Summary – What's Important about the East Midlands?

1. **Our Assets:**
   - The largest pure freight airport in the UK.
   - Two of the UK's three major north-south intercity lines (Midland Main Line and East Coast Main Line).
   - Access to major north-south road networks.
   - Availability of land for future development at affordable levels.
   - A well-balanced economy sectorally.

2. **Economic Growth:** Over the past two years the East Midlands has been at the front of the pack in terms of economic growth.
   - Productivity; the East Midlands outperformed all other regions apart from London, the South East, the East of England and Scotland. Between 2014 and 2015, the East Midlands saw the greatest rise in average gross weekly earnings of full-time employees at 11.3% - it is now the best paying region for full-time employees outside of the southern regions.
   - Over the past two years it has created jobs quicker than anywhere else in the country. At the end of 2015 it had an unemployment rate of 4.3% (against a national figure of 5.2%), down from 6.9% two years previously.
   - Between 2010 and 2014 the East Midlands had GVA growth of 15.2%; the highest in the UK, outside of London and the South East.

3. **Key Sectors:** The East Midlands is well represented in many of the key sectors targeted by the Government's economic strategy. The region has the highest proportion of manufacturing employment in England (16%) with huge potential for export-led growth (already 20% of GVA is exported). It also has a competitive advantage in:
   - Transport equipment manufacturing (26,000 jobs, £2.4bn GVA)
   - Food and drink manufacturing (57,000 jobs, £3.6bn GVA)
   - Construction (60,000 jobs, £5.9bn GVA)
   - Significant growth potential in power generating machinery, life sciences, logistics, low carbon goods and services, and the visitor economy [power generation, life sciences and low carbon technologies will likely be key components of the global economy in the coming decade].

   Our Key Challenges

4. **Transport:** We get a raw deal when it comes to public spending on transport! National statistics highlight that public spending on transport (2013/14) in the East Midlands was:
   - The second lowest spending per head of any region (after the South West) in the UK at £199; the England average is £279 and the figure for London is £511, the North West £266, the West Midlands £233, and Yorks & Humber £278.
   - The second lowest in total at £913m; for London it was £4.3bn, for the North West it was £1.89bn.
   - The lowest per head when indexed against total UK spending (100); and significantly less than comparator regions.

- And on rail - there is wide variation on spending on rail per head; London £294, Yorkshire & Humber £101, North West £89, West Midlands £50, and the East Midlands £37 – despite the growth in passenger journeys in the East Midlands being the highest in the country 5.7%.

5. **Education and Skills:** Despite recent successes in terms of wage growth and employment, at 12.8% the East Midlands still employs a greater proportion of its workforce in jobs classed as Elementary (unskilled and manual) than anywhere else in the country.
   - However, this figure is likely to develop: According to UKCES, it is predicted that across the East Midlands, the proportion of jobs held by people with a level 4 qualification or above will increase from approximately 35%-45% between 2012 and 2022, and the proportion of jobs held by people below level 2 will decline from approximately 21% to 15% over the same period.
   - In the 2011 Census 16.3% of East Midlands respondents had no qualifications against an England and Wales figure of 22.7%. At the other end of the spectrum, 25.8% had a degree or above as their highest qualification against an England and Wales figure of 27.2%.
   - But, in 2014/15 there were 48,060 apprenticeship starts in the East Midlands – one of the biggest increases in the country year-on-year (up 8,000 2013/14).
   - 66% of businesses report continual problems in recruiting new members of staff with suitable skills. Problems exist across all types of businesses and for all types of roles, from higher-skilled managerial positions down to lower-skilled manual or customer-service roles.

6. **Housing:** The East Midlands faces huge challenges in meeting its changing and diverse housing needs:
   - An identified a need for 400,000 new homes in the East Midlands over the next 20 years. To achieve this, 20,000 new homes need to be built every year but, in 2014/15, only 12,420 were built.
   - In national terms, the East Midlands does offer value for money and, with its with good transport links, areas in the south of the region are seeing people relocating from London and the South East.
   - However, this is helping to drive up prices; (in Oct 2015) in the twelve months to October 2015, the average cost of a house in the East Midlands rose by 6.3%, to £198,000 - more than seven times average earnings.
   - While many households are turning to private landlords, supply is not keeping pace with demand; resulting in soaring rents, with the average rent for the East Midlands now at £537.
   - With home ownership and renting privately beyond the reach of many people, there is growing demand for affordable rented housing. Housing associations and local authorities provided 3,340 new homes for rent in 2014/15 but this falls significantly short of what is required. As a result, 86,000 households are on housing waiting lists in the East Midlands and the number of homelessness applications has increased by 6.58% in the last year.

7. **Health:** There are a number of priority areas:
   a) Inequalities in health outcomes. Within the East Midlands there are major health inequalities and these are widening across many parts of the region.
   b) Inequalities in funding for healthcare in the East Midlands compared to elsewhere.
   c) A crisis in the recruitment and retention of the health workforce, for example:

- Over 30% of GP training vacancies in this region remain unfilled, against a 99% fill rate in London and a UK average of 90%.
- One of the lowest levels in England of full time nurses per head of population.
- The joint lowest number of consultants per head of population in the country.

8. **National Lottery Funding:** Using data from the National Lottery, since 1995, the East Midlands has received the 3rd lowest level of national lottery funding, with £1.7bn invested in 26,011 projects (approx. £370 per head of the population):
   - £6.3bn has been invested 47,000 projects in London (£750 per head); £2.8bn in the North West (£390 per head) and £2.3bn in the South-East.

9. **What are the 'Asks'?**
   - Given our existing economic baseline, sectoral spread, propensity to export and productivity gains - higher rates of economic growth will be achieved if the Government focuses a greater proportion of national investment in the East Midlands.
   - The National Lottery should demonstrate how the East Midlands is receiving a proportionate share of funding for good causes compared to elsewhere in the country.
   - The health challenges facing this region [health outcomes and the level of resources to address these], are in many instances, more challenging in this region than elsewhere.
   - There is a need for greater dialogue with Government. MPs, business and council leaders are a powerful lobbying force - policy development to support productivity gains, business investment and enhanced exporting will be best informed from the experiences of businesses and political leaders in the East Midlands.

10. **So…..Does Collective Leadership Work?** The answer is 'yes' but only if we pick our battles and then effectively organise our forces. There are 3 major infrastructure capital schemes that are testament to where the collective and co-ordinated efforts of MPs, business and council leaders have been successful in unlocking public investment into the region.

11. **Key Successes to Date**
    - A46 £750m of road investment
    - A453 £150m of road investment
    - MML £1bn+ of rail investment

12. **Current Context:** The East Midlands is core to 3 current Government investment proposals:
    - Midlands Engine
    - Midlands Connect
    - High Speed 2
