

The East Midlands in 2010: Introduction

A report prepared by *emda*

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Introduction

The East Midlands in 2010 is the updated Evidence Base that supports the Regional Economic Strategy (RES), 'A Flourishing Region'. It presents a statistical portrait of the East Midlands that identifies key challenges and issues that the region must address in order to create and sustain a 'flourishing region'. The East Midlands in 2010 reflects the latest data and research available to East Midlands Development Agency (*emda*).

The recent recession presents a particular challenge for a publication of this sort. Lags in the production of official statistics inevitably mean that many key data series do not yet reflect the full impact of the recession. For this reason, official data series are supplemented by more qualitative sources of economic intelligence where appropriate. In addition, the supporting narrative highlights data series that are particularly susceptible to problems associated with production time lags.

In developing this updated Evidence Base, *emda* has tried to be as comprehensive as possible in describing the condition of the East Midlands, while maintaining a strong focus on material of direct relevance to the RES and the policy levers available to regional partners. In all cases we have tried to use the most robust official data available to us, supplemented where appropriate by credible research and evaluation evidence from elsewhere. Wherever data availability has allowed, we have presented the performance of the East Midlands in a national and international context. It is our firm belief that a comparative perspective is essential if we are to truly understand the condition of the East Midlands and the magnitude of the challenges to be faced as we strive towards the ambitious vision articulated in the RES.

In analysing a region as sizeable and diverse as the East Midlands, a difficult balance must always be struck between presenting a coherent regional picture and satisfying legitimate demands for local detail. For the first time, this year we include sub-regional profiles produced in collaboration with county and unitary authorities within the region. These give The East Midlands in 2010 a more spatial character. We have also introduced new content that seeks to describe the 'spatial economy' of the region.

In light of the complex and interrelated economic, social and environmental challenges that the region will face, the Evidence Base is necessarily broad in its scope – with many elements providing essential context for the analysis of these challenges. Throughout, the focus is on factors that either influence or are influenced by the economic sphere, but our working definition of this sphere is broad and encompasses many factors relating to wellbeing, quality of life and the environment.

The remainder of the document is structured as follows:

- **Executive Summary**
- **Chapter 1** examines the demography of the East Midlands. It considers the structure of the population by age, gender and ethnic group. It considers recent population trends, including levels of migration, and the latest population projections¹. Key policy issues raised by this analysis are the rate of future population growth, which is expected to be among the fastest in the country, and the ageing of the population. Both will have a significant impact on public service provision in the region.

¹ It should be noted that on 27th May 2010, ONS published the 2008-based Subnational Population Projections for England. These projections supercede the 2006-based projections used in this chapter. We will revise and republish the relevant analysis as soon as is practicable.

- **Chapter 2** addresses housing in the East Midlands. It considers the quality of the housing stock and housing affordability. Most of the analysis is devoted to an assessment of the number of households in the region and how and why this is likely to change. The number of households is projected to increase rapidly in the East Midlands, with a significant impact on the demand for and cost of housing.
- **Chapter 3** examines the economy and productivity in the East Midlands. It presents an overview of current conditions in the global, national and regional economies. It considers how the region performs against the Government's five drivers of productivity, before concluding with a detailed assessment of the industrial structure of the East Midlands. The analysis suggests that productivity is still below the national average and that the recession may exacerbate a number of long standing structural issues.
- **Chapter 4** examines the labour market in the East Midlands. It assesses labour market participation in the region, the skills of the workforce, the structure of employment and earnings. Unemployment has increased as a result of the recession but is still below the national average. The East Midlands can still be considered to be in a low pay-low skill equilibrium.
- **Chapter 5** addresses issues of deprivation and economic inclusion. It examines the Index of Multiple Deprivation before analysing data on participation in employment and education by age, gender, ethnicity and disability. It then presents an analysis of data on barriers to participation, poverty and crime. The analysis shows that deprivation is focused in the urban areas, the former coalfield and on the Lincolnshire coast. It also shows that levels of labour market participation are relatively low among ethnic minorities and those with a disability.
- **Chapter 6** analyses transport and infrastructure in the East Midlands. It analyses data on modes of personal travel, freight, the use of ICT and land and property values. It shows that more journeys in the East Midlands are made by private car, contributing to congestion at particular times and places within the region.
- **Chapter 7** assesses data relating to the environment in the East Midlands. It begins with an assessment of global climate change before examining data on emissions, waste, water and energy. It makes use of detailed data on the geology of the region and assesses biodiversity and the historic environment. The key finding is that energy generation contributes significantly to greenhouse gas emissions, along with road transport, and that energy generation from renewable sources is relatively low.
- **Chapter 8** reviews the spatial structure of the region. Unlike previous sections it does not describe official statistics but brings together a number of pieces of research that report on how the region functions as an economic entity and its linkages to surrounding regions. The key message from the discussion in this section is that the East Midlands is a complex region, with no single dominant centre but a number of significant centres.
- **Chapter 9** presents a profile for each of the upper tier local authority areas in the East Midlands. These profiles have been provided by the relevant local authorities. They present key data on each sub-area and highlight particular local issues.
- **Annex 1** sets out detailed definitions of the sub-regional geographies that are used throughout this document.

- **Glossary of terms and acronyms**

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