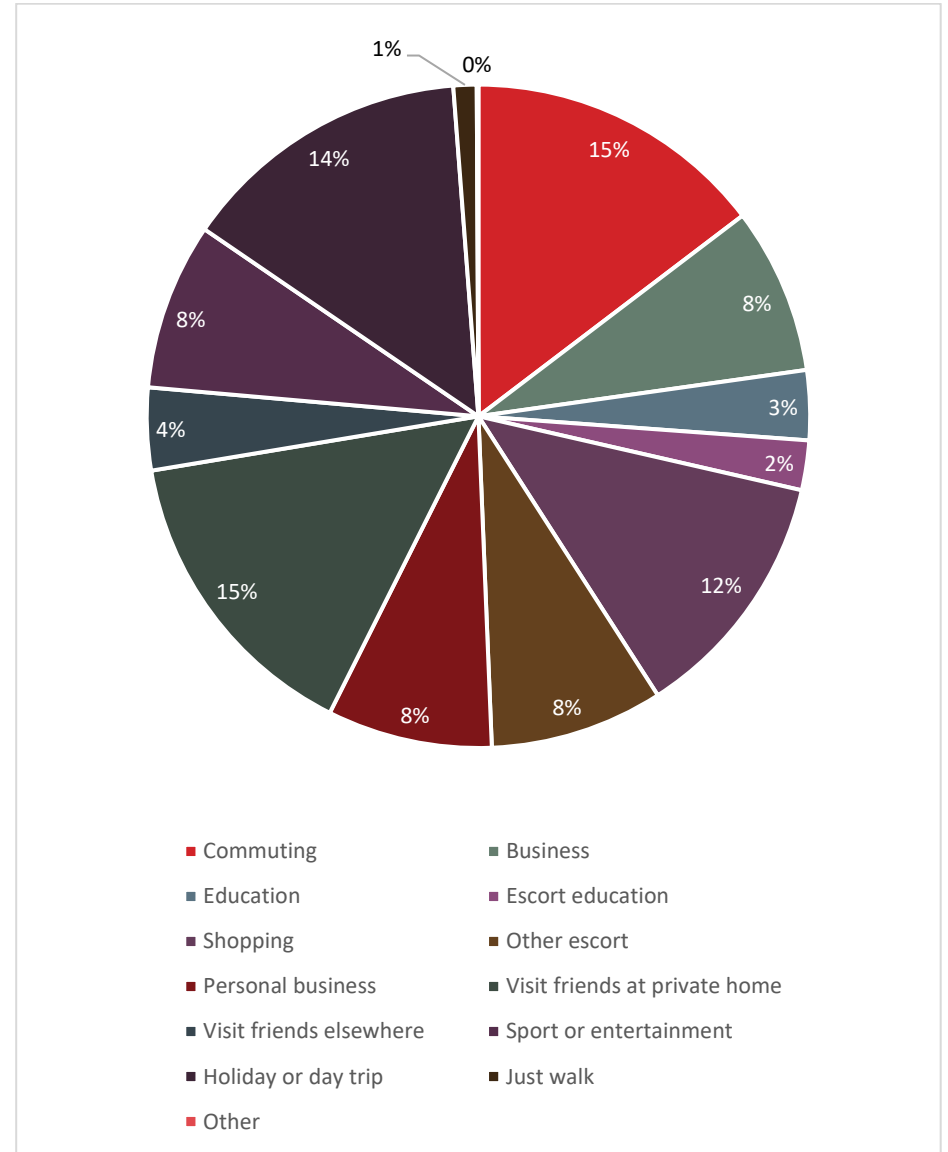


Figure 50. Average distance travelled by trip purpose (2024) (National Travel Survey)

5.4 Vehicular traffic

At a regional level, all vehicular traffic has increased by 1% since 2019, exceeding pre-pandemic levels by 2024 following a dip in 2020. Out of all highway authority areas, Derby and Leicester have seen the largest increases since 2019, at 6% and 7% respectively. Nottinghamshire and Rutland have not returned to pre-pandemic traffic levels, and were both 2% down in 2024 compared to 2019.

Since 2014, the largest increase has been in Lincolnshire, and the lowest in Nottinghamshire.

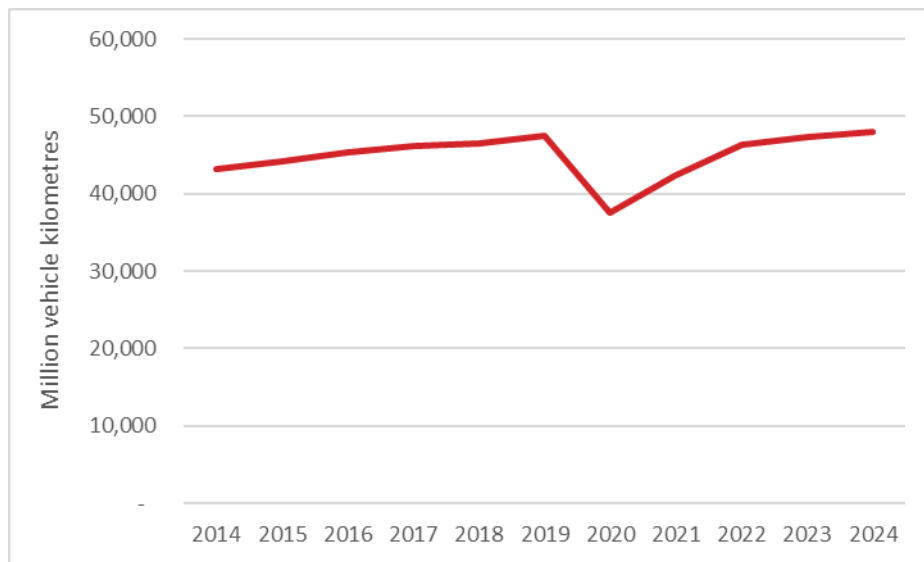


Figure 51. Vehicle kilometres (Department for Transport)

Table 12. Increases in total motor vehicle kilometres (Department for Transport)

Highway authority	Increase since 2019	Increase since 2014
Derby	6%	13%
Derbyshire	1%	11%
Leicester	7%	12%
Leicestershire	1%	9%
Lincolnshire	1%	15%
Northamptonshire	2%	14%
Nottingham	1%	11%
Nottinghamshire	-2%	6%
Rutland	-2%	14%
East Midlands	1%	11%

Derby, Leicester, Nottingham are all consistently below regional and national averages for freight traffic as a proportion of all traffic. Meanwhile, Leicestershire, Lincolnshire, Northamptonshire and Rutland are all above these same comparators.

Over the last 5-10 years, Rutland is consistently top of the region in terms of freight vehicle proportions. Consistent with the national picture, there was a noticeable jump in freight traffic following the COVID-19 pandemic (an increase in four percentage points between 2019 and 2020), which has subsequently fallen back slightly in the intervening years.

All areas of the region are still above 2019 levels for freight vehicle proportions, although Derby and Leicester are only fractionally so. Derby, Leicester and Nottingham all have lower freight proportions than in 2014. Across both five- and

ten-year periods, Northamptonshire has had the largest increases in proportion of freight.

When considering freight traffic on its own, rather than as a proportion of all traffic, the number of freight vehicle kms has increased in all areas of the East Midlands. At a regional level, it has increased by 9% since 2019 and by over a fifth since 2014. Again, Derby, Leicester and Nottingham display the smallest increases, with Northamptonshire displaying the largest.

Table 13. Increases in freight vehicle (LGVs and HGVs) kilometres (Department for Transport)

Highway authority	Increase since 2019	Increase since 2014
Derby	8%	7%
Derbyshire	9%	23%
Leicester	9%	4%
Leicestershire	7%	20%
Lincolnshire	8%	23%
Northamptonshire	12%	30%
Nottingham	7%	8%
Nottinghamshire	6%	18%
Rutland	4%	24%
<i>East Midlands</i>	9%	21%

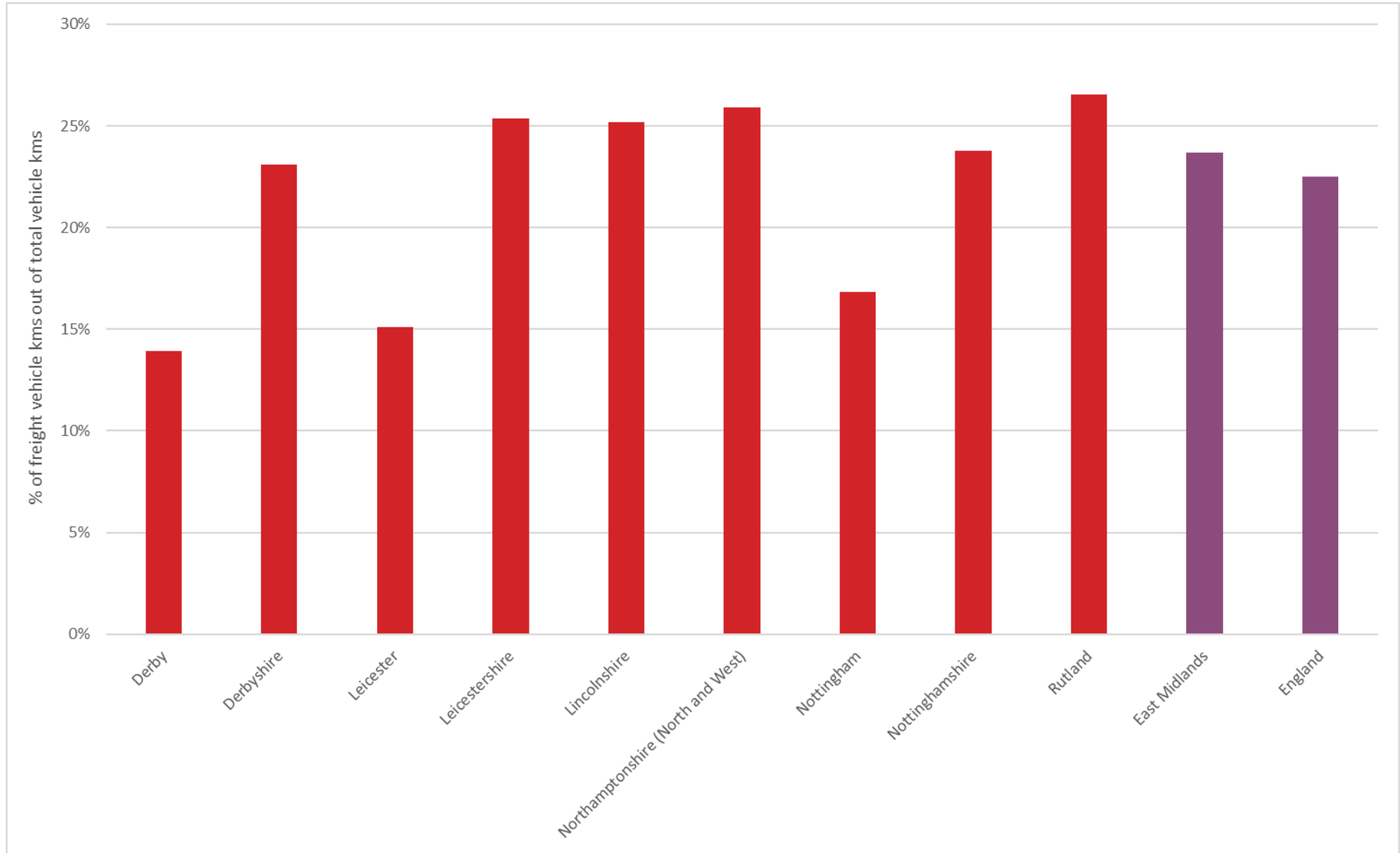


Figure 52. Proportion of freight vehicle kilometres out of total vehicle kilometres (2024) (Department for Transport)

5.5 Vehicle delay

Average vehicle delay data suggests that the most congested links on the strategic road network (SRN) as managed by National Highways in the region are:

- M1 – 13 seconds per vehicle per mile, running north to south through the length of the region
- A5 – 22 seconds per vehicle mile, running north-west to south-east of the region between Northampton and Daventry
- A52 – 24 seconds per vehicle mile, running east to west past Derby and Nottingham

Within the region the vast majority of the road network is managed by the local highways authorities (as opposed to National Highways). In terms of the local road network, the links in the region with the greatest average delay are mostly around the major cities. Five links with greatest delay are:

- A5460, an access route into Leicester from M1 junction 21 south-east of the city centre – 215 seconds per vehicle per mile
- A6008, part of Maid Marian Way in the heart of Nottingham city centre – 191 seconds
- A6130, a north-south link to the west of the city centre in Nottingham – 133 seconds
- A610, a suburban dual carriageway running between Nottingham, over the M1, and towards Ambergate in Derbyshire – 126 seconds
- A1137, running through the centre of Boston and crossing the Sluice Bridge over the River Witham – 123 seconds

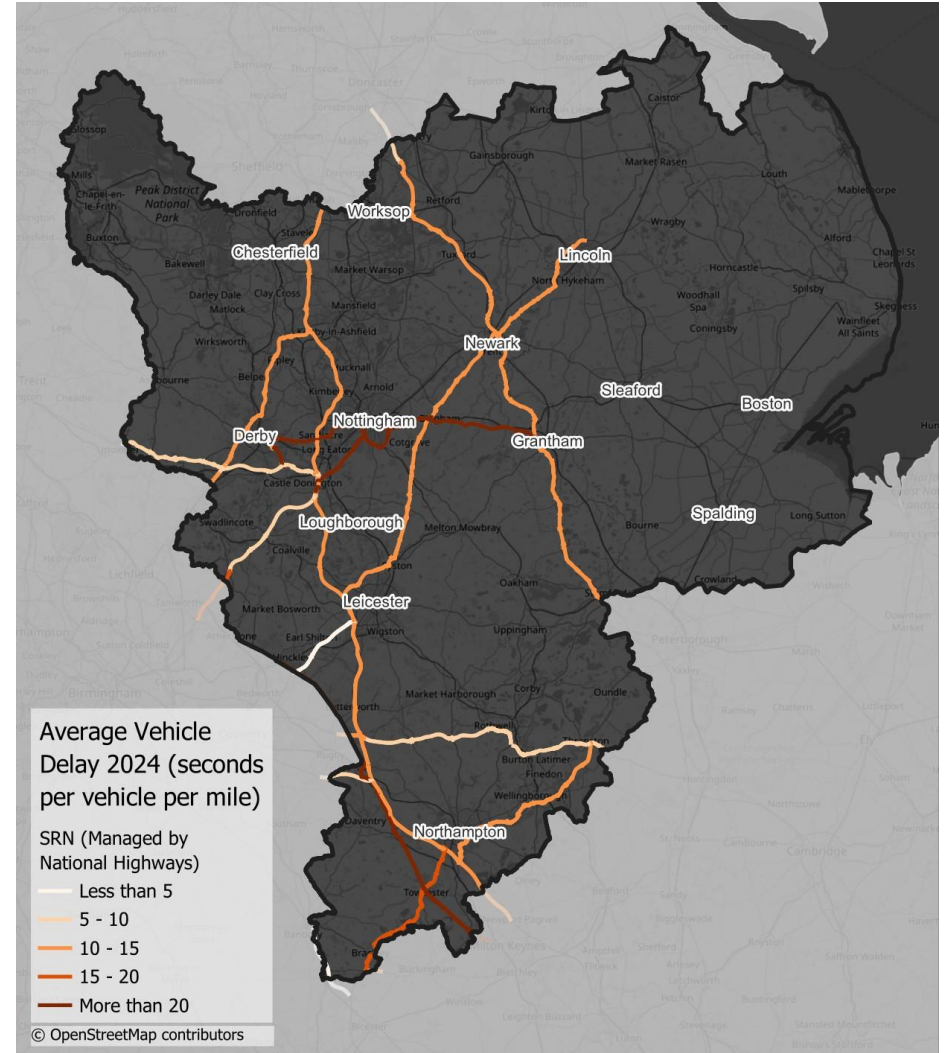


Figure 53. Average vehicle delay – strategic road network (2024) (Department for Transport)

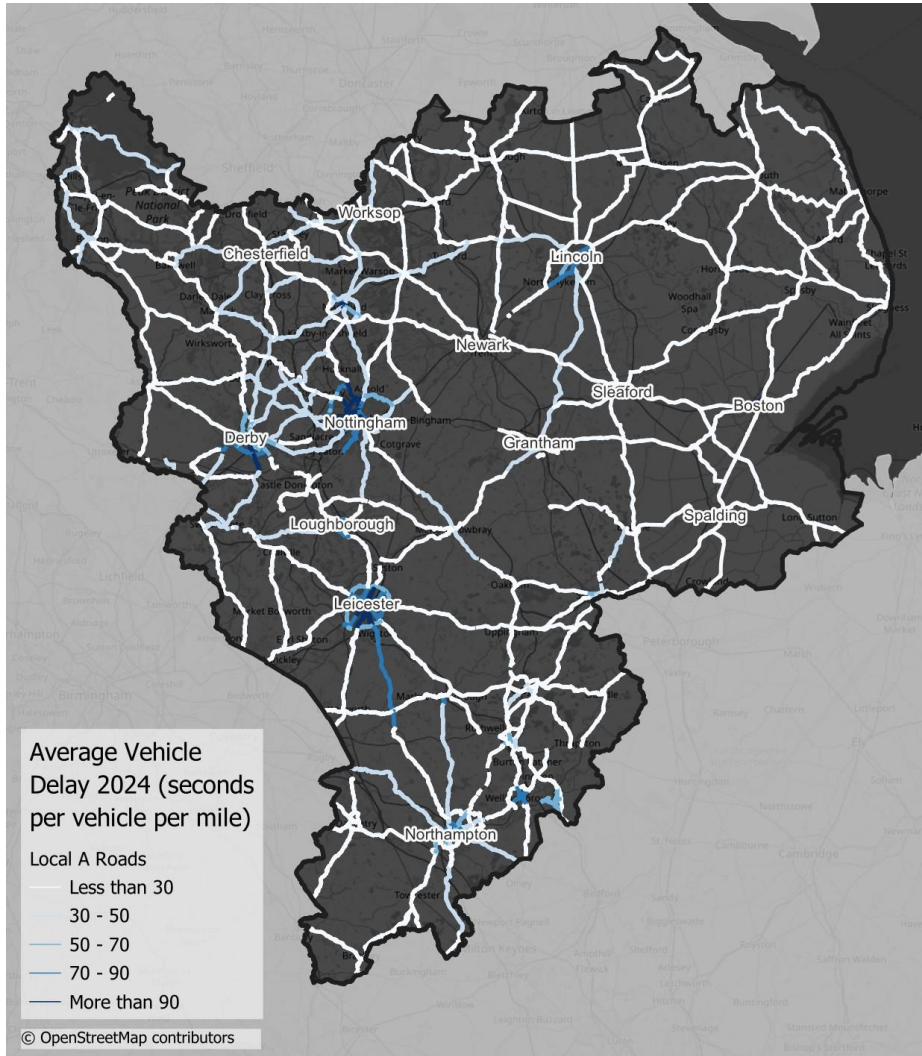


Figure 54. Average vehicle delay – local A roads (2024) (Department for Transport)

5.6 Vehicular collisions

Across the region, when represented as a proportion of the total annual vehicle miles the total number of personal injury vehicular collisions on public roads (that are reported to the police) has increased over the past five years, though remains at a level comparable with other regions (outside of London).

Across the region by local authority, Nottingham has the highest volume of collisions per total miles and has almost two-thirds more than Leicester which is second. Nottingham has also steadily increased since 2022, whereas the data for most other local authorities has either reduced or remained relatively flat. Rutland, Leicestershire and Northamptonshire were the lowest in the region in 2024.

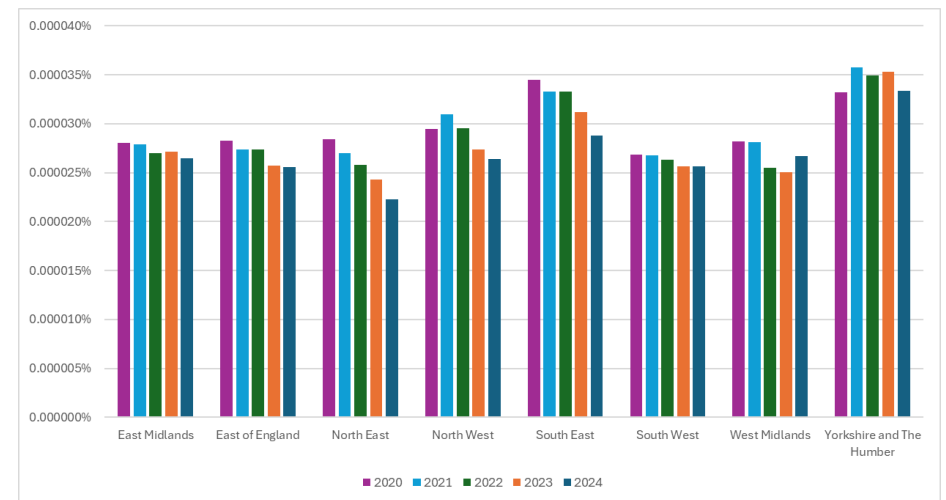


Figure 55. Collisions as a proportion of total vehicle miles per region (Department for Transport)

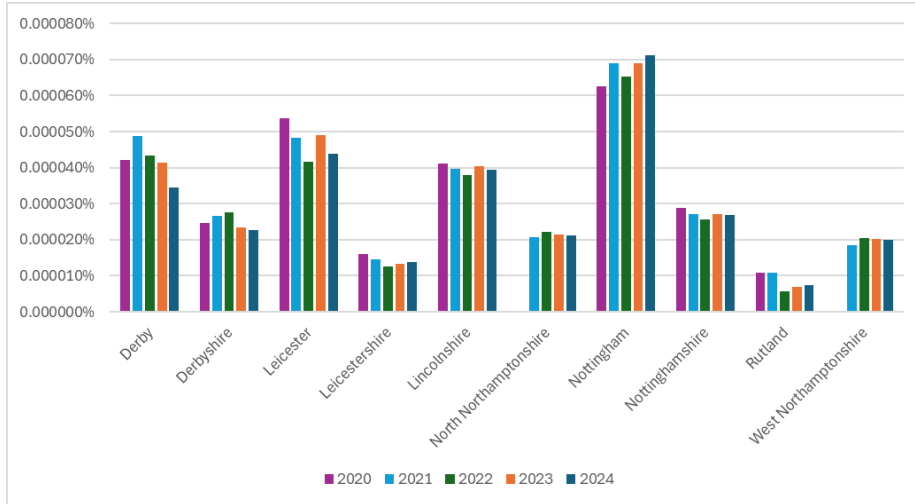


Figure 56. Collisions as a proportion of total vehicle miles per local authority (Department for Transport)

5.7 Bus passenger journeys

Across the region, there are an average of 32 bus passenger journeys per head per year, which is lower than the average for England, even when removing the effect of London.

Across the region by local authority, Nottingham has the highest bus use per head (130) and has over twice the number of journeys per head of Leicester (64), which is second. As would be expected, the rural authorities have lower bus use and the local authority with the lowest bus use is Rutland, at just five passenger journeys per head.

Table 14. Bus passenger journeys per head (2025) (Department for Transport)

Region	Passenger journeys per head
London	200
North East	50
West Midlands	47
North West	44
Yorkshire and the Humber	41
South East	33
South West	33
East Midlands	32
East of England	24
England (excluding London)	37

Table 15. Bus passenger journeys per head in the East Midlands (2025)
(Department for Transport)

Local authority	Passenger journeys per head
Nottingham	130
Leicester	64
Derby	48
Nottinghamshire	28
West Northamptonshire	27
Derbyshire	23
Lincolnshire	16
Leicestershire	14
North Northamptonshire	11
Rutland	5

Between 2010 and 2021, journeys per head steadily declined, before recovering post-pandemic. This recovery has since levelled off and was relatively flat between 2024 and 2025, remaining at 81% of 2018/19 levels. However, it is worth noting that passenger journeys per head in Nottingham continued to increase between 2024 and 2025, although only by 2%. The regional recovery post-pandemic is relatively consistent with the national trend outside of London.

The region has low bus passenger use per head compared to other regions in England outside of London, and is below the non-London average. Bus use is highest in the city of Nottingham by a significant margin, and continues to grow slightly, followed by Leicester and Derby. As a region, journeys per head are approximately 81% of pre-pandemic levels.

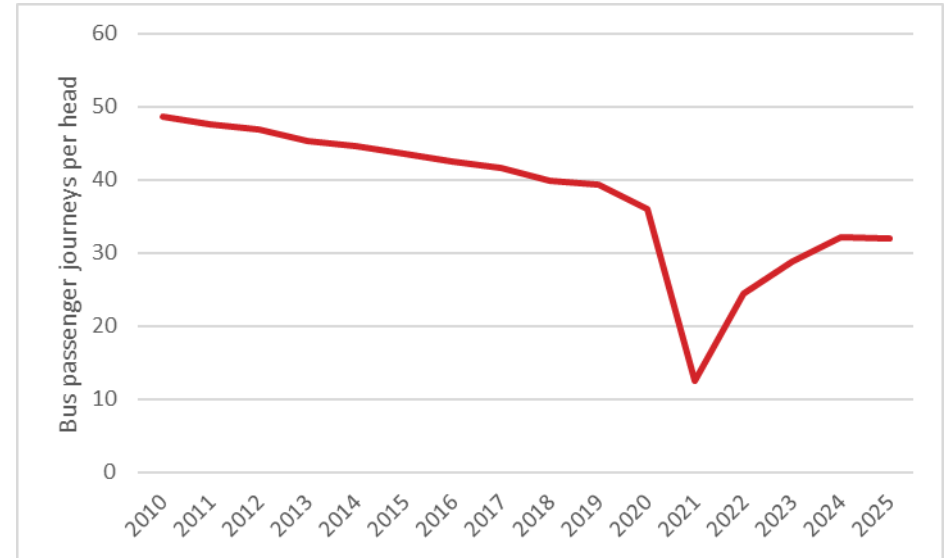


Figure 57. Bus passenger journeys per head in the East Midlands (Department for Transport)

5.8 Rail passenger journeys

The busiest rail station in the region is Nottingham, with over 8m entries and exits in 2024/25. This is followed by Leicester with 5.5m and Derby with 4.1m. For the top two, the main origin or destination station was London St Pancras International. For Derby, it was Birmingham New Street.

Out of the top 10, only Derby, Chesterfield and Loughborough had their main origin or destination station outside of London, Sheffield and Leicester respectively for the latter two.

Table 16. Top 10 stations in the East Midlands by entries/exits (2024/25) (Office for Rail and Road)

Station	Entries/exits	Main origin or destination station
Nottingham	8.11m	London St Pancras International
Leicester	5.53m	London St Pancras International
Derby	4.11m	Birmingham New Street
Northampton	2.85m	London Euston
Lincoln	2.29m	London King's Cross
Chesterfield	1.82m	Sheffield
Grantham	1.48m	London King's Cross
Loughborough	1.42m	Leicester
Kettering	1.14m	London St Pancras International
Newark Northgate	1.08m	London King's Cross

In terms of growth over the last 10 years, Hykeham is top in terms of proportionate growth, quadrupling its demand to over 200,000. Corby in North Northamptonshire has also grown significantly in both proportionate and absolute terms, passing the half a million mark for the first time in 2024/25 and more than doubling over ten years.

In absolute terms, demand at Nottingham station has grown the most, increasing by 1m over ten years. Both Lincoln and Leicester have increased by over 400,000 over the same period.

Table 17. Top 10 stations in the East Midlands by % growth in entries/exits since 2014/15 (Office for Rail and Road) (minimum of 1,000 entries/exits in 2024/25)

Station	Increase in entries/exits since 2014/15	% increase
Hykeham	158,782	318%
Bamford	44,150	154%
Burton Joyce	8,020	149%
Radcliffe	7,818	130%
Edale	95,546	125%
Grindleford	68,374	118%
Fiskerton	14,712	112%
Dove Holes	5,474	111%
Carlton	27,412	109%
Corby	290,420	107%

Table 18. Top 10 stations in East Midlands by absolute growth in entries/exits since 2014/15 (Office for Rail and Road)

Station	Increase in entries/exits since 2014/15	% increase
Nottingham	1.26m	18%
Lincoln	636,456	39%
Leicester	475,110	9%
Derby	452,168	12%
Corby	290,420	107%
Grantham	224,482	18%
Chesterfield	180,380	11%
Hykeham	158,782	318%
Retford	146,458	32%
Loughborough	120,372	9%

As was the case across the country, rail demand markedly dropped across the region between 2019/20 and 2020/21 due to the COVID-19 pandemic. Overall, demand dropped by 79% over this period, from a high of over 46m.

By 2024/25, rail demand in the region had surpassed pre-pandemic levels for the first time. However, it is worth noting that East Midlands Railway (EMR) as an operator surpassed pre-pandemic demand as early as 2022/23 and in 2024/25 was over 6m passenger journeys above 2019/20 levels.

In the ten years before the pandemic, the region experienced year-on-year growth of between 1% and 6%.

Nottingham is the busiest station in the region, followed by Leicester and Derby. It has also grown the most in absolute terms, with over 1m more people using the station compared to ten years ago. Hykeham, south-west of Lincoln, has the highest proportionate growth in demand, quadrupling its demand over 10 years and indicating the potential for rail growth in Lincolnshire despite its rural make-up.

Overall, the region has now surpassed its pre-pandemic rail demand. EMR as an operator is now carrying significantly more passengers (over 6m more) than pre-pandemic. However, notable stations that have yet to exceed pre-pandemic demand include Derby, Northampton, Chesterfield and Glossop.

This continued growth in demand means that capacity constraints on regional services are becoming more widespread, accelerating calls for fleet renewal. This would achieve not only the increased capacity that is required, but contribute towards local and regional decarbonisation objectives by renewing some of the region’s oldest diesel trains.

5.9 Public transport accessibility

Analysis of the public transport accessibility of the four East Midlands cities demonstrates the locations that can be reached within various time bands including longer distance destinations outside the region.

It is important to note that the analysis has been capped at a three hour time band, therefore any unshaded areas do not necessarily represent areas of inaccessibility, rather those that fall outside of this cap.

The key locations that can be reached within an hour from each city are:

- From Nottingham – Derby, Lincoln, Leicester, Sheffield, Burton-on-Trent and Market Harborough.
- From Derby – Nottingham, Leicester, Sheffield, Doncaster, Market Harborough, Birmingham, Chesterfield and Stoke-on-Trent.
- From Lincoln – Newark-on-Trent, Sleaford, Nottingham, Leicester, Doncaster, Worksop and Grantham.
- From Leicester – Nottingham, Derby, Chesterfield and Market Harborough.

In terms of longer distance locations, the coverage from Lincoln is noticeably less than from other cities, particularly south and south-westwards. A large proportion of the West Midlands is accessible within three hours from Nottingham, Derby and Leicester, but from Lincoln only Birmingham city centre and Tamworth and some selected local points are within the three hour time band.

London, Leeds, York and Sheffield all lie within the three-hour time band from all four East Midlands cities, with Leicester offering the widest connectivity in and around the capital.

In terms of areas within the East Midlands which are less accessible from the cities, there are gaps in coverage along the Lincolnshire Coast, Peak District National Park, west of Derby, and areas of North and West Northamptonshire, particularly around Brackley and Towcester.

From the cities of Nottingham, Derby, Lincoln and Leicester, most areas of the region are accessible by public transport within a two to three hour time band, with the exception of some rural and coastal areas.

Leicester offers the greatest connectivity coverage to destinations in the south, with both Leicester, Nottingham and Derby offering wide connectivity in the West Midlands and parts of Yorkshire.

The public transport connectivity coverage from Lincoln is noticeably narrower than the other cities.

It is notable that, for all four cities, and particularly for Nottingham and Lincoln, Birmingham city centre falls significantly outside the one-hour time band, with sub-one-hour journeys primarily constrained to within the region. The main exceptions to this are pockets around Sheffield from Derby, and around Tamworth from Derby and Leicester.

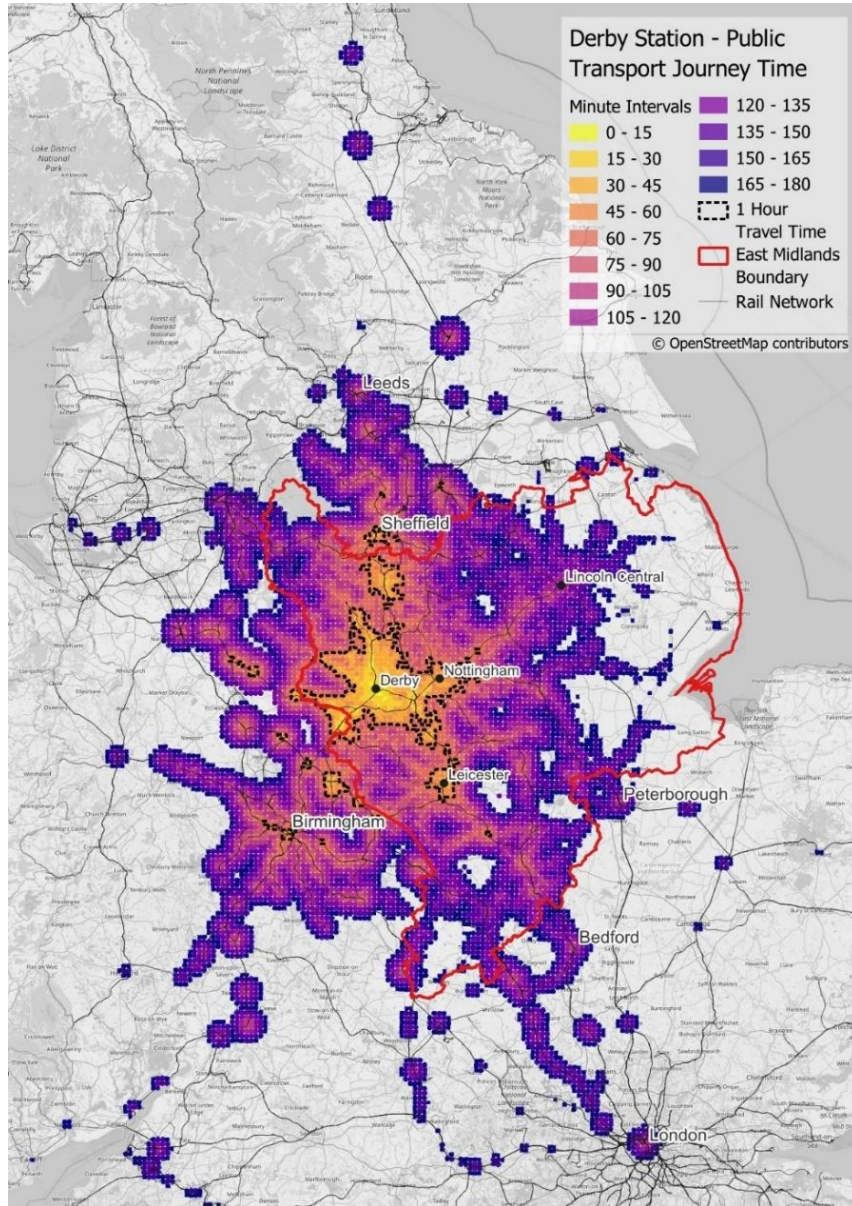


Figure 58. Public transport accessibility – Derby (SYSTRA analysis)

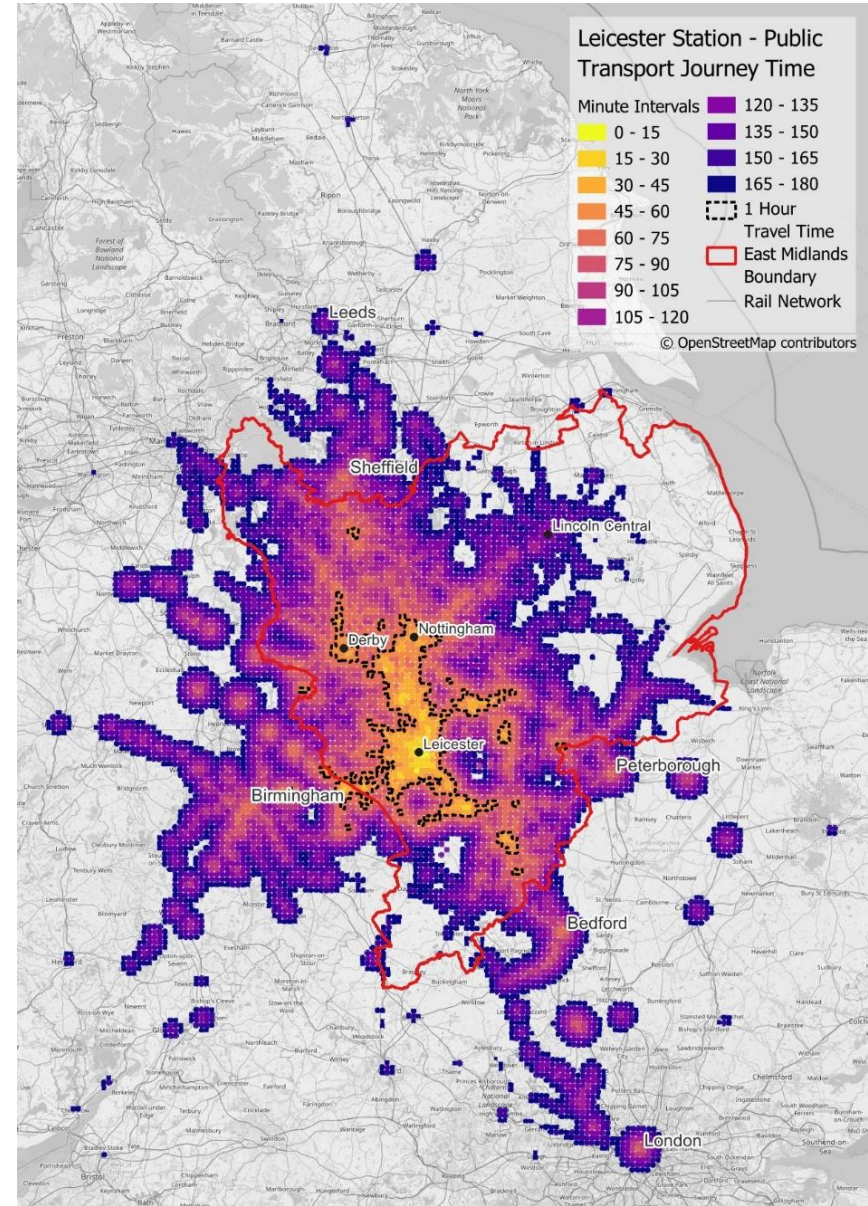


Figure 59. Public transport accessibility – Leicester (SYSTRA analysis)

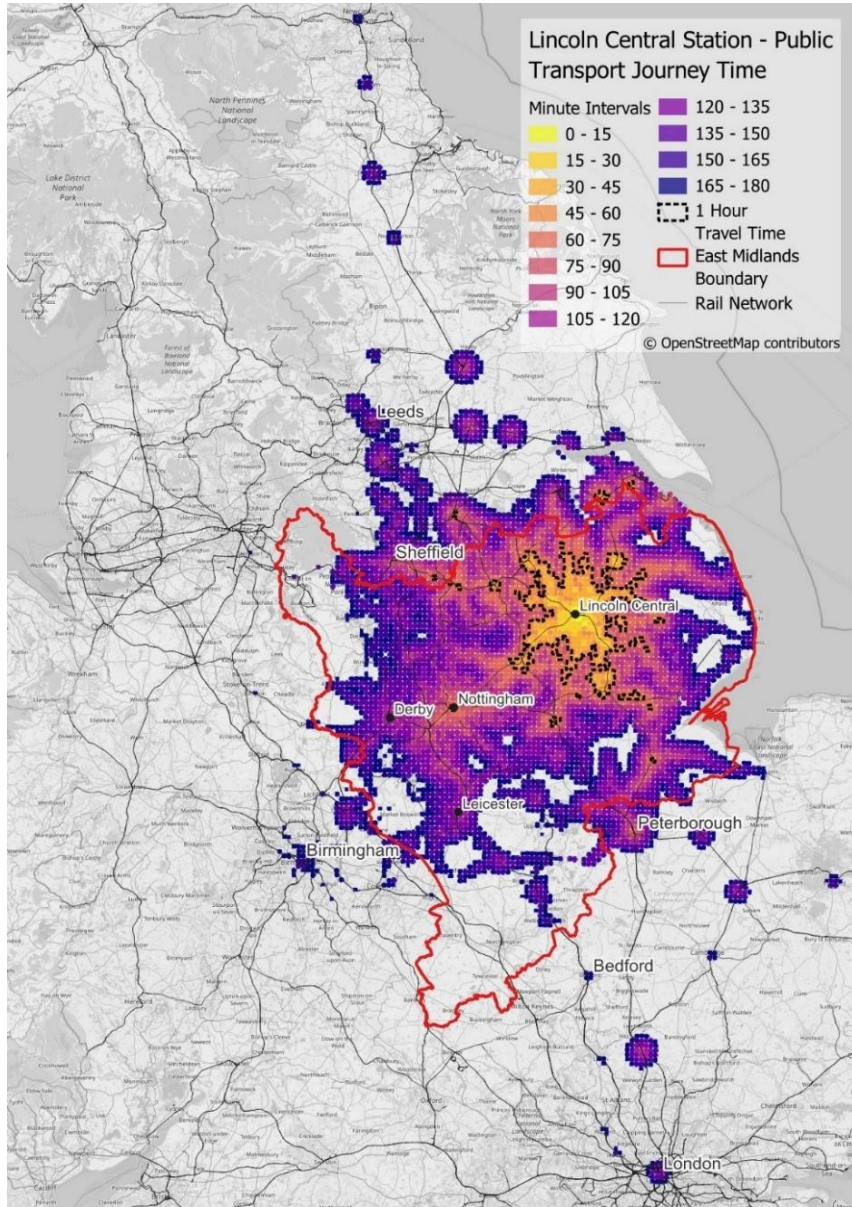


Figure 60. Public transport accessibility – Lincoln (SYSTRA analysis)

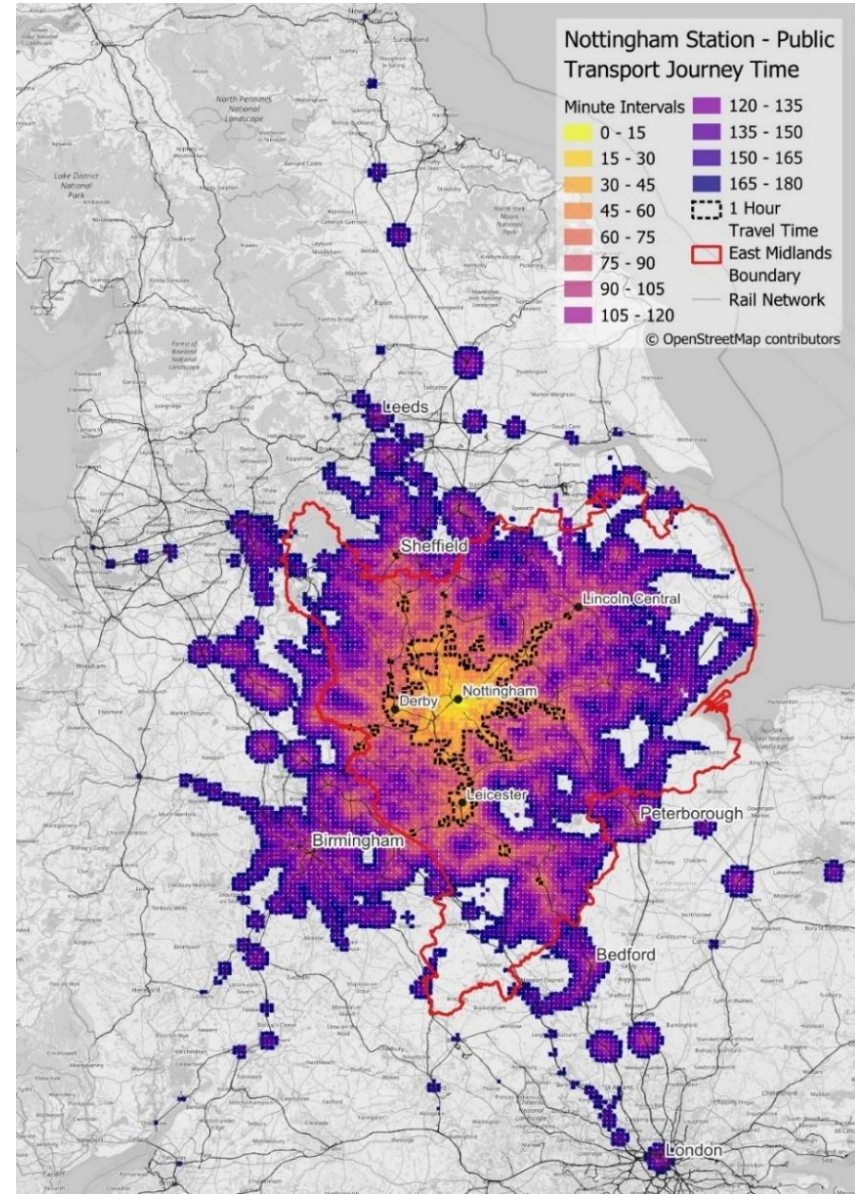
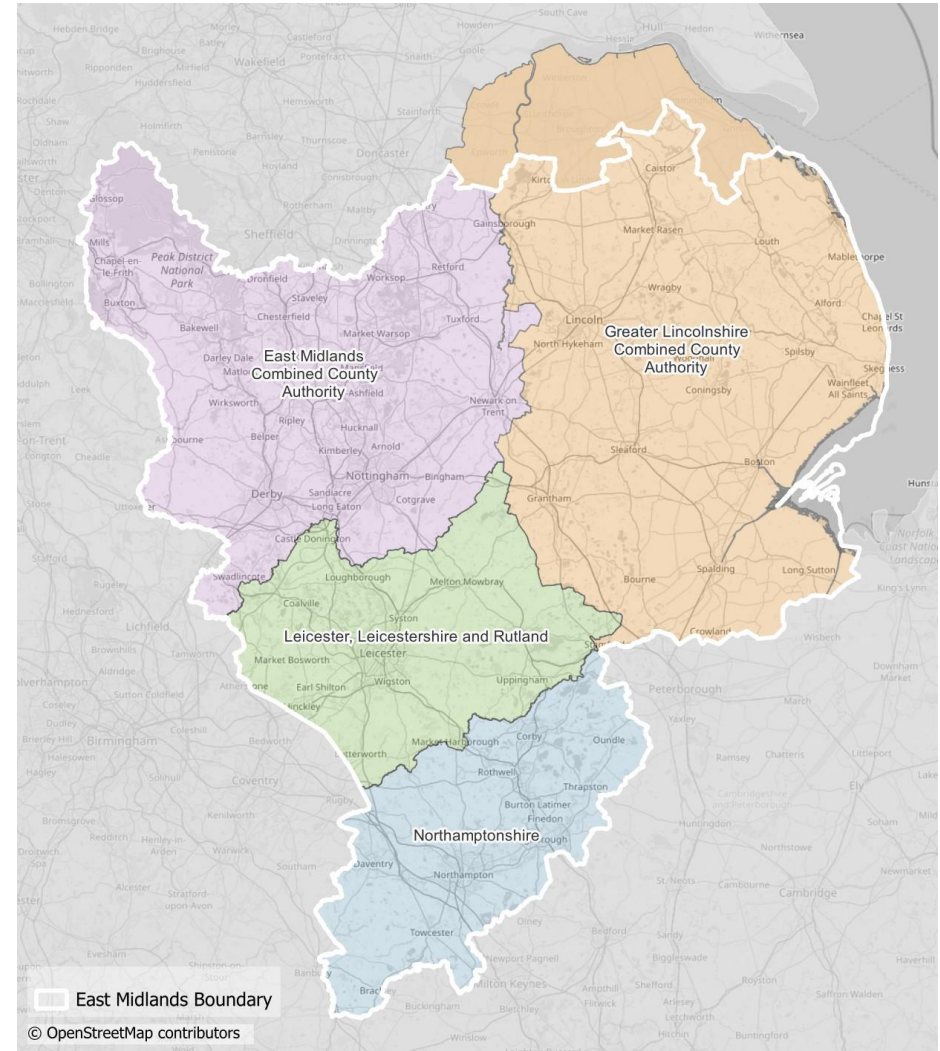


Figure 61. Public transport accessibility – Nottingham (SYSTRA analysis)

6. INSIDE THE EAST MIDLANDS

6.1 Overview

This chapter focuses on the sub-regions of the East Midlands, highlighting their distinct geographies, economies and transport networks.



6.2 East Midlands Combined County Authority (EMCCA)

As noted previously, the EMCCA was the UK’s first combined county authority and was created in 2024, bringing together the four local authorities of Derby, Derbyshire, Nottingham, Nottinghamshire.

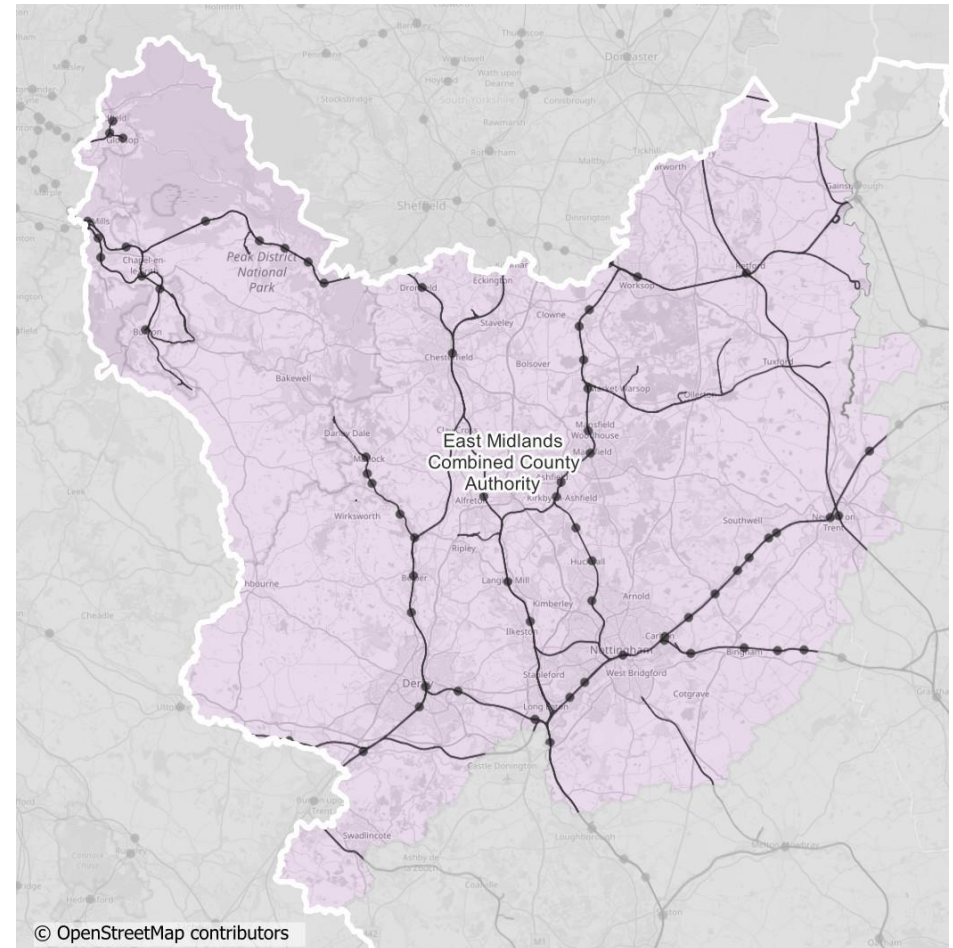
Table 19. Quick facts – EMCCA

Population	2.28 million (2024)
Employed residents	1.05 million
Workplace employment	0.95 million
Economic activity (GVA)	£61.6 billion
GVA per worker	£64,663
GVA per hour worked	£38.23
Key sectors	Manufacturing, utilities
Key destinations and employment centres	Derby and Nottingham city centres, Peak District National Park, Derwent Valley Mills, football stadia (City Ground, Pride Park), Trent Bridge cricket ground, Universities of Nottingham/Derby, Nottingham Trent University, Growth Strategy Areas (Canal Corridor, Supercluster, Trent Arc), East Midlands Gateway

Geography

The central economic core of the sub-region lies in the relatively flat region between the Peak District and Sherwood Forest. This economic heartland developed on coal seams and now contains the M1 corridor, the Midland Mainline, the Erewash Valley route and the Robin Hood Line. Its university cities, Derby and Nottingham, sit either side of the M1, approximately 22km apart.

The sub-region stretches from High Peak in the north-west; Bassetlaw and rural Nottinghamshire in the north-east; Rushcliffe in the south-east; and South Derbyshire in the south-west.



Economy

The EMCCA accounts for approximately 44% of East Midlands economic output, functioning as a manufacturing economy with significant employment in public services and distribution. It forms the northern part of the region’s economic heartland. Nevertheless, it has a large net outflow of commuters – primarily reflecting Derbyshire’s role as a residential hinterland for Manchester, Sheffield and Birmingham.

The economy is most specialised in manufacturing with nearly twice the share of manufacturing jobs as England as a whole – matching the specialisation pattern of the wider East Midlands. It also specialises in energy reflecting its coal mining history, although employment is small. It is heavily underrepresented in finance and insurance.

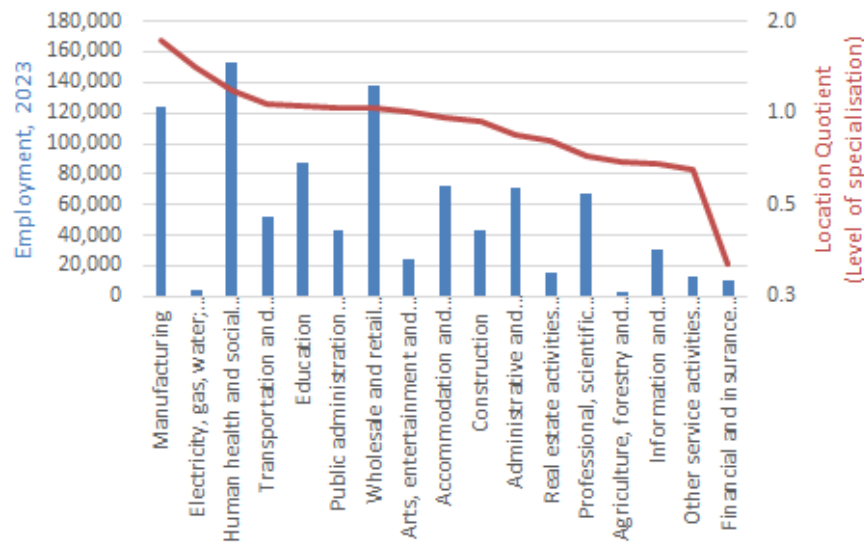


Figure 62. Sectoral employment and location quotient (EMCCA)

Productivity in the sub-region, measured by GVA per worker/hour, is slightly above the East Midlands average, reflecting a combination of sector mix and workforce characteristics. Job density is low resulting in significant out-commuting, and linking the local labour market closely to the North West and West Midlands.

The transport network

The sub-region and its economic engine is dominated by the M1 corridor, splitting the two cities of Derby and Nottingham and running between Sheffield north of the sub-region and Leicester to its south. The A1 runs through north-east Nottinghamshire, past Newark-on-Trent and Sutton-on-Trent and becoming motorway standard at the regional boundary, just north of Doncaster.

The East Coast Mainline follows a similar route to the A1, connecting Newark-on-Trent and Retford to destinations north and south. Regional services serve Derby and Nottingham, connecting to destinations outside the sub-region such as Leicester, Lincoln, Worksop, Norwich and Crewe. Intercity services run to London and Sheffield. East Midlands Parkway station sits just inside the sub-region, providing a rail connection to the wider logistics hub centred around East Midlands Airport.

The Nottingham Express Transit (NET) is the region’s only urban mass transit system, opening in 2004. The current network has two lines serving the city centre, running out to Toton Lane west of the city, Hucknall and Phoenix Park in the north and Clifton in the south.

Table 20. Key transport statistics - EMCCA

Households without a car	21%
Travel to work by car (excluding work from home) (2021)	71%
Travel to work by rail (excluding work from home) (2021)	1%
Increase in motor vehicle kilometres since 2019 (in 2024)	0.3%
Increase in freight vehicle kilometres since 2019 (in 2024)	7%
Bus passenger journeys per head (2025)	227
Most used rail station (2024/25)	Nottingham (8.1m)
Rail station with highest (absolute) growth since 2014/15	Nottingham (+1.3m)

6.3 Greater Lincolnshire Combined County Authority (GLCCA)

A mayoral combined county authority for Greater Lincolnshire was created in 2025, comprising the local authority of Lincolnshire in the East Midlands, plus North East Lincolnshire and North Lincolnshire in Yorkshire and the Humber.

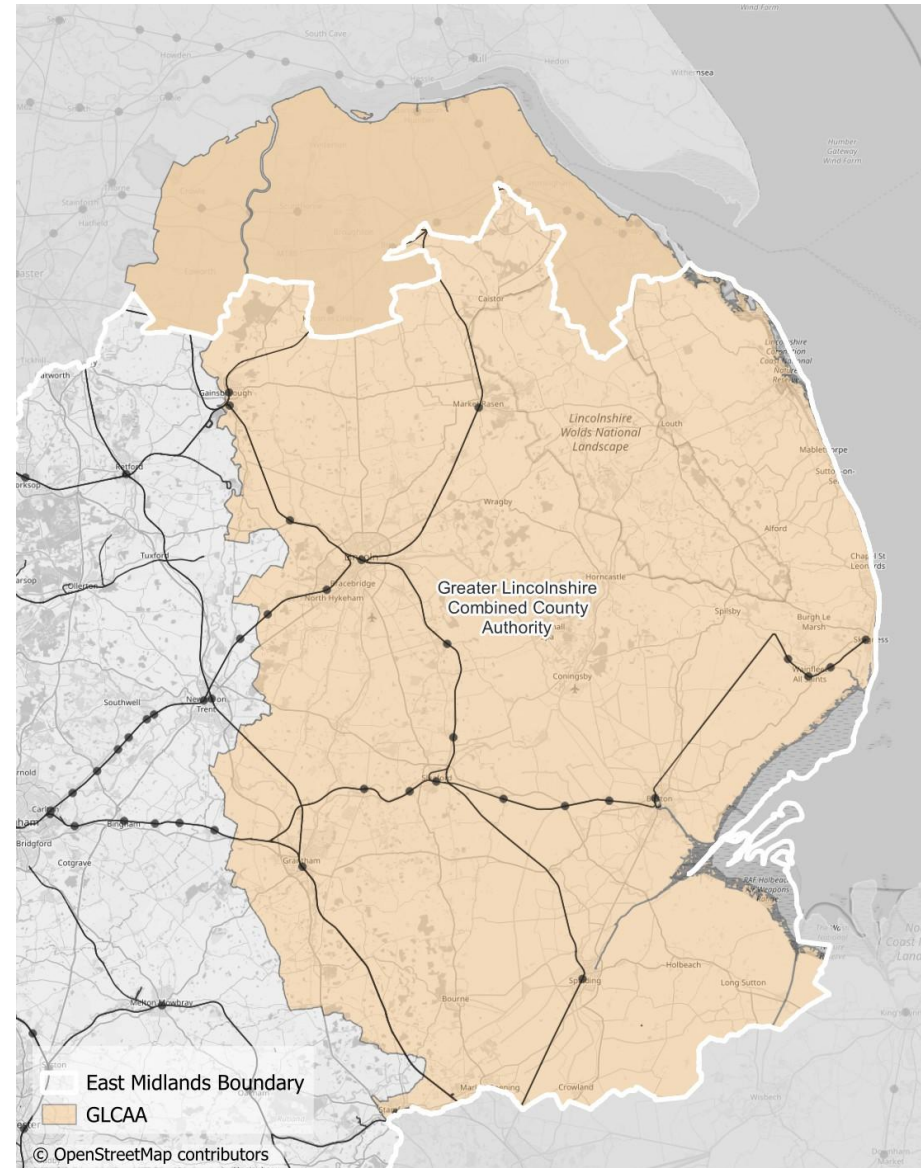
Table 21. Quick facts – GLCCA

Population	1.23 million (2024)
Employed residents	0.49 million
Workplace employment	0.43 million
Economic activity (GVA)	£28.9 billion
GVA per worker	£66,771
GVA per hour worked	£38.06
Key sectors	Agrifood; energy; power engineering and specialist engineering; defence
Key destinations and employment centres	Lincoln city centre, Cathedral and Castle, Lincolnshire Wolds, The Fens, Cleethorpes and Skegness seafronts, University of Lincoln, Port of Immingham, Grimsby docks

Geography

This rural sub-region – known as the UK’s ‘breadbasket’ – extends from the Humber Estuary (in the Yorkshire and the Humber region) and North Sea coast down to its border with Cambridgeshire, Rutland and Nottinghamshire. The River Trent, Newark-on-Trent, and rural Nottinghamshire and Leicestershire forms much of its western boundary, with its eastern coastline incorporating the seaside towns of Skegness, Mablethorpe and Cleethorpes. Other than Lincoln, its urban areas are a collection of port and market towns.

Its landscape ranges from The Fens, a low-lying area of waterways and agricultural land, to the Lincolnshire Wolds, a chalk hill range to the east of the sub-region’s only city, Lincoln, and designated as a National Landscape.



Economy

The GLCCA accounts for approximately 21% of East Midlands economic output, functioning as a nationally important centre for agri/food. It is also specialised in manufacturing (mostly food processing/packaging and engineering) although the largest sector by employment is wholesale and retail.

The economy has around four times the concentration of jobs in agriculture as the English average. Although agricultural employment makes up only around 2.1% of all direct jobs although there are many more in local supply chains. The economy is heavily underrepresented in finance, ICT and professional services.

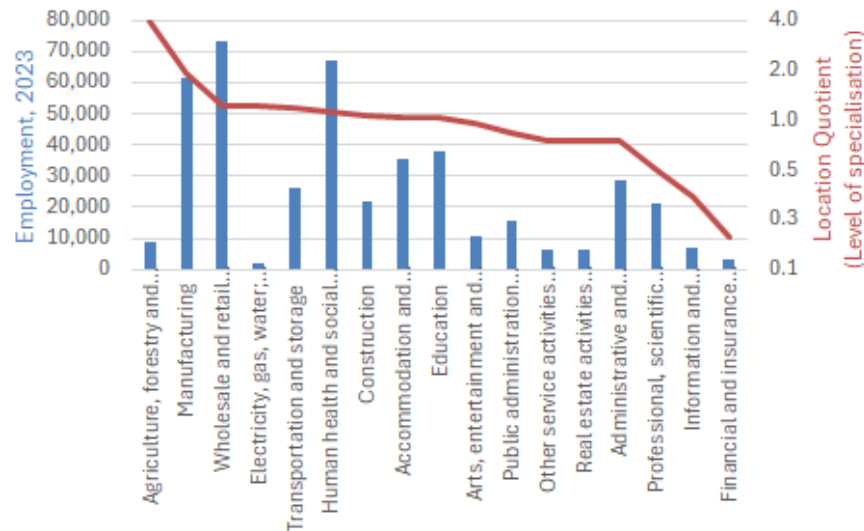


Figure 63. Sectoral employment and location quotient (GLCCA)

The region has a very low GVA per head. This is mainly due to significant out-commuting. Southern parts (South Holland, South Kesteven) act as a residential hinterland for employment centres outside the region – primarily Peterborough. Productivity is also held back by the sectoral mix, but particularly the occupational mix which drags productivity down by around 6% due to a very low share of professional occupations. Despite this, GVA per worker and wages are slightly above the East Midlands average (although this primarily reflects low urban

wages in Nottingham and Leicester bringing down the regional average rather than high wages in Lincolnshire).

Transport and connectivity

The road network is predominantly local town-to-town connectors, with only the A46 to Lincoln, the M180/A180 to the ports of Immingham and Grimsby, and a portion of the A1 past Grantham part of the strategic road network. The A52, A17 and A158 are key east-west routes, providing access to Boston, Horncastle, Market Rasen and the coastal towns. Many of these are single carriageway with a mixture of cars, freight traffic and agricultural vehicles, causing low journey times and reliability. The A46 and A17 are two crucial routes linking Lincolnshire’s agrifood sector to the distribution centres around the M1 corridor further west.

The East Coast Mainline serves Grantham, providing onward connections to Sleaford, Boston and Skegness via the Poacher Line. Lincoln is served by LNER services via Newark-on-Trent, with onward services to Market Rasen and Grimsby.

Humberside Airport and the Humber Freeport, with significant strategic growth and investment in the freeport planned in defence and agriculture, sit just outside the East Midlands in North and North East Lincolnshire. These are accessed via the M180/A180, the A15 to the Humber Bridge, and the station at Barnetby.

Table 22. Key transport statistics – GLCCA

Households without a car	16%
Travel to work by car (excluding work from home) (2021)	73%
Travel to work by rail (excluding work from home) (2021)	1%
Increase in motor vehicle kilometres since 2019	1%
Increase in freight vehicle kilometres since 2019	8%
Bus passenger journeys per head (2025)	16
Most used rail station (2024/25)	Lincoln (2.3m)
Rail station with highest (absolute) growth since 2014/15	Lincoln (+636,456)

6.4 Leicester, Leicestershire and Rutland

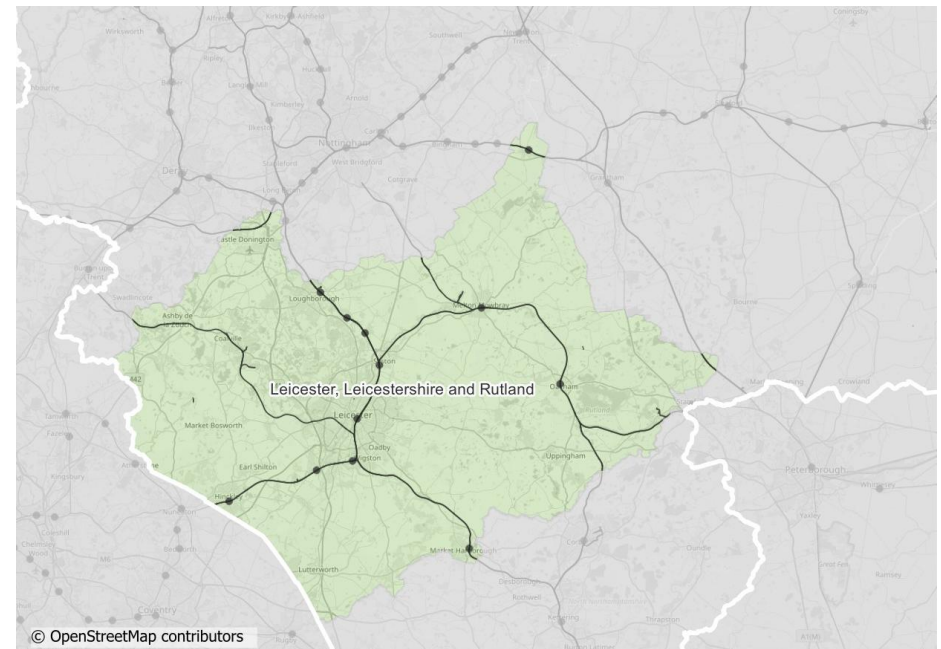
The area covering Leicester, Leicestershire and Rutland currently lacks a devolution deal, although the three councils agreed in 2023 to enter into negotiations for a non-mayoral deal, which have yet to conclude.

Loughborough, Hinckley, Melton Mowbray and Market Harborough. Rutland Water and Charnwood Forest are significant sites of environmental interest.

Rutland district itself is relatively distinct from the city of Leicester and its commuter belt. It is predominantly rural and is England’s smallest county with a population of just over 40,000 and an area of 382 km².

Table 23. Quick facts – Leicester, Leicestershire and Rutland

Population	1.18 million (2024)
Employed residents	0.55 million
Workplace employment	0.51 million
Economic activity (GVA)	£34.4 billion (2023)
GVA per worker	£67,532
GVA per hour worked	£38.23
Key sectors	Utilities, manufacturing
Key destinations and employment centres	Leicester city centre, King Power stadium, University of Leicester, De Montfort University, Loughborough University, National Space Centre, Rutland Water, East Midlands Airport and Gateway/Freeport



Geography

Relatively small and rural, the sub-region of Leicester, Leicestershire and Rutland sits in the heart of the East Midlands. It borders Warwickshire in the West Midlands to its west, Northamptonshire to its south, Lincolnshire to its east, and Derbyshire and Nottinghamshire to its north.

Leicester is its largest urban centre and only city, boasting two universities and an historic centre. Market and commuter towns punctuate its rural fringes, including

Economy

Leicester, Leicestershire and Rutland accounts for approximately 25% of East Midlands economic output. Like the EMCCA, it functions as a manufacturing economy with significant employment in wholesale and retail.

The economy is most specialised in utilities and manufacturing – both around twice as intensive as England as a whole. It is underrepresented in finance and ICT but, unlike the EMCCA and GLCCA, professional services are well represented.

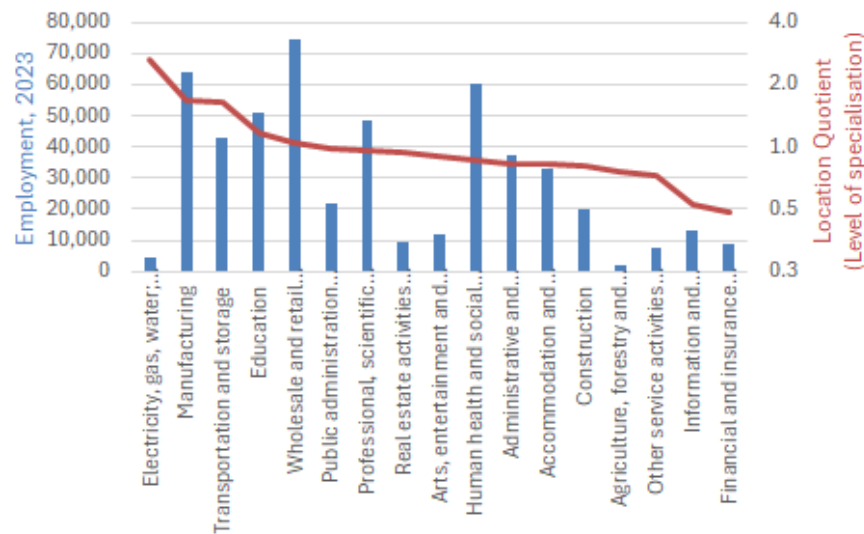


Figure 64. Sectorial employment and location quotient (Leicester, Leicestershire and Rutland)

The productivity gap compared to the English average is large – and largely unexplained. Industry mix and occupational mix disadvantage the area slightly but only explain a small part of the 13% productivity gap. Compared to the East Midlands average, GVA per worker is higher – although most of this is explained by longer working hours.

This is the only sub-region that sees net in-commuting. Although there is net out-commuting to destinations outside the East Midlands (primarily Birmingham and London), the region draws in around 13,000 net commuters from Nottinghamshire and Derbyshire, bolstering local economic activity. Although

wages are low in Leicester itself, wages across the rest of Leicestershire are some of the highest in the region.

Transport and connectivity

The M1 motorway passes north to south through the sub-region, connecting East Midlands Airport at the northern tip of Leicestershire, sitting at the heart of the wider region’s logistics ‘golden triangle’, and the junction with the M6 motorway north-east of Rugby in Warwickshire.

The M69 motorway connects to the M1 at the south-western edge of Leicester and provides connections south-west towards Coventry and onto Birmingham. Key local road corridors include the A42 providing a direct link between the M1 at Castle Donington and Birmingham and the A47 linking the city of Leicester with Peterborough to the east.

The Midland Mainline also passes through the sub-region, serving Market Harborough, Leicester and Loughborough and providing direct onward access to Sheffield and London.

Table 24. Key transport statistics – Leicester, Leicestershire and Rutland

Households without a car	19%
Travel to work by car (excluding work from home) (2021)	70%
Travel to work by rail (excluding work from home) (2021)	1%
Increase in motor vehicle kilometres since 2019	2%
Increase in freight vehicle kilometres since 2019	7%
Bus passenger journeys per head (2025)	83
Most used rail station (2024/25)	Leicester (5.5m)
Rail station with highest (absolute) growth since 2014/15	Leicester (475,110)

6.5 North Northamptonshire and West Northamptonshire

The two unitary authorities of North and West Northamptonshire do not currently have a devolution settlement. A potential alternative option to a future deal between the two East Midlands authorities has been mooted, which would bring in the neighbouring authorities of Bedford, Central Bedfordshire, Luton and Milton Keynes within a wider ‘South East Midlands’ combined authority.

Table 25. Quick facts – North Northamptonshire and West Northamptonshire

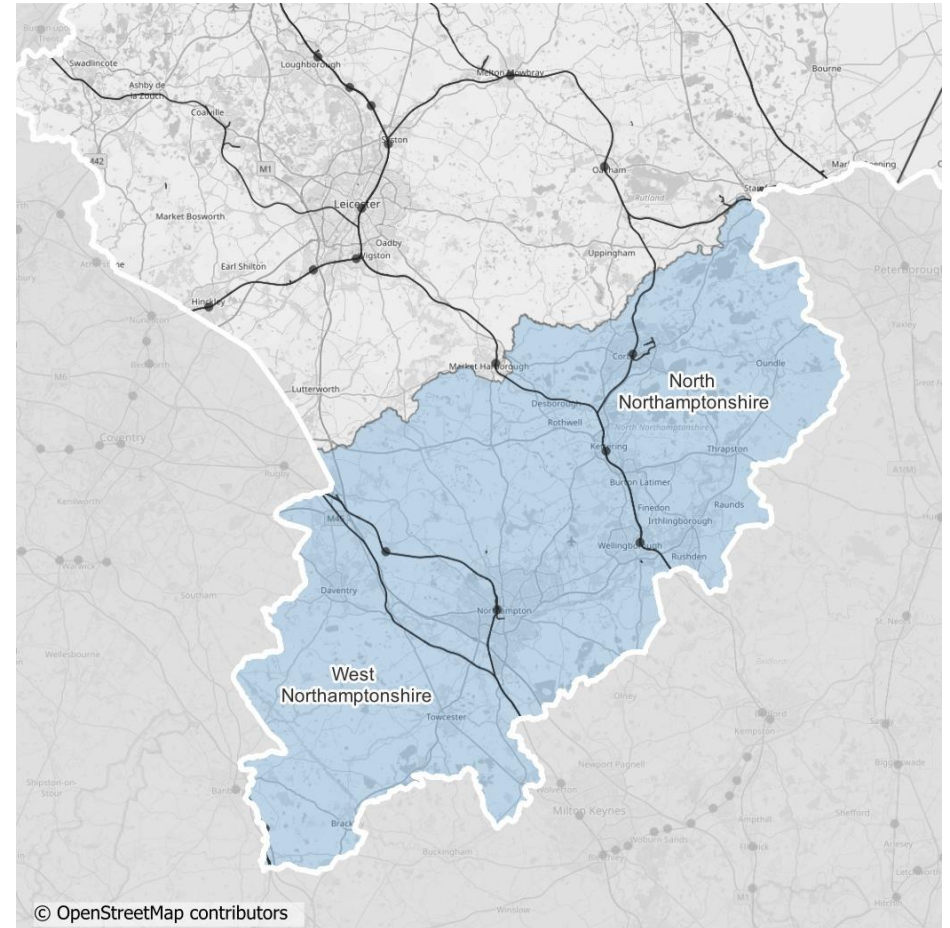
Population	0.81 million (2024)
Employed residents	0.40 million
Workplace employment	0.36 million
Economic activity (GVA)	£24.6 billion (2023)
GVA per worker	£67,456
GVA per hour worked	£37.61
Key sectors	Logistics, manufacturing, utilities
Key destinations and employment centres	Northampton town centre, wider rural and market towns, University of Northampton, Daventry IRFT and Distribution Centre, Silverstone Circuit and Technology Cluster

Geography

Sitting at the wider region’s southern end, North and West Northamptonshire links the rest of the East Midlands to the East and South-East of England, bordering Cambridgeshire, Peterborough, Oxfordshire and Buckinghamshire.

Northampton is one of the UK’s largest towns, a former industrial centre now boasting significant commercial development. Its other urban centres, such as Kettering, Corby, Wellingborough and Daventry, are a mix of historic market settlements and new towns.

Its rural areas are predominantly low-lying and agricultural, and feature the ancient Rockingham Forest to the north.



Economy

North and West Northamptonshire is the smallest of the sub-regions in economic terms, accounting for approximately 18% of East Midlands economic output. It specialises in transport and storage as well as manufacturing. Although it is underrepresented in ICT and finance, the economic structure is closer to the English average than other sub-regions.

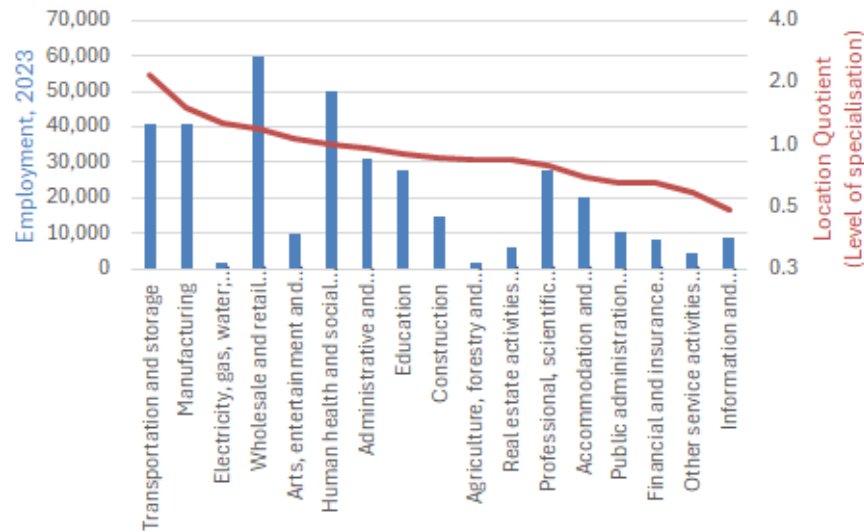


Figure 65. Sectorial employment and location quotient (North Northamptonshire and West Northamptonshire)

North and West Northamptonshire have a high employment rate and relatively long working hours, giving it the highest GVA per head in the region. Despite this, productivity still lags the national average by around 13%. Some of this gap is explained by the occupational mix which has a high share of people in elementary occupations and plant, process and machine operatives.

The sub-region attracts around 4,000 net commuters from Leicester and Leicestershire but is a prime commuting location to London, the South East (e.g. Oxford), the West Midlands and the East of England (e.g. Bedford) and provides around 4% of its workers to these places. Despite relatively high wages for the East Midlands the region still sees net out-commuting of around 4,000 workers.

Transport and connectivity

The M1 motorway runs through West Northamptonshire, with the A14 passing east-west past Kettering and connecting Cambridge to the east with the M6, M1 and Birmingham to the west.

Northampton rail station sits on the West Coast Mainline, offering frequent services to London, Milton Keynes and Birmingham. The Midland Mainline serves Kettering, Wellingborough and Corby, providing commuter and intercity services to London and north towards Derby, Nottingham and Sheffield.

The new High Speed 2 railway will pass briefly through the south-western edge of the sub-region, running close to the market town of Brackley, and will incorporate the 2.5km Chipping Warden tunnel passing underneath the realigned A361.

Table 26. Key transport statistics – North Northamptonshire and West Northamptonshire

Households without a car	16%
Travel to work by car (excluding work from home) (2021)	73%
Travel to work by rail (excluding work from home) (2021)	1%
Increase in motor vehicle kilometres since 2019	2%
Increase in freight vehicle kilometres since 2019	12%
Bus passenger journeys per head (2025) (North Northamptonshire)	11
Bus passenger journeys per head (2025) (West Northamptonshire)	27
Most used rail station (2024/25)	Northampton (2.8m)
Rail station with highest (absolute) growth since 2014/15	Corby (+290,420)

7. KEY THEMES AND INSIGHTS

7.1 Economic and geographical context

The analysis in previous chapters points to structural geographic and economic characteristics that are fundamental to understanding how the East Midlands economy functions. These characteristics shape patterns of settlement, production, commuting and trade.

Geographic structure

- **Centrality:** The East Midlands occupies a central position within England and within national networks. This has supported the development of nationally significant freight, logistics and distribution assets – including East Midlands Airport, the East Midlands Gateway and the M1 corridor – and underpins strong inter-regional connections. This centrality facilitates trade and outward commuting, particularly to London, the South East and the West Midlands. To capitalise on this, the region needs to maintain excellent interregional connections for passengers and freight.
- **Polycentricity:** The region is characterised by a distributed pattern of economic activity across several mid-sized cities and towns — notably Derby, Nottingham, Leicester, Northampton and Lincoln — rather than a single dominant urban core. While these centres are relatively close to one another, they do not operate as a fully integrated functional urban area. This limits opportunities for agglomeration, knowledge spillovers and deep labour markets when compared to larger metropolitan regions such as Greater Manchester or the West Midlands conurbation.
- **Low density:** Despite its central location, the East Midlands has relatively low population and employment density. Overall density is substantially below the England average and lower than neighbouring regions including the North West, West Midlands, East of England and South East. Large rural areas – particularly in Lincolnshire, Rutland and the Peak District – sit alongside a dispersed pattern of towns and smaller urban centres, constraining the scale and intensity of local labour markets.

Taken together, these geographic characteristics describe a region that is well-connected nationally but more weakly connected internally, with economic activity spread across space rather than concentrated.

Economic structure and performance

- **Late de-industrialisation:** The East Midlands was one of the last English regions to undergo large-scale de-industrialisation. While this has left a strong legacy in manufacturing, logistics and utilities, it has also meant that the transition towards a service-led economy began later and remains incomplete. As a result, the region retains a substantially higher share of activity in production-oriented sectors than the national average, alongside a lower share of higher-value service activities.
- **Sectoral mix skewed towards production activities:** The regional economy is highly specialised in manufacturing, transport and storage, utilities and related supply-chain activities. These sectors underpin the region's role in national and international goods movement and trade. By contrast, the East Midlands is under-represented in finance, information and communication, and professional, scientific and technical services, which are typically associated with higher productivity and wages.
- **Low productivity:** Productivity in the East Midlands, measured by output per hour worked, remains significantly below the England average and has fallen further behind over the past two decades. Analysis in Chapter 3 shows that part of this gap is explained by the sectoral and occupational mix, with a higher concentration of lower-productivity activities and occupations. Fragmented labour markets and limited agglomeration effects associated with low density further constrain productivity. Even after accounting for these factors, a residual productivity gap remains.

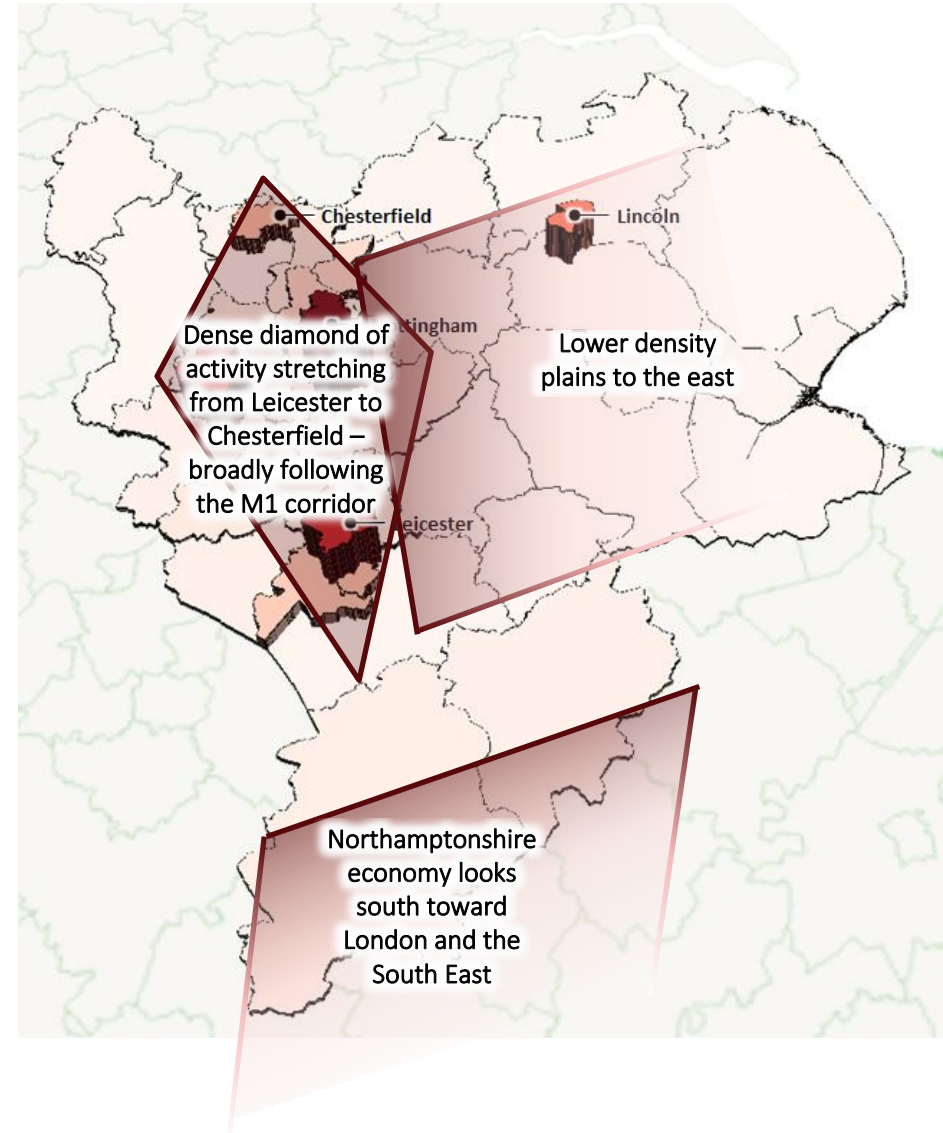
These economic characteristics are not independent of geography. Instead, they reflect the interaction between the region's settlement pattern, its industrial legacy, and the scale and connectivity of its labour and product markets.

A spatially differentiated regional economy

Within this overall structure, the East Midlands contains several distinct economic geographies, including:

- A dense corridor of activity stretching from Leicester through Nottingham and Derby to Chesterfield, broadly aligned with the M1 and containing the bulk of the region's population. This area also has relatively low carbon emissions due to its more urbanised population;
- A more outward-oriented southern economy in Northamptonshire, closely linked to London, the South East and adjacent to the Oxford–Cambridge area;
- A predominantly rural, production-focused economy across much of Lincolnshire, with Lincoln acting as a partial exception;
- Peripheral rural and coastal areas characterised by lower density, older populations and weaker labour market accessibility.

These spatial patterns are persistent features of the regional economy. They help explain observed differences in productivity, wages, commuting and sectoral specialisation across the East Midlands, and they provide the foundation for the thematic discussion in the remainder of this chapter.



7.2 Spatial structure, density and agglomeration

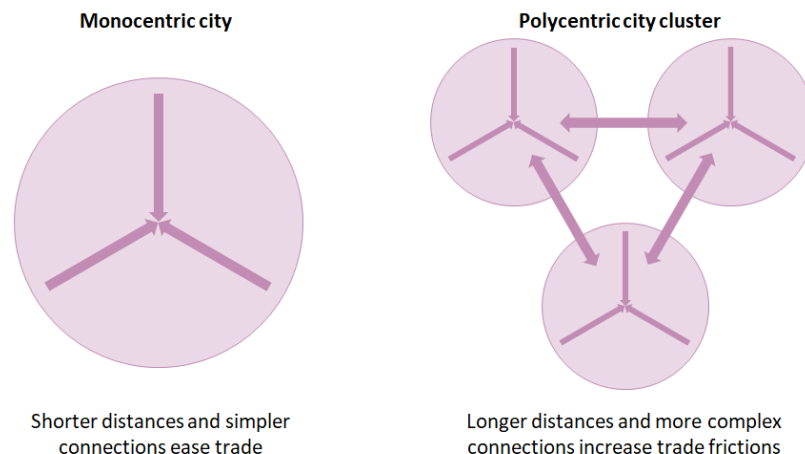
Economic research consistently shows that productivity is linked not simply to the size of an economy, but to its effective density — the concentration of employment weighted by the ease of interaction between firms and workers. Agglomeration benefits arise where dense labour markets support better matching, deeper skills pools and more frequent knowledge exchange. These effects are strongest in large, highly integrated urban economies.

Polycentricity and effective density

Economic activity in the East Midlands is distributed across several mid-sized cities and towns. Derby, Nottingham and Leicester each function as important centres, but none individually achieves the scale or density of larger metropolitan areas such as Greater Manchester or the West Midlands conurbation.

Empirical evidence suggests that polycentric regions tend to generate lower effective density than monocentric or highly integrated city-regions. Spatial separation of centres reduces the intensity of economic interaction because labour markets overlap less and firms draw from smaller pools of workers.

Research underpinning UK transport appraisal frameworks formalises this distinction by separating the effects of network position (centrality) from those of employment concentration. While central location improves accessibility, it cannot fully compensate for dispersed patterns of settlement and employment.



These effects are reinforced by the region’s low population and employment density, which is well below the England average. As shown in Chapter 3, job density in the East Midlands is low and the region experiences significant net outward commuting. Rather than operating as a single integrated labour market, the region comprises a set of overlapping but incomplete travel-to-work areas, many of which are oriented towards destinations outside the region.

Effective density is particularly low in Lincolnshire where the population is older, poorer and more dispersed. Good connectivity to and from Lincoln could help alleviate this to some extent but it is mainly a feature of spatial geography for which there is no quick fix. Low density partly reflects the county’s nationally important role in food production.

Over time, changes in the concentration of activity could be brought about by the pattern of housing growth – for example by concentrating in the dense diamond between Leicester, Derby, Nottingham and Chesterfield to boost agglomeration and help overcome the economic penalty of polycentricity. Housing growth forecasts show a wide distribution, including substantial growth in places that are less well connected such as North East Lincolnshire.

Implications for productivity

UK evidence typically finds that a 10% increase in effective density is associated with a 0.2–0.4% increase in productivity in service activities. The East Midlands exhibits many of the characteristics associated with weaker agglomeration effects in this literature: moderate urban scale, dispersed employment, low density and fragmented labour markets. This provides a structural explanation for the region’s productivity gap alongside the other factors discussed in Chapter 3.

Within this context, the corridor stretching from Leicester through Nottingham and Derby to Chesterfield stands out as the area with the greatest concentration of population and employment. However, even here, densities remain modest and functional integration incomplete. As a result, the agglomeration potential of the region’s economic heartland is only partially realised.

The productivity gap likely harms retention of graduates and fuels the net outward migration of younger, degree qualified residents. However, net migration is close to balancing so this is temporary and likely reflects early career job matching, with many people returning mid-career.

7.3 Long distance connectivity, trade and freight

One of the defining geographic characteristics identified in Section 6.1 is the centrality of the East Midlands within national transport and logistics networks. This position strongly shapes the region’s economic role, particularly in relation to trade, freight and long-distance connectivity.

The East Midlands functions as a highly open, trading-oriented economy, with strong economic linkages to Greater London, the South East and the West Midlands. These connections reflect both geographic proximity and the region’s position within national supply chains. Centrality reduces travel times to major markets and has supported the development of activities that serve customers across the UK and overseas rather than primarily local markets.

This role is reinforced by a concentration of nationally significant freight and intermodal assets, including East Midlands Airport, the East Midlands Gateway Strategic Rail Freight Interchange, and proximity to major east- and west-coast ports. Together with the M1 and parallel rail corridors, these assets place the region at the heart of the UK’s logistics system and underpin its strength in goods movement.

However, strong performance in logistics and distribution does not automatically translate into high levels of local value creation. The sectoral mix is skewed towards manufacturing, transport and storage, with relatively limited representation of higher-value service activities. International trade from the region is dominated by goods rather than services, reinforcing a pattern in which throughput and connectivity are high, but productivity and wages remain below national averages.

Long-distance passenger connectivity mirrors this outward economic orientation. Rail flows from the region are heavily directed towards London and other major cities outside the East Midlands, with a relatively low proportion of trips occurring wholly within the region. This pattern supports access to national labour and product markets but also reflects weaker internal integration between the region’s own economic centres.

Taken together, these characteristics reinforce the East Midlands’ role as a connector region within the national economy: well-positioned for the movement of goods and people, and highly integrated into external markets, but retaining a

smaller share of higher-value activity locally. This outward orientation is a structural outcome of geography and economic history.

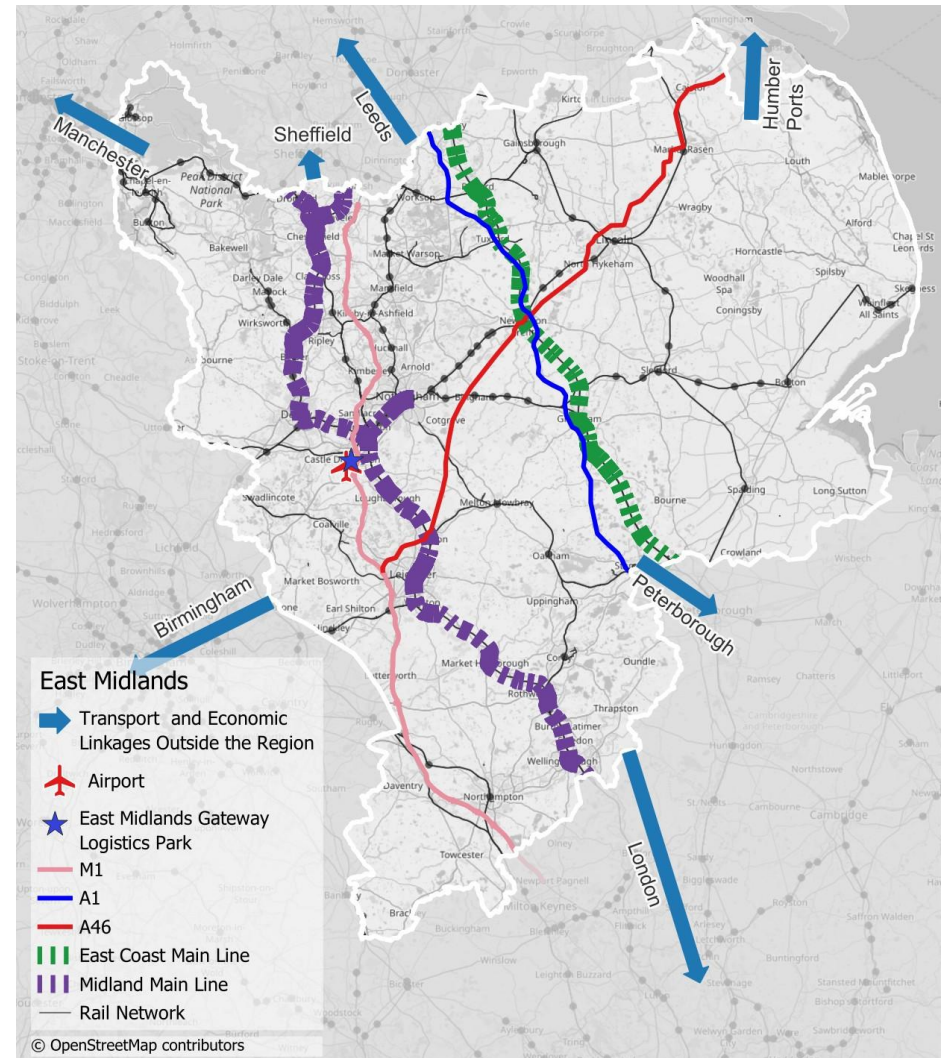


Figure 66. Strategic location of the region within the transport and logistics network

DHL at the East Midlands — a nationally connected logistics hub

DHL’s operations in the East Midlands illustrate the way central location and freight infrastructure support high-throughput national logistics. The region forms a key part of the UK’s “Golden Logistics Triangle” — an area from which most of the population can be reached within a four-hour drive, reinforcing national distribution efficiency.¹⁸

At the heart of this capability is East Midlands Airport (EMA), where DHL has established its largest UK hub. EMA is one of the UK’s busiest pure cargo airports, handling over 375,000 tonnes of freight valued at around £37bn in 2024/25, and hosting the major operations of DHL alongside other integrators such as UPS and FedEx.¹⁹ DHL occupies approximately 500,000 sq ft of dedicated freight space at the airport and has expanded logistics capacity nearby at SEGRO’s East Midlands Gateway, including a 700,000 sq ft automated warehouse built to serve national distribution needs.²⁰

Table 27. Road accessibility of UK freight terminals

Intermodal freight hub	Population accessible by road within four hours
East Midlands Gateway	60.7m
Daventry International Rail Freight Terminal	60.5m
Trafford Park Euroterminal (Greater Manchester)	58.5m
London Gateway	53.5m
Port of Southampton	48.4m
Eurocentral (Scotland central belt)	19.7m

¹⁸[Golden logistics triangle \(Wikipedia\)](#)

¹⁹[Logistics UK](#)



Figure 67. DHL East Midlands Gateway (Contollo Group)

This central hub location, adjacent to the M1 motorway and integrated with intermodal rail sites, allows DHL to reach a large share of the UK market quickly and efficiently. It supports high volumes of overnight and express freight movements that are critical to time-sensitive supply chains, helping maintain service coverage that few other UK locations can match. These locational advantages exemplify how geography and infrastructure combine to enhance the region’s role in national trade and logistics.

²⁰[Contollo Group](#)

7.4 Internal connectivity and labour markets

While long-distance connectivity integrates the East Midlands into national labour and product markets, internal connectivity plays a critical role in shaping how effectively the regional labour market functions. The interaction between spatial structure, transport networks and commuting patterns helps explain persistent differences in productivity, wages and employment outcomes across the region.

Poor local connections and fragmented labour market

As set out in Section 7.1, the East Midlands is a polycentric, low-density region. However, each city or town by itself does not have the scale to support a suburban commuter rail network – with the exception of the Nottingham Express Transit. Local transport investment in rail is low and local rail usage is very low.

This is reflected in the organisation of its labour markets. Rather than forming a single, large functional labour market, the region comprises a series of overlapping but incomplete travel-to-work areas, centred on individual cities and towns. Rail trips rates are low for internal trips.

Chapter 3 shows that job density in the region is low by national standards and that net outward commuting is significant. Many residents – particularly in Northamptonshire, High Peak and parts of Lincolnshire – access employment opportunities outside the region altogether. Even within the core corridor between Leicester, Nottingham and Derby, labour market integration remains partial, with commuting flows often oriented as much outward as inward.

Scale, accessibility and job matching

This pattern has important implications for labour market outcomes. Smaller, fragmented labour markets limit the range of accessible jobs for residents and constrain the pool of skills available to employers. For higher-skilled and higher-

paid roles in particular, limited accessibility reduces opportunities for effective matching between workers and firms.

The evidence presented earlier shows that:

- Wages in the East Midlands are consistently below the national average;
- Higher-value occupations are under-represented; and
- Many of the best-paid jobs accessed by residents are outside the region.

These outcomes are consistent with a labour market that lacks the scale and accessibility needed to support a broad range of high-value activities. While individual cities such as Nottingham, Derby and Leicester act as employment centres, none on their own generates a labour market large enough to replicate the benefits seen in larger metropolitan areas.

Internal connectivity and agglomeration

Internal connectivity therefore interacts directly with the agglomeration mechanisms discussed in Section 7.2. Limited integration between centres reduces effective density, weakens labour market pooling and constrains productivity growth. Transport networks that primarily support radial, outward-facing movements reinforce this pattern, strengthening links to external markets while leaving internal connections comparatively under-developed.

The result is a region that is well-connected externally but less so internally, with labour markets that are sufficiently open to allow outward commuting but insufficiently integrated to retain and generate higher-value employment locally.

This does not imply a lack of economic opportunity within the East Midlands. Rather, it highlights a structural characteristic of the regional economy: that labour market outcomes are shaped as much by spatial organisation and accessibility as by the quantity of jobs or workers alone.

8. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

8.1 SWOT analysis of the East Midlands

This section presents a strengths, weaknesses, opportunities and threats (SWOT) analysis of the East Midlands region, drawing on the evidence and indicators collated and presented in the preceding sections.

Strengths

- Strategic and central position in the country and in national transport networks.
- Well-connected with key national corridors and hubs - M1, A1, ECML, MML, EMA, EM Freeport.
- A national and international powerhouse in freight, logistics and distribution hubs.
- A large and diverse economy, with specialisms in manufacturing, transport and storage, utilities, and agrifood.

Weaknesses

- Poor outward rail connectivity to the West Midlands and internally between its urban centres.
- Investment in the MML has been paused with no future commitment to complete.
- Low productivity - GVA per head 24% below the English average.
- Low growth - regional output 17 pp below England in last 25 years.
- Low levels of higher education.
- An economy skewed to lower value occupations and sectors.
- Low density and dispersed urban areas constrain the scale and intensity of labour markets.

Opportunities

- Powerful but dispersed clusters - with investment in intra-regional connectivity potentially unlocking this potential.
- Investment in rail connectivity gaps would establish a very strong alternative to road.
- Low industrial land values provide opportunities for inward investment and internal growth at low cost.
- Relatively low land values provide conditions for significant housing growth.
- High housing mobility - residents are more able to achieve home ownership than previous generations.

Threats

- Public funding gap of £24bn over five years.
- Lowest public expenditure per head on all transport, and rail only, in the country.
- Left out of transformational strategic investment decisions - HS2 truncation and MML electrification pause.
- Long-distance connectivity supports an outward-facing labour market.
- Over one fifth of housing stock at risk of flooding.
- Relatively low value and low skill economy could become even more embedded without infrastructure investment.